

TSX: LUN
OMX: LUMI



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Third Quarter Results 2011

October 27, 2011

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.

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.

Presenter

PAUL CONIBEAR	PRESIDENT & CEO
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Questions

JOAO CARRELO	EXEC. VP & COO
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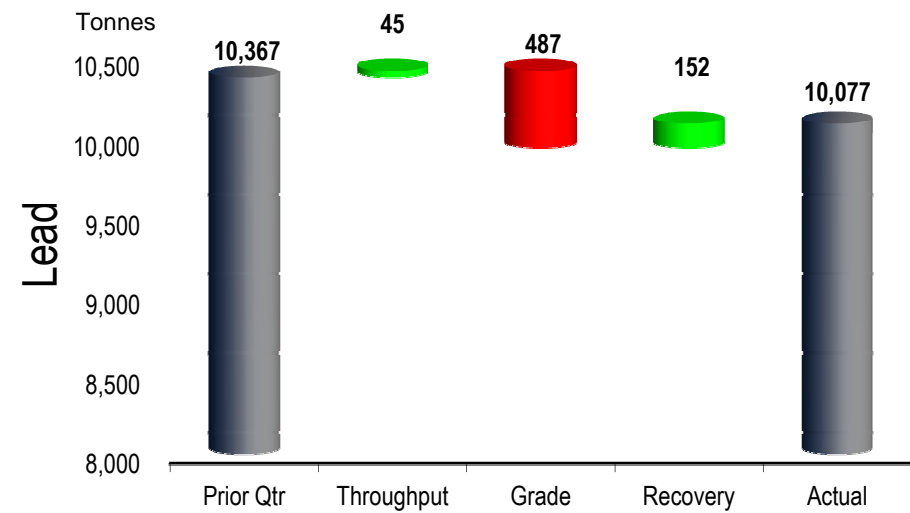
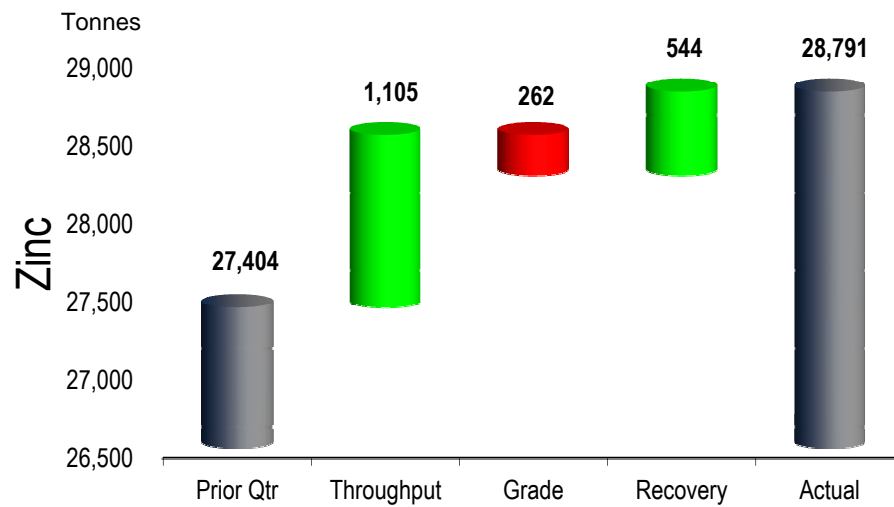
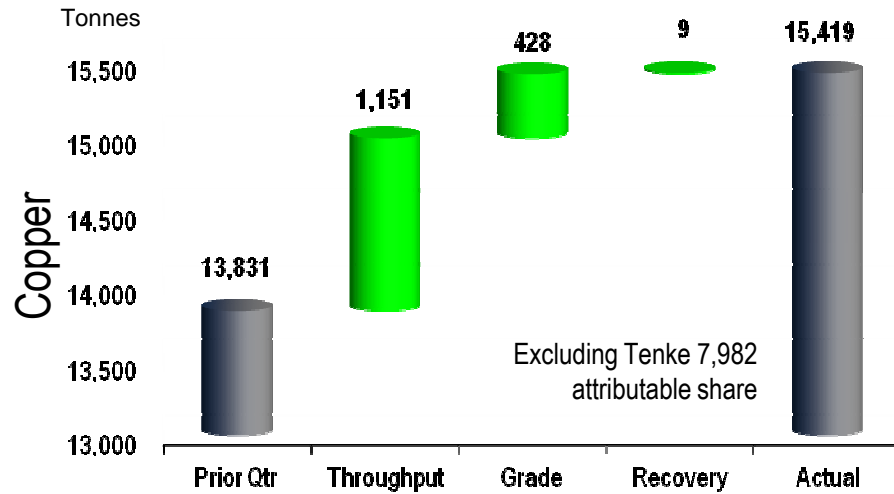
MARIE INKSTER	CFO
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Q3/11 Highlights

