



**Josemaria Resources Inc.**  
2000 – 885 West Georgia Street  
Vancouver BC V6C 3E8 Canada

T +1 604 689 7842  
F +1 604 689 4250

info@josemariaresources.com  
josemariaresources.com

## News Release

### Josemaria Reports Third Quarter 2021 Results

**November 15, 2021: Josemaria Resources Inc. (TSX: JOSE) (OMX: JOSE) (OTCQB: JOSMF)** (“Josemaria Resources” or the “Company”), is pleased to announce its results for the three and nine months ended September 30, 2021.

Adam Lundin, Josemaria Resources’ Chief Executive Officer, comments: “We continue to push the Josemaria Project forward on all fronts. Basic Engineering has commenced and is ongoing, and preparations are in place, with the expansion of our exploration camp facilities, to commence a multi-faceted 65,000-metre drill program during the fourth quarter. We are successfully recruiting personnel with considerable experience in constructing and commissioning large scale mines. Active engagement continues with federal and San Juan provincial authorities in Argentina, including discussions aimed at finalizing and securing commercial and fiscal terms applicable to the project and ESIA approval. We continue to progress the Josemaria Project as we believe copper is the key to a low carbon future, and a new supply of responsibly mined copper is critical as the world shifts to clean energy and new technologies. Current commodity prices support our view of a tightening copper market, where there are a limited number of readily developable projects due to under investment in the sector over the last decade.”

#### THIRD QUARTER 2021 HIGHLIGHTS

- The Company continues to advance toward sanctioning construction of the Josemaria Project. Highlights during 2021 include:
  - Project Engineering has made significant advancements to de-risk and optimize the process flowsheet with improvements in the crushing/conveying, grinding and flotation circuits and tailings facilities. An area of significant progress is the grinding circuit, where the size of the SAG mills has been reduced from 42 to 40 feet in diameter, achieved through the implementation of a 2-stage pebble crushing circuit while maintaining the 150 kilo-tonnes per day design throughput. The Project has commenced Basic Engineering with the goal of completion during the first half of 2022;
  - The Company is actively preparing to execute a 65,000-metre drill program aimed primarily at providing development/infill geo-metallurgical data and acquiring additional site geotechnical information for key Project infrastructure and detailed mine planning. Life of mine hydrogeology and aquifer modelling will be updated with additional water well and piezometer drilling. It is anticipated that up to 8 rigs will be active at the peak of the drilling program. Management has a high degree of confidence that drilling will lead to an expansion of Indicated resources, and potentially reserves, as Inferred material is better defined and reclassified. At the Project site, camp expansion activities are ahead of schedule, and drilling is expected to commence in Q4 2021. Regional exploration program plans are being finalized to test targets outside the current resource but adjacent to the Project;
  - Following the submission of the ESIA in February 2021, the Company continues to engage with the San Juan authorities in their evaluation process;

- Offsite infrastructure including access road, electrical power, and logistics studies are ongoing, aimed at finalizing plans for integration into the design of the Project during Basic Engineering; and
  - The Company has continued to aggressively recruit the team that will ultimately be responsible for constructing and commissioning the Project, including Mr. Phil Brumit who has been appointed to the role of Executive Vice President Projects and Operation and Mr. Reece Fuller who has been appointed to the role of Senior Vice President Projects. Mr. Brumit and Mr. Fuller both have decades of international mining, engineering, construction and senior leadership experience.
- During the third quarter 2021, the Company announced the securing of two credit facilities, evidenced by debentures, totaling US\$20.0 million, one with Lorito Holdings S.à.r.l. for US\$10.0 million and one with Zebra Holdings and Investments S.à.r.l. for US\$10.0 million, each of which has a term of 18 months ending March 7, 2023. The Company concurrently announced the extension of the maturity dates of all previously announced debentures to March 7, 2023.
  - During the second quarter 2021, the Company successfully closed a private placement of 58,708,900 common shares of the Company at a price (the “Offering Price”) of \$0.69 per common share for gross proceeds of \$40.5 million. Concurrently, the Company also closed a public offering (the “Offering”) pursuant to which a syndicate of underwriters purchased, on a bought deal basis, 14,500,000 common shares at the Offering Price for gross proceeds of \$10.0 million, plus an over-allotment option at the Offering Price of an additional 2,175,000 common shares for gross proceeds of \$1.5 million, for total combined gross proceeds of \$52.0 million. The Company incurred related share issuance costs of \$1.4 million for net proceeds of \$50.6 million.

## FINANCIAL RESULTS

	Three months ended		Nine months ended	
	September 30,		September 30,	
<i>(in thousands, except per share amounts)</i>	2021	2020	2021	2020
Exploration and project investigation expenses	\$ 15,781	\$ 2,544	\$ 27,327	\$ 26,346
Additions of fixed assets	14,268	121	14,276	125
General and administration (“G&A”)	1,752	1,116	6,232	4,061
Foreign exchange and trading gains realized on equity investments	(8,053)	(657)	(4,990)	(657)
Net loss	10,374	2,693	25,446	27,971
Basic and diluted loss per share	0.03	0.01	0.07	0.11

The Company’s net loss for the three and nine months ended September 30, 2021 was \$10.4 million and \$25.4 million, respectively, compared to \$2.7 million and \$28.0 million, respectively, for the same periods in 2020. The increase in net loss for the three months ended September 30, 2021 as compared to the same period in 2020 mainly reflects the Company having conducted an increased level of engineering, environmental and other key studies focused on furthering the Josemaria Project towards development. The net loss for the nine months ended September 30, 2021 is slightly lower than the net loss for the same period in 2020 as the Company had conducted a field program during Q4 2019 into Q1 2020 which included reserve definition drilling and advanced ongoing environmental studies in support of the Feasibility Study for the Josemaria Project, which was published in October 2020.

Exploration and project investigation expenses of \$15.8 million and \$27.3 million were incurred during the three and nine months ended September 30, 2021, as compared to \$2.5 million and \$26.3 million incurred during the comparative periods, respectively, in 2020. During the nine months ended September 30, 2021, the Company's primary exploration and project investigation expenses consisted of engineering and optimization studies, expenditures associated with supporting the ongoing ESIA approval process in Argentina, commercial and fiscal studies and negotiations, environmental baseline studies, roadwork and related studies, and community relations.

G&A costs for the three and nine months ended September 30, 2021 totaled \$1.8 million and \$6.2 million, respectively, compared to \$1.1 million and \$4.1 million, respectively, over the same periods in 2020. The increase was mainly the result of higher salaries and benefits due to voluntary salary reductions for the senior management group not being in place during the comparative 2021 period and higher discretionary management bonuses, and higher share-based compensation expenses due to a larger number of options having been granted as recruitment of personnel has increased. Share-based compensation is a non-cash charge reflecting the expense associated with the vesting of outstanding stock options during the period.

During the three and nine months ended September 30, 2021, the Company added \$14.3 million of fixed assets related to the planned field season commencing in Q4 2021 (no such additions in the prior comparative periods). The fixed assets consist of modular buildings that will house the field and administrative teams carrying out field activities and the drill program.

From time to time, as part of the capital funding process from the Canadian parent to the Argentinian subsidiary, the Company will purchase equity instruments via a third-party investment broker. The equity instruments are transferred from the parent to the subsidiary and held for a pre-determined period, typically five business days, and then sold. The Company conducts such transactions on an intra-period basis and does not hold the equity instruments at period end. For the three months ended September 30, 2021, the Company realized a trading loss of \$1,441,065 (2020 – \$679,619) and a foreign exchange gain of \$9,511,348 (2020 – \$1,265,499) as a result of holding the equity instruments for a net realized gain of \$8,070,283 (2020 – \$585,880). For the three months ended September 30, 2021, the Company also incurred an unrealized loss on available for sale equity investments of \$17,307 (2020 – gain of \$70,859). During the nine months ended September 30, 2021, the Company realized a trading loss of \$1.8 million (2020 – \$1.6 million) and a foreign exchange gain of \$11.6 million (2020 – \$6.7 million) as a result of holding the equity instruments for a net realized gain of \$9.8 million (2020 – \$4.9 million). The increase in net gain is the result of the Company having conducted an increased quantum of such transactions during Q3 2021 than in the comparative period as a result of funding increased in-country activity in Argentina.

During the nine months ended September 30, 2021, the Company recognized a net monetary loss of \$0.4 million (2020 – \$0.3 million) in relation to the application of hyper-inflationary accounting for the Company's Argentinian subsidiary, which began July 1, 2018. In other comprehensive loss, the Company recognized a gain of \$2.5 million resulting from the impact of hyper-inflation which consists of adjustments recognized on the continuing inflation of opening non-monetary balances during the nine months ended September 30, 2021 (2020 – \$1.8 million) and the ongoing translation of the Company's Argentinian subsidiary into the Canadian dollar presentation currency following July 1, 2018, as mentioned above. A detailed discussion regarding the application of hyper-inflationary accounting has been provided in Note 3 to the condensed interim consolidated financial statements.

## SELECTED FINANCIAL INFORMATION

<i>(in thousands)</i>	<b>September 30, 2021</b>	<b>December 31, 2020</b>
Cash	\$ 11,022	\$ 6,741
Working capital deficit	(85)	(24,748)
Mineral properties	11,721	10,065
Total assets	41,533	19,745
Total liabilities	(22,173)	(32,101)

The Company does not currently generate income from operations. The Company anticipates that it will need further funding in order to advance the Josemaria Project, and for general corporate and working capital purposes. Historically, capital requirements have been funded through equity financing, joint ventures, disposition of mineral properties and investments, and the use of credit facilities with related parties. While management is confident that additional sources of funding will be secured to fund planned expenditures, factors that could affect the availability of financing include the progress and results of ongoing exploration and project investigation activities at the Josemaria Project, the state of international debt and equity markets, investor perceptions and expectations of the global copper, gold, and/or silver markets, and the ongoing novel coronavirus pandemic ("COVID-19"). If necessary, the Company may explore opportunities to revise the due dates of its liabilities, and/or settle its liabilities through the issuance of common shares and other equity instruments. Based on the amount of funding raised, the Company's planned initiatives and other work programs may be postponed, or otherwise revised, as necessary.

### QUALIFIED PERSONS

The technical information in this press release has been reviewed and approved by Mr. Bob Carmichael, P. Eng. (BC), the Company's Vice President of Exploration, and Mr. Dustin Smiley, P. Eng. (BC), the Company's Engineering Manager. Both Mr. Carmichael and Mr. Smiley are Qualified Persons under National Instrument 43-101 Standards of Disclosure for Mineral Projects.

### ABOUT JOSEMARIA

Josemaria Resources Inc. is a natural resources company focused on developing its advanced stage, 100% owned Josemaria Copper-Gold Project in the San Juan Province of Argentina. A recently published Feasibility Study (see "*NI 43-101 Technical Report, Feasibility Study for the Josemaria Copper-Gold Project, San Juan Province, Argentina*" dated effective September 28, 2020 and filed on November 5, 2020) demonstrates a simple and conventional open pit copper-gold project with robust economics and a rapid payback period. Josemaria is a Lundin Group company and works in partnership with the Lundin Foundation to execute best practices in responsible mineral development in Argentina where the Lundins have a 30-year track record of value creation. The Company is a reporting issuer in all Provinces and its corporate head office is in Vancouver, BC. The Company's shares are listed on the TSX and on Nasdaq Stockholm under the symbol "JOSE", and trade on the OTCQB under the symbol "JOSMF".

## **ADDITIONAL INFORMATION**

This is information that the Company is obliged to make public pursuant to the Swedish Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact person set out below, on November 15, 2021 18:00 EST.

On behalf of the Board of Directors of Josemaria Resources,

Adam Lundin,  
President and CEO

For further information:

Amanda Strong, Investor Relations, Canada: +1 604 689 7842; or [info@josemariaresources.com](mailto:info@josemariaresources.com)

Robert Eriksson, Investor Relations, Sweden: +46 701 112 615; or [reriksson@rive6.ch](mailto:reriksson@rive6.ch)

## **FOLLOW US:**

Facebook: <https://www.facebook.com/josemariaresources>

Twitter: <https://twitter.com/josemariainc>

Instagram: [https://www.instagram.com/josemaria\\_resources/](https://www.instagram.com/josemaria_resources/)

