



## NEWS RELEASE

### JOSEMARIA REPORTS SECOND QUARTER 2019 RESULTS

**August 6, 2019: Josemaria Resources Inc. (TSX: JOSE) (OMX: JOSE)** ( “Josemaria Resources” or the “Company”) is pleased to announce its results for the three and six months ended June 30, 2019.

#### HIGHLIGHTS

- On July 17, 2019, the Company completed the previously announced spin-out of the Company’s Los Helados property and certain other exploration properties into NGEx Minerals Ltd. (“Spinco”) by a Plan of Arrangement under the Canada Business Corporation Act (the “Arrangement”). In connection with the Arrangement, the Company changed its name from NGEx Resources Inc. to “Josemaria Resources Inc.” and began trading under the new name and ticker symbol of “JOSE” as of July 23, 2019, on the TSX; and as of July 25, 2019 on the OMX.

Under the terms of the Arrangement, the Company transferred its wholly-owned subsidiaries that directly or indirectly held the Los Helados project and the other exploration projects located in Argentina and Chile, along with \$7.3 million in cash to 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 have received one common share of Spinco for every two common shares of Josemaria Resources held as of the record date.

NGEx Minerals Ltd. has applied for a listing of the shares of Spinco on the TSX Venture Exchange (“TSX-V”). Any such listing will be subject to Spinco fulfilling all of the requirements of the TSX-V.

- Pursuant to the Arrangement, the Company’s board of directors was also reconstituted and is currently comprised of the following eight directors:
  - Lukas H. Lundin
  - Jack O.A. Lundin
  - Wojtek A. Wodzicki
  - C. Ashley Heppenstall
  - Paul Conibear
  - Christina Batruch
  - Adam Lundin
  - Pablo Mir Balmaceda

- The Company's primary focus is the advancement of its 100% owned Josemaría project in San Juan Province, Argentina by completing a feasibility study in the first half of 2020. To provide the material for feasibility-level metallurgical testwork and to increase confidence in the mineral reserve, particularly the portion scheduled for the first five years of production in the pre-feasibility study, the Company completed a comprehensive reserve definition drill program earlier in the year. Data from the drill program will be used to update the resource and reserve models, which will form the basis for detailed mine planning as part of the current feasibility study. Drilling was also carried out to collect geotechnical data for the open-pit mine design and to determine site geotechnical conditions at planned locations for mine infrastructure construction, as well as to locate and characterize source locations for water to support the planned operation.
- The Company assembled an integrated engineering team which is led by Fluor Canada Ltd. who is responsible for overall project management, infrastructure and mineral process design and project cost estimation. Other consultants are also engaged to support the program with a focus on environment and permitting, social and community relations, mineral resource and reserve estimates, mine design and tailings and water management.
- The Company is also pleased to provide the following corporate update on its management team:

Effective as of August 6, 2019, Mr. Arndt Brettschneider has been appointed as Vice-President, Projects, replacing Mr. James Beck, who has resigned as Vice-President, Corporate Development and Projects. Mr. Brettschneider is an internationally experienced project manager with more than 24 years of international mining experience, including 13 years in mine operations, and proven leadership experience at the Vice Presidential level of two global engineering and consulting companies. Mr. Brettschneider will have overall responsibility for the delivery of the Josemaria Feasibility Study. Mr. Beck will continue to provide consulting services to the Company on a going forward basis.

We would like to thank Mr. Beck for his contribution to the Company as he was a key part of the leadership team and responsible for the successful delivery of the Pre-feasibility Study on the Josemaria Project. Mr. Beck will continue in senior management roles at other Lundin Group companies.

Commenting on the quarter Wojtek Wodzicki, President and CEO remarked, "With the spinout of NGEX Minerals complete, the Company will focus first on completing a feasibility study and environmental and social impact assessment ("ESIA") and thereafter turn its attention toward moving the Josemaria project towards production. 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 at its Josemaría Project with the goal of completing a feasibility study in the first half of 2020, with a goal of 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 impact assessment report in support of project permitting.

## SELECTED FINANCIAL INFORMATION

<i>(in thousands)</i>	<b>June 30, 2019</b>	<b>December 31, 2018</b>
Cash	802	5,029
Working capital	(6,649)	(3,740)
Mineral properties	11,934	16,012
Total assets	22,755	24,090
Non-current liabilities	164	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 exploration activities and corporate working capital expenditures. In addition to the funds raised from the private placement, the Company received \$0.9 million in cash from share option exercises during the first quarter of 2019. The cash received from the 2019 Financing and the option exercises to date during the year has been primarily used towards the advancement of the Josemaría project and general corporate purposes including the repayment of the balance previously drawn on a US\$5 million unsecured credit facility, as evidenced by a debenture entered into on October 5, 2018 with Zebra Holdings and Investments S.à.r.l. (“Zebra”), a related party of the Company (the “2018 Credit Facility”). All amounts previously drawn under the 2018 Credit Facility were repaid in full by February 5, 2019.

