



ANNUAL INFORMATION FORM

For the Year Ended March 31, 2020

Dated November 5, 2020

**ELORO RESOURCES LTD.
Suite 200 – 20 Adelaide Street East
Toronto, Ontario
M5C 2T6**

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ITEM 1: PRELIMINARY NOTES

1.1 Effective Date of Information

References to “Eloro Resources Ltd.,” “Eloro,” “ELO,” the “Company,” “its,” “our” and “we”, or related terms in this Annual Information Form (“AIF”), refer to Eloro Resources Ltd. and include, where the context requires, its subsidiaries.

All information contained in this AIF is as at November 5, 2020, unless otherwise stated.

1.2 Financial Statements and Management Discussion and Analysis

This AIF should be read in conjunction with the Company’s audited consolidated annual financial statements for the year ended March 31, 2020 (the “**Financial Statements**”), as well as the accompanying Management’s Discussion and Analysis (“**MD&A**”) for such period. The Financial Statements and MD&A are available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com under the Company’s profile.

1.3 Currency

All references to “\$” or “dollars” in this AIF are to Canadian dollars, unless otherwise expressly stated.

1.4 Scientific and Technical Information

Unless otherwise indicated, scientific and technical information in this AIF relating to the Company’s mineral property has been reviewed and approved by Dr. Bill Pearson, P. Geo. Chief Technical Advisor of the Company and a “Qualified Person” (“**QP**”) as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”).

ITEM 2: CAUTIONARY NOTES

2.1 Cautionary Note Regarding Forward Looking Statements and Forward Looking Information

Information and statements contained in this AIF that are not historical facts are forward-looking information or forward-looking statements within the meaning of Canadian securities legislation (hereinafter collectively referred to as “**forward-looking statements**”) that involve risks and uncertainties. This AIF contains forward-looking statements such as estimates and statements that describe the Company’s future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Examples of forward-looking statements in this AIF include, but are not limited to, statements with respect to:

- the Company’s ability to comply with permitting and regulatory requirements related to exploration, and development of its projects in Bolivia, Peru and Canada;
- the Company’s Drill Program (as defined below) at the Iska Iska Project for 2020 and beyond;
- the Company’s intention to conduct an exploration and development program at the Iska Iska Project, and to issue Common Shares (as defined below) and an option payment pursuant to the Agreement (as defined below);
- the effect of the New Mining Law established by the Bolivian government on the Company’s current and future operations at the Iska Iska Project;
- the anticipation that the mineral resources at the Iska Iska Project can be developed with limited, systematic, underground drilling and channel sampling;
- the Company’s ability to meet the requirements of the maintenance of each of its mining concessions;
- the Company’s access to the surface lands overlying its concessions;
- the Company’s ability to secure required permitting approvals from relevant regulatory bodies in Bolivia, Peru and Canada;
- the Company’s ability to manage and/or mitigate any environmental and/or social risks associated with the development of any of its project to the mining stage, as well as through mine construction and operation;

- the estimated capital and operating costs associated with the exploration, development, construction and operation of a mine, processing plant and other facilities required to start up a mine at any of its projects;
- the Company's ability to continue as a going concern;
- the Company's going-forward strategy;
- the potential impact of COVID-19 on the Company's operations;
- commodity prices;
- the adequacy of the Company's working capital;
- the Company's expectation that it will incur operating losses in future periods due to ongoing expenses associated with the holding, exploration and development of the Company's mineral property interests;
- the Company's ability, through the application of legal norms in the respective jurisdiction, and with the support of the relevant government authorities, to prevent illegal mining activity on its concessions;
- the mining assets optioned or acquired by the Company being and remaining attractive investment opportunities;
- the Company's intention to retain all future earnings and other cash resources for the future development and operation of its business; and
- the Company's intention not to declare or pay any cash dividends in the foreseeable future.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "is expected", "scheduled", "estimates", "intends", "anticipates", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", or "might" occur or be achieved. Any such forward-looking statements are based, in part, on assumptions and factors that may change, thus causing actual results or achievements to differ materially from those expressed or implied by the forward-looking statements. Such factors and assumptions may include, but are not limited to: assumptions concerning base and precious metal prices; cut-off grades; accuracy of mineral resource estimates and resource modeling; timing and reliability of sampling and assay data; representativeness of mineralization; timing and accuracy of metallurgical test work; anticipated political and social conditions; impact of the COVID-19 pandemic on the Company's business and results of operations; expected government policy, including reforms, the ability to successfully raise additional capital; and other assumptions used as a basis for the preparation of the NI 43-101 technical report titled "NI 43-101 Property of Merit Technical Report on the Iska Iska Polymetallic Project, Sud Chipas Province, Department of Potosi, Bolivia", with an effective date of March 27, 2020.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, and without limitation:

- risks relating to price fluctuations for gold, silver and other precious and base metals;
- risks inherent in mineral resource estimation;
- risks relating to government expropriation or termination of the Company's mineral property interests;
- risks relating to inaccurate geological and engineering assumptions (including with respect to the tonnage, grade and recoverability of reserves and resources);
- risks relating to all of the Company's mineral concessions and projects being located in Bolivia, Peru and Canada, including political, social, economic, security and regulatory instability;
- risks relating to changes in Bolivia, Peru and Canada's national, provincial and local political leadership, including impacts these may have on general and mining specific public policies, administrative agencies and social stability;
- risks relating to local political and social unrest, including opposition to mining, pressure for economic benefits such as employment or social investment programs, access to land for agricultural or artisanal or illegal mining purposes, or other demands;
- risks relating to the social, political, environmental and geological conditions in areas in proximity to the concessions under development;
- risks relating to the Company's rights or activities being impacted by litigation or administrative processes;
- risks relating to the Company's ability to access concession surface areas and other properties needed to advance its exploration and development programs;

- risks relating to the Company’s operations being subject to environmental requirements, including remediation;
- risks relating to the Company’s ability to source qualified human resources, including managers, employees, consultants, attorneys, and sub-contractors, as well as to the performances of all such resources (including human error and actions outside of the control of the Company, such as negligence or malfeasance of its counterparties or agents, accidents and labour disputes);
- risks of title disputes or claims affecting mining concessions or surface ownership rights;
- risks relating to adverse changes to laws, regulations or other norms placing increased regulatory burdens or extending timelines for regulatory approval processes, including environmental, safety, social, taxation and other matters;
- risks relating to delays in obtaining governmental agreements, approvals or permits necessary for the execution of exploration, development or construction activities;
- risks relating to competition inherent in the mining exploration industry, in Bolivia, Peru, Canada and elsewhere;
- risks of impacts from unpredictable natural occurrences, such as adverse weather conditions, fire, natural erosion, landslides, and geological activity, including earthquakes and volcanic activity;
- risks related to climate change, civil unrest, public health concerns (including health epidemics or pandemics or outbreaks of communicable diseases such as COVID-19) and other geopolitical uncertainties;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks relating to the Company’s ability to obtain necessary funding for its operations, at all or on terms acceptable to the Company;
- risks relating to the Company’s working capital and requirements for additional capital;
- risks relating to currency exchange fluctuations or changes in national currency;
- risks relating to fluctuations in interest and inflation rates;
- risks relating to restrictions on access to and movement of capital;
- risks relating to the value of the Company’s common shares fluctuating based on market factors;
- risks relating to the Company’s dependence on key personnel; and
- other risks of the mining industry,

as well as those factors discussed in ITEM 7: “*Risk Factors*” below.

Although the Company has attempted to identify important factors and risks that could affect the Company and might cause actual actions, events or results to differ, perhaps materially, from those described in forward-looking statements, there may be other factors and risks not identified herein that cause actions, events or results not to occur as projected, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this AIF speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Forward-looking statements and other information contained herein, including general expectations concerning the mining industry, are based on estimates and forecasts prepared by the Company employing data from publicly available industry sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry and the operating environments in Bolivia, Peru and Canada which the Company believes to be reasonable. Although generally indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. While the Company is not aware of any misstatements regarding any data presented herein, the mining industry involves risks and uncertainties and the data is subject to change based on various factors.

The forward-looking statements and forward-looking information contained herein are based on information available as of November 5, 2020.

2.2 Cautionary Note to United States Investors Regarding Classification of Mineral Resource Estimates

The disclosure in this AIF has been prepared in accordance with the requirements of Canadian securities laws. Disclosure, including scientific or technical information, has been made in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Reserves and Mineral Resources (the “**CIM Definition Standards**”), which establish standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101 and the CIM Definition Standards, differ significantly from the requirements of the United States Securities and Exchange Commission.

Accordingly, information contained in this AIF containing descriptions of the Company’s mineral property may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

ITEM 3: CORPORATE STRUCTURE

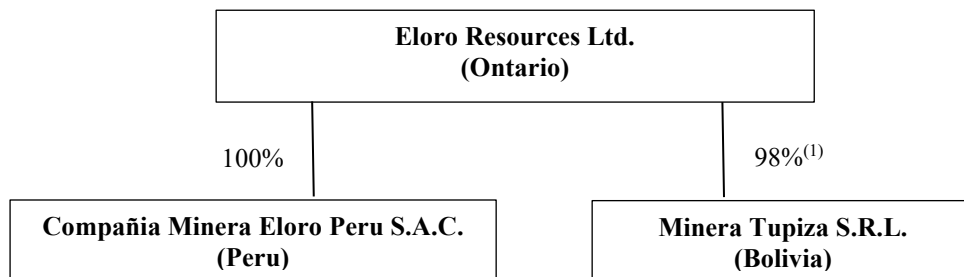
3.1 Name, Address and Incorporation

The Company was incorporated on March 4, 1975 under the *Business Corporations Act* (Ontario) (“**OBCA**”) under the name “Boutin Resources Inc.”. The Company changed its name to “Cleyo Resources Inc.” on March 25, 1980 and to “Eloro Resources Ltd.” on July 4, 1997.

The registered office of the Company is located at 20 Adelaide Street East, Suite 200, Toronto, Ontario, M5C 2T6. The head office of the Company is located at 20 Adelaide Street East, Suite 200, Toronto, Ontario, M5C 2T6, telephone: (416) 868-9168.

3.2 Inter-corporate Relationships

The following diagram illustrates the organizational structure of the Company, including all of its material subsidiaries, as of November 5, 2020.



Note: (1) Eloro has an option to purchase an additional 1% of Minera Tupiza S.R.L for consideration of US\$3,000,000.

ITEM 4: GENERAL DEVELOPMENT OF THE BUSINESS

4.1 Overview

Headquartered in Toronto, Ontario, the Company is a resource exploration company with a portfolio of gold and base-metal properties in Bolivia, Peru and Quebec. The Company has an option to acquire a 99% interest in the Iska Iska Project (the “**Iska Iska Project**”, “**Iska Iska**”, the “**Property**” or the “**Project**”), which can be classified as a polymetallic epithermal-porphyry complex, a significant mineral deposit type in the Potosi Department, in southern Bolivia. Iska Iska is a road-accessible, royalty-free property. The Company commissioned the NI 43-101 technical report titled “NI 43-101 Property of Merit Technical Report on the Iska Iska Polymetallic Project, Sud Chipas Province, Department of Potosi, Bolivia”, with an effective date of March 27, 2020 (the “**Technical Report**”). The Technical Report was completed by Micon International Limited (“**Micon**”), is dated April 27, 2020 and is available on the Company’s website and under its filings on SEDAR (www.sedar.com).

The Company also owns an 82% interest in the La Victoria Gold/Silver Project (“**La Victoria**”), located in the North-Central Mineral Belt of Peru. La Victoria consists of eight mining concessions and eight mining claims encompassing approximately 89 square kilometres. La Victoria has access to 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. A NI 43-101 Technical Report on the La Victoria property was completed by Gateway Solutions S.A.C., is dated August 31, 2016 and is available on the Company’s website and under its filings on SEDAR (www.sedar.com).

The Company’s focus is on the exploration and development of the Iska Iska Project, which the Company considers to be its only material mineral project. The Company’s common shares (“**Common Shares**”) trade on the TSX Venture Exchange (the “**TSX-V**”) under the symbol “**ELO**”.

4.2 Three Year History

March 31, 2020 to November 5, 2020

Private placements of units

On May 20, 2020, the Company completed a private placement of 2,200,000 units at a price of \$0.25 per unit for proceeds of \$550,000. Each unit consisted of one Common Share and one-half of one warrant, with each whole warrant entitling the holder to purchase one Common Share for a price of \$0.50 per Common Share until November 20, 2021.

On June 9, 2020, the Company completed a private placement of 5,000,000 units at a price of \$0.30 per unit for proceeds of \$1,500,000. Each unit consisted of one Common Share and one-half of one warrant, with each whole warrant entitling the holder to purchase one Common Share for a price of \$0.50 per Common Share until June 9, 2022. In connection with the private placement, the Company issued 7,000 broker warrants with the same terms as the unit warrants. In connection with the purchase of 4,500,000 units under the private placement, the Company granted a subscriber with the right to maintain its percentage holding of Common Shares by participating in any private placement of Common Shares or units until June 9, 2023.

Iska Iska

On June 25, 2020, the Company announced that Minera Tupiza SRL (“**Minera Tupiza**”) had contracted Empresa Minera Villegas SRL (“**Empresa Minera**”) to start underground drill bay preparations required for the planned 3,500 m underground diamond drilling program (the “**Drill Program**”). The Company and contractor have implemented safeguards to protect personnel from the COVID-19 pandemic. Preparations included the rehabilitation of 400 m of underground workings and preparation of drill bays in the Huayra Kasa mine and in the Mina 2 underground workings located 2 km south of Huayra Kasa. All workings will be systematically geologically mapped and channel sampled. The Drill Program will follow the outline presented in the Technical Report and will be the first drilling to ever be carried out on the Property. The program is designed to test the full extent of the mineralized system in the vicinity of the mine workings.

On September 14, 2020, the Company announced that Minera Tupiza had commenced the Drill Program. Drilling, which will be HQ-sized core, is being carried out by Leduc Drilling S.R.L., an experienced Bolivian drill contractor.

On October 14, 2020, the Company announced that Minera Tupiza staked nine additional properties (known as “Mining Areas” under Bolivian law) covering a total of 311.75 square kilometres in the Potosí Department, southern Bolivia where Iska Iska is located. The properties are located on prominent ASTER (Advanced Spaceborne Thermal Emission and Reflection Radiometer) anomalies with a similar hydrothermal alteration signature to that of Iska Iska.

Fiscal Year Ended March 31, 2020

Private placements of units

On November 28, 2019, the Company completed a private placement of 2,000,000 units at a price of \$0.25 per unit for gross proceeds of \$500,000. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant, with each whole warrant entitling the holder to purchase one Common Share for \$0.50 until May 26, 2021 or May 28, 2021, as applicable. Pursuant to the private placement, directors and officers of the Company acquired 898,430 units and an insider of the Company acquired 100,000 units. In connection with the private placement, two arm’s length finders received 36,400 finder’s compensation warrants entitling the holder to purchase one Common Share at a price of \$0.50 per Common Share until May 26, 2021.

Iska Iska

On January 9, 2020, the Company entered into a definitive agreement with Empresa Minera, whereby the Company’s Bolivian subsidiary, Minera Tupiza SRL was granted an option to acquire a 99% interest in Iska Iska (the “**Agreement**”), a polymetallic property consisting of one mineral concession totaling 900 hectares located in Bolivia. Pursuant to the Agreement, in order to acquire an interest in Iska Iska, the Company has agreed to conduct an

exploration and development program at the Property spanning 4 years concluding on January 6, 2024, and issue Common Shares and make an option payment, as follows:

	Number of Common Shares to be issued	Option Payment US\$
February 5, 2020 (issued)	250,000	-
January 6, 2022	250,000	-
January 6, 2024	-	10,000,000
	500,000	10,000,000

During the year ended March 31, 2020, the Company made pre-acquisition exploration and evaluation expenditures of \$92,980.

Since entering the Agreement, the Company's central focus has been on the Iska Iska Project.

La Victoria

Further to the drilling program conducted at La Victoria in the summer of 2018, the Company continued its efforts to obtain required permitting in order to drill the San Markito target. On May 27, 2019, the Company provided an update on the ongoing process to obtain all of the necessary permits, including the local approval of the community of Pallasca, Pallasca District, Ancash Department, Peru, and the entering into of a local land rental contract. A further update was announced on December 19, 2019, whereby it was announced that community elections in Pallasca were completed and a new President of the community was elected. The Company has been working with the new community council in order to obtain its required permitting and a land rental contract, which it has yet to obtain.

Fiscal Year Ended March 31, 2019

Private placements of units

On January 30, 2019, the Company completed a non-brokered private placement of 750,000 units at a price of \$0.40 per unit for gross proceeds of \$300,000. Each unit consisted of one Common Share and one-half of one warrant, with each whole warrant entitling the holder to purchase one Common Share at a price of \$0.60 per Common Share until July 30, 2020.

La Victoria

On December 20, 2018, EHR Resources Limited ("EHR") increased its interest in La Victoria to 18% pursuant to the Option Agreement (as defined below).

On June 6, 2018, the Company announced, together with EHR, that it was proceeding with a drilling program to test the Rufina and San Markito target areas. On August 13, 2018, the Company further announced it had completed three diamond drill holes totalling 1,242m testing the Rufina East target area. The Company determined that the three holes, ERU-10, ERU-11 and ERU-12 provided a sufficient test of the target area where gold values had been intersected in surface sampling. All the reconnaissance drill holes intersected extensive zones of mineralization and alteration, including more than sixty anomalous gold intervals distributed in about 40 mineralized structures. Many of these structures correlated with zones mapped on surface. Gold mineralization and alteration at Rufina occurs over 600 m in width, over 700 m in vertical extent and about 600 m along strike. While the drill results at Rufina are considered positive, further drilling needs to focus on the likely overall major core area which is believed to be the San Markito target. In connection with proposed drilling at San Markito, work was undertaken by Eoro in order to obtain all of the required permitting.

While waiting on required permitting in order to proceed with its exploration program at La Victoria, on March 22, 2019, the Company announced the results of detailed mineral determination studies from representative rock samples collected from three mineralized sectors at La Victoria. The studies confirmed the occurrence of free gold, free silver,

sulphide gold and silver, and alloy gold and silver in a complex suite of sulphide mineralization at La Victoria, as suggested from drill data.

Fiscal Year Ended March 31, 2018

Private placements of units

On May 31, 2017, the Company completed a non-brokered private placement of 428,571 units at a price of \$0.70 per unit for gross proceeds of \$300,000. Each unit consisted of one Common Share and one-half of one warrant, with each whole warrant entitling the holder to purchase one Common Share at a price of \$1.00 per Common Share until May 31, 2019.

On August 16, 2017, the Company completed a non-brokered private placement of 655,000 units at a price of \$0.70 per unit for gross proceeds of \$458,500. Each unit consisted of one Common Share and one-half of one warrant, with each whole warrant entitling the holder to purchase one Common Share at a price of \$1.00 per Common Share until August 16, 2019.

La Victoria

On July 1, 2017, the Company made a payment of \$75,000 to Tartisan Resources Corp. to complete the acquisition of La Victoria.

