

NEWS RELEASE

Lundin Mining First Quarter Results

Toronto, April 25, 2018 (TSX: LUN; Nasdaq Stockholm: LUMI) Lundin Mining Corporation (“Lundin Mining” or the “Company”) today reported cash flows of \$172.9 million generated from operations in its first quarter of the year. Net earnings from continuing operations attributable to Lundin Mining shareholders were \$81.2 million (\$0.11 per share) for the quarter.

Mr. Paul Conibear, President and CEO commented, “We are pleased with our performance in the first quarter. Operational performance was in line with plan, with particularly strong results from Neves-Corvo and Zinkgruvan. We have improved cash cost guidance at Eagle, and are well positioned to deliver the full year production outlook at each operation.

Excellent progress continues on exploration and multiple projects to further improve the value of our operations. At the Neves-Corvo Zinc Expansion Project, underground development of the conveyor ramps and crushing station area is more than 50% complete and surface work has commenced. Eagle East ramp development continues ahead of schedule. At Candelaria, continuous placement of tailings is underway in the commissioning of Los Diques, ahead of schedule. The Candelaria mill optimization, underground production expansions, and mine fleet reinvestment initiatives are all advancing well in support of delivering greater value over the improved life-of-mine plan.”

Summary financial results for the quarter:

US\$ Millions (except per share amounts)	Three months ended March 31,	
	2018	2017
Revenue	470.5	487.8
Gross profit	149.9	164.0
Attributable net earnings ¹	81.3	91.6
Net earnings	87.1	106.4
Basic and diluted earnings per share ²	0.11	0.13
Cash flow from operations	172.9	244.7
Cash and cash equivalents	1,639.1	928.8
Net cash (debt) ³	1,183.2	(71.3)

¹ Attributable to shareholders of Lundin Mining Corporation.

² Basic and diluted earnings per share attributable to shareholders of Lundin Mining Corporation.

³ Net cash / (debt) is a non-GAAP measure defined as cash and cash equivalents, less long-term debt and finance leases, before deferred financing fees.

Highlights

Operational Performance

Production and cash costs¹ across all operations and for all metals were in line with expectations for the quarter, on target to achieve or better the Company's annual guidance. Lower copper production in the quarter compared to the prior year quarter is a result of planned lower throughput and grades at Candelaria. Strong operating performance was achieved at both Neves-Corvo and Zinkgruvan. Significant progress was made on projects at Candelaria, Eagle and Neves-Corvo.

Candelaria (80% owned): The Candelaria operations produced, on a 100% basis, 31,847 tonnes of copper, and approximately 17,000 ounces of gold and 275,000 ounces of silver in concentrate during the quarter. Copper production largely met expectations but was lower than the prior year comparable period due to planned mining and processing of lower grade materials and routine mill maintenance resulting in lower throughput. Copper cash costs of \$1.71/lb for the quarter were in line with full year guidance (\$1.70/lb), but higher than the prior year quarter due primarily to lower planned sales volumes, higher mill maintenance costs and foreign exchange in the current quarter.

The first phase of the Los Diques Tailings Storage Facility ("TSF") is complete and continuous tailings placement commenced in April. The facility has satisfied all regulatory requirements and operating permit applications have been submitted. Construction of subsequent phases has been initiated early, with excellent progress to date.

Eagle (100% owned): Eagle production remains on track to achieve full year guidance producing 5,141 tonnes of nickel and 4,773 tonnes of copper during the quarter. Quantities were lower than the prior year as a result of planned mine sequencing. Nickel cash costs of \$0.49/lb for the quarter benefited from lower nickel treatment and refining charges, bettering both guidance and the prior year.

Development of the Eagle East access ramp continues ahead of schedule, and underground definition drilling is scheduled to commence in Eagle East in the second quarter of this year.

Neves-Corvo (100% owned): Neves-Corvo produced 10,760 tonnes of copper and 17,835 tonnes of zinc for the quarter with excellent mill throughput for both zinc and copper and remains on track to achieve full year guidance. Zinc production was in line with the prior year comparable period, despite lower head grades, while copper production was higher resulting from improved mine productivity and higher mill throughput driven by improvements in mine plan execution. Overall cash costs, on a copper basis, of \$1.14/lb for the quarter were higher than the prior year comparable period, negatively impacted by foreign exchange, but remain better than guidance (\$1.30/lb).

The Zinc Expansion Project ("ZEP") advanced, however some delays have been experienced due to both labour action and underground contractor progress.

Constructive dialogue with the Neves-Corvo workforce continues. The labour situation continues to be managed so as to minimize the risk of future work stoppages.

Zinkgruvan (100% owned): Zinc production of 19,045 tonnes for the quarter was in line with both guidance and prior year comparative period production. Lead production of 7,023 tonnes was lower than the prior year quarter driven by lower head grades as a result of mine sequencing. Zinc cash costs of \$0.43/lb for the quarter were better than full year guidance, but higher than the prior year comparable quarter due primarily to foreign exchange.

¹ Cash cost/lb of copper, zinc and nickel are non-GAAP measures defined as all cash costs directly attributable to mining operations, less royalties and by-product credits.

Financial Performance

- Revenue for the quarter ended March 31, 2018 was \$470.5 million, a decrease of \$17.3 million in comparison to the \$487.8 million reported in the first quarter of the prior year. The decrease was due to lower sales volumes (\$74.9 million), partially offset by higher metal prices, net of price adjustments (\$36.7 million) and lower treatment and refining charges