



2013 Results
February 21, 2014

Caution Regarding Forward Looking Information

This presentation contains forward-looking information, including, but not limited to, guidance on estimated annual production and cash costs. This forward-looking information is not based on historical facts, but rather on current expectations and projections about future events and is subject to risks and uncertainties. These risks and uncertainties could cause actual results to differ materially from the future results expressed or implied in this document.

The forward looking information contained in this document is based on a number of assumptions including, but not limited to, foreign currency rates; metal prices; estimation of mineral resources and reserves and the geology; grade, tonnage, dilution and metallurgical and other characteristics of ore; production capabilities and cost estimates.

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 's Discussion and Analysis.

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

Presenter

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2013 Operational Highlights - A Strong Performance

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Copper & Nickel Above High End of Guidance, While Zinc & Lead In-Line:

- **Copper:** Higher throughput at Neves lead to better than expected production
 - Actual Cu production of **117kt** (vs. guidance range of 109kt – 115kt)
- **Zinc:** Despite Zinkgruvan issues in early part of year, production was in-line
 - Actual Zn production of **125kt** (vs. guidance range of 123kt – 133kt)
- **Tenke:** Continued to perform extremely well, setting an annual production record, despite experiencing power interruptions in second half of year
- **Cash Costs:** Overall in-line with guidance
 - Better than expected at Tenke and Aguablanca, in-line at Neves-Corvo and Zinkgruvan

Full Year 2013 & Q4/13 Financial Highlights

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- **Revenues:** 2013: \$728m; Q4/13: \$187m
- **Net Income:** 2013: \$137m (\$0.23 p/s); Q4/13: \$42m (\$0.07 p/s)
- **Operating CF:** 2013: \$154m (\$0.26 p/s); Q4/13: \$54m (\$0.09 p/s)
- **Cash Returns from Tenke :** \$142m for 2013 (\$31m for Q4/13) exceeding guidance provided at the beginning of the year of ~\$130m
- **Net Debt:** \$112 million vs. \$71 million at Sept. 30/13 and net cash of \$265 million at Dec. 31/12
 - Increase in net debt due largely to: acquisition of Eagle (\$318m) and Freeport Cobalt (\$116m)
 - Debt facilities available for borrowing up to \$600 million. As of year end, \$240 million has been drawn down, leaving ample debt capacity of \$360 million remaining available

