



ELCORA ADVANCED MATERIALS CORP.

NEWS RELEASE

February 2, 2017

ELCORA ANNOUNCES CLOSING OF PRIVATE PLACEMENT

HALIFAX, NOVA SCOTIA -- (*Newsfile* – February 2, 2017) – Troy Grant, President and CEO of ELCORA ADVANCED MATERIALS CORP. (TSX-V:ERA | OTCQB:ECORF | Frankfurt:ELM), (the "Company" or "Elcora"), is pleased to announce that the Company closed the first tranche of the non-brokered private placement financing (the "Private Placement") announced on January 31, 2017. The Private Placement is up to 20,370,370 units ("Units") at a price of \$0.27 per Unit to raise aggregate gross proceeds of up to \$5,500,000. Each Unit will be comprised of one common share and one common share purchase warrant. Each full warrant gives the holder the right to purchase one additional common share of Elcora at an exercise price of \$0.34 for two years following the closing of the Private Placement. The term of the warrants may be accelerated in the event that the issuer's shares trade at or above a price of \$0.60 cents per share for a period of 20 consecutive days. In such case of accelerated warrants, the issuer may give notice, in writing or by way of news release, to the subscribers that the warrants will expire 45 days from the date of providing such notice.

Elcora has issued 9,326,093 Units at a price of \$0.27 per Unit for aggregate gross proceeds of \$2,518,045. In addition the Company issued 9,326,093 share purchase warrants entitling the holder to purchase one additional common share of Elcora at an exercise price of \$0.34 for two years following the closing of the Private Placement. The term of the warrants may be accelerated in the event that the issuer's shares trade at or above a price of \$0.60 cents per share for a period of 20 consecutive days. In such case of accelerated warrants, the issuer may give notice, in writing or by way of news release, to the subscribers that the warrants will expire 45 days from the date of providing such notice. The Company will pay finders' fees of \$44,283 in cash and 164,010 in common shares in connection with this tranche of the Private Placement.

All securities issued pursuant to the Private Placement will be subject to a statutory four-month hold period. The proceeds from the Private Placement will be used to increase the output of the Sri Lanka mining site in order to meet the demand, continued Lithium-Ion battery testing and development and for general corporate purposes.

The Company also announce that the board of directors of Elcora granted a total 2,000,000 stock options to certain officers, directors and consultants to the Company pursuant to the Company's incentive stock option plan. The options are exercisable at a price of \$0.35 per common share and expire on February 2, 2021.

The Company has resolved to extend the expiry date of 2,632,643 share purchase warrants issued pursuant to a non-brokered private placement financing in August 2014 (the "2014 Warrants"). The extension is subject to final TSX approval.

Each 2014 Warrant was exercisable to purchase one common share of the Company at an exercise price of \$0.43 per share until February 16, 2017, which expiry date has now been extended to February 16, 2018. All other terms of the 2014 Warrants remain unchanged and in full force and effect.

Warrant holders are advised that replacement warrant certificates will not be issued. In order to effect the exercise of such warrants, the original warrant certificates must be delivered as directed in the warrant certificates.

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>

For further information please contact: Troy Grant, Director, President and CEO, Elcora Resources Corp., T: 902 802-8847 F: 902 446-2001.

CAUTIONARY STATEMENT:

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release. No stock Exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This News Release includes certain "forward-looking statements". All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding potential mineralization and reserves, exploration results, and future plans and objectives of Elcora, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Elcora's expectations are exploration risks detailed herein and from time to time in the filings made by Elcora with securities regulators.

Investors are cautioned that, except as disclosed in the filing statement prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon.