ELCORA RESOURCES CORP.

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Condensed Interim Financial Statements
(Unaudited)

For the periods ended September 30, 2015 and 2014

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

November 30, 2015

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2015 AND MARCH 31, 2015
EXPRESSED IN CANADIAN DOLLARS - UNAUDITED

	September 30, 2015	March 31, 2015
	$	$
		(Audited)
Assets		
Current assets		
Cash	**599,280**	33,476
Restricted cash	**-**	-
Investment in marketable securities	**184,132**	210,974
Accounts receivable *(note 7)*	**25,197**	6,906
Prepaid expenses	**47,177**	35,741
	855,786	287,097
Non-current assets		
Investment in Joint Venture *(note 9)*	**7,860,504**	6,974,969
Total assets	**8,716,290**	7,262,066
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities *(note 8)*	**352,044**	472,586
Subscriptions received in advance *(note 13)*	**1,228,040**	-
Total liabilities	**1,580,084**	472,586
Shareholders' equity		
Share capital *(note 11)*	**7,953,772**	7,173,780
Contributed surplus *(note 11)*	**2,776,589**	2,514,921
Accumulated other comprehensive income	**892,762**	919,850
Deficit	**(4,486,917)**	(3,819,071)
Total shareholder's equity	**7,136,206**	6,789,480
Total liabilities and shareholder's equity	**8,716,290**	7,262,066

-See Accompanying Notes-

Nature of business and going concern (*notes 1 & 2*)
Subsequent events *(Note 13)*

Approved on behalf of the Board on November 30, 2015

"Troy Grant" — Director

"Denis Choquette" — Director

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
EXPRESSED IN CANADIAN DOLLARS – UNAUDITED

	Three-month period ending September 30, 2015 $	Three-month period ending September 30, 2014 $	**Six-month period ending September30, 2015 $**	Six-month period ending September 30, 2014 $
Property investigation	**-**	24,736	**-**	92,355
Professional fees	**13,844**	105,280	**48,678**	144,644
Other supplies and services	**5,640**	20,792	**13,100**	28,689
Management and consulting fees	**69,179**	237,083	**165,477**	347,500
Regulatory, transfer agent and filing fees	**12,942**	6,306	**18,330**	14,711
Investor relations expense	**11,740**	133,691	**26,393**	186,932
Stock-based compensation	**-**	-	**261,668**	11,995
Loss before other items:	**(113,345)**	(527,888)	**(536,246)**	(826,826)
Other items:				
Interest Revenue	**682**	523	**683**	523
Share of loss in investments using the equity method	**(49,599)**	(43,628)	**(112,743)**	(43,628)
Loss on sale of marketable securities	**-**	(224,045)	**-**	(224,045)
Unrealized gain (loss) on marketable securities	**103,792**	10,496	**(44,037)**	(274,108)
Unrealized loss on foreign exchange	**25,769**	5,140	**21,898**	21,245
Future income tax recovery	**-**	1,250	**-**	1,250
Net loss for the period	**(32,701)**	(778,152)	**(667,846)**	(1,345,589)
Other comprehensive income				
Items that may be subsequently reclassified to profit and loss				
Cumulative translation adjustment	**119,971**	-	**(27,088)**	-
Comprehensive income (loss) for the period	**87,270**	(778,152)	**(694,934)**	(1,345,589)
Loss per share				
Loss per share - Basic and diluted	**(0.00)**	(0.02)	**(0.02)**	(0.04)
Weighted average number of outstanding common shares – Basic and diluted	**46,336,133**	39,319,980	**44,496,748**	31,211,344

