



65 Queen Street West, Suite 800, Toronto, ON, Canada, M5H 2M5

EMERITA ENTERS INTO AGREEMENTS TO ACQUIRE THE SALOBRO ZINC PROJECT IN BRAZIL

Toronto, Ontario, July 14, 2017 – Emerita Resources Corp. (the “Company” or “Emerita”) (TSX-V: EMO) is pleased to announce that it has entered into a definitive agreement (the “Definitive Agreement”) with Vale S.A. (“Vale”) and IMS Engenharia Mineral Ltda. (“IMS”) pursuant to which Emerita has agreed to acquire the Salobro zinc project (the “Salobro Project”) located in the Municipality of Porteirinha, Minas Gerais State, Brazil. In connection with entering into the Definitive Agreement, Emerita and IMS have entered into a binding letter of intent (“LOI”) pursuant to which Emerita has agreed to incorporate and organize a Brazilian subsidiary (“PurchaseCo”) to formally acquire the Salobro Project from IMS. Emerita will initially own 75% of PurchaseCo with an exclusive right to acquire the remaining 25% interest of PurchaseCo from IMS at its sole option (the transactions contemplated in the LOI together with those in the Definitive Agreement are hereinafter collectively referred to as the “Transaction”). The Definitive Agreement and the LOI are described in greater detail below.

The Salobro Project:

The Salobro Project is comprised of two (2) mining applications covering 1,209.75 hectares in the Municipality of Porteirinha, Minas Gerais State, Brazil, in an area well serviced with infrastructure including paved roads, cellular coverage, rail, water and power (see Figure 1 below). The mineralization is hosted in the Riacho dos Machados group, which is described as a metasedimentary sequence of Archean or Paleoproterozoic age. The mineralization is stratabound with sphalerite and galena as the main ore minerals. The metasedimentary sequence comprises carbonates, banded iron formations and banded cherts, suggesting either a Mississippi Valley Type or Sedex depositional environment for the sulphide accumulations. The thickest intercept to date is 13.92 meters grading 10.39% zinc and 2.13% lead.

The known mineralization occurs in three (3) lenses all of which remain open for expansion by further drilling (see Figure 2 below). The historical mineral resource estimate is provided below for information only and should not be relied upon. A summary of the historical resource estimate can be found on the Company’s website in a report entitled “Mineralizações De Zinco E Chumbo Do Depósito Salobro, Porteirinha (Mg) (2006)”. According to the report, the Salobro Project deposit is estimated to contain 8.3 million tonnes grading 7.12% zinc plus lead. The database used to establish the mineral resource estimate includes 40 diamond drill holes (13,884.94 meters of drilling). All borehole collar and down hole surveys, as well as a topographic survey with contour lines spaced at five meters, were provided to Emerita from the previous operators of the Salobro Project. Historical technical reports that included specific gravity and other technical commentary have also been provided to Emerita. All assays were completed at Vale’s laboratory and there is no reference to external and independent duplicate assay samples in the data base. **A “qualified person”, as defined in National Instrument 43-101 (“NI 43-101”), has not done sufficient work on behalf of Emerita to classify the historical estimate as a current mineral resource and Emerita is not treating**



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the historical estimate as a current mineral resource or mineral reserve. Further work must be completed in order to demonstrate whether a reasonable expectation for commercial extraction exists. The mineral resource estimate is a historical estimate and should not be relied upon. Emerita has engaged an independent technical consultant to complete a NI 43-101 technical report on the Salobro Project and the technical report will be filed on SEDAR.

The Definitive Agreement:

Pursuant to the Definitive Agreement, Emerita agrees to pay USD\$6.5 million in cash to Vale. The cash payments will be made by Emerita over seven (7) years on the following schedule:

- US\$350,000 within 30 days from the date that the request for assignment of the mining rights which comprise the Salobro Project (the "Mining Rights") to PurchaseCo is filed by IMS or Emerita with the DNPM, Brazil's national mining agency and subsequent to Vale its pending claims against IMS (see below);
- US\$1,650,000 on or before the first anniversary of the Definitive Agreement;
- US\$1,500,000 on or before the third anniversary of the Definitive Agreement; and
- US\$3,000,000 on or before the seventh anniversary of the Definitive Agreement (collectively, the "Consideration").

The rights to the Salobro Project are currently subject to litigation between Vale and IMS. In connection with this Transaction, Vale will withdraw its claims pending against IMS in the Civil Court of Belo Horizonte in respect of the amounts Vale claims are owing to it in relation to IMS's previous acquisition of the Salobro Project. Such claims currently are registered as encumbrances on the Mining Rights (the "Encumbrances"). Emerita will pay Vale's legal fees and court costs in connection with withdrawing such claims. Vale's legal fees are R\$750,000 (approximately CAD\$300,000) and its court costs are estimated to be R\$10,000 (approximately USD\$245,000 or CAD\$315,000 in total).

