Eloro Resources Ltd. Announces Start of Underground Preparation for Diamond Drilling Program at Iska Iska Silver-Polymetallic Property Area

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TORONTO, June 25, 2020 - Eloro Resources Ltd. (TSX-V: ELO; FSE: P2Q) (“Eloro”, or the “Company”) is pleased to announce that its Bolivia subsidiary Minera Tupiza SRL has contracted Empresa Minera Villegas SRL to start underground drill bay preparations required for the 3,500m underground diamond drilling program planned on its Iska Iska Silver-Polymetallic Project (“Iska Iska”) in the Potosi Department, southern Bolivia. The Company and contractor have implemented safeguards to protect personnel from COVID-19. It is expected that drilling can commence once Bolivia lifts lockdown restrictions. Mineral Tupiza SRL has an option to acquire a 99% interest in Iska Iska (see press release January 9, 2020).

Preparations will include rehabilitation of 400 meters of underground workings and preparation of drill bays in the Huayra Kasa mine and in the Mina 2 underground workings located 2 kilometres south of Huayra Kasa (Figure 1). All workings will be systematically geologically mapped and channel sampled.

Tom Larsen, President & CEO of Eloro commented: “The planned drill program will follow the outline presented in the National Instrument (“NI”) 43-101 Technical Report by Micon International Limited (see press release April 29, 2020). This program will be the first drilling to ever be carried out on the property and is designed to test the full extent of the mineralized system in the vicinity of the mine workings. Iska Iska is in a prolific district of Bolivia and has excellent potential to host a significant silver-polymetallic mineral deposit.”

Synchrotron Mineral Study

Eloro contracted Dr. Lisa Van Loon of LISA CAN Analytical Solutions Inc. and Dr. Neil Banerjee of Western University, Department of Earth Sciences, to carry out a synchrotron mineral cluster analysis of samples from Iska Iska. The synchrotron is a type of circular particle accelerator that is an extremely powerful source of broad-spectrum electromagnetic radiation (e.g., visible light, infrared, UV, & X-rays), approximately 10 billion times brighter than the sun that allows for a rapid, high-resolution analytical technique for mineral exploration. A total of 42 pulps from samples from the Iska Iska due diligence program (see press release of October 8, 2019) were analysed.

The study concluded that synchrotron mineral cluster analysis identified four mineralogical domains that cover the entire sampling area suggesting they are related and represent a single, large mineralizing system. Furthermore, the mineralogy of the domains is consistent with minerals identified in hand specimen and are likely related to a telescoped porphyry/epithermal style of mineralization. Domain 1 is the most pervasive being identified in 31 samples while Domains 2, 3 and 4 are more localized. Table 1 lists the characteristics of each sample domain with range of assay results and mineralogical data from the synchrotron samples. Table 2 gives the complete analytical data for all samples analysed in the study.

Dr. Osvaldo Arce, P.Geo., Eloro’s Project Manager in Bolivia, commented: “The results from this study support the concept of outlining potential bulk mineable silver-polymetallic mineralization at Iska Iska as concluded by Micon. Domain 1 is very widespread with mineralization and alteration occurring in all rock types including granodiorite, dacite and sandstone. Some samples returned grades comparable to those samples in the more restricted domains. Domain 2 contains high silver, zinc, lead and indium values while Domain 3 has high gold and bismuth values. Domain 4 returned the highest gold value with high silver and bismuth. It is likely that the mineralization in Domains 2 to 4 is a precious metal-rich epithermal style that occurs along structures cutting the widespread Domain 1 mineralization that is of disseminated porphyry

style. It should be emphasized that this is a preliminary study the conclusions of which will be refined with additional surface/underground geological mapping and diamond drilling.”

Appointment of Micon International

Following the completion of the NI 43-101 Technical Report dated April 27, 2020, the next phase in the development of the Iska Iska polymetallic project is geared towards the preparation of a maiden mineral resource estimate. To ensure that the highest level of technical and commercial standards is upheld, Eloro has retained Micon International Limited as Independent Engineer (“IE”) to review, on an on-going basis, all its exploration activities and data collection methods. The IE will also advise on how best to proceed with preliminary metallurgical test-work of which the results will be critical in the definition of the mineral resources.

