

August 22, 2022

More Promising Drill Results from Romanera

Three More Good Holes from Romanera

On August 22, 2022, Emerita Resources Corp. (EMO) reported the results of three drill holes from its Romanera deposit which is part of the Iberia Belt West project in western Spain. Two holes were drilled in the central part of the deposit (LR008 and LR010) and LR011 was drilled on the western extent of the deposit. It is still relatively early days for the drilling of Romanera and we believe the results have been positive and should support the historical resource or perhaps a resource that surpasses the historical one.

Previous Metals Providing a Big Lift to the In Situ Value

LR008 appears to be the best hole having cut both the upper and lower lens with wide intervals (19.4m and 18.8m) and grades (14.5% zinc equivalent (ZnEq) and 7.6% ZnEq) that are above the historical resource grade (0.42% copper, 1.1% lead, 2.3% zinc, 0.8 g/t gold, and 44 g/t silver which equates to 6% ZnEq). Two shorter 4m intercepts in the same holes returned very high grades of 29.5% ZnEq and 14.4% ZnEq.

LR010 also cut the lower and upper lenses twice and returned assay results that were lower grade than LR008, but remain near or above the historical resource grades.

LO011 also intercepted the upper and lower lenses with all four intercepts grading higher than the historical resource. Widths were also quite good with the upper lens intercepts of 13.8m and 2.7m and the lower lens intercepts of 11.4m and 1.9m. Fortunately, the two narrow intercepts were quite high grade (25.6% ZnEq and 17.4% ZnEq, respectively, with gold and silver being the most significant contributors to the zinc equivalent grade).

The precious metals results are one of the major contributors to the higher grades when compared to the historical resource. The weighted average gold and silver grades from the current results are 2.05 g/t and 103 g/t, respectively, which are both approximately 2.5 times the historic precious metals grades.

Recent Drilling May Indicate a Higher Grade Resource

It is too early to make any major conclusions regarding the exploration at Romanera. However, in our view, the drill results to date have been very encouraging and we think that unless the deposit changes significantly with future drilling, the future resource will be better than the historic one (at least for grade, we think it is too early to make a comment on tonnage).

We reiterate our SPECULATIVE BUY and \$4.00 target price.

KEY INFORMATION

Price	C\$0.94
Price Target	C\$4.00
Rating	SPECULATIVE BUY
Market Cap (\$M)	C\$192.41