PurchaseCo shall hold the Salobro Project in trust for Vale until the Consideration has been fully paid by Emerita. If Emerita fails to pay any instalment of the Consideration to Vale and Emerita does not remedy this breach within 30 days, Vale may request that the Salobro Project be returned by PurchaseCo or IMS, as applicable, to Vale and Vale shall retain any portion of the Consideration it has received up until such time. Vale shall not refund any of the legal fees and court costs paid by Emerita in connection with this Transaction.

The Transaction remains subject to certain customary closing conditions, including (i) the lifting of the Encumbrances; and (ii) the approval of the Transaction by the TSX Venture Exchange.

Pursuant to the Definitive Agreement, the conditions described in (i) and (ii) are required to be satisfied within three (3) months from the execution of the Definitive Agreement. If these conditions are not satisfied within this timeframe, Vale and Emerita may agree to extend the



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deadline for the satisfaction of these conditions or terminate the Definitive Agreement at no additional cost to either Vale or Emerita.

The acquisition of the Salobro Project is an arm's length transaction and Emerita is not paying any finder's fees in connection therewith.

The IMS Binding Letter of Intent:

In connection with the parties entering into the Definitive Agreement, Emerita and IMS have entered into the binding LOI pursuant to which Emerita has agreed to incorporate and organize PurchaseCo. Emerita will own 75% of the voting securities of PurchaseCo and IMS will own 25% of the voting securities of PurchaseCo.

As consideration for IMS transferring the rights to the Salobro Project to PurchaseCo, Emerita shall issue 1,000,000 common shares in the capital of Emerita (the "Emerita Shares") to IMS or its nominee on the date the DNPM approves the transfer of the Mining Rights from IMS to PurchaseCo.

Emerita has the right to acquire IMS's 25% interest in PurchaseCo, up to 48 months from the date of Definitive Agreement execution, by paying CAD\$2,000,000 in cash to IMS or its nominee and issuing an additional 1,000,000 Emerita Shares to IMS or its nominee. Emerita and IMS expect to sign a definitive agreement within the next 90 days

All issuances of Emerita Shares will be subject to a statutory hold period and approval of the TSX Venture Exchange.

The Transaction is subject to the approval of the TSX Venture Exchange.

Management Commentary:

David Gower, Chairman of Emerita, commented: "Emerita is excited to commence work on such an exciting zinc project. The Salobro deposit mineralization was delineated by the highly respected technical group of Vale and remains open for future expansion. The Project is located in an area with excellent infrastructure and a supportive environment for responsible mine development. Emerita has an exceptional technical team in Brazil and is ready to advance the project quickly."

Joaquin Merino, President and CEO of Emerita, stated: "This is an exceptional opportunity for Emerita given the successful drilling to date by the previous operators. Emerita also continues to be fully committed to acquiring the Aznalcóllar zinc project in Spain and with success, will have a very strong, advanced zinc project portfolio going forward."

Corporate Update:

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The Company also announces that the non-binding letter of intent with a large mining company regarding the proposed acquisition of the Masa Valverde Project by the Company has been terminated.