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- Net Income: \$12.4 million (\$0.02 p/s) vs. \$57.7 m (\$0.10 p/s) Q2/11
- Copper: Production improved but grades and recoveries lower than planned. Costs were up, sales volumes and net revenues down. New high grade stopes commenced late September.
- Zinc: Largely in-line. Shortfall at Zinkgruvan due to grinding mill issues offset by higher production at Galmoy. Costs were down.
- Tenke initial overrun debt now fully repaid: First cash return to Lundin Mining of \$7.8 m received in September, in addition to \$32.0m final repayment of EOC balance.
- Tenke Phase II expansion study completed by FCX: Expansion expected to increase Cu production to ~195ktpa with completion in 2013.

Change in Production: Q3 '11 vs. Q2 '11



Change in Cash Costs: Q3 '11 vs. Q2 '11

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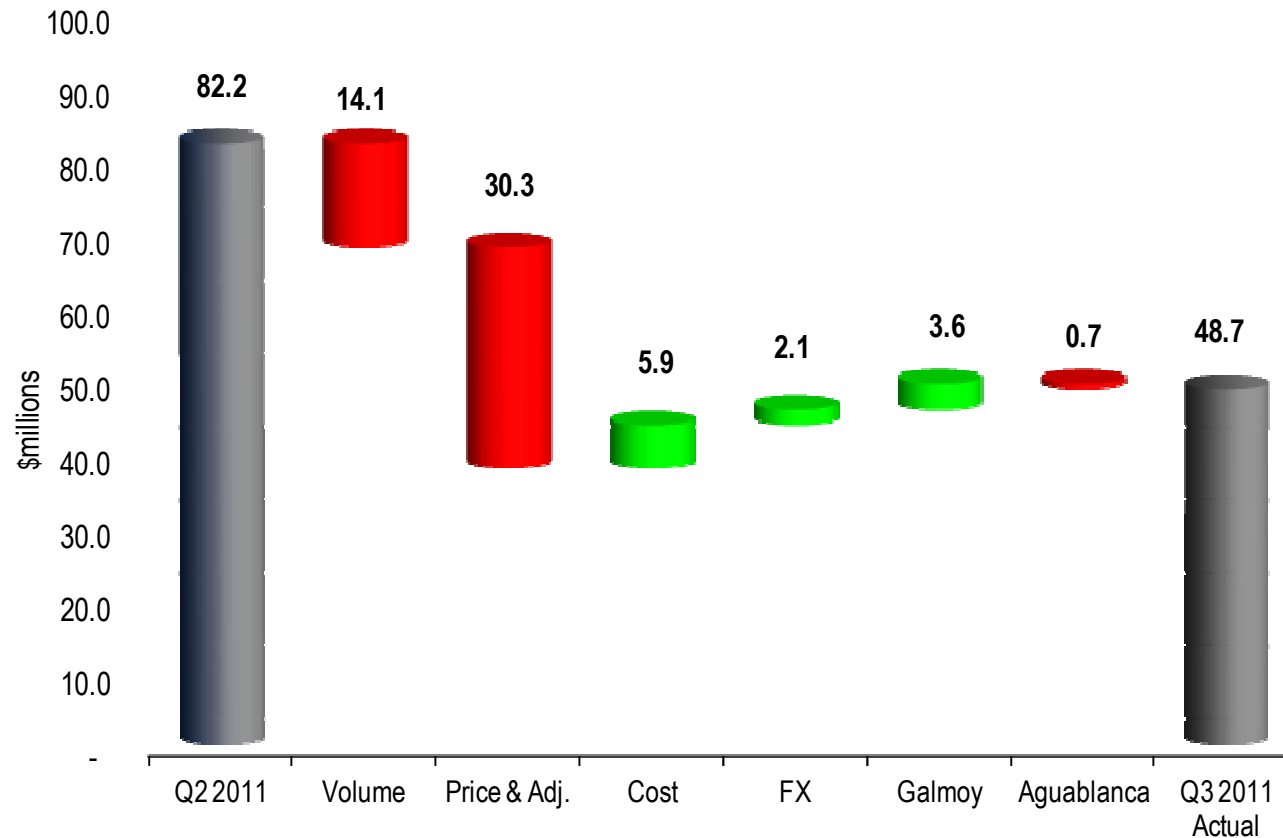
Cash cost per lb of primary metal

