

October 14, 2022

## More Drill Results from Romanera

### Aggressive Drill Program with 13 Drills Active

On October 13, 2022, Emerita Resources Corp. (EMO) reported the results of four drill holes from its ongoing exploration program at its Romanera deposit which is part of the Iberia Belt West project in Spain. Three of the four holes intersected base metal and precious metal mineralization while one encountered mostly pyrite without precious metals or target base metals.

EMO has 13 rigs operating on a 24-hour basis at Romanera which should help ensure a fairly steady stream of news and accelerate the company's ability to generate a new, 43-101 compliant resource.

### Mixed Results as EMO Tests Strike Outside Historical Resource

Three holes, LR028, LR024 and LR020 were aligned to intercept mineralization at approximately 225m depth and across 450m of strike (see Figures 1,2 & 3). Both LR024 and LR028 intersected both the upper and lower lenses while LR020 only cut the lower lens.

Hole LR024 was drilled within the area previously defined by the historic resource while LR028 and LR020 were drilled equidistant to the west and east of LR024 and were drilled outside of the historic resource. Management of EMO believe this demonstrates a strike of 450m at that depth.

In our view, the results were mixed. Two of the three broad intercepts in LR020 and LR028 were below the historical copper equivalent (CuEq) grade and the widths of both the upper and lower lenses in LR028 were quite narrow (4.4m and 2.8m) compared to the average of EMO's drilling (12.8m) and the grades were fairly low, especially given the widths. LR020 cut only one lens with a wide intercept of 16.6m with a grade of 2.33% CuEq.

LR024 was, in our view, the best hole (drilled in the historic resource) with two wide intercepts (10.6m and 30m) grading 6.55% CuEq and 3.89% CuEq, respectively.

The company believes that the drilling has demonstrated the existence of two sub-parallel lenses that merge to the west and appear to continue below the depth of EMO's drilling. The company believes that the full strike extent has yet to be tested and that there is the potential for the deposit to continue below 500m depth.

### A New Resource Should Help Solidify Romanera's Value to Investors

Overall, we think the drilling is successfully demonstrating the validity of the historic resource while highlighting the potential to significantly increase the size of the deposit. Given the significant number of drills and effort EMO is putting into Romanera, we think the company should be able to generate a new, updated mineral resource estimate in 2023.

We reiterate our SPECULATIVE BUY rating and our \$3.75/sh target price.

#### KEY INFORMATION

Price	C\$0.85
Price Target	C\$3.75
Rating	SPECULATIVE BUY
Market Cap (\$M)	C\$173.66

