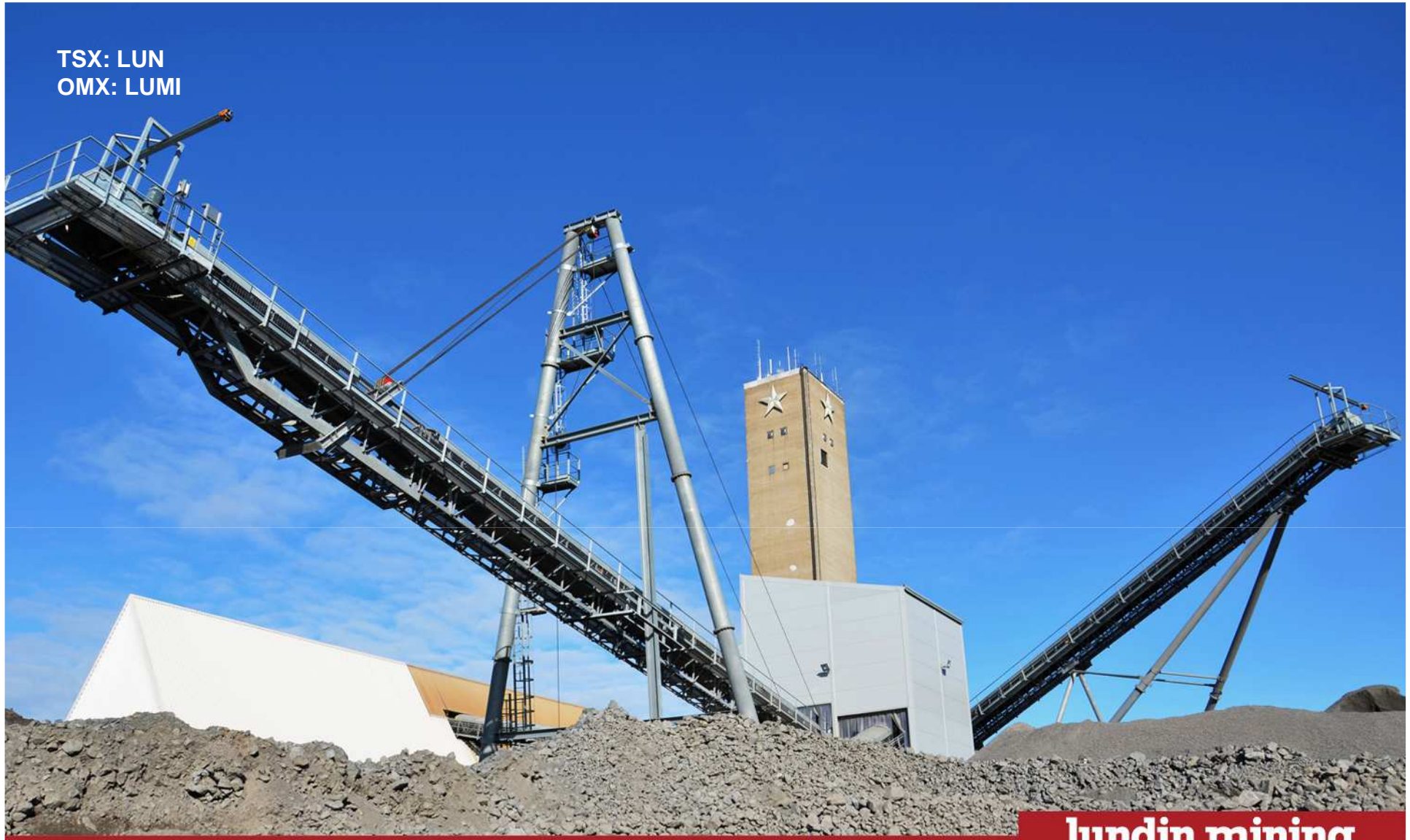


TSX: LUN
OMX: LUMI



lundin mining

Second Quarter Results 2012

July 26, 2012

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.

Note: All dollar amounts are in US dollars unless otherwise denoted.

