

FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company
Elcora Advanced Materials Corp.
Suite 2630 - 1075 West Georgia Street
Vancouver, BC V6E 3C9 (the "Company")

Item 2. Date of Material Change
February 23, 2017

Item 3. News Release
The News Release dated February 23, 2017 was disseminated via Newsfile. Copies were also filed on SEDAR with the applicable securities commission.

Item 4. Summary of Material Change
Elcora Appoints CTO of Anode Development, Provides Financing Update

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announces the appointment of Dr. Shane Beattie as the CTO of anode development with responsibilities in the technology, testing, manufacturing and technical support of the Company's anode powder.

Dr. Shane Beattie

Dr. Beattie has more than 15 years of experience in energy storage and anode development. He earned his Ph.D. working with Jeff Dahn at Dalhousie University. His Post Doctoral fellowship was with Dr. Jean-Marie Tarascon at the LRCS, UPJV, Amiens, France. More recently, he was the Technical Director at Warwick University's Battery Pilot Scale-up line.

Dr. Beattie will be responsible for expanding the Company's existing capabilities to include testing of pouch cells, evaluating different graphite sources, supervision of the anode facility construction and related personnel, and interfacing with clients. He brings valuable experience working with several automotive companies using Li-ion technology and with cell manufacturers.

"The appointment of Dr. Beattie facilitates the development of the anode powder aspect of Elcora's vertically integrated structure and brings battery anode manufacturing and testing knowledge into the Company," said Troy Grant, Elcora's President and CEO. In addition, "His experiences and knowledge of the industry will be key to help commercialize and sell the Elcora anode products."

Elcora is pleased to report that they received \$500,000 in non-repayable grants and \$1,300,000 in Government Loans to assist with continued Lithium-Ion battery testing and development.

In addition to the \$1,800,000 amount, the Company announces that it has closed the second and final tranche of the non-brokered private placement financing (the "Private Placement") announced on January 31, 2017. The Private Placement closed at a total of \$2,645,823 or 9,799,343 Units.

The first tranche involved the issuance of 9,326,093 units ("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 additional common share of Elcora at an exercise price of \$0.34 for two years following the closing of the Private Placement. The term of the warrants may be accelerated in the event that the issuer's shares trade at or above a price of \$0.60 cents per share for a period of 20 consecutive days. In such case of accelerated warrants, the issuer may give notice, in writing or by way of news release, to the subscribers that the warrants will expire 45 days from the date of providing such notice.

In connection with the closing of both tranches of the Private Placement, the Company paid cash finders' fees equal to 6% of the proceeds and issued finders' shares equal to 6% of the number of Units sold. All securities issued pursuant to the Private Placement will be subject to a statutory four-month hold period.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable.

Item 7. Omitted Information

Not Applicable.

Item 8. Executive Officer

Theo van der Linde, CFO
Business Telephone: 604-336-3196

Item 9. Date of Report

July 7, 2017.