

Mineralogy Studies Show Free Gold, Free Silver, Sulphide Gold and Silver, and Alloy Gold and Silver at the La Victoria Gold Silver Project, Ancash, Peru

Toronto, Canada, March 22, 2019 – Eloro Resources Ltd. (TSX-V: ELO; FSE: P2Q) (“ELO” or the “Corporation”) is pleased to announce results of detailed mineral determination studies from representative rock samples collected from three mineralized sectors at the La Victoria Gold/Silver Project. The studies confirm free gold, free silver, sulphide gold and silver, and alloy gold and silver occur in a complex suite of sulphide mineralization at La Victoria, as suggested from drill data (see Press Release March 10, 2019).

A total of eighteen samples from Rufina, San Markito and Victoria sectors were studied using a variety of methods including; Polarizing and Scanning Electron Microscopy, Electron Microprobe analysis, X-ray Diffraction, Synchrotron X-ray Fluorescence (SXRF) and SXR Absorption Near Edge Structure. The samples were sent to the Department of Earth Sciences at Western University, London, Ontario, Canada. Studies were overseen by Department Director Dr. Neil Banerjee, and included in a Master’s Thesis by Ms. Kelsey Rozon.

As Ms. Rozon notes (2018, p83), “La Victoria also has some common minerals with nearby high-sulphidation epithermal deposits found at La Arena, Lagunas Norte, and Shahuindo including: arsenopyrite, chalcopyrite, covellite, enargite, pyrite and silica with alunite-dickite. Additional minerals that La Victoria has in common with nearby gold-bearing deposits include galena, jarosite, pyrophyllite, scorodite, sericite, sphalerite, and tetrahedrite.”

Rozon (2018, pp78-81) notes the positions of the samples used in these studies relative to an overprinting of a porphyry copper intrusion marked by the intensity and style of mineralization and alteration. Most of the data comes from the Rufina sector, for which a porphyry copper intrusive is evidenced in the core logs with pyrite and chalcopyrite and sporadic covellite. Rozon notes four separate positions to which the samples belong, including “marginal to a copper porphyry but below the lithocap [at both shallow and deep crustal levels]”; “upper portion of a porphyry copper core zone at a shallow crustal level”; and “upper portion of a porphyry copper deposit”.

Based on these insights, Eloro is going to return to the core storage unit to study the diamond drill core for the types of alteration noted in Rozon (2018) in the context of the mapping works completed by Dr. Osvaldo Arce in 2016 (see News Release October 19, 2016).

Study Results

The Rufina sector samples showed sulphide veins to overprint at least two episodes of quartz veining in a source rock of quartz monzonite. Microscopic gold occurred with the sulphide veins near arsenopyrite and chalcopyrite (Rozon, 2019, p39). Electron microprobe testing revealed a variety of minerals, including electrum (a mix of gold and silver) found in scorodite (a hydrous iron arsenate from the oxidation of arsenopyrite). X-Ray Fluorescence (SXRF) analysis showed the presence of gold with common base metals and common crustal metals. The gold is dispersed in both arsenopyrite and scorodite.

The San Markito samples were selected and analysed to compare different intrusive phases. Granites and related intrusives were seen with phyllic alteration and advanced argillic alteration in quartz veins with small sulphide veins appearing as a cross-cutting stage. The electron microprobe revealed roughly the same suite of minerals as the Rufina samples, but that silver was in the mineral argentite, which was present as individual grains and within the nearby minerals scorodite and arsenopyrite. Enargite, a classic indicator mineral for epithermal gold mineralization, was also noted in the samples.

The Victoria sector samples included four with quartz veins, two with sulphide veins, and two granite/monzogranite samples. Veins were seen with phyllic and advanced argillic alteration, indicating potential copper porphyry synergies. Gold was found in the sulphide veins, granular in character, and associated with arsenopyrite and chalcopyrite. The electron microprobe revealed a wide suite of gold and silver bearing minerals including; native gold, argentite, acanthite, argentojarosite, titanite, and tetrahedrite. Free gold is present within arsenopyrite and associated in proximity to other minor minerals. Rozon notes (2018, p52) that “the free gold is granular and microscopic, while the electrum is granular, fibrous, and microscopic”. An analysis of the gold/silver ratios in electrum gave values of between 2 gold: 1 silver to 16 gold: 1 silver. The analysis notes the presence of maldonite, an alloy of gold and bismuth analogous to electrum, the alloy of gold and silver. The SXRF data confirmed that gold is associated with arsenopyrite and scorodite as in other samples.

The Synchrotron X-Ray Near-Edge Absorption study was completed on several samples where free gold had been identified in other tests in order to show the valence state of gold. If the gold has zero valence, it is native gold. Samples showed this to be conclusively the case at the Rufina and Victoria South Sectors; San Markito was not tested.

These studies demonstrate the occurrence of free gold and free silver in addition to sulphide hosted gold and silver as well as lesser amounts of alloyed gold and silver in mineralization at La Victoria.

Eloro CEO Mr. Tom Larsen noted, "These studies clearly reveal the variety of gold and silver at La Victoria and where it is located, including evidence for a copper porphyry. It is especially exciting to see free gold and free silver at La Victoria as well as the alloys with very high gold to silver contents. We are now going to take several specific high-gold and high-silver samples and complete grind size and liberation testing. Now that we know how the gold and silver occur in these samples, we can look at optimizing a recovery process."

Eloro SVP Mining Mr. Jim Steel MBA P.Geo., said, "Other than minor occurrences of electrum and maldonite gold and silver do not occur in solid solution. We are cautiously optimistic that the pitted and fractured nature of the arsenopyrite and scorodite will allow the gold to be liberated at a coarse grind."

Also, Dr. Bill Pearson, P.Geo. has stepped down from the position of President of Eloro Resources Ltd. The Corporation thanks Dr. Pearson and wishes him well.

Qualified Person

Jim Steel MBA P.Geo., a Qualified Person in the context of National Instrument 43-101, has read and approved the technical content of this News Release.

Cited Reference

Rozon, K. 2018. Geochemical Analysis of a Low-Sulphidation Epithermal Deposit on the La Victoria Property in the Ancash Department of the Republic of Peru. Unpublished Master's Thesis, The Department of Earth Sciences, University of Western Ontario, London, Ontario, pp39-83.

About Eloro Resources Ltd.

Eloro is an exploration and mine development company with a portfolio of gold and base-metal properties in Peru and Quebec. Eloro owns an 82% interest (EHR Resources Ltd 18%) 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, with largely the same mineralogy in similar stratigraphy. The Property consists of eight mining concessions and eight mining claims encompassing approximately 89 square kilometres. The Property has good infrastructure with access to road, water and electricity and is located at an altitude that ranges from 3,100 m to 4,200 m above sea level.

For further information please contact Jorge Estepa, Vice-President of Eloro Resources Ltd. at (416) 868-9168.

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