

## Emerita Resources Corp.

EMO-TSX.V: \$1.90  
Rating: Speculative Buy  
Target: \$4.50

### Emerita Resource Corp. (EMO-TSX.V)

| Stock Data                      |                 |
|---------------------------------|-----------------|
| Previous Close (C\$)            | \$1.90          |
| 52-Week High-Low                | \$2.16 / \$0.13 |
| Avg. Daily Volume (3M)          | 673,721         |
| Basic SO (MM)                   | 178             |
| Fully Diluted SO (MM)           | 232             |
| Market Cap. (C\$ MM)            | \$338           |
| Cash (C\$ MM)                   | \$27            |
| ITM Options & Warrants (C\$ MM) | \$34            |
| Debt (C\$ MM)                   | \$0             |
| Enterprise Value (C\$ MM)       | \$311           |

### Company Information

|                  |  |
|------------------|--|
| Projects         | IBW (100%) / Aznalcollar (ongoing legal dispute) |
| Project Location | Iberian Pyrite Belt, Spain                       |

### Clarus Estimates

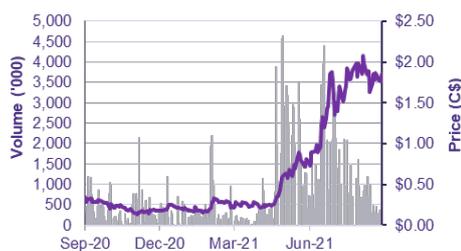
|   |        |
|---|--------|
| Implied return to target price            | 137%   |
| Clarus Est. Resources (MMlbs ZnEq)        | 15,827 |
| EV/lb Valuation (C\$/lb ZnEq)             | \$0.02 |
| Combined LOM Production (MMlbs ZnEq/year) | 577    |
| LOM Cash Costs (co-product), US\$/lb ZnEq | \$0.56 |
| P/NAV                                     | 0.31x  |

### Management

|           |                        |
|-----------|------------------------|
| CEO       | David Gower            |
| President | Joaquin Merino-Marquez |

### Shareholders (source: Refinitiv Eikon)

|                            |       |
|----------------------------|-------|
| Eric Sprott                | 11.2% |
| Sprott Asset Management LP | 0.8%  |
| Management & Insiders      | 6.6%  |



### Company

Emerita currently owns 100% of the IBW project on the Spanish side of the Iberian Pyrite Belt (IPB). The project has been drilled extensively (~25,000 m) by credible operators such as Phelps Dodge and Rio Tinto in 1970s and 1980s. This resulted in a 34.8 Mt historic resource with a high grade subset of 12 Mt at 12.9% ZnEq. Emerita will be focusing on validating and growing this high grade portion at IBW while also exploring for new targets on the property. The Company is also in the process of acquiring the past-producing Aznalcollar project that is also located in Spain and in the IPB. Aznalcollar public tender is currently the subject of an ongoing legal dispute in the Spanish courts. We believe a final resolution is in sight and court proceedings to date are pointing to the potential for a favourable outcome for EMO.

