Canaccord Genuity

Initiation of Coverage

Emerita Resources Corp.

Base Metals - Developer/Explorer

Canadian Equity Research
21 July 2025

Rating	Price Target
SPECULATIVE BUY	**C$1.80**
EMO-TSXV LLJA-FSE	Price **C$1.41**

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Ole ore! Tapas, Toros and Tonnes in Spain

We are initiating coverage of Emerita Resources Corp. (EMO-TSXV) with a SPECULATIVE BUY rating and a C$1.80/sh 12-month target price. We view EMO as a compelling investment for investors looking for zinc exposure in high-quality jurisdictions through the IBW project (Spain), with significant upside potential via exploration and an embedded near-term potential option in the Aznalcóllarcase outcome. Our target price is based on 0.50x our fully risked NAV, measured as at July 1, 2026. Our target price multiple of 0.50x is the standard multiple we use to derive target prices for base metal developers under coverage. We note that our NAV assumes a 30% probability of EMO being awarded the tender for Aznalcóllar, which is approximately what we estimate the market is currently pricing in. Our SPECULATIVE BUY rating is predicated on the 28% implied return to our 12-month target price, with the "SPECULATIVE" qualifier intended to remind investors that the company does not have any operating assets and thus poses a higher-than-normal risk profile.

Our investment thesis is predicated on three primary attributes:

- **Attribute 1** – Iberian Belt West (IBW) is a relatively attractive project in a good jurisdiction, in our view, with solid expected returns and a strong precious metal by-product credit that should lower costs and provide financing options for construction. We value IBW (NPV8%) at US$548 million on a standalone basis, with a post-tax IRR of 29%.
- **Attribute 2** – We believe EMO has compelling exploration potential at the IBW project, as well as at proximal land packages owned by the company. In addition, EMO's early-stage Nuevo Tintillo project represents the single largest contiguous land package in the Iberian Pyrite Belt and is on trend with several current and past-producing mines.
- **Attribute 3** – EMO could potentially be awarded the past-producing Aznalcóllar property by the Andalucian courts – the previous tender process that awarded the asset to the current owner is currently under legal review. Aznalcóllar is one of the world's best Volcanogenic Massive Sulphide (VMS) deposits, and the outcome of the legal process represents near-term option value to EMO shares, in our view. We value Aznalcóllar at US$1,327 million on a stand-alone basis, with a post-tax IRR of 29%.

Financial status and funding: As of March 31, 2025, EMO had C$12 million in cash on hand and no debt. Given the early stage of the company's projects, near-term exploration and project development plans are expected to be financed via equity until construction financing is put in place. We assume the construction of IBW will be financed via streaming 70% of the expected silver production.

Key risks to the project include typical project development, construction, financing and commodity risks. In addition, we note that the recovery assumptions for IBW assume the deployment of the 'CLEVR' technology, which has not yet been proven at commercial scale. Finally, we note the substantial inclusion of Aznalcóllar in our valuation and the current share price - should the project not be awarded to EMO, there could be substantial downside risk to EMO's share price.

Upcoming potential catalysts

- Outcome of the Aznalcóllar legal case (both criminal and civil trials) - H2/25
- Project development and permitting milestones at IBW - ongoing
- Exploration results at all properties - ongoing.

Market Data

52-Week Range (C$) :	0.55 - 2.00
Avg Daily Vol (M) :	336.0
Market Cap (C$M) :	371.6
Shares Out. (M) :	263.5
Net Debt (Cash) (C$M) :	(2.1)
Enterprise Value (C$M) :	369.5
NAV /Shr (C$) :	3.32
P/NAV (x) (C$) :	0.42
Last Reported Quarter:	March/2025

Source: FactSet

Priced as of close of business 15 July 2025

EMO is engaged in the acquisition, exploration and development of mineral properties with a primary focus on the Iberian Pyrite Belt in southern Spain. Emerita's flagship asset is a 100% interest in the 'Iberian Belt West' project, which has a March 2025 global resource of 26mt grading 13% ZnEq.

Insider Ownership: 5.38%

Major Shareholders /Controlling Shareholders: None

For important information, please see the Important Disclosures beginning on page 36 of this document.

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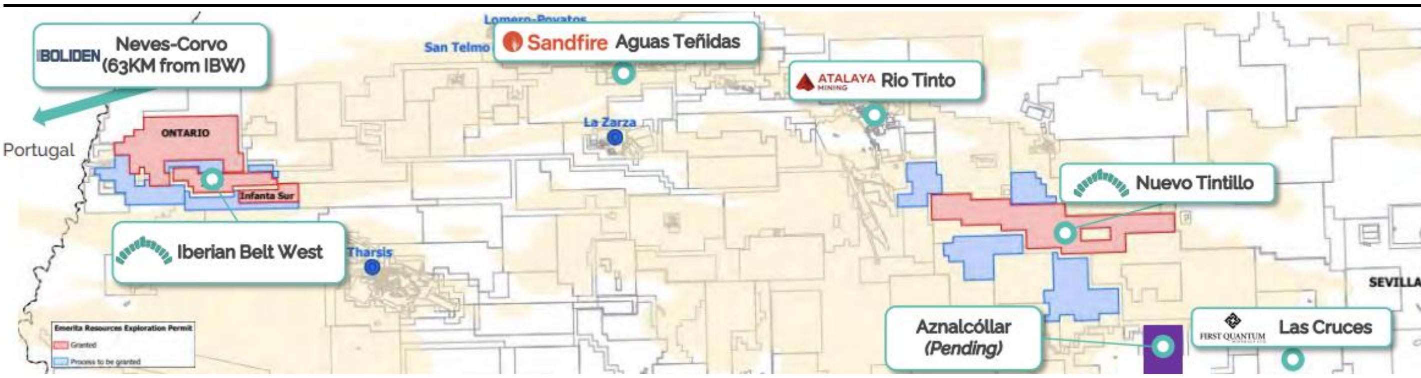
Investment Case

We are initiating coverage of Emerita Resources Corp. (EMO-TSXV) with a SPECULATIVE BUY rating and a C$1.80/sh 12-month target price. EMO is engaged in the acquisition, exploration and development of mineral properties with a primary focus on the Iberian Pyrite Belt in southern Spain. Emerita currently has a 100% interest in the following exploration properties:

- **Iberian Belt West (IBW) Project**: The company's primary asset, located adjacent to the border with Portugal in an area with a long history of mining dating back as far as Roman times. In March 2025, EMO released an updated mineral resource estimate ("MRE") on the project with a global resource of 26mt grading 13% ZnEq (before adjusting for recoveries).
- **Nuevo Tintillo**: An exploration property located ~40km from Seville, Spain and adjacent to the past producing Aznalcóllar mine (see below) and presently producing Rio Tinto mine (Atalaya Mining (ATYM-LSE: 466p | BUY, 590p TP, Alex Bedwany, Canaccord Genuity Ltd (UK)).

In addition to the properties above, EMO has been engaged in a lengthy litigation process (since 2015) related to the public tender for the Aznalcóllar/Los Frailes previously producing mines, with final hearings now completed (more on this in subsequent sections of this report).

Figure 1: EMO's key properties are located in the prolific Iberian Pyrite Belt VMS district



Source: Company Reports

<u>Our target price is based on 0.50x our fully risked NAV, measured as at July 1, 2026;</u> we discuss primary risk factors as well as how we have chosen to reflect them later in the investment thesis discussion. Our target price multiple of 0.50x is the standard multiple we use to derive target prices for base metal developers under coverage.

<u>We note that our NAV assumes a 30% probability of EMO being awarded the tender for Aznalcóllar, which is approximately what we estimate the market is currently pricing in at this time.</u> We acknowledge that the set of outcomes from the court ruling is binary and subject to nuances of Spanish law and its interpretation, which we do not claim to be experts in. As such, we have chosen to reflect the value of Aznalcóllar in our valuation at the same value that we estimate the market attributes it.

Figure 2: NAV scenarios

	As at July 1st	
	2025	**2026**
NAV w/ Aznalcóllar @ 0%	$ 2.05	$ 2.21
NAV w/ Aznalcóllar @ 30%	$ 3.32	$ 3.61
NAV w/ Aznalcóllar @ 50%	$ 4.17	$ 4.54
NAV w/ Aznalcóllar @ 100%	$ 6.29	$ 6.88

Source: Canaccord Genuity estimates

Figure 3: Market-attributed value of Aznalcóllar in EMO

What the market is pricing in	
Current share price	$ 1.40
Current developer multiple	0.42
NAV ex Aznalcóllar	$ 2.05
Implied market value for Aznalcóllar	$ 0.54
Market implied probability	30%

Source: Canaccord Genuity estimates

We note that EMO currently trades at 0.42x our C$3.32/sh NAV, vs the base metal developer peer group average of 0.48x.

Our SPECULATIVE BUY rating is predicated on the 28% implied return to our 12-month target price of C$1.80, with the "SPECULATIVE" qualifier intended to remind investors that the company does not have any operating assets and thus poses a higher-than-normal risk profile.

We view EMO as a compelling investment for investors looking for zinc exposure in high-quality jurisdictions, with significant upside potential via exploration and an embedded near-term potential option in the Aznalcóllar case outcome. Our investment thesis is predicated on three primary attributes:

Attribute 1 – IBW is a solid base-case project with low jurisdictional risk

While IBW does not yet have a published mine plan or economic analysis, a March 2025 Mineral Resource Estimate presented a robust 26mt resource grading 13% ZnEq (before adjusting for recoveries). Based on this resource and our assumptions around operating parameters as presented in Figure 4 below, we estimate a project $NPV_{8\%}$ of $548 million and a post-tax IRR of 29%. We make the following observations:

- IBW's IRR of 29% is attractive and above the project sanction hurdle rate of most mining companies.
- As seen in Figures 5 and 6 below, IBW screens in the middle of our comp set on its Profitability Index ($NPV_{8\%}$/initial capex), and on its NPV to IRR ratio.
- IBW's capital intensity is also in the middle of the range, as seen in Figure 7.
- The substantial precious metal by-products considerably lower costs, making IBW profitable in all parts of the cycle once in production.
    - Alternately, we view the strong precious metal by-products as a source of cheap project financing via streams. Our estimates assume construction will be financed via streaming 70% of the life-of-mine silver production.
- Our estimates of value are significantly dependent on metallurgical performance, which is driven by the successful deployment of the experimental CLEVR technology. We discuss this further in the 'Metallurgy' section below, but note here that we view metallurgy as the single biggest risk facing the project.

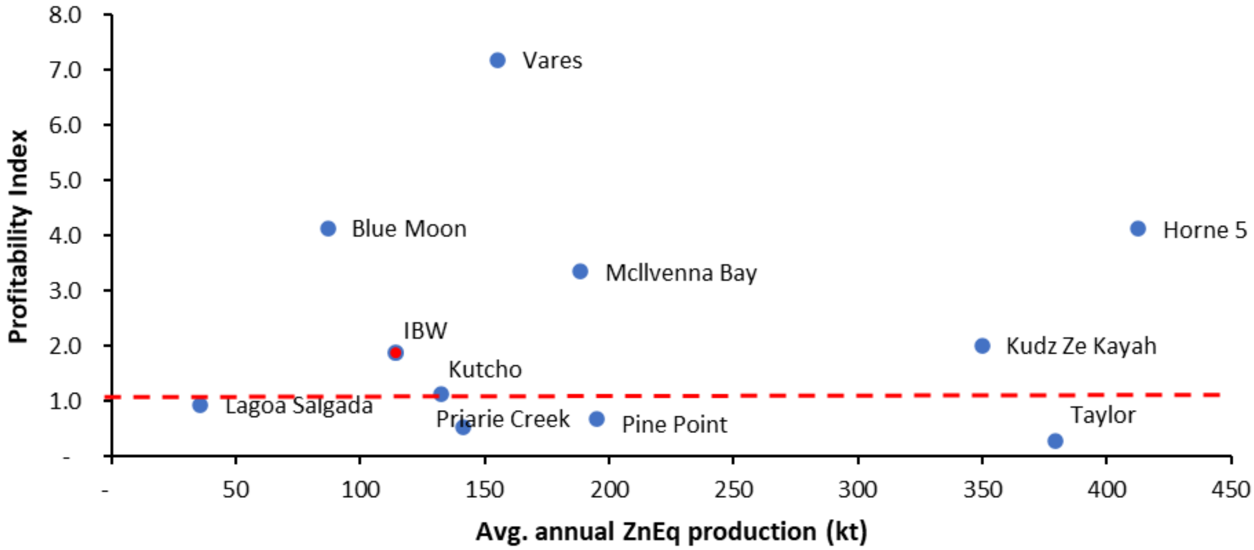
We present the sensitivity of our project's NPV to changes in key inputs in Figure 9 below.

Figure 4: CG estimates for EMO's IBW project

IBW Operating Assumptions			CG Estimate
Mine Life	years	LOM total	25
Mill			
Ore processed	ktpa	LOM average	1,185
Zinc grade	%	LOM average	2.67%
Zinc recovery	%	LOM average	91%
Zinc production	Mlbs pa	LOM average	64
By-products			
Lead	Mlbs pa	LOM average	19
Copper	Mlbs pa	LOM average	12
Silver	koz pa	LOM average	1,568
Gold	kozpa	LOM average	26
Total production			
ZnEq	Mlbs pa	LOM average	253
Revenue split			
Zinc	%		25%
Lead	%		5%
Copper	%		19%
Silver	%		20%
Gold	%		33%
Unit costs	US$/t milled	LOM average	$103
C1 Cash Cost	US$/lb	LOM average	$0.63
AISC	US$/lb	LOM average	$0.71
Initial capex	US$MMs	LOM Total	$295
Deferred capex	US$MMs	LOM Total	$160
Sustaining capex	US$MMs	LOM Total	$504
Financial Metrics			
NPV (post-tax, 8%)	US$MMs		$548
IRR (post-tax)	%		29%
Capital intensity	US$/t ZnEq pa		$2,569
Profitability Index			1.9
Payback period	years		~2.25

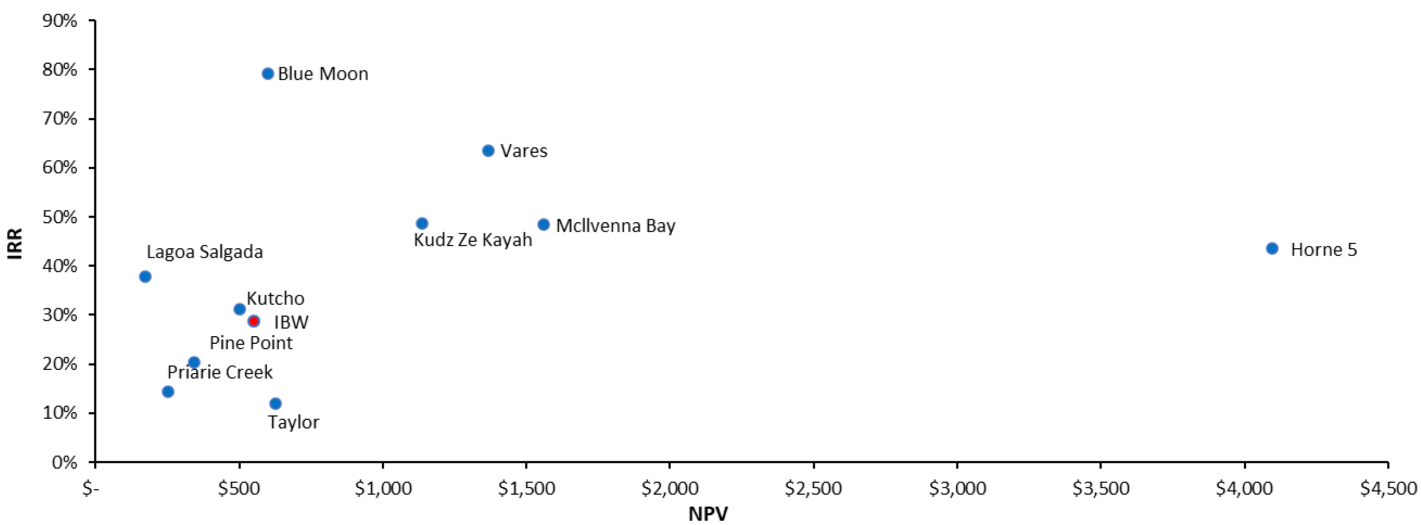
Source: Canaccord Genuity estimates. Assumed commodity prices are $1.25/lb Zn, $0.90/lb Pb, $4.50/lb Cu, $3,858/oz Au and $41.72/oz Ag.

Figure 5: Profitability index vs. annual ZnEq production for select zinc projects



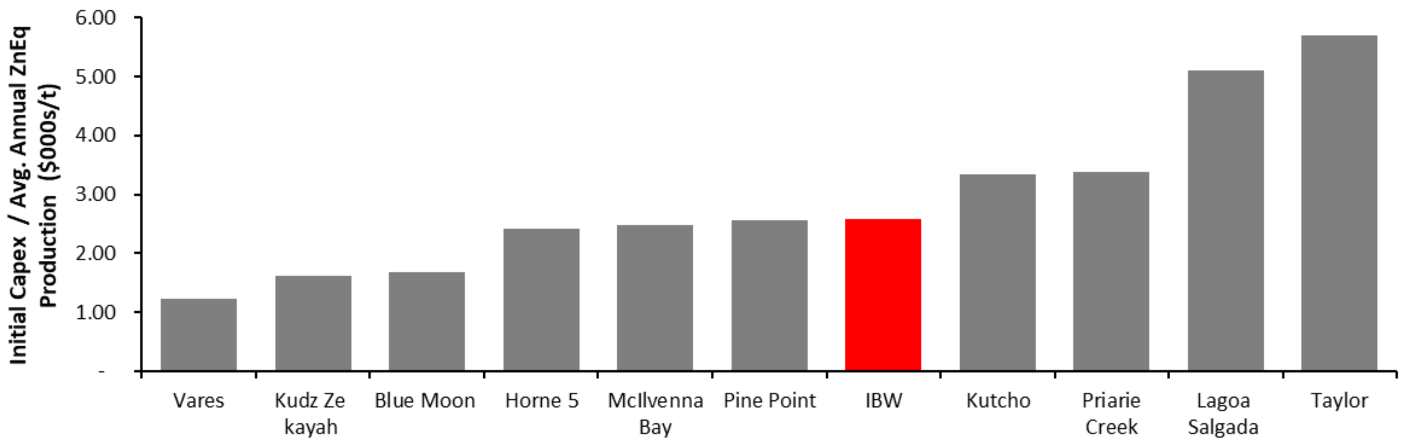
Source: Company Reports, Canaccord Genuity estimates

Figure 6: NPV vs. IRR for select zinc projects



Source: Company Reports, Canaccord Genuity estimates

Figure 7: Capital intensity of select zinc projects



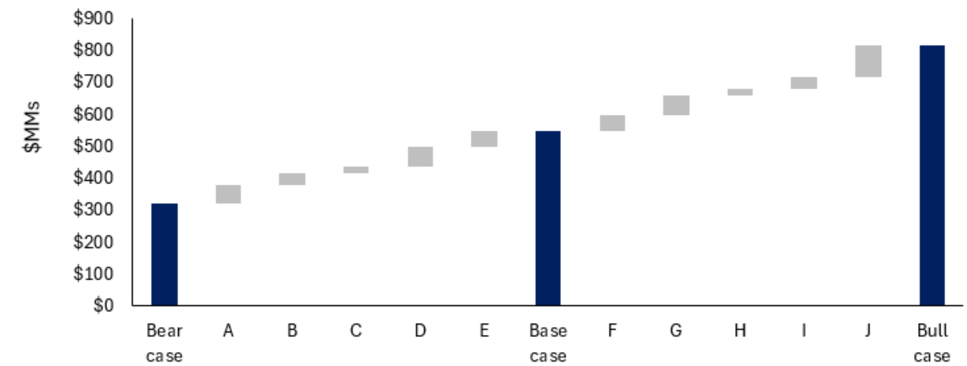
Source: Company Reports, Canaccord Genuity estimates

Figure 8: A holistic review of IBW vs. other zinc projects at various points in their life cycle

	DATA										
	Priarie Creek	Taylor	Pine Point	Horne 5	McIlvenna Bay	Blue Moon	IBW	Kutcho	Kudz Ze kayah	Lagoa Salgada	Vares
Location	NWT, Canada	Arizona, US	NWT, Canada	Quebec, Canada	Saskatchewan, Canada	California, US	Spain	B.C., Canada	Yukon, Canada	Portugal	Bosnia and Herzegovina
Fraser Institute Ranking Quintile	3	1	3	1	1	4	3	2	2		
Technical Report Level	PEA	FS	PEA	FS	FS	PEA	Scoping	FS	FS	FS	FS
Study Year	2021	2024	2022	2021	2025	2025	2025	2021	2020	2023	2021
Mine type	Underground	Underground	Open Pit	Underground	Underground	Underground	Underground	Open Pit/Underground	Open Pit/Undergroun	Underground	Underground
Plant Type	Flotation	Flotation	Flotation	Flotation	Flotation	Flotation	Flotation	Flotation	Flotation	Flotation	Flotation
Mine Life (years)	20	28	12	15	17	11	25	12	8	16	16
Processing Capacity (tpd)	2,400	11,781	7,945	14,775	4,900	1,800	3,288	4,500	5,479	3,288	2,192
LOM avg Zn grade (%)	8.58%	3.90%	4.39%	0.17%	2.17%	5.2%	2.7%	2.3%	5.8%		5.1%
LOM avg Zn recovery (%)	86%	90%	87%	86%	90%	95%	91%	95%	86%		85%
Avg Annual Zn Production (kt)	63	137	149	36	24	30	29	32	98	14	34
Avg Annual ZnEq Production (kt)	141	379	195	412	188	87	115	133	350	36	155
Initial Capex $MMs	$478	$3,168	$972	$1,611	$925	$209	$295	$444	$566	$183	$190
Sustaining & Other Capex $MMs	$407	$1,008	$472	$619	$459	$64	$664	$87	$185	$117	$97
Avg LOM Operating Cost ($/t)	$143	$61	$37	$40	$73	$116	$103	$57	$117	$47	$102
Capital Intensity Metrics											
Initial Capex/Avg Zn Production	$7,593	$15,779	$3,354	$27,578	$19,540	$4,816	$10,242	$13,979	$5,754	$13,356	$5,611
Initial Capex/Avg ZnEq Production	$3,387	$5,699	$2,565	$2,406	$2,470	$1,669	$2,575	$3,346	$1,617	$5,107	$1,223
Initial Capex/Annual Throughput	$546	$737	$122	$175	$260	$221	$246	$270	$283	$55,644	$86,688
Payback Period											
Payback Period	10	4	10	3	3	2	2	4	2	4	4
Mine Life/Payback Period	2	8	1	4	5	6	11	3	5	5	4
Financial Metrics											
NPV @ 8%	$251	$626	$344	$4,094	$1,559	$600	$551	$503	$1,135	$171	$1,366
IRR	14%	12%	20%	44%	48%	79%	29%	31%	49%	38%	64%
Commodity Price Assumptions											
Copper ($/lb)	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50
Zinc ($/lb)	$1.25	$1.25	$1.25	$1.25	$1.25	$1.25	$1.25	$1.25	$1.25	$1.25	$1.25
Gold ($/oz)	$3,858	$3,858	$3,858	$3,858	$3,858	$3,858	$3,858	$3,858	$3,858	$3,858	$3,858
Silver ($/oz)	$42	$42	$42	$42	$42	$42	$42	$42	$42	$42	$42

Source: Company Reports, Canaccord Genuity estimates

Figure 9: Project NPV sensitivity to changes in key assumptions



A	Increase discount rate by 1%	F	Increase Zn price by 10%
B	Increase operating costs by 10%	G	Increase Au price by 10%
C	Increase initial capex by 10%	H	Decrease initial capex by 10%
D	Decrease Au price by 10%	I	Decrease operating costs by 10%
E	Decrease Zn price by 10%	J	Decrease discount rate by 1%

Source: Canaccord Genuity estimates

From a jurisdictional perspective, we note that Spain is a key member of the European Union and that Andalucia Province is a key part of the EU drive for self-sufficiency in critical metals.

Attribute 2: Exploration upside

We believe EMO's portfolio offers significant exploration upside potential, both at the IBW project as well as in the broader Iberian Pyrite Belt. We categorize EMO's portfolio exploration opportunities in three buckets:

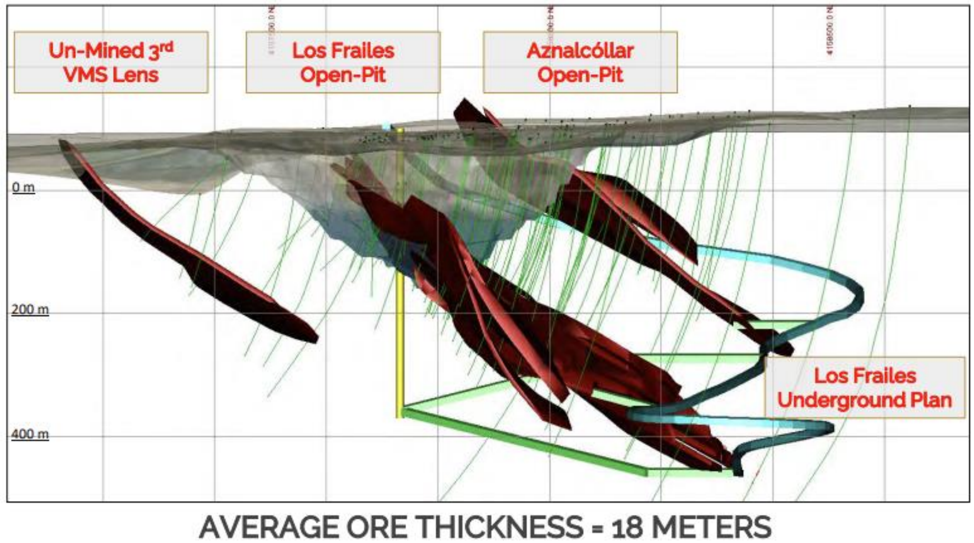
- Near-mine – each of the three deposits in the IBW project (La Romanera, El Cura and La Infanta) is open in multiple directions, at depth and down plunge.
- Proximal – VMS deposits occur in clusters; we note the recent award of the ~5,500ha 'Ontario' property immediately north of IBW, with several small past-producing mines on the property and grab samples with up to 13% Cu.
- Regional - EMO also owns the 'Nuevo Tintillo' project, a 14,500ha property that represents the single largest contiguous set of mineral licenses in the Iberian Pyrite Belt.

We discuss all these options in more detail later in this report, but note here that we do not carry any value for these options in our current estimates.

Attribute 3: Near-term option on Aznalcóllar

The Aznalcóllar project is a large past-producing polymetallic operation near Seville that is considered to be one of the world's best VMS (Volcanogenic Massive Sulphide) deposits. Not much information is available in the public domain, but we understand that this is a VMS system with three distinct lenses – Aznalcóllar, Los Frailes and an unnamed 3rd lens – as seen in the figure below.

Figure 10: Aznalcóllar geologic model



Source: Company Reports

We discuss Aznalcóllar in more detail later in this report, but provide a brief summary of the situation here.

Following a tragic failure of the tailings dam under the previous operator in 1998, the asset has been sitting idle while cleanup efforts were completed. In August 2015, following a controversial tender process, Aznalcóllar was awarded to *Minera Los Frailes*, a subsidiary of Grupo Mexico. A number of civil and criminal charges were filed against the Andalusian authorities involved in the proceedings as well as employees of Minera Los Frailes. Criminal proceedings commenced in March 2025 and are expected to be concluded in July 2025. Management believes, based on advice from independent counsel, that a conviction and sentencing in the criminal proceedings will void the validity of the 2015 tender, and that under Spanish Law, the next-ranked participant in the process (i.e., EMO) must be awarded the tender.

As stated near the beginning of this report, we carry Aznalcóllar at 30% of NAV, pending the outcome of the ongoing legal proceedings. On a standalone basis, we value the asset at $1,327million ($NPV_{8\%}$), based on a 4.5mtpa underground operation with construction costs of $800 million and operating costs of $85/t.

Figure 11: Aznalcóllar - CG modelled parameters

Aznalcóllar Operating Assumptions			CG Estimate
Mine Life	years	LOM total	16
Mill			
Ore processed	ktpa	LOM average	4,438
Zinc grade	%	LOM average	3.86%
Zinc recovery	%	LOM average	91%
Zinc production	ktpa	LOM average	156
By-products			
Lead	ktpa	LOM average	75
Copper	ktpa	LOM average	13
Silver	koz pa	LOM average	6,848
Total production			
ZnEq	ktpa	LOM average	363
Unit costs	US$/t milled	LOM average	$85.00
C1 Cash Cost	US$/lb ZnEq	LOM average	$0.73
AISC	US$/lb ZnEq	LOM average	$0.78
Initial capex	US$MMs	LOM Total	$800
Sustaining capex	US$MMs	LOM Total	$568
Financial Metrics			
NPV (post-tax, 8%)	US$MMs		$1,327
IRR (post-tax)	%		29%
Capital intensity	US$/t ZnEq pa		$2,204
Profitability Index			1.7
Payback period	years		~3

Source: Canaccord Genuity estimates. Assumed commodity prices are $1.25/lb Zn, $0.90/lb Pb, $4.50/lb Cu, $3,858/oz Au and $41.72/oz Ag.

Valuation

We present our Net Asset Value estimate for EMO in Figure 12 below.

Figure 12: EMO NAV estimate - as at July 1, 2025

	US$ mms		C$ mms	C$/sh		%
		Disc. Rate				
Iberian Belt West	395	10.5%	549	$	1.96	61%
Aznalcóllar	256	10.5%	356	$	1.27	39%
Other			0	$	-	0%
Total Asset Level NAV	651		905	$	3.24	100%
Cash + Future equity+stream proceeds	21		29	$	0.10	
Options + Warrants	0		0	$	-	
Working Capital (ex. Cash and Debt)	1		1	$	0.00	
Total Debt	(5)		(7)	$	(0.03)	
Corporate SG&A	0	8.0%	0	$	-	
Exploration Expenses	0	8.0%	0	$	-	
Net Asset Value	668		928	$	3.32	
Net Asset Value per share	$2.39		**$3.32**			

Source: Canaccord Genuity estimates

Our NAV is based on the following key assumptions:

- Project parameters as in Figure 4 above
- Valuation as at July 1, 2025
- 10.5% discount rate for both assets
- Aznalcóllar at 30% of its overall valuation
- IBW Start of construction in late 2026, and first production in 2029.
- Construction financed via a stream of 70% of life-of-mine silver production.

Based on the above, we arrive at the following valuations:

- An overall IBW project $NPV_{8\%}$ of $548 million, with an IRR of 29%.
- A net $NPV_{\%}$ of $395 million to EMO after factoring in the financing of the project via a 70% Ag stream, adjustments to the discount rate to factor in the stage of the project, and discounting the project back to today.
- An overall Aznalcóllar project $NPV_{8\%}$ of $1,327 million, with an IRR of 29%.
- A Net Asset Value of C$3.32/sh as at July 1, 2025.
  - This NAV implies that EMO is trading at a P/NAV of 0.42x, vs. the peer group average of 0.48x.

Figure 13: P/NAV - base metal developers under CG coverage

CG - Base Metal Developers												
Adriatic Metals Plc	ADT-ASX	A$5.90	A$2,028	US$1,382	Hold	A$6.00	2%	0.95	Vares	Ag, Au, Zn, Pb	Bosnia & Herzegovina	PH
Arizona Sonoran Copper Co., Inc.	ASCU-TSX	C$2.39	C$410	US$219	Spec. Buy	C$4.25	78%	0.30	Cactus	Cu	Arizona, USA	DB
Caravel Minerals Ltd.	CVV-ASX	A$0.16	A$87	US$50	Spec. Buy	A$0.62	286%	0.28	Caravel	Cu	Australia	PH
Centaurus Metals Ltd.	CTM-ASX	A$0.35	A$174	US$102	Spec. Buy	A$0.80	130%	0.47	Jaguar	Ni	Brazil	PH
Emerita Resources Corp	EMO-TSXV	C$1.41	C$341	US$262	SPEC.BUY	C$1.80	28%	0.42	IBW, Aznalcóllar	Cu, Zn	Spain	DB
DEVELOP Global Ltd.	DVP-ASX	A$4.11	A$1,494	US$831	Spec. Buy	A$4.95	21%	0.97	Whim Creek, Sulphur Springs	Cu, Zn	Australia	TM
Faraday Copper Corp.	FDY-TSX	C$1.30	C$251	US$189	Restricted	R	N/A	R	Copper Creek	Cu	Arizona, USA	DB
Firefly Metals Ltd.	FFM-ASX	A$1.00	A$738	US$346	Restricted	R	N/A	R	Green Bay, Pickle Crow	Cu, Au	Newfoundland, Canada	TM
Magna Mining Inc.	NICU-TSXV	C$1.79	C$342	US$267	Spec. Buy	C$2.75	54%	0.36	Crean Hill, Shakespeare	Ni, Cu	Sudbury, Canada	DB
Marimaca Copper Corp.	MARI-TSX	C$10.25	C$1,068	US$774	Spec. Buy	C$11.50	12%	0.58	Marimaca	Cu	Chile	DB
New World Resources Ltd.	NWC-ASX	A$0.06	A$240	US$117	Restricted	R	N/A	R	Antler Copper Project	Cu, Zn	Arizona, USA	PH
NGEx Mineral Resources	NGEX-TSX	C$17.20	C$3,543	US$2,478	Spec. Buy	C$17.75	3%	0.84	Lunahuasi, Los Helados	Cu, Au, Ag	Argentina / Chile	PB
Osisko Metals Inc.	OM-TSXV	C$0.46	C$286	US$178	Spec. Buy	C$1.75	280%	0.13	Gaspé, Pine Point	Cu, Mo, Ag, Pb, Zn	Quebec/NWT, Canada	PB
Peel Mining Ltd.	PEX-ASX	A$0.07	A$45	US$26	Spec. Buy	A$0.17	156%	0.42	South Cobar	Cu, Zn, Pb, Au, Ag	Australia	PH
Solaris Resources Inc.	SLS-TSX	C$7.15	C$1,139	US$897	Spec. Buy	C$18.00	152%	0.21	Warintza	Cu, Mo, Au	Ecuador	DB
Talon Metals Corp.	TLO-TSX	C$0.27	C$249	US$174	Spec. Buy	C$0.35	32%	0.61	Tamarack North	Ni, Cu	Minnesota, USA	DB
Western Copper and Gold Corporation	WRN-TSX	C$1.72	C$340	US$205	Spec. Buy	C$6.00	249%	0.16	Casino	Cu, Mo, Au, Ag	Yukon, Canada	DB
Developers Average								**0.48**				

Source: FactSet, Canaccord Genuity estimates, Priced as of close of business 15 July 2025

Key risks to our investment thesis

Project development risk

Like all development projects, IBW is subject to several risks as the project progresses towards first production. These include engineering, permitting and construction risks, as well as risks to current capital and operating cost estimates. We note in particular the reliance on the unproven CLEVR technology to achieve the recovery results assumed in our estimates.

Financing risk

EMO currently has no revenue and relies on external sources of funding to move the project forward. We make no assurance that funding options will be available on the terms we currently assume.

Aznalcóllar legal case

Even carried at just 30% of what we estimate its value to be, the Aznalcóllar project represents 39% of our NAV. Should EMO not prevail in its legal pursuit, our valuation could be meaningfully impacted.

Commodity price risk

Our estimates and valuation for EMO are sensitive to the price of zinc, copper and gold. Figure 14 below presents the change in our NAV estimates for a change in the price of each commodity.

Figure 14: Sensitivity to commodity prices

	2025e		
Zn Px Δ	EBITDA	CFPS	NAVPS
-20%	na	na	-25%
-10%	na	na	-13%
0%			
10%	na	na	13%
20%	na	na	25%

	2025e		
Au Px Δ	EBITDA	CFPS	NAVPS
-20%	na	na	-12%
-10%	na	na	-6%
0%			
10%	na	na	6%
20%	na	na	12%

	2025e		
Cu Px Δ	EBITDA	CFPS	NAVPS
-20%	na	na	-14%
-10%	na	na	-7%
0%			
10%	na	na	7%
20%	na	na	14%

Source: Company Reports, Canaccord Genuity estimates

Company and Project Overview

Emerita Resources was incorporated under the Business Corporations Act (British Columbia) in October 2009 and commenced trading on the TSX Venture Exchange (TSXV) on January 11, 2013, under the trading symbol "EMO".

The company is engaged in the acquisition, exploration and development of mineral properties with a primary focus on the Iberian Pyrite Belt in southern Spain. Emerita currently has a 100% interest in the following exploration properties:

- Iberian Belt West (IBW) Project: The company's primary asset, located adjacent to the border with Portugal in an area with a long history of mining dating back as far as Roman times. In March 2025, EMO released an updated mineral resource estimate (MRE) on the project with a global resource of 26mt grading 13% ZnEq (before adjusting for recoveries).
- Nuevo Tintillo: An exploration property located ~40km from Seville, Spain and adjacent to the past producing Aznalcóllarmine (see below) and presently producing Rio Tinto mine (Atalaya Mining).

In addition to the properties above, EMO has been engaged in a lengthy litigation process since 2015 related to the public tender for the Aznalcollar/Los Frailes previously producing mines, with final hearings currently underway.

Figure 15: EMO's key properties are located in the prolific Iberian Pyrite Belt VMS district

Source: Company Reports

Capital markets profile

Emerita Resources Corp. is listed on the TSXV under the trading symbol "EMO". Its common shares also trade on the OTCQX under 'EMOTF', and the Frankfurt exchange under 'LLJA'. The company currently has a market cap of C$372million and an Enterprise Value of C$370 million. The shares are relatively thinly traded, with a 90-day average trading volume of ~34 thousand shares (or 0.13% of the 263.6 million shares outstanding)

Given that EMO does not currently generate revenue, the company has historically financed its activities via equity financings. The figure below summarizes recent equity raises over the last five years.

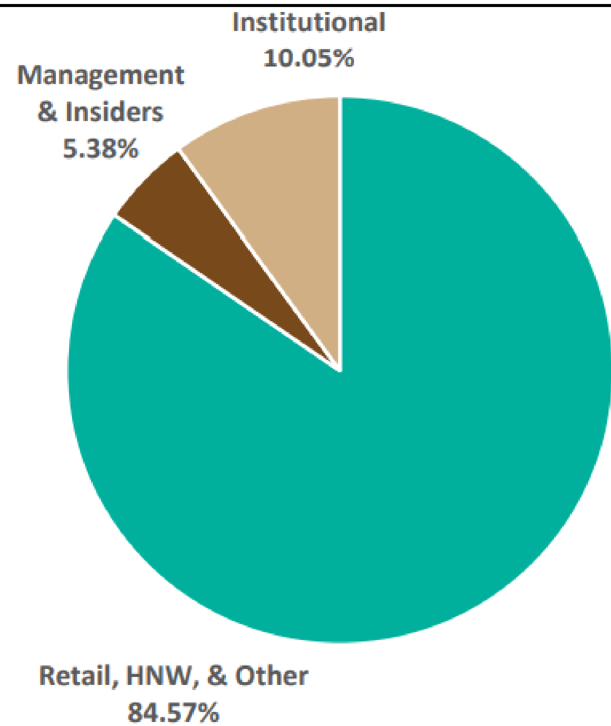
Figure 16: EMO equity raises since 2019

Closing Date	Type	Description	Amt. Raised (C$MMs)	Offer Price (adjusted)
23-May-19	Equity	Private Placement	2.08	C$0.10
12-Jul-19	Equity	Private Placement	0.14	C$0.10
10-Jul-20	Equity	Private Placement	1.35	C$0.05
13-Aug-20	Equity	Private Placement	1.00	C$0.14
11-Dec-20	Equity	Private Placement	5.18	C$0.14
23-Feb-21	Equity	Strategic Private Placement	3.00	C$0.22
15-Jul-21	Equity	Private Placement	20.00	C$1.10
13-Jun-23	Equity	Private Placement	8.00	C$0.40
16-Jun-23	Equity	Private Placement	3.00	C$0.40
18-Apr-24	Equity	Private Placement	5.00	C$0.40

Source: Company report

EMO currently has 263.6 million shares outstanding, with a further 48.2 million potential shares to be issued via warrants and options. The company's share register is largely dominated by retail investors, with institutional investors owning just 10.05% of the company and insiders owning 5.38%. Chairman Lawrence Guy currently owns 4.3 million shares (1.66% of EMO), while CEO David Gower owns 2.8 million shares (1.06%).

Figure 17: EMO share register - as of June 2025



Source: Company Reports

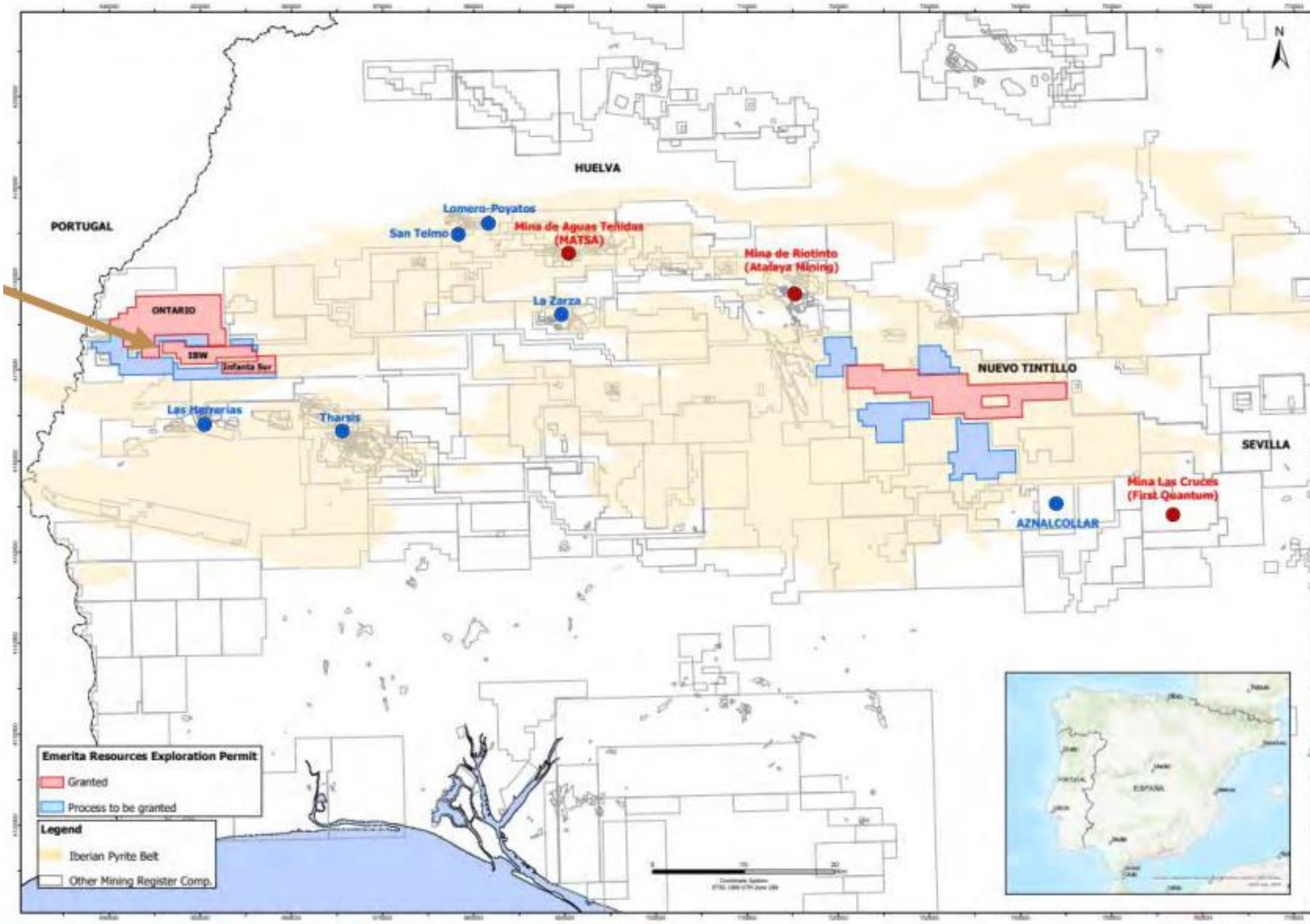
Financial position

As of March 31, 2025, EMO has C$12 million in cash on hand and no debt. Given the early stage of the company's projects, near-term exploration and project development plans are expected to be financed via equity until construction financing is put in place.

Iberian Belt West project (100% EMO)

EMO's flagship project is the Iberian Belt West project ("IBW" or "the project"), located in Huelva Province of Andalucia, Spain, ~150km west of the city of Seville and ~500km southwest of the capital Madrid. EMO owns 100% of the IBW Project – the mineral rights and concessions of the IBW Project were acquired by its subsidiary, Emerita Resources España SLU via a public tender process in September 2020.

Figure 18: IBW project location map



Source: Company Reports

Location and infrastructure

The main IBW project is situated on a 51-claim, 1,546ha tenure 100% owned by Emerita, with access agreements with local landowners covering the exploration area(s). Subsequent awards, including the 'Ontario' property immediately to the north, have increased total tenements to 7,967ha. When combined with nearby Nuevo Tintillo's 14,500ha tenure, this makes EMO the owner of the collective largest mineral exploration project in the EU.

The project can be accessed via regional road A-495 from Huelva, where an existing international commercial port exists, which other mining companies in the area use to ship their products. From Huelva, the A-49 highway is connected to Seville, which has high-speed rail and air service to the rest of Europe.

There are a number of producing or past-producing mines in the area, including Neves-Corvo (Lundin Mining, ~60km away), Rio Tinto mine (Atalaya Mining, also ~60km away), and Las Cruces (First Quantum, ~100km away). Given its European address and number of local mines, the project boasts excellent access to existing infrastructure (including roads, grid power, water, and port facilities) and labour. Of note, the IBW project sits <2km away from the Andevalo reservoir, and EMO currently has a permit to use water from the reservoir for exploration activities.

The closest population centres to the IBW Project are the small town of Puebla de Guzman (population of ~3,142) and Paymogo (population ~1,167), both located approximately 10km from the property. There are no communities within the property boundary.

A brief history

Mining in the area can be traced as far back as Roman times. The three known deposits at IBW (La Romanera, El Cura, and La Infanta) all have remnants of historical mining, including old shafts, pits, trenches and rock dumps. The most significant exploration campaigns on the project were carried out by three companies – Rio Tinto, Phelps Dodge (now part of Freeport-McMoRan) and Asturiana de Zinc (now part of Glencore). Efforts undertaken by these three companies include mapping, sampling, geophysical surveys and diamond drilling.

A portion of the historical exploration data (including collar locations, drill hole surveys, lithological coding and core sample assay results) has been preserved in hard copy by the University of Cantabria in northern Spain as well as the National Geologic Service. This work has since been digitized by Emerita geologists as part of their initial project assessment. The historical data also includes previous resource estimates:

- At La Romanera, Rio Tinto estimated mineral resources of 34Mt @ 0.42% Cu, 2.20% Pb, 2.3% Zn, 44.4g/t Ag, and 0.8g/t Au
    - Including a high-grade core of 11.21MT @ 0.40% Cu, 2.47% Pb, 5.50% Zn, 64.0g/t Ag and 1.0g/t Au.
- At La Infanta, RIO delineated 1Mt @ 1.54% Cu, 5% Pb, 12% Zn and 500g/t of Ag.
- At El Cura, Phelps Dodge estimated a resource of 2.98MT @ 1.48% Cu, 0.52% Pb, 1.89% Zn, and 17.6g/t Ag.

Figure 19: Historical drillhole database

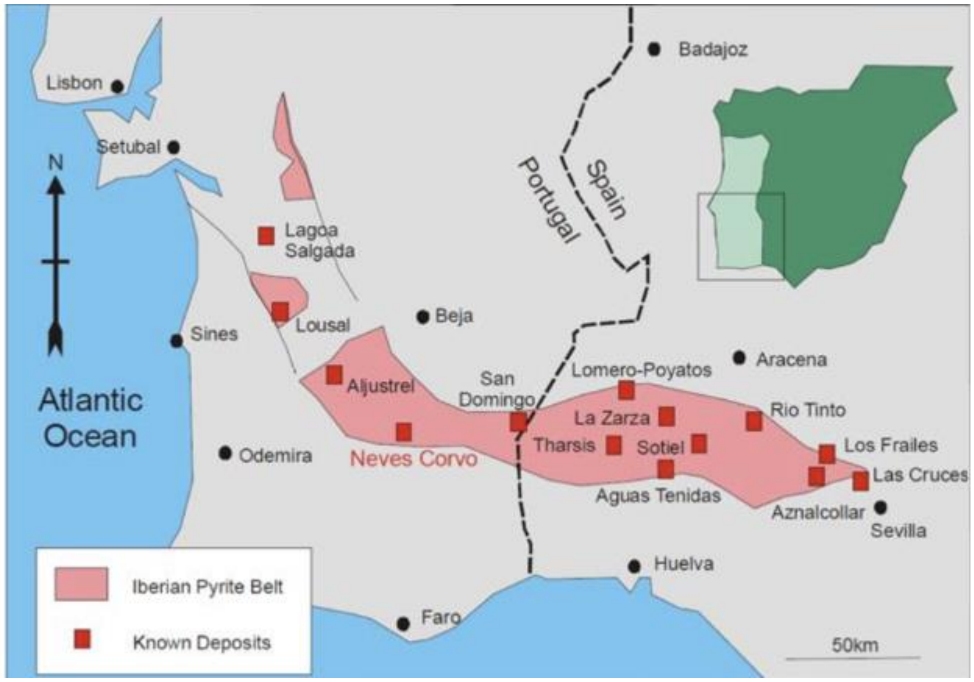
Deposit	Company	Holes Drilled	Metres Drilled
La Romanera	Riotinto Minera, SA	29	5,282
	Asturiana de Zinc, SA	18	4,758.21
La Infanta	Asturiana de Zinc, SA	40	3,390.82
	Phelps Dodge Española	9	1,253.1
El Cura	Phelps Dodge Española	17	5,078
	Riotinto Minera, SA	2	1,000

Source: Company Reports

Geology and mineralization

The Iberian Pyrite Belt ("IPB"): The Iberian Pyrite Belt is located in the Southwest of the Iberian Peninsula, comprising part of Portugal and the provinces of Huelva and Seville in Andalucia, Spain. It forms an arch ~240 km long x ~35 km wide between the city of Seville (Spain) and Grándola (Portugal). The IPB is one of the most important volcanogenic massive sulphide (VMS) districts in the world, and has been mined for more than 5,000 years. An estimated two billion tonnes have been mined from the IPB historically.

Figure 20: The Iberian Pyrite Belt



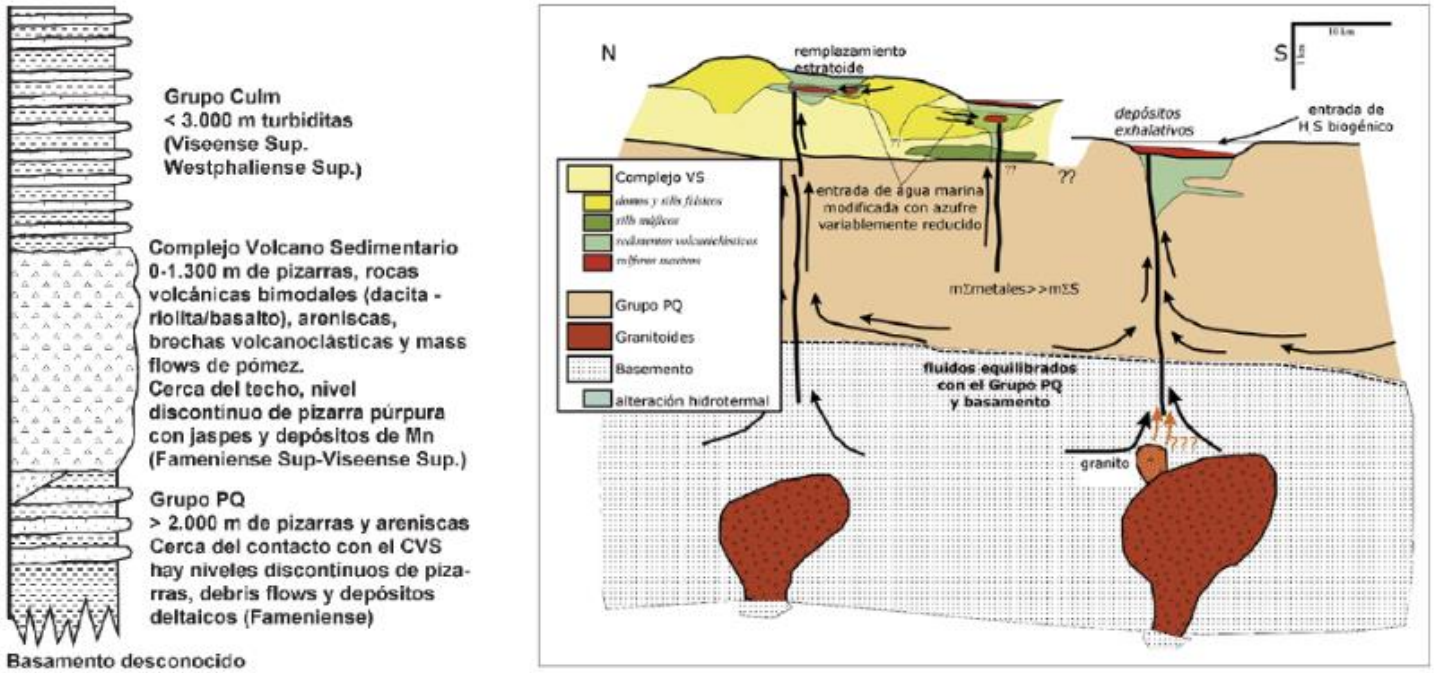
Source: Lundin Mining

The IPB is part of the Iberian Massif, which is thought to have resulted from the amalgamation of three continental blocks: the South Portuguese Zone (SPZ), the Ossa Morena Zone (OMZ), and the ensemble of the Central Iberian Zone (CIZ), West Asturian-Leonese (WALZ) and Cantabrian (CZ) zones. All of these are thought to have originated from the fragmentation of a Late Proterozoic megacontinent. Geologically, the IPB belongs to the South Portuguese Zone, the southernmost of the zones in which the Iberian Massif is divided.

The IPB stratigraphic sequence can be divided into three main groups despite lateral variations and tectonic deformation that complicate the stratigraphy:

- Phyllite-Quartzite ("PQ") Group: (Frasnian to Late Famennian) is over 2km thick (Tornos, 2006) and is composed of a detrital-siliciclastic sequence with alternating mudstone, limestones and sandstones with typical characteristics of a stable epicontinental platform.
- VS Complex: (Late Famennian to Early Visean) comprises a 1.3km thick bimodal volcanic sequence, dominated by felsic rocks, of rhyolitic-dacitic composition, with minor proportions of mafic volcanic rocks and intercalations of mudstone, limestone and chemical sediments.
- Culm Group: (Late Visean to Late Pennsylvanian) is also known as the Baixo Alentejo Flysch Group in Portugal. This flysch includes more than 3,000 meters of shales, sandstones, and scarce conglomerate intercalations, with turbiditic characteristics.

Figure 21: Stratigraphic Column of the IPB (left) and genetic model of the VMS deposits (right)



Source: Tornos, Fernando & Pamo, Enrique & Sánchez-España, Javier. (2008). The Iberian Pyrite Belt.

The IPB has been interpreted to comprise three distinct litho-structural domains:

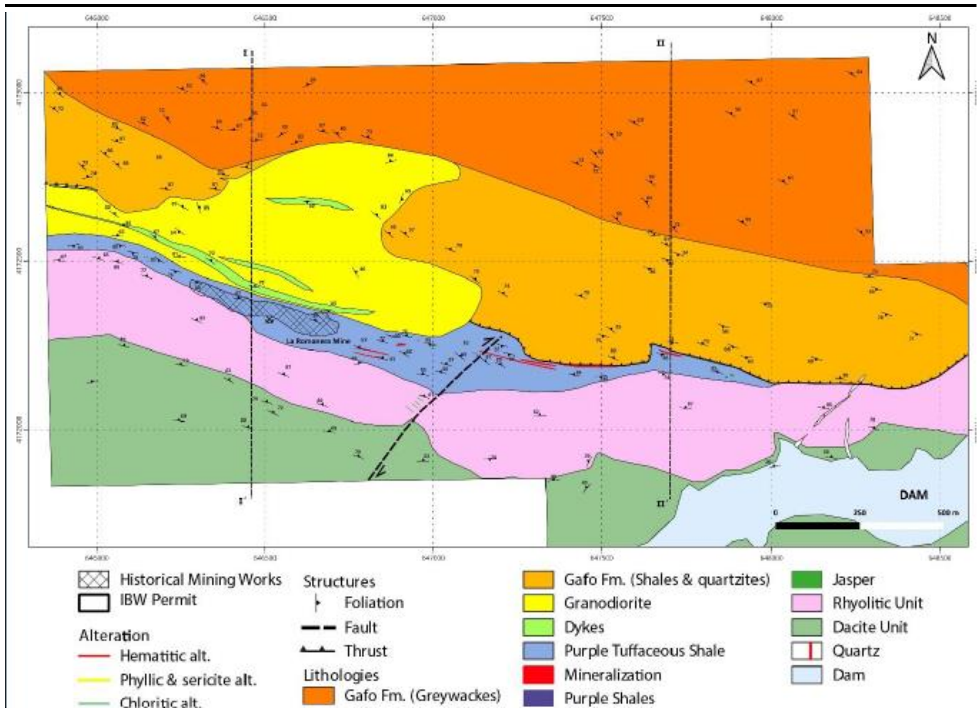
- **The Northern Domain** has the highest number of mineral deposits in the IPB along a 26km strike length. It includes La Romanera, La Infanta, Aguas Teñidas, Lomero-Poyatos, Cueva de la Mora, Concepción, San Platón, Monte Romero and San Miguel. This domain is characterised by massive sulphides hosted by felsic volcanoclastic rocks, replacing pumice or volcanic glass metastable layers, and developing stratiform layers to irregular orebodies. The VS Complex here consists mainly of fine-grained sediments with massive submarine lavas and interbedded felsic volcanoclastic units.
- **The Intermediate Domain** contains the least massive sulphide deposits. The only two significant deposits are La Zarza and Rio Tinto. Rio Tinto's massive sulphide shares common characteristics between the northern and southern domains of the IPB.
- **The Southern Domain** includes the most important VHMS deposits in the IPB, associated with sedimentary rocks in a continental supply basin with minor volcanic activity. These include Aznalcóllar-Los Frailes, Sotiel-Migollas, Masa Valverde, Tharsis and Las Cruces. Most of these deposits are exhalative type, associated with more saline and lower temperature fluids, embedded in black shales deposited on an anoxic seafloor during the Upper Devonian and formed by bio-induced precipitation.

Deposit geology: The EMO geology team have completed detailed geological mapping and core logging to constrain the geological framework of each deposit, including the host lithostratigraphic sequence and the nature of key contacts. The deposits are classified as VMS deposits and occur primarily as tabular strata-bound lenses of polymetallic (Zn, Pb, Cu, Ag, Au) massive sulphides.

At <u>La Romanera</u>, by far the largest deposit, mineralisation is hosted by a purple tuffaceous shale unit, underlain conformably by a footwall rhyolite. A sinistral thrust bounds the hanging wall contact of the mineralised horizon with overlying Gafo

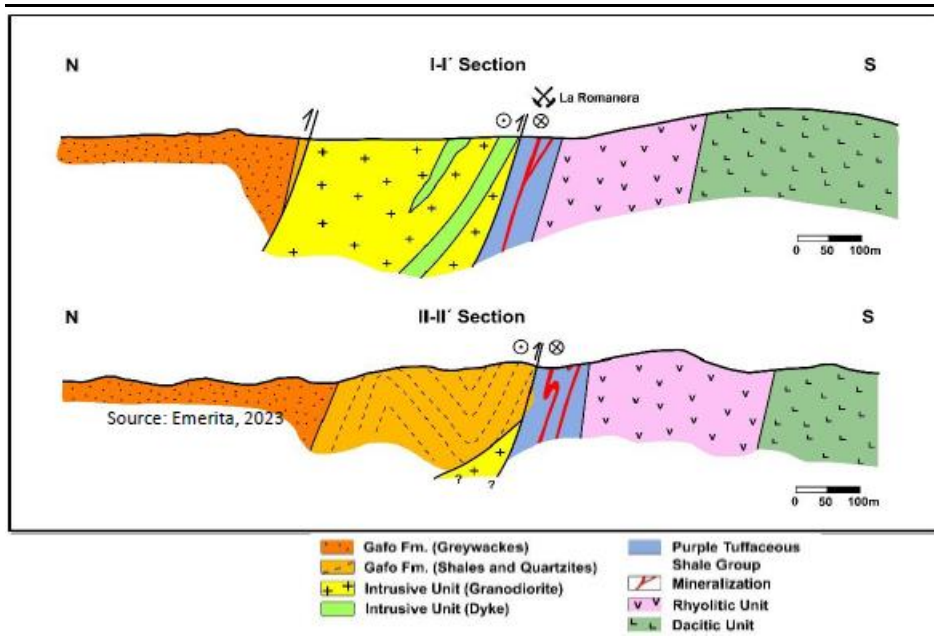
Formation shales and quartzites. Locally, the base of the Gafo Formation is intruded by granodiorite, which is the dominant hanging wall unit in the west of the deposit.

Figure 22: Plan view geological map of La Romanera



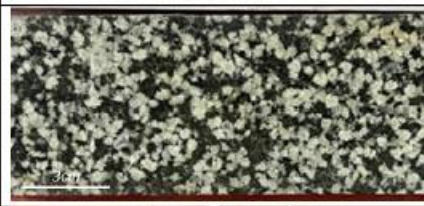
Source: Company Reports

Figure 23: Section view (looking East) - west I-I' section on top



Source: Company Reports

Figure 24: La Romanera - major stratigraphic units

Name	Type Example	Description
Gafo Formation Shales and Quartzites		Characterised by flysch facies turbiditic sedimentary rocks including greywackes and interbedded shales-quartzites with minor tuffite intercalations.
Granodiorite		Granodiorite texture, grain size and alteration varies spatially. Shown here is a melanocratic granodiorite with a coarse grained phaneritic texture.
Purple Tuffaceous Shale Group		Reddish to purple fine-grained sediment. Colour related to pervasive hematite alteration. Used as a mapping guide at project to regional scale.
Rhyolitic Unit		Combination of massive rhyolites, rhyolitic breccia and agglomerates. Strong silicification is common.
Dacitic Unit		Combination of porphyritic massive dacite and dacitic tuffs. Porphyritic dacite is plagioclase-phyric with frequent microgranular enclaves and strong chlorite alteration.

Source: Company Reports

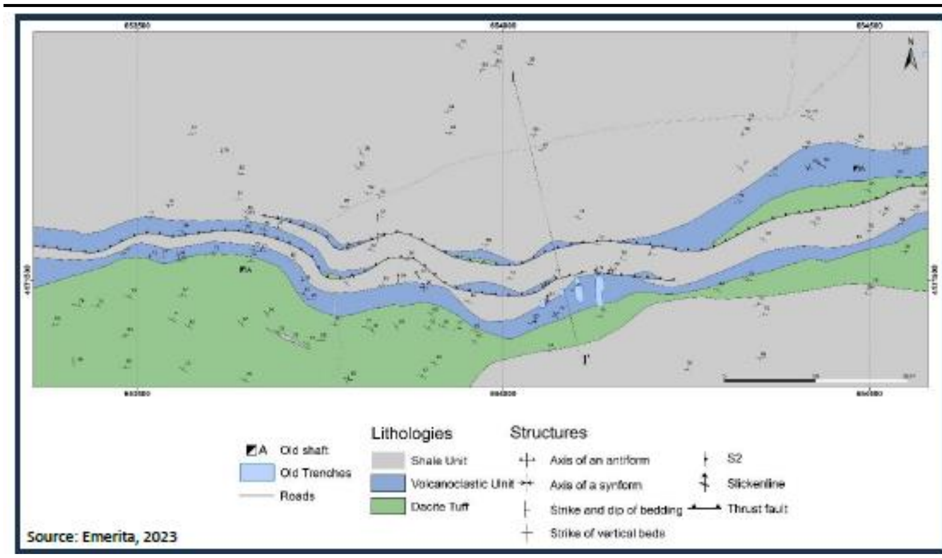
Two major sulphide lenses have so far been defined at La Romanera, which show a style of mineralisation typical of VMS deposits. Both lenses are tabular and strata-bound, and comprise massive to semi-massive sulphide mineralisation, with the main mineralogybeing pyrite, sphalerite, galena, and chalcopyrite. No significant stockwork-style mineralised zone is recognised in the deposit.

The Upper Lens massive sulphide is a continuous mineralised horizon which varies approximately from 2.0 to 32.0m in true thickness and averages 10.0m overall, with a strike length of 650m. The Lower Lens massive sulphide is a continuous mineralised horizon which varies approximately from 2.0 to 30.0m in true thickness and averages 13.0m overall, with a strike length of 800m. The Upper Lens massive sulphide and the underlying Lower Lens are locally both separated and in contact with one another throughout the deposit. The Upper Lens occurs approximately 2.0

to 30.0m in the hanging wall above the Lower Lens. The lenses get closer and eventually merge at depth. The deposit dips at approximately 70° to the north from surface for a down-dip length of approximately 70m (Upper Lens) and 800m (Lower Lens) so far tested by drilling. The deposit is open down plunge.

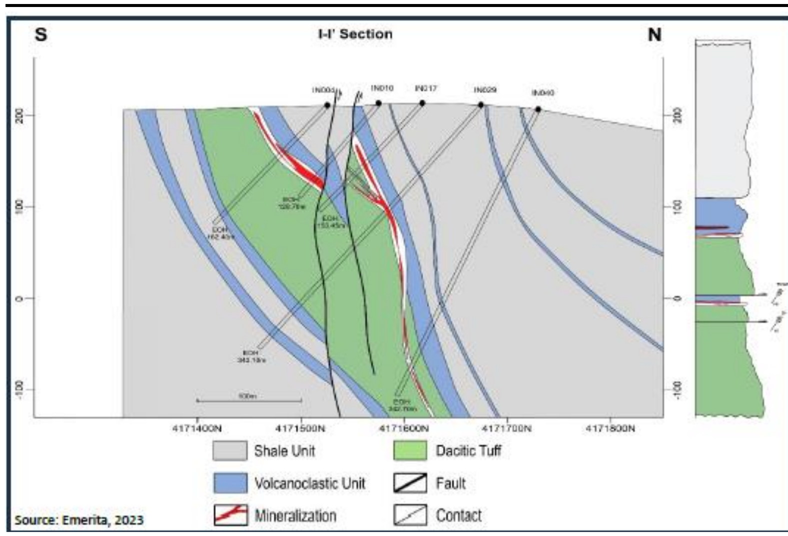
The La Infanta deposit is located at the contact between a footwall unit of highly silicified dacitic tuffs and a hanging wall volcaniclastic unit. Tectonically, the mineralisation is located on the northern flank of an extensive anticline, which is consistently faulted. These faults create a repetition of the mineralised horizon, which divides the mineralisation into the North, South and South 1 lenses or fault blocks. No significant stockwork style mineralised zone is recognised in the deposit. The main mineralogy of the deposit is sphalerite, pyrite, galena, chalcopyrite, and members of the tetrahedrite-tennantite solid solution series. Unlike La Romanera, the proportion of pyrite is exceptionally low (typically <10%) and pyrite is absent over large areas.

Figure 25: La Infanta geologic map



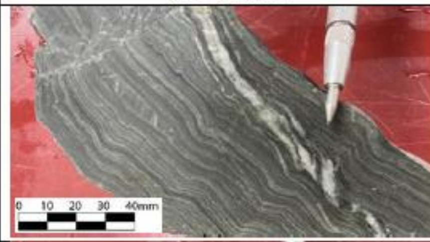
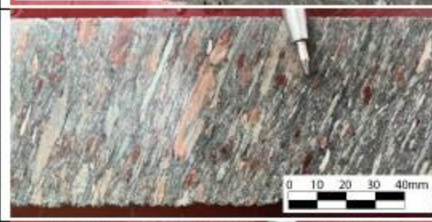
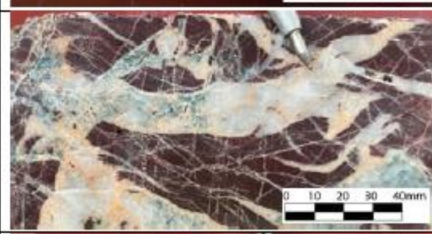
Source: Company Reports

Figure 26: La Infanta - cross section with lithographic schematic



Source: Company Reports,

Figure 27: La Infanta - major lithographic units

Name	Type Example	Description
Shale Unit		Grey to black color due to organic content. Laminated to massive textures. Quartz veins parallel to a strong penetrative foliation.
Volcanoclastic Unit		Unit is differentiated into volcanoclastic tuffs, sandstones and conglomerate according to grain size and texture.
Marker Horizon		Mixture of Jasper and purple shales. Jasper more abundant than in La Romanera, forming marker horizon outcrops due to associated silicification.
Dacitic Tuff		Combination of volcanoclastic lapilli tuffs and bedded tuffs. Fine to medium grain size, grayish to greenish colors and silicification alteration. Some minor base metal mineralisation characterised by veins and patches of sphalerite and galena.

Source: Company Reports

The North Lens is a continuously mineralised massive sulphide horizon that varies approximately from 1.0 to 10.0m in true thickness and averages 3.0m overall, with a strike length of 1900m. The South Lens is also a continuous mineralised massive sulphide horizon which varies approximately from 1.0 to 9.0m in true thickness and averages 3.0m overall, with a strike length of 1090m. Finally, the South Lens 1 is a continuous mineralised massive sulphide horizon which varies approximately from 1.0 m to 7.0m in true thickness and averages 2.6m overall, with a strike length of 325m.

The North Lens and the underlying South Lens are generally separated throughout the deposit by ~30m. The South Lens and the underlying South Lens 1 are generally separated throughout the deposit by ~15m.

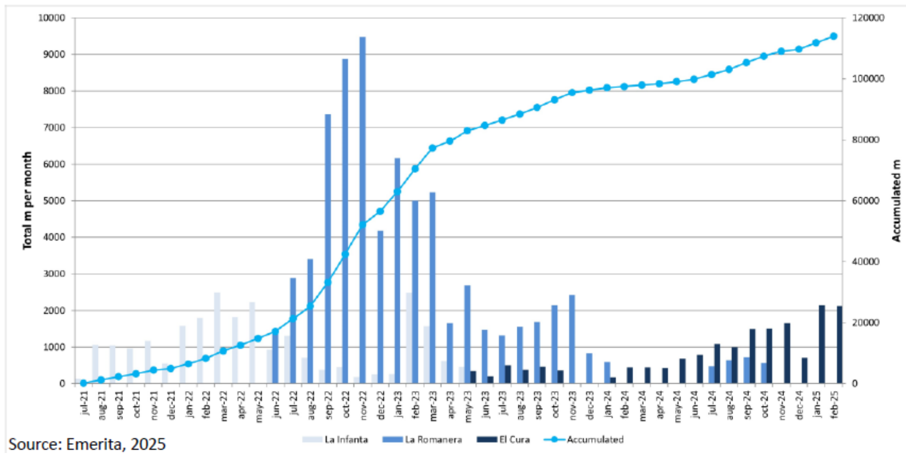
The Deposit dips at approximately 70° from surface for a down-dip length of approximately 425m (North Lens), 190m (South Lens) and 150m (South Lens 1). The lenses are open down-plunge.

Resources

Given its early stage, IBW does not currently have defined reserves at this time. In March 2025, the company published its maiden Mineral Resource Estimate on the project, based on ~105,000m of drilling completed between July 2021 and February 2025.

Figure 28: Drilling summary since EMO received its permits in 2021

Area	2021	2022	2023	2024	2025 to date	Total
La Infanta	4,511.3	10,796.9	5,666.8			20,974.9
La Romanera	-	34,779.1	31,863.1	3,702.1		70,344.3
El Cura			2,118.8	9,896.2	2,220.1	14,235.0
Total	4,511.3	45,576.0	39,648.7	13,598.3	2,220.1	105,554.2



Source: Company Reports

We present the results in the table below:

Figure 29: IBW Mineral Resource Estimate – March 2025

Average Grade									
Deposit	Class	Tonnes (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)	ZnEq %	CuEq %
La Romanera	Indicated	17.34	2.64	1.25	0.43	65.00	1.34	7.89	2.86
	Inferred	4.13	3.08	1.27	0.61	49.70	0.82	7.69	2.79
La Infanta	Indicated	1.09	7.38	4.39	1.08	94.60	0.35	16.61	5.42
	Inferred	1.91	4.08	2.23	0.66	74.00	0.38	10.22	3.34
El Cura	Indicated	0.53	1.58	0.69	1.45	42.90	1.41	9.57	3.00
	Inferred	0.76	2.08	0.91	1.51	48.00	1.46	10.47	3.28
IBW Project	**Indicated**	**18.96**	**2.88**	**1.42**	**0.50**	**66.00**	**1.28**	**8.44**	**3.01**
	Inferred	**6.80**	**3.25**	**1.50**	**0.73**	**56.30**	**0.77**	**8.72**	**3.00**

Metal Content						
Deposit	Class	Zn (kt)	Pb (kt)	Cu (kt)	Ag (koz)	Au (koz)
La Romanera	Indicated	458	217	75	36,216	747
	Inferred	127	52	25	6,589	109
La Infanta	Indicated	80	48	12	3,311	12
	Inferred	78	42	13	4,542	23
El Cura	Indicated	8	4	8	735	24
	Inferred	16	7	12	1,180	36
IBW Project	**Indicated**	**547**	**269**	**94**	**40,263**	**783**
	Inferred	**221**	**102**	**49**	**12,311**	**168**

Source: Company Reports

We make the following observations on the current resource estimate:

- ~75% of the global resource is in the higher confidence Indicated category.
- The resources are based on a 3.0% ZnEq cut-off grade for La Romanera and La Infanta, and 0.3% CuEq for El Cura. Cut-off grades are based on metal price, metallurgical recovery and preliminary operating cost assumptions (total mining, processing and G&A cost of US$76.6/t, for underground mining and two-stage mineral processing using selective copper-lead-zinc flotation and a post-flotation process).
- Metal price assumptions used in the equivalent grade calculations are US$3,200/t Zn, US$2,300/t Pb, US$9,500/t Cu, US$25/oz Ag and US$2,200/oz Au

Given that all three deposits are open at depth and down plunge, we fully expect these resources to continue to grow. In addition, we note that VMS deposits occur in clusters, and given the large untested 'Ontario' land package to the north, we see a meaningful probability for more discoveries. This newly acquired land hosts multiple historic mines, including San Jose, Peñuelas, and Los Silos, with past reports of high-grade copper mineralization, some exceeding 13% Cu in grab samples.

Metallurgy

Metallurgical test work on the IBW project is at a very early stage. Ahead of the March 2025 resource, two phases of Locked Cycle Tests (LCTs) have been completed on the La Romanera and La Infanta deposits, and one phase on the El Cura deposit. The latest phase of testing on all three deposits evaluated the production of three bulk concentrates, based on a standard sulphide flotation flowsheet. We present the results in the tables below, and our takeaways after.

Figure 30: La Romanera LCT results

Test	Concentrate	Assay (%) *(ppm)								Recovery (%)							
		Cu	Pb	Zn	Fe	As	Au*	Ag*	S_{tot}	Cu	Pb	Zn	Fe	As	Au	Ag	S_{tot}
LCT1	Cu	20.43	11.14	5.39	23.22	0.60	7.72	986.8	34.58	41.5	7.3	1.5	0.7	0.8	4.1	14.2	0.7
	Pb	2.88	26.76	4.09	25.55	0.90	2.88	493.6	38.00	17.4	52.2	3.4	2.3	3.4	4.5	21.0	2.4
	Zn	0.72	1.16	50.10	9.65	0.52	1.25	137.8	36.98	8.3	4.3	78.7	1.7	3.7	3.7	11.2	4.4

Source: Company Reports

Figure 31: La Infanta LCT results

Test	Concentrate	Assay (%) *(ppm)								Recovery (%)							
		Cu	Pb	Zn	Fe	As	Au*	Ag*	S_{tot}	Cu	Pb	Zn	Fe	As	Au	Ag	S_{tot}
LCT1	Cu	20.18	21.09	6.64	11.94	0.95	4.01	1522.8	25.37	42.4	10.6	1.8	5.9	17.3	22.5	33.6	5.9
	Pb	5.79	47.89	16.59	3.24	0.52	0.92	639.7	22.06	39.7	78.3	14.7	5.2	31.1	16.8	46.1	16.7
	Zn	0.56	1.84	57.50	1.45	0.08	0.41	76.7	31.42	5.9	4.6	78.0	3.6	7.4	11.6	8.5	36.4

Source: Company Reports

Figure 32: El Cura LCT results

Test	Concentrate	Assay (%) *(ppm)								Recovery (%)							
		Cu	Pb	Zn	Fe	As	Au*	Ag*	S_{tot}	Cu	Pb	Zn	Fe	As	Au	Ag	S_{tot}
LCT2	Cu	22.89	5.52	2.46	29.81	0.16	2.35	198.8	36.83	79.4	53.0	13.3	5.7	3.0	9.8	33.1	6.3
	Pb	7.85	4.19	3.45	34.11	0.37	2.90	643.4	44.90	4.0	5.9	2.7	1.0	1.0	1.8	15.6	1.1
	Zn	2.92	1.02	45.20	13.84	0.16	2.17	316.4	36.79	2.8	2.7	67.9	0.7	0.8	2.5	14.7	1.8

Source: Company Reports

We make the following observations:

- In general, estimated recoveries for all metals are low relative to global standards; this is especially true for the precious metals.

- These low recoveries occur despite a very fine grind size (primary P80 of just 30 μm).
- Copper and lead expected concentrate grades are fairly low.
    - The lead concentrate grade at La Romanera was just 26.8%, and is unlikely to be payable.
- 100% payabilities and no penalties have been assumed for the Mineral Resource estimate, despite the lower concentrate grades and the likelihood of Hg concentrations above penalty levels.
- Copper recoveries are low, despite considering the total copper recovered in both copper and lead concentrates at 100% payability; in practice, this is unlikely to occur, in our view.

Given the above, EMO management has opted to consider a Post-Flotation Process (PFP). Various technologies have been considered, including the use of roasting, acid leaching and cyanide leaching to boost the gold recoveries. That said, the March 2025 MRE has selected 'CLEVR', an experimental technology created by Dundee Sustainable Technologies. The following is a description of CLEVR as presented in the March 2025 MRE technical report.

"Laboratory-scale testwork has, and is, being conducted using the CLEVR Process® developed by Dundee Sustainable Technologies (DST), based in Canada. It should be noted that this process is not currently commercialised. It is based on using sodium hypochlorite with a catalytic amount of sodium hypobromite in acidic conditions to leach the gold into solution, resulting in a very short leach residence time, with the process operating in a fully closed loop.

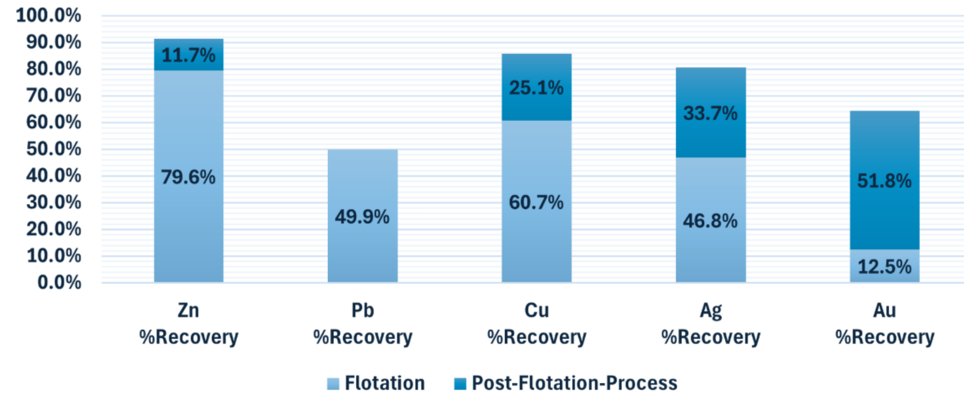
DST is working towards the commercialisation of the CLEVR Process® and has received ISO 14034:2016 certification through the Canadian Environmental Technology Verification Program, providing independent certification of its performance as a cyanide-free gold extraction process. In terms of collaborations, DST has an ongoing agreement with Newmon (NEM-NYSE, Carey MacRury, BUY US$75.00/sh tp)t, while ESGold has reported over 90.9% gold recovery on the Montauban Project stockpiled tailings. While providing preliminary insights into the use of this technology at the Montauban Project, further studies are required to confirm economic feasibility. ESGold and DST are now working towards process optimisation and refining engineering parameters to support the integration of the CLEVR Process™ at the Montauban Project."

We note that the sample presented to DST to assess using CLEVR was the original La Romanera sample used in the Phase 1 LCT program, which contained higher-grade gold. DST determined that three additional preparatory steps will be required:

- Pyrolysis (to remove arsenic)
- Oxidative Thermal Pre-Treatment (to remove sulphur), and
- Acid Leaching (to remove and recover additional copper and zinc)

The figure below presents the incremental recoveries from the La Romanera sample based on the three preparatory steps and the CLEVR process.

