



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 Copper-Gold-Silver Project Update

September 8, 2021: Josemaria Resources Inc. (TSX: JOSE) (OMX: JOSE) (OTCQB: JOSMF) ("Josemaria Resources" or the "Company") is pleased to provide an operations, management and financing update regarding the significant progress made at its 100% owned copper-gold-silver project in the San Juan Province, Argentina.

Adam Lundin, CEO comments, "This year has been transformational for Josemaria with significant advancement in all major key aspects of the project. We are in a fortunate position to have one of the largest and most advanced copper projects in the world, located in the San Juan Province of Argentina. The Company continues to be encouraged by the level of support shown at the federal, provincial, and local levels in Argentina to work collaboratively to move this Project forward. Active engagement continues with all levels of government, including discussions aimed at finalizing and securing commercial and fiscal terms applicable to the Project and Environmental Social Impact Assessment ("ESIA") approval. Josemaria remains one of the largest undeveloped copper-gold projects in the world, with a proven and probable reserve profile not found in any other junior mining company: 6.7 billion pounds of copper, 7.0 million ounces of gold, 31 million ounces of silver." (See Table 1 below for details).

Operations Update

The Company continues to aggressively advance all critical areas of the Josemaria Project including:

- **Project Engineering:** Engineering to date has made significant advancements to de-risk and optimize the process flowsheet with improvements in the crush/convey, grinding, flotation and tailings. An area of significant progress is the grinding circuit reducing the size of the SAG mills from 42 foot diameter to 40 foot mills achieved through the implementation of 2-stage pebble crushing while maintaining the 150 ktpd design throughput. The illustration below shows the revised plant layout as of August 2021. The Project is proceeding to Basic Engineering with the goal of completion during the second quarter of 2022;
- **Development, Infill and Exploration Drilling:** planning 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 pit configuration. 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 drilling will lead to mine life expansion and a significant portion of inferred material moving into reserves. At site, camp expansion activities are ahead of schedule, and drilling is expected to commence in November. Regional Exploration program plans are being finalized to test targets outside the current resource but adjacent to the Project;

- ESIA Approval Process: following the submission of the ESIA in February 2021, we continue our engagement with the San Juan authorities in their evaluation process. We anticipate the ESIA evaluation process to be completed in 1H 2022; and
- Offsite infrastructure: including access road and electrical power, and logistics studies are ongoing, aimed at finalizing plans for integration into the design of the Project during Basic Engineering.

