

*Strictly private and confidential*

PROSPECTUS FOR ADMISSION TO TRADING OF ADDITIONAL SHARES IN

# **Josemaria Resources Inc.**

ON NASDAQ STOCKHOLM

## IMPORTANT INFORMATION

### INFORMATION TO INVESTORS

This prospectus (the “**Prospectus**”) has been prepared in connection with the contemplated admission to trading on Nasdaq Stockholm of the additional common shares in Josemaria Resources Inc. which may be issued (the “**Shares**”). For further definitions of the terms in the Prospectus, please see “*Definitions and glossary*”.

In connection with the issue of the Shares, Josemaria Resources Inc. has prepared this Prospectus which has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the Prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the “**Prospectus Regulation**”). The SFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or of the quality of the securities that are the subject of this Prospectus. The Prospectus has been prepared in English only. This Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

This Prospectus does not comprise any offer to purchase, subscribe for or acquire Shares or other financial instruments issued by Josemaria Resources Inc. This Prospectus has been prepared only in conjunction with an application for admission to trading of the Company’s Shares on Nasdaq Stockholm. The Prospectus may not be distributed, directly or indirectly, in any other country where such distribution requires additional registration or other measures than those provided for under Swedish law or that contravene applicable regulations in such country. The Company’s Shares have not been and will not be registered under the United States Securities Act of 1933 (“**Securities Act**”), as amended, or under any equivalent statute in any individual state or province of the United States of America (the “**U.S.**”).

This Prospectus is governed by Swedish law. Disputes relating to this Prospectus shall be settled by a Swedish court exclusively.

The Prospectus contains in the section “*Risk Factors*” a description of the risk factors deemed to be essential to the business and future development of Josemaria Resources Inc.

This Prospectus includes certain information derived from third parties. Such information has been accurately reproduced and as far as Josemaria Resources is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, Josemaria Resources has not independently verified the information, which is why its accuracy and completeness cannot be guaranteed.

### FORWARD-LOOKING STATEMENTS

This Prospectus contains various forward-looking statements that reflect management’s current views with respect to future events as well as anticipated financial results and operational performance. Forward-looking statements as a general manner are all statements other than statements as to historical facts or present facts or circumstances. The words “believe”, “expect”, “mean to”, “intend”, “estimate”, “anticipate”, “assume”, “predict”, “can”, “will”, “shall”, “should”, “according to estimates”, “consider”, “may”, “might”, “plan to”, “aim”, “potential”, “calculate”, “as far as is known”, or in each case, their negative, or similar expressions, identify certain of these forward-looking statements. Other forward-looking statements can be identified by the context in which they are used. Forward-looking statements appear in a number of places in this Prospectus, including, without limitation, in the sections “*Summary*”, “*Risk Factors*”, and “*Capitalisation, indebtedness and other financial information*”. Although Josemaria Resources Inc. believes that the expectations reflected in these forward-looking statements are reasonable, Josemaria Resources Inc. can give no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Forward-looking statements are not a guarantee regarding future results and developments or the actual outcome, which may differ significantly from the forward-looking statements. Forward-looking statements speak only as at the date of this Prospectus. Josemaria Resources Inc. expressly undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation.

### PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise stated, the financial statements and other financial information as of, and for the years ended December 31, 2020 and December 31, 2019 are in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. Certain amounts and percentages stated in this Prospectus have been rounded off and may therefore not add up correctly. Other than what is expressly stated herein, no information in this Prospectus has been examined or audited by the Company’s auditors. In this Prospectus, all references to: (i) “**Canadian dollars**” and “**CAD**” are to Canadian dollars, (ii) “**U.S. dollars**” and “**USD**” are to United States dollars and (iii) “**Swedish krona**” and “**SEK**” are to Swedish krona.

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ISIN-code	CA48086P1009
Trading symbol (ticker) on Nasdaq Stockholm	JOSE
LEI code	5493004IYKC0CF8LLK27

## Financial calendar

<b>Interim report</b> for the period January–March 2021	May 10, 2021
<b>Interim report</b> for the period January–June 2021	August 12, 2021
<b>Interim report</b> for the period January–September 2021	November 10, 2021

This prospectus (the “**Prospectus**”) has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) as competent authority in accordance with Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The SFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or of the quality of the securities that are the subject of this Prospectus. This Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. The Prospectus has been prepared in English only. Investors should make their own assessment as to the suitability of investing in the securities.

The Prospectus is valid for up to twelve months after April 15, 2021. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply once the Shares have been admitted to trading on Nasdaq Stockholm.

# Summary

## INTRODUCTION AND WARNINGS

<i>Introduction and warnings</i>	<p>This summary should be read as an introduction to this prospectus (the “<b>Prospectus</b>”). Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investor could lose all or part of the invested capital.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to persons who have tabled the summary including any translation thereof, but only when the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
<i>Issuer information</i>	<p>Josemaria Resources Inc., corporation no. 425318-3 (“<b>Josemaria Resources</b>” or the “<b>Company</b>”). The Company’s registered office is situated at Suite 2200 - 885 West Georgia Street Vancouver, British Columbia V6C 3E8 Canada. The Company’s telephone number is +1 604 689 7842 and its website <a href="http://www.josemariaresources.com">www.josemariaresources.com</a> (apart from the documentation incorporated by reference, no information on the Company’s website form part of the Prospectus). The ISIN code of the Shares is CA48086P1009 and ticker JOSE. The Company’s LEI-code is 5493004IYKC0CF8LLK27.</p>
<i>Competent authority</i>	<p>The Swedish Financial Supervisory Authority (Sw. <i>Finansinspektionen</i>) (the “<b>SFSA</b>”) is the competent authority responsible for approving this Prospectus under Regulation (EU) 2017/1129. The SFSA’s visiting address is Brunnsgratan 3, 111 38 Stockholm, Sweden and its postal address is P.O. Box 7821, 103 97 Stockholm, Sweden. The SFSA’s telephone number is +46 (0) 8 408 980 00 and its website is <a href="http://www.fi.se">www.fi.se</a>.</p> <p>The Prospectus was approved on April 15, 2021.</p>

## KEY INFORMATION ON THE ISSUER

### Who is the issuer of the securities?

<i>Issuer information</i>	<p>Issuer of the securities is Josemaria Resources Inc., a public limited liability company continued under the Canada Business Corporations Act (the “<b>CBCA</b>”) with corporation No. 425318-3. The Company is incorporated in British Columbia, Canada. The registered office of the Company is Suite 2200, 885 West Georgia Street, Vancouver, B.C. V6C 3E8, Canada. The Company’s LEI-code is 5493004IYKC0CF8LLK27.</p>
<i>Principal activities</i>	<p>Josemaria Resources Inc. is a Canadian natural resources company focused on advancing the development of its Josemaria Project, a copper-gold project in San Juan Province, Argentina.</p>

<p><i>Major shareholders and control over the issuer</i></p>	<p>To the knowledge of the directors and officers of the Company<sup>(1)</sup>, shareholders carrying 10 per cent or more of the voting rights attached to the common shares of the Company (the “<b>Common Shares</b>”) on March 31, 2021 (including subsequent known changes) were:</p> <table border="1" data-bbox="464 389 1366 589"> <thead> <tr> <th data-bbox="464 389 943 454">Shareholder</th> <th data-bbox="943 389 1134 454">Number of Common Shares</th> <th data-bbox="1134 389 1366 454">Percentage of votes</th> </tr> </thead> <tbody> <tr> <td data-bbox="464 454 943 510">Lorito Holdings S.à.r.l. (“<b>Lorito</b>”) <sup>(2)</sup></td> <td data-bbox="943 454 1134 510">31,346,957</td> <td data-bbox="1134 454 1366 510">10.3%</td> </tr> <tr> <td data-bbox="464 510 943 589">Zebra Holdings and Investments S.à.r.l.(“<b>Zebra</b>”) <sup>(2)</sup></td> <td data-bbox="943 510 1134 589">86,451,341</td> <td data-bbox="1134 510 1366 589">28.5%</td> </tr> </tbody> </table> <p>Notes:</p> <p>(1) This information was obtained from the System for Electronic Disclosure by Insiders (SEDI). SEDI (<a href="https://www.sedi.ca/sedi">https://www.sedi.ca/sedi</a>) (the website is not incorporated by reference and does not form part of the Prospectus) is Canada’s on-line, browser-based service for the filing and viewing of insider reports as required by various provincial securities rules and regulations and has not been independently verified by the Company.</p> <p>(2) Lorito and Zebra, who report their security holdings as joint actors, are private corporations owned by a trust whose settlor was the late Adolf H. Lundin. Together, Lorito and Zebra hold a total of 117,798,298 Common Shares, which represents approximately 38.9% of the current outstanding shares. In addition, Lorito holds an unsecured USD 20.0 million Debenture issued by the Company (the “<b>2019 Lorito Debenture</b>”), which has a maturity date of April 25, 2021. For each USD 50,000 drawn and outstanding from time to time on the 2019 Lorito Debenture, the Company will issue an additional 800 Common Shares per month up to the maturity date. In addition, Zebra holds an unsecured USD 3.5 million Debenture issued by the Company (the “<b>2020 Zebra Debenture</b>”) and Lorito holds an unsecured USD 3.5 million Debenture issued by the Company (the “<b>2020 Lorito Debenture</b>”), both of which have a maturity date of November 25, 2021. For each USD 50,000 of the 2020 Lorito Debenture or the 2020 Zebra Debenture drawn and outstanding from time to time, the Company will issue an additional 920 Common Shares per month up to the maturity date. All securities issued with respect to the 2019 Lorito Debenture, the 2020 Zebra Debenture and 2020 Lorito Debenture are subject to a four month hold period. As of the date of this Prospectus, there is a total of USD 20.0 million drawn on the 2019 Lorito Debenture; USD 3.5 million drawn on the 2020 Lorito Debenture and USD 0.5 million drawn on the 2020 Zebra Debenture.</p> <p>As far as the Company is aware, the Company does not have any other major shareholders, other than Lorito and Zebra set out above, which, directly or indirectly, individually or jointly with others, own such number of Common Shares as to have control over the Company.</p>	Shareholder	Number of Common Shares	Percentage of votes	Lorito Holdings S.à.r.l. (“ <b>Lorito</b> ”) <sup>(2)</sup>	31,346,957	10.3%	Zebra Holdings and Investments S.à.r.l.(“ <b>Zebra</b> ”) <sup>(2)</sup>	86,451,341	28.5%
Shareholder	Number of Common Shares	Percentage of votes								
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Zebra Holdings and Investments S.à.r.l.(“ <b>Zebra</b> ”) <sup>(2)</sup>	86,451,341	28.5%								
<p><i>Key managing directors</i></p>	<p>The Company’s board of directors consists of Ashley Heppenstall (chairman), Adam Lundin, Wojtek Wodzicki, Paul Conibear, Ron Hochstein and Christine Batruch.</p> <p>The Company’s executive management consists of Adam Lundin (President, CEO &amp; Director), Ian Gibbs (CFO), Arndt Brettschneider (Vice President, Projects), Bob Carmichael (Vice President Exploration), and Alfredo Vitaller (General Manager, Argentina).</p>									
<p><i>Auditor</i></p>	<p>PricewaterhouseCoopers LLP (“<b>PwC</b>”) was elected as the Company’s auditor at the Company’s special and annual general meeting of shareholders held on June 16, 2020 for the ensuing year. Lana Kirk, Partner, Assurance, a Chartered Professional Accountant of British Columbia and member of the Chartered Professional Accountants of Canada (Chartered Professional Accountants of</p>									

Canada is a national organization and institute for the accounting profession in Canada), is the auditor in charge. PwC has been the Company's auditor since 2007. The auditor's office address is PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver BC V6C 3S7.

**What is the key financial information regarding the issuer?**

*Key financial information in summary*

**Selected income statement items**

	<b>Jan-Dec 2020</b>	<b>Jan-Dec 2019</b>
	<i>Extracted from audited statements</i>	<i>Extracted from audited statements</i>
<b>'000s CAD</b>	<b>IFRS</b>	<b>IFRS</b>
Total revenue	nil	nil
Operating loss	35,687	40,905
Net loss attributable to equity holders of the parent	31,237	10,950
Loss per share	0.12	0.04

**Selected balance sheet items**

	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<i>Extracted from audited statements</i>	<i>Extracted from audited statements</i>
<b>'000s CAD</b>	<b>IFRS</b>	<b>IFRS</b>
Total assets	19,745	18,732
Total equity	(12,356)	(16,355)
Net financial debt	32,101	35,087

<b>Selected cash flow statement</b>		
	<b>Jan-Dec 2020</b>	<b>Jan-Dec 2019</b>
	<i>Extracted from audited statements</i>	<i>Extracted from audited statements</i>
<b>'000s CAD</b>	<b>IFRS</b>	<b>IFRS</b>
Net cash flow from operating activities	(30,023)	(35,209)
Net cash flow from financing activities	32,651	43,737
Net cash flow from investing activities	726	(8,602)

#### **What are the key risks that are specific to the issuer?**

<i>Main risks related to the issuer and the industry</i>	<p>Prior to any investment decision it is important to carefully analyse the risk factors that are deemed to be material for Josemaria Resources. These risks include, <i>inter alia</i>, the following operation and industry risks:</p> <ul style="list-style-type: none"> <li>• Josemaria Resources is subject to risks relating to its development and mining operations including risk of additional significant expenditures due to, among other things, destruction of properties due to unexpected seismic activity;</li> <li>• Josemaria Resources is subject to risks relating to its liquidity and capital resources not being sufficient;</li> <li>• Josemaria Resources' Mineral Reserves and Mineral Resources estimates are subject to the risk of miscalculations;</li> <li>• Josemaria Resources is subject to risks relating to commodity price fluctuations;</li> <li>• Josemaria Resources could fail to comply with laws and regulations regarding mineral operations and environmental requirements and is subject to future changes to such laws and regulations as well as other socio-political risks;</li> <li>• Josemaria Resources is subject to risks relating to its dependence on a single project;</li> <li>• Josemaria Resources is dependent on infrastructure for its development and exploration activities;</li> <li>• Josemaria Resources is subject to risks relating to obtaining the required surface rights to allow it to develop its Josemaria Project;</li> <li>• Josemaria Resources is subject to risks relating to other parties claiming title to the Company's assets and properties;</li> <li>• Josemaria Resources is subject to risks relating to its foreign operations;</li> <li>• Josemaria Resources is subject to risks relating to its ability to import key services and supplies and on its ability to retain and recruit persons with certain industry specific qualifications; and</li> </ul>
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	<ul style="list-style-type: none"> <li>• Josemaria Resources is subject to risks relating to fluctuations in Argentinian pesos, US dollars and Canadian dollars.</li> </ul>
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## KEY INFORMATION ON THE SECURITIES

### What are the main features of the securities?

<i>Total number of shares in the Company</i>	The authorized share capital is an unlimited number of Common Shares without par value. As of the date of this Prospectus there are a total of 302,983,409 Common Shares in the Company. Following the issue of the Shares, there will be a total of 376,192,309 Common Shares and 378,367,309 Common Shares if the Over-allotment Option (as defined below) is exercised in full, in the Company. The ISIN code of the Common Shares is CA48086P1009. The Shares are denominated in Canadian dollars (“CAD”).
<i>Rights associated with the securities</i>	<p>Shareholders are entitled to receive notice of and attend all meetings of shareholders. Each common Share held entitles the holder to one vote.</p> <p>Shareholders are also entitled to receive dividends if, as and when declared by the Board. The Company’s shareholders are entitled to share equally in the assets of the Company remaining upon dissolution, liquidation, or winding up of the Company. There are no pre-emptive or conversion rights, and no provisions for redemption, retraction, purchase, cancellation or surrender.</p>
<i>Restrictions on the free transferability of the securities</i>	There are no limitations to the free transferability of the Common Shares other than that (i) all securities issued with respect to the 2019 Lorito Debenture, the 2020 Zebra Debenture and 2020 Lorito Debenture are subject to a four month hold period following their respective issuance and (ii) and Shares issued pursuant to the Private Placement (as defined below) will be subject to a statutory hold period in Canada for a period of 4 months and one day.
<i>Dividend policy</i>	The Company has not declared dividends during the periods covered by historical financial information in this Prospectus and does not have a dividend policy in place and does not expect to declare dividends.

### Where will the securities be traded?

<i>Admission to trading</i>	The Company’s Commons Shares are listed on the Toronto Stock Exchange, Nasdaq Stockholm and also trade on the OTCQB Venture Market. Trading in the Company’s newly issued Shares on Nasdaq Stockholm is expected to commence on or about April 19, 2021 subject to that Nasdaq Stockholm approves the admission to trading of the Shares.
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### What are the key risks that are specific to the securities?

<i>Main risks related to the securities</i>	<p>The main risks relating to the Company’s Common Shares are:</p> <ul style="list-style-type: none"> <li>• The price of the shares may be volatile, and potential investors could lose a portion or all of their investment;</li> <li>• Future issues of shares for equity financings of the Company’s working capital needs or other securities may dilute the shareholding and have a negative impact on the share price;</li> </ul>
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	<ul style="list-style-type: none"> <li>The main shareholders of Josemaria Resources have significant control of Josemaria Resources and influence over its operations.</li> </ul>
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## KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

### Under which conditions and timetable can I invest in this security?

<i>Admission to trading and dilution</i>	The Company's shares are listed on the Toronto Stock Exchange, Nasdaq Stockholm and also trade on the OTCQB Venture Market. Trading in the Company's newly issued Shares on Nasdaq Stockholm is expected to commence on or about April 19, 2021 subject to that Nasdaq Stockholm approves the admission to trading of the Shares. The issue of the new Shares results in an increase in the number of shares in the Company of 73,208,900 Common Shares and 75,383,900 Common Shares if the Over-allotment Option (as defined below) is exercised in full, corresponding to a dilution of 19.46% and 19.92%, respectively.
<i>Issue costs</i>	Josemaria Resources' costs attributable to the acceptance of its newly issued Shares for trading on Nasdaq Stockholm, including payment to advisors, and other estimated transaction costs are estimated to amount to approximately CAD 2 million.

### Why is this Prospectus being produced?

<i>Motives and use of issue proceeds</i>	<p>As announced by the Company on March 25, 2021, the Company has entered into an agreement with a syndicate of underwriters led by BMO Nesbitt Burns Inc. (the "<b>Underwriters</b>"), under which the Underwriters have agreed to buy on bought deal basis 14,500,000 Shares, at a price of CAD 0.69 per Share for gross proceeds of approximately CAD 10 million (the "<b>Canadian Offering</b>"). The Company has granted the Underwriters an option, exercisable at the offering price for a period of 30 days following the closing of the Canadian Offering, to purchase up to an additional 15% of the Canadian Offering to cover over-allotments, if any (the "<b>Over-allotment Option</b>").</p> <p>The Company has also agreed to launch a concurrent private placement of the SEK equivalent of approximately CAD 40.5 million at a price of SEK 4.74 (corresponding to approximately CAD 0.69) per Share (the "<b>Private Placement</b>") from a Lundin Family related trust, and to certain other investors on a private placement basis.</p> <p>The net proceeds of the Canadian Offering and Private Placement will be used, in the following priority, to (1) continue advancing the Josemaria copper-gold project in San Juan, Argentina ahead of construction, including costs associated with project engineering, construction execution planning, commercial studies, environmental and social studies and permitting (2) repayment of certain amounts owing under the debentures of the Company, and (3) general corporate purposes including public company overheads.</p> <p>In total, a number of 73,208,900 Shares (75,383,900 Shares if the Over-allotment Option is exercised in full) are issued for the Canadian Offering and the Private Placement. This Prospectus is produced for the admission of trading of the Shares on Nasdaq Stockholm.</p>
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<i>Issue proceeds</i>	The Canadian Offering and the Private Placement is expected to generate net proceeds of approximately CAD 50.0 million, provided that the Over-allotment Option is fully exercised, or CAD 48.6 million if the Over-allotment Option is not exercised.
<i>Interests and conflict of interests</i>	<p>Directors and executive officers may be interested in the admission to trading of the shares that may be issuable under the Company's share option plan.</p> <p>The Underwriters and Pareto Securities provide financial advice and other services to the Company in connection with the Canadian Offering and the Private Placement, respectively, for which they will receive customary remuneration. The Underwriters and Pareto Securities have in the ordinary course of business, from time to time, provided, and may in the future provide, various financial, investment, commercial and other services to the Company. In the ordinary course of their various business activities, certain of the Underwriters and Pareto Securities and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve the Company's securities and instruments.</p>

# Sammanfattning

## INTRODUKTION OCH VARNINGAR

<i>Introduktion och varningar</i>	<p>Denna sammanfattning bör betraktas som en introduktion till detta prospekt ("Prospektet"). Varje beslut om att investera i värdepapperen bör baseras på en bedömning av hela Prospektet från investerarens sida. En investerare kan förlora hela eller delar av det investerade kapitalet.</p> <p>Om talan väcks i domstol angående informationen i Prospektet kan den investerare som är kärande enligt nationell lagstiftning bli tvungen att stå för kostnaderna för översättning av Prospektet innan de rättsliga förfarandena inleds.</p> <p>Civilrättsligt ansvar kan endast åläggas de personer som har lagt fram sammanfattningen, inklusive översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av Prospektet eller om den inte, tillsammans de andra delarna av Prospektet, ger nyckelinformation för att hjälpa investerare när de överväger att investera i värdepapperen.</p>
<i>Information om emittenten</i>	<p>Josemaria Resources Inc., org. nr 425318-3 ("Josemaria Resources" eller "Bolaget"). Bolagets registrerade kontorsadress är Suite 2200 - 885 West Georgia Street Vancouver, British Columbia V6C 3E8, Kanada. Bolagets telefonnummer är +1 604 689 7842 och dess webbplats är <a href="http://www.josemariaresources.com">www.josemariaresources.com</a> (förutom för den information som införlivats genom hänvisning utgör ingen information på Bolagets webbplats en del av detta Prospekt). ISIN-koden för Aktierna är CA48086P1009 och kortnamnet (tickern) är JOSE. Bolagets LEI-kod är 5493004IYKC0CF8LLK27.</p>
<i>Behörig myndighet</i>	<p>Finansinspektionen är den behöriga myndigheten som godkänner detta Prospekt enligt förordning (EU) 2017/1129. Finansinspektionens besöksadress är Brunnsgränd 3, 111 38 Stockholm och dess postadress är box 7821, 103 97 Stockholm. Finansinspektionens telefonnummer är 08-408 980 00 och dess webbplats är <a href="http://www.fi.se">www.fi.se</a>.</p> <p>Prospektet godkändes den 15 april 2021.</p>

## NYCKELINFORMATION OM EMITTENTEN

### Vem är emittent av värdepapperen?

<i>Information om emittenten</i>	<p>Emittent av värdepapperen är Josemaria Resources Inc., ett publikt aktiebolag registrerat i enlighet med Canada Business Corporations Act ("CBCA") med org. nr 425318-3. Bolaget är bildat i British Columbia, Kanada. Bolagets registrerade kontorsadress är Suite 2200, 885 West Georgia Street, Vancouver, B.C. V6C 3E8, Kanada. Bolagets LEI-kod är 5493004IYKC0CF8LLK27.</p>
<i>Huvudsaklig verksamhet</i>	<p>Josemaria Resources Inc. är ett kanadensiskt naturresursbolag som fokuserar på att främja utvecklingen av dess Josemaria Projekt, ett koppar-guld projekt i San Juan-provinsen, Argentina.</p>

