JOSEMARIA RESOURCES

2020 THIRD QUARTER REPORT

Management's Discussion and Analysis
and
Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2020
(UNAUDITED)

This management's discussion and analysis ("MD&A") of the results of operations and financial condition for Josemaria Resources Inc. ("the Company", "Josemaria Resources", "we" or "us" or "our") has been prepared as of November 13, 2020 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2020 and the related notes therein (the "2020 Financial Statements"); the Company's annual audited consolidated financial statements for the year ended December 31, 2019 and the related notes therein ("2019 Financial Statements"); and the MD&A for the fiscal year ended December 31, 2019 ("2019 MD&A"). The 2020 Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Report. This MD&A focuses on significant factors that have affected the Company and its subsidiaries and such factors that may affect its future performance. All dollar amounts expressed throughout this report are in Canadian dollars, unless otherwise indicated.

This MD&A contains forward-looking statements that are subject to risk factors as set out in the "Cautionary Note Regarding Forward Looking Information and Statements" on Page 12. Additional information about the Company and its business activities is described in the Company's annual information form (the "2019 AIF"). The 2019 AIF is available on SEDAR at www.sedar.com and on the Company's website at www.josemariaresources.com.

CORE BUSINESS

Josemaria Resources is a Canadian natural resources company focused on advancing the development of its wholly-owned Josemaría copper-gold-silver project located in San Juan Province, Argentina (the "Josemaría Project"). The Company is a reporting issuer in all provinces and territories of Canada and its corporate head office is in Vancouver, B.C. The Company trades under the ticker symbol of "JOSE" on the TSX and on the NASDAQ Stockholm Stock Exchange ("OMX"), and under the ticker symbol of "JOSMF" on the OTCQB Venture Market. The Company announced the results of the Josemaria Project Independent Feasibility Study (the "Feasibility Study") via the Company's press release on October 19, 2020 (the "Feasibility Study Press Release").

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 our 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.

JOSEMARÍA PROJECT FEASIBILITY STUDY

On October 19, 2020, the Company announced the results of the Feasibility Study prepared by a team of engineering and consulting service providers led by Fluor Canada Ltd. with key sections prepared by SRK Consulting (Canada) Inc., and Knight Piésold Ltd. with input from a variety of independent consultants and qualified persons, and in accordance with the disclosure standards of National Instrument 43-101 ("NI 43-101") for its 100% owned copper-gold-silver Josemaria Project located in San Juan, Argentina.

The Feasibility Study demonstrates 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").

Highlights of the Feasibility Study include.

- US$1.53 billion("B") after-tax Net Present Value at an 8% discount rate ("NPV8") and a 15.4% Internal Rate of Return ("IRR") at metal prices of US$3.00 per pound ("lb") copper, US$1,500 per ounce ("oz") gold and US$18 per ounce silver.

- Total contained metal in the proven and probable mineral reserve of 6.7B lb Cu, 7.0 million oz Au and 30.7 million oz Ag with mineral resources open at depth.
- A proven and probable mineral reserve of 1,012 million tonnes ("Mt") with diluted grades of 0.30% Cu, 0.22 grams per tonne ("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.
- Optimised mine production plan with average grades in the initial 3 full years of production notably better than the life of mine average, supporting strong investment payback potential and driving a 3.8-year payback period from the start of production.
- 19-year mine life optimised to maximise early cash flow with average annual production over the initial 3 years of 166,000t Cu, 331,000oz Au and 1,248,000oz Ag payable metal in concentrate.
- 152,000 tonnes per day average life-of-mine process plant throughput with a 3-line conventional Semi Autogenous Ball Mill Crushing (SABC) circuit utilising an optimised layout for a maximised gravity flow circuit.
- Simple and conventional metallurgical extraction process utilising conventional flotation reagents without the use of cyanide.
- Life-of-mine average recoveries of 85.2% for Cu, 62.6% Au and 72% Ag, producing clean, precious metal rich concentrate, with 27% Cu content and no significant penalty elements.
- A total initial project capital cost of $3.09B including all engineering, procurement, construction, and management, site and offsite infrastructure, pre-construction engineering work and contingency.
- Life-of-mine Total Cash Cost of US$1.55/lb Copper Equivalent production including Mining of US$0.34/lb, Processing of US$0.52/lb, TCRC & Shipment of US$0.47/lb, Royalty of US$0.06/lb and Sustaining Capex of US$0.16/lb with General and Administrative costs ("G&A") being apportioned to appropriate areas.
- 100% of planned infrastructure is within the pro-mining San Juan Province, simplifying permitting and approval processes to ensure a clear path to project development.
- Ready access to, and availability of, all essential resources including abundant water, grid power and transportation and logistics infrastructure within San Juan Province.
- Concentrate logistics utilising truck and rail transport from site to an export port in Rosario, Argentina.
- Design incorporates the latest technology, including autonomous truck and production drill fleets and optionality to incorporate green energy.
- Clear and achievable project execution plan demonstrates commercial production could be achieved by early 2026.
- Environmental and Social Impact Assessment ("ESIA") is already well underway and is expected to be submitted to relevant authorities for assessment in Q1, 2021.

The Technical Report summarizing the results of the Feasibility Study, prepared under NI 43-101 Standards for Disclosure for Mineral Projects, was filed on November 5, 2020 and is available under the Company's profile on SEDAR.

The Company intends to continue with an ambitious work plan to advance Josemaria and has already commenced a bridging phase of engineering prior to the initiation of basic and detailed engineering planned for 2021.

OUTLOOK

The Company continues to progress toward development of the Josemaria Project as detailed in the Feasibility Study. A bridging phase of engineering activities is ongoing, in advance of basic engineering which is expected to commence in 2021. The ESIA is progressing according to plan in anticipation of submission to the relevant authorities in the first quarter of 2021. We continue active engagement with the Argentina federal and San Juan provincial authorities to advance the Josemaria Project, including discussions aimed at finalizing and securing commercial and fiscal terms applicable to the Josemaria Project.

SUMMARY OF QUARTERLY RESULTS

Financial Data for 8 Quarters								
Three Months Ended	**Sep-20** *(3rd qtr)*	**Jun-20** *(2nd qtr)*	**Mar-20** *(1st qtr)*	**Dec-19** *(4th qtr)*	**Sept-19** *(3rd qtr)*	**Jun-19** *(2nd qtr)*	**Mar-19** *(1st qtr)*	**Dec-18** *(4th qtr)*
(In thousands $ except for per share amounts)								
Exploration and project evaluation	2,544	4,447	19,355	10,510	3,926	7,035	14,070	5,350
Unrealized foreign exchange (gain) / loss	(1,240)	(1,811)	2,968	(413)	165	(29)	(47)	199
Foreign exchange and trading gains realized on equity investments	(657)	(2,296)	(2,037)	-	-	-	-	-
(Gain) / loss on net monetary position	8	195	114	(88)	365	(73)	(371)	1,022
Net (income)/loss	2,693	2,318	22,959	11,097	(23,522)(ii)	8,073	15,302	6,328
Total basic and diluted (income)/loss per share(i)	0.01	0.01	0.09	0.04	(0.09)	0.03	0.06	0.03

(i) As a result of rounding the sum of the quarterly amounts may differ from the year to date.

(ii) A $30 million gain on spin-out transaction and $1.3 million loss arising from the recycling of cumulative other comprehensive income were recognized during fiscal 2019. The Company has revised in the table above its previously reported September 30, 2019 unaudited condensed consolidated interim financial statements to reflect the amount of the gain recognized from reclassification of accumulated exchange differences upon spin-out of the spinout exploration business. In the quarter ended September 30, 2019, the Company recorded a gain on re-classification of accumulated exchange differences upon spin-off of $9.5 million. However, in connection with the preparation of its consolidated financial statements for the year ended December 31, 2019, the Company revised the amount recycled to be a loss of $1.3 million.

Changes in net losses and cash flow used in operating activities for the quarter are primarily affected by the level of exploration and project investigation activity during that period. As camp activities, including drilling, are generally not carried out during the winter season in South America, exploration and project investigation expenditures and cash flow used in operations are typically lower during the second and third quarter of each year compared to other quarters. The amount of cash resources available and timing of financing also affect the extent of exploration programs and the costs incurred in a given period.

