7 June 2018

Manager of Company Announcements
ASX Limited

By E-mail

Exploration Update
La Victoria Gold/Silver Project, Peru

EHR Resources Limited (the **Company** or **EHX**) welcomes the release yesterday of an announcement by its joint venture partner, Eloro Resources Limited, in relation to the commencement of a drilling program which targets a major new gold zone which has been identified at Rufina within the La Victoria Gold –Silver Project in Peru (*refer attached Eloro release dated 6 June 2018).*

As stated in Eloro's announcement, permitting for this 5-hole diamond program totalling 2000 meters is now in place, and work will commence immediately.

The new target gold zone, Rufina Eastern, was identified by Eloro during geological surface mapping and sampling which was undertaken at the completion of Hole 6 (ERU-06) last year. It is noteworthy that Eloro considers this target area to be potentially the core of the epithermal gold system at Rufina.

Preparations are also under way to drill at San Markito to the north of Rufina, and this program will commence as soon as drilling permits for this primary target are in place.

Dr. Bill Pearson, P.Geo., Chief Technical Advisor for Eloro commented in yesterday's release by Eloro: "Epithermal gold mineralization at La Victoria extends from elevation 2700m at the end of deep hole ERU-06 up to 4200m elevation at San Markito, a remarkable 1.5km vertical extent. It is likely that there are multiple telescoping epithermal gold systems. We are focussing our efforts on finding the sweet spots in these systems where there is an opportunity to discover a significant gold deposit. We have multiple drill targets to follow-up and expect to add more as field work progresses."

Competent Person Statement:
The information in this report that relates to the Exploration Results is based on information compiled by Dr. Bill Pearson who is a Member of the Association of Professional Geoscientists of Ontario a listed recognized professional organisation. Dr. Pearson is a consultant geologist of Eloro Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as define in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. Pearson consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

For and on behalf of the Board

Sarah Smith
Company Secretary

About EHR Resources Limited

EHX is a mineral resources company which holds a 10% interest in the La Victoria Gold/Silver Project, located in the prolific North-Central Mineral Belt of Peru, and currently is earning a further 15% interest in the Project. The La Victoria Gold/Silver Project, owned and operated by Eloro Resources Limited (TSX-V: ELO), covers 89 square kilometres and is within 50 km of several large, low-cost producing gold mines including Yanacocha (Newmont Mining), La Arena (Tahoe Resources) and Laguna Norte (Barrick Gold). Infrastructure in the area is good with access to road, water, and electricity and the project is located at an altitude that ranges from 3,100m to 4,200m above sea level.

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La Victoria Project Update

- **Major New Gold Zone Identified at Rufina**
- **4000 meter Drill Program to commence immediately**

Toronto, Canada, June 6, 2018 – Eloro Resources Ltd. (TSX-V: ELO; FSE: P2Q) ("**Eloro**" or the "**Corporation**") and its joint venture partner EHR Resources Limited, are pleased to announce that they are proceeding with a 4,000m diamond drilling program to test the Rufina and San Markito target areas on the La Victoria Au Property in the North-Central Mineral Belt of Peru. The drill permit for Rufina has been issued and Energold Drilling Peru S.A.C.SA has been recommissioned to undertake this work program commencing immediately.

Previous drilling by Eloro at Rufina returned a number of encouraging gold intersections with best results of 3.46 g Au/t over 7.4m including 7.31 g Au/t over 3.4m and 2.73 g Au/t over 1.5m in Hole ERU-02 and 2.10 g Au/t over 4.5m including 4.31 g Au/t over 1.6m and 2.73 g Au/t over 1.5m in Hole ERU-04 (see Eloro's January 16, 2018 press release).

A new silicified zone identified in deep hole ERU-06, which tested the potential depth extent of the Rufina veins system, has revealed a core silicified zone at the end of the hole. Results of ERU-06 are shown in Table 1. Additional follow-up geological surface mapping and sampling to the northeast of the recent drilling has identified a major new gold zone, Rufina Eastern, which is potentially the core of the epithermal gold system at Rufina (Figures 1 and 2). To date 117 channel samples have been taken over mineralized quartz veins in this target area of 250m by 150m as shown in Figure 1. Nearly three quarters of the samples have returned significant gold values (Table 2) over widths ranging from 0.05m to 1.60m with highlights as follows:

- 10 samples with >10 g Au/t over widths of 0.05m to 0.80m including 27.24 g Au/t over 0.80m, 29.02 g Au/t over 0.25m and 38.55 g Au/t over 0.15m
- 27 samples with >3-10 g Au/t over widths of 0.10-0.60m
- 47 samples with >1-3 g Au/t over widths of 0.10m to 1.60m

An initial 5-hole diamond drill program totalling 2,000m will now be undertaken within this new zone at Rufina as shown in Figure 1. The final drill permit for Rufina was issued on June 6, 2018. A drill contract has been signed with Energold Drilling Peru S.A.C .and a drill is being mobilized to site. All preparatory work for drilling including construction of access roads and drill platforms has been completed.

The San Markito target, which is located 2.7km north of Rufina, was previously mapped and sampled by Eloro in 2016 (see press release of December 14, 2016) and will be initially drill tested through a program of 6 diamond drill holes totalling 2,000m. Permitting for San Markito is in progress. The drilling will be undertaken over the extensive gold-silver mineralization within intrusive diorite and Chimu Formation sandstones. Mineralization in the area is very extensive occurring over a width of 500+m and a strike length of at least 2.5km. Further geological mapping and sampling over the entire target zone is also planned within the next few months.

Tom Larsen, CEO of Eloro commented: "We are continuing to advance our geological knowledge at La Victoria which has resulted in outlining a significant new target area at Rufina that will be drilled in this next phase program. Drilling will commence immediately, initially at Rufina, and then subsequently at San Markito."