EXPRESSED IN CANADIAN DOLLARS – UNAUDITED

	Share Capital (#)	Share Capital $	Contributed Surplus and other $	Accumulated other Comprehensive income $	Deficit ($)	Total shareholders' equity ($)
Balance - March 31, 2015	42,553,633	7,173,780	2,514,921	919,850	(3,819,071)	6,789,480
Net loss and comprehensive loss for the period	-	-	-	-	(667,846)	(667,846)
Cumulative translation adjustment	-	-	-	(27,088)	-	(27,088)
Comprehensive loss				(27,088)	(667,846)	(694,934)
Stock based compensation	-	-	261,668	-	-	261,668
Share issuance costs	-	43,492	-	-	-	43,492
Warrants exercised	4,910,000	736,500	-	-	-	736,500
Balance – September 30, 2015	47,463,633	7,953,772	2,776,589	892,762	(4,486,917)	7,136,206
					-	
Balance - March 31, 2014	22,453,163	1,989,416	131,034	-	(1,546,224)	574,226
Net loss and comprehensive loss for the period	-	-	-	-	(1,345,589)	(1,345,589)
Shares issued for cash	10,970,804	2,134,175	-	-	-	2,134,175
Shares issued for investment in associate	6,827,442	2,730,977	-	-	-	2,730,977
Warrants issued for investment in associate	-	-	2,280,366	-	-	2,280,366
Shares issued for debt	1,062,500	170,000	-	-	-	170,000
Share issuance costs	-	(98,213)	-	-	-	(98,213)
Agent options exercised	300,000	30,000	-	-	-	30,000
Stock-based compensation	-	-	11,995	-	-	11,995
Balance – September 30, 2014	41,613,909	6,956,355	2,423,395	-	(2,891,813)	6,487,937

-See Accompanying Notes-

EXPRESSED IN CANADIAN DOLLARS – UNAUDITED

	September 30, 2015 $	September 30, 2014 $
Cash flows from operating activities		
Net loss for the periods	**(667,846)**	(1,345,589)
Adjustments for items not involving cash:		
Deferred tax recovery	**-**	(1,250)
Stock-based compensation	**261,668**	11,995
Share of loss in investment in associate	**112,744**	43,628
Realized & Unrealized loss on marketable securities	**(13,968)**	498,153
Unrealized gain on foreign exchange	**-**	4,893
Changes in non-cash working capital items:		
Increase in accounts receivable	**(18,291)**	(19,863)
Increase in prepaid expenses	**(11,437)**	(51,343)
(Decrease)/ increase in accounts payable and accrued liabilities	**(120,536)**	221,329
Net cash used for operating activities	**(416,856)**	(638,047)
Investing activities		
Investment in Joint Venture	**(1,025,372)**	(1,422,381)
Exploration and evaluation assets		(5,100)
Proceeds on sale of marketable securities	**-**	94,378
	(1,025,372)	(1,333,103)
Financing activities		
Proceeds on issuance of common shares, net of subscriptions received in advance	**1,228,040**	1,585,325
Proceeds of subscriptions received in advance *(note 13)*	**-**	-
Proceeds on exercise of warrants	**736,500**	30,000
Share issuance costs	**43,492**	(98,213)
Shares issued for debt	**-**	-
	2,008,032	1,517,112
Net increase in cash	**565,804**	(454,039)
Cash, beginning of the period	**33,476**	472,183
Cash end of the periods	**599,280**	18,144

Supplemental disclosure with respect to cash flows - Note 12

-See Accompanying Notes-

1. Nature of business

Elcora Resources Corp. (the "Company" or "Elcora") was incorporated pursuant to the Canada Business Corporations Act on June 6, 2011 and its common shares are listed on the TSX Venture Exchange under the trading symbol ERA. The Company's head office is located at Suite 2108, Purdy's Tower Two, 1969 Upper Water Street, Halifax, Nova Scotia, B3J 3R7, Canada. The Company is a mineral exploration company engaged in locating and acquiring mineral projects and exploring for mineralization and has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable.

2. Going concern

The Company's continuing operations and the underlying value and recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its exploration property interests, and on future profitable production or proceeds from the disposition of the exploration property interests. To date, the Company has not earned any revenue.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which the option holder has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the option holder's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities and commitments in the normal course of business as they become due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that lend significant doubt upon the entity's ability to continue as a going concern, as described in the following paragraph. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and the statements of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The Company is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage of exploration. These risks include, but are not limited to, dependence on key individuals, successful exploration results and the ability to secure adequate financing to meet the minimum capital required to successfully complete the project and continue as a going concern. For the period ended September 30, 2015, the Company incurred losses of $667,846 (2014 - $1,345,589) and as at September 30, 2015 had an accumulated deficit of $4,486,917 (March 31, 2015 - $3,819,071). The Company has no income or cash flows from operations and at September 30, 2015 had a working capital deficit of ($724,298) (March 31, 2015 – deficit of $185,489). The ability of the Company to fulfill its commitments, meet its planned business objectives and continue as a going concern is dependent upon the ability of the Company to raise additional financing and upon successful results from its mineral property acquisitions and exploration activities. There is no assurance that these initiatives will be successful.

3. Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and in accordance with IAS 34 – Interim Financial Reporting. The Financial Statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2014. These Financial Statements have been prepared following the same accounting policies as the Company's audited financial statements for the year ended March 31, 2015.