QUARTERLY RESULTS

The Company's net loss for the three and nine months ended September 30, 2020 was $2.7 million and $28.0 million, respectively, compared to net income of $23.5 million and $0.1 million, respectively, for the same periods in 2019. When excluding the one-time gain on spin-off transaction of $30.8 million and reclassification of accumulated exchange differences upon spin-off of $1.4 million, the net loss for the three and nine months ended September 30, 2019, is $6.0 million and $29.3 million, respectively. When excluding the one-time items, the decrease in the net loss for the three months ended September 30, 2020 is primarily related to the winding down of certain exploration and project investigation activities as the Company worked towards completing its Feasibility Study, which was published in a news release dated October 19, 2020. Exploration and project investigation expenditures for the three months ended September 30, 2020, all of which relate to the Josemaria Project, decreased to $2.5 million as compared to $3.9 million incurred in the comparative period (which includes $3.8 million incurred on the Josemaria Project). The Company's primary exploration and project investigation expenditures during the three months ended September 30, 2020 consist of costs related to the completion of the Feasibility Study.

Overall general and administrative ("G&A") costs for the three months ended September 30, 2020 totaled $1.1 million compared to $1.3 million over the same period in 2019. Costs remain largely comparable period to period, but the 2020 period included increases in salaries and benefits and travel costs, offset by decreases in professional fees, share-based compensation and promotional expenditures. Share-based compensation is a non-cash charge reflecting the expense associated with the vesting of outstanding stock options during the period.

During the three months ended September 30, 2020, the Company recognized a net monetary loss of $0.08 million (2019 – $0.4 million) in relation to the application of hyper-inflationary accounting for the Company's Argentine subsidiary, which began July 1, 2018. In other comprehensive loss, the Company recognized a gain of $0.1 million resulting from the impact of hyper-inflation accounting which consists of adjustments recognized on the continuing inflation of opening non-monetary balances during the three months ended September 30, 2020 (2019 – loss of $1.6 million), and the ongoing translation of the Company's Argentine subsidiary into the Canadian dollar presentation currency following July 1, 2018, as mentioned above. A detailed discussion regarding the application of hyper-inflationary accounting has been provided in the notes to the condensed interim consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

(In thousands $)	September 30, 2020	December 31, 2019
Cash	$ 14,765	$ 4,043
Working capital	(18,357)	(20,872)

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 $0.67 per common share for gross proceeds of $31.3 million, less issuance costs of $1.4 million, for net proceeds of $29.9 million. Of the net proceeds received, $14.7 million was used to pay down the $US 10.0 million 2019 Zebra Debenture Facility in full and $US 1.15 million of the $US 5.0 million 2018 Zebra Debenture Facility.

On May 25, 2020, the Company secured two credit facilities, evidenced by debentures, totaling US$7,000,000 (collectively the "2020 Facilities"), one with Lorito for US$3,500,000 (the "Lorito 2020

Facility") and one with Zebra for US$3,500,000 (the "Zebra 2020 Facility"), each of which has a term of 18 months ending November 25, 2021. No interest is payable during the term of the 2020 Facilities, however, any amount of the Lorito 2020 Facility or the Zebra 2020 Facility remaining unpaid and outstanding on or after November 25, 2021 shall bear interest at a rate of 5.00% per annum until repaid in full. During the nine months ended September 30, 2020, the Company issued 3,612,532 (2019 – 307,239) shares as consideration for the funds drawn on the facilities, with an additional 413,700 common shares issuable as at September 30, 2020, resulting in $2.6 million in finance costs recognized for the nine months ended September 30, 2020 (2019 – $0.3 million). Lorito reports its security holdings in the Company as a joint actor with Zebra, and they collectively held more than 38% of the Company's issued and outstanding common shares as at September 30, 2020. As of the date of this MD&A, US$4.0 million remains undrawn on the Company's facilities.

The Company does not currently generate income from operations. As at September 30, 2020, the Company's working capital deficit is $18.4 million, and while the net $29.9 million financing from August 2020 provides sufficient capital for the Company to fund operations for the near term, the Company will need further funding to support the advancement of the Josemaria Project towards development and to meet general corporate and working capital requirements. Historically, capital requirements have been funded through equity financing, joint ventures, disposition of mineral properties and investments, and 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 the progress and results of ongoing project evaluation activities at the Company's Josemaria Project, the state of international debt and equity markets, investor perceptions and expectations of the global copper, gold, and/or silver markets, and the ongoing novel coronavirus ("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.

During the nine months ended September 30, 2020, the Company used $26.6 million (2019 – $26.1 million) in operating activities. During the nine months ended September 30, 2020, the Company obtained $37.7 million from financing activities (2019 – $27.7 million), which consists of funds raised via private placement and a bought deal of $29.9 million, funds drawn on the Company's outstanding debentures of $22.5 million, less $14.7 million repaid on outstanding debentures. The prior period included $19.7 million raised via private placement, $20.4 million drawn on debentures and $1.0 million of inflows related to the exercise of Company stock options, offset by $5.8 million repaid on outstanding debentures and $7.5 million paid in connection with the Company's spin-off of NGEx Minerals. During the nine months ended September 30, 2020, the Company used $4,493 to acquire fixed assets, whereas during the prior period the Company used $1.5 million to acquire mineral properties and fixed assets. The Company's cash position was also negatively affected by changes in foreign exchange rates of $0.3 million (2019 – $0.7 million).

COVID-19

During the first three quarters of 2020 and as of the date of this MD&A, the Company continues to be affected by the COVID-19 pandemic that has evolved into a global crisis. During March 2020, the Company successfully completed all essential components of the 2019/2020 field season, prior to safely demobilizing the majority of the workforce from the Josemaria Project in San Juan, Argentina. The accelerated demobilization of personnel from the Josemaria Project only affected 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 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. COVID-19 related restrictions issued by the government of Argentina, the province of San Juan and local authorities have resulted in the temporary suspension of certain work programs. These work programs will recommence at an appropriate time when work can resume safely and adhere to government-mandated protocols.

The pandemic and the resultant response to combat it has resulted in the implementation by numerous governments of non-routine measures such as quarantines, travel restrictions and business closures, which are designed to contain the spread of the outbreak. These measures have negatively impacted the global economy and have led to volatile market conditions and commodity prices and, despite some indications of economic recovery, the Company cannot yet determine the impact of the COVID-19 pandemic on its financial position, results of operations, cash flows for the year ending December 31, 2020 and beyond, and the advancement of the Josemaria Project. While the Company's recent completion of a net $29.9 million financing has provided a strong indication that the Company's access to funding for future operations has 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.

RELATED PARTY TRANSACTIONS

a) Related party services and balances

NGEx Minerals Ltd. ("NGEx Minerals") was incorporated on February 21, 2019 under the laws of CBCA as a wholly-owned subsidiary of the Company prior to the spin out of NGEx Minerals which was completed on July 17, 2019. The Company formalized a cost sharing arrangement with NGEx Minerals and Filo Mining Corp. ("Filo Mining"; collectively the "Related Parties"), whereby the Related Parties provide executive management and personnel services to the Company (the "Related Party Services"), while the Company provides financial management and administrative services to Filo Mining and NGEx Minerals (the "Josemaria Services"). These transactions are in the normal course of operations.

On June 30, 2019, the Company finalized an arrangement with Filo Mining to extend the minimum period of use of the Company's Batidero Camp facility up to March 31, 2021 which right is automatically renewed unless terminated upon one year's prior notice in exchange for cash consideration of $382,670.

Other than those related party transactions identified elsewhere in the 2020 Financial Statements, the related party transactions are as follows:

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Income from Josemaria Services provided:				
Filo Mining	$ 59,647	$ 309,871	$ 260,572	$ 522,538
NGEx Minerals	29,837	80,506	123,434	80,506
Total	$ 89,484	$ 390,377	$ 384,006	$ 603,044
Costs of Related Party Services received:				
Filo Mining	$ (179,657)	$ (193,043)	$ (771,548)	$ (862,415)
NGEx Minerals	(35,688)	(49,866)	(123,975)	(49,866)
Total	$ (215,345)	$ (242,909)	$ (895,523)	$ (912,281)

The amounts due from/to the Related Parties by the Company, and the components of the consolidated statement of financial position in which they are included, are as follows:

	September 30, 2020	December 31, 2019
Due from Filo Mining	$ 30,911	$ 220,366
Due from NGEx Minerals	8,833	102,676
	$ 39,744	$ 323,042

	September 30, 2020	December 31, 2019
Due to Filo Mining	$ (119,092)	$ (196,489)
Due to NGEx Minerals	(9,348)	(16,849)
	$ (128,440)	$ (213,338)

b) Key management compensation

Key management personnel have authority and responsibility for overseeing, planning, directing and controlling the Company's activities and consist of the Board of Directors and members of the executive management team. Total compensation expense for key management personnel inclusive of costs of key management personnel services received from the Related Parties, and the composition thereof, is as follows:

