

ELCORA ADVANCED MATERIALS CORP.

MANAGEMENT DISCUSSION & ANALYSIS

FORM 51-102F1

For the period ended September 30, 2017

November 24, 2017

This management's discussion and analysis ("MD&A") provides an analysis of our financial situation which will enable the reader to evaluate important variations in our consolidated financial situation for the period ended September 30, 2017. This report, prepared as at November 24, 2017 intends to complement and supplement our consolidated financial statements for the period ended September 30, 2017 and 2016 (the "Consolidated Financial Statements") and should be read in conjunction with the Consolidated Financial Statements and the accompanying notes.

Our Consolidated Financial Statements and the MD&A are intended to provide a reasonable base for investors to evaluate our financial situation.

Our Consolidated Financial Statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "Elcora", we mean Elcora Advanced Materials Corp. or Elcora Corp., as it may apply.

The Consolidated Financial Statements and additional information related to Elcora Advanced Materials Corp. (the "Company" or "Elcora") is available for view on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

Certain statements in this MD&A are forward-looking statements or information (collectively "forward-looking statements"). The Company is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market for graphite will continue and grow and that the risks listed below will not adversely impact the business of the Company.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: limited operating history; exploration and development risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral prices and marketability of minerals; title to properties; local resident concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; conflicts of interest of management; uninsurable risks; exposure to potential litigation; dividends; and other factors beyond the control of the Company.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risk Factors" on page 15.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

OVERVIEW AND DESCRIPTION OF BUSINESS

Elcora was incorporated pursuant to the Canada Business Corporations Act ("CBCA") on June 6, 2011. The Company's head office is located at 111 Ahmadi Crescent, Bedford, Nova Scotia, B4A 4E5, Canada.

Elcora has been structured as a vertically integrated graphite & graphene company that mines, processes, refines graphite and produces both the graphene and end graphene applications. Elcora is advancing its vertical integration business model in graphite and graphene production. The core business is advanced material research and production.

The Company is in the R&D stage and is subject to the risks and challenges similar to other companies in a comparable stage of R&D. These risks include, but are not limited to, dependence on key individuals, successful research and development programs and the ability to secure adequate financing to meet the minimum capital required to successfully complete the project and continue as a going concern.

Elcora has constructed its own graphene production facility in the Canadian city of Halifax, Nova Scotia to supply premium quality graphene. The plant has a modular design wherein each "line" can produce 100 kg of graphene per year initially. The plant uses a graphite pre-cursor specially processed and refined for the Elcora graphene process within its vertically integrated supply chain.

The Company will continue to seek project acquisitions in the Advanced Material space that forms part of its overall strategy.

COMPANY HIGHLIGHTS

The following sums up the highlights for the period ended September 30, 2017:

-) In April 2017 the Company signed an agreement with ACOA for funding under the agency's Business Development Program. ACOA shall contribute up to \$1,306,150 toward the purchasing of specialized equipment. The \$1,306,150 interest free loan shall be repayable over 110 months commencing January 1, 2018. The principal amount due at the beginning of each month is \$11,767.
-) The Company announced that it is building a state-of-the-art Lithium Ion ("Li-ion") battery research and development laboratory Halifax, Nova Scotia. The lab will focus on quality control and developing Elcora's graphite anode powder for Li-ion batteries. Graphite powder will be routinely tested using industry standard cells to ensure the coulombic efficiency, reversible capacity, first-cycle loss and rate capabilities of the product are within Elcora's specifications. These traceable results will give customers confidence in Elcora's materials and their reliable performance.
-) The Company announced that it is working closely with several Lithium-ion battery manufacturers. Elcora has provided multiple kilograms of its purified, spheronized graphite anode powder to prospective customers. The graphite powder will be tested in full Li-ion batteries to evaluate the performance of Elcora's material. Cells are undergoing a variety of tests to potentially measure: i) capacity, ii) rate/power capability, iii) cycle life, iv) coulombic efficiency, v) voltage slip and vi) voltage stability.
-) The Company commenced graphene-enhanced marine coatings tests. Elcora's EL-2D few layer graphene powder supports the development of new and advanced graphene protective coatings due to their excellent hydrophobicity, chemical resistance, anti-bacterial properties, lubricity, strength and thermal characteristics. Elcora has been developing a series of graphene-enhanced marine coatings. The highly hydrophobic nature of graphene has the potential to limit the growth of marine organisms, reduce fuel consumption of vessels through the reduction of drag forces, increase the lifespan of coatings and provide de-icing properties.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