<p><i>Större aktieägare och kontroll av emittenten</i></p>	<p>Enligt Bolagets styrelseledamöters och lednings kännedom<sup>(1)</sup>, utgör Bolagets aktieägare som innehar mer än 10 procent eller mer av röststrätterna knutna till stamaktierna i Bolaget ("Stamaktierna") per den 31 mars 2021 (inklusive därefter kända förändringar) :</p> <table border="1" data-bbox="454 398 1367 560"> <thead> <tr> <th>Aktieägare</th> <th>Antal Stamaktier</th> <th>Andel röster</th> </tr> </thead> <tbody> <tr> <td>Lorito Holdings S.à.r.l. ("Lorito")<sup>(2)</sup></td> <td>31 346 957</td> <td>10,3 %</td> </tr> <tr> <td>Zebra Holdings and Investments S.à.r.l. ("Zebra")<sup>(2)</sup></td> <td>86 451 341</td> <td>28,5 %</td> </tr> </tbody> </table> <p>Noter:</p> <p>(3) Denna information har inhämtats från <i>the System for Electronics Disclosure by Insiders</i> (SEDI). SEDI (<a href="https://www.sedi.ca/sedi">https://www.sedi.ca/sedi</a>) (webbplatsen utgör inte en referens och ingår inte i detta Prospekt) är Kanadas online och webbaserade tjänst för registrering och tillhandahållande av insiderrapporter i enlighet med tillämpliga regionala värdepapperslagar och förordningar och har inte självständigt verifierats av Bolaget.</p> <p>(4) Lorito och Zebra som rapporterar sina värdepappersinnehav som gemensamma aktörer är privata företag som ägs av en trust vars stiftare var den avlidne Adolf H. Lundin. Tillsammans äger Lorito och Zebra totalt 117 798 298 Stamaktier, vilket motsvarar cirka 38,9 % av nuvarande utestående aktier. Dessutom innehar Lorito ett förlagslån utan säkerhet uppgående till 20,0 miljoner USD som lämnats av Bolaget ("<b>2019 Lorito Förlagslånet</b>") och som har ett förfalldatum den 25 april 2021. För varje 50 000 USD som utnyttjats och, som från tid till annan, är utestående på 2019 Lorito Förlagslånet kommer Bolaget att emittera ytterligare 800 Stamaktier per månad fram till förfalldatumet. Dessutom innehar Zebra ett förlagslån utan säkerhet uppgående till 3,5 miljoner USD som lämnats av Bolaget ("<b>2020 Zebra Förlagslånet</b>") och Lorito innehar ett förlagslån utan säkerhet uppgående till 3,5 miljoner USD som lämnats av Bolaget ("<b>2020 Lorito Förlagslånet</b>"), båda med ett förfalldatum den 25 november 2021. För varje 50 000 USD som utnyttjats och, som från tid till annan, är utestående på 2020 Lorito Förlagslånet eller 2020 Zebra Förlagslånet kommer Bolaget att emittera ytterligare 920 Stamaktier per månad fram till förfalldatumet. Samtliga värdepapper som emitterats baserat på 2019 Lorito Förlagslånet, 2020 Zebra Förlagslånet och 2020 Lorito Förlagslånet är föremål för en innehavandeperiod om fyra månader. Per dagen för detta Prospekt har totalt 20,0 miljoner USD utnyttjats i förhållande till 2019 Lorito Förlagslånet; 3,5 miljoner USD i förhållande till 2020 Lorito Förlagslånet och 0,5 miljoner USD i förhållande till 2020 Zebra Förlagslånet.</p> <p>Såvitt Bolaget känner till har Bolaget inga andra större aktieägare, förutom Lorito och Zebra som anges ovan, som direkt eller indirekt, individuellt eller tillsammans med andra, äger ett sådant antal Stamaktier att de har kontroll över Bolaget.</p>	Aktieägare	Antal Stamaktier	Andel röster	Lorito Holdings S.à.r.l. ("Lorito") <sup>(2)</sup>	31 346 957	10,3 %	Zebra Holdings and Investments S.à.r.l. ("Zebra") <sup>(2)</sup>	86 451 341	28,5 %
Aktieägare	Antal Stamaktier	Andel röster								
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Zebra Holdings and Investments S.à.r.l. ("Zebra") <sup>(2)</sup>	86 451 341	28,5 %								
<p><i>Nyckelpersoner</i></p>	<p>Bolagets styrelse består av Ashley Heppenstall (ordförande), Adam Lundin, Wojtek Wodzicki, Paul Conibear, Ron Hochstein och Christine Batruch.</p> <p>Bolagets ledning består av Adam Lundin (President, CEO &amp; Director), Ian Gibbs (CFO), Arndt Brettschneider (Vice President, Projects), Bob Carmichael (Vice President Exploration) och Alfredo Vitaller (General Manager, Argentina).</p>									
<p><i>Revisor</i></p>	<p>Vid den ordinarie och särskilda årsstämman som hölls den 16 juni 2020 valdes PricewaterhouseCoopers LLP ("<b>PwC</b>") som Bolagets revisor för det kommande året. Lana Kirk, Partner, Assurance, tillhörande Chartered Professional Accountant of British Columbia och medlem av <i>Chartered Professional Accounts of Canada</i> (Chartered Professional Accounts of Canada är en nationell organisation och institut för yrkesverksamma inom revision i Kanada) är huvudansvarig revisor. PwC har varit Bolagets revisor sedan 2007. Revisorns kontorsadress är</p>									

PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver BC V6C 3S7, Kanada.

### Finansiell nyckelinformation för emittenten

Utvald finansiell nyckelinformation	Utvalda resultaträkningsposter	
	Jan-dec 2020	Jan-dec 2019
	<i>Hämtad från reviderade rapporter</i>	<i>Hämtad från reviderade rapporter</i>
	IFRS	IFRS
CAD tusental		
Summa intäkter	0	0
Rörelseförlust	35 687	40 905
Nettoförlust hänförligt till moderbolagets aktieägare	31 237	10 950
Förlust per aktie	0,12	0,04
	Utvalda balansräkningsposter	
	31 dec 2020	31 dec 2019
	<i>Hämtad från reviderade rapporter</i>	<i>Hämtad från reviderade rapporter</i>
	IFRS	IFRS
CAD tusental		
Summa tillgångar	19 745	18 732
Summa eget kapital	-12 356	-16 355
Finansiella skulder netto	32 101	35 087
	Utvalda kassaflödesposter	
	Jan-dec 2020	Jan-dec 2019
	<i>Hämtad från reviderade rapporter</i>	<i>Hämtad från reviderade rapporter</i>
	IFRS	IFRS
CAD tusental		
Kassaflöde från den löpande verksamheten netto	-30 023	-35 209
Kassaflöde från finansieringsverksamheten netto	32 651	43 737
Kassaflöde från investeringsverksamheten netto	726	-8 602

## Specifika nyckelrisker för emittenten

<i>Huvudsakliga risker relaterade till emittenten och branschen</i>	<p>Inför ett eventuellt investeringsbeslut är det viktigt att noggrant analysera de riskfaktorer som bedöms vara väsentliga för Josemaria Resources. Dessa risker inkluderar bl.a. följande verksamhetsrelaterade risker och branschrisker:</p> <ul style="list-style-type: none"><li>• Josemaria Resources är föremål för risker relaterade till dess utveckling och gruvdrift, inklusive risker för ytterligare betydande utgifter på grund av bl.a. förstörelse på fastigheter som orsakas av oväntad seismisk aktivitet;</li><li>• Josemaria Resources är föremål för risker relaterade till att dess likviditet och kapitalresurser inte är tillräckliga;</li><li>• Josemaria Resources beräkningar av Mineralreserver och Mineraltillgångar är föremål för risken för felkalkyleringar;</li><li>• Josemaria Resources är föremål för risker relaterade till fluktuationer i varupriser;</li><li>• Josemaria Resources kan misslyckas med att efterleva lagar och förordningar beträffande mineralverksamhet och miljökrav och är föremål för framtida förändringar av sådana lagar och förordningar samt andra socio-politiska risker;</li><li>• Josemaria Resources är föremål för risker relaterade till sitt beroende av ett enskilt projekt;</li><li>• Josemaria Resources är beroende av infrastruktur för dess utvecklings- och prospekteringsaktiviteter;</li><li>• Josemaria Resources är föremål för risker relaterade till erhållandet av nödvändiga rättigheter till viss yta för att kunna utveckla sitt Josemaria-projekt;</li><li>• Josemaria Resources är föremål för risker relaterade till andra parter som gör anspråk på Bolagets tillgångar och fastigheter;</li><li>• Josemaria Resources är föremål för risker relaterade till dess utländska verksamhet;</li><li>• Josemaria Resources är föremål för risker relaterade till dess möjligheter att importera viktiga tjänster och material samt dess förmåga att behålla och rekrytera personer med vissa branschspecifika kvalifikationer; och</li><li>• Josemaria Resources är föremål för risker relaterade till fluktuationer i argentinska pesos, amerikanska dollar och kanadensiska dollar.</li></ul>
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## NYCKELINFORMATION OM VÄRDEPAPPEREN

### Värdepapperens viktigaste egenskaper

<i>Totalt antal aktier i Bolaget</i>	<p>Det tillåtna aktiekapitalet är ett obegränsat antal Stamaktier utan nominellt värde. Per dagen för detta Prospekt finns totalt 302 983 409 Stamaktier i Bolaget. Efter emitteringen av Aktierna kommer det att finnas totalt 376 192 309 Stamaktier och 378 367 309 Stamaktier om Övertilldelningsoptionen (enligt definitionen nedan) utnyttjas till fullo, i Bolaget. ISIN-koden för Stamaktierna är CA48086P1009. Aktierna är denominerade i kanadensiska dollar ("CAD").</p>
<i>Rättigheter som sammanhänger med värdepapperen</i>	<p>Aktieägare är berättigad till att erhålla kallelse till och delta på samtliga bolagsstämmor. Varje Stamaktie berättigar innehavaren till en röst.</p> <p>Aktieägare är också berättigade till utdelning, om och när, som anges av Styrelsen. Bolagets aktieägare är berättigad till lika fördelning av Bolagets tillgångar som</p>

	återstår efter upplösning, likvidation eller avveckling av Bolaget. Det finns inga företrädes- eller konverteringsrättigheter och inga bestämmelser om inlösen, återkallelse, förvärv, annullering eller frånträdande.
<i>Begränsningar i den fria överlåtbarheten av värdepapperen</i>	Det finns inga begränsningar i den fria överlåtbarheten av Stamaktierna med undantag för (i) de värdepapper som emitteras baserat på 2019 Lorito Förlagslånet, 2020 Zebra Förlagslånet och 2020 Lorito Förlagslånet vilka är föremål för en innehavandeperiod om fyra månader efter respektive emittering och (ii) Aktier som emitteras med anledning av den Privata Placeringen (enligt definitionen nedan) som kommer att vara föremål för en lagstadgad innehavandeperiod i Kanada under en period om fyra månader och en dag.
<i>Utdelningspolicy</i>	Bolaget har inte beslutat om utdelning under de perioder som omfattas av historisk finansiell information i detta Prospekt och har ingen fastställd utdelningspolicy och förväntas inte besluta om utdelning.

#### **Var kommer värdepapperen att handlas?**

<i>Upptagande till handel</i>	Bolagets Stamaktier är noterade på Toronto Stock Exchange, Nasdaq Stockholm och handlas även på OTCQB Venture Market. Handel i Bolagets nyemitterade Aktier på Nasdaq Stockholm förväntas påbörjas på eller omkring den 19 april 2021, under förutsättning att Nasdaq Stockholm godkänner upptagandet av Aktierna till handel.
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#### **Vilka nyckelrisker är specifika för värdepapperen?**

<i>Huvudsakliga risker relaterade till värdepapperen</i>	De huvudsakliga riskerna relaterade till Bolagets Stamaktier är: <ul style="list-style-type: none"> <li>• Aktiekursen kan vara volatil och potentiella investerare kan förlora delar eller hela sin investering;</li> <li>• Framtida emissioner av aktier för finansiering av Bolagets behov av rörelsekapital eller andra värdepapper kan komma att späda ut aktieinnehavet och ha en negativ inverkan på aktiepriset;</li> <li>• Huvudaktieägarna i Josemaria Resources har betydande kontroll över Josemaria Resources och inflytande över dess verksamhet.</li> </ul>
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### **NYCKELINFORMATION OM UPPTAGANDET TILL HANDEL PÅ EN REGLERAD MARKNAD**

#### **På vilka villkor och enligt vilken tidsplan kan jag investera i detta värdepapper?**

<i>Upptagande till handel och utspädningseffekt</i>	Bolagets aktier är noterade på Toronto Stock Exchange, Nasdaq Stockholm och handlas även på OTCQB Venture Market. Handel i Bolagets nyemitterade Aktier på Nasdaq Stockholm förväntas påbörjas på eller omkring den 19 mars 2021, under förutsättning att Nasdaq Stockholm godkänner upptagandet av Aktierna till handel. Emitteringen av de nya Aktierna resulterar i en ökning av antalet aktier i Bolaget med 73 208 900 Stamaktier och 75 383 900 Stamaktier om Övertilldelningsoptionen (enligt definitionen nedan) utnyttjas till fullo, vilket motsvarar en utspädningseffekt om 19,46 % respektive 19,92 %.
<i>Emissionskostnader</i>	Josemaria Resources kostnader hänförliga till godkännandet av upptagandet av de nyemitterade Aktierna till handel på Nasdaq Stockholm, inklusive arvoden till rådgivare och andra förväntade transaktionskostnader beräknas uppgå till cirka 2 miljoner CAD.

## Varför upprättas detta Prospekt?

<i>Motiv och användning av emissionslikvid</i>	<p>Som meddelades av Bolaget den 25 mars 2021 har Bolaget ingått ett avtal med ett syndikat av garanter som leds av BMO Nesbitt Burns Inc. ("<b>Garanterna</b>") enligt vilket Garanterna har åtagit sig att förvärva, på basis av ett köp av uppgörelsen, 14 500 000 Aktier till ett pris om 0,69 CAD per Aktie för en bruttosumma om cirka 10 miljoner CAD (det "<b>Kanadensiska Erbjudandet</b>"). Bolaget har beviljat Garanterna en option, som kan utnyttjas till erbjudandepriset under en period om 30 dagar efter att det Kanadensiska Erbjudandet slutförts, att förvärva ytterligare 15 % av det Kanadensiska Erbjudandet för att täcka en eventuell övertilldelning ("<b>Övertilldelningsoptionen</b>").</p> <p>Bolaget har också meddelat att de har gått med på att lansera en samtidig privat placering av i SEK motsvarande cirka 40,5 miljoner CAD till ett pris om 4,74 SEK (motsvarande cirka 0,69 CAD) per Aktie (den "<b>Privata Placeringen</b>") från en Lundin-familjeanknuten trust och till vissa andra investerare på en privat placeringsbasis.</p> <p>Nettointäkterna från det Kanadensiska Erbjudandet och Privata Placeringen kommer att användas, enligt följande prioritetsordning, (1) för att fortsätta avancera Josemaria koppar-guld-projektet i San Juan, Argentina inför byggarbetet, inklusive kostnader förenade med ingenjörskonstruktion, genomförande av konstruktionsplanering, kommersiella studier, miljö- och samhällsstudier samt tillstånd, (2) återbetalning av vissa belopp i enlighet med Bolagets förlagslån och (3) allmänna bolagsändamål, inklusive publika företagsomkostnader.</p> <p>Totalt emitteras 73 208 900 Aktier (75 383 900 Aktier om Övertilldelningsoptionen utnyttjas till fullo) i det Kanadensiska Erbjudandet och den Privata Placeringen. Detta Prospekt upprättas för upptagandet till handel av Aktierna på Nasdaq Stockholm.</p>
<i>Emissionslikvid</i>	<p>Det Kanadensiska Erbjudandet och den Privata Placeringen förväntas generera nettointäkter om cirka 50 miljoner CAD, under förutsättning att Övertilldelningsoptionen utnyttjas till fullo, eller 48,6 miljoner CAD om Övertilldelningsoptionen inte utnyttjas.</p>
<i>Intressen och intressekonflikter</i>	<p>Styrelseledamöter och personer i ledningen kan vara intresserade av upptagandet till handel av de aktier som kan komma att emitteras enligt Bolagets aktieoptionsprogram.</p> <p>Garanterna och Pareto Securities tillhandahåller finansiell rådgivning och andra tjänster till Bolaget i samband med det Kanadensiska Erbjudandet respektive den Privata Placeringen, för vilka de kommer att erhålla sedvanlig ersättning.</p> <p>Garanterna och Pareto Securities har inom ramen för den vanliga verksamheten, från tid till annan, tillhandahållit, samt kan i framtiden tillhandahålla, olika finans-, investerings-, kommersiella och andra tjänster till Bolaget. Inom ramen för den vanliga verksamheten har vissa av Garanterna och Pareto Securities och deras dotterbolag gjort eller innehaft en omfattande portfölj av investeringar och aktivt handlat med värdepapper (eller relaterade derivatinstrument) och finansiella instrument för egen räkning och för deras kunders räkning och kan när som helst inneha långa och korta positioner i sådana värdepapper och instrument. Sådana investeringar och värdepappersaktiviteter kan involvera Bolagets värdepapper och instrument.</p>



# Risk Factors

*An investment in the Company's shares is associated with risks. Prior to any investment decision, it is important to carefully analyse the risk factors considered to be of importance in relation to the Company and the future performance of the Company's shares, for example risks related to the Company's operations and industry, legal risks, financial risks, risk related to the shares and admission of the Shares to trading on Nasdaq Stockholm. The risk factors which as of the date of this Prospectus are deemed material to the Company and the Company's shares are described below. The materiality of the risk factors has been assessed based on the probability of their occurrence and the expected magnitude of their negative outcome. In each subsection, the risk factors currently deemed the most material are presented first, but otherwise the risk factors are not ranked in any specific order of importance. The description of the risk factors below is based on information available and estimates made on the date of this Prospectus.*

## **Risks relating to Josemaria Resources' operations and industry**

### **1. Development and Operational Risk**

The Company is a Canadian natural resources company focused on advancing towards development of its wholly-owned Josemaria Project, a copper-gold project in San Juan Province, Argentina. The Company's operations are focused on this single project, see "Business description–Josemaria Project". As the Company only has one project it is solely dependent upon the successful advancement of the Josemaria Project. Should advancement of the Josemaria Project not be possible or practicable for political, engineering, technical or economic reasons, the Company's ability to attract financing, recruit critical employees or engage with business partners or counterparties will be significantly and adversely affected.

Mining development projects and mining operations involve a high degree of risk, the realization of such risks not being unlikely, and if such risks would materialize, they could adversely impact Josemaria Resources' ability to attract the financing required or execute on the complex engineering and construction activities associated with mine development. As the Josemaria Project is advancing towards development, significant expenditures will need to be incurred prior to production being possible. Given the risks associated with mine development it is possible that actual capital or operating costs materially differ from estimated capital or operating costs. Such cost increases could negatively impact the ability of the Company to complete construction of mining facilities, realize profitable production, ultimately fulfil its obligations to lenders and creditors as they come due or provide a return to shareholders.

Josemaria Resources' operations are also subject to all of the hazards and risks normally encountered in the exploration and development of copper, gold, and silver projects and properties, including unusual and unexpected geologic formations, seismic activity, rock slides, ground instabilities or failures, mechanical failures, flooding and other conditions involved in the drilling and removal of material, any of which could result in material damage to, or destruction of facilities, damage to life or property, environmental damage and possible legal liability. In addition, the Company is concentrated in the copper/gold/silver mining industry,

and as such, its success will be sensitive to the overall condition of the copper/gold/silver mining industry and metals markets.

Most of the above factors are beyond the control of the Company. The exact effect of these factors cannot be accurately predicted, but any one of these factors or a combination thereof may have an adverse effect on the Company's business, its ability to obtain further financing and its ability to successfully develop its resources.

In the Company's assessment, the development and operational risks have a medium probability, and if realized, could have a high negative impact on the Company as per the above.

## **2. Mineral Reserves and Mineral Resources Estimates**

The Company's reported Mineral Reserves and Mineral Resources are estimates, see "*Operations of Josemaria Resources – Mineral Resource Estimates and Operations of Josemaria Resources – Mineral Reserve Estimates*", and as such, there is a risk that the estimated Mineral Reserves and Mineral Resources are not accurate or that the indicated level of copper, gold, silver or any other mineral will not be recovered or produced. Actual mineralization or formations may be different from those predicted. It may take many years from the initial phase of drilling before production is possible and during that time the economic feasibility of exploiting a discovery may change. Market price fluctuations of copper, gold and silver and certain other metals, as well as increased production and capital costs or reduced recovery rates, may render the Company's Mineral Reserves uneconomic to develop. Moreover, short-term operating factors relating to the Mineral Reserves, such as the need for the orderly development of orebodies, the processing of new or different ore grades, the technical complexity of ore bodies, unusual or unexpected geological formations, ore dilution or varying metallurgical and other ore characteristics may cause Mineral Reserves to be reduced. Estimated Mineral Reserves may have to be recalculated based on fluctuations in the price of metals, or changes in other assumptions on which they are based. Any of these factors may require the Company to reduce its Mineral Reserves and Mineral Resources, which could have a negative impact on the value of the Company's assets.

Failure to obtain or maintain necessary permits or government approvals or changes to applicable legislation could also cause the Company to reduce its Mineral Reserves. In addition, changes to mine plans could cause the Company to reduce its Mineral Reserves. There is also a risk that the Company will not achieve indicated levels of copper, gold or silver recovery or obtain the prices assumed in determining such Mineral Reserves. All such risk which could cause the Company to reduce its Mineral Reserves could have a negative impact on the value of the Company's assets.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability and there is a risk that they will never be mined or processed profitably. Due to the uncertainty which may attach to Mineral Resources, there is a risk that all or any part of Measured or Indicated Mineral Resources will never be converted into Mineral Reserves (which have demonstrated economic viability); and also a risk that not all or any part of an Inferred Mineral Resources exists or is economically or legally mineable, and if so, this could have a negative impact on the value of the Company's assets.

In the Company's assessment, the risks relating to the uncertainties in relation the Company's reported Mineral Reserves and Mineral Resources have a medium probability, and if realized, could have a high negative impact on the Company as per the above.

### **3. Socio-Political and Environmental Risks**

The Josemaria Project is located in San Juan Province, Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina. There is social opposition to mining operations in certain parts of the country. During an economic crisis in 2001 to 2003 and again in 2014, Argentina defaulted on foreign debt repayments. In addition, the government has renegotiated or defaulted on contractual arrangements. Consistent with government policies imposed by its previous predecessors, the current Argentinean government placed varying degrees of currency controls on the ability of companies and its citizens to obtain foreign currencies. Past actions indicate that the Argentinean government may from time to time alter or impose additional requirements or policies that may materially adversely affect the Company's activities in Argentina. The political environment, laws and regulations in place in Argentina will have a direct impact on the Company's ability obtain financing for the Josemaria Project.

