

October 29, 2009



## Third Quarter Results 2009

**lundin mining**



# Cautionary Statements

## Caution Regarding Forward Looking Statements

This presentation contains forward-looking statements. These forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events. These forward-looking statements are subject to risks and uncertainties. These risks and uncertainties could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

## Caution Regarding Inferred Resources

This presentation uses the terms "Measured", "Indicated" and "Inferred" Resources. U.S. investors are advised that while such terms are recognized and required by Canadian regulations, the Securities and Exchange Commission does not recognize them. "Inferred Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into reserves.



## Presenter

**PHIL WRIGHT**

PRESIDENT & CEO

## Questions

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**Corporate**

Operations

Projects

Exploration

Growth

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## Significant Q3 Highlights

- **European operations remain on-track** to achieve full year production guidance and our costs remain well controlled.
- **Q3 result below our own expectations**
- **Construction activities on Tenke Phase 1 substantially complete.** During the quarter, Tenke produced approximately 24,000 tonnes of copper bringing the total to approximately 41,000 tonnes of copper cathode since start-up.
- **Unaudited net income of \$3.7 million** (\$0.01 per share) - below last quarter but includes an unrealized pre-tax loss of \$18.5 million on derivative contracts and an \$18.7 million loss on sale of Ozernoe
- **Operating earnings \$91.8 million**, the same as last quarter and a \$22.9 million increase over the same period last year
- Encouraging results for near-mine **copper exploration at Neves-Corvo**



## Financial Position

- **Net debt as at September 30, 2009 is \$132.2 million**, compared to \$110.7 million at the end of the previous quarter.
- The increase in net debt is related to the **cash payments of \$24.3 million to fund ongoing work programs at Tenke.**
- **Net debt to equity at September 30, 2009 is 4.5%.**

