Eloro Announces Restart of Definition Diamond Drilling on the Iska Iska Silver-Tin Polymetallic Project, Potosi Department, Southwestern Bolivia

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- Updated modelling of the potential starter pit area at Santa Barbara indicates that areas with higher-grade mineralization typically have much better drilling density, whereas holes outside the core area are too widely spaced to give an accurate grade estimate. This increased drilling density is particularly important for defining the extent of the high-grade Ag-bearing and Sn-bearing structures, and for categorizing the mineral resources from inferred to indicated, which have a major influence on overall grade and resources that will contribute to the preliminary economic assessment ("PEA").

- An initial program of 5,700m of diamond drilling in 13 holes in the Santa Barbara starter pit area is planned to better define the vertical and lateral extent of high-grade Ag mineralization; fill-in gaps that are presently categorized as low-grade or waste in the resource model but are very likely mineralized; expand the higher-grade Sn mineralization to the west; and complete an additional 1,400m in two large size PQ holes for further metallurgical testing. Drill pads are expected to be completed by mid-September for start up of this initial diamond drilling program.

- The Santa Barbara Adit and area will be of particular interest and focus, where previous systematic continuous channel sampling along the adit returned average grades of 164.96 g Ag/t, 0.46%Sn, 3.46% Pb and 0.14% Cu over 166m including 446 g Ag/t, 9.03% Pb and 1.16% Sn over 56.19m.

- Once this initial 7,100m drilling program is completed, an additional 7,000m drilling program is planned in the polymetallic Ag-Zn-Pb and Sn-Ag domains to produce an independent updated mineral resource estimate ("MRE") which will be reported and incorporated into the PEA.

- The Eloro team continue to look for opportunities to process tin zones for recovery of cassiterite either after cessation of the aforementioned Ag-Zn-Pb project by adding a tin plant onto the existing flotation plant infrastructure already installed or construction of a stand-alone tin plant. A silver rich bi-product is envisaged from processing the tin-silver domain that would be commercialized separately. The tin-silver sulphide domain will be metallurgically tested so it can be included in the PEA study.

- A conceptual scoping study has been initiated that will identify the potential for developing an underground ramp into the core of the Santa Barbara zone, with the following objectives:
    - Extract systematic bulk and channel samples to confirm grade and continuity of mineralization especially for Ag and Sn
    - Generate samples for external laboratory bulk metallurgical test work
    - Potentially leading to a small pre-concentration plant to generate additional metallurgical data on this important stage in the process and permit pre-concentrated "ore" that could be treated at Empresa Minera Villegas SRL's lead-zinc-silver differential flotation plant located 15 km from Iska Iska for the production of silver-rich lead and zinc concentrates. This would potentially provide a source of short-term income to help support the capital and operating costs of this initiative.
    - It would also demonstrate the technical viability of the pre-concentration plant unit processes in readiness for the 35,000 tonnes per day bulk tonnage open pit mine model envisioned for the PEA.
    - Detailed geological and engineering work to further assess the ground-water quality, contamination risks, predicting geologic hazards, characterizing mineral resources and their extraction costs, producing geotechnical information, waste repository siting and general education.
    - Provide access for targeted underground diamond drilling to further upgrade the mineral resource

TORONTO, Sept. 04, 2024 -- Eloro Resources Ltd. (TSX: ELO; OTCQX: ELRRF; FSE: P2QM) ("Eloro: or the "Company") is pleased to provide an update on Eloro's Iska Iska silver-tin polymetallic project in Potosi Department, southern Bolivia.

Tom Larsen, CEO of Eloro commented: "Our geological team has carried out a detailed analysis of all the drilling information, including updated modelling, to develop a very targeted diamond drill program that will start up in late September 2024. The initial focus will be proximal to the Santa Barbara adit zone to help define the potential "Starter Pit Area" and then move to the west to upgrade and expand the polymetallic and Ag-Sn mineralization. This new drilling would aim to generate expanded mineral resources in the Santa Barbara starter pit area and provide a mine life of 10-15 years at a preliminary optimized production rate of 35,000 tonnes per day, to be evaluated in the PEA."

"I am excited to report that a ramping development phase is planned within the Santa Barbara potential starter pit area once initial infill drilling has confirmed the ramp location from the independent engineering study," added Mr. Larsen. "This ramp would provide Eloro with the added benefit of bulk sampling assay results and potentially permit Eloro to start a small-scale operation and a pre-concentration plant that would aim to demonstrate the economic, environmental, social benefit and sustainable validity of the Iska Iska project. For these expected planned projects, permitted mining licenses are in good standing to move forward with these initiatives."

