

Josemaria Resources Announces the Mailing of Meeting Materials in Connection with the Special Meeting to Approve Acquisition by Lundin Mining

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VANCOUVER, March 29, 2022 - [Josemaria Resources Inc.](#) (TSX: JOSE) (OMX: JOSE) (OTCQB: JOSMF) ("Josemaria" or the "Company"), is pleased to announce it has mailed and filed a management information circular dated March 16, 2022 (the "Circular") and related meeting materials (collectively, the "Meeting Materials") for its special meeting (the "Meeting") of Securityholders (as defined below) to be held April 21, 2022, in connection with the proposed acquisition of all of the outstanding shares of the Company ("Josemaria Shares") by [Lundin Mining Corporation](#) ("Lundin Mining") (TSX:LUN) (OMX: LUMI) announced on December 20, 2021 (the "Transaction" or the "Arrangement"). View PDF

The Meeting will be held virtually at <https://meetnow.global/MG2RP2J> on April 21, 2022 commencing at 10:00 a.m. (Vancouver time). Holders of Josemaria Shares (the "Shareholders"), holders of stock options of the Company (the "Optionholders" and, together with the Shareholders, the "Securityholders"), and their duly appointed proxyholders will have an equal opportunity to participate in the Meeting regardless of their geographic location.

On March 10, 2022, the Company obtained an interim order (the "Interim Order") from the Supreme Court of British Columbia (the "Court") authorizing the holding of the Meeting and matters relating to the conduct of the Meeting. At the Meeting, Securityholders will be asked to consider and, if deemed acceptable, pass a special resolution (the "Arrangement Resolution") approving an arrangement with Lundin Mining pursuant to a statutory plan of arrangement (the "Plan of Arrangement") under section 192 of the Canada Business Corporations Act. As announced in the Company's press release of December 20, 2021, the Transaction will be carried out pursuant to the terms of an arrangement agreement dated December 19, 2021 among Josemaria and Lundin Mining (the "Arrangement Agreement") and the terms of the Plan of Arrangement. As a result of the Plan of Arrangement, Josemaria will become a wholly-owned subsidiary of Lundin Mining.

The Meeting Materials contain important information regarding the Transaction, how Securityholders can participate and vote at the Meeting, and the background that led to the Arrangement, including the reasons that led the special committee of independent directors of the Company (the "Special Committee") as well as the board of directors of the Company (the "Board") to unanimously determine that the Arrangement is in the best interests of the Company and is fair to its shareholders, to approve the Arrangement Agreement, and to recommend that Securityholders vote "FOR" the Arrangement Resolution. Pursuant to the terms of the Interim Order, Securityholders of record at the close of business on March 10, 2022 will be entitled to receive notice of, attend and vote at the Meeting. Securityholders should carefully review all Meeting Materials as they contain important information concerning the Arrangement and the rights and entitlements of the Securityholders. The Meeting Materials have been filed by the Company on SEDAR and are available thereat under the Company's profile at www.sedar.com, and on the Company's website at www.josemariaresources.com/investors/corporate-filings/.

Pursuant to the terms of the Interim Order, to be effective, the Arrangement Resolution must be approved by at least: (i) 66% of the votes cast by the Shareholders present in-person (virtually) or represented by proxy at the Meeting; and (ii) 66% of the votes cast by the Josemaria Securityholders, voting together as a single class, present in person (virtually) or represented by proxy at the Meeting.

Subject to obtaining approval of the Arrangement Resolution at the Meeting, and the satisfaction of the other customary conditions to completion of the Transaction, including final approval of the Court, all as more particular described in the Meeting Materials, the Transaction is expected to close on or around April 28, 2022.

