

HALIFAX, NOVA SCOTIA / ACCESSWIRE / January 3, 2017 / [Elcora Advanced Materials Corp.](#) (TSXV: ERA) (FSE: ELM) (OTCQB: ECORF), (the "Company" or "Elcora") provides the following corporate update:

The management at Elcora would like to wish all its shareholders and followers a happy and successful 2017. As we enter 2017, Management would like to provide a detailed update on the Company's operations. Since its inception four years ago, Elcora has focused on the processing side of the business as opposed to simply extracting materials from a mine. In the graphite industry, it is very important to control the source in order to ensure quality and proper volume. However, the majority of the profits lie in the downstream technological applications of graphite. Given this nature of the graphite industry, Elcora has pursued a vertically integrated strategy to capture profits in all aspects of the value chain and deliver outstanding returns to shareholders. The following is an update on each aspect of the company's operations.

Sakura Joint Venture (Sri Lanka mining and processing joint venture)

The first element in Elcora's vertically integrated chain is the supply of graphite. In June of 2014, the Company concluded a deal with the Sakura company, who owns the recently reopened Ragedara Mine. Through this deal, Elcora became a 40 percent shareholder and operator of the mine. Additionally, Elcora recently hired an experienced Mining Director from Germany, with the objectives of increasing output and productivity over the next few years. While Ragedara's historical peak production was 18,000 metric tons per year, work is being performed in order to bring production back to 4,800 metric tons per year. The geological data indicates that the top 100m of the approximately 300m ridge has been mined out but that the zone below this level is conductive and the vein structures continue at depth. A neighboring government run graphite mine is currently extracting at 600m below surface level. The Company has been conducting a diamond drill program to identify minable zones and develop the mine workings to access the deeper areas, in line with the short-term goal of increasing the production to 4,800 tons per year. A graphite processing plant has also been built next to the mine and is currently in production.

In February of 2016, Thyssenkrupp signed an exclusive high quality graphite marketing deal with Elcora for North American and European markets. The first delivery of graphite through this agreement has already been made with many more currently under way. The processing plant built last year by Elcora in Sri Lanka is currently being modified to increase production from 2,500 tons per year to 5,000 tons per year. Further plant capacity can be added as needed. At Ragedara, Elcora is producing graphite quality from 96% C to 98% C, or better, which is also used in the Company's value-added businesses detailed below.

Graphite Processing

In late in 2014, the Company developed proprietary technologies that allow it to upgrade graphite coming from other sources around the world. As a result, Elcora has signed two off-take renewable agreements with graphite mining companies to purchase up to 10,000 tons of graphite per year for ten years. This has helped the Company to not only mitigate the risks associated with having a sole source of graphite, but also to decouple the production of value-added products from the production limitations of any one mine. Additionally, this will ensure adequate supply and graphite purity required by the Company for its value-added endeavors.

Anode Graphite

In keeping with its vertically integrated strategy, Elcora is now involved with anode graphite for lithium-ion batteries. In 2016, the Company partnered with Coulometrics to help develop and verify a process to make graphite anode materials, with the goal of becoming a leading supplier of anode materials to North American and European battery manufacturers. The cell data was very encouraging and the Company continues development work and testing. Based on the excellent results so far, these anodes for lithium-ion batteries are now also being tested by two battery manufacturers. Elcora is in the process of building a processing site, for which the engineering and equipment specifications have been completed. The Company is in the final stages of securing the physical location for the site itself. Current plans call for a 2017 production of 400 tons during commissioning and 2,000 tons per year starting in 2018. Plans are already in place to expand production to 20,000 tons per year, with current market price at about \$14,000 per ton. The company is also investigating the use of Elcora's refining technology on carbon black, as it is one of the key ingredients for anode powder.

Graphene Corp.

During 2016 the Graphene Research and Production Laboratory was established in Bedford, Nova Scotia. The Company is producing graphene and is continuing to optimize the product. Current production capacity is limited but can be expanded to up to 30 kg per year based on demand, selling at a price between \$80 and \$100 per gram. Plans are in place to expand production as required. Continuing with the company's vertical integration strategy, Elcora is in discussions with a number of coatings and energy companies for partnerships in the development and commercialization of graphene products. These will be announced when appropriate.

Other Products

In 2016, Elcora established that it could produce both five nines micro graphite and graphite nano-platelets. The 2017 plans call

for the company to have the capability of producing micro graphite, which is graphite smaller than about ten micrometers in size, at chemical grade of five nines or greater, at a rate of between 200 to 400 tons per year expandable to up to 2,000 ton. This material is used in the chemical and composites industries and sells for between \$20 and \$100 per kilogram. The Company is also planning the production of up to 100 kg per year of graphite nano-platelets (\$1-\$5/g). The production of both products can be expanded according to demand.

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.

About Elcora Advanced Materials

Elcora was founded in 2011 and has been structured to become a vertically integrated graphite & graphene company that mines, refines, and processes graphite, and produces graphene. The company's products are then used to manufacture battery grade anode graphite and to develop future graphene based and/or enriched high tech products such as graphene enhanced silicon anodes for lithium ion batteries. As part of this 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 battery grade and battery form graphite and graphene at commercial scale. This combination means that Elcora has vertically integrated. the tools and resources required to produce graphite, micro-graphite and graphene.

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

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SOURCE: Elcora Advanced Materials