On March 29, 2017, the Company entered into an option agreement with EHR (the “**Original Option Agreement**”) granting EHR with an option to acquire up to a 25% interest in La Victoria. In order to earn a 10% interest in La Victoria, EHR needed to incur exploration expenditures of \$2,000,000 by October 31, 2017, and an additional \$3,000,000 in exploration expenditures by July 31, 2018 in order to increase its interest to 25%. On December 19, 2017, EHR earned a 10% interest in La Victoria.

On February 28, 2018, the Original Option agreement was terminated, and the Company entered a new option agreement with EHR (the “**Option Agreement**”) granting EHR an option to EHR to acquire an additional 15% interest in La Victoria. Pursuant to the Option Agreement, EHR needed to incur exploration expenditures of \$1,600,000 by June 30, 2018, subject to extension if permits were delayed, to increase its interest in La Victoria to 18%, and to incur additional exploration expenditures of \$1,400,000 by December 31, 2018, subject to extension if permitting was delayed, in order to increase its interest in La Victoria to 25%.

On January 16, 2018, the Company announced it had completed 2,261m of reconnaissance diamond drilling in 8 holes at the Rufina Zone at La Victoria. All of the reconnaissance drill holes intersected wide zones of mineralization and alteration with a number of gold intersections in different structures.

ITEM 5: DESCRIPTION OF THE BUSINESS

Summary

The Company is a Toronto, Canada-based precious and base metals exploration and development company focused on its Iska Iska Project, located in the Potosi Department in southern Bolivia. The Company has an experienced management team with a successful track record of advancing and monetizing exploration projects. Iska Iska is the Company’s only material mineral property. Iska Iska is in the exploration stage and is not currently in production.

Specialized Skill and Knowledge

Management of the Company is comprised of a team of individuals who have extensive expertise and experience in the mineral exploration industry and exploration finance and are complemented by an experienced board of directors (the “**Board**”). See ITEM 12: “*Directors and Officers*” below.

Competitive Conditions

The Company competes with other mineral exploration and mining companies for mineral properties, joint venture partners, equipment and supplies, qualified personnel and exploration and development capital. See ITEM 7: “*Risk Factors*” below.

Environmental Protection

The current and future operations of the Company are subject to laws and regulations governing exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, greenhouse gas emissions, protection and remediation of the environment, reclamation, mine safety, toxic substances and other matters. Specifically, the Company’s projects are subject to an array of applicable norms, standards, laws and regulations. The Company holds all necessary licenses, permits and registrations, including environmental licenses and water permits, to carry out its planned current exploration activities at Iska Iska.

Compliance with applicable environmental laws and regulations increases costs and may cause delays in planning, designing, drilling and developing the Company’s projects. The Company attempts to diligently apply technically proven and economically feasible measures to advance protection of the environment throughout the exploration and development process, however it is often impossible to anticipate and mitigate all administrative delays.

Employees and Consultants

The Company maintains a head office in Toronto, Ontario. and regional offices in Lima, Peru and Tupiza, Bolivia. As of November 5, 2020, the Company engaged the services of five consultants and employees in its Toronto office and one employee in Peru and nine employees in Bolivia. As operations require, the Company also retains geologists, engineers and other consultants on a short term or per diem basis in Toronto and in the field in Bolivia and Peru, as well as temporary workers.

Foreign Operations

The Company’s only material mineral property is located in Bolivia and its operations are substantially carried out in that country. The Company’s La Victoria property is located in Peru. See ITEM 7: “*Risk Factors*” below.

ITEM 6: MATERIAL MINERAL PROJECT

6.1 Current Technical Report

The Company’s only material mineral project is the Iska Iska Project. The technical information below is generally derived from the Technical Report, prepared for the Company by, or under the supervision of, qualified persons (“**QPs**”) within the meaning of NI 43-101. These QPs are Charley Murahwi, MSc., P. Geo., FAusIMM of Micon and Richard Gowans, P. Eng., of Micon. A copy of the Technical Report is available on the Company’s website and under its filings on SEDAR (www.sedar.com).

The information in the following section has been derived from and based on the assumptions, qualifications and procedures set out in the Technical Report. Portions of the following section are extracts of the Technical Report and are included herein with the consent of the Technical Report’s authors. Readers should consult the Technical Report to obtain further particulars regarding the Iska Iska Project. Figures or charts referred to in this summary but not reproduced herein may be viewed in the Technical Report. Table references are to the tables in the Technical Report certain of which are reproduced herein. Technical information in this AIF regarding the Iska Iska Project should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete Technical Report and the summary provided herein is qualified in its entirety by the Technical Report. Capitalized and abbreviated terms appearing in the following summary shall have the meaning ascribed to such terms in the Technical Report.

6.2 Project Description, Location and Access

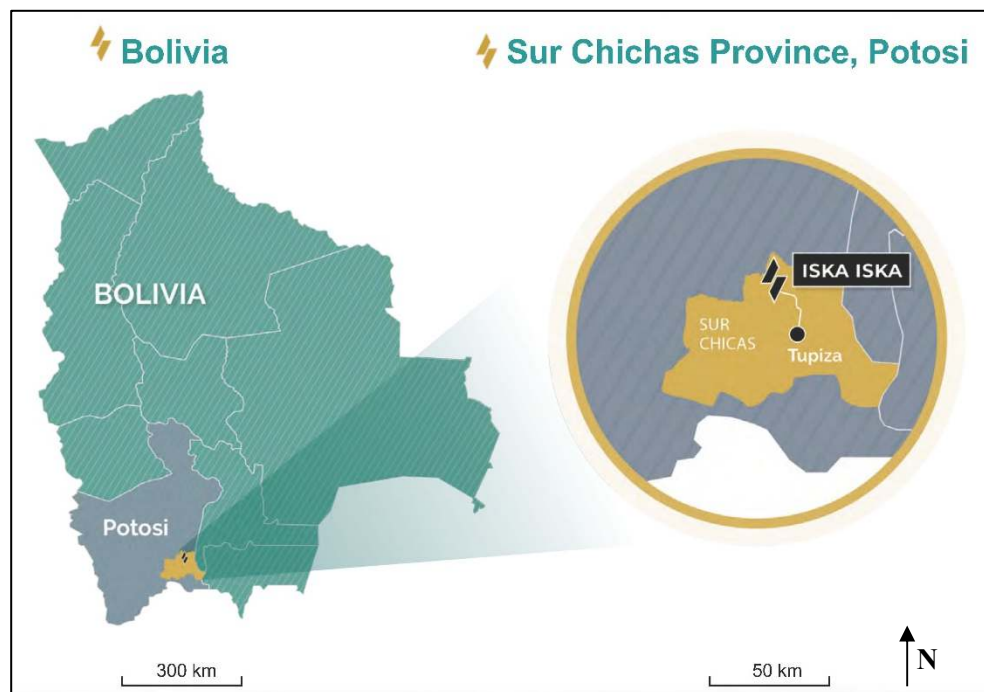
The Iska Iska Project is located in the Sud Chichas Province of the Department of Potosi, southern Bolivia, approximately 48 km north of Tupiza city (Figure 1.1).

The Project is accessible by road from Tupiza requiring 4-wheel drive vehicles; a journey taking 1.5 to 2 hours, depending on weather conditions.

Property Description and Land Tenure

The Iska Iska Project is comprised of four small mines, namely Huayra Kasa, Santa Barbara, Porco and Mina 2 which are distributed as shown on Figure 1.2. The Project is within the Porvenir Concession (see insert in Figure 1.2) which is comprised of 36 cuadrículas totaling 900 hectares (ha). “Cuadrícula” is the current mining measure unit, which is an inverted pyramid with the inferior vertex pointing to the earth’s core, with an exterior perimeter equal to 25 ha.

Figure 1.1
Location of the Iska Iska Project



Source: Eoro Corporate Presentation, January, 2020.

The Property is centred on Universal Transverse Mercator coordinate system, World Geodetic System 1984, Zone 20K, 205,500 meters East and 7,655,500 meters (m) North.

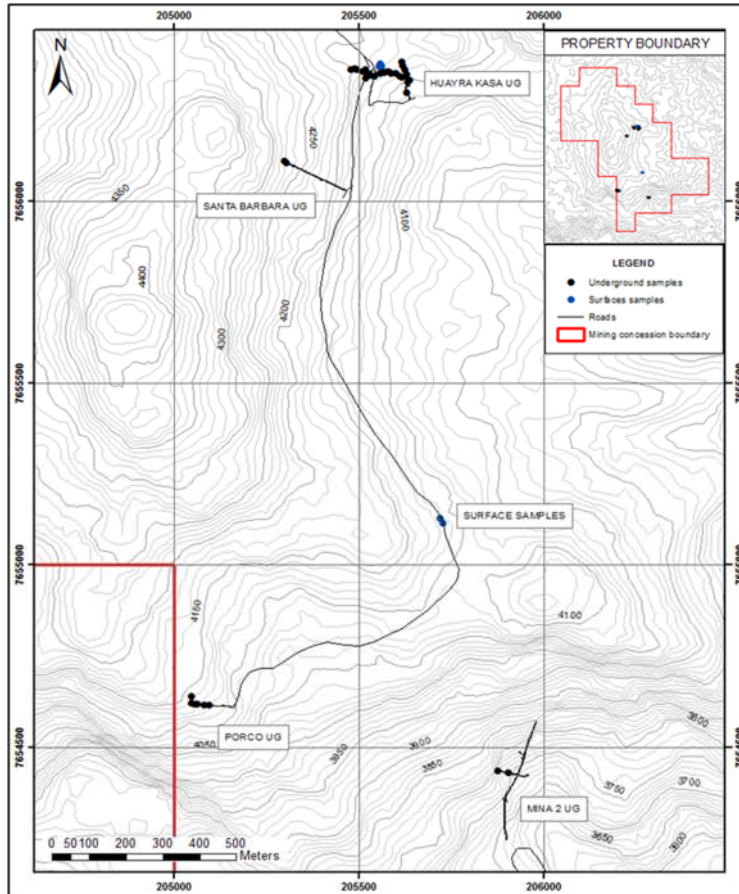
Empresa Minera, a Bolivian mining company, is the title holder of the Porvenir Concession and the Iska Iska Project. It holds a Special Transitory Authorizations (“STAs”) to develop its mining activities in accordance to the legal articles described in Section titled “*Bolivian Mining Law/Regulations*” below.

Underlying Agreements

Eoro, through its 98% owned Bolivian subsidiary Minera Tupiza, signed the Agreement with Empresa Minera on January 9, 2020, granting Eoro the option to acquire a 99% interest in the Iska Iska Project.

Eloro has issued 250,000 Common Shares to Empresa Minera. Pursuant to the Agreement, in order to exercise its option to acquire a 99% interest in the Property, Eloro must issue a further 250,000 Common Shares to Empresa Minera by January 26, 2022, and pay US\$10 million to Empresa Minera by January 6, 2024. During the 4-year option period, Minera Tupiza has agreed to commence an exploration and development program on the Property.

Figure 1.2
Distribution of the Iska Iska Small Mines within the Porvenir Concession



Source: Eloro, 2020.

Minera Tupiza will conduct its work under the auspices of Empresa Minera, which holds STAs to develop its mining activities, in accordance with the Bolivian mining law/regulations as summarized below.

Bolivian Mining Law/Regulations

Overview

The granting of mining concessions in Bolivia is governed by the Constitution (Constitución Política del Estado), the new Mining and Metallurgy Law (Ley de Minería y Metalurgia) enacted by Law No. 535 of May 28, 2014, supplemented by certain Supreme Decrees that rules taxation, environmental policies, and administrative matters, etc. Surface and underground resources are the original domain of the Bolivian people and the resources can be granted by the Bolivian state for exploitation, but the Bolivian state is prohibited from transferring them, according to the Article 349.I of the Constitution. According to Article 30 of the Mining and Metallurgy Law, Bolivian or foreign companies or individuals may hold mining concessions, with the exception of minors, governments agents, armed forces members, policemen and relatives of such persons, where applicable.

Foreigners, according to the Article 262.I of the Constitution and Article 28 of the Mining and Metallurgy Law, are not authorized to own mining concessions or real estate property within a buffer zone of 50 km surrounding the Bolivian international borders.

On May 28, 2014, the Bolivian government enacted new mining legislation, which established that any mining activity will be performed under the new legal framework of “mining administrative contracts”.

Current existing STAs, formerly known as “mining concessions”, must follow a procedure before the Mining Administrative Jurisdictional Authority (“**Autoridad Jurisdiccional Administrativa Minera**” or “**AJAM**”) to be converted into “mining administrative contracts”. This type of “mining administrative contract” does not involve the participation of the Bolivian state through its state-owned mining corporation, known as COMIBOL. The “government take” is limited to taxes, the annual mining patents and to the “Mining Royalty” that is paid when the minerals are sold. COMIBOL does not hold any interest or participation in these mining administrative contracts. The contracts will be executed with the AJAM. The same concept applies to new applications for “mining areas”.

Some existing mining rights have been applied for and granted according to the system governed by an old Mining Code, which has not been in effect since 1997. However, these rights are legal, and must also be converted into mining administrative contracts. The unit of measure of the mining concessions obtained according to the aforementioned old Mining Code system is the “*pertenencia minera*”, which is an inverted pyramid with the inferior vertex pointing at the earth’s core, with an exterior perimeter equal to one hectare.

Mining rights cannot be transferred, sold or mortgaged. Mining Association Agreements are permitted to be transferred, sold or mortgaged.

Some of the most important provisions of the New Mining Law relate to Mining Rights, Mining Contracts, and the creation of a new mining supervisory entity called the Jurisdictional Administrative Mining Authority, which is described in detail below.

Mining Rights

With regards to mining rights, Article 92 of the Mining and Metallurgy Law stipulates that mining rights grant their holders the exclusive faculty to prospect, explore, exploit, concentrate, smelt, refine, industrialise and commercialise the mineral resources, by means of mining activities, in part or over all of the productive chain. However, on the other hand, Article 93 provides that such rights shall not grant their owners property or possession rights over such mining areas, and that the holders of mining rights may not grant leases over the mining areas.

In addition, Article 94 of the Mining and Metallurgy Law provides that the Pluri-national State of Bolivia acknowledges and respects the acquired rights of individual or joint title holders, private and mixed companies, as well as other forms of private property rights in relation to their corresponding STAs, subject to the prior transition or adjustment to the regime of administrative mining contracts, provided by the same Mining and Metallurgy Law.

With regards to property rights, as well as the protection of investments and rights over property, Articles 95 and 102 provide that title holders shall have dominion over their investment, the mining production, movable and immovable properties built on the land, as well as the equipment and machinery installed inside and outside of the perimeter of the mining area; and that the Bolivian state shall guarantee conditions of mining competitiveness and foreseeability of legal provisions for the development of the mining industry.

Lastly, Articles 97 and 99 of the Mining and Metallurgy Law provide that title holders shall have the right to receive profit or surpluses generated by the mining activity, subject to the compliance with applicable tax laws; and that the Bolivian state guarantees the rule of law over mining investments of title holders who are legally incorporated.

Mining Contracts

The Mining and Metallurgy Law regulates mining contracts in Title IV, Chapter I, which provides that the administrative mining contract is the legal instrument “whereby the State grants...mining rights for undertaking certain mining activities, to productive mining actors within the state, private and cooperative mining industry.”

Pursuant to Articles 134 to 136, mining contracts shall be formalized by means of a public deed legalized before a Notary Public of the jurisdiction where the mining area is located, and shall be signed by the AJAM, as representative of the Executive Branch.

In order to be valid between the signing parties and enforceable towards third parties, mining contracts are required to be filed before the Mining Registry, and once executed, signatory parties shall not be able to transfer or assign their rights therein.

Creation of the Jurisdictional Administrative Mining Authority

One of the most important features of the Mining and Metallurgy Law is the creation of a new supervisory entity, the AJAM.

The job of the AJAM is to manage, supervise and control every mining activity carried out in Bolivia, as well as the Mining Registry. In addition, another one of the main responsibilities of the AJAM is to draft and propose legislation to the Executive Power, in order to regulate the transition of the STA's into Mining Contracts. In accordance with Article 185 of the Mining and Metallurgy Law, the transition of the STAs into mining contracts shall be processed before the AJAM, within six months of the issuance of the corresponding supreme decree and administrative resolution providing the procedure for the transition.

However, no new regulation has been issued about the rules and procedures to follow before the AJAM to convert the STAs into mining administrative contracts. As a result, the current status of every STA is preserved.

Taxes Applicable

The following taxes are applicable:

- Mining Royalty (Regalía Minera) equivalent to 1-7% of the gross sales value of the mineral. The tax is paid before the mineral is exported or sold in the local market (in this case only 60% of the tax is paid).
- Profits tax of 25% on net profits [Gross income – (expenses+costs)]; losses can be carried forward for 5 years. An additional 12.5% is paid when metals/minerals reach extraordinary market prices.
- Mineral production is subject to a Value Added Tax of 13%.

Environmental and Permitting

The Ministry of Mining and Metallurgy is responsible for mining policy. Servicio Geológico Minero de Bolivia (“**SERGEOMIN**”) – the Bolivian Geological Survey, a branch of the Ministry, is responsible for management of the mineral titles system. SERGEOTECMIN also provides geological and technical information and maintains a USGS-donated geological library and publications distribution centre. Also, tenement maps are available from SERGEOMIN, which has a GIS based, computerized map system.

Exploration and subsequent development activities require various degrees of environmental permits, which various company representatives have advised are within normal international standards. Permits for drill road construction, drilling and other ground disturbing activities can be readily obtained in 2-4 months, or less, upon submission of a simple declaration of intent and plan of activities.

Permitting is mainly governed by the following articles:

- Article 94 of the Mining Law of Bolivia No. 535 (Rights acquired and pre-constituted).

The Plurinational State of Bolivia recognizes and respects the acquired rights of individual or groups of private holders, private and mixed companies, and other forms of private ownership with respect to their STAs, subject to the prior transition or adjustment to the regime of administrative mining contracts, according to this law:

- Article 95 of the Mining Law of Bolivia No. 535 (Domain of the Title holder).

The holder of mining rights has dominion, free disposal and encumbrance on investment, mining production, edifications, real estate, equipment and machinery installed inside and outside the perimeter of the mining area, which are the result of his/her investments and work:

- Article 5 of the Mining Rights Grant Regulation (Contracts between Private Mining Productive Actors).
 1. Accidental Association Contracts signed between Private Mining Productive Actors and regulated by the Commercial Code, must be authorized by the AJAM and be registered in the Mining Registry, for its validity and effectiveness between parties and enforceability against third parties.
 2. The Departmental or Regional Directorate of the AJAM, for the authorization of contracts and their registration in the mining registry, will verify that they have been subscribed between productive mining actors from the private industry, that the object is related to any of the activities of the mining production chain and that is not contrary to the fundamentals and precepts of the Political Constitution of the State and Law No. 535 of Mining and Metallurgy.

Accessibility

The location of the Iska Iska Project in relation to Sucre, the official and judicial capital of Bolivia, and La Paz, the seat of the executive and legislative branches of the national government, is shown in Figure 1.3.

Figure 1.3
Location of the Iska Iska Project in Relation to Sucre



Source: Eloro, 2020.