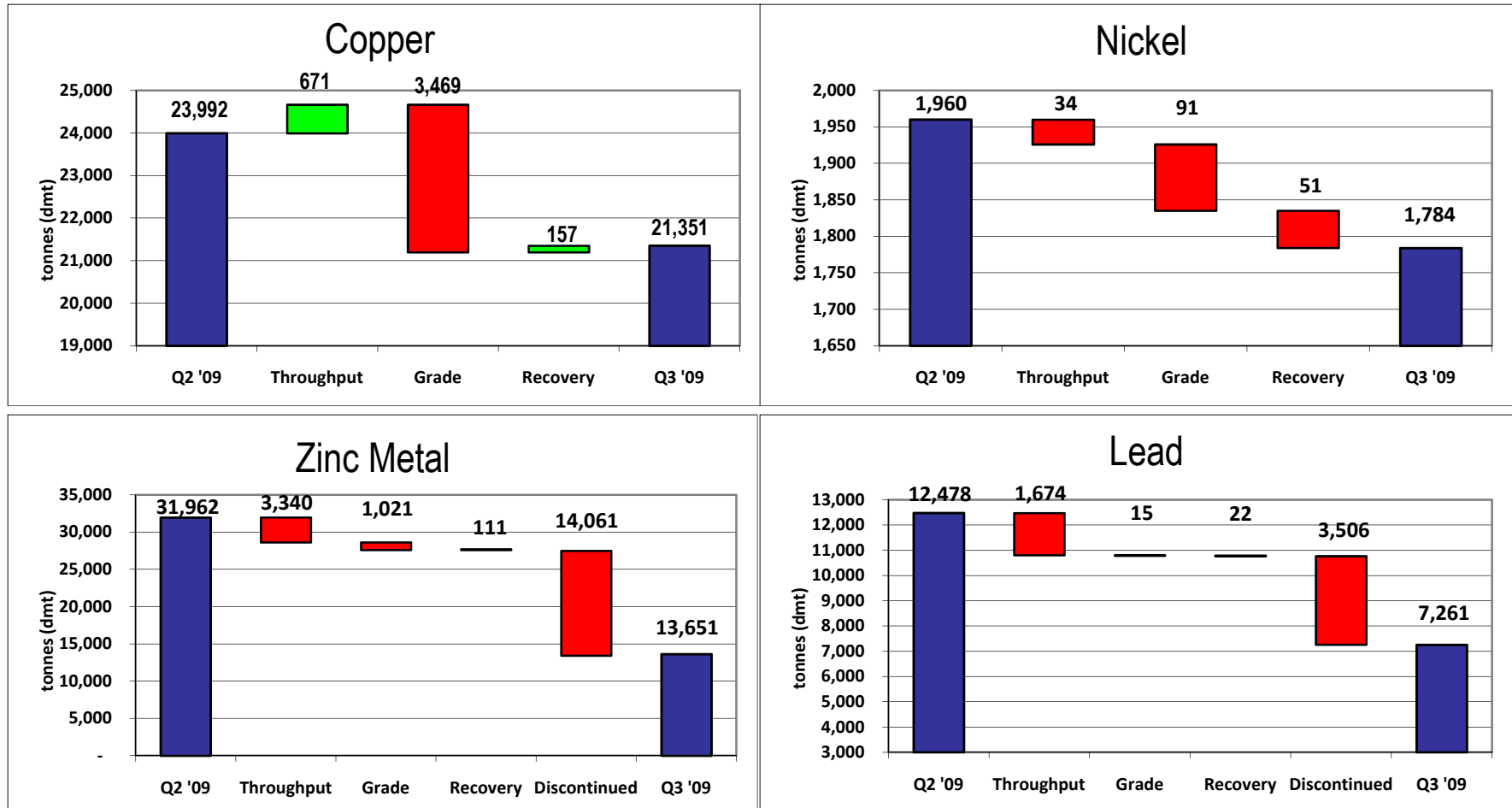


## Production & Metal Prices: Q3'09 and Q3'08

	Production (tonnes)		Average LME Prices (US\$/lb, US\$/t)	
	Q3 2009	Q3 2008	Q3 2009	Q3 2008
<b>Copper</b>	21,351	24,433	2.65 5,840	3.49 7,693
<b>Zinc</b>	16,651	37,067	0.80 1,757	0.80 1,773
<b>Lead</b>	8,961	9,908	0.87 1,925	0.87 1,912
<b>Nickel</b>	1,784	2,155	7.99 17,614	8.61 18,980



# Change in Production: Q2'09 and Q3'09



Note: Zn and Pb excludes metal in Galmoy ore sales



## Cash Costs: Q3'09 and Q3'08

		Cash cost per lb of primary metal			
		(US cents)		(local currency)	
		Q3 '09	Q3 '08	Q3 '09	Q3 '08
Neves-Corvo (Local in € cents)	Gross cost	123	120	83	81
	Byproduct*	(2)	(14)	(2)	(9)
	Net cost	121	106	81	72
Zinkgruvan (Local in SEK)	Gross cost	79	81	566	519
	Byproduct*	(59)	(46)	(430)	(292)
	Net cost	20	35	136	227
Aguablanca (Local in € cents)	Gross cost	812	716	569	477
	Byproduct*	(313)	(222)	(220)	(149)
	Net cost	499	494	349	328

\* Byproduct is after related TC/RC





# Third Quarter: Financial Results

Selected Quarterly Financial Information: \$ Millions

	<b>Q3 2009</b>	<b>Q3 2008</b>
Sales	171.1	191.9
<b>Operating Earnings</b>	<b>91.8</b>	<b>68.9</b>
Add (deduct):		
General Exploration	(6.5)	(7.9)
Selected items only		
Depreciation, Amortization	(46.5)	(54.3)
Forex	2.7	8.2
Interest & bank charges	(3.0)	(2.9)
Derivative contracts	(24.9)	(1.8)
Other income and expenses	1.0	1.7
Loss from investments /impairments	(19.7)	(220.1)
<b>Earnings from continuing ops before tax</b>	<b>(5.1)</b>	<b>(208.2)</b>
Income tax recovery	8.8	18.0
<b>Net Income (Loss) from continuing ops</b>	<b>3.7</b>	<b>(190.2)</b>