		(US dollars)		(local currency)	
		Q3/11	Q2/11	Q3/11	Q2/11
Neves-Corvo (Local in €) Copper	Gross cost	2.50	2.17	1.77	1.51
	By-product	(0.15)	(0.04)	(0.10)	(0.03)
	Net Cost	<u>2.35</u>	<u>2.13</u>	<u>1.67</u>	<u>1.48</u>
Zinkgruvan (Local in SEK) Zinc	Gross cost	0.83	1.09	5.34	6.81
	By-product	(0.70)	(0.83)	(4.53)	(5.17)
	Net Cost	<u>0.13</u>	<u>0.26</u>	<u>0.81</u>	<u>1.64</u>

Change in Operating Earnings: Q3 '11 vs. Q2 '11

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Lundin Mining - Consolidated



Normalized Earnings

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\$ Millions	Q3 '11	Q2 '11	YTD 2011	YTD 2010
Reported Net Income	12.4	57.7	141.3	160.2
Foreign exchange	(19.5)	0.1	(3.3)	(1.8)
Corporate development (Inmet/Equinox)	1.1	0.9	6.8	-
Mark to market on securities	6.1	2.0	5.6	(23.2)
Gain on derivative contracts	-	-	-	(10.2)
Tax (on above items)	9.8	(1.0)	3.0	5.5
One-time tax adjustments*	15.2	(4.4)	10.8	13.6
Adjusted Net Income	25.1	55.3	164.2	144.1
Adjusted Earnings per share	\$ 0.04	\$ 0.09	\$ 0.28	\$ 0.25

* One-time tax adjustments: 2010 - 2.5% increase in Portuguese tax rate.
2011 - Spanish tax reassessment including interest and penalties.

- Q3/11 Adjusted Net Income of \$25.1 million (\$0.04/sh)

Q3/11 Financial Position

- Net cash at Sept. 30, 2011 of \$209 million, compared to \$126 million at Sept. 30, 2010 and \$308 million at June 30, 2011
- Change in net cash during the quarter was negatively impacted by the timing of payments:
 - \$58 million outflow for income tax payments
 - \$19 million outflow for royalty payments
 - \$9.5 million outflow for acquisition of Belmore Resources
- Operating cashflow (before non-cash working capital) of \$23.7 million compared to \$57.8 million in Q2/11
 - In addition Tenke cash distribution of \$7.8 million was received in the quarter.

Outlook and Operations 2011/2012

2011 Guidance

(contained tonnes)		Revised 2011 Guidance		Previous 2011 Guidance	
		Tonnes	C1 Cost ¹	Tonnes	C1 Cost ¹
Neves-Corvo	<i>Cu</i>	70,000	\$1.80	72,000	\$1.65
	<i>Zn</i>	4,500		6,000	
Zinkgruvan	<i>Zn</i>	76,000	\$0.32	78,000	\$0.21
	<i>Pb</i>	34,000		36,000	
	<i>Cu</i>	1,500		3,400	
Galmoy (in ore)	<i>Zn</i>	31,000		28,000	
	<i>Pb</i>	8,000		8,000	
Total: Wholly-owned operations	<i>Cu</i>	71,500		75,400	
	<i>Zn</i>	111,500		112,000	
	<i>Pb</i>	42,000		44,000	
Tenke: 24.0% attributable share	<i>Cu</i>	30,400	\$1.03	30,400	\$0.97

¹ Cash costs remain dependent upon exchange rates (2011 revised forecast €/USD: 1.35 – USD/SEK: 6.80; previous forecast €/USD: 1.40 –USD/SEK: 6.40).