Reasons for the Arrangement

In evaluating the Arrangement and in making its recommendations, the Board and Special Committee gave careful consideration to the current and expected future position of the business of Josemaria and all terms

of the draft Arrangement Agreement, including the conditions precedent, representations and warranties and deal protections. The Board and Special Committee considered a number of factors including, among others, the following:

- **Premium.** The Consideration (as defined below) to be received by Shareholders pursuant to the Arrangement represents a premium of 31% on a spot basis and 29% using the trailing 10-day volume weighted average trading price on the TSX of each company as of market close on December 17, 2021.
- **Strengths and Strategic Fit.** As 70% of the total Consideration (as defined below) is being offered in the form of Lundin Mining Shares, Shareholders are being offered the opportunity to benefit from: the consolidation of significant and strategic mining assets globally; both jurisdictional and project risk diversification in a company that has multiple mines operating globally; enhanced share trading liquidity, and access to substantial corporate expertise in several functional areas including finance, IT, human resources and investor relations. Shareholders will also be able to continue to participate in the potential upside from any operational success related to the properties of Josemaria, as well as the properties of Lundin Mining. It is expected that Shareholders will hold or be issued a maximum of approximately 39.7 million common shares of Lundin Mining ("Lundin Mining Shares"), as may be adjusted in accordance with the Plan of Arrangement, on an outstanding undiluted basis representing approximately 5% of the total Lundin Mining Shares outstanding.
- **Process.** Josemaria has communicated with several other parties regarding potential transactions. These parties included strategic parties as well as financial investors, and reviewed a wide array of potential transactions including strategic investments, streaming transactions, joint ventures, and an outright purchase. The Arrangement has emerged as the most attractive path forward.
- **Business and Industry Risks.** The business, operations, assets, financial condition, operating results and prospects of Josemaria are subject to significant uncertainty, including risks associated with obtaining required financing on acceptable terms or at all. The Special Committee concluded that the consideration under the Arrangement is more favourable to Shareholders than continuing with Josemaria's current business plan in light of these risks and uncertainties.
- **Fairness Opinion.** The Meeting Materials include a fairness opinion from BMO Capital Markets (the "Fairness Opinion") which states that, subject to and based on the considerations, assumptions and limitations described therein, the Consideration is fair, from a financial point of view, to the Shareholders. The Board and Special Committee considered the compensation arrangements with BMO Capital Markets when considering the Fairness Opinion.
- **Ability to Respond to Unsolicited Superior Proposals.** Subject to the terms of the Arrangement Agreement, the Board will remain able to respond to any unsolicited bona fide written proposal that, having regard to all of its terms and conditions, if consummated in accordance with its terms, could reasonably be expected to lead to a Superior Proposal (as such term is defined in the Arrangement Agreement). The amount of the termination fee payable in certain circumstances, being \$20,000,000, would not, in the view of the Special Committee preclude a third party from potentially making a Superior Proposal.
- **Negotiated Transaction.** The Arrangement Agreement is the result of a comprehensive negotiation process with respect to the key elements of the Arrangement Agreement and Plan of Arrangement, which includes terms and conditions that are reasonable in the judgment of the Special Committee.
- **Fairness of the Conditions.** The Arrangement Agreement provides for certain conditions to completion of the Arrangement, which conditions are not unduly onerous or outside market practice and could reasonably be expected to be satisfied in the judgment of the Special Committee.
- **Dissent Rights.** The terms of the Plan of Arrangement provide that Shareholders who oppose the Arrangement may, upon compliance with certain conditions, exercise dissent rights and, if ultimately successful, receive fair value for their shares. The Meeting Materials contain detailed information regarding the dissent rights of Shareholders in connection with the Arrangement.

Transaction Details

Under the terms of the Arrangement Agreement, which was negotiated at arm's length, each Shareholder (other than those Shareholders validly exercising their dissent rights, and Lundin Mining and any of its subsidiaries) will receive as consideration for such Shareholder's Josemaria Shares, at such Shareholder's election, on the closing of the Arrangement:

- (i) \$1.60 in cash for each Josemaria Share held (the "Cash Consideration"), or
- (ii) 0.1487 of a Lundin Mining Share for each Josemaria Share held (the "Share Consideration"), plus for each whole Lundin Mining Share issued to such Shareholder, \$0.11 in cash will also be paid to such Shareholder (the "Share Consideration Cash Payment"), or
- (iii) any combination thereof.