SIGNIFICANT EVENTS, TRANSACTIONS AND ACTIVITIES

Equity Transactions

-) During the year ended March 31, 2016, 4,910,000 warrants were exercised further to the July 19, 2013 Private Placement which comprised of the sale of 4,910,000 common shares of the Company at a price of \$0.05 per share and the issuance of 4,910,000 warrants of the Company, with each warrant entitling the holder to acquire one common share of the Company for 24 months at a price of \$0.15 per common share. Total proceeds from exercise were \$736,500.
-) On November 10, 2015 the Company closed a non-brokered private placement financing. Elcora has issued 7,142,857 units at a price of \$0.14 per unit for aggregate gross proceeds of \$1,000,000. Each unit is comprised of one common share and one common share purchase warrant entitling the holder to purchase one common shares of Elcora at an exercise price of \$0.30 for one year following the closing of the private placement. The Company paid finders' fees of \$50,200 in cash and 332,700 in finders' warrants exercisable at \$0.14 per common share for one year in connection with the private placement.
-) During the year ended March 31, 2016, 898,333 warrants were exercised further to the May 13, 2014 Private Placement which comprised of the sale of 8,976,875 common shares of the Company at a price of \$0.16 per share and the issuance of 8,976,875 warrants of the Company, with each warrant entitling the holder to acquire one common share of the Company for 18 month at a price of \$0.30 per common share. Total proceeds from exercise were \$269,500.
-) On November 20, 2015 the Company closed a previously announced \$1,388,040 two-year syndicated limited recourse convertible loan agreement for the lesser amount of \$1,002,540 with eight lenders including one insider. The principal of the Loan is convertible into common shares of Elcora at \$0.14 cents per share and all of the eight lenders elected to convert their Loans on November 20, 2015. A total of 7,161,000 shares of Elcora were issued upon the loan conversion.
-) On November 30, 2015 the Company closed a non-brokered private placement financing by issuing 6,602,144 units at a price of \$0.14 per unit for aggregate gross proceeds of \$924,300. Each unit is comprised of one common share and one common share purchase warrant entitling the holder to purchase one common share of Elcora at an exercise price of \$0.30 for one year following the closing of the private placement. The Company did not pay any finders' fees in connection with the November 30, 2015 Private Placement.
-) On June 10, 2016 the Company closed a non-brokered private placement financing by issuing 2,208,750 units at a price of \$0.40 per unit for aggregate gross proceeds of \$883,500. The units issued by the Company include 1,104,375 share purchase warrants entitling the holder to purchase one common share of Elcora at an exercise price of \$0.52 for three years following the closing of the private placement. The Company paid finders' fees of \$13,100 in cash in connection with this private placement.
-) Relating to the June 10, 2016 private placement on September 8, 2016 the Company issued an additional 25,000 shares and 12,500 warrants under the same terms and conditions for an additional cash consideration of \$10,000. The total number of shares and warrants issued as part of this placement is 2,233,750 and 1,116,875 respectively.
-) During the year ended March 31, 2017, 262,500 broker warrants were exercised further to the May 13, 2014 non-brokered Private Placement which was subscribed for at \$0.16 per unit with a full warrant attached entitling the holder to acquire one common share of Elcora for \$0.30 for 24 months following the closing of the private placement. Total proceeds from the exercise were \$42,000.
-) During the year ended March 31, 2017, 500,000 warrants were exercised further to the November 10, 2015 non-brokered private placement financing. Elcora has issued 7,142,857 units at a price of \$0.14 per unit for aggregate gross proceeds of \$1,000,000. Each unit was comprised of one common share and one common share purchase warrant entitling the holder to purchase one additional common shares of Elcora at an exercise price of \$0.30 for one year following the closing of the private placement. Total proceeds from exercise were \$150,000.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

SIGNIFICANT EVENTS, TRANSACTIONS AND ACTIVITIES

Equity Transactions (continued)

-) During the year ended March 31, 2017, 142,857 warrants were exercised at \$0.30 and 332,700 finders' warrants were exercised at \$0.14 further to the November 10, 2015 non-brokered private placement financing. Total proceeds from exercise were \$89,435.
-) On February 23, 2017 the Company closed the second and final tranche of the non-brokered private placement financing announced on January 31, 2017. The Private Placement closed at a total of \$2,645,823 or 9,799,345 units. The first tranche closed on February 2, 2017 and involved the issuance of 9,326,093 units of the Company at a price of \$0.27 per unit for gross proceeds of \$2,518,045. The final tranche involved the issuance of 473,250 units of the Company at a price of \$0.27 per unit for gross proceeds of \$127,778. 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 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 paid finders' fees of \$44,283 in cash and 164,010 in common shares valued at \$0.27 per share in connection with the private placement.

