

TSX: LUN  
OMX: LUMI



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## **BofAML Mining Conference - Toronto**

September 8-9, 2011

## 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.

Such risks may include, without limitation: risks and uncertainties relating to foreign currency fluctuations; risks inherent in mining including environmental hazards, 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 labor disputes or other unanticipated difficulties with or shortages of labor 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; and commodity price fluctuations.

For further details of other risks and uncertainties see Risk Factors Relating to the Company's Business in the Company's Annual Information Form and in each management discussion and analysis.

# Multi-Operation Copper & Zinc Producer

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- Trades on TSX (LUN) and OMX (LUMI)
- 582 million shares outstanding
- Market Cap - approx US\$ 3.2 Billion (Aug. 31, 2011)
- Significant leverage to copper and zinc markets
- 4 wholly owned base metals mines in Europe:
  - Neves-Corvo, Zinkgruvan, Aguablanca and Galmoy
- 24% equity stake in Tenke Fungurume copper/cobalt mine, DRC

- Near term focus
  - improving operations
  - expansion studies
- Adding value through exploration
- Medium term objectives – growth through transactions
- Maintaining and continuing to build a strong balance sheet

- **Net Cash at June 30, 2011 of \$308 million,**
  - + \$149 million since 31 December 2010
- Operating cash flow for Q2/11 of \$231.9 million
- Undrawn debt facility of \$300 million
- Cash returns from Tenke expected in Q3 2011
- **Strong balance sheet and cash flow provides great flexibility**

# 2011 Production Outlook

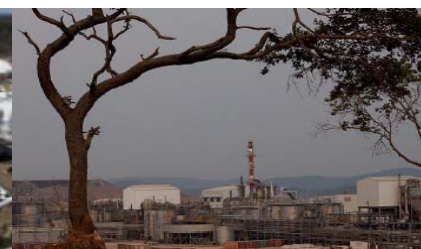
(contained tonnes)		2011 Guidance	
		Tonnes	C1 Cost
<b>Neves-Corvo</b>	<i>Cu</i>	72,000	\$1.65
	<i>Zn</i>	6,000	
<b>Zinkgruvan</b>	<i>Zn</i>	78,000	\$0.21
	<i>Pb</i>	36,000	
	<i>Cu</i>	3,400	
<b>Galmoy</b> (in ore)	<i>Zn</i>	28,000	
	<i>Pb</i>	8,000	
<b>Total: Ex. Tenke</b>	<i>Cu</i>	75,400	
	<i>Zn</i>	112,000	
	<i>Pb</i>	44,000	
<b>Tenke: 24.0%</b> attributable share	<i>Cu</i>	30,400	\$0.97



**Neves-Corvo**



**Zinkgruvan**



**Tenke Fungurume**

- Located in southern Portugal. Underground copper /zinc mine
- Mineral reserves as at June 30, 2011:  
Copper-rich ores: 27.7 million tonnes @ 3.0% Cu; 0.9% Zn  
Zinc-rich ores: 23.1 million tonnes @ 0.4% Cu; 7.3% Zn
- M&I resources (inclusive of reserves) as at June 30, 2011:  
Copper-rich ores: 45.3 million tonnes @ 3.0% Cu; 1.1% Zn  
Zinc-rich ores: 79.3 million tonnes @ 0.4% Cu; 6.2% Zn
- One of the largest advanced zinc assets available
- Extensive copper/zinc exploration potential. Major exploration program in progress



Location	• Portugal
Ownership	• 100%
2011E Production Guidance	• 72,000 tonnes Cu • 6,000 tonnes Zn
2011E Operating Costs	• \$1.65/lb Cu
Mine Life	• +10 years



# Neves-Corvo – Current Growth Initiatives

## Zinc Expansion – 50,000 tpa Zn

- Startup on time, on budget
- Processing copper ore for balance of year - better margins

