

November 3, 2022

More Results from Romanera

Adding Another Rig and El Cura Next on Deck for Drilling

On November 3, 2022, Emerita Resources Corp. (EMO) reported six drill hole results from its ongoing exploration program at its Romanera deposit which is part of the Iberia Belt West project in Spain. Emerita has increased the number of drills at Romanera by one to 14 which is, in our view, a very aggressive drill program. The company also announced that two drills will start drilling the El Cura deposit in December - El Cura lies between Romanera and Infanta.

Not Emerita's Best Set of Holes, But Still Looking Quite Good

As noted, six holes were drilled at Romanera. Three holes (25, 26, and 33) were drilled to the west of the known deposit at various depths, two holes (32 and 6B) were drilled in the central portion of the deposit and, 30 was drilled to the east (see Figures 1, 2 and 3).

Two of the three holes drilled to the western side of the deposit were quite good with wide intercepts reported. Hole LR025 intercepted the lower lens for 11.2m, 184.2m downhole and cut mineralization grading 0.4 % Cu; 1.5 % Pb; 4.2 % Zn; 0.8 g/t Au and 60.8 g/t Ag which equates to 3.54% copper equivalent (CuEq, using our long-term price assumptions). LR026 intercepted the upper lens for 16.9m, but that portion of the deposit was mostly pyrite (not unexpected in a VMS deposit). LR026 cut the lower lens for 16.3m starting 457m downhole and graded 0.4 % Cu; 0.2 % Pb; 0.4 % Zn; 0.7 g/t Au and 16.0 g/t Ag (1.27% CuEq) - these grades may be marginal for an underground mine depending on the cut-off that is determined when a resource is estimated. Lastly, LR033 intercepted 2.6m grading 2.51% CuEq which is clearly still in the VMS system, but thin and lower grade than the average.

The two holes drilled in the centre of the known deposit (32 and 6B) and both returned decent results. Hole 6B cut both the upper and lower lens (but the upper was a very thin intercept of 0.5m). The lower lens intercept of 40.7m grading 0.30% copper, 0.70% lead, 0.50% zinc, 1.64g/t gold, 32.30g/t silver (2.27% CuEq). In our view, the thickness and grade of 6B is quite robust. Hole 32 targeted a zone 250m below surface and cut both lenses. In the upper lens, it cut the upper lens for 4.6m grading 1.5 % Cu; 0.1 % Pb; 0.0 % Zn; 0.5 g/t Au and 39.1 g/t Ag and in the lower lens it cut 7.5 m grading 0.2 % Cu; 0.7 % Pb; 1.0 % Zn; 1.8 g/t Au and 43.8 g/t Ag.

Emerita also noted that the new drill rig that is being deployed at Romanera that is capable of drilling shallow angle holes which will be used to target the upper portion of the deposit as highlighted by the red ellipse in figure 3.

Overall, the results published today help expand the footprint of the deposit with the intercepts that lie outside of the historical resource. The grades were lower than previous drilling (a weighted average of 2.45% CuEq compared to the previous holes that have a weighted average of 4.26% CuEq). However, an underground grade of 2.45% copper equivalent could still be an economic portion of the deposit (depending on a number of factors).

Emerita is aggressively drilling the Romanera deposit and we think the company's future mineral resource estimate will likely improve on the historical estimate and we see the opportunity for it to grow with the results the company has produced from drill intercepts outside the historical resource.

