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NEWS RELEASE

LUNDIN MINING RELEASES 2010 SECOND QUARTER RESULTS

Toronto, July 28, 2010 (TSX: LUN; OMX: LUMI) Lundin Mining Corporation (“Lundin” or the “Company”) today reported an unaudited net income of \$75.6 million (\$0.13 per share) for the second quarter of 2010, up from \$43.5 million (\$0.08 per share) in the second quarter of 2009.

Mr. Phil Wright, President and CEO commented, “Net income this quarter includes a few non-recurring, partially offsetting, items and is well up on last year.

“Second quarter production was close to our expectations. Zinc and lead production was well ahead of plan; Neves-Corvo, which continued to be affected by industrial action in April, was back above plan in June; Aguablanca was only marginally below plan but is dealing with continuing challenges with rain and its effect on pit operation. Copper production at Tenke was in-line with nameplate capacity of 115,000 tonnes per annum of copper cathode.” Mr. Wright said.

At quarter-end, cash on hand was \$149.6 million and net cash¹, after deducting all outstanding debt, was \$107.8 million.

| US \$ millions (except per share amounts) | Three Months Ended June 30 | | Six months ended June 30 | |
|--|----------------------------|-------|--------------------------|-------|
| | 2010 | 2009 | 2010 | 2009 |
| Sales | 183.1 | 194.8 | 324.8 | 318.2 |
| Operating earnings | 80.8 | 91.0 | 145.4 | 129.2 |
| Net income from continuing operations | 75.6 | 43.5 | 113.5 | 29.3 |
| Net income | 75.6 | 43.5 | 113.5 | 34.9 |
| Basic & diluted income per share: | | | | |
| From continuing operations | 0.13 | 0.08 | 0.20 | 0.06 |
| From discontinued operations | - | - | - | 0.01 |
| Total: | 0.13 | 0.08 | 0.20 | 0.07 |
| Cash provided by operations | 78.8 | 63.7 | 163.7 | 0.4 |

Highlights

Production Summary (tonnes)

| | YTD | Q2 | Q1 | FY | Q4 | Q3 | Q2 | Q1 |
|------------------------------------|--------|---------------|--------|---------|--------|--------|--------|--------|
| <i>Wholly-owned operations</i> | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2009 |
| Copper | 34,618 | 21,774 | 12,844 | 93,451 | 23,868 | 21,351 | 23,992 | 24,240 |
| Zinc | 44,076 | 24,458 | 19,618 | 101,401 | 20,011 | 15,151 | 31,962 | 34,277 |
| Lead | 19,196 | 10,953 | 8,243 | 43,852 | 10,393 | 8,111 | 12,478 | 12,870 |
| Nickel | 3,871 | 1,715 | 2,156 | 8,029 | 2,324 | 1,784 | 1,960 | 1,961 |
| <i>Tenke attributable (24.75%)</i> | | | | | | | | |
| Copper | 14,158 | 7,038 | 7,120 | 17,325 | 7,227 | 6,019 | 4,079 | - |
| Cobalt | 961 | 409 | 552 | 638 | 477 | 159 | 2 | - |

¹ Net cash is a Non-GAAP measure defined as available unrestricted cash less financial debt, including capital leases and other debt-related obligations.

- Net income of \$75.6 million (Q2-2009: \$43.5 million) or \$0.13 per diluted share (Q2-2009: \$0.08) includes \$32.4 million (\$27.9 million after tax) related to the sale of shares in Chariot Resources, which were classified as Available For Sale (“AFS”) securities.

The higher tax charge includes a charge of \$14.5 million (current taxes payable \$0.9, future income tax assets and liabilities of \$13.6 million) to cover the 2.5% increase in the Portuguese corporate income tax rate and also reflects the effect of reduced loss carry-forwards and accelerated depreciation. The increase in the Portuguese tax rate was initially announced to apply for a two year period only. However, the legislation does not provide a limit and the increase has been provided for in respect of all future taxes.

Normalized earnings are shown below:

| | Q2 2010 | Q2 2009 | Q1 2010 |
|---------------------------------------|-------------------|--------------------|-------------|
| Reported Net Income | 75.6 | 43.5 | 38.0 |
| Derivative (gains) losses pre-tax | (11.2) | 9.2 | 0.5 |
| AFS securities (gains) losses pre-tax | (32.4) | - | (0.6) |
| Tax on above | 7.7 | (2.4) | (0.1) |
| Other non-recurring tax adjustments | 13.6 ¹ | (6.2) ² | - |
| Adjusted Net Income | 53.3 | 44.1 | 37.8 |
| Basic and diluted income per share | \$0.09 | \$0.08 | \$0.07 |

¹ increase in future tax liability related to the 2.5% tax rate increase in Portugal

² partial recovery of valuation allowance on loss carry-forwards in Spain

- Operating earnings¹ decreased by \$10.2 million from \$91.0 million in the second quarter of 2009 to \$80.8 million in 2010. Discounting the closure of Galmoy (\$8.8 million effect), like-for-like operations decreased operating earnings by \$1.4 million.