The financial statements were approved by the Board of Directors for issue on November 30, 2015.

4. Critical accounting estimates and judgments

The preparation of the financial statements requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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, where available, comparison to similar market assets and, where available, industry benchmarks. Actual results may differ materially from these estimates

Stock-based compensation

The inputs used for share-based compensation calculation. The Company provides compensation benefits to its consultants, directors and officers through a stock option plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model. Expected volatility is based on historical volatility of the Company's share price. Historical data is utilized to estimate option exercises and forfeiture behavior with the valuation model. The risk-free rate for the expected term of the option is based on the Government of Canada yield curve in effect at the time of the grant.

Valuation of warrants

The Company issued 6,827,442 warrants in connection with the investment in the Sakura Graphite (PVT) Ltd joint venture. The fair value of the warrants is estimated on the date of the issuance using the Black-Scholes option pricing model. The significant assumption used is the estimate of expected volatility. Expected volatility is based on historical volatility of the Company's share price and other comparable companies. Based on these considerations, a volatility of 100% was used to value the warrants. Changes in this assumption may result in a material change to the value of the warrants issued. If expected volatility was increased or decreased by 20%, the impact would be an increase or decrease, respectively, to Contributed surplus and other of approximately $140,000 or $180,000, and an increase or decrease, respectively, to Investment in joint venture of the same amounts.

5. Financial instruments and fair values

Measurement categories

As explained in note 4 of the Company's audited financial statements for the year ended March 31, 2015, 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, restricted cash, 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.

(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.

ii) Interest rate risk

The Company's accounts payable and accrued liabilities are non-interest bearing and have contractual maturities of 30 days or less. As at September 30, 2015, the Company does not have cash equivalents.

iii) Price risk

The Company is exposed to price risk as it relates to its investment in marketable securities. At September 30, 2015 a 5% change in the quoted price of marketable securities would impact net income by $9,207 (2014 - $7,834). 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.

EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED – UNAUDITED

5. Financial instruments and fair values (continued)

Measurement categories

(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, 2015, the Company had cash of $599,280 (March 31, 2015 - $33,476) to settle current liabilities of $1,580,084 (March 31, 2015 - $472,583). See note 2.

6. Capital management

The Company attempts to manage its capital structure and makes adjustments to it, based on the funds available to the Company. The Company considers capital to be total shareholder's equity, which at September 30, 2015 totaled $7,136,206 (March 31, 2015 - $6,789,480). The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of business. The Company is not subject to externally imposed capital requirements.

7. Accounts receivable

	September 30, 2015 $	March 31, 2015 $
Sales tax recoverable	**25,197**	6,906
	25,197	6,906

8. Accounts payable and accrued liabilities

	September 30, 2015 $	March 31, 2015 $
Accounts payable	**12,410**	121,477
Accrued liabilities	**339,634**	351,109
	352,044	472,586

As at September 30, 2015 $188,016 (March 31, 2015 - $161,478) of accounts payable and accrued liabilities is due to related parties, relating to their services to the Company.

EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED – UNAUDITED

9. Investment in Joint Venture

On June 30, 2014, Elcora completed the purchase of 40% of the issued and outstanding shares of Sakura Graphite (PVT) Ltd of Sri Lanka ("Sakura"). The remaining 60% of Sakura is owned by J.D.K. Wickramaratne, through his wholly owned company KWA Holdings (Private) Ltd. ("KWA"). No Finders' Fee is payable for the Transaction. Pursuant to the Transaction, Elcora has issued a total 6,827,442 common shares of Elcora to shareholders of Sakura on the closing date of June 30, 2014. The closing price of Elcora shares on June 30, 2014 was $0.40, for an implied value of $2,730,977. Elcora also issued 6,827,442 warrants to the shareholders of Sakura to purchase common shares of Elcora (the "Warrants"). Each Warrant entitles the holder of such Warrant to purchase one common share of Elcora at a price of $0.19 for a period of 5 years. Based on the Black-Scholes valuation model at June 30, 2014, a value of $2,280,366 was attributed to the Warrants. The aggregate initial purchase price of the investment was $5,077,596, including acquisition costs of $66,253.