## Positive Infill Drill Results from La Infanta; Significant Expansion Potential to be Tested Next

September 9, 2021

### SUMMARY

- Emerita announced drill results from an additional 5 holes at La Infanta, all <100 m depth. The holes are from within the footprint of the historic resource (0.8 Mt at 26.5% ZnEq) that was tested along a ~600 m strike and down to ~120 m depth historically.
- Hole IN008 is the westernmost hole drilled to date by EMO and returned ultra-high grade & wide intercept of **60.2% ZnEq (with 3.6% Cu, 319 g/t Ag & 0.8 g/t Au) over 11.1 m from ~75 m depth**. The high grades were uniformly distributed over the ~11 m intercept. As we understand, this hole is higher grade than the historic intercepts in its vicinity. It is also the highest grade and widest intercept to date. This hole is located ~200 m west of the previously reported hole IN003 that returned another ultra-high grade intercept of 5 m at 66.7% ZnEq.
- IN005 located ~250 m east of IN008 and returned **42.9% ZnEq (with 2.3% Cu, 98.2 g/t Ag & 0.2 g/t Au) over 2.6 m**.
- IN006 located ~50 m east of IN008 and returned **26.6% ZnEq (with 2.2% Cu, 151 g/t Ag & 0.44 g/t Au) over 3.2 m**.
- Assay results have been received for 8 of the 11 holes (totaling 1,253 m) drilled so far. **We estimate a weighted average for the drill results to date of 35% ZnEq over 4.45 m** (vs 26.5% ZnEq grade for historic resource, avg. widths of ~3 – 6 m) with 12% ZnEq coming from Cu, Ag & Au. While this weighted average is based only on 8 holes (vs 49 historic holes), it highlights the potential for further resource grade improvement for an already high grade resource.
- The drill tested dimension to date is 300 – 350 m along strike and up to ~100 m depth. Another 2 infill holes are in progress for a total of 13 infill holes, after which management plans to systematically step out along strike and to depth.
- The surface sampling and gravity suggest that the deposit likely extends well beyond the historic strike (towards the west) and depth extents. This was further corroborated by today's westernmost hole IN008 that was the highest grade and widest intercept to date. Management plans to test the strike extent over ~1.2 km and down to 300 – 350 m depth. If successful, this could conceptually drive a three to six-fold increase in the historic resource towards ~2.5 – 5.0 Mt at potentially higher than historic grades, drilling dependent, vs Clarus est. of 2.5 Mt at 26.5% ZnEq. This highlights the potential for upside beyond our current resource estimate at La Infanta.

## NEWS FLOW AHEAD:

- **Expect steady stream of drill results going forward:** We note that today's drill results are only from the massive sulphides sections of the drill holes that were sent for rush assays. There are stockwork and disseminated sulphides below the massive sulphides that may also be mineralized (but likely lower grade), assays pending. If the grade in these non-massive sulphide sections is above cut-off then the intercepts reported today would actually be wider, albeit at a somewhat lower grade. We expect the assays from the remaining sections of the holes over the coming weeks. In addition, 2 more infill holes are in progress beyond which drilling will be stepping out down-dip as well as along strike towards the west.
- **EM survey results over coming weeks to highlight depth potential at La Infanta:** The EM survey is indicating continuity of structures down to at least 400 m depth, which is the limit of the surveying system. The EM surveys are matching well with the gravity surveys. Management expects to announce the EM results with analysis over the coming weeks. Even 400 m below surface represents a significant depth extension of ~4x of the historic resource footprint that was tested to a shallow depth of ~120 m. VMS deposits on the IBP can extend to +1 km depth.
- **Property-wide permits at IBW:** We expect the AAU (environmental authorization) for the whole property (incl. Romanera and El Cura) by late September/early October this year. Management plans to deploy two additional rigs at Romanera once AAU is granted, taking the total rig count to four (two currently turning at La Infanta). A fifth rig may be added to test several other anomalies on the property identified in the gravity survey.
- **Expect IBW resource update in H1/22:** The Company remains well funded with ~C\$26 MM in cash and warrants being exercised. Given the strong cash position and a strong start to the drill program, we expect the initial 5,000 m drill program at La Infanta to be expanded. We expect an updated resource at IBW in H1/22 (incl. La Infanta, Romanera and potentially El Cura).

**CONCLUSION:** We believe the infill drill results at La Infanta are confirming the historic high-grade resource. Our estimated weighted average grade for the initial 8 holes released to date is ~35% ZnEq which is ~30% higher than historic resource grade of 26.5% ZnEq. While early, we see potential for further grade improvement, contingent upon continued higher than historic resource grade intercepts. The La Infanta deposit was explored by a JV of Asturiana and Phelps Dodge in the 1970s and 1980s. The historic exploration program at La Infanta included ~5,000 m of diamond drilling in 49 holes that resulted in a historic resource of 0.8 Mt at 26.5% ZnEq. The historic drilling was restricted in testing the mineralization at depth due to the limits of the historic exploration license. As a result, La Infanta was only tested to ~120m depth. Some of the deeper historic holes at La Infanta returned 5.3m at ~52% ZnEq and 3.6 m at 47.5% ZnEq. Emerita, in its 2021 exploration program, will test down to 300 – 350 m depth and, if successful, will expand the resource potential to ~3x the historic resource. We note that mines in the area can extend to +1 km depth, indicating potential for even further growth. In addition, EMO's surface sampling and mapping program and the recently acquired gravity survey indicate the system likely continues over a ~1.2 km strike length, implying a potential doubling. We believe there is potential to find additional high-grade lenses similar to La Infanta along the 1.2km strike extent that could significantly amplify the exploration potential (up to 6x) towards ~5 Mt (vs our est. 2.5 Mt at 26.6% ZnEq).