The main access to Iska Iska is through the paved road from Tupiza to Atocha for 20 km and then by a dirt road to La Torre village (12 km), and finally on a secondary dirt road for 16 km to Huayra Kasa mine. Travel time from Tupiza by a 4-wheel drive vehicle is about 1.5 hours.

6.3 History

Prior Ownership

Empresa Minera signed a lease agreement with the Bolivian state on the Porvenir Concession and Iska Iska Project in 2013 after establishing that the ground was open to staking. Later, Spanish colonial time workings were discovered about 500 m northeast of the Iska Iska hill. The property was owned by Empresa Minera del Sur (“COMSUR”) from the mid 1980s to 2009 and became open to acquisition due to lack of patent payment.

Historical Exploration and Mining

The history of mining in the Iska Iska region dates back to colonial times. Silver and gold veins were discovered in the 19th century, mostly north of the Iska Iska hill where small scale silver mining was reported to have been very active.

Despite the presence of colonial workings, Eloro and Micon are not aware of any previous exploration activities conducted on the Iska Iska Project. The historical mining information available in the public domain pertains to areas surrounding, or in the immediate vicinity of, the Property and is summarized in the following paragraphs.

Early 1900s

In the early 1900s, a tin deposit (Iska Iska tin deposit) was discovered 2.5 km south of the Iska Iska Project and has been exploited intermittently since then.

Early 1960s

In the early 1960s, the Iska Iska tin deposit was acquired by Napoleon Romero. At that time, it consisted of 4 concessions totaling 250 ha. The mineralization comprised 6 to 8 veins that were mined from 9 adits of which 4 attained lengths of up to 250 m. The veins widths ranged from 0.10 m to 0.80 m (averaging 0.35 m), with strikes of N60-65°W, dips of 70-75° NE and average grades of 0.4% Sn. During this period, the mine produced about 40 fine tonnes of cassiterite concentrates grading about 50% Sn, using artisanal metallurgical treatment methods.

Veins with high silver content up to 2,600 g/t Ag were locally found (Bolivian Geological Survey Reports, 1964, 1965 and 1967). The veins were hosted in sequences of sandstones, siltstones and slates of Ordovician age, with a general direction N10-20° E and subvertical dips. The mineralogy consisted of cassiterite, quartz, pyrite, limonite, chalcopyrite and other accessory minerals.

1990s

In the mid-1990s, the tin area together with the Iska Iska hill ground were acquired by COMSUR for tin and silver. The exploration results in the tin area were considered unsatisfactory. The Iska Iska hill was not explored.

Early 2000s

In the early 2000s, the property was investigated for silver by Andean Silver under agreement with COMSUR. Andean Silver later withdrew from the project because of the sporadic occurrence of the silver anomalies.

Current Status

Nowadays, 80% of the mining rights of the tin property, 2.5 km south of Iska Iska, belongs to Mr. Edwin Villegas, and the remaining 20% to Mr. Ciriaco. Currently, the property is inactive.

Empresa Minera Villegas SRL (2012 to 2016)

Empresa Minera discovered small scale ancient mine workings about 500 m northeast from the top of the Iska Iska hill during scouting traverses. The workings were attributed to Spanish colonial times because of the nature of the stonework supporting the adit. A hardened black vein (about 3 cm wide), within the adit, was sampled and assayed 120 g/t Au. According to Dr. Osvaldo Arce (pers. comm.), the vein is related to a sulfidic vein with a silicic alteration

coated by a thin layer of manganese oxides on surface. After further clearing the adit for 20 m to 30 m, polymetallic mineralization of silver, lead, zinc and gold was discovered.

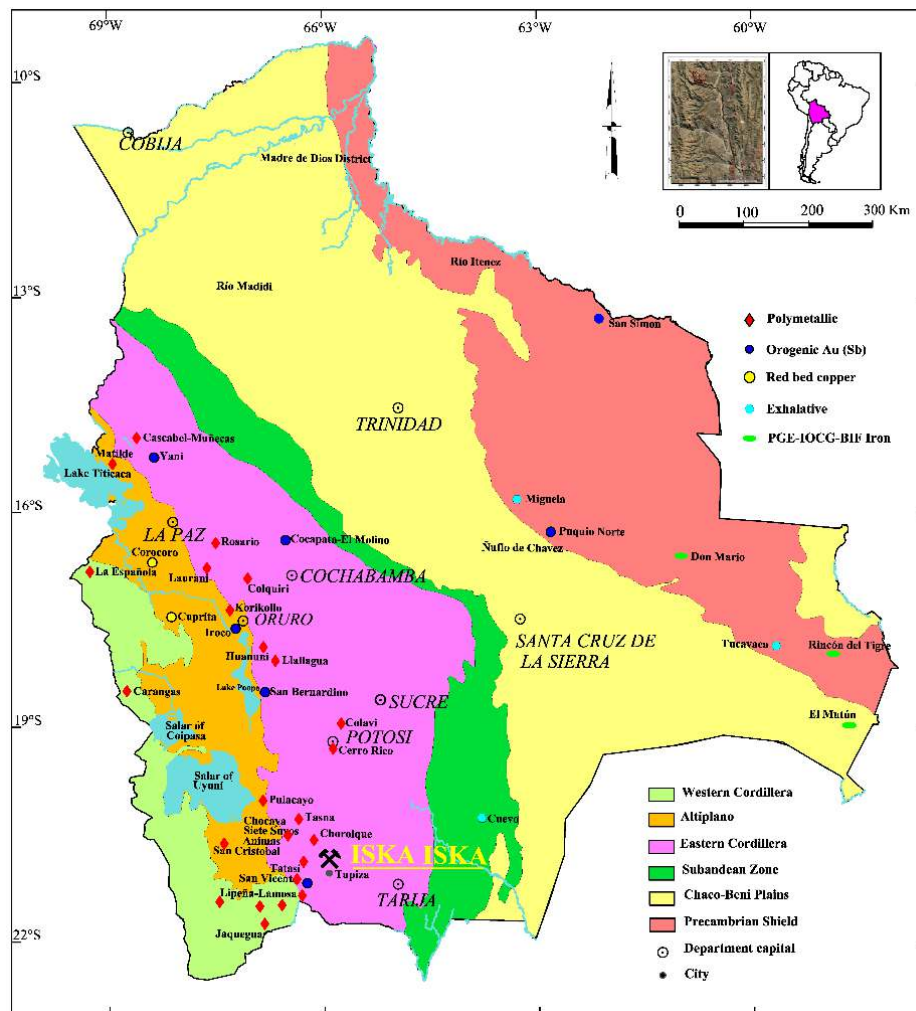
From another side of the hill, Empresa Minera developed an adit/crosscut for about 60 m and intercepted a brecciated shear zone averaging about 2 m in width. Empresa Minera developed along the shear zone for 10 to 15 m and encountered mineralization associated with brecciation and stockworks without a defined strike direction. Because of the uncertainty regarding this new style of mineralization, which Empresa Minera was not accustomed to, they invited Dr. Osvaldo Arce to carry out a geological-mining study, which was performed between January and June, 2016.

6.4 Geological Setting, Mineralization and Deposit Types

Regional Geology

On a regional geological scale, Bolivia is partitioned into six major geological environments/metallogenic provinces; these are (from east to west) the Precambrian Shield, the Chaco-Beni Plains, the Subandean Zone, the Eastern Cordillera, the Altiplano and the Western Cordillera. See Figure 1.4.

Figure 1.4
Geological Provinces of Bolivia



Source: Society of Economic Geologists Newsletter Number 79, 2009.

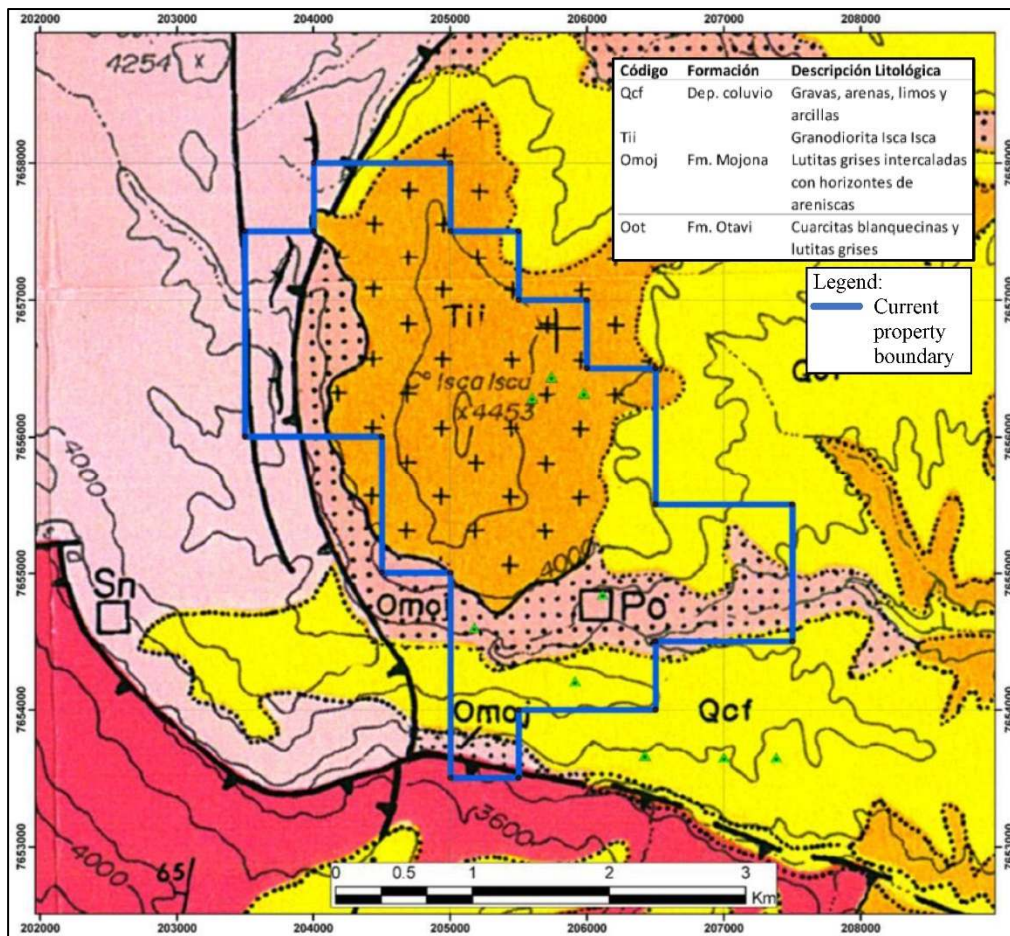
Iska Iska is in the southwest part of the Eastern Cordillera which is endowed with several major/world class polymetallic mines and mineral deposits, including Chorolque, Silver Sand, San Bartolome, Pulacayo, San Cristobal, San Vicente, Tasna, Choroma and Siete Suyos.

The following description has been excerpted from the October 2009 Society of Economic Geologists Newsletter:

“The Eastern Cordillera (Figure 1.4), the uplifted interior of the Andean thrust belt, includes poly-deformed Ordovician to Recent shale, siltstone, limestone, sandstone, slate, and quartzite sequences. These mainly Paleozoic clastic and metamorphic rocks have an approximate area of 280,000 km² and represent flysch basin sediments that were deposited along the ancient Gondwana margin and first deformed in the middle to late Paleozoic. Subsequent to Permian to Jurassic rifting, they were uplifted to high elevation and folded and thrust again during Andean compression, which may have begun as early as Late Cretaceous (McQuarrie et al., 2005).”

The regional geology of the Iska Iska region is summarized in Figure 1.5.

Figure 1.5
Regional Geology of the Iska Iska Region



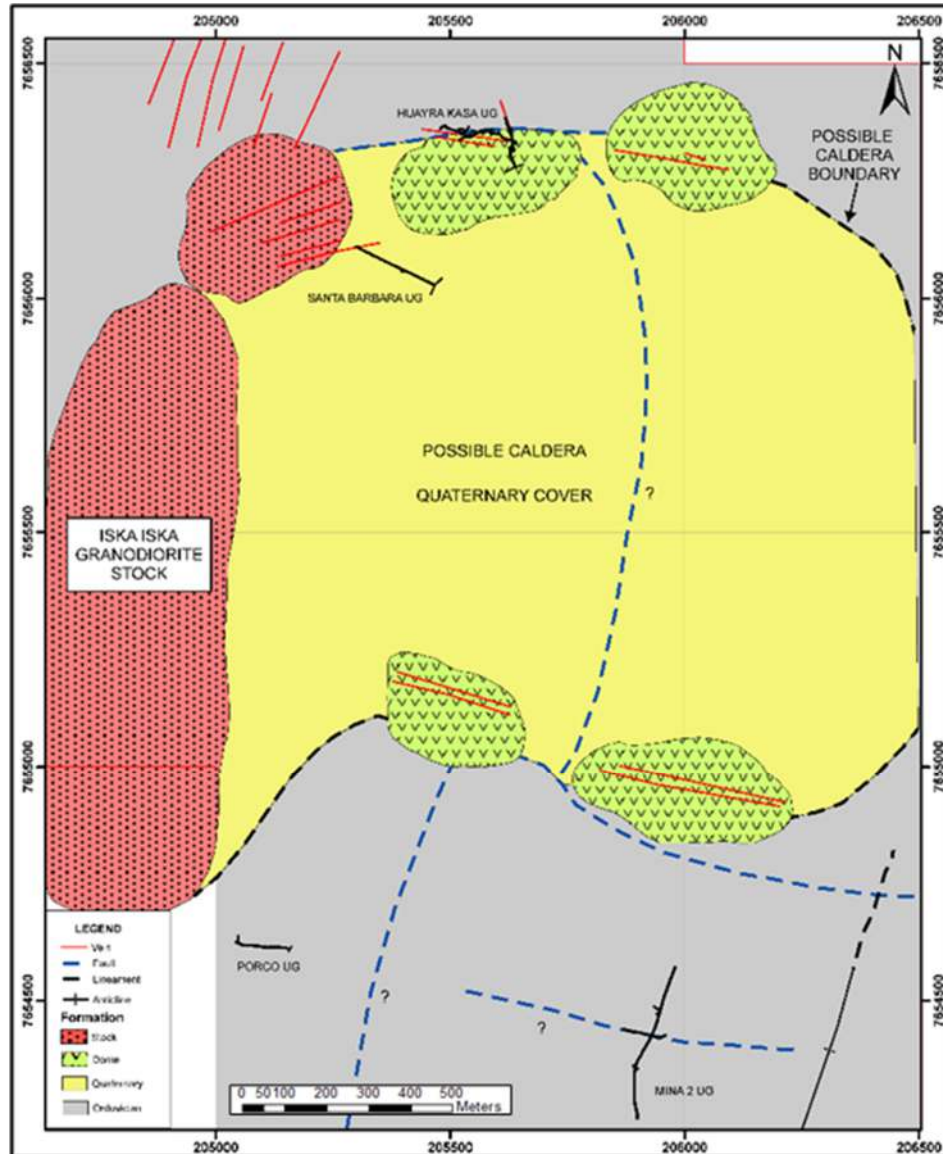
Source: Eloro, 2020.

Local/Property Geology and Mineralization

Dr. Osvaldo Arce, P. Geo., one of the leading authorities on Bolivian mineral deposits, has conducted mapping on the Property and describes the Iska Iska Project as:

“A major polymetallic porphyry-epithermal complex associated with a Miocene possibly collapsed/resurgent caldera (Figure 1.6) that consists of the Iska Iska granodioritic stock, five dacitic domes, igneous hydrothermal breccias, quartz porphyries, dykes and dacitic flows.”

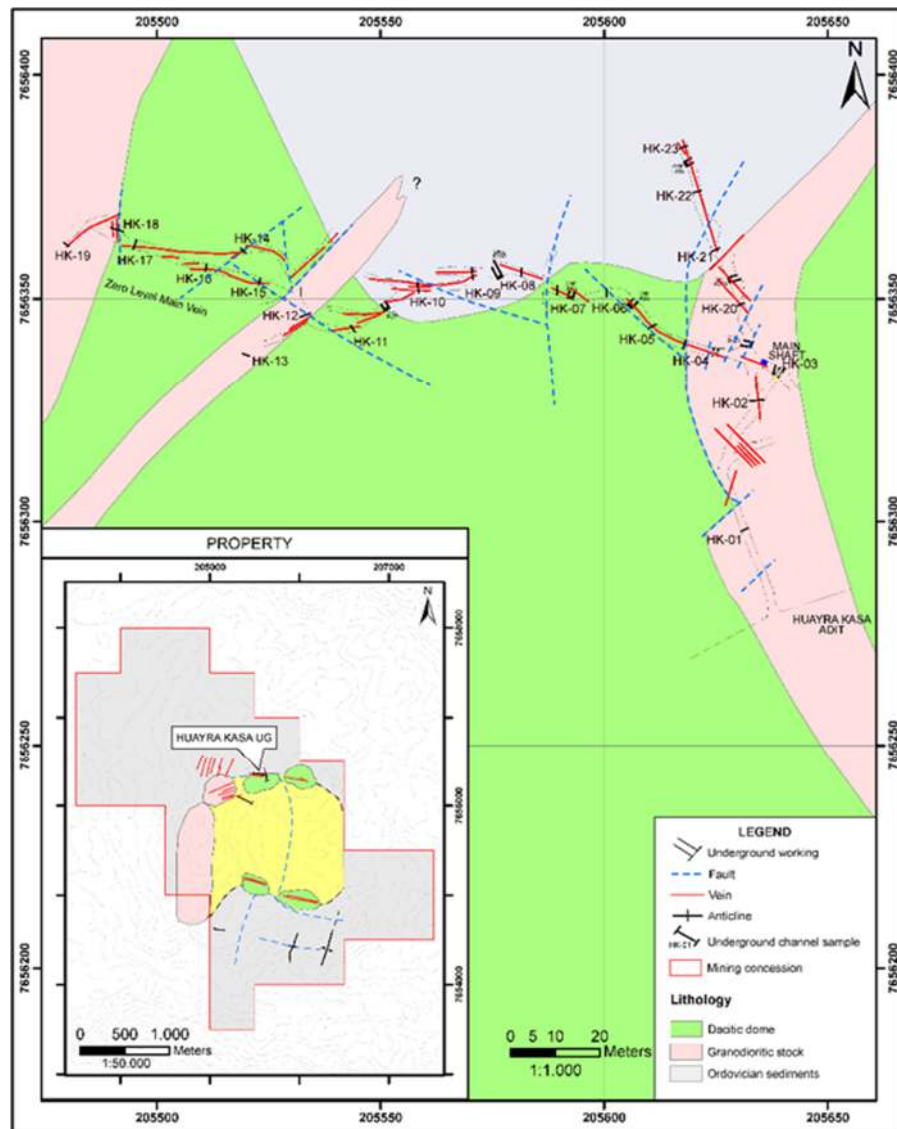
Figure 1.6
Iska Iska Provisional Geological Map



Source: Eloro, 2020.

“The hydrothermal mineralization has a widespread polymetallic signature and occurs as groups of veins, subsidiary vein swarms, veinlets, stockworks and disseminations as shown on Figure 1.7. The metallic minerals are pyrite, galena, sphalerite, complex silver-rich phases, argentite electrum, native gold, chalcopyrite and cassiterite. Gangue minerals include quartz, kaolinite, arsenopyrite, pyrrhotite, marcasite, sericite and siderite. The main potentially economically exploitable metals are gold, silver, zinc, lead, and copper. Potential by-products are tin, bismuth and indium”.

