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For Immediate Release
FMS: TSX-VENTURE

Focus Graphite Reports a 92% Increase in the Measured and Indicated Mineral Resource Categories at its Lac Knife Flake Graphite Project - to 9.6 million tonnes grading 14.77% Cg

OTTAWA, ONTARIO -- (Marketwire – January 28, 2014) - Focus Graphite Inc. (TSX-V:FMS)(OTCQX:FCSMF)(FRANKFURT:FKC) ("Focus" or the "Company") is very pleased to announce an update of its National Instrument 43-101 ("NI 43-101") mineral resource estimate for its 100%-owned Lac Knife graphite project, in northeastern Québec.

The resource estimate is based on both the 2012 and 2013 additional exploration and definition drilling programs for a total of 92 holes, and 9,103 meters that successfully achieved the designed goal to upgrade the quality of existing Indicated and Inferred resources to the Measured and Indicated categories. This is in addition to 105 previous drill holes that totalled 9,217 meters.

Measured and Indicated resources are now estimated at 9.6 million tonnes grading 14.77% Cg at a 3% Cg cut-off grade. Additionally there are 3.1 million tonnes of Inferred resources at 13.25 % Cg using a 3% cut-off in this updated resource estimate presented in Table 1 below.

Table 1. Lac Knife Mineral Resource Estimate
@ 3.0 % graphitic carbon ("Cg") cut-off

	Tonnage (t)	Cg (%)	In situ Graphite (t)
Measured	432,000	23.66	102,000
Indicated	9,144,000	14.35	1,312,000
Measured + Indicated	**9,576,000**	**14.77**	**1,414,000**
Inferred	3,102,000	13.25	411,000

Mineral resources are not mineral reserves and do not have demonstrated economic viability

Highlights

- Measured and Indicated mineral resources reported at a cut-off of 3.0% Cg increased in tonnage by 92% to 9.6 million tonnes grading 14.77% Cg compared to the previous estimate of 4.9 million tonnes grading 15.76% Cg reported at a cut-off of 5.0% Cg.
- Upgraded 432,000 thousand tonnes of Indicated resources to the Measured resource category grading an average of 23.66% Cg using a 3% cut-off grade.
- The updated resource estimate increased the in-situ Graphite content by 81%.
- The bulk of the 3.0 million tonnes previously classified as Inferred resource was successfully upgraded to the Measured and Indicated categories.
- Delineation of an additional 3.1 million tonnes of Inferred resources that is located within the southwest extension of the Lac Knife deposit.

As shown in Table 2 below, when comparing at the 5% Preliminary Economic Assessment (PEA) cut-off, the resource tonnage increased by 92% in the Measured and Indicated categories from 4.9 million tonnes grading 15.76% Cg in the PEA study to 9.5 million tonnes grading 14.86% Cg in this new update. This translated to an increase of 81% of in-situ graphite from 778,000 tonnes to 1.4 million tonnes in the Measured and Indicated categories.

In the Inferred resource category, the tonnage decreased by 2.0% from 3.0 million tonnes in the PEA study to 2.9 million tonnes in this resource update. The Inferred resource category average grade was reduced from 15.58% Cg to 13.75% Cg resulting in a reduction of 13.5% of in-situ graphite in this category from 467,000 tonnes down to 404,000 tonnes. These changes resulted from converting most of the 3.0 million tonnes of Inferred resources in the PEA study pit to the Measured and Indicated categories, and also by significantly extending the deposit to the south adding an additional 3.1 million tonnes of Inferred resources in the newly delineated South Central Zone which is still considered open in this direction by Focus (See Figure 1).