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in Argentina, where the Company conducts activities. The Company also aims to conduct its activities in accordance with high corporate social responsibility principles. Present or future laws and regulations, however, may affect the Company's ability to successfully operate. Failure to comply with these laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and there is a risk that it may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions, which if realized, would limit the ability of the Company to operate profitably and potentially limit the ultimate life of the mine.

In the Company's assessment, the risks relating to the uncertain and unpredictable political and economic environment in Argentina and the environmental protection standards have a high probability, and if realized, could have a high negative impact on the Company as per the above.

### **4. Infrastructure**

Development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power and water supplies are important determinants that affect the ability to operate and the costs of operations. The Company's ability to obtain a secure supply of power and water at a reasonable cost depends on many factors, including: global and regional supply and demand; political and economic conditions; localized logistical challenges; delivery; and relevant regulatory regimes. Unusual or infrequent weather phenomena, sabotage or government, and other interference in the maintenance or provision of such infrastructure could adversely affect the activities and profitability of the Company.

Establishing such infrastructure will require significant resources, identification of adequate sources of raw materials and supplies and necessary cooperation from national and regional governments, none of which can be assured. There is a risk that the Company cannot secure

these power, water and access rights going forward or on reasonable terms, which if materialized could limit the ability to ultimately construct and operate the mine.

In the Company's assessment, the risks relating to adequate infrastructure have a low probability, and if realized, could have a high negative impact on the Company as per the above.

## **5. Dependence on Key Personnel**

The Company's success will largely depend on the efforts and abilities of certain senior officers and key employees. In addition, the Company is dependent on the services of key executives including its President and Chief Executive Officer and other highly skilled and experienced executives and personnel. Certain of these individuals have significant experience in the mining industry and, in particular the mining industry in South America. If construction proceeds on the Josemaria Project, it is anticipated that several thousand people will be involved in construction and operating activities. Managing such activities will require numerous key employees, in addition to those currently employed by the Company, to ensure construction and operations proceed on schedule and on budget. Not attracting and retaining key personnel would severely limit the ability of the Company to develop and operate the Josemaria Project in accordance with the engineering specifications as designed.

In the Company's assessment, the risks relating to its dependence on the efforts and abilities of certain senior officers and key employees have a low probability, and if realized, could have a medium negative impact on the Company as per the above.

## **6. No Operating History**

The Company's has no operating history upon which to base estimates of future cash flows. Substantial expenditures are required to develop mineral projects. It is possible that actual costs and future economic returns may differ materially from Josemaria's estimates. There is a risk that the underlying assumed levels of expenses for any project will prove to be inaccurate. Further, it is not unusual in the mining industry for new mining operations to experience unexpected problems during start-up, resulting in delays and requiring more capital than anticipated. There is a risk that the Josemaria Project will not move beyond the current stage and be constructed, achieve commercial production or that Josemaria will not produce revenue, operate profitably or provide a return on investment in the future. Mineral exploration and development involve considerable financial and technical risk. There is a risk that the funds required for exploration and future development cannot be obtained on a timely basis. There is also a risk that Josemaria will suffer significant losses in the near future or that Josemaria will never be profitable.

In the Company's assessment, the risks relating to the Company not having an operating history have a medium probability, and if realized, could have a high negative impact on the Company as per the above.

## **7. Uninsurable Risks**

The Company currently holds insurance policies related to Directors and Officers, Commercial and General Liability, Umbrella and Admitted Property coverage. Exploration, development

and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not maintain insurance against political risks.

In the Company's assessment, the risks relating to uninsurable risks have a low probability, and if realized, could have a high negative impact on the Company as per the above.

## **Risks related to Josemaria Resources' financial situation**

### **1. Liquidity and Capital Resources**

As at December 31, 2020, the Company had cash of CAD 6.7 million and a net working capital deficit of CAD 24.7 million, compared to cash of CAD 4.0 million and a net working capital deficit of CAD 20.9 million as at December 31, 2019. The estimated capital cost to develop the Josemaria Project is in excess of USD 3 billion.

The Company does not currently generate income from operations. 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 volatility in global markets, the COVID-19 pandemic, the progress and results of ongoing project evaluation activities at the Company's Josemaria Project, the state of international debt and equity markets and investor perceptions and expectations of the global copper, gold, and/or silver markets.. 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. However, if the Company cannot secure the necessary funding or postpone or revise work programs, there is a risk that the Company will be subject to a partial or complete reorganization, or that the Company is declared bankrupt.

### **2. Metal Price Risk**

The Company's property and investments have exposure to predominantly copper, gold, and silver. The economic analysis associated with the recently completed Josemaria Feasibility Study (please refer to Table 1-7) were based on the following commodity prices: USD 3.00 per pound copper, USD 1,500 per ounce gold and USD18 per ounce silver. Recently the price of these metal has increased considerably with copper prices trading above USD 4.00 per pound, gold exceeding USD 1,700 per ounce and silver exceeding USD 25 per ounce. As the Company is not currently producing metals, historical financial results are not impacted by metal prices.

However the implicit value of the Company's reserves and resources of metal can fluctuate materially.

Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The prices of these metals greatly affect the value of the Company, the price of the Common Shares of the Company and the potential value of its properties and investments. This, in turn, can greatly affect Josemaria Resources' ability to obtain financing, explore and develop its properties, acquire new properties, form joint ventures, enter into option agreements and the structure of any such endeavour and could thus have negative impact on Josemaria Resources' financial results and financial position.

### **3. Currency Risk**

The Company conducts its business operations primarily in the US Dollar, the Canadian dollar, and the Argentine Peso. The Argentine Peso has had significant fluctuations in value relative to the US and Canadian dollars. Ongoing economic uncertainty in Argentina as well as unpredictable changes to foreign exchange rules may result in fluctuations in the value of the Argentine Peso that are greater than those experienced in the recent past. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or a negative direction. The Company does not currently engage in foreign currency hedging activities. Based on the Company's net foreign exchange exposures at December 31, 2020, a 10% depreciation or appreciation in the Argentina peso or United States dollar relative to the Canadian dollar would have resulted in an approximate CAD 0.1 million and CAD 2.8 million, respectively, increase or decrease in the Company's net loss.

## **Legal and regulatory risks**

### **1. Surface Access**

The Argentine Mining Code ("AMC") sets out rules under which surface rights and easements can be granted for a mining operation, and covers aspects including land occupation, rights-of-way, access routes, transport routes, rail lines, water usage and any other infrastructure needed for operations. In general, compensation must be paid to the affected landowner in proportion to the amount of damage or inconvenience incurred. However, no provisions or regulations have been enacted as to the nature or amount of the compensation payment. In instances where no agreement can be reached with the landowner, the AMC provides the mining right holder with the right to expropriate the required property.

The Company holds an indirect 100% interest in the Josemaria Project deposit through its Argentine subsidiary Deprominsa. The Company has surface access rights but does not own any surface rights at the Josemaria Project. The owners of the surface rights are in agreement with Deprominsa conducting exploration activities on their ground. The Company has an occupancy easement for the Batidero Camp at the Josemaria Project, and a road right-of-way, which

provides access to the work area. Part of the road right-of-way is within private property. The remainder of the road, and the camp fall within the multiple usage area of the San Guillermo Provincial Reserve. Multiple usage allows mining activities. The Company may require additional surface rights and property interests to further develop or exploit the Mineral Resources on its properties, which will require negotiations with private landowners for the additional ownership and/or surface rights in order for the Company to operate fully. Surface rights may also be regulated and restricted by applicable law. There is a risk that the Company will not be able to obtain the required surface rights or not be able to negotiate successfully with private landowners to allow it to develop its properties and establish commercial mining operations on a timely basis, which if materialized could negatively impact Josemaria Project schedule and value of the project. To the extent additional surface rights are available, they may only be acquired at significantly increased prices, potentially adversely impacting financial performance of the Company. In the Company's assessment, the risks relating to surface access have a medium probability, and if realized, could have a high negative impact on the Company as per the above.

## **2. Title Risk**

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Company's investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The Company has conducted surveys of the extents of its properties, and is currently working with the government to verify these precise areas. The Company has solicited a title opinion from the counsel to the Argentine subsidiary of Josemaria Resources which indicates the claims are owned by said subsidiary. However, the location of claims or the properties may be challenged and although the Company has taken all reasonable steps to ensure there are no title defects affecting such properties, there are no absolute assurances. The rules governing mining concessions in Argentina are complex and any failure by the Company to meet requirements would have a material adverse effect on the Company as having title is fundamental to being able to successfully develop a large scale mine.

There is a risk that applicable governments in Argentina will revoke or significantly alter the conditions of the applicable exploration and mining authorizations or that such exploration and mining authorizations will be challenged or impugned by third parties. Although the Company has not had any problem renewing its licenses in the past, there is a risk that it will not always be able to do so. Inability to renew a license could result in the loss of any project located within that license.

In the Company's assessment, the risks relating to title have a medium probability, and if realized, could have a high negative impact on the Company as per the above.

## **3. Tax, Royalties and Other Charges**

The Company is potentially subject to taxes (including income taxes and mineral taxes), various fees and royalties imposed by various levels of government across the jurisdictions in which it operates, including Argentina. The laws imposing these taxes, fees and royalties and the manner

in which they are administered may in the future be changed or interpreted in a manner that materially and adversely affects Josemaria's business, financial position and results of operations. Argentina has a history of imposing taxes, duties and foreign exchange regulations that may negatively impact the value of the Josemaria Project and limit the Company's ability to attract sufficient financing to construct the project.

In the Company's assessment, the risks relating to tax, royalties and other charges have a medium probability, and if realized, could have a high negative impact on the Company as per the above.

#### **4. Indigenous Peoples**

The Company operates in some areas including parts of the Josemaria Project that are presently or were previously inhabited or used by indigenous peoples. Various international and national laws, codes, resolutions, conventions, guidelines, and other rules relate to the rights of indigenous peoples. Many of these rules impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions that may affect indigenous people, including actions to approve or grant mining rights or permits. ILO Convention 169, which has been ratified by Argentina, is an example of such an international convention. The obligations of government and private parties under the various international and national rules pertaining to indigenous people continue to evolve and be defined. Examples of recent developments in this area include the United Nations Declaration of the Rights of Indigenous People and the International Finance Corporation's revised Performance Standard 7, which requires governments to obtain the free, prior, and informed consent of indigenous peoples who may be affected by government action, such as the granting of mining concessions or approval of mine permits. The Company's current and future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development of the Company's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities. Opposition by indigenous people to the Company's operations may require modification of, or preclude operation or development of, the Company's projects or may require the Company to enter into agreements with indigenous people with respect to the Company's projects.

In the Company's assessment, the risks relating to indigenous peoples have a low probability, and if realized, could have a medium negative impact on the Company as per the above.

#### **5. Application of Anti-Corruption and Anti-Bribery Laws**

The Company is required to comply with anti-corruption and anti-bribery laws, including the Extractive Sector Transparency Measures Act, the Canadian Corruption of Foreign Public Officials Act and the U.S. Foreign Corrupt Practices Act, as well as similar laws in the countries in which the Company conducts its business. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company.



In the Company's assessment, the risks relating to anti-corruption and anti-bribery laws have a low probability, and if realized, could have a high negative impact on the Company as per the above.

## **6. Information Systems and Cyber Security**

The Company's operations depend on information technology ("IT") systems, including data servers and electronic file storage, remote access to files, electronic communication and encrypted file sharing technology. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there is a risk that the Company will incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

In the Company's assessment, the risks relating to IT systems have a medium probability, and if realized, could have a medium negative impact on the Company as per the above.

## **7. Conducting business through foreign subsidiaries**

Josemaria conducts a portion of its business through one or more foreign subsidiaries, and a portion of its assets may be held by such entities. Accordingly, any limitation on the transfer of cash or other assets between Josemaria and its subsidiaries, or among its subsidiaries, could restrict Josemaria's ability to fund operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Josemaria's valuation.

In the Company's assessment, the risks relating to the Company conducting business through foreign subsidiaries have a low probability, and if realized, could have a medium negative impact on the Company as per the above.

## **Risks related to the shares**

### **1. Uncertainty of Funding and Dilution of Shareholders' Interests in the Company**

The estimated capital cost to develop the Josemaria Project is in excess of USD 3 billion. Progressing the project will depend on the Company's ability to obtain financing through equity financings, debt financing, joint ventures or other means. General market conditions, volatile metals prices, a claim against the Company, a significant disruption to the Company's business, or other factors may make it difficult to secure the necessary financing. There is a risk that the Company will not be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development activities or even a loss of property interest. If the Company needs to raise additional funds, there is a risk that such financing may substantially dilute the economic and voting rights of the Company's shareholders and reduce the value of their investment. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Common Shares. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of Common Shares of the Company bear the risk of any future offerings reducing the market price of the Common Shares and diluting their shareholdings in the Company.

### **2. Market Price of Common Shares**

Securities of mining companies have experienced substantial volatility, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions and market perceptions of the attractiveness of particular industries. As an example, during 2020, the price of the Common Shares on Nasdaq Stockholm was SEK 6.38 at the highest, and SEK 3.52 at the lowest. The market price of the Common Shares is fairly volatile and prospective investors should be aware of this risk. The price of the Company's securities is also likely to be significantly affected by short-term changes in commodity prices, other mineral prices, currency exchange fluctuation, or in its financial condition or results of exploration and development on its projects. Other factors unrelated to the performance of the Company that may have an effect on the price of the securities of the Company include the following: the extent of analytical coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company; the size of the Company's public float and its inclusion in market indices may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of the Company does not continue, the liquidity of an investor's investment may be limited and the

price of the securities of the Company may decline. If an active market does not exist, investors may lose their entire investment in the Company. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

### **3. Control of Josemaria**

As of March 31, 2021, Zebra and Lorito, who report their security holdings as joint actors, together own 117,798,298 Common Shares of the Company, representing 38.9% of the issued and outstanding Common Shares. Accordingly, they are considered to be control persons of Josemaria. As long as Zebra and Lorito maintain their current interests in Josemaria, they will have the ability to exercise certain influence with respect to the affairs of Josemaria and significantly affect the outcome of the votes of shareholders. There is a risk that the interests of Zebra and Lorito differ from those of other shareholders.

As a result of the current shareholdings of Zebra and Lorito, there is a risk that the Company's securities are less liquid and trade at a relative discount compared to circumstances where these persons did not have the ability to influence or determine matters affecting Josemaria. Additionally, there is a risk that their current ownership interests in Josemaria discourages transactions involving a change of control of Josemaria, including transactions in which an investor, as a holder of the Company's securities, would otherwise receive a premium for its Company's securities over the then-current market price.

## Background and reasons

Josemaria Resources is a Canadian natural resources company focused on advancing the development of its wholly-owned Josemaria copper-gold-silver project located in San Juan Province, Argentina. The Company is committed to responsible and sustainable mining development in the jurisdictions within which it works and operates, and to create meaningful value for its shareholders and stakeholders, alike. All aspects of the Company's operations and engagements are founded on a core set of environmental, social and governance commitments.

As announced by the Company on March 25, 2021, the Company has entered into an agreement with a syndicate of underwriters led by BMO Nesbitt Burns Inc. (the "**Underwriters**"), under which the Underwriters have agreed to buy on bought deal basis 14,500,000 Shares, at a price of CAD 0.69 per Share for gross proceeds of approximately CAD 10 million (the "**Canadian Offering**"). The Company has granted the Underwriters an option, exercisable at the offering price for a period of 30 days following the closing of the Canadian Offering, to purchase up to an additional 15% of the Canadian Offering to cover over-allotments, if any (the "**Over-allotment option**").

The Company has also agreed to launch a concurrent private placement of the SEK equivalent of approximately CAD 40.5 million at a price of SEK 4.74 (corresponding to approximately CAD 0.69) per Share (the "**Private Placement**") from a Lundin Family related trust, and to certain other investors on a private placement basis.

The Canadian Offering and the Private Placement is expected to generate net proceeds of approximately CAD 50.0 million, provided that the Over-allotment Option is fully exercised, or CAD 48.6 million if the Over-allotment Option is not exercised. Josemaria Resources' costs attributable to the issue of the Shares, including payment to advisors, and other estimated transaction costs are estimated to amount to approximately CAD 2 million.

The net proceeds of the Canadian Offering and Private Placement will be used, in the following priority, to (1) continue advancing the Josemaria copper-gold project in San Juan, Argentina ahead of construction, including costs associated with project engineering, construction execution planning, commercial studies, environmental and social studies and permitting (2) repayment of certain amounts owing under the debentures of the Company, and (3) general corporate purposes including public company overheads.

In total, a number of 75,383,900 Shares may be issued for the Canadian Offering and the Private Placement in the event the Over-allotment Option is exercised in full. This Prospectus is produced for the admission of trading of the Shares on Nasdaq Stockholm.

The Common Shares are traded on the TSX and Nasdaq Stockholm under the trading symbol: JOSE; and on the OTCQB Venture Market under the trading symbol: JOSMF. The Common Shares ISIN code is: CA48086P1009.

Trading in the Shares on Nasdaq Stockholm is expected to commence on or about April 19, 2021.

*The board of directors of Josemaria Resources is responsible for the contents in this Prospectus. To the best of the board of directors' knowledge, the information contained in the*

*Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.*

April 15, 2021

**Josemaria Resources Inc.**

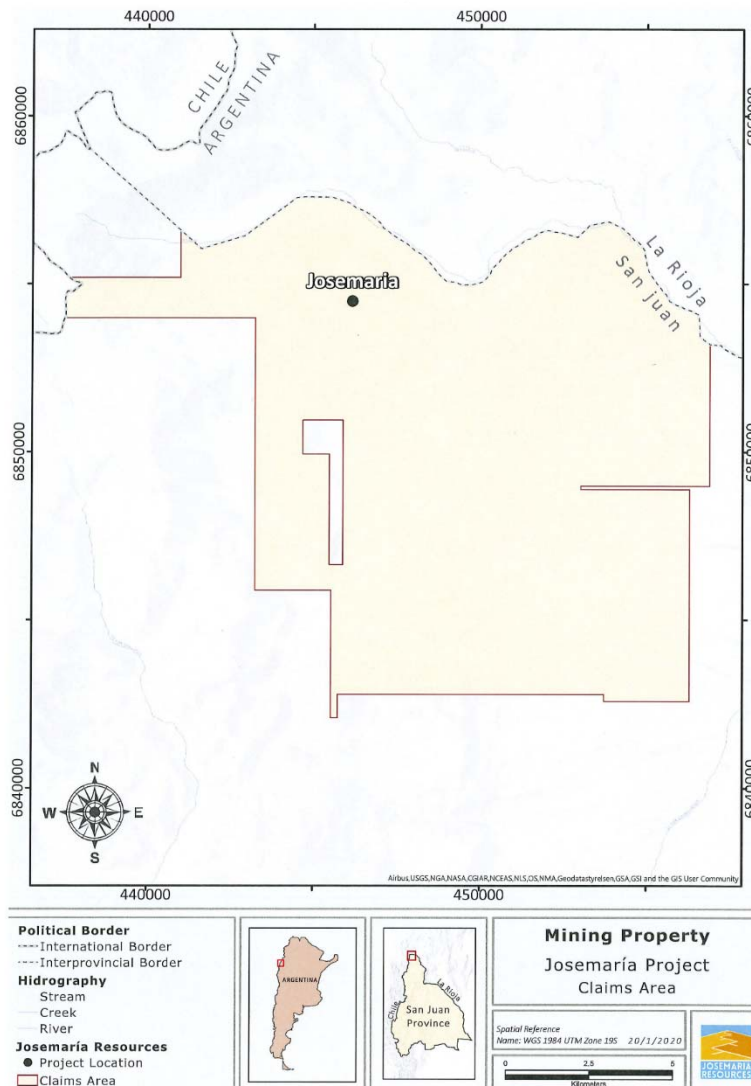
*The board of directors*

# Business description

## Description of the Company

The Company is a Canadian natural resources company focused on advancing the development of its wholly-owned Josemaria Project, a copper-gold project in San Juan Province, Argentina.

The following map illustrates the location of the Company's Josemaria Project in South America:



## Josemaria Project

The Company holds a 100% interest in the Josemaria Project, which consists of a copper-gold porphyry deposit located in the Andes Mountains of San Juan Province, Argentina. The Josemaria Project is located 9 km from the Chilean border and is about 140 km southeast of the city of Copiapó, Chile and 350 km northwest of the city of San Juan, Argentina.

On October 19, 2020, the Company reported the results of the Josemaria Feasibility Study (the “FS”), which demonstrated 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 Josemaria FS report estimates that the Josemaria Project has an after-tax NPV of USD1.53 billion using an 8% discount rate and an IRR of 15.4% at USD 3.00 per pound copper, USD 1,500 per ounce Au and USD 18 per ounce Ag; and a Proven and Probable Mineral Reserve of 1,012 Mt with diluted grades of 0.30% Cu, 0.22 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. The Josemaria FS report has been filed on SEDAR, is available for review under the Company’s profile on SEDAR ([www.sedar.com](http://www.sedar.com))<sup>1</sup>.

## COVID-19

As of the date of this Prospectus, the world continues to be affected by the global COVID-19 pandemic and, in response to the WHO’s declaration of the pandemic in March, 2020, the Company had to accelerate the demobilization of personnel from the Josemaria Project, which affected some of the optional work programs that had been planned for the end of the field season. While slight modifications to the scope of fieldwork were required as a result of the Company’s COVID-19 response, health and safety is and continues to be the Company’s top priority. Prior to and since demobilizing the team from site, the Company has been actively monitoring COVID-19 and, although no cases had or have been identified within any of our operations, Josemaria proactively implemented travel restrictions (some of which have since been lifted), remote working arrangements, monitoring and response plans to reduce the risk of COVID-19 exposure and outbreak. Certain work programs in Argentina resumed in October 2020, and the Company is employing strict measures to ensure adherence to COVID-19 related restrictions issued by the government of Argentina, the province of San Juan and local authorities.

The full extent and impact of the COVID-19 pandemic is unknown and, to-date, has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices (including base and precious metals) and has raised the prospect of a global recession. The international response to COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in global consumer activity. The Company cannot accurately predict what effects these conditions will have on its operations or financial results, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of the travel restrictions and business closures that have been or may be

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<sup>1</sup> Apart from the documentation incorporated by reference, no information on the website form part of the Prospectus.

imposed by the governments of impacted countries. Furthermore, the Company cannot determine what the impact of the COVID-19 pandemic will have on its future financial position, operations, and cash flows, including the advancement of the Josemaria Project. While the Company's completion of a net CAD 29.9 million financing during the year ended December 31, 2020, provided a strong indication that the Company's access to funding had not been adversely impacted by the COVID-19 pandemic, there is no certainty that future financing will be obtainable under acceptable terms, or at all, which may impact the Company's ability to fund future operations.

### **Specialized Skills and Knowledge**

The Company's business requires specialized skills and knowledge in the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs, mining, engineering, finance, accounting, and compliance, among others. To date, the Company has been able to locate and retain such professionals, employees and consultants and believes it will continue to be able to do so.

### **Competitive Conditions**

The Company operates in a very competitive industry and competes with other companies, many of which have greater financial resources and technical facilities for the acquisition and development of mineral properties, as well as for the recruitment and retention of qualified employees and consultants.

