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lundin mining

Third Quarter Results 2012

October 25, 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
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Questions

MARIE INKSTER	SR. VP & CFO
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STEVE GATLEY	VP TECHNICAL SERVICES
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Q3/12 Operational Highlights

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Production & Costs at All Key Mines In-line or Better Than Expected:

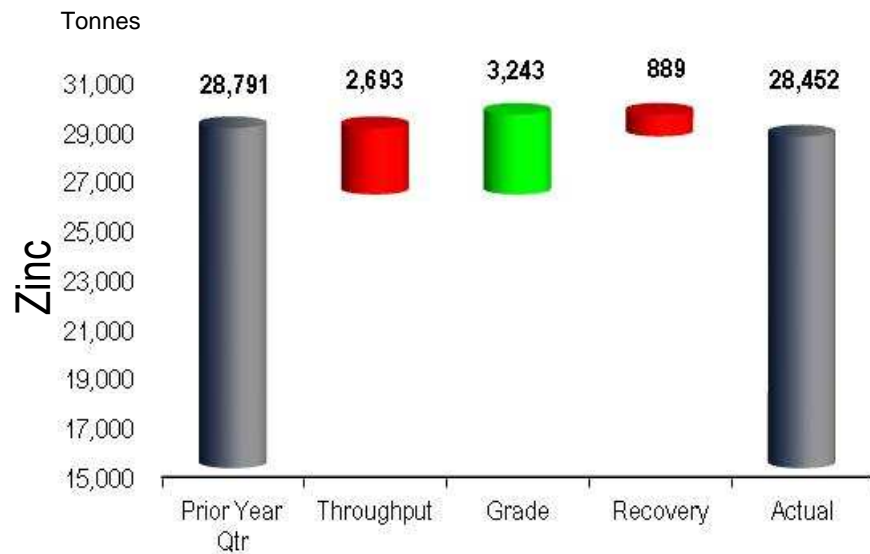
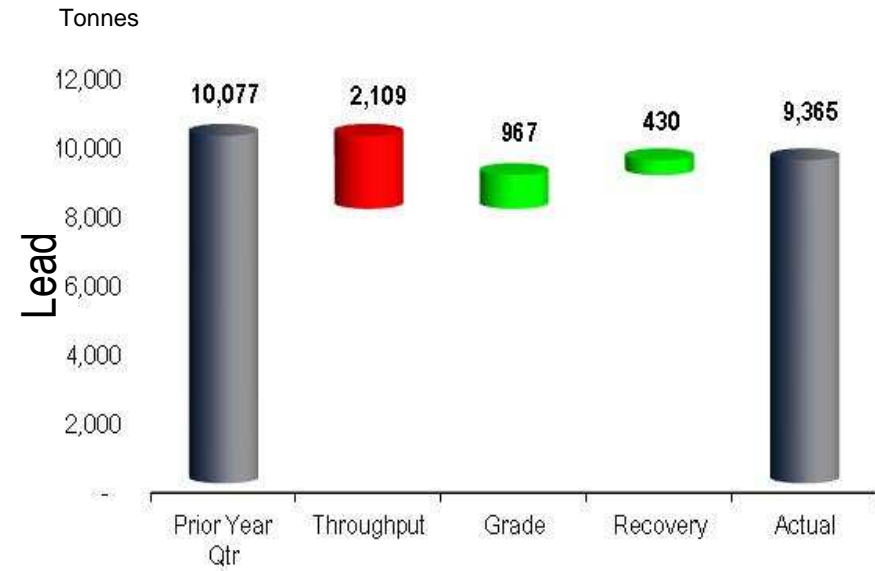
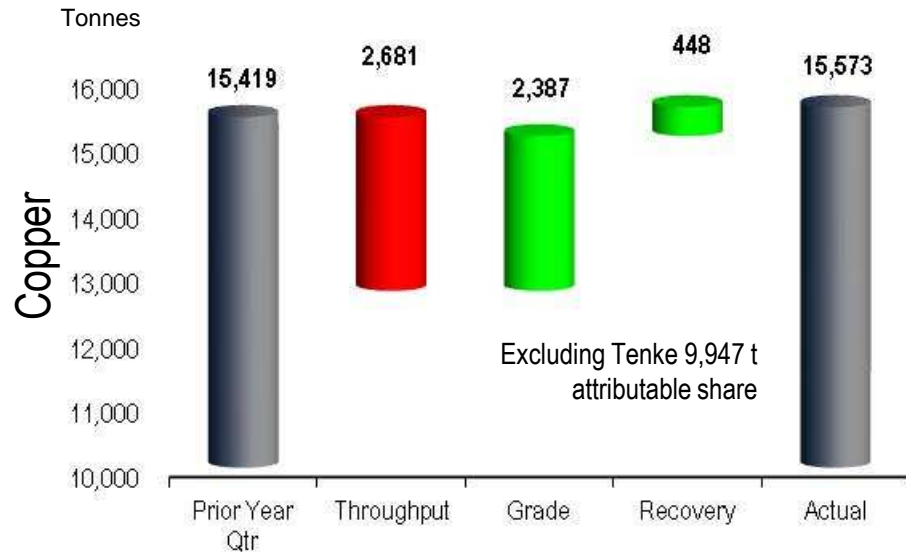
- **Copper:** Annual copper production at Neves-Corvo expected to be near the high-end of the 2012 guidance range.
- **Zinc:** Production remained strong due to high grades. Annual zinc production at Zinkgruvan expected to be near the high-end of the 2012 guidance range.
- **Cash Costs:** In-line with expectations at Neves-Corvo; Better than expected at Zinkgruvan.
- **Tenke:** Production for both copper and cobalt achieved a new record quarterly high. The Phase II expansion 90% complete - on budget and on schedule.