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

KEY INFORMATION

Price	C\$0.79
Price Target	C\$3.75
Rating	SPECULATIVE BUY
Market Cap (\$M)	C\$161.19

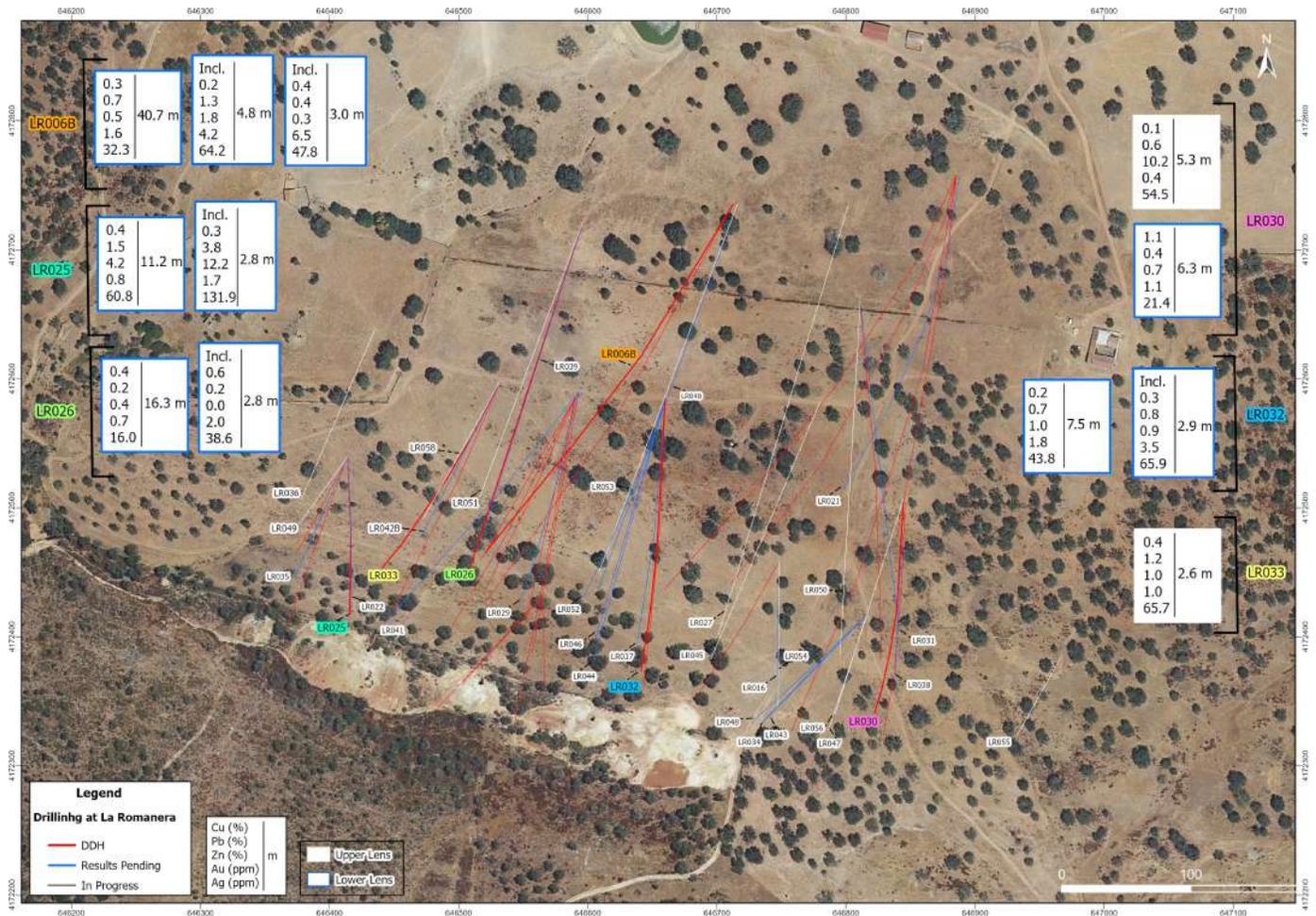
MARKET DATA

EMO-TSXV	C\$0.79
Average Daily Volume	0.47
Book Value	C\$0.14
52 Week Range	C\$4.14 - C\$0.72
Enterprise Value (\$M)	C\$138.0
Cash (\$M)	C\$23.66
Shares Out. (MM)	204.0
Debt (\$M)	C\$0.00

ANALYST INFORMATION

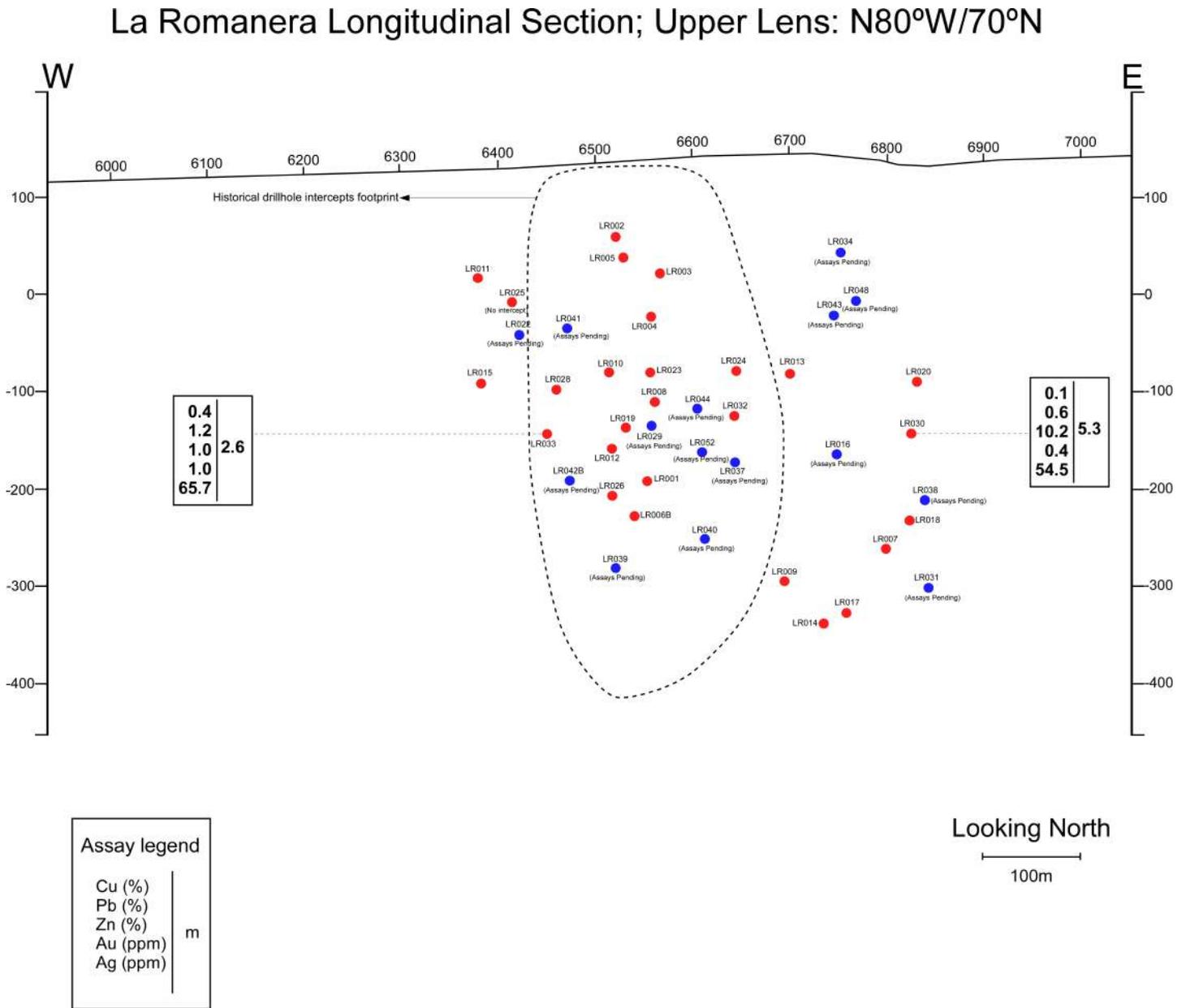
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Figure 1 - Location map, La Romanera Deposit drill holes LR006B, LR025, LR026, LR030, LR032 and LR033