2011 Capital Cost Guidance – remains unchanged at \$290 million.

Neves-Corvo – Q3/11 Results

- Copper prod'n of 15,070 tonnes vs. 13,475 tonnes in Q2/11
 - Stockworks produced lower than expected grades and recoveries
- Production from new high grade stopes commenced in late-Sept. Significantly improved production has occurred since then.
- C1 Costs of \$2.35/lb Cu vs. \$2.13/lb in Q2/11
- Announced Lombador Phase 1 Feasibility Study results
- Advanced drilling of Semblana and several other nearby targets



Location	• Portugal
2011 Production Guidance	• 70,000 tonnes Cu • 4,500 tonnes Zn
2011 C1 Costs	• \$1.80/lb Cu
2012 Preliminary Production Guidance	• 52.5 – 57kt Cu • 30 – 40kt Zn
Mine Life	• +10 years



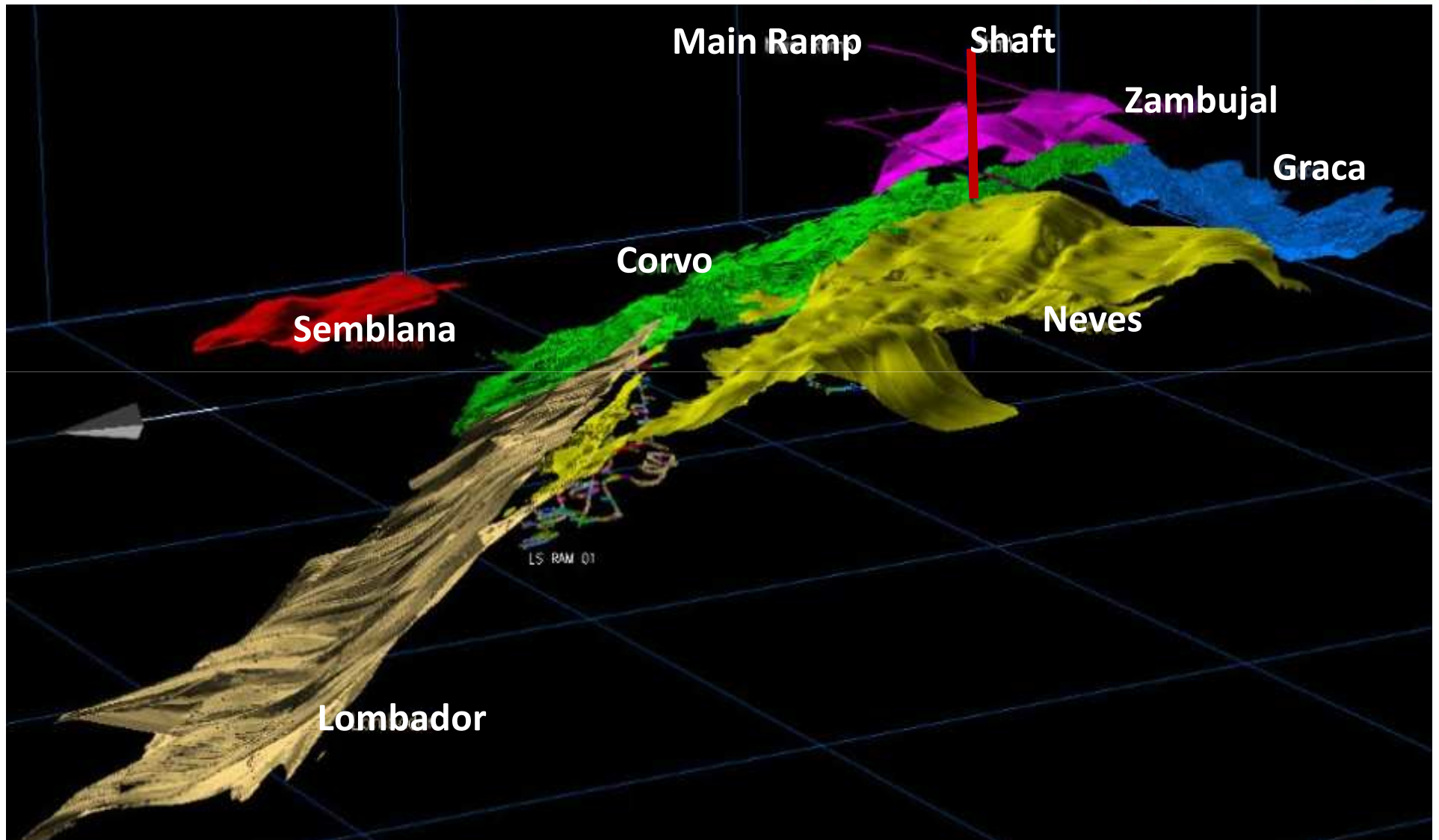
Neves-Corvo – Outlook

- 2012 preliminary prod'n guidance takes into account an ongoing decline in proportion of high grade massive sulphide feed
- Several internal projects underway to address changing feed characteristics & improve mine planning
- Initial Semblana resource to be announced in Q4/11
- Expanding Semblana drilling and several new targets
- U/G Materials Handling Study ongoing to assess combined Lombador and Semblana exploitation concepts