Corporate

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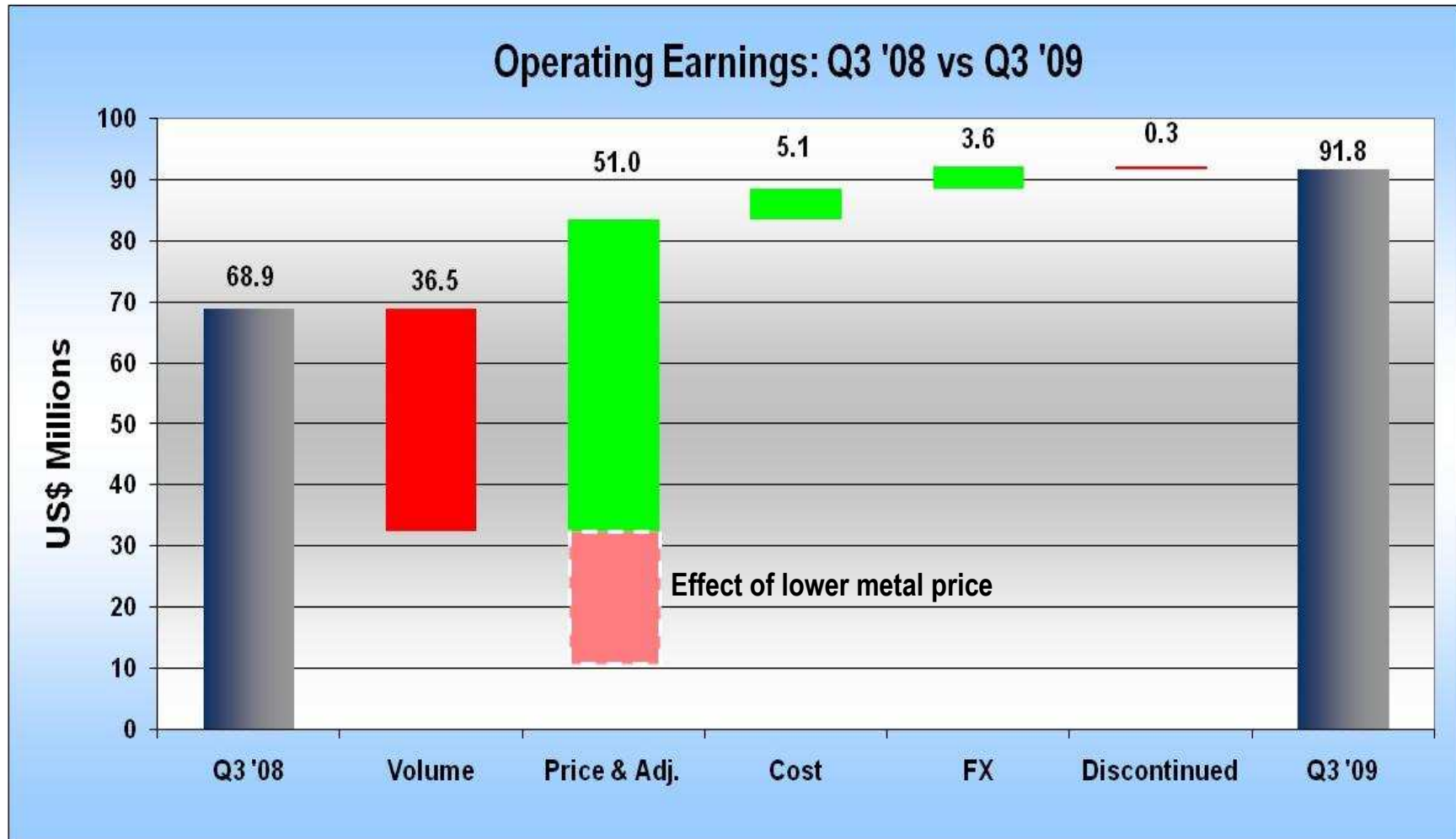