Figure 33: Recoveries from the LCT and subsequent PFP via CLEVR



Source: Company Reports

We note the following:

- Precious metal recoveries are significantly dependent on CLEVR, particularly gold
- Lead recovery remains challenged
- Zinc and copper recoveries are reliant on the acid-leaching process followed by SX-EW refining to attain typical levels found in standard operating plants.

The results from the CLEVR lab tests on the MET-1 sample have been extrapolated for the broader La Romanera, La Infanta and El Cura deposits, using the metallurgical test work samples for each of these deposits as proxies. Assumed recoveries in the March 2025 Mineral Resource Estimate are presented in the figure below.

Figure 34: Summary of recoveries by metal and deposit in the MRE

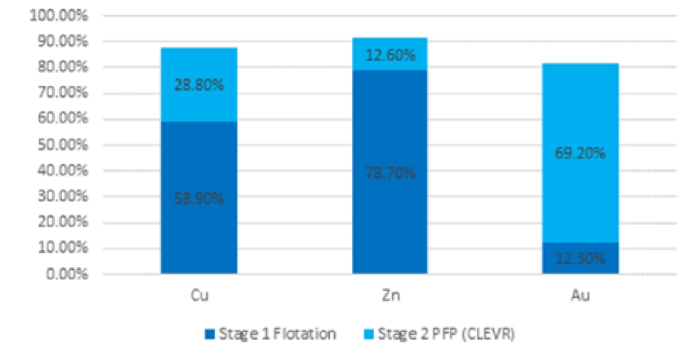
Deposit	% Zn	% Pb	% Cu	% Au	% Ag
La Romana	90.4	52.2	84.0	64.1	80.1
La Infanta	90.1	78.3	93.0	79.9	95.6
El Cura	85.6	0	92.0	64.1	80.6

Source: Company Reports

No detailed cost data is available for the CLEVR process or the three preparatory processes; the MRE assumes a cost of $30/t processed, and in the absence of better data, we have made the same assumption in our valuation of the IBW project.

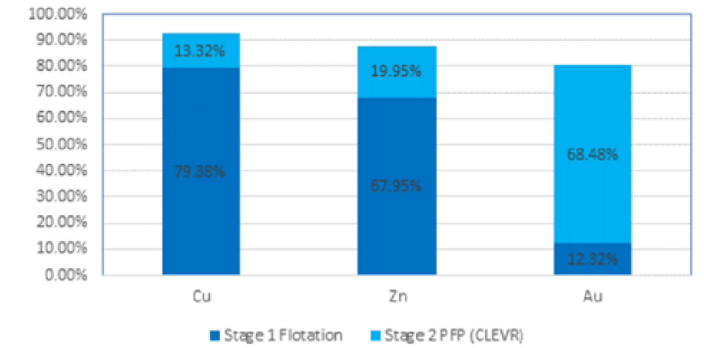
Following the release of the MRE, on May 27 EMO released a follow-up metallurgical update. The update included the results of 18 CLEVR tests on the original La Romanera sample, along with five acid leaching tests. We present the results below – note that Ag recoveries have not been included, and we assume these haven’t changed from previous test results. Our modelled recoveries are based on these test results, with the obvious caveat that these have not been field-tested. Recovery estimates for El Cura have been extrapolated from the La Romanera results.

Figure 35: La Romanera two-stage recoveries



Source: Company Reports

Figure 36: El Cura two-stage recoveries



Source: Company Reports

Given the significant grinding requirements, challenged one-stage recoveries, potential penalties for deleterious elements, impact on payabilities and reliance on unproven technology to generate higher metal recoveries, we view metallurgy as the single biggest challenge facing EMO on the IBW project.

Permitting

The IBW project currently operates under an Exploration Permit that was granted in July 2021 and subsequently extended for a three-year period in September 2023. The project also holds a permit to utilise water from the Andevalo reservoir for exploration activities, and we note that the Exploration Permit covers the newly acquired Ontario property as well.

In September 2023, EMO filed an application for the formal Exploitation Permit on the IBW project, which will allow for mining activities. Under Spanish Law, this starts a process under which Emerita must submit a full mining plan and Environmental Impact study within three months. In December 2023, Emerita announced it had submitted all required supporting documentation for the exploitation licence (including basic engineering, environmental parameters, and a restoration plan). A separate Environmental Impact Assessment for the environmental permit – *'Declaración de Impacto Ambiental'* – was submitted in July 2024. Around the same time, the Andalusian government formally declared IBW an "Inversión Empresarial de Interés Estratégico" (Strategic Business Investment), which effectively assigns senior officials to the project and places IBW in a fast-track permitting regime.

The application for the Exploitation Permit remains under review as of the time of writing. Having visited the site, we note that the area is a historical mining area that is generally arid with no material flora or fauna and generally broad local community support; as such, and given the drive to produce minerals in the EU again, we do not believe permitting will be a major challenge.

Taxes and Royalties

The statutory corporate income tax rate in Spain is 25%. There are no other country or provincial mineral royalties or taxes on the IBW project. No other third-party royalties or streams on the project exist at this time.

Our estimates

Based on currently available information, we model the following operating scenario for IBW:

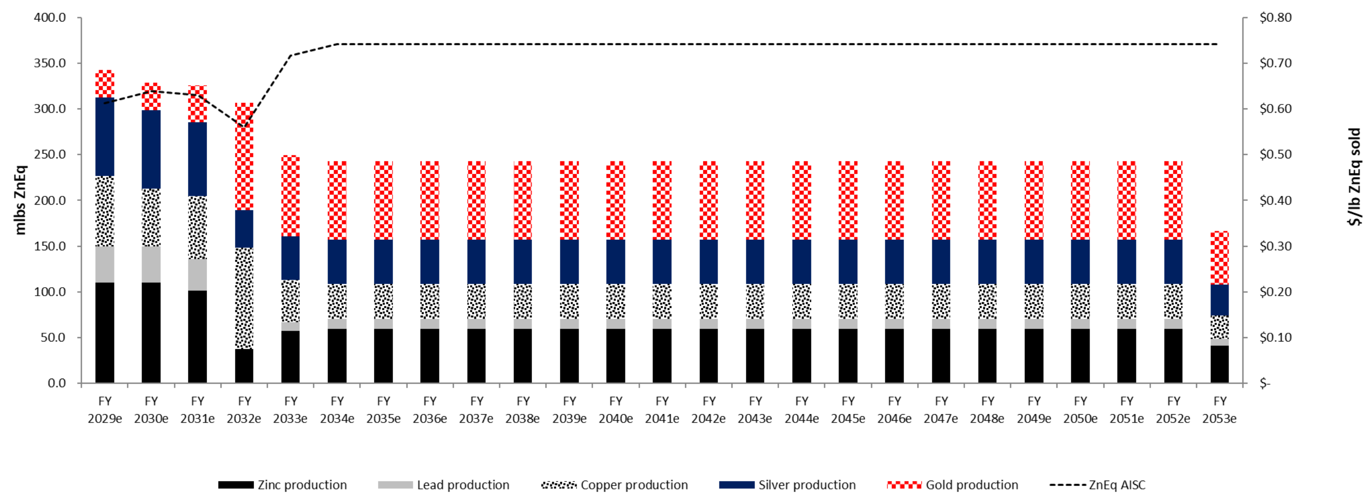
Figure 37: IBW project summary - CG estimates

IBW Operating Assumptions			CG Estimate
Mine Life	years	LOM total	25
Mill			
Ore processed	ktpa	LOM average	1,185
Zinc grade	%	LOM average	2.67%
Zinc recovery	%	LOM average	91%
Zinc production	Mlbs pa	LOM average	64
By-products			
Lead	Mlbs pa	LOM average	19
Copper	Mlbs pa	LOM average	12
Silver	koz pa	LOM average	1,568
Gold	kozpa	LOM average	26
Total production			
ZnEq	Mlbs pa	LOM average	253
Revenue split			
Zinc	%		25%
Lead	%		5%
Copper	%		19%
Silver	%		20%
Gold	%		33%
Unit costs	US$/t milled	LOM average	$103
C1 Cash Cost	US$/lb	LOM average	$0.63
AISC	US$/lb	LOM average	$0.71
Initial capex	US$MMs	LOM Total	$295
Deferred capex	US$MMs	LOM Total	$160
Sustaining capex	US$MMs	LOM Total	$504
Financial Metrics			
NPV (post-tax, 8%)	US$MMs		$548
IRR (post-tax)	%		29%
Capital intensity	US$/t ZnEq pa		$2,569
Profitability Index			1.9
Payback period	years		~2.25

Source: Canaccord Genuity estimates

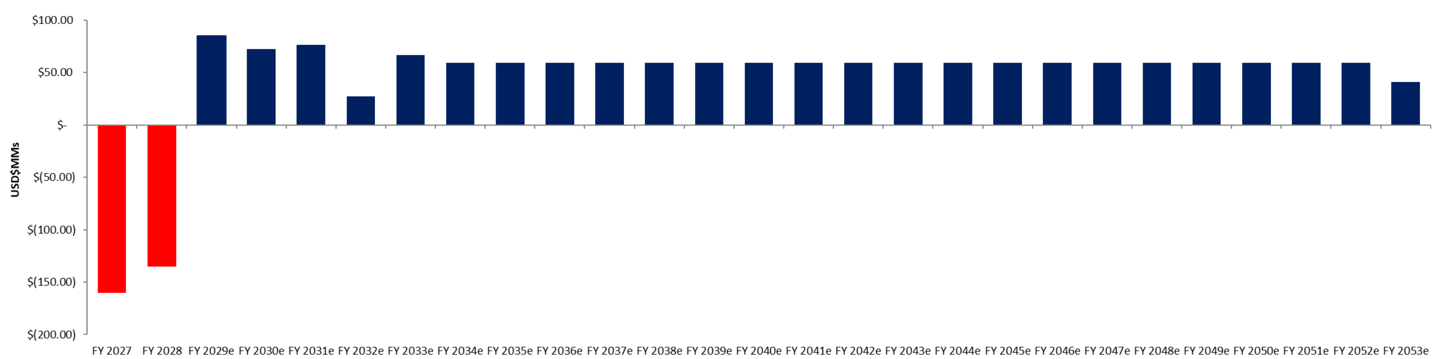
Our estimates are based on current resources and metallurgical test work, while capital and operating costs are benchmarked against nearby operations (MATSA, Neves-Corvo, etc.). We model production from La Infanta first, followed by El Cura and finally La Romanera, with development capital deployed accordingly.

Figure 38: IBW forecast production and cash cost profile



Source: Company Reports, Canaccord Genuity estimates

Figure 39: IBW cash flow profile



Source: Company Reports, Canaccord Genuity estimates

Based on the estimates above and the CG commodity price deck, we calculate a NPV8% of US$548 million and an IRR of 29% for the IBW project. We note that this estimate is on a standalone basis, prior to any financing assumptions.

Aznalcóllar

The Aznalcóllar project is a large past-producing polymetallic operation near Seville that is considered to be one of the world's best VMS deposits.

A brief history

Like much of the rest of the Iberian Pyrite Belt, Aznalcóllar has been mined for sulphide ore since Roman times. Large-scale mining occurred under various entities throughout the 1900s, most recently by Boliden AB, the Swedish mining and smelting company.

On April 25, 1998, a catastrophic tailings dam failure at the mine resulted in millions of cubic metres of toxic sludge spilling into the nearby Guadiamar River and Doñana National Park buffer zone (a UNESCO World Heritage Site). Multiple protracted legal battles ensued, but efforts to assign liability for the dam failure were inconclusive and the courts found no criminal negligence by Boliden. A major cleanup and detoxification effort in the Guadiamar River Corridor was subsequently completed by the Spanish authorities.

During the post-GFC metal price surge, interest in re-opening the mine grew, given the high-grade nature and scale of the deposits. In 2015, a tender process was carried out by the Andalusian Government, in which there were two bidders – EMO and Minera Los Frailes (a consortium controlled by Grupo Mexico). The tender was awarded to Minera Los Frailes, but the decision was controversial.

Legal proceedings

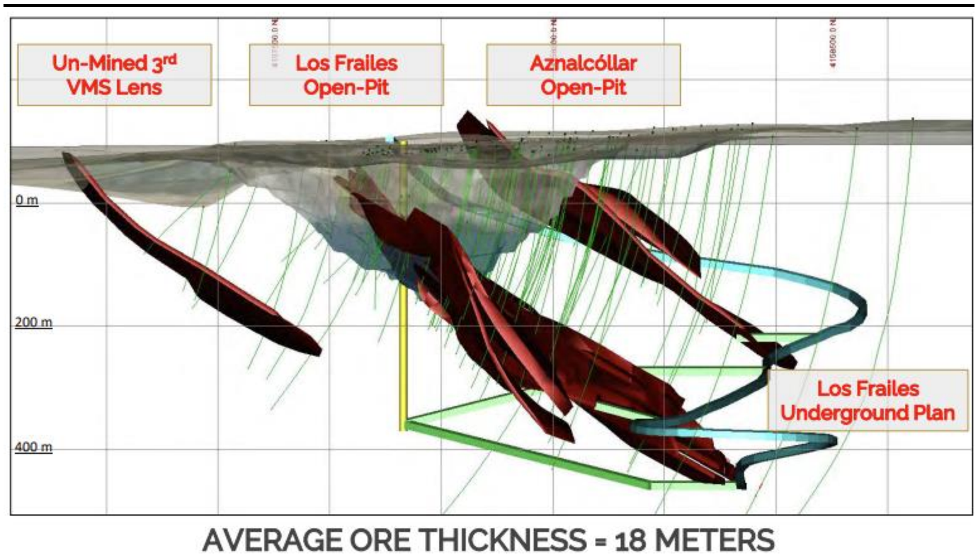
Following the tender decision in 2015, a number of civil and criminal charges were filed against the Andalusian authorities involved in the proceedings as well as employees of Minera Los Frailes. Criminal proceedings commenced in March 2025 and are expected to be concluded in July 2025.