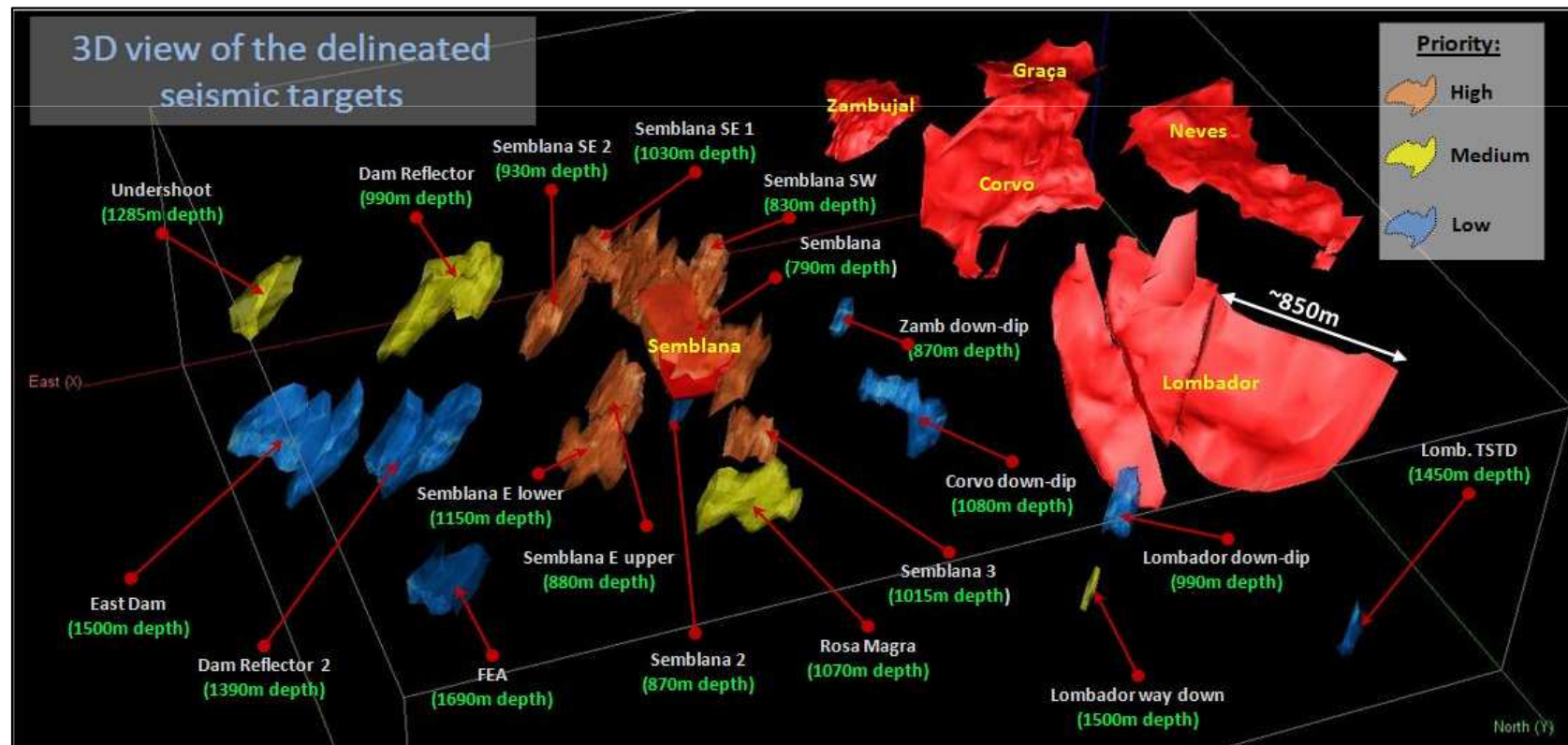
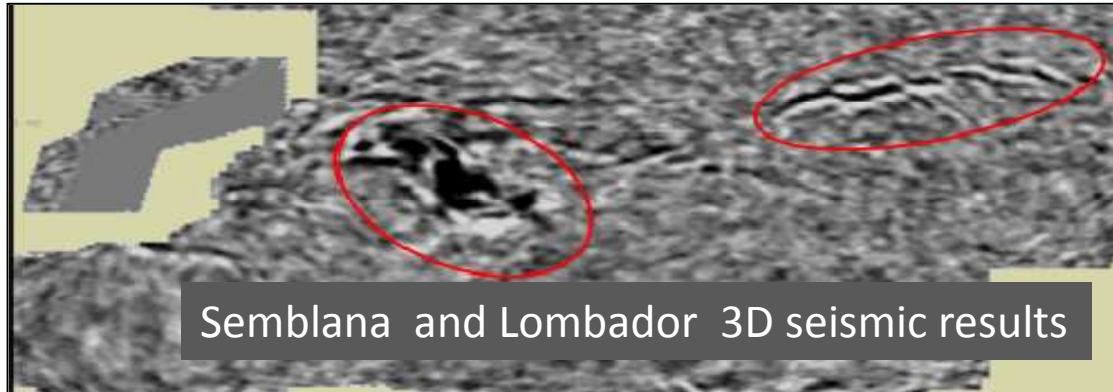
Neves-Corvo Growth - Lombador & Semblana

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Neves-Corvo – Multiple New Targets

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Zinkgruvan – Q3/11 Results

- Zinc production of 17,459 tonnes vs. 17,582 tonnes in Q2/11
 - Zinc and copper production affected by two grinding mill issues
- C1 costs of \$0.13/lb Zn vs. \$0.26/lb Zn in Q2/11
- New ramp from surface highly successful. Mine continues to outpace mill capacity
- New senior personnel appointments made



