

TSX: LUN
OMX: LUMI



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First Quarter Results 2013

April 25, 2013

Cautionary Statements

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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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Q1/13 Operational Highlights

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Operations remain on track to meet annual production guidance

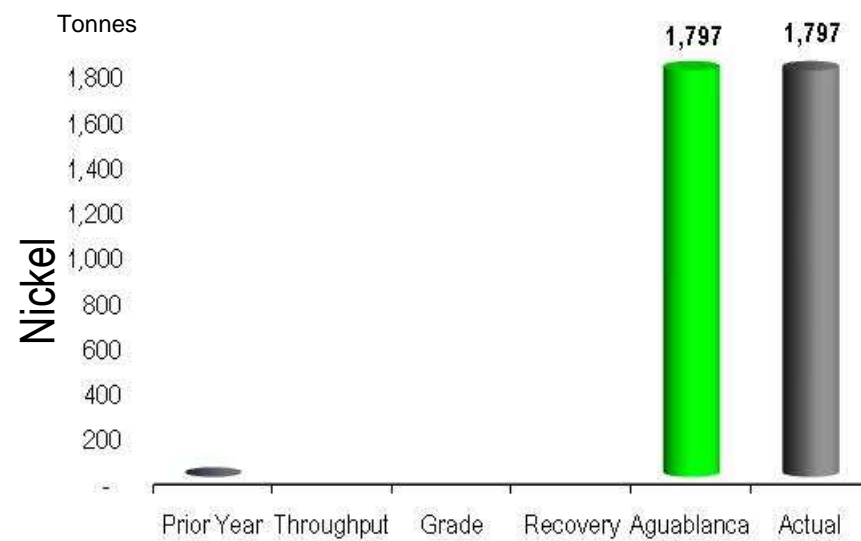
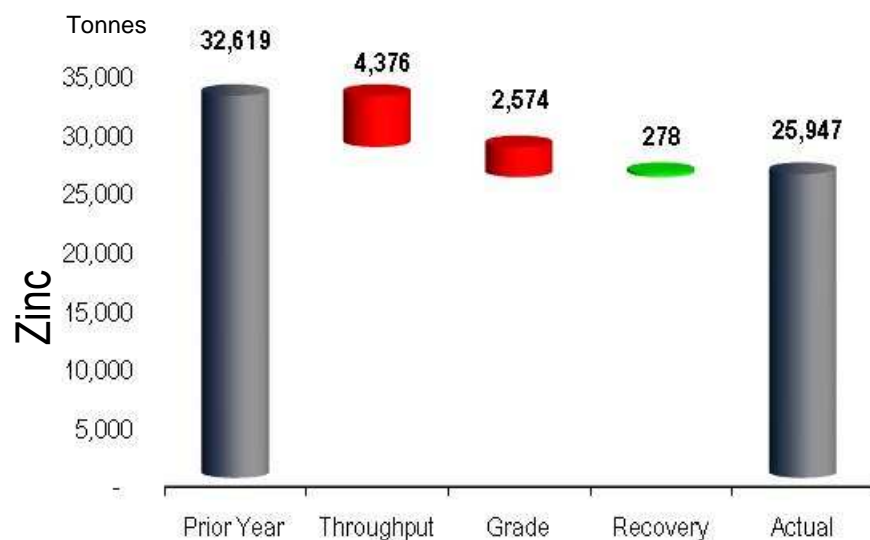
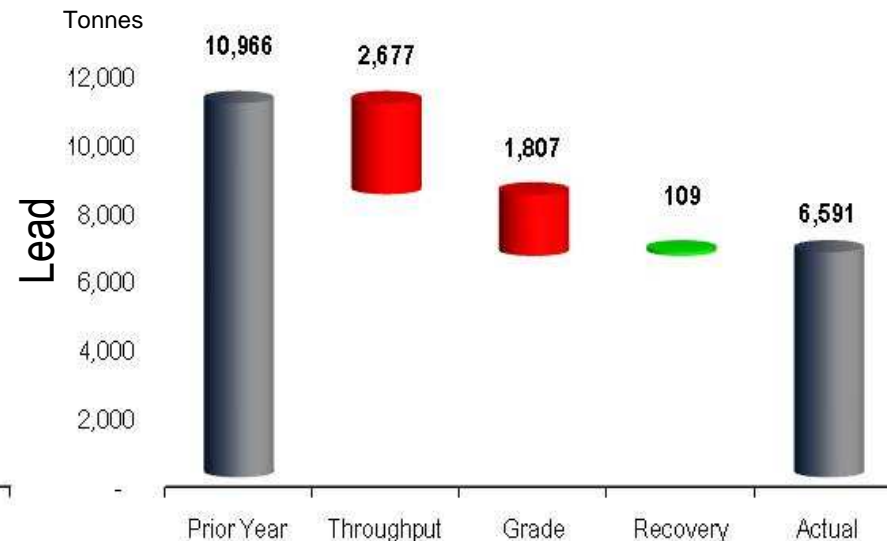
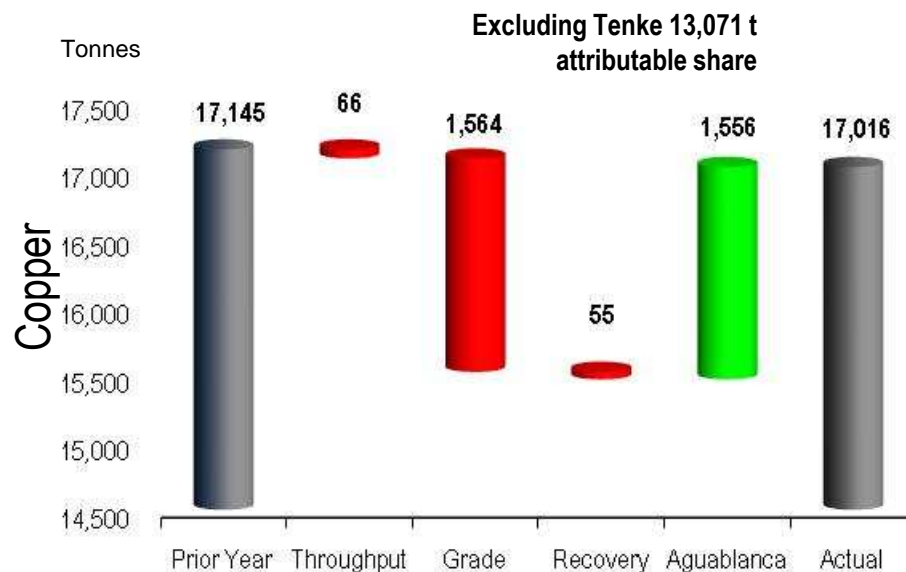
- **Copper:** In-line with expectations
 - Neves-Corvo copper production was on target with excellent plant recoveries
 - New copper production record set at Zinkgruvan
- **Zinc:** Below expectations for the quarter
 - Issues with backfill system at Zinkgruvan resulted in a change in mine sequence leading to lower than expected throughput and grades
 - Neves-Corvo achieved record zinc production as expected
- **Cash Costs:** In-line at Neves-Corvo and Aguablanca; higher than expected at Zinkgruvan. Guidance maintained for 2013
- **Tenke:** Achieved record mining, milling and copper production. Excellent copper grades of 4.4% and plant recoveries of 94% for the quarter