Presenter

PAUL CONIBEAR	PRESIDENT & CEO
----------------------	-----------------

Questions

MARIE INKSTER	SR. VP & CFO
----------------------	--------------

NEIL O'BRIEN	SR. VP EXPLORATION & BD
---------------------	-------------------------

PAUL McRAE	SR. VP PROJECTS
-------------------	-----------------

STEVE GATLEY	VP TECHNICAL SERVICES
---------------------	-----------------------

Q2/12 Highlights – Another Strong Performance

lundin mining

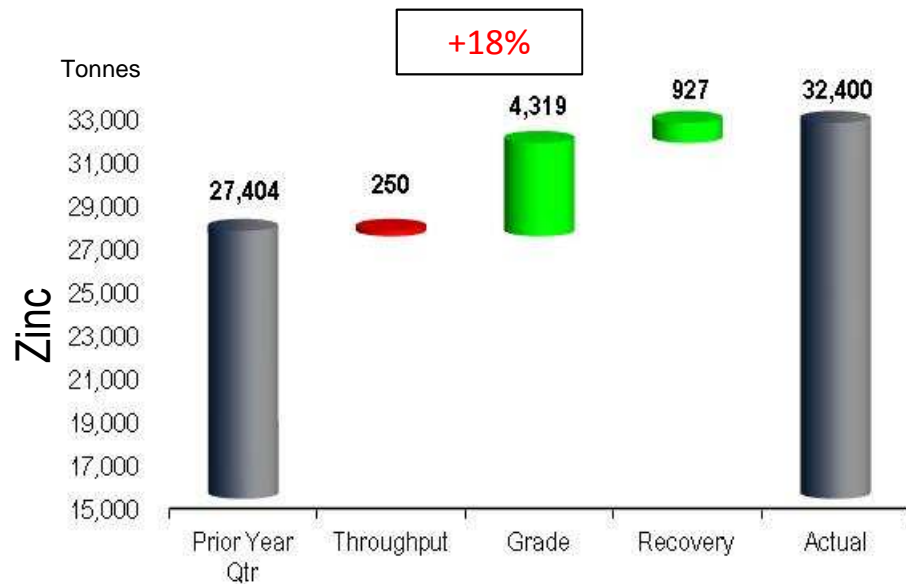
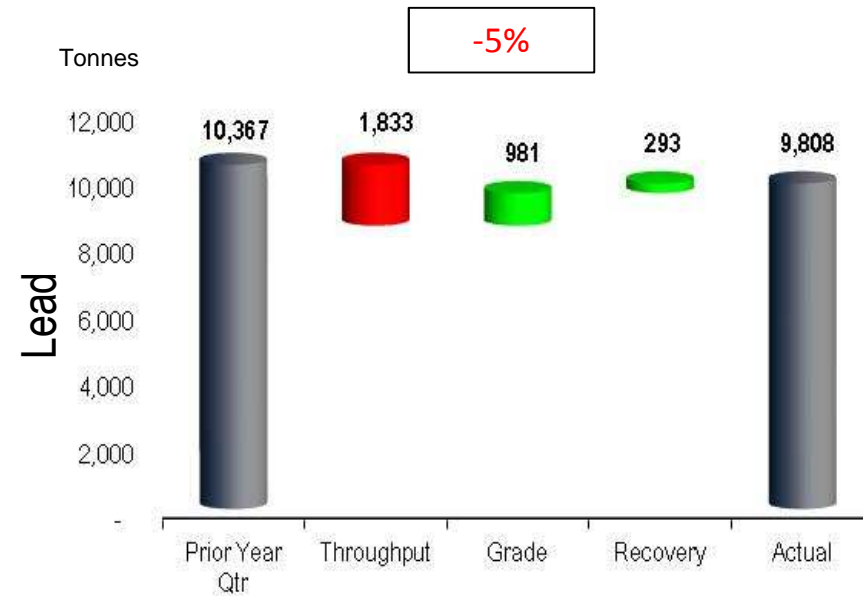
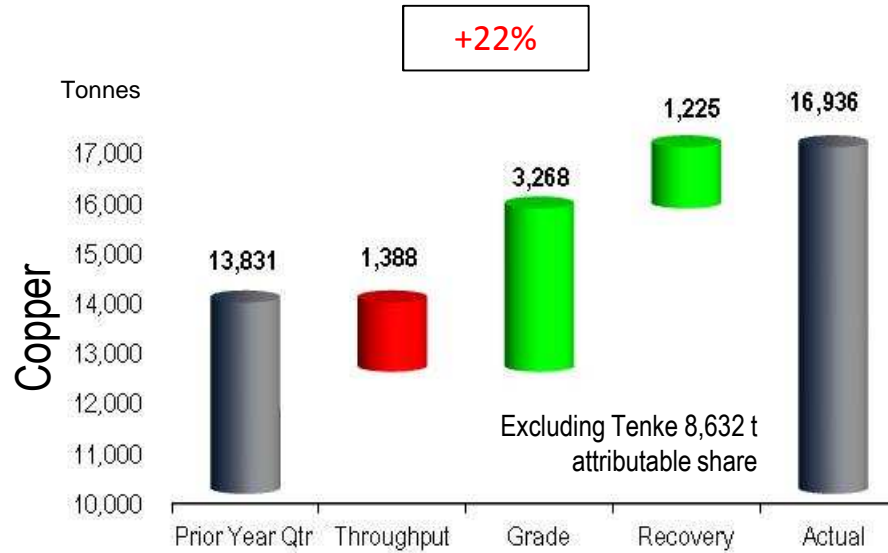
Financials:

- **Net Income:** \$44m (\$0.08 p/s) vs. \$60m (\$0.10 p/s) in Q2/11
- **Operating CF :** \$119m (\$0.20 p/s) vs. \$99m (\$0.17 p/s) in Q2/11
- **Attributable Operating CF from Tenke:** \$50 million
- **Net Cash:** \$313 million vs. \$236 million at Dec. 31/11

Operations:

- **Copper:** Another quarter of strong production due to high throughput and excellent recoveries. Exceeded expectations at Neves, Tenke and Zinkgruvan.
- **Zinc:** Record production levels at Zinkgruvan aided by grades of 10.7% Zn
- **Cash Costs:** Better than guidance for the quarter/ytd at Neves & Zinkgruvan.
- **Tenke:** First Cu production achieved from Phase II tankhouse ahead of schedule. Quarterly production above expectations due to higher throughput.

Change in Production: Q2/12 vs. Q2/11



Change in Cash Costs: Q2/12 vs. Q2/11

lundin mining

	Cash cost/lb (US dollars)		Cash cost/lb (local currency)	
	Three months ended June 30		Three months ended June 30	
	2012	2011	2012	2011
Neves-Corvo (Local in €)				
Gross cost	1.86	2.17	1.46	1.51
By-product*	(0.25)	(0.04)	(0.20)	(0.03)
Net Cost - Cu/lb	1.61	2.13	1.26	1.48
Zinkgruvan (Local in SEK)				
Gross cost	0.64	1.09	4.44	6.81
By-product*	(0.52)	(0.83)	(3.62)	(5.17)
Net Cost - Zn/lb	0.12	0.26	0.82	1.64

* By-product is after related TC/RC

Normalized Earnings

lundin mining

\$ Millions	Six months ended June 30,		Three months ended June 30,	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Reported Net Income	102.4	131.2	44.1	60.1
Foreign exchange	(5.9)	16.2	(15.4)	0.1
Corporate development	4.5	5.7	2.9	0.8
Mark to market on securities	4.0	(0.4)	4.6	2.0
Prior period tax accrual*	7.3	-	7.3	-
Tax (on above items)	(0.7)	(5.2)	3.0	(0.2)
Adjusted Net Income	<u>111.6</u>	<u>147.5</u>	<u>46.5</u>	<u>62.8</u>
Adjusted Earnings per share	\$ 0.19	\$ 0.25	\$ 0.08	\$ 0.11

