Emerita Advises Lower Court Reopens Aznalcollar Case; Scope of Criminal Charges Expanded

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TORONTO, Oct. 29, 2019 - Emerita Resources Corp. (TSX-V: EMO) (the “Company” or “Emerita”) is pleased to announce that subsequent to the recent unanimous ruling by five judges of the Appellate Court of Seville (the “Appellate Court”) in favour of Emerita’s appeal that the legal process is moving quickly towards resolution. As announced earlier this month, Emerita had successfully appealed a lower court’s (Seville Court No. 3) decision to dismiss a criminal case against the Andalusian government panel (the “Panel”) responsible for awarding the Aznalcóllar project (the “Project”) and the former Director of Mines of the Government of Andalucía (collectively, the “Accused”) (see news release dated October 4, 2019).

Following the order from the Appellate Court that the lower court reconsider and investigate the claims against the Accused as well as investigate certain representatives of Minorbis-GM, the case has been expanded by the lower court in terms of number of crimes as well as number of individuals charged. This is the second time that the Appellate Court has ordered the lower court to reopen its investigation. The Appellate Court reiterated its findings from its original decision, namely that there is strong evidence of gross negligence and misconduct by the Accused. A key finding of the Appellate Court was that Minorbis-GM failed to comply with the requirements of the first stage of the tender process and should never have been eligible to participate in the second stage of the tender based on the criteria set out in the tender documents.

Emerita has received correspondence from the Seville Court No. 3 indicating the Aznalcóllar case has been re-opened following the orders from the Appellate Court. The instruction document, among other things, states the following:

1. The scope of the criminal activity has been extended from a single crime of Prevarication to include the crimes Embezzlement, Bribery, Influence Peddling and Fraud.
2. All the members of the Panel, as well as the individuals who were part of the various technical commissions, have been called to give testimony.
3. The Principals of Magtel which owns Minorbis (the company that submitted the competing bid) have also been formally named by the Appellate Court for the first time and have been called to give testimony.
4. The Secretary General of Industry (Secretario General de la Consejería de Industria de la Junta de Andalucía), Vicente Fernandez, who was the high-level bureaucrat responsible at the time of the Public Tender, has been named for the original charge as well as the new charges. He has subsequently resigned his position.
5. The judge will request the UCO (Federal police investigators) to inquire about the promotions that the implicated people were granted after the Aznalcóllar tender was awarded.
6. The Deputy Director of Energy and Mines (Subdirectora de Industria, Energía y Minas), Mrs. Susana Sarria, a key participant in the tender process has been called as a witness, as she is copied in emails (CC) between Mr. Fernandez and Magtel.

The next phase of the legal process commences the first week of November and is expected to conclude in early December. According to Joaquin Merino P.Geo., President of Emerita, “We are very pleased to see the legal process moving forward quickly and efficiently. This is a very important step as prior to this point the Seville Court No. 3 had shown a reluctance to proceed. Following the clear directive of the Appellate Court, the Seville Court No.3 has not only ruled to proceed but it has expanded the number of criminal charges as well as increased the number of people implicated.”

David Gower P.Geo., CEO of Emerita, stated; “Emerita looks forward to the resolution of the dispute relating to the Public Tender and remains committed to working with the community and the authorities on the development of the Aznalcóllar project into a modern operation with the highest regard for environmental stewardship and safety for the community and its employees. A key conclusion of the upper court ruling was that the competing bid was incomplete and should have been disqualified prior to being accepted into the second round of the public tender process. As such Emerita is the only qualified bidder.”

Emerita continues to maintain that it is the only remaining qualified bidder in the Aznalcóllar tender process and under Spanish law should be awarded the Project. Emerita remains committed to working with the community of Aznalcóllar to develop the Project in an environmentally responsible manner to benefit all stakeholders. Please see news release dated October 4, 2019 for a summary of the Aznalcollar project. The Aznalcóllar Project is a past producing property within the famous Iberian Pyrite Belt that hosted the Aznalcóllar and Los Frailes open pit zinc-lead-silver mines.

Qualified Person

The scientific and technical information in this news release has been reviewed and approved by Mr. Joaquin Merino, P.Geo, President of the Company and a Qualified Person as defined by National Instrument 43-101 of the Canadian Securities Administrators.

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. The Company’s corporate office and technical team are based in Sevilla, Spain with an administrative office in Toronto, Canada.

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