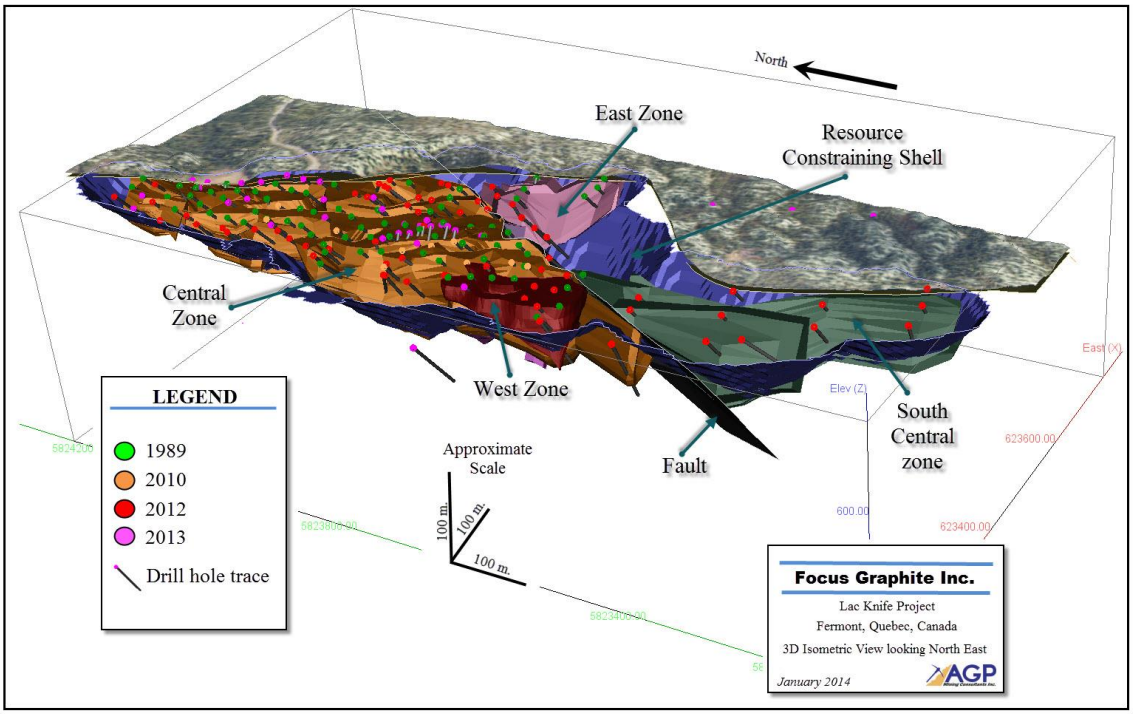
Another contributing factor was the reduction of the cut-off grade from 5% Cg in the PEA study down to 3% Cg in this update. The reduction in cut-off was driven by a higher selling price and higher concentrate grade.

Table 2. Sensitivity to cut-off change and comparison to previous estimate

		Updated Mineral Resource Estimate (3.0% Cg Cut-off base case)			**October 30th, 2012 PEA Mineral Resource Estimate (5.0% Cg Cut-off base case)**			**Percent Change**	
	Cut-off	**Tonnes**	**Cg%**	**Cg Tonnes**	**Tonnes**	**Cg%**	**Cg Tonnes**	**Tonnage**	**Graphite**
Measured	> 10.0	428,000	23.81	102,000	0		0		
	> 5.0	432,000	23.66	102,000	0		0		
	> 3.0	**432,000**	**23.66**	**102,000**					
	> 2.0	432,000	23.66	102,000					
Indicated	> 10.0	7,466,000	15.77	1,177,000	4,533,000	16.43	745,000	64.7%	58.0%
	> 5.0	9,065,000	14.44	1,309,000	4,938,000	15.76	778,000	83.6%	68.3%
	> 3.0	**9,144,000**	**14.35**	**1,312,000**					
	> 2.0	9,146,000	14.35	1,312,000					
Measured + Indicated	> 10.0	7,894,000	16.21	1,279,000	4,533,000	16.43	745,000	74.1%	71.7%
	> 5.0	9,497,000	14.86	1,411,000	4,938,000	15.76	778,000	**92.3%**	**81.4%**
	> 3.0	**9,576,000**	**14.77**	**1,414,000**					
	> 2.0	9,578,000	14.77	1,415,000					
Inferred	> 10.0	2,196,000	15.81	347,000	2,861,000	15.92	455,000	-23.2%	-23.7%
	> 5.0	2,941,000	13.75	404,000	3,000,000	15.58	467,000	-2.0%	-13.5%
	> 3.0	**3,102,000**	**13.25**	**411,000**					
	> 2.0	3,116,000	13.20	411,000					

The rounding of tonnes as required by NI43-101 reporting guidelines may result in apparent differences between tonnes, grade and contained graphite.