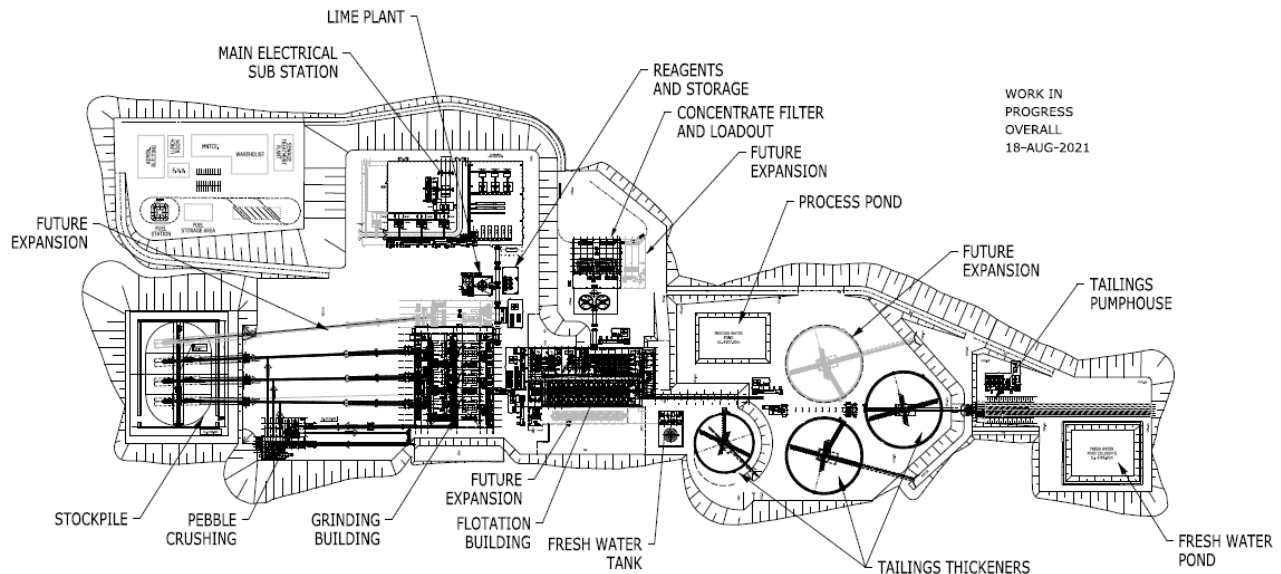


Image: Josemaria Project Revised Plant Layout, August 2021

Management Update

Mr. Phil Brumit has been appointed to the role of Executive Vice President Projects and Operations. Mr. Brumit is a mining executive with over 40 years experience in property evaluation, engineering, project management, construction, start-up and operations within the industry, and is extremely well known to the Lundin family given the leadership positions he held at Minera Candelaria, a subsidiary of Lundin Mining, as President and Managing Director where he managed the rejuvenation and re-capitalization of the operations increasing reserves and extending mine life while increasing profitability. Prior to that Mr. Brumit oversaw development, construction, operation, and expansion of the Tenke-Fungurume Mine (TFM) in the Democratic Republic of Congo as President of Freeport-McMoRan Africa Division and Senior Advisor.

Mr. Reece Fuller has been appointed to the role of Senior Vice President Projects, reporting to Mr. Brumit, and will oversee the engineering and construction of the Josemaria Project. Mr. Fuller is a Project Management executive with over 28 years of experience in developing and managing mineral and metallurgical process plant major capital projects from concept phases, scope development and selection studies, basic engineering, detailed engineering, procurement, construction, commissioning, start up and handover. As VP Engineering & Construction, Mr. Fuller led Engineering and Construction for Freeport's Grasberg mine 240,000 mtpd underground block cave expansion. In the capacity of Director of Engineering for Freeport-McMoRan's global capital projects, he led the shaping effort for the Indonesia \$US3 billion 2mtpa smelter project located in East Java Indonesia. Mr. Fuller also led the successful commissioning and start up effort for the Tenke-Fungurume Mine in the Democratic Republic of Congo. The accelerated commissioning schedule allowed the Tenke project to achieve a world class schedule. Mr. Fuller has



worked internationally in numerous countries including the United States, Canada, United Kingdom, Australia, Argentina, Chile, Peru, Indonesia, Philippines and Mongolia.

Josemaria Resources has added numerous team members to the Company and additional recruiting efforts are ongoing as the Company continues to assemble the Owner's Team that will be responsible for constructing the Company's 100% owned Josemaria Copper-Gold Project in San Juan, Argentina.

Financing Update

The Company is pleased to announce that it has entered into two credit facilities totaling US\$20 million (collectively the "Facilities"), one with Lorito Holdings S.à.r.l. ("Lorito") for US\$10 million (the "Lorito Facility") and one with Zebra Holdings and Investments S.à.r.l. ("Zebra") for US\$10 million (the "Zebra Facility"). Lorito and Zebra, who report their security holdings as joint actors, are insiders of the company and are private corporations controlled by a trust settled by the late Adolf H. Lundin. Proceeds from the Facilities will be used to provide additional financial flexibility to fund the Company's ongoing work programs and provide general working capital. The Facilities provide an additional source of funds on top of the \$US19.4 million currently available to be drawn under existing outstanding credit facilities provided by Lorito and Zebra.

Commenting on the new credit facilities, CEO Adam Lundin stated, "We appreciate the continued financial support of our largest shareholders who remain committed to advancing the Josemaria Project towards construction. The new credit facilities will allow us to continue advancing all aspects of the Project, while working closely with the Government to finalize commercial terms."

Each of the Lorito Facility and the Zebra Facility will be evidenced by a debenture (collectively the "Debentures") each of which will be unsecured and will have a term of 18 months ending March 7, 2023 (the "Maturity Date"). No interest is payable during the term of the Debentures, however, any amount of the Lorito Facility or the Zebra Facility remaining unpaid and outstanding on or after the Maturity Date shall bear interest at a rate of 5.00% per annum until repaid in full.

Subject to approval of the Toronto Stock Exchange (the "TSX"), the terms of the Facilities include the Company issuing 25,000 common shares to each of Lorito and Zebra for an aggregate of 50,000 common shares of Josemaria (the "Common Shares") and an additional 450 Common Shares per month for each US\$50,000 of the Lorito Facility or the Zebra Facility outstanding from time to time up to the Maturity Date. All securities issued in conjunction with the Facilities will be subject to a four-month hold period under applicable securities law.