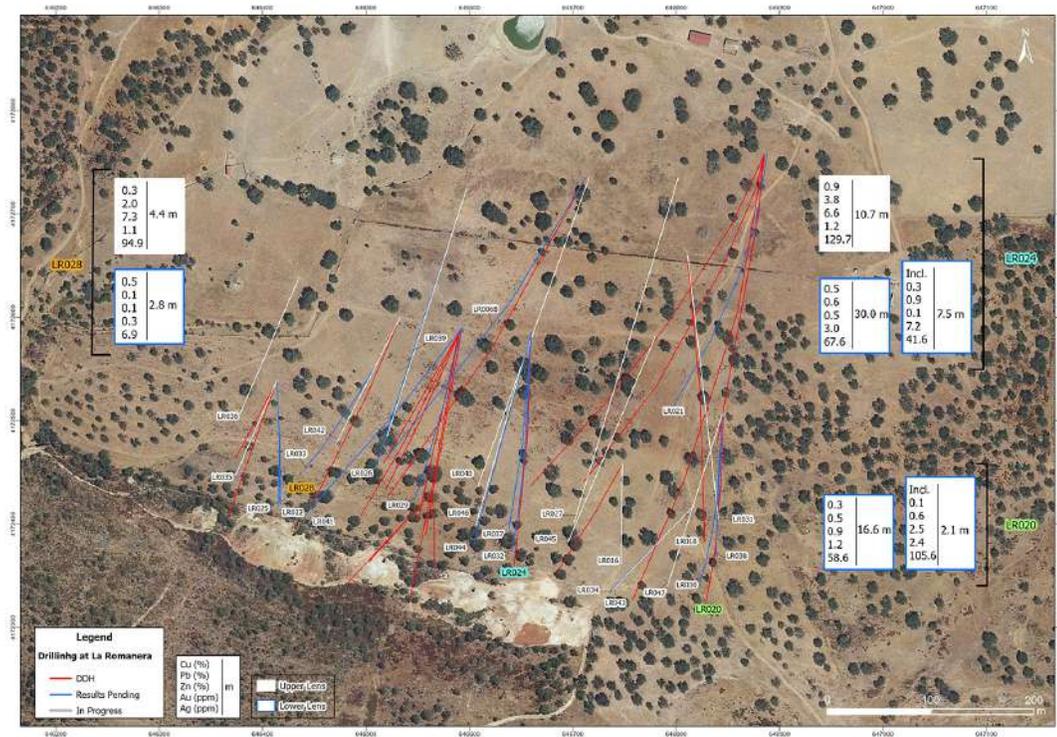
#### MARKET DATA

EMO-TSXV	C\$0.85
Average Daily Volume	0.54
Book Value	
52 Week Range	C\$4.14 - C\$0.74
Enterprise Value (\$M)	C\$146.9
Cash (\$M)	C\$23.66
Shares Out. (MM)	204.0
Debt (\$M)	C\$0.00
Cash balance is from June 30, 2022	

#### ANALYST INFORMATION

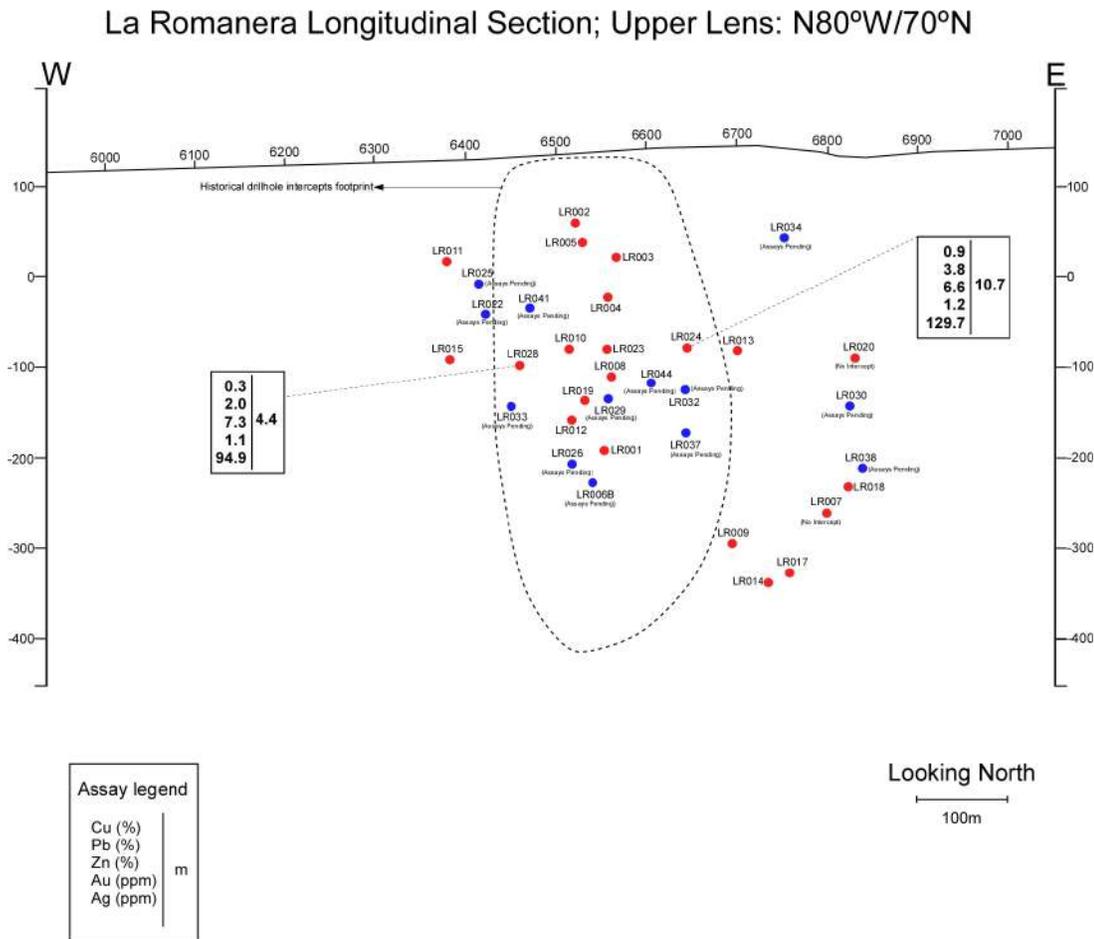
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Figure 1 - Map of Romanera Drilling with Current Results Highlighted