Figure 1.7
Geological Map of the Huayra Kasa Mine Showing Multiple Vein Orientations



Source: Eloro, 2020.

Polymetallic mineralization was discovered throughout the Iska Iska Project 2.5 km north of the tin deposit. The basement rocks are composed of a thick marine sequence of Ordovician age that comprise shales, slates, siltstones and sandstones. These rocks are locally intruded by the Iska Iska subvolcanic granodioritic stock about 800 m in diameter and by 5 volcanogenic dacitic domes. The main dome is the Huayra Kasa, which is the major focus of Empresa Minera’s mining operation.

The Iska Iska area comprises an igneous complex that includes the granodiorite stock and apophyses, dacitic volcanogenic domes, dacitic and andesitic lava flows that reach 20 m in thickness, ferricretes and mud flows (up to 10 m thick), that extrude or lie on the mentioned sedimentary Ordovician rocks.

The polymetallic mineralization (Figure 1.8, Figure 1.9 and Figure 1.10) occurs mainly as veins, subsidiary vein swarms, veinlets, stockworks, and disseminations, forming a subvertical vein system in both the stock, the volcanic and sedimentary rocks. Some of the veins are “rosary” type in shear zones and tension fractures, which locally form

bonanza zones and stockworks in an extensive mineralized system. Individual veins are typically less than 50 cm wide and have orientations between N10° at 45°E and dips ranging from 64° SE to vertical. The maximum vein lengths can reach several hundreds of meters and their widths average 0.30 m. The potential altered-mineralized-brecciated zones occur within 9 square kilometres.

The mineralization, in both igneous and sedimentary rocks, shows an irregular mineral zoning in a current area of about 5 km² through the Property area, with an external sector enriched in Cu, which internally grades to a zone enriched in Zn, Pb and Ag. The Au mineralization occurs in both sectors, suggesting an overprinting of the earlier mineralizing phases. The metal zoning can be explained by a decrease in depositional temperature from the central parts towards the periphery. Accordingly, the Sn and W minerals are located in the southern part, the As-W-Bi mineralization in the neighbouring zone, and a Pb-Ag-Zn-Sb-Au mineralization in the periphery. However, in many occasions the minerals occur altogether showing telescoping features.

This type of mineral deposit is a very important class of mineralization in Bolivia. It is a product of widespread hydrothermal activity and is characterized by a polymetallic signature (Sn, Ag, Zn, Pb, Bi, W, Au), which is usually telescoped (coexistence of low and high temperature minerals) and are spatially related to epizonal intrusions.

The identified metallic minerals are pyrite, galena, sphalerite, complex silver-rich phases, argentite electrum, native gold, chalcopyrite and cassiterite. Gangue minerals are quartz, kaolinite, arsenopyrite, pyrrhotite, marcasite, sericite, and siderite. The mineralization represents a multiple phase (telescoped) polymetallic system with at least two stages of mineralization; an early stage with high temperature minerals as cassiterite, wolframite and bismuthinite, and a lower temperature with the silver, gold, zinc, lead and copper minerals. Alteration minerals include quartz, chlorite, pyrite, illite, sericite, and hematite.

Figure 1.8
Veinlets and Stockworks at Huayra Kasa Adit



Source: Eloro – Dr. O. Arce, P.Geo., 2019.

Figure 1.9
Sulfidic Vein and Veinlets at Huayra Kasa Adit



Source: Eloro – Dr. O. Arce, P.Ge., 2019.

Figure 1.10
Veinlets and Stockworks at Huayra Kasa Adit



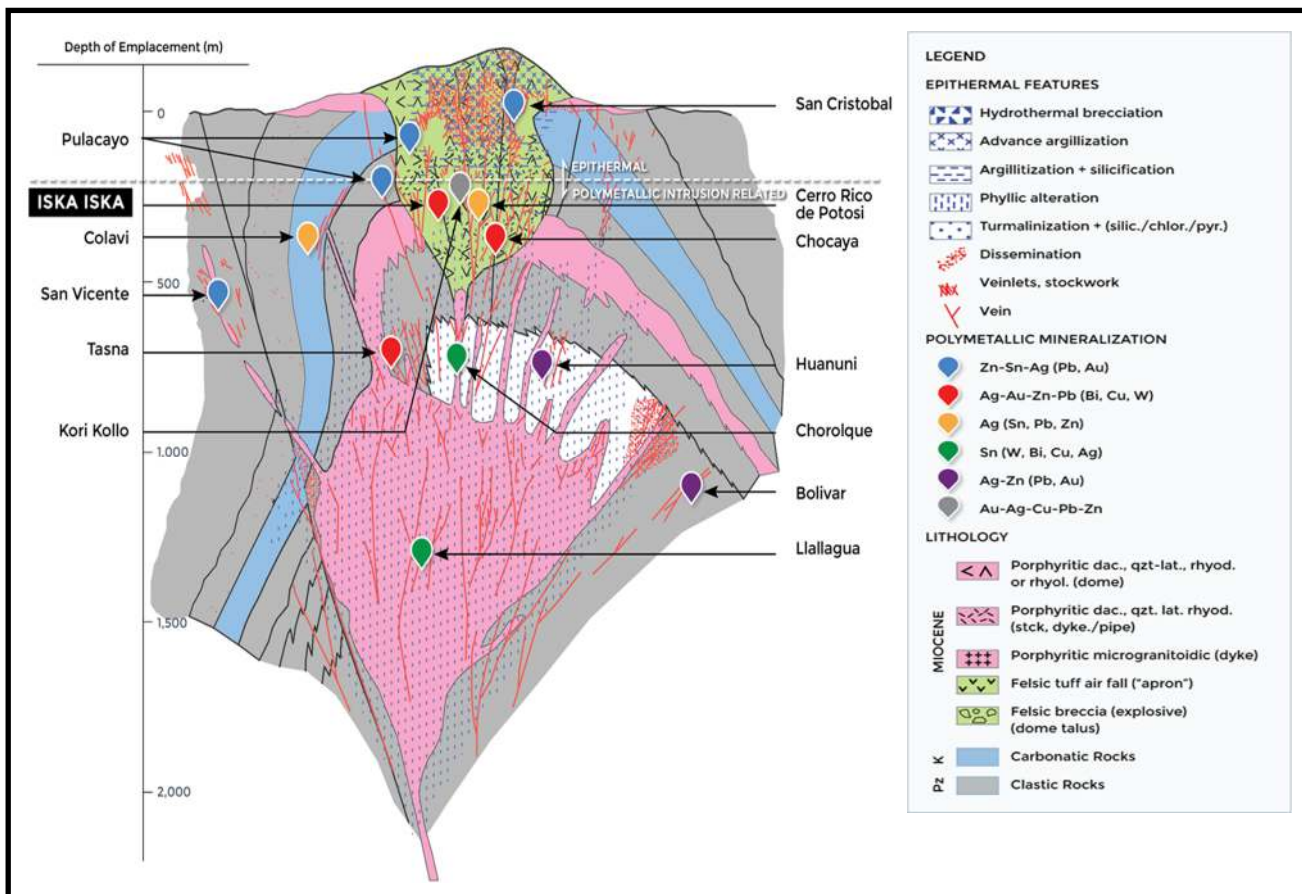
Source: Eloro – Dr. O. Arce, P.Ge., 2019.

Deposit Types

Genetic Model

The Iska Iska deposit displays characteristics typical of porphyry-epithermal systems. Such deposits are associated with magmatism generally occurring in magmatic arcs within convergent geodynamic settings. The mineralization system is believed to involve mainly magmatic-hydrothermal and meteoric fluids that form porphyry/epithermal Au-Ag, Ag-Zn-Pb, Cu-Au-Mo deposits, and Cu-Au and Zn-Pb-Ag skarn deposits. The conceptual model of the Iska Iska deposit is illustrated in Figure 2.1 along with other Bolivian deposits.

Figure 2.1
Conceptual Model of the Iska Iska Deposit and Other Surrounding Bolivian Deposits



Source: Eloor, 2020.

Characteristics

The porphyry-epithermal mineral system deposits generally have a spatial and temporal association with intermediate to felsic sub-aerial volcanic rocks and related sub-volcanic intrusions. They are thought to have formed at shallow crustal levels (<1.5 km for epithermal and <6 km for porphyry deposits: Seedorff et al., 2005; Simmons et al., 2005). This very shallow depth of emplacement and consequent low preservation potential account for the fact that geologically old (Paleozoic or older) deposits are uncommon (Seedorff et al., 2005; Simmons et al., 2005).

An important feature of the porphyry-epithermal mineral system is the telescoping of different deposit types, for instance porphyry Cu-Au-Mo deposits and epithermal deposits of various types.

Most workers concur that magmas were probably the energy source in the porphyry-epithermal mineral system. Although the role of magmatic-hydrothermal fluids as sources of fluid, sulphur and metals is not clearly understood, the likely driver of fluid flow, whether magmatic-hydrothermal or heated meteoric, is probably magma emplacement.

Mechanisms for ore deposition in the porphyry-epithermal mineral system are many and varied, with the main mechanisms being depressurisation and associated processes such as boiling, fluid mixing, cooling, and wall rock interaction.

Porphyry-epithermal deposits are geochemically zoned, both at the district scale (as demonstrated in Figure 2.1) and deposit scales (Buchanon, 1981; Berger et al., 2008). For example, the Iska Iska deposit has an inner core of Sn, W and Bi mineralization surrounded by Ag, Pb, Zn and Au mineralization envelope followed by Cu in the outer rim. This zonation has been partially obliterated by post mineralization deformation.

Dr. Oswaldo Arce, PhD., P.Geol., remarks “Iska Iska has all the hallmarks of a large group of hydrothermal ore deposits which have traditionally supplied most of Bolivia’s mineral wealth. Given the telescoped (xenothermal) nature of the mineralisation, Iska Iska is a very good example of a porphyry-epithermal transition. Epithermal overprinting on xenothermal porphyry alteration and mineralization is characterized by veins and fracture filling, and replacement textures between episodes of alteration and sulfide minerals.”

An important point as noted by Dr. Arce is that the epithermal stage of mineralization (Ag, Pb, Zn, Au) is later than the porphyry stage (Sn, W and Bi).

6.5 Exploration

In August, 2019, Eloro conducted geological mapping and preliminary sampling of the surface and underground workings at Iska Iska. The work was supervised by Dr. Oswaldo Arce, P.Geol. The procedures, significant results and interpretation are described under the relevant headings below.

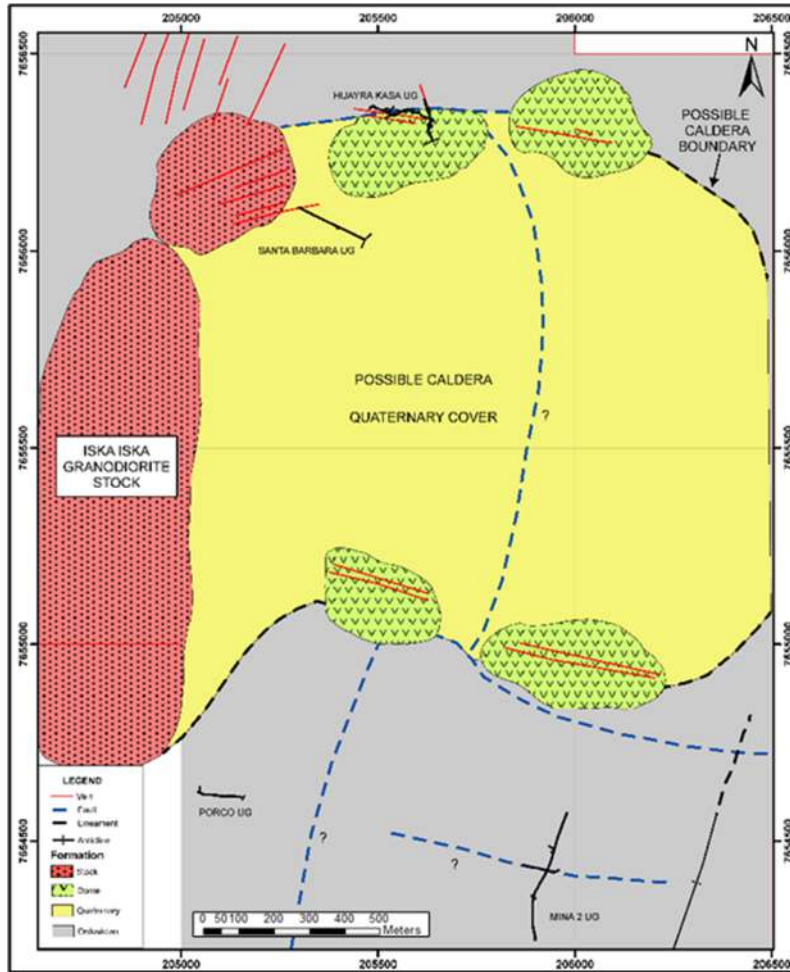
Geological Mapping

Porvenir Concession Surface Mapping

Preliminary surface geological mapping of the Porvenir Concession was conducted on a 1:5,000 scale to establish the main geological features and global geometry of the Iska Iska complex. The resultant map is shown in Figure 2.2.

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Figure 2.2
Iska Iska Provisional Geological Map



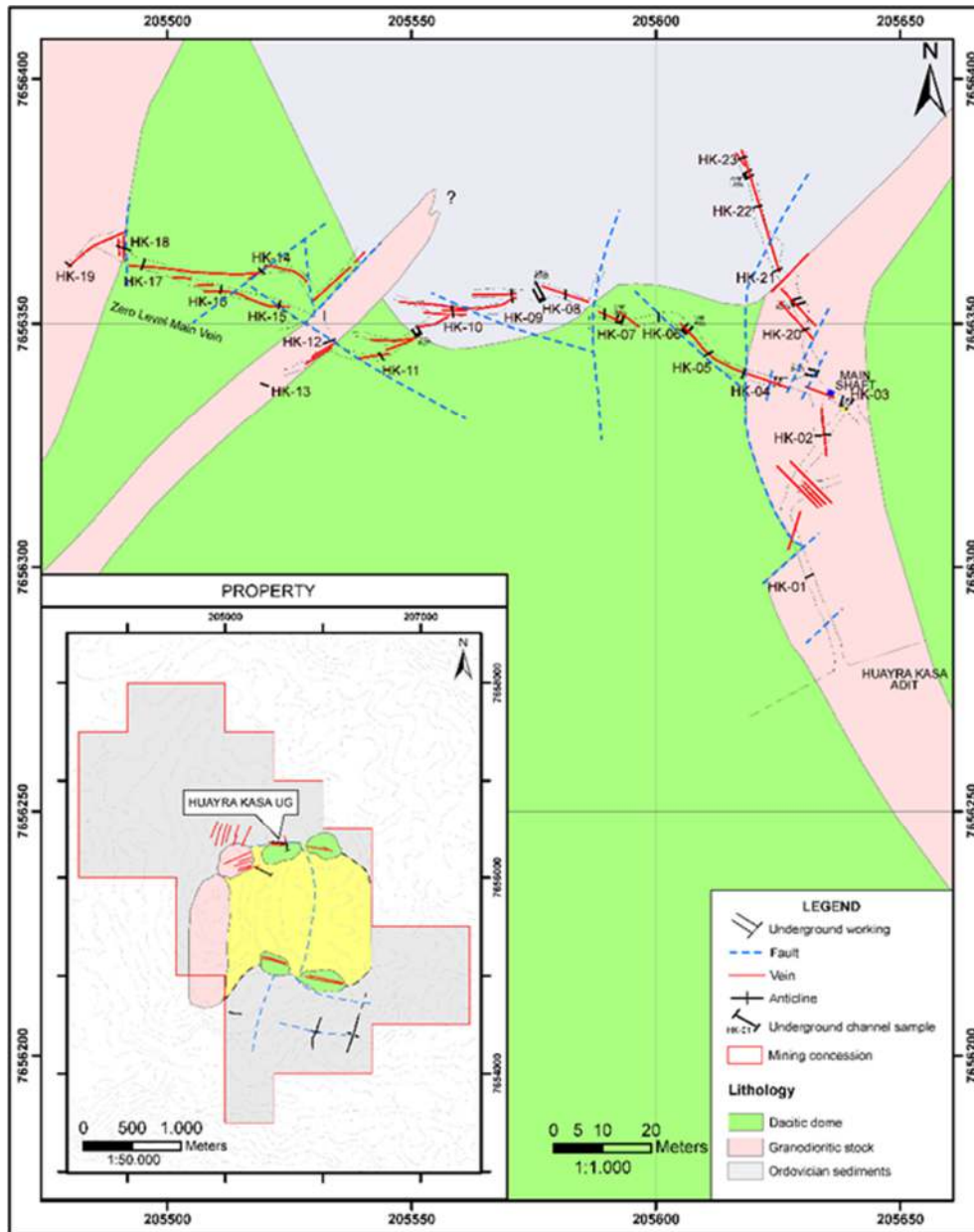
Source: Eloro, 2020.

Underground Geological Mapping

Underground geological mapping was conducted at the Huayra Kasa adit, which is the most developed adit on the Property. The main features from the mapping are shown in Figure 2.3.

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Figure 2.3
Geological Map of the Huayra Kasa Mine



Source: Eloro, 2020.

Significant Results/Interpretation of Geological Mapping

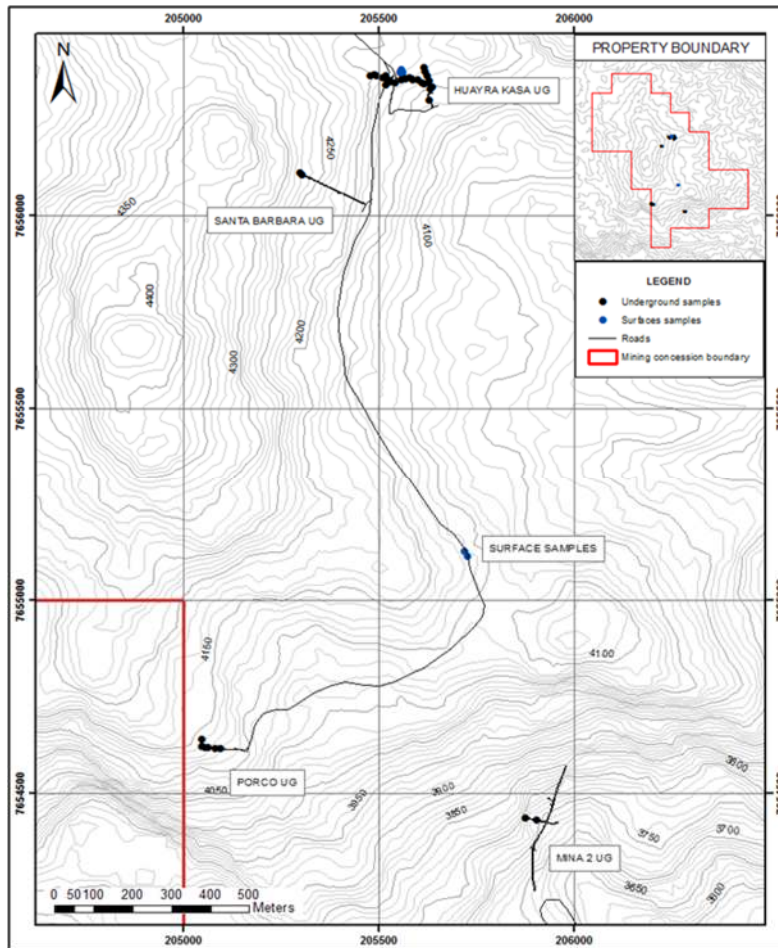
Geological mapping at surface revealed the roughly circular nature of the Iska Iska complex and the distribution of dacitic domes in relation to adits/mining excavations. Underground mapping revealed multiple vein and fault orientations. All the features observed, i.e. domes and variously oriented veins/veinlets, are consistent with porphyritic systems.

