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News Release

Lundin Mining to Acquire Josemaria for C\$1.60 per Share for Cash and Shares for a Total Purchase Price of C\$625 Million

- Immediate and attractive premium of 29% to Josemaria's 10-day VWAP on the TSX for Josemaria shareholders
- Option to select cash or Lundin Mining shares, subject to proration, without any financing conditions
- Opportunity for continued economic participation in the future potential of the Josemaria project while gaining exposure to Lundin Mining's diversified portfolio of high-quality operating mines, sector-leading production growth, and free cash flow generation in a robust base metals price environment
- Removes dilution and reduces commodity, development, and execution risk relative to a standalone development plan
- Lundin Mining has the technical, development, operating and financial capabilities to advance Josemaria as one of the world's next copper producers, further enhancing its top tier potential
- Lundin Mining is committed to the highest standards of ESG and will be a responsible steward for all Josemaria stakeholders

December 20, 2021: Josemaria Resources Inc. (TSX: JOSE) (OMX: JOSE) (OTCQB: JOSMF) ("Josemaria" or the "Company"), is pleased to announce it has entered into a binding agreement (the "Arrangement Agreement") with Lundin Mining Corporation ("Lundin Mining") (TSX:LUN) (OMX: LUMI) whereby Lundin Mining will acquire all of outstanding common shares of Josemaria (the "Transaction").

Under the terms of the Transaction, Josemaria shareholders will receive total consideration of approximately C\$625 million on a fully diluted basis, representing C\$1.60 per Josemaria common share. Josemaria shareholders will be able to elect to receive the consideration as either (i) C\$1.60 in cash or (ii) 0.1487 Lundin Mining shares, or some combination of cash and shares, subject to proration. The total consideration will be subject to maximum aggregate cash consideration of approximately C\$183 million (representing 30% of the aggregate consideration). Any cash payments on Josemaria Resources Shares traded on Nasdaq Stockholm will be paid in Swedish kronor in accordance with Euroclear Sweden principles. Shareholders that do not make an election will be deemed to have elected to receive Lundin Mining shares. The consideration represents a premium of 31% and 29% to the closing price and the 10-day volume weighted average price, respectively, of Josemaria's shares on the TSX for the period ending December 17, 2021. On closing of the Transaction, Josemaria shareholders are expected to own approximately 5% of Lundin Mining, on a fully diluted basis.

Adam Lundin, President and CEO of Josemaria said: "I am very happy to announce this transaction today, which delivers compelling value and an immediate uplift for all Josemaria Resources shareholders. We have been

exploring different financing options for the advancement and development of the Josemaria Project and we believe this is the best opportunity to develop the project without direct dilution or financing risk for Josemaria shareholders, while fairly compensating them for their interest in this world-class copper/gold deposit. Josemaria shareholders will also have the opportunity to continue to participate in the development of the project through their post-closing ownership in Lundin Mining, which has the financial strength, technical expertise, project development experience, and commitment to the highest ESG practices to advance the Josemaria project at the pace and scale this project deserves.”

Peter Rockandel, President and CEO, Lundin Mining said: “The acquisition of the Josemaria project complements Lundin Mining’s existing portfolio of high-quality mines and highlights our focus on disciplined copper-focused growth to create long-term shareholder value. Josemaria is a world-class copper project that has many characteristics which make it the ideal project for Lundin Mining to advance in the next phase of our growth. Leveraging our technical expertise, financial strength, and drawing on the Josemaria team’s in-country knowledge, we believe this opportunity will create meaningful value for all stakeholders. The addition of Josemaria will elevate Lundin Mining’s position to a major base metals producer with high-quality, low-cost copper exposure.”

Details of the Transaction

The Transaction, which is not subject to any financing conditions, will be carried out by way of a court-approved plan of arrangement under the *Canada Business Corporations Act* and will require approval by (1) 66⅔% of the votes cast by Josemaria Resources shareholders, and (2) 66⅔% of the votes cast by Josemaria Resources security holders (comprised of shareholders and optionholders), at a special meeting expected to be held to consider the Transaction. In addition to approval by Josemaria Resources security holders, the Transaction is also subject to the receipt of court approval, regulatory approvals including approval by the TSX, the approval by the Swedish Financial Supervisory Authority of a Swedish prospectus regarding Lundin Mining’s offer to Josemaria Resources’ shareholders and the admission of trading of the new Lundin Mining shares and other customary closing conditions for transactions of this nature. The Transaction is expected to be completed in the second quarter of 2022.