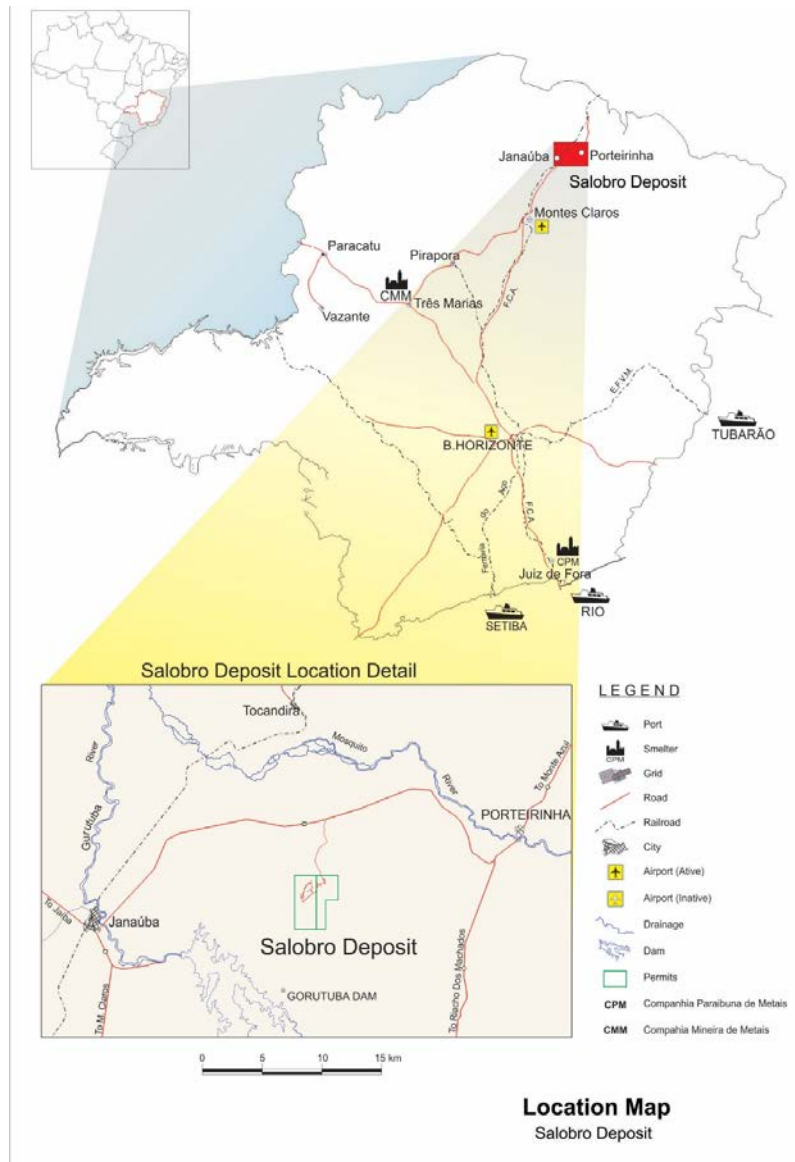


FIGURE 1: Location of the Salobro Project

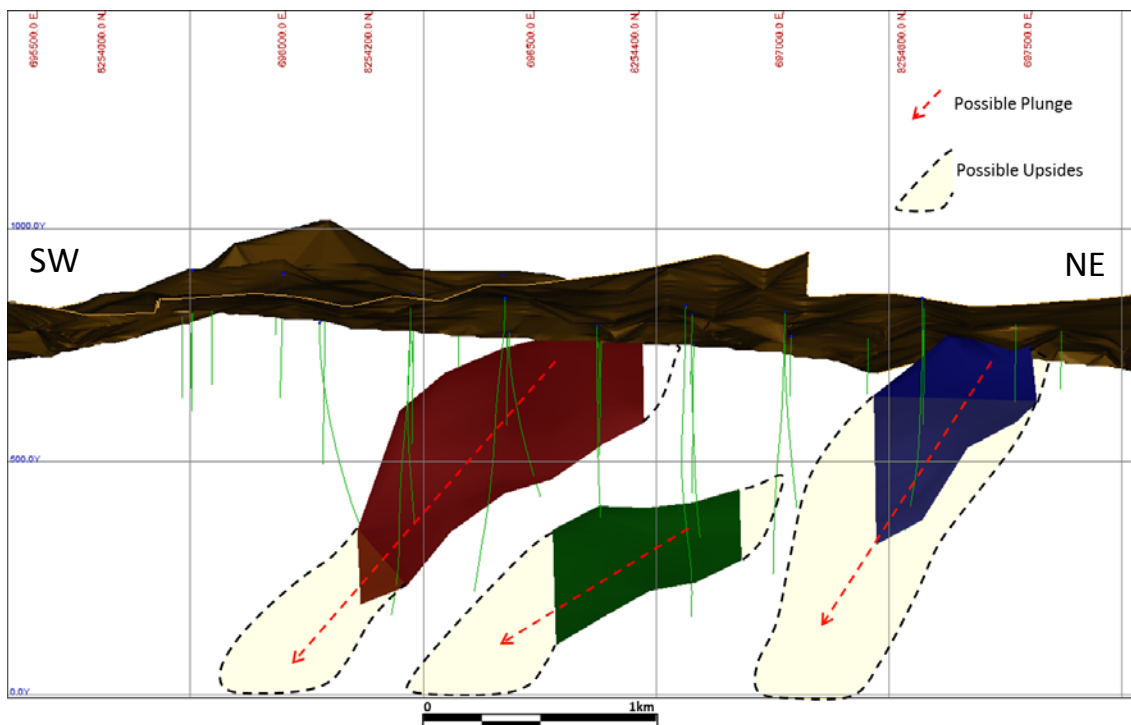


FIGURE 2: Section Orientation

Qualified Person

Dr. Fernando Tallarico, P.Geo., and Carlos Cravo Costa, P.Geo., are each a “qualified person” as such term is defined in NI 43-101 and have reviewed and approved the technical information related to the Salobro Project included in this press release and have approved its dissemination. Each of Dr. Tallarico and Mr. Costa are considered independent of Emerita.

About Emerita Resources Corp.

Emerita is a natural resource company engaged in the acquisition, exploration and development of mineral properties in Europe, with a primary focus on exploring in Spain and Brazil. The Company’s corporate office and technical team are based in Sevilla, Spain with an administrative office in Toronto, Canada.

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Cautionary Note Regarding Forward-looking Information

This press release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, without limitation, statements regarding the Salobro Project, the mineralization of the Salobro Project, the Company’s ability to complete the acquisition of the Salobro Project, the Company’s ability to complete a technical report on the Salobro Project, the Company’s ability to complete a financing, the Company’s ability to acquire the Aznalcóllar project, and the Company’s future plans. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Emerita, as the case may be, to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, geopolitical and social uncertainties; the actual results of current exploration activities; risks associated with operation in foreign jurisdictions; ability to successfully integrate purchased properties or mining rights awarded; foreign operations risks; and other risks inherent in the mining industry. Although Emerita has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Emerita does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.