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Salaries and other payments	$ 234,584	$ 264,084	$ 885,667	$ 1,206,084
Employee benefits	7,162	11,884	19,103	33,879
Director fees	34,333	58,750	34,333	154,250
Share-based compensation	191,238	297,219	848,454	754,498
	$ 467,317	$ 631,937	$ 1,787,557	$ 2,148,711

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenditures on the financial statements. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual results could differ from those estimates and such differences could be material. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. Please refer to the Critical Accounting Estimates section in Note 6 of the 2019 Financial Statements or the 2019 MD&A for a detailed description of the Company's critical accounting estimates.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments at amortized costs or fair value through profit and loss ("FVTPL"). The Company's financial instruments consist of cash and cash equivalents, receivables and other assets, investments, share consideration receivable, trades payable and accrued liabilities, debentures, and other liabilities. The carrying value of these financial instruments approximates their fair value due to the short-term nature of these instruments. The fair value of investments is determined directly by reference to quoted market prices in active markets. The Company's financial instruments are exposed to certain financial risks, including credit, liquidity and market risks.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Credit risks associated with cash and cash equivalents is minimal as the Company deposits the majority of its cash with a large Canadian financial institution that has been accorded a strong investment grade rating by a primary rating agency. Credit risks associated with receivables and other assets and share consideration receivable are minimal as the Company manages these amounts so as not to have material balances outstanding for long periods of time. Credit risks associated with investments are minimal as the Company does not hold its investments for long periods of time.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities, which is minimized through the management of its capital structure. The Company closely monitors and reviews its costs incurred and actual cash flows against the approved budget on a monthly basis to ensure the Company's access to funds is adequate to support the Company's operations on an ongoing basis. The maturities of the Company's financial liabilities as at September 30, 2020 are as follows:

	Total	Less than 1 year	1 to 5 years	More than 5 years
Trade payables and accrued liabilities	$ 2,339,806	$ 2,339,806	$ -	$ -
Other liabilities	210,005	138,612	71,393	-
Debentures	35,721,594	31,730,355	3,991,239	-
Total	$ 38,271,405	$ 34,208,773	$ 4,062,632	$ -

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices comprise two types of risk: currency risk and price risk. Financial instruments affected by market risk include cash and cash equivalents, receivables and other assets, investments, share consideration receivable, trades payable and accrued liabilities, debentures, and other liabilities.

Currency risk

Currency risk is the risk that the value of financial assets and liabilities may change due to changes in the value of two different currencies. The Company is exposed to currency risks as its parent is headquartered in Canada and its day-to-day transactions take place in Canadian dollars, while its foreign operations are conducted in Argentina, and the Company also holds significant debentures denominated in the United States dollar. While the Company has not used any hedging strategies to manage its exposure to currency fluctuations, management strives to minimize currency risk by sending its cash to its foreign operation as required.

Based on the Company's net exposures at September 30, 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 $0.1 million and $3.5 million, respectively, increase or decrease in the Company's net loss.

The impact of the Company's exposure to currency risk is apparent in five sections of the Company's Consolidated Statements of Comprehensive Loss:

Statement of Loss

- Unrealized foreign exchange (gain) / loss – where changes in United States dollar-denominated monetary items are translated prior to realization;
- Foreign exchange and trading gains realized on equity investments – contains a component of foreign-exchange impacts realized on equity instruments when traded;
- (Gain) / loss on net monetary position – where hyperinflationary changes recorded with respect to the Company's net-monetary position in Argentina are recognized;

Statement of Comprehensive (Income) Loss

- Foreign currency translation adjustment – where changes in Argentina peso-denominated monetary items are translated prior to realization; and
- Impact of hyperinflation – where changes recorded with respect to the impact of the hyperinflationary environment of Argentina on non-monetary items are recognized.

Price risk

Price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. From time to time, as part of the funding process to its subsidiary, the Company holds equity instruments for periods of three to five business days with the intention of trading. During these holding periods, the Company is exposed to changes in share prices which result in gains or losses being recognized in profit and loss. The Company does not hold significant numbers of equity instruments at period end and therefore has no significant exposure to price risk as at September 30, 2020.

RECENT ACCOUNTING PRONOUNCEMENTS

The IASB and IFRIC have issued standards and amendments or interpretations to existing standards that were not yet effective and not applied as at September 30, 2020. There are currently no new standards or interpretations that are expected to be applicable for the Company for the annual period beginning on or after January 1, 2021

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 301,429,109, common shares outstanding and 10,826,000 share options outstanding under its stock-based incentive plans.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. They include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure.

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. The Company's internal controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS; that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and that provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of assets that could have a material effect on the financial statements.

Any system, no matter how well conceived or operated, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation and will not prevent all, or detect all, misstatements and frauds. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Management has used the Internal Control – Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations for the Treadway Commission (COSO) in order to assess the effectiveness of the Company's internal control over financial reporting.

There has not been any material changes in the Company's disclosure controls and procedures and the internal control over financial reporting that occurred during the nine months ended September 30, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS AND UNCERTAINTIES

The Company and its business are subject to a number of risks and other uncertainties, which should be taken into account in assessing the Company's activities, and include, but are not necessarily limited to, those discussed in the "Risk Factors" section of the 2019 AIF. There have been no material changes in the risks and uncertainties affecting the Company since the filing of the Company's most recent 2019 AIF, except as discussed at the start of this document with respect to COVID-19.

QUALIFIED PERSONS AND TECHNICAL REPORT

The technical information in this MD&A has been reviewed and approved by Mr. Bob Carmichael, P. Eng. (BC), the Company's Vice President of Exploration, and Mr. Dustin Smiley, P. Eng. (BC), the Company's Engineering Manager. Both Mr. Carmichael and Mr. Smiley are Qualified Persons under National Instrument 43-101 Standards of Disclosure for Mineral Projects.

The Technical Report summarizing the results of the Feasibility Study included in this press release was prepared in accordance with the disclosure standards of NI 43-101 and was filed under the Company's website and profile on SEDAR on November 5, 2020. The Technical Report, titled "NI 43-101 Technical Report, Feasibility Study for the Josemaria Copper-Gold Project, San Juan Province, Argentina" is dated effective September 28, 2020. The authors of the Technical Report are as follows:

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.

Duane Ruane, P.Eng.
Knight Piésold Ltd.

James Gray, P.Geo.
Advantage Geoservices Ltd.

Fionnuala Devine, P.Geo.
Merlin Geosciences Inc.

Jeffrey Austin, P.Eng.
International Metallurgical and Environmental Inc.

FINANCIAL INFORMATION

The report for the year ended December 31, 2020 is expected to be published on or about February 25, 2021.

OFF BALANCE SHEET AGREEMENTS

During the first nine months of 2020 and the fiscal 2019 year, there were no material off-balance sheet transactions which have not been recorded in the Company's financial statements. The Company has not entered into any specialized financial arrangements to minimize its currency risk.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION AND STATEMENTS

This MD&A includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein, including, without limitation, the future price of copper, gold and silver; the results of the Feasibility Study and expected timelines; the timing and amount of estimated future production; net present values and internal rates of return at the Josemaria Project; recovery rates; payback periods; costs of production; capital expenditures; costs and timing of the development of the Josemaria Project; mine life; the potential future development of the Josemaria Project and the future operating or financial performance of the Company; the impact of COVID-19 on the Company's operations, hyper-inflationary accounting, the effect of government regulations (or changes thereto) with respect to restrictions on production, export controls and duties, income taxes, royalties, expropriation of property, repatriation of profits, environmental legislation, land use, water use, mine safety, approval processes and the receipt of necessary permits are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. These forward-looking statements may also include statements regarding perceived merit of properties; exploration plans and budgets; mineral reserves and resource estimates; work programs; capital expenditures; timelines; strategic plans; market prices for precious and base metals; or other statements that are not statements of fact. In addition, statements relating to "mineral resources" and "mineral reserves" are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the mineral resources and mineral reserves described can be profitably produced in the future.

