Grafoid secures significant partnership with one of the largest companies in Japan – Mitsui Co. Ltd.

On March 24, Grafoid Inc., part of Focus Graphite ('Focus', TSX.V: FMS | OTCQX: FCSMF), announced that it has signed a two-year memorandum of understanding (MOU) with Mitsui Co. Ltd.'s 'Advanced Materials Division'. The agreement provides for the parties to jointly commit to a one-year detailed market feasibility study to identify and evaluate market opportunities for graphene before the formalization of industrial and development projects in Japan.

Grafoid has an expanding and pioneering array of graphene developments backed by ventures and intellectual property rights, bringing graphene ever closer to commercial reality such as its MesoGraf™ series. Grafoid and its parent Focus Graphite have also been involved in advanced applications for lithium iron phosphate (LiFeP) battery materials in partnership with Hydro-Québec and the development of graphene-based repayment cancer therapies in partnership with Calevia Inc.

MesoGraf™ ('MesoGraf') represents nothing short of the first platform for the industrialization and commercialization of graphene. Stories about graphene's novel applications and their potential are published daily around the world. MesoGraf, therefore, represents the first tool through which to achieve graphene's potential, bridging the gap between the growing bodies of graphene research with actual commercialization of the material, essentially making the science available to the market. Until now, graphene has been limited to development and study in the laboratory; commercial

scale applications have not yet been possible. Mitsui asked Grafoid if it could test MesoGraf and the result is an agreement that will allow Grafoid and Mitsui to join efforts in searching for joint venture application partnerships within Japan.

The alliance with Mitsui is very significant; indeed, Mitsui Co. Ltd. is one of the largest of the seven traditional large trading companies (‘sogo shosha’). It is the largest company of the Mitsui Group and one of the largest companies in Japan. In its present form, the company was established in 1947 and now has 161 offices in 68 countries and 565 worldwide subsidiaries. Mitsui, like the other ‘Soshas’ is a generalist and deal in all manner of raw materials, intermediate products, finished products and services, be it chemicals, textiles, power plants and other large-scale systems and electronics. Their importance and power is due to unrivaled distribution networks, which support the sales of Japanese products and services around the world. This support also comes in the form of finding raw materials needed by Japanese industry to advance.

This is an ideal partner for Focus and Grafoid. Mitsui will likely use its channels and network to introduce graphene to Japanese battery manufacturers like Hitachi or Panasonic as well as automotive groups like Toyota or Nissan. MesoGraf has the potential of becoming the standard ‘go-to’ graphene material. MesoGraf was developed in a USD$ 100 million research facility at NUS 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 according to Focus.

The Province of Quebec and Japan have signed further collaboration agreements related to battery technology and materials, which will surely benefit Focus and Grafoid. Indeed, the Research Institute of Hydro -Québec (IREQ) and the Japanese group SEI Corporation have joined forces to commercialize a new technology in the field of Li-Ion batteries, complete with their own patents. Graphene coated anodes improve battery performance, providing better electrical connections between nanoparticles. When used with silicon, the graphene coats and protects it from direct contact with the electrolyte, slowing the chemical aging of the electrode. That is merely one advantage of graphene in batteries; and batteries are merely one application for graphene. The possibilities are endless.