Eloro Resources' First Drill Hole at the Iska Iska Project's Central Breccia Pipe Encounters Multiple Mineralized Intercepts

04.05.2021 | GlobeNewswire

Including 196 Grams Silver Equivalent/tonne (g Ag eq/t) over 56.2m and containing 343 g Ag eq/t (274 g Ag/t, 0.16% Sn and 0.16 g Au/t) over 27.5m

TORONTO, May 04, 2021 - Eloro Resources Ltd. (TSX-V: ELO; OTCQX: ELRRF FSE: P2QM) ("Eloro", or the "Company") is pleased to provide an update on its Iska Iska silver-tin polymetallic project in Potosi Department, southern Bolivia. To date, the Company has completed 29 diamond drill holes totalling 11,696 metres to test the Huayra Kasa Mine area, Santa Barbara Breccia Pipe ("SBBP") and Central Breccia Pipe ("CBP") targets. This press release reports further drilling results from the first drill hole (CDN-01) to test the CBP from the northern radial platform. Figure 1 is a geological plan map showing locations of the drill holes and updated geological interpretation. Figure 2 is a NE-SW geological cross section through the eastern side of the SBBP and the northwest part of the CBP showing location of the main mineralized zone. Table 1 gives significant drilling results and Table 2 lists holes completed with assays pending. Highlights are as follows:

Highlights

- Hole DCN-01 intersected multiple mineralized intercepts including 196.09 g Ag eq/t (150.25 g Ag/t, 0.10% Sn and 0.05 g Au/t) over 56.2m and containing 342.98 g Ag eq/t (274.0 g Ag/t, 0.16% Sn and 0.16 g Au/t) over 27.53m, from 252.84m to 309.04m in Hole DCN-01.
- Recently completed hole DSB-10, drilled from a platform at the SBBP, encountered over 500 m of continuous sulphide mineralization in a position several hundred meters below mineralization encountered in hole DCN-01. Assays are pending.

Major Mineralized Zone Being Outlined in Central Breccia Pipe

Drill Hole DCN-01, drilled from the northern radial setup on the CBP, intersected a broad 483.3m wide mineralized zone, from 107.2m to the end of the hole at 590.5m. Within this mineralized zone there are 19 intersections greater than 31 g Ag eq/t, representing 61% of the overall mineralized interval, including eight (8) intersections greater than 60 g Ag eq/t (Table 1). The highest-grade interval returned 196.09 g Ag eq/t (150.25 g Ag/t, 0.10% Sn and 0.05 g Au/t) over 56.2m, including 342.98 g Ag eq/t (274.0 g Ag/t, 0.16% Sn and 0.16 g Au/t) over 27.53m from 252.84m to 309.04m. As shown in Figure 2 and discussed below, this intersection appears to be the top of a very extensive mineralized zone in the CBP that may be as much as 500m thick.

Drill Hole DSB-10, drilled on an azimuth of 225 degrees at a dip of -60 degrees, initially intersected 380m of oxidized and leached breccia of the SBBP before intersecting a 500m long section of mineralized intrusion breccia in the northwestern part of the CBP, as shown in Figures 1 and 2. Within this broad zone, moderate to strong sulphide mineralization extends for a total of 293m from 522m to 586 (64m) and from 650m to 879m (229m). This hole is the longest drilled at Iska Iska thus far, with a final length of 1,019.4m, reflecting the remarkable size of the mineralized system in the CBP. Drill Hole DCN-02 drilled on section with DCN-01 to the southwest at -60 degrees intersected several zones of mineralized intrusion breccia approximately 50m thick before intersecting dacite at the western margin of the breccia pipe. DCN-03 was drilled from the same setup at -60 degrees to the southeast for a length of 464.5m but was stopped in favour of doing a more efficient hole from the southern radial setup (Figure 1). This hole at an azimuth of 90 degrees and a dip of -60 degrees, is currently at 780m and is ongoing. Assay results from all these holes are pending. Further drilling is planned to better define the overall mineralized zone which is very extensive.

Third and Fourth Diamond Drill Being Mobilized to Iska Iska Site

Eloro contractor Leduc Drilling has mobilized a high-capacity underground drill to Iska Iska, which is capable

of drilling up to 600m long underground drill holes. This drill is currently being setup in Drill Bay #3 at the west end of the Huayra Kasa underground workings to complete a fan of holes to evaluate the area beneath the Santa Barbara adit eastwards to the centre of the caldera complex. The first hole DHK-18, to be drilled at an azimuth of 180 degrees and dip of -10 degrees, will be collared shortly. This hole is designed to test underneath the Santa Barbara adit where a recent continuous channel sample returned 442 g Ag eq/t (165 g Ag/t, 3.46% Pb and 0.46% Sn) over 166m including 1,092 g Ag eq/t (including 446 g Ag/t, 9.03% Pb and 1.16% Sn) over 56.19m (see press release April 13, 2021). An underground drill bay will also be excavated at the west end of the Santa Barbara Adit to allow underground drilling from there. Underground drilling is also possible from the Porco adit.