Dr. Bill Pearson, P.Geo., Chief Technical Advisor for Eloro commented: “Epithermal gold mineralization at La Victoria extends from elevation 2700m at the end of deep hole ERU-06 up to 4200m elevation at San Markito, a remarkable 1.5km vertical extent (Figure 3). It is likely that there are multiple telescoping epithermal gold systems. We are focussing our efforts on finding the sweet spots in these systems where there is an opportunity to discover a significant gold deposit. We have multiple drill targets to follow-up and expect to add more as field work progresses.”

Figure 1: Plan map of Rufina showing location of new target area and previous as well as planned drilling

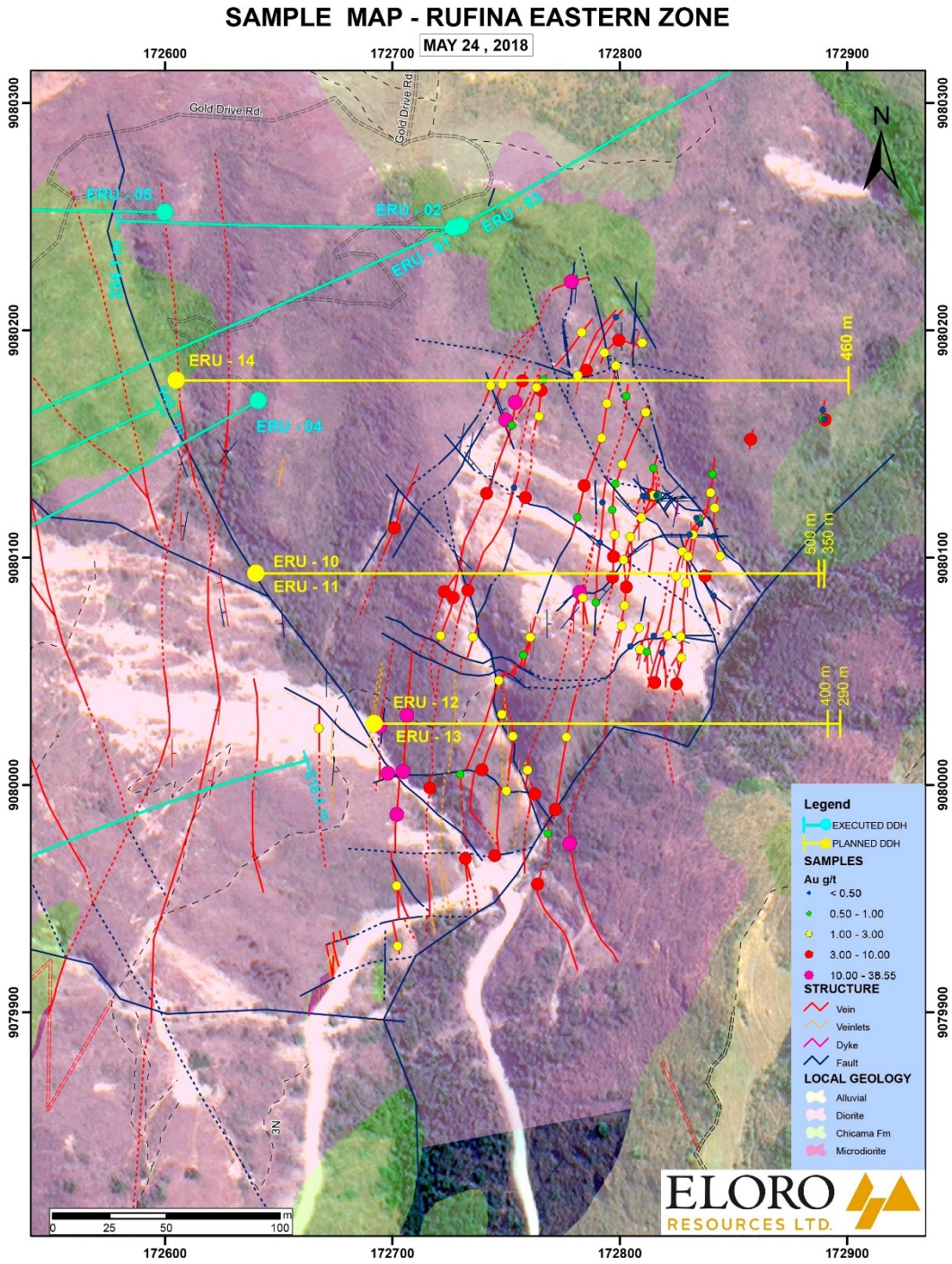

Figure 2: Cross Section of Rufina showing locations of DDH ERU-06 and new target area to be drilled.

