Magnetic Inversion Model Confirms Extensive Mineralized System at Iska Iska Extending over 2.4 Kilometre Strike Length

21.10.2021 | GlobeNewswire

Mineral resource definition drilling continuing in the Santa Barbara target area which has been increased to more than 1,400m along strike, is 500m wide and extends to a depth of up to 600m.

TORONTO, Oct. 21, 2021 - Eloro Resources Ltd. (TSX-V: ELO; OTCQX: ELRRF; FSE: P2QM) ("Eloro", or the "Company") is pleased to provide an update on exploration activities at its Iska Iska silver-tin polymetallic project in the Potosi Department, southern Bolivia. To date, the Company has completed 32,606 metres (m) of drilling in 63 holes, including three (3) in progress, to test major targets at Iska Iska. Currently three drills are operating on the property: two surface drills and one underground drill.

Mineral Resource Definition Drilling at Santa Barbara Breccia Pipe

Eloro is continuing mineral resource definition drilling on the Santa Barbara Target Area which includes the Santa Barbara Breccia Pipe ("SBBP"), the surrounding mineralized envelope and the potential northwest extension indicated by the magnetic anomaly (Figure 1). Additional drilling since the Company's September 28, 2021, press release has further expanded the target area for definition of a maiden National Instrument 43-101 ("NI 43-101") compliant mineral resource to more than 1,400m along strike, with significant mineralization being intersected in step out holes DSB-15 and DSB-16 which are collared 200m further northwest than the first step out holes DSB-12 and DSB-13. This target zone is approximately 500m wide and extends to a depth of 600m. Further fill-in drilling on SW-NE sections is being undertaken at approximately 100m intervals.

Three underground drill holes have been completed from the drill bay at the west end of the Santa Barbara adit. DSBU-01, drilled due east at -20 degrees, intersected extensive mineralization in the mineralized envelope of the SBBP. Holes DSBU-02 and DSBU-03 drilled due west at -20 degrees and -50 degrees, respectively, intersected significant mineralization along the southern margin of the SBBP. A fourth underground hole DSBU-04 is currently in progress, drilled due south at -20 degrees to fill in coverage in the mineralized envelope to the south of the SBBP. Assays on the underground and surface holes cited are all pending. Table 1 gives a complete listing of holes with assays pending.

Magnetic Inversion Model, Iska Iska Caldera Complex

On June 7, 2021, Eloro released results of its ground magnetic survey at Iska which confirmed the extent of the Iska Iska Caldera, as determined from geological mapping and satellite interpretation, including Aster data. The Santa Barbara and Central Breccia Pipes, both of which have been confirmed by drill-testing, are marked by prominent areas of low magnetic variability reflecting strong hydrothermal alteration. The Porco Breccia Pipe target, which is approximately 600m in diameter, has a similar signature to the Santa Barbara and Central Breccia Pipes. Drilling subsequently confirmed geologically that Porco is also a major breccia pipe, but assays are pending. Furthermore, it appears that the Central and Porco Breccia Pipes merge at depth. This survey also identified a prominent area of low magnetic variability northwest of the Santa Barbara Breccia Pipe where drilling has now confirmed a major extension of the mineralized envelope northwest of the SBBP.

Figure 2 shows a NNW-SSE section through a 3D Inverse Magnetic Susceptibility Model calculated from the ground magnetic data. Measurements of the magnetic susceptibility of representative core samples were used as initial constraints for the model parameters. Geometric constraints were also applied to the model using geological observations. These included magnetic depletion in an oxidized zone near the surface and a depth interval consistent with drill results. Higher grade samples at Iska Iska generally have higher sulphide content and are distinctly magnetic. Magnetic susceptibility thus provides a good tool for outlining potential zones of mineralization.

The model demonstrates that the altered and mineralized zone at Iska Iska has the form of a giant "tongue" extending for a strike length of at least 2.4km, with a thickness near surface of approximately 400m, expanding to a depth over 1.2km in the southeast. The upper, oxidized part of the mineralized system has a very low magnetic susceptibility as does the underlying basement Ordovician quartz sandstone. SBBP is the shallowest mineralized structure followed by Central Breccia. The core of Porco appears to be deeper. Father south the model indicates strong magnetic susceptibility that may reflect a porphyry at depth.