We highlight significant exploration upside at Romanera and estimate a combined resource potential of 21 Mt at 13.8% ZnEq for IBW (based on Romanera and La Infanta) vs the historic resource of ~12 Mt. This does not even include the potential from the third known deposit – El Cura, where management currently does not have access to the historic data and will likely provide upside beyond our estimated resource at IBW.

**RECOMMENDATION:** Emerita offers a rare combination of significantly de-risked, world-class polymetallic projects with excellent infrastructure on the Spanish side of the Iberian Pyrite Belt (IPB), which is one of the largest VMS mining camps, globally with numerous majors currently operating in the region. We expect the excellent high-grade (~14% ZnEq) resource growth potential at the 100% owned IBW project to drive significant value proposition and M&A appeal. We believe the big prize for EMO will be the awarding of the world-class, past-producing Aznalcollar mine that is the subject of an ongoing criminal legal dispute. As a past-producing mine, Aznalcollar is significantly de-risked and can be swiftly advanced to production in the next five years in a high-grade (~12.6% ZnEq) underground mining scenario. We expect the two assets to produce at a combined rate of 550 – 600MM lbs ZnEq/year at the lowest quartile costs, generating +US\$300 MM/year in FCF.

Under our estimates (Clarus 'Base Case'), EMO is trading at C\$0.02/lb ZnEq and 0.31x P/NAV, a ~30% - 55% discount to the Select Peer Group average of C\$0.05/lb and 0.44x, respectively. We see parallels with Adriatic Metals (ATD-ASX; NR) that is advancing its brownfield Vares project, a past producing mine in Bosnia, towards development and is trading at a premium valuation of C\$0.16/lb ZnEq and 1.12x P/NAV and expect similarly high valuation multiples to be afforded to EMO as it de-risks its assets. We maintain our **SPECULATIVE BUY** rating and our target price of **\$4.50** per share that is based on a 0.6x combined NPV5% of IBW and 50% of Aznalcollar.

## Milestones

1. Aznalcollar resolution - H2/21 (Clarus expectation);
2. Drill results from 5,000 m drill program at La Infanta – ongoing;
3. Environmental approval (AAU) for drilling at Romanera & El Cura – late September/early October;
4. Commencement of drilling at Romanera (~10,000 m) & El Cura (~7,000 m) – October 2021;
5. IBW Resource Update - H1/22.

