ELCORA

ELCORA ADVANCED MATERIALS CORP.

NEWS RELEASE

October 4, 2016

ELCORA ANNOUNCES FIRST SHIPMENT OF PROCESSED GRAPHITE

HALIFAX, NOVA SCOTIA -- (*Newsfile* – October 4, 2016) – ELCORA ADVANCED MATERIALS CORP. (TSX-V:ERA |OTCQB:ECORF| Frankfurt:ELM), (the "Company" or "Elcora") today announced the first shipment of processed graphite originally extracted from its Ragedara mine located in Sri Lanka. The shipment was distributed by thyssenkrupp Metallurgical Products..

“Our first shipment represents our most significant milestone to date,” said Troy Grant, Elcora’s President and CEO. “It validates our strategy of becoming a vertically-integrated producer of graphite and our 10-year agreement of working closely with thyssenkrupp Metallurgical Products. This first shipment now paves the way for us to generate cash flow from operations.”

Elcora processed the graphite at its processing plant, which is also located in Sri Lanka, using proprietary technology delivering a cleaner and more economical product.

The Company also announced that it is increasing its workforce at its processing plant to increase production and meet product demand. There is currently more than one thousand tons of extracted graphite from the Ragedara mine waiting to be processed*.

Ian Flint, Ph.D., P.Eng., is the Qualified Person as defined under NI 43-101 who has reviewed and is responsible for the technical information presented in this news release.

**While the Company is confident with its production decision it cautions readers that the Company it is not basing its production decision on a feasibility study of mineral reserves to demonstrate economic and technical viability. The production decision involves increased uncertainty and various technological and economic risks. Technical risk could be increased exposure to loss as result of design and engineering, manufacturing, technological processes and test procedures. Economic risk could be the risk that the project’s output will not be salable at a price that will cover the project's operating and maintenance costs.*

About Elcora Advanced Materials

Elcora was founded in 2011 and has been structured to become a vertically integrated graphite & graphene company that mines, processes, refines graphite, and produces both the graphene and end user graphene applications. As part of the vertical integration strategy, Elcora has secured high-grade graphite and graphene precursor graphite from its interest in the operation of the Ragedara mine in Sri Lanka which is already in production. Elcora has developed a unique low cost effective processes to make high quality graphite and graphene that are commercially scalable. This combination means that Elcora has the tools and resources for graphite and graphene vertical integration.

For further information please visit the company's website at http://www.elcoracorp.com

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