* - includes estimated interest charges

Strong Balance Sheet Continues To Improve

lundin mining



Cash: +119%



Debt: -96%



Net Cash: +\$424M

Operations and Outlook

2012 Updated Guidance – Reflects Better Than Expected Results YTD

lundin mining

		Prior Guidance		Revised Guidance	
		Tonnes	C1 Cost ^{a,b}	Tonnes	C1 Cost ^{a,b}
Neves-Corvo	<i>Cu</i>	52,500 – 57,000	\$ 1.80	55,000 – 60,000	\$ 1.70
	<i>Zn</i>	30,000 – 40,000		25,000 – 30,000	
Zinkgruvan	<i>Zn</i>	75,000 – 81,000	\$ 0.25	77,000 – 83,000	\$ 0.20
	<i>Pb</i>	34,000 – 39,000		34,000 – 39,000	
	<i>Cu</i>	2,000 – 3,000		3,000 – 4,000	
Galmoy ^c (in ore)	<i>Zn</i>	7,000 – 8,000		7,000 – 8,000	
	<i>Pb</i>	1,500 – 2,000		1,500 – 2,000	
Aguablanca	<i>Ni</i>	500 – 1,000		1,000 – 1,500	
	<i>Cu</i>	500 – 1,000		1,000 – 1,500	
Total: Wholly-owned operations	<i>Cu</i>	55,000 – 61,000		59,000 – 65,500	
	<i>Zn</i>	112,000 – 129,000		109,000 – 121,000	
	<i>Pb</i>	35,500 – 41,000		35,500 – 41,000	
	<i>Ni</i>	500 – 1,000		1,000 – 1,500	
Tenke: 24.0% attributable share ^d	<i>Cu</i>	32,600	\$ 1.13	34,000	\$ 1.16

- Cash costs remain dependent on exchange rates (€/USD: 1.30, USD/SEK: 7.00) and metal prices (Cu: \$3.30, Zn: \$0.85)
- Cash cost is a non-IFRS measure reflecting the sum of direct costs less by-product credits.
- Galmoy production tonnage is based on a 50% attributable-share to Lundin Mining.
- Lundin Mining's production from Tenke's attributable share was reduced from 24.75% to 24.0%, after approval of changes to TFM's bylaws.

Neves-Corvo – Q2/12 Results

lundin mining

- Production of 15,950 tonnes copper at C1 costs of \$1.61/lb Cu
- Copper grades at 2.8% and excellent recovery rate of 90%
- Zinc production of 7,619 tonnes – recoveries approaching 80%
- Lombador Phase I ramp development remains on schedule to be completed in Q2/13 – contributing to copper and zinc production
- Significant “out of reserve” copper material mined year to date helping fill mill capacity and increasing profitability
- YTD copper production and cash costs continue to be better than expected – resulting in improved copper guidance for the year



Location	• Portugal
2012 Production Guidance	• 55– 60 kt Cu • 25– 30kt Zn
2012 C1 Costs	• \$1.70/lb Cu
Mine Life	• +10 years Cu + Zn



Neves-Corvo – Outlook

- Preliminary results of U/G Materials Handling Study favours the inclined ramp option over shaft. Optimization work continues.
- In parallel, work has begun on studies to assess a shorter schedule, lower capex means of accessing Semblana & lower Lombador through expansion of existing U/G infrastructure.
- Complimenting the low cost access approach, an exploration ramp, sized to enable future production is advancing from Zambujal down towards Semblana. Capex \$25 million to 2015.



Zinkgruvan – Q2/12

- Zinc and copper production achieved all-time quarterly record
- Zinc production exceeded expectations due to exceptionally high grades of 10.7% Zn, good recoveries and high throughput rates
- Lead production also remained strong and together with copper production these are contributing to significant byproduct credits
- 2012 production guidance increased for zinc and copper, and C1 cost guidance lowered to \$0.20/lb



Location	• Sweden
2012 Production Guidance	• 77 – 83kt Zn • 34 – 39kt Pb • 3– 4kt Cu
2012 C1 Costs	• \$0.20/lb Zn
Mine Life	• +10 years



Zinkgruvan – Outlook

- Pursuing several opportunities for incremental improvements
 - Initial plant modernization study complete. Replacement of front end appears to be cost effective.
 - Underground exploration to convert resources to reserves and a new exploration ramp advancing with priority.