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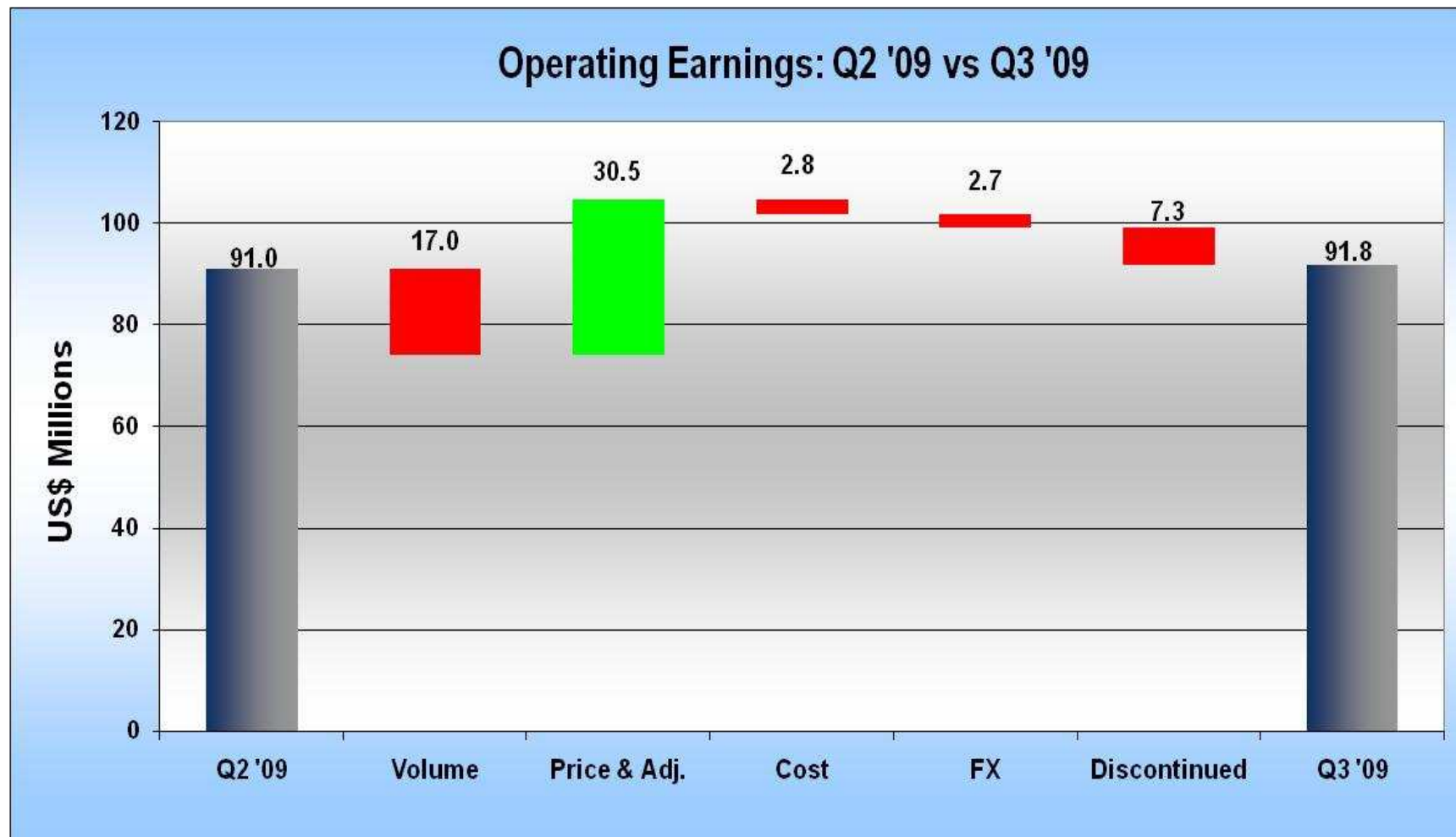