LinkedIn: <https://www.linkedin.com/company/josemariaresources/>

YouTube: [https://www.youtube.com/channel/UCrP62J\\_vh6AunA1gAt-37ag](https://www.youtube.com/channel/UCrP62J_vh6AunA1gAt-37ag)

TSX: JOSE | OTCQB: JOSMF | Nasdaq Stockholm: JOSE | WKN: A2PN5S | ISIN: CA48086P1009

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

This press release includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking information") within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein, including, without limitation, the Company's plans and expectations regarding the Josemaria Project, future price of copper, gold and silver; the results of the Feasibility Study and expected timelines; the timing and amount of estimated future production; net present values and internal rates of return at the Josemaria Project; recovery rates; payback periods; costs of production; capital expenditures; costs and timing of the development of the Josemaria Project; mine life; the potential future development of the Josemaria Project and the future operating or financial performance of the Company; the impact of COVID-19 on the Company's operations, hyper-inflationary accounting, the effect of government regulations (or changes thereto) with respect to restrictions on production, export controls and duties, income taxes, royalties, expropriation of property, repatriation of profits, environmental legislation, land use, water use, mine safety, approval processes and the receipt of necessary permits are forward-looking information. Forward-looking information is frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. These forward-looking statements may also include statements regarding perceived merit of properties; exploration plans and budgets; mineral reserves and resource estimates; work programs; capital expenditures; timelines; strategic plans; market prices for precious and base metals; or other statements that are not statements of fact. In addition, statements relating to "mineral resources" and "mineral reserves" are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the mineral resources and mineral reserves described can be profitably produced in the future.

Forward-looking information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Important factors that could cause actual results to differ materially from the Company's expectations include the Company's ability to finance the development of its Josemaria Project; commodity price fluctuations; assumptions and discount rates being

appropriately applied to the Feasibility Study, uncertainty as to whether there will ever be production at the Company's Josemaria Project and any other future mineral exploration and development properties; risks related to the Company's ability to commence production and generate revenues or obtain adequate financing for its planned exploration and development activities; risks related to lack of infrastructure including but not limited to the risk whether or not the Josemaria Project will receive the requisite permits and, if it does, whether the Company will build the Josemaria Project; risks related to inclement weather which may delay or hinder activities at the Company's mineral properties; risks related to the Company's dependence on third parties for the development of its projects; uncertainties relating to the assumptions underlying resource and reserve estimates; mining and development risks, including risks related to infrastructure, accidents, equipment breakdowns, labor disputes, bad weather, non-compliance with environmental and permit requirements or other unanticipated difficulties with or interruptions in development, construction or production; the geology, grade and continuity of the Company's mineral deposits; the uncertainties involving success of exploration, development and mining activities; permitting timelines; risks pertaining to the outbreak of the global pandemics, including COVID-19; government regulation of mining operations; environmental risks; unanticipated reclamation expenses; prices for energy inputs, labour, materials, supplies and services; uncertainties involved in the interpretation of drilling results and geological tests and the estimation of mineral reserves and mineral resources; the need for cooperation of government agencies and indigenous groups in the development and operation of properties including the Josemaria Project; unanticipated variation in geological structures, metal grades or recovery rates; fluctuations in currency exchange rates; unexpected cost increases in estimated capital and operating costs; the need to obtain permits and government approvals; uncertainty related to title to the Company's mineral properties, anticipated use of proceeds from financings, the ability of the Company to satisfy the conditions of the terms and conditions of the debentures issued pursuant credit facilities, including repayment thereof upon their respective maturity dates and the issuance of Common Shares thereunder and other risks and uncertainties disclosed in the Company's periodic filings with Canadian securities regulators and in other Company reports and documents filed with applicable securities regulatory authorities from time to time, including the Company's Annual Information Form available under the Company's profile at [www.sedar.com](http://www.sedar.com). In addition, these statements involve assumptions made with regards to the Company's ability to develop the Josemaria Project and to achieve the results outlined in the Feasibility Study; the ability to raise the capital required to fund construction and development of the Josemaria Project; and the results and impact of future exploration at the Josemaria Project. The Company's forward-looking information reflects the beliefs, opinions, and projections on the date the statements are made. The Company assumes no obligation to update the forward-looking information or beliefs, opinions, projections, or other factors, should they change, except as required by law.