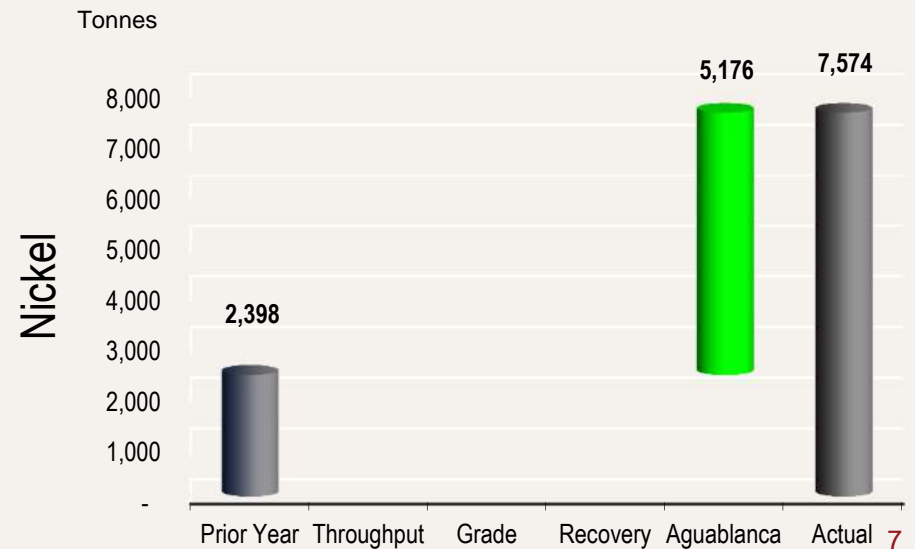
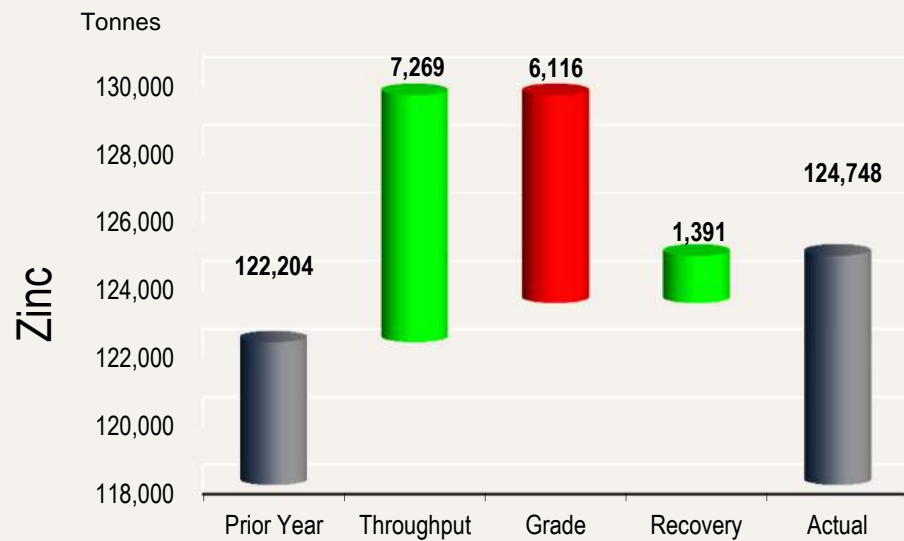
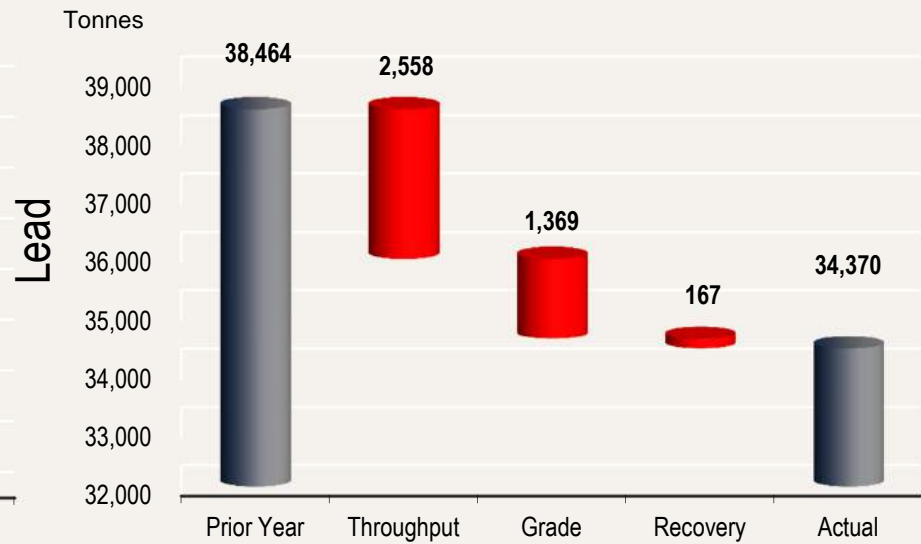
Normalized Earnings