Figure 1. Isometric Representation of the major mineralized zones with resource constraining shell



Focus Graphite President and Chief Operating Officer Don Baxter stated: "We are very pleased to have further de-risked the Lac Knife project by increasing the quality and tonnage of the resource. This updated resource will be incorporated into a mineral reserve estimate in the feasibility study currently underway with Met-Chem.

"This announcement comes on the heels of our historic announcement of the signing of a 10-year off-take agreement with a Chinese industrial conglomerate, just as China announced it was shutting down approximately 20% of its flake graphite production in Shandong Province. This further illustrates the need for reliable, low cost, high quality graphite flake production outside of China," Mr. Baxter said.

"Again, Focus is showing that it has strong potential to meet these growing needs, and the updated resource indicates the Lac Knife project could potentially produce high quality graphite flake over a significant mine life, he added"

The updated mineral resource is based on 197 diamond drill holes totaling 18,320 metres of historic and recent drilling. This includes 104 surface diamond drill holes totaling 10,337 metres completed by Focus Graphite since 2010.

Mineral Resources have been reported within a constraining pit shell at a cut-off grade of 3.0% graphitic carbon ("Cg"). Details on the mineral resource estimation procedures are given in the notes below.

Notes on Mineral Resource Estimation Methodology

- Mineral resources are estimated in conformance with the CIM Mineral Resource definitions referred to in NI 43-101 Standards of Disclosure for Mineral Projects.

Pierre Desautels, P.Geo. Principal Resource Geologist of AGP Mining Consultants Inc. Qualified Person under NI 43-101 who is an independent of the Company, has prepared and authorized the release of the mineral resource estimates presented herein. Jeffrey Cassoff, Eng. Lead Mining Engineer of Met-Chem Canada Inc. and Qualified Person under NI 43-101 has reviewed the technical content of this News Release. This mineral resource estimate is an update of the resource estimated by Roche Limited Consulting Group effective December 5th, 2011 and later accepted (with a resource classification update) by RPA Consulting as part of a Preliminary Economic Assessment study dated October 30th, 2012.

- All drill holes are composed of diamond drill core that was sampled and assayed over the entire length of mineralized zones by sampling approximately 1.5 meter intervals. A QA/QC program was introduced during the 2010 drill program and was expanded during the 2012 and 2013 drill program to include the insertion of standards, duplicates, and blanks and check assays at a secondary laboratory.
- Specific gravities were determined at the IOS laboratory, located in Chicoutimi Quebec. A total of 5,133 specific gravity results exist in the database that was collected by IOS since the 2010 drill program. Due to the strong correlation between sulphur and the bulk density estimates, a density model was interpolated with the same parameters used for the sulphur model. The interpolated density model ranges from 2.64 g/cm^3 to 3.05 g/cm^3 averaging 2.81 g/cm^3
- Detailed geological logging and sectional interpretations by Focus Graphite led to the development of a three-dimensional (3D) domain model based on lithology and grade boundaries. The wireframe modelling resulted in outlining three major mineralized zones with eight minor accessory zones. Grade is typically above 3% within the wireframes but was as low as 1% in local lower grade zones within high grade domains that were utilized in the variography studies, and in the grade interpolation constraints.
- For the treatment of outliers, each statistical domain was evaluated separately and no top cut was necessary. However, a search restriction of 30 x 30 x 30 meters was imposed on threshold values of 38% Cg in order to restrict the influence of the highest values during the interpolation process.
- The composite intervals selected were 3.0 metres in length.
- A 3D geological block model was generated using GEMS© software. The block model matrix size is 6 x 6 x 5 metres. Ordinary kriging was used for all domains with inverse distance and nearest neighbour check models. The interpolation was carried out in multiple passes with increasing search ellipsoid dimensions. Classification for all models was based primarily on the pass number, distance to the closest composite and the krige variance. The Measured classification was only retained in the area, in proximity to, the bulk sample pits. No adjustment to the classification was made for blocks interpolated primarily with historical holes since these were found to be adequate for resource modelling.
- The reported mineral resources are considered to have reasonable prospects of economic extraction. Met-Chem created a pit shell using the Lerchs-Grossman pit optimization algorithm and design parameters including costs, sales price, and the open pit mine, and concentrator operating parameters that were derived from the

