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## NEWS RELEASE

### JOSEMARIA REPORTS THIRD QUARTER 2019 RESULTS

**November 5, 2019: Josemaria Resources Inc. (TSX: JOSE) (OMX: JOSE)** (“Josemaria Resources” or the “Company”) is pleased to announce its results for the three and nine months ended September 30, 2019.

#### HIGHLIGHTS

- On July 17, 2019, Josemaria Resources completed the previously announced spin-out of the Company’s Los Helados property and certain other exploration properties into NGEx Minerals Ltd. by a Plan of Arrangement (the “Arrangement”) under the Canada Business Corporation Act (“CBCA”). NGEx Minerals Ltd. was incorporated on February 21, 2019 under the laws of CBCA in connection with the Arrangement as a wholly-owned subsidiary of the Company prior to the spin out which was completed on July 17, 2019.

Under the terms of the Arrangement, the Company transferred its wholly-owned subsidiaries that directly or indirectly hold the Los Helados project and other exploration projects located in Argentina and Chile, along with \$7.3 million in cash to NGEx Minerals Ltd. (“Spinco”) in exchange for common shares of Spinco. The Company distributed 100% of the common shares of Spinco it received under the Arrangement to its Josemaria Resources shareholders on a pro rata basis, such that its shareholders received one common share of Spinco for every two common shares of Josemaria Resources held as of the record date.

Pursuant to the Arrangement and changes made to the Board of Directors during the third quarter, the Company’s board of directors is currently comprised of the following eight directors:

- Lukas H. Lundin
- Jack O.A. Lundin
- Wojtek A. Wodzicki
- C. Ashley Heppenstall
- Paul Conibear
- Christine Batruch
- Adam Lundin
- Ron Hochstein

- Changes were made to the Executive team during the third quarter, with the goal of assembling a dedicated team with the capability to complete the technical and commercial feasibility work required to advance Josemaria towards development:
  - Mr. Adam Lundin was appointed President and Chief Executive Officer effective September 16th, 2019, replacing Dr. Wojtek Wodzicki, who continues to serve as a Director of the Company;
  - Mr. Ian Gibbs was appointed Chief Financial Officer effective as of September 1, 2019, replacing Ms. Joyce Ngo, who has taken on the role of Corporate Controller;
  - Mr. Arndt Brettschneider was appointed Vice-President, Projects, effective as of August 6, 2019, replacing Mr. James Beck, who resigned as Vice-President, Corporate Development and Projects. Mr. Brettschneider has overall responsibility for the delivery of the Josemaria Feasibility Study.
  
- The Company's primary focus is the advancement of its 100% owned Josemaría project in San Juan Province, Argentina by completing a feasibility study ("FS") in the first half of 2020. During the third quarter of 2019, work on the FS focused on advancing project design concepts and engineering designs for on and offsite facilities. Analysis of samples for metallurgical and comminution test work continued with a focus on increasing confidence in the expected metallurgical response and grinding characteristics of the mineral reserve. Pilot plant testing of a bulk sample was completed, and analysis of test results commenced. Work also commenced on the Environmental and Social Impact Assessment (ESIA) with the engagement of Ausenco (Vector Argentina S.A.) based in Mendoza, Argentina, to compile the baseline data and lead the development of the ESIA in support of future project permitting.
  
- During the quarter, the company commenced planning for the South American summer field season test programs to collect additional geological, geotechnical, metallurgical and hydrological information. Planning for appropriate baseline, archeological, community, social and environmental studies to inform the ESIA was also commenced during the quarter.

Commenting on the quarter Adam Lundin, President and CEO remarked, "We are pleased with progress to date on the Josemaria feasibility study ("FS"), ongoing work related to the environmental and social impact assessment ("ESIA") and ongoing mobilization of equipment associated with the field season focused on collecting additional information for both the FS and ESIA. We remain committed to efforts aimed at permitting and ultimately developing this major copper and gold asset. We believe that the long term outlook for copper and gold is very positive and our objective is to position Josemaria as a top tier development company that is well placed to benefit from a strengthening copper and gold market."

## **OUTLOOK**

The Company will focus on conducting engineering, technical and environmental studies with the goal of completing a feasibility study in the first half of 2020, and advancing the project towards permitting and eventual development. Management also plans to continue environmental baseline studies that will provide information required to prepare an environmental and social impact assessment report in support of project permitting.

## SELECTED FINANCIAL INFORMATION

(in thousands)

	September 30, 2019	December 31, 2018
Cash	4,348	5,029
Working capital	(5,624)	(3,740)
Mineral properties	10,076	16,012
Total assets	18,564	24,090
Non-current liabilities	13,332	369

## LIQUIDITY AND CAPITAL RESOURCES

The Company completed a \$20 million non-brokered, private placement on February 1, 2019 (the “2019 Financing”), raising a total of \$19.7 million in net proceeds for use towards project evaluation activities and corporate working capital expenditures. In addition to the funds raised from the private placement, the Company supplemented an existing US\$5 million debenture facility (“2018 Facility”) with an additional US\$10 million credit facility (“2019 Facility”) with Zebra Holdings and Investments S.à.r.l. (“Zebra”), a related party of the Company, on June 12, 2019 to fund ongoing exploration at the Josemaría project and for general corporate purposes. The 2019 Facility matures on December 12, 2020, and no interest is payable in cash during the term. The Company drew the full US\$15 million from the two facilities as of September 30, 2019 and extended the maturity date of the 2018 Facility to May 5, 2020.