Tom Larsen, CEO of Eloro commented: "We are working with ALS and AHK Laboratories to reduce the backlog of assay samples. Both ALS and AHK have prep labs in Oruro in Bolivia. AHK recently installed a crusher facility in Tupiza which will increase efficiency of sample preparation. With both laboratories now actively engaged, turnaround times for assay results should improve."

Dr. Bill Pearson, P.Geo., Eloro's Executive Vice President Exploration, commented: "The magnetic model further confirms the immense extent of the mineralized system at Iska Iska which will require much more drilling to fully evaluate. Currently we are completing down hole Induced Polarization/Resistivity surveys in the SBBP area to outline the geometry of the mineralized zones. Volumes with higher sulphide content will appear as anomalous chargeability and lower resistivity. We anticipate being able to model these higher sulphide zones to help develop a robust geological model for mineral resource estimation. We are currently focussing on filling gaps in our drill coverage for defining a maiden NI 43-101 compliant mineral resource in the Santa Barbara target area. This drilling is expected to be completed by the end of November."

Table 1: Summary of Diamond Drill Holes Completed with Assays Pending and Drill Holes in Progress at Iska Iska from press release of September 28, 2021.

Hole No.	Type	Collar Easting	Collar Northing	Elev	Azimuth	Angle	Hole Length m
Surface Drilling Northwest Extension Santa Barbara							
DSB-12	S	205072.7	7656867.5	4165.0	225	-40	806.2
DSB-13	S	205072.7	7656867.5	4165.0	225	-60	696.5
DSB-14	S	205283.0	7656587.2	4175.0	225	-65	814.8
DSB-15	S	204973.1	7657053.8	4165.0	225	-40	731.2
DSB-14	S	205283.0	7656587.2	4175.0	225	-65	968.5
DSB-15	S	204973.1	7657053.8	4165.0	225	-40	731.2
DSB-16	S	204973.1	7657053.8	4165.0	225	-65	862.0
DSB-18	S	205207.1	7656676.3	4175.0	225	-40	890.4
						Subtotal	6500.8
DSB-17	S	205131.3	7656765.4	4173.0	225	-40	In progress
Underground Drilling Huayra Kasa - Santa Barbara Area							
DHK-23	UG	205418.5	7656360.0	4151.9	270	-50	598.0
						Subtotal	598.0
Underground Drilling Santa Barbara Adit							
DSBU-1	UG	205285.2	7656074.8	4165.0	90	-10	260.5
DSBU-2	UG	205285.2	7656074.8	4165.0	270	-20	563.6
DSBU-3	UG	205285.2	7656074.8	4165.0	270	-20	644.9
						Subtotal	1469.0
DSBU-4	UG	205285.2	7656074.8	4165.0	270	-20	In progress
Central Breccia Pipe - Surface Radial Drill Program - North Setup							
DCN-05	S	204902.0	7655860.0	4420.0	90	-60	524.3
DCN-06	S	204902.0	7655860.0	4420.0	180	-80	626.4
DCN-07	S	204902.0	7655860.0	4420.0	270	-60	680.4
						Subtotal	1831.1
Central Breccia Pipe - Surface Radial Drill Program - South Setup							
DCS-03	S	204852.1	7655612.3	4429.7	225	-60	443.5
DCS-04	S	204852.1	7655612.3	4429.7	180	-60	644.4

						Subtotal	1087.9
Porco Central - Surface Radial Drill Program							
DPC-01	S	205457.2	7655110.9	4175.0	270	-60	767.5
DPC-02	S	205457.2	7655110.9	4175.0	225	-60	908.2
DPC-03	S	205457.2	7655110.9	4175.0	135	-60	524.5
DPC-04	S	205457.2	7655110.9	4175.0	0	-60	371.4
DPC-05	S	205457.2	7655110.9	4175.0	90	-60	407.5
DPC-06	S	205457.2	7655110.9	4175.0	243	-60	716.4
						Subtotal	3695.5
						TOTAL	15,182.3

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 32,606m in 63 holes including 3 holes in progress (21 underground holes and 42 surface holes).

