

September 9, 2022

## More Good Drill Results from Romanera

### Drilling Continues at Romanera with 9 Rigs and 1 at Infanta

On September 8, 2022, Emerita Resources Corp. (EMO) announced drill results from both the Infanta and Romanera deposits which are part of its Iberia Belt West (IBW) project in Spain. There are currently nine drills active on Romanera and one at Infanta. In today's press release, three holes were released for Romanera and two from Infanta.

### Good Results from Romanera, but More Information Would be Helpful

At Romanera, the drill results published today were from two drill pads. One of the drill pads appear to be testing the area that has been drilled historically and the third (hole LR015) appears to have been drilled where there is a lower density, historically (see Figure 1).

Drill holes LR009 and LR013 were drilled on section 6700 and are approximately 250m apart. Both holes returned wide intercepts with good grades (when compared to the historical resource estimate of 34Mt grading 0.42% copper, 1.1% lead, 2.3% zinc, 0.8 g/t gold, and 44 g/t silver). LR009 returned two wide intercepts of 6.7m grading 0.3% copper, 1.4% lead, 4.2% zinc, 0.84 g/t gold and 102.4 g/t silver which equates to 3.90% copper equivalent (CuEq) using our long-term commodity forecasts and 16.5m grading 0.20% copper, 3.10% lead, 3.60% zinc, 2.29g/t gold, 254.70g/t silver which equates to 6.75% CuEq. Gold and silver account for 45% and 66% of the CuEq grades, respectively.

Drill hole LR013 returned two wide intercepts of 4.2m grading 0.10% copper, 1.50% lead, 1.10% zinc, 0.94g/t gold, 43.50g/t silver (2.07% CuEq) and 20.6m grading 0.90% copper, 0.50% lead, 0.80% zinc, 0.53g/t gold, 46.90g/t silver (2.22% CuEq). Both of these results are slightly lower grade than the historic resource grade of 2.61% CuEq.

Drill hole LR015 was drilled at the western edge of historic drilling and intercepted 20.5m of massive pyrite with no economic metal.

The drill results from the two holes at Infanta (IN060 and IN061) returned decent grades, but the widths were quite narrow. In our view, the results from Infanta are similar to the recent drilling from that deposit. We think that EMO needs to find additional exploration targets at Infanta as it would appear that the better parts of the deposit have been somewhat well defined and that incremental drilling is not adding significant value.

Overall, we think the results from Romanera continue to impress with good grades and widths. The precious metal grades continue to drive the rock value when compared to historical results. It will be interesting to see if that changes as the drilling continues. It would be helpful, in our view, if EMO provided more information and context for the drill results and how they relate to the historical drilling. That, we believe, would help investors better understand the progress being made by EMO.

Due to weather-related issues, EMO's drilling has been restricted (no drilling between 2PM and 8PM), but that is expected to be lifted by September 21 at which time 24-hour operations can resume.

### Lowering Target to Reflect Lower Assumed Tonnage at Infanta

Overall, we believe the Romanera drill program is progressing well. As noted, additional information would be very useful, if it is available, to help put the results in context of the previous work. We are reducing our target price to \$3.75/sh, mostly driven by a reduction in the tonnes we have assumed for our Infanta valuation. We maintain our SPECULATIVE BUY rating.

#### KEY INFORMATION

Price	C\$0.84
Price Target	C\$3.75
Rating	SPECULATIVE BUY
Market Cap (\$M)	C\$171.33

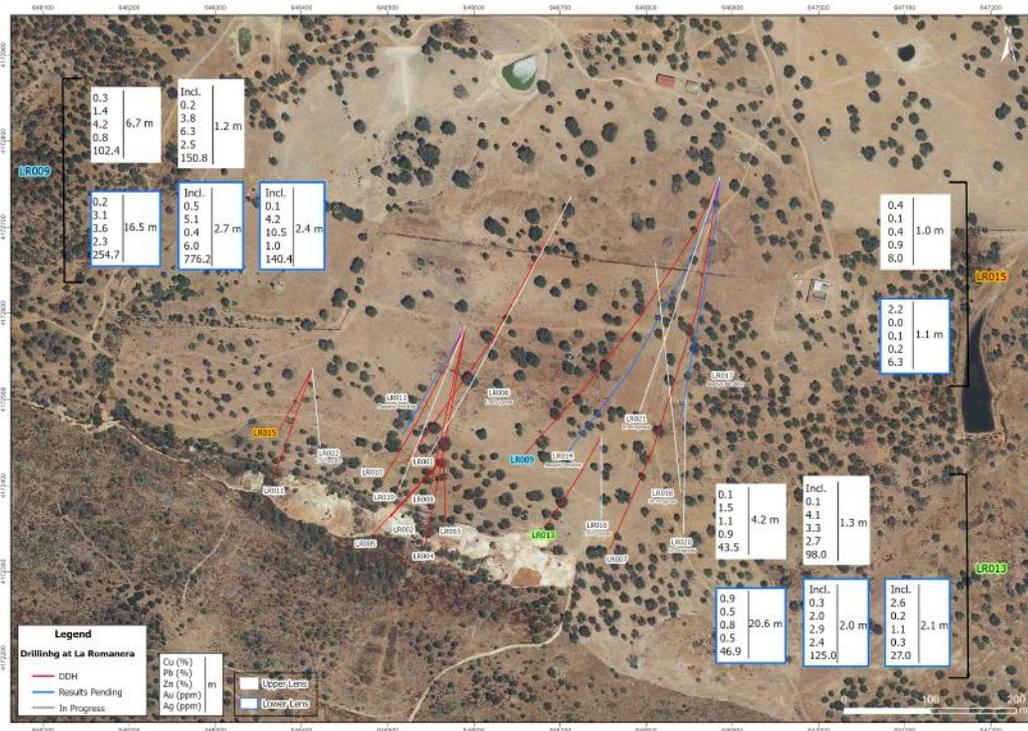
#### MARKET DATA

EMO-TSXV	C\$0.84
Average Daily Volume	0.61
52 Week Range	C\$4.14 - C\$0.83
Enterprise Value (\$M)	C\$144.6
Cash (\$M)	C\$23.66
Shares Out. (MM)	202.8
Debt (\$M)	C\$0.00
Cash balance as of March 31, 2022	