The Common Shares to be issued pursuant to the terms of the Debentures will be issued at a deemed price of \$1.06 per share, being the closing price of the Common Shares on the TSX on September 7, 2021. Subject to the approval of the TSX, the Company has also entered into agreements with Lorito and Zebra (the "Agreements") to extend the maturity dates of the \$US27 million of debentures currently outstanding (US\$7.6 million drawn) from November 25, 2021, to March 7, 2023 to align the maturity date on all debentures. No other terms of the existing debentures have been amended. As a result of the Debentures and the extension of the maturity dates of the US\$27 debentures currently outstanding, and subject to the approval of the Toronto Stock Exchange (the "TSX"), up to an additional 8,128,006 Common Shares will be reserved for issuance pursuant to terms of the US\$20 Million Debentures and the extension of the US\$27 debentures currently outstanding. All securities issued will be subject to a four-month hold period under applicable securities law.



This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein in the U.S., or in any jurisdiction in which such an offer or sale would be unlawful. The securities described herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws and may not be offered or sold in the U.S. or to the account or benefit of a U.S. person or a person in the U.S. absent registration or an applicable exemption from the registration requirements.

Related Party Transactions

Lorito and Zebra are insiders of the Company. The issuance of Common Shares to the insiders and the entering into the Facilities and Agreements each constitute a "related party transaction" pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on the exemption from formal valuation and minority shareholder approval requirements under MI 61-101, as the fair market value of the Common Shares to be issued and the Facilities do not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

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 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 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 EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, on September 08, 2021 at 00:01 EDT.

On behalf of Josemaria Resources,

Adam Lundin,
President and CEO

For further information:

Amanda Strong, Investor Relations, Canada: +1 604 689 7842; or info@josemariaresources.com
Robert Eriksson, Investor Relations, Sweden: +46 701 112 615; or reriksson@rive6.ch



Follow us:

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

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

Instagram: https://www.instagram.com/josemaria_resources/

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

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 anticipated use of proceeds from the Facilities, the ability of the Company to satisfy the conditions of the Debentures, including repayment of the Facilities upon their maturity and the issuance of Common Shares thereunder, and the timing and success in obtaining requisite regulatory (including TSX) approvals; 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 obtaining regulatory approvals with respect to the issuance of Common Shares pursuant to the Facilities and with respect to extension of the maturity dates of existing debentures; 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. 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.

Qualified Persons and Technical Report

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.

Table 1 - The mineral reserve statement for the Josemaria Project, San Juan Province, Argentina, 28 September 2020

Category	Tonnage (Mt)	Grade			Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	Cu lbs (Millions)	Au oz (Millions)	Ag oz (Millions)
Proven	197	0.43	0.34	1.33	1,844	2.14	8.43
Probable	815	0.27	0.19	0.85	4,861	4.87	22.29
Total Proven and Probable	1,012	0.30	0.22	0.94	6,705	7.02	30.72

Notes to accompany Josemaria Mineral Reserve statement:

1. Mineral reserves have an effective date of 28 September 2020. The Qualified Person for the estimate is Mr. Robert McCarthy, P.Eng.



2. The mineral reserves were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Definition Standards for Mineral Resources and Reserves, as prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
3. The mineral reserves were based on a pit design which in turn aligned with an ultimate pit shell selected from a Whittle™ pit optimization exercise. Key inputs for that process are:
 - Metal prices of \$3.00/lb Cu, \$1,500/oz Au; \$18.00/oz Ag
 - Variable Mining cost by bench and material type. Average costs are \$1.351/t, \$1.36/t and \$1.65/t for ore, NAG waste and PAG waste, respectively.
 - Processing costs vary by metallurgical zone, ranging from \$3.77/t tonalite ore milled to \$3.71/t supergene.
 - Infrastructure On and Off-site \$0.43/t milled
 - Indirect Costs \$0.46/t milled
 - Sustaining capital costs of \$0.54/t
 - Pit overall slope angles varying from 33° to 45°
 - Process recoveries for Cu and Au are based on grade. The average recovery is estimated to be 85% for Cu and 63% for Au. Ag recovery is fixed at 72%.
4. Mining dilution is accounted for by averaging grades in adjacent blocks across a thickness of 2.5 m into each block (5.0 m per block contact).
5. The mineral reserve has an economic cut-off for prime mill feed, based on NSR, of \$5.22/t, \$5.21/t, \$5.18/t and \$5.16/t milled for tonalite, rhyolite, porphyry and supergene material respectively and an additional \$0.53/t for stockpiled ore.
6. There are 991 Mt of waste in the ultimate pit. The strip ratio is 0.98 (waste:ore).
7. All figures are rounded to reflect the relative accuracy of the estimate. Totals may not sum due to rounding as required by reporting guidelines.