Figure 1: Geology of the Iska Iska Caldera Complex showing locations of Major Target Zones including the magnetic anomaly northwest of the Santa Barbara Breccia Pipe and diamond drill holes completed and in progress. A NNW-SSE line A-A' indicates the surface trace of the Magnetic Susceptibility Model Section shown in Figure 2.
https://www.globenewswire.com/NewsRoom/AttachmentNg/e8b641e2-3c7a-4f73-87b9-8f2084793a1a

Figure 2. Longitudinal Section Showing the Inverse Model of Magnetic Susceptibility. Susceptibility Highlights Major Targets and Geological Features
https://www.globenewswire.com/NewsRoom/AttachmentNg/1289f498-2494-4047-94c5-9aa2356251e0

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 working closely with Dr. Arce. Dr. Quinton Hennigh, P.Geo., Senior Technical Advisor to Eloro and Independent Technical Advisor, Mr. Charley Murahwi P. Geo., FAusIMM of Micon International Limited are regularly consulted on technical aspects of the project.

The magnetic survey was carried out by MES Geophysics using a GEM Systems GSM-19W Overhauser magnetometer. Dr. Chris Hale, P.Geo. and Mr. John Gilliatt, P.Geo. of Intelligent Exploration provided the survey design, preparation of the maps and interpretation from data processed and quality reviewed by Rob McKeown, P. Geo. of MES Geophysics. Messrs. Hale, Gilliatt and McKeown are Qualified Persons as defined under NI 43-101 Mr. Joe Mihelcic, P.Eng., P.Geo., a QP under NI 43-101, of Clearview Geophysics completed the 3D magnetic inversion model in consultation with Dr. Chris Hale, P.Geo. and Mr. John Gilliatt, P.Geo. of Intelligent Exploration.

Drill 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 tin. 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.

Recently, AHK Laboratories, who manage a global network of laboratories have setup operations in Bolivia with the establishment of a preparation laboratory in Oruro. AHK has a strong base of accredited laboratories in South America including Peru, Chile, Brazil and Argentina. Eloro has contracted AHK to provide additional analytical services in order to help reduce the sample backlog. A series of check samples are currently being analyzed by AHK as a QA/QC check.

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 in southern Bolivia. Eloro has an option to earn a 99% interest in Iska Iska.

Iska Iska is a major silver-tin polymetallic porphyry-epithermal complex associated with a Miocene possibly collapsed/resurgent caldera, emplaced on Ordovician age rocks with major breccia pipes, dacitic domes and hydrothermal breccias. The caldera is 1.6km by 1.8km in dimension with a vertical extent of at least 1km. Mineralization age is similar to Cerro Rico de Potos? and other major deposits such as San Vicente, Chorolque, Tasna and Tatasi located in the same geological trend.

Eloro began underground diamond drilling from the Huayra Kasa underground workings at Iska Iska on September 13, 2020. 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. On November 24, 2020, Eloro announced the discovery of the SBBP approximately 150m southwest of the Huayra Kasa underground workings.

Subsequently, on January 26, 2021, Eloro announced significant results from the first drilling at the SBBP including the discovery hole DHK-15 which returned 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 and 0.0064% Bi from 0.0m to 257.5m. Subsequent drilling has confirmed significant values of Ag-Sn polymetallic mineralization in the SBBP and the adjacent CBP. The SBBP thus far extends 800m along strike by 400+m wide and extends to at least 700m depth. CBP extends for 700m along strike by 400+m wide and extends to at least 900m deep.

A substantive mineralized envelope which is open along strike and down-dip extends around the breccia pipes. Continuous channel sampling of the Santa Barbara Adit located to the east of SBBP returned 442 g Ag eq/t (164.96 g Ag/t, 0.46%Sn, 3.46% Pb and 0.14% Cu) over 166m including 1,092 g Ag eq/t (446 g Ag/t, 9.03% Pb and 1.16% Sn) over 56.19m. The west end of the adit intersects the end of the SBBP.

On May 4, 2021, Eloro released results from the first drill hole on the CBP. 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.