Forward-looking statements involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include the Company's ability to finance the development of its mineral properties; commodity price fluctuations; assumptions and discount rates being appropriately applied to the Feasibility Study, uncertainty as to whether there will ever be production at the Company's Josemaria Project and any other future mineral exploration and development properties; risks related to the Company's ability to commence production and generate revenues or obtain adequate financing for its planned exploration and development activities; risks related to lack of infrastructure including but not limited to the risk whether or not the Josemaria Project will receive the requisite permits and, if it does, whether the Company will build the Josemaria Project; risks related to inclement weather which may delay or hinder activities at the

Company's mineral properties; risks related to the Company's dependence on third parties for the development of its projects; uncertainties relating to the assumptions underlying resource and reserve estimates; mining and development risks, including risks related to infrastructure, accidents, equipment breakdowns, labor disputes, bad weather, non-compliance with environmental and permit requirements or other unanticipated difficulties with or interruptions in development, construction or production; the geology, grade and continuity of the Company's mineral deposits; the uncertainties involving success of exploration, development and mining activities; permitting timelines; risks pertaining to the outbreak of the global pandemics, including COVID-19; government regulation of mining operations; environmental risks; unanticipated reclamation expenses; prices for energy inputs, labour, materials, supplies and services; uncertainties involved in the interpretation of drilling results and geological tests and the estimation of mineral reserves and mineral resources; the need for cooperation of government agencies and indigenous groups in the development and operation of properties including the Josemaria Project; unanticipated variation in geological structures, metal grades or recovery rates; fluctuations in currency exchange rates; unexpected cost increases in estimated capital and operating costs; the need to obtain permits and government approvals; uncertainty related to title to the Company's mineral properties, anticipated use of proceeds from financings including the financing completed on August 18, 2020, the ability of the Company to satisfy the conditions of the terms and conditions of the debentures issued pursuant to the 2018, 2019, 2020 and Lorito Facilities, including repayment thereof upon their respective maturity dates and the issuance of Common Shares thereunder and the timing and success in obtaining requisite regulatory (including TSX) approvals and other risks and uncertainties disclosed in the Company's periodic filings with Canadian securities regulators and in other Company reports and documents filed with applicable securities regulatory authorities from time to time, including the Company's Annual Information Form available under the Company's profile at www.sedar.com. In addition, these statements involve assumptions made with regard to the Company's ability to develop the Josemaria Project and to achieve the results outlined in the Feasibility Study; the ability to raise the capital required to fund construction and development of the Josemaria Project; and the results and impact of future exploration at the Josemaria Project. The Company's forward-looking statements reflect the beliefs, opinions, and projections on the date the statements are made. The Company assumes no obligation to update the forward-looking statements or beliefs, opinions, projections, or other factors, should they change, except as required by law.

Estimates of Mineral Reserves and Mineral Resources

Information regarding mineral reserve and mineral resource estimates included or referenced in this MD&A has been prepared in accordance with Canadian standards under applicable Canadian securities laws, which differ from United States standards. All mineral resource and mineral reserve estimates included or referenced in this MD&A have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM")—CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended ("CIM Definition Standards"). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including the CIM Definition Standards and NI 43-101, differ significantly from the from standards in the United States included in U.S. Securities and Exchange Commission (the "SEC") Industry Guide 7. The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). These amendments became effective February 25, 2019 (the "SEC Modernization Rules") with compliance required for the first fiscal year beginning on or after January 1, 2021. Under the SEC Modernization Rules, the historical property disclosure requirements for mining registrants included in SEC Industry Guide 7 will be rescinded and replaced with disclosure requirements in subpart 1300 of SEC Regulation S-K. Following the transition period, as a foreign private issuer that is eligible to file reports with the SEC pursuant to the multi-jurisdictional disclosure system, the Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and will continue to provide disclosure under NI 43-101 and the CIM Definition Standards.

As a result of the adoption of the SEC Modernization Rules, the SEC will recognize estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding definitions under the CIM Standards that are required under NI 43-101. Accordingly, during this period leading up to the compliance date of the SEC Modernization Rules, information regarding mineral resources or mineral reserves contained or referenced in this MD&A may not be comparable to similar information made public by companies that report in accordance with U.S. standards. While the above terms are "substantially similar" to CIM Definitions, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as "proven mineral reserves", "probable mineral reserves", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules.

Josemaria Resources Inc.
Condensed Interim Consolidated Statements of Financial Position (Unaudited)
(All amounts expressed in Canadian Dollars, unless otherwise indicated)

	Note		September 30, 2020		December 31, 2019
ASSETS					
Current assets:					
Cash and cash equivalents		$	14,765,093	$	4,043,451
Investments			168,805		97,076
Share consideration receivable	*15*		722,915		625,531
Receivables and other assets			194,478		974,864
			15,851,291		5,740,922
Receivables and other assets			227,966		164,035
Equipment and other fixed assets	*5*		2,272,499		2,218,399
Mineral properties	*6*		10,474,973		10,608,482
TOTAL ASSETS		$	28,826,729	$	18,731,838
LIABILITIES					
Current liabilities:					
Trade payables and accrued liabilities		$	2,339,806	$	6,865,519
Debentures	*11*		31,730,355		19,519,311
Other liabilities	*7*		138,612		228,686
			34,208,773		26,613,516
Non-current liabilities					
Other liabilities	*7*		71,393		74,473
Debentures	*11*		3,991,239		8,398,623
TOTAL LIABILITIES			38,271,405		35,086,612
EQUITY					
Share capital	*8*		256,991,744		224,619,229
Contributed surplus			13,298,034		12,241,319
Deficit			(278,541,049)		(250,570,275)
Accumulated other comprehensive loss ("AOCI")			(1,193,405)		(2,645,047)
TOTAL EQUITY			(9,444,676)		(16,354,774)
TOTAL LIABILITIES AND EQUITY		$	28,826,729	$	18,731,838

Nature of operations and liquidity risk (Note 1)

Subsequent event (Note 15)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

ON BEHALF OF THE BOARD:

/s/Ashley Heppenstall
Director

/s/Adam I. Lundin
Director

Josemaria Resources Inc.
Condensed Interim Consolidated Statements of Comprehensive Loss (Unaudited)
(All amounts expressed in Canadian Dollars, unless otherwise indicated)

	Note	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Expenses					
Exploration and project investigation	*10*	2,544,352	3,926,023	26,346,131	25,030,811
General and Administration ("G&A"):					
Salaries and benefits	*12*	470,535	348,611	1,826,352	1,709,961
Share-based compensation	*9*	208,563	560,633	924,965	1,082,508
Management fees		93,371	62,100	307,096	186,300
Professional fees		42,573	106,574	172,756	603,558
Travel		194,905	8,012	217,688	93,143
Promotion and public relations		14,939	54,112	317,616	182,222
Regulatory, transfer agent and administration		91,134	153,291	294,748	337,466
Operating loss		3,660,372	5,219,356	30,407,352	29,225,969
Other items					
Financing costs	*11*	998,055	320,172	2,567,693	398,629
Interest (income) expense, net		(16,755)	(16,568)	(28,975)	(17,577)
Unrealized foreign exchange (gain)/loss		(1,240,320)	164,608	(83,715)	88,502
Accretion of share consideration receivable	*15*	(32,699)	(23,291)	(97,384)	(69,873)
Foreign exchange and trading (gains) losses realized on equity investments	*4*	(656,739)	(16,357)	(4,989,509)	(79,160)
Gain on spin-out transaction	*6*	-	(30,847,040)	-	(30,847,040)
Re-classification of accumulated exchange differences upon spin-out	*6*	-	1,358,535	-	1,358,535
Other income		(26,347)	(46,454)	(121,578)	(126,164)
(Gain)/loss on net monetary position	*3*	7,747	364,819	316,890	(79,021)
Net (income)/loss		2,693,314	(23,522,220)	27,970,774	(147,200)
Other Comprehensive (income) loss					
Items that may be reclassified subsequently to net loss:					
Foreign currency translation adjustment		35,897	57,308	361,176	175,288
Re-classification of accumulated exchange differences upon spin-out	*6*	-	(1,358,535)	-	(1,358,535)
Impact of hyperinflation	*3*	(124,564)	1,595,002	(1,812,818)	963,072
Comprehensive (income)/loss		$ 2,604,647	$ (23,228,445)	$ 26,519,132	$ (367,375)
Basic and diluted loss per common share		$ (0.01)	$ 0.09	$ (0.11)	$ (0.00)
Weighted average common shares outstanding		274,977,686	249,667,237	259,286,672	246,980,302