The positive effect of higher metal prices was largely offset by the difference in price adjustments when comparing this quarter to the prior corresponding quarter (net \$16.5 million favourable effect after negative price adjustments of \$74.7 million) with the largest effect coming from nickel. The net favourable price effect and more favourable exchange rates (\$6.3 million effect) were partially offset by lower sales volumes (\$5.1 million effect) and higher unit costs (\$19.1 million).

Higher unit costs, included in cost of sales, relate to higher costs brought forward from the first quarter in inventory and the costs associated with recovery from the disruptions in the first quarter.

Operating earnings for Aguablanca do not reflect the high nickel prices experienced during the March, April, May period. In accordance with the flexibility granted the offtaker, under the now expired concentrate sales contract (in place when Rio Narcea was acquired), none of Aguablanca’s concentrate sales this year have been settled. The first quarter reflected a positive price adjustment of \$12.4 million and this unrealized mark-up has been reversed in the current quarter. This has reduced the quarter’s earnings.

- Sales for the quarter were \$183.1 million compared to sales of \$194.8 million in the second quarter of 2009. Lower volume from continuing operations (\$8.9 million) and the closure of Galmoy (\$19.3 million) were largely offset by net effect of metal price improvements and price adjustments related to previous quarters’ sales (\$16.5 million).

Average metal prices in the second quarter of 2010 were 30% to 70% higher than the same quarter in 2009. Closing inventory levels are considered ‘normal’.

¹ Operating earnings is a Non-GAAP measure defined as sales, less operating costs, accretion of ARO and other provisions, selling, general and administration costs and stock-based compensation.

- On May 14, 2010, agreement was reached to end industrial action at Neves-Corvo based on a new productivity arrangement. This provides for additional payment to employees for actual increases in productivity, based on a measure of tonnes-per-employee compared to a 2009 baseline.
- Cash inflow from operations was \$78.8 million for the quarter, compared to \$63.7 million for the corresponding period in 2009.
- Net cash¹ as at June 30, 2009 of \$107.8 million was up from \$10.2 million at the end of the previous quarter and compared to net debt¹ of \$49.3 million at December 31, 2009. The change in net cash is after: \$32.4 million of capital expenditure; \$6.8 million advanced in respect of Tenke; and includes \$59.9 million from the sale of investments and AFS securities. The revolving credit facility was undrawn at quarter-end.
- The Tenke Fungurume mine produced approximately 28,438 tonnes of copper, and approximately 24,997 tonnes were sold at an average realized price of \$2.96 per pound.

Financial Position and Financing

- The increase in liquidity during the quarter was attributable to:
 - net cash flow from operations, after allowing for investment in mineral properties, plant and equipment of \$32.4 million and a contribution to Tenke of \$6.8 million to cover 2010 exploration, expansion studies and sustaining capital investment; and
 - \$59.9 million of proceeds from sale of investments and available for sale securities
- Cash on hand at June 30, 2010 was \$149.6 million.

¹ Net cash/debt is a Non-GAAP measure defined as available unrestricted cash less financial debt, including capital leases and other debt-related obligations.

Outlook

As previously reported, measures have been taken to reduce the annual effect of below trend production in the first quarter and recovery during the second quarter was largely in accordance with expectations.

Aguablanca is largely in accordance with planned nickel production however the effects of the heavy rain in the first quarter, and continued rain in the second quarter, have contributed to the appearance of zones of slope instability in the pit. In addition, Aguablanca has been notified of possible rolling industrial action commencing July 31, 2010 and running for five consecutive Saturdays and Mondays. Contingency plans are being considered.

As a precaution of the two issues affecting Aguablanca, nickel guidance has been reduced to accord with the original guidance of 7,500 tonnes of nickel for the year and copper guidance has been reduced to 6,500 tonnes, both plus or minus 5%.