On May 26, 2021 Eloro released results from Hole DSB-07 drilled at -60 degrees to a depth of 683.4m to the southeast from the radial drill platform on SBBP which intersected multiple mineralized intercepts including:

- 122.66 grams silver equivalent/tonne ("g Ag eq/t") (35.05 g Ag/t, 0.72% Zn, 0.61% Pb, 0.11% Sn and 0.06 g Au/t) over 123.61m from 236.60m to 360.21m including 205.74 g Ag eq/t (92.30 g Ag/t, 0.57% Zn, 0.85% Pb, 0.18% Sn and 0.07 g Au/t) over 32.32m, from 317.21m to 349.53m.
- 105.41 g Ag eq/t (8.55 g Ag/t, 1.01% Zn, 0.48% Pb, 0.06% Sn and 0.38 g Au/t) over 173.58m from 449.87m to 623.45m including 199.77 g Ag eq/t (21.90 g Ag/t, 1.18% Zn, 0.93% Pb 0.12% Sn and 0.94 g Au/t) over 39.08m, from 551.19m to 590.27m.
- 146.19 g Ag eq/t (1.70 g Ag/t, 0.00% Zn, 0.01% Pb, 0.42% Sn and 0.02 g Au/t) over 10.20m from 171.60m to 181.80m in the oxide zone indicating potential for significant Sn mineralization in this strongly leached nearer surface zone.
- In aggregate, 64% of this 683.4m long hole returned reportable mineralized intervals.

Eloro reported additional multiple holes with significant silver-tin polymetallic Intercepts in the SBBP and CBP

on July 6, 2021 including:

- Hole DSB-08, testing the northeast quadrant of the SBBP, encountered eighteen reportable mineralized intercepts beginning near surface to its terminus at 614.4 m. The longest intercept was 69.89 g Ag eq/t over 252.89m from 355.12 to 608.02m including several higher-grade sections of 196.60 g Ag eq/t including 131.13 g Ag/t over 14.52m, 134.62 g Ag eq/t including 93.25 g Ag/t over 21.08m and 145.35 g Ag eq/t including 2.38% Zn over 10.11m.
- Hole DSB-10, testing the southwest quadrant of the SBBP and northern part of the CBP, encountered twenty-nine reportable mineralized intercepts beginning near surface to its terminus at 1,019.4m. Tin was notably elevated in many intervals suggesting proximity to a mineralizing intrusive source in this area. Notable intercepts include 114.96 Ag eq/t including 0.325% tin (Sn) over 56.2m from 322.18m to 378.30m including a higher-grade section of 187.98 g Ag eq/t including 0.535% Sn over 28.86m, 80.71 g Ag eq/t including 0.213% Sn over 74.39m from 474.86 to 549.25m and 118.69 g Ag eq/t over 10.77m from 829.97 to 840.74m.

On July 28, 2021, Eloro reported results from hole DHK-18, drilled due south at -10 degrees from the west drill bay in the Huayra Kasa underground workings, to test the mineralized envelope of the SBBP. This hole intersected 129.65 g Ag eq/t (18.38 g Ag/t, 2.14% Zn, 0.67%Pb, and 0.047% Sn) over 300.75m from 65.14m to 365.91m, including higher grade intervals of 215.54 g Ag eq/t over 72.76m, 163.35 g Ag eq/t over 31.83m and 224.48 g Ag eq/t over 19.39m. This hole intersected significant mineralization approximately 230m below the eastern part of the Santa Barbara adit from which previously reported continuous channel sampling returned 442 g Ag eq/t over 166m (see press release April 13, 2021). 82% of this 446.5m long hole contained reportable intervals.

On September 7, 2021 assay results were reported from a further four (4) additional four holes which tested the mineralized envelope of the Santa Barbara Breccia Pipe ("SBBP") and the central-southern part of the Central Breccia Pipe ("CBP"), including;