Q1/13 Financial Highlights

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- **Revenues:** \$188m vs. \$213m in Q1/12
- **Net Income:** \$50m (\$0.09 p/s) vs. \$58m (\$0.10 p/s) in Q1/12
- **Operating CF** (not including Tenke cash flows): \$46m (\$0.08 p/s) vs. \$51m (\$0.09 p/s) in Q1/12
- **Cash returns from Tenke:** \$45 million in Q1/13. Expect to continue to receive significant cash distributions throughout 2013
- **Net Cash:** \$199 million vs. \$242 million at Mar. 31/12. Decrease due to acquisition of Kokkola cobalt refinery in Q1/13
- **Current Net Cash:** \$214 million as of April 24, 2013

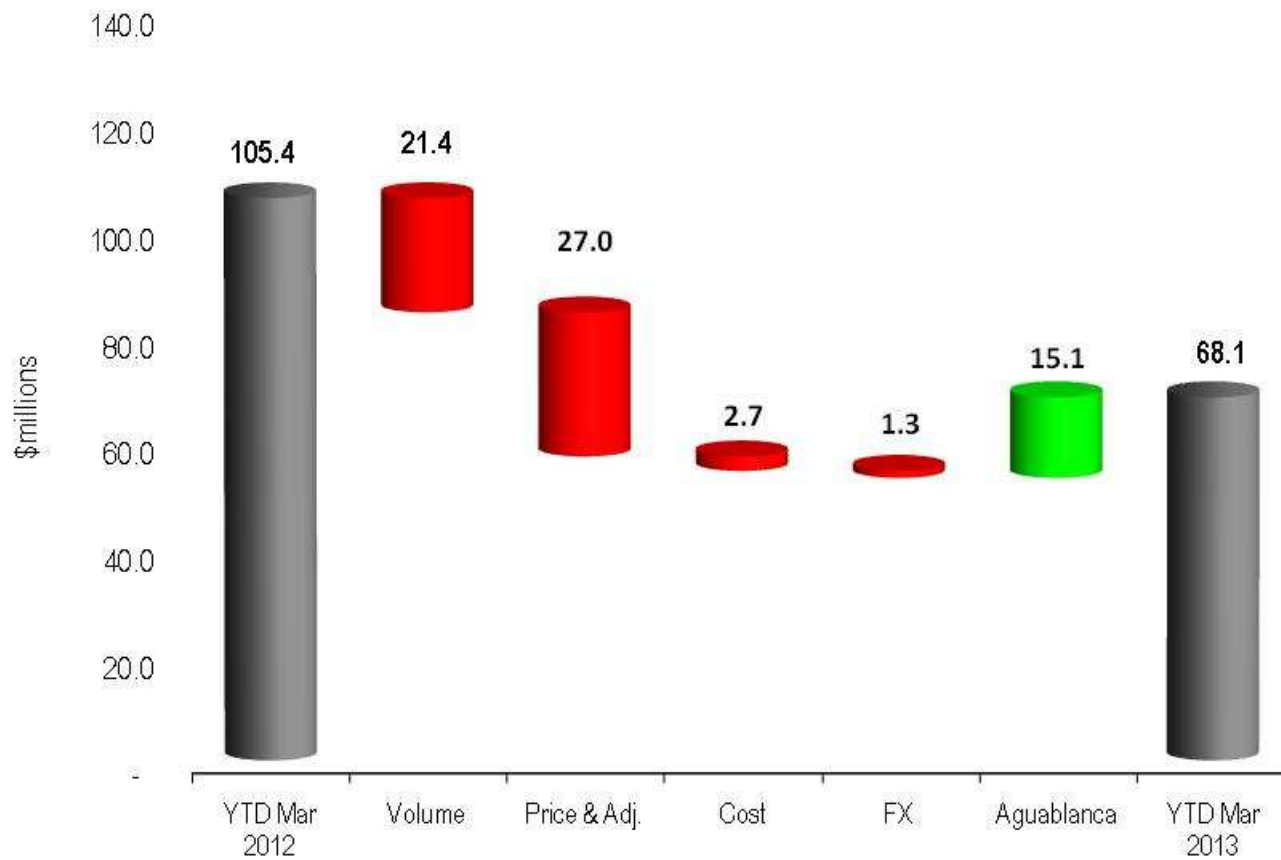
Change in Production: Q1/13 vs. Q1/12



Operating Earnings - Q1/13 vs. Q1/12

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Lundin Mining - Consolidated