6.6 Sampling Results

Sample Locations

Eloro collected 42 samples from surface and underground workings. The location of the samples is shown in Figure 2.4.

Figure 2.4
Iska Iska Deposit Reconnaissance Sample Locations

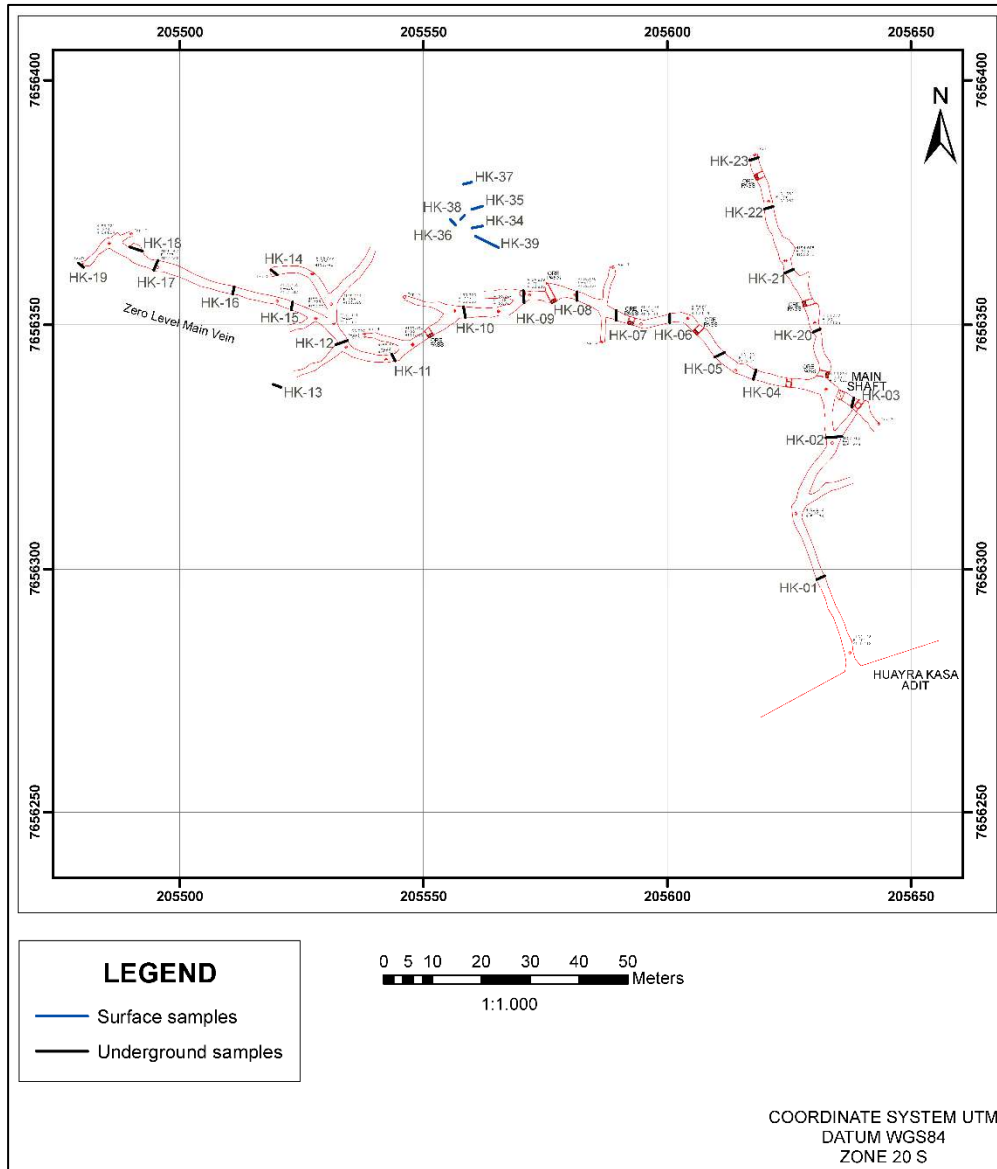


Source: Eloro, 2020.

The majority (23) of the underground samples were taken from the main underground working at Huayra Kasa adit, which is shown in Figure 2.5.

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Figure 2.5
Huayra Kasa Sample Locations



Source: Eloro, 2020.

Sampling Procedures/Methods/Quality/Representativeness

Channel chip samples were collected under the supervision of the site geologist. The geologist marked out a 10 cm wide channel at right angles to the vein structure targeted for sampling. Two samplers used hammer and chisel to obtain the sample (Figure 2.6). Sample lengths varied between 1.20 m and 5.5 m, averaging 2.90 m. The sample mass was between 1 and 2 kg.

Figure 2.6
Underground Sampling at Huayra Kasa Adit



Source: Eloro – Dr. O. Arce, P.Geo., 2019.

Channel chip samples taken using hammer and chisel tend to lose some very fine fraction of the material being sampled; nonetheless, the assays from the sampling generally reflect the grades within acceptable margins of error of $\pm 5\%$ to 10%.

It is significant to note that the reconnaissance sampling program covered only approximately 15% of the total Property area.

Results and Interpretation

The results of the sampling program are detailed in Table 2.1, and are summarized as follows:

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

These results are spread over a north-south distance of about 2 km and an east-west distance of about 1 km.

**Table 2.1
Iska Iska Reconnaissance Sampling Results**

Sample No.	Width (m)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Cu (g/t)	Bi (g/t)	In (g/t)	Sn (g/t)	
HK-01	2.35	0.01	0.53	0.01	0.01	171.00	12.50	1.08	44.9	Granodiorite, tr-1% py-as'py dissem
HK-02	4.10	0.36	1.39	0.51	0.44	519.00	123.00	4.72	57.8	Granodiorite, 1% py-as'py dissem
HK-03	3.10	2.50	25.50	2.15	0.63	569.00	967.00	9.76	107.5	Granodiorite, brecciated 3% py disem
HK-04	3.60	0.85	10.50	1.99	0.28	439.00	52.50	26.30	71.7	Granodiorite, py, gal, sph 3 mm vnlt
HK-05	3.10	0.04	1.68	0.32	0.04	187.00	6.51	6.74	67	Dacite, few py, sph vnlt.
HK-06	2.60	0.07	46.10	3.01	0.77	541.00	40.80	>500	77.6	Dacite, abund disseminated sulphides, massive sulphide vnlt.
HK-07	3.20	0.35	204.00	4.81	4.13	479.00	30.70	384.00	131	Dacite, 4 vnlt 1 cm massive sulphides, 30cm breccia
HK-08	3.70	0.02	75.10	1.40	1.35	219.00	40.40	101.50	65.6	Sandstone brecciated; py, aspy, gal, sph vnlt
HK-09	3.30	0.02	266.00	5.75	8.24	127.50	71.00	46.40	215	Sandstone brecciated, 3-5 cm gal, sph, py veins
HK-10	2.70	0.01	570.00	10.60	9.72	1510.00	73.00	>500	250	Sandstone brecciated, abundant sph, gal, py, aspy vnlt
HK-11	2.40	<0.01	1.67	0.69	0.15	83.80	23.70	9.68	36.6	Granodiorite, tr-1% fine sulph dissem.
HK-12	3.15	<0.01	3.78	1.29	0.80	105.50	1.94	5.67	81.4	Dacite, rare fine dissem sulphides, sph, gal 5 vnlt
HK-13	2.25	<0.01	3.10	0.39	0.15	111.00	1.25	9.55	68.8	Dacite, rare fine diss sulphides
HK-14	2.90	0.04	13.60	0.38	0.43	171.50	4.12	2.82	52.1	Granodiorite fine disseminated py
HK-15	2.50	<0.01	1.82	1.05	0.03	104.50	1.81	2.07	66.8	Dacite, bxwks FeOx, 3 cm sph, py vnlt
HK-16	2.15	<0.01	0.85	0.08	0.01	148.00	2.02	0.99	38.7	Granodiorite 1% fine dissem sulphides
HK-17	3.00	<0.01	5.99	0.31	0.25	130.00	3.06	1.83	102.5	Dacite 1% fine dissem sulph
HK-18	3.85	0.03	362.00	9.23	9.53	327.00	66.80	23.00	>500	Dacite carbonaceous, 5 mm sph, gal vnlt, abund sulph dissem
HK-19	3.00	0.03	37.70	1.51	1.33	435.00	44.10	8.95	>500	Mine front-end, granodiorite cpy, py, gal, sph vnlt and dissem

Sample No.	Width (m)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Cu (g/t)	Bi (g/t)	In (g/t)	Sn (g/t)	
HK-20	2.95	15.50	7.58	0.25	0.07	617.00	5860.00	1.04	23.4	N-S gallery, brecciated granodiorite 1 cm 3 gal vns, 1-2% diss py
HK-21	3.35	0.34	2.60	0.51	0.07	150.00	100.50	3.95	25	Sandstone FeOx stkwk-sulphides
HK-22	2.90	9.10	73.70	3.80	1.70	750.00	1230.00	323.00	65.5	Sandstone nwk py, bxwks FeOx, massive aspy, 3% diss sulph
HK-23	2.90	12.35	57.40	1.86	1.44	191.00	1200.00	19.35	42	Sandstone 2-5 cm vns abund gal-sph
HK-24	2.56	0.03	3.03	0.01	0.21	423.00	36.70	7.09	185	Granodiorite 10 py vnlt, 1% fine dissem sulphides
HK-25	2.55	0.32	26.90	0.01	1.16	401.00	162.50	28.50	>500	Mine front-end granodiorite fine dissem sulph
HK-26	2.55	2.71	295.00	0.02	0.48	>10000	3160.00	24.10	>500	Qtz Sandstone py-asy intergr-vnlt, 10cm massive sulph vns
HK-27	1.25	1.61	55.70	0.01	0.11	>10000	503.00	4.78	>500	Similar to former sample, abund py, pyrrh, cpy, calcoc
HK-28	3.35	1.65	321.00	0.00	0.35	2920.00	1850.00	16.85	>500	Qtz sandstone, euhedral xs py, pyrrh, fine dissem sulph
HK-29	1.96	0.60	68.70	0.01	0.01	>10000	1500.00	10.35	>500	Qtz sandstone massive sulph vns, py-asy intergrowths,-vnlt
HK-30	2.10	0.01	1.72	0.01	0.00	129.00	6.31	0.50	127.50	Qtz sandstone w/ 3% dissem sulph, sporadic coarse py dissem
HK-31	2.30	2.60	288.00	0.01	0.42	1430.00	2850.00	10.60	>500	Qtz sandstone ox'd-bleached, stkwk FeOx
HK-32	4.60	0.02	2.90	0.02	0.01	1375.00	21.40	0.83	75.40	Granodiorite oxidized micaceous, 5 mm FeOx vnlt
HK-33	5.55	0.11	4.06	0.02	0.17	1025.00	18.35	5.21	40.40	Similar to former sample
HK-34	2.10	0.02	1.61	0.00	0.01	47.40	17.70	0.69	59.00	Granodiorite brecciated, specularite matrix, dacite clasts
HK-35	2.30	0.01	0.55	0.00	0.01	20.20	6.17	0.58	43.60	Similar to former sample
HK-36	1.60	2.14	8.99	0.01	0.72	166.50	646.00	5.84	30.90	Granodiorite brecciated, massive sulph vn
HK-37	1.80	0.08	1.43	0.01	0.07	112.50	8.97	3.88	90.00	Granodiorite, FeOx vnlt

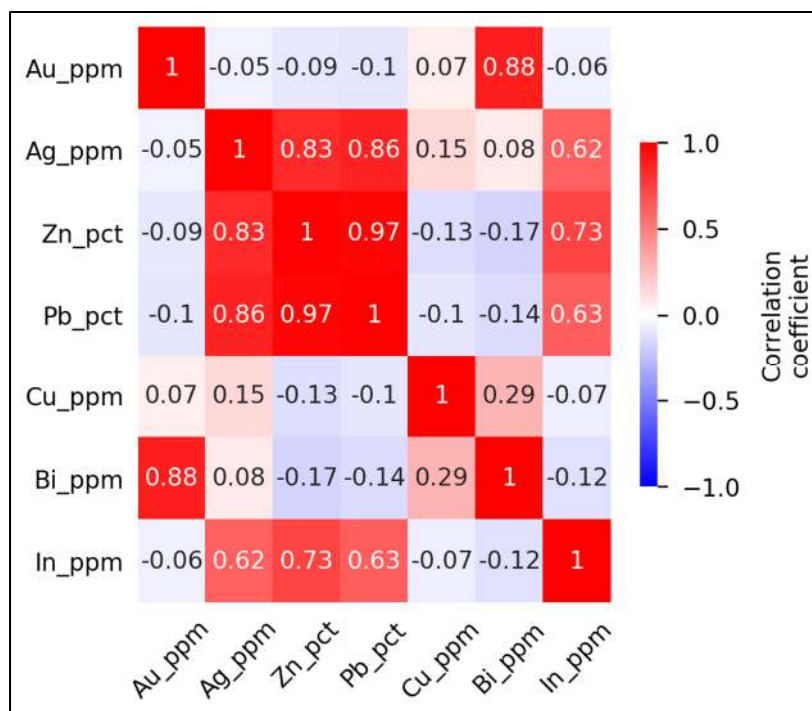
Sample No.	Width (m)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Cu (g/t)	Bi (g/t)	In (g/t)	Sn (g/t)	
HK-38	1.20	28.60	61.60	0.01	0.41	3140.00	7380.00	4.37	17.00	Massive sulph vein 30 cm, py, pyrhh, cpy in altered granodiorite
HK-39	5.30	0.15	1.15	0.00	0.01	137.50	42.10	1.13	65.50	Granodiorite brecciated w/sulphidic matrix
HK-40	3.16	2.18	68.90	3.75	3.75	539.00	334.00	5.44	311.00	Qtz Sandstone massive sulph cpy, py, gal, sph, dissem, vnlt
HK-41	2.15	0.19	73.40	1.08	1.08	348.00	428.00	32.20	171.50	Similar to former sample, though includes stkwk py
HK-42	2.70	0.01	694.00	16.95	16.95	644.00	37.00	>500	181.50	Sandstone brecciated, abundant sph, gal, py, aspy vnlt

The results indicate significant multi-metal mineralization in the sampled areas of the deposit.

The relation between the various metals is shown in Figure 2.7. In interpreting the relationships, it is recognized that the Iska Iska deposit has undergone post mineralization polyphase deformation which likely obliterated the original relationship between metals. However, the following is evident from Figure 2.7.

- Good correlation (>80%) between gold and bismuth and between silver, lead and zinc.
- Fair correlation (>60%) of indium with silver, lead and zinc.

Figure 2.7
Relationship Between Mineralization Elements at Iska Iska



6.7 Sample Preparation, Analyses and Security

Protocols Before Dispatch of Samples

Sample Preparation at Site

Each channel sample is thoroughly mixed by coning and quartering after which a portion weighing between 1 kg and 2 kg is placed in a sample bag. A tag with the sample identification (ID) number is placed in each sample bag before being sealed. The position of the sample on the surface outcrop and/or underground workings is marked with a corresponding ID tag for reference.

Sample reference sheets summarizing all the samples taken from each site are prepared. These sheets are used to identify where the quality control samples will be added into the sample stream and for preparing the requisition and shipment forms.

Quality Control Measures

Eloro is preparing well documented QA/QC measures which are to be implemented at the inception of their forthcoming Drill Program, starting in the latter half of 2020. All standards and blanks are to be obtained from CDN Resource Laboratories Ltd, an independent third-party provider.

For the 2019 reconnaissance samples, Eloro only used field duplicates as QA/QC samples.

Packaging and Security

All activities pertaining to data collection, namely sampling, insertion of control samples, packaging and transportation are conducted under the supervision of the project geologist.

Other than the insertion of control samples, there is no other action taken at site. Thus, no aspect of the sample preparation for analysis is conducted by an employee, officer, director or associate of Eloro.

Samples are placed in sequence into rice bags which are labelled with a company code and sample series are enclosed in the bag. Requisition forms are compiled using the sample reference sheets that were generated since the previous shipment. When a shipment is ready, the sealed rice bags are dispatched to the ALS (Oruro, Bolivia) laboratory via courier. Laboratory personnel check to ensure that no seal has been tampered with and acknowledge receipt of samples in good order via e-mail.

Laboratory Details

Eloro uses the ALS (Oruro, Bolivia) facility as their sample preparation laboratory and ALS (Lima, Peru) for the analytical work. The analysing laboratory (ALS Lima, Peru) is ISO/IEC 17025:2005 accredited and both branches (ALS Oruro and Lima) are independent of Eloro. The ALS laboratory chain is among several laboratories that regularly participate in the PTP-MAL (Proficiency Testing Program for Mineral Analysis Laboratories) round robin laboratory program provided by Natural Resources, Canada, for minerals containing gold, platinum, palladium, silver, copper, lead, zinc and cobalt.

Laboratory Sample Preparation and Analyses

Laboratory Sample Preparation

At ALS Oruro, the samples are prepared by crushing the sample with up to 70% of the material passing a 2 mm screen, split to 250 g, and pulverized under hardened steel to 85% passing a 75 μ screen.

Following preparation, the sample pulps are sent to ALS in Lima, Peru, for analysis. The remaining sample splits/sample rejects are sent back to Eloro.

Laboratory Sample Analyses

At ALS Lima, the samples are analyzed for gold (ppm) by fire assay (Au-AA25), and for the other elements by multi-element analysis using optical emission spectrometry and the Varian Vista inductively coupled plasma spectrometer (ME-ICPORE). Some selected samples are also assayed for tin (Sn) by ICP-AES after Sodium Peroxide Fusion (Sn-ICP81x).

Laboratory QA/QC

The ALS in-house analytical QA/QC procedures include the following:

- Use of certified reference materials.
- Routine duplicate analyses.
- Use of blanks.
- Participation in round robin analytical exercises.

Bulk Density

Bulk density measurements were not necessary in the reconnaissance sampling phase but will be conducted in the next phase of drilling.

Quality Control Results

All assays are reported directly to Eloro via e-mail to designated personnel. Signed assay certificates are sent via courier or post. The monitoring of the performance of the QA/QC samples is conducted immediately after the assay results are received.

For the laboratory in-house control samples, certified reference materials/standards were considered a failure if the assay was close to or outside 3 standard deviations and the whole batch would be re-analyzed. Blanks were considered a failure if they reported values three times above the detection limit.

