



44 Victoria Street, Suite 1060, Toronto, ON, M5C 1Y2 Canada

## **PRESS RELEASE**

### **FOR IMMEDIATE RELEASE**

*Not for distribution to U.S. news wire services or dissemination in the U.S.*

#### **Eloro Resources and Tartisan Resources Announce Execution of Definitive Agreements for Eloro to Acquire a 100% interest in Tartisan's La Victoria Polymetallic Property, Ancash, Peru**

**Toronto, Canada, August 5, 2016 – Eloro Resources Ltd. (TSX-V: ELO; FSE: P2Q) (“Eloro”) and Tartisan Resources Corp. (CSE:TTC) (“Tartisan”)** are pleased to announce the execution and delivery of a binding Purchase and Sale Agreement (the “Agreement”) with respect to the proposed purchase by Eloro (the “Transaction”) of Tartisan’s 100% interest in La Victoria property (“La Victoria” or the “Property”) as previously announced on May 30, 2016. The Property, currently consisting of 8 mineral concessions totalling approximately 35.9 km<sup>2</sup> together with 3 mineral claims totalling 15 km<sup>2</sup>, is held by a Peruvian-based Tartisan subsidiary and is located in Huandoval District, Pallasca Province, Ancash Department, in the North-Central Mineral Belt of Peru.

Pursuant to the terms of the Agreement and as consideration for the Property, Eloro has agreed to: i) issue 6 million common shares (the “Shares”) and 3,000,000 warrants (the “Warrants”) with limited transferability, ii) make staged cash payments totalling C\$350,000, and iii) grant Tartisan a 2% royalty interest (the “Royalty”), half of which can be repurchased by Eloro for C\$3 million to reduce the Royalty to 1%.

#### **Transaction Highlights**

- Acquisition of Tartisan’s 100% interest in the Property (which is currently governed by the La Victoria Option and Joint Venture Agreement dated July 3, 2014 (the “Option and Joint Venture Agreement”), as amended) in consideration of: i) the issuance of 6,000,000 Shares and 3,000,000 Warrants of Eloro, ii) a cash payment of C\$250,000 on the first closing, with a further payment of C\$100,000 within nine months from the first closing (the San Markito mineral claim will not be transferred by Tartisan to Eloro until such time that the final C\$100,000 payment is made). The Option and Joint Venture Agreement will be terminated upon completion of the Transaction.

- Each Warrant will give Tartisan the right to purchase one Share of Eloro at a price of \$0.40 for a period of three years after closing, subject to acceleration in certain circumstances.
- All securities issued to Tartisan in the Transaction will be subject to a lock-up agreement whereby Tartisan will be restricted from transferring securities of Eloro for a period of 18 months following the closing date of the Transaction, subject to certain exceptions, and transfers subsequent to that period will be restricted for a period of four and one half years after the first closing will be subject to further restrictions whereby, should Tartisan wish to proceed with a disposition, it would be restricted to selling a maximum of 1 million Shares every six months and would agree to provide Eloro 45 days' notice prior to any sale, during which time Eloro could identify a purchaser or purchasers for the Shares and would have the right of first refusal to place the Shares with such purchasers pursuant to the terms of a mutually agreeable sale.
- Eloro will grant Tartisan a 2% Royalty on the Property, with a buy-down provision for one-half of the Royalty (to reduce the Royalty to 1%) on payment of C\$3 million.
- During a two-year term, Eloro will grant Tartisan a pre-emptive purchase right to participate in future Eloro financings to concurrently purchase such number of Eloro shares as would allow Tartisan to maintain the same beneficial ownership in aggregate, up to a maximum of 19.9%, as Tartisan owned immediately prior to the closing of the proposed financing.
- For a four-year term, Tartisan will not vote its Shares of Eloro against any nominees to Eloro's Board of Directors proposed by Eloro or vote against any resolutions supported by the Board of Directors of Eloro, subject to certain exceptions.

The Transaction would create a new "Control Person" in Eloro, pursuant to applicable securities legislation, as it is proposed that Eloro issue Tartisan 6 million Shares and 3 million Warrants (representing 22.4% of the Shares of Eloro on a non-diluted basis, and 30.2% of the Shares of Eloro on a partially-diluted basis, assuming the exercise of only the Warrants held by Tartisan). In accordance with the policies of the TSX Venture Exchange ("TSXV"), disinterested shareholder approval is required for the creation of a new Control Person.

The Transaction remains subject to several conditions, including: (i) the receipt of all necessary approvals, including the approval of the TSXV for Eloro; (ii) the completion of a National Instrument ("NI") 43-101 Technical Report on La Victoria by Eloro; and (iii) shareholder approval from the shareholders of Eloro. Eloro will be making a submission to the TSXV in order to obtain conditional approval for the Transaction and will proceed with obtaining the required shareholder approval for the issuance of the securities pursuant to the Transaction. A NI 43-101 report on La Victoria is currently being drafted. Any securities to be issued by Eloro pursuant to the proposed Transaction would be subject to a 4-month hold period.

### **La Victoria Property, Peru**

The La Victoria Property is free of royalties and consists of properties totalling eight mining concessions encompassing approximately 35.9 square kilometres together with 3 mineral claims totalling 15 square kilometres. The La Victoria Property is within 50 kilometres of several producing mines, with three producers visible from the Property. The Property has good infrastructure with road-access and nearby sources of water and electricity. It is located at an altitude that ranges from 3,100 m to 4,200 m above sea level.

### **About Eloro Resources Ltd.**

Eloro is an exploration and mine development company with a portfolio of gold and base-metal properties in northern Peru and western Quebec. Eloro recently announced its proposed acquisition of a 100% undivided interest in the La Victoria property, located in the prolific North-Central Mineral Belt of Peru. The La Victoria Property consists of properties totalling eight mining concessions encompassing approximately 35.9 square kilometres together with 3 mineral claims totalling 15 square kilometers. The Property is within 50 kilometres of several producing gold mines, with three producers visible from the property. Infrastructure in the area is good 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.

### **About Tartisan Resources Corp.**

Tartisan is a mineral exploration and development company based in Toronto, Canada with an emphasis on properties in Peru. The company owns the La Victoria property located in the northern Ancash Department, Peru. La Victoria property is located within 50 km of several producing mines including: La Arena owned by Tahoe Resources, Lagunas Norte (Alto Chicama) owned by Barrick Gold Corporation (TSX:ABX) and Santa Rosa owned by Compañía Minera Aurífera Santa Rosa (COMARSA).

**For further information please contact: Thomas G. Larsen, President and CEO of Eloro or Jorge Estepa, Vice-President of Eloro at (416) 868-9168 or Mark Appleby, CEO of Tartisan Resources at (416) 804-0280.**

*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.*