EXPLORATION AND DEVELOPMENT STRATEGY

Corporate Plans and Objectives

Elcora's primary corporate development objective is to become a vertically integrated graphite producer, which mines, processes, refines, and produces graphite, graphene, and commercial products of the two. To this end, the Company has secured through its joint venture with Sakura Graphite (Pvt) Ltd., a premier Graphite miner in Sri Lanka with its Ragedara mine. The goal is to set the Company apart from its peers by virtue of delivering the vertically integrated business strategy that the Company is pursuing for the benefit of shareholders and stakeholders. As Elcora advances its vertical integration business model in graphite and graphene production, the core business has shifted from mining and exploration to advanced material research and production.

Elcora's long-term objective is to market its graphite product and form advanced R&D collaboration relationships to further its own graphite research and development.

Refer to Company highlights for latest progress on the Corporate Plans, Actions and Objectives.

Sakura Graphite Mine - Sri Lanka

The Ragedara Graphite mine is an historic past producer, which at the height of its activity, produced approximately 18,000 tonnes of high quality (92-99%) graphite per year. During the three years preceding Elcora's acquisition the Sakura mine was substantially refurbished. It is operating three shifts per day producing one to two tonnes of high quality graphite per shift aggregating approximately 100-120 tonnes per month at average cost of \$436 per tonne of graphite. However, at this point in time, JORC-code-proven reserves are 7,000t while exploration continues with the goal to reach 20,000t of proven reserves by mid 2018. The vast amount of inferred resources, known through the in-depth understanding of the Sri Lankan Graphite deposits commercial ore on the property, well exceed a few hundred thousand ore tons. It is planned to produce 150t/month of run-of-mine Graphite through 2017 with production ramping up to 400t/month in early 2018.

Elcora's near-term objective is to increase the daily production of the mine by improving mechanization levels and try-out a new technology in Graphite narrow vein mining. Production can be increased at any given time by adding personnel so that the actual 4 production sites can be operated all on 3 shift rosters. Offering off-take assistance to other graphite mines is also desirable.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

EXPLORATION AND DEVELOPMENT STRATEGY (CONTINUED)

Sakura Graphite Mine and Property Description and Location

Elcora has completed the testing of graphite samples from the Ragedara mine, designed and built a processing facility that refines the graphite extracted from the Ragedara mine from its present 65-75% run-off-mine grade to >97.5% C and up to 99% C grade at a capacity of approximately 2,500 tonnes per year. The processing facility has been designed to be upgradeable up to 10,000 tonnes per year.

Sakura Graphite Mine and Property Description and Location

A NI 43-101 compliant geological report (the "Report") on the Sakura Ragedara Property was prepared by Marc Filion, P.Eng. for Elcora. The Report has been reviewed and accepted by the TSX Venture Exchange and was filed on SEDAR.

The Report documents the exploration and operational history and recent work on the Ragedara graphite property. Extensive prior workings exist on the nine by one kilometer square grid blocks including historic mines which operated from approximately the 1920's and 1980's and includes the currently operating Ragedara Graphite mine.

The Ragedara graphite deposit is located at the north west end of a so called "high purity natural graphite bearing mountain range" (the villagers call it "Miniran Kanda") which stretches in a north-south direction for about 8 km bordering the Kurunegala and Mathale District boundary.

Since the 18th century, during the period of the Industrial Revolution in Europe and Western Countries (around 1865) and the period of World Wars I & II, world demand for high purity crystalline graphite was mainly satisfied by the exports from Sri Lanka (then Ceylon under colonial rule by British Government).

According to the history of graphite mining in Sri Lanka, more or less 100 graphite pits have been operated in the above-mentioned mountain range from which graphite has been extracted only at shallow depths.

This is evidenced by more than 10 abandoned mine openings located over the 30 acres of mine land at Ragedara, such as Vihara Pathala, Maillagaha Pathala, Hurigahawala, Hunduwala, Bangalawala, Nugagaha Pathala, Mahawala and No 2 Pathala. During the period 1900 - 1920 and 1930 - 1950 production by the above-named graphite pits contributed a considerable portion of all graphite exports from the island.

The owners of Ragedara & Kolongaha mines (H. L. De Mel & Company) and Kahatagaha mines managed to continue their operations until the 1950s. Due to a rapid drop in levels of graphite exports since 1950, more and more pits were abandoned. Between 1976 and 1985 more than 14 veins were exposed at Ragedara. Of these, 8 were economically mineable, having vein widths of 25 - 40 cm, with some close to 2m wide. Reported production figures during that period of activity vary from 15 000 to 18 000 tonnes per year. Production was halted due to limited sales and increased costs resulting from a ground slippage, although minor operations continued until 1990. The property was subsequently acquired by Sakura in 2011.

