CLARUS SECURITIES INC.

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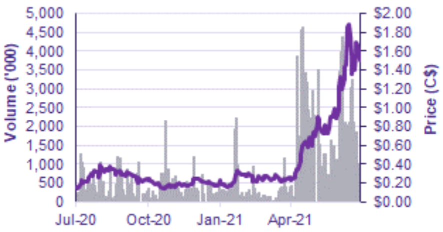
Emerita Resources Corp.

EMO-TSX.V: $1.72
Rating: Speculative Buy
Target: $4.50

Emerita Resource Corp. (EMO-TSX.V)	
Stock Data	
Previous Close (C$)	$1.72
52-Week High-Low	$2 / $0.13
Avg. Daily Volume (3M)	1,731,578
Basic SO (MM)	168
Fully Diluted SO (MM)	224
Market Cap. (C$ MM)	$289
Cash (C$ MM)	$27
ITM Options & Warrants (C$ MM)	$22
Debt (C$ MM)	$0
Enterprise Value (C$ MM)	$262
Company Information	
Projects	IBW (100%) / Aznalcollar (ongoing legal dispute)
Project Location	Iberian Pyrite Belt, Spain
Clarus Estimates	
Implied return to target price	162%
Clarus Est. Resources (MM lbs ZnEq)	15,827
EV/lb Valuation (C$/lb ZnEq)	$0.02
Combined LOM Production (MM lbs ZnEq/year)	577
LOM Cash Costs (co-product), US$/lb ZnEq	$0.56
P/NAV	0.27x
Management	
CEO	David Gower
President	Joaquin Merino-Marquez
Shareholders *(source: Refinitiv Eikon)*	
Eric Sprott	11.2%
Palos Management Inc.	0.3%
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.

Tier-1 Polymetallic Developer in World-Class VMS Camp

July 23, 2021

Emerita has consolidated an enviable portfolio of advanced high grade polymetallic projects with significant copper and precious metals credits on the Spanish side of the Iberian Pyrite Belt (IPB) – several similar deposits on the belt have been mined for generations with a number of majors active in the region. The company currently owns 100% of the IBW project that has sizeable historic resources with an in-situ value of ~US$4 Bn for the high grade (12 Mt at 12.9% ZnEq) portions alone. We believe IBW offers a significant resource growth potential and a high grade development opportunity that could drive a significant re-rating of the stock from its current level.

We believe the big prize for Emerita will be the awarding of the tender for the world-class, past-producing Aznalcollar mine that is the subject of an ongoing criminal legal dispute. Aznalcollar is a prolific project with several historic deposits identified or mined on the property, including the robust Los Frailes deposit that was mined from 1996 to 1998. Los Frailes has a massive and robust historic resource of 71 Mt, with an in-situ value of ~US$6 Bn for just the high grade underground portion (20 Mt at 12.6% ZnEq) and can be fast tracked to production as it has been significantly de-risked. Aznalcollar offers massive exploration upside from Los Frailes and the numerous other known deposits on the property that could eventually support multiple decades of mine life. In our opinion, a final decision on the legal dispute is in sight and we are encouraged by the court rulings to date, pointing to the potential for a favourable outcome for EMO – a major near-term re-rating catalyst. We are initiating coverage with a ***SPECULATIVE BUY*** *rating and a target price of* ***$4.50*** *per share that is based on a 0.6x combined NPV5% of IBW and 50% of Aznalcollar.*

Potentially Two Tier-1 Assets in the IPB: If EMO wins the Aznalcollar legal dispute, it will have two significantly de-risked polymetallic assets with one of the highest ZnEq grades globally (Figure 1, Figure 16), located in the heart of the Iberian Pyrite Belt. We believe both assets are amenable to underground mining and will eventually produce at a combined rate of 550 – 600MM lbs/year ZnEq (~25% of which is Cu, Ag & Au) at the lowest quartile costs, generating a total annual FCF of +US$300 MM. Spain's Andalusia region has recently designated underground mining as strategically important for the region and approved the underground expansion of Las Cruces mine that is located ~20km from Seville and ~10km from Aznalcollar. This came on the heels of EU's €3.10 Bn strategic investment initiative for mine development in the IPB. We view these policy initiatives as favourable for permitting and development of Emerita's projects.

Potential For Outsized Returns: We believe the IBW project alone could drive a significant re-rating of the stock (+75%) from current level with our estimated valuation of $3.00/share for Emerita in the scenario where the Company is not awarded Aznalcollar. If Emerita is awarded Aznalcollar, we would remove the 50% discount currently applied to the asset in our valuation and our target price would be $6.25/share (Figure 6). Conversely, if Emerita is not awarded Aznalcollar, our target price would reduce to $3.00/share (based on IBW alone).

Positive Developments on Aznalcollar Court Proceedings: All three levels of judiciary have sided with EMO in concluding a commission of crime in the Aznalcollar tender process with a final verdict expected in the H2/21. Under Spanish law, once a crime has been established in awarding a public tender, the bid must go to the next qualified bidder, EMO being the only one in this case. We believe a favorable decision on Aznalcollar will immediately add C$225-$250 MM to EMO's market cap based on the in-situ valuation of just the high grade component (20 Mt at 12.6% ZnEq) of the historic resource at the Los Frailes lens.

High Impact Drilling At IBW Offers Near-Term Growth: IBW has seen significant historic drilling (~25,000 m in 1970s and 80s) by credible operators incl. Phelps Dodge and Rio Tinto, resulting in a historic resource of 34.8 Mt, incl. a high grade subset of 12 Mt at 12.9% ZnEq (US$330/t rock) at Romanera and La Infanta (combined). There are significant precious metals credits with US$115/t in rock value from Cu, Ag & Au in the high grade portion. We believe the drilling planned in 2021 could drive a doubling or more of the historic resource at IBW towards +20 Mt with a resource update expected in Q1/22.

Romanera's high grade portion of the historic resource (11.2 Mt at 11.9% ZnEq) is defined over ~400 – 500m strike and drilled to 350m depth where it is 20m wide and remains open (20m at 13.4% ZnEq). We estimate that every 100m vertical extension could add 2 – 4 Mt to the resource, indicating potential for a 15 – 20 Mt resource with just a 200m vertical extension at Romanera.

La Infanta (0.8 Mt at 26.5% ZnEq) was drilled over only 600m of strike and to 120m depth due to the limits of the historic exploration license and remains open along strike for 1.2km and at depth. This indicates resource growth potential of up to 6x of the historic resource at La Infanta. We note that mines in the area can reach +1 km depth (Neves Corvo ~1.4 km deep). We believe the La Infanta resource will grow to ~2.5 Mt in the near-term.

Further, the El Cura deposit has a historic estimate of 1 Mt at +4% CuEq in academic publications. Currently, Emerita does not have access to the technical data for El Cura. Beyond this, the recently acquired gravity data suggests a parallel gravity anomaly/trend south of El Cura that has never been drilled before.

Currently, 5,000 m of drilling at La Infanta will test 1.2km of strike and 300m depth – initial drill results are imminent. Some of the deeper historic holes at La Infanta returned 5.3m at ~52% ZnEq and 3.6 m at 47.5% ZnEq and we expect the current drill program to confirm the high grade potential, while significantly expanding the resource. Drilling at Romanera and El Cura has been approved from the Mining Department, with environmental approvals expected shortly, allowing drilling to commence at these targets in the very near-term.

Aznalcollar – Massive Historic Resource & Massive Growth Potential: The Los Frailes lens has a large open-pittable historic resource of 71 Mt containing a higher grade and potentially underground subset of 20 Mt at 12.6% ZnEq or US$320/t rock value. The deposit is drilled only to open pit depths and seems to be widening at depth, as indicated by the intercept of 38.4m at ~6.7% ZnEq at ~300m depth. We estimate that every 100 m down-dip extension could add 5 – 10 Mt, increasing the resource towards +40 Mt with just a 200m vertical extension at Los Frailes alone. Further, management believes there may be another 20 – 40 Mt of higher grade ore (+4% CuEq) in the past producing Aznalcollar copper mine, in addition to at least two other known historic deposits and the recently acquired Nuevo Tintillo asset, a drill ready property ~10km from Aznalcollar. Importantly, Aznalcollar has 54MM oz at ~2.7 opt Ag in the high grade portion of the historic resource, providing significant by-product credits with ~US$65/t in rock value from Ag & Cu. While early, combining these targets may eventually support a high grade global resource of +70 Mt at the Aznalcollar project.

Aznalcollar – On A Rapid Path To Production: As a past-producing mine (1990s, Boliden AB), Los Frailes is reserves drilled and produced for only ~18 months from an open-pit operation before the tailings dam failure in 1998 and the subsequent closure of the mine. Emerita spent ~US$1 MM to produce a feasibility study level document covering various aspects, such as mine & mill plan, water treatment and community, for Los Frailes as part of their bid for Aznalcollar in 2014. As a result, we believe Los Frailes can be swiftly progressed towards production by 2026. We have based our model only on the Los Frailes lens that we believe will be ramp accessible, supporting low capital intensity and the wide and high grade mineralization will be amenable to the low-cost long hole stoping. We are estimating a throughput rate of 4,500 tpd, initial capex of C$400 MM and a production rate of 315MM lbs/year ZnEq over a 15 year mine life at C1 cash costs of US$0.54/lb ZnEq, amongst the lowest costs globally (Figure 3). This drives ~US$170 MM/year in FCF at the Clarus price deck (US$1.20/lb Zn) or ~US$190 MM/year at spot.

IBW Provides Internally Funded Growth Towards 550 – 600MM lbs/year ZnEq: While IBW is at an early stage, with significant drilling and technical studies required to de-risk the asset, we see similar potential here as at Aznalcollar. We are modelling IBW at a 3,500 tpd throughput rate for an initial capex of C$300 MM that we estimate can be internally funded by cash flows from the Los Frailes operations. We have assumed IBW to be in production by 2029, providing sufficient runway to de-risk the asset. We estimate a production rate of 262MM lbs/year ZnEq at an estimated C1 cash costs of US$0.58/lb ZnEq over a 12 year mine life. Combined, the two assets are expected to produce 577MM lbs/year ZnEq at US$0.56/lb ZnEq cash costs, generating a total FCF of +US$300 MM/year.

Strong M&A Appeal: In our opinion, the scale, location and grades of EMO's assets will result in significant M&A appeal with a number of majors already active in the region, incl. Lundin Mining, First Quantum, Glencore, Trafigura & Rio Tinto. We believe if EMO is awarded the Aznalcollar project, it will immediately result in the Company becoming a top target for acquisition. We highlight Arizona Mining's (Hermosa project) acquisition by South32 in 2018 for an implied valuation of C$2.1 Bn or C$0.07/lb ZnEq (Figure 8), with potential for better valuation for EMO in an acquisition scenario given the more permitting friendly location, higher grades, potential for lower capex and the prevailing higher commodity prices.

Strong Rerate Potential: Under our 'Base Case' assumptions of 34 Mt (12.6% ZnEq) for Aznalcollar and ~21 Mt (12.9% ZnEq) for IBW in global resource, EMO is currently trading at C$0.02/lb and 0.27x P/NAV (fully-funded), a steep discount of ~50% to peers trading at an average of C$0.05/lb and 0.48x, respectively (Figure 7). We believe near-term drill results from IBW will drive the stock higher, narrowing the valuation gap while a favourable resolution on the Aznalcollar dispute will be a significant re-rating catalyst that could immediately add C$225 - $250 MM to EMO's market cap (~$1.00 - $1.15/share value). In our opinion, the stock should eventually trade at a premium to peers given the excellent caliber of the assets and the strong M&A appeal.

Significant Upside Beyond Our Base Case Valuation: Our 'Base Case' valuation model for Aznalcollar is based only on the Los Frailes lens at Aznalcollar while there are multiple other deposits that could result in a doubling or more of our currently estimated mine life (~15 years). In addition, we apply a conservative 50% ownership-risk discount to account for the ongoing legal dispute over Aznalcollar. Our 'Upside Case' scenario, accounting for the resource growth opportunities conceptually bolsters our estimated Aznalcollar NPV5% by >100% to ~C$2.3 Bn and removing our risk factor results in a conceptual target price of $13.25/share based on 1.0x NPV.

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

Rating	SPECULATIVE BUY	Target Price	$4.50	Basic Shares O/S	168.3
12-Month Return	162%	Previous Close	$1.72	Market Cap., C$ MM	$289
				EV, C$ MM	$262

CAD MM except per share data, unless otherwise noted — CAD

CAPITAL STRUCTURE	Strike Price $/share	Shares (MM)
Basic Shares Outstanding		**168**
ITM Warrants Outstanding	$0.45	45
ITM Options Outstanding	$0.16	10
Assumed Equity Funding		51
FD Shares		**275**

NET ASSET VALUE (C$)		Discount rate	C$ MM	Onwership Risk	C$ MM	C$/share
Asset NAV						
Aznalcollar (100.0%), Spain		5.0%	$1,163	50.0%	$582	$2.12
IBW (100.0%), Spain		5.0%	$653	0.0%	$653	$2.38
Asset NAV Sub-Total					$1,235	$4.50
Multiple to Development Assets				0.60x	$741	$2.70
In-Situ Valuation *(Inventory not incl. in mine model)*		*ZnEq*				
Aznalcollar		3,677MM lbs	@ C$0.07 /lb	50.0%	$129	$0.47
IBW		2,330MM lbs	@ C$0.07 /lb	0.0%	$163	$0.59
In-situ Valuation Sub-total					$292	$1.06
Corporate Adjustments						
Cash					$27	$0.10
Value of ITM Instruments					$22	$0.08
Long-term Debt					-$240	-$0.87
Estimated Working Capital Additions					$400	$1.46
Corporate Adjustments Sub-total					$209	$0.76
Total Corporate NAV				C$/share	$1,242	$4.52

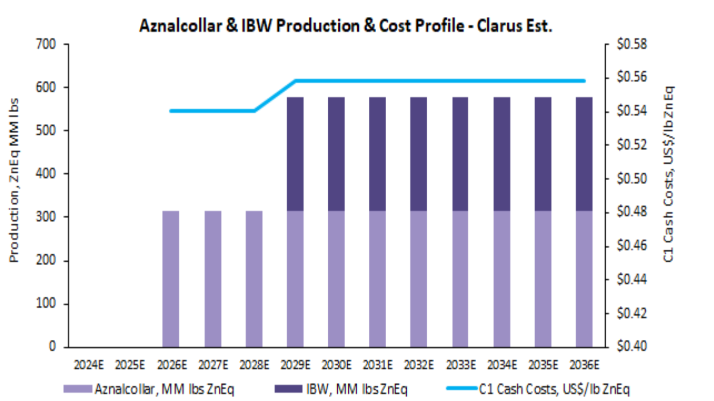
Target Price	C$/share	**$4.50**
P/NAV		0.27x

PRODUCTION ESTIMATES, *MM lbs ZnEq*						
Fiscal Year		2025E	2026E	2027E	2028E	2029E
Aznalcollar	MM lbs	-	315	315	315	315
IBW	MM lbs	-	-	-	-	262
Zinc Equivalent Production	***MM lbs ZnEq***	-	***315***	***315***	***315***	***577***

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)	($0.04)
Total Cash Costs (C1), co-prod.	***US$/lb ZnEq***	-	***$0.54***	***$0.54***	***$0.54***	***$0.56***
Sustaining Capex	US$/lb Zn	-	$0.12	$0.12	$0.12	$0.12
AISC (net of by-products)	US$/lb Zn	-	$0.10	$0.10	$0.10	$0.08
AISC (co-product)	***US$/lb ZnEq***	-	***$0.61***	***$0.61***	***$0.61***	***$0.62***

FINANCIAL SUMMARY					
Fiscal Year	2025E	2026E	2027E	2028E	2029E
Copper Price (US$/lb)	$3.00	$3.00	$3.00	$3.00	$3.00
Zinc Price (US$/lb)	$1.20	$1.20	$1.20	$1.20	$1.20
Gold Price (US$/oz)	$1,600	$1,600	$1,600	$1,600	$1,600
Silver Price (US$/oz)	$21	$21	$21	$21	$21
EPS	$0.00	$0.47	$0.48	$0.51	$0.96
P/EPS	nm	3.7x	3.6x	3.4x	1.8x
Target/EPS	nm	7.2x	7.1x	6.7x	3.5x
CFPS	$0.00	$0.96	$0.91	$0.80	$1.71
P/CFPS	nm	1.8x	1.9x	2.1x	1.0x
Target/CFPS	nm	3.6x	3.7x	5.6x	2.6x
Income Statement					MM
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
Net Income	$0	$103	$105	$112	$211
Cash Flow Statement					MM
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	-76%	71%	10%	1%	126%
Balance Sheet					MM
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
EMO Companywide	38	11.8%	9,820	



Source: Clarus Securities Inc.

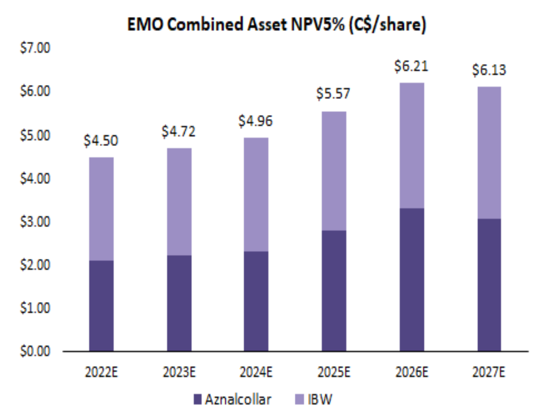
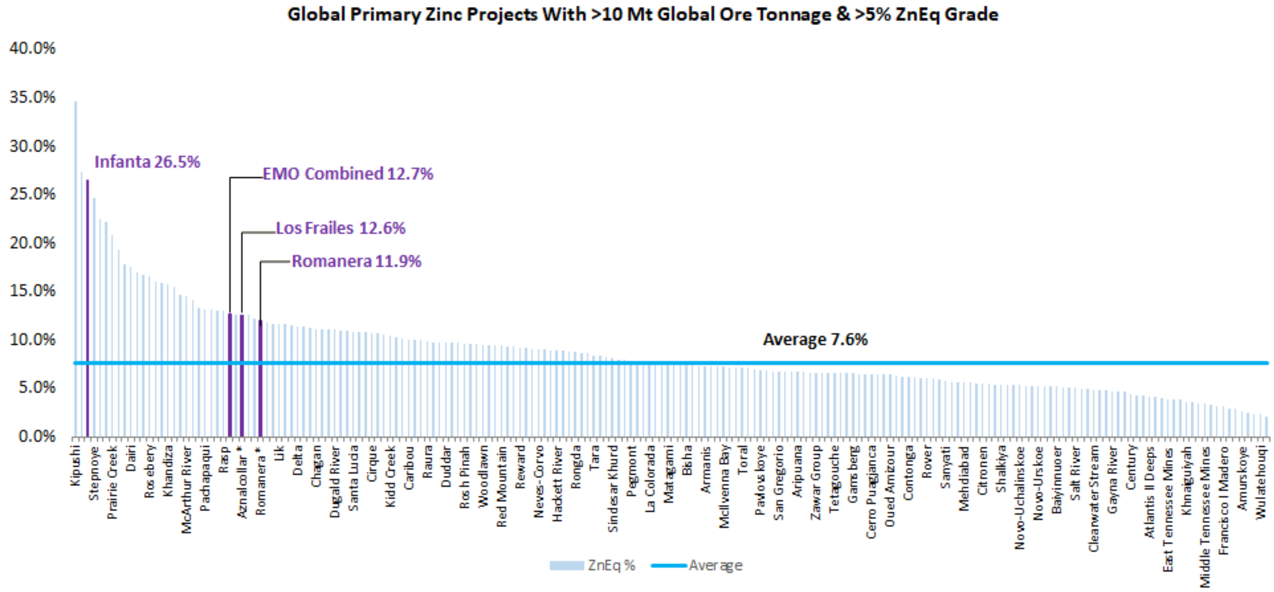
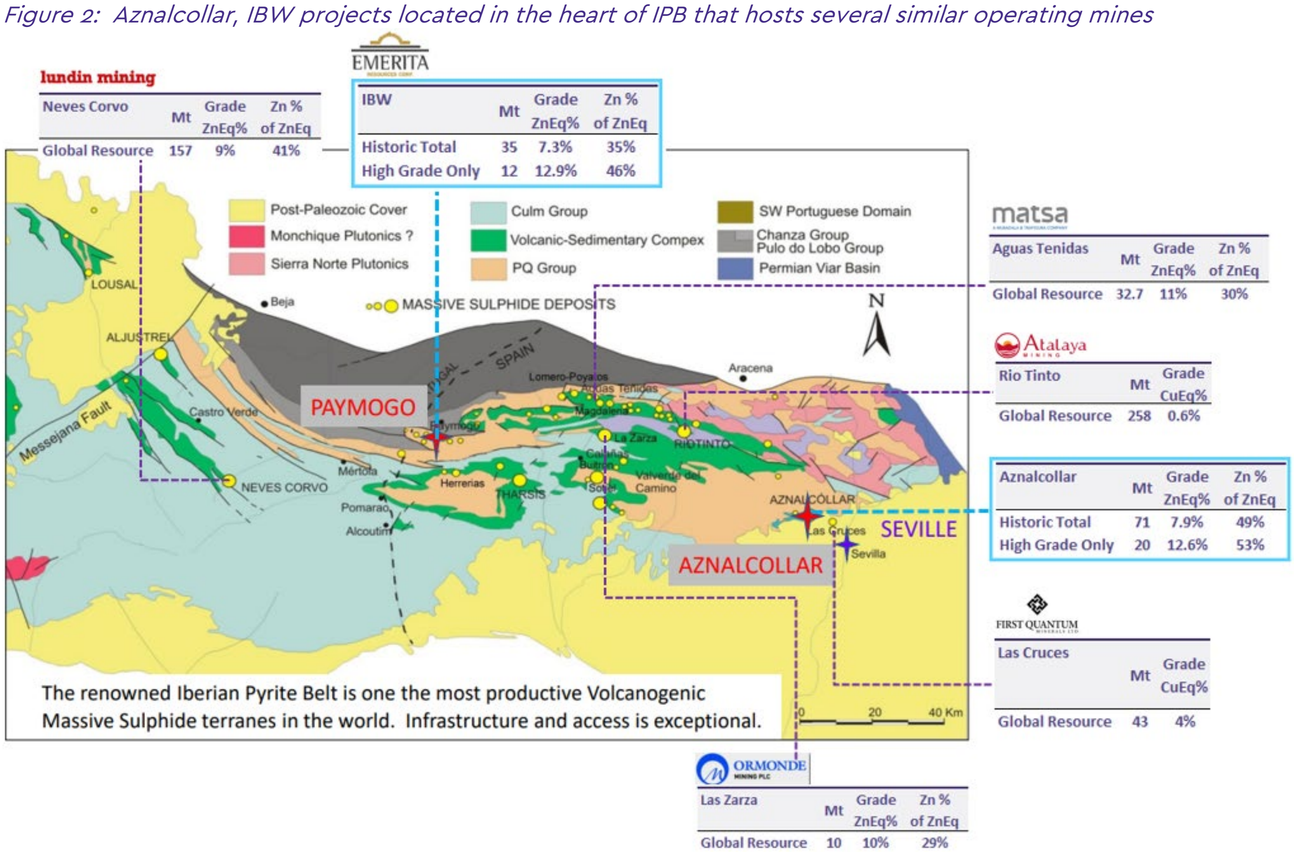


Figure 1: Aznalcollar & IBW – Amongst the Highest Grade (ZnEq) Projects Globally



Source: SNL, Clarus Securities Inc.

Figure 2: Aznalcollar, IBW projects located in the heart of IPB that hosts several similar operating mines



Source: Company Reports, SNL, Clarus Securities Inc.

Investment Thesis

Emerita Resources 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. The Company's 100% owned IBW project offers significant exploration upside that could easily see the high grade (12.9% ZnEq or US$330/t rock value) component of the historic resource double or more in size in the near-term (Q1/22). There are significant precious metals credits with 2.2 opt Ag and 0.9 g/t Au, implying US$115/t in combined rock value from Cu, Ag & Au in the high grade portions of the historic resources. We note that some of the historic drill holes at IBW were not assayed for precious metals, offering further upside from EMO's ongoing and future drilling programs. We eventually see the project developing into a mine given its high grades, mineable widths and excellent location & infrastructure. We believe the IBW project alone offers significant value proposition and M&A appeal, underpinning our speculative buy rating with our estimated valuation of C$3.00/share for Emerita in the scenario where the Company is not awarded the Aznalcollar project, implying a ~75% return from current levels.

In our opinion, the big prize for Emerita will be the awarding of the Aznalcollar public tender that is the subject of an ongoing legal dispute in the Spanish courts. Aznalcollar is a prolific project with several historic deposits identified or mined on the property, including the robust Los Frailes deposit. Los Frailes produced for 1.5 years (late 1990s) until the tailings dam failure and the subsequent closure of the mine. Los Frailes has a massive and robust historic resource of 71 Mt, with an in-situ value of ~US$6 Bn for just the high grade underground portion (20 Mt at 12.6% ZnEq) and can be fast tracked to production as it has been significantly de-risked. Aznalcollar offers massive exploration upside from Los Frailes and the numerous other known deposits on the property that could eventually support multiple decades of mine life. We believe Aznalcollar will be re-started as an underground mine in the next 5 years, transforming the asset into one of the top-10 primary-zinc underground mines globally, based on production (Figure 3). In our opinion, a final decision on the legal dispute is in sight and we are encouraged by the court rulings to date, pointing to the potential for a favourable outcome for EMO – a major near-term re-rating catalyst that could immediately add C$225 - $250 MM to the market cap (~$1.00 - $1.15/share value) and will make EMO amongst the top acquisition targets.

The IPB, one of the largest VMS districts in the world, stretches along much of the southern Iberian Peninsula, from Portugal to Spain and hosts several operating mines such as Neves Corvo, Aguas Tenidas, Las Cruces and Riotinto with numerous majors operating in the region, including Lundin Mining (LUN-TSX; NR), First Quantum (FM-TSX; NR), Glencore (GLEN-LSX; NR), Trafigura AG (pvt.) & Rio Tinto (RIO-LSX; NR). Both IBW and Aznalcollar have been tested to relatively shallow depths and remain wide open, indicating significant depth potential as multiple mines in the IPB go down significantly deeper, such as Neves Corvo (~1.4 km), Aguas Tenidas (~700 m) and Las Cruces (500 m and open).

While both IBW and Aznalcollar have large historic resources (combined total ~105 Mt at 7.7% ZnEq), we believe that the sizeable higher grade subset (32 Mt at 12.7% ZnEq combined) of the historic resource will be the Company's focus for resource growth and development in an underground mining scenario. With a cash balance of ~C$27 MM, EMO is well funded for an extensive exploration campaign. We note that the administrative council in Spain's Andalucia Region recently passed a law designating underground mining as strategically important. This comes on the heels of the EU's initiative of €3.10 Bn strategic investment in the IPB for mine development and related activities. We see these recent policy initiatives as favorable for development and permitting of the Company's underground mining projects. We further note that First Quantum's Las Cruces mine, located ~20 km from Seville (capital of Andalusia), was also recently (June 2021) approved for its underground sulphide mine and mill expansion. In our opinion, this sets an important precedence that bodes well for the permitting of future underground mining projects in the region.

If EMO succeeds in acquiring Aznalcollar, it will have two significantly de-risked assets with one of the highest ZnEq grades globally, located in the heart of the IPB. We believe both assets will eventually produce at a combined rate of 550 – 600MM lbs/year ZnEq at the lowest quartile costs before the end of this decade, with Aznalcollar being advanced to production in the next 5 years at 315MM lbs/year rate (Clarus est.). We estimate a combined annual FCF of +US$300 MM across the two assets. In our opinion, the scale, location and grades of these assets will drive significant M&A appeal for EMO, with a number of majors already active in the region.

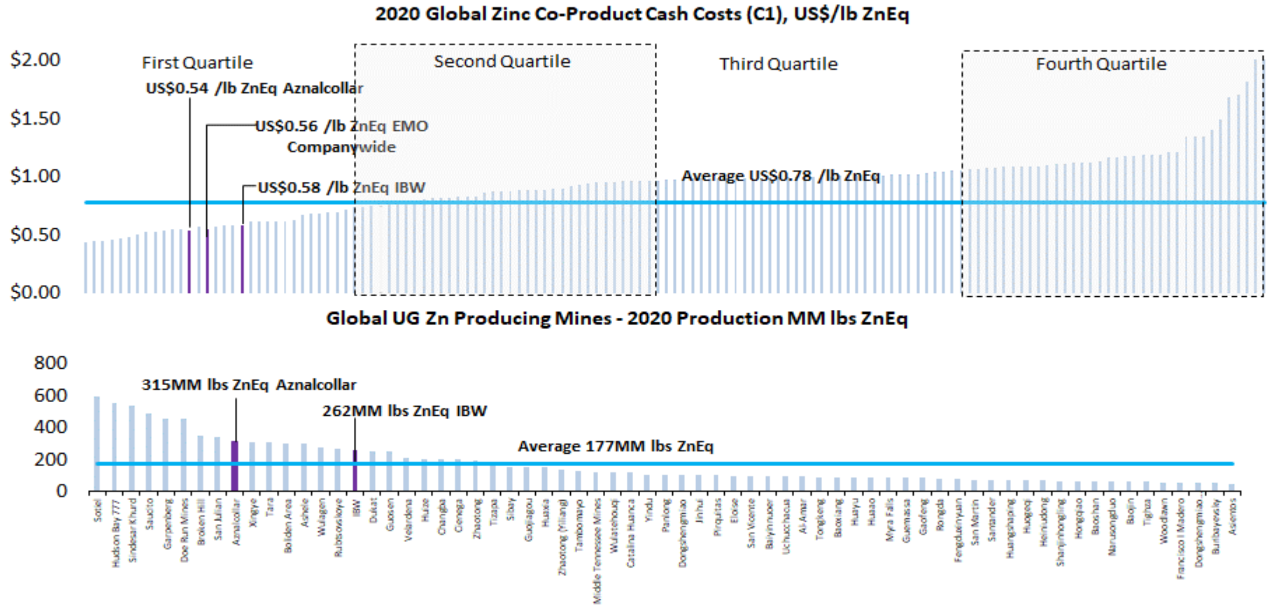
Under our estimates, EMO trades at C$0.02/lb and 0.27x P/NAV, a ~50% discount to peers trading at an average of C$0.05/lb and 0.48x, respectively (Figure 7). We believe near-term drill results from IBW will drive the stock higher, narrowing the valuation gap while a favourable resolution on the Aznalcollar dispute will be a significant re-rating catalyst. In our opinion, the stock should eventually trade at a premium to peers given the high grade nature, location and the strong M&A appeal. We highlight Arizona Mining's (Hermosa project) acquisition by South32 in 2018 for an implied valuation of C$2.1 Bn or C$0.07/lb ZnEq (Figure 8). We see potential for a better valuation for EMO in an acquisition scenario given the more permitting friendly location, higher grades, potential for lower capex and the prevailing higher commodity prices. Even using the same in-situ valuation implies a valuation of ~C$630 MM or ~$2.85/share (FD) for EMO (combined IBW & Aznalcollar), a ~65% premium to current levels.

We are initiating coverage with a SPECULATIVE BUY rating and a target price of $4.50 per share that is based on a 0.6x combined NPV of IBW and 50% of Aznalcollar. Awarding of Aznalcollar to EMO will see us removing the 50% discount on the asset, resulting in a target price of $6.25/share. Conversely, in the scenario where EMO is not awarded Aznalcollar, we will be removing the asset from our valuation model that will result in a target price of $3.00/share based on our estimated NPV for IBW under this scenario while maintaining our rating. While we believe that Emerita will likely be bought out by one of the several majors active in the region before it reaches the project development stage, our valuation analysis provides a framework for the potential valuation in an eventual buyout scenario.

CATALYSTS & RE-RATING MILESTONES

1. Aznalcollar resolution – H2/21 (Clarus expectation);
2. Initial drill results from the ongoing 5,000 program at La Infanta – coming weeks;
3. Environmental approval (AAU) for drilling at Romanera & El Cura – H2/21;
4. Commencement of drilling at Romanera (~10,000 m) & El Cura (~7,000 m) – H2/21;
5. IBW Resource Update – Q1/22.

Figure 3: IBW & Aznalcollar (Clarus Estimates) – Top Quartile Production & Lowest Quartile Costs, Globally



Source: SNL, Clarus Securities Inc.

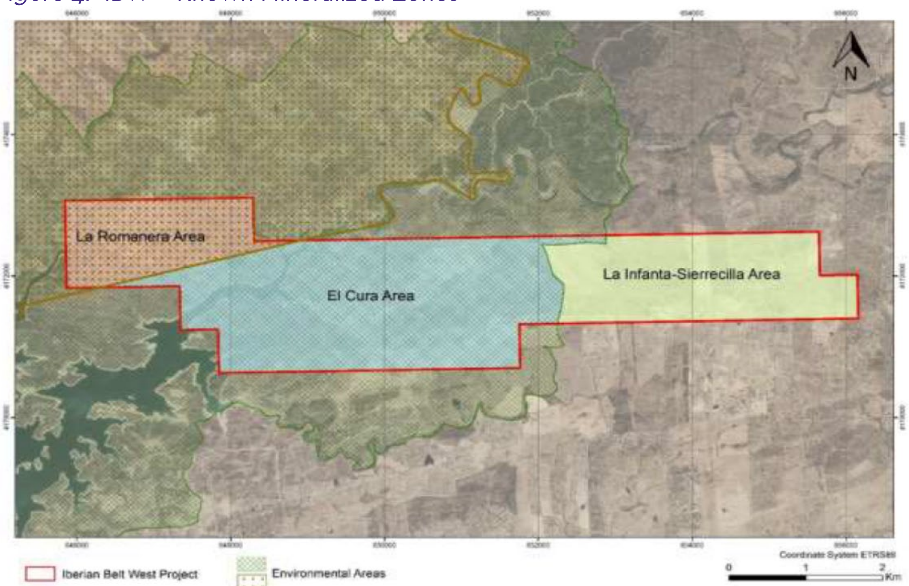
Company Background

Emerita Resources owns 100% of the Iberian Belt West (IBW) project (previously referred to as Paymogo). The project is located in the Huelva province in southwestern Spain within the Andalusia Region and lies on the Iberian Pyrite Belt. The project was acquired through a public tender process that was announced in 2013 by the Delegation of Huelva. The bidding process involved submission of an exploration work program and demonstrating sufficient financial capability & technical expertise in conducting the program. No cash payments were required for awarding of the project, making it one of the most capital efficient ways for acquiring projects in Spain. While the tender was resolved in favour of Matsa (a subsidiary of Trafigura) in June 2014, Emerita contended that the bid was assessed unfairly and appealed the resolution in Spanish courts. Post a long title dispute, the Supreme Court of Spain sided with Emerita's appeal in October 2019. Eventually, in June 2020 the Company was notified that it was the winning bidder of the IBW project.

In 2014, in a similar process, Emerita submitted a bid to acquire 100% of the past-producing Aznalcollar mine that also lies on the Iberian Pyrite Belt, in the Sevilla province of Andalusia Region, Spain. The tender was awarded to a consortium of Minorbis-Grupo Mexico in 2015. Subsequent investigations post appeals by Emerita revealed commission of criminal activities, resulting in filing of criminal charges against 16 individuals, including high ranking government officials. The next stage is the formal trial of the accused parties with an eventual outcome of a verdict based on the evidence already submitted and no new evidence is permitted. In our opinion, a final decision on the legal dispute over Aznalcollar is in sight and we are encouraged by the court rulings to date with three levels of courts siding with Emertia in levelling criminal charges against the defendants. Under Spanish law, if there is a commission of a crime in a public tender process, the award must be invalidated and the tender goes to the next qualified bidder, Emerita being the only qualified bidder in this case. While this makes us believe that Emerita will very likely be awarded Aznalcollar, we are currently, conservatively, only accounting for 50% of the project's value for our 'Base Case' target price.

2021 Exploration Program

Figure 4: IBW – Known Mineralized Zones



Source: Company Reports

IBW is currently comprised of three known mineralized zones (Figure 4) that have seen significant drilling historically by a number of operators, incl. Phelps Dodge, Rio Tinto & Asturiana, resulting in a sizeable historic resource at La Infanta and Romanera; currently management does not have access to the drill data for El Cura. The mineralization outcrops at surface and was historically drilled to relatively shallow depths as drilling was constrained by the limits of the historic exploration license. Emerita is the first operator to have consolidated all three mineralized zones under a single project that should allow the Company to properly test the limits of the mineralization, both along strike and at depth. Highlights from the historic drilling results:

- La Infanta – 49 historical holes drilled, totaling ~5,000 m; highlights: 5.3m at ~52% ZnEq (with 3.96% Cu & 280 g/t Ag) from 86.5m; 3.6m at 47.5% ZnEq (with 3.60% Cu & 149 g/t Ag) from 109.1m; 6.1m at 40.3% ZnEq (with 4.00% Cu & 115 g/t Ag) from 84m.
- Romanera – 52 historical holes totaling over 20,000m; highlights: 20m at 13.4% ZnEq (with 0.87 g/t Au & 62.8 g/t Ag) from 560m; 24m at 10.5% ZnEq (with 0.37 g/t Au & 27.2 g/t Ag) from 558m; 14m at 13.4% ZnEq (with 1.11 g/t Au & 32.14 g/t Ag) from 152m; 2m at 28.5% ZnEq (with 7.8 g/t Au & 74 g/t Ag) from 180m.

Spain has different classifications of land with respect to exploration permits. We have discussed the broad permitting requirements and status for the three zones at IBW below:

i. La Infanta – Falls within the classification where there are no environmental restrictions for exploration. The Mine Department has the authority to issue the permit post a 30-working-day public consultation window to allow for public comments on the reclamation plan, without further review by the Environment Department. The La Infanta deposit completed its public consultation window in April 2021, subsequently receiving the exploration permit. Management is currently carrying out a 5,000 m drill program at La Infanta with one drill rig (more details on this below).

ii. Romanera & El Cura – Both require an AAU (Spanish acronym for environmental authorization) which is essentially an approval from the Environment Department. Emerita submitted the required documentation for the AAU in April 2021. Mine Department has approved Emerita's proposed work program for El Cura and Romanera targets, subject to final approval from the Environment Department. We believe the AAU is imminent, allowing the Company to commence drilling on these targets in the coming weeks.

Management has recently completed surface sampling and mapping programs at La Infanta, El Cura and Romanera targets and is continuing with the program over the remainder of the IBW project to potentially identify new targets. Significant highlights from the surface sampling included 66.5% ZnEq (with 4% Cu, 462 g/t Ag & 0.87 g/t Au) from La Infanta and 30.8% ZnEq (with 5.24 g/t Au & 253 g/t Ag) from Romanera.

The 2021 exploration program comprises 20,000 – 25,000 m of drilling. Since the historic drilling was carried out by credible operators, Emerita's drill programs will primarily be focused on expansionary drilling, stepping out on known structures along strike as well as at depth with only a small proportion of the program going towards infilling/twinning to confirm the historic resources. Another important focus of Emerita's program will be to fill in the data gap for the historic drill holes that were not assayed for gold. With ~C$27 MM in treasury, this program is fully funded. ***Management has recently contracted a second drill rig which is now set up on site at La Infanta to accelerate the program and will allow drilling multiple targets simultaneously. Management intends to add a third rig later in the year with commencement of El Cura and Romanera drill programs***. 2021 drilling focus:

- ***La Infanta – Planned 5,000m in 30 holes***. The historic resource (0.8 Mt at 26.5% ZnEq) was tested to 120m depth and over 600m strike extent. Based on Emerita's mapping and surface sampling program, the Company plans to test ~1.2km of strike extent and up to 300m depth. This program could potentially double the strike extent and triple the vertical extent of the mineralization, drilling dependent. Some of the deeper historic holes at La Infanta returned 5.3m at ~52% ZnEq and 3.6 m at 47.5% ZnEq and we expect the current drill program to confirm the high grade potential, while significantly expanding the resource.

- ***Romanera – Planned ~10,000m***. The historic high grade portion of the resource (11.2 Mt at 11.9% ZnEq) is defined over ~400 – 500m strike and drilled to a depth of 350m where it is 20m wide and remains open. Management plans to test along strike to both east and west of the historic resource as well as down-dip, possibly to ~600m depth or a +200m vertical extension from the historic resource, drilling dependent.

- ***El Cura – Planned ~7,000m***. The mineralized samples from El Cura tend to be copper-gold rich with lower silver, zinc and lead than the other two deposits.

- The Company has acquired gravity data (Figure 9) that will guide the drill program and potentially help identify new targets that do not outcrop. In addition, the gravity survey indicates presence of parallel trend south of El Cura that has never been drilled before. Management also plans to carry out magnetic and EM surveys over the entire project to further support exploration.

- The Company also has ~C$22 MM worth of ITM options and warrants that may be exercised, providing additional liquidity to support follow up drill programs and exploration.

Management Track Record

David Gower, CEO and Director: David is a founding director of Emerita Resources. He has acted as Director for several junior and mid-size mining companies over the past 12 years, including President of Brazil Potash Corp. David spent over 20 years with Falconbridge (now Glencore) as Director of Global Nickel and PGM exploration and as a member of the Senior Operating Team for mining projects. He led exploration teams that made brownfield discoveries at Raglan and Sudbury, Matagami, Falcondo, and green-field discoveries at Araguaia in Brazil, Kabanga in Tanzania and Amazonas, Brazil. We believe his experience in leading exploration teams on VMS projects will be pivotal in unlocking the full exploration potential of Emerita's projects.

Joaquin Merino-Marquez, President and Director: Joaquin has more than 20 years of experience as a professional geologist. Previously, he was VP, Exploration for Primero Mining Corp. and VP, Exploration for Apogee Minerals Ltd. He has also worked at the Porgera mine with Placer Dome and at Hecla's La Camorra mine as a Mine Geologist and Exploration Manager.

Lawrence Guy, Director: Lawrence is CEO of North 52nd Asset Management Inc. Previously, Lawrence co-founded Navina Asset Management Inc. where he was the CFO until the company was acquired by Aston Hill Financial Inc. Subsequently, he was a Portfolio Manager with Aston Hill Financial Inc.

Valuation

While we believe that Emerita will likely be bought out by one of the several majors active in the region before it reaches the project development stage, our valuation analysis provides a framework for the potential valuation in an eventual buyout scenario. ***Our valuation for Emerita Resources is based on a DCF mine model for the IBW & Aznalcollar projects. Our target price of $4.50 per share is based on our 'Base Case' using 0.6x combined NPV5% of IBW and 50% of Aznalcollar***.

Aznalcollar was a past-producing mine and hence is significantly de-risked while the IBW project has seen significant drilling historically by credible operators. This gives us confidence in the historic resources and the growth potential, allowing us to value these assets using a mine model.

Aznalcollar Valuation

We are currently only accounting for the Los Frailes lens in our valuation for Aznalcollar as the most detailed information is currently only available for this deposit. Under our 'Base Case' scenario, we are assuming a global underground resource of 34 Mt at 12.6% ZnEq for the Los Frailes lens. This is based on a 200m vertical extension that we believe will add 14 Mt to the historic resource of 20 Mt. We have assumed a dilution of ~30% on the tonnes and ~10% on the grade to arrive at our estimated mineable inventory of 23Mt at 11.5% ZnEq for Los Frailes. While our mineable inventory assumption may eventually prove to be conservative given the significant exploration upside from multiple known deposits on the property, we believe this is reasonable at this stage.

We are assuming a 4,500 tpd underground mining and milling scenario with a conventional batch flotation flow sheet that will produce zinc, lead and copper concentrate with most of the precious metals reporting to lead and copper concentrates. The mineralization at Los Frailes outcrops in the historic open-pit and has been tested to 300m depth where it is wide open (~40 m widths). In our opinion, this will be ramp accessible and drive a relatively low initial capital intensity. Our estimated initial capex of C$400 MM (~US$320 MM) and our estimated unit operating costs of C$126/t are based on technical studies for comparable projects (Figure 15). Spain offers a stable political regime and a competitive taxation system (25% tax rate) with no royalties. Companies are allowed to recoup initial capital investments before they start paying taxes. We have assumed commencement of construction in 2024 with commercial production achieved in 2026. Under these assumptions, we estimate LOM production of 315MM lbs/year ZnEq at a cash cost of US$0.54/lb ZnEq over an ~15 year mine life (Figure 5). These assumptions result in our estimated asset NPV5% of ~C$1.16 Bn for Aznalcollar. We have accounted for 11 Mt (3,677MM lbs ZnEq) in our in-situ valuation at C$0.07/lb for the mineral resources that were not included in our mine model.

IBW Valuation

We are assuming a global resource of ~21 Mt at 13.8% ZnEq that only accounts for the resource growth potential from Romanera (+7 Mt from a 200m vertical extension) and La Infanta (~3x historic resource supported by vertical and along strike extensions). We have currently not attributed any value to El Cura or potential for new discoveries on the property. This drives our estimated mineable inventory of ~14.5 Mt at 12.4% ZnEq based on the same dilution factors as used for Aznalcollar.

We have assumed similar modelling parameters for IBW while building in more conservatism to reflect the relative early stage and the narrower widths of mineralization for the project as compared to Aznalcollar. We are modelling IBW at a 3,500 tpd throughput rate for an initial capex of C$300 MM that we estimate can be internally funded by cash flows from the Los Frailes operations. We are using C$143/t for unit operating costs. We have assumed IBW to be in production by 2029. We estimate a production rate of 262MM lbs/year ZnEq at an estimated cash costs of US$0.58/lb ZnEq over a 12 year mine life. These assumptions result in our estimated asset NPV5% of ~C$653 MM for IBW. We have accounted for 6.2 Mt (2,330MM lbs ZnEq) in our in-situ valuation at C$0.07/lb for the mineral resources that were not included in our mine model.

Target Price

Our fully-funded Total Corporate NAV per share is based on a 60%-40% debt/equity funding assumption for the initial capex for Aznalcollar. Our equity funding assumption results in a dilution of ~51 MM shares or a pro-forma FD shares of ~275 MM.

While we believe the ongoing legal dispute will likely be resolved in Emerita's favour, we have conservatively applied a 50% discount on the Aznalcollar asset NPV to reflect this risk. In addition, we are using a 0.6x target setting multiple to discount the resource growth, engineering and execution risk in the absence of a technical/economic studies. We have also accounted for corporate adjustments. This results in our fully-funded Total Corporate NAV for EMO of C$1.24 Bn or C$4.52/share. At spot commodity prices, our estimated corporate NAV increases to ~C$5.00/share.

Figure 5: EMO – Clarus Target Price

NET ASSET VALUE (C$)	Discount rate	C$ MM	Onwership Risk	C$ MM	C$/share
Asset NAV					
Aznalcollar (100.0%), Spain	5.0%	$1,163	50.0%	$582	$2.12
IBW (100.0%), Spain	5.0%	$653	0.0%	$653	$2.38
Asset NAV Sub-Total				**$1,235**	**$4.50**
Multiple to Development Assets			0.60x	**$741**	**$2.70**
In-Situ Valuation *(Inventory not incl. in mine model)*	*ZnEq*				
Aznalcollar	3,677MM lbs	@ C$0.07 /lb	50.0%	$129	$0.47
IBW	2,330MM lbs	@ C$0.07 /lb	0.0%	$163	$0.59
In-situ Valuation Sub-total				**$292**	**$1.06**
Corporate Adjustments					
Cash				$27	$0.10
Value of ITM Instruments				$22	$0.08
Long-term Debt				-$240	-$0.87
Estimated Working Capital Additions				$400	$1.46
Corporate Adjustments Sub-total				**$209**	**$0.76**
Total Corporate NAV			C$/share	**$1,242**	**$4.52**
Target Price			C$/share		**$4.50**

Emerita Resources - Aznalcollar Project
Clarus Modeling Assumptions

ZnEq Ounces Modeled	MM lb ZnEq	5,873			
ZnEq Grade	%	11.5%			
Life of Mine	Years	14.75			
Long-term Zinc Price	US$/lb	$1.20			
LOM Production			**LOM Operating Costs**		
Throughput	Mtpa / tpd	1.5 / 4,500	Mining Unit Costs	C$/t mined	$40
Zn - Head Grade	%	5.99%	Processing Unit Costs	C$/t milled	$30
Pb - Head Grade	%	3.48%	G&A Unit Costs	C$/t milled	$15
Cu - Head Grade	%	0.26%	Concentrate related costs	C$/t milled	$41
Ag - Head Grade	g/t Ag	75.60	Total Operating Unit Costs	C$/t milled	$126
Recoveries, Zn	%	85.0%			
Recoveries, Pb	%	75.0%	**Cash Costs (C1), co-product**	**US$/lb ZnEq payable**	**$0.54**
Recoveries, Cu	%	85.0%	**AISC (co-product basis)**	**US$/lb ZnEq payable**	**$0.61**
Recoveries, Ag	%	65.0%	Cash Costs (C1), net of by-products	US$/lb Zn payable	-$0.02
ZnEq Avg. Annual Production	**MM lbs/year ZnEq**	315	AISC (net of by-products)	US$/lb Zn payable	$0.10
LOM Payable ZnEq	MM lb ZnEq	4,093			
Net Asset Value			**LOM Capex**		
NAV (5%)	C$ MM	$1,163	Initial Capex	C$ MM	$400
NAVPS (5%)	C$/share	$4.24	LOM Total Sustaining Capex	C$ MM	$348
In-situ valuation	C$/share	$0.94			
Total Asset NPV	C$/share	$5.17			

Emerita Resources - IBW Project
Clarus Modeling Assumptions

ZnEq Ounces Modeled	MM lb ZnEq	3,947			
ZnEq Grade	%	12.4%			
Life of Mine	Years	12.00			
Long-term Zinc Price	US$/lb	$1.20			
LOM Production			**LOM Operating Costs**		
Throughput	Mtpa / tpd	1.2 / 3,500	Mining Unit Costs	C$/t mined	$55
Zn - Head Grade	%	5.70%	Processing Unit Costs	C$/t milled	$32
Pb - Head Grade	%	2.69%	G&A Unit Costs	C$/t milled	$18
Cu - Head Grade	%	0.50%	Concentrate related costs	C$/t milled	$38
Au - Head Grade	g/t Au	0.80	Total Operating Unit Costs	C$/t milled	$143
Ag - Head Grade	g/t Ag	66.41			
Recoveries, Zn	%	85.0%			
Recoveries, Pb	%	75.0%	**Cash Costs (C1), co-product**	**US$/lb ZnEq payable**	**$0.58**
Recoveries, Cu		85.0%	**AISC (co-product basis)**	**US$/lb ZnEq payable**	**$0.64**
Recoveries, Au	%	65.0%	Cash Costs (C1), net of by-products	US$/lb Zn payable	-$0.08
Recoveries, Ag	%	65.0%	AISC (net of by-products)	US$/lb Zn payable	$0.06
ZnEq Avg. Annual Production	**MM lbs/year ZnEq**	262			
LOM Payable ZnEq	MM lb ZnEq	2,692			
Net Asset Value			**LOM Capex**		
NAV (5%)	C$ MM	$653	Initial Capex	C$ MM	$300
NAVPS (5%)	C$/share	$2.38	LOM Total Sustaining Capex	C$ MM	$216
In-situ valuation	C$/share	$0.59			
Total Asset NPV	C$/share	$2.97			

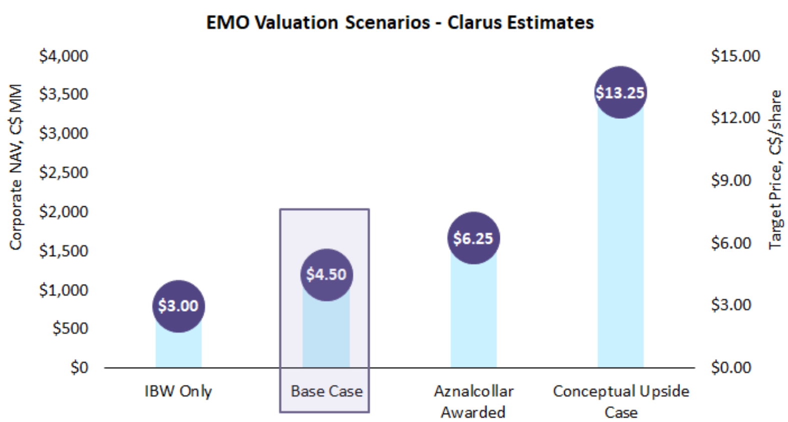
Source: Clarus Securities Inc.

We highlight that if the Aznalcollar tender dispute is resolved in EMO's favour, we will remove the 50% discount applied to the asset in our valuation and our target price would be $6.25/share.

Valuation without Aznalcollar (IBW Only): Under the scenario where EMO is not awarded Aznalcollar, we have assumed that IBW gets advanced towards production more rapidly as the Company will focus entirely on unlocking its potential. We have assumed that IBW will be in production in 2027 (as opposed to 2029 with Aznalcollar) while the balance of our assumptions remain unchanged. ***Under this scenario, we estimate a target price of $3.00 per share, underpinning our speculative buy rating.***

Upside Scenario: Favourable resolution on Aznalcollar and further de-risking of the projects will see us bolster our target setting multiple and we note that at 1.0x, the corporate NAV increases to ~C$9.00/share. ***Under a conceptual 'Upside Case' scenario assuming 70Mt at 11.5% ZnEq in mineable inventory (@ 4,500 tpd, ~45 year mine life) at Aznalcollar (no discount applied) and using a 1.0x target setting multiple would conceptually bolster our corporate NAV to C$3.6 Bn or a conceptual target price of C$13.25/share.***

Figure 6: EMO Valuation Scenarios



Source: Clarus Securities Inc.

Peer Comparison – Discounted Valuation

We have looked at a number of polymetallic developers globally for our comparable peer analysis for Emerita. We have selected a subset of peers that have projects with comparable proportion of zinc in the global ZnEq resource (25% - 75% Zn) as Emerita's projects (combined IBW & Aznalcollar: 50% Zn). We have included AMC-TSX.V (Spec. Buy; TP: $6.25) in our comps as we see potential for the Zn-Au zone at its Kay mine to expand significantly. In addition, we note that a number of developers in the list below have projects that are fraught with permitting risk or are in remote locations with poor access or are mired in other technical challenges. In our opinion, the situation of these projects is not comparable to Emerita's assets that are significantly de-risked and are world-class from all the aspects discussed above. As a result, we have excluded these projects from our Select Peer Group Average for comparison with Emerita. In fact, we see some parallels with Adriatic Metals (ATD-ASX; NR) that is advancing its brownfield Vares project, a past producing mine in Bosnia, towards development and currently has a market cap of ~C$500 MM.

On our estimated 'Base Case' combined resource of ~55 Mt at 13.2% ZnEq for IBW & Aznalcollar, EMO is trading at C$0.02/lb and 0.27x NAV, a ~50% discount to Select Peer Group trading at an average of C$0.05/lb and 0.48x, respectively (Figure 7). We highlight that ADT, which is in a similar situation of advancing a past-producing project as Emerita, is trading at C$0.14/lb and 1.49x NAV. We acknowledge that ADT is at a relatively advanced stage, having completed a PFS, and expect similarly high valuation multiples to be afforded to EMO as it de-risks its assets. We further highlight that EMO is trading at ~71% discount to the precedent transaction valuation of C$0.07/lb for Arizona Mining (Hermosa project) by South32 in 2018 for C$2.1 Bn (Figure 8). We see potential for better valuation for EMO under an acquisition scenario given the more permitting friendly location, higher grades, potential for lower capex than Hermosa and the prevailing bullish commodity price environment.

We also note that the Aguas Tenidas mine (JV Trafigura/Gov. of Saudi Arabia) has been put up for sale with an estimated valuation of ~US$2 Bn. Based on the data on resources available from 2009, this would imply a valuation of C$0.30/lb. We suspect the mineral inventory for the mine has increased significantly since 2009 to support a ~US$2 Bn potential valuation. As the sale has not yet taken place and due to lack of data on updated resources, we are leaving this transaction out of our precedent transactions analysis.

Overall, we believe EMO's world-class assets will command a premium valuation to the average for peers as the Company de-risks its assets. We see the awarding of the Aznalcollar project to Emerita as a major re-rating catalyst. Just the high grade historic resource at Aznalcollar (20 Mt at 12.6% ZnEq) has an in-situ valuation of ~C$390 MM using C$0.07/lb, in line with the precedent transaction valuation, and could immediately add C$225 - $250 MM to the market cap (~$1.00 - $1.15/share value) upon successful resolution of the legal dispute in Emerita's favour. This is assuming that the in-situ valuation for the high grade resource at IBW alone accounts for C$240 MM of the current market cap of ~C$380 MM.

Figure 7: EMO Comps Based on Clarus 'Base Case' Resource

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	2.63	213	$518	$488	Bosnia	13.2%	31%	3,486	$0.14	1.49x
Arizona Metals Corp	AMC-TSX.V	4.72	89	$358	$328	Arizona, US	14.4%	21%	8,042	$0.04	0.34x
Ascendant Resources Inc	ASND-TSX	0.19	94	$18	$18	Portugal	5.2%	30%	2,430	$0.01	0.45x
Foran Mining Corp	FOM-TSX.V	2.20	181	$397	$377	Sask.	7.2%	37%	5,419	$0.07	0.01x
Fireweed Zinc Ltd	FWZ-TSX.V	0.70	68	$48	$46	Yukon	9.4%	64%	10,450	$0.004	0.41x
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	0.72	97	$70	$93	BC	7.4%	29%	5,212	$0.02	NA
Norzinc Ltd	NZC-TSX	0.06	571	$34	$31	NWT	20.8%	50%	7,222	$0.00	0.18x
Osisko Metals Inc	OM-TSX.V	0.44	179	$78	$74	NWT	6.4%	75%	7,153	$0.01	0.19x
Pan Global Resources Inc	PGZ-TSX.V	0.70	159	$112	$108	Spain	NA	NA	NA	NA	NA
Solitario Zinc Corp	SLR-TSX	0.74	58	$43	$34	Peru	11.1%	88%	1,273	$0.03	NA
Tinka Resources Ltd	TK-TSX.V	0.20	341	$68	$61	Peru	6.4%	92%	8,015	$0.01	0.36x
Wolfden Resources Corp	WLF-TSX.V	0.26	152	$40	$33	Maine, US	19.8%	48%	1,956	$0.02	0.34x
ZincX Resources Corp	ZNX-TSX.V	0.18	178	$32	$30	BC	9.6%	83%	6,400	$0.005	NA
Group Average				$131	$124		10.6%	56%	5,276	$0.03	0.42x
*** Select Peer Group Average**				**$218**	**$205**		**9.7%**	**55%**	**6,163**	**$0.05**	**0.48x**
Emerita Resources Corp. *(Historic Resource)*	EMO-TSX.V	1.72	224	$385	$336	Spain	12.7%	50%	8,961	$0.04	0.46x
Emerita Resources Corp. *(Clarus 'Base Case' Resource)*	**EMO-TSX.V**	**1.72**	**224**	**$385**	**$336**	**Spain**	**12.7%**	**50%**	**15,827**	**$0.02**	**0.27x**

** 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 8: EMO – Relevant Precedent Transactions

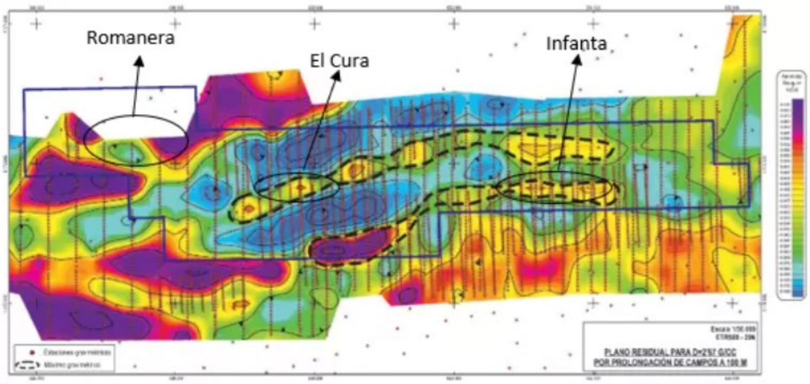
Precedent Transactions								
Project	**Owner**	**Project Location**	**Acquirer**	**Date Announced**	**Total Consideration (C$ MM)**	**Global Resource Grade ZnEq %**	**Global Resource (MM lbs ZnEq)**	**EV / lb (C$/lb ZnEq)**
Hermosa (Taylor Underground)	Arizona Mining	Arizona	South32 Limited	Jun-18	$2,169	10.85%	31,473	$0.07

Source: Refinitiv Eikon; Clarus Securities Inc.

Investment Highlights

Iberian Belt West (IBW)

Figure 9: IBW Gravity Survey – Indicates Two Parallel Trends → Potential for New Discoveries



Source: Company Reports

Emerita owns 100% of the IBW property (Figure 4) that covers 51 claims, totaling ~15.3 km². The property is geographically located within the Andalusian Region of Spain in Huelva province, close to the border with Portugal, and lies on the Iberian Pyrite Belt (IPB). The IPB is one of the largest and most important volcanogenic massive sulfide (VMS) districts in the world and hosts a number of giant VMS deposits, including Riotinto (>500 Mt) and Neves Corvo (~300 Mt). Mineralization at IBW has been known since Roman times due to the presence of its gossan surface expression (oxidized pyrites rich in precious metals at surface) and mined to shallow extent by different companies in the 19th and early 20th centuries.

Two small towns, La Puebla de Guzman and Paymogo, are within a 10 km radius of the property and are connected to the grid. Approx. 80% of the IBW project lies within the municipality of La Puebla de Guzman and the balance is within Paymogo. The area is characterized by an undulating topography with elevations close to 200m. There is excellent access through paved roads and all-weather gravel road. In addition, the commercial port at Huelva city is located ~75 – 80 km from IBW and has facilities for blending and shipping of mineral concentrates, similar to what we believe will be produced at both IBW and Aznalcollar. In addition, there are zinc and copper smelters in Spain. The Malagon River (a seasonal river) passes through the property. Overall, there is excellent infrastructure on site with ready access to power from the adjacent towns and favourable climate that allows for year-round exploration. We further note that Emerita's meetings with local authorities indicated that they are supportive of proposed exploration activities.

In the 1970s and 1980s major companies (Riotinto Minera SA, Asturiana de Zinc (AZSA), Phelps Dodge) explored the area, which at that time was broken into small mineral properties with different owners. Emerita is the first operator to have consolidated all three mineralized zones under a single project. Historic drilling identified three mineralized targets that are aligned and generally strike along east-west orientation, with La Infanta being the easternmost target and Romanera the westernmost target while El Cura is in between the two. All these deposits are within ~4 km of each other, allowing a central processing facility to be built within trucking distance in an eventual production scenario. The historic operators also estimated resources at La Infanta and Romanera that are not compliant with the latest NI 43-101 standards. However, we believe these historic resources were drilled and estimated by credible operators and hence are reasonably reliable.

La Infanta – Very High Grade Deposit with >3x Resource Growth Potential

The La Infanta deposit was explored by a JV of Asturiana and Phelps Dodge in the 1970s and 1980s. The mineralization at La Infanta consists of high grade massive sulphides that average ~50% base metals. The reason for the high grades at La Infanta is partly due the presence of only a minor amount of pyrite as the massive suphides mostly comprise fine-grained base metal sulphides such as sphalerite, galena, chalcopyrite and tetrahedrite. The historic exploration program at La Infanta included ~5,000m of diamond drilling in 49 holes. While the mineralization at La Infanta is narrower (avg. 3 – 6m) as compared to Romanera, we believe the significant high grade nature makes this deposit equally compelling. Significant results from historic drilling included:

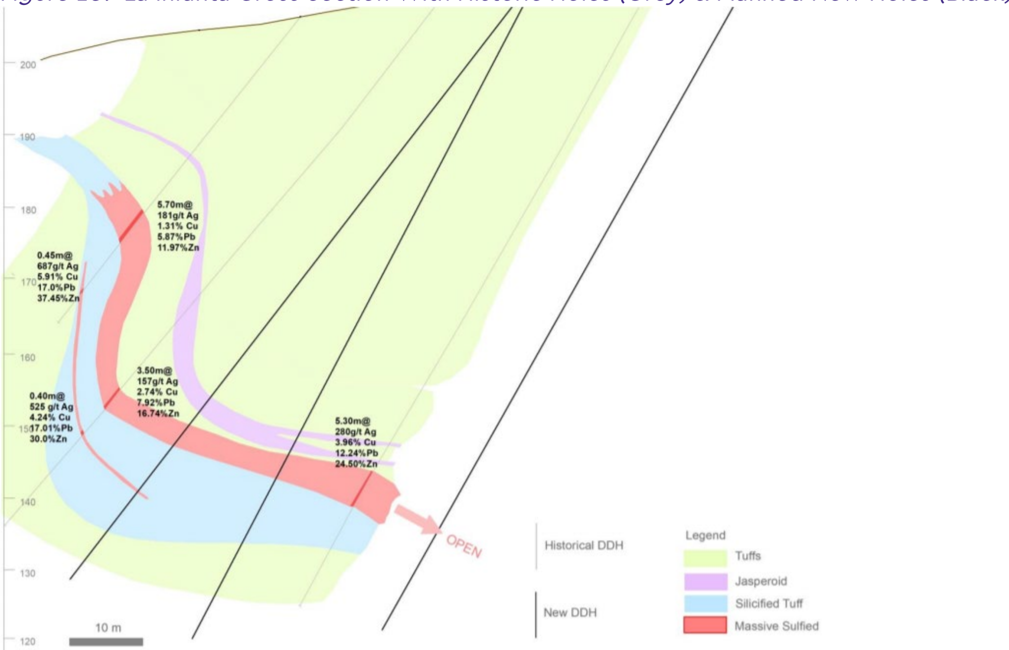
- 5.3m at ~52% ZnEq (with 3.96% Cu & 280 g/t Ag) from 86.5m;
- 3.6m at 47.5% ZnEq (with 3.60% Cu & 149 g/t Ag) from 109.1m;
- 6.1m at 40.3% ZnEq (with 4.00% Cu & 115 g/t Ag) from 84m.

This exploration and drilling resulted in a historic resource of 0.8 Mt at 26.5% ZnEq (with 1.77% Cu and 148 g/t Ag). We further note that Phelps Dodge even completed a feasibility study at La Infanta in 1990s. We suspect the project was not developed due to the low commodity prices at the time.

We believe there is significant growth potential at La Infanta and are estimating a 3x increase to ~2.5 Mt at 26.5% ZnEq (vs 0.8 Mt historic resource) post the 2021 exploration program – planned 30 holes totaling 5,000m. We have highlighted the levers for a significant resource growth at La Infanta below:

- ***Depth potential:*** 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 historically 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 300m depth and, if successful, will expand the resource potential to ~3x the historic resource. We note that mines in the area can extend to +1km depth, indicating potential for even further growth.
- ***Potential along strike:*** The historic resource is defined over 600m strike length while Emerita's surface sampling and mapping program indicates the system likely continues over a ~1.2km strike length, implying a potential doubling. This is further confirmed by the recent gravity survey acquired by the Company. 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).

Figure 10: La Infanta Cross Section With Historic Holes (Grey) & Planned New Holes (Black)



Source: Company Reports

Romanera – Large, Wide & High Grade Historic Resource with Growth Potential

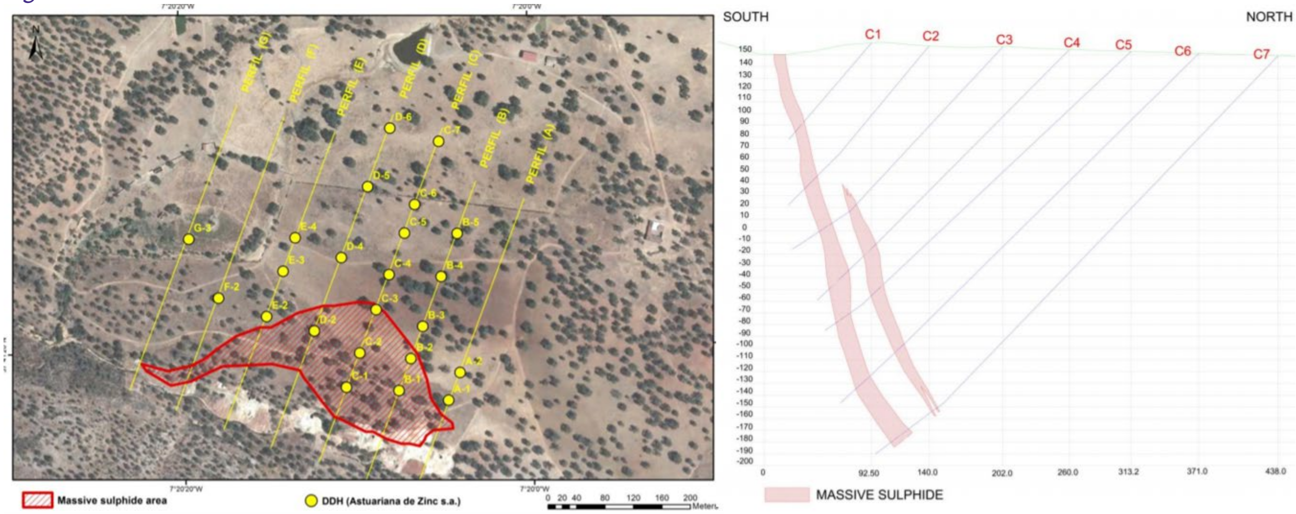
Romanera has seen 20,000m of drilling historically. Rio Tinto defined a historic resource estimate of 34 Mt at 6.8% ZnEq, including a high grade subset of 11.2 Mt at 11.9% ZnEq (with 1 g/t Au and 64 g/t Ag) in 1990s. The historic resource is defined over a 400 – 500m strike length, down to ~350m depth and exists in two sub-parallel lenses. The high grade regions seem to hold together well from a mining perspective. Romanera is more pyrite rich (vs La Infanta) and the pyritic oxidation has resulted in a precious metals rich gossan at surface. Mineralization at Romanera extends from surface (in one of the lenses) to ~350m depth based on historic drilling, where it remains wide open with intercepts of ~20m widths. Significant results from historic drilling included:

- 20m at 13.4% ZnEq (with 0.87 g/t Au & 62.8 g/t Ag) from 560m;
- 24m at 10.5% ZnEq (with 0.37 g/t Au & 27.2 g/t Ag) from 558m;
- 14m at 13.4% ZnEq (with 1.11 g/t Au & 32.14 g/t Ag) from 152m;
- 2m at 28.5% ZnEq (with 7.8 g/t Au & 74 g/t Ag) within 16 m at 3.8% ZnEq from 180m.

Emerita's 2021 drill program will focus on infilling and expanding the high grade subset of the historic resource. The Company is currently awaiting for AAU from the Environment Department that we believe is imminent and will allow it to commence drilling at Romanera.

Significant resource growth potential: Romanera seems to be wide open along strike to the east and maybe to the west as well. We believe the biggest upside here is likely from depth potential. Some of the deepest holes (~350m depth) show wide intercepts of ~20m thickness over good grades (13.4% ZnEq). This indicates that the deposit is wide open at depth. We estimate that every 100m vertical extension could add 2 – 4 Mt to the resource, indicating potential for a 15 – 20 Mt resource with just a 200m vertical extension at Romanera. We are currently assuming a resource of ~18 Mt at 11.9% ZnEq in our 'Base Case' scenario. We further note that many of the historic holes drilled by Asturiana were not assayed for gold. As Emerita fills in this data gap with its 2021 exploration program, we see potential for further upside beyond our estimate from the incremental precious metals credits.