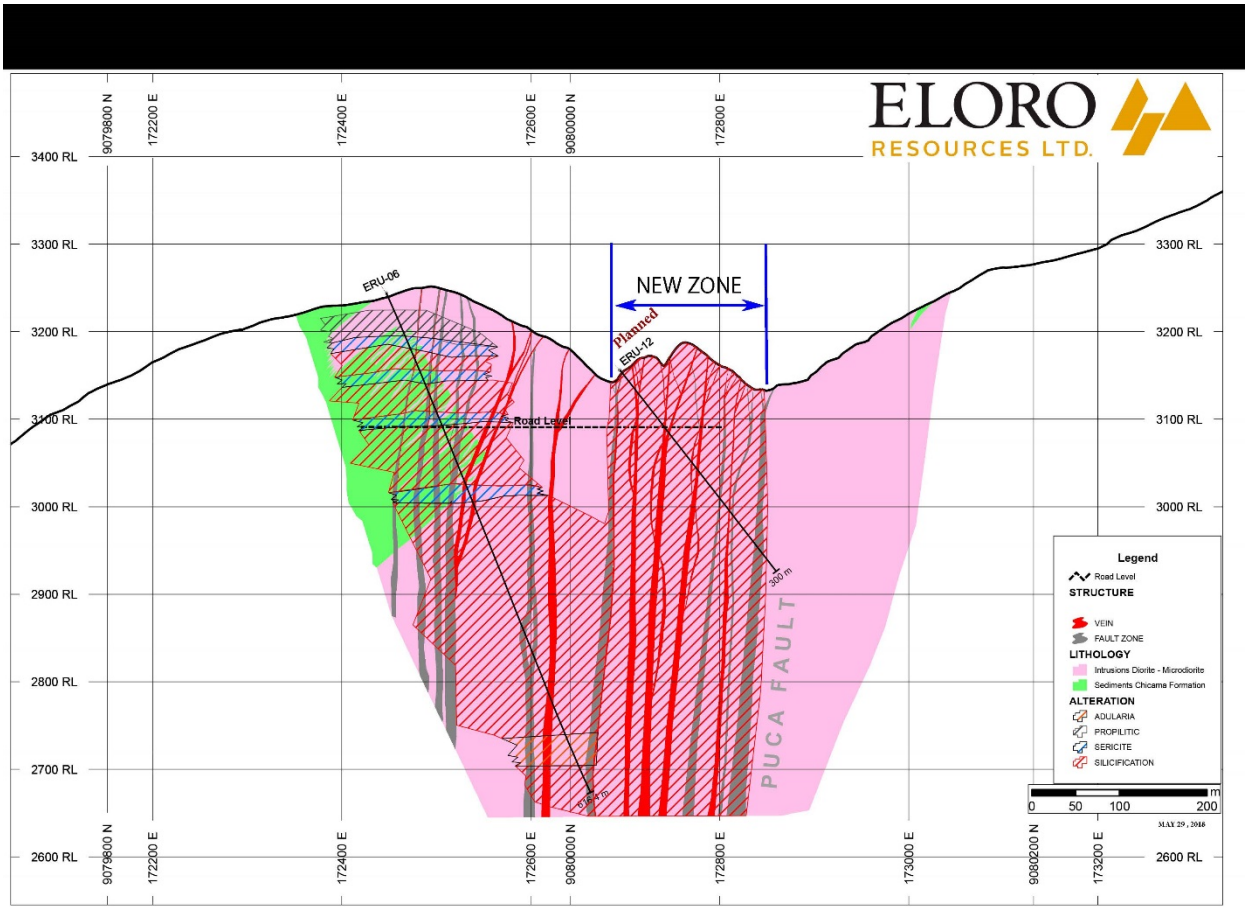

Figure 3: Schematic geological cross section San Markito-Victoria-Victoria-Victoria South-Rufina showing remarkable 1.5km vertical extent of Au-bearing epithermal mineralization.