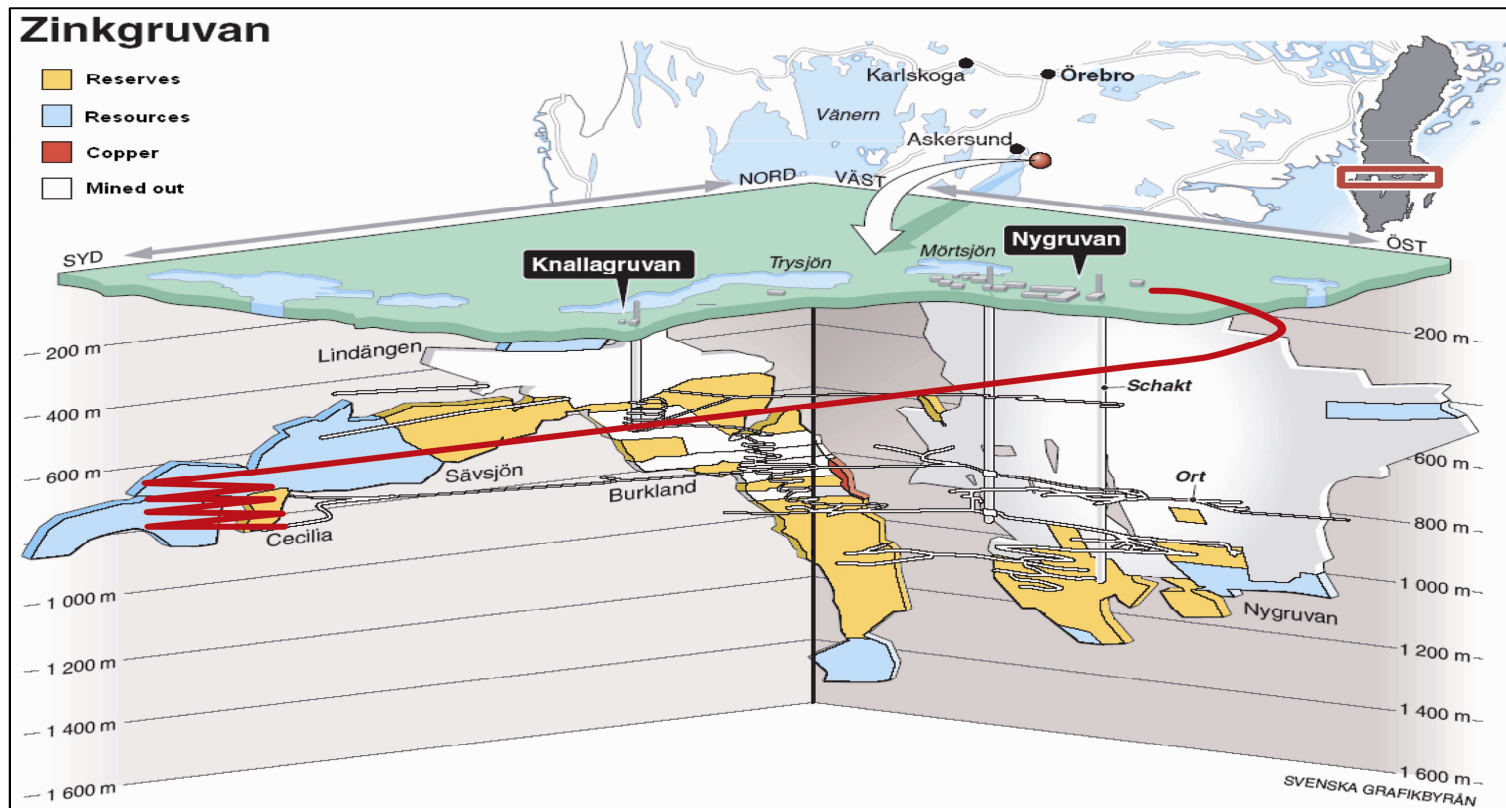
Location	• Sweden
2011 Production Guidance	<ul style="list-style-type: none"> • 76,000 tonnes Zn • 34,000 tonnes Pb • 1,500 tonnes Cu
2011 C1 Costs	• \$0.32/lb Zn
2012 Preliminary Production Guidance	<ul style="list-style-type: none"> • 75 – 81kt Zn • 34 – 39kt Pb • 2 – 3kt Cu
Mine Life	• +10 years



Zinkgruvan - Outlook

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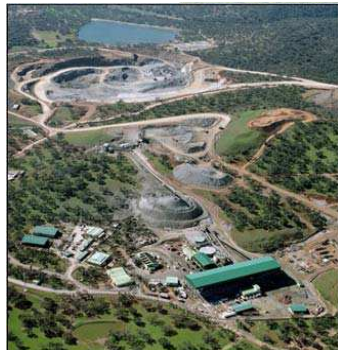
- 2012 Preliminary guidance - largely unchanged from this year
- Pursuing several opportunities for incremental improvements
 - Debottlenecking of materials handling system
 - Increased investment in underground exploration