Subsequent to the third quarter of 2019, the Company also secured a US\$20 million unsecured debenture facility which carries a term of 18 months (“Lorito Facility”) with Lorito Holdings S.à.r.l. (“Lorito”) to fund and advance the development of the Josemaría project and for general corporate purposes. No interest is payable in cash during the term. Lorito reports its security holdings in the Company as a joint actor with Zebra, and they collectively held more than 20% of the Company’s issued and outstanding common shares as at September 30, 2019.

Based on Josemaría Resource’s financial position at September 30, 2019, the Company anticipates it will need further funding in order to advance the Josemaría project, and for general corporate and working capital purposes. The Company is currently evaluating additional sources of potential financing. Historically, capital requirements have been primarily funded through equity financing, joint ventures, disposition of mineral properties and investments, and the use of credit facilities.

FINANCIAL RESULTS (in thousands, except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Exploration expenses	3,926	1,433	25,031	6,427
General and administration (“G&A”)	1,293	587	4,195	2,638
Gain on spin-out transaction	(30,847)	-	(30,847)	-
Net (income) / loss	(34,365)	1,823	(10,990)	8,791
Basic and diluted (income)/loss per share	(0.14)	0.01	(0.04)	0.04

The Company recorded a \$31 million gain for the current quarter as a result of accounting for the spin-out of NGEx Minerals as a distribution in kind to its shareholders. The distribution to shareholders was accounted for based on the fair value of net assets transferred to NGEx Minerals in accordance with IFRS, with the difference between that value and the carrying amount of the net assets recognized in the statement of comprehensive income. The fair value was estimated based on the trading value of NGEx Minerals shares for the period subsequent to the spin-out. An additional \$9.5 million gain arising from the recycling of cumulative other comprehensive income attributable to entities spun out to NGEx Minerals was recognized on the statement of comprehensive income for the nine month period ended September 30, 2019. As a result of the gains recognized on completion of the spin-out, the Company reported a \$34.3 million net income for the third quarter of 2019, compared to a net loss of \$1.8 million for the same period in 2018. For the nine months ended September 30, 2019, the Company's net income totaled \$11 million compared to a net loss of \$8.8 million for the same period in 2018, with the difference largely attributable to the gain on spin-out transaction.

The increase in exploration expenditures for the three and nine month periods reflects the Company's key focus on the Josemaría project through the advancement of the feasibility study and ongoing environmental studies in support of future project permitting. Overall general and administrative ("G&A") costs during the three and nine months ended September 30, 2019 totaled \$1.3 million and \$4.2 million respectively, compared to \$0.6 million and \$2.6 million for the same periods in 2018. The Company incurred additional professional and regulatory fees of \$0.5 million to execute the spin out of NGEx Minerals and deployed additional Board and senior management personnel including the appointment of the Vice-President, Projects to manage and support the Josemaría project during the second and third quarter of 2019. Share-based compensation charges also increased during the third quarter of 2019 compared to 2018, as the replacement options received by the option holders of the Company fully vested with no further service obligations required as of the effective date of the Arrangement.

#### **QUALIFIED PERSONS**

Technical disclosure for the Josemaría Project included in this press release, has been reviewed and approved by Bob Carmichael, P. Eng. (BC). Mr. Carmichael is NGEx's Vice-President of Exploration and a Qualified Person ("QP") under National Instrument 43-101 Standards of Disclosure for Mineral Projects.

#### **ABOUT JOSEMARIA RESOURCES**

Josemaria Resources Inc. is a Canadian natural resources company focused on advancing the development of its wholly-owned Josemaría copper-gold project in San Juan Province, Argentina. The Company is a reporting issuer in the Provinces of British Columbia, Alberta, Ontario and Quebec and its corporate head office is in Vancouver, BC. The Company's shares are listed on the TSX and on Nasdaq Stockholm under the name symbol "JOSE".

#### **JOSEMARIA TECHNICAL REPORT**

The Technical Report dated December 19, 2018 and titled "NI 43-101 Technical Report, Pre-feasibility Study for the Josemaría Copper-Gold Project, San Juan Province, Argentina" with an effective date of November 20, 2018 (the "Josemaria PFS") is available for review under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company's website ([www.josemariaresources.com](http://www.josemariaresources.com)).

This information is information that Josemaria Resources Inc. is obliged to make public pursuant to the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, on November 5, 2019 at 6:00pm Eastern Time.

On behalf of the board,

Adam Lundin

President and CEO

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements made and information contained herein in the news release constitutes "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information"). The forward-looking information contained in this news release is based on information available to the Company as of the date of this news release. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, this forward-looking information can frequently, but not always, be identified by 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 statements that certain actions, events, conditions or results "will", "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotations thereof. All statements other than statements of historical fact may be forward-looking information.

Forward-looking information contained in this news release includes statements regarding the anticipated use of proceeds from the Facility, the ability of the Company to satisfy the conditions of the Debenture, including repayment of the Facility upon its maturity and the issuance of Common Shares thereunder, and the timing and success in obtaining requisite regulatory (including TSX) approvals.

Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding cost estimates, changes in commodity prices, currency fluctuation, financing, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations, as well as other risks uncertainties and other factors, including, without limitation, those referred to in the "Risk Factors" section, and elsewhere, in the Company's most recent Annual Information Form and the Company's most recent Management Discussion and Analysis, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

The Company believes that the expectations reflected in the forward-looking information included in this news release are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

The forward-looking information contained in this news release is made as at the date of this news release and the Company does not undertake any obligations to publicly update and/or revise any of the included forward-looking information, whether as a result of additional information, future events and/or otherwise, except as may be required by applicable securities laws. Forward-looking information is provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating

environment. Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would 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 statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this news release is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.