

MATERIAL CHANGE REPORT

Item 1 — Name and Address of Company

Emerita Resources Corp. (the “**Company**”)
36 Lombard St. Floor 4
Toronto, Ontario
M5C 2X3, Canada

Item 2 — Date of Material Change

August 14 and August 19, 2024

Item 3 — News Release

Press releases were issued on August 14, 2024 and August 19, 2024 through Globe Newswire and subsequently filed under the Company’s profile on SEDAR+.

Item 4 — Summary of Material Change

On August 14, 2024 the Company entered into a credit agreement, as amended (the “**Credit Agreement**”), with Nebari Natural Resources Credit Fund II, LP for the establishment of a secured credit facility pursuant to which the Company may borrow up to an maximum aggregate principal amount of USD\$15,000,000 from the Lender to be issued in three tranches. On August 19, 2024, the Company drew down USD\$6,000,000 in funding under the Credit Agreement.

Item 5 — Full Description of Material Change

5.1 — Full Description of Material Change

On August 14, 2024 the Company entered into the Credit Agreement with Nebari Natural Resources Credit Fund II, LP (the “**Lender**”) for the establishment of a secured credit facility pursuant to which the Company may borrow up to an maximum aggregate principal amount of USD\$15,000,000 from the Lender to be issued in three tranches of: (i) USD\$6,000,000 (“**Tranche 1**”); (ii) USD\$4,500,000 (“**Tranche 2**”); and (iii) USD\$4,500,000 (“**Tranche 3**” and, together with Tranche 1 and Tranche 2, the “**Tranches**” and each a “**Tranche**”) (the “**Loan**”).

The proceeds of the Loan are to be used by Emerita for working capital requirements related to exploration and geological drilling, advancement of study work, environmental permitting at the Company’s wholly owned Iberian Belt West Project (the “**IBW Project**”), and general and administrative costs of the Company. Interest will accrue on the advanced outstanding principal amount on the Loan based on a floating rate per annum equal to the sum of: (i) the three-month term SOFR reference rate administered by CME Group Benchmark Administration Limited (the “**Term SOFR**”), as determined on the first date of each calendar month; and (ii) 11.50% per annum, provided that if the Term SOFR is less than 4.0%, it shall be deemed to be 4.0%. The maturity date of the Loans will be the date that is 48 months following the closing of Tranche 1. The Loan may be repaid prior to their maturity at any time subject to the additional payment of a make-whole threshold. Subject to the terms of the Loan Agreement, the Loan may be repaid prior to its maturity at any time subject to the additional payment of a make-whole threshold. If the Loan is reduced or repaid during the first year of its term, the expiry date of a *pro rata* number of the total Loan Bonus Warrants outstanding will be reduced to the later of: (i) one

year from issuance of the Loan Bonus Warrants; and (ii) 30 days from the reduction or repayment of the Loan.

The Company will issue on the closing of each Tranche a number of non-transferable common share purchase warrants (the "**Loan Bonus Warrants**") equal to:

- a) **Tranche 1:** the Canadian equivalent of USD\$6,000,000 *divided* by a Canadian dollar amount equal to a 25% premium to the lower of: (i) a 20-day VWAP of the Company's share price on the date which the Company issues its request for the advance in respect of such Tranche; and (ii) the Market Price (as such term is defined under the policies of the TSXV) as of the date which the Company issues its request for the advance in respect of such Tranche;
- b) **Tranche 2:** the Canadian equivalent of USD\$1,687,500 *divided* by a Canadian dollar amount equal to a 25% premium to the lower of: (i) a 20-day VWAP of the Company's share price on the date which the Company issues its request for the advance in respect of such Tranche; and (ii) the Market Price as of the date which the Company issues its request for the advance in respect of such Tranche;
- c) **Tranche 3:** the Canadian equivalent of USD\$1,687,500 *divided* by a Canadian dollar amount equal to a 25% premium to the lower of: (i) a 20-day VWAP of the Company's share price on the date which the Company issues its request for the advance in respect of such Tranche; and (ii) the Market Price as of the date which the Company issues its request for the advance in respect of such Tranche

Each Loan Bonus Warrant will entitle the holder to purchase one common share of the Company at an exercise price equal a 25% premium to the lower of: (i) the 20-day VWAP of the Company's share price on the date which the Company issues its request for the advance in respect of the Tranche under which such Loan Bonus Warrant is being issued; and (ii) the Market Price (as such term is defined under the policies of the TSXV) as of the date which the Company issues its request for the advance in respect of the Tranche under which such Loan Bonus Warrant is being issued until the date that is 48 months following the closing of Tranche 1. Notwithstanding the foregoing, if: (1) the 20-day VWAP is lower than the Market Price; and (2) the 25% premium to the 20-day VWAP is also lower than the Market Price, then the exercise price for any such Loan Bonus Warrants shall be deemed to be equal to the Market Price. The exercise price for any Loan Bonus Warrants issued pursuant to the Loan Agreement shall not be lower than the Market Price.

On August 19, 2024, the Company announced that it drew down on Tranche 1. In connection with funding of the initial Tranche under the Credit Agreement, the Company issued 9,963,636 Loan Bonus Warrants to a nominated affiliate of the Lender, with each Loan Bonus Warrant entitling the holder to acquire one common share of the Company (each a "**Warrant Share**") at an exercise price of \$0.825 per Warrant Share until August 16, 2028, being the maturity date of the Loan Agreement. Pursuant to applicable Canadian securities laws, such Loan Bonus Warrants will be subject to a statutory hold period ending on December 17, 2024.

The Loan guaranteed by the Company's wholly-owned subsidiary, Emerita Resources Espana SLU (the "**Guarantor**"). The Guarantor and the Company will subsequently enter into the security arrangements described in the paragraph below with the Lender while also initially securing the Loan by way of: (i) a pledge of 100% of all shares of the Guarantor (the "**Share Pledge**"); and (ii) a registered, perfected first priority senior security interest in, lien on and pledge of all intercorporate debt between the Company, the Guarantor and all affiliates thereof.

Upon receipt of an exploitation concession for the IBW Project, the Share Pledge will be cancelled (unless receipt follows the closing of Tranche 2), and the following will be granted, registered and fully perfected:

- a) A first lien senior security on all current and future tangible and non-tangible assets and working capital assets of the IBW Project; and
- b) A first priority lien senior mortgage over and security interest in, lien on and pledge of: (i) all current and future tangible and non-tangible assets and working capital assets relating to or used in connection with the IBW Project; and (ii) all real property and mining claims, mining concessions, permits (including the exploitation permit for the IBW Project), usufructs and surface leases in which it now has and hereafter acquires rights relating to or associated with the IBW Project.

Upon the closing of Tranche 2, the Share Pledge (if it has previously been cancelled in accordance with the above) will be restored. A drawdown of Tranche 2 and Tranche 3 is at the sole discretion of the Company subject to TSX Venture Exchange approval. The Lender is at arms-length to the Company.

5.2 — Disclosure for Restructuring Transactions

Not applicable.

Item 6 — Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 — Omitted Information

Not applicable.

Item 8 — Executive Officer

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Item 9 — Date of Report

August 20, 2024.