Q3/12 Financial Highlights

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- **Revenues:** \$160m vs. \$146m in Q3/11
- **Reported Net Income:** \$38m (\$0.07 p/s) vs. \$16m (\$0.03 p/s) in Q3/11
- **Adjusted Net Income:** \$46m (\$0.08 p/s) vs. \$25m (\$0.04 p/s) in Q3/11
- **Operating CF** (b/f non-cash WC) : \$36m (\$0.06 p/s) vs. \$29m (\$0.05 p/s) in Q3/11. **Excludes:**
 - **Attributable Operating CF from Tenke:** \$26m (\$0.04 p/s) which was retained by the site to fund expansion initiatives and sustaining capex
- **Q3 Net Cash:** \$245 million vs. \$236 million at Dec. 31/11 and \$209 million at Sept. 30/11
- **Current Net Cash:** \$280 million as of October 22, 2012

Change in Production: Q3/12 vs. Q3/11



Cash Costs – Q3/12 & YTD

	Cash Cost/lb (US dollars) Three months ended September 30		Cash Cost/lb (US dollars) Nine months ended September 30		Current 2012 Guidance
	2012	2011	2012	2011	
Neves-Corvo					
Gross cost	\$2.15	\$2.50	\$1.95	\$2.06	
By-product*	-\$0.28	-\$0.15	-\$0.27	-\$0.09	
Net Cost \$/lb - Cu	\$1.87	\$2.35	\$1.68	\$1.97	\$1.70
Zinkgruvan					
Gross cost	\$0.69	\$0.83	\$0.73	\$0.91	
By-product*	-\$0.61	-\$0.70	-\$0.59	-\$0.64	
Net Cost \$/lb - Zn	\$0.08	\$0.13	\$0.14	\$0.27	\$0.15
Tenke					
Gross cost	\$1.71	\$1.63	\$1.62	\$1.66	
By-product	-\$0.48	-\$0.51	-\$0.39	-\$0.68	
Net Cost \$/lb - Cu	\$1.23	\$1.12	\$1.23	\$0.98	\$1.25