As previously announced (see press release March 29, 2021), an additional surface drill will be mobilized in early May to test the Porco target, located in the southern part of the Iska Iska Caldera Complex. This will be the fourth drill on site.

Geophysical, Metallurgical, Synchrotron and Mineralogical Studies

The magnetic survey is progressing well with approximately 43% of the planned 185-line kilometre survey now complete. Continuous readings are being taken on north-south lines spaced at 50m intervals to provide detailed magnetic coverage of the entire property. Down-hole Induced Polarization ("IP") surveys and a surface gradient IP survey are also planned.

Preliminary metallurgical tests are in progress at the University laboratory in Oruro. Results from the synchrotron study by Western University are currently being analyzed. Mineralogical studies are in progress at the Colorado School of Mines.

Micon International Retained to Complete Updated NI 43-101 Technical Report

Mr. Charley Murahwi, P.Geo., Senior Economic Geologist for Micon International Limited and an independent technical consultant for Eloro, previously completed an independent National Instrument 43-101 technical report on Iska Iska, dated April 27, 2020, which included a site visit in January 2020. Mr. Murahwi is currently updating this report to reflect drill hole results reported up to and including this news release. While COVID-19 related travel restrictions have prevented a return site visit, Mr. Murahwi has been kept up-to-date on the program's progress and has had the opportunity to view a number of representative drill hole samples as well as review all drill hole data.

Tom Larsen, Chairman and CEO of Eloro said: "As the technical team receive more geological information and assay results from the accelerated drilling program, it is becoming readily apparent that Iska Iska is proving to be in a massive mineralized system generating elevated metal values from every host rock and structure encountered, especially as one goes deeper. Results from our discovery hole DHK-15, the recent channel sampling of the Santa Barbara adit and current results from Hole DCN-01 show the significant potential for outlining major areas of high-grade mineralization within this extensive mineralized system."

Dr. Bill Pearson, P.Geo., Eloro's Executive Vice President Exploration, stated: "We are continuing to aggressively explore the very extensive mineralized system at Iska Iska. The target area for mineralization in SBBP and CBP is now more than 1km long and at least 800m wide with mineralization open in all directions. All of the holes drilled to date have intersected mineralization. The recognition of the importance of the third stage of major remobilization by Dr. Arce, as outlined in our April 13, 2021 release, has opened up large areas for further testing outside of the immediate breccia pipes, which themselves are major targets. The addition of our third and fourth drills will allow us to continue to aggressively test these targets. We also very much hope that the COVID-19 situation in Lima, Peru will improve so that the ALS Global Laboratory can return to more normal production rates for assaying."

Dr. Quinton Hennigh, P.Geo. commented: "Every single drill hole completed at Iska Iska to date has encountered mineralization, a very positive sign that we are dealing with a very large system. While it is remarkable to see the first hole at CBP return multiple intervals of mineralization, some high grade, it is also intriguing that hole DSB-10 has encountered over 500 m of continuous sulphide mineralization several hundred meters below. What was encountered in hole DCN-01 may simply be smoke above something even larger. We are quite anxious to see the return of results from this hole."

Dr. Osvaldo Arce, P.Geo., General Manager of Eloro's Bolivian subsidiary, Minera Tupiza SRL, and an expert on Bolivian geology, stated: "The style, metal types and distribution of mineralization at Iska Iska are very typical of the Bolivian polymetallic type of deposit. What is remarkable at Iska Iska, however, is that the entire system is so well preserved. In recent drill holes such as DSB-10, we are intersecting extensive thicknesses of sulphide mineralization that are comparable in scale to other well-known world class Bolivian polymetallic deposits. Multi-episodic activities of magmatic-hydrothermal systems within different host lithologies and structures lead to multistage polymetallic mineralization. Sn and Ag typically characterize the first-stage inner high-temperature part of a km-sized mineralizing system with sulphide- breccias, veins, stockworks and disseminations centred in both an intrusion breccia cupola and the overlying subvolcanic granodiorite intrusion at the CBP.