Normalized Earnings

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\$ Millions	Three months ended	
	March 31,	
	<u>2013</u>	<u>2012</u>
Reported Net Income	50.1	58.3
Foreign exchange	(1.4)	9.5
Mark to market on securities	1.0	(0.6)
Insurance proceeds	(15.1)	-
Tax (on above items)	5.0	(3.6)
Adjusted Net Income	<u>39.6</u>	<u>63.6</u>
Adjusted Earnings per share	\$ 0.07	\$ 0.11

Cash Costs – Q1/13 vs. Q1/12

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	Cash Cost/lb (US dollars) Three months ended March 31		Current 2013 Guidance
	Q1/13	Q1/12	
Neves-Corvo			
Gross cost	\$2.20	\$1.90	
By-product*	(\$0.37)	(\$0.27)	
Net Cost \$/lb - Cu	\$1.83	\$1.63	\$1.80
Zinkgruvan			
Gross cost	\$1.01	\$0.87	
By-product*	(\$0.59)	(\$0.65)	
Net Cost \$/lb - Zn	\$0.42	\$0.22	\$0.20
Aguablanca			
Gross cost	\$7.86	n/a	
By-product*	(\$3.20)	n/a	
Net Cost \$/lb - Ni	\$4.66	n/a	\$5.00
Tenke			
Gross cost	\$1.46	\$1.58	
By-product	(\$0.23)	(\$0.33)	
Net Cost \$/lb - Cu	\$1.23	\$1.25	\$1.18

* By-product is after related TC/RC

Operations and Outlook

2013 Guidance Unchanged at European Operations – Tenke Production and Cost Guidance Increased

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	2013 Guidance		
		Tonnes	C1 Cost ^a
Copper	Neves-Corvo	50,000 – 55,000	\$1.80
	Zinkgruvan	2,500 – 3,500	
	Aguablanca	4,500 – 5,000	
	Wholly-owned	57,000 – 63,500	
	Tenke (@ 24%) ^b	47,300	\$1.18
	Total	104,300 – 110,800	
Zinc	Neves-Corvo	45,000 – 50,000	
	Zinkgruvan	73,000 – 78,000	\$0.20
	Total	118,000 – 128,000	
Lead	Zinkgruvan	33,000 – 36,000	
Nickel	Aguablanca	5,000 – 5,500	\$5.00

a. Cash cost guidance remains dependent on exchange rates (€/USD: 1.30, USD/SEK: 6.50) and metal prices (Cu: \$3.50, Zn: \$0.90, Pb: \$1.00, Ni:\$7.50 Co:\$12.00)

b. Freeport has provided 2013 sales guidance and C1 cash cost. The sales guidance is assumed to approximate Tenke's production.

Neves-Corvo – Q1/13 Results

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- Production of 14.3kt copper & 10.3kt zinc
- C1 costs of \$1.83/lb Cu (net of by-product credits)
- Average copper grades of 2.7% with excellent recovery rates of 91%
- Zinc production achieved a quarterly record. Recoveries continue to show consistent improvement – averaging 77% in March
- Maintain annual production and cost guidance



Location	• Portugal
2013 Production Guidance	• 50– 55 kt Cu • 45– 50 kt Zn
2013 C1 Costs	• \$1.80/lb Cu
Mine Life	• +10 years Cu + Zn



Neves-Corvo – Outlook

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- Bringing forward initial higher grade zinc production from Lombador area - with first stope blasts to commence in July 2013
- Improvement in productivity resulting from new shift rosters is resulting in greater efficiency across mining operations
- Reviewing options for expanding existing hoisting shaft capacity