The revised guidance for 2010, as given at the end of the first quarter, is maintained for all operations, except Aguablanca, as follows:

| (contained tonnes) | | 2010 Guidance | |
|---|-----------|---------------|------------------------|
| | | Tonnes | C1 Cost ^{1,2} |
| Neves-Corvo | <i>Cu</i> | 77,000 | \$ 1.25 |
| | <i>Zn</i> | 6,000 | |
| Zinkgruvan | <i>Zn</i> | 75,000 | \$ 0.30 |
| | <i>Pb</i> | 36,000 | |
| | <i>Cu</i> | 1,000 | |
| Aguablanca | <i>Ni</i> | 7,500 | \$ 6.25 |
| | <i>Cu</i> | 6,500 | |
| Galmoy (in ore) | <i>Zn</i> | 14,000 | |
| | <i>Pb</i> | 4,000 | |
| Total: Wholly-owned operations | <i>Cu</i> | 84,500 | |
| | <i>Zn</i> | 95,000 | |
| | <i>Pb</i> | 40,000 | |
| | <i>Ni</i> | 7,500 | |
| Tenke: 24.75% attributable share | <i>Cu</i> | 28,500 | |

1 Cash costs are dependent upon exchange rates, assumed as follows: €/US\$: 1.40. The TC/RC included in the cash cost of nickel assumes \$7.75/lb of nickel.

- Zinc production at Neves-Corvo is expected to resume in 2011 at the rate of 50,000 tonnes per annum ("tpa") of contained zinc. The estimated cost of the project is €43 million and is approximately 50% complete.

The expansion of shaft capacity at Neves-Corvo allows consideration of an earlier restart of zinc production, albeit at the level of 25,000 tpa. However, based on the present zinc prices, this additional capacity is more likely to be directed towards copper production.

- A pre-feasibility study has concluded that Lombador can be economically developed.

In accordance with the study, the first phase of Lombador is expected to lift zinc production at Neves-Corvo from a nominal 50,000 tpa to 140,000 tpa of contained zinc at a capital cost of approximately €140 million.

² Cash cost per pound is a non-GAAP measure.

A start-up date of 2013 is considered likely and cash costs are expected to be in the third-quartile for zinc producers on a normal costing basis. A feasibility study is now underway with expected completion during the first quarter of 2011.

- Studies are underway at Zinkgruvan to allow the recently completed copper plant to treat zinc ores in addition to copper thereby significantly increasing the flexibility of the Zinkgruvan operation.
- Capital expenditure outlook for the year is expected to be around \$190 million. This includes:
 - Sustaining capital in European operations of \$90 million.
 - New investment in European operations of \$60 million.
 - Investment in Tenke is now expected to be around \$40 million, at the bottom of the range previously given of between \$40 million and \$100 million depending on development plans. We note that final decisions on capital investment levels are made by Freeport-McMoran, as operator.
- Expenditure on exploration and resource acquisition is expected to be around \$24 million, up from previous guidance of \$20 million, owing to the decision to increase near-mine exploration at Neves-Corvo and to the commencement of a new exploration program to be carried out in the Ossa Morena Belt of southern Spain designed to quickly define and drill-test several known copper-gold-iron targets.
- Inherent risks in the world economy remain large and unpredictable. In our view, volatility is likely to remain high in 2010 with an improving outlook thereafter.

Selected Quarterly Financial Information

| (USD millions, except per share amounts) | Three months ended June 30 | | Six months ended June 30 | |
|--|----------------------------|-------------|--------------------------|-------------|
| | 2010 | 2009 | 2010 | 2009 |
| Sales | 183.1 | 194.8 | 324.8 | 318.2 |
| Operating earnings¹ | 80.8 | 91.0 | 145.4 | 129.2 |
| Depletion, depreciation & amortization | (32.6) | (38.5) | (68.8) | (82.0) |
| General exploration and project investigation | (5.6) | (4.1) | (10.3) | (9.4) |
| Other income and expenses | 12.4 | 9.7 | 19.3 | 0.6 |
| Gain (loss) on derivative contracts | 11.2 | (9.2) | 10.7 | (9.2) |
| Gain on sale of AFS securities | 32.4 | - | 33.0 | - |
| Income (loss) from equity investment in Tenke | 8.3 | (3.4) | 25.5 | (4.3) |
| Income from continuing operations before income taxes | 106.9 | 45.5 | 154.8 | 24.9 |
| Income tax (expense) recovery | (31.3) | (2.0) | (41.3) | 4.4 |
| Income from continuing operations | 75.6 | 43.5 | 113.5 | 29.3 |
| Gain from discontinued operations | - | - | - | 5.6 |
| Net income | 75.6 | 43.5 | 113.5 | 34.9 |
| Shareholders' Equity | 2,839.7 | 2,845.0 | 2,839.7 | 2,845.0 |
| Cash flow from operations | 78.8 | 63.7 | 163.7 | 0.4 |
| Capital expenditures (incl. Tenke) | 39.1 | 57.8 | 77.2 | 91.4 |
| Total assets | 3,443.2 | 3,691.2 | 3,443.2 | 3,691.2 |
| Net cash(debt)² | 107.8 | (110.7) | 107.8 | (110.7) |
| Key Financial Data: | | | | |
| Shareholders' equity per share ³ | 4.90 | 4.91 | 4.90 | 4.91 |
| Basic and diluted income per share | 0.13 | 0.08 | 0.20 | 0.07 |
| Dividends | - | - | - | - |
| Equity ratio ⁴ | 82% | 77% | 82% | 77% |
| Shares outstanding: | | | | |
| Basic weighted average | 579,864,628 | 552,137,068 | 579,771,573 | 519,964,158 |
| Diluted weighted average | 580,261,614 | 552,170,964 | 580,203,254 | 519,971,178 |
| End of period | 579,899,803 | 579,433,771 | 579,899,803 | 579,433,771 |