Aguablanca – Update and Outlook

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- New mine contractor mobilized in August. Re-instatement of the ramp and pre-stripping progressing well
- Restart nickel/copper production in Q3/12 with ~€40M investment for restart - on track
- Underground study in progress targeting the addition of higher grade material in parallel to open pitting



Location	• Spain
Ownership	• 100%
2012 Preliminary Production Guidance	• 500 – 1,000 t Ni • 500 – 1,000 t Cu
2011E C1 Costs	• N/A
Mine Life	• +5 years



Tenke – Q3/11 Results

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- Copper production of 32,249 tonnes vs. 29,891 tonnes in Q2/11
- C1 costs of \$1.12/lb Cu vs. \$0.94/lb Cu in Q2/11
 - Increased consumable costs, and lower realized cobalt prices affecting by-product credit
- Equity income of \$17 m vs. \$32 m in Q2/11
 - Negatively impacted by timing of shipments and lower realized prices
- Over-run (EOC) facility fully repaid in Q3 – LUN will now receive 30% of excess cash benefit until initial investment repaid



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



Tenke – Outlook

- Phase 2 Feasibility Study completed by FCX:
 - Expansion to ~195ktpa Cu, w/ completion in 2013
 - Project capex of ~ \$850 m, of which LUN is responsible for 30% (~\$250 m)
 - Early works investment on critical path activities continues
- LUN portion of expansion capex expected to be funded by Tenke distributions assuming strong metal prices.
- Copper expansions at Tenke are excellent growth drivers for LUN. FCX progressing with heap leaching, mixed and sulphide testing.



2012 Preliminary Production Guidance

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(contained tonnes of metal in concentrate)		Preliminary 2012 Guidance Tonnes	Current 2011 Forecast Tonnes
Neves-Corvo	<i>Cu</i>	52,500 – 57,000	70,000
	<i>Zn</i>	30,000 – 40,000	4,500
Zinkgruvan	<i>Zn</i>	75,000 – 81,000	76,000
	<i>Pb</i>	34,000 – 39,000	34,000
	<i>Cu</i>	2,000 – 3,000	1,500
Aguablanca	<i>Ni</i>	500 – 1,000	<i>n.a.</i>
	<i>Cu</i>	500 – 1,000	<i>n.a.</i>
Galmoy¹ (in ore)	<i>Zn</i>	4,000 – 4,500	31,000
	<i>Pb</i>	500	8,000
Total: Wholly-owned operations	<i>Cu</i>	55,000 – 61,000	71,500
	<i>Zn</i>	109,000 – 125,500	111,500
	<i>Pb</i>	34,500 – 39,500	42,000
	<i>Ni</i>	500 – 1,000	<i>n.a.</i>
Tenke²: 24% attributable share	<i>Cu</i>	> 31,000	30,400
Total Attributable Copper Production		86,000 – 92,000	101,900

¹ Metal sales are dependent upon milling at a third party processing facility, which are expected to approximate 12,000t Zn and 3,000t Pb in 2012.

² Tenke 2012 Guidance has not yet been provided by Operator FCX. Lundin Mining anticipates production from Tenke in 2012 to be greater than 2011 guidance subject to the possibilities of staged startup of Phase 2 expansion initiatives.

2011 Exploration Programs

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Exploration spend will increase to \$43 m in 2011 (from \$24 m - 2010)

- Portugal - Semblana drilling continues to intersect thick sections of resource-grade Cu mineralization. Drilling ramped up on new 3D targets.
- Spain – Ossa Morena drilling continues - copper /gold targets
- Ireland - Clare (Zn-Pb-Ag) properties - Multiple targets being drilled. Results very encouraging
- Sweden – Expanded exploration program at Zinkgruvan
- Q4 Exploration Update – On all projects including Semblana



Lundin Mining - Summary

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- High quality, long life reserves; exploration upside
- A stake in Tenke - a unique, world-class copper mine
- Strong balance sheet and ongoing cash flows
- Fully-funded organic growth profile
- High leverage to copper and zinc
- Very compelling valuation



Neves-Corvo



Zinkgruvan



Aguablanca



Tenke Fungurume

TSX: LUN
OMX: LUMI



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Questions & Answers