Zinkgruvan – Q1/13 Results

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- Production of 15.7kt zinc, 6.6kt lead & 1.1kt copper
- Production impacted by delays in paste backfilling in previous quarter, resulting in mining directed to lower grade areas
- A new backfill line has been installed and backfilling accelerated allowing a return to mining of higher grade stopes
- C1 cash costs of \$0.42/lb zinc (net of by-product credits) – higher than expected due to lower sales volumes for the quarter
- Maintain annual production and cost guidance



Location	• Sweden
2013 Production Guidance	• 73– 78 kt Zn • 33– 36 kt Pb • 2.5– 3.5 kt Cu
2013 C1 Costs	• \$0.20/lb Zn
Mine Life	• +10 years



Zinkgruvan – Outlook

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- A number of enhancements have already been made to improve dust and noise emissions and plant availability
- Internal feasibility study on modernizing the surface crushing and screening circuit expected to be completed by mid-year



Aguablanca – Q1/13 Results and Outlook

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- Produced 1.8kt nickel and 1.6kt copper at cash cost of \$4.66/lb Ni; exceeding expectations for the quarter
- Decision regarding future configuration of pit is expected in Q2/13
- During Q1, insurance proceeds of \$15.1 million were recorded. Proceeds were in addition to the \$7.9 million received in 2012
- Maintain annual production and cost guidance



Location	• Spain
Ownership	• 100%
2013 Production Guidance	• 5,000 – 5,500 t Ni • 4,500 – 5,000 t Cu
2013 C1 Costs	• \$5.00/lb Ni
Mine Life	• <2 years



Tenke Fungurume

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Tenke – Q1/13 Results

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- Quarterly record in mining, milling and copper production
- Total production (100%) of 54.5kt Cu and 2.5kt Co @ \$1.23/lb Cu
- Average throughput of 14.6ktpd exceeded Phase II nameplate design capacity of 14.0ktpd
- Cash distribution of \$45 million received by Lundin during quarter representing significant investment milestone
- Copper production and cost guidance increased by Freeport to approximately 197kt at \$1.18/lb (from 186kt at \$1.03/lb)



Location	• Democratic Republic of Congo
Ownership	• 24%
2013 Sales Estimate (LMC share)	• 47,300 tonnes Cu
2013 C1 Cost	• \$1.18/lb Cu
Mine Life	• +40 years



Tenke Outlook and Expansion Plans

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Significant Cash Returns Expected to Continue to be Received in 2013

- LUN expects to continue to receive significant cash flows from Tenke in 2013 - 30% of all free cash flows
- 2013 cash distribution to LUN could be in range of ~\$130 million (at \$3.50/lb copper)

