July 31, 2024
Corporate Update

ELORO RESOURCES LTD.

Iska Iska Update – Making Progress Towards a PEA

Equity Research

EVENT

Eloro provided an update on its Iska Iska Silver-Tin Polymetallic Project in southwestern Bolivia.

IMPACT

Mixed: Eloro continues to make progress on completing a Preliminary Economic Assessment for the Iska Iska Silver-Tin Polymetallic Project located in southwestern Bolivia. Resource work continues to focus on establishing a starter pit at the Santa Barbara zone with additional drilling required for better definition its high-grade structures. Engineering work has progressed and it has been determined that a 12 MMtpa mining operation appears to be the most attractive option based upon XRT ore sorting and/or dense media separation followed by milling and differential lead-zinc flotation. Exploration upside still exists with a prime target being the high chargeability anomaly that extends the mineralized structural corridor at Iska Iska 600m further to the southeast. While good progress has been made towards completing the PEA, we expect additional funding for the drill program is needed in the near-term and we now expect to the PEA to be completed in H1/c2025 (Q4/2024 previously). We maintain our Speculative BUY rating but reduce our target price to $5.50/shr from $7.00/shr previously.

FOCUS POINTS

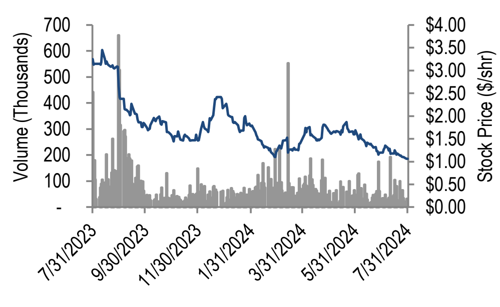
- **Good Progress Towards PEA:** Eloro has moved all aspects of the PEA ahead but still needs to fund and complete additional infill and metallurgical drilling at the Santa Barbara starter pit area.
- **Compelling Higher-Grade Target:** A chargeability anomaly extending southeastward from the current mineral resource estimate remains compelling and could add +600m of potential strike length to the major mineralized structural corridor is a prime target for additional higher-grade polymetallic mineralization.
- **Updated Target:** We maintain our Speculative BUY rating but reduce our target price to $5.50/shr from $7.00/shr previously on anticipated share dilution to meet funding requirements through c2025.

Recommendation:	**Speculative BUY**
Symbol/Exchange:	ELO-TSX
Sector:	Metals & Mining
All dollar values in CAD unless otherwise noted.	
Current price:	$1.06
One-year target:	$5.50↓
Target return:	419%
52-week Trading Range	$1.04 - $3.45

Financial Summary	
Market Cap ($MM)	84.6
Cash Position ($MM)	3.4
Debt ($MM)	0.0
Basic Shares O/S (MM)	79.9
Fully Diluted Shares O/S (MM)	90.8
Avg. Weekly Volume (000)	32.5

Resource

Global	Tonnage	Sn	Pb+Zn	Ag
	MMt	(%)	(%)	(g/t)
M&I	-	-	-	-
Inf	670	0.02	0.87	14
M&I+Inf	670	0.02	0.87	14
	MMt	(kt)	(kt)	(MMoz)
M&I	-	-	-	-
Inf	670	132	5,810	298.7
M&I+Inf	670	132	5,810	298.7



Company Profile: Eloro Resources Ltd. is a mineral exploration company focused on advancing its polymetallic discovery at its Iska Iska Project in Bolivia.

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See disclosure and a description of our recommendation structure at the end of this report.

ISKA ISKA UPDATE

Eloro provided an update on its Iska Iska Silver-Tin Polymetallic Project in southwestern Bolivia. Work on all aspects of the Preliminary Economic Assessment (PEA) have been progressing including:

- **Metallurgical work:** Earlier this year Eloro reported excellent pre-concentration results that have been used to provide inputs to an internal optioneering study that has provided better definition on the optimum capacity and configuration of the pre-concentrator flowsheet.