Subsequent second-stage mineralization sequentially expanded outwards from the intrusion breccia and granodioritic intrusion forming a broader halo with vein-breccia or replacement-style Pb-Zn ? Sn ? Au ? Bi ? Cu polymetallic stage mineralization hosted in breccia pipes and dacitic domes of a lower temperature shallower epithermal system at the SBBP. This produced different types of enriched mineralized shoots within the breccia and the dacitic envelope. The remarkable tin and/or silver-polymetallic enriched zones such as in Hole DCN-01, DSB-10 and the Santa Barbara adit likely formed in the third phase due to faulting and fracturing during major Andean deformation, which led to development of favourable sites for redeposition and remobilization/upgrading of the pre-existing tin and silver-polymetallic mineralization. This last stage was likely a prolonged multi-stage event with considerable telescoping of mineralization."

Table 1: Significant Diamond Drilling Results, Iska Iska as at May 4, 2021
https://www.globenewswire.com/NewsRoom/AttachmentNg/62181753-6928-4ece-9017-822d42c0c706

Note: True width of the mineralization is not known at the present time, but based on the current understanding of the relationship between drill orientation/inclination and the mineralization within the breccia pipes and the host rocks such as sandstones and dacites, is estimated that true width ranges between 70% and 90% of the down hole interval length but this will be confirmed by further drilling. Percentage metal contents are shown for each element.

Metal prices and conversion factors used for calculation of g Ag eq/t (grams Ag per grams x metal) are as follows:

Element	Ratio (peAgkg)
Ag	$8075000
Sn	$028200
Zn	$208020
Pb	$20040
Au	$57,6400000
Cu	$801006
Bi	$102468
In	$334850
Cd	$50629

In calculating the intersections reported in this press release a sample cutoff of 30 gAgeq/t was used with generally a maximum dilution of 3 continuous samples below cutoff included within a mineralized section unless more dilution is justified geologically.

Table 2: Summary of Diamond Drill Holes at Iska Iska from press release of May 4, 2021 with assays pending.

Hole No.	Type	Collar Easting	Collar Northing	Elev	Azimuth	Angle	Hole Length m
Underground Drilling Huayra Kasa - Santa Barbara Area							
DSB-18	UG	205468.9	7656367.2	235	180	-10	In progress
Santa Barbara Breccia Pipe - Surface Radial Drilling from Centre							
DSB-07	S	205118.9	7656205.7	4356.0	135	-60	683.4

DSB-08	S	205118.9	7656205.7	4356.0 45	-60	614.4
DSB-09	S	205118.9	7656205.7	4356.0 315	-60	692.4
DSB-10	S	205118.9	7656205.7	4356.0 225	-60	1,019.4
					Subtotal	3,009.6
DSB-11	S	205118.9	7656205.7	4356.0 125	-40	In progress
Central Breccia Pipe - Surface Radial Drill Program - North Setup						
DCN-01	S	204902.0	7655860.0	4420.0 45	-60	590.5
DCN-02	S	204902.0	7655860.0	4420.0 225	-60	623.5
					Subtotal	1,214.0
DCN-03	S	204902.0	7655860.0	4420.0 225	-60	In progress
					TOTAL	4,223.6

S = Surface UG=Underground; collar coordinates in metres; azimuth and dip in degrees
Total drilling completed since the start of the program on September 13, 2020 is 11,696.4m m in 12 underground holes and 17 surface holes with one underground and two surface holes in progress.

Qualified Person

Dr. Osvaldo Arce, P. Geo., General Manager of Minera Tupiza S.R.L., and a Qualified Person in the context of National Instrument 43-101 (NI 43-101), has reviewed and approved the technical content of this news release. Dr. Bill Pearson, P.Geo., Executive Vice President Exploration Eloro, and who has more than 45 years of worldwide mining exploration experience including extensive work in South America, manages the overall technical program in consultation with Dr. Quinton Hennigh, P.Geo., Senior Technical Advisor to Eloro and Independent Technical Advisor, Mr. Charley Murahwi P. Geo., FAusIMM of Micon International Limited.

Drill and channel samples are prepared in ALS Bolivia Ltda's preparation facility in Oruro, Bolivia with pulps sent to the main ALS Global laboratory in Lima for analysis, As announced in the February 26, 2021 press release, Eloro has changed the assay protocol to utilize X-ray fluorescence (XRF) to more accurately analyze higher Sn. Tin in the CBP is suspected to occur as cassiterite which is insoluble in acid digestion, and therefore not suited for wet chemical techniques. In addition, other assay protocols have been changed to provide for a more accurate measurement of the wide-ranging suite of polymetallic metals at Iska Iska. Eloro employs an industry standard QA/QC program with standards, blanks and duplicates inserted into each batch of samples analyzed with selected check samples sent to a separate accredited laboratory.