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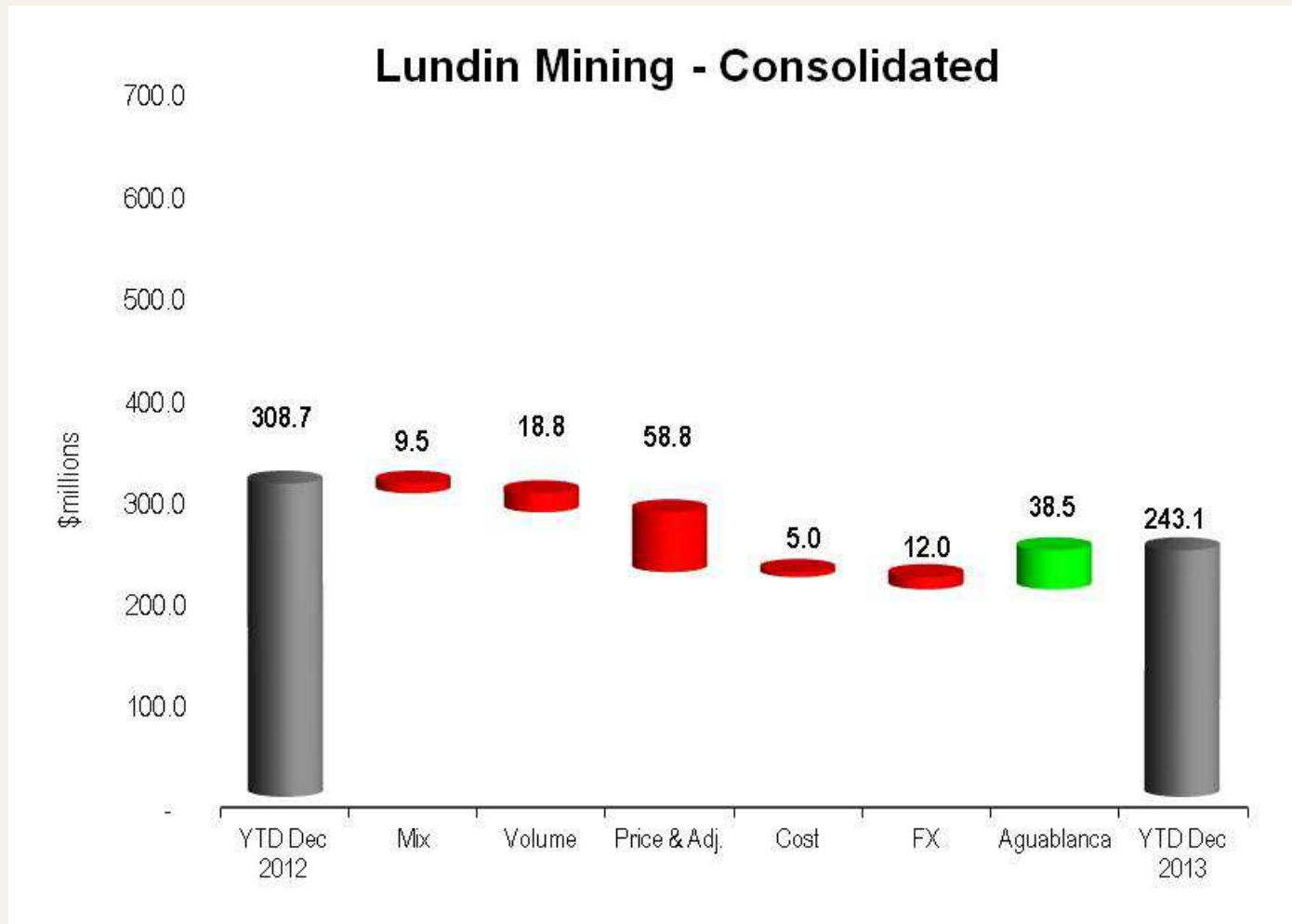
\$ Millions	Fourth quarter		Full Year	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Reported Net Earnings	42.1	(17.1)	136.7	123.2
Foreign exchange	6.0	3.5	13.8	5.1
Mark to market on securities	2.9	0.8	9.4	2.3
Insurance proceeds	-	(7.9)	(15.1)	(7.9)
Inventory write-down	-	9.1	-	9.1
Tax (on above items)	2.0	(6.1)	2.9	(8.0)
Impairment of assets (net of tax)	-	62.1	-	62.1
Tax adjustments*	-	(10.3)	-	(3.0)
Adjusted Net Earnings	<u>53.0</u>	<u>34.1</u>	<u>147.7</u>	<u>182.9</u>
Adjusted Earnings per share	\$ 0.09	\$ 0.06	\$ 0.25	\$ 0.31

* 2012 - adjustment to 2007 taxes in Spain and tax rate change in Sweden.

Change in Production: 2013 vs. 2012



Operating Earnings – 2013 vs. 2012



Cash Costs – 2013 vs. 2012

	Cash cost/lb (US dollars)		Cash cost/lb (local currency)	
	Year ended December 31			
	2013	2012	2013	2012
Neves-Corvo (Local in €)				
Gross cost	2.44	2.11	1.84	1.64
By-product ¹	(0.54)	(0.32)	(0.41)	(0.25)
Net Cost - cost/lb Cu	1.90	1.79	1.43	1.39
Zinkgruvan (Local in SEK)				
Gross cost	0.98	0.76	6.42	5.16
By-product ¹	(0.66)	(0.63)	(4.32)	(4.24)
Net Cost - cost/lb Zn	0.32	0.13	2.10	0.92
Aguablanca (Local in €)²				
Gross cost	6.81	10.04	5.14	7.89
By-product ¹	(3.03)	(3.28)	(2.29)	(2.55)
Net Cost - cost/lb Ni	3.78	6.76	2.85	5.34
Tenke				
Gross cost	1.50	1.56	-	-
By-product	(0.29)	(0.33)	-	-
Net Cost - cost/lb Cu	1.21	1.23	-	-

1 By-product is after related TC/RC.

2. 2012 net costs were measured over the re-start and ramp-up of operations and were not representative of steady state operating conditions.