Figure 1: EMO Comps

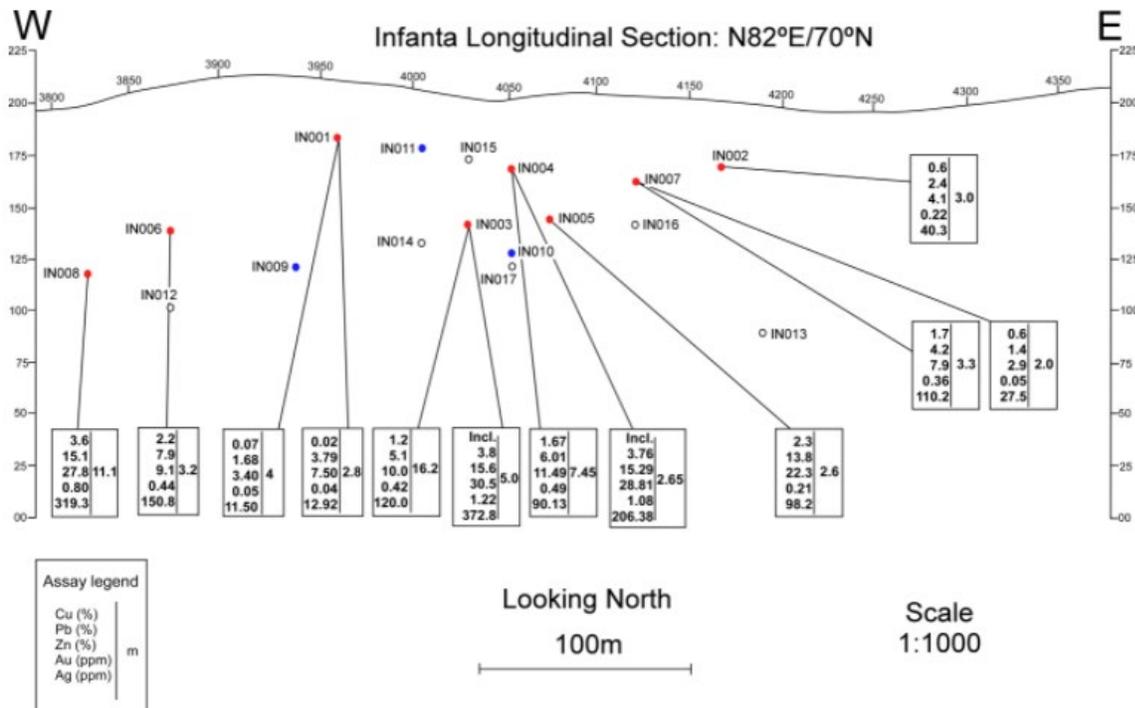
| Zn-Polymetallic Explorers / Developers                                 |                  |                         |            |                   |              |                  |              |                       |                    |                     |              |
|--|------------------|-------------------------|------------|-------------------|--------------|------------------|--------------|-----------------------|--------------------|---------------------|--------------|
| Company  | Ticker           | Price Per Share (Local) | S/O (MM)   | Mkt. Cap. (C\$MM) | EV (C\$MM)   | Project Location | Grade ZnEq % | Zn % of ZnEq Resource | Attri. ZnEq MM lbs | EV/lb ZnEq (C\$/lb) | P/NAV        |
| Adriatic Metals PLC  | ADT-ASX          | 2.93                    | 214        | \$585             | \$570        | Bosnia           | 13.2%        | 31%                   | 3,486              | \$0.16              | 1.12x        |
| Arizona Metals Corp  | AMC-TSX.V        | 4.00                    | 89         | \$434             | \$403        | Arizona, US      | 14.4%        | 21%                   | 8,042              | \$0.05              | 0.29x        |
| Ascendant Resources Inc  | ASND-TSX         | 0.25                    | 97         | \$24              | \$25         | Portugal         | 5.2%         | 30%                   | 2,430              | \$0.01              | 0.58x        |
| Foran Mining Corp  | FOM-TSX.V        | 2.13                    | 181        | \$385             | \$369        | Sask.            | 7.2%         | 37%                   | 5,419              | \$0.07              | 0.01x        |
| Fireweed Zinc Ltd  | FWZ-TSX.V        | 0.80                    | 68         | \$55              | \$49         | Yukon            | 9.4%         | 64%                   | 10,450             | \$0.005             | 0.45x        |
| Group Eleven Resources Corp  | ZNG-TSX.V        | 0.10                    | 137        | \$14              | \$14         | Ireland          | 9.7%         | 84%                   | 1,531              | \$0.01              | NA           |
| Kutcho Copper Corp   | KC-TSX.V         | 0.64                    | 98         | \$63              | \$83         | BC               | 7.4%         | 29%                   | 5,212              | \$0.02              | NA           |
| Norzinc Ltd  | NZC-TSX          | 0.06                    | 681        | \$37              | \$36         | NWT              | 20.8%        | 50%                   | 7,222              | \$0.01              | 0.16x        |
| Osisko Metals Inc  | OM-TSX.V         | 0.40                    | 179        | \$72              | \$64         | NWT              | 6.4%         | 75%                   | 7,153              | \$0.01              | 0.17x        |
| Pan Global Resources Inc   | PGZ-TSX.V        | 0.65                    | 169        | \$110             | \$106        | Spain            | NA           | NA                    | NA                 | NA                  | NA           |
| Solitario Zinc Corp  | SLR-TSX          | 0.69                    | 58         | \$40              | \$32         | Peru             | 11.1%        | 88%                   | 1,273              | \$0.02              | NA           |
| Tinka Resources Ltd  | TK-TSX.V         | 0.19                    | 341        | \$65              | \$59         | Peru             | 6.4%         | 92%                   | 8,015              | \$0.01              | 0.35x        |
| Wolfden Resources Corp   | WLF-TSX.V        | 0.19                    | 153        | \$29              | \$23         | Maine, US        | 19.8%        | 48%                   | 1,956              | \$0.01              | 0.29x        |
| ZincX Resources Corp   | ZNX-TSX.V        | 0.15                    | 178        | \$27              | \$25         | BC               | 9.6%         | 83%                   | 6,400              | \$0.004             | NA           |
| Group Average  |                  |                         |            | \$138             | \$133        |                  | 10.6%        | 56%                   | 5,276              | \$0.03              | 0.38x        |
| * Select Peer Group Average  |                  |                         |            | \$238             | \$227        |                  | 9.7%         | 55%                   | 6,163              | \$0.05              | 0.44x        |
| <b>Emerita Resources Corp.</b><br><i>(Clarus' Base Case' Resource)</i> | <b>EMO-TSX.V</b> | <b>1.90</b>             | <b>232</b> | <b>\$442</b>      | <b>\$380</b> | <b>Spain</b>     | <b>12.7%</b> | <b>50%</b>            | <b>15,827</b>      | <b>\$0.02</b>       | <b>0.31x</b> |