QUALIFIED PERSON

Dr. Osvaldo Arce, P. Geo., an expert on Bolivian geology and a Qualified Person in the context of NI 43-101 has reviewed and approved the technical content of this news release. Dr. Bill Pearson, P.Geo., Chief Technical Advisor for Eloro, and who has more than 45 years of worldwide mining exploration experience including extensive work in South America, will provide technical oversight to the program in consultation with Eloro’s Technical Advisory Committee and Micon International.

ABOUT ISKA ISKA

Iska Iska polymetallic project is a road accessible, royalty-free property, wholly-controlled by the Title Holder, Empresa Minera Villegas S.R.L. and is located 48 km north of Tupiza city, in the Sud Chichas Province of the Department of Potosi. The property can be classified as a polymetallic (Ag, Zn, Pb, Au, Cu, Bi, Sn, In) epithermal-porphyry complex. This is an important mineral deposit type in Bolivia.

Geological mapping on the property by Eloro has revealed the spatial and temporal zonation of alteration and vein minerals in an area of about 5 square kilometres. The polymetallic mineralization occurs mainly as veins, subsidiary vein swarms, veinlets, stockworks, and disseminations, forming a subvertical vein system in both the stock and the volcanic and sedimentary rocks. Preliminary evaluation work including 42 channel samples in underground channel samples included altered wall rock with widths ranging between 1.20 to 5.55 m, averaging 2.90 m (see press release of October 8, 2019 for further details).

- Silver. Anomalous silver values range between 35.5-694 g/t Ag (46% of channel samples).
- Gold. Anomalous gold values range between 0.31-28.6 g/t Au (42% of channel samples).
- Zinc. Anomalous zinc values range between 1.05-16.95% Zn (37% of channel samples).
- Lead. Anomalous lead values range between 0.41-16.95% Pb (49% of channel samples).
- Copper. Anomalous copper values range between 0.1->1% (22% of channel samples).
- Bismuth. Anomalous bismuth values range between 967-7,380 g/t Bi (22% of channel samples).
- Indium. Anomalous indium values range between 10.35->500 g/t In (34% of channel samples).

ABOUT ELORO RESOURCES LTD.

Eloro is an exploration and mine development company with a portfolio of gold and base-metal properties in Bolivia, Peru and Quebec. Eloro has an option to acquire a 99% interest in the highly prospective Iska Iska Property, which can be classified as a polymetallic epithermal-porphyry complex, a significant mineral deposit type in the Potosi Department, in southern Bolivia. Eloro recently commissioned a NI 43-101 Technical Report on Iska Iska, which was completed by Micon International Limited and is available on Eloro’s website and under its filings on SEDAR. Iska Iska is a road-accessible, royalty-free property. Eloro also owns an 82% interest in the La Victoria Gold/Silver Project, located in the North-Central Mineral Belt of Peru some 50 km south of Barrick’s Lagunas Norte Gold Mine and Pan American Silver’s La Arena Gold Mine. La Victoria consists of eight mining concessions and eight mining claims encompassing approximately 89 square kilometres. La Victoria has good infrastructure with access to road, water and electricity and is located at an altitude that ranges from 3,150 m to 4,400 m above sea level.

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FIGURE 1: LOCATION MAP AND PLAN MAP OF UNDERGROUND WORKINGS AT HUAYRA KASA SHOWING LOCATION OF DOMAINS DEFINED IN SYNCHROTRON STUDY

https://www.globenewswire.com/NewsRoom/AttachmentNg/bff51c8a-1c8e-4eb8-8d85-b5f1ae6221ad

TABLE 1: SYNCHROTON MINERALOGICAL ANALYSIS

py = pyrite; mc = marcasite; sph = sphalerite; gn = galena; apy = arsenopyrite; sd = siderite; agt = argentite; spls = samples; n.d. = not detected

Domain	No. Spls	Grade Range of Main Metals			
		Au g/t	Ag g/t	Zn%	Pb%
1	31	0.32-15.50 (39% of total spls)	8.99 -362 (48% of total spls)	0.3-2.15 (51.6% of total spls)	0.25-9.53 (5
2	5	0.02-0.35 (40% of total spls)	204-694 (100% of total spls)	0.39-16.95 (100% of total spls)	0.15-16.95 (
3	3	2.18-9.10 (100% of total spls)	68.90-295 (100% of total spls)	3.75-3.80 (66.6% of total spls)	0.48-3.75 (1
4	1	28.60	61.60	0.01	0.41