The company is pleased to announce the appointment of Dr. Osvaldo Arce to the role of Executive VP Latin American Operations, as he continues in his role as General Manager of Eloro's Bolivian subsidiary Minera Tupiza SRL., together with the appointment of Chris Holden to Senior Vice President, Corporate Development.

A current inhouse ramping study for driving a ramp into the core of the Santa Barbara starter pit area is being carried out by geological and mining consultants, Mr. Julio Zavaleta and Mr. Max Penafiel, respectively, who have carried out similar projects for major mining companies elsewhere in Bolivia over the past 25 years.

Planned Definition Diamond Drilling Program

As highlighted in the Eloro press release of July 30, 2024, updated modelling of the potential starter pit area at Santa Barbara (see Figure 1, Table 1 and Figure 2) emphasised the importance of completing additional definition drilling to better define the grade and extent of the mineral resource. Areas with higher-grade resource typically have much better drilling density whereas holes outside the core area are too widely spaced to give an accurate estimate of grade. This increased drilling density is particularly important for defining the extent of the high-grade Ag-bearing and high-grade Sn-bearing structures which have a major influence on resource grade and overall project economics.

An initial phase program of 5,700m in 13 holes of diamond drilling in in the Santa Barbara potential starter pit area is planned as follows:

- 1,800m in four holes to better define the vertical and lateral extent of high-grade Ag mineralization.
- 3,900m in nine holes to fill-in and expand the higher-grade Ag and Sn mineralization to the west which will be an important part of the potential production as the starter pit area expands.

Figure 1. Geological and Planned Drill Hole Location Map, Santa Barbara Potential Starter Pit Area.

This will be followed by:

- 1,400m in two larger diameter PQ holes for further metallurgical testing in Sn mineralization to the west

Upon completing the initial drilling program, a second phase 7,000m diamond drilling program in the Zn polymetallic, Ag and Sn domains is planned. The overall data will be incorporated into an updated mineral resource estimate ("MRE"), which will be reported and incorporated into the PEA.

Table 1: Proposed Drill Holes in Phase I

Drillhole Name	Easting	Northing	Elevation	Azimuth	Dip	Length (m)	Domain	Category
DP-01	205264	7656133	4290	0	90	500	Ag-Sn	Infill
DP-02	205390	7656251	4220	225	50	400	Ag-Sn	Infill
DP-03	205460	7656319	4191	225	50	400	Ag-Sn	Infill
DP-04	205203	7656016	4282	0	90	500	Ag-Sn	Infill
DP-05	205291	7656269	4273	0	90	450	Ag	Infill
DP-06	205310	7656329	4257	0	90	600	Ag-Sn	Infill
DP-07	205205	7656083	4310	225	70	400	Ag-Sn	Infill
DP-08	205251	7656269	4293	225	65	350	Ag	Infill
DP-09	205371	7656228	4229	205	35	350	Ag-Sn	Infill
DP-10	205403	7656144	4210	225	60	450	Ag	Infill
DP-11	205327	7656383	4236	0	90	400	Ag	Infill
DP-12	205327	7656383	4236	225	65	400	Ag	Infill
DP-13	205088	7656107	4341	0	90	700	Ag-Sn (Met)	Infill
DP-14	205035	7656126	4357	0	90	700	Sn (Met)	Step-out
DP-15	205022	7656003	4342	0	90	500	Sn	Step-out
					TOTAL	7100		

Note holes may be modified as the program progresses based on results obtained.

Figure 2: Representative SW-NE Geological Cross Section across Potential Santa Barbara Starter Pit Area. Section line is shown on Figure 1.

Potential Ramp and Pre-concentration Plant Program

As previously reported (see Eloro press release dated January 23, 2024), bulk metallurgical tests returned substantially higher grades than the original twinned diamond drill holes - 91 g Ag/t in the bulk sample versus 31 g Ag/t in the original holes that were twinned, suggesting that grades, especially for silver, may be underestimated, in some cases significantly. These results highlight the need for further bulk sampling to better confirm overall grade in the deposit.

