

Elcora Advanced Materials Corp. Executes Binding Agreement for Proposed Acquisition of the Eldorado Gold Mine in South Africa's Barberton Greenstone Belt

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TRANSACTION HIGHLIGHTS

- Elcora has signed a binding range of terms (BROT) with Elmaic Trading CC to acquire 100% of the Eldorado Gold Mine and associated tailings operations on Portion 1 of the Farm Louieville 325 JU, Ehlanzeni District, Mpumalanga, South Africa
- The aggregate consideration is US\$2,000,000 in cash and 20,000,000 common shares of Elcora, structured across milestone-based tranches linked to permitting, production, and resource validation designed to align stakeholder interests with project advancement
- The Eldorado property is situated within the Barberton Greenstone Belt, in proximity to the operating Fairview Mine (Pan African Resources) and Lily Mine (Vantage Goldfields)
- Elcora engaged a Qualified Person to conduct an independent site assessment as the next step in the due diligence and resource evaluation process
- The initial phase (Phase 0) operations - processing of on-site surface tailings - require no new mining permit and is designed to generate sufficient cash flow to partially fund subsequent mine development phases
- An initial interest-free loan of US\$61,500 will be advanced within 7 business days of BROT execution for Prospecting Right renewal, with the Longstop Date for Transaction completion set at 15 July 2026

[Elcora Advanced Materials Corp.](#) (TSX.V: ERA) (the "Company" or "Elcora") is pleased to announce that it has executed a binding range of terms dated May 27, 2026 (the "BROT") with Elmaic Trading CC (Registration No. 2008/001476/23) (the "Vendor"), an arm's length party, in respect of the proposed acquisition by Elcora of 100% of the Eldorado gold property and associated surface tailings stockpile located on Portion 1 of the Farm Louieville 325 JU, Ehlanzeni District, Mpumalanga Province, South Africa (the "Eldorado Property" or the "Project") (the "Transaction").

Completion of the Transaction represents a significant strategic development for Elcora, establishing the Company's direct entry into gold asset ownership in one of the world's most recognized and historically productive gold-mining jurisdictions.

The BROT sets out the principal terms and conditions agreed in principle by the parties as the basis for negotiating and executing a definitive agreement. The proposed Transaction contemplates Elcora acquiring 100% of the issued and outstanding shares of the Vendor following its conversion to a private company, together with all assets, rights and interests related to the Project, including the applicable prospecting right, mining permit, related surface tailings and exploration assets, subject to the terms of the definitive agreement and applicable approvals.

Completion of the Transaction remains subject to, among other things, completion of satisfactory due diligence, execution of a definitive agreement, renewal or confirmation of the applicable prospecting right, satisfaction or waiver of the financing condition described below, receipt of all required corporate and regulatory approvals, including approval of the TSX Venture Exchange (the "TSXV"), and satisfaction of other customary closing conditions. There can be no assurance that the Transaction will be completed on the terms described herein or at all.

This news release contains forward-looking information. Readers are cautioned to review the "Cautionary

Statement Regarding Forward-Looking Information" and the technical disclosure qualifications set out below.

Transaction Structure and Consideration

Under the terms of the BROT, the aggregate consideration for the proposed acquisition is US\$2,000,000 in cash and 20,000,000 common shares in the capital of Elcora (the "Consideration Shares"), subject to TSXV approval and the satisfaction of applicable closing conditions.

The proposed Transaction is expected to be completed by way of a share purchase transaction pursuant to which Elcora would acquire 100% of the Eldorado Property following the Vendor's conversion to a private company. The parties have agreed to cooperate in good faith to restructure or amend the Transaction as may reasonably be required to obtain TSXV approval, South African regulatory approvals, including any approvals required under the Mineral and Petroleum Resources Development Act, 2002, and to address any applicable tax structuring considerations.

The transfer of ownership interests in the Vendor to Elcora is expected to occur in two tranches, with 50% of the Vendor's membership interests or shares to be transferred upon satisfaction of the applicable initial purchase price conditions, such conditions being receipt of final TSV acceptance, and the remaining 50% to be transferred upon satisfaction of the remaining purchase price obligations, all as further described in, and subject to, the definitive agreement.