In April 2025, the Superior Court of Justice of Andalusia (TSJA) upheld the legitimacy of the 2015 concession awarded to Minera Los Frailes and dismissed an appeal from EMO that the concession was improperly tendered under Spanish law on a procedural basis ("via de hecho"). In addition, in May 2025, the *Junta de Andalucia* awarded Minera Los Frailes the 'Exploitation Permit' to develop Aznalcóllar. However, the broader "Administrative Case' filed by EMO alleging various other irregularities in the tendering process remains in front of the courts, with a decision pending the outcome of the criminal proceedings. Management believes, based on advice from independent counsel, that conviction and sentencing in the criminal proceedings will void the validity of the 2015 tender, and that under Spanish Law, the next-ranked participant in the process (i.e., EMO) must be awarded the tender.

Asset description

Not much information is available in the public domain on Aznalcóllar. We understand that this is a VMS system with three distinct lenses – Aznalcóllar, Los Frailes and an unnamed third lens – as seen in the figure below.

Figure 40: Aznalcóllar geological model



Source: Company Reports

The two named lenses above had the following historic resources:

- Aznalcóllar- 91 Mt including 43 Mt grading 5.5% Zn+Pb+Cu (Ag 67 g/t)
- Los Frailes - 73 Mt including 20 Mt grading 10.8% Zn+Pb+Cu (Ag 84 g/t)

Boliden conceived mining the lenses via successive open pits, in a large-tonnage, lower-grade operation. If awarded the asset by the courts, EMO intends to redesign the approach to a smaller, higher-grade underground operation starting with the high-grade core at Los Frailes.

Valuation

As stated at the beginning of this report, we carry Aznalcóllar at 30% of NAV, pending the outcome of the ongoing legal proceedings. On a standalone basis, we value the asset at $1,327 million (NPV$_{8\%}$), based on a 4.5mtpa underground operation with construction costs of $800 million and operating costs of $85/t.

Figure 41: Aznalcóllar - CG modelled parameters

Aznalcóllar Operating Assumptions			CG Estimate
Mine Life	years	LOM total	16
Mill			
Ore processed	ktpa	LOM average	4,438
Zinc grade	%	LOM average	3.86%
Zinc recovery	%	LOM average	91%
Zinc production	ktpa	LOM average	156
By-products			
Lead	ktpa	LOM average	75
Copper	ktpa	LOM average	13
Silver	koz pa	LOM average	6,848
Total production			
ZnEq	ktpa	LOM average	363
Unit costs	US$/t milled	LOM average	$85.00
C1 Cash Cost	US$/lb ZnEq	LOM average	$0.73
AISC	US$/lb ZnEq	LOM average	$0.78
Initial capex	US$MMs	LOM Total	$800
Sustaining capex	US$MMs	LOM Total	$568
Financial Metrics			
NPV (post-tax, 8%)	US$MMs		$1,327
IRR (post-tax)	%		29%
Capital intensity	US$/t ZnEq pa		$2,204
Profitability Index			1.7
Payback period	years		~3

Source: Canaccord Genuity estimates

Nuevo Tintillo

The Nuevo Tintillo property is located in the eastern part of the Iberian Pyrite Belt, ~40km away from Seville. While early stage, the asset is the single largest single-owner property in the IPB, at 14,500ha. Large-producing or past-producing mines are on trend, with Rio Tinto and Aguas Tenidas to the northwest and Aznalcóllar and Las Cruces to the southeast. Traces of artisanal workings are evident on the property, which also hosts three small past-producing mines.

EMO has conducted sampling work across the property, along with first-pass drilling (8 diamond drill holes) in the western portion of the property.

We believe Nuevo Tintillo represents prospective upside to EMO, but given the early stage, we carry no value for the asset at this time.

Conclusions

We are initiating coverage of Emerita Resources Corp. (EMO-TSXV) with a SPECULATIVE BUY rating and a C$1.80/sh 12-month target price. Our target price is based on 0.50x our fully risked NAV, measured as at July 1, 2026. Our target price multiple of 0.50x is the standard multiple we use to derive target prices for base metal developers under coverage. We note that our NAV assumes a 30% probability of EMO being awarded the tender for Aznalcóllar, which is approximately what the market is currently pricing in at this time.

Our SPECULATIVE BUY rating is predicated on the 28% implied return to our 12-month target price, with the "SPECULATIVE" qualifier intended to remind investors that the company does not have any operating assets and thus poses a higher-than-normal risk profile.

We view EMO as a compelling investment for investors looking for zinc exposure in high-quality jurisdictions, with significant upside via exploration and an embedded near-term potential option in the Aznalcóllar case outcome. Our investment thesis is predicated on three primary attributes:

- Attribute 1 – IBW is a relatively attractive project in a good jurisdiction, in our view, with solid expected returns and a strong precious metal by-product credit that should lower costs and provide financing options for construction. We value IBW (NPV8%) at US$548 million on a standalone basis, with a post-tax IRR of 29%.
- Attribute 2 – We believe EMO has compelling exploration potential at the IBW project, as well as at proximal land packages owned by the company. In addition, EMO's early-stage Nuevo Tintillo project represents the single largest contiguous land package in the Iberian Pyrite Belt and is on trend with several current and past-producing mines.
- Attribute 3 – EMO could potentially be awarded the past-producing Aznalcóllar property by the Andalucian courts – the previous tender process that awarded the asset to the current owner is currently under legal review. Aznalcóllar is one of the world's best VMS deposits, and the outcome of the legal process represents near-term option value to EMO shares, in our view. We value Aznalcóllar at US$1,327 million on a standalone basis, with a post-tax IRR of 29%.

Key risks to our thesis and valuation include:

- **Project development risk** - Like all development projects, IBW is subject to several risks as the project progresses towards first production. These include engineering, permitting and construction risks, as well as risks to current capital and operating cost estimates. We note in particular the reliance on the unproven CLEVR technology to achieve the recovery results assumed in our estimates.
- **Financing risk** - EMO currently has no revenue and relies on external sources of funding to move the project forward. We make no assurance that funding options will be available on the terms we currently assume.
- **Aznalcóllar legal case** - Even carried at just 30% of what we estimate its value to be, the Aznalcóllar project represents 39% of our NAV. Should EMO not prevail in its legal pursuit, our valuation could be meaningfully impacted.
- **Commodity price risk** - Our estimates and valuation for EMO are sensitive to the price of zinc, copper and gold. Figure 9 on page 20 presents the change in our NAV estimates for a change in the price of each commodity.

Appendix A1- Management team

DAVID GOWER
CEO & Director

Mr. Gower has over 30 years of experience in the mining industry, with experience at firms including Falconbridge and Noranda (now Glencore). At Falconbridge, he was General Manager of Global Nickel and PGM Exploration. In his roles, he has been involved in numerous discoveries and mine development projects, including at Raglan, Matagami, and Sudbury, Canada in addition to various green field discoveries in Brazil and Tanzania. He has been a Director of Alamos Gold since 2009 and has also previously been a Director of several junior mineral exploration companies. Mr. Gower holds a Bachelor of Science degree in Geology from Saint Francis Xavier University and a Master of Science degree in Earth Sciences from Memorial University.

JOAQUIN MERINO-MARQUEZ
President & Director

Mr. Merino-Marquez is a geologist with over 20 years of experience in the mining industry. He previously served as Vice President, Exploration for Primero Mining. Prior to that, he held roles as Vice President Exploration for Apogee Minerals Ltd., exploration manager for Placer Dome at Porgera Mine and a mine geologist at Hecla Mining's La Camorra mine. Mr. Merino-Marquez holds a MSc in Geology from Queen's University, a BSc in Geology from the University of Seville (Spain) and is a member of the Association of Professional Geoscientists of Ontario.

IAN PARKINSON
EVP, Corporate Development & Capital Markets

Mr. Parkinson spent the past 16 years as a sell-side mining analyst at firms including Stifel GMP, GMP Securities and CIBC World Markets. Prior to being an analyst, he held roles with Falconbridge and Noranda, where he worked on a variety of projects, including the Craig and Onaping depth discovery, Raglan mine, Lady Loretta and business development for the zinc business unit at Noranda. Mr. Parkinson is an earth science graduate of Laurentian University in Sudbury, Ontario.

GREG DURAS
CFO

Mr. Duras has over 10 years of finance experience in the resource sector. He has held a number of senior finance roles, including Vice President of Finance and Administration at S.C. Rosia Montana Gold Corporation S.A. (a mineral exploration and mining development company based in Romania), Controller of Gabriel Resources Ltd. and Controller of High River Gold Mines. He is a Certified Professional Accountant and holds a Bachelor of Administration from Lakehead University.

DAMIAN LOPEZ
Corporate Secretary

Mr. Lopez is a corporate lawyer who works as a legal consultant to various publicly listed companies. He previously worked at a large Toronto corporate legal firm, where he worked on a variety of corporate and commercial transactions. Mr. Lopez obtained a Juris Doctor from Osgoode Hall and a Bachelor of Commerce from the University of Toronto. Mr. Lopez is also a director of the Canadian Hispanic Bar Association.

Appendix A2- Board of Directors

LAWRENCE GUY
Chairman

Mr. Guy currently serves as Managing Director with Next Edge Capital, an alternative investment fund manager. Previously, he was a Vice President with Purpose Investments, Portfolio Manager with Aston Hill Financial and Chief Financial Officer and Director of Navina Asset Management, a company he co-founded that was subsequently acquired by Aston Hill Financial. Mr. Guy holds a BA (Economics) degree from the University of Western Ontario and is a Chartered Financial Analyst.

DAVID GOWER – see above
Director

JOAQUIN MERINO-MARQUEZ – see above
Director

MARILIA BENTO
Director

Ms. Bento has over 20 years of capital markets experience. Some of her previous positions include Managing Director and Head of Equity Capital Markets Canada at Macquarie Capital Markets Canada and Vice President of Corporate Development for various resource companies. Ms. Bento has also previously served on the Board of Directors of Orion Securities.

CATHERINE STRETCH
Director

Ms. Stretch currently serves as Vice President, Corporate Affairs at Troilus Gold. Previously, she has served as Chief Commercial Officer of Aguia Resources and was previously a partner and the Chief Operating Officer of a Canadian investment firm which had $1B in AuM. She is currently the Director of AnalytixInsight Inc. and UEX Corporation. Ms. Stretch holds a Bachelor of Arts in Economics and History from Western University and a Master of Business Administration from York University.

MICHAEL JONES
Director

Mr. Jones has ~30 years of experience in the mining industry, beginning as a geologist before transitioning into finance. He is currently the Director of Taurus Funds Management in London.

Appendix: Important Disclosures

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Individuals identified as "Sector Coverage" cover a subject company's industry in the identified jurisdiction, but are not authoring analysts of the report.

Investment Recommendation

Date and time of first dissemination: July 21, 2025, 04:45 ET

Date and time of production: July 18, 2025, 15:36 ET

Target Price / Valuation Methodology:

Emerita Resources Corp. - EMO

Our target price is based on 0.50x our fully risked NAV, measured as at July 1, 2026.

Risks to achieving Target Price / Valuation:

Emerita Resources Corp. - EMO

Key risks to our thesis and valuation include:

- **Project development risk** - Like all development projects, IBW is subject to several risks as the project progresses towards first production. These include engineering, permitting and construction risks, as well as risks to current capital and operating cost estimates. We note in particular the reliance on the unproven CLEVR technology to achieve the recovery results assumed in our estimates.
- **Financing risk** - EMO currently has no revenue and relies on external sources of funding to move the project forward. We make no assurance that funding options will be available on the terms we currently assume.
- **Aznalcóllar legal case** - Even carried at just 30% of what we estimate its value to be, the Aznalcóllar project represents 39% of our NAV. Should EMO not prevail in its legal pursuit, our valuation could be meaningfully impacted.
- **Commodity price risk** - Our estimates and valuation for EMO are sensitive to the price of zinc, copper and gold. Figure 14 in the initiation of coverage report presents the change in our NAV estimates for a change in the price of each commodity.

Distribution of Ratings:

Global Stock Ratings (as of 07/21/25)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	632	69.53%	26.58%
Hold	129	14.19%	6.98%
Sell	6	0.66%	0.00%
Speculative Buy	136	14.96%	55.15%
	909*	100.0%	

*Total includes stocks that are Under Review

Canaccord Genuity Ratings System

BUY: The stock is expected to generate returns greater than 10% during the next 12 months.

HOLD: The stock is expected to generate returns from -10% to 10% during the next 12 months.

SELL: The stock is expected to generate returns less than -10% during the next 12 months.

NOT RATED: Canaccord Genuity does not provide research coverage of the relevant issuer.

Given the inherent volatility of some stocks under coverage, price targets for some stocks may imply target returns that vary temporarily from the ratings criteria above.

*As of January 1, 2024, the Ratings History Chart will reflect the new Canaccord Genuity Ratings System as defined above.

Risk Qualifier

SPECULATIVE: The stock bears significantly above-average risk and volatility. Investments in the stock may result in material loss.

12-Month Recommendation History (as of date same as the **Global Stock Ratings** table)

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Emerita Resources Corp. Rating History as of 07/17/2025

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In line with Article 44(4)(b), MiFID II Delegated Regulation, we disclose price performance for the preceding five years or the whole period for which the financial instrument has been offered or investment service provided where less than five years. Please note price history refers to actual past performance, and that past performance is not a reliable indicator of future price and/or performance.

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