Updated Preliminary Economic Assessment (see News Release dated November 7th, 2013) as well as typical regional cost estimates;

  - Selling Price: 2,000 $/t (FOB Sept-Iles);
  - Mill Recovery: 91.089%;
  - Concentrate Grade: 96.6% Ct;
  - Pit Slope: 45 degrees;
  - Mining Cost: 6 $/t mined;
  - Processing Cost: 40.61 $/t milled;
  - Transportation Cost: 25 $/t of concentrate;
  - Administration and Infrastructure Cost: 15 $/t milled.

- The resulting pit shell encompasses most of the estimated Measured, Indicated and Inferred Resources. The rounding of tonnes as required by NI 43-101 reporting guidelines may result in apparent differences between tonnes, grade and contained graphite.
- Mineral resources are not mineral reserves and do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
- The quantity and grade of reported Inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred mineral resources as Indicated or Measured mineral resources and it is uncertain if further exploration will result in upgrading them to the Indicated or Measured mineral resource categories.

Lac Knife Project

The Lac Knife project comprises 57 map-designated claims covering 2,986.31 ha located in Esmanville Township (NTS map sheet 23B/11), 27 km south-southwest of the iron-mining town of Fermont, in the Côte-Nord administrative district of Québec. Focus acquired a 100% interest in the project in October 2010. A map showing the location of the Lac Knife project is available on the company's website at www.focusgraphite.com.

The mineralization at Lac Knife is hosted in biotite-quartz-feldspar paragneiss and schist of the Nault Formation, in association with iron formations of the Wabush Formation. These are equivalent to the lower Proterozoic Labrador Trough rocks affected by the late Proterozoic Grenvillian orogeny. High grade metamorphism and folding associated with the Grenvillian orogeny has resulted in the formation of important concentrations of graphite dominated by value-enhanced large flakes.

Sampling, Assaying and QA/QC

The entire drill cores were logged at the Lac Knife camp and shipped to the IOS facilities in Chicoutimi for sample preparation. Two slabs of about 1/4 of the 4 inch diameter PQ core were sawed parallel on each side of the central axis of the core. One of the slabs was earmarked for geochemical analysis while the other slab was kept as a witness sample. Center parts of the core are kept for possible subsequent uses. The samples are mostly 1.5 m

in length with variances from 0.5 m to 1.8 m). Slab samples were dried before processing for density measurement, crushing and grinding at the IOS sample preparation laboratory.

Once prepared, the samples were sent to the Consortium de Recherche Appliquée en Traitement et Transformation des Substances Minérales ("COREM"), an ISO/IEC 17025:2005 certified facility in Québec-City, for graphitic carbon (Cg) analysis using LECO high frequency combustion method with infrared measurement (internal analytical code LSA-M-B10 for graphitic carbon; ISO 9686:2004). For the measurement of graphitic carbon, the sample is pre-treated with nitric acid, placed in a LECO capsule and introduced in the furnace (1,380ºC) in an oxygen atmosphere. Carbon is oxidized to CO2. After the removal of moisture, gas (CO2) is measured by an infrared detector and a computerized system calculates the concentration of graphitic carbon (% Cg). Total sulphur was also analyzed by LECO (code LSA-M-B41) (Table 1). For sulphur determinations, the sample is placed in a LECO capsule and introduced in the furnace (1,380ºC) until sulphur is oxidized to SO2. After the removal of moisture, gas (SO2) is measured by an infrared detector and a computerized system calculates the concentration of total sulphur (% S).