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

	Note	Nine months ended September 30, 2020	2019
Cash flows used in operating activities			
Net income/(loss) for the period		$ (27,970,774)	$ 147,200
Items not involving cash and cash equivalents:			
Gain on spin-out transaction	*6*	-	(30,847,040)
Re-classification of accumulated exchange differences upon spin-out	*6*	-	1,358,535
Loss on net monetary position and unrealized foreign exchange differences	*3*	1,801,558	22,482
Depreciation	*5*	89,344	82,489
Share-based compensation	*9*	1,056,715	1,408,369
Financing costs	*11*	2,567,693	398,629
Accretion of share consideration receivable		(97,384)	(69,873)
Interest and other income		(150,553)	(97,345)
Fair value (gain)/loss on equity investments	*4*	(71,729)	(79,160)
Net changes in working capital items:			
Receivables and other		745,430	(817,811)
Trade payables and other liabilities		(4,607,083)	2,363,925
		(26,636,783)	(26,129,600)
Cash flows from financing activities			
Repayment of debentures	*11*	(14,711,310)	(5,834,351)
Funds received from debentures	*11*	22,480,236	20,428,588
Cash paid in connection with spin-out	*6*	-	(7,538,929)
Share issuance from option exercise		-	957,450
Repayment of lease liabilities	*7*	(29,892)	(15,771)
Private placement, net proceeds	*8*	29,944,508	19,655,380
		37,683,542	27,652,367
Cash flows used in investing activities			
Mineral properties and related expenditures		-	(735,664)
Acquisition of fixed assets	*5*	(4,493)	(737,078)
		(4,493)	(1,472,742)
Effect of exchange rate change on cash and cash equivalents		(320,624)	(731,189)
Increase (decrease) in cash and cash equivalents during the period		10,721,642	(681,164)
Cash and cash equivalents, beginning of period		4,043,451	5,029,451
Cash and cash equivalents, end of period		$ 14,765,093	$ 4,348,287

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Josemaria Resources Inc.
Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)
(All amounts expressed in Canadian Dollars, unless otherwise indicated)

	Number of shares issued and outstanding	Share capital	Contributed surplus	Accumulated other comprehensive loss	Accumulated Deficit	Total
Balance, January 1, 2019	227,916,086	$ 246,137,481	$ 10,894,615	$ (3,208,950)	$ (239,619,811)	$ 14,203,335
Private placement, net (Note 8)	20,000,000	19,655,380	-	-	-	19,655,380
Transfer of net assets pursuant to spin-out (Note 6)	-	(43,053,810)	-	-	-	(43,053,810)
Exercise of options	1,565,000	1,307,432	(349,982)	-	-	957,450
Debenture financing consideration (Note 11)	307,239	317,065	-	-	-	317,065
Share-based compensation (Note 9)	-	-	1,408,369	-	-	1,408,369
Re-classification of accumulated exchange differences upon spin-out (Note 1)	-	-	-	1,358,535	(1,358,535)	-
Foreign currency translation adjustment	-	-	-	(175,288)	-	(175,288)
Impact of hyperinflation (Note 3)	-	-	-	(963,072)	-	(963,072)
Net loss for the period	-	-	-	-	1,505,735	1,505,735
Balance, September 30, 2019	249,788,325	$ 224,363,548	$ 11,953,002	$ (2,988,775)	$ (239,472,611)	$ (6,144,836)
Balance, January 1, 2020	250,336,191	$ 224,619,229	$ 12,241,319	$ (2,645,047)	$ (250,570,275)	$ (16,354,774)
Private placement and bought deal, net (Note 8)	46,652,986	29,944,508	-	-	-	29,944,508
Debenture financing consideration (Note 11)	3,612,532	2,428,007	-	-	-	2,428,007
Share-based compensation (Note 9)	-	-	1,056,715	-	-	1,056,715
Foreign currency translation adjustment	-	-	-	(361,176)	-	(361,176)
Impact of hyperinflation (Note 3)	-	-	-	1,812,818	-	1,812,818
Net loss for the period	-	-	-	-	(27,970,774)	(27,970,774)
Balance, September 30, 2020	300,601,709	$ 256,991,744	$ 13,298,034	$ (1,193,405)	$ (278,541,049)	$ (9,444,676)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

Josemaria Resources Inc. and its subsidiaries (collectively referred to as the "Company") are principally engaged in the acquisition, exploration and development of mineral properties located in Argentina.

The Company is governed by the Canada Business Corporations Act ("CBCA") and its registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. On July 17, 2019, the Company completed the spin-out of the Los Helados property and certain other exploration properties into NGEx Minerals Ltd. ("NGEx Minerals") by a plan of arrangement under the Canada Business Corporations Act ("the Arrangement"; Note 7). The Company changed its name to Josemaria Resources Inc. and began trading under the new name and ticker symbol of "JOSE" as of July 23, 2019 on the TSX and as of July 25, 2019 on the NASDAQ OMX Stockholm Stock Exchange ("OMX"). The Company begin trading on the OTCQB Venture Market on November 12, 2020 under the ticker symbol of "JOSMF".

During the first three quarters of 2020 and as of the date of these financial statements, the Company continues to be affected by the novel coronavirus ("COVID-19") pandemic that has evolved into a global crisis. The pandemic and the resultant response to combat it has resulted in the implementation by numerous governments of non-routine measures such as quarantines, travel restrictions and business closures, which are designed to contain the spread of the outbreak. These measures have negatively impacted the global economy and have led to volatile market conditions and commodity prices, and despite some indications of economic recovery, the Company cannot yet determine the impact of the COVID-19 pandemic on its financial position, results of operations, cash flows for the year ending December 31, 2020 and beyond, and the advancement of the Josemaria Project. While the Company's recent completion of a net $29.9 million financing (Note 8) has provided a strong indication that the Company's access to funding for future operations has not been adversely impacted by the COVID-19 pandemic, there is no certainty that future financing will be obtainable under similar terms, or at all, which may impact the Company's ability to fund future operations.

The condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its existing obligations and commitments and fund ongoing operations in the normal course of business for at least twelve months from September 30, 2020. As at September 30, 2020, the Company's working capital deficit is $18.4 million, and while the net $29.9 million financing (Note 8) provides sufficient capital for the Company to fund operations for the near term, the Company will need further funding to support the advancement of the Josemaria Project towards development and to meet general corporate and working capital requirements within the next twelve months.

Historically, capital requirements have been funded through equity financing, joint ventures, disposition of mineral properties and investments, and the use of credit facilities with related parties. While management is confident that additional sources of funding will be secured to fund planned expenditures, factors that could affect the availability of financing include the progress and results of ongoing exploration and project evaluation activities at the Company's Josemaria Project, the state of international debt and equity markets, investor perceptions and expectations of the global copper, gold, and/or silver markets, and the ongoing COVID-19 pandemic. If necessary, the Company may explore opportunities to revise the due dates of its liabilities, and/or settle its liabilities through the issuance of common shares and other equity instruments. Based on the amount of funding raised, the Company's planned initiatives and other work programs may be postponed, or otherwise revised, as necessary.

2. BASIS OF PRESENTATION AND USE OF JUDGEMENT

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting.

The condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 31, 2019. The accounting policies and judgements applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2019, except as noted in "*Use of Judgement*" below.

The condensed interim consolidated financial statements were approved by the Board of Directors of the Company on November 13, 2020.

Use of Judgement – Going Concern

In preparation of these condensed interim consolidated financial statements, management has made certain judgements and estimates with respect to evaluating the Company's ability to continue as a going concern, including budgeted expenditures, foreign exchange rates, the timing of certain work activities, and the ability to raise additional funds and extend the maturity dates of the debt facilities. While management is confident in the reasonableness of these underlying assumptions, they are subject to change which could impact the Company's ability to continue as a going concern.

3. ACCOUNTING FOR HYPERINFLATION

Argentina was designated a hyper-inflationary economy as of July 1, 2018 for accounting purposes. Accordingly, IAS 29, *Financial Reporting in Hyper-Inflationary Economies*, has been applied to these condensed interim consolidated financial statements as the Company's Argentine operating subsidiaries (the "Argentine Subsidiaries") use the Argentine Peso as its functional currency. The financial statements are based on the historical cost approach in IAS 29.

The application of hyperinflation accounting requires restatement of the Argentine subsidiaries' non-monetary assets and liabilities, shareholders' equity and comprehensive loss items from the transaction date when they were first recognized into the current purchasing power which reflects a price index current at the end of the reporting period before being included in the consolidated financial statements. To measure the impact of inflation on its financial position and results, the Company has elected to use the Wholesale Price Index (Indice de Precios Mayoristas or "IPIM") for periods up to December 31, 2016, and the Retail Price Index (Indice de Precios al Consumidor or "IPC") thereafter. These price indices have been recommended by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE").

For the nine months ended September 30, 2020, the Company recognized a gain of $1,812,818 (2019 – loss of $963,072) in relation to the impact of hyperinflation within other comprehensive income during the period.