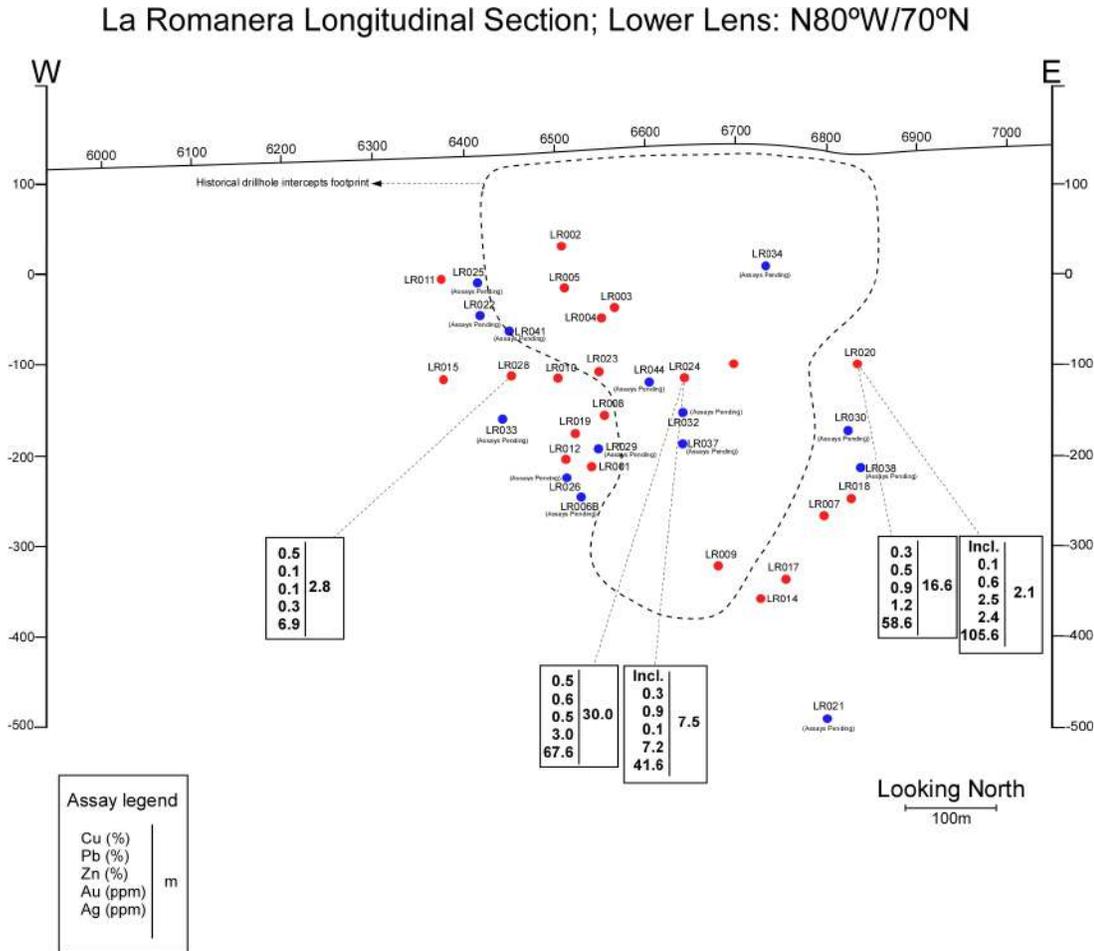
Source: Company filings

**Figure 2 - Romanera Cross Section Showing Upper Lens and Outline of Historic Resource**



Source: Company filings

Figure 3 - Romanera Cross Section Showing Lower Lens and Outline of Historic Resource



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

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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](http://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.

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