Mineralized occurrences

The graphite mineralization in the Ragedara mine area is of the natural crystalline vein type and comprises graphite veins, black-blue and lead gray in color. Veins are tabular or lenticular in shape and have widths of a few centimeters to a few tens of centimeters. The largest one observed at Ragedara was close to 2m wide; the largest one found in Sri Lanka being 6m wide. The massive crystalline graphite shows uniformity throughout the veins and is composed of massive to millimeter size closely packed black graphite flakes. The very clearly marked host rock contact shows evidence of a chill zone demonstrated by the presence of 1 to 20 mm long acicular graphite. The general strike trend of veins is N85°W with an angle of dip of 75° to the south. The thickest parts of the veins coincide with intersections of fracture planes in the rock that generally have moderate to steep dip angles.

The lateral extension of the veins along the strike is variable and the workable part can extend from a few meters to about 50m. Along the longitudinal axis of the veins, the graphite shows evidence of a pinch and swell behavior thus affecting the width of the veins. The down dip extension cannot be estimated, but could be more than several hundred meters as commonly happens in other similar graphite mines in Sri Lanka. Kahatagaha Mine which is situated about 8 km south of the present location has graphite veins extending more than 675m deep which are still being mined commercially.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

EXPLORATION AND DEVELOPMENT STRATEGY (CONTINUED)

Cautionary Notes Regarding Graphite Extraction Economics

As mentioned above, the Sakura mine has no established resource and is without a known body of commercial ore. The decision to commence production at the Sakura graphite project and Elcora's plans for a small-scale mining operation as disclosed herein were based on economic models prepared by Elcora in conjunction with management's knowledge of the property and the prior limited recent operating history of the Sakura mine. The production decision and operating plan for the extraction and sale of graphite were not based on any preliminary economic assessment, a pre-feasibility study or a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with the production decision and operating plan, in particular the risk that mineral grades will be lower than expected, the risk that construction or ongoing mining operations will be more difficult or more expensive than expected, the risk that the Company will not be able to transport or sell the mineralized material it produces on the terms it expects, or at all; the risk that due to the absence of a detailed economic and technical analysis according to and in accordance with NI 43-101 the production and economic variables associated with mineral extractions and sale may vary considerably. Readers are cautioned that no reliable estimates of future production capability or the economics of any extraction activity can be made.

Recent Exploration

In 2011 the Dept. of Geology at the University of Peradeniya executed a geophysical investigation on one 300m long line over the longitudinal axis of the property. Subsurface conditions of the target area were also investigated using two-dimensional electrical Resistivity and Induced Electrical Polarization imaging. In January 2012, a second resistivity geophysical investigation over five N-S resistivity profiles were carried out, each having a length between 350 to 400m.

Although the depth of penetration of the resistivity profiles is only about 40 to 60m, the shape of potential mineralized zones on the profile images clearly indicate that they extend to great depths. This is probably due to the increasing thickness of individual graphite veins or increasing frequency of occurrence of veins towards depth.

Metallurgical testing

Metallurgical test (SGS) results indicate the possibility of separating the massive crystalline graphite into small grains and flakes in several fine size categories. A dry mechanical process of 15 to 45 min with the use of ceramic grinders followed by sieving shows that more than 63% of the graphite is greater than 32 mesh with a grade of 97.5% C(t), 20% of the graphite between 32 and 80 mesh with a grade of 97.6% C(t), and the smaller residual material with a grade of 97.2% C(t).

Current Mining

Name of the Mine: Ragedara Graphite Mine

Number of the Mining License IML/A/HO/5930

Number of the Exploration License EL/183

Concession Classes: Unrestricted Exploration License 4 km² (400 ha)

Industrial Mining License Category A: Renewable yearly

Surface Two plots totaling 70 acres on a long-term government lease (with option to buy after 35 years) + one of 19 acres which is private property.

The land rights and titles to the mine are owned by Sakura. The mining license has been granted under the condition of a five (5%) royalty paid to the Sri Lankan government on graphite sales prior to refining and a two (2%) royalty payable to the Sri Lankan government on the sale of building stone materials from the FOB value on the exploitation plus a levy on export of ca 10 USD/t. The industrial mining license allows for an unlimited production per month. The project was approved by Parliament of Sri Lanka on April 24, 2012. The license will be renewed automatically every year if Sakura conforms to the conditions of operating the mine. Sakura has also been granted the right to exploit the granite-host-rock being extracted from the mine while driving development tunnels

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

EXPLORATION AND DEVELOPMENT STRATEGY (CONTINUED)

Current Mining (continued)

to produce construction materials. Sakura has signed a contract to sell the stone for road works and is operating a small crushing and screening plant on the premises.

