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## News Release

### Josemaria Reports 2020 Year-End Results

**February 25, 2021: Josemaria Resources Inc. (TSX: JOSE) (OMX: JOSE) (OTCQB: JOSMF)** (“Josemaria Resources” or the “Company”), a 100% owned copper-gold project with proven and probable mineral reserves<sup>(1)</sup> of 6.7 billion pounds of copper (“Cu”), 7 million ounces of gold (“Au”), and 30.7 million ounces of silver (“Ag”), is pleased to announce its financial results for the year ended December 31, 2020.

Adam Lundin, Josemaria Resources’ Chief Executive Officer, comments: *“A significant milestone was reached in 2020, with the completion of the Josemaria Project Feasibility Study, indicating a USD\$1.53 billion after-tax Net Present Value and a 15.4% after-tax Internal Rate of Return, utilizing metal prices of US\$3.00/pound copper, US\$1,500/ounce gold and US\$18.00/ounce silver. We believe current commodity prices support our view of a tightening copper market, where there are a limited number of readily developable projects. We continue advancing the project towards a construction decision and recently completed and presented the Environmental and Social Impact Assessment to the Governor of San Juan Province, Argentina.”*

#### HIGHLIGHTS

- On October 19, 2020, the Company announced the results of an independent feasibility study (the “Feasibility Study”) of its 100% owned copper-gold Josemaria Project located in San Juan Province, Argentina (the “Josemaria Project”). The Feasibility Study was prepared by a team of engineering and consulting service providers led by Fluor Canada Ltd. with key sections prepared by SRK Consulting (Canada) Inc., and Knight Piésold Ltd. with input from a variety of independent consultants and qualified persons, and in accordance with the disclosure standards of National Instrument 43-101 (“NI 43-101”). The Feasibility Study demonstrates a robust, rapid pay-back, low risk project, with an open pit operation feeding a conventional process plant at 152,000 tonnes per day over a 19 year mine life, yielding average annual metal production of 136,000 tonnes of Cu, 231,000 ounces of Au and 1,164,000 ounces of Ag. The economic analysis contained in the Feasibility Study highlights a USD\$1.53 billion after-tax Net Present Value (8% discount rate) and 15.4% after-tax Internal Rate of Return at assumed metal prices of USD\$3.00 per pound Cu, USD\$1,500 per ounce Au and USD\$18 per ounce Ag. The Technical Report summarizing the results of the Feasibility Study is available under the Company’s [website](#) and profile on [SEDAR](#).
- On August 18, 2020, the Company closed a private placement and concurrent public offering of 46,652,986 common shares of the Company at a price of \$0.67 per common share for gross proceeds of \$31.3 million, less issuance costs of \$1.4 million, for net proceeds of \$29.9 million.

(1) *The Josemaria Project has a proven and probable mineral reserve of 1,012 million tonnes (“Mt”) with diluted grades of 0.30% Cu, 0.22 grams per tonne (“g/t”) Au and 0.94g/t Ag, of which 197Mt are in the proven mineral reserve category, with a low 0.98:1 (waste:ore) strip ratio (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.)*

- On February 23, 2021, the Company announced it had presented its Environmental Social Impact Assessment (“ESIA”) to Sergio Uñac, the Governor of San Juan Province, in a ceremony that brought together prominent Argentine authorities and executives of Josemaria in celebration of the project’s anticipated positive impact on the Argentine economy. The ceremony also marked the completion of the ESIA, which is a significant milestone for the Josemaria team in the pathway to the development of the project, and sets in motion the permitting and approval process. The Company expects to formally submit the report to the environmental authorities during the week commencing March 1, 2021.

## OUTLOOK

The Company continues to progress toward development of the Josemaria Project as detailed in the Feasibility Study. A bridging phase of engineering activities is ongoing, in advance of basic engineering which is expected to commence in 2021. We continue active engagement with federal and San Juan provincial authorities in Argentina to advance the Josemaria Project, including discussions aimed at finalizing and securing commercial and fiscal terms applicable to the Josemaria Project.