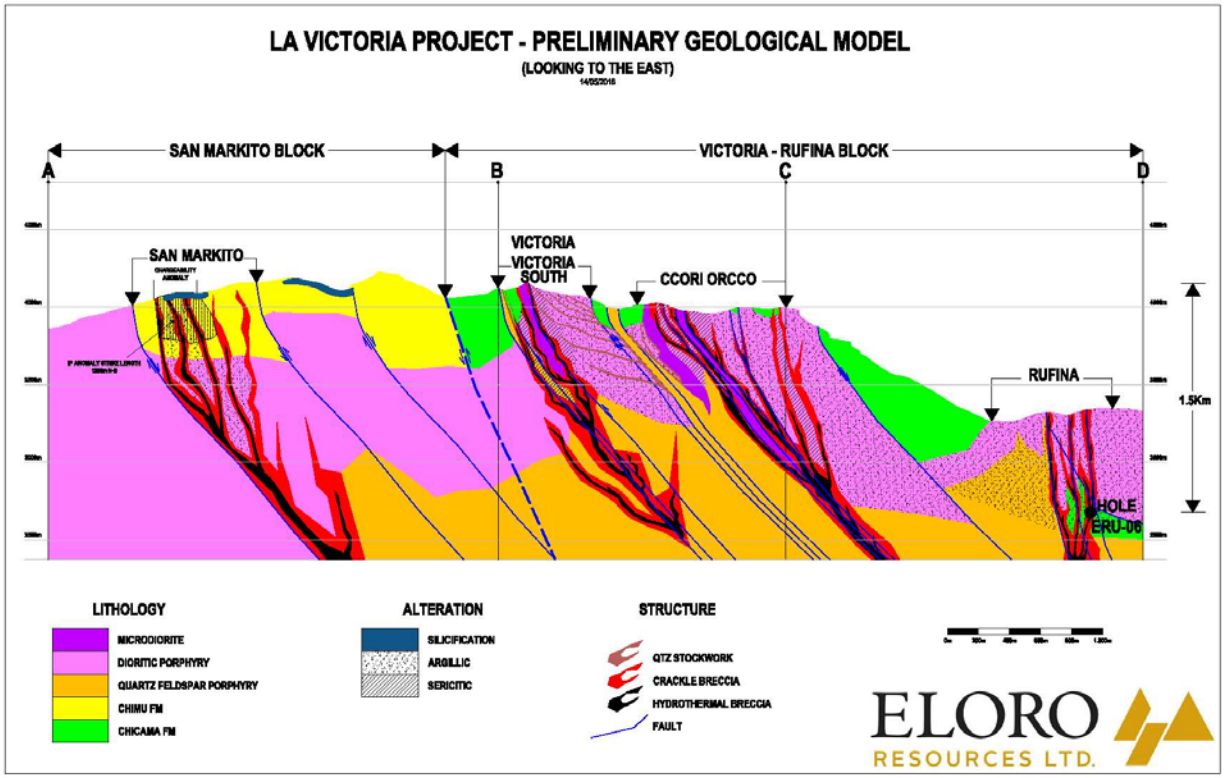

Table 1: Summary of Final Significant Drilling Results, Rufina Zone

Hole	From (m)	To (m)	Core Length (m)	Gold (g/t)	Description
ERU-06	138.5	139.5	1.0	**0.66**	Hydrothermal breccia with py & po clasts and trace gn & cp
	230.5	230.7	0.2	**0.63**	Quartz vein with boxworks of py & po
	257.0	257.6	0.6	**0.94**	Fault zone, fragments of massive sulphide (mainly aspy), quartz veinlets
	293.6	293.9	0.3	**0.73**	Quartz vein, ad in fractures, dissem aspy, massive sulphides, trace cp
	426.0	427.5	1.5	**0.54**	Diorite with quartz, ad, py, aspy, cp veinlets & dissem py-aspy
	615.3	616.4	1.1	**0.59**	Fault zone gouge & hydrothermal breccia with slate & diorite clasts
ERU-07	4.0	5.7	1.7	**0.63**	Tectonic breccia, oxides in argillized diorite
	51.2	52.2	1.0	**0.95**	Micaceous slate, py/aspy/quartz vein, fractures with Fe oxide.
	135.7	137.7	2.0	**0.81**	Slate, py/po/ca veinlets in contact zone
	188.7	189.7	1.0	**0.54**	Diorite silicified with veinlets quartz-py-po & late ca, 2/m. py-po disseminated
	270.7	271.7	1.0	**1.52**	Diorite with veinlets quartz-aspy-py-po & late ca, py-po diss
ERU-09A Extension	nsv				Weakly altered diorite with no significant assay values

(i) Diamond drill core for all holes is NTW size = 56.23mm

(II) True width is equal to approximately 70%-75% of core length

(iii) Abbreviations: py=pyrite, aspy=arsenopyrite, ad = adularia, cp=chalcopyrite, po=pyrrhotite, gn=galena, ca=calcite, nsv = no significant values, dissem = disseminated

(iv) Hole ERU-09A Extension was drilled from 353.8m to 449.70m

Table 2: Summary of Significant Surface Sampling Results, Rufina Eastern Zone Target, La Victoria Gold Project, as of May 15, 2018

Rufina Vein Samples - Au values > 10 g/t						
Sample No.	**Easting**	**Northing**	**Elev m**	**Au g/t**	**Width m**	**Description**
C001728	172782	9080085	3193	38.55	0.15	Qtz and mod. oxidized sulphides crustiform text. vein
C001746	172750	9080160	3258	29.02	0.25	Qtz and strongly oxidized sulphides crustiform text vein
C001788	172698	9080005	3136	27.24	0.80	Qtz and mod oxidized sulphides crustiform texture vein
C001779	172695	9080026	3154	25.01	0.05	Qtz and mod oxidized sulphides crustiform texture vein
C001778	172705	9080006	3138	19.50	0.40	Qtz and mod oxidized sulphides crustiform texture vein
C001743	172779	9080221	3300	18.84	0.20	Qtz moderately oxidized vein
C001775	172778	9079974	3105	16.33	0.15	Qtz and mod oxidized sulphides crustiform texture vein
C001782	172702	9079987	3125	14.66	0.15	Qtz and mod oxidized sulphides crustiform texture vein
C001765	172706	9080031	3164	13.20	0.50	Qtz and mod oxidized sulphides crustiform texture vein
C001752	172754	9080168	3261	10.11	0.10	Qtz and mod.oxidized sulphides crustiform texture vein.

Table 2 (con't)						
Rufina Vein Samples - Au values >3 to 10 g/t						
Sample No.	**Easting**	**Northing**	**Elev m**	**Au g/t**	**Width m**	**Description**
C001786	172732	9079968	3104	8.47	0.20	Qtz and mod oxidized sulph crustiform texture vein
C001715	172858	9080152	3209	8.25	0.15	Qtz and mod oxidized sulphides crustiform text vein
C001777	172745	9079969	3097	6.32	0.08	Qtz and mod oxidized sulphides crustiform text vein
C001757	172759	9080126	3234	6.27	0.10	Qtz and mod oxidized sulphides crustiform text vein
C001703	172797	9080100	3188	5.95	0.20	Qtz & strongly FeOx vein
C001789	172764	9079956	3094	5.83	0.20	Qtz and mod oxidized sulphides crustiform text vein
C001762	172723	9080085	3226	5.79	0.15	Qtz and mod oxidized sulphides crustiform text vein
C001768	172740	9080007	3132	4.98	0.20	Qtz and moderately oxidized sulphides crustiform texture vein
C001702	172797	9080091	3183	4.92	0.10	Qtz & strongly FeOx vein
C001758	172701	9080113	3247	4.45	0.10	Qtz and mod oxidized sulphides crustiform text vein
C001751	172757	9080178	3266	4.34	0.10	Qtz moderately oxidized vein
C001761	172733	9080085	3225	4.18	0.30	Qtz and mod oxidized sulphides crustiform text vein
C001774	172772	9079989	3100	4.16	0.40	Qtz crust text vn w/sulph as patches and dissem, all weakly oxidized
C001693	172814	9080127	3187	4.10	0.60	Qtz & mod oxidized sulphides crustiform texture vein
C001755	172742	9080128	3247	4.06	0.50	Qtz & mod oxidized sulph crustiform text vein in mod oxidized-argillized host rock 0.5 a 1m in width
C001747	172765	9080174	3258	4.01	0.40	Qtz and mod oxidized sulphides crustiform text vein
C001661	172825	9080044	3128	3.95	0.30	Qtz & sulphides (oxidized) crustiform texture vein
C001773	172763	9079996	3106	3.83	0.15	Qtz and mod oxidized sulphides crustiform text vein
C001759	172727	9080082	3222	3.71	0.25	Qtz and mod oxidized sulphides crustiform text vein
C001718	172890	9080161	3194	3.54	0.10	Qtz and mod oxidized sulphides crustiform text vein
C001725	172784	9080132	3216	3.48	0.25	Qtz and mod oxidized sulphides crustiform text vein
C001684	172803	9080087	3174	3.39	0.50	Qtz vein w/abundant FeOx
C001736	172800	9080196	3256	3.38	0.15	Qtz and mod oxidized sulphides crustiform text vein
C001741	172785	9080182	3253	3.34	0.30	Qtz and mod oxidized sulphides crustiform text vein
C001675	172838	9080092	3147	3.26	0.40	Qtz & mod oxidized massive sulph crustiform texture vein
C001787	172717	9079999	3130	3.07	0.40	Qtz and mod oxidized sulph crustiform text vein.
C001664	172815	9080045	3135	3.04	0.15	Qtz crustiform vein with strongly oxidized sulphides.