* By-product is after related TC/RC

Normalized Earnings

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\$ Millions	Three months ended		Nine months ended	
	September 30,		September 30,	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Reported Net Income	37.9	16.4	140.3	147.6
Foreign exchange	7.5	(19.5)	1.6	(3.3)
Project and corporate development	7.4	1.1	11.9	6.8
Mark to market on securities	(2.5)	6.1	1.5	5.7
Tax (on above items)	(4.1)	5.9	(4.9)	0.8
Prior period tax accrual*	-	15.2	7.3	15.2
Adjusted Net Income	<u>46.2</u>	<u>25.2</u>	<u>157.7</u>	<u>172.8</u>
Adjusted Earnings per share	\$ 0.08	\$ 0.04	\$ 0.27	\$ 0.30

* - Reassessment on accelerated depreciation taken in Spain in 2004/2005 {2011 adjustment} and 2007 {2012 adjustment}, including interest charges.

Operations and Outlook

2012 Guidance – Moderately Improved From Last Quarter

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		Prior Guidance		Revised Guidance	
		Tonnes	C1 Cost ^a	Tonnes	C1 Cost ^a
Neves-Corvo	<i>Cu</i>	55,000 – 60,000	\$ 1.70	55,000 – 60,000	\$ 1.70
	<i>Zn</i>	25,000 – 30,000		25,000 – 30,000	
Zinkgruvan	<i>Zn</i>	77,000 – 83,000	\$ 0.20	77,000 – 83,000	\$ 0.15
	<i>Pb</i>	34,000 – 39,000		34,000 – 39,000	
	<i>Cu</i>	3,000 – 4,000		3,000 – 4,000	
Galmoy ^b (in ore)	<i>Zn</i>	7,000 – 8,000		8,500 – 9,000	
	<i>Pb</i>	1,500 – 2,000		1,000 – 1,100	
Aguablanca	<i>Ni</i>	1,000 – 1,500		1,500 – 2,000	
	<i>Cu</i>	1,000 – 1,500		1,500 – 2,000	
Total: Wholly-owned operations	<i>Cu</i>	59,000 – 65,500		59,500 – 66,000	
	<i>Zn</i>	109,000 – 121,000		110,500 – 122,000	
	<i>Pb</i>	35,500 – 41,000		35,000 – 40,100	
	<i>Ni</i>	1,000 – 1,500		1,500 – 2,000	
Tenke: 24.0% attributable share ^c	<i>Cu</i>	34,000	\$ 1.16	36,200	\$ 1.25

a. Cash costs remain dependent on exchange rates (€/USD: 1.28, USD/SEK: 6.80) and metal prices (Cu: \$3.50, Zn: \$0.85)

b. Galmoy production tonnage is based on a 50% attributable-share to Lundin Mining.

c. Lundin Mining's attributable share from Tenke's production was reduced from 24.75% to 24.0%, effective March 26, 2012, after approval of changes to TFM's bylaws.

Neves-Corvo – Q3/12 Results

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- Production of 14,012 tonnes copper at C1 costs of \$1.87/lb Cu
- Copper grades at 2.7% and recovery rate of 86%
- Zinc production of 5,834 tonnes – recoveries approaching 80%
- As Cu prices remain strong – continue to mine significant “out of reserve” material helping fill mill capacity & increase profitability
- No change to annual guidance – however production now expected to be near the top end of guidance range for copper



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

- Mine planning being optimized focusing on earlier copper production from Lombador in 2013, in preference to zinc
- Minimum capital case to access Semblana by ramp from Zambujal continues to advance with high priority
- Underground materials handling studies advancing to support 2013 budgeting and 5 year planning
- Minimum capital cost approach most likely to access deeper ores



Zinkgruvan – Q3/12

- Production of 20,053 tonnes zinc at C1 costs of \$0.08/lb Zn
- Excellent zinc and lead grades, averaging 10.1% Zn and 4.7% Pb for the quarter
- YTD zinc, lead and copper production were at all-time highs and significantly exceed first 9 months 2011 production for all metals
- YTD cash costs of \$0.14/lb Zn remain below full year guidance benefitting from high production and reduced use of contractors