Overall, the performance of all the laboratory in-house control samples (blanks and standards) for analytical work has been satisfactory. Eloro's field duplicates assays match the results of the original samples. No control charts have been plotted due to the limited number of samples analyzed.

6.8 Data Verification

The steps undertaken by Micon to verify the data/information in this Technical Report include a site visit to the Iska Iska Project area and arranging for repeat analyses of sample pulps from Eloro's 2019 sampling program.

Although Micon took samples to verify the mineralization at the Iska Iska Project during the site visit, the mineralization is easily identifiable in surface and underground exposures with the unaided eye.

6.9 Drilling

There has been no drilling conducted on the Property as of the date of this report.

6.10 Mineral Processing and Metallurgical Testing

No metallurgical testing has been conducted to date. However, multi-element analyses of the check samples, collected by Micon during the site visit indicate a complex mineralogy compounded by high arsenic levels in the order of 6,000 ppm to > 10,000 ppm, as shown in Table 3.1. These signal the need for preliminary testwork to be conducted simultaneously with the evaluation Drill Program for resources.

**Table 3.1
Micon Check Sampling Key Results**

Au (ppm)	Ag (ppm)	As (ppm)	Bi (ppm)	Cu (ppm)	Fe (%)	In (ppm)	Pb (ppm)	S (%)	Sn (ppm)	W (ppm)	Zn (ppm)
3.07	>100	>10,000	2,850	1,065	22.7	9.41	>10,000	>10.0	447	16.5	>10,000
10.75	49	>10,000	5,910	1,010	6.98	10.05	7,440	0.9	29.5	13	66
4.01	12.7	>10,000	1,220	321	9.8	21.2	9,790	2.05	28	18.3	51
2.78	>100	>10,000	2,410	794	18.55	8.84	>10,000	>10.0	490	12.6	>10,000
1.18	>100	>10,000	1,630	7,660	12.45	11.15	2,180	>10.0	>500	163	143
0.24	22.6	1,080	135	344	4.97	19.9	9,520	1.1	>500	31.5	18
2.99	6.29	8,890	238	236	7.98	1.815	1,560	6	25.3	11.7	2,160
2.31	13.8	6,900	541	238	8.32	24	3,240	6.52	35.1	24.5	7,070
1.13	8.59	6,560	127.5	154	8.38	4.3	1,475	4.62	21.5	15.8	4,560
9.23	2.75	>10,000	3,610	478	12.1	1.085	448	>10.0	26.1	10.6	2,200
15.6	50.4	>10,000	>10,000	2,200	9.93	14.7	>10,000	1.79	30.6	10.3	75
9.94	33.4	>10,000	1,050	349	13.25	4.86	9,040	>10.0	29.7	13.6	9,080
10.15	7.41	>10,000	3,330	409	9.5	1.085	567	8.88	28.8	14.4	2,960
3.84	>100	5,960	1,885	1,830	7.37	13.6	5,200	1.71	>500	530	12
10.95	4.25	>10,000	413	69.1	8.65	0.61	46.8	3.37	191.5	27.2	93

6.11 Exploration, Development and Production

The key factors that will dictate the future development of the Iska Iska Project are the scale/size of the deposit, its quality/grade and metallurgical characteristics. Accordingly, Micon made the following recommendations in the Technical Report.

Geology and Resources

Eloro should implement a systematic evaluation/exploration program encompassing trenching and drilling to characterise the deposit, confirm its porphyry nature and establish an initial resource. The exploration strategy should aim at utilizing the existing infrastructure, i.e. the existing underground workings of adits, crosscuts and raises, to the full extent. In this regard, Micon recommends that the exploration program prioritizes the Huayra Kasa and Mina 2 areas. These two locations have the most extensive underground workings which are aligned in the north-south and

east west directions. (Note: It is common knowledge that artisanal workings often focus on perceived high-grade areas and do not evaluate the full extent of the mineralized zone.)

Diamond Drilling

The recommended Phase I drill holes at Huayra Kasa and Mina 2 as shown in Figure 3.1 and Figure 3.2, respectively, is as follows:

Huayra Kasa

- 8 horizontal holes (Total = 900 m).
- 8 holes inclined at -65 degrees (Total = 900 m).

The azimuths/directions of the holes are shown on Figure 3.6. The total length of drill holes is 1,800 m.

Mina 2

- 4 horizontal holes (Total = 700 m).
- 4 holes inclined at -65 degrees (Total = 700 m).

The azimuths/directions of the holes are shown on Figure 3.7. The total length of drill holes is 1,400 m.

Comment

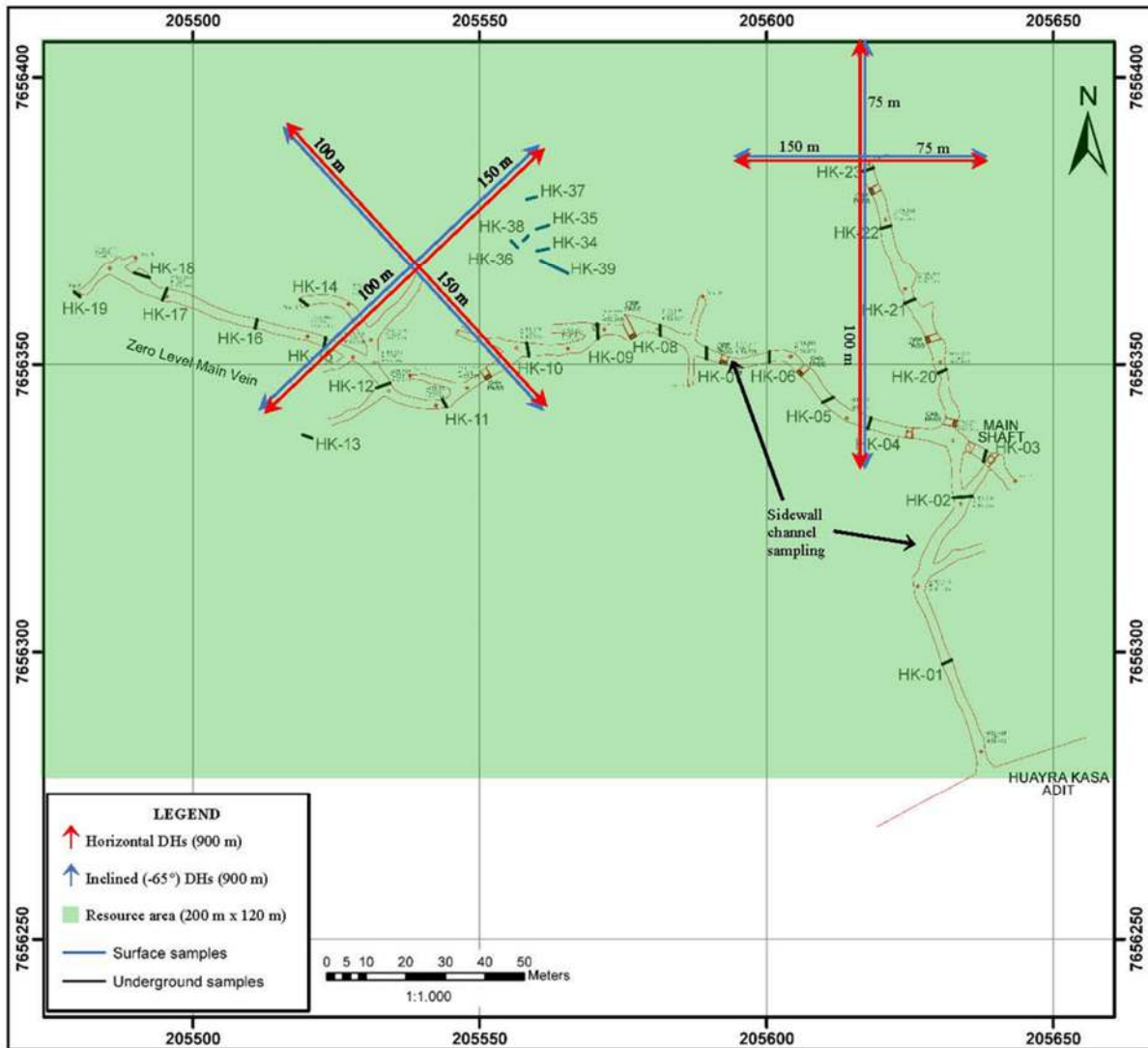
In every case, the drill patterns are designed to cope with multiple vein orientations of porphyry systems as seen in Figure 1.7.

Channel Sampling

In addition to diamond drilling, continuous channel sampling is recommended on the sidewalls in all the accessible existing adits. In order to conduct quality channel sampling, Eoro should acquire at least 4 portable diamond saws to ensure sample representativeness and a speedy completion of the task.

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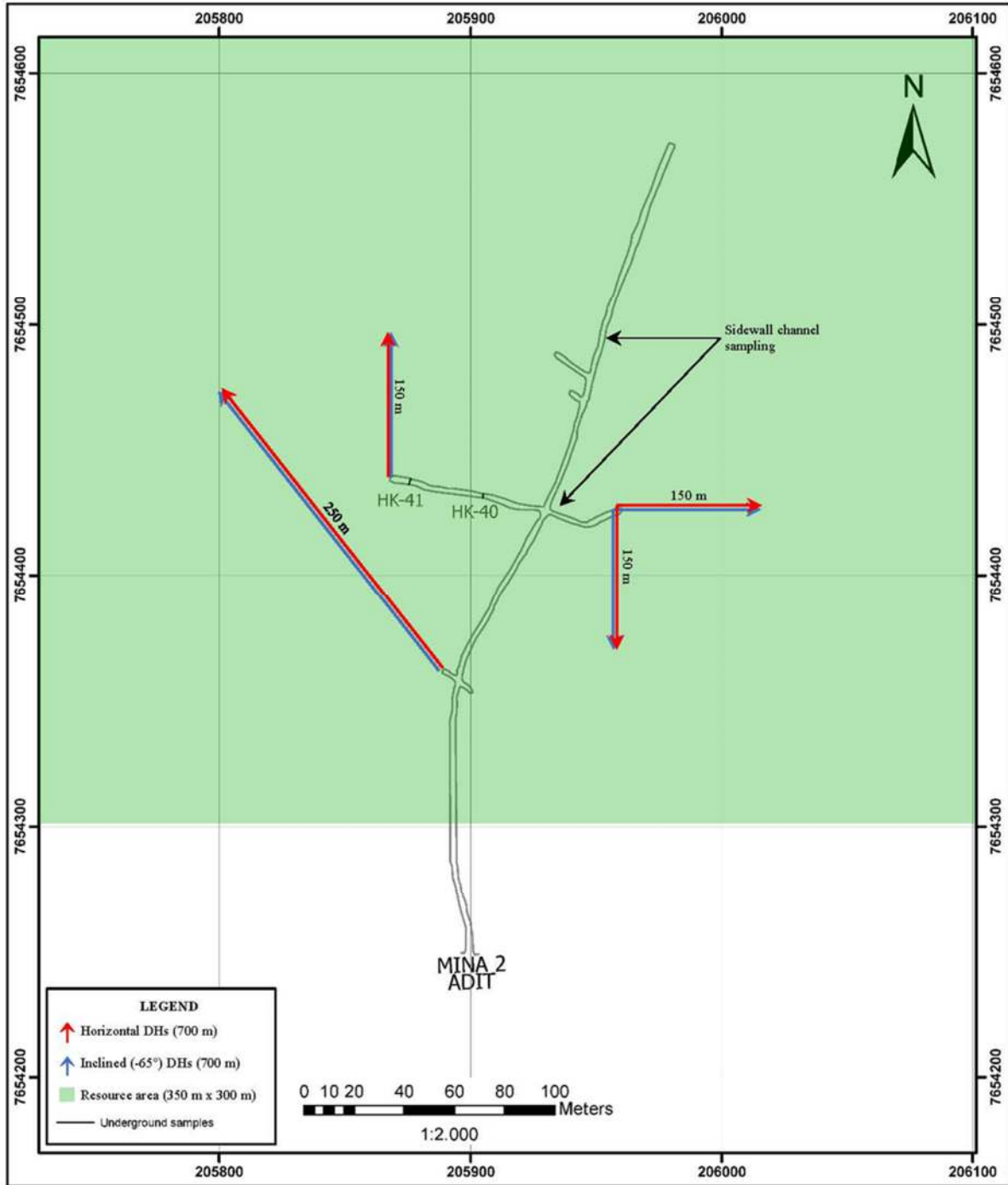
Figure 3.1
Recommended Drilling and Channel Sampling at Huayra Kasa



Source: Eloro,2020; Modified by Micon, 2020.

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**Figure 3.2
Recommended Drilling and Channel Sampling at Mina 2**



Source: Eloro,2020; Modified by Micon, 2020.

Investment in QA/QC

In preparation of a NI 43-101 compliant resource estimate, it is imperative that acceptable levels of QA/QC procedures be put in place immediately and maintained in line with the CIM best practice guidelines.

Logging of the holes should be conducted using a bar coding system to ensure consistence between geologists in defining geological boundaries.

Appropriate survey equipment and procedures should be put in place before the commencement of the above recommended Drill Program.

Purchase or manufacture of certified reference materials is a prerequisite to conducting any further analyses of samples.

The budget for sample analyses should include provision for:

- Repeat analyses at an ISO certified laboratory (5 to 10 % of the total project samples).
- Use of control samples (at least one each of a blank, a certified standard, a duplicate sample and an in-house standard in every 25 samples).
- Petrological and mineralogical studies by independent consultants to help explain the metallurgical aspects of the deposit.
- Density determinations for each category of mineralization. A reputable laboratory can be used in conjunction with in-house efforts.

In the case of blank samples, it is recommended that the blanks should look similar to the rest of the samples and not be in powder form. If the blanks are already crushed and pulverized, they will escape the critical test of monitoring contamination at the crushing stage.

Preparations for Resource Data Collection

An investment in proper core shed facilities is highly recommended before the drilling commences. It will not be possible to put every piece of core under roof and lock, but it is imperative to have half or quarter core of all the intersections together with at least 10 m each of the hanging wall and footwall in secure storage.

If the budget permits, Eloro should engage a geo-technician to assist the site geologist with the following:

- Supervise drill rigs and ensure down-hole surveys are done properly.
- Supervise transportation and storage of drill core.
- Carryout geotechnical logging of drill core to establish RQD, etc. and take photographs of the drill cores before logging and sampling by the geologist.
- Assist the site geologist in sampling of drill cores and underground channel sampling.

Mineral Processing/Metallurgical Testing

Micon recommends that Eloro conducts preliminary metallurgical tests concurrently with the evaluation drilling described above, utilizing sample coarse assay rejects to establish the “rocks to riches” conversion process that ensures prospects for economic extraction. As a first step, the mineralogical composition of representative samples from the Iska Iska deposit can be determined rapidly by means of new technology, synchrotron analyses. Eloro is aware of this technique and its Chief Technical Advisor (Bill Pearson, PhD., P. Geo.) has already contacted Lisa CAN Analytical Solutions for details on the technology and a quote for conducting the work.

Budget for Phase I

In line with these recommendations, Eloro is considering a budget of about US\$1,040,000.00 to be spent in two phases. Details of the breakdown of Phase I is shown in Table 3.2.

Table 3.2
Eloro Phase I Exploration Budget

Item/Activity	Cost US\$
Exploration personnel (half-time for about 3 months)	22,500
Office Costs	1,250
Equipment purchase	1,300
Contracted studies	11,500
Community relations	1,200
Bolivian office costs	2,000
Total (rounded)	40,000

Phase II (US\$1.0 M) primarily consists of delineation drilling including pilot metallurgical testwork and mineral resource development. Details on the breakdown are shown in Table 3.3.

Table 3.3
Eloro Phase II Budget

Item/Activity	Cost US\$
Diamond drilling (3,500 m)	675,500
Field costs	127,300
Exploration personnel	114,500
Office costs (Bolivia)	9,000
Equipment purchase	5,000
Contracted studies	15,000
Community relations	5,000
Toronto office	48,000
Total (rounded)	1,000,000

Micon believes that the budget under consideration is reasonable and justified and recommends that Eloro conduct the planned activities subject to availability of funding and any other matters which may cause the objectives to be altered in the normal course of business activities.

The Company has followed the recommendations and budget presented in the Technical Report and to date, has complete Phase I and is currently undertaking Phase II.

ITEM 7: RISK FACTORS

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many kinds of risks, including, but not limited to, operational, technical, environmental, labour, social, political, security, financial, economic, and metals pricing. Additionally, often due to factors that cannot be predicted or foreseen, few exploration projects successfully achieve development. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance, nor are they inclusive of all the risks and uncertainties the Company may be subject to, and therefore other risks may apply.

Mineral exploration inherently involves a high degree of risk. All of the mineral property interests of the Company are in the exploration stage and, consequently, may not result in any commercial discoveries.

Mineral exploration involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. The properties owned by the Company are in the exploration stage only, are without known bodies of commercial mineralization and have no ongoing mining production. The Company's mineral exploration activities may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations. As well, the exploration and development activities of the Company may be disrupted by a variety of risks and hazards, which may be beyond the control of the Company. These risks include, but are not limited to, labour stoppages, the inability to obtain adequate power, water, and labour, including consultants or other experts, as well as suitable machinery and equipment. In addition, the Company may be unable to acquire or obtain such necessities as water and surface rights, which may be critical for the continued advancement of exploration and development activities on its mineral property rights.

Government expropriation may result in the total loss of the Company's mineral property interests.

Even if the Company's mineral properties are proven to host economic mineral resources, governmental expropriation or cancellation of one or more concessions may result in the total loss of the Company's mineral property interests without any compensation to the Company. Similarly, expropriation or shutdown of financial institutions or other entities the Company does business with could impact operations. Further, expropriation of other businesses, in mining or other industries, could impact the Company's ability to operate and obtain financing, as well as its strategic options. Finally, expropriation need not be outright, there are many forms of creeping expropriation, through taxation and other mechanisms, that if applied could negatively impact the Company's operations and prospects.

Governmental regulation may have negative impacts on the Company.

The Company's assets and activities are subject to extensive Canadian and foreign federal, provincial, territorial and local laws and regulations governing various matters, including, but not limited to:

- land access, use and ownership;
- water use;
- environmental protection;
- social consultation and investment;
- management and use of toxic substances and explosives;
- rights over and management of natural resources, including minerals and water;
- prospection, exploration, development and construction of mines, production and reclamation;
- exports and imports;
- taxation;
- mining royalties;
- importation of equipment and goods;

- transportation;
- hiring practices and labour standards by the Company and contractors, as well as occupational health and safety, including mine safety;
- reporting requirements related to investment, social and environmental impacts, health and safety, and other matters;
- processes for preventing, controlling or halting artisanal or illegal mining activities; and
- historic and cultural preservation.

The costs and efforts associated with compliance with laws and regulations are already substantial and future laws and regulations, changes to existing laws and regulations or more stringent application and enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, delays in the development of the Company's properties, and even restrictions on or suspensions of Company operations. Moreover, these laws and regulations may allow governmental authorities and private parties to bring complaints or lawsuits against the Company based upon alleged damage to property and/or injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, or possibly even actions or inaction by parties from whom the Company acquired its properties, and could lead to the imposition of substantial financial judgments, fines, penalties or other civil or criminal sanctions.