### **Business Cycles**

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. If the global economy stalls and commodity prices decline as a consequence, a continuing period of lower prices could significantly affect the economic potential of the Company's Josemaria Project and any other properties the Company may acquire or have an interest in and result in the Company determining to cease work on, or drop its interest in, some or all of such properties.

In addition to commodity price cycles and recessionary periods, activity may also be affected by seasonal and irregular weather conditions in the areas where the Company operates.

### **Foreign Operations**

The Company conducts a majority of its exploration and development activities in Argentina. Operations are exposed to various levels of political, economic and social risks and uncertainties. These risks and uncertainties include, but are not limited to: varying and fluctuating reactions, responses and restrictions related to the COVID-19 pandemic, high rates of inflation, extreme fluctuations in currency exchange rates, renegotiation or termination of existing concessions, licenses, permits and contracts; ability of governments to unilaterally alter agreements; surface land access issues; expropriation, political corruption, illegal mining; changes in taxation policies, laws and regulations; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.



## **Environmental Protection**

The Company is advancing a high-altitude mining project in Argentina and has adopted a responsible mining development policy, which covers environmental, social and governance commitments and demonstrates the Company's dedication to responsible and sustainable mining development. In addition, all phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner that requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Regulation governing development of mining operations with the potential to affect glaciers continues to evolve in Argentina. The Argentine Congress has passed legislation designed to protect the country's glaciers. This law restricts development on and around glaciers. The detailed regulations that will govern implementation of the law have not yet been written. Although not anticipated, this legislation could affect the Company's ability to develop parts of the Company's Josemaria Project. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. There are no assurances that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties that are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations.

## **Employees**

The Company has a cost sharing arrangement with Filo Mining and NGEx Minerals in order to reduce costs. As of December 31, 2020, the Company had eight (8) employees based in Canada and thirty-one (31) employees based in Argentina. Certain of these employees are shared with Filo Mining and NGEx Minerals.

## **Code of Business Conduct and Ethics**

The Company has a Code of Business Conduct and Ethics policy (the "Code") whereby the Company is committed to conducting its business in compliance with applicable laws and with the highest ethical standards. The Company expects all Employees to comply and act in accordance with the Code. The Company requires that its agents, contractors, consultants and suppliers comply with the Code in its relations with the Company as a condition of doing business with the Company. A copy of the Code been filed on SEDAR and is available for review under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).<sup>2</sup>

## **Corporate Social Responsibility**

The Company strives to minimize the environmental and social impacts of its exploration and development activities and to conduct all of its operations and activities in a responsible and

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<sup>2</sup> Apart from the documentation incorporated by reference, no information on the website form part of the Prospectus.

environmentally sustainable manner. This goal is supported by the Company's corporate policies and procedures.

The Company is also committed to making its workplaces safe, secure and healthy for all of its employees and others. The Company prohibits abusive or harassing conduct by its employees toward others, such as sexual advances, comments based on gender, ethnicity, religion or race or other non-business, personal comments or conduct that makes others uncomfortable in their employment with the Company. The Company encourages and expects all of its employees and consultants to report wrong-doing, harassment or other inappropriate conduct as soon as it occurs. All threats or acts of physical violence or intimidation are prohibited. The Company requires adherence to all applicable federal and provincial and local employment and labour laws. In addition to any other requirements of applicable laws in a particular jurisdiction, the Company prohibits discrimination in any aspect of employment based on sex, race, colour, religion, national origin, disability or age, within the meaning of applicable laws. The Company has established a Whistleblower Policy which sets out the procedures for the receipt, retention and treatment of complaints or submissions regarding accounting, internal accounting controls or auditing matters, as well as other corporate misconduct and breaches of the Company's policies. The Whistleblower Policy, as well as the Code, are designed to encourage ethical behaviour by all of the Company's employees and others conducting business with the Company.

Sustainability and being socially responsible continues to be a fundamental part of the Company's strategy and is critical to ensuring broad stakeholder support for the Company's exploration and development activities.

### **Diversity Policy**

The Company has adopted a Diversity Policy with regard to gender, ethnicity, race, age, culture, religion, geography, and nationality, which is intended to set out a framework to promote diversity on the Board and in executive officer positions within the Company and within its major subsidiaries. The Company recognizes the importance of diversity, particularly with regard to representation on boards and executive officer positions. The Company believes that a diverse board and executive management structure, including diversity with regard to gender, ethnicity, race, age, culture, religion, geography, and nationality enhances the decision making of the Board and at senior management levels.

### **Equal opportunities and non-discrimination**

The Company's employment decisions are based on reasons related to its business, such as job performance, individual skills and talents and other business-related factors. In addition, pursuant to the Code and other policies, the Company prohibits discrimination in any aspect of employment based on sex, race, colour, religion, national origin, disability or age, within the meaning of applicable laws and requires adherence to all applicable federal, provincial and local employment and labour laws and any other requirements of applicable laws in a particular jurisdiction.

## **Anti-Bribery and Anti-Corruption Policy**

The Company has an anti-bribery and anti-corruption policy (the “**Anti-Bribery and Anti-Corruption Policy**”) which reiterates the Company’s commitment to compliance by the Company and its officers, directors, employees and agents with Canada’s Corruption of Foreign Public Officials Act (“**CFPOA**”), and any other anti-bribery or anti-corruption laws that may be applicable. The Anti-Bribery and Anti-Corruption Policy supplements the Code and all applicable laws and applies to the Company’s operations world-wide.

The Anti-Bribery and Anti-Corruption Policy outlines the requirements that must be fulfilled when dealing with public officials and includes prohibitions against bribing public officials, making facilitation payments and commercial bribery, and also provides employees with clarity regarding: books and records transparency; giving gifts; making charitable contributions; third party oversight and due diligence; internal controls; and management’s responsibility to promote an ethical tone from the top and create awareness of the policy.

## **Bankruptcy and Similar Procedures**

There are no bankruptcies, receivership or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There have not been any voluntary bankruptcy, receivership or similar proceedings by the Company within the three most recently completed financial years or currently proposed for the current financial year.

## **Reorganizations**

On July 17, 2019, the Company spun out its interest in the Los Helados project together with other exploration properties into a then wholly-owned subsidiary, NGEx Minerals, by way of the NGEx Minerals Arrangement. The Company subsequently distributed 100% of the NGEx Minerals common shares it received under the NGEx Minerals Arrangement to the Company’s shareholders, as further described under the section “Three-year History”.

## **Three-year history**

### **2018**

- On January 3, 2018, the Company completed a non-brokered, private placement of 12,500,000 Common Shares at a price of CAD 1.00 per share for gross proceeds of CAD 12.5 million (the “**2018 Financing**”). The net proceeds raised from the 2018 Financing were used towards ongoing work programs in Chile and Argentina as well as for general corporate purposes. Zebra and Lorito, who report their shareholdings as joint actors and are insiders of the Company, acquired 2,500,000 Common Shares pursuant to the 2018 Financing.
- On October 5, 2018, the Company entered into the 2018 Zebra Facility, an unsecured USD 5 million credit facility with Zebra, as evidenced by a debenture, in order to fund general corporate purposes. The 2018 Zebra Facility was repaid in full as of November 30, 2020 and expired on December 12, 2020.
- On November 20, 2018, the Company announced the results of the Josemaria PFS at its 100% owned Josemaria Project in San Juan province, Argentina
- On December 19, 2018, the Company filed the Josemaria PFS. The Josemaria PFS, which was dated December 19, 2018, and was effective November 20, 2018, supported and

amended the scientific and technical disclosure in the Company's news release dated November 20, 2018.

## 2019

- On February 1, 2019, the Company completed a non-brokered, private placement of 20,000,000 Common Shares at a price of CAD 1.00 per share for gross proceeds of CAD 20 million (the “**2019 Financing**”). The net proceeds raised from the 2019 Financing were used towards ongoing work programs in South America, including a feasibility study on the Josemaria Project, engineering and exploration studies on the Company's other projects, repayment of the balance drawn on the Company's 2018 Zebra Facility, and for general corporate purposes. Zebra and Lorito, acquired 12,112,000 Common Shares pursuant to the 2019 Financing.
- On June 12, 2019 the Company entered into the 2019 Zebra Facility, an unsecured USD 10,000,000 credit facility with Zebra, as evidenced by a debenture, to provide additional financial flexibility to fund ongoing work programs at the Josemaria Project and for general corporate purposes. The 2019 Zebra Facility was repaid in full on August 19, 2020 and expired on December 12, 2020.
- On July 17, 2019, the Company completed the NGEx Minerals Arrangement, pursuant to which the Company spun out its interest in the Los Helados project and certain other exploration properties along with CAD 7.3 million in cash into a wholly-owned subsidiary, NGEx Minerals, in exchange for 100% of NGEx Minerals' common shares. The Company subsequently distributed 100% of the NGEx Minerals common shares it received under the NGEx Minerals Arrangement to the Company's shareholders, such that the Company's shareholders received one NGEx Minerals common share for every two Common Shares held as of the record date. NGEx Minerals began trading on the TSX Venture Exchange (“**TSXV**”) under the symbol “**NGEX**” on August 20, 2019.
- Pursuant to the NGEx Minerals Arrangement, and effective as of July 17, 2019, the Company changed its name to Josemaria Resources Inc. and reconstituted its board of directors (the “**Board**”), whereby:
  - (a) William A. Rand, David F. Mullen and Cheri L. Pedersen resigned as directors and the Board appointed C. Ashley Heppenstall, Paul Conibear and Christina Batruch to fill the vacancies created by these resignations;
  - (b) pursuant to Section 4.06 of the Company's By-Laws (which permits the Board to appoint one or more additional directors), the Board appointed two additional directors, being Adam Lundin and Pablo Mir; and
  - (c) as a result of (a) and (b) above, and effective as of July 17, 2019, the Board was comprised of the following eight directors:
    - Lukas H. Lundin
    - Jack O.A. Lundin
    - Wojtek A. Wodzicki
    - C. Ashley Heppenstall
    - Paul Conibear
    - Christine Batruch
    - Adam Lundin
    - Pablo Mir

- On August 6, 2019, Mr. Arndt Brettschneider was appointed as Vice-President, Projects, replacing Mr. James Beck, who resigned as Vice-President, Corporate Development and Projects.
- On September 1, 2019, Mr. Ian Gibbs was appointed Chief Financial Officer, replacing Ms. Joyce Ngo, who took on the role as Corporate Controller, effective September 3, 2019.
- On September 16, 2019, the Company appointed Mr. Adam Lundin as President and Chief Executive Officer, replacing Mr. Wojtek Wodzicki, who stepped down to focus his attention and activities as President and CEO of NGEEx Minerals. Mr. Wodzicki continues to serve as a Director of the Company. In addition, effective as of September 16, 2019, Mr. Ron Hochstein was appointed to the Board, replacing Mr. Pablo Mir, who stepped down from the Board, effective as of September 16, 2019. Mr. Mir continues to serve as a key advisor to the Board.
- On October 25, 2019 the Company entered into the 2019 Lorito Facility, an unsecured USD 20,000,000 credit facility with Lorito, as evidenced by a debenture, to provide additional financial flexibility to fund the Company's ongoing work programs and provide general working capital. The 2019 Lorito Facility will mature on April 25, 2021, and no interest is payable in cash during the term. As of December 31, 2020, there was USD 20,000,000 drawn against the 2019 Lorito Facility.

## 2020

- On March 11, 2020, the World Health Organization (**WHO**) declared the novel coronavirus (**COVID-19**) outbreak a global pandemic and many countries, including Canada and Argentina, imposed non-routine measures such as quarantines, travel restrictions and business closures to contain the spread of the outbreak. Following the declaration of the COVID-19 pandemic by WHO, the Company, which had successfully completed all essential components of its then current field season, demobilized a majority of its workforce from the Josemaria Project.
- On April 30, 2020 the Company announced that it had entered into an agreement to extend the maturity date of its 2018 Zebra Facility from May 5, 2020 to December 12, 2020. The 2018 Zebra Facility was repaid in full on November 30, 2020 and expired on December 12, 2020.
- On May 25, 2020 the Company entered into the 2020 Lorito Facility and the 2020 Zebra Facility, two unsecured credit facilities, each for USD 3.5 million, for a total of USD 7,000,000. Each facility is evidenced by a debenture and has a term of 18 months, ending November 25, 2021 (the “**Maturity Date**”). No interest is payable during the term of the 2020 Zebra Facility and the 2020 Lorito Facility, however, any amount of remaining unpaid and outstanding on or after the Maturity Date will bear interest at a rate of 5.00% per annum until repaid in full. The terms of the facilities included the Company issuing 16,500 Common Shares to each of Lorito and Zebra for an aggregate of 33,000 Common Shares and an additional 920 Common Shares per month for each USD 50,000 of the Lorito Facility or the Zebra Facility outstanding from time to time up to the Maturity Date. The 2020 Zebra Facility and the 2020 Lorito Facility supplement the existing 2019 Lorito Facility, which remains available until April 25, 2021. As of December 31, 2020, there was USD 3,000,000 drawn against the 2020 Lorito Facility.
- On June 16, 2020, at the Annual General and Special Meeting of Shareholders, Christine Batruch, Paul Conibear, Ashley Heppenstall, Ron Hochstein, Adam Lundin, Jack Lundin and Wojtek Wodzicki were re-elected to the Company’s Board. Mr. Lukas Lundin who had been a director of the Company since August 20, 2004, did not stand for re-election to the Board, but continues to serve the Company as a key advisor to the Board.

- 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 CAD 0.67 per common share for gross proceeds of CAD 31.3 million, less issuance costs of CAD 1.4 million, for net proceeds of CAD 29.9 million. Zebra and Lorito, who report their shareholdings as joint actors and are insiders of the Company, subscribed for a total of 21,940,299 Common Shares pursuant to the private placement.
- On October 19, 2020, the Company announced the results of the Josemaria FS which demonstrated 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 copper (“Cu”), 231,000 ounces of gold (“Au”) and 1,164,000 ounces of silver (“Ag”). See the section entitled “Operations of Josemaria Resources” for additional information.
- On November 5, 2020, the Company filed the Josemaria FS in support of the information contained in the Company's news release dated October 19, 2020 and in support of the information contained in the Company's Material Change Report dated October 21, 2020.
- On November 12, 2020, the Company's Common Shares were approved for trading on the OTCQB Venture Market under the symbol "JOSMF". The Company's primary Canadian listing continues to trade on the TSX under the symbol "JOSE" and on the Nasdaq Stockholm also under the symbol "JOSE".
- On December 10, 2020, Mr. Jack Lundin resigned as a director of the Company. Mr. Jack Lundin continues to serve the Company as a key advisor to the Board.

## 2021

- 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.

# Operations of Josemaria Resources

## Josemaria Project

The information detailed below of a scientific or technical nature regarding the Josemaria Project is derived from the Josemaria FS.

The reader should read this summary in conjunction with the entire Josemaria FS, together with its illustrations, figures, footnotes, bibliography, etc. which is also available for inspection under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).<sup>3</sup> For the purposes of this summary of the Josemaria FS, the Josemaria parent and subsidiary companies are referred to interchangeably as "Josemaria". The currency described in this section is expressed in U.S. dollars and metric units are used, unless otherwise stated.

In 2019, the Company commissioned the Josemaria Feasibility Study the results of which were announced in the Company's news release on October 19, 2020. The Josemaria Feasibility Study NI 43-101 Technical Report, authored by a team of engineering and consulting service providers led by Fluor Canada Ltd ("**Fluor**") with key sections prepared by SRK Consulting (Canada) Inc. ("**SRK**"), and Knight Piésold Ltd. ("**KP**") and input from a variety of independent consultants and qualified persons, was published and filed on November 5, 2020.

The Company's Mineral Reserve and Mineral Resource estimations as reported in this Prospectus have been prepared in accordance with the CIM Definition Standards.

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<sup>3</sup> Apart from the documentation incorporated by reference, no information on the website form part of the Prospectus.

*Acronyms and Abbreviations used in this summary*

Distance	
µm	micron (micrometre)
mm	Millimetre
cm	Centimetre
m	Metre
km	Kilometre
in	Inch
ft	Foot
Area	
m <sup>2</sup>	square metre
km <sup>2</sup>	square km
ac	Acre
ha	Hectare
Volume	
L	litre
m <sup>3</sup>	cubic metre
ft <sup>3</sup>	cubic foot
Mbcm	million banked cubic metres
Mass	
kg	Kilogram
g	Gram
t	metric tonne
kt	kilotonne
lb	Pound
Mt	megatonne
oz	troy ounce
wmt	wet metric tonne
dmt	dry metric tonne
Pressure	
psi	pounds per square inch
Pa	Pascal
kPa	Kilopascal
MPa	Megapascal
Elements and Compounds	
Au	Gold
Ag	Silver
As	Arsenic
Cu	Copper
S	Sulphur
CN	Cyanide
NaCN	sodium cyanide

Other	
°C	degree Celsius
cfm	cubic feet per minute
elev	elevation
hp	horsepower
hr	hour
kW	kilowatt
kWh	kilowatt hour
M	million or mega
masl	metres above sea level
mph	miles per hour
ppb	parts per billion
ppm	parts per million
s	second
V	volt
W	watt
kV	kilovolt
USDk	thousand dollars
USDM	million dollars
tpa	tonnes per annum
tph	tonnes per hour
t/d	tonnes per day
mtpa	million tonnes per annum
Ø	diameter
ARS	Argentine peso
Acronyms	
SRK	SRK Consulting (Canada) Inc.
CIM	Canadian Institute of Mining
NI 43-101	National Instrument 43-101
ABA	acid- base accounting
AP	acid potential
NP	neutralization potential
CONAGUA	Comisión Nacional del Agua
ML/ARD	metal leaching/ acid rock drainage
PAG	potentially acid generating
NAG	non-acid generating
RC	reverse circulation
IP	induced polarization
COG	cut-off grade
NSR	net smelter return
NPV	net present value
LOM	life of mine
FS	feasibility study
Conversion Factors	
1 tonne	2,204.62 lb
1 oz (troy)	31.10348 g



## ***Introduction***

The Josemaria Project is a Feasibility Study stage copper-gold mining project entirely located within San Juan Province of Argentina. The project will employ conventional truck and shovel open-pit mining with conventional primary crushing, grinding and flotation at an average processing rate of 152,000 t/d. The operation will produce a clean copper concentrate with significant gold values. Through its subsidiaries, the Josemaria Project is wholly-owned by Josemaria Resources.

The Josemaria Feasibility Study, with an effective date of September 28, 2020, discloses the outcomes of the FS.

## ***Property Description, Location and Access***

The Josemaria deposit is located 9 km east of the Chile-Argentina border in the Andes Mountains at elevations ranging from 4,000 to 4,900 metres above sea level (“**masl**”). Topography is mountainous with broad, flat-bottomed valleys and moderately steep slopes. The entirety of the property and project is located within the San Juan province of Argentina.

Access to site will be a seven-hour journey from the city of San Juan along public two-lane paved roads, as well as a project-developed and maintained gravel road. Access to site will be wholly within the province of San Juan which is advantageous to regional stakeholders and is expected to be viewed positively during the project permitting process. Construction supplies will come to site via this road, and concentrate will be transported along this road to San Juan, where it will be loaded onto rail and taken to the port at Rosario for export to international smelters.

The climate in the project area is dry to arid and the temperatures are moderate to cold. Annual precipitation averages 105 mm and average temperatures are -1.9°C. The project is located in a seismically active zone.

There is a 3% pithead value royalty payable to the Province of San Juan. The Josemaria Project is subject to three underlying agreements: the Lirio agreement, the Batidero agreement and the Filo agreement.

The Lirio property was acquired from the Lirio family through an exploration agreement with an option to purchase, dated 15 July 2003. This option was exercised on 25 June 2009 for USD 813,000. Josemaria holds a 100% interest in the property, subject to a 0.5% net profit interest (NPI) royalty (for a period of 10 years), and an additional CAD 2M payment within six months of the completion of the second full year of mine operations. The Lirio property agreement covers the area of the Mineral Reserve estimate for the Josemaria deposit and has been applied to the economic model of the project.

The Batidero property was acquired through an agreement with Compania Minera Solitario S.A. dated 1 July 2002 and transferred to Desarrollo de Prospectos Mineros S.A. through public deed No. 01 dated 4 January 2013. Josemaria holds a 100% participating interest in the Batidero property, subject to a 7% net profit interest. Only approximately 0.3% of the currently estimated mineral reserve for Josemaria falls within the Batidero property agreement. This portion of the Mineral Reserve is entirely within the final phase of the current mine plan. Due to the

immateriality of the impact of this royalty on project economics, it has not been explicitly modelled within the current economic model. During the operation phase the area for this concession will be surveyed so that proper accounting procedures can be implemented to ensure the owner of this royalty is compensated appropriately according to the details of this agreement.

The Filo property was acquired from Filo del Sol Exploración S.A. through an agreement dated 11 January 2018. Josemaria holds a 100% interest in the Filo property subject to a 3.0% NSR royalty in favour of Filo del Sol. Josemaria has the right to buy back 2% of the NSR for USD 2 million. The currently estimated Mineral Reserves for Josemaria do not fall within the Filo property agreement.

### ***Mineral Tenure and Surface Rights***

Josemaria Resources holds an indirect 100% interest in the Josemaria deposit through its Argentine subsidiary Deprominsa.

Josemaria Resources holds eight exploitation licences (“**minas**”) and one exploration licence (“**cateos**”). Total holdings cover an area of approximately 16,425 ha.

Josemaria Resources has an occupancy easement for the Batidero Camp at Josemaria, and a road right-of-way, which provides access to the work area. Part of the road right-of-way is within private property. The remainder of the road and the camp fall within the multiple usage area of the San Guillermo Provincial Reserve. Multiple usage allows mining activities.

### ***History***

Mineral rights for Josemaria were first acquired by Sr. Lirio in the early 1990s. Solitario Resources acquired these rights in 1993, with limited exploration occurring up to 2002 when Solitario (then called TNR Resource Ltd) signed an option agreement with Tenke Mining Company (now Josemaria Resources).

The Josemaria deposit was discovered during the initial drilling campaign in the 2003/2004 field season. The first hole drilled encountered 280 metres grading 0.61% copper and 0.51 g/t gold. It was targeted on coincident talus fine copper and gold geochemical and magnetic anomalies.

Work conducted by Josemaria and precursor companies has included reconnaissance prospecting; geological mapping; talus fines sampling; rock chip and trench sampling; ground-based magnetic, controlled source audio-magneto telluric (“**CSAMT**”) and induced polarization (“**IP**”)–resistivity geophysical surveys; reverse circulation (“**RC**”) and core drilling; and metallurgical testwork.

### ***Geological Setting, Mineralization and Deposit Types***

Based on geological features and location, the Josemaria deposit is classified as a porphyry copper-gold system.

The copper-gold mineralization at Josemaria is hosted by a Late Oligocene porphyry system developed within Permian to Triassic basement rocks. The deposit area measures ~1500 m north-south by 1,000 m east-west and 600 to 700 m vertically from surface, within a larger

alteration footprint of up to 4 km north-south by 2 km east-west. A variably-developed leached cap overlies part of the Josemaria deposit and is predominantly related to oxidation at and below the modern-day surface. The Josemaria deposit remains open to the south, beneath a thickening cover of post-mineral volcanic rocks and also at depth.