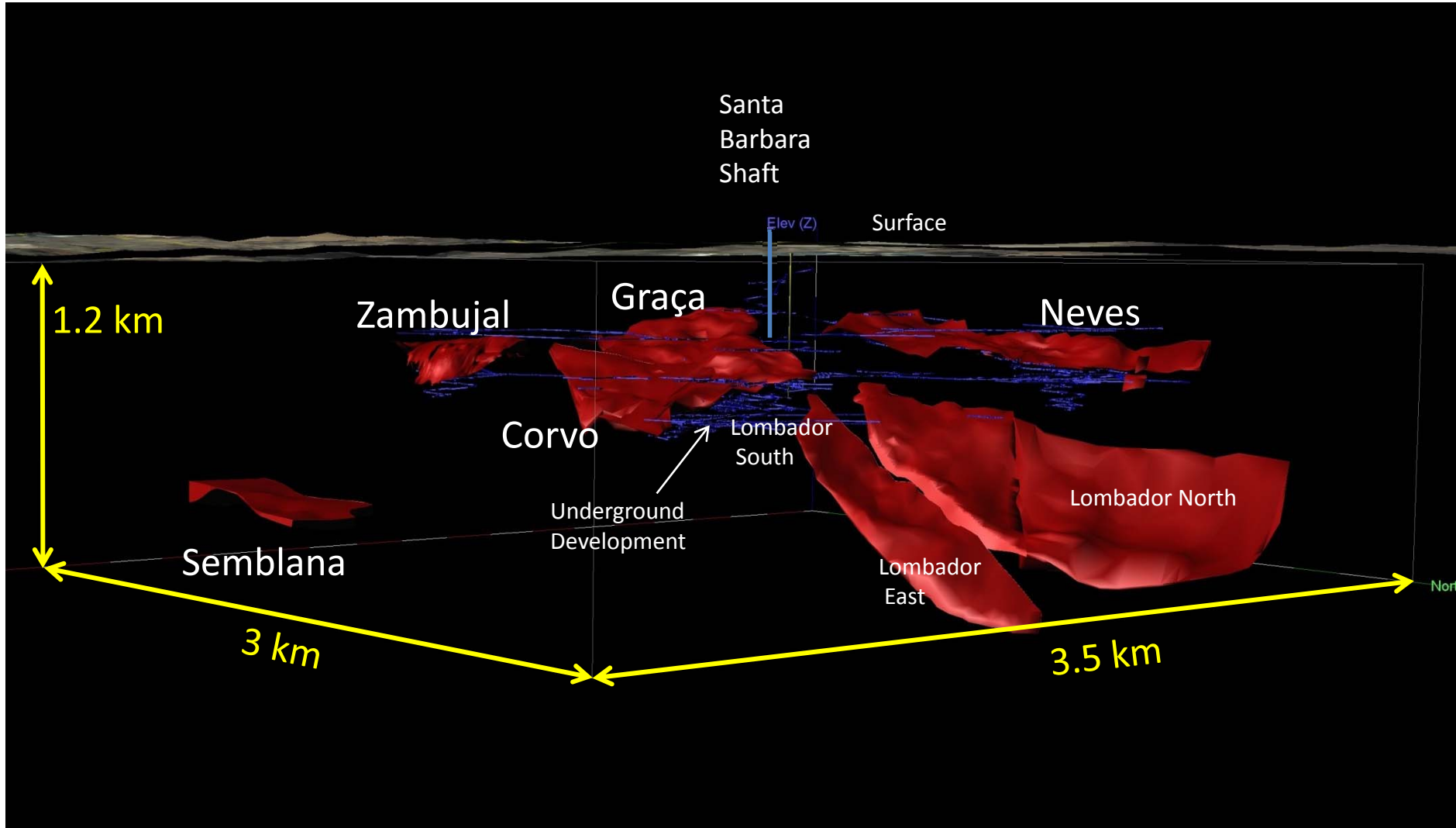
## Lombador and Semblana Development

- Semblana and Lombador development must be coordinated. Underground materials handling study just initiated
- Semblana drilling in progress. Resource by year end
- Two new targets near Semblana being drilled