On April 23, 2012, Sakura was granted an environmental mining certificate by the Provincial Environmental Authority (North Western Province).

In December 2015, the Company announced that it has progressed to advanced underground drilling work to define the twelve historically worked veins at depth and to find additional veins at the Ragedara mine in Sri Lanka. Historically, the peak production of these 12 veins was 18,000 tonnes per year. The mine was abandoned due to improper mine planning and infrastructure. The vein structure remains open at depth both downward and into the mountain.

Two exploration drilling locations were used at the 0 m level of the mine exploring the 220m radius vicinity of the main shaft. Three veins ranging between 15 and 24 cm in width were discovered within 10 m of the old workings. These veins are currently being mined from 0 level down to -56m level.

In the course of 2016 a successful exploration program produced additional graphite ore tons of high grade (>80% C in situ). The lowest level (-56m) of the mine is in process of being developed into this Southern vein system with a new double decline in progress from Q3 2017 to allow access to this vein system down dip and to establish new exploration drill locations 150m below the -56m levels where lesser but thicker veins are expected.

Aim of the exploration programs for the next 2 years (since Q1 2017) is to find the unmined portions of the historically mined veins below the old workings of the mine. This had already resulted in finding 5 veins with widths of 66, 40, 20, 20 and 15 cm and 7.000t ore tons contained.

The natural graphite grade in the Ragedara veins ranges from 92-99% C. But Silica and Pyrite veins intersecting and interacting during mineralization with the Graphite veins result in an overall run-off-mine Graphite grade of 65-75% C. To achieve highest possible Graphite grades in the processing plant, selective mining and run-off-mine storage has been started in Q2 2017.

The construction progress report on the processing facility at Ragedara is as follows:

On November 30, 2015 the Company announced that it has completed the construction of its Ragedara Graphite Processing Batch Plant in Sri Lanka, and has started processing the stockpiled graphite. In early October 2016 Elcora announced the first shipment of processed graphite extracted from its Ragedara mine. The shipment was distributed by ThyssenKrupp Metallurgical Products.

Elcora's custom-designed processing technology in the continuously (since Q2 2017) operating process plant aims at the highest possible C-grades at lowest production cost in Sri Lankan graphite. The technology is chemical-free, has a low carbon footprint and does not discharge any harmful byproducts into the environment. Process water is recycled and cleaned, all process waste products are safely and environmentally neutral sedimented in dual sediment ponds which discharge through bio-cleaning discharge channel.

A team of 32 fulltime employees are working in a 3 shift roster 6 days a week at the mill. The mill operates as a continuous flow plant in a closed-circuit mode. The current processing capacity is 2500 tonnes per year; with final product purity ranging from >97.5%C for some products to >99%C for the high-tech graphite applications. Particle sizes and size distribution are getting adapted and manufactured to customer's specifications. As part of the operating and marketing plan, the Company is capable of producing any particle size distribution suitable for lithium ion battery applications.

The mine's and the plant's capacities can be increased to 10,000 tonnes per year without significant further investment pending market demand.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

RESULTS OF OPERATIONS

All of the balances set out in this and following sections, including the Summary of quarterly results (for fiscal 2017 and Fiscal 2016), conform to IFRS standards.

	Three-month period ending September 30, 2017	Three-month period ending September 30, 2016	Six-month period ending September 30, 2017	Six-month period ending September 30, 2016
	\$	\$	\$	\$
Expenses (Income)				
Research & development	(18,238)	339,617	62,251	539,340
Professional fees	70,351	8,427	160,457	(2,462)
General and administrative expenses	11,587	21,056	30,231	48,043
Amortization expense	21,798	29,683	44,152	29,683
Management and consulting fees	137,500	141,004	305,988	308,191
Transfer, filing and listing fees	13,799	13,108	28,677	32,979
Investor relations expense	-	-	-	37,630
Accreted interest	9,596	-	17,601	-
Interest paid	49	30	49	261
Interest revenue	(1,440)	(170)	(3,029)	(170)
Realized & unrealized (gain) loss on marketable securities	1,171	(11,323)	(3,348)	(21,568)
Share of loss in investments using the equity method	(188)	81,679	72,128	143,115
Realized & unrealized (gain) loss on foreign exchange	33,455	1,538	59,339	2,869
Loss for the period	(279,440)	(624,649)	(774,496)	(1,117,911)
Other comprehensive income				
Items that may be subsequently reclassified to profit and loss				
Translation adjustment	(581,631)	4	(768,809)	46,178
Comprehensive loss for the period	(861,071)	(624,645)	(1,571,305)	(1,071,732)
Loss per share				
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.02)
Weighted average number of outstanding common shares –				
Basic and diluted	82,783,127	72,102,369	82,783,127	71,146,423