TABLE 2: DETAILED ANALYTICAL DATA BY DOMAIN FOR SAMPLES ANALYZED IN THE SYNCHROTRON STUDY

Domain	Sample No.	Au g/t	Ag g/t	Zn %	Pb %	Cu %	Bi ppm	In ppm	Sn ppm

	HK 01	0.01	0.53	0.01	0.01	0.02	12.50	1.08	44.90
	HK 02	0.36	1.39	0.51	0.44	0.05	123	4.72	57.80
	HK 03	2.50	25.50	2.15	0.63	0.06	967	9.76	108
	HK 04	0.85	10.50	1.99	0.28	0.04	52.50	26.3	71.70
	HK 06	0.07	46.10	3.01	0.77	0.05	40.80	˃500	77.60
	HK 08	0.02	75.10	1.40	1.35	0.02	40.40	102	65.60
	HK 11	<0.01	1.67	0.69	0.15	0.01	23.70	9.68	36.60
	HK 12	<0.01	3.78	1.29	0.8	0.01	194	5.67	81.40
	HK 13	<0.01	3.10	0.39	0.15	0.01	1.25	9.55	66.80
	HK 14	0.04	13.60	0.38	0.43	0.02	4.12	2.82	52.10
	HK 15	<0.01	1.82	1.05	0.03	0.01	1.81	2.07	66.80
	HK 16	<0.01	0.85	0.08	0.01	0.01	2.02	0.99	38.70
	HK 17	<0.01	5.99	0.31	0.25	0.01	3.06	1.83	105
	HK 19	0.03	37.70	1.51	1.33	0.04	44.10	8.95	˃500
	HK 21	0.34	2.60	0.51	0.07	0.02	101	3.95	25
1	HK 23	12.4	57.4	1.86	1.44	0.02	1,200	19.40	42
	HK 24	0.03	3.030	0.01	0.21	0.04	36.70	7.09	185
	HK 25	0.32	26.90	0.01	1.16	0.04	163	28.50	˃500
	HK 27	1.61	55.70	0.01	0.11	˃1.00	503	4.78	˃500
	HK 28	1.65	321	0.01	0.35	0.29	1,850	16.90	˃500
	HK 29	0.60	68.70	0.01	0.01	˃1.00	1,500	10.40	˃500
	HK 30	0.01	1.72	0.01	0.00	0.01	6.31	0.50	128
	HK 31	2.60	288	0.01	0.42	0.14	2,850	10.60	˃500
	HK 32	0.02	2.90	0.02	0.01	0.14	21.04	0.83	75.40
	HK 33	0.11	4.06	0.02	0.17	0.10	18.40	5.21	40.40
	HK 34	0.02	1.61	0.01	0.01	0.01	17.70	0.69	59
	HK 35	0.01	0.55	0.01	0.01	0.01	6.17	0.58	43.60
	HK 36	2.14	8.99	0.01	0.72	0.02	646	5.84	30.90
	HK 37	0.08	1.43	0.01	0.07	0.01	8.97	3.88	90
	HK 39	0.15	1.15	0.01	0.01	0.01	42.10	1.13	65.50
	HK 41	0.19	73.4	5.63	1.08	0.03	48	32.2	172
	HK 07	0.35	204	4.81	4.13	0.05	30.70	384	283
	HK 09	0.02	266	5.75	8.24	0.01	71	46.40	248
2	HK 10	0.01	570	10.60	9.72	0.15	73	˃500	136
	HK 18	0.03	362	9.23	9.53	0.03	66.80	23	845
	HK 42	0.01	694	7.87	16.95	0.06	37	˃500	182
	HK 22	9.10	73.70	3.80	1.70	0.08	1,230	323	30.1
3	HK 26	2.71	295	0.02	0.48	˃1.0	3,160	24.10	˃500
	HK 40	2.18	68.90	3.75	3.75	0.05	334	5.44	311
4	HK 38	28.60	61.60	0.01	0.41	0.31	7,380	4.37	17