

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1      Name and address of the Company**

Focus Graphite Inc. (the "Company" of "Focus")  
945 Princess Street  
Kingston, Ontario K7L 0E9

**Item 2      Date of material change**

June 20, 2017.

**Item 3      News release**

The press release was issued and distributed on June 20, 2017 via Marketwired.

**Item 4      Summary of material change**

Focus announced closing of a private placement

**Item 5      Full description of material change**

**5.1 - Full description of material change**

Focus announced the closing of a non-brokered private placement (the "Offering") for proceeds of \$1,050,000. The Company has issued 11,666,666 flow-through common shares of the Company (the "Flow-Through Shares") at a price of \$0.09 per Flow-Through Share.

In connection with the closing of the Offering, the Company paid cash finder's fees totaling \$76,000 and issued 844,444 non-transferable warrants, each warrant entitling the holder to acquire one (1) common share of the Company at a price of \$0.09 per common share until June 20, 2019.

The securities issued in connection with the closing of the Offering are subject to a four-month hold period expiring on October 21, 2017. The Offering is subject to the final approval of the TSX Venture Exchange.

A director of the Company purchased a total of 1,111,111 Flow-Through Shares. His participation under the Offering constitutes a "related party transaction" as defined under National Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("NI 61-101"). However, such participation is exempt from the valuation and minority shareholder approval requirements of NI 61-101 based on the fact that neither the fair market value of the Offering, nor the consideration paid by such person, exceeds 25% of the Company's market capitalization. The Company did not file a material change report at least 21 days prior to the closing of the private placement as participation of the insider had not been established at that time.

**5.2 - Disclosure for Restructuring Transactions**

Not applicable.

**Item 6      Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7        Omitted Information**

None.

**Item 8        Executive Officer**

Judith Mazvihwa-MacLean  
Chief Financial Officer  
Telephone: 613-241-4040

**Item 9        Date of Report**

June 21, 2017.