Cash Consideration

The cash consideration of US\$2,000,000 is payable in the following tranches:

1. Tranche 0 - Prospecting Right Advance: an interest-free loan of US\$61,500 (the "Loan"), to be advanced within seven business days of execution of the BROT for costs associated with renewal of the applicable prospecting right. If the prospecting right is not renewed or issued on terms acceptable to Elcora, acting reasonably, the Loan is repayable to Elcora. If the prospecting right is renewed or issued on terms acceptable to Elcora, the advance is expected to be set off as an asset contribution to the Vendor's balance sheet. Advancement of the Loan is subject to prior TSXV acceptance;
2. Tranche 1 - Closing Payment: US\$700,000, payable within 10 business days following the later renewal or issuance of the applicable prospecting right on terms acceptable to Elcora and satisfaction of the Financing Condition; and
3. Tranche 2 - Production-Linked Earn-Out: up to US\$1,300,000, payable from net proceeds of gold produced and sold from mining works and/or tailings operations. The production-linked amount is payable in two instalments of US\$650,000 each, following receipt of net proceeds from the sale of the first 1,000 ounces of gold and an additional 1,500 ounces of gold, respectively. One hundred percent (100%) of the net proceeds from future gold sales will be allocated to satisfying the US\$1,300,000 payable.

All cash payment obligations, including the capital and operating expenditure funding described below, remain subject to Elcora obtaining sufficient financing on terms acceptable to the Company, in its sole discretion (the "Financing Condition"). Elcora is required to use commercially reasonable efforts to secure such financing within the due diligence period.

If, after 24 months from the effective date of closing, the production-linked payments made to date are less than US\$1,300,000 and an updated NI 43-101 technical report prepared at Elcora's cost confirms an inferred mineral resource of at least 1,000,000 ounces of gold, or such other threshold as may be agreed by the parties in the definitive agreement, the unpaid balance of the cash consideration is expected to become payable in 12 equal monthly interest-free instalments, subject to the terms of the definitive agreement and applicable TSXV acceptance.

Share Consideration

The share consideration will consist of an aggregate of 20,000,000 Consideration Shares issuable to the Vendor or its nominees, including 1,000,000 common shares proposed to be issued to Daniel L. Baard, or

his nominee, as an employment or compensation arrangement in connection with the Transaction. Daniel L. Beard is an arm's length party to both the Company and the Vendor. All such issuances remain subject to TSXV acceptance, applicable escrow or resale restrictions, statutory hold periods and any required shareholder approval.

The Consideration Shares are expected to be issued in the following tranches:

1. Share Tranche 1: 9,500,000 Consideration Shares issuable upon execution of the definitive agreement and satisfaction or waiver of the initial conditions precedent and closing of the Transaction; and
2. Share Tranche 2 - Resource Validation Milestone: 9,500,000 Consideration Shares issuable upon the later of: (i) delivery to Elcora and the Vendor of a preliminary economic assessment or other NI 43-101 compliant report confirming an inferred mineral resource, or higher category, of at least 1,000,000 ounces of gold on the Project; and (ii) receipt of all material mining permits, licences, authorizations and regulatory approvals required for full-scale mining operations or a tailings plus phased exploration program.

The 1,000,000-ounce threshold described above is a contractual milestone only and does not represent a current estimate, target, expectation or projection of the mineral resource potential of the Eldorado Property. Elcora has not established any mineral resource or mineral reserve in respect of the Eldorado Property.

If the confirmed inferred mineral resource is between 500,000 and 1,000,000 ounces of gold, the parties are to negotiate in good faith an equitable pro-rata adjustment to the number of Consideration Shares issuable under Share Tranche 2, with the scale to be defined in the definitive agreement.

The BROT also provides that Elcora is to use commercially reasonable best efforts to complete the preliminary economic assessment or technical report milestone within six months following closing and in any event within 18 months following closing. If the milestone is not achieved by the 18-month anniversary of closing, and the failure is due primarily to Elcora's failure to fund exploration or permitting activities or to pursue the milestone diligently, as may be determined by an independent technical expert if disputed, the Vendor may elect to receive the Share Tranche 2 shares immediately. These provisions will be addressed in the definitive agreement and remain subject to TSXV acceptance.

The Consideration Shares will be issued at a price not less than the maximum allowable Discounted Market Price, as defined under TSXV policies, of the Company's shares on the TSXV, on the last trading day prior to the date of this news release. All Consideration Shares will be subject to applicable TSXV approval, escrow requirements, resale restrictions and any required shareholder approval.