#### ANALYST INFORMATION

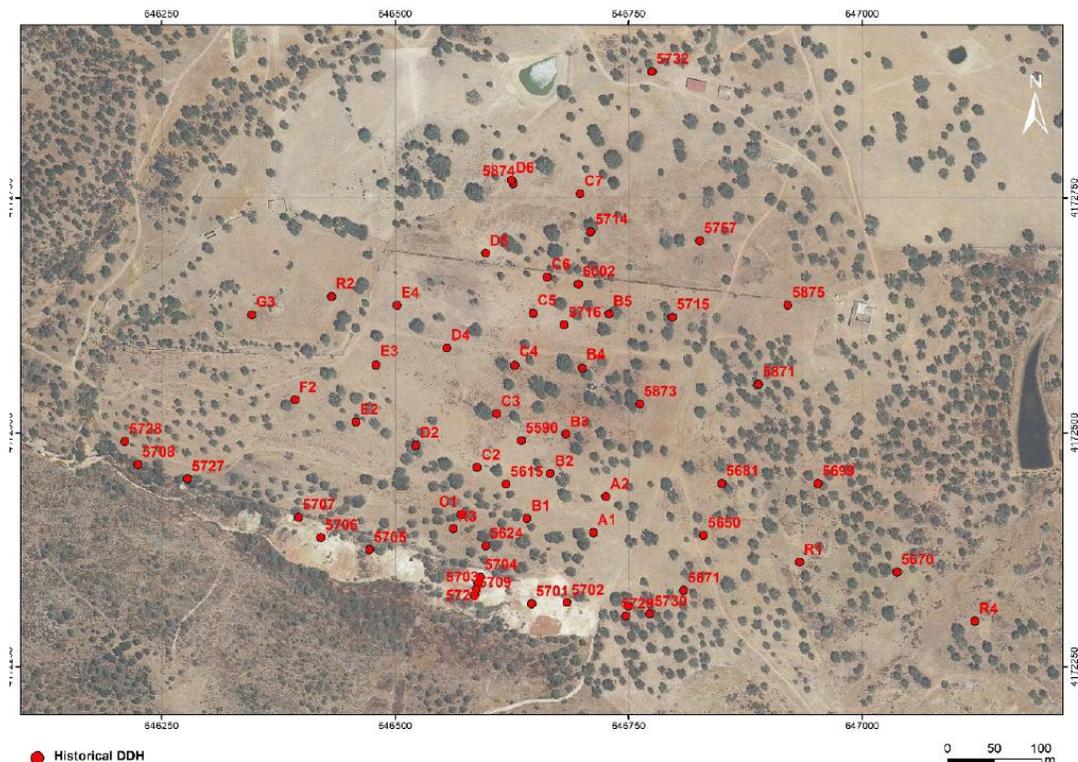
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Figure 1 - Romanera - Drill Traces and Results



Source: Company filings

Figure 2 - Romanera - Historic Drill Collar Locations



Source: Company filings

Figure 3 - September 8, 2022 Drill Results

DEPOSIT	DDH	FROM	TO	Width (m)	Cu %	Pb %	Zn %	Au g/t	Ag g/t	CuEq %
LA ROMANERA	LR009	560.7	567.4	6.7	0.30%	1.40%	4.20%	0.84	102.40	3.90%
	incl.	566.2	567.4	1.2	0.20%	3.80%	6.30%	2.54	150.80	6.99%
	LR009	581.3	597.8	16.5	0.20%	3.10%	3.60%	2.29	254.70	6.75%
	incl.	581.3	584	2.7	0.50%	5.10%	0.40%	6.02	776.20	14.84%
	incl.	590.7	593	2.4	0.10%	4.20%	10.50%	1.01	140.40	7.20%
	LR013	223	227.2	4.2	0.10%	1.50%	1.10%	0.94	43.50	2.07%
	incl.	223.9	225.2	1.3	0.10%	4.10%	3.30%	2.72	98.00	5.47%
	LR013	267	287.6	20.6	0.90%	0.50%	0.80%	0.53	46.90	2.22%
	incl.	268	270	2	0.30%	2.00%	2.90%	2.41	125.00	5.04%
	incl.	285.6	287.6	2.1	2.60%	0.20%	1.10%	0.27	27.00	3.54%
INFANTA	LR015	249.4	250.4	1	0.40%	0.10%	0.40%	0.92	8.00	1.36%
	LR015	267.4	268.5	1.1	2.20%	0.00%	0.10%	0.19	6.30	2.45%
	IN060	96.3	97.9	1.6	1.70%	3.50%	7.30%	0.95	71.3	6.70%
	IN061	120.5	122.5	2.1	0.40%	1.50%	2.20%	0.35	40.2	2.27%
	IN061	191.7	196	4.3	0.90%	1.80%	5.40%	0.18	55.4	4.02%

Source: Company filings, RCC estimates

## 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.

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

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