The leached cap, with underlying supergene copper enrichment, ranges from 10 to 150 m in thickness, with the thicker parts preferentially developed along structures. Mineral zones within the Josemaria deposit are defined by the relative abundance of chalcopyrite, pyrite and chalcocite, as well as the mode of occurrence of chalcocite (hypogene or supergene) and level of oxidation. Chalcopyrite and pyrite are disseminated through the potassic and overprinting chlorite-sericite zones, with minor bornite. Quartz–magnetite ± chalcopyrite veining occurs through much of the main mineralized zone, as discrete veins and locally as a more intense stockwork. Sulphide mineralization in the upper advanced argillic and sericitic domains includes a hypogene-enriched high-sulphidation assemblage of chalcocite with covellite, tennantite, and minor enargite, resulting in some of the highest hypogene grades in the deposit.

### ***Exploration***

Work programs conducted by Josemaria Resources include geological mapping; soil, rock-chip and talus sampling; a number of geophysical surveys including IP–resistivity, magnetometer, and Mount Isa Mine’s Distributed Acquisition System methodology (“MIMDAS”) surveys; and RC and core drilling.

The Josemaria deposit remains open to the south, beneath a thickening cover of post-mineral volcanic rocks, and also at depth. Drilling was planned with a conceptual open-pit configuration in mind, and only two drill holes were extended beyond depths of about 600 m (JMDH06 and 07). Both drill holes encountered lower-grade mineralization; however, they intersected the late mineral porphyry unit, which tends to be lower grade. Potential remains to extend the mineralization at depth within the tonalite unit.

### ***Drilling***

Eleven drilling campaigns have been carried out at the Josemaria deposit, from 2003 to 2020. Drilling at the Josemaria deposit to date totals 76,206 m in 190 drill holes, of which 48 holes (17,535 m) are RC holes, and 142 holes (58,671 m) are core holes, including 14 condemnation holes and 13 geotechnical holes inside the FS pit shell. More than 90% of the metres drilled were HQ (63.5-mm diameter core).

Core was photographed, logged for detailed lithology, alteration and mineralization features, and rock-quality designation (“**RQD**”) and recovery data were collected. Several of the drill holes were also logged for geotechnical information.

Drill hole orientations are generally appropriate for the mineralization style. The Josemaria deposit is a porphyry system with disseminated mineralization and overlying supergene enrichment. Reported and described interval thicknesses are considered true thicknesses.

### ***Sample Preparation, Analyses, and Data Verification***

All drilling since 2009 has been core drilling. Core was sampled continuously from the beginning of recovery to the end of the hole. Samples are generally 2 m long. Drill core was cut

in half using a circular, water-cooled rock saw. Half-cores are randomly weighed and compared to verify that 50% of the material was sampled. One half of the core was used as a geochemical sample and the other stored in boxes or trays for reference and future revisions.

A total of 14,419 core samples have been systematically analyzed for specific gravity (“SG”) since the 2011–2012 drilling program. Specific gravity was measured by Josemaria technicians using the water immersion method, either at the Batidero camp or at the Josemaria core logging and sampling facility in San Juan.

From 2009 to 2014, all core samples were analyzed by ACME Laboratories in Chile. ACME’s accreditations have included ISO9001:2000 and ISO/IEC17025. Sample preparation was undertaken at ACME’s sample preparation laboratory in Mendoza, Argentina, which holds ISO 9000:2001 accreditation. SGS Laboratories in Chile was used as an umpire laboratory during 2012–2013. At the time the analyses were performed, SGS held ISO/IEC17025 accreditations. ACME and SGS are accredited laboratories and independent of Josemaria Resources.

Beginning again in 2019, samples were delivered to the ALS Chemex (“ALS”) preparation laboratory in Mendoza, Argentina where they were crushed and a 500 g split was pulverized to 85% passing 200 mesh. The prepared samples were sent to the ALS assay laboratory in Lima, Peru. ALS is an accredited laboratory and independent of Josemaria Resources.

Gold analyses were by fire assay fusion with atomic absorption spectroscopy (“AAS”) finish on a 30 g sample. Copper and silver were analysed by atomic absorption following a 4 acid digestion. Samples were also analyzed for a suite of 36 elements with inductively coupled plasma (“ICP”) analysis and a sequential copper leach analysis was completed on each sample with ICP copper > 500 ppm Cu. Copper and gold standards, as well as blanks and duplicates (field, preparation and analysis), were randomly inserted into the sampling sequence for Quality Control. On average, 9% of the submitted samples are Quality Control samples. No data quality problems were indicated by the QA/QC program.

ACME and ALS were also used for surface sample analyses.

Prior to 2009, quality control was limited to the preparation and analysis of field duplicates from the drill samples.

A quality control protocol was implemented in the 2009–2010 season, beginning with JMDH08. The program, with some minor variations, has been followed since that date. The programs include blanks, duplicates and standard reference materials inserted in the sampling sequence. The programs included a total of seven quality control samples inserted for every 77 samples submitted to the laboratory to provide sufficient controls for the 78 and 36 element trays used in the laboratory.

Drill core is stored in a core storage warehouse in San Juan. Core is well organized and stored in racks, easily available for review. The laboratory returns the pulps and coarse reject for each sample that has been sent for analysis. These are stored at the San Juan facility.

The logging facility is fenced, locked when not occupied, and is secure. Samples are handled only by company employees or their designates (i.e., laboratory personnel). Samples are in the

control of a Josemaria employee or contractor to Josemaria from the time they leave the site until they arrive at the San Juan lab.

### ***Data Verification***

Data verification has been conducted by an independent consultant, Fionnuala Devine, a Qualified Person, in support of technical reports on the project. This work has included field visits (drill collar monumenting; location checks for selected drill collars); witness sampling; spot checks of the assay database against assay certificates; reviews of the lithology and alteration information in drill core against drill logs; reviews of collar elevations in the database against collar elevations in the digital elevation model provided by Josemaria Resources; downhole survey deviation reviews; reviews of QA/QC data including standard, blank and duplicate sample performances; and a review of check sampling on pulps completed by a check laboratory.

James Gray, an independent Qualified Person, is responsible for the Mineral Resource estimate. As described in more detail in Section 14.8 of the Josemaria Feasibility Study, James Gray validated block model interpolations against drill hole composite grades and believes there to be a good correlation without showing any bias in model interpolations.

Bob McCarthy, an independent Qualified Person, is responsible for the Mineral Reserve estimate. Bob McCarthy oversaw the validation of the resource model declared in the Josemaria Feasibility Study, before using it to define the Mineral Reserves. Tonnages were compared between queries of the resource model and the stated resource, as part of standard model checking procedures.

### ***Mineral Processing and Metallurgical Testing***

Numerous metallurgical test programs have been completed on the Josemaria deposit over the last five years. Josemaria materials are amenable to conventional grinding and flotation processes and will produce a readily saleable copper concentrate. Minor differences in metallurgical response were observed within samples representing different zones of the Josemaria deposit.

The Josemaria deposit has been characterized based on rock type, namely: tonalite, rhyolite and porphyry. A zone of supergene copper enrichment is also present within the Josemaria deposit and was tested as a distinct zone. The distribution of the rock types within the deposit are:

- Tonalite: 46%
- Rhyolite: 34%
- Porphyry: 14%
- Supergene: 6%

Although these zones have differing rock types and mineralogical makeup, the metallurgical responses observed are similar, although minor changes in throughput and metal recovery are expected due to the natural variation in the composition of the ore. Ore hardness for the different zones has been considered when evaluating throughput, allowing for marginal

increases in throughput when softer supergene and porphyry material are processed. Copper-bearing minerals within the Josemaria deposit include chalcopyrite, chalcocite and covellite.

There is a positive correlation between copper recoveries and copper head grades throughout the deposit. Average copper recoveries are expected to be 85% over the life of mine. Similarly, gold recovery is also shown to be strongly dependent on gold head grades and gold recovery is expected to be 63% over the life of mine. Silver recoveries were found to be consistent and will be 72% over the life of mine. Testwork resulted in an average copper concentrate grade of 27%, which has been used as the basis of the study.

Limited test work to evaluate the production of a molybdenum concentrate has been completed and this is considered a project opportunity for additional revenue that can be further evaluated during subsequent phases of project development.

### ***Mineral Resource Estimates***

The Mineral Resource estimate detailed in the Josemaria Feasibility Study replaces the previous estimate, most recently documented in a technical report dated December 2018. An additional 29 holes have been drilled and are included in this update. Updated wireframe models of lithology, alteration and mineralization were used for control in the grade estimation process. Mineralization was used to control modelling of all variables except arsenic, for which grade interpolation was based on the alteration model.

A total of 156 holes (114 core and 42 RC) have been used for grade estimation. Grades were estimated for copper, gold, silver, molybdenum, arsenic, iron and sulphur. The first three of these are reported in the resource statement; the others were used in other aspects of project study and design. Assays for the revenue metals were capped prior to compositing in a conventional manner, based on the examination of histograms and probability plots. Sample grades were composited to a down-hole length of two metres as 87% of assay intervals are two metres in length and another 12% are one metre in length.

Grades for all elements were estimated by ordinary kriging into blocks with dimensions of 25 m x 25 m x 15 m (X/Y/Z). Density values were estimated by inverse distance squared weighting using the mineralization model for geologic control.

Based on current metallurgical testwork, the deposit/resource is divided into oxide and sulphide portions. The sulphide Mineral Resource is tabled based on a copper equivalent cut-off calculated by using the recoveries of copper, gold and silver that were used in the pit optimization and mine design process. The surficial oxide Mineral Resource is tabled by gold cut-off grade as gold is the primary economic metal within the oxide envelope. Engineering studies, in support of the Mineral Reserve estimate, have also generated a resource pit shell based on Measured, Indicated and Inferred Mineral Resource blocks. That shell has been used as the basis of the Mineral Resource estimates presented in

Table 1-1 (sulphide mineral) and Table 1-2 (oxide mineral).

Table 1-1: Josemaria 2020 sulphide Mineral Resource @ 0.1% CuEq cut-off for the Josemaria Project, San Juan province, Argentina 10 July 2020

Category	Tonnes (millions)	Grade				Contained Metal		
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	lb Cu (billions)	oz Au (millions)	oz Ag (millions)
Measured	197	0.43	0.34	1.3	0.63	1.9	2.2	8.5
Indicated	962	0.26	0.18	0.9	0.36	5.5	5.6	26.6
Total (M & I):	1,159	0.29	0.21	0.9	0.41	7.4	7.8	33.5
Inferred	704	0.19	0.10	0.8	0.25	2.9	2.3	18.6

Table 1-2: Josemaria 2020 oxide Mineral Resource @ 0.2 g/t Au cut-off for the Josemaria Project, San Juan province, Argentina 10 July 2020

Category	Tonnes (millions)	Grade		Contained Metal	
		Au (g/t)	Ag (g/t)	oz Au (thousands)	oz Ag (thousands)
Measured	26	0.33	1.2	280	994
Indicated	15	0.28	1.3	132	632
Total (M & I):	41	0.31	1.2	410	1,585
Inferred	0				

Notes to accompany Josemaria Mineral Resource statement:

1. Mineral Resources have an effective date of July 10, 2020. The Qualified Person for the mineral resource estimate is Mr. James N. Gray, P.Geo.
2. The Mineral Resources were estimated using the CIM Definition Standards.
3. Sulphide copper equivalence (CuEq) assumes metal prices of USD3/lb copper, USD1,500/oz gold, USD18/oz silver.
4. CuEq is based on Cu, Au and Ag recoveries derived from metallurgical test work as applied in the pit optimisation and mine design process (average LOM recoveries used: 85.2% copper, 62.6% gold, 72.0% silver).
5. The copper equivalency equation used is:  $CuEq (\%) = (Cu \text{ grade } (\%) * Cu \text{ recovery} * Cu \text{ price } (USD/t) + Au \text{ grade } (oz/t) * Au \text{ recovery} * Au \text{ price } (USD/oz) + Ag \text{ grade } (oz/t) * Ag \text{ recovery} * Ag \text{ price } (USD/oz)) / (Cu \text{ price } (USD/t) * Cu \text{ recovery})$ .
6. Mineral Resources are inclusive of Mineral Reserves.
7. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
8. All figures are rounded to reflect the relative accuracy of the estimate. Totals may not sum due to rounding as required by reporting guidelines.

## Mineral Reserve Estimates

The Mineral Reserves for Josemaria are stated in Table 1-3. Measured Mineral Resources and Indicated Mineral Resources were converted to Proven and Probable Mineral Reserves, respectively. Mineral Reserves used long-term metal price estimates of USD 3.00/lb Cu, USD 1500/oz Au and USD 18.00/oz Ag.

Table 1-3: Mineral reserve statement for the Josemaria Project, San Juan province, Argentina, 28 September 2020

Category	Tonnage	Grade			Contained Metal		
	(Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (M lbs)	Au (M oz)	Ag (Moz)
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
<b>Total Proven and Probable</b>	<b>1,012</b>	<b>0.30</b>	<b>0.22</b>	<b>0.94</b>	<b>6,705</b>	<b>7.02</b>	<b>30.72</b>

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 CIM Definition Standards.
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 USD3.00/lb Cu, USD1,500/oz Au; USD18.00/oz Ag
  - Variable Mining cost by bench and material type. Average costs are USD1.351/t, USD1.36/t and USD1.65/t for ore, NAG waste and PAG waste, respectively.
  - Processing costs vary by metallurgical zone, ranging from USD3.77/t tonalite ore milled to USD3.71/t supergene.
  - Infrastructure On and Off-site USD0.43/t milled
  - Indirect Costs USD0.46/t milled
  - Sustaining capital costs of USD0.54/t milled for tailings management and USD0.17/t mined for mining equipment
  - Pit average slope angles varying from 37° to 43°
  - Process recoveries for Cu and Au are based on grade. The average recovery is estimated to be 85.2% for Cu and 62.6% for Au. Ag recovery is fixed at 72.0%.
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 USD5.22/t, USD5.21/t, USD5.18/t and USD5.16/t milled for tonalite, rhyolite, porphyry and supergene material respectively and an additional USD0.53/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.

## Mining Operations

The Josemaria Project is to be developed as a large-scale open pit mining operation. Over 1 billion tonnes of ore will be mined at average diluted head grades of 0.30% Cu, 0.22 g/t Au and a strip ratio of 0.98 over a 19-year mine life. Due to the continuous nature of the deposit and the low-grade mineralization that exists along much of the reserve boundary, the impact of both dilution and ore loss will be minimal to project economics.

Mining will occur with 15 m benches (often double benching) with average slope angles ranging from 37 to 43 degrees. Shallowest overall slope angles are in the north of the pit where there is a zone of lower rock mass strength at depth, requiring an angle of 34 degrees in that specific zone. Large electrically powered hydraulic shovels will be used in combination with ultra-class 360-tonne haul trucks. To maximize productivity, efficiency and safety in a high-altitude environment, haul trucks will be autonomously operated and drill functions will be autonomously operated as much as possible.

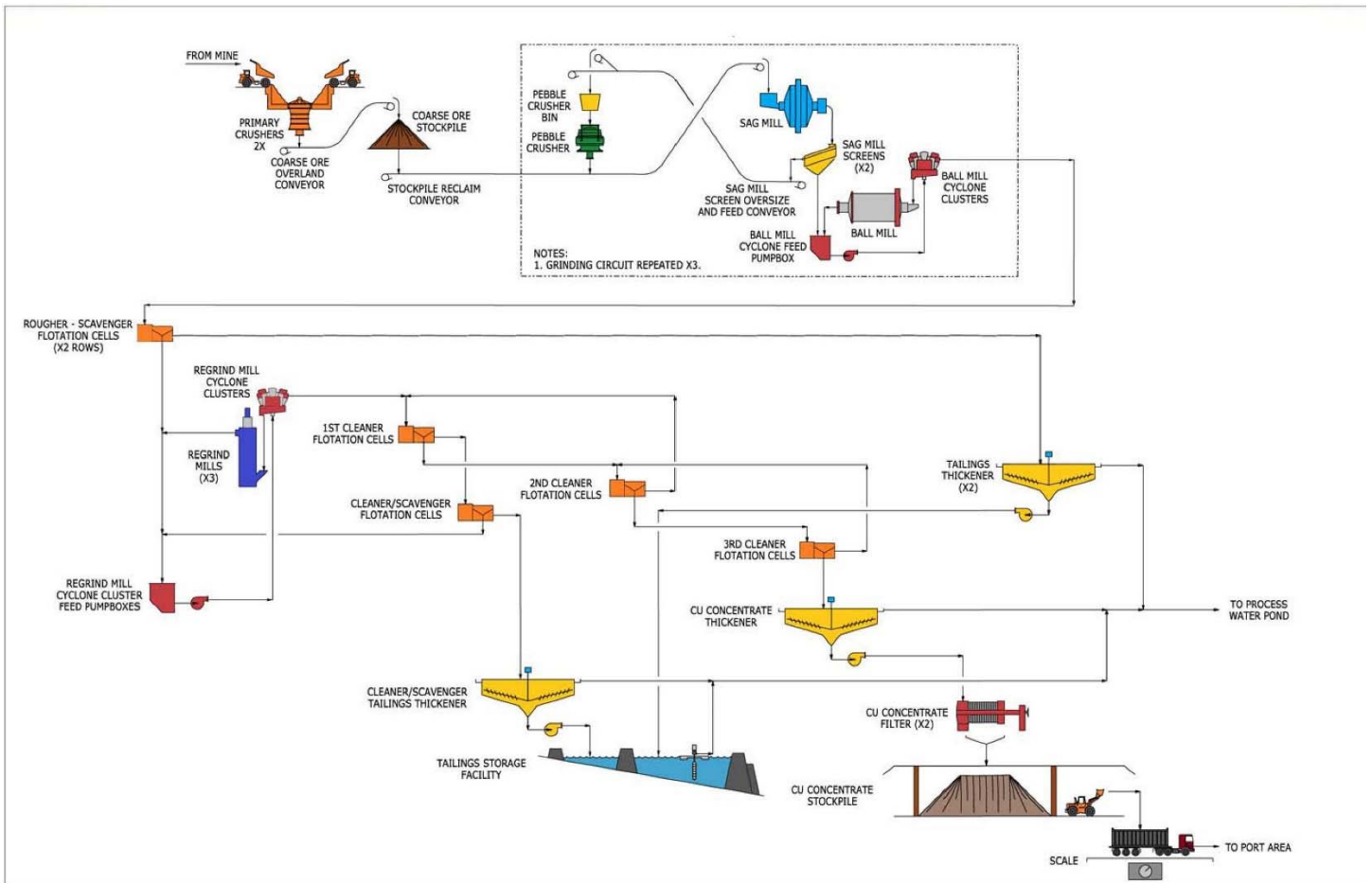


### ***Processing and Recovery Methods***

The Josemaria process facilities are designed for a throughput rate of 150,000 t/d of tonalite material. Tonalite is the hardest of the different feed types for impact breakage in the semi-autogenous grinding (“SAG”) mills and when all metallurgical zones are considered, the average life-of-mine throughput is estimated to be 152,000 t/d. Facilities on site include crushing, grinding, flotation, concentrate and tailings thickening, concentrate filtration, storage and loadout. A flowsheet of the process is shown in Figure 1-1.

Run-of-mine material will be delivered from the open pit to two gyratory crushers with crushed ore transported via an overland conveyor to a coarse ore stockpile. Material will be reclaimed from the coarse ore stockpile and conveyed to three SAG mill/ball mill circuits, which will grind the material prior to flotation. Ball mill cyclone overflow or feed to the copper flotation process will have a P80 value of approximately 120 to 130 µm. Conventional copper rougher flotation, followed by concentrate re-grinding and copper cleaner flotation, will result in the production of a copper concentrate with a copper grade of 26% to 32% copper. The final concentrate will be thickened and filtered, ready for shipment.

Figure 1-1: Simplified process flow diagram



### Tailings Management

Bulk tailings will be segregated in the process to form two tailings streams; low sulphur rougher tailings and high sulphur cleaner tailings. The tailings streams are segregated to assist with the management of potentially acid generating (“PAG”) material using a Best Management Practice approach. Thickened slurry tailings will be discharged in the tailings storage facility (“TSF”) located to the south of the process plant. Approximately one billion tonnes of thickened slurry tailings will be discharged over the life of the project within the TSF. The TSF impoundment requires three dams that will be constructed continuously from Years -3 to Year 18 to contain the tailings.

All mine contact water, which includes runoff from the plant site, TSF contributing catchment, waste rock storage facilities, tailings beaches, tailings slurry water, open pit mine dewatering flows and groundwater accumulating in the TSF will be collected, stored and managed within the project area. Seepage collected in collection ponds located downstream of the Main and South Dams will be pumped back to the plant site for reuse in processing. Contact water will not be discharged from the project site. Where it is physically practical, diversion ditches will be installed around the plant site, waste storage facilities, open pit, and TSF to convey non-contact freshwater around these disturbed areas. Water that accumulates on project infrastructure will be

collected and diverted to the TSF for reuse in processing. No water that could have an adverse environmental impact will be discharged.

### ***Project Infrastructure***

Infrastructure for Josemaria has been separated into two main components: on-site and off-site.

#### **On-Site Infrastructure**

On-site infrastructure includes the road network, processing plant, mine support facilities, power and water supply and distribution, and water and sewage treatment facilities.

#### **Water**

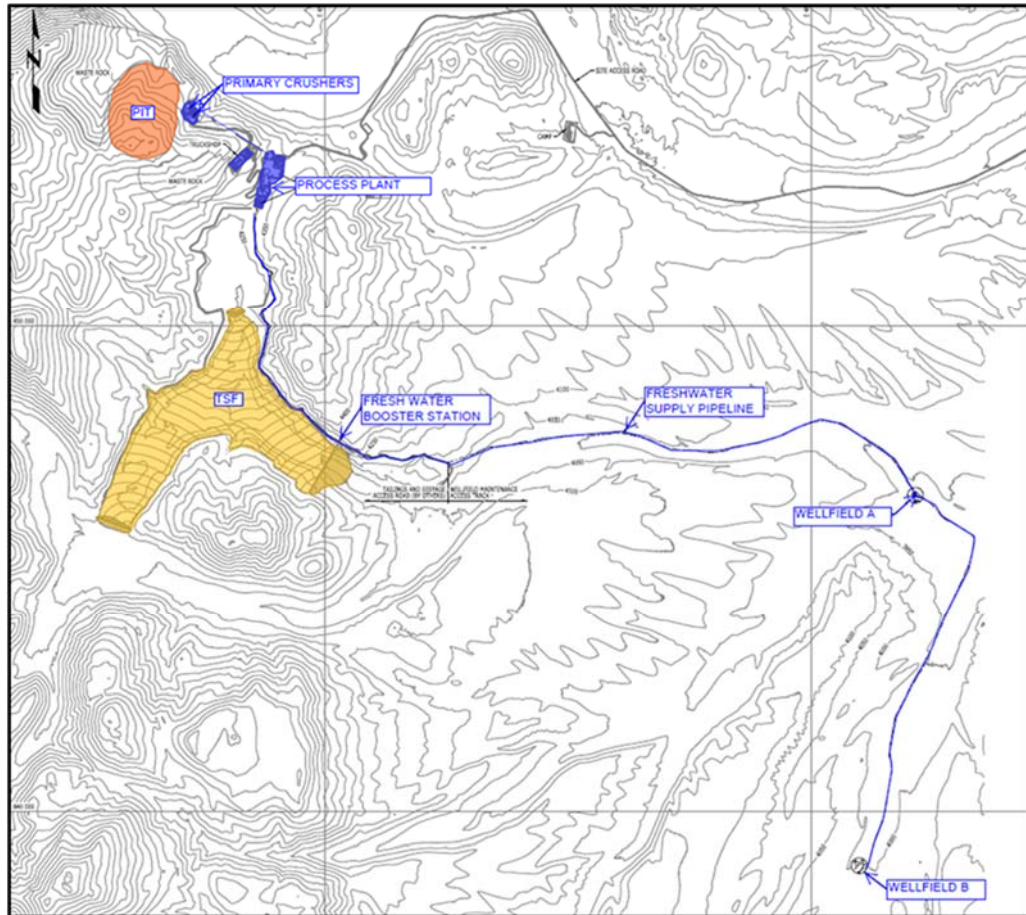
Groundwater will be the primary source of freshwater supply to the plant site and ancillary facilities. Groundwater will be collected from two wellfields, A and B, that are spaced 9 km apart and situated 19 and 28 km, respectively, from the plant site freshwater storage pond. Wellfield A will be constructed to provide sufficient water for initial operations. Wellfield B will be constructed within the first five years of operation to provide supplementary water, as well as a reserve capacity for years with low precipitation. Figure 1-2 shows the overall arrangement of the water supply. The proven availability of freshwater supply is a major benefit to the project.