Eloro has carried out a preliminary independent study on the potential for driving a ramp into the core of the Santa Barbara starter pit area. This ramp, which would be built to international standards by experienced Bolivian mining contractors, would be 3.0m wide by 3.2m high and the first phase will consist of 1000m of ramping at a gradient of 12% to a vertical depth of approximately 300m but could extend deeper if warranted. The proposed project would access both the high-grade Ag and higher-grade Sn zones providing the opportunity to assess the continuity and grade of mineralization.

The company is currently studying the commercial viability of installing a small pre-concentration plant and the equipment selection will take into account the metallurgical characteristics of the zinc polymetallic oxide and sulphide domains that have already been metallurgically tested. The technologies currently being considered are TOMRA XRT and/or Gekko Jigs. Gekko Jigs are already in operation at MINSUR in Peru treating tin ore and Pirquitas in Argentina treating silver ore.

Update on Preliminary Economic Assessment (PEA)

The Eloro press release dated July 30, 2024, provided an update on the PEA study in progress and recent work has focussed on assessing the potential of adding Sn to the production plan.

The addition of a tin processing facility is currently seen as a later stage processing option so that the capital cost expenditure on the Ag-Zn-Pb equipment can be re-utilised for the subsequent processing of the tin-silver sulphide domain. Alternative processing options will be considered provided the size and quantity of tin discovered justifies a stand-alone operation.

The proposed 1400m PQ drill holes in the tin-silver sulphide deposit are designed specifically to extract bulk samples for metallurgical testing at Wardell Armstrong International in Cornwall and TOMRA GmbH in Wedel, Germany and Gekko in Australia to confirm that this "ore" is amenable to pre-concentration and provide a conceptual flowsheet for this "ore" type that can be used in the PEA study.

Qualified Person ("QP")

Engineering work for the PEA is being managed by Mike Hallewell, B.Sc., F.I.M.M.M., F.S, A.I.M.M., F.M.E.S., C.Eng., Eloro's Senior VP Engineering Projects/Metallurgy, and a QP as defined by NI 43-101. Mr. Hallewell has reviewed and approved the technical engineering content of this news release.

Dr. Bill Pearson, P.Geo., Eloro's Executive Vice President Exploration and a QP as defined by NI 43-101 has reviewed and approved the technical geological content of this news release. Dr. Pearson who has more than 50 years of worldwide mining exploration, development and production experience, including extensive work in South America, manages the overall technical program, working closely with Dr. Osvaldo Arce, P.Geo. Executive VP Latin American Operations and General Manager of Eloro's Bolivian subsidiary, Minera Tupiza S.R.L., and a QP in the context of NI 43-101, who supervised all field work carried out at Iska Iska.

About Iska Iska

The 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 100% 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 Potosí and other major deposits such as San Vicente, Chorolque, Tasna and Tatasi, all located along the same overall 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 Santa Barbara Breccia Pipe (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 from 0.0m to 257.5m. Subsequent drilling has confirmed the presence of significant values of Ag-Sn polymetallic mineralization in the SBBP and the adjacent Central Breccia Pipe (CBP). A substantive mineralized envelope which is open along strike and down-dip extends around both major breccia pipes. Continuous channel sampling along the walls of the of the Santa Barbara Adit located to the east of SBBP returned average grades of 164.96 g Ag/t, 0.46%Sn, 3.46% Pb and 0.14% Cu over 166m including 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.

Since the initial discovery hole DHK-15 which returned 29.53g Ag/t, 0.078g Au/t, 1.45%Zn, 0.59%Pb, 0.080%Cu and 0.056%Sn over 257.5m, Eloro has released a number of significant drill results in the SBBP and the surrounding mineralized envelope which, along with geophysical data, has defined an extensive target zone. On October 17, 2023, Eloro filed the NI 43-101 Technical Report outlining the initial inferred MRE for Iska Iska, prepared by Micon International Limited. The MRE was reported in two domains, the Polymetallic (Ag-Zn-Pb) Domain which is primarily in the east and south of the Santa Barbara deposit and the Tin (Sn-Ag-Pb) Domain which is primarily in the west and north.

The Company completed a 5,267.7m definition drill program in the fall of 2023 to upgrade and expand the higher-grade mineral resource in the potential Santa Barbara starter pit.

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 100% interest in the highly prospective Iska Iska project, which can be classified as a polymetallic epithermal-porphyry complex, a significant mineral deposit type in the Potosi Department, in southern Bolivia. A recent NI 43-101 Technical Report on Iska Iska, which was completed by Micon International Limited, 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 the Lagunas Norte Gold Mine and the La Arena Gold Mine.

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

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