# Neves-Corvo Concession - Multiple Growth Projects

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# Zinkgruvan

- Located west of Stockholm, Sweden. Underground zinc/lead/copper mine
- Mineral reserves as at June 30, 2011:
  - Zinc-rich ores: 10.7 million tonnes @ 9.2% Zn; 4.4% Pb
  - Copper-rich: 2.8 million tonnes @ 2.6% Cu; 0.4% Zn
- Lowest quartile zinc producer – 2011 guidance \$0.21/lb



Location	• Sweden
Ownership	• 100%
2011E Production Guidance	• 78,000 tonnes Zn • 36,000 tonnes Pb • 3,400 tonnes Cu
2011E Operating Costs	• \$0.21/lb Zn
Mine Life	• +10 years



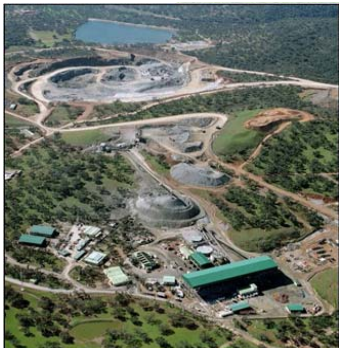
# Zinkgruvan

- Copper plant being converted to treat zinc ore for additional flexibility, lifting zinc capacity to 100,000 tpa
- New ramp from surface highly successful. Mine now out pacing mill capacity
- Debottlenecking to add mill capacity. Target 1.3 Mtpa to 1.5 Mtpa
- Resource drilling being expanded



# Aguablanca

- Located in southern Spain. Open pit nickel-copper mine
- Mineral reserves as at June 30, 2010:  
7.4 million tonnes @ 0.6% Ni; 0.5% Cu
- Restart in Q3/12 with ~€40M investment (operating expenditure) plus €4M in capital for new ramp
- High grade underground study in progress



Location	• Spain
Ownership	• 100%
2011E Production Guidance	• NIL
2011E Operating Costs	• NIL
Mine Life	• +5 years



# Tenke Fungurume

- Located in Katanga Province, DRC: open-pit copper/cobalt mine operated by Freeport
- Exceptional in quality, size, life, growth potential
- Multiple deposits - One world's largest high grade copper assets
- Mineral reserves as at Dec 31, '10:  
145.1 million tonnes @ 2.8% Cu; 0.3% Co
- Multiple expansion plans: objective to reach 500,000 tpa Cu



Location	• Democratic Republic of Congo
Ownership	• 24%
2011E Production Guidance	• 30,400 tonnes Cu
Mine Life	• +40 years