Unfortunately, the ALS Global laboratory in Lima where the Iska Iska samples are being analyzed has had major delays in turnaround time due to the impact of the COVID-19 lockdown of Lima by the Peruvian government. This has restricted availability of critical supplies necessary to carry out analytical work. As a result, there will be delays in reporting of assay results.

About Iska Iska

Iska Iska silver-tin 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 silver-tin polymetallic (Ag, Zn, Pb, Au, Cu, Bi, Sn, In) and porphyry-epithermal complex. This is an important mineral deposit type in the prolific South Mineral Belt of Bolivia.

Silver-tin polymetallic mineralization at Iska Iska occurs within a Miocene possibly collapsed/resurgent caldera that consists of granodioritic stocks and five (5) dacitic domes which are each about 500m in diameter. These rocks intrude/extrude an intensely deformed sequence of Ordovician shales, siltstones, and sandstones, which are partially covered by Miocene pyroclastic rocks. The silver polymetallic mineralization occurs mainly as veins, vein swarms, veinlets, stockworks, disseminations and in breccias associated with intense hydrothermal alteration. The Iska Iska dome complex has several major phases of igneous breccias, quartz porphyries, dikes and dacitic syn-kinematic flows.

On November 18, 2020 Eloro announced the discovery of a significant breccia pipe with extensive silver

polymetallic mineralization just east of the Huayra Kasa underground workings and a high-grade gold-bismuth zone in the underground workings. Diamond drilling intersected a number of extensive mineralized intersections within the major breccia pipe including 54.48 g Ag/t, 1.45% Zinc (Zn) and 1.60% Lead (Pb) over 16.39m (140.91 g Ag eq/t) within a broader interval of 122.74m grading 14.29 g Ag/t, 0.81% Zn and 0.41% Pb (53.67 g Ag/t eq) in Hole DHK-04 (see press release November 18, 2020).

The high-grade gold-bismuth zone outlined in channel samples in the underground working averaged 7.1 g Au/t and 0.2% Bi (8.29 g Au eq/t) over 3.04m width for strike length of 47m. Hole DHK-05 on the strike extension of the high-grade Au-Bi zone intersected 6.51g Au/t, 0.07% Bi and 31.96 g Ag/t (7.68 g Au eq/t) over 11.85m grading including 29.56 g Au/t,0.26% Bi/t and 63.69 g Ag/t (31.94 g Au eq/t) over 2.31m in this high-grade zone.

On January 26, 2021, Eloro announced significant results from drilling at the Santa Barbara Breccia Pipe. Highlights are as follows:

- 129.60 g Ag eq/t over 257.5m (29.53g Ag/t, 0.078g Au/t, 1.45%Zn, 0.59%Pb, 0.080%Cu, 0.056%Sn, 0.0022%In, 0.0064%Bi and 0.0083%Cd) from 0.0m to 257.5m in hole DHK-15, the deepest of the three holes reported within the SBBP;
- 79.00 g Ag eq/t over 121.33m (21.77g Ag/t, 0.034g Au/t, 0.35%Zn, 0.23%Pb, 0.18%Cu, 0.056%Sn, 0.0011%In, 0.004%Bi and 0.0055%Cd) from 0.0m to 121.33m in Hole DHK-14 within the SBBP;
- 74.16 g Ag eq/t over 40.88m (33.43g Ag/t, 0.032g Au/t, 0.04%Zn, 0.33%Pb, 0.13%Cu, 0.045%Sn, 0.0010%In and 0.0012%Bi) from 30.40m to 71.28m in Hole DHK-13 which is within the approximately 100m wide mineralized envelope that surrounds the breccia pipe.

Silver-tin polymetallic mineralization within the Iska Iska system occurs over a potential strike length of more than 2.5km along major ring structures in the caldera complex. A synchrotron study of the underground channel samples (see press release dated June 25, 2020) concluded that the 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.

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 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.

For further information please contact either Thomas G. Larsen, Chairman and CEO or Jorge Estepa, Vice-President at (416) 868-9168.

Information in this news release may contain forward-looking information. Statements containing forward looking information express, as at the date of this news release, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results and are believed to be reasonable based on information currently available to the Company. There can be no assurance that forward-looking statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on forward-looking information.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

Figure 1: Geological Plan Map of the Santa Barbara and Central Breccia Pipe areas
https://www.globenewswire.com/NewsRoom/AttachmentNg/45211fd2-0975-4710-bf0c-e2b47491bfc4

Figure 2: SW-NE Geological Cross Section of the Central Breccia and Santa Barbara Breccia Pipes, Iska Iska Project
https://www.globenewswire.com/NewsRoom/AttachmentNg/32a34ce7-a966-45d8-bbe8-9b6401f79361