Table 2 (con't)

Rufina Vein Samples - Au values >1 to 3 g/t

Sample No.	Easting	Northing	Elev m	Au g/t	Width m	Description
C001784	172702	9079956	3113	2.75	0.40	Qtz and mod oxidized sulph crustiform text vein
C001735	172793	9080190	3253	2.71	0.10	Qtz and mod oxidized sulph crustiform text vein
C001772	172760	9080007	3123	2.57	0.10	Qtz and mod oxidized sulph crustiform text vein
C001731	172747	9080046	3178	2.48	0.50	Qtz and mod oxidized sulph crustiform text vein
C001766	172748	9080031	3163	2.45	0.15	Qtz and mod oxidized sulph crustiform text vein
C001781	172668	9080025	3156	2.29	0.10	Qtz and mod oxidized sulph crustiform text vein
C001733	172761	9080065	3197	2.27	0.25	Qtz and mod oxidized sulph crustiform text vein
C001771	172750	9079997	3114	2.24	0.60	Qtz and mod oxidized sulph crustiform text vein
C001699	172801	9080141	3208	2.22	0.50	Qtz and mod oxidized sulph crustiform text vein
C001742	172783	9080199	3271	2.21	0.70	Qtz moderately oxidized vein
C001662	172827	9080056	3129	2.12	0.35	Qtz & sulphides (oxidized) crustiform texture vein
C001673	172801	9080070	3166	2.12	0.15	Qtz & moderately oxidized massive sulphides crustiform texture vein
C001764	172735	9080065	3197	2.08	0.10	Qtz and moderately oxidized sulphides crustiform texture vein
C001724	172794	9080168	3233	2.05	0.15	Qtz and moderately oxidized sulphides crustiform texture vein
C001713	172840	9080128	3187	2.02	0.60	Qtz grayish vein w/ crustiform texture, fine diss py & aspy patches-veinlets
C001685	172802	9080099	3182	1.96	0.25	Qtz vein w/moderate FeOx
C001785	172702	9079929	3085	1.94	0.15	Qtz & moderately oxidized massive sulphides crustiform texture vein
C001672	172808	9080069	3158	1.90	0.10	Qtz & moderately oxidized massive sulphides crustiform texture vein
C001691	172816	9080127	3185	1.86	1.60	Qtz & weakly oxidized sulph crustiform text vein
C001745	172743	9080176	3274	1.83	0.05	Qtz moderately oxidized vein
C001734	172798	9080184	3246	1.75	0.10	Qtz and mod oxidized sulph crustiform text vein
C001681	172832	9080110	3164	1.72	0.80	Qtz & mod oxidized massive sulph crustiform texture vein
C001706	172844	9080101	3152	1.71	0.15	Qtz & moderate FeOx vein
C001737	172810	9080194	3254	1.70	0.20	Qtz and mod oxidized sulph crustiform text vein
C001683	172802	9080079	3171	1.64	0.15	Qtz & strongly oxidized massive sulphides crustiform texture vein
C001677	172825	9080092	3156	1.63	0.20	Qtz & moderately oxidized massive sulphides crustiform texture vein .
C001729	172784	9080082	3190	1.62	0.15	Qtz strongly oxidized vein
C001739	172782	9080180	3254	1.58	0.40	Qtz and moderately oxidized sulphides crustiform texture vein
C001723	172792	9080153	3223	1.49	0.10	Qtz moderately oxidized vein
C001721	172812	9080164	3222	1.44	0.10	Qtz and mod oxidized sulph crustiform texture vein
C001711	172842	9080122	3177	1.42	0.15	Qtz & moderate FeOx vein
C001783	172777	9080021	3140	1.41	1.00	Qtz and mod oxidized sulph vein crustiform texture vein

Table 2 (con't)						
Rufina Vein Samples - Au values >1 to 3 g Au/t (con't)						
Sample No.	**Easting**	**Northing**	**Elev m**	**Au g/t**	**Width m**	**Description**
C001754	172765	9080162	3250	1.37	0.25	Qtz and moderately oxidized sulphides vein crustiform texture vein
C001763	172721	9080066	3205	1.31	0.20	Qtz and mod oxidized sulph crustiform texture vein
C001666	172821	9080066	3142	1.24	0.30	Qtz crustiform texture vein accompanied by strongly oxidized sulphides (<2cm) veinlets
C001744	172749	9080176	3271	1.19	0.10	Qtz and str oxidized sulphides crustiform text vein
C001669	172809	9080060	3149	1.19	0.10	Qtz crustiform texture vein. FeOx boxworks
C001679	172828	9080103	3162	1.17	0.10	Qtz & strongly oxidized massive sulphides crustiform texture vein
C001767	172753	9080021	3150	1.16	0.70	Qtz and mod oxidized sulph crustiform texture vein
C001692	172815	9080127	3186	1.14	0.35	Qtz veinlets w/ FePx stockwork-1cm
C001687	172810	9080118	3185	1.14	0.40	Qtz & mod oxidized sulph crustiform texture vein
C001749	172763	9080175	3261	1.13	0.30	Qtz and mod oxidized sulph crustiform texture vein
C001678	172830	9080100	3158	1.10	0.10	Qtz & mod oxidized massive sulph crustiform texture vein
C001663	172827	9080065	3135	1.07	0.40	Qtz & sulphides (oxidized) crustiform texture vein
C001676	172829	9080089	3150	1.05	0.40	Qtz & moderately oxidized massive sulphides crustiform texture vein
C001686	172805	9080109	3185	1.03	0.10	Qtz vein w/ moderate FeOx
C001704	172798	9080110	3192	1.03	0.10	Qtz strongly oxidized vein