## FINANCIAL RESULTS

<i>(in thousands, except per share amounts)</i>	<b>Three months ended December 31,</b>		<b>Twelve months ended December 31,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Exploration and project investigation expenses	3,588	10,510	29,934	35,541
General and administration (“G&A”)	1,692	1,293	5,753	5,364
Foreign exchange and trading (gains) losses realized on equity investments	(1,500)	(150)	(6,490)	(229)
Gain on spin-out transaction	-	-	-	(30,847)
Net loss	3,266	11,087	31,237	10,950
Basic and diluted loss per share	(0.01)	(0.04)	(0.12)	(0.04)

Exploration and project investigation expenditures are the most significant expenses of the Company and relate to the future development of the Josemaria Project. Exploration and project investigation expenses totaled \$29.9 million for the year ended December 31, 2020 compared to \$35.5 million for the prior year. The decrease in exploration and project investigation expenditures for the 2020 year reflects a general decrease in fieldwork and on-site activities, as well as no expenditures incurred on the Los Helados and Nacimientos projects, which were spun-out in July 2019. The decrease in fieldwork was the result of the Company completing and publishing the Josemaria Project Feasibility Study but was also impacted by the shortening of the 2019-2020 field season by approximately six weeks as the Company demobilized its workforce at the onset of the novel coronavirus (“COVID-19”) pandemic. In the latter half of 2020, in addition to the Feasibility Study, the Company continued with its environmental baseline studies and progressing the ESIA towards completion and submission.

During Q4-20 the Company incurred \$3.6 million of exploration and project investigation expenses as compared to \$10.5 incurred during Q4-19. Expenses were higher during the Q4-19 period as the Company was carrying out a full

set of field season activities, including drilling, road work, environmental and camp activities. These activities were not occurring during Q4-20.

General and administration costs for 2020 increased slightly from \$5.4 million in 2019 to \$5.8 million during 2020. The Company incurred slightly higher salaries and benefits costs due to the addition of several head office employees that were in place for the duration of 2020, and slightly higher promotional expenses as the Company focused on increasing the profile of the Josemaria Project. These increases were offset in part by lower share-based compensation expense and professional fees.

During the year ended December 31, 2020, the Company recognized a net monetary loss of approximately \$0.4 million (2019 – gain of \$0.2 million) in relation to the application of hyper-inflationary accounting for the Company's Argentine subsidiary. The net monetary impacts recognized are the results of changes in the Argentine price indices and changes to the Company's net monetary position during the respective reporting periods. In other comprehensive loss, the Company recognized a \$0.7 million gain (2019 – loss of \$0.6 million) resulting from the impact of hyper-inflation, which consists of adjustments recognized on the continuing inflation of opening non-monetary balances during the year ended December 31, 2020, and the ongoing translation of the Company's Argentine subsidiary into the Canadian dollar presentation currency.

For the year ended December 31, 2020, the Company's net loss totaled \$31.2 million compared to \$11.0 million for the fiscal 2019 year, with the difference largely attributable to lower exploration and project investigation expenses in 2020 as well as the gain on spin-out transaction of \$30.8 million recognized in 2019.

## SELECTED FINANCIAL INFORMATION

<i>(in thousands)</i>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Cash	\$ 6,741	\$ 4,043
Working capital deficit	(24,748)	(20,872)
Mineral properties	10,065	10,608
Total assets	19,745	18,732
Total liabilities	32,101	35,087

The Company does not currently generate income from operations. As at December 31, 2020, the Company's working capital deficit is \$24.7 million, and while the net \$29.9 million financing from August 2020 provides sufficient capital for the Company to fund operations for the near term, the Company will need further funding to support the advancement of the Josemaria Project towards development and to meet general corporate and working capital requirements. Historically, capital requirements have been funded through equity financing, joint ventures, disposition of mineral properties and investments, and through 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 project evaluation activities at the Company's 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 COVID-19 pandemic. 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 February 25, 2021 17:00 EST.

On behalf of the Board of Directors of Josemaria Resources,

Adam Lundin,  
President and CEO

For further information:

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

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

This press release includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein, including, without limitation, the 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 statements. Forward-looking statements are 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 statements involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. 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 mineral properties; 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 including the financing completed on August 18, 2020, the ability of the Company to satisfy the conditions of the terms and conditions of the debentures issued pursuant to the 2018, 2019, 2020 and Lorito Facilities, including repayment thereof upon their respective maturity dates and the issuance of Common Shares thereunder and the timing and success in obtaining requisite regulatory (including TSX) approvals 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 regard 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 statements reflect the beliefs, opinions, and projections on the date the statements are made. The Company assumes no obligation to update the forward-looking statements or beliefs, opinions, projections, or other factors, should they change, except as required by law.