2013 Results & 2014 Guidance

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		2013 Results		2014 Guidance	
		Tonnes	C1 Cost	Tonnes	C1 Cost ^a
Copper	Neves-Corvo	56,544	\$1.90	50,000 – 55,000	\$1.90
	Zinkgruvan	3,460		3,000 – 4,000	
	Aguablanca	6,242		5,000 – 6,000	
	Eagle	-		2,000 – 3,000	
	Wholly-owned	66,246		60,000 – 68,000	
	Tenke (@ 24%) ^b	50,346	\$1.21	48,400	\$1.28
	Total	116,592		108,400 – 116,400	
Zinc	Neves-Corvo	53,382		60,000 – 65,000	
	Zinkgruvan	71,366	\$0.32	75,000 – 80,000	\$0.35
	Total	124,748		135,000 – 145,000	
Lead	Neves-Corvo	1,496		2,000 – 2,500	
	Zinkgruvan	32,874		27,000 – 30,000	
	Total	34,370		29,000 – 32,500	
Nickel	Aguablanca	7,574	\$3.78	6,000 – 7,000	\$4.50
	Eagle	-		2,000 – 3,000	-
	Total	7,574		8,000 – 10,000	

- a. Cash cost guidance remains dependent on exchange rates (€/USD: 1.30, USD/SEK: 6.50) and metal prices (Cu: \$3.15, Zn: \$0.87, Pb: \$1.00, Ni:\$6.50, Co:\$12.00)
 b. Freeport has provided 2014 sales and cash costs guidance. Tenke's 2014 production is assumed to approximate Freeport's sales guidance provided.

Operations and Outlook

Neves-Corvo – 2013 Results

- Production of 56.5kt copper and an annual record of 53.4kt zinc
- C1 costs of \$1.90/lb Cu in-line with latest guidance
- Average copper grades of 2.6% with recovery rate of 84.5%
- Copper production exceeded guidance for the year due to higher than expected throughput, offset by lower recoveries
- Higher zinc grades from initial production in the deeper sections of Lombador contributed to increased zinc production in H2/2013

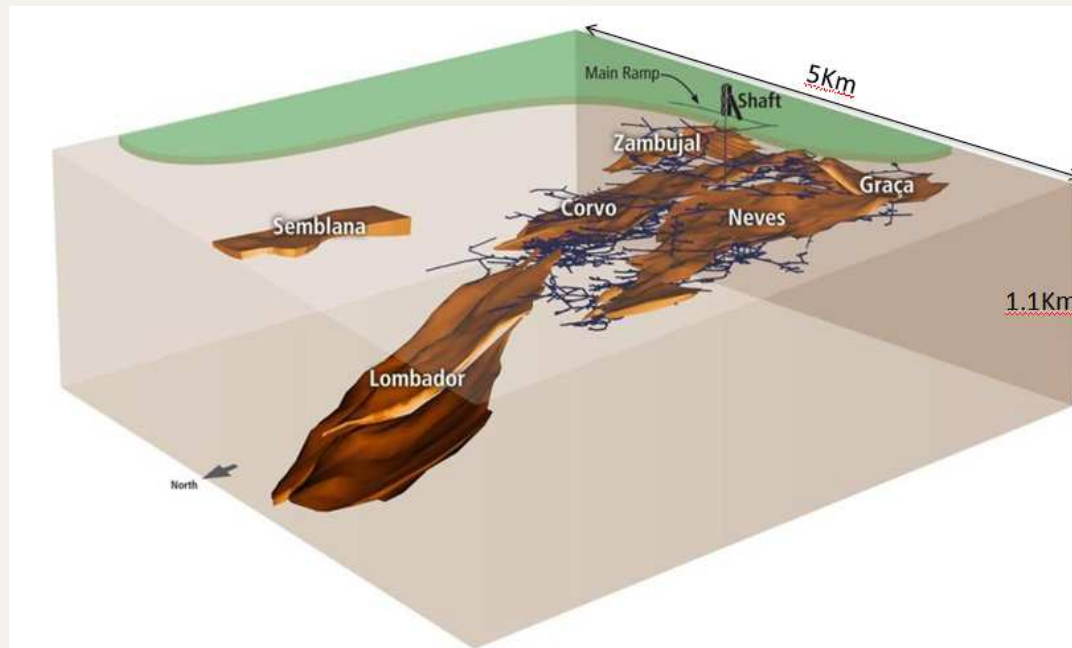


Location	• Portugal
2014 Production Guidance	• 50–55 kt Cu • 60–65 kt Zn
2014 C1 Costs	• \$1.90/lb Cu
Mine Life	• +10 years Cu + Zn



Neves-Corvo – Outlook

- Copper production and costs consistent with 2013
- Zinc ore mining rates will continue to increase from bulk stopes in upper Lombador resulting in an increased zinc production profile
- Initiatives progressing for exploiting the deeper Lombador zinc and copper ores
- Potential increased zinc production subject to feasibility study