Aguablanca – Update and Outlook

lundin mining

- Pre-stripping accelerated during quarter with good contractor productivity
- Ore stockpile of over 200,000 tonnes has now been established
- Restart of nickel/copper production to commence towards the end of Q3/12
- Copper and nickel production guidance increased – reflecting earlier start-up



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



Tenke – Q2/12 Results

lundin mining

- Milling facilities continue to perform well above capacity, averaging 12.9ktpd in Q2/12 (vs. design rate of 10ktpd)
- Copper production of 35,965 tonnes @ C1 costs of \$1.22/lb
- Equity income of \$25m for the quarter
- Attributable operating CF of \$50m was retained by the operation to fund sustaining capex, exploration and Phase II expansion
- Operator Freeport increased Cu prod'n guidance to 140.6kt, and increased C1 cost guidance slightly to reflect lower cobalt prices



Location	• Democratic Republic of Congo
Ownership	• 24%
2012 Sales Estimate (LMC share)	• 34,000 tonnes Cu
2012 C1 Cost	• \$1.16/lb Cu
Mine Life	• +40 years



Tenke Expansion Plans

lundin mining

Phase II - partial startup ahead of schedule

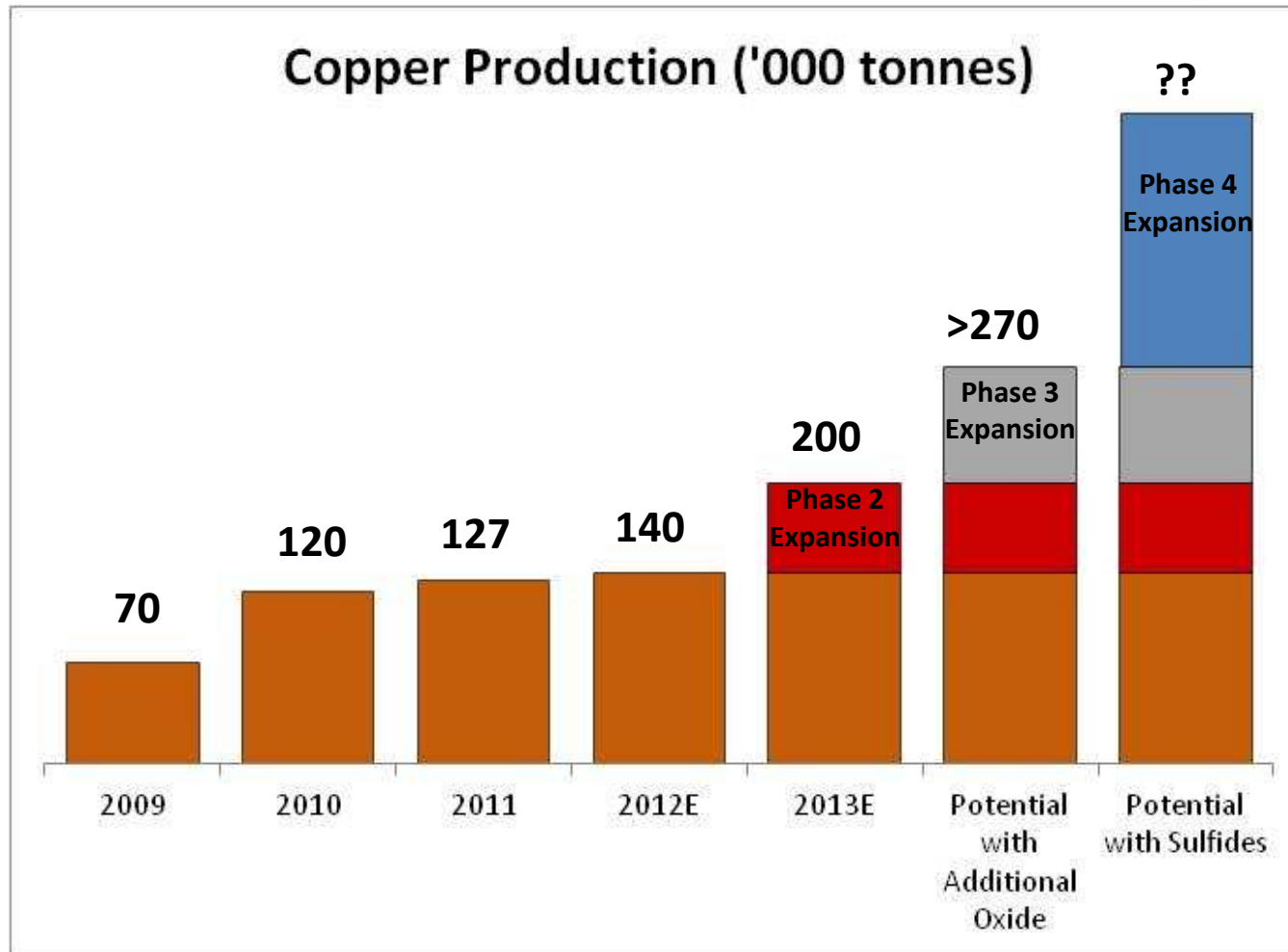
- First copper was produced in June ahead of schedule - a significant milestone
- Full expansion on schedule for substantial completion by end of 2012
- No cash calls during first half of 2012 – funded entirely from Tenke surplus cash
- Capex remains on budget