\* Select Peer Group is based on comparable Zn contribution to global resource, favourable location for development and favourable permitting environment

Note: EMO market cap and EV based on FD shares & value of ITM options & warrants

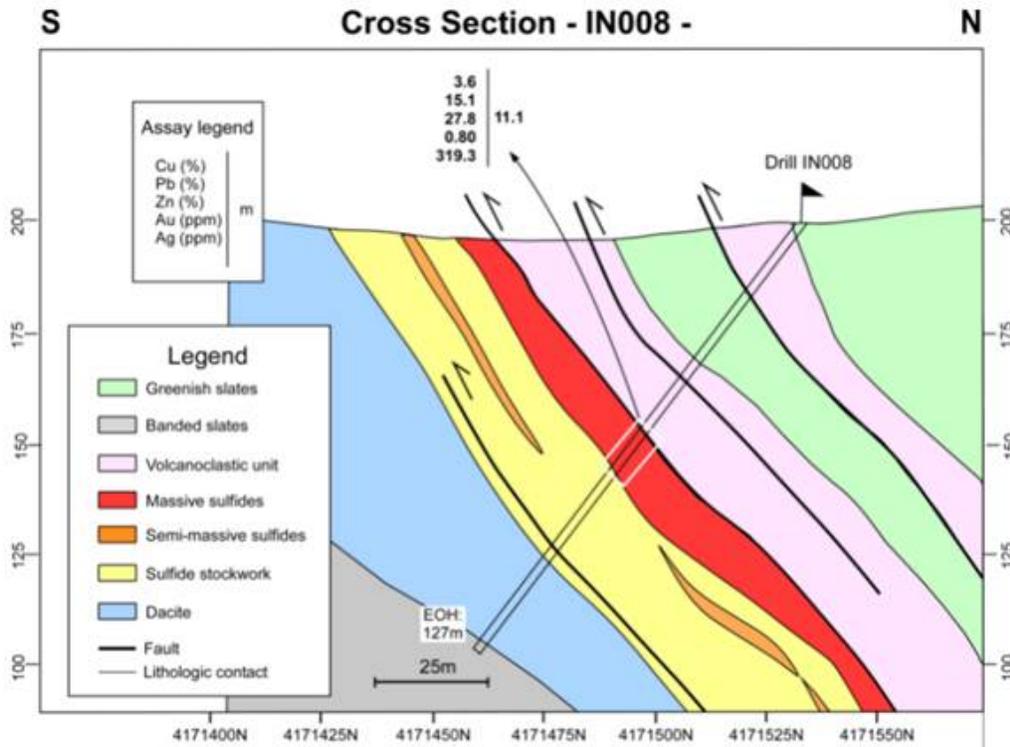
Source: Refinitiv Eikon, Clarus Securities Inc.