Zinkgruvan – 2013 Results

- Production of 71.4kt zinc, 32.9kt lead and 3.5kt copper; in-line with guidance
- C1 costs of \$0.32/lb Zn was mostly in-line with latest guidance of \$0.30/lb Zn
- Paste fill and local ground control issues early in the year impacted annual production
- Significant improvements have been made to the paste fill system, and originally planned mining sequences have been re-established



Location	• Sweden
2014 Production Guidance	• 75– 80 kt Zn • 27– 30 kt Pb • 3 – 4 kt Cu
2014 C1 Costs	• \$0.35/lb Zn
Mine Life	• +10 years



Zinkgruvan – Outlook

- Production and costs generally in line with 2013
- Overall production profile expected to remain steady going forward
- Progressive investments continue to be made in the paste backfilling system to improve system availability and flexibility



Aguablanca – 2013 Results and Outlook

- Production of 7.6kt nickel and 6.2kt copper; above revised guidance
- C1 costs of \$3.78/lb Ni was better than guidance of \$4.50/lb Ni
- Consistent production throughout the year resulted in throughput, nickel and copper grades & recoveries all being higher than expected
- Production is expected to continue until 2018 from the approved underground project, with open pit production ending in Q1/2015



Location	• Spain
Ownership	• 100%
2014 Production Guidance	• 6,000 – 7,000 t Ni • 5,000 – 6,000 t Cu
2014 C1 Costs	• \$4.50/lb Ni
Mine Life	• ~4 years



Tenke – 2013 Results

- 2013 production (100% basis) of 210kt Cu at \$1.21/lb Cu; above name-plate capacity
- Achieved record mining, milling and copper production rates during the year
- Cash distributions of \$142 million for the year
- Power availability improved during Q4 and Tenke continues to work with DRC authorities to establish more consistent and reliable power



Location	• Democratic Republic of Congo
Ownership	• 24%
2014 Sales Estimate (LMC share)	• 48,400 tonnes Cu
2014 C1 Cost	• \$1.28/lb Cu
Mine Life	• +40 years



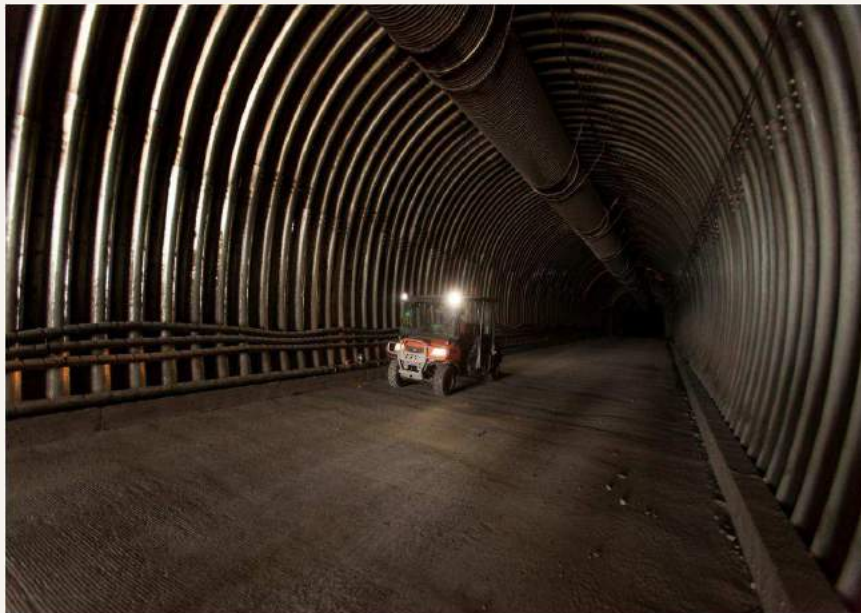
Significant Cash Returns Expected to Continue in 2014

- Further expansion investment timing under review by operator Freeport
- Cash distributions of \$130- \$150 million expected in 2014
- Addition of second sulphuric acid plant expected to be complete in 2016



Eagle – Status Update

- Overall construction continues on-time and on-budget
- Construction approximately 70% completed
- Mine surface facilities to be commissioned in Q2/2014
- Mill commissioning and first concentrate sales expected in Q4/2014



Eagle – Construction Progress Going Well

Mill site facilities



Concentrator Progress



Mine Portal



Concentrator Progress



Lundin Mining - Summary

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

Proven disciplined growth approach

Geographic and base metal diversification



Neves-Corvo



Zinkgruvan



Eagle



Tenke Fungurume



Questions & Answers