The Company incurred a net loss of \$774,496 for the period ended September 30, 2017 compared to a net loss of \$1,117,911 for the corresponding period in 2016. Some of the significant charges to operations are as follows:

- J Research and Development expenses of \$62,251 related to all aspects of graphene research (See Company highlights) and the design and implementation of the Company's graphene production facility in Halifax, Nova Scotia (2016- \$539,340). Change is due to capitalization and Government assistance with the expenses.
- J Professional fees expenses of \$160,457 consisting mainly of legal and other professional fees (2016-recovery of \$2,462). Increase relates to the Company's graphene production facility and advisory fees relating to breaking into different markets. Recovery in prior year relates to a reversal of an accrual from 2015.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

RESULTS OF OPERATIONS (CONTINUED)

-] General and administrative expenses amounted to \$30,231 (2016 - \$48,043).
-] Amortization expenses of \$44,152 (2016 - \$29,683) consists of amortization on lab equipment and leasehold improvements.
-] Management and consulting fees consists mainly of amounts paid to consultants assisting the Company in achieving its strategy as well as fees paid and/or accrued to Officers of the Company of \$305,988 (2016 - \$308,191).
-] Regulatory, transfer agent and filing fees amounting to \$28,677 (2016- \$32,979).
-] The Company incurred investor relations costs of \$NIL (2016 - \$37,630). Decrease due to general cost cutting initiatives.
-] Interest expense of \$49 (2016 - \$261).
-] Interest income of \$3,029 (2016 - \$170) was received in relation to funds held in bank account.
-] Accreted interest of \$17,601 (2016 - \$NIL) represents deemed interest recognized on the interest free ACOA loan received in the year, which was fair valued using a discount rate of 15%. Management believes this rate to be indicative of a reasonable market rate on similar debt.
-] Gain on sale of marketable securities is a result of increase in investment. The realized and unrealized losses amounted to a gain of \$3,348 (2016 – \$21,568).
-] The \$72,128 share of loss in joint venture (2016 - \$143,115) represents Elcora's 40% share in Sakura's losses for the year.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed quarters:

	Sep 30, 2017 \$	Jun 30, 2017 \$	Mar 31 2017 \$	Dec 31, 2016 \$	Sep 30, 2016 \$	Jun 30, 2016 \$	Mar 31, 2016 \$	Dec 31 2015 \$
Deficit and Cash Flow								
Revenue	-	-	-	-	-	-	-	-
Net loss	(279,440)	(495,056)	(659,283)	(520,876)	(624,649)	(493,262)	(692,080)	(1,643,807)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)
Balance Sheet								
Total Assets	8,828,185	9,445,679	10,063,110	8,618,191	8,626,316	8,377,873	8,480,288	9,563,888

Fluctuations in net loss quarter over quarter is a result of the Company's share of losses in Sakura, the increased investment into R&D expenses, increased activity associated with Graphene Corp and fluctuations in certain non-cash expenses such as stock based compensation and write downs. Fluctuations in total assets during the last 8 quarters are mostly due to timing of financings and investments made into the Joint Venture.

LIQUIDITY AND CAPITAL RESOURCES

The Consolidated Financial Statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets.

As at September 30, 2017, the Company had working capital of \$97,523 (March 31, 2017- \$1,114,585 - deficit). The Company also had current liabilities of \$674,013 at September 30, 2017 (March 31, 2017 - \$474,402) with cash at \$707,712 (March 31, 2017 - \$1,351,808). The Company's future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or, if available, that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Corporation's ability to continue as a going concern is also dependent upon its ability to fund its research and development programs and its ability to develop a unique low cost effective process to make graphene that is commercially scalable.

Depending on the price of minerals and finished product, the Company may determine that it is impractical to continue commercial production. The price of metals has fluctuated widely in recent years and is affected by many factors beyond the Company's control including changes in international investment patterns and monetary systems, economic growth rates, political developments, the extent of sales or accumulation of reserves by governments, and shifts in private supplies of and demands for metals and advanced materials.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates the Company has made in the preparation of these consolidated financial statements.