Capital and Operating Expenditure Funding

In addition to the purchase consideration, and subject to the Financing Condition, Elcora is to make available a minimum of US\$1,300,000, separate from the purchase price and any initial shareholder payments, for capital and operating expenditures required to advance the Project. The amount and terms of such funding are to be set out in the definitive agreement.

Closing

The parties are targeting completion of the Transaction by July 15, 2026, unless extended by mutual agreement or as otherwise provided in the BROT, including in connection with ongoing TSXV review. If the applicable conditions precedent are not satisfied or waived by the applicable deadline, either party may be entitled to terminate the BROT in accordance with its terms.

Due Diligence and Exclusivity

Under the BROT, Elcora, its funders, representatives and advisors have a due diligence period of 30 days from execution of the BROT to complete legal, financial, technical and environmental due diligence in respect of the Vendor and the Project, with the ability to extend the due diligence period by up to a further 15 days by written notice to the Vendor.

The BROT also provides for a 45-day exclusivity period running concurrently with the due diligence period, during which the Vendor is restricted from soliciting, initiating, facilitating, encouraging or participating in discussions or agreements regarding a competing transaction, subject to the terms of the BROT.

The Eldorado Property: Location and Operational Context

The Eldorado Gold Mine is situated within the Barberton Greenstone Belt, which forms part of the Kaapvaal Craton in Mpumalanga, South Africa - a geological province recognized internationally for its gold endowment and long history of producing operations. The property is located in close proximity to the Fairview Mine, operated by [Pan African Resources plc](#) (AIM/JSE: PAF), a multi-decade gold-producing operation, and the Lily Mine, operated by Vantage Goldfields. The Barberton region has supported continuous commercial gold mining activity for well over a century and currently hosts several active and advanced-stage operations.

The Eldorado property includes an on-site surface tailings stockpile, the processing of which constitutes the initial phase ("Phase 0") of the Company's operational plan. Phase 0 is designed to generate cash flow from the outset of operations without the requirement for a new mining permit, as surface tailings retreatment does not constitute new mining under applicable South African regulatory frameworks. Cash flow generation from Phase 0 is subject to, among other factors, tailings grade and tonnage characterization by a Qualified Person, processing recoveries, operating costs, and prevailing gold prices, all of which remain to be established. Readers are cautioned that the Company's ability to generate cash flow from Phase 0 is forward-looking information that cannot be assured at this stage of project evaluation. The Company intends to use Phase 0 cash flows to partially fund subsequent phases of mine development.

An experienced South African management team, co-led by in-country operators with established knowledge of the Barberton region, has been identified and engaged to oversee on-site operations. The BROT also provides for joint and transparent co-financial and operational management in accordance with Elcora's internal requirements and applicable Exchange standards. The Company will provide further details regarding the operational team in subsequent disclosures.

Qualified Person and Technical Disclosure

Elcora has engaged a Qualified Person, as defined under NI 43-101, to conduct an independent site assessment of the Eldorado Property as part of the Company's due diligence and technical evaluation process.

As of the date of this news release, no Qualified Person has completed a site visit to the Eldorado Property on behalf of Elcora. Accordingly, this news release does not include any disclosure of mineral resources, mineral reserves, grades, recoveries, metallurgical performance, production estimates, mine life, capital costs, operating costs, economic analysis or other scientific or technical information requiring Qualified Person verification under NI 43-101.

All future scientific and technical disclosure regarding the Eldorado Property will be prepared in accordance with NI 43-101, following completion of the Qualified Person's assessment and any other required technical work.

Proposed Private Placement

In connection with the proposed Transaction and to support transaction execution, due diligence, working capital and project advancement activities, Elcora intends to complete a non-brokered private placement for gross proceeds of up to C\$3.0 million through the issuance of up to 12,000,000 units ("Units") at a price of C\$0.25 per Unit (the "Offering").

Each Unit will consist of one common share of the Company and one transferable common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of Elcora at an exercise price of C\$0.50 for a period of 24 months from the closing of the Offering.

The Company may complete the Offering in one or more tranches and may pay finder's fees in connection with the Offering, subject to compliance with applicable securities laws and TSXV policies. Certain insiders of the Company may participate in the Offering. Any such participation will be completed in accordance with applicable securities laws, including Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions, and TSXV policies.

Completion of the Offering remains subject to customary conditions, including receipt of all required regulatory approvals, including approval of the TSXV. All securities issued under the Offering will be subject to a statutory hold period of four months and one day from the date of issuance under applicable Canadian securities laws.