Note: All samples are channel samples across the true width of the veins
Qtz = quartz, sulph = sulphides, mod = moderately, w/=with, FePy = iron pyrites, FeOx = Iron Oxides; py=pyrite, aspy=arsenopyrite, diss=disseminated

Table 3: Collar coordinates and Dip/Azimuth of the final drill holes reported

Hole No.	Target	UTM		Elev.	Length	Az	Dip	Status
		Easting	Northing	(i)	Completed	(i)	(i)	
ERU-06	Rufina	172527	9080243	3358	616.4	60	-50	Assays Received
ERU-07	Rufina	172660	9080325	3366	287.7	60	-50	Assays Received
ERU-09A Ext	Rufina	172349	9080038	3294	95.9	60	-50	Assays Received
Totals					**1000.0**			

(i) All measurements are in metres except Azimuth (Az) and Dip, which are measured in degrees.

Qualified Person

Dr. Bill Pearson, P.Geo., a Qualified Person in the context of National Instrument 43-101 has reviewed and approved the technical content of this news release. Samples were analysed for Au and Ag by fire assay and 31 element ICP analysis at SGS del Peru S.A.C. in Lima, Peru. In addition to the standard laboratory QA/QC procedures, Eloro employs a system of external blanks and standards.

About Eloro Resources Ltd.

Eloro is an exploration and mine development company with a portfolio of gold and base-metal properties in Peru and Quebec. Eloro owns a 100% interest in the La Victoria Gold/Silver Project, located in the North-Central Mineral Belt of Peru some 50 km south of Barrick's Lagunas Norte Gold Mine and Tahoe's La Arena Gold Mine. La Victoria consists of eight mining concessions and eight mining claims encompassing approximately 89 square kilometres. The property has good infrastructure with access to road, water and electricity and is located at an altitude that ranges from 3,100 m to 4,200 m above sea level.

For further information please contact Thomas G. Larsen, Chairman and C.E.O. of Eloro Resources Ltd., or Jorge Estepa, Vice-President of Eloro Resources Ltd. at (416) 868-9168.

Information in this news release may contain forward-looking information. Statements containing forward-looking information express, as at the date of this news release, the Corporation's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results and are believed to be reasonable based on information currently available to the Corporation. There can be no assurance that forward-looking statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on forward-looking information.

Neither the TSXV, CSE nor its Regulation Services Provider (as that term is defined in the policies of the TSXV or CSE) accepts responsibility for the adequacy or accuracy of this release.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	**Phase 1 Diamond Drilling Program** • Core from diamond drill holes is sawn in half using a diamond saw. • One half of core is sent for assay with the other half retained for a core record. • Sample length is 1.0m in mineralized zones and 1.5m in altered but more weakly mineralized sections. • All mineralized and altered zones are sampled with the majority of holes being completely sampled. • Recovery % and geotechnical data is routinely logged. Channel Sampling Program • Channel samples are cut across the strike of mineralized vein structures using a diamond saw. • Rock in the channels is hand-chiselled out to provide as representative a sample as possible across the vein structure. • If the vein structure is narrow, a sample along the vein is taken to give a representative sample. • Typical sample size is 2-3 kgs. Sample bags are tagged with a unique sample number.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	*Diamond Drilling Core Sampling* **Diamond Drilling** • 2,261 m of reconnaissance diamond drilling in 8 holes were completed from November 1, 2017 to December 20, 2017 to test the Rufina target. A further 712.10m extending previously drilled hole ERU-09 and completing deep hole ERU-06 were completed from January 18, 2018

Criteria	JORC Code explanation	Commentary
		to February 18, 2018. • Diamond drill holes were completed using NTW sized core. In deep hole ERU-06, the drill size was reduced to BTW at 413.8m. Overburden ranges from minimal to 46m. Hole depths range from 190.0m to 616.4m. • The core is oriented using a Trucore electronic orientation tool.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• All logging is done in MX Deposit, an industry standard database developed by Minalytix in partnership with Geosoft.Inc. • Core from diamond drill holes is sawn in half using a diamond saw. • One half of core is sent for assay with the other half retained for a core record. • Results are reported for holes ERU-06, ERU-07, and ERU-09 Extension. Results for holes ERU-01 to ERU-05, ERU-08 and ERU-09 were previously reported in a press release dated January 16, 2018. There is no sample bias due to preferential loss/gain of fine/coarse material. **Diamond Drill Core Samples** • Core recovery is routinely recorded as a percentage. Overall core recoveries are very high hence there are no core loss issues or significant sample recovery problems except for occasional very localised/limited sections where faulting is present. • Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers. • Drillers used appropriate measures to maximise diamond sample recovery. • No detailed analysis to determine the relationship between sample recovery and/or and grade is warranted as the mineralization is defined by diamond core drilling which has high recoveries.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical*	**Diamond Drill Logging** • All diamond material is logged.