Estimate of recoverability for non-financial assets

At the end of each reporting period, the Company assesses each of its mineral resource properties and its joint venture, of which the principal asset is a mineral resource property, to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. The impairment analysis requires the use of estimates and assumptions, such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value of mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. If the Company does not have sufficient information about a particular mineral resource property to meaningfully estimate future cash flows, the fair value is estimated by management through the use of comparison to similar market assets and industry benchmarks. Actual results may differ materially from these estimates.

Government assistance

In 2016, Elcora received an interest-free repayable loan from ACOA, a government agency, in the amount of \$309,749 ("Loan 1"). In September 2017, Elcora received another interest-free repayable loan from ACOA, in the amount of \$198,216 ("Loan 2"). The benefit of the government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

The fair value of the components, being the loan and the government grant, must be calculated initially in order to allocate the proceeds to the components. The valuation is complex, as there is no active trading market for these items and is based on unobservable inputs.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

Based on management's analysis as at September 30, 2017, the fair value of the Loan 1 was \$187,684. The Company has estimated the fair value of this liability based on the net present value of expected repayments, using a discount rate of 15%. If a discount rate of 20% had been used, this would have resulted in the liability being \$26,972 lower upon the initial recognition date. If a discount rate of 10% had been used, this would have resulted in the liability being \$32,781 higher upon the initial recognition date.

Based on management's analysis as at September 30, 2017, the fair value of the Loan 2 was \$133,786. The Company has estimated the fair value of this liability based on the net present value of expected repayments, using a discount rate of 15%. If a discount rate of 20% had been used, this would have resulted in the liability being \$15,125 lower upon the initial recognition date. If a discount rate of 10% had been used, this would have resulted in the liability being \$17,876 higher upon the initial recognition date.

FINANCIAL INSTRUMENTS AND FAIR VALUES

Measurement categories

As explained in note 4 of the Company's consolidated financial statements for the year ended March 31, 2017, the financial assets and liabilities have been classified into categories that determine their basis of measurement. All loans and receivables and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to their short-term maturities. The Company uses the following hierarchy in attempting to maximize the use of observable inputs and minimize the use of unobservable inputs, primarily using market prices in active markets.

Level 1 – Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing on an ongoing basis. Investments in marketable securities are valued based on quoted market prices in active markets, being traded on the London Stock Exchange.

Level 2 – Observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable that can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

All investments in marketable securities are measured using level 1 inputs. The fair value of the loan payable has been valued at initial recognition using level 3 inputs; specifically the discount rate. For proceeding periods the loan will be measured at amortized cost.

(a) Market risk

i) Foreign exchange risk

The Company does not have significant monetary assets or liabilities denominated in foreign currencies and as such is not exposed to significant foreign exchange risk. The investment in the joint venture is measured in Sri Lankan rupees, which is the functional currency of the joint venture. Changes in the value of the Sri Lankan rupee computed to the Canadian dollar impact the carrying amount of the interest in the joint venture. An increase or decrease of 1% of the value of the Canadian dollar at September 30, 2017 would result in an increase of \$ 80,600 or decrease of \$80,600 (2017 - \$80,000 and \$85,000), respectively, to the value of the joint venture with an offsetting credit or charge to other comprehensive income.

ii) Interest rate risk

The Company's accounts payable and accrued liabilities and loan payable are non-interest bearing and have contractual maturities of 30 days or less, except as otherwise noted. As at September 30, 2017, the Company does not have cash equivalents.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

FINANCIAL INSTRUMENTS AND FAIR VALUES (CONTINUED)

(a) Market risk (continued)

iii) Price risk

The Company is exposed to price risk as it relates to its investment in marketable securities. At September 30, 2017, a 5% change in the quoted price of marketable securities would impact net loss by \$1,400 (2016 - \$1,700). The Company is not exposed to any other direct price risk other than that associated with commodities and how fluctuations impact companies in the mineral exploration and mining industries as the Company has no significant revenues.

(b) Credit risk

Credit risk is the risk that a customer or third party to a financial instrument fails to meet its commercial obligations. The carrying amount of financial assets represents the maximum credit exposure. The Company manages credit risk by holding the majority of its cash and cash equivalents with AA rated banks in Canada, where management believes the risk of loss to be low.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk by maintaining sufficient cash balances to meet liabilities when due. As at September 30, 2017, the Company had cash of \$707,712 (March 31, 2017 - \$1,351,808) to settle current liabilities of \$674,013 (March 31, 2017 - \$474,402). See note 2 in the consolidated financial statements for additional information on liquidity.

OTHER INFORMATION

Off Balance Sheet Items

The Company has no off-balance sheet arrangements.

Outstanding Share Data

Authorized capital stock of unlimited common shares without nominal or par value.