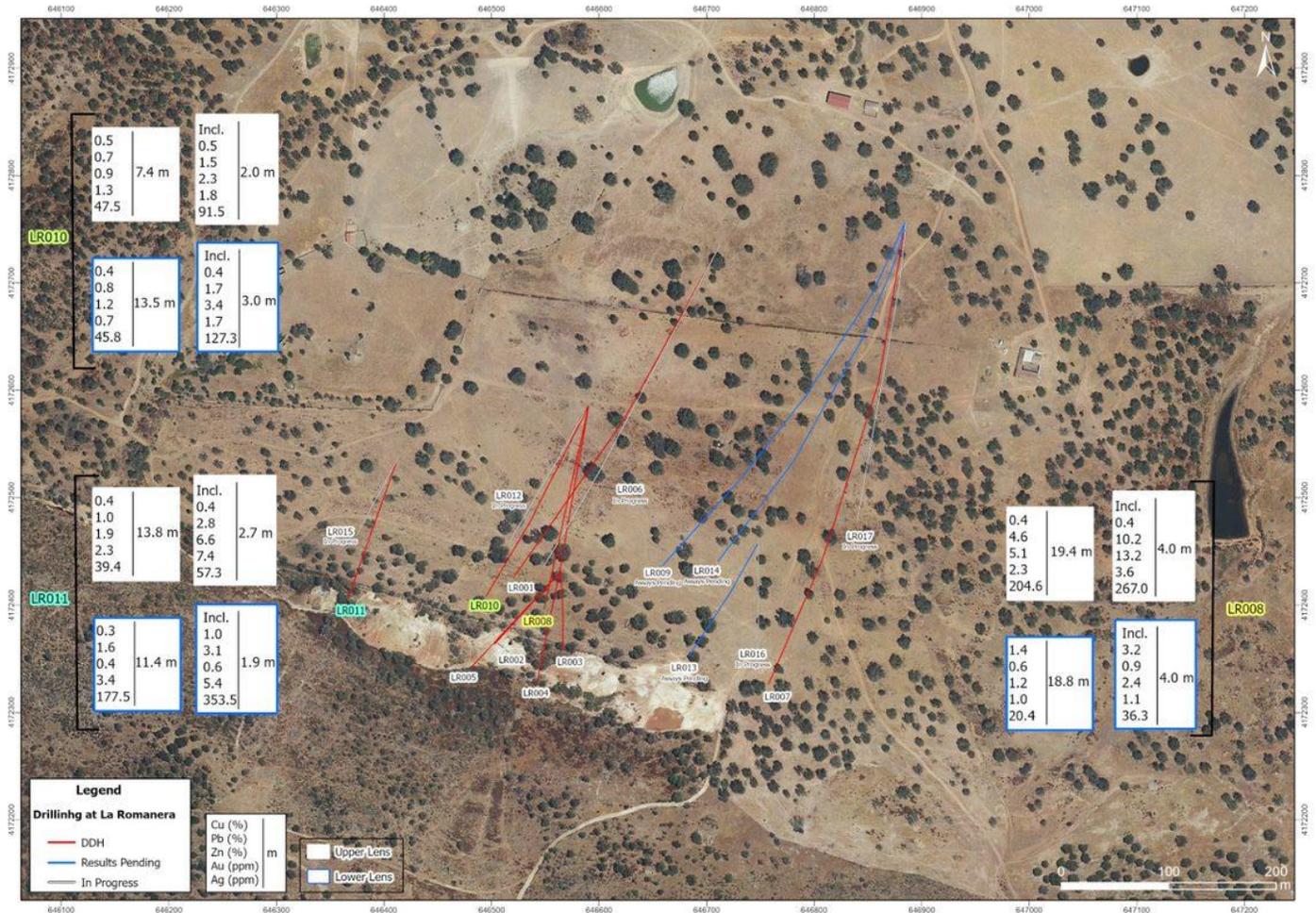
MARKET DATA

EMO-TSXV	C\$0.94
Average Daily Volume	0.61
52 Week Range	C\$4.14 - C\$0.84
Enterprise Value (\$M)	C\$165.6
Cash (\$M)	C\$26.89
Shares Out. (MM)	202.8
Debt (\$M)	C\$0.00
Cash balance as of March 31, 2022	

ANALYST INFORMATION

Adam Schatzker
(416) 860-7681
aschatzker@researchcapital.com

Figure 1 - Romanera Drill Results



Source: Company filings

Company Description:

Emerita is a Canadian company focused on polymetallic exploration in the Iberian Pyrite Belt in Spain. The company has three projects, Infanta, El Cura and Romanera, and hopes to acquire the Aznalcóllar project through tender process that has proven to be very long and complex.

Risks:

EMO is exposed to a variety of business risks including, but not limited to, unexpected development or operating issues, permitting factors, and commodity and currency fluctuations. External financing requirements are also key risks, owing to the Company's lack of operating cash flow.

EXPLORATION RISKS | Exploration comes with the risks inherent with exploration activities. Exploration can provide significant upside for investors, but it can also disappoint.

TENDER PROCESS RISKS | EMO is awaiting the outcome of a tender process for the Aznalcóllar project. There is a risk that the company will not be successful.

COMMODITY RISKS | Like all exploration companies, EMO is subject to fluctuations in commodity prices, specifically zinc (and other metals). If the price of these commodities drops materially, future equity raises may come with higher than anticipated dilution and the development of the project may become more challenging as financing would be more difficult to arrange.

CURRENCY RISKS | EMO's functional currency is the Canadian dollar, while metals are priced in US Dollars and its exploration occurs in Spain. Changes in the exchange rates between these currencies may have a positive or negative impact on EMO.

FINANCIAL RISKS | We believe EMO is sufficiently financed to complete its 2022 exploration program with a cushion remaining at the end of the year. If the company is to maintain an aggressive exploration program and/or it wins the Aznalcóllar tender process, it will likely have to raise additional funds.

POLITICAL, SOCIAL AND ENVIRONMENTAL RISKS | EMO operates in Spain, a country with a well-developed mining culture and legislation. However, environmental concerns are taken very seriously and EMO will have to work diligently to maintain itself as a good corporate citizen.