On June 12, 2019 the Company entered into a new US\$10,000,000 unsecured credit facility with Zebra, as evidenced by a debenture, to provide additional financial flexibility to fund ongoing exploration at the Josemaría project and for general corporate purposes (the “2019 Facility”). The 2019 Facility will mature on December 12, 2020, and no interest is payable in cash during the term. The 2019 Facility supplements the existing 2018 Facility which remains available until October 5, 2019. There was nil balance drawn on both facilities as of June 30, 2019. Of the total US\$15,000,000 in credit facilities available to the Company, an aggregate of US\$10.5 million has been drawn on the facilities as of the date of this press release.

Based on Josemaría Resource’s financial position at June 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

<i>(in thousands, except per share amounts)</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Exploration expenses	7,035	2,140	21,105	4,814
General and administration ("G&A")	1,123	727	2,902	2,051
Net loss	8,073	2,971	23,375	6,968
Basic and diluted loss per share	0.03	0.01	0.10	0.03

The Company's net loss for the three and six months ended June 30, 2019 was \$8.1 million and \$23.4 million respectively, compared to \$3.0 million and \$7.0 million for the same periods in 2018. The increase in net losses for the three and six month periods reflects the Company's key focus on the Josemaría project, which resulted in an increase in overall exploration and project investigation expenditures during 2019. In particular, the Company completed a comprehensive field program which included reserve definition drilling, began engineering studies and advanced ongoing environmental studies in support of the feasibility study for the Josemaría project during the first six months of 2019. Overall general and administrative ("G&A") costs during the three and six months ended June 30, 2019 totaled \$1.1 million and \$2.9 million respectively, compared to \$0.7 million and \$2.0 million for the same periods in 2018. The Company incurred additional professional fees of \$0.6 million to execute the Arrangement and deployed additional personnel resources including a new project manager to manage and support the Josemaría project during the second quarter of 2019.

### Qualified Persons

Technical disclosure for the 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 August 6, 2019 at 7:00 pm Pacific Time.

On behalf of the board

Wojtek Wodzicki  
President and CEO

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### **Cautionary Note Regarding Forward-Looking Statements**

Certain statements made and information contained herein in the press release constitutes “forward-looking information” and forward-looking statements” within the meaning of applicable securities legislation (collectively, “forward-looking information”). The forward-looking statements and information contained in this press release are based on information available to the Company as of the date of this press 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 such forward-looking information is based on the opinions and estimates of the relevant management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond the Company's ability to control or predict.

All statements other than statements of historical fact may be forward-looking information. 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 risk of unexpected tax consequences to the Arrangement, risks of the market valuing Josemaria and Spinco in a manner not anticipated by the Company; risks relating to the benefits of the Arrangement not being realized or as anticipated, the inherent uncertainties regarding mineral resource and reserve estimates and cost estimates, changes in commodity and metal prices, currency fluctuation, financing, unanticipated resource and reserve grades and recoveries, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, anticipated synergies not being realized, political risk and related economic risk and unanticipated environmental impact on operations as well as other risks and uncertainties and other factors, including, without limitation, those more fully described under "Risks Factors", and elsewhere, in the Company's most recent Annual Information Form and in the “Risks and Uncertainties” section of the Company's Management Information Circular dated May 9, 2019, which are available under the Company's profile at [www.sedar.com](http://www.sedar.com). These risks and uncertainties, as well as other factors, 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 press 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. This statement and information speaks as of the date of the press release. In particular, this press release contains forward-looking statements or information with respect to the availability of working capital for Josemaria; ability to obtain financing; the expected timing for, and completion of a feasibility study on the Josemaria Project and advancement of the Josemaria Project, work programs and studies; tax consequences of the Arrangement; benefits of the Arrangement; the listing of Spinco common shares on the TSX-V; the potential development of the Josemaria Project; the results of the Josemaria PFS and after-tax net present value; terms and conditions of the 2018 and 2019 Credit Facilities; the Company's expectations and estimates with respect to mineral reserves, resources and cost estimates and other assumptions used in the Josemaria PFS; the assumptions used in the updated mineral resources estimates for the Josemaria deposits; exploration and development expenditures; the timing and nature of any potential development scenarios; opportunities to improve project economics; estimations for copper and other

commodity prices, estimations for mineral reserves and mineral resources, estimations for costs, expectations of exploration activities, adding to mineral resources through exploration; permitting time lines; ability to obtain surface and water rights and property interests; currency exchange rate fluctuations; operations in a hyperinflationary economy; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

The forward-looking information contained in this press release are made as at the date of this press 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 development or permitting issue, 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 press 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.

Statements relating to "mineral resources" are deemed to be forward looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described can be profitably produced in the future.