Sakura Joint Venture

Sakura operates the Sakura Graphite Mine located on Sakura's leased plots totaling 70 acres in Sri Lanka (the "Mine"). The industrial mining license, exploration licenses and environmental license for the Mine are currently being held by J.D.K. Wickramaratne for the sole benefit of Sakura and will be transferred to Sakura upon renewal. The CEO of Sakura is the current CEO of Elcora and the Chairman of the Board of Directors of Sakura is Mr. Wickramaratne or any other director appointed by Mr. Wickramaratne to the Board of Directors of Sakura. Sakura can have up to 10 directors, of which 60% are appointed by KWA and 40% by Elcora. All decisions of the Board of Directors shall require a minimum of 70% approval of all the Directors.

Elcora will earn 20% of the net income from the Mine as the Mine operator, and an additional 30% of the net income from the Mine for managing the processing of the graphite, for the life of the Mine. In order to maintain its 40% interest in Sakura, Elcora will provide the remaining capital expenditures required to put the Mine back into commercial production over the period through October 31, 2016. The remaining capital expenditures of which Elcora is required to fund will not exceed US$12 million, of which approximately US$2.1 million has been funded as of September 30, 2015.

Based on the terms of the Joint Venture management has determined there is joint control. Accordingly the investment is accounted for using the equity method in these financial statements.

Investment in Joint Venture

	September 30, 2015	March 31, 2015
	$	$
Investments in Sakura	7,188,294	6,162,923
Share of loss	(440,937)	(328,193)
Cumulative translation gain	892,758	919,845
	7,640,115	6,754,575
Advances receivable from Sakura	220,388	220,388
	7,860,504	6,974,969

Summarized financial information in respect of the Company's Sakura joint venture is set out below. The summarized financial information below represents amounts shown in the joint venture's financial statements adjusted for differences in accounting policies between the Company and fair value adjustments required related to the Company's investment in the joint venture (and not the Company's share of those amounts). The functional currency of the Sakura joint venture is the Sri Lankan rupee. Amounts below have been translated to Canadian dollars in accordance with the Company's accounting policy on foreign currency translation.

EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED – UNAUDITED

9. Investment in Joint Venture (continued)

Summary Statements of Earnings and Comprehensive (loss) Income

	September 30, 2015	September 30, 2014
	$	$
Revenues	-	-
Operating, general and administration expenses	223,040	-
	223,040	-
Depreciation and amortization	58,969	-
Net loss and comprehensive loss	**282,009**	-

Summary Statements of Financial Position

As at	September 30, 2015	March 31, 2015
	$	$
Cash	570,789	263,155
Other current assets	-	-
Current assets	570,789	263,155
Non-current assets	18,760,070	16,864,544
	19,330,859	17,127,699
Accounts payable and other payables	11,244	20,873
Current Liabilities	11,244	20,873
Non-current liabilities	219,347	220,388
Shareholder's equity	19,100,268	16,886,437
	19,330,859	17,127,699

Reconciliation of the above summarized financial information to the carrying amount of the interest in the joint venture regognized in the consolidated financial statements:

As at	September 30, 2015	March 31, 2015
	$	$
Net assets of the joint venture (JV)	19,100,268	16,886,438
Proportion of the Corporation's ownership interest in the JV	40%	40%
Carrying amount of the Corporation's intrest in the JV	**7,640,115**	6,754,575

EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED – UNAUDITED

10. Compensation of key management

Key management includes the Company's Directors, President and Chief Executive Officer and Chief Financial Officer. Compensation awarded to key management is summarized as follows:

Period ended	**September 30, 2015 $**	September 30, 2014 $
Consulting fees paid and or accrued	**76,250**	66,250
	76,250	66,250

The amount of $188,016 (March 31, 2015 - $161,478) is due to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

11. Share capital and contributed surplus

Authorized capital stock

Unlimited common shares without nominal or par value

Escrowed shares

As of September 30, 2015 there were 1,967,500 common shares (March 31, 2015 – 1,967,500) subject to an escrow agreement.