Water from the wellfield is pumped to a freshwater pond adjacent to the plant site. The freshwater will be distributed around the site from a storage tank, which also contains a dedicated firewater reserve to service the fire protection system. In addition to the freshwater supply, process water will be recycled from the tailings impoundment.

#### **Power**

Power from the incoming 220 kV line will be fed to the primary substation where two transformers will transform the voltage to 22 kV for on-site distribution. Load centres will drop the voltage to 4.16 kV and 400 V to feed the equipment busses. The total operating load will be 233 MW.

Figure 1-2: Water supply general arrangement



Five 2 MW diesel generators will provide initial construction power and will serve as emergency back-up during the operations phase to essential equipment and facilities in the event of a power failure.

The electrical design is based on International Electrotechnical Commission (“IEC”) standards, with an equipment derating factor of 0.67 applied to high, medium, and low voltage equipment, due to the project’s altitude.

**Major Support Facilities**

The mine truckshop will be a 52 m wide by 120 m steel structure enclosed with non-combustible insulated metal cladding roof and walls. The roof height will vary with the functionality of each area. The roof height in the main mine equipment service bays will be 21 m in order to service the ultra-class loaders and haul trucks. The truck shop will have six service bays for the Komatsu 980E mine haul trucks (or equivalent), two light-vehicle service bays, a warehouse, toolbox and tool crib area, first aid, administrative areas, lunchroom, washrooms and change rooms. These facilities will be used by both the mine maintenance and mine operations staff.

The administrative complex will be to the northeast of the process plant. The facilities in this complex will include an administration building, a lunchroom / change room, and an emergency response centre. The main administration building will consist of two modular sections (lunchroom and office sections) and one stick-built section (emergency response center). The building will have a disability access ramp.

The camp capacity for the construction phase of the project is estimated to be 4,800 people and will be built to meet the standard required by Argentina's building code and applicable work safety and hygiene codes. At the end of construction this camp will be converted for use by the operating personnel, which will reduce the occupancy to an expected 800 people or as determined by operational requirements at the time. During both construction and operations, the camp will provide a full range of facilities including kitchens and dining, recreation and laundry facilities.

The operation will have a full suite of communications methods including:

- Voice over Internet Protocol (“VoIP”) telephone services and computer networking within buildings
- Handheld radios for remote operations within the plant area
- Local-area network (LAN)
- Wide-area network (WAN) connection to locations outside the plant (Internet service)

### **Off-Site Infrastructure**

Off-site infrastructure includes the south access road, a 252 km high-voltage power line to the site, and the concentrate transport facilities.

#### **Access Road**

The south access road will be gravel surfaced, two-lanes and 244 km long. Secured entrance to the road will be located near the town of Rodeo. Construction of the road will be staged to support early works and will be improved over the duration of the project. The road will be able to accommodate oversized loads during construction and concentrate and other traffic during operation.

#### **Power Supply**

The 220 kV, single-circuit high-voltage transmission line will be 252 km long and follows the south access road corridor. The road and power line remain wholly in the province of San Juan. The line will have two conductors per phase of aluminum-steel-reinforced (“ACSR”) type with a 300/50 mm<sup>2</sup> cross-section for carrying 240 MW of power. Power supply will be from a substation, located near the town of Rodeo, which will be upgraded as part of the project.

#### **Concentrate Transportation**

Copper concentrate will be transported in bulk by road to a road-to-rail intermodal facility to be located in Albardon, San Juan, where it will be transferred to rail for transport to the Terminal Puerto Rosario (“TPR”) where it will be exported to smelters in Asia, Europe and elsewhere in South America. This facility will include a 15,000-tonne capacity concentrate shed, a scale and a cleaning bay. The shed will be kept under negative pressure to limit the loss of fugitive dust to

the outside environment. Washdown water from the cleaning bay will be collected and treated prior to its release to the environment. There will also be a dedicated 45,000 tonne capacity concentrate storage shed at the port. Other infrastructure such as scales and ship loading equipment will be supplied by the port and used as required.

### ***Market Studies and Contracts***

The Josemaria mine will produce a conventional copper concentrate. This product is considered clean and is expected to be readily marketable and attractive to international smelters in Asia, Europe, and South America. Test results to date have typically yielded a 27% Cu concentrate and this study has used that grade as a base case for logistics and economic evaluation.

No contracts in relation to concentrating, smelting, refining, transportation, handling, sales and hedging, and forward sales, nor any other marketing arrangements are currently in place.

Pursuant to the terms of Josemaria's acquisition of its previous partner's JOGMEC 40% interest in the Josemaria Project, JOGMEC holds an option to purchase up to 40% of the material produced from any mine on the property at benchmark market terms, in accordance to the terms of the Purchase and Sale Agreement with JOGMEC.

### ***Environment, Permitting and Social***

Josemaria Resources has developed a comprehensive environmental and social baseline, which forms the basis of the Environmental Impact Assessment currently in production. The environmental baseline has characterized the physico-chemical aspects of the project area, including water quality and quantity, geochemistry, and climate. Flora and fauna studies have identified species and their habitat that will require mitigation.

The socio-economic studies indicate that there are no communities or landowners proximate to the mining area, and that the project is generally well received by communities located along the transportation route. No registered indigenous peoples have been identified within the zone of influence of the project. There are no known environmental or social issues that could materially impact the ability of Josemaria Resources to extract the mineral resources of the project.

Closure and reclamation activities will adhere to the stricter of local regulatory standards and international standards for large mining projects. Objectives of the closure plan include: long-term (post-closure) geotechnical and geochemical stability; eventual return of the site to a self-sustaining environment similar to pre-mining usage and capability; protection of the downstream environment and management of surface water; salvage and re-use of materials and equipment where possible to avoid use of landfills; and transfer of useful infrastructure such as the access road, transmission line and substation to the province of San Juan. Closure also includes hand-over of key assets to the local community, including the south access road and the HV power supply and substations. The road and power supply will support access to regional parks for tourism and also for further economic development of this area.

## Cost Estimates

### Capital Cost Estimate

The capital cost estimate was prepared by Fluor with input from Josemaria, SRK and KP according to each party’s scope of responsibility. Direct costs were estimated for the TSF area by KP; mine area and owner’s costs (with support from Josemaria) by SRK; and process, on-site infrastructure and the power supply portion and access road (with support from Josemaria) of the off-site infrastructure areas by Fluor.

The level of design definition, methodology and sources of information used to prepare this capital estimate adhere to the Association for the Advancement of Cost Engineering International (“AACEI”) Practice 47R-11 Cost Estimate Classification System – As Applied in the Mining and Mineral Processing Industries, to qualify as a Class 3 estimate with an accuracy classification of  $\pm 15\%$  at the summary level.

The capital estimate is stated in US dollars at the currency exchange rate on the date of October 23, 2019 as shown in Table 1-4. The exchange rates were used to convert the currencies of origin from vendors and contractors to the reporting currency.

Table 1-4 Exchange rates

Code	Currency	1.00 USD =
USD	US Dollar	1.00
ARS	Argentine Peso	58.96
CLP	Chilean Peso	725.80
CAD	Canadian Dollar	1.31
EURO	Euro	0.90
AUD	Australian Dollar	1.46

The CAPEX is structured according to the project work breakdown structure (“WBS”) and also by prime account code. The total capital cost by WBS area and responsible party is summarized in Table 1-5.

Table 1-5: Total capital cost (USDM)

WBS	WBS Description	Fluor	KP	SRK	Owner	Total
1000	Mine	48		254		302
2000	Crushing	222				222
3000	Process Facilities	666				666
4000	Tailing Management	15	148			163
5000	On-Site Infrastructure	181	3			184
6000	Off-Site Infrastructure	190	2			192
	<b>Subtotal Direct</b>	<b>1,322</b>	<b>153</b>	<b>254</b>		<b>1,729</b>
7100	EPCM	271	18			289
7200	Temporary Facilities and Services	313		3		316
7300	Freight	86	5			91
7400	Spare Parts	17		5		22
7500	First Fill	4				4
7600	Vendor Representatives	27		1		28
7700	Pre-Operation/Commissioning	7	0.4			7
	<b>Subtotal Indirect</b>	<b>724</b>	<b>24</b>	<b>8</b>		<b>756</b>
	Contingency	319	20	10		348
	Owner’s Costs				132	132

WBS	WBS Description	Fluor	KP	SRK	Owner	Total
	Main Access Road				126	126
	<b>Total Estimated Cost</b>	<b>2,365</b>	<b>196</b>	<b>273</b>	<b>258</b>	<b>3,091</b>

### **Operating Cost Estimate**

The Josemaria Project’s estimated operating costs for the LOM are summarized in Table 1-6. These costs reflect the mine production plans, metal recoveries and processing. All costs are expressed in Q4 2019 US dollars with no allowance for escalation. These costs do not include costs for concentrate freight or smelter charges and fees, royalties or sustaining capital.

Low overall operating costs can be attributed to a low strip ratio, low fuel prices, a low cost of power and lower labour costs than in many other established mining jurisdictions.

Table 1-6: Operating costs (LOM)

Cost Centre	Avg Annual Costs (USD/a)	Unit Costs (USD/t ore processed)	In Concentrate (USD/lb CuEq)
Mine	144,560,228	2.71	USD 0.34
TSF & Freshwater	1,188,105	0.02	USD 0.00
Process & Infrastructure	194,033,053	3.64	USD 0.46
G&A Miscellaneous	24,039,681	0.45	USD 0.06
Total	363,821,068	6.83	USD 0.86

### ***Economic Analysis***

The economic analysis indicates that the project has a positive economic return. The base-case after-tax net present value (“NPV”), evaluated at a discount rate of 8%, is USD 1.53 Billion.



The after-tax internal rate of return (“IRR”) is 15.4%. The LOM operating margin averages 65% for the base case.

A summary of Key performance indicators (“KPIs”) and economic analysis inputs is shown in Table 1-7. A positive valuation is maintained across a wide range of sensitivities on key assumptions such as prices, costs, metallurgical recoveries and schedule.

Table 1-7: Summary of project economics

<b>Project Metric</b>	<b>Units</b>	<b>Value</b>
Pre-Tax NPV @ 8%	USDB	2.37
Pre-tax IRR	%	18.4
<b>After-Tax NPV @ 8%</b>	<b>USDB</b>	<b>1.53</b>
<b>After Tax IRR</b>	<b>%</b>	<b>15.4</b>
Undiscounted After-Tax Cash Flow (LOM)	USDB	6.36
Payback Period from start of processing (undiscounted, nominal after-tax cash flow)	years	3.8
Initial Capital Expenditure	USDM	3,091
Life-of-Mine Sustaining Capital Expenditure (excluding closure)	USDM	940
All-in Cash Costs (co-product excluding closure accrual)	USD/lb CuEq.	1.55
Average Process Capacity	tonnes per day	152,000
Mine Life	years	19
Life-of-Mine Mill Feed	Mt	1,011.8
Life-of-Mine Grades (ROM)		
Copper	%	0.30
Gold	g/t	0.22
Silver	g/t	0.94
Life-of-Mine Waste Tonnes	Mt	992
Life-of-Mine Strip Ratio (Waste:Ore)	ratio	0.98
<b>First Three Years Average Annual Metal Production</b>		
Copper	tonnes per year	166,000
Gold	ounces per year	331,000
Silver	ounces per year	1,248,000
<b>Life-of-Mine Average Annual Metal Production</b>		
Copper	tonnes per year	131,000
Gold	ounces per year	224,000
Silver	ounces per year	1,048,000
<b>Life-of-Mine Average Process Recovery</b>		
Copper	%	85.2
Gold	%	62.6
Silver	%	72.0

### ***Risks and Opportunities***

Subject matter experts from SRK (Mining, Geotechnical Engineering, Economics), Fluor (Processing, Infrastructure), Knight Piésold (Tailings Management) and representatives from Josemaria Resources (Geology, Environment, Permitting, Logistics, Marketing) attended a 2-day workshop from July 30-31, 2019 to discuss, review and rank risks and opportunities associated with the Josemaria Project. The outcomes of the risk assessment workshop were

updated in September 2020 to reflect new information and project understanding gathered during the FS process.

None of the risks identified ranked higher than “Moderate”, with the highest risk scoring 10/100. This risk was associated with a 50% relative increase in the base rate for corporate income tax. In total, 25 risks were ranked as “Moderate” and the remaining 70 risks ranked as “Insignificant”.

Four ‘Moderate’ category opportunities were identified (scoring 9/100). These were associated with variable grind size (as recovery is relatively insensitive to grind size), higher metal prices, construction of an airstrip reducing the risk associated with commuting along the construction access roads, and bulk ore sorting to remove waste material from the ore feed before it gets to the mill. All other opportunities (14 in total) were ranked as “Insignificant”.

### ***Conclusions and Recommendations***

It is the consensus of the authors of the Josemaria Feasibility Study that the Josemaria Project has sufficient data available and has undergone the necessary rigour, with regard to technical planning and design, to proceed to the basic engineering phase with the expectation of moving to construction, should the Josemaria Board of Directors decide to approve project construction.

In order to proceed to the basic engineering phase efficiently, project systems and procedures need to be setup in advance with the chosen Engineering, Procurement and Construction Management (“EPCM”). Design criteria, design standards, standard specifications and applicable codes and regulations for adherence should be identified and agreed upon early on in this phase of work.

The Josemaria Project is currently continuing to improve definition of the engineering plans and designs and is currently not actively exploring the property. It is contemplated that possible future work will include sourcing data to inform the engineering designs as the project work progresses. Exploration activities contemplated may include, but are not limited to, surface mapping, sample collection, geophysical testing, test-pit excavation and drilling. The timing of any activity (if deemed necessary) will be determined by the needs of the engineering and other programs as well as with consideration for site conditions and external and other factors.

## **Selected historical financial information**

*The selected historical financial information below for the financial years ended on December 31, 2020 and December 31, 2019 has been derived from Josemaria Resources' consolidated financial statements, which have been audited by PwC. Except as expressly stated in this Prospectus, no financial information has been audited or reviewed by Josemaria Resources' auditor. Josemaria Resources' audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. Except for the application of inflation accounting and accounting of equity investments as further described on Notes 3 and 4 of the Company's audited 2020 Year End Financial Statements for the period January-December 2020 (incorporated by reference into this Prospectus), the consolidated financial statements are prepared on a historical cost basis.*

*The Company presents its financial statements in CAD and figures reported in this Prospectus are presented in CAD unless otherwise specified. Amounts included in the Company's financial statements that were not originally denominated in CAD have been translated into CAD using the average exchange rate for the financial period with respect to the income statement and the period-end exchange rate with respect to statement of financial position items.*

*Josemaria Resources also presents below selected key performance metrics for the years ended December 31, 2020 and December 31, 2019, which have been derived from Josemaria Resources' audited consolidated financial statements and notes as at the dates and for the periods presented as well as from Josemaria Resources' internal accounts.*

*The financial information set out below should be read in conjunction with Josemaria Resources' audited consolidated financial reports.*

## Statements of Loss and Comprehensive Loss

	Jan-Dec 2020	Jan-Dec 2019
	<i>Extracted from audited statements</i>	<i>Extracted from audited statements</i>
‘000s CAD	IFRS	IFRS
<b>Expenses</b>		
Exploration and project evaluation	29,934	35,541
Salaries and benefits	2,391	2,211
Share-based compensation	1,092	1,393
Management fees	473	248
Professional fees	270	672
Travel	213	152
Promotion and public relations	886	213
Regulatory, transfer agent and administration	428	475
<b>Loss before other items</b>	<b>35,687</b>	<b>40,905</b>
<b>Other items</b>		
Financing costs	3,527	671
Interest income	(47)	(67)
Unrealized Foreign exchange (gain)/loss	(1,573)	(324)
Accretion of share consideration receivable	(109)	(93)
Foreign exchange and trading (gains)/losses realized on equity investments	(6,490)	(229)
Gain on spin-out transaction	-	(30,847)
Re-classification of accumulated exchange differences upon spin-out	-	1,359
Other income	(146)	(257)
(Gain)/loss on net monetary position	388	(167)
<b>Net loss</b>	<b>31,237</b>	<b>10,951</b>
<b>Other comprehensive (income)/loss</b>		
Foreign currency translation adjustment	8	171
Re-classification of accumulated exchange differences upon spin-out	-	(1,359)
Impact of hyperinflation	(679)	624
<b>Comprehensive loss for the year</b>	<b>30,566</b>	<b>10,387</b>

<b>Statements of Financial Position</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<i>Extracted from audited statements</i>	<i>Extracted from audited statements</i>
<b>‘000s CAD</b>	<b>IFRS</b>	<b>IFRS</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	6,741	4,043
Other current assets	550	1,698
	<b>7,291</b>	<b>5,741</b>
<b>Non-current assets</b>		
Equipment and other fixed assets	2,179	2,218
Mineral properties	10,065	10,609
Other non-current assets	210	164
<b>Total assets</b>	<b>19,745</b>	<b>18,732</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables and accrued liabilities	2,708	6,866
Current portion of debentures	29,259	19,519
Other current liabilities	72	229
	<b>32,039</b>	<b>26,614</b>
<b>Non-current liabilities</b>		
Non-current portion of debentures	-	8,399
Other non-current liabilities	62	74
<b>Total liabilities</b>	<b>32,101</b>	<b>35,087</b>
<b>Equity</b>		
Share capital	257,935	224,619
Contributed surplus	13,490	12,241
Deficit	(281,808)	(250,570)
Accumulated other comprehensive loss	(1,973)	(2,645)
	<b>(12,356)</b>	<b>(16,355)</b>
<b>Total liabilities and equity</b>	<b>19,745</b>	<b>18,732</b>

**Statements of Cash Flows**

	<b>Jan-Dec 2020</b>	<b>Jan-Dec 2019</b>
	<i>Extracted from audited statements</i>	<i>Extracted from audited statements</i>
<b>‘000s CAD</b>	<b>IFRS</b>	<b>IFRS</b>
Net cash used in operating activities	(30,023)	(35,209)
Net cash provided by financing activities	32,651	43,737
Net cash provided by (used in) investing activities	726	(8,602)
Effect of foreign exchange on cash balances	(657)	(911)
<b>Net increase (decrease) in cash during the year</b>	<b>2,697</b>	<b>(985)</b>
Cash, beginning of year	4,044	5,029
<b>Cash, end of year</b>	<b>6,741</b>	<b>4,044</b>

**Key Financial and Performance Data**

	<b>Jan-Dec 2020</b>	<b>Jan-Dec 2019</b>
	<i>Extracted from audited statements</i>	<i>Extracted from audited statements</i>
	<b>IFRS</b>	<b>IFRS</b>
Basic and diluted loss per common share	(0.12)	(0.04)
Weighted average basic and diluted shares outstanding	269,861,768	247,807,767

## Capitalisation, indebtedness and other financial information

The tables in this section describe Josemaria Resources' capitalisation and indebtedness as of January 31, 2021. The tables in this section should be read together with the information set out in the section "*Selected historical financial information*".

### Capitalisation

Set forth below is Josemaria Resources' capitalisation as of January 31, 2021, based on unaudited internal management records.

<i>'000s CAD</i>	<b>January 31, 2021</b>
<b>Current liabilities</b>	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	32,429
<b>Total current liabilities</b>	<b>32,429</b>
<b>Non-current liabilities</b>	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	49
<b>Total non-current liabilities</b>	<b>49</b>
<b>Total current and non-current liabilities</b>	<b>32,478</b>
<b>Shareholder equity</b>	
Share capital	258,239
Legal reserves	-
Contributed surplus, deficit and accumulated other comprehensive loss	(272,672)
<b>Total shareholder equity</b>	<b>(14,433)</b>

## Net indebtedness

Set forth below is Josemaria Resources' net indebtedness as of January 31, 2021, based on unaudited internal management records.

<i>'000s CAD</i>	<b>January 31, 2021</b>
A. Cash	5,337
B. Cash equivalents	-
C. Other current financial assets	499
<b>D. Liquidity (A) + (B) + (C)</b>	<b>5,836</b>
E. Current financial debt	3,035
F. Current portion of non-current financial debt	29,394
<b>G. Current financial indebtedness (E) + (F)</b>	<b>32,429</b>
<b>H. Net current financial indebtedness (G) - (D)</b>	<b>26,593</b>
I. Non-current financial debt	-
J. Debt instruments	-
K. Non-current trade and other payables	49
<b>L. Non-current financial indebtedness (I) + (J) + (K)</b>	<b>49</b>
<b>M. Total financial indebtedness (H) + (L)</b>	<b>26,642</b>

## Indirect and contingent indebtedness

The Company does not have indirect or contingent indebtedness.



## **Working capital statement**

Working capital refers to Josemaria Resources' ability to access cash and other available resources in order to be able to meet its liabilities as they fall due over the next twelve months.

As at December 31, 2020, the Company's working capital deficit was CAD 24.7 million.

Josemaria Resources is of the opinion that the Company does not have sufficient working capital for its present requirements for the next twelve months as of the date of the Prospectus. Funding currently in place is expected to last until April 2021. Following the closing of the Canadian Offering and the Private Placement, the Company is of the opinion that its working capital will potentially continue to not be sufficient to meet its anticipated requirements during the next twelve months. In order to meet all of the Company's anticipated liabilities as they come due over the next twelve months the Company is anticipated to require CAD 70.6 million, including the repayment of all liabilities as they come due and based on anticipated operating activities. In case the Canadian Offering and the Private Placement are not successfully closed and bringing in net proceeds to the Company in the anticipated amounts the Company will need to find alternative additional sources for financing its current and anticipated future 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 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. Should none of these alternative ways of reducing the working capital needs or of securing additional working capital be successful, there is a risk that the Company will be subject to a partial or complete reorganization, or that the Company is declared bankrupt.