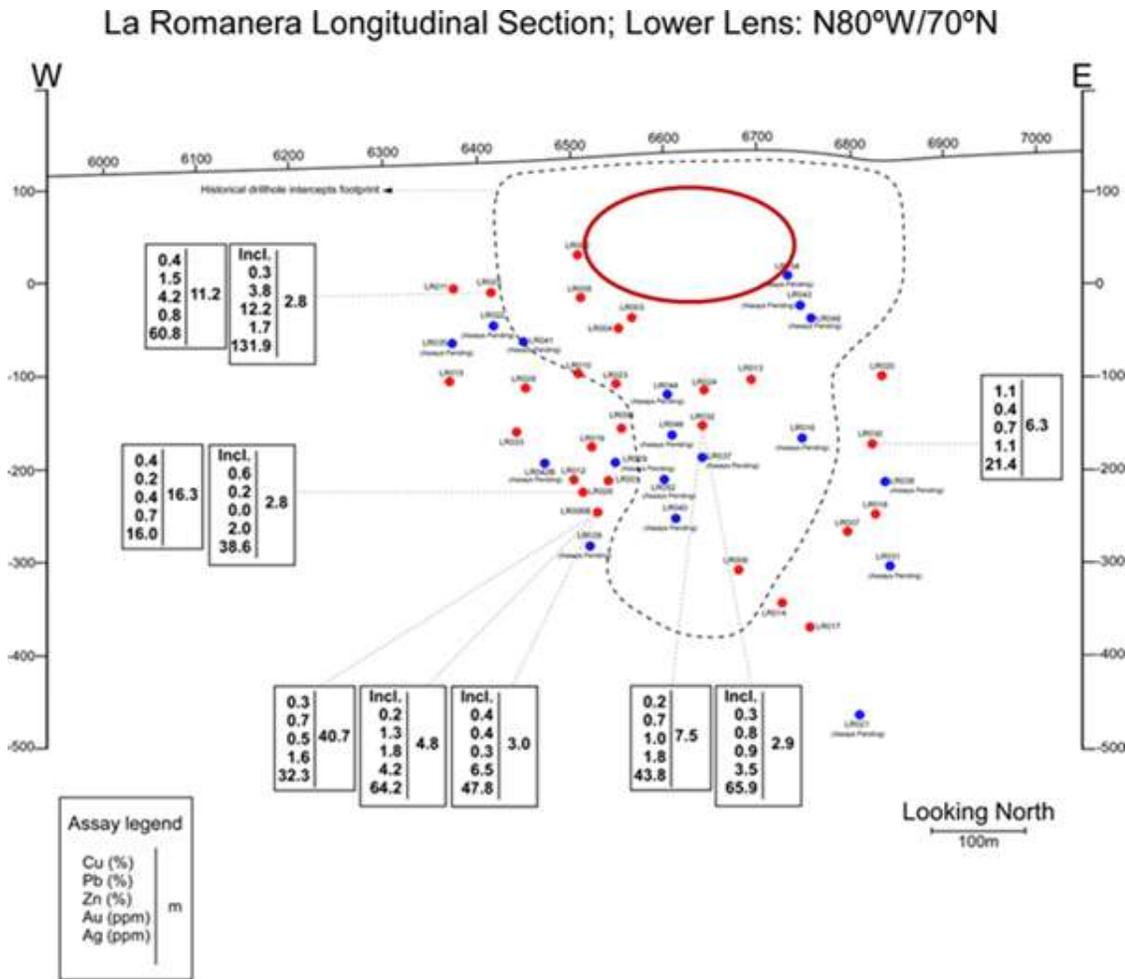
Source: Company Filings

Figure 2 - Longitudinal section showing intercepts in the Upper Lens, La Romanera Deposit



Source: Company filings

Figure 3 - Longitudinal section showing intercepts in the Lower Lens, La Romanera Deposit



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 and 2023 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 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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