It is challenging to comply strictly with all of the norms that apply to the Company. The Company retains competent and trained staff, professionals, attorneys and consultants in jurisdictions in which it does business; however, there is no certainty that both it and its contractors will continuously be compliant with all applicable laws and regulations. The failure to comply with all applicable norms could lead to financial restatements, fines, penalties and other material negative impacts on the Company.

Failure to comply strictly with applicable laws, regulations and local practices may have a material adverse impact on the Company's operations or business.

While the Company seeks to fully comply with applicable laws, regulations and local practices, failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction, cancellation or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Any such loss, reduction or imposition of partners could have a material adverse impact on the Company's operations or business. Furthermore, increasing complexity of mining laws and regulations may render the Company incapable of strict compliance.

The exploration and future development of the Company's property interests are subject to extensive laws, regulations and local practices governing health, safety, environment and communities.

The Company's exploration and mine development activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker and community safety, employee health, mine development, and protection of water and endangered and protected species, as well as extensive reporting and community engagement requirements. The Company's ability to obtain permits and approvals and to successfully operate in particular locations may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies or associations, or even illegal miners affecting the environment, human health, and safety of nearby communities. Delays in obtaining or failure to secure government permits and approvals, or to secure evictions of illegal miners, may adversely affect the Company's ability to access, explore or develop its properties. The Company has made, and expects to make in the future, significant expenditures to comply with laws and regulations and to the extent reasonably possible, create social and economic benefit in nearby communities. The Company, however, may be required to remediate areas on its concessions impacted by the activities of third parties. Future changes to environmental laws, regulations and permitting processes or changes in their enforcement or regulatory interpretation could have an adverse impact on the Company's operating and financial condition.

The Company's concessions may be subject to pressure from artisanal and illegal miners

Several of the Company's concessions are located close to communities with long-standing artisanal, often illegal, mining traditions. Limited economic opportunities in these areas contribute to making gold mining an attractive field of work for local individuals and small associations and companies, who at times view concessions belonging to the Company as particularly attractive targets for alluvial or hard rock mining. In some cases, the local operators

(occasionally financed by outsiders), having exhausted development opportunities at their current location may seek to expand or relocate their activities into areas controlled by the Company, in other cases, illegal miners may relocate to one of the Company's concession areas in response to government pressure that has shut down their prior operations. Local and national political and regulatory authorities may come under pressure to support or not impede the ambitions of these local actors. The Company monitors local mining activities and is in regular contact with regulatory and political authorities to anticipate and manage issues as they arise, however not every incursion can be readily identified. Nonetheless, there is a risk that in the future, due to political or social factors, regulators may make decisions to grant access to artisanal miners that impact the viability of the Company's projects.

Political and Economic Risks associated with operations in Bolivia

The Iska Iska Project is located in Bolivia. Regardless of recent progress in restructuring its political institutions and revitalizing its economy, Bolivia's history since the mid-1960s has been one of political and economic instability under a variety of governments. Since 2006, the government has intervened in the national economy and social structure, including periodically imposing various controls, the effects of which have been to restrict the ability of both domestic and foreign companies to freely operate. Although the Company believes that the current conditions in Bolivia are relatively stable and conducive to conducting business, the Company's current and future mineral exploration and mining activities in Bolivia are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties include, but are not limited to, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, political and labour unrest, civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens or purchase supplies from a particular jurisdiction.

There has been a significant level of social unrest in Bolivia in recent years resulting from a number of factors, including a high rate of unemployment. Protestors have previously targeted foreign firms in the mining sector, and as a result there is no assurance that future social unrest will not have an adverse impact on the Company's operations. The Company's exploration and development activities may be affected by changes in government, political instability, and the nature of various government regulations relating to the mining industry. Bolivia's fiscal regime has historically been favourable to the mining industry, but there is a risk that this could change. In addition, labour in Bolivia is customarily unionized and there are risks that labour unrest or wage agreements may impact operations. The Company cannot predict the government's positions on foreign investment, mining concessions, land tenure, environmental regulation, or taxation. A change in government positions on these issues could adversely affect the Company's business and/or its holdings, assets, and operations in Bolivia. Any changes in regulations or shifts in political conditions are beyond the control of the Company. The Company's operations in Bolivia entail significant governmental, economic, social, medical, and other risk factors common to all developing countries. The status of Bolivia as a developing country may also make it more difficult for the Company to obtain any required financing because of the investment risks associated with it. The level of social unrest in Bolivia has increased significantly following the failed general elections held on October 20, 2019.

The Company's operations in Bolivia may be adversely affected by economic uncertainty characteristic of developing countries. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, and safety factors.

The Company may not be able to obtain or renew permits that are necessary for its operations.

In the ordinary course of business, the Company is required to obtain new governmental permits as well as renew permits for exploration and development activities and any ultimate development, construction and commencement of new mining operations. Obtaining or renewing necessary permits can be a complex and time-consuming process, which at times may involve several political jurisdictions and different government agencies that may not have the necessary expertise, resources or political disposition needed for efficient and timely processing, and may require public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by permitting authorities and timeframes for agency decisions. The Company

may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from any of its projects once in production. Any unexpected delays or costs associated with the permitting process could slow exploration and/or development or impede the eventual operation of a mine, and could adversely impact the Company's operations and profitability.

The Company has no significant source of operating cash flow and failure to generate revenues in the future could cause the Company to go out of business.

The Company has no revenues from ongoing operations and has recorded significant accumulated losses. Based upon current plans, the Company expects to incur operating losses in future periods due to ongoing expenses associated with the holding, exploration and development of the Company's mineral property interests. The Company will likely continue to have limited financial resources and its ability to achieve and maintain profitability and positive cash flow will remain dependent upon the Company being able to:

- develop and/or locate a profitable mineral property;
- generate revenues in excess of expenditures; and
- minimize exploration and administrative costs in the event revenues and/or financing availability are insufficient, in order to preserve available cash.

In order to stay in business, in the absence of cash flow from operations, the Company will have to raise funding through financing activities. However, there is no certainty the Company will be able to raise funds at all or on terms acceptable to the Company in the event it needs to do so. Furthermore, additional funds raised by the Company through the issuance of equity or convertible debt securities would cause the Company's current shareholders to experience dilution. Such securities also may grant rights, preferences or privileges senior to those of the Company's shareholders.

The Company does not have any contractual restrictions on its ability to incur debt and, accordingly, the Company could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain restrictive covenants, which likely would restrict the Company's operations.

The mineral exploration industry is intensely competitive in all its phases and the Company competes with many companies, including those possessing greater financial resources and technical capabilities.

The mineral exploration industry is intensely competitive in all its phases. The Company competes with many companies, including those possessing greater financial resources and technical capabilities, for the acquisition of mineral concessions, claims, leases, other mineral interests, and equipment required to conduct its activities as well as for the recruitment and retention of qualified employees, and contracting of attorneys, consultants and technical experts.

Even if the Company makes a discovery of commercial quantities of minerals, there is no assurance that there will be market demand for the resource and that the investment will earn an adequate return.

There is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include: market fluctuations; domestic and international economic trends and political events; inflation or deflation; currency exchange fluctuations (specifically, the U.S. dollar relative to other currencies); interest rates and global or regional consumption patterns; speculative activities; and, government laws and regulations, including those relating to prices, taxes, royalties, land tenure, land use, labour, importing of equipment, importing and exporting of minerals, and environmental protection. The exact effect of any of these factors cannot be accurately predicted, but a combination of them may result in the Company not receiving an adequate return on invested capital or losing its invested capital.

The Company does not own any commercial mineral deposits.

Neither the Iska Iska Project nor any of the Company's other mineral projects currently contain known amounts of commercial mineral deposits. The Company's program is exploratory only and there is no certainty that the expenditures to be made by the Company will result in the development of any commercial mineral deposits.

Substantial expenditures are required to be made by the Company to establish mineral resources or mineral reserves and the Company may either not discover minerals in sufficient quantities or grades or not be able to obtain the required funds to develop a project on a timely basis.

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling and the estimation of mineral reserves or mineral resources in accordance with the CIM Definition Standards. Although significant benefits may be derived from the discovery of a major mineralized deposit, the Company may not discover minerals in sufficient quantities or grades to justify a commercial mining operation and the funds required for development may not be obtained on a timely basis or may not be obtainable on terms acceptable to the Company. Estimates of mineral reserves and mineral resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological formations. In addition, the grades of minerals ultimately mined may differ from those indicated by drilling results. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratios or recovery rates may affect the economic viability of any project.

The Company can be dependent on a single mineral project.

The Company currently has only one material mineral project. In the absence of additional material mineral projects, the Company may be solely dependent upon exploration and development of the Iska Iska Project for future revenue and profits. Should such exploration and development at the Iska Iska Project not be possible or practicable for political, engineering, technical or economic reasons, then the Company's business and financial position will be significantly and adversely affected.

Risks relating to inaccurate estimates of mineral resources, production, purchases, costs, decommissioning or reclamation expenses.

Unless otherwise indicated, mineralization figures presented by the Company in filings with securities regulatory authorities, press releases and other public statements that may be made from time to time, are based upon estimates made by Company personnel and independent geologists. These estimates are inherently imprecise, as they depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. As a result, there can be no assurance that mineral resource or other mineralization figures or estimates of costs (including initial capital costs and initial capital intensity) and expenses will be accurate, nor that the resource mineralization could be mined or processed profitably.

The Iska Iska Project is in the exploration stage and sufficient work has not been done to describe the mineralization on the Property with enough geological confidence for such mineralization to be reported as a mineral resource or a mineral reserve. Furthermore, any mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by and inferred from drilling results. Furthermore, there can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or at production scale. As a result, the mineral resource and mineral reserve estimates that may be contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. In addition, extended declines in market prices for gold, silver or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization.

The estimated parameters for the Company's projects may be changed as development and mining plans are generated and refined. These parameters would include estimates of how plants, equipment and processes may operate in the future at the Company's projects, for which cost and productivity estimates may prove to be incorrect.

Any material alteration in the above noted estimates, or of the Company's ability to extract mineralization from its projects, could have a material adverse effect on the Company's results or financial condition.

The inherent operational risks associated with mining, exploration and development, many of which are beyond the Company's control.

The Company's activities are subject to a high degree of risk due to factors that, in some cases, cannot be foreseen or anticipated, or controlled. These risks include, but are not limited to, tectonic or weather activity that may provoke landslides or other impacts, labour disruptions, legislative and regulatory changes, crime, the inability to obtain adequate sources of power, water, labour, suitable or adequate machinery and equipment, and expert attorneys and consultants. In addition, the Company may be unable to acquire or obtain such requirements as water rights and surface rights, which may be critical for the continued advancement of exploration, development and operational activities on its mineral concessions.

Inadequate infrastructure may adversely affect the Company's operations and profitability.

Mining, development, exploration and production activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power and fuel sources, as well as water supplies are important determinants which affect capital, as well as operating costs and safety. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development of the Company's projects will be commenced or completed on a timely basis, if at all. In addition, unusual or infrequent weather phenomena, tectonic activity, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

The Company currently has limited liability insurance covering its assets and operations and, as a consequence, could incur considerable costs.

Mineral exploration involves risks, which, even with a combination of experience, knowledge and careful evaluation, mining exploration companies may not be able to overcome. Operations in which the Company has a direct or indirect interest may be subject to all the hazards and risks normally incidental to exploration of precious and non-precious metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company presently has very limited commercial liability insurance and does not intend to increase its liability insurance. As a result of having limited liability insurance, the Company could incur significant costs that may have a materially adverse effect upon its financial condition and even cause the Company to cease operations.

The Company's mineral property interests or surface property may be subject to prior unregistered agreements or transfers and therefore title to some of the Company's property interests may be affected.

Although the Company has sought and received such representations as it has been able to achieve from vendors in connection with the acquisition of, or options to acquire, an interest in its mining properties and surface rights, and has conducted limited investigations of legal title to such properties, the properties may be subject to prior unregistered agreements or transfers or native land claims, or it is possible that title may be affected by undetected defects.

In addition, there is a risk that developing laws and movements respecting the acquisition and ownership of lands and other rights of local communities may alter the arrangements made by prior owners of the lands where the Company's projects are located. Future laws and actions could have a material adverse effect on the Company's exploration activities or on its financial position, cash flow and results of operations.

The prices of base and precious metals has fluctuated significantly in recent years and may adversely affect the economic viability of the Company's mineral property.

The Company's revenues, if any, are expected to be almost entirely derived from the mining and sale of precious and base metals. The prices of those commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control, including: international economic and political trends; expectations of inflation; currency exchange fluctuations; interest rates; consumption patterns; speculative activities; and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of precious and base metals, and, therefore, on the economic viability of the Company's mining properties,

cannot be accurately predicted, but nonetheless may adversely impact the Company's ability to raise capital and conduct its operations.

All of the Company's material subsidiaries and their mineral properties are in foreign countries and, therefore, a large portion of the Company's business may be exposed to political, economic, security, and other risks and uncertainties.

Most of the Company's mineral properties, and its material subsidiaries, are located in Bolivia and Peru. It may, therefore, be exposed to various types and degrees of security, economic, labour, political and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; military repression; high rates of inflation; labour unrest; war or civil unrest; creeping or outright expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts, including by way of invalidation of governmental acts; artisanal and illegal mining operations and the government's enforcement of norms restricting these activities; changes in taxation and mining-related laws and regulations; trade protectionism, including restrictions or tariffs on imports; changes to the foreign exchange regime; changes to the currency regime; currency controls; restrictions on repatriation of funds; changing political conditions, including electoral results; challenges to the validity of governmental acts; and, governmental regulations that may favour or require the awarding of contracts to local contractors or require foreign contractors to employ residents of, or purchase supplies from, a particular jurisdiction. The reputation of Bolivia as a developing nation, perceived by many as having a track record of measures contrary to attracting investment in the mining sector and other areas of the economy, may make it more difficult for the Company to obtain any required exploration and development financing for its Bolivian projects.

Changes in mining or investment policies or shifts in political attitudes in Bolivia and Peru, its provinces, or local political jurisdictions, may adversely affect the Company's operations or potential profitability. Operations may be affected to varying degrees by modifications to government legislation and regulations with respect to, but not limited to: restrictions on production; price controls; export controls; currency remittances; taxes, including income taxes, property taxes, value added taxes, capital gains taxes, windfall taxes, and the sovereign adjustment tax; royalties; expropriation of property; foreign investment; maintenance of claims; the environment; land use; land claims or other demands by local people; social consultation and other permitting requirements; artisanal and illegal mining operations; labour; transportation; water use; and, mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The impact of one or more of these various factors and uncertainties, none of which can be accurately predicted, could have an adverse effect on the Company's operations or potential profitability.

The Company may experience volatility in the market price of its Common Shares.

Securities of mineral companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries or sectors. The price of the Company's Common Shares is also likely to be significantly affected by short-term changes in mineral prices, currency exchange fluctuations, or its financial condition or results of exploration activities on its projects. Other factors unrelated to the performance of the Company that may have an effect on the price of the Company's Common Shares include: the extent of analyst coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Company's Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float and whether it is included in market indices may limit the ability of some institutions to invest in the Common Shares; and, a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares to be delisted from an exchange, further reducing market liquidity. If an active market for the Common Shares does not continue, the liquidity of an investor's investment may be limited, and the price of the Common Shares may decline. If an active market does not exist, investors may lose their entire investment in the Company. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of

volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The Company's foreign subsidiary operations may impact its ability to fund operations efficiently, as well as the Company's valuation and stock price.

The Company conducts operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

The value of the Company's Common Shares, as well as its ability to raise equity capital, may be impacted by future issuances of shares.

The Company is authorized to issue an unlimited number of Common Shares without par value. The Company may issue more Common Shares in the future. Sales of substantial amounts of Common Shares (including shares issuable upon the exercise of stock options), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the Common Shares and the ability of the Company to raise equity capital in the future.

The Company's future performance is dependent on key personnel. The temporary or permanent loss of the services of any of the Company's and its subsidiary's executives or directors could have a material adverse effect on the Company's business.

The Company's performance is substantially dependent on the performance and continued efforts of the Company's executives and the Board. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company business, results of operations and financial condition. The Company currently does not carry any key person insurance on any of its executives or directors. The Company has limited resources and is currently unable to compete with larger organizations with respect to compensation and perquisites.

The tax regime in Bolivia and Peru may be subject to change without notice.

The tax regime in Bolivia and Peru may be subject to differing interpretations and is subject to change without notice. The Company's interpretation of tax law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, the taxation applicable to transactions and operations may be challenged or revised by the tax authorities, which could result in significant additional taxes, penalties and/or interest.

There is a risk that restrictions on the repatriation of earnings from Bolivia and Peru to foreign entities will be imposed in the future. In addition, the Company has no control over withholding tax rates. There is a risk that the Company's access to financing may be limited as a result of indirect taxation.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in IT system failures, delays and/or increase in capital expenses. The failure of IT systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and

practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Company is exposed to financial risk arising from fluctuations in the exchange rates between the U.S. dollar and Canadian dollar.

While the Company and its subsidiaries incur the majority of their expenditures in U.S. dollars, corporate G&A expenses are primarily paid in Canadian dollars. Thus, the Company is exposed to financial risk arising from fluctuations in the exchange rates between the U.S. dollar and Canadian dollar, and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risks.

Public Health Crises

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a public health event of international concern, and on March 11, 2020, the World Health Organization declared the outbreak a pandemic. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity worldwide. The COVID-19 outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Although the Company is actively monitoring the situation and assessing and responding where possible to the potential impact of the COVID-19 pandemic, it cannot estimate whether any additional restrictions will be imposed on its activities and the potential financial and operational impact thereof.

Such public health crises can result in volatility and disruptions in the supply and demand for metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. Similarly, the Company's ability to obtain financing and the ability of the Company's vendors, suppliers, consultants and partners to meet their obligations to the Company may be impacted as a result of the COVID-19 outbreak and efforts to contain the virus. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and will depend on the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, the length of travel and quarantine restrictions imposed by governments of affected countries and other factors that are beyond the Company's control. Consequently, the COVID-19 outbreak may have a material adverse effect on the Company's business, results of operations and financial condition.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors is not exhaustive.

ITEM 8: DIVIDENDS

All of the Common Shares of the Company are entitled to an equal share in the dividends declared and paid by the Company. There are no restrictions in the Company's by-laws which could prevent the Company from paying dividends as long as there are no reasonable grounds for believing that the Company is insolvent or the payment of dividends would render the Company insolvent.

The Company intends to retain all future earnings, if any, and other cash resources for the future operation and development of its business, and accordingly, does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors including the Company's operating results, financial condition and current and anticipated cash needs.

ITEM 9: DESCRIPTION OF CAPITAL STRUCTURE

As of November 5, 2020, the Company had 47,743,862 Common Shares and 4,370,000 stock options outstanding, exercisable at a price between \$0.40 and C\$0.87 per stock option.

The Company is authorized to issue an unlimited number of Common Shares without par value, and an unlimited number of special shares (“**Special Shares**”) without par value. There are no Special Shares issued and outstanding.