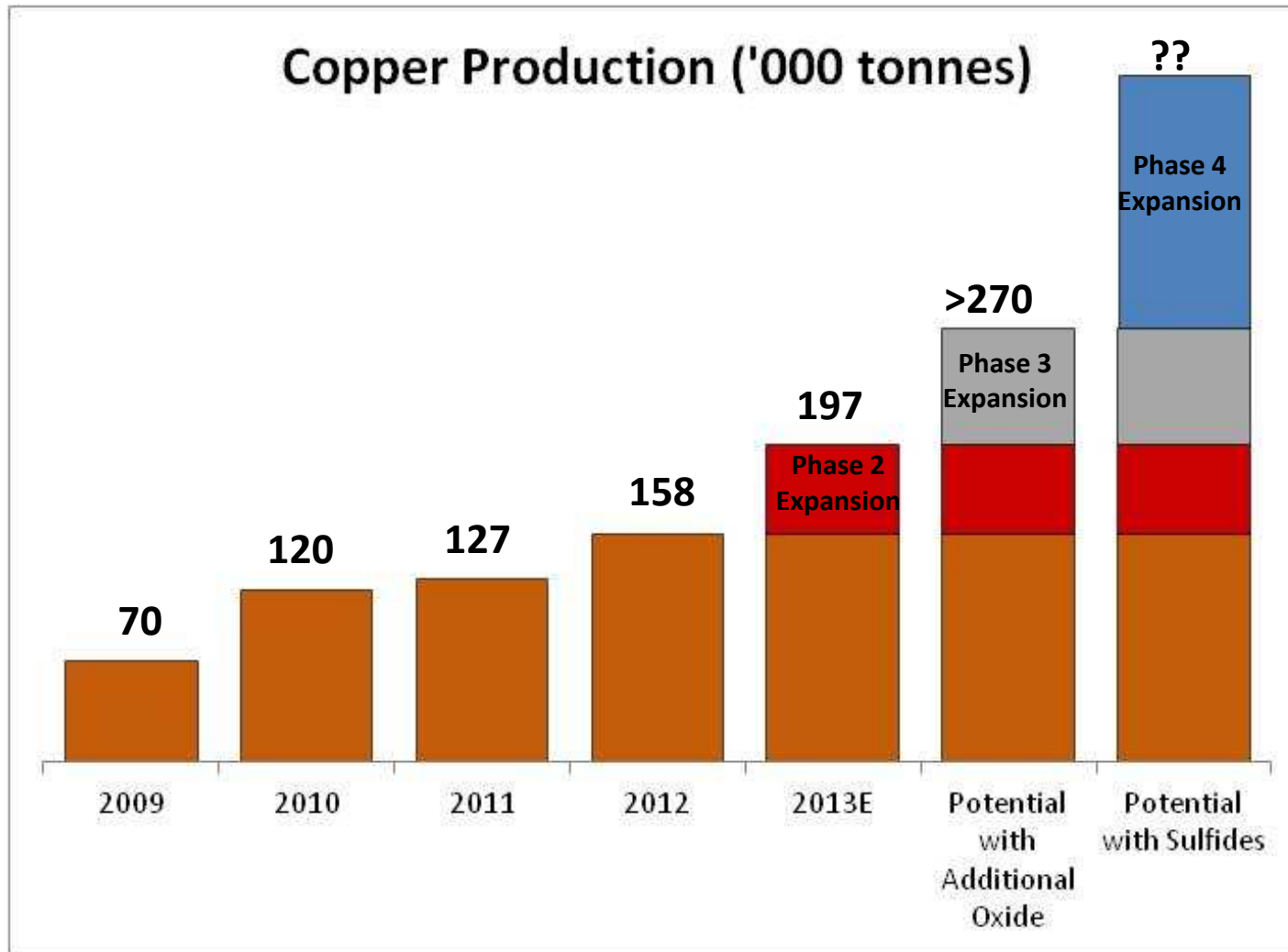


Future Expansion Plans

- Pilot heap leaching on “low grade” oxide material continues through 2013
- Extensive drilling and test work in progress for potential future expansions (oxides and sulfides)



Tenke Copper Production Outlook



Note: Freeport has provided 2013 sales guidance which has been assumed to approximate Tenke's production for 2013.

Cobalt Chemical Refinery Acquisition

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- Acquisition completed in Q1/13
- Enhances market position as world's largest producer of cobalt
- Initial purchase consideration of \$355M, including \$34M of acquired cash
 - Potential for additional consideration of up to \$110mm over three years, contingent on achieving certain revenue targets
- Ownership: 56% Freeport (operator), 24% Lundin, 20% Gecamines



- **Global market leader**
- **Direct end-market access for cobalt**
- **Capacity to refine 100% of Tenke planned cobalt**
- **Experienced management team**

Lundin Mining - Summary

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Portfolio of **high quality, long-life mines** that are performing well

Optimization **opportunities and exploration potential** at all existing assets

No high risk major capital projects

Disciplined growth initiatives supported by strong cash flows

Strong balance sheet



Neves-Corvo



Zinkgruvan



Aguablanca



Tenke Fungurume

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Questions & Answers