Private placement

- On July 19, 2013 Elcora closed a non-brokered private placement financing of $245,500 (the "July Private Placement"). The July Private Placement comprised 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 two years at a price of $0.15 per common share. The securities issued in the July Private Placement are be subject to a 4 month hold period and share issuance costs amounted to $9,974.
- On October 31, 2013 the Company issued 400,000 common shares in settlement of outstanding management fees of $40,000 payable to the Company's President and Chief Executive Officer and Chief Financial Officer.
- On July 23, 2013, the Company, in consideration for the grant of exploration rights, issued 50,000 common shares of the Company to the Flying Post First Nation(s).
- In January 28, 2014, the Company issued 400,000 common shares to Mantis to extend the term of the Option Agreement to allow the Company to continue to explore the Cree Lake Claims until December 31, 2014.
- On March 10, 2014 the Company issued 4,200,000 common shares of Elcora at $0.19 per common share in exchange for 443,136 ordinary shares of the Global Resources Investment Trust ("GRIT") at £1.00 per share. The Elcora shares are subject to a hold period expiring July 8, 2014. The GRIT shares are free trading on the London Stock Exchange.
- On May 13, 2014 the Company issued 1,062,500 common shares and 1,062,500 warrants in settlement of outstanding debt to arms-length parties. The warrants attached entitling the holder to acquire one common share of Elcora for $0.30 for 18 months.

11. Share capital and contributed surplus (continued)

- On May 13, 2014, Elcora closed a non-brokered private placement for $1,436,300 (the "Private Placement"). The Private Placement was subscribed for at $0.16 per common share with a full warrant attached entitling the holder to acquire one common share of Elcora for $0.30 for 18 months (the "Private Placement Warrant"). Pursuant to the Private Placement, Elcora issued 8,976,875 common shares and 8,976,875 Private Placement Warrants. As part of the placement, finder's fees of 182,610 Elcora Common Shares at $0.23 per share and 262,500 broker warrants exercisable at $0.16 per share for 18 months will be paid in conjunction with this placement.
- On June 30, 2014, Elcora completed the purchase of 40% of the issued and outstanding shares of Sakura Graphite (PVT) Ltd of Sri Lanka. No Finders' Fee is payable for the Transaction. Pursuant to the Transaction, Elcora has issued a total 6,827,442 common shares of Elcora at to shareholders of Sakura on the closing date of June 30, 2014. The closing price of Elcora shares on June 30, 2014 was $0.40. Elcora also issued 6,827,442 warrants to the shareholders of Sakura to purchase common shares of Elcora. Each Warrant entitles the holder of such Warrant to purchase one common share of Elcora at a price of $0.19 for a period of 5 years.
- On August 15, 2014 the Company closed the first tranche of its non-brokered private placement. Each unit is comprised of one common share and one share purchase warrant, with each share purchase warrant exercisable until February 16, 2016 at an exercise price of $0.43 per share. The final amount raised was $921,425 (2,632,643 units @ $0.35) with fees payable to the agents of 6% in cash totaling $43,648 of which $29,190 will be settled by the issuance of 83,400 common shares at an issue price of $0.35 and will issue 160,680 agents' warrants (8%) exercisable at $0.35 per share for 18 months.

Flow-through shares

The gross proceeds of the 925,000 flow-through shares issued in 2013 were $185,000. The Company agreed to incur $185,000 of qualified Canadian mineral exploration expenditures, as defined by Canadian income tax legislation. As at September 30, 2015 the Company had incurred all of the $185,000 expenditures required (2014 – $140,000).

EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED – UNAUDITED

11. Share capital and contributed surplus (continued)

Warrants

Warrant transactions outstanding for periods ended September 30, 2015 and year-ended March 31, 2015 were as follows:

	September 30, 2015		March 31, 2015	
	Number of warrants #	**Weighted average exercise price $**	Number of warrants #	Weighted average exercise price $
Opening Balance	**24,797,640**	**0.25**	4,960,000(5)	0.15
Issued – Exploration rights *(note 12)*	-	-	-	-
Expired during the period	-	-	(50,000)	0.20
Exercised during the period	**(4,910,000)**	**0.15**	(35,000)	0.30
Issued – Private placement (PP)	-	-	8,976,875	0.30(1)
Issued – PP Broker Warrants	-	-	262,500	0.16(1)
Issued – Investment in Sakura (Note 11)	-	-	6,827,442	0.19(2)
Issued – Shares for debt	-	-	1,062,500	0.30(3)
Issued – PP	-	-	2,632,643	0.43(4)
Issued – PP Broker Warrants	-	-	160,680	0.35(4)
Closing Balance	**19,887,640**	**0.26**	24,797,640	0.25

(1). Expire on December 31, 2015
(2). Expire on September 30, 2019
(3). Expire on November 15, 2015
(4). Expire on February 15, 2016
(5). 4,910,000 expire on July 19, 2015 (note 13)

The Broker warrants issued as part of the June 30, 2014 private placement were valued using the Black-Scholes option pricing model at the date of grant. The Broker warrants were priced using a risk free interest rate of 1.03%, a stock price of $0.41, 100% volatility and a term of 1.5 years. The fair value of the warrants was calculated to be $74,202 and was included with share issuance costs and an offsetting credit to Contributed Surplus and Other.