The holders of the Common Shares are entitled to receive notice of all meetings of shareholders and to attend and vote the Common Shares at the meetings, except meetings at which only holders of a specified class of shares are entitled to vote, and holders of Common Shares shall be entitled to one vote for each Common Share held and, subject to the rights privilege restrictions and conditions attaching to any other class of shares of the Company, to receive the remaining property of the Company upon the dissolution of the Company.

The attributes of the Special Shares are as follows:

- a) the Special Shares shall be redeemable, voting, non-participating shares without nominal or par value;
- b) no dividends at any time shall be declared, set aside or paid on the Special Shares;
- c) in the event of a liquidation, dissolution or winding-up of the Company or other distribution of assets or property of the Company among the shareholders for the purpose of winding up its affairs, the holders of the Special Shares shall be entitled to received from the assets and property of the Company a sum equivalent to the amount paid on the issue of such shares held by them respectively before any amount shall be paid or any property or assets of the Company distributed to the holders of any Common Shares or shares of any other class ranking junior to the Special Shares. After payment to the holders of the Special Shares of the amount so payable to them as provided above, they shall not be entitled to share in any further distribution of the assets or property of the Company;
- d) the Special Shares shall be issued only for cash and may, if authorized by the directors of the Company, be accompanied by warrants to purchase Common Shares in the capital of the Company on the basis of one warrant for each Special Share;
- e) in the event that warrants to purchase Common Shares in the capital of the Company which accompanied Special Shares are exercise, the Special Shares accompanying such warrants will be redeemed in accordance with the provisions of clause (f) below;
- f) subject to the provisions of clause (e) above, the Company shall not redeem the Special Shares or any of them prior to the expiration of five years from the respective dates of the issuance thereof, without the prior consent of the holders of the Special Shares to be redeemed. The Company may redeem all the then outstanding Special Shares five years from the respective issue of the Special Shares, without the consent of the holders of such shares being redeemed, as hereinafter provided;
- g) the Company shall give not less than thirty days notice in writing of such redemption, by mailing such notice to the registered holders of the Special Shares to be redeemed, specifying the date and place or places or redemption. If notice of any such redemption has been given in the manner aforesaid, and an amount sufficient to redeem the Special Shares has been deposited with any trust company or chartered bank in Canada, as specified in the notice, or before the date fixed for redemption, the holders thereof shall thereafter have no rights against the Company in respect thereof except, upon the surrender of certificates for such Special Shares, to receive payment therefore our of the moneys so deposited;
- h) the Company may, with the consent of the holders thereof, at any time or times purchase for cancellation all or any part of the Special Shares outstanding from time to time, at a price not exceeding the amount paid on the issue thereof;
- i) the holders of Special Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Company and shall have one vote for each Special Shares held at all meetings of the shareholders of the Company; and
- j) the number of Special Shares issuable by the Company at any time shall be limited so that at no time shall more than 500,000 Special Shares be issued and outstanding.

ITEM 10: MARKET FOR SECURITIES

10.1 Trading Price and Volume

The Common Shares of the Company currently trade on the TSX-V under the symbol “ELO”. The following table sets out the high and low sale prices and the volume of trading of the Company’s Common Shares on the TSX-V on a monthly basis since the commencement of the Company’s fiscal year ended March 31, 2020 until November 5, 2020. As of November 5, 2020, the closing price of the Company’s Common Shares was \$1.72 per Common Share.

Period	Price (High)	Price (Low)	Volume
April 2019	\$0.245	\$0.170	266,739
May 2019	\$0.220	\$0.150	432,348
June 2019	\$0.280	\$0.165	1,214,218
July 2019	\$0.325	\$0.210	353,954
August 2019	\$0.320	\$0.240	174,983
September 2019	\$0.275	\$0.225	140,687
October 2019	\$0.310	\$0.195	1,747,500
November 2019	\$0.245	\$0.190	939,959
December 2019	\$0.300	\$0.210	249,802
January 2020	\$0.415	\$0.230	1,051,000
February 2020	\$0.460	\$0.360	151,089
March 2020	\$0.360	\$0.200	777,637
April 2020	\$0.330	\$0.220	303,623
May 2020	\$0.400	\$0.300	260,101
June 2020	\$1.050	\$0.375	2,249,639
July 2020	\$1.120	\$0.950	1,577,319
August 2020	\$1.460	\$0.970	1,193,870
September 2020	\$1.890	\$1.280	1,576,861
October 2020	\$1.830	\$1.180	1,259,361
November 1- 5, 2020	\$1.750	\$1.560	105,142
TOTAL			16,025,832

10.2 Prior Sales

No class of securities of the Company, other than the Common Shares, are listed for trading on a marketplace. The following table summarizes the issuance of securities convertible into or exercisable for Common Shares by the Company since the commencement of the fiscal year ended March 31, 2020 and up to November 5, 2020:

Date of Issuance	Security	Exercise Price per Security (C\$)	Number of Securities
November 26, 2019	Warrants	0.50	1,036,400
February 18, 2020	Stock Options	0.40	1,755,000
May 20, 2020	Warrants	0.50	1,122,750
June 10, 2020	Warrants	0.50	2,507,000
June 10, 2020	Stock Options	0.60	1,005,000

ITEM 11: ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the knowledge of the directors and officers of the Company, no securities of the Company are subject to escrow or a contractual restriction on transfer as of the date of this AIF.

ITEM 12: DIRECTORS AND OFFICERS

12.1 Name, Occupation and Security Holding

The following are the names and provinces of residence of the directors and executive officers of the Company, the positions and offices they currently hold with the Company, their principal occupations during the five preceding years and the date they were appointed to their current office with the Company. Each director will hold office until the next annual general meeting of the Company unless his office is earlier vacated in accordance with the provisions of the OBCA or the by-laws of the Company.

Name, Residence and Office(s)	Principal Occupation During Past Five Years	Director Since
Thomas Larsen Burlington, Ontario <i>Director, Chairman and Chief Executive Officer</i>	Chairman and Chief Executive Officer of the Company since 1997; Cartier Iron Corporation from 1997 to 2012 and from 2014 to present; Champion Iron Mines Limited (from March 31, 2014 – a wholly-owned subsidiary of Champion Iron Limited) from 2006 to 2014; Chief Executive Officer of Champion Iron Limited from April 2014 to August 2014; (all resource exploration corporations). Mr. Larsen is a director of the Company and of Cartier Iron Corporation.	2002
Francis Sauve Tilbury, Ontario <i>Director</i>	Entrepreneur. Director of the Company and Cartier Iron Corporation (resource exploration corporations).	2002
Alexander S. Horvath L'Orignal, Ontario <i>Director</i>	Professional Engineer. President of A.S. Horvath Engineering Inc. (a geological engineering services company). Chief Operating Officer of Champion Iron Limited from April 2014 to December 31, 2016, Executive Vice President of Exploration and Project Development of Champion Iron Mines Limited from 2008 to 2016. A director of the Company since 2010; and Cartier Iron Corporation from 2013 to 2014 and since 2017 (all resource exploration corporations).	2010
Dusan Berka Vancouver, BC <i>Director</i>	Professional Engineer. Director of the Company since 2011; President and CEO of Megastar Development Corp. since 2003; Director of Aguila American Gold Ltd. since 2011; Director and senior officer of Gaia Metals Corp. (formerly 92 Resources Corp.) since 2012. Director of King's Bay Resources Corp. since 2016; Director of Straightup Resources Inc. since 2020 (all resource exploration corporations).	2011
Richard Stone Toronto, Ontario <i>Director</i>	Chairman and CEO of Stone Asset Management Limited since 1999 and of Stone Investment Group Limited since 2006 (investment management corporations). Director of the Company since January 2017.	2017

The Company's only committee is its Audit Committee whose members are Francis Sauve, Dusan Berka and Alexander Horvath. See ITEM 18: "Audit Committee" below.

The following table sets forth certain information concerning the executive officers of the Company, based in part upon information furnished by them to management.

Name, Province and Country of Residence	Position with Company	Principal Occupation During Five Preceding Years
Thomas Larsen Burlington, Ontario Canada	Chief Executive Officer	Chairman and Chief Executive Officer of the Company since 1997; Cartier Iron Corporation from 1997 to 2012 and from 2014 to present; Champion Iron Mines Limited (from March 31, 2014 – a wholly-owned subsidiary of Champion Iron Limited) from 2006 to 2014; Chief Executive Officer of Champion Iron Limited from April 2014 to August 2014; (all resource exploration corporations). Mr. Larsen is a director of the Company and of Cartier Iron Corporation.
Miles Nagamatsu Toronto, Ontario Canada	Chief Financial Officer	Chief Financial Officer of the Company since 1997. Chief Financial Officer of Cartier Iron Corporation since 1997, United Hunter Oil & Gas Corp. since 2017; Director and Chief Financial Officer of Essex Oil Ltd. since 2008; Chief Financial Officer of Champion Iron Limited from March 2014 until September 2018; Chief Financial Officer of Laurion Mineral Exploration Inc. since 2019. Chief Financial Officer of Royal Coal Corp. since March 2020, GreenBank Capital Inc., Buchans Wileys Exploration Inc. and Gander Exploration Inc. since April 2020; Blockchain Evolution Inc. and XGC Software Inc. since May 2020.
Jorge Estepa Brampton, Ontario Canada	Vice President, Corporate Secretary and Treasurer	Vice President, Corporate Secretary and Treasurer of the Company since 1997. Director of the Forsys Metals Corp. since March 2015, Corporate Secretary of Forsys Metals Corp. since April 2004, Vice President, Secretary and Treasurer of Cartier Iron Corp. since 1995, Corporate Secretary (Canada)/Assistant Corporate Secretary of Champion Iron Limited since March 2014; Director of Canoe Mining Ventures Corp. since December 2013; Corporate Secretary of Acme Resources Corp. from June 2018 to December 2018.

As of November 5, 2020, the directors and executive officers of the Company, as a group, beneficially owned, controlled or directed, directly or indirectly, 13,703,207 Common Shares representing 28.7% of the total issued and outstanding Common Shares of the Company.

12.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Corporate Cease Trade Orders

Except as set out below, no director or executive officer of the Company is, or was within the ten years prior to the date of this AIF, a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade or similar order, or an order that denied the other issuer access to any statutory exemptions, for a period of more than thirty consecutive days:

1. while that person was acting as a director, chief executive officer or chief financial officer; or
2. after that person ceased acting as a director, chief executive officer or chief financial officer which resulted from an event that occurred while that person was acting in that capacity.

On November 3, 2016, the Ontario Securities Commission issued a cease trade order against Essex Oil Ltd. (“Essex”) for failing to file audited annual financial statements, annual management’s discussion and analysis, and certification of the foregoing filings. At the time the cease trade order was issued, Miles Nagamatsu was a director and executive officer of Essex. The cease trade order is still in effect.

Corporate Bankruptcies

No director, executive officer or securityholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is, or has been within the ten years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within one year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No director, executive officer or securityholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the ten years prior to the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Penalties or Sanctions

No director, executive officer or securityholder holding a sufficient number of securities to materially affect the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

12.3 Conflicts of Interest

The directors and officers of the Company may, from time to time, serve as directors or officers of other issuers or organizations or may be involved with the business and operations of other issuers or organizations, in which case a conflict of interest may arise between their duties as a director or officer of the Company and their duties as a director or officer of such other issuers or organizations. In particular, certain of the directors and officers of the Company are involved in executive or director positions with other mineral exploration companies whose operations may, from time to time, be in direct competition with those of the Company or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Company. See ITEM 12.1: “*Directors And Officers - Name, Occupation and Security Holding*” above for a description of other mineral exploration companies in which the directors and officers of the Company are currently involved.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors’ or officers’ conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the OBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Save and except as aforesaid or otherwise disclosed in this AIF, to the Company’s knowledge, there are no known existing or potential conflicts of interest between the Company and any director or officer of the Company.

ITEM 13: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

13.1 Legal Proceedings

During the fiscal year ended March 31, 2020 and as of the date of this AIF, the Company is not and was not a party to, and its property is not and was not the subject of, any legal proceedings and no such proceedings are known by the Company to be contemplated.

13.2 Regulatory Actions

During the fiscal year ended March 31, 2020 and as of the date of this AIF, there were no penalties or sanctions imposed against, or settlement agreements with any court relating to securities legislation or with securities regulatory authority entered into by the Company or any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision.

ITEM 14: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this AIF, in the notes to the Company's Financial Statements and its MD&A, no director or executive officer of the Company, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of the Company's outstanding Common Shares, and none of the respective associates or affiliates of any of the foregoing, had any material interest, direct or indirect, in any transaction with the Company or in any proposed transaction within the three most recently completed financial years or the current financial year of the Company that has materially affected or is reasonably expected to materially affect the Company.

ITEM 15: TRANSFER AGENT AND REGISTRAR

The Company's registrar and transfer agent for its Common Shares is the TSX Trust Company located at 301 - 100 Adelaide Street West, Toronto, Ontario, Canada M5H 4H1.

ITEM 16: MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, the only material contract entered into by the Company since the commencement of the Company's fiscal year ended March 31, 2020 or before such time that is still in effect, and up to November 5, 2020 is the definitive agreement between Empresa Minera and the Company's Bolivian subsidiary, Minera Tupiza, pursuant to which Minera Tupiza has an option to acquire a 99% interest in Iska Iska (see Section 6.2 of this AIF for further details).

ITEM 17: INTERESTS OF EXPERTS

17.1 Names of Experts

The following table lists the persons and companies who have prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 *Continuous Disclosure Obligations* by the Company during the fiscal year ended March 31, 2020 or subsequent thereto:

Name of Individual or Company	Document Prepared or Certified
Charley Murahwi, MSc., P. Geo., FAusIMM of Micon International Limited	NI 43-101 Property of Merit Technical Report on the Iska Iska Polymetallic Project, Sud Chipas Province, Department of Potosi, Bolivia dated April 27, 2020
Richard Gowans, P. Eng.. of Micon International Limited	NI 43-101 Property of Merit Technical Report on the Iska Iska Polymetallic Project, Sud Chipas Province, Department of Potosi, Bolivia dated April 27, 2020
RSM Canada LLP	Audited consolidated financial statements of the Company for the years ended March 31, 2020 and 2019.

17.2 Interests of Experts

To the knowledge of the Company, none of the experts named above or their respective associates or affiliates held, as of the date of the applicable report, valuation, statement or opinion referred to in ITEM 17.1: “*Interests of Experts - Names of Experts*” above, currently hold or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company.

The auditor of the Company is RSM Canada LLP, Chartered Professional Accountants (“**RSM**”), 11 King Street East, #700, Toronto, ON M5H 4C7. RSM is independent from the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

ITEM 18: AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company to disclose annually in its AIF certain information concerning the constitution of its audit committee and its relationship with its external auditor, as set forth below.

18.1 The Audit Committee Charter

The text of the Company’s Audit Committee Charter (the “**Audit Committee Charter**”) is attached as Schedule “A” hereto.

18.2 Composition of Audit Committee

The following are the members of the Audit Committee:

Audit Committee Member	Independence	Financial Literacy
Francis Sauve	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Dusan Berka	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Alexander Horvath	Not Independent ⁽¹⁾	Financially literate ⁽¹⁾

(1) As defined by NI 52-110. Mr. Horvath is not considered independent as he receives monthly consulting fees from the Company for his services as a P. Eng.

18.3 Relevant Education and Experience

Francis Sauve owns his own business, and in such capacity has experience in the preparation, analysis and/or evaluation of financial statements generally and an understanding of internal control and procedures for financial reporting. Over the past 25 years, Mr. Sauve has been, and is currently, a director of a number of publicly traded resource exploration companies.

Dusan Berka has obtained significant financial experience and exposure to accounting and financial issues in past positions as an officer and/or director of a number of publicly traded resource exploration companies.

Alexander Horvath has obtained significant financial experience and exposure to accounting and financial issues in past positions as an officer and/or director of a number of publicly traded resource exploration companies.

As a result of their respective business experience, each member of the Audit Committee (i) has an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) has experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to that that can reasonably be expected to be raised by

the Company’s financial statements, and (iv) has an understanding of internal controls and procedures for financial reporting.

18.4 Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year ended March 31, 2020 has the Company relied on the exemptions in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), an exemption from subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. As the Company is considered a “venture issuer” for the purpose of Part 6 of NI 52-110, it is exempted from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

18.5 Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year ended March 31, 2020 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

18.6 Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter.

18.7 External Audit Service Fees (By Category)

The aggregate fees billed by the Company’s external auditors in each of the last two financial years for audit and related services are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
2020	\$23,500	\$Nil	\$4,500	\$Nil
2019	\$22,000	\$Nil	\$4,500	\$Nil

(1) “**Audit Fees**” include fees necessary to perform the annual audit of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) “**Audit-Related Fees**” include fees for services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) “**Tax Fees**” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) “**All Other Fees**” include all other non-audit services.

ITEM 19: ADDITIONAL INFORMATION

Additional information including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities, securities authorized for issuance under equity compensation plans, and corporate governance practices, is contained in the Company’s Management Information Circular dated August 30, 2019 for its 2019 Annual General and Special Meeting of Shareholders, which was held on September 30, 2019.

Additional financial information is also provided in the Company's audited consolidated financial statements and related MD&A for its fiscal year ended March 31, 2020 and unaudited condensed consolidated interim financial statements for the period ended June 30, 2020 and related MD&A.

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com.

SCHEDULE “A”

ELORO RESOURCES LTD.

(the “Corporation”)

AUDIT COMMITTEE CHARTER

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee shall:

1. assist the Board of Directors in its oversight role with respect to:
 - i. the quality and integrity of financial information;
 - ii. the independent auditor’s performance, qualifications and independence;
 - iii. the performance of the Corporation’s internal audit function, if applicable; and
 - iv. the Corporation’s compliance with legal and regulatory requirements; and
2. prepare such reports of the Audit Committee required to be included in the Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP AND MEETINGS

The Audit Committee shall consist of three or more Directors appointed by the Board of Directors, the majority of whom shall be independent and unrelated to the Corporation and as such shall not be officers (other than a non-executive Chairman or Corporate Secretary who is not an employee of the Corporation) or employees of or have a meaningful business relationship with the Corporation or any of the Corporation’s affiliates or be an immediate family member of any of the foregoing. Each of the members of the Audit Committee shall satisfy the applicable independence and financial literacy of the laws governing the Corporation, the applicable stock exchanges on which the Corporation’s securities are listed and applicable securities regulatory authorities.

The Board of Directors shall designate one member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment.

STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board of Directors.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

Oversight of the Independent Auditor

- Make recommendations to the Board of Directors for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Corporation to be included in the Corporation's annual proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every 5 years).

Financial Reporting

- Review and discuss with management and the independent auditor:
 - prior to the annual audit the scope, planning and staffing of the annual audit,
 - the annual audited financial statements,
 - the Corporation's annual and quarterly disclosures made in management's discussion and analysis,
 - approve any reports for inclusion in the Corporation's Annual Report, as required by applicable legislation,
 - the Corporation's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards,
 - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,
 - any significant changes in the Corporation's selection or application of accounting principles,
 - any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and
 - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor (if any) all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

Approval of Audit and Remitted Non-Audit Services Provided by External Auditors

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this Protocol. The CFO shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.