The Arrangement Agreement provides for customary deal-protection provisions, including a non-solicitation covenant on the part of Josemaria Resources and a right for Lundin Mining to match any Superior Proposal (as defined in the Arrangement Agreement). The Arrangement Agreement includes a termination fee of C\$20 million, payable by Josemaria Resources, under certain circumstances (including if the Arrangement Agreement is terminated in connection with Josemaria Resources pursuing a Superior Proposal). The directors and senior officers of Josemaria Resources, in addition to certain securityholders, including the Lundin Family Trust, owning in aggregate approximately 42% of Josemaria Resources’ voting securities have entered into voting support agreements pursuant to which they have agreed to vote all the securities they own or control in favour of the Transaction.

Josemaria Resources Board of Directors and Special Committee Recommendations

A special committee comprised of independent directors of Josemaria Resources (the “Special Committee”) unanimously recommended the Transaction to the board of directors of the Company (the “Josemaria Board”). The

Josemaria Board has evaluated the Arrangement Agreement with the Company's management and legal and financial advisors and, following the receipt and review of the unanimous recommendation from the Special Committee, the Josemaria Board unanimously (subject to certain directors declaring a conflict and abstaining from voting on the matter) determined that the Transaction is in the best interest of the Company, approved the Transaction and recommended that the Company's securityholders vote in favour of the Transaction, all subject to the terms and conditions contained in the Arrangement Agreement.

BMO Capital Markets has provided an opinion to the Josemaria Special Committee and Board stating that, as of the date of such opinions and based upon and subject to various assumptions, limitations and qualifications therein, the consideration to be received by the Josemaria Resources shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to such shareholders.

Further details regarding the terms of the Transaction are set out in the Arrangement Agreement, which will be publicly filed by Josemaria Resources under its profile at www.sedar.com. Additional information regarding the terms of the Arrangement Agreement, the background to the Transaction, the rationale for the recommendations made by the Special Committee and the Josemaria Board and how Josemaria shareholders can participate in and vote at the special meeting to be held to consider the Transaction, will be provided in the management information circular for the special meeting which will be mailed to shareholders and also filed at www.sedar.com. Shareholders are urged to read these and other relevant materials when they become available.

Interim Financing To Be Provided By Lundin Mining

Lundin Mining has agreed in the Arrangement Agreement to provide the Company with a loan in the principal amount of US\$100 million to fund anticipated activities of the Company between the date of execution of the Arrangement Agreement and closing of the Transaction.

Advisors and Counsel

BMO Capital Markets is acting as financial advisor to Josemaria Resources and Blake, Cassels, & Graydon LLP is acting as legal advisor.

Conference Call and Webcast Details

A telephone conference call and webcast with Lundin Mining and Josemaria Resources management to discuss the Transaction will be held at 8:00 ET, 14:00 CET on Monday, December 20, 2021. Details are provided below:

Call-in number for the conference call (North America): + 1 647 788 4922

Call-in number for the conference call (North America Toll Free): + 1 877 223 4471

Call-in number for the conference call (Sweden): + 020 012 3522

To view the live webcast presentation, please log on using this direct link:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=EB73B89B-B0D5-401F-A922-2AC3DC550CD3>

The presentation slideshow will also be available in PDF format for download from the Josemaria website www.josemariaresources.com before the conference call.

A replay of the telephone conference will be available after the completion of the conference call until January 20, 2022.

Replay numbers:

North America: +1 800 585 8367 or +1 416 621 4642.

The passcode for the replay is: 6689651

A replay of the webcast will be available by clicking on the [direct link](#) above.

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 EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, on December 20, 2021 02:00 EST.

On behalf of the Board of Directors of Josemaria Resources,

Adam Lundin,
President and CEO

For further information:

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YouTube: https://www.youtube.com/channel/UCrP62J_vh6AunA1gAt-37ag

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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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 consummation and timing of the Transaction; the satisfaction of the conditions precedent to the Transaction; the strengths, characteristics and potential of Lundin Mining post-Transaction; timing, receipt and anticipated effects of court and regulatory approvals; the impact of the Transaction on employees and local stakeholders; and discussion of future plans, projects, objectives, estimates and forecasts and the timing related thereto. 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 failure to receive the required court and regulatory approvals to effect the Transaction; changes in laws, regulations and government practices; the potential of a third party making a superior proposal to the Transaction; risks pertaining to the outbreak of the global pandemics, including COVID-19; government regulation of mining operations; environmental risks; 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.

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