- **Project Scale:** This preliminary optioneering study has shown that a 12 MMtpa mining operation appears the most attractive option based upon XRT Ore Sorting and/or Dense Media Separation and would necessitate a smaller, ~6 MMtpa plant.

- **Power:** Local Bolivian electrical consultants ENER.PLUS have defined the estimated required electrical supply to the site and the capital costs associated with High Voltage electrical connection together with the ongoing unit cost per kilowatt hour (US$/kwhr).

- **Logistics:** Local logistical and engineering consultancy group in Bolivia CATALIX have provided Eloro with increased definition on the logistical costs associated with transporting pre-concentrated ore and/or final concentrates, resulting in improved projected capital and operating costs with downstream process site options narrowed down.

- **Concentrate Sales:** International metal trading groups have been consulted to define port operating costs in Chile and provide a better definition of ocean freight and smelter terms based upon the existing Locked Cycle Tests Lead and Zinc Concentrate specifications already completed on two composite samples of Iska Iska's zinc sulphide polymetallic domain.

- **Water:** A surface hydrological study has defined the cost and capacity of a local water reservoir by collecting surface run off during the wet season.

- **Tailings:** The location of potential tailing storage facilities ("TSF") has been identified.

The principal work that is required to complete the PEA includes:

- **Resource Drilling:** Eloro needs to complete further definition drilling to optimize the mineral resource in the starter pit area of Santa Barbara to support a 10–12 year initial mine life. This modest program would focus on establishing a starter pit at the Santa Barbara zone with additional drilling required for better definition its high-grade structures; specifically their lateral and vertical extents. Successful drilling in the SE chargeability anomaly has the potential to add a second starter pit area.

- **Metallurgical Drilling and Testing:** Additional PQ diamond drill holes for "Ore" Sorting and metallurgical tests on the higher-grade tin and polymetallic Ag-Zn-Pb-Sn areas to finalize the flowsheet. This is to be accompanied by completion of outstanding metallurgical testing.

- **Geotechnical Work:** Eloro needs to complete geotechnical studies to optimize pit slopes.

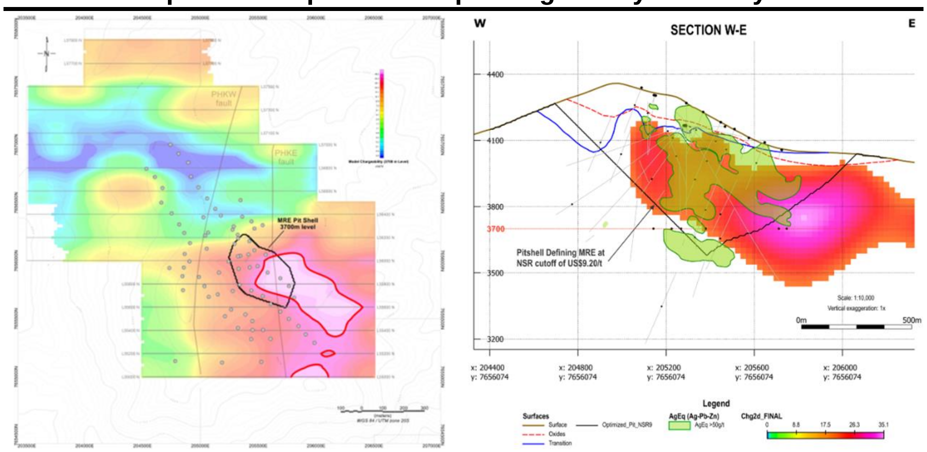
- **Finalize Scope:** Finalize the optioneering scenarios based upon the updated resource base of each metallurgical domain to provide better processing capacity decisions.

- **Finalize TSF:** The TSF study and plant engineering studies need to be finalized at whatever tonnage the optioneering study produces.

Given the drilling, metallurgical and engineering work required, we would not expect the PEA to be delivered until H1/c2025 compared to our previous expectation of end 2024.