As the Company is an early stage resource company and has no sources of revenue, additional funding from equity financing, joint ventures or disposition of mineral properties and investments may be required to fund further operating activities and corporate expenses. Such financing may not at all times be available to the Company in the amount required at any time, or, if available, it may not be obtained on terms which are satisfactory to the Company.

## **Investments**

Other than continuing investments in the Josemaria Project that are largely consistent with the historical costs of exploration and project evaluation, Josemaria Resources has no other material investments in progress or any material investments for which firm commitments have been made since the date of the last published financial statements.

The Company anticipates continuing to invest in activities to advance the Josemaria Project including the continuation of project engineering, construction execution planning and related

commercial studies. Following completion of the Feasibility Study, numerous additional studies are planned or ongoing, including those focused on:

- Material handling;
- Pre-cast pre-assembly modularization and off-site fabrication;
- Detailed power supply and associated commercial strategy development;
- Mine engineering and layout optimization;
- Additional geo-metallurgical testwork;
- Process plant layout, material handling and throughput optimization;
- Establishing project controls, administration and associated systems;
- Construction, procurement, and logistics strategy and management;
- Advanced work package development;
- Development of local sourcing plan initiatives;
- Concentrate handling, logistics and marketing;
- Geotechnical studies; and
- Project execution planning and early works preparedness.

In addition, the Company intends to invest in the recruitment and engagement of the Company's project execution team. The Company will continue to add the critical human resources required to lead the design, engineering, construction and start-up of the project as it moves forward.

Investments will also be incurred related to the Josemaria Project local access road engineering and associated studies in order to establish the road that will ultimately be utilized for construction and continuing operations. It is anticipated that investment will continue in ongoing environmental, social and permitting activities. Such activities will focus on continuing baseline studies, increased community engagement and work aimed at obtaining approval of the Company's ESIA which was submitted earlier in 2021 as well as additional sectoral permits, as required. The Company's investments are expected to be financed by the Canadian Offering, the Private Place and other future financings.

During the financial year ended December 31, 2020, the Company invested approximately CAD 29.9 million in the Josemaria Project which mainly related to engineering studies, drilling, environmental and other costs associated with the completion of a Feasibility Study.

During the financial year ended December 31, 2019, the Company invested approximately CAD 33.4 million in the Josemaria Project which mainly related to engineering studies, drilling, environmental and other costs associated with the completion of a Feasibility Study.

The funds for the investments during the financial years 2019 and 2020 came from equity financings and the facilities provided by Zebra and Lorito.

### **Significant changes since December 31, 2020**

It has not occurred any significant change in the financial results or financial position of the group since December 31, 2020.

# Board of directors, senior executives and auditor

## Board of directors

According to Josemaria Resources' Articles of Incorporation, the board of directors shall consist of not less than three directors, at least two of whom are not officers or employees of the Company or its affiliates. The board of directors currently consists of six members, appointed for the period until the close of the annual general meeting in 2021.

The section below presents the members of the board of directors, their position, the year of their initial election as well as their shareholding in Josemaria Resources.

<i>Board member</i>	<i>Position</i>	<i>Board member in Josemaria Resources since</i>
Ashley Heppenstall	Chairman	July 17, 2019
Adam I. Lundin	President, CEO & Director	July 17, 2019
Wojtek Wodzicki	Director	April 17, 2009
Paul Conibear	Director	July 17, 2019; Previously a Director from April 17, 2009 to Nov 10, 2016
Ron F. Hochstein	Director	September 16, 2019
Christine Batruch	Director	July 17, 2019

### Ashley Heppenstall

*Chairman since July 17, 2019.*

**Born:** April 12, 1962

**Principal education:** Mr. Heppenstall holds a degree in Mathematics from Durham University

**Other current positions:** Director of the following public companies: International Petroleum Corporation (TSX, Nasdaq Stockholm); Lundin Gold Inc. (TSX, Nasdaq Stockholm); Lundin Energy AB (Nasdaq Stockholm); Lundin Mining Corporation (TSX; Nasdaq Stockholm)

**Previous positions (the last five years):** Former President, Chief Executive Officer and Finance Director of Lundin Petroleum AB (now Lundin Energy) (Nasdaq Stockholm), from 2002-2015.

**Shareholding in Josemaria Resources:** Shares Held (Indirectly): 6,806,600

### Adam I. Lundin

*Director since July 17, 2019.*

**Born:** January 22, 1987

**Principal education:** Diploma, B.C. Institute of Technology; Diploma, University Montana Tech.

**Other current positions:** Director of the following public companies: Africa Energy Corp. (TSX-V, Nasdaq First North Stockholm); Filo Mining Corp. (TSX-V, Nasdaq First North Stockholm); NGEx Minerals Ltd. (TSX-V); and Lundin Energy AB (Nasdaq Stockholm).

**Previous positions (the last five years):** Former President and Chief Executive Officer of Filo Mining Corp. (TSX-V, Nasdaq First North Stockholm), from 2017-2020. Former Co-Head, London Office, Pareto Securities Ltd. from November, 2012 – 2017.

**Shareholding in Josemaria Resources:** Shares Held: 307,000

### **Wojtek Wodzicki**

*Director since April 17, 2009.*

**Born:** July 3, 1963

**Principal education:** Dr. Wodzicki has a doctorate in Geosciences from the University of Arizona

**Other current positions:** Dr. Wodzicki is the President and CEO and a Director of NGEx Minerals Ltd. (TSXV) and is a Director of Filo Mining (TSXV, Nasdaq First North Stockholm).

**Previous positions (the last five years):** Former President and Chief Executive Officer of the Company from April 17, 2009 to September 16, 2019; Former President and Chief Executive Officer of Filo Mining from May 12, 2016 to September 11, 2017.

**Shareholding in Josemaria Resources:** Shares Held: 1,213,200

### **Paul Conibear**

*Director since July 17, 2019; Mr. Conibear was also a Director from April 17, 2009 to November 10, 2016.*

**Born:** May 28, 1957

**Principal education:** Mr. Conibear is a Professional Engineer and holds a B.Sc. - Civil Engineer from the University of Waterloo, Waterloo, Ontario

**Other current positions:** Director of Lucara Diamond Corp. (TSX, Nasdaq Stockholm, BSE)

**Previous positions (the last five years):** President and CEO of Lundin Mining Corp. (TSX, Nasdaq Stockholm), from 2010 until 2018.

**Shareholding in Josemaria Resources:** Shares Held: 408,988

### **Ron F. Hochstein**

*Director since September 16, 2019.*

**Born:** November 20, 1961

**Principal education:** Mr. Hochstein is a Professional Engineer and holds an M.B.A. from the University of British Columbia and a B.Sc. from the University of Alberta.

**Other current positions:** President, Chief Executive Officer and a Director of Lundin Gold Inc. (TSX, Nasdaq Stockholm); and a Director of Denison Mines Corp. (TSX, NYSE American)

**Previous positions (the last five years):** Mr. Hochstein served as Executive Chairman of Denison Mines Corp. in 2015 and as President and Chief Executive Officer from 2009 to 2015.

**Shareholding in Josemaria Resources:** Shares Held: 32,400

## **Christine Batruch**

*Director since July 17, 2019.*

**Born:** March 1, 1959

**Principal education:** Ms. Batruch is a historian and lawyer by training, graduate of the University of Toronto and McGill University, respectively, admitted as barrister and solicitor at the Law Society of Upper Canada.

**Other current positions:** Ms. Batruch is Strategic Sustainability Advisor at Lundin S.A. (Nasdaq Stockholm) and is the President of the Board of Directors of the Bohdan Hawrylyshyn Family Foundation. Ms. Batruch is a member of the Board of Directors of the Lundin Foundation (Vancouver) and a member of the Advisory Board of the International Philanthropic Society (Stockholm). She is on the Editorial Board of the Journal of World Energy Law and Business (Oxford University Press) and of the Oil Gas and Energy Law Intelligence (online journal).

**Previous positions (the last five years):** Former Senior Strategic Advisor at Lundin Energy AB (Nasdaq Stockholm) and from 2001 to 2019, Ms. Batruch was the VP Corporate Responsibility at Lundin Energy AB (Nasdaq Stockholm).

**Shareholding in Josemaria Resources:** Shares Held: Nil

## **Senior executives**

The management currently consists of six persons. The section below presents the senior executives, their position, the year each person became a senior executive and their shareholding in Josemaria Resources.

<b>Name</b>	<b>Position</b>	<b>Senior executive in Josemaria Resources since</b>
Adam I. Lundin	President, CEO & Director	September 16, 2019
Ian Gibbs	CFO	September 1, 2019
Arndt Brettschneider	Vice President, Projects	August 6, 2019
Bob Carmichael	Vice President Exploration	June 13, 2012
Alfredo Vitaller	General Manager, Argentina	April 30, 2010

## **Adam I. Lundin**

*President & CEO since September 16, 2019 & Director since July 17, 2019.*

**Biography:** See above under “Board of Directors”.

## **Ian Gibbs**

*CFO since September 1, 2019.*

**Born:** December 20, 1968

**Principal education:** Mr. Gibbs is a Canadian Chartered Professional Accountant and a graduate of the University of Calgary where he obtained a Bachelor of Commerce degree.

**Other current positions:** Director of Africa Energy Corp. (TSX-V, Nasdaq First North Growth Market Stockholm); Africa Oil Corp. (TSX, Nasdaq Stockholm); Lundin Gold Inc. (TSX, Nasdaq Stockholm)

**Previous positions (the last five years):** Previously, Mr. Gibbs was CFO of Africa Oil Corp. (TSX, Nasdaq Stockholm) from September, 2009 to September, 2019.

**Shareholding in Josemaria Resources:** Shares Held: Nil

### **Arndt Brettschneider**

*Vice President, Projects since August 6, 2019.*

**Born:** October 15, 1972

**Principal education:** Mr. Brettschneider holds a Bachelor of Science with Honours from The University of Queensland in Brisbane, Australia and an MBA from Queen's University in Ontario, Canada.

**Other current positions:** N/A

**Previous positions (the last five years):** Vice President Mining Consulting & Asset Optimisation, Ausenco Engineering Canada Inc., from October, 2017 to April, 2019; Vice President, Mining Consulting, Amec Foster Wheeler Americas Limited, from October, 2008 to October, 2017.

**Shareholding in Josemaria Resources:** Shares Held: 60,000

### **Bob Carmichael**

*Vice President Exploration since September 1, 2011.*

**Born:** April 13, 1964

**Principal education:** Mr. Carmichael is a registered Professional Engineer in the province of British Columbia, and holds a Bachelor of Applied Science degree from the University of British Columbia

**Other current positions:** Vice-President, Exploration, NGEEx Minerals Ltd. (TSX-V); and Vice-President, Exploration, Filo Mining Corp. (TSX-V, Nasdaq First North Growth Market Stockholm)

**Previous positions (the last five years):** N/A

**Shareholding in Josemaria Resources:** Shares Held: 130,000

### **Alfredo Vitaller**

*General Manager, Argentina since April 30, 2010.*

**Born:** January 30, 1968

**Principal education:** MSc. In Geology, University of Nevada; Bachelor, Geology Universidad Buenos Aires, Arg.

**Other current positions:** N/A

**Previous positions (the last five years):** Former General Manager, South America, NGEx Minerals Ltd. (TSX-V) from July, 2017 to October, 2019; and Former General Manager, South America, Filo Mining Corp. (TSX-V, Nasdaq First North Growth Market Stockholm) from August, 2016 to September, 2019

**Shareholding in Josemaria Resources:** Shares Held: 204,100

### **Additional information regarding the board members and senior executives**

All board members and senior executives can be reached at Josemaria Resources' address: Suite 2000 - 885 West Georgia Street, Vancouver, British Columbia V6C 3E8 Canada.

There are no family ties between any of the board members or the senior executives. There are no arrangements or understandings between Josemaria Resources and any major shareholders, customers, suppliers or others, pursuant to which any board member or senior executive was elected or appointed to his or her current position.

No board members or senior executives have been convicted in relation to any fraudulent offences during the past five years. None of them have been involved in any bankruptcy, receiverships, liquidation or companies put into administration during the past five years in the capacity of a member of administrative, management or supervisory bodies or senior management. No official public incrimination and/or sanctions have been issued by statutory or regulatory authorities (including designated professional bodies) during the past five years against any of the board members or senior executives. No board member or the senior executives have during the past five years been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Some of the directors and employees/officers of the Company are also directors and employees/officers of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. In addition, certain individuals also serve as officers of Filo Mining and/or NGEx Minerals and are subject to a services agreement. Such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences will be that corporate opportunities presented to a director or employee/officer of the Company may be offered to another Company, or companies with which the director or employee/officer is associated, and may not be presented or made available to the Company. The directors and employees/officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any interest that they may have in any project or opportunity of the Company, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed by the Code and the CBCA.

In addition, a number of the board members and the senior executives have a financial interest in the Company through shareholdings. A number of the senior executives are, under certain conditions, entitled to severance pay of up to 18 months salaries following the termination of

the employment. Otherwise, no board member or senior executive has entered into an agreement with the Company providing benefits upon termination of employment.

### **Auditor**

PwC was elected as the Company's auditor at the annual general meeting on June 16, 2020 for the ensuing year. Lana Kirk, Partner, Assurance, a Chartered Professional Accountant of British Columbia and member of the Chartered Professional Accountants of Canada (Chartered Professional Accountants of Canada is a national organization and institute for the accounting profession in Canada), is the auditor in charge. PwC has been the Company's auditor since 2007. The auditor's office address is PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver BC V6C 3S7. For the financial year ended on December 31, 2020, the total remuneration to Josemaria Resources' auditor was CAD 162,333, of which 100% related to the Company. Of the total remuneration, CAD 89,264 related to audit services.



# Share capital and ownership structure

## Share information

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value, which have been created under the legislation of Canada. All of the issued Common Shares are fully paid and non-assessable. Shares affiliated with Euroclear will be registered in Euroclear's securities depository system and no physical share certificates in the Company are or will be issued for such Common Shares. The Common Shares are denominated in CAD. The Common Shares' ISIN code is: CA48086P1009. The Common Shares are traded on the TSX and Nasdaq Stockholm under the trading symbol: JOSE; and on the OTCQB Venture Market under the trading symbol: JOSMF.

At the date of this Prospectus, the Company had an aggregate of 302,983,409 Common Shares issued and outstanding and 15,978,000 options to purchase Common Shares outstanding under its stock-based incentive plans. At the date of this Prospectus, the Company held no Common Shares on its own account.

**Subject to the closing of the Private Placement and the Canadian Offering, the Board of Directors of the Company has resolved to issue the Shares. Subject to the Over-Allotment Option being exercised, the Board has also resolved to issue such number of Shares which corresponds to the Over-Allotment Option.**

## Dilution

The issue of the new Shares results in an increase in the number of shares in the Company of 73,208,900 Common Shares and 75,383,900 Common Shares if the Over-allotment Option is exercised in full, corresponding to a dilution of 19.46% and 19.92%, respectively.

## Certain rights attached to the shares

### *Voting rights*

Holders of Common Shares are entitled to receive notice of and attend all annual and special meetings of the shareholders and to one vote for each Common Share held on all matters voted on by shareholders, including the election of directors.

### *Preferential rights to new shares*

Not applicable.

### *Right to dividends and surplus in the event of liquidation*

All shares will carry equal rights to dividends as well as to the assets and any surplus in the event of dissolution of the Company, see also "*Dividends and dividend policy*".

The Company does not apply any restrictions or special procedures as regards cash dividends for shareholders which are not resident in Canada, with the exception of any restrictions which may follow from the bank and or clearing systems, any such payments will be made in the same manner for all shareholders, regardless if they are resident in Canada or not. In the event of dividends being paid, and a shareholder cannot be reached for such payment, the shareholder's receivable from the Company remains until it has become barred by the general statute of

limitations. In the event any amounts have been barred by the general statute of limitations, such amounts will be credited to the Company.

### ***Transferability of the shares***

There are no limitations to the free transferability of the Common Shares other than that (i) all securities issued with respect to the 2019 Lorito Debenture, the 2020 Zebra Debenture and 2020 Lorito Debenture are subject to a four month hold period following their respective issuance and (ii) and Shares issued pursuant to the Private Placement (as defined below) will be subject to a statutory hold period in Canada for a period of 4 months and one day.

### **Central Securities Depository Register**

The Company’s shares that are traded on Nasdaq Stockholm are registered in a central securities depository (“CSD”) register. The CSD register is operated by Euroclear Sweden (Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden). The ISIN code for the shares is CA48086P1009.

Shares issued outside of the Euroclear system are in both certificated and uncertificated form and certificated Common Shares are in registered form. The Company’s registrar and transfer agent in Canada is Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9. The CUSIP number for the shares is 480086P100

### **Warrants and convertibles**

As of December 31, 2020, the Company has not issued any convertible securities, exchangeable securities or securities with warrants.

### **Share Option Plan**

As at December 31, 2020, the Company had outstanding stock options to purchase a total of 10,862,000 Common Shares pursuant to the Company’s Amended Share Option Plan as adopted by the Board of Directors on May 5, 2020 and approved by shareholders on June 16, 2020.

### ***Outstanding Option-Based Awards***

The following table sets out for each Director the number of options outstanding on December 31, 2020. The options may be exercised from the date of vesting and until the Option Expiration Date.

<b>Director</b>	<b>Number of Securities Underlying Unexercised Options (#)</b>	<b>Option Exercise Price (CAD)</b>	<b>Option Expiration Date</b>
Ashley Heppenstall	125,000 <sup>(1)</sup>	1.01	August 9, 2024
	245,000 <sup>(2)</sup>	0.67	February 25, 2025
Adam I. Lundin	125,000 <sup>(1)</sup>	1.01	August 9, 2024
	1,125,000 <sup>(3)</sup>	0.61	November 8, 2024
Wojtek Wodzicki	450,000 <sup>(4)</sup>	0.81	February 26, 2021
	500,000	0.65	February 25, 2024
	245,000 <sup>(2)</sup>	0.67	February 25, 2025
Paul Conibear	125,000 <sup>(1)</sup>	1.01	August 9, 2024

	245,000 <sup>(2)</sup>	0.67	February 25, 2025
Ron F. Hochstein	125,000 <sup>(1)</sup>	0.61	November 8, 2024
	245,000 <sup>(2)</sup>	0.67	February 25, 2025
Christine Batruch	125,000 <sup>(1)</sup>	1.01	August 9, 2024
	245,000 <sup>(2)</sup>	0.67	February 25, 2025

- (1) These stock options will become fully vested on August 9, 2021.
- (2) These stock options will become fully vested on February 25, 2022
- (3) These stock options will become fully vested on November 8, 2021.
- (4) These stock options are fully vested.

### Ownership structure

The table below sets forth the Company's ownership structure and the persons which have an interest in Josemaria Resources capital or voting rights which is notifiable under Josemaria Resources' national law as of March 31, 2021 (including subsequent known changes)<sup>(1)</sup>.

Shareholder	Number of Common Shares	Percentage of votes
Lorito Holdings S.à.r.l. (“ <b>Lorito</b> ”) (2)	31,346,957	10.3%
Zebra Holdings and Investments S.à.r.l.(“ <b>Zebra</b> ”) (2)	86,451,341	28.5%

- (1) This information was obtained from the System for Electronic Disclosure by Insiders (SEDI). SEDI (<https://www.sedi.ca/sedi>) (the website is not incorporated by reference and does not form part of the Prospectus) is Canada's on-line, browser-based service for the filing and viewing of insider reports as required by various provincial securities rules and regulations and has not been independently verified by the Corporation.
- (2) Lorito and Zebra, who report their security holdings as joint actors, are private corporations owned by a trust whose settlor was the late Adolf H. Lundin. Together, Lorito and Zebra hold a total of 117,798,298 Common Shares, which represents approximately 38.9% of the current outstanding Common Shares. In addition, Lorito holds an unsecured USD 20 million Debenture issued by the Company (the “**2019 Lorito Debenture**”), which has a maturity date of April 25, 2021. For each USD 50,000 drawn and outstanding from time to time on the 2019 Lorito Debenture, the Company will issue an additional 800 Common Shares per month up to the maturity date. In addition, Zebra holds an unsecured USD 3.5 million Debenture issued by the Company (the “**2020 Zebra Debenture**”) and Lorito holds an unsecured USD 3.5 million Debenture issued by the Company (the “**2020 Lorito Debenture**”), both of which have a maturity date of November 25, 2021. For each USD 50,000 of the 2020 Lorito Debenture or the 2020 Zebra Debenture drawn and outstanding from time to time, the Company will issue an additional 920 Common Shares per month up to the maturity date. All securities issued with respect to the 2019 Lorito Debenture, the 2020 Zebra Debenture and 2020 Lorito Debenture are subject to a four month hold period. As of the date of this Prospectus, there is a total of USD 20.0 million drawn on the 2019 Lorito Debenture; USD 3.5 million drawn on the 2020 Lorito Debenture and USD 0.5 million drawn on the 2020 Zebra Debenture.

The Company's major shareholders do not have different voting rights.

As far as the Company is aware, the Company does not have any other major shareholders, other than Lorito and Zebra set out above, which, directly or indirectly, individually or jointly with others, own such number of Common Shares as to have control over the Company.

Following the issue of the Shares, Zebra will hold 22.85% of the Common Shares and Lorito will hold 16.15% of the Common Shares and jointly, they will hold 39.00% of the Common Shares. Thus, Lorito and Zebra will have a significant influence over the outcome of matters submitted to the Company's shareholders for approval. Such influence is, limited by Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions and other applicable laws and regulations.

### **Dividends and dividend policy**

The Company has not declared dividends during the periods covered by historical financial information in this prospectus and does not have a dividend policy in place and does not expect to declare dividends.

Under the CBCA, a corporation may pay a dividend in money or property or by issuing fully paid shares of the corporation. A corporation shall not declare or pay a dividend if there are reasonable grounds for believing that: (a) the corporation is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

### **Dividend history**

Josemaria Resources has not previously paid any dividends.

### **Shareholders' agreements**

The board of directors is not aware of any shareholders' agreements or other agreements aimed at joint influence over the Company. The board of directors is not aware of any other agreements that may lead to a change of control over the Company.

### **Information regarding public offers and mandatory public offers**

The CBCA contains the procedural requirements for going-private transactions and Canadian securities laws govern take-over bids. Under the CBCA, if a take-over bid is accepted by not less than ninety per cent of the shares of any class of shares to which the take-over bid relates (within 120 days after the date of a take-over bid), other than shares held at the date of the take-over bid by or on behalf of the offeror or an affiliate, or associate of the offeror, the offeror is entitled to acquire the shares held by any dissenting offerees.

If the acquiring company elects to proceed by way of take-over bid but fails to acquire the requisite percentage of the shares to permit a force-out of the minority, the company may implement a second-step transaction to squeeze out the minority by calling a shareholder meeting to approve a share reorganization or amalgamation of the target.