The Cash Consideration and Share Consideration (together, the "Consideration") is subject, in each case, to

pro-rata based on a maximum cash consideration of approximately \$183 million and a maximum of approximately 39.7 million Lundin Mining Shares to be issued pursuant to the Plan of Arrangement, subject to adjustment in accordance with the Plan of Arrangement. The Shareholders who do not make an election or a valid election will be deemed to have elected the Share Consideration (together with the applicable Share Consideration Cash Payment) in respect of each Josemaria Share held, subject to pro-rata. Optionholders who have not validly exercised their Josemaria stock options in accordance with the Plan of Arrangement prior to the closing date of the Transaction will be entitled to receive that number of fully-vested options to acquire Lundin Mining Shares from Lundin Mining in accordance with the Plan of Arrangement.

Pursuant to certain voting and support agreements dated December 19, 2021, the directors and officers of the Company and certain significant Shareholders have agreed to vote all of their Josemaria securities in favour of the Arrangement Resolution at the Meeting.

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

Recent Developments

On March 23, 2022, subsequent to the date of the Circular, Lundin Mining announced the appointment of Ms. Juliana (Julie) Lam to Lundin Mining's Board of Directors with immediate effect. Lundin Mining also announced that director Mr. Peter Jones has advised that he will be retiring as at the upcoming annual meeting of shareholders of Lundin Mining (the "Lundin Mining AGM"), and that Mr. Adam Lundin, President, Chief Executive Officer and a director of Josemaria, will be proposed as a director nominee of Lundin Mining to stand for election at the Lundin Mining AGM.

Additional information will be included in the management information circular to be filed by Lundin Mining in connection with the Lundin Mining AGM, which will be deemed to be incorporated into the Circular.

ABOUT JOSEMARIA

[Josemaria Resources Inc.](#) is a natural resources company focused on developing its advanced stage, 100% owned Josemaria Copper-Gold Project in the San Juan Province of Argentina. The Company is a reporting issuer in all Provinces and its corporate head office is in Vancouver, BC. The Company's shares are listed on the TSX and on Nasdaq Stockholm under the symbol "JOSE", and trade on the OTCQB under the symbol "JOSMF".

ADDITIONAL INFORMATION

The information was submitted for publication, through the agency of the contact person set out below, on March 29, 2022 at 4:45 pm EST.

On behalf of the Board of Directors of Josemaria Resources,

Adam Lundin,
President and CEO

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

This press release includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking information") within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein, including, without limitation, the

consummation and timing of the Transaction; the satisfaction of the conditions precedent to the Transaction, including final Court approval to be obtained in connection therewith, the approval of the Transaction by the Securityholders and the expected timing of closing of the Transaction; the strengths, characteristics and potential of Lundin Mining post-Transaction; timing, receipt and anticipated effects of regulatory approvals; the impact of the Transaction on employees and local stakeholders; and discussion of future plans, projects, objectives, estimates and forecasts and the timing related thereto. Forward-looking information is frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. These forward-looking statements may also include statements regarding the Company's ability to meet all conditions precedent set forth in the Arrangement Agreement, the Company's ability to secure the final Court approval in connection with the Transaction, the approval of the Transaction by the Securityholders, and the required regulatory approvals; or other statements that are not statements of fact.

Forward-looking information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Important factors that could cause actual results to differ materially from the Company's expectations include failure to receive the required court and regulatory approvals to effect the Transaction; changes in laws, regulations and government practices; the potential of a third party making a superior proposal to the Transaction; risks pertaining to the outbreak of the global pandemics, including COVID-19; government regulation of mining operations; environmental risks; and other risks and uncertainties disclosed in the Company's periodic filings with Canadian securities regulators and in other Company reports and documents filed with applicable securities regulatory authorities from time to time, including the Company's Annual Information Form available under the Company's profile at www.sedar.com. The Company's forward-looking information reflects the beliefs, opinions, and projections on the date the statements are made. The Company assumes no obligation to update the forward-looking information or beliefs, opinions, projections, or other factors, should they change, except as required by law.

SOURCE [Josemaria Resources Inc.](http://JosemariaResourcesInc.com)

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