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## NEWS RELEASE

### JOSEMARIA REPORTS SECOND QUARTER 2020 RESULTS

**August 12, 2020: Josemaria Resources Inc. (TSX: JOSE) (OMX: JOSE)** (“Josemaria Resources” or the “Company”) is pleased to announce its results for three months ended June 30, 2020.

Adam Lundin, Josemaria Resources’ Chief Executive Officer, comments: “With the recent announcement of a \$30.0 million financing and the Josemaria Project Feasibility Study progressing, I am pleased with the momentum gathering around the Josemaria Project. The Feasibility Study is well on track to be completed during the second half of 2020, and with completion of the announced financing anticipated in August, the Company will be sufficiently funded to enter the post-Feasibility phase of development on the Josemaria Project. This includes basic engineering, continued environmental and socioeconomic studies, and permitting, as well as settling certain near-term debt obligations. While our immediate focus remains publishing the Feasibility Study, the Company is in a great position to continue advancement of the Josemaria Project without delay.”

#### HIGHLIGHTS

- On July 28, 2020, the Company announced a private placement, subsequently increased on July 29, 2020, of common shares of the Company at a price (the “Offering Price”) of \$0.67 per common share for gross proceeds of \$19.7 million. Concurrently, the Company announced a public offering (the “Offering”) pursuant to which a syndicate of underwriters agreed to buy, on a bought deal basis, 15,000,000 common shares at the Offering Price for gross proceeds of approximately \$10.0 million. The Company has also granted the underwriters an over-allotment option, exercisable at the Offering Price for a period of 30 days following the closing of the Offering, to purchase up to an additional 15% of the Offering to cover over-allotments, if any, and for market stabilization purposes. Should the over-allotment be filled, the Company expects to receive gross proceeds of \$31.2 million, less estimated share issuance costs of \$1.2 million, for net proceeds of \$30.0 million.
- During the 2<sup>nd</sup> Quarter of 2020, the Company incurred \$4.4 million of exploration and project evaluation expenditures as it completes the final engineering component and conducts review of the Feasibility Study for the Josemaria Project. The Company continues to work remotely on all aspects of the Feasibility Study in close collaboration with an integrated engineering team led by Fluor Canada Ltd.
- Work also continued during Q2 on the Environmental and Social Impact Assessment (the “ESIA”) with Ausenco (Vector Argentina S.A.) based in Mendoza, Argentina, who is continuing to compile the baseline data and advance the ESIA in support of future project permitting. The Company anticipates filing the ESIA during Q1 2021.

- 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, the Company completed a comprehensive reserve definition drill program during 2019 and Q1 2020. Data from the drill program is being used to update the resource and reserve models and metallurgical information, which will form the basis for detailed mine planning as part of the Feasibility Study. Drilling to collect geotechnical data for the open-pit mine design and to determine site geotechnical conditions at planned locations for mine infrastructure, and to locate and characterize source locations for water to support the planned operation, has been completed and the results integrated into the feasibility-level designs.

## OUTLOOK

The Company is targeting completion of the Feasibility Study on the Josemaría Project during the second half of 2020. Management also plans to continue environmental and social baseline studies that will provide information required to prepare an ESIA report in support of project permitting.

## FINANCIAL RESULTS

| <i>(in thousands, except per share amounts)</i>                            | <b>Three months ended</b> |             | <b>Six months ended</b> |             |
|--|---------------------------|-------------|-------------------------|-------------|
|  | <b>June 30,</b>           |             | <b>June 30,</b>         |             |
|  | <b>2020</b>               | <b>2019</b> | <b>2020</b>             | <b>2019</b> |
| Exploration and project evaluation expenses                                | 4,447                     | 7,035       | 23,802                  | 21,105      |
| General and administration ("G&A")   | 879                       | 1,123       | 2,945                   | 2,902       |
| Foreign exchange and trading (gains) losses realized on equity investments | (2,296)                   | 33          | (4,333)                 | (63)        |
| Net loss   | 2,319                     | 8,073       | 25,277                  | 23,375      |
| Basic and diluted loss per share   | 0.01                      | 0.03        | 0.10                    | 0.10        |