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

As a result of the change in the IPC from January 1, 2020 to September 30, 2020, the Company recognized a net monetary loss within the Argentine Subsidiaries of approximately $316,890 for the nine months ended September 30, 2020 (2019 – gain of $79,021), to adjust transactions for the period into a measuring unit current as of September 30, 2020. The level of the IPC at September 30, 2020 was 346.6, which represents an increase of 22% over the IPC of 283.4 at December 31, 2019.

4. ACCOUNTING FOR EQUITY INVESTMENTS

From time to time, as part of the capital funding process from the Canadian parent to the Argentinian subsidiary, the Company will purchase equity instruments via a third-party investment broker. The equity instruments are transferred from the parent to the subsidiary and held for a pre-determined period, typically five business days, and then sold. The Company will only purchase equity instruments of highly reputable companies with high trading volumes and low volatilities. The Company conducts such transactions on an intra-period basis and does not hold the equity instruments at period end. The equity instruments are designated as held-for-trading, and as such all changes in the fair value of the underlying equity instruments are recognized through profit and loss.

Upon receipt of the transferred equity instruments by the local investment broker, the Company realizes an immediate foreign exchange impact. This foreign exchange impact is incurred directly as a result of holding equity instruments with the intention of trading, and as such the foreign exchange impact is also recognized through profit and loss.

For the nine months ended September 30, 2020, the Company realized a trading loss of $1,640,426 (2019 – $nil) and a foreign exchange gain of $6,558,206 (2019 – $nil) as a result of holding the equity instruments for a net realized gain of $4,917,780 (2019 – $nil). For the nine months ended September 30, 2020, the Company also incurred an unrealized gain on available for sale equity investments of $71,729 (2019 – $79,160).

5. EQUIPMENT AND OTHER FIXED ASSETS

	Equipment	Leasehold improvement	Leased Assets	Other assets	Total
January 1, 2019	$ 1,710,604	$ 48,800	$ -	$ 8,000	$ 1,767,404
Additions	741,081	-	37,274	-	778,355
Hyperinflation adjustment (Note 3)	(185,039)	-	(3,315)	-	(188,354)
Depreciation	(93,352)	(18,300)	(27,354)	-	(139,006)
December 31, 2019	$ 2,173,294	$ 30,500	$ 6,605	$ 8,000	$ 2,218,399
Additions	4,493	-	121,045	-	125,538
Hyperinflation adjustment (Note 3)	18,022	-	(116)	-	17,906
Depreciation	(52,318)	(13,725)	(23,301)	-	(89,344)
September 30, 2020	$ 2,143,491	$ 16,775	$ 104,233	$ 8,000	$ 2,272,499

During the nine months ended September 30, 2020, depreciation of $13,725 is recognized in regulatory, transfer agent and administration expense (2019 – $18,300) and $75,619 is recognized in exploration and project investigation expenditures (2019 – $120,706).

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

6. MINERAL PROPERTIES

	Josemaria (Note a)	Projects transferred to NGEx Minerals		Total
		Los Helados (Note b)	Nacimientos & others (Note b)	
January 1, 2019	$ 11,477,570	$ 4,040,164	$ 494,826	$ 16,012,560
Additions	-	328,774	406,890	735,664
Currency translation effect	-	(106,262)	63,338	(42,924)
Transferred to NGEx Minerals	-	(4,262,676)	(965,054)	(5,227,730)
Hyperinflation adjustment (Note 3)	(869,088)	-	-	(869,088)
December 31, 2019	$ 10,608,482	$ -	$ -	$ 10,608,482
Hyperinflation adjustment (Note 3)	(133,509)	-	-	(133,509)
September 30, 2020	$ 10,474,973	$ -	$ -	$ 10,474,973

a) The Josemaria Project

<u>Acquisition of mineral property interests from JOGMEC</u>

The Company holds a 100% interest in the Josemaria project in San Juan Province, Argentina following its acquisition of all remaining interests in the project from Japan Oil, Gas and Metals National Corporation (“JOGMEC”) on November 13, 2017 for total cash consideration of US$21 million. US$3 million was paid on November 2017, with the remainder of the cash consideration to be paid upon completion of the following milestones:

- US$5 million payable upon a development and construction decision being made; and
- US$13 million upon commencement of commercial production from the property.

In accordance with its accounting policy, the future contingent consideration to be paid upon completion of the applicable milestones will be recorded and added to the mineral property when incurred. JOGMEC retains an option to purchase up to 40% of the material produced from the mine at a price not to exceed the prevailing market price at the time the notice of exercise is given.

<u>Acquisition of mining concessions from Filo Mining Corp. (“Filo Mining”)</u>

On February 21, 2018, the Company completed the acquisition of a 100% interest in certain mining concessions (the “Primary Properties”) with an option to acquire a 100% interest in additional mining concessions (the “Additional Properties”) located in San Juan Province, Argentina from Filo Mining, a related party, to expand its Josemaria project in exchange for the following consideration:

- Providing Filo Mining with the right to use its Batidero Camp facility in Argentina for a minimum period of two years, which right is automatically renewed unless terminated upon one year’s prior notice;
- a 3% net smelter return (“NSR”) royalty on a portion of the mining concessions on properties auxiliary to the Josemaria project, 2% of which can be re-purchased by the Company at any time for $2,000,000; and
- Cash consideration of $64,000 which was paid upon execution of the agreement with Filo Mining.

The mining concessions acquired from Filo Mining, including all transaction costs, have been capitalized as mineral properties. The costs of the mineral properties acquired were measured based on the fair value of the consideration given up, which includes cash and the use of the Batidero camp. Using an expected time frame of two years, management estimated the fair value of the camp use provision to be approximately $354,000 (Note 7). On June 30, 2019, the Company finalized an arrangement with Filo Mining to extend the minimum period of use of the Company's Batidero Camp facility up to March 31, 2021, in exchange for cash consideration of $382,670. The agreement is automatically renewed on an annual basis unless terminated with one year's prior notice. This amount has been deferred on the Statement of Financial Position and recognized as income over the expected period of camp use (Note 7).

b) Spin-out Transaction – Los Helados, Nacimientos and other projects

On July 17, 2019, the Company completed the Arrangement under the CBCA pursuant to which the Company transferred its wholly owned subsidiaries that directly or indirectly hold the Los Helados Project located in Chile, and the Nacimientos Project and other exploration projects located in Argentina, $7.3 million in cash, and the assignment of the Company's obligation to fund US$3.5 million of Pacific Copper Co.'s share of expenditures on the Filo del Sol Project, in exchange for 124,793,652 common shares in the new entity, NGEx Minerals. The Company subsequently distributed the NGEx Minerals common shares to the Company's shareholders as a return of capital. NGEx Minerals began trading on the TSX Venture Exchange under the symbol "NGEX" on August 20, 2019.

In accordance with IFRIC 17, *Distributions of Non-cash Assets to Owners*, during the three months ended September 30, 2019 the Company recognized the distribution of net assets to its shareholders at fair value with the difference between that value and the carrying amount of the net assets recognized in the statement of comprehensive income. Upon completion of the Arrangement, the Company recorded a gain of $30.8 million on the spin-out of NGEx Minerals. The cumulative other comprehensive loss totaling $1.3 million recognized for the entities spun out to NGEx Minerals was re-classed from AOCI to Statement of Comprehensive Loss. The Company transferred total net assets with a fair value of $43.1 million as part of the transaction.

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

7. OTHER LIABILITIES

	Camp use provision	Lease liability	Other liabilities
Balance, January 1, 2019	$ 191,084	$ -	$ 191,084
Additions	417,850	37,292	455,142
Lease payment	-	(33,378)	(33,378)
Hyperinflation adjustment (Note 3)	(52,929)	-	(52,929)
Recognition to income, net of expense	(260,432)	3,672	(256,760)
Balance, December 31, 2019	$ 295,573	$ 7,586	$ 303,159
Additions	-	121,045	121,045
Lease payment	-	(29,892)	(29,892)
Hyperinflation adjustment (Note 3)	(62,958)	-	(62,958)
Recognition to income, net of expense	(129,015)	7,666	(121,349)
Balance, September 30, 2020	$ 103,600	$ 106,405	$ 210,005

	September 30, 2020	December 31, 2019
Current	$ 138,612	$ 228,686
Long-term	71,393	74,473
Total other liabilities	$ 210,005	$ 303,159

8. SHARE CAPITAL

The Company has authorized an unlimited number of voting common shares without par value. All issued shares are fully paid.

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 $0.67 per common share for gross proceeds of $31.3 million, less issuance costs of $1.4 million, for net proceeds of $29.9 million. Zebra Holdings and Investments S.à.r.l. ("Zebra") and Lorito Holdings and Investments S.à.r.l. ("Lorito"), both related parties of the Company, contributed a combined gross $14.7 million as part of the private placement.

9. SHARE OPTIONS

a) Share Option Plan

The Company has a rolling share option plan which reserves an aggregate of 10% of the issued and outstanding shares of the Company for issuance upon the exercise of options granted.

During the nine months ended September 30, 2020, the Company granted a total of 3,997,000 (2019 – 3,405,000) share options to officers, employees, directors and other eligible participants at a weighted average exercise price of $0.67 per share (2019 – $1.00 per share).

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model. The weighted average assumptions and resulting fair values for grants are as follows:

	Nine months ended September 30, 2020	2019
Assumptions:		
Risk-free interest rate *(%)*	1.4	1.7
Expected life *(years)*	4.2	4.9
Expected volatility *(%)*	49.0	49.2
Expected dividend	Nil	Nil
Results:		
Weighted average fair value of options granted *(per option)*	$ 0.27	$ 0.41

Based on the valuation of $0.27 per option granted, the Company will recognize $1,088,824 in total expense over the vesting period of the 3,977,000 options granted during the nine months ended September 30, 2020. The options have an expiry date of five years and vest in thirds: one-third immediately upon grant, and the remaining thirds on the first and second anniversary of the date of grant, respectively.

The total share-based compensation expenses for the three and nine months ended September 30, 2020 totaling $1,056,715 (2019 – $1,408,369) were presented in the statement of comprehensive loss as follows:

	Three months ended September 30, 2020	2019	Nine months ended September 30, 2020	2019
General and administration	$ 208,563	$ 560,633	$ 924,965	$ 1,082,508
Exploration and project investigation	25,634	150,996	131,750	325,861
	$ 234,197	$ 711,629	$ 1,056,715	$ 1,408,369

b) **Share Options Outstanding**

The following is a summary of the movements in the number of share options outstanding and their related weighted average exercise prices:

	Number of share issuable pursuant to share options	Weighted average exercise price per share
Balance, January 1, 2019	5,695,000	$ 1.11
Granted	5,910,000	0.69
Exercised	(1,565,000)	(0.61)
Expired	(115,000)	(0.78)
Balance, December 31, 2019	9,925,000	$ 0.76
Granted	3,997,000	0.67
Expired	(3,060,000)	(0.84)
Balance, September 30, 2020	10,862,000	$ 0.70

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

The following table summarizes information about the outstanding and exercisable share options at September 30, 2020:

	Outstanding Options		**Exercisable Options**	
Exercise price	Number of options outstanding	Weighted average remaining contractual life (years)	Number of options exercisable	Weighted average remaining contractual life (years)
$ 0.73	75,000	4.7	25,000	4.7
$ 0.67	3,922,000	4.4	1,307,333	4.4
$ 0.61	2,505,000	4.1	835,000	4.1
$1.01	925,000	3.9	616,667	3.9
$ 0.65	1,830,000	3.4	1,220,000	3.4
$ 0.81	1,605,000	2.4	1,605,000	2.4
	10,862,000	3.8	5,609,000	3.5

10. EXPLORATION AND PROJECT INVESTIGATION

The Company expensed the following exploration and project investigation costs:

	Three months ended September 30,		**Nine months ended September 30,**	
	2020	**2019**	**2020**	**2019**
Josemaria	$ 2,544,352	$ 3,820,899	$ 26,346,131	$ 22,877,277
Los Helados (Note 6)	-	103,901	-	1,629,889
Nacimientos (Note 6)	-	1,223	-	256,213
Other Projects	-	-	-	267,432
Total Expenditures	$ 2,544,352	$ 3,926,023	$ 26,346,131	$ 25,030,811

	Three months ended September 30,		**Nine months ended September 30,**	
	2020	**2019**	**2020**	**2019**
Land holding costs	$ 3,562	$ 4,925	$ 41,102	$ 841,411
Drilling, fuel, camp costs and field supplies	96,871	86,069	7,391,972	3,872,051
Roadwork, travel and transport	2,755	45,520	1,456,397	1,334,217
Engineering studies, consultants, geochemistry and geophysics	1,204,927	2,919,578	8,871,113	9,941,939
Environmental and community relations	239,559	220,602	2,033,069	2,644,626
VAT, other taxes and fees	460,773	118,989	4,468,895	3,266,764
Office, field and admin salaries, overhead and other costs	497,598	354,762	1,422,729	1,955,989
Share-based compensation	25,634	150,996	131,750	325,861
Inflation adjustment (Note 3)	12,673	24,582	529,104	847,953
Total Expenditures	$ 2,544,352	$ 3,926,023	$ 26,346,131	$ 25,030,811

11. DEBENTURES

		Total
Balance, January 1, 2019	$	5,317,474
Funds drawn on debentures		23,150,996
Other items		(66,251)
Effect of changes in foreign exchange		(484,285)
Balance, December 31, 2019	$	27,917,934
Funds drawn on debentures		22,480,236
Repayments on debentures		(14,711,310)
Effect of changes in foreign exchange		34,734
Balance, September 30, 2020	$	35,721,594

		2018 Facility (Note a)		Lorito Facility (Note c)		2020 Facilities (Note d)		Total
Current	$	5,122,091	$	26,608,264	$	-	$	31,730,355
Non-current		-		-		3,991,239		3,991,239
Total	$	5,122,091	$	26,608,264	$	3,991,239	$	35,721,594

a) 2018 Facility

On October 5, 2018, the Company secured a US$5,000,000 credit facility with Zebra, as evidenced by a debenture to provide additional financial flexibility to fund general corporate purposes (the "2018 Facility"). Zebra received 28,000 common shares of the Company as consideration upon execution of the 2018 Facility and is entitled to receive 500 common shares each month, for every US$ 50,000 in principal outstanding, prorated accordingly for the number of days outstanding. On April 30, 2020, the Company amended the terms of the 2018 Facility to extend the maturity date from May 5, 2020 to December 12, 2020. On August 20, 2020, the Company repaid US$ 1.15 million of the US$ 5.0 million outstanding balance on the 2018 Facility, resulting in US$ 3.85 million outstanding as at September 30, 2020.

b) 2019 Facility

On June 12, 2019 the Company secured a US$10,000,000 credit facility with Zebra, as evidenced by a debenture, to fund ongoing exploration at the Josemaria project and for general corporate purposes (the "2019 Facility"). Zebra received 28,000 common shares of the Company as consideration upon execution of the 2019 Facility and is entitled to receive 500 common shares each month, for every US$ 50,000 in principal outstanding, prorated accordingly for the number of days outstanding. On August 20, 2020, the Company repaid the US$ 10.0 million balance of the 2019 Facility in full.

c) Lorito Facility

On October 25, 2019 the Company secured a US$20,000,000 credit facility with Lorito as evidenced by a debenture to fund ongoing exploration at the Josemaria project and for general corporate purposes (the "Lorito Facility"). Pursuant to the terms of the Lorito Facility, Lorito received 80,000 common shares of the Company as consideration upon execution of the Lorito Facility, and is entitled to receive 800 common shares each month, for every US$50,000 in principal outstanding, prorated accordingly for the number of days outstanding. The Lorito Facility is fully drawn and matures on April 25, 2021.

d) 2020 Facilities

On May 25, 2020, the Company secured two credit facilities, evidenced by debentures, totaling US$7,000,000 (collectively the "2020 Facilities"), one with Lorito for US$3,500,000 (the "Lorito 2020 Facility") and one with Zebra for US$3,500,000 (the "Zebra 2020 Facility"), each of which has a term of 18 months ending November 25, 2021. No interest is payable during the term of the 2020 Facilities, however, any amount of the Lorito 2020 Facility or the Zebra 2020 Facility remaining unpaid and outstanding on or after November 25, 2021 shall bear interest at a rate of 5.00% per annum until repaid in full. During the three months ended September 30, 2020, the Company drew US$1.5 million from the 2020 Facilities and US$4.0 million remains undrawn on the 2020 Facilities.

Zebra reports its security holdings in the Company as a “joint actor” under securities law with Lorito and they collectively hold more than 38% of the Company’s issued and outstanding common shares as at September 30, 2020. No interest is payable in cash during the term and all securities issued in conjunction with these facilities are subject to a four-month hold period under applicable securities law. The Company issued 3,612,532 shares to Lorito and Zebra during the nine months ended September 30, 2020 (2019 – 307,239) as consideration for the funds drawn on the facilities, with an additional 413,700 common shares issuable, resulting in $2,567,693 in financing costs recognized during the nine months ended September 30, 2020 (2019 – $398,629).

12. RELATED PARTY TRANSACTIONS

a) Related party services and balances

NGEx Minerals Ltd. was incorporated on February 21, 2019 under the laws of CBCA as a wholly-owned subsidiary of the Company prior to the spin-out of NGEx Minerals which was completed on July 17, 2019. The Company formalized a cost sharing arrangement with NGEx Minerals and Filo Mining Corp. (“Filo Mining”; collectively the “Related Parties”), whereby the Related Parties provide executive management and personnel services to the Company (the “Related Party Services”), while the Company provides financial management and administrative services to Filo Mining and NGEx Minerals (the “Josemaria Services”). These transactions are in the normal course of operations.

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

Other than those related party transactions identified elsewhere in these condensed interim consolidated financial statements, the related party transactions are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Income from Josemaria Services provided:				
Filo Mining	$ 59,647	$ 309,871	$ 260,572	$ 522,538
NGEx Minerals	29,837	80,506	123,434	80,506
Total	$ 89,484	$ 390,377	$ 384,006	$ 603,044
Costs of Related Party Services received:				
Filo Mining	$ (179,657)	$ (193,043)	$ (771,548)	$ (862,415)
NGEx Minerals	(35,688)	(49,866)	(123,975)	(49,866)
Total	$ (215,345)	$ (242,909)	$ (895,523)	$ (912,281)

The amounts due from/to the Related Parties by the Company, and the components of the consolidated statement of financial position in which they are included, are as follows:

	September 30, 2020	December 31, 2019
Due from Filo Mining	$ 30,911	$ 220,366
Due from NGEx Minerals	8,833	102,676
	$ 39,744	$ 323,042

	September 30, 2020	December 31, 2019
Due to Filo Mining	$ (119,092)	$ (196,489)
Due to NGEx Minerals	(9,348)	(16,849)
	$ (128,440)	$ (213,338)

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

b) Key management compensation

Key management personnel have authority and responsibility for overseeing, planning, directing and controlling the Company's activities and consist of the Board of Directors and members of the executive management team. Total compensation expense for key management personnel inclusive of costs of key management personnel services received from the Related Parties, and the composition thereof, is as follows:

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Salaries and other payments	$ 234,584	$ 264,084	$ 885,667	$ 1,206,084
Employee benefits	7,162	11,884	19,103	33,879
Director fees	34,333	58,750	34,333	154,250
Share-based compensation	191,238	297,219	848,454	754,498
	$ 467,317	$ 631,937	$ 1,787,557	$ 2,148,711

13. FINANCIAL INSTRUMENTS

The Company classifies its financial instruments at amortized costs or fair value through profit and loss ("FVTPL"). The Company's financial instruments consist of cash and cash equivalents, receivables and other assets, investments, share consideration receivable, trades payable and accrued liabilities, debentures, and other liabilities. The carrying value of these financial instruments approximates their fair value due to the short-term nature of these instruments. The fair value of investments is determined directly by reference to quoted market prices in active markets. The Company's financial instruments are exposed to certain financial risks, including credit, liquidity and market risks.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Credit risks associated with cash and cash equivalents is minimal as the Company deposits the majority of its cash with a large Canadian financial institution that has been accorded a strong investment grade rating by a primary rating agency. Credit risks associated with receivables and other assets and share consideration receivable are minimal as the Company manages these amounts so as not to have material balances outstanding for long periods of time. Credit risks associated with investments are minimal as the Company does not hold its investments for long periods of time.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities, which is minimized through the management of its capital structure (Note 1). The Company closely monitors and reviews its costs incurred and actual cash flows against the approved budget on a monthly basis to ensure the Company's access to funds is adequate to support the Company's operations on an ongoing basis.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices comprise two types of risk: currency risk and price risk. Financial instruments affected by market risk include cash and cash equivalents, receivables and other assets, investments, share consideration receivable, trades payable and accrued liabilities, debentures, and other liabilities.

Currency risk

Currency risk is the risk that the value of financial assets and liabilities may change due to changes in the value of two different currencies. The Company is exposed to currency risks as its parent is headquartered in Canada and its day-to-day transactions take place in Canadian dollars, while its foreign operations are conducted in Argentina, and the Company also holds significant debentures denominated in the United States dollar. While the Company has not used any hedging strategies to manage its exposure to currency fluctuations, management strives to minimize currency risk by sending its cash to its foreign operation as required.

Based on the Company's net exposures at September 30, 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 $0.1 million and $3.5 million, respectively, increase or decrease in the Company's net loss.

Price risk

Price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. From time to time, as part of the funding process to its subsidiary, the Company holds equity instruments for periods of three to five business days with the intention of trading. During these holding periods, the Company is exposed to changes in share prices which result in gains or losses being recognized in profit and loss. The Company does not hold significant numbers of equity instruments at period end and therefore has no significant exposure to price risk as at September 30, 2020.

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

14. SEGMENTED INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in South America. The segments presented in Notes 5 and 9 reflect the way in which management reviews its business performance. Following the completion of the Arrangement on July 17, 2019, the Company's primary business activity is the advancement of the Josemaria Project in San Juan, Argentina.

All of the Company's non-current assets and exploration and project evaluation costs are located and incurred within South America, whereas materially all of the Company's cash and general and administrative costs are held and incurred by the Canadian parent. Following is a summary of net losses and non-current assets by segment:

	September 30, 2020			
	Receivables and other assets	Equipment and other fixed assets	Mineral properties	Total
Josemaria	$ 227,966	$ 2,247,724	$ 10,474,973	$ 12,950,663
Corporate	-	24,775	-	24,775
Total	$ 227,966	$ 2,272,499	$ 10,474,973	$ 12,975,438

	December 31, 2019			
	Receivables and other assets	Equipment and other fixed assets	Mineral properties	Total
Josemaria	$ 164,035	$ 2,179,899	$ 10,608,482	$ 12,952,416
Corporate	-	38,500	-	38,500
Total	$ 164,035	$ 2,218,399	$ 10,608,482	$ 12,990,916

	For the nine months ended September 30, 2020			For the nine months ended September 30, 2019		
	Exploration Expenditures	G&A and other items	Net loss for the period	Exploration Expenditures	G&A and other items	Net (income)/loss for the period
Josemaria	$ 26,346,131	$ -	$ 26,346,131	$ 22,877,277	$ -	$ 22,877,277
Los Helados (Note 6)	-	-	-	1,629,889	-	1,629,889
Other projects (Note 6)	-	-	-	256,213	-	256,213
Corporate	-	1,624,643	1,624,643	267,432	(25,178,011)	(24,910,579)
Total	$ 26,346,131	$ 1,624,643	$ 27,970,774	$ 25,030,811	$ (25,178,011)	$ (147,200)

15. SHARE CONSIDERATION RECEIVABLE

On November 3, 2020, the Company received $735,000 in cash in lieu of shares from Newcrest Mining. The cash receipt is related to the Company's disposition of its interest in the GJ copper-gold mineral property assets, which occurred on November 3, 2015.

CORPORATE DIRECTORY

Company Head Office
Suite 2000 - 885 West Georgia Street
Vancouver, British Columbia V6C 3E8
Canada
Phone: +1 604 689 7842
Fax: +1 604 689 4250

Officers
Adam Lundin, President and CEO
Ian Gibbs, Chief Financial Officer
Arndt Brettschneider, Vice President Projects
Bob Carmichael, Vice President Exploration
Julie Kemp, Corporate Secretary

Registered and Records Office
885 West Georgia Street
Suite 2000
Vancouver, British Columbia
Canada, V6C 3E8

Directors
Ashley Heppenstall, Chairman (non-executive)
Christine Batruch
Paul Conibear
Ron Hochstein
Adam Lundin
Jack Lundin
Wojtek Wodzicki

Auditors - PricewaterhouseCoopers LLP
Vancouver, British Columbia
Canada

Solicitors - Cassels Brock
Vancouver, British Columbia
Canada

Registrar and Transfer Agent
Computershare Trust Company of Canada
Vancouver, British Columbia
Canada
Phone: +1 604 661 9400

Share Listing
TSX: JOSE
Nasdaq Stockholm: JOSE
OTCQB: JOSMF
CUSIP number: 48086P100
ISIN number: CA48086P1009