Figure 2: La Infanta Long Section



Source: Company Reports

Figure 3: Cross Section - IN008



Source: Company Reports

**Price Target Calculator:** Our 12-month target price is based on a 0.6x combined NPV5% of IBW and 50% of Aznalcollar. We also account for in-situ valuation for ~17 Mt at ~16% ZnEq valued at C\$0.07/lb ZnEq at IBW & Aznalcollar (50%) to account for the estimated resource that is not included in our mine model. In addition, we account for corporate adjustments, including our long-term debt assumption and ITM options and warrants.

**Key Risks to Target Price:** Please refer to the risks disclosed in the initiating report dated July 23, 2021.

## Emerita Resources Corporation (EMO-TSX.V), SPECULATIVE BUY, Target: C\$4.50

|                 |                 |                |        |                     |       |
|-----------------|-----------------|----------------|--------|---------------------|-------|
| Rating          | SPECULATIVE BUY | Target Price   | \$4.50 | Basic Shares O/S    | 177.8 |
| 12-Month Return | 137%            | Previous Close | \$1.90 | Market Cap., C\$ MM | \$338 |
|                 |                 |                |        | EV, C\$ MM          | \$311 |

CAD MM except per share data, unless otherwise noted

| CAPITAL STRUCTURE        | Strike Price \$/share | Shares (MM) | FINANCIAL SUMMARY      |         |         |         |         |         |
|--------------------------|-----------------------|-------------|------------------------|---------|---------|---------|---------|---------|
|                          |                       |             | Fiscal Year            | 2025E   | 2026E   | 2027E   | 2028E   | 2029E   |
| Basic Shares Outstanding |                       | 178         | Copper Price (US\$/lb) | \$3.00  | \$3.00  | \$3.00  | \$3.00  | \$3.00  |
| ITM Warrants Outstanding | \$0.52                | 37          | Zinc Price (US\$/lb)   | \$1.20  | \$1.20  | \$1.20  | \$1.20  | \$1.20  |
| ITM Options Outstanding  | \$0.86                | 17          | Gold Price (US\$/oz)   | \$1,600 | \$1,600 | \$1,600 | \$1,600 | \$1,600 |
| Assumed Equity Funding   |                       | 51          | Silver Price (US\$/oz) | \$21    | \$21    | \$21    | \$21    | \$21    |
| <b>FD Shares</b>         |                       | <b>283</b>  |                        |         |         |         |         |         |

### NET ASSET VALUE (C\$)

|                                | Discount rate | C\$ MM  | Ownership Risk | C\$ MM         | C\$/share     |
|--------------------------------|---------------|---------|----------------|----------------|---------------|
| Asset NAV                      |               |         |                |                |               |
| Aznalcollar (100.0%), Spain    | 5.0%          | \$1,163 | 50.0%          | \$582          | \$2.05        |
| IBW (100.0%), Spain            | 5.0%          | \$653   | 0.0%           | \$653          | \$2.31        |
| <b>Asset NAV Sub-Total</b>     |               |         |                | <b>\$1,235</b> | <b>\$4.36</b> |
| Multiple to Development Assets |               |         | 0.60x          | \$741          | \$2.62        |

### In-Situ Valuation (Inventory not incl. in mine model)

|                                    | ZnEq                      |       | C\$ MM       | C\$/share     |
|------------------------------------|---------------------------|-------|--------------|---------------|
| Aznalcollar                        | 3,677MM lbs @ C\$0.07 /lb | 50.0% | \$129        | \$0.45        |
| IBW                                | 2,330MM lbs @ C\$0.07 /lb | 0.0%  | \$163        | \$0.58        |
| <b>In-situ Valuation Sub-total</b> |                           |       | <b>\$292</b> | <b>\$1.03</b> |