Compelling Target Still Beckons: Exploration upside still exists with a prime target the high chargeability anomaly in the southeast that extended the mineralized structural corridor at Iska Iska 600m further to the southeast for an overall strike length of at least 2km. As discussed in our previous note here, the compelling geophysics results suggest the high-grade polymetallic zone can be expanded significantly.

Exhibit 1. Exploration Upside – Deep Chargeability Anomaly at Iska Iska



Source: Eloro Resources Ltd.

UPDATED VALUATION

While Iska Iska is predominantly a base metal deposit, it has a substantial silver component of ~30% by value (in situ). We continue to value Eloro based on a blended EV/Resource basis applying a 70% weighting to its base metal valuation of US$0.01/lb ZnEq and a 30% weighting to its silver valuation at of US$1.00/oz AgEq For a resource value of ~$590 MM. We expect Eloro will need to raise ~$20 MM over the next 12-months to continue to advance the project through a PEA and consolidate its ownership through a final option payment (US$4.6 MM in July 2025) and have factored this along with associated share dilution into our valuation to arrive at our updated target price of $5.50/share (was $7.00). We maintain our Speculative Buy rating.

Eloro Resources Ltd. (ELO-TSX) - Summary Sheet

Rating	**Speculative BUY**	**Basic Shares (MM)**	**79.9**	**Cantor Fitzgerald**
Target Price	**C$5.50**	**Diluted Shares (ITM / FD) (MM)**	**95.6**	**Matthew O'Keefe**
Share Price	**C$1.06**	**Basic Mkt Cap (C$MM)**	**84.6**	**416-849-5004**
Potential Return	**419%**	**Enterprise Value (C$MM)**	**81.2**	**matthew.o'keefe@cantor.com**

BALANCE SHEET

C$MM, March31.YE	2022A	2023A	2024A	2025E	2026E
Assets					
Cash	9.4	8.8	3.4	12.3	(2.2)
Other Current Assets	0.9	1.3	1.4	1.4	1.4
Current Assets	10.3	10.1	4.8	13.7	(0.8)
Non-current Assets	27.6	48.4	54.6	62.5	80.2
Total Assets	37.9	58.5	59.4	76.2	79.4
Liabilities					
Current Liabilities	1.1	1.7	2.4	2.4	2.4
Long Term Debt	-	-	-	-	-
Other Liabilities	0.2	0.1	0.1	0.1	0.1
Total Liabilities	1.2	1.9	2.4	2.5	2.5
Shareholder Equity	36.7	56.6	56.9	73.8	77.0

INCOME STATEMENT

C$MM, March31.YE	2022A	2023A	2024A	2025E	2026E
Total Revenue	-	-	-	-	-
G&A	2.4	3.5	9.8	3.2	3.2
Stock-Based Comp	4.8	4.5	7.2	5.0	5.0
EBITDA	(7.1)	(7.9)	(17.0)	(8.1)	(8.1)
Depreciation	0.0	0.0	0.0	0.0	0.0
EBIT	(7.1)	(8.0)	(17.0)	(8.2)	(8.2)
Interest Expense	-	-	-	-	-
EBT	(7.1)	(8.0)	(17.0)	(8.2)	(8.2)
Taxes	-	-	-	-	-
Net Income (Reported)	(7.1)	(8.0)	(17.0)	(8.2)	(8.2)
EPS ($/sh)	($0.11)	($0.11)	($0.22)	($0.08)	($0.08)
Average shares (MM)	77.1	87.2	91.1	122.2	122.2