As at the date of this MD&A, there were 82,783,127 common shares of the Company issued and outstanding.

Outstanding Stock Options and warrants

The Board of Directors of the Company has adopted an incentive stock option plan ("Option Plan"). Under the Option Plan, the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements and applicable securities legislation, grant to directors, officers, employees, consultants and management company employees of the Company, non-transferable options to purchase Common Shares, exercisable for a period of up to 10 years from the date of grant. The number of Common Shares reserved for issuance under the Option Plan will not exceed 10% of the issued and outstanding Common Shares of the Company. The number of Common Shares reserved for issuance to any one individual Director or Officer may not exceed 5% of the issued and outstanding Common Shares and the aggregate number of Common Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Common Shares. Vesting terms are determined by the Board of Directors at the time of grant.

As at November 24, 2017, the Company had 5,702,500 options outstanding at a weighted average exercise price of \$0.15.

As at November 24, 2017 the Company had 20,376,305 warrants outstanding at a weighted average exercise price of \$0.31.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

RISKS AND UNCERTAINTIES

An investment in the Company involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this MD&A in evaluating the Company and its business before making any investment decision with regard to the common shares of the Company. The Company's business, operating and financial condition could be harmed due to any of the following risks. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. An investment in the Company is speculative. An investment in the Company will be subject to certain material risks and investors should not invest in securities of the Company unless they can afford to lose their entire investment.

The following is a description of certain risks and uncertainties that may affect the business of the Company.

Limited Operating History

The Company is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company was incorporated in June 2011 and has yet to generate a profit from its activities. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and R&D Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base.

Research & Development pertaining Graphene involve certain risks surrounding market acceptance and commercial success of its product by research facilities, end-users and others in the advanced materials space. Established sales and marketing capabilities are lacking and is only being developed.

Substantial additional funds for the establishment of the Company's current and planned exploration and development programs will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the

Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its exploration and development programs.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

RISKS AND UNCERTAINTIES (CONTINUED)

Fluctuating Mineral Prices

The economics of mineral exploration and exploitation is affected by many factors beyond the Company's control, including changing production costs, the supply and demand for minerals, the rate of inflation, the inventory of mineral producing Companies, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with minerals, and increased production due to improved mining and production methods. The metals industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of metals are discovered, a market will exist for the profitable sale of such metals.

Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors which may affect commercial viability so that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital.

Regulatory Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage due to the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its exploration properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to its exploration properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

RISKS AND UNCERTAINTIES (CONTINUED)

Requirement for Permits and Licenses

A substantial number of permits and licenses will be required to conduct an exploration and development program; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Company will be able to obtain all such licenses and permits.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

No established resource or reserve, preliminary economic assessment and/or pre-feasibility

The Sakura mine has no established resource and is without a known body of commercial ore. The decision to commence production at the Sakura graphite project and Elcora's plans for a small-scale mining operation as disclosed herein were based on economic models prepared by Elcora in conjunction with management's knowledge of the property and the prior limited recent operating history of the Sakura mine. The production decision and operating plan for the extraction and sale of graphite were not based on any preliminary economic assessment, a pre-feasibility study or a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with the production decision and operating plan, in particular the risk that mineral grades will be lower than expected, the risk that construction or ongoing mining operations will be more difficult or more expensive than expected, the risk that the Company will not be able to transport or sell the mineralized material it produces on the terms it expects, or at all; the risk that due to the absence of a detailed economic and technical analysis according to and in accordance with NI 43-101 the production and economic variables associated with mineral extractions and sale may vary considerably. Readers are cautioned that no reliable estimates of future production capability or the economics of any extraction activity can be made.

Environmental Risks

The Company's exploration and exploitation programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining and processing business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

RISKS AND UNCERTAINTIES (CONTINUED)

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to Sri Lankan, Canadian and provincial approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of the Property could be subject to resistance from local residents that could either prevent or delay exploration and development of the Sri-Lankan Property.

Conflicts of Interest

Certain of the directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource and graphene/graphite application companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares. The Company does not intend to maintain insurance against environmental risks.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosures concerning Elcora's expenses are provided in the Company's statement of loss and note disclosures contained in its Financial Statements for the period ended September 30, 2017. These statements are available on Elcora's SEDAR Page. Site accessed through www.sedar.com.

Dividends

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the board of directors deem relevant

Management's Responsibility for Financial Statements

The information provided in this report, including the Consolidated Financial Statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Financial Statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with the Company's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Proposed Transactions

There are currently no significant proposed transactions.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the Consolidated Financial Statements and related financial reporting and internal control matters before the Consolidated Financial Statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the Consolidated Financial Statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.