### Corporate Adjustments

|  |                  |                |
|--|------------------|----------------|
| Cash                                   | \$27             | \$0.10         |
| Value of ITM Instruments               | \$34             | \$0.12         |
| Long-term Debt                         | -\$240           | -\$0.85        |
| Estimated Working Capital Additions    | \$400            | \$1.41         |
| <b>Corporate Adjustments Sub-total</b> | <b>\$221</b>     | <b>\$0.78</b>  |
| <b>Total Corporate NAV</b>             | <b>C\$/share</b> | <b>\$1,254</b> |

|                     |                  |               |
|---------------------|------------------|---------------|
| <b>Target Price</b> | <b>C\$/share</b> | <b>\$4.50</b> |
| P/NAV               |                  | 0.31x         |

### PRODUCTION ESTIMATES, MM lbs ZnEq

| Fiscal Year                                   | 2025E    | 2026E      | 2027E      | 2028E      | 2029E      |
|---|----------|------------|------------|------------|------------|
| Aznalcollar MM lbs                            | -        | 315        | 315        | 315        | 315        |
| IBW MM lbs                                    | -        | -          | -          | -          | 262        |
| <b>Zinc Equivalent Production MM lbs ZnEq</b> | <b>-</b> | <b>315</b> | <b>315</b> | <b>315</b> | <b>577</b> |

### COST ESTIMATES (US\$/oz)

| Fiscal Year   | 2025E    | 2026E         | 2027E         | 2028E         | 2029E         |
|---|----------|---------------|---------------|---------------|---------------|
| Total Cash Costs (C1), net of by-prod. US\$/lb Zn   | -        | (\$0.02)      | (\$0.02)      | (\$0.02)      | (\$0.04)      |
| <b>Total Cash Costs (C1), co-prod. US\$/lb ZnEq</b> | <b>-</b> | <b>\$0.54</b> | <b>\$0.54</b> | <b>\$0.54</b> | <b>\$0.56</b> |
| Sustaining Capex US\$/lb Zn                         | -        | \$0.12        | \$0.12        | \$0.12        | \$0.12        |
| AISC (net of by-products) US\$/lb Zn                | -        | \$0.10        | \$0.10        | \$0.10        | \$0.08        |
| <b>AISC (co-product) US\$/lb ZnEq</b>               | <b>-</b> | <b>\$0.61</b> | <b>\$0.61</b> | <b>\$0.61</b> | <b>\$0.62</b> |

|             |        |        |        |        |        |
|-------------|--------|--------|--------|--------|--------|
| EPS         | \$0.00 | \$0.45 | \$0.46 | \$0.49 | \$0.92 |
| P/EPS       | nm     | 4.2x   | 4.1x   | 3.9x   | 2.1x   |
| Target/EPS  | nm     | 7.6x   | 7.4x   | 7.0x   | 3.7x   |
| CFPS        | \$0.00 | \$0.92 | \$0.88 | \$0.77 | \$1.63 |
| P/CFPS      | nm     | 2.1x   | 2.2x   | 2.5x   | 1.2x   |
| Target/CFPS | nm     | 3.7x   | 3.9x   | 5.9x   | 2.8x   |

### Income Statement

|                      | \$         | \$440        | \$440        | \$440        | \$802        |
|----------------------|------------|--------------|--------------|--------------|--------------|
| Revenue              | \$0        | \$440        | \$440        | \$440        | \$802        |
| Operating Expenses   | \$0        | (\$198)      | (\$198)      | (\$198)      | (\$373)      |
| Depreciation         | \$0        | (\$51)       | (\$51)       | (\$51)       | (\$97)       |
| General & Adm.       | \$0        | \$0          | \$0          | \$0          | (\$1)        |
| Other                | \$0        | \$0          | \$0          | \$0          | \$0          |
| Exploration Exp.     | \$0        | \$0          | \$0          | \$0          | (\$0)        |
| Net Interest Expense | \$0        | (\$32)       | (\$30)       | (\$18)       | (\$7)        |
| Taxes Expense        | \$0        | (\$56)       | (\$56)       | (\$60)       | (\$113)      |
| Other                | \$0        | \$0          | \$0          | \$0          | \$0          |
| <b>Net Income</b>    | <b>\$0</b> | <b>\$103</b> | <b>\$105</b> | <b>\$112</b> | <b>\$211</b> |