| (\$ millions, except per share data) | Q2-10 | Q1-10 | Q4-09 | Q3-09 | Q2-09 | Q1-09 | Q4-08 | Q3-08 |
|--|--------------|-------|--------|---------|---------|---------|---------|---------|
| Sales | 183.1 | 141.7 | 256.7 | 171.1 | 194.8 | 123.4 | 43.5 | 191.9 |
| Operating earnings | 80.8 | 64.6 | 152.2 | 91.8 | 91.0 | 38.2 | (65.8) | 68.9 |
| Impairment charges (after tax)⁵ | - | - | (37.1) | - | - | - | (651.5) | (201.1) |
| Income (loss) from continuing operations | 75.6 | 38.0 | 35.1 | 3.7 | 43.5 | (14.1) | (707.7) | (190.2) |
| Net income (loss) | 75.6 | 38.0 | 35.1 | 3.7 | 43.5 | (8.6) | (728.5) | (199.0) |
| Income (loss) per share from continuing operations, basic and diluted | 0.13 | 0.07 | 0.06 | 0.01 | 0.08 | (0.03) | (1.72) | (0.49) |
| Income (loss) per share, basic⁶ and diluted⁶ | 0.13 | 0.07 | 0.06 | 0.01 | 0.08 | (0.02) | (1.77) | (0.51) |
| Cash flow from (used in) operations | 78.8 | 84.9 | 97.0 | 40.0 | 63.7 | (63.3) | 46.5 | 46.8 |
| Capital expenditure (incl. Tenke) | 39.1 | 38.1 | 39.0 | 54.7 | 57.8 | 33.6 | 105.7 | 146.8 |
| Net cash(debt)² | 107.8 | 10.2 | (49.3) | (132.2) | (110.7) | (259.5) | (145.5) | (194.8) |

¹ Operating earnings is a Non-GAAP measure defined as sales, less operating costs, accretion of asset retirement obligation ("ARO") and other provisions, selling, general and administration costs and stock-based compensation.

² Net cash/debt is a Non-GAAP measure defined as available unrestricted cash less financial debt, including capital leases and other debt-related obligations.

³ Shareholders' equity per share is a Non-GAAP measure defined as shareholders' equity divided by total number of shares outstanding at end of period.

⁴ Equity ratio is a Non-GAAP measure defined as shareholders' equity divided by total assets at the end of period.

⁵ Includes impairment from discontinued operations.

⁶ Income (loss) per share is determined for each quarter. As a result of using different weighted average number of shares outstanding, the sum of the quarterly amounts may differ from the year-to-date amount.

The 2010 second quarter consolidated interim financial statements and management's discussion and analysis are available on SEDAR (www.sedar.com) or the Company's website (www.lundinmining.com).

About Lundin Mining

Lundin Mining Corporation is a diversified base metals mining company with operations in Portugal, Sweden, Spain and Ireland, producing copper, zinc, lead and nickel. In addition, Lundin Mining holds a development project pipeline which includes expansion projects at its Zinkgruvan and Neves-Corvo mines along with its equity stake in the world class Tenke Fungurume copper/cobalt project in the Democratic Republic of Congo.

On Behalf of the Board,

Phil Wright
President and CEO

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Forward Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described under Risk Factors Relating to the Company's Business in the Company's Annual Information Form and in each management discussion and analysis. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of copper, nickel, lead and zinc; that the Company can access financing, appropriate equipment and sufficient labour and that the political environment where the Company operates will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.