The Broker warrants issued as part of the August 15, 2014 private placement were valued using the Black-Scholes option pricing model at the date of grant. The Broker warrants were priced using a risk free interest rate of 1.09%, a stock price of $0.40, 100% volatility and a term of 1.5 years. The fair value of the warrants was calculated to be $21,148 and was included with share issuance costs and an offsetting credit to Contributed Surplus and Other.

Broker warrants issued as part of June 30, 2014 and August 15, 2014 private placements expire within 18 months of issue date.

EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED – UNAUDITED

11. Share capital and contributed surplus (continued)

Stock options

The Board of Directors of the Company has adopted an incentive stock option plan (the "Option Plan"). Under the Option Plan, the Board of Directors of the Company may, from time to time, at its discretion, and in accordance with the Exchange requirements and applicable securities legislation, grant to directors, officers, employees and consultants 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.

The following table summarizes the changes in the outstanding stock options:

	September 30, 2015		September 30, 2014	
	Number of options #	**Weighted average exercise price $**	Number of options #	Weighted average exercise price $
Balance - Beginning of period	**1,125,000**	**0.12**	1,125,000	0.12
Issued	**3,000,000**	**0.10**	-	-
Cancelled	**-**	**-**	-	-
Balance – End of period	**4,125,000**	**0.11**	1,125,000	0.12
Balance –exercisable at end of period	**4,125,000**	**0.11**	800,000	0.11

The range of exercise prices of stock options outstanding and exercisable as at September 30, 2015 is as follows:

	Outstanding options			**Exercisable options**	
Exercise prices	**Number of options outstanding #**	**Weighted average remaining term (years)**	**Weighted average exercise price $**	**Number of options exercisable #**	**Weighted average exercise price $**
$0.01 - $0.10	**3,725,000**	**4.98**	**0.10**	**3,725,000**	**0.10**
$0.11 - $0.20	**400,000**	**3.73**	**0.16**	**400,000**	**0.16**
	4,125,000	**4.86**	**0.11**	**4,125,000**	**0.11**

EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED – UNAUDITED

11. Share capital and contributed surplus (continued)

Stock options

The fair value of options granted is estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

year ended	September 30, 2015	September 30, 2014
Average Dividend per share	-	-
Average share price	-	-
Average forecasted volatility	100%	-
Average risk-free interest rate	0.59%	-
Average expected life	5 years	-
Fair value - weighted average of options issued	$0.09	-

For the period ended September 30, 2015, the Company recorded stock-based compensation expense with an offsetting increase to contributed surplus of $261,668 (2014 - $11,995).

12. Supplemental disclosure with respect to cash flows

There were no significant non cash investing and financing activities for the period ended September 30, 2015.

a) Cumulative translation adjustment of $27,088 in revaluating the investment in joint venture at the end of the period.

The significant non cash investing and financing activities for the period ended September 30, 2014 included:

a) The issuance of 1,062,500 common shares in exchange for debt of $170,000, included in accounts payable and accrued liabilities;
b) The issuance of 6,827,442 shares to complete the purchase of 40% of the issued and outstanding shares of Sakura Graphite (PVT) Ltd of Sri Lanka (see note 9).

13. Subsequent events

- On November 10, the Company closed a non-brokered private placement financing (the "Private Placement") announced on November 04, 2015. Elcora has issued 7,142,857 units ("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 additional common shares of Elcora at an exercise price of $0.30 for one year following the closing of the Private Placement. The Company will pay finders' fees of $50,200 in cash and 332,700 in finders' warrants in connection with the Private Placement.
- On November 20 the Company closed the previously announced C$1,388,040 two-year syndicated limited recourse convertible loan agreement for the lesser amount of C$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. A total of 7,161,000 shares of Elcora were issued upon the loan conversion.
- 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. The exercise of the warrants resulted in $269,500 cash to the treasury.
- The Company has also closed a non-brokered private placement financing by issuing 6,602,144 units ("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 additional common shares of Elcora at an exercise price of $0.30 for one year following the closing of the Private Placement. The Company won't pay any finders' fees in connection with the Private Placement.
- The Company announced that it has granted 2,700,000 incentive stock options to directors and officers. The options are exercisable at a price of $0.21 per share for a term of five years expiring December 01 2020, all subject to the terms of the Company's incentive stock option plan.