Figure 11: Romanera – Plan View & Cross Section



Source: Company Reports

Further Upside at IBW

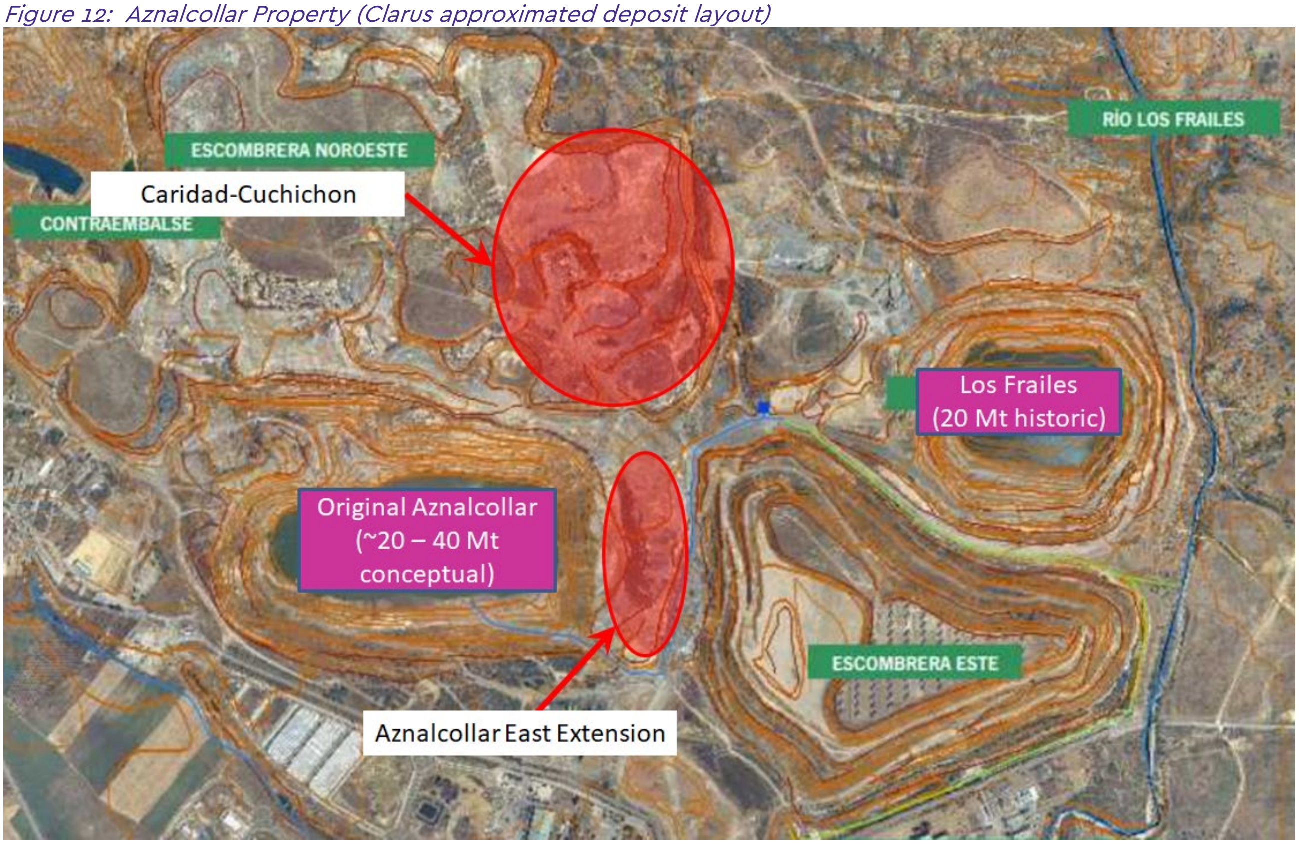
Currently Emerita does not have any technical data on the El Cura deposit. There are historic workings at El Cura that are estimated to be from the ancient roman times as well as mining of some 300 tons in 1870s. Phelps Dodge owned and explored the deposit in 1975 & 1985. There is an estimate of 1 Mt resource at ~4.2% CuEq at El Cura in academic publications and some indications suggest that mineralization at El Cura may be similar to La Infanta (more copper rich than Romanera). In addition, the recently acquired gravity survey (Figure 9) indicates a gravity anomaly running parallel and south of El Cura that has never been explored. Management has also acquired the Ontario property that is located adjacent to IBW and to the north of it. Management has submitted the documents for exploration permit at Ontario and is awaiting Mine Department's decision. We are currently not attributing any resource potential to El Cura or any other regional targets in our global resource estimate for IBW and any regional discoveries would be incremental to our resource estimate and valuation. Emerita has planned ~7,000m of drilling at El Cura in 2021 and is awaiting AAU from Environment Department to commence drilling here.

Aznalcollar – The Big Prize

Emerita is currently in the process of acquiring Aznalcollar through an ongoing legal dispute (refer to 'Company Background' section). We believe a final decision on the legal dispute is in sight and are encouraged by the court rulings to date, pointing to the potential for a favourable outcome for Emerita.

Aznalcollar is a past-producing mine with massive historic resource, significant infrastructure and significant resource growth opportunity. The property is located ~36 km from Seville and is just 10 km from First Quantum's Las Cruces mine (also ~50 km from Riotinto mine).

Figure 12: Aznalcollar Property (Clarus approximated deposit layout)



Source: Mining Andalusian Portal; Clarus Securities Inc.

- ***Quick production history:*** The original Aznalcollar mine was a copper-rich open-pit mine that was brought into production by Aprisa in 1979 at 2.3 Mtpa rate. We suspect this deposit had a large strip ratio of ~10 – 12:1. Boliden AB acquired Apirsa in 1987 and the original Aznalcollar mine was depleted in 1996. During this time, Boliden had also discovered the Los Frailes deposit, just 1 km east of the Aznalcollar mine. Los Frailes is zinc-rich with significant copper and silver credits and production at the deposit began in 1997 at the rate of 4 Mtpa. Post some plant upgrades and expansions (to 4.2 Mtpa) by the year 2000, Boliden expected to produce at a rate of ~440MM lbs ZnEq/year and at cash costs of US$0.46/lb Zn (net of by-products).

- ***Los Frailes ore body:*** Mineralization strikes east-west with both strike and widths increasing at depth. Boliden had tested a strike length of over 1km at just 100m depth while the widths reached as much as 90m in some areas at depth. The drill tested depth was only 300m as Boliden was targeting just the open-pit mineralization. Boliden estimated an average LOM strip ratio of 7.2:1 for the Los Frailes open-pit.

- ***Tailings dam failure in 1998:*** Operations at Los Frailes were halted on April 25, 1998 due to its tailings dam failure that released an estimated 1.5MM m^3 of tailings solids and 5.5MM m^3 of acidic tailings water (pH 2 – 4) into the seasonal river systems. As a result ~26km^2 of land was covered with tailings along a 40km stretch of the river channels. The government has reclaimed the contaminated area, with the tailings and contaminated soil deposited in the historic Aznalcoller pit. The Los Frailes mine has never been restarted since (produced for just ~18 months) and had 71 Mt and 46.4 Mt left in the historic resources and historic reserves, respectively, at the time when the mine was shut down.

- ***Strong support from the local community to restart the project:*** Despite the environmental disaster from the tailings dam failure, there was strong support from the local community to restart the mine to generate employment. This prompted the government to initiate a public tender process in 2014 to develop and restart the mine in a sustainable manner and with environmental safeguards. To this end, Emerita plans on restarting production in an underground mining scenario and using almost half of the tailings as backfill for the underground and the depositing the balance into the original Aznalcollar open-pit (pit reclamation) that we believe has sufficient capacity due to its large strip ratio. We believe this approach will allay concerns from an environmental safety standpoint, with future technical studies that will further confirm and strengthen the Company's strategy towards ensuring environmental safeguards.

- ***Sizeable high grade historic resource:*** There is a subset of 20 Mt at 12.6% ZnEq (US$320/t rock value) within the Los Frailes massive historic resource of 71 Mt at 7.9% ZnEq. This estimate is under a pit-constrained resource and management believes that removing the pit-constraint will drive a high grade underground resource of ~28 Mt at roughly the same grades. Importantly, Aznalcollar has 54MM oz at ~2.7 opt Ag in the high grade portion of the historic resource, providing significant by-product credits with ~US$65/t rock value from Ag & Cu.

- ***Significant high grade resource growth potential:***

    - ***Depth potential:*** The Los Frailes mineralization is broadening at depth and is ~40m wide across multiple stacked lenses at 300m depth, indicating significant depth potential (historic intercept of 38.4m at ~6.7% ZnE at 300m depth). We estimate that every 100 m down-dip extension could add 5 – 10 Mt, increasing the resource towards +40 Mt with just a 200m vertical extension at Los Frailes alone.

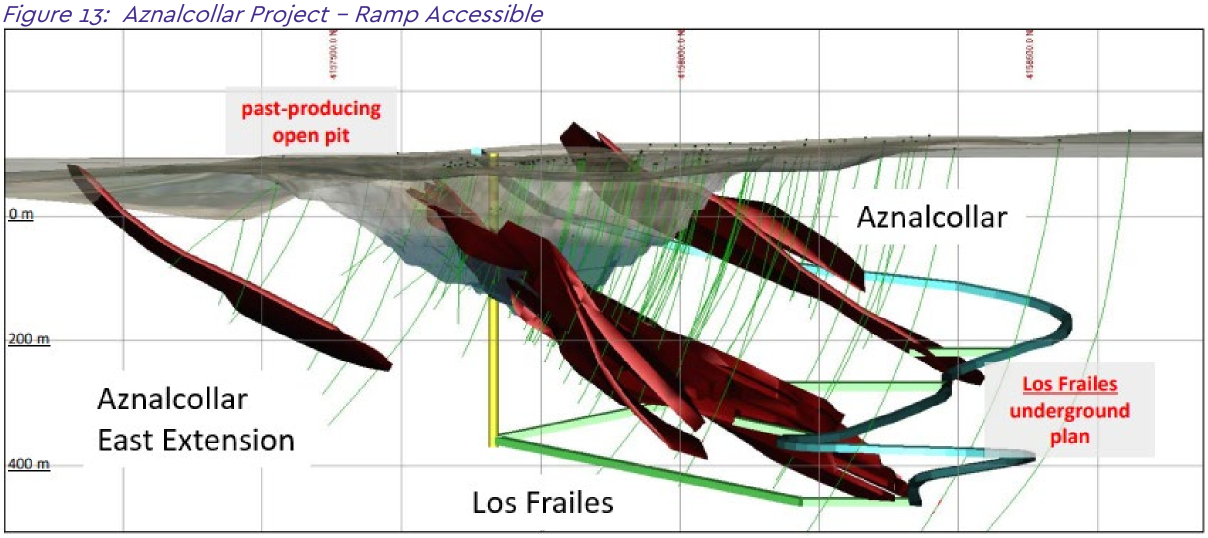
    - ***Upside from precious metals credits:*** The historic resource was based on a Zn+Pb cut-off grade and did not account for the precious metals. We see potential for incremental resource growth as the historic resource is re-evaluated with the inclusion of precious metals (mostly silver).

    - ***Upside from additional deposits:*** Management believes there may be ~20 – 40 Mt of higher grade ore (+4% CuEq) in the past producing Aznalcollar copper mine, in addition to at least two other known historic deposits (Caridad & Aznalcollar East Extension). The deposits are in close proximity to each other and we believe it may be feasible to access multiple deposits with just one ramp. In addition, Emerita has recently acquired Nuevo Tintillo asset which is a drill ready property ~10km north of Aznalcollar and according to Boliden, there may be 2.5 Mt at ~20% ZnEq in historic resources here. Nuevo Tintillo is currently in the 30-working-day public consultation window (expires on August 20th, 2021) for granting exploration permit and does not require environmental approval. We believe the Company could start exploring here in the near-term with drilling planned in H1/22. While early, combining these targets may eventually support a global resource of +70 Mt at the Aznalcollar project. We are currently estimating only 34 Mt at 12.6% ZnEq in global resource, accounting just for the Los Frailes lens – pointing to significant upside as Emerita drills and delineates numerous known historic deposits.