Future Possible Expansions

- Potential Heap Leach of low grade ore utilizing excess Phase II SX-EW capacity
- Multi-phased mixed & sulfide exploitation
- Extensive drilling and test work in progress for future expansions



Tenke Copper Production Outlook



Note: Production guidance for 2013 is a LUN estimate and does not represent official guidance by operator Freeport McMoran Copper and Gold Inc. ("Freeport")

Touro Copper Project (Spain)

lundin mining

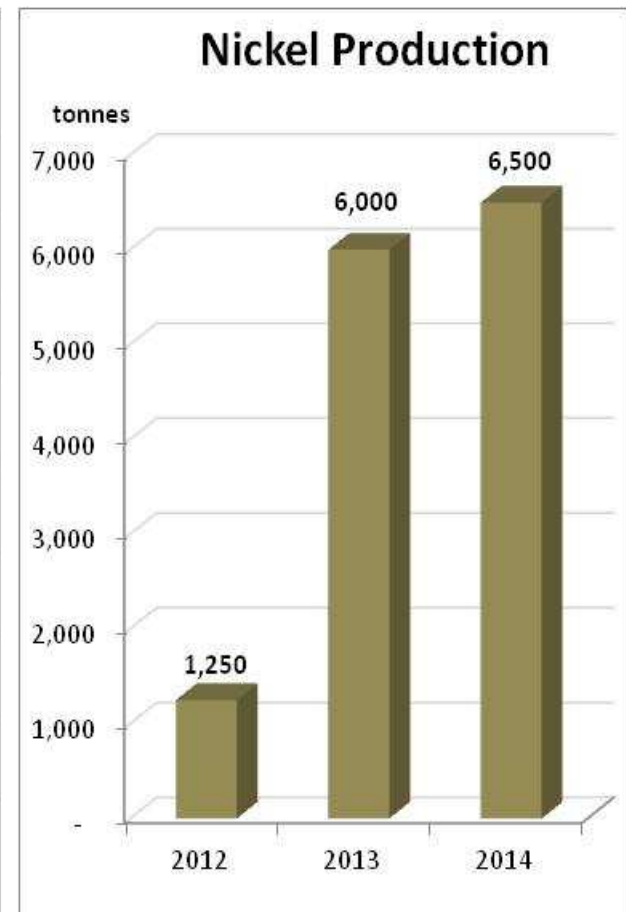
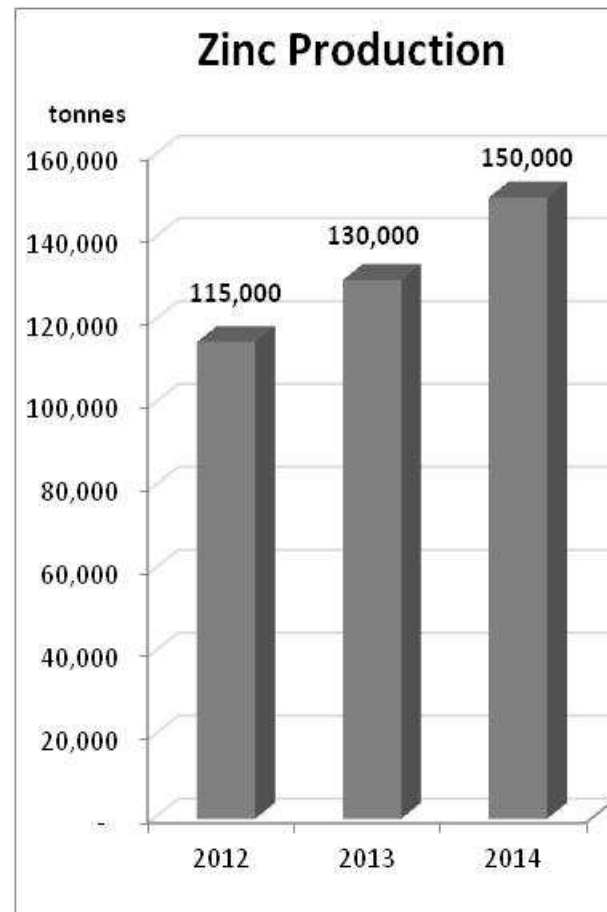
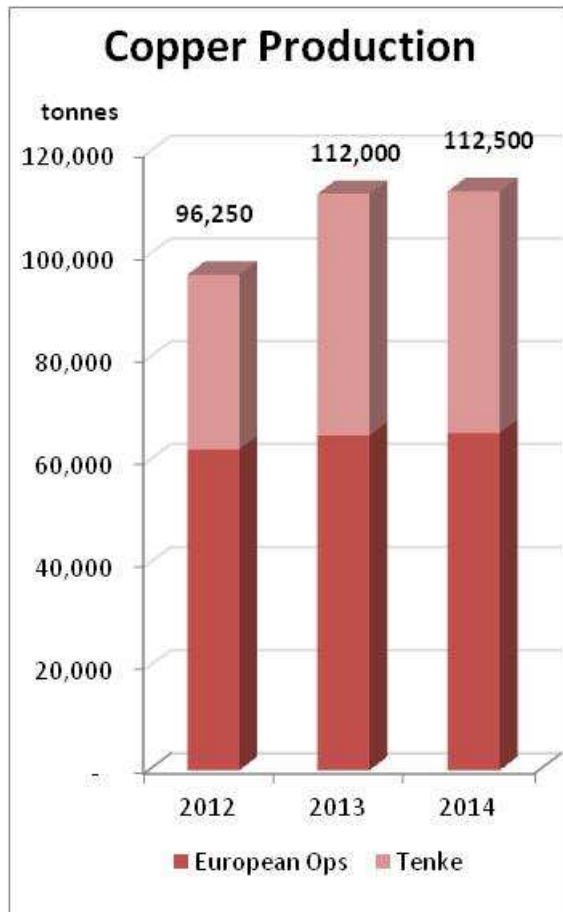
- Exclusive option agreement until Oct 1, 2012 to acquire 80% interest.
- Completed a twin hole drill program confirming historical results. Step-out program targeting significant additional resources.
- Conceptual level PEA underway for September option decision
- Potential acquisition payments:
 - **€10M** on exercise of option
 - **€30M** on decision to construct
 - **€20M** on commencement of commercial operations
- Represents potential low-risk, high-reward opportunity to construct project, if economics are favourable



Fully-Funded Organic Growth Profile

- Internal Asset Growth Profile Based on Current Guidance

(Mid-point of guidance range graphed below, not including expansions of Tenke past Phase II. Does not include Touro Copper Project)



Lundin Mining - Summary

lundin mining

- Portfolio of high quality, long-life mines that are performing well
- A stake in Tenke - a unique, world-class copper mine
- Strong balance sheet and operating cash flows
- Fully-funded organic growth profile
- Exploration upside on all assets
- Good leverage to copper and zinc
- Very compelling valuation



Neves-Corvo



Zinkgruvan



Aguablanca



Tenke Fungurume

TSX: LUN
OMX: LUMI



lundin mining

Questions & Answers