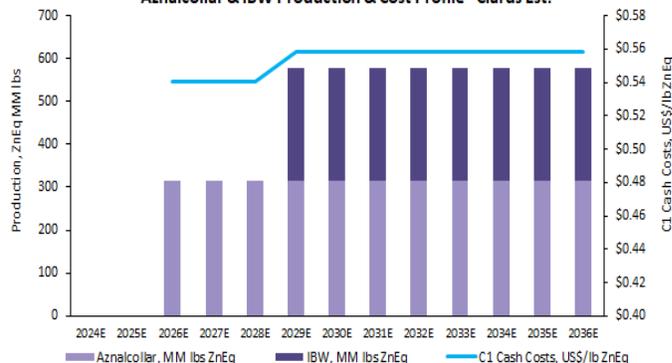
### Cash Flow Statement

|                                   | \$      | \$209  | \$200   | \$175   | \$373   |
|-----------------------------------|---------|--------|---------|---------|---------|
| Operating CF                      | \$0     | \$209  | \$200   | \$175   | \$373   |
| Repayments                        | \$0     | \$0    | (\$109) | (\$109) | (\$109) |
| Share Issuance                    | \$0     | \$0    | \$0     | \$0     | \$0     |
| Financing CF                      | \$0     | \$0    | (\$109) | (\$109) | (\$109) |
| Investing CF                      | (\$200) | (\$24) | (\$174) | (\$174) | (\$42)  |
| Change in Cash                    | (\$200) | \$186  | (\$83)  | (\$108) | \$222   |
| Free Cash Flow (bef div and fin.) | (\$200) | \$186  | \$26    | \$2     | \$331   |
| Free Cash Flow Yield              | -64%    | 60%    | 9%      | 1%      | 107%    |
| Balance Sheet                     |         |        |         |         |         |
| Cash & Equivalents                | \$9     | \$195  | \$112   | \$4     | \$226   |
| Current Assets                    | \$9     | \$195  | \$112   | \$4     | \$226   |
| Current Debt                      | \$0     | \$27   | \$109   | \$109   | \$82    |
| Current Liabilities               | \$0     | \$109  | \$109   | \$109   | \$0     |
| Long-term Debt                    | \$266   | \$268  | \$191   | \$82    | \$0     |
| Shareholder Equity                | \$196   | \$402  | \$611   | \$835   | \$1,256 |

### MODELLED MINEABLE INVENTORY

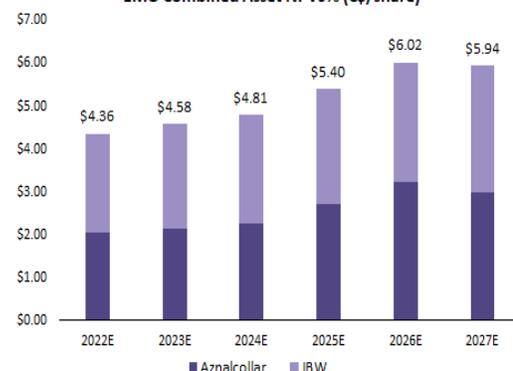
| Zinc Equivalent             | Mt        | % ZnEq       | MM lbs       | Mine Life (yr) |
|-----------------------------|-----------|--------------|--------------|----------------|
| Aznalcollar (100.0%), Spain | 23        | 11.5%        | 5,873        | 15.0           |
| IBW (100.0%), Spain         | 14        | 12.4%        | 3,947        | 12.0           |
| <b>EMO Companywide</b>      | <b>38</b> | <b>11.8%</b> | <b>9,820</b> |                |

Aznalcollar & IBW Production & Cost Profile - Clarus Est.



Source: Clarus Securities Inc.

EMO Combined Asset NPV5% (C\$/share)



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## Clarus Securities Equity Research Disclosures

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Within the last 24 months, Clarus Securities Inc. has managed or co-managed a public offering of securities of this company.  
Within the last 24 months, Clarus Securities Inc. has received compensation for investment banking services with respect to the securities of this company.

### General Disclosure

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**Buy:** Attractively valued and expected to appreciate significantly from the current price over the next 12-18 months.

**Speculative Buy:** Expected to appreciate significantly from the current price over the next 12-18 months. Financial and/or operational risk is high in the analyst's view.

**Accumulate:** Attractively valued, but given the current market price, is expected to appreciate moderately over the next 12-18 months.

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