In Canada, there are several potential defensive tactics that a target company board of directors may adopt. Some of these tactics may be structural in nature and implemented in advance of any hostile take-over bid while others may be tactical in nature and implemented in response to a

hostile take-over bid. In general, the Canadian approach to the regulation of defensive tactics is based on the premise that, in the context of a potential change of control, shareholder interests have ultimate primacy and there should come a time when shareholders have the opportunity to determine the outcome of an unsolicited take-over bid. This approach is reflected in the statement of policies contained in National Policy 62-202 – Take-Over Bids Defensive Tactics (“NP 62-202”).

In NP 62-202, the CSA have stated that (i) the primary objective of the take-over bid provisions of Canadian securities legislation is the protection of the bona fide interests of shareholders of the target company; (ii) a secondary objective is to provide a regulatory framework within which take-over bids may proceed in an open and even-handed environment; and (iii) the take-over bid provisions should favour neither the bidder nor the management of the target company and should leave the shareholders of the target company free to make a fully informed decision.

The Canadian regulators are prepared to take appropriate action if they become aware of defensive tactics that will likely result in shareholders being deprived of the ability to respond to a take-over bid or to a competing bid.

NP 62-202 also sets out certain presumptions as to what may be proper or improper responses to a take-over bid, including:

- Prior shareholder approval may allay concerns that a defensive tactic is abusive.
- The timing of the defensive tactic may be relevant. Regulatory scrutiny may be attracted when conduct occurs during the course of a take-over bid (or immediately before a bid if the target board of directors has reason to believe that a bid is imminent).

Certain defensive tactics may activate regulatory scrutiny, including:

- The issuance of, the granting of an option on, or the purchase of, securities representing a significant percentage of the outstanding securities of the target company.
- The sale or acquisition of, granting of an option on, or agreeing to sell or acquire, assets of the target company of a material amount.
- Entering into a contract other than in the normal course of business or taking corporate action other than in the normal course of business.

No public offer has been made in respect of the Company’s Common Shares during the current or last financial year.

# Legal considerations and supplementary information

## Approval of the Prospectus

This Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “SFSA”) as competent authority in accordance with Regulation (EU) 2017/1129 (the “Prospectus Regulation”). The SFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or of the quality of the securities that are the subject of this Prospectus. This Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. The Prospectus has been prepared in English with a Swedish translation of the summary only.

## General corporate information

Josemaria Resources Inc. corporation no. 425318-3, is a public limited liability company continued under the Canada Business Corporations Act and extra-provincially registered and incorporated in British Columbia, Canada. The Company’s LEI Code is 5493004IYKC0CF8LLK27. The Company’s registered office is situated at Suite 2200 - 885 West Georgia Street Vancouver, British Columbia V6C 3E8 Canada. The address to the Company’s website is [www.josemariaresources.com](http://www.josemariaresources.com)<sup>4</sup> and telephone number +1 604 689 7842. The Company’s current legal and commercial name, Josemaria Resources Inc., was registered in accordance with the Canada Business Corporations Act on July 17, 2019. The Company has its registered office in Vancouver, British Columbia, Canada. The Company’s activities are carried out in accordance with the Canada Business Corporations Act and the Company’s Articles of Incorporation.

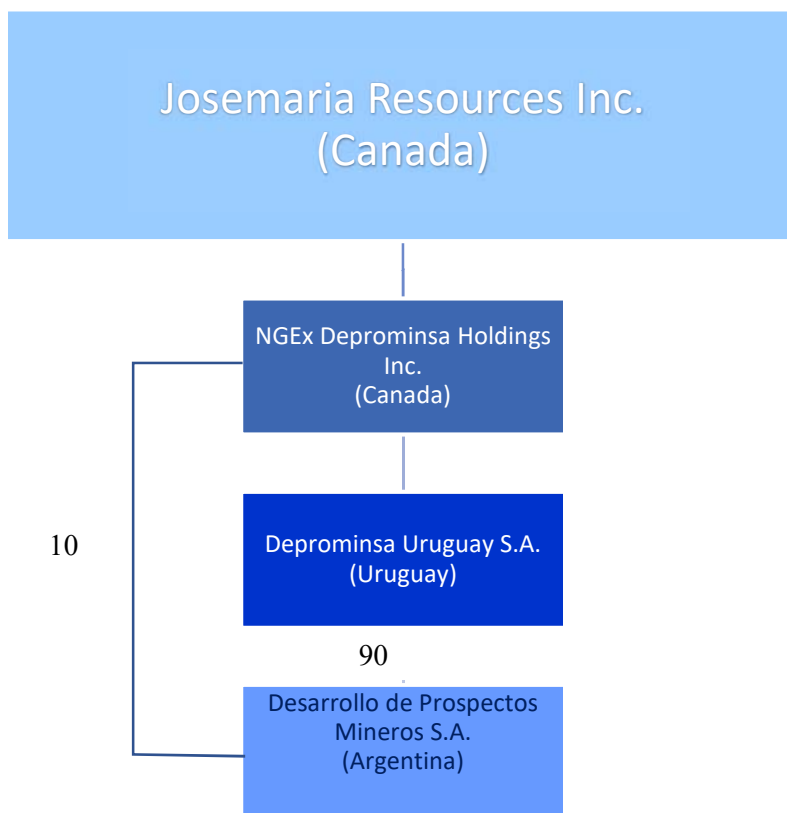
## Corporate structure

A significant portion of the Company’s business is carried on through its various subsidiaries. The following chart depicts the Company’s significant subsidiaries, including their respective

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<sup>4</sup> Apart from the documentation incorporated by reference, no information on the Company’s website form part of the Prospectus.

jurisdiction of incorporation and the percentage of voting securities in each that are held by the Company either directly or indirectly, as at December 31, 2020:



Note: Unless otherwise indicated, ownership is 100%

### Material agreements

Presented below is a summary of material agreements entered into by Josemaria Resources or any group company during the past two years as well as other agreements entered into by Josemaria Resources or any group company which contain rights or obligations of material importance for the group as at the date of this Prospectus (in both cases, excluding agreements entered into in the ordinary course of business).

### Financing agreements

- Underwriting Agreement dated August 4, 2020, between the Company and BMO Nesbitt Burns Inc. as lead-underwriter and sole bookrunner (the “**Lead Underwriter**”), and Canaccord Genuity Corp., PI Financial Corp., Cormark Securities Inc., and Haywood Securities Inc. (collectively with the Lead Underwriter, the “**Underwriters**”) whereby the Company agreed to issue and sell to the Underwriters 15,000,000 common shares of the Company (the “**Underwritten Shares**”) at a price of CAD 0.67 (the “**Issue Price**”) per Underwritten Share together with an option (the “**Over-Allotment**”).

**Option**”) to acquire up to an additional 2,250,000 Common Shares of the Company (the **“Over-Allotment Shares”**) at the Issue Price (the **“2020 Offering”**). The 2020 Offering closed on August 18, 2020, whereby a total of 17,250,000 Common Shares of the Company, including 2,250,000 Common Shares issued pursuant to the over-allotment option which was exercised in full, were sold at a price of CAD 0.67 per Common Share, for aggregate gross proceeds of approximately CAD 11.6 million. In addition, pursuant to a concurrent private placement, a total of approximately 29 million Common Shares were sold at the Issue Price for additional aggregate gross proceeds of approximately CAD 19 million. The concurrent private placement was to certain investors introduced to the Company by Pareto Securities Ltd. (**“Pareto Securities”**), and to certain other investors, including Lorito Holdings S.à.r.l and Zebra Holdings and Investments S.à.r.l.

#### **Other agreements**

- Arrangement Agreement dated April 17, 2019, between the Company (formerly NGEx Resources Inc) and NGEx Minerals Ltd. (formerly 11264796 Canada Inc.), whereby the Company and NGEx Minerals Ltd. agreed to proceed with a reorganization transaction by way of Plan of Arrangement (the **“NGEx Minerals Arrangement”**). On July 17, 2019, the NGEx Minerals Arrangement became effective, whereby the Company spun out its Los Helados project, together with other exploration properties and assets, into a then wholly-owned subsidiary of the Company, NGEx Minerals Ltd. (**“NGEx Minerals”**), by way of a Plan of Arrangement and changed its name to Josemaria Resources Inc. The Company subsequently distributed 100% of the NGEx Minerals common shares it received under the NGEx Minerals Arrangement to the Company’s shareholders.

#### **Government proceedings, legal proceedings and arbitration proceedings**

During the last twelve months, Josemaria Resources has not been a party in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Josemaria Resources is aware) which may have, or have had in the recent past, significant effects on the group’s financial position or profitability.

#### **Conflict of interests**

The Underwriters and Pareto Securities provide financial advice and other services to the Company in connection with the Canadian Offering and the Private Placement, respectively, for which they will receive customary remuneration. The Underwriters and Pareto Securities have in the ordinary course of business, from time to time, provided, and may in the future provide, various financial, investment, commercial and other services to the Company. In the ordinary course of their various business activities, certain of the Underwriters and Pareto Securities and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve the Company’s securities and instruments.



## **Related party transactions**

Josemaria Resources has not been party to any additional related party transactions during the period from January 1, 2021 up to and including the date of this Prospectus, save for related party transactions of a similar nature to those disclosed in the 2020 Year-end Audited Financial Statements, in which the Company provided services totalling approximately CAD 0.1 million and the Company received services totalling approximately CAD 0.2 million.

## **Technical information etc.**

Robert Carmichael, B.A.Sc., P.Eng., the Corporation's Vice President, Exploration, and Dustin Smiley, B.A.Sc., P.Eng., the Corporation's Engineering Manager are each a "Qualified Person" within the meaning of this term in NI 43-101 and have reviewed and approved sections of this Prospectus that are of a scientific or technical nature pertaining to the Josemaria Project and has verified the data disclosed herein.<sup>5</sup>

## **Documents incorporated by reference**

The following document is incorporated by reference and is thus a part of this Prospectus. The below document is available at <https://josemariaresources.com/site/assets/files/6136/2020-q4-ye-jose.pdf>. Any non-incorporated parts of the following document are either not relevant for the investor or covered elsewhere in the prospectus.

- The Company's audited 2020 Year End Financial Statements for the period January-December 2020, where the following sections are incorporated by reference:
  - (i) Consolidated Statements of Financial position (page 27); (ii) Consolidated Statements of Comprehensive Loss (page 28); Consolidated Statements of Cash Flows (page 29); (iii) Consolidated Statements of Changes in Equity (page 30); (iv) the notes (page 31-51); (v) the auditors report (pages 22-26); and (vi) the Management's Discussion and Analysis for the year ended December 31, 2020 (pages 1-20).

## **Documents available for inspection**

For the life of this Prospectus, the following documents are available in electronic form on the Company's website [www.josemariaresources.com](http://www.josemariaresources.com)<sup>6</sup> and or on [www.sedar.com](http://www.sedar.com)<sup>7</sup>:

- (a) the Company's Articles of Incorporation and certificate of registration;
- (b) the Josemaria FS;
- (c) up to date memorandum of incorporation of the Company or equivalent document; and
- (d) all reports, letters, and other documents, historical financial information and statements prepared by the Company and other information prepared by third parties which are included or referred to in this Prospectus.

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<sup>5</sup> The business address of Robert Carmichael and Dustin Smiley is Josemaria Resources Inc., Suite 2200, 885 West Georgia Street, Vancouver, B.C. V6C 3E8, Canada.

<sup>6</sup> Apart from the documentation incorporated by reference, no information on the Company's website form part of the Prospectus.

<sup>7</sup> Apart from the documentation incorporated by reference, no information on the website form part of the Prospectus.

**Information from third parties**

This Prospectus includes certain information derived from third parties. Such information has been accurately reproduced and as far as Josemaria Resources is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, Josemaria Resources has not independently verified the information, which is why its accuracy and completeness cannot be guaranteed.

## Regulatory disclosures

*Below is a summary of as at the date of the Prospectus relevant information disclosed under Regulation (EU) No 596/2014 (“MAR”) over the last 12 months.*

### **Financial statements**

- On February 25, 2021, the Company published its year-end report for the period January–December 2020.
- On November 13, 2020, the Company published its interim report for the period January–September 2020.
- On August 12, 2020, the Company published its interim report for the period January–June 2020.
- On May 11, 2020, the Company published its interim report for the period January–March 2020.

### **Financing**

- On March 26, 2021, Josemaria announced close of books of the Private Placement and that it has increased the size of its previously announced Private Placement of Shares of the Company, from the SEK equivalent of CAD 30.5 million to the SEK equivalent of CAD 40.5 million.
- On March 25, 2021, Josemaria announced the entering into of an agreement with a syndicate of underwriters led by BMO Capital Markets under which the underwriters agreed to buy 14,500,000 shares for gross proceeds of approximately CAD 10 million. The Company further announced a concurrent private placement of the SEK equivalent of approximately CAD 30.5 million to a Lundin family trust and certain other investors.
- On August 18, 2020, the Company announced the closing of the bought deal financing and the concurrent private placement for aggregate gross proceeds of approximately CAD 31 million.
- On July 29, 2020, the Company announced the increase in its previously announced private placement from CAD 15 million to CAD 19.7 million
- On July 28, 2020, Josemaria announced the entering into of an agreement with a syndicate of underwriters led by BMO Capital Markets under which the underwriters agreed to buy 15,000,000 shares for gross proceeds of approximately CAD 10 million. The Company further announced a concurrent private placement of approximately CAD 15 million to a Lundin family trust and certain other investors.
- On May 25, 2020, the Company announced that it had entered into the 2020 Lorito Facility and the 2020 Zebra Facility, two unsecured credit facilities, each for USD 3.5 million, for a total of USD 7,000,000.
- On April 30, 2020, the Company reported that it had entered into an agreement to extend the maturity date of a USD 5,000,000 credit facility evidenced by a debenture

issued to Zebra Holdings and Investments S.à.r.l. by the Company on October 5, 2018. The maturity date was extended from May 5, 2020 to December 12, 2020.

***Other regulatory releases***

- On December 10, 2020 Mr. Jack Lundin resigned from the Company's board of directors but the Company announced that he will continue to serve the Company as a key advisor to the board of directors.
- On October 19, 2020, the Company announced the results of the Feasibility Study for the Josemaria Project.
- On March 31, 2020, the Company announced that Mr. Lukas Lundin will resign as board member effective as from June 16, 2020 but that he will continue to serve the Company as a key advisor to the board of directors.
- On March 20, 2020, the Company communicated the demobilization of a majority of the Company's workforce from the Josemaria site in San Juan as a result of the COVID-19 pandemic.

## Certain tax considerations

The tax legislation in the investor's home country and in Canada may affect any income received from the Common Shares. Further, prospective investors should also be aware that Canadian tax laws may impact such investor's acquisition, holding of and/or divestment of Common Shares. The tax consequences for each individual shareholder depend to some extent on the holder's particular circumstances, and the tax legislation in an investor's and the issuer's respective states of residence, which may affect the taxation of the income of securities.

Each shareholder is recommended to consult a tax adviser for information on the specific tax consequences that may arise as a result of holding Common Shares in the Company, including the applicability and effect of foreign or other rules, tax treaties or from foreign exchange rate fluctuations between currencies which may be applicable.

In addition, prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, territorial, local, foreign and other tax consequences of acquiring, holding or disposing of Common Shares in the Company.



## Definitions and glossary

**2018 Zebra Facility** means an unsecured USD 5 million credit facility entered into by the Company on October 5, 2018, evidenced by a debenture issued to Zebra, which expired on December 12, 2020.

**2019 Lorito Facility** means an unsecured USD 20 million credit facility entered into by the Company on October 25, 2019, evidenced by a debenture issued to Lorito, which remains available until April 25, 2021.

**2019 Zebra Facility** means an unsecured USD 10 million credit facility entered into by the Company on June 12, 2019, evidenced by a debenture issued to Zebra, which expired on December 12, 2020.

**2020 Lorito Facility** means an unsecured USD 3.5 million credit facility entered into by the Company on May 25, 2020, evidenced by a debenture issued to Lorito, which remains available until November 25, 2021.

**2020 Zebra Facility** means an unsecured USD 3.5 million credit facility entered into by the Company on May 25, 2020, evidenced by a debenture issued to Zebra, which remains available until November 25, 2021.

**Ag** means silver.

**Au** means gold.

**Batidero Camp** means the Company's exploration camp, which is located 7 km south of the Josemaria deposit at an elevation of approximately 4,000 masl. The camp consists of transportable accommodation, messing, office, storage and medical structures with associated infrastructure for septic, sewage disposal, water distribution and electricity generation. It is currently configured to house approximately 210 people but will be expanded to include an additional 100 beds during the early works program of the project.

**Board of directors or the Board** means the board of directors of the Company.

**Canadian dollars or CAD** means Canadian dollars.

**CBCA** means the Canada Business Corporations Act.

**CIM** means the Canadian Institute of Mining, Metallurgy and Petroleum.

**CIM Definition Standards** means the CIM Definition Standards on Mineral Resources and Reserves adopted by CIM Council on May 10, 2014.

**Code** means Josemaria Resources' Code of Business Conduct and Ethics policy.

**Cu** means copper.

**Deprominsa** means Desarrollo de Prospectos Mineros S.A., a 100% owned subsidiary of the Company.

**Euroclear Sweden** means Euroclear Sweden AB.

**Feasibility Study or FS** is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations together with any other relevant operational factors and detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

**g/t** means grams per tonne.

**In** means inch.

**IRR** means internal rate of return.

**JOGMEC** means Japan Oil, Gas and Metals National Corporation.

**Josemaria FS or Josemaria Feasibility Study** means National Instrument 43-101 Technical Report dated November 5, 2020 with an effective date of September 28, 2020, titled “NI 43-101 Technical Report, Feasibility Study for the Josemaria Copper-Gold Project, San Juan Province, Argentina”, authored by Bob McCarthy, P.Eng., SRK Consulting (Canada) Inc.; Neil Winkelmann, FAusIMM, SRK Consulting (Canada) Inc.; Andy Thomas, P.Eng., SRK Consulting (Canada) Inc.; Cameron Scott, P.Eng., SRK Consulting (Canada) Inc.; Marcel Bittel, P.Eng., Fluor Canada Ltd.; Brian Johnston, P.Eng., Fluor Canada Ltd.; Daniel Ruane, P.Eng., Knight Piésold Ltd.; James Gray, P.Geo., Advantage Geoservices Ltd.; Fionnuala Devine, P.Geo., Merlin Geosciences Inc.; and Jeffrey Austin, P.Eng., International Metallurgical and Environmental Inc. each of whom are independent “Qualified Persons” for the purposes of NI 43-101.

**Josemaria, Josemaria Resources or the Company** means Josemaria Resources Inc., including its subsidiaries as applicable.

**Josemaria PFS** means the National Instrument 43-101 Technical Report dated December 19, 2018 with an effective date of November 20, 2018, titled “NI 43-101 Technical Report, Prefeasibility Study for the Josemaria Copper-Gold Project, San Juan Province, Argentina”, prepared and managed by SRK Consulting (Canada) Inc. with input from Ausenco Engineering Canada Inc. (Canada), Knight Piésold (Vancouver), BGC Engineering (Canada), Merlin Geosciences, and Gino Zandonai.

**Josemaria Project** means the Josemaria copper-gold porphyry project located in San Juan Province, Argentina.

**LOM** means life of mine.

**Lorito** means Lorito Holdings S.à.r.l., a private corporation owned by a trust whose settlor was the late Adolf H. Lundin. Lorito, together with Zebra, are related parties of the Company and report their security holdings as joint actors. Together, they hold a total of 117,798,298 Common Shares of the Company, which represents approximately 39.8% of the outstanding Common Shares, as of March 31, 2021. In addition, Lorito holds the 2019 Lorito Facility and



the 2020 Lorito Facility totalling USD23.5 million; and Zebra holds the 2020 Zebra Facility for USD 3.5 million.

**Los Helados** means the Los Helados copper-gold porphyry project located approximately 125 kilometres southeast of the City of Copiapo in Region III of Chile.

**m** means metre.

**masl** means metre above sea level.

**Mineral Reserve** has the meaning set out in the CIM Definition Standards.

**Mineral Resources** has the meaning set out in the CIM Definition Standards.

**Mt** means megaton.

**NAG** means non-acid generating.

**National Instrument 43-101** or **NI 43-101** means National Instrument 43-101 “Standards of Disclosure for Mineral Projects” adopted by the Canadian Securities Administrators.

**NPV** means net present value.

**NSR** means net smelter return.

**Oz** means troy ounce.

**PAG** means potentially acid generating

**PFS** means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.

**QA/QC** means quality assurance / quality control.

**Qualified Person** means a qualified person within the meaning of National Instrument 43-101.

**RC** means reverse circulation

**S** means sulphur.

**SEDAR** means the System for Electronic Document Analysis and Retrieval.

**SFSA** means the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*).

**Shares** means up to 75,383,900 Common Shares in Josemaria Resources Inc.

**SI** means International System of Units.

**SRK** means SRK Consulting (Canada) Inc.

**Swedish krona** or **SEK** means Swedish krona.

**T** means metric tonne.

**t/d** means tonnes per day.

**TSX** means the Toronto Stock Exchange.

**U.S. dollars or USD** means United States dollars.

**United States or the U.S.** means the United States of America

**Zebra** means Zebra Holdings and Investments S.à.r.l., a private corporation owned by a trust whose settlor was the late Adolf H. Lundin. Zebra, together with Lorito, are related parties of the Company and report their security holdings as joint actors. Together they hold a total of 117,798,298 Common Shares of the Company, which represents approximately 39.8% of the current outstanding Common Shares, as of March 31, 2021. In addition, Zebra holds the 2020 Zebra Facility for USD 3.5 million and Lorito holds the 2019 Lorito Facility and the 2020 Lorito Facility totalling USD 23.5 million.

**Conversion table**

In this Prospectus, metric units may be used with respect to Josemaria Resources' various mineral properties. Conversion rates from imperial measures to metric units and from metric units to imperial measures are provided in the table set out below.

<b><u>Imperial Measure</u></b>	<b>=</b>	<b><u>Metric Unit</u></b>	<b><u>Metric Unit</u></b>	<b>=</b>	<b><u>Imperial Measure</u></b>
2.47 acres		1 hectare	0.4047 hectares		1 acre
3.28 feet		1 metre	0.3048 metres		1 foot
0.62 miles		1 kilometre	1.609 kilometres		1 mile
2.2 pounds		1 kilogram	0.454 kilograms		1 pound
0.032 troy ounces		1 gram	31.1 grams		1 troy ounce
2,204.60 pounds		1 tonne	1 tonne		2,204.60 pounds

# Addresses

## The Company

### **Josemaria Resources Inc.**

Suite 2000 - 885 West Georgia Street  
Vancouver, British Columbia V6C 3E8  
Canada  
Telephone number: +1 604 689 7842  
[www.josemariaresources.com](http://www.josemariaresources.com)<sup>8</sup>

## Legal advisors to the Company

### ***As to Swedish law***

### **Gernandt & Danielsson Advokatbyrå KB**

Hamngatan 2  
P.O. Box 5747  
SE-114 87 Stockholm  
Sweden

## Auditor

### **PricewaterhouseCoopers LLP**

PricewaterhouseCoopers Place,  
250 Howe Street, Suite 1400,  
Vancouver BC V6C 3S7 Canada

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<sup>8</sup> Apart from the documentation incorporated by reference, no information on the Company's website form part of the Prospectus.