Location	• Sweden
2012 Production Guidance	• 77 – 83kt Zn • 34 – 39kt Pb • 3– 4kt Cu
2012 C1 Costs	• \$0.15/lb Zn
Mine Life	• +10 years



Zinkgruvan – Outlook

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- Prefeasibility level studies completed assessing merits of replacing front end crushing and grinding circuits
- Preliminary results indicate capital investment in the range of \$50m over 24 months, could enable increased throughput towards 1.5Mtpa for combined zinc and copper



Aguablanca – Q3/12 Update and Outlook

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- Production resumed in August for a total investment of €44M
- Produced 693 tonnes of Ni and 697 tonnes of Cu during quarter
- Cash cost guidance to be provided in December once plant restart ramp-up is completed
- Slope stability monitoring – south pit wall issues being addressed
- Copper and nickel production guidance increased modestly



Location	• Spain
Ownership	• 100%
2012 Production Guidance	• 1,500 – 2,000 t Ni • 1,500 – 2,000 t Cu
2012 C1 Costs	• N/A
Mine Life	• +3 years



Tenke – Q3/12 Results

- Milling facilities continue to perform well - averaging 13.6ktpd in Q3/12
- Record quarterly copper production of 41,446 tonnes @ \$1.23/lb
- Equity income of \$25m for the quarter
- Attributable operating CF of \$26m for the quarter (\$107m YTD) was retained by the operation to fund sustaining capex, exploration and Phase II expansion
- Operator Freeport increased production and cost guidance



Location	• Democratic Republic of Congo
Ownership	• 24%
2012 Sales Estimate (LMC share)	• 36,200 tonnes Cu
2012 C1 Cost	• \$1.25/lb Cu
Mine Life	• +40 years



Tenke Expansion Plans

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Phase II - On Schedule & On Budget

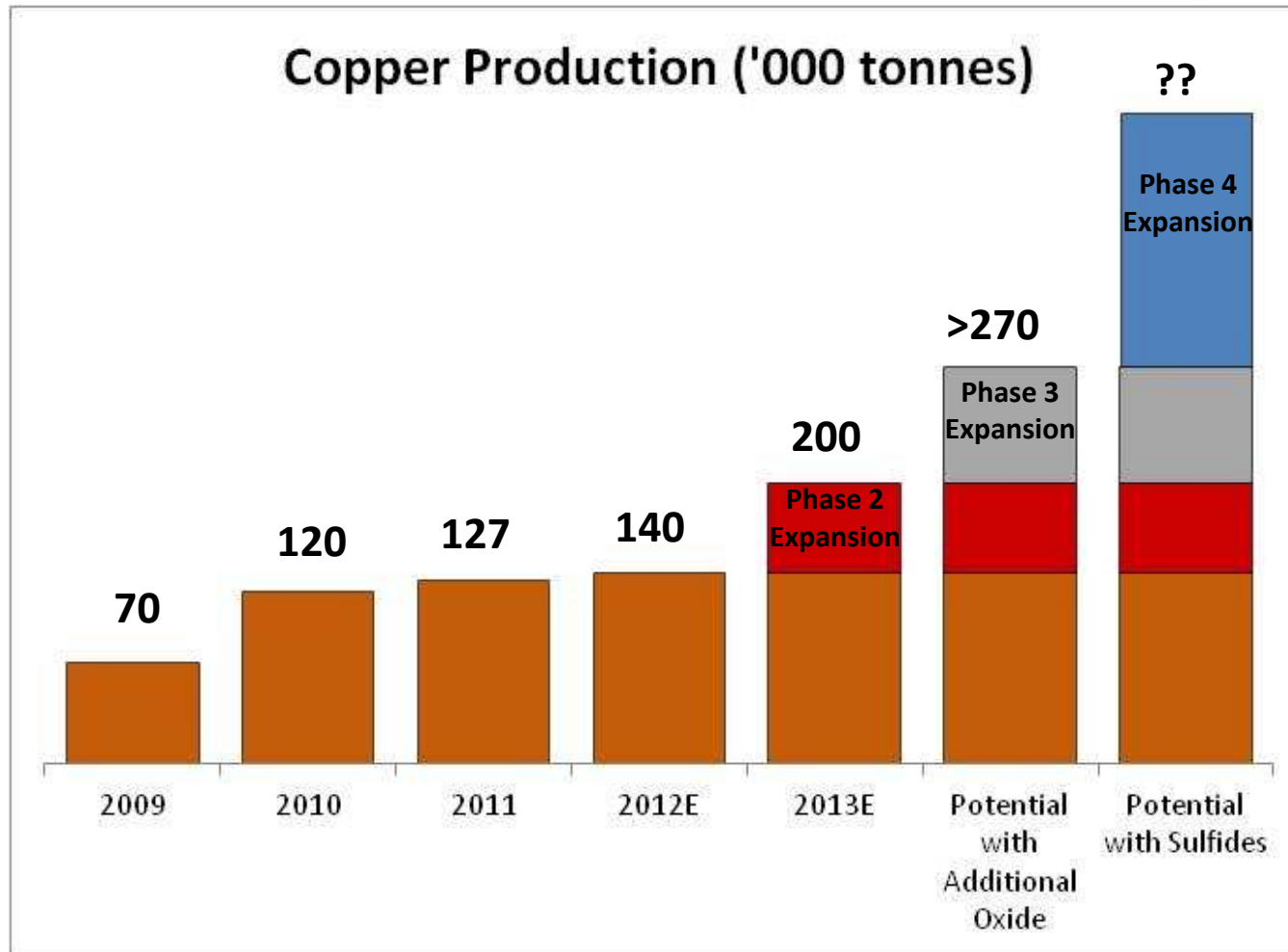
- Expansion remains on budget and on schedule for substantial completion by end '12
- 2012 attributable capital investment revised downward to \$180m (from \$210m) for internal planning purposes
- Cash call of \$15m during quarter