Under the QA/QC program, about 10% of the samples were analyzed by COREM for total (code LSA-M-B45), organic (code LSA-M-B58), inorganic (code LSA-M-B11) and graphitic (code LSA-M-B10) carbon as well as for total sulphur. Duplicates of these samples were also sent to ACTLABS Laboratories in Ancaster, Ontario (ISO/IEC 17025:2005 with CAN-P-1579) for graphitic carbon (code 5D – C Graphitic) and total sulphur (code 4F – S Combustion infrared detection) determinations and for 35 multi-element analysis using ICP methods (code 1E2 – Aqua Regia). IOS introduced standards, duplicates (sawing, crushing or grinding duplicates) and blank samples into each batch of core samples as part of the QA/QC program.

Qualified Persons

Benoit Lafrance, Ph.D., geo (Québec), Focus Vice-President of Exploration and Don Baxter, P. Eng., Focus President & Chief Operating Officer, both Qualified Persons as defined by NI 43-101 guidelines, have reviewed and approved the technical content of this news release. Pierre Desautels, P.Geo. Principal Resource Geologist of AGP Mining Consultants Inc. Qualified Person under NI 43-101 who is independent of the Company, has prepared and authorized the release of the mineral resource estimates presented herein. Jeffrey Cassoff, Eng., Lead Mining Engineer of Met-Chem Canada Inc. and Qualified Person under NI 43-101 guidelines has reviewed the technical content of the News Release.

About Focus Graphite

Focus Graphite Inc. is an emerging mid-tier junior mining development company, a technology solutions supplier and a business innovator. Focus is the owner of the Lac Knife graphite deposit located in the Côte-Nord region of northeastern Québec. The Lac Knife project hosts a NI 43-101 compliant Measured and Indicated Mineral Resource Estimate* of 9.6 million tons grading 14.77% graphitic carbon (Cg) as crystalline graphite with an additional Inferred Mineral Resource Estimate* of 3.1 million tons grading 13.25% Cg of crystalline graphite. Focus' goal is to assume an industry leadership position by becoming a low-cost producer of technology-grade graphite. On November 7, 2013 the Company released the results of an updated Preliminary Economic Assessment ("PEA") of the Lac Knife Project which indicated that the project has very good potential to become a graphite producer. As a technology-oriented enterprise with a view to building long-term, sustainable shareholder value, Focus also invests in the development of graphene applications and patents through Grafoid Inc.

Forward Looking Statement

This News Release contains "forward-looking information" within the meaning of Canadian securities legislation. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Generally, such forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: (i) volatile stock price; (ii) the general global markets and economic conditions; (iii) the possibility of write-downs and impairments; (iv) the risk associated with exploration, development and operations of mineral deposits; (v) the risk associated with establishing title to mineral properties and assets; (vi)the risks associated with entering into joint ventures; (vii) fluctuations in commodity prices; (viii) the risks associated with uninsurable risks arising during the course of exploration, development and production; (ix) competition faced by the resulting issuer in securing experienced personnel and financing; (x) access to adequate infrastructure to support mining, processing, development and exploration activities; (xi) the risks associated with changes in the mining regulatory regime governing the resulting issuer; (xii) the risks associated with the various environmental regulations the resulting issuer is subject to; (xiii) risks related to regulatory and permitting delays; (xiv) risks related to potential conflicts of interest; (xv) the reliance on key personnel; (xvi) liquidity risks; (xvii) the risk of potential dilution through the issue of common shares; (xviii) the Company does not anticipate declaring dividends in the near term; (xix) the risk of litigation; and (xx) risk management. Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued exploration activities, no material adverse change in metal prices, exploration and development plans proceeding in accordance with plans and such plans achieving their stated expected outcomes, receipt of required regulatory approvals, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Such forward-looking information has been provided for the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this News Release, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

Contact:

Mr. Don Baxter, P.Eng
President and Chief Operating Officer
705-789-9706
dbaxter@focusgraphite.com
www.focusgraphite.com