CASH FLOW STATEMENT

C$MM, March31.YE	2022A	2023A	2024A	2025E	2026E
Cash Flow from Operations					
Net Income	(7.1)	(8.0)	(17.0)	(8.2)	(8.2)
Non-Cash Items	4.8	4.6	14.1	5.1	5.1
WC changes	(1.1)	(0.4)	0.4	-	-
Total CF Operations	**(3.3)**	**(3.8)**	**(2.4)**	**(3.1)**	**(3.1)**
CF Operations($/sh)	$ (0.04)	$ (0.04)	$ (0.03)	$ (0.03)	$ (0.03)
Cash Flow from Investing					
Capital Expenditures	-	-	(0.9)	-	-
Other Investments	(17.4)	(20.2)	(12.2)	(8.0)	(11.4)
Total CF Investing	**(17.4)**	**(20.2)**	**(13.1)**	**(8.0)**	**(11.4)**
Cash Flow from Financing					
Debt Financing	(0.0)	(0.1)	(0.1)	-	-
Equity Financing	(0.0)	18.8	9.9	20.0	-
Options & Warrants	1.9	4.6	-	-	-
Total CF Financing	**1.8**	**23.3**	**9.9**	**20.0**	**-**
Change In Cash	**(18.9)**	**(0.7)**	**(5.6)**	**8.9**	**(14.5)**
Free Cash Flow	(3.3)	(3.8)	(3.3)	(3.1)	(3.1)

VALUATION DATA

	2022A	2023A	2024A	2025E	2026E
P/E	NM	NM	NM	NM	NM
P/CF	NM	NM	NM	NM	NM
P/NAV				0.2x	
EV/EBITDA	NM	NM	NM	NM	NM
FCF Yield	NM	NM	NM	NM	NM
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%

ISKA ISKA - INITIAL RESOURCE ESTIMATE

Polymetallic Domain

Category	Tonnes	Pb	Zn	Ag	AgEq	NSR (USD)
Inferred	(MMt)	(%)	(%)	(g/t)	(g/t)	UG
	560	0.28	0.73	14	41	$42.23
		(kt)	(kt)	(MMoz)	(MMoz)	OP
		1,568	4,088	248.5	737.9	$20.32

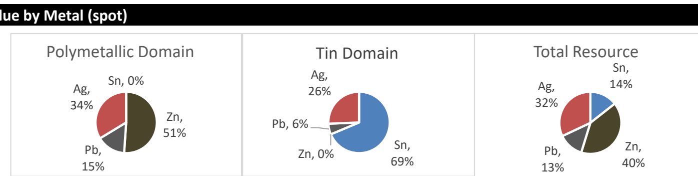
Tin Domain

Category	Tonnes	Sn	Pb	Zn	Ag	AgEq	NSR (USD)
Inferred	(MMt)	(%)	(%)	(%)	(g/t)	(g/t)	OP
	110	0.12	0.14	0.00	14	55	$12.22
		(kt)	(kt)	(kt)	(MMoz)	(MMoz)	
		132	154	0	50.2	195.8	

Global Resource

Category	Tonnes	Sn	Pb	Zn	Ag	AgEq
Inferred	(MMt)	(%)	(%)	(%)	(g/t)	(g/t)
	670	0.02	0.26	0.61	14	43
		(kt)	(kt)	(kt)	(MMoz)	(MMoz)
		132	1,722	4,088	298.7	933.7

Value by Metal (spot)



Iska Iska

ISKA ISKA VALUATION

Valuation Multiple	Value (C$ MM) (100% basis)	Weight	Valuation (C$ MM)
US$1.00 /oz AgEq	$1,262	30%	**$379**
US$0.01/lb ZnEq	$302	70%	**$211**
Total Mining Assets			**$590**

Target Price Breakdown

NAV Valuation	C$ MM	C$/Share
Total Mining Assets	**$590**	**$5.43**
Pro-forma Working Capital*	$6	$0.05
Long-Term Debt	$0	$0.00
Net Financial Assets	**$6**	**$0.05**
Net Asset Value	**$596**	**$5.48**
Target Price (C$/share, rounded)		**C$5.50**

Source: Consensus data - Factset, Historical Data – Company Filings, Forecasts/estimates – Cantor Fitzgerald Canada

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