# Tenke Fungurume: Fully-Funded Growth on Horizon

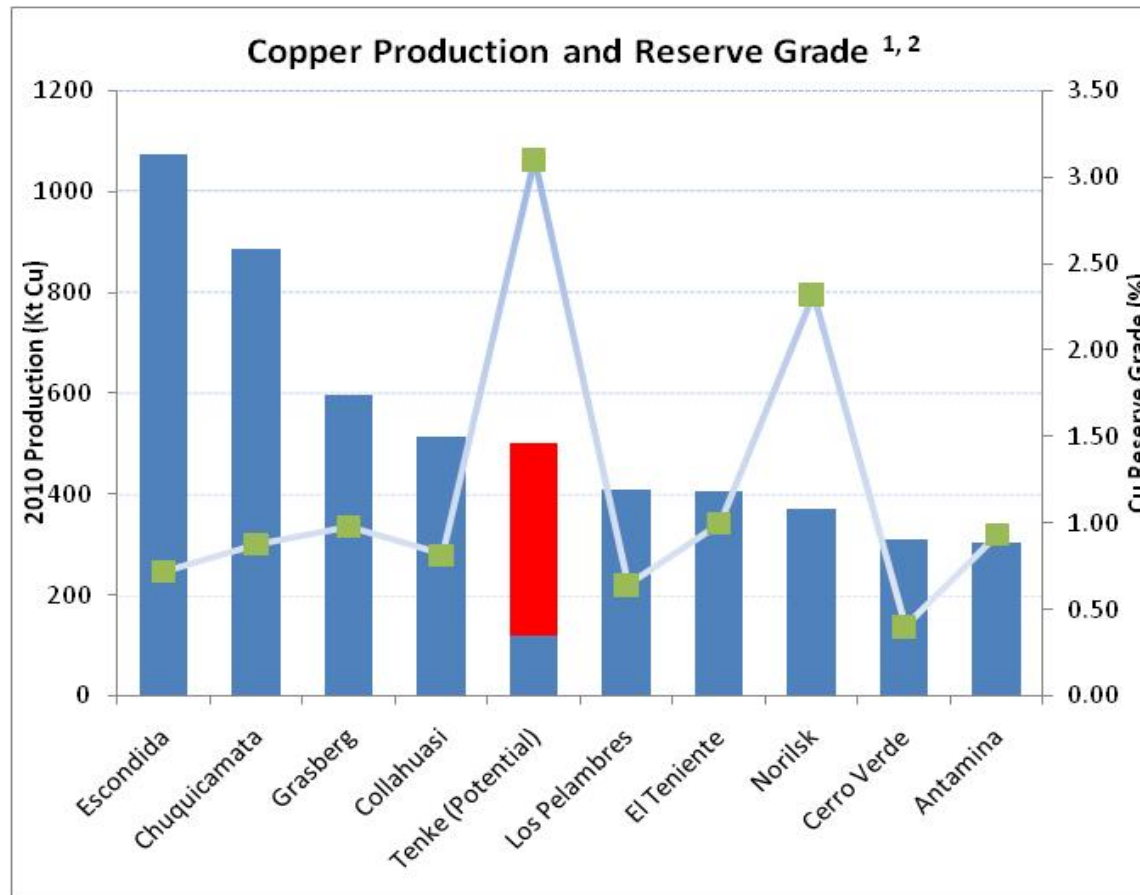
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- Now in **third year of production** (commenced March 2009)
- FCX production forecast of 126,500 tonnes in 2011
- Phase 2 Study nearing completion. Early works advancing to enable 200 k copper production in 2013
- Cash returns attributable to Lundin in 1 H 2011 of \$76.4 million (applied to repayment of initial capital overrun)
- **Cash returns to Lundin expected to commence this quarter**



# Tenke Fungurume: An Exceptional World-Class Mine

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- Potential to be Among **Top 5** Copper Mines in the World
- **Highest Grade** Large Scale Open Pit in Production
- **A Rare Asset**

1 Prod'n estimates based on 2010 results (source: Wood Mackenzie). Tenke expansion potential assumes 500ktpa Cu per LUN internal est.

2 Grades based on existing 2010 P&P reserve grades.

# 2011 Exploration Program – Lundin Assets

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**Exploration spend increased to \$46 m in 2011 (from \$25 m -2010)**

- **Portugal** - Semblana drilling continues to intersect thick sections of high-grade Cu mineralization
  - 3D seismic survey completed at Neves-Corvo. Preliminary results identified 18 new high potential targets
- **Spain** – Ossa Morena drilling continues - copper /gold targets
- **Ireland** - Clare (Zn-Ag) property drilling program accelerated following acquisition of junior partner -Belmore
  - 3D seismic survey also completed over Kilbricken area
- **Sweden** – expand exploration program at Zinkgruvan

# Future Growth & Priorities

- **Tenke expansion** - Phase II: 200k tpa production in 2013
- **Neves-Corvo:**
  - Optimize Lombador development in conjunction with Semblana exploitation plan
  - Existing operations optimization
- **Zinkgruvan** - Mine life extension and zinc plant capacity increase
- **Aguablanca** – Pit restart, underground study
- **Exploration** – Expanding programs at all locations. Progress exploration project acquisitions
- **Building further depth** – Technical and project hiring to better address internal and acquisition initiatives

- High quality, long life of mine reserves
- Exposure to a unique, world-class copper mine – Tenke
- Fully funded growth
- Robust balance sheet and strong ongoing cash flows
- High leverage to copper and zinc
- Compelling valuation

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**THANK YOU**