

Grafoid joins global technology leaders at 'science park' in Kingston



Focus Graphite (TSXV: FMS; OTCQX: FCSMF; FSE: FKC) is developing one of the most important graphite projects in North America at Lac Knife, Quebec. Focus has already signed a 10-year strategic

agreement for up to 40,000 tons per year (400,000 ton total) of graphite concentrate with a Chinese-based industrial consortium located in the port city of Dalian, Lianing Province, China; one of the China's most important centers for trade and industry, and home to many of high-tech companies. Grafoid Inc. is Focus Graphite's graphene research and development partner, which has been cooperating with a number of companies worldwide to achieve a commercially viable graphene material.

It is not surprising, therefore, that Grafoid will join other Canadian and international (i.e. Thales, a major French aerospace and electronics conglomerate) advanced technology companies in setting up a research facility in Kingston, Ontario, to be inaugurated on August 20.

Why Kingston?

Kingston is the home of Queen's University, which runs the 'Innovation Park'. The Park is intended to promote and enhance internationally recognized research programs, and new research in scientific activities that will also benefit from the contribution of doctoral students and postdoctoral fellows. The Park is designed such as to encourage opportunities for

collaboration and interdisciplinary initiatives, building support for research and improve the execution of the search for national and international stakeholders and partners at local and global levels. This should ideally lead to securing funding and resources that will increase Grafoid's capacity and collaborative support research. Having established a presence at what the Canadian Government describes as a 'science park', that is by definition a business based on a university property, Grafoid will actually have the opportunity to promote – and benefit from – academic research and development through partnerships with other industries and academia, contributing to the growth of its business and encourage its development, benefiting from the mutual transfer and of technology between universities and industry. While Grafoid develops the mesograf and other graphene materials, its partner Focus Graphite is edging ever closer to the production stage at the Lac Knife project.

Grafoid is working with Altamat, a material specialist, to produce readily available 3D printing materials based on Grafoid's proprietary 'MesoGraf' product, which consists of chemically treated graphite. The material has the highest tensile strength value ever calculated, boasting a structure that is comparable to that of diamonds. MesoGraf was developed by Dr. Loh Kian Ping and Grafoid co-founder Dr. Gordon Chiu. The main difference between MesoGraf and all other attempts at developing a graphene material is that MesoGraf is finally able to offer the scalability that is needed to bring the material's potential to the market. A scalable graphene material implies that it can be made to address a large increase in users and applications without undue effort. Scalability has been the 'weak link' in graphene until now. MesoGraf will be derived using natural flake graphite ore from Focus's Lac Knife deposit in Quebec in a patented one-step process. Even this process is 'scalable' because, it can use any graphite ore with 10% or higher purity.

Improved metallurgical results from the Lac Knife Pilot Plant suggest that Focus Graphite has the potential to become one of the lowest-cost producers of graphite in the world, competitive – and appealing enough – even to Chinese end users. Indeed, Focus recently announced recently an upgrade to their PEA, such that a more efficient metallurgical process as has allowed the Company to reduce operating cost to 458 dollars per ton, leaving ample margins for profit , considering that graphite is costing about USD\$ 1,600-1,800/ton to produce, which falls within the range of Chinese suppliers. On August 8, Focus Graphite presented the technical report for the feasibility study. This means that Focus has further de-risked the Lac Knife Project, allowing the Company to work and complete detailed engineering, project financing, working toward the approval process. Moreover, the feasibility study gives Focus access to further funding levels, being in an even better position to negotiate with potential partners and vendors to put together financing packages for the technical equipment. The company's goal is to reduce the initial investment and to expand the range of available financing options. One alternative project financing solution may include stocks and low interest loans, strengthening economic fundamentals for the Project.