- ***Existing infrastructure:*** The Aznalcollar area has good access. It is well serviced with power and is close to First Quantum's Las Cruces producing mine. In fact, after reclaiming the area post the tailings dam failure, the government has set up a large solar farm on the reclaimed area for power generation. There is an existing water reservoir within the property boundary with a large capacity to support production. In addition, the original Aznalcollar open-pit will be used for deposition of the portion of tailings that are not used as underground backfill.

- ***Rapid path to low capital intensity development:*** As a past-producing mine, the project is significantly de-risked. We note that Emerita spent ~US$1 MM to produce a feasibility study level document covering various aspects, such as mine & mill plan, water treatment and community, for Los Frailes as part of their bid for Aznalcollar in 2014. If and when Emerita is awarded the Aznalcollar project, we expect the Company will be able to swiftly advance the project towards a pre-feasibility study post a small drilling and metallurgical study program. We believe the near-surface mineralization makes the deposit ramp accessible, lowering the initial capital intensity that is further supported by the existing infrastructure. As the tailings are planned to be deposited in the Aznalcollar open-pit or used as underground backfill, there will be no capital investment required for a tailings storage facility (TSF). Overall, we believe the project can start producing by 2026 (see 'Valuation' section for details).

Figure 13: Aznalcollar Project – Ramp Accessible



Source: Company Reports; Clarus Securities Inc.

Capital Structure

Figure 14: EMO – Current Capital Structure

Emerita Resources		
Capital Structure		
Ticker Symbol		EMO-TSX.V
52 week range	C$/share	$2 / $0.13
Basic S/O	**MM**	**168**
Warrants (Total / ITM)	*MM*	*45.3 MM / 45.3 MM*
Options (Total / ITM)	*MM*	*10.3 MM / 10.3 MM*
Fully Diluted S/O	*MM*	223.9
Fully Diluted S/O (ITM)	***MM***	**223.9**

Source: Company Reports; Refinitiv Eikon

Conclusion & 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. The Company currently owns 100% of the IBW project that has seen significant historic drilling (~25,000 m) by credible operators. This resulted in a sizeable historic resource with a high grade subset of 12 Mt at 12.9% ZnEq (US$330/t rock value), incl. US$115/t in rock value from Cu, Ag & Au. We see multiple levers to drive significant resource growth at IBW towards our estimated ~21 Mt at 13.8% ZnEq (~2x historic resource) and beyond.

While the IBW project alone offers 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 has a massive historic resource of 71 Mt, with an in-situ value of ~US$6 Bn for just the high grade underground portion (20 Mt at 12.6% ZnEq or US$320/t rock value). Importantly, the historic resource also has 54MM oz at ~2.7 opt Ag in the high grade portion alone, providing significant by-product credits with ~US$65/t in rock value from Ag & Cu. As the project is significantly de-risked, we believe it can be swiftly advanced towards production by 2026. In our opinion, a final decision on the legal dispute is in sight and we are encouraged by the court rulings to date, pointing to the potential for a favourable outcome for EMO – a major near-term re-rating catalyst that could immediately add ~C$225 - $250 MM (~$1.00 - $1.15/share value) to the market cap.

We believe both assets are amenable to underground mining and will eventually produce at a combined rate of 550 – 600MM lbs/year ZnEq at the lowest quartile costs before the end of this decade, with Aznalcollar being advanced to production in the next 5 years at 315MM lbs/year rate. We estimate a combined annual FCF of +US$300 MM. We view the recent policy initiatives in Spain and EU as favourable for development and permitting of mining projects in Spain's Andalusia region. We also highlight the recent approval of the underground expansion of First Quantum's Las Cruces mine, located ~20km from Seville, setting an important precedence for permitting of future underground mining projects in the region.

In our opinion, the scale, location and grades of EMO's assets will result in significant M&A appeal with a number of majors already active in the region, incl. Lundin Mining, First Quantum, Glencore, Trafigura & Rio Tinto. We highlight Arizona Mining's (Hermosa project) acquisition by South32 in 2018 for an implied valuation of C$2.1 Bn or C$0.07/lb ZnEq. We see potential for better valuation for EMO in an acquisition scenario given the more permitting friendly location, higher grades, potential for lower capex and the prevailing higher commodity prices. While we believe that Emerita will likely be bought out by one of the several majors active in the region before it reaches the project development stage, our valuation analysis provides a framework for the potential valuation in an eventual buyout scenario.

Under our estimates, EMO trades at C$0.02/lb and 0.27x P/NAV, a ~50% discount to peers trading at an average of C$0.05/lb and 0.48x, respectively. We believe near-term drill results from IBW will drive the stock higher, narrowing the valuation gap while a favourable resolution on the Aznalcollar dispute will be a significant re-rating catalyst. In our opinion, the stock should eventually trade at a premium to peers given the excellent caliber of the assets and the strong M&A appeal.

We are initiating coverage with a **SPECULATIVE BUY** rating and a target price of **$4.50** per share that is based on a 0.6x combined NPV5% of IBW and 50% of Aznalcollar. Awarding of Aznalcollar to EMO will see us removing the 50% discount on the asset, resulting in a target price of $6.25/share. Conversely, in the unlikely scenario where EMO is not awarded Aznalcollar, we will be removing the asset from our valuation model that will result in a target price of $3.00/share based on our estimated NPV for IBW under this scenario while maintaining our rating.

Catalysts & Re-rating Milestones

1. Aznalcollar resolution – H2/21;
2. Initial drill results from the ongoing 5,000 program at La Infanta – coming weeks;
3. Environmental approval (AAU) for drilling at Romanera & El Cura – H2/21;
4. Commencement of drilling at Romanera (~10,000 m) & El Cura (~7,000 m) – H2/21;
5. IBW Resource Update – Q1/22.

Investment Risks

Emerita Resources is exposed to risks typical of an exploration stage company with exposure to geological, financing and commodity price risks, in addition to the risk from the ongoing Aznalcollar legal dispute. We discuss EMO's risk exposure below:

Outcome of Aznalcollar legal dispute: The Aznalcollar public tender is the subject of an ongoing legal criminal dispute in Spanish courts. Neither the author nor Clarus Securities Inc. have any legal expertise on Spanish law. Our views on the matter are based on our discussions with management, court rulings and Spanish media coverage on the issue. We view the outcome of this dispute as the biggest headline risk for Emerita, currently. We have accounted for this risk by applying a 50% discount on our estimated valuation for Aznalcollar for deriving our target price for Emerita. In case Emerita is not awarded the Aznalcollar tender, our target price would be lowered to $3.00 per share that still represents a significant premium to current share price. Conversely, if Emerita is successful in winning Aznalcollar, our target price would be $6.00 per share (refer 'Valuation' section for details).

Currency & Commodity Price Risk: One of the key risks facing the Company is the fluctuations in currency exchange rates and commodity prices.

Geologic, Metallurgical & Engineering Risk: EMO currently does not have a NI 43-101 compliant resource. Our modeled mineable inventory for valuation of the Aznalcollar and IBW projects is not based on engineering studies and may be different from estimates in an eventual technical/economic study. Lowering our modeled grade/mineable inventory would adversely impact our target price. We note that the extensive historic exploration work by previous operators has significantly reduced the discovery risk and the ongoing 2021 drill program at IBW should validate the historic resource at the project. Also, concentrate marketing studies have not yet been completed and the final payability terms may differ from our assumptions.

Permitting Risk: The Company faces the risk that permits are not issued for its projects or are not issued in a timely manner. We believe that these risks are mitigated by the project's brownfield status and government & community support.

Financing Risk: The Company does not currently have a revenue stream and will require additional equity or debt financing in order to continue to advance the projects. While we believe financing risks are moderate given the current strong financial position with ~C$27 MM in cash, warrants being exercised, excellent caliber of its projects and management's track record, the Company faces the risk that additional equity or debt financing may not available at any given time.

Figure 15: Comparable Projects Used for Estimating Aznalcollar Mine Modeling Parameters

Project	Company	Location	Mine Type	TPD	Capacity Mtpa	Initial Capex C$ MM	Capex Intensity C$ MM/Mtpa	Mine Life Years	Sustaining Capex (LOM) C$ MM	Sustaining Intensity (avg. per year) C$ MM/Mtpa
Pickett Mt.	WLF-TSX.V	Maine, USA	Ramp	1,234	0.4	$184	$427	10.7	$93	$20
Cardiac Creek	ZNX-TSX.V	BC	Ramp	3,000	1.1	$302	$288	19	$316	$16
Macmillan Pass	FWZ-TSX.V	Yukon	Ramp	5,000	1.8	$404	$231	18	$575	$18
McIlvenna Bay	FOM-TSX.V	Sask.	Ramp	3,600	1.3	$261	$207	9	$339	$30
Prairie Creek	NZC-TSX	NWT	Ramp	1,200	0.4	$279	$664	15	$117	$19
Florida Canyon	SLR-TSX	Peru	Ramp	2,500	0.9	$266	$304	12.5	$104	$9
Lagoa Salgada	ASND-TSX	Portugal	Ramp	2,700	0.9	$207	$219	9	$26	$3
Vares	ADT-TSX	Bosnia	Ramp	2,180	0.8	$216	$283	14	$24	$2
Average				**2,677**	**0.9**		**$283**	**13**		**$15**
Aznalcollar *(Clarus est.)*	**EMO-TSX.V**	**Spain**	**Ramp**	**4,500**	**1.5**	**$400**	**$267**	**10**	**$231**	**$15**

Project	Operating Costs: Mining C$/t	Processing C$/t	G&A C$/t
Pickett Mt.	$60	$39	$18
Cardiac Creek	$50	$33	$19
Macmillan Pass	$45	$23	$10
McIlvenna Bay	$41	$20	$9
Prairie Creek	$58	$47	$30
Florida Canyon	$26	$16	$4
Lagoa Salgada	$21	$36	$4
Vares	$33	$39	$6
Average	**$40**	**$29**	**$11**
Aznalcollar *(Clarus est.)*	**$40**	**$30**	**$15**

Source: Company Reports; Clarus Securities Inc.

Figure 16: IBW & Aznalcollar Known Historic Resources

IBW High Grade Only								MM lbs		MM oz	
		Zn%	Pb%	Cu%	Ag g/t	Au g/t	Zn	Pb	Cu	Ag	Au
Mt	12	5.98%	2.77%	0.49%	69.60	0.93	1,581	732	130	27	0.4
ZnEq%	12.9%										
ZnEq MM lbs	3,415										

Aznacollar High Grade Only							MM lbs		MM oz
		Zn%	Pb%	Cu%	Ag g/t	Zn	Pb	Cu	Ag
Mt	20	6.65%	3.87%	0.29%	84.00	2,931	1,706	128	54
ZnEq%	12.6%								
ZnEq MM lbs	5,547								

EMO - Companywide High Grade Only								MM lbs		MM oz	
		Zn%	Pb%	Cu%	Ag g/t	Au g/t	Zn	Pb	Cu	Ag	Au
Mt	32	6.40%	3.46%	0.37%	78.60	0.35	4,512	2,437	258	81	0.4
ZnEq%	12.7%										
ZnEq MM lbs	8,961										

IBW Total								MM lbs		MM oz	
		Zn%	Pb%	Cu%	Ag g/t	Au g/t	Zn	Pb	Cu	Ag	Au
Mt	34.8	2.54%	1.23%	0.45%	46.39	0.78	1,947	946	346	52	0.9
ZnEq%	7.3%										
ZnEq MM lbs	5,561										

Aznacollar Total							MM lbs		MM oz
		Zn%	Pb%	Cu%	Ag g/t	Zn	Pb	Cu	Ag
Mt	71	3.87%	2.18%	0.34%	60.00	6,056	3,411	532	137
ZnEq%	7.9%								
ZnEq MM lbs	12,435								

EMO - Companywide Total								MM lbs		MM oz	
		Zn%	Pb%	Cu%	Ag g/t	Au g/t	Zn	Pb	Cu	Ag	Au
Mt	105.8	3.43%	1.87%	0.38%	55.52	0.26	8,003	4,357	878	189	0.9
ZnEq%	7.7%										
ZnEq MM lbs	17,996										

ZnEq calculated using US$1.15/lb Zn, US$1.00/lb Pb, US$3.00/lb Cu, US$17/oz Ag & US$1,475/oz Au

Source: Company Reports; Clarus Securities Inc.

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