There can be no assurance that the Offering will be completed in whole or in part, or that the Financing Condition will be satisfied.

CEO Commentary

"The signing of this binding agreement to acquire the Eldorado mine marks a transformational moment for Elcora. We are entering a world-class gold district - the Barberton Greenstone Belt, home to operations like Fairview and Lily - through a disciplined, self-funding transaction structure that we believe is highly aligned with shareholder value creation. Phase 0 is designed to generate cash starting within an anticipated timeframe following acquisition, partially funding the mine development lifecycle and reducing the need for dilutive equity raises that are typical of early-stage mining acquisitions. The anticipated timeline and cash flow generation from Phase 0 are subject to tailings characterization, processing recoveries, operating costs, and gold prices, none of which have been established at this stage; see Cautionary Statement below. The milestone-based consideration structure linking cash payments to gold production and share tranches to resource definition ensures that the interests of all stakeholders are fully aligned with the disciplined advancement of this asset. We are moving quickly and deliberately to close this transaction and commence Phase 0 operations."

- Troy J. Grant, Director, President & CEO, Elcora Advanced Materials Corp.

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About Elcora Advanced Materials Corp.

Elcora Advanced Materials Corp. (TSX.V: ERA | Frankfurt: ELM | OTCQB: ECORF) is a Canadian-listed mining and materials company focused on the acquisition, development, and processing of strategic mineral assets. The Company's current activities include mineral exploration and development initiatives in Morocco. Through the proposed Transaction, Elcora intends to evaluate an opportunity to acquire and advance a gold property in the Barberton Greenstone Belt, South Africa, subject to completion of due diligence, execution of the Definitive Agreement and receipt of all required approvals. Elcora applies a value-chain approach to its mineral projects, prioritizing near-term cash flow generation and self-funding development models.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts 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.

Cautionary Statement Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws. Forward-looking information in this news release includes,

but is not limited to, statements regarding: the proposed Transaction; the expected terms, timing and completion of the definitive agreement; the payment or issuance of cash and share consideration; the renewal or confirmation of the applicable prospecting right; the satisfaction of the Financing Condition; the completion, size, terms and timing of the Offering; the intended use of proceeds of the Offering; the receipt of TSXV and other regulatory approvals; the potential application of TSXV requirements relating to change of control, reverse takeover, change of business or shareholder approval; the Vendor's conversion to a private company; the proposed board nomination right; the proposed governance and operational arrangements; the engagement, timing and results of the Qualified Person's site assessment; the potential evaluation, permitting, retreatment or processing of surface tailings; any potential cash flow generation from tailings or mining activities; the potential advancement or development of the Eldorado Property; and the Company's future plans and objectives.

Forward-looking information is based on management's current expectations, estimates, assumptions and beliefs, including assumptions regarding the ability of the parties to negotiate and execute the definitive agreement, the results of due diligence, the renewal or confirmation of mineral rights, the availability of financing on acceptable terms, the receipt of regulatory approvals, technical and economic results, gold prices, operating costs, metallurgical recoveries, South African regulatory requirements and general business, market and economic conditions.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking information. These risks include, without limitation: the risk that the definitive agreement is not executed; the risk that the Transaction is not completed on the terms described herein or at all; the risk that due diligence is not satisfactory; the risk that required mineral rights, permits or approvals are not obtained or renewed; the risk that TSXV approval is not obtained; the risk that TSXV may require shareholder approval, escrow, sponsorship, filing statements, a technical report or other conditions; financing risk; commodity price risk; foreign jurisdiction and regulatory risk; title and tenure risk; environmental risk; metallurgical and processing risk; the risk that no mineral resources or mineral reserves are established; the risk that tailings retreatment is not technically feasible, economically viable, permitted or cash-flow generating; and the other risks described in the Company's continuous disclosure filings available under the Company's profile at www.sedarplus.ca.

Readers are cautioned not to place undue reliance on forward-looking information. Except as required by applicable securities laws, Elcora does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Technical Disclosure Caution

No Qualified Person has completed a site visit to the Eldorado Property on behalf of Elcora as of the date of this news release. This news release does not disclose any mineral resources, mineral reserves, grades, recoveries, metallurgical performance, production estimates or economic analysis in respect of the Eldorado Property. Any reference to nearby mines, deposits, projects or mining districts is provided for general location and regional context only. Mineralization on nearby or adjacent properties is not necessarily indicative of mineralization on the Eldorado Property.

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