- Hole DHK-20, drilled from the west end of the Huayra Kasa underground workings at -50 degrees on section with hole DHK-18, which intersected 129.65 g Ag eq/t over 300.75m (see press release dated July 28, 2021), returned 234.19 g Ag eq/t (70.58 g Ag/t, 2.31% Zn, 2.74% Pb and 0.042% Sn) over 53.20m from 139.35m to 192.55m including a higher grade portion of 931.73 g Ag eq/t (367.29 g Ag/t, 5.64% Zn, 13.67% Pb and 0.10% Sn) over 9.26m. Multiple additional significant mineralized intervals occur above and below this intercept. Mineralization occurs within the mineralized envelope east of SBBP in all host rock types.
- Hole DHK-19, drilled to the southeast at -45 degrees from the west end of the Huayra Kasa underground workings, intersected 108.24 g Ag eq/t (3.14g Ag/t, 0.24 g Au/t, 2.03% Zn and 0.58% Pb) over 48.2m from 46.95m to 95.15m in altered dacite in the mineralized envelope of the SBBP. This includes a higher-grade interval grading 180.76 g Ag eq/t (4.46 g Ag/t, 0.35 g Au/t, 3.57% Zn and 1.05% Pb) over 15.02m. Multiple additional significant mineralized intervals occur above and below this intercept.
- Hole DCN-04 was drilled at -80 degrees to the north from the northern radial platform of the CBP. This hole intersected seventeen (17) mineralized intersections, principally Sn-Ag-bearing, over its 851.4m length. Best results include 71.54 g Ag eq/t (32.58 g Ag/t and 0.10% Sn) over 97.10m from 134.40 to 231.5m; 101.52 g Ag eq/t (28.74 g Ag/t and 0.19% Sn) over 62.01m from 281.40m to 343.41m; 70.42 g Ag eq/t (28.74 g Ag/t and 0.16% Sn) over 22.59m from 417.05m to 439.64m; and 236.96 g Ag eq/t (92.21 g Ag/t and 0.25% Sn) over 17.45m from 659.55m to 677.00.m
- Hole DCS-02 was drilled southeast at -60 degrees from the south radial platform of the CBP. This hole, which was drilled to 800.5m, intersected nine (9) reportable Ag-Zn-Pb-Sn mineralized intervals. Best results include 79.53 g Ag eq/t (including 0.21% Sn) over 19.42m, 101.01 g Ag eq/t (32.76 g Ag/t, 0.76% Zn, 0.75% Pb) over 10.47 and 130.95g Ag eq/t (34.14 g Ag/t, 0.10 g Au/t, 1.35% Zn and 0.56 % Pb over 7.40m. Mineralization in the southern part of the CBP is notable for containing significant Zn and Pb as well as Ag and Sn, a metal assemblage more comparable to SBBP and Porco. The northern part of the CBP is dominantly Sn-Ag suggesting a deeper origin for this part of the breccia pipe.

A detailed ground magnetic survey of the Iska Iska property, reported on June 6, 2021, confirmed the extent of the Iska Iska Caldera as determined from geological mapping and satellite interpretation, including Aster data. The SBBP and CBP, both of which have been confirmed by drill-testing, are marked by prominent low anomalies reflecting strong alteration. The magnetic data suggests that the Central and Porco Breccia Pipes likely merge at depth. In addition, there is a prominent area of low intensity magnetics northwest of the SBBP which was reported on in this press release.

Geological mapping and satellite interpretation identified a third major breccia pipe target, Porco (South), that

is approximately 600m in diameter (South) located southeast of the CBP in the southern part of the Iska Iska caldera complex. The Porco (South) Breccia Pipe target has a similar magnetic signature to the Santa Barbara and Central Breccia Pipes, further confirming the likelihood of it being a major breccia pipe. This target is currently being drill tested. Previous channel sampling in the Porco adit located adjacent the target area 200m to the southeast returned 50m grading 519.35 g Ag eq/t including 236.13 g Ag/t, 1.89 g Au/t, 0.87% Cu, 0.22% Bi and >0.05% Sn over an average sample width of 2.49m.

Currently three diamond drill rigs are active at Iska Iska, two surface rigs and one underground drill. Planned drilling for 2021 is 51,000m with the aim of outlining an initial inferred NI 43-101 compliant mineral resource by Q1 2022. A downhole induced polarization/resistivity (IP/Res) survey is in progress to further define drill targets and aid resource definition drilling. Preliminary metallurgical tests are also in progress. An updated NI 43-101 Technical Report is being prepared by independent consultant Micon International Ltd.

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.