Criteria	JORC Code explanation	Commentary
	studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging includes both qualitative and quantitative components. • All logging is entered directly into a notebook computer using the MXDeposit Logging System The logging system uses standard look up tables that does not allow invalid logging codes to be entered. Further data validation is carried out during upload to Eloro's master database. **Diamond Drill Core Logging (con't)** • Geological logging of 100% of all drill core was carried out recording colour, weathering, lithology, mineralogy, alteration, veining, sulphides and structure. • Geotechnical logging of all core was carried out for Recovery, RQD and Fracture Frequency. • Information on structure type, dip, dip direction, alpha angle, beta angle, texture and fill material are stored in the Company's technical database in MX Deposit. • All drill holes were logged in full including the collar component of the diamond drill holes. • The Company's logging is carried out in sufficient detail to meet the requirements of the reporting of exploration results and resource estimation and mining studies. • Core was photographed both wet and dry.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	**Diamond Drilling Core Samples** • Diamond core was drilled with NTW size and sampled on intervals typically ranging from 1.0 to 1.5m selected on the basis of the presence of mineralisation and alteration. Holes were typically sampling completely. • Sample intervals are adjusted so that samples do not cross lithological boundaries and samples are collected from the same side of the core. • Samples are collected from half-core using a diamond saw located at the Company's field facility. **Channel Samples** • Each channel sample is approximately 2-3kg Channels are cut with a diamond saw across the strike of mineralized vein structures. The mineralized vein sample within the channel is chiselled to provide as representative samples as possible.

Criteria	JORC Code explanation	Commentary
		Diamond core sample preparation • Sample preparation of half diamond drill core samples is being completed at SGS Laboratories in Peru following industry best practice in sample preparation involving oven drying, coarse crushing of the core sample down to approximately 10mm, followed by pulverisation of the entire sample (total prep) using Essa LM5 grinding mills to a grind size of 85% passing 75 µm and split into a sub–sample/s for analysis. • The sample sizes are considered to be appropriate to correctly represent the sulphide style of mineralisation at Rufina, the thickness and consistency of the intersections and the sampling methodology. • No RC drilling has been done on the property.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The sample preparation technique for diamond drill core samples is documented by Eloro Resources' standard procedures documents and is in line with industry standards in sample preparation. • The sample sizes are considered appropriate to represent mineralisation. • Sample preparation checks for fineness were carried out by the laboratory as part of its internal procedures. • Analytical Techniques: o A lead collection fire assay on a 50g sample with Atomic Absorption Spectroscopy undertaken to determine gold content with a detection limit of 0.005ppm. o All samples were dried, crushed, pulverised and split to produce a sub–sample for a 25g sample which are digested and refluxed with hydrofluoric, nitric, hydrochloric and perchloric acids ('four acid digest') suitable for silica based samples. This digest is considered to approach a total dissolution for most minerals. Analytical methods used were ICP–OES (Al, Ca, Cr, Cu, Fe, K, Mg, Mn, Na, P, S, Ti, V and Zn) with selective ICP–MS (Ag, As, Ba, Be, Bi, Cd, Ce, Co, Cs, Ga, Ge, Hf, in, La, Li, Mo, Nb, Ni, Pb, Rb, Re, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Tl, U, W, Y and Zr). o Ore grade ICP–OES analysis was completed on samples returning results above upper detection limit. o No geophysical tools are being used to determine any element concentrations.

Criteria	JORC Code explanation	Commentary
		o Field QC procedures involve the use of commercial certified reference material (CRM's) for assay standards and blanks. Standards are inserted every 25 samples. The grade of the inserted standard is not revealed to the laboratory. o Field duplicates/repeat QC samples was utilised during the diamond drilling programme with nominally two to three duplicate field samples per drill hole. o Inter laboratory cross-checks analysis programmes is being conducted. Channel sample preparation and analytical procedures • The same sample preparation and analytical procedures used for diamond drill core samples are also used for all channel samples. o drilling programme with nominally two to three duplicate field samples per drill hole. o Inter laboratory cross-checks analysis programmes is being conducted. Channel sample preparation and analytical procedures • The same sample preparation and analytical procedures used for diamond drill core samples are also used for all channel samples. • In addition to Eloro supplied CRM's, Eloro includes in each sample batch assayed certified reference materials, blanks and up to 10% replicates. • Selected anomalous samples are re-digested and analyzed to confirm results
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections of the drilling have been visually verified by the Chief Geologist and the Consulting Geologist. • All logging is entered directly into a notebook computer using the MX Deposit Logging System. The logging system uses standard look up tables that does not allow invalid logging codes to be entered. Further data validation is carried out during upload to Eloro's master database. • No adjustments or calibrations have been made to any assay data collected.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.*	• km = kilometre; m = metre; mm = millimetre. • Drill hole collar locations are surveyed using a handheld Garmin 64S GPS which has an accuracy of ± 3m.