The Company's net loss for the three and six months ended June 30, 2020 was \$2.3 million and \$25.3 million, respectively, compared to \$8.1 million and \$23.4 million, respectively, for the same periods in 2019. The decrease in the net loss for the three months ended June 30, 2020 is primarily related to the winding down of certain exploration activities as the Company progresses towards completing its Feasibility Study. Exploration and project investigation expenditures for the three months ended June 30, 2020, all of which relate to the Josemaria Project, decreased to \$4.4 million as compared to \$7.0 million incurred in the prior period (including \$6.1 million incurred on the Josemaria Project). The Company's primary exploration and project investigation expenditures during the three months ended June 30, 2020 consist of final costs related to the cessation of the field season and engineering and consultant costs related to the completion of the Feasibility Study.

Overall general and administrative ("G&A") costs for the three months ended June 30, 2020 totaled \$0.9 million compared to \$1.1 million over the same period in 2019. Costs remain largely comparable period to period, but the 2020 period included decreases in professional fees, travel and promotional expenditures offset partially by an increase in share-based compensation. 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 months ended June 30, 2020, the Company recognized a net monetary loss of \$0.2 million (2019 – gain of \$0.1 million) in relation to the application of hyper-inflationary accounting for the Company's Argentine subsidiary, which began July 1, 2018. In other comprehensive loss, the Company recognized a gain of \$2,767 resulting from the impact of hyper-inflation which consists of adjustments recognized on the continuing inflation of opening non-monetary balances during the three months ended June 30, 2020 (2019 – gain of \$1.7 million), and the ongoing translation of the Company's Argentine 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 the notes to the condensed interim consolidated financial statements.

## SELECTED FINANCIAL INFORMATION

| <i>(in thousands)</i> | <b>June 30,<br/>2020</b> | <b>December 31,<br/>2019</b> |
|-----------------------|--------------------------|------------------------------|
| Cash                  | 1,279                    | 4,043                        |
| Working capital       | (49,144)                 | (20,872)                     |
| Mineral properties    | 10,745                   | 10,608                       |
| Total assets          | 15,724                   | 18,732                       |
| Total liabilities     | 53,722                   | 35,087                       |

The Company does not currently generate income from operations. As at June 30, 2020, the Company's working capital deficit is \$49.1 million, and while the announced \$30.0 million financing 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 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 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

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 the Company'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 all provinces and territories of Canada 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)).

The information in this release is subject to the disclosure requirements of Josemaria Resources under the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, on August 12, at 17:00 Eastern Time.

On behalf of the board

Adam Lundin  
President and CEO

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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 timing and completion of a Feasibility Study and related studies of the Josemaría Project; the anticipated use of proceeds from the credit facilities and ongoing support from Lorito and Zebra; the anticipated use of proceeds from the announced financing; anticipated environmental studies; anticipated exploration and development plans and activities; anticipated cost estimates and other assumptions used in the Josemaría PFS and expectations from the Josemaría PFS; the assumptions used in the mineral reserves

and resources for the Josemaría project; anticipated exploration and development expenditures; the timing and nature of any potential development scenarios; opportunities to improve project economics; estimations for copper, gold, silver and other commodity prices, estimations for mineral reserves and resources; estimated development costs; success of development and exploration activities; expectations with regard to the results of the Feasibility Study, ESIA and other studies; permitting time lines; exploring opportunities to revise the due dates of its liabilities, and/or settling its liabilities through the issuance of common shares and other equity instruments; ability to obtain surface and water rights, access and property interests; currency exchange rate fluctuations; 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.

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 impact of COVID-19, 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, available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com), 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.