Important Disclosures

Analyst Certification

I, Adam Schatzker, certify the views expressed in this report were formed by my review of relevant company data and industry investigation, and accurately reflect my opinion about the investment merits of the securities mentioned in the report. I also certify that my compensation is not related to specific recommendations or views expressed in this report. Research Capital Corporation publishes research and investment recommendations for the use of its clients. Information regarding our categories of recommendations, quarterly summaries of the percentage of our recommendations which fall into each category and our policies regarding the release of our research reports is available at www.researchcapital.com or may be requested by contacting the analyst. Each analyst of Research Capital Corporation whose name appears in this report hereby certifies that (i) the recommendations and opinions expressed in this research report accurately reflect the analyst's personal views and (ii) no part of the research analyst's compensation was or will be directly or indirectly related to the specific conclusions or recommendations expressed in this research report.

Adam Schatzker has visited Emerita Resources Corp. in the past 18 months.

General Disclosures

The opinions, estimates and projections contained in all Research Reports published by Research Capital Corporation ("RCC") are those of RCC as of the date of publication and are subject to change without notice. RCC makes every effort to ensure that the contents have been compiled or derived from sources believed to be reliable and that contain information and opinions that are accurate and complete; RCC makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions which may be contained therein and accepts no liability whatsoever for any loss arising from any use of or reliance on its Research Reports or its contents. Information may be available to RCC that is not contained therein. Research Reports disseminated by RCC are not a solicitation to buy or sell. All securities not available in all jurisdictions.



Distribution Policy

Through www.researchcapital.com, our institutional and corporate clients can access our research as soon as it becomes available, 24-7. New reports are continually uploaded to the site as they become available throughout the day. Clients may also receive our research via Reuters, Bloomberg, FactSet, and Capital IQ. All of our research is made widely available at the same time to all Research Capital client groups entitled to our research. In addition, research reports are sent directly to our clients based on their delivery preference (mail, fax, e-mail).

Fair Dissemination of Research Reports and Ratings

To the extent reasonably practicable, Research Reports will be disseminated contemporaneously to all of Research Capital Corporation ("RCC") customers who are entitled to receive the firm's research. Until such time, Research Analysts will not discuss the contents of their reports with Sales and Trading or Investment Banking employees. RCC equity research is posted to our proprietary website to ensure eligible clients receive coverage initiations and changes in rating, targets and opinions in a timely manner. Additional distribution may be done by the sales personnel via email, fax or regular mail. Please contact your investment advisor for more information regarding RCC research.

Percentage Distribution of Research Ratings

As required by the Investment Industry Regulatory Organization of Canada, Research Capital provides a summary of the percentage of its recommendations that fall into each category of our ratings. Please click this link [Our Research - Research Capital Corporation](#) to see our distribution of ratings.

Potential Conflicts of Interest

All Research Capital Corporation ("RCC") Analysts are compensated based in part on the overall revenues of RCC, a portion of which are generated by investment banking activities. RCC may have had, or seek to have, an investment banking relationship with companies mentioned in this report. RCC and/or its officers, directors and employees may from time to time acquire, hold or sell securities mentioned in our Research Reports as principal or agent. RCC makes every effort possible to avoid conflicts of interest, however readers should assume that a conflict might exist, and therefore not rely solely on this report when evaluating whether or not to buy or sell the securities of subject companies.

RCC USA

Information about Research Capital Corporation's Rating System, the distribution of our research to clients and the percentage of recommendations which are in each of our rating categories is available on our website at www.researchcapital.ca.

The information contained in this report has been drawn from sources believed to be reliable but its accuracy or completeness is not guaranteed, nor in providing it does Research Capital Corporation assume any responsibility or liability. Research Capital Corporation, its directors, officers and other employees may, from time to time, have positions in the securities mentioned herein. Contents of this report cannot be reproduced in whole or in part without the express permission of Research Capital Corporation. US Institutional Clients - Research Capital USA Inc., a wholly owned subsidiary of Research Capital Corporation, accepts responsibility for the contents of this report subject to the terms and limitations set out above. US firms or institutions receiving this report should effect transactions in securities

discussed in the report through Research Capital USA Inc., a Broker - Dealer registered with the Financial Industry Regulatory Authority (FINRA).

Member - Canadian Investor Protection Fund / membre - fonds canadien de protection des épargnants