Future Possible Expansions

- Extensive drilling and test work in progress for future expansions
- Pilot heap leaching on stockpile material and testwork for future expansions continues



Tenke Copper Production Outlook

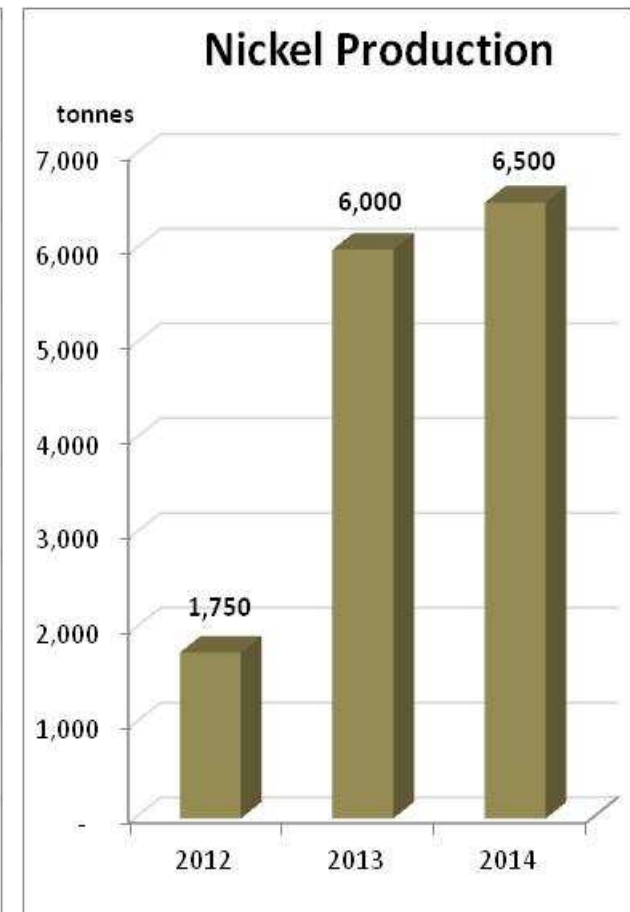
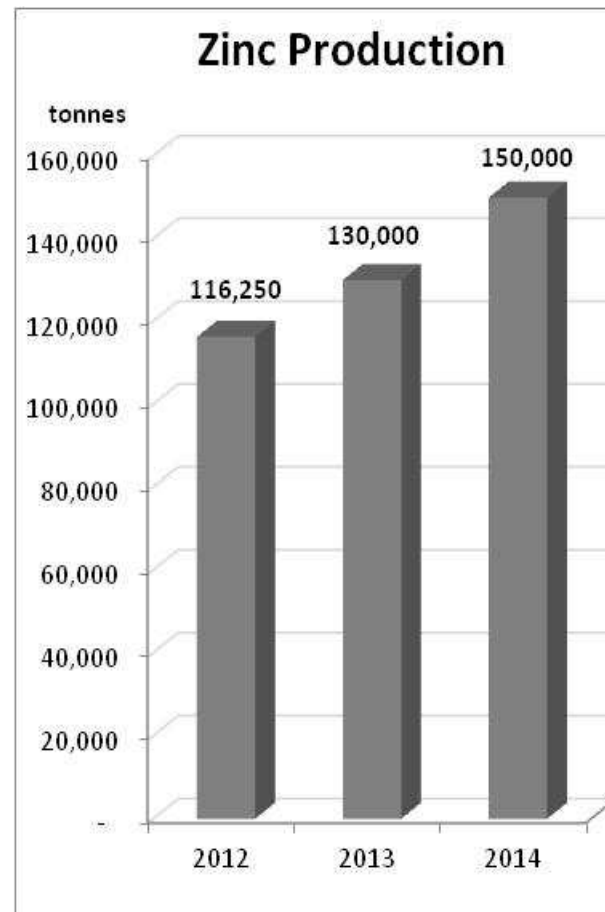
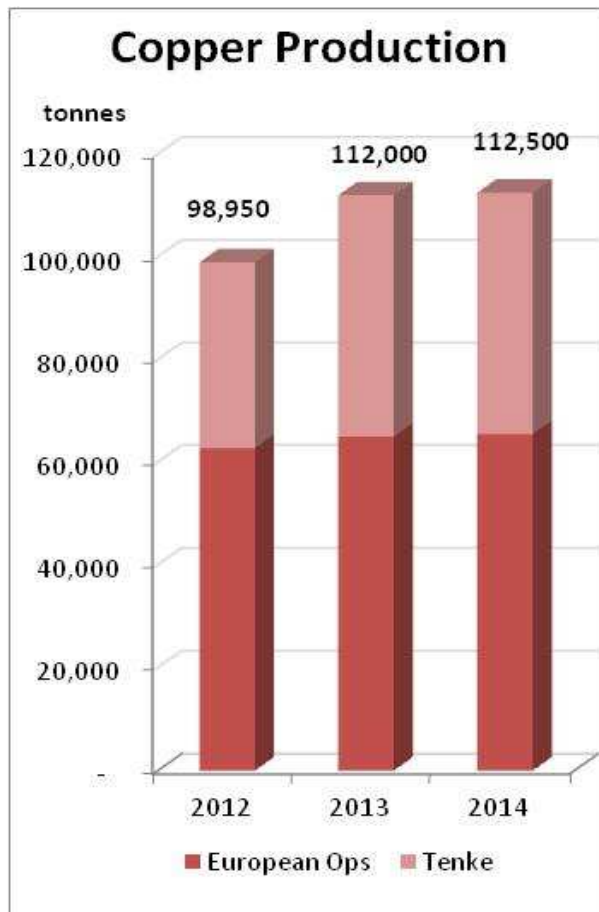


Note: Production guidance for 2013 is a LUN estimate and does not represent official guidance by operator Freeport McMoran Copper and Gold Inc. ("Freeport")

Fully-Funded Organic Growth Profile

- Internal Asset Growth Profile Based on Current Guidance

(Mid-point of guidance range graphed below, not including any expansions at Tenke past Phase II)



Lundin Mining - Summary

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



Neves-Corvo



Zinkgruvan



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Questions & Answers