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	• The drilling co-ordinates are all in WGS 1984 UTM co-ordinates with 18S projection. • The Company uses a topographic database prepared by PhotoSat using new digital photography taken in 2017. • Rig orientation was checked using BRUNTON Compass from two directions. • Drill hole inclination was set by the driller using a clinometer on the drill mast and checked by the geologist prior the drilling commencing. • The topographic surface used was prepared by Photosat and calibrated to property bench marks. **Drill hole collar coordinates.** • Downhole surveys were undertaken in-hole during drilling using a 'REFLEX INSTRUMENTS' device at 15 metre intervals with a final survey at the end of the drill hole. • Downhole surveys were checked by the supervising geologist for consistency. If required, readings were re-surveyed or smoothed in the database if unreliable azimuth readings were apparent. • Survey details included drill hole dip (±0.25° accuracy) and drill hole azimuth (±0.35 accuracy°).
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	**Rufina Target 2017-2018 Diamond Drilling** • Preliminary drilling is being carried out principally on NE-SW sections spaced at 100m intervals with selected holes drilled east-west to characterize the overall mineralized system. • Drilling to date is not yet sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve estimation. • Results are reported for holes ERU-06, ERU-07, and ERU-09 Extension. Results for holes ERU-01 to ERU-05, ERU-08 and ERU-09 were previously reported in a press release dated January 16, 2018 • Data reported has not been composited.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The location and orientation of the Rufina diamond drilling is appropriate given the strike, dip and morphology of the mineralisation. • Rufina holes are angled towards the northeast, southwest or west. The holes are collared to be approximately perpendicular to the strike the dominant structural and mineralization trends, and at a suitable angle to the dip of the dominant mineralisation trends. • No consistent and/or material sampling bias resulting from a structural orientation has been identified at Rufina at this stage; however, both folding and multiple vein directions have been recorded via surface mapping.
Sample security	• *The measures taken to ensure sample security.*	
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Chain of sample custody is managed by Eloro to ensure appropriate levels of sample security. • Samples are stored on site and delivered by Eloro or their representatives to Huandoval and subsequently by Company truck to the assay laboratory in Lima, Peru.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Rufina diamond drilling and other exploration data is located wholly within Exploration Concession Rufina No. 2 (09009415X01). • EHR Resources has the option to earn up to a 25% interest in the property by spending CDN$5,000,000 over three years. EHR Resources have already earned a 10% interest in the property. • Eloro has received a drill permit to carry out the drilling program at Rufina and a license to use water for the drilling permitting. • Areas designated archaeological reserves are excluded from any drill permit area. • The claims are in good standing and no known impediments exist.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The project site has been visited and data reviewed by Mark Major, an independent geological consultant retained by EHR Resources.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Low sulphidation epithermal mineralization principally hosted in dioritic intrusives. The gold-bearing epithermal mineralization is overprinted by a later epithermal base metal stage of mineralization. The Puca Fault has been identified as a major feeder system for epithermal mineralization on the property.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• This information is included in Tables 1 and 2 of the press release.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• When reported, aggregated intervals will be length weighted. • No density or bulk density is available and so no density weighting will be applied when calculating aggregated intervals, however density variation is not considered to be high. • For intervals with samples containing greater than 30g Au/t both cut (to 30 g/t) and uncut values will be given. In this release there were not samples greater than 30 g Au/t • A nominal 0.25 g Au/t lower cut-off grade has been applied during data aggregation. • Higher grade intervals of mineralisation internal to broader zones of mineralisation will be reported as included intervals. • Metal equivalence will not be used.

Criteria	JORC Code explanation	Commentary
		• Results are reported for holes ERU-06, ERU-07, and ERU-09 Extension. Results for holes ERU-01 to ERU-05, ERU-08 and ERU-09 were previously reported in a press release dated January 16, 2018.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• As stated in Table 1, true width is approximately 70-75% of core length.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• All appropriate maps and sections (with scales) and tabulations of intercepts are reported. • An NI 43-101 Technical Report which provides background information and a summary of previous technical work prior to the present program is available on the Company website or on SEDAR.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	**Surface Channel Sampling** The press release reports the results from surface channel sampling on the Rufina Eastern target. These samples have been analysed following the same protocol as that for diamond drill core. Complete results are provided in Table 2 of the **Press Release.**
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Planned further work with diagrams are included in the present release to show locations of completed and planned holes. Permitting is in progress for drilling on the San Markito target.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• No mineral resources have been defined on the property.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	•
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	•
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	•
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.*	•

Criteria	JORC Code explanation	Commentary
	• *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	•
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	•
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	•
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	•
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	•

Criteria	JORC Code explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	•
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	•
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	•
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	•

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• No ore reserves have been defined on the property.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	•
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	•
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	•
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	•

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	•
Environmen-tal	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	•
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	•
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	•
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s),*	•

Criteria	JORC Code explanation	Commentary
	for the principal metals, minerals and co-products.	
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	•
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	•
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	•
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	•
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	•
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	•
Discussion of relative	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or*	•

Criteria	JORC Code explanation	Commentary
accuracy/ confidence	*procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	

Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• Not applicable to this property.
Source of diamonds	• *Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.*	•
Sample collection	• *Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (eg large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).* • *Sample size, distribution and representivity.*	•
Sample treatment	• *Type of facility, treatment rate, and accreditation.* • *Sample size reduction. Bottom screen size, top screen size and re-crush.*	•

Criteria	JORC Code explanation	Commentary
	• *Processes (dense media separation, grease, X-ray, hand-sorting, etc).* • *Process efficiency, tailings auditing and granulometry.* • *Laboratory used, type of process for micro diamonds and accreditation.*	
Carat	• *One fifth (0.2) of a gram (often defined as a metric carat or MC).*	•
Sample grade	• *Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.* • *The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation.* • *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).*	•
Reporting of Exploration Results	• *Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.* • *Sample density determination.* • *Per cent concentrate and undersize per sample.* • *Sample grade with change in bottom cut-off screen size.* • *Adjustments made to size distribution for sample plant performance and performance on a commercial scale.* • *If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.* • *The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.*	•
Grade estimation for reporting Mineral Resources	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* • *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported*	•

Criteria	JORC Code explanation	Commentary
and Ore Reserves	*lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	
Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.* • *To the extent that such information is not deemed commercially sensitive, Public Reports should include:* o *diamonds quantities by appropriate screen size per facies or depth.* o *details of parcel valued.* o *number of stones, carats, lower size cut-off per facies or depth.* • *The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.* • *The basis for the price (eg dealer buying price, dealer selling price, etc).* • *An assessment of diamond breakage.*	•
Security and integrity	• *Accredited process audit.* • *Whether samples were sealed after excavation.* • *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* • *Core samples washed prior to treatment for micro diamonds.* • *Audit samples treated at alternative facility.* • *Results of tailings checks.* • *Recovery of tracer monitors used in sampling and treatment.* • *Geophysical (logged) density and particle density.* • *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	•
Classification	• *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.*	•