# Change in Operating Earnings





# Change in Operating Earnings





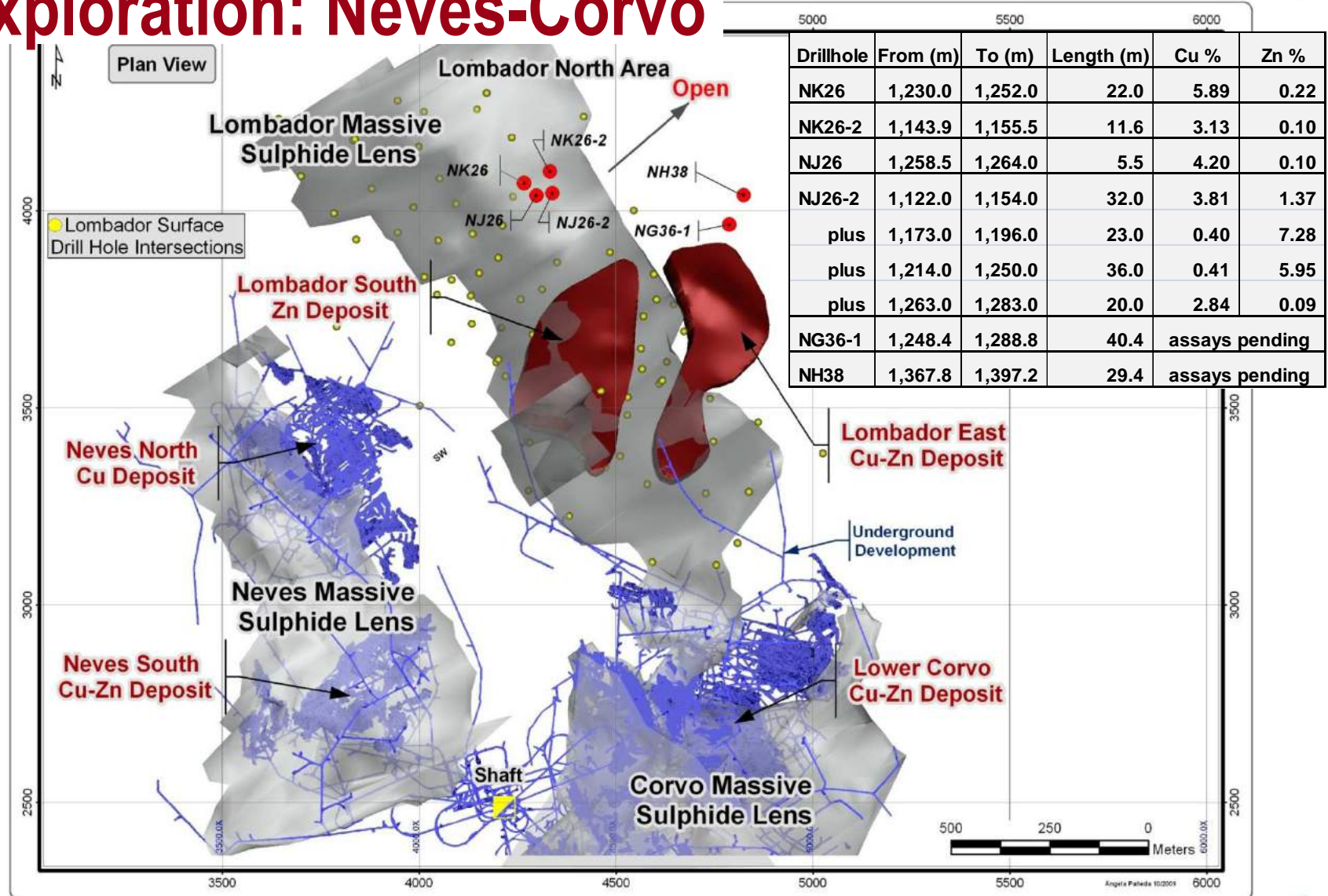
## Tenke Project – 24.75% equity interest

- Q3 production: 24,000 tonnes copper and 640 tonnes of cobalt – approx. 18,000 tonnes of copper cathode were sold (full year sales to approximate 55,000 tonnes)
- Cobalt plant currently being commissioned with ramp-up expected in Q4
- Full annual capacity of 115,000 tonnes of copper and 9,000 tonnes of cobalt expected to be reached in second half of 2009
- Tenke cash payments of \$24.3 million during the quarter
- Excess overrun cost facility at September 30, 2009 was \$216.6 million – to be paid back to FCX through preferential sweeps from first available net cash flows





# Exploration: Neves-Corvo





# Outlook

- 2009 production guidance on track: 91,000 tonnes copper (excluding Tenke), 100,000 tonnes zinc, 40,000 tonnes lead and 7,200 tonnes nickel
- Base metal prices strengthened further during the quarter - the Company remains cautious in the short term and will continue to focus on tight expenditure controls
- In medium to longer term, supply constraints expected to emerge with the potential for base metal prices to move significantly higher
- Updated cost guidance for the year (dependent on exchange rates):
  - Neves-Corvo: \$1.10 (Q2: \$1.05) per lb copper
  - Zinkgruvan: unchanged at \$0.30 per lb zinc
  - Aguablanca: \$5.00 (Q2: \$4.80) per lb nickel
- Capex expected to be around \$170 million: \$65 million sustaining; \$45 million new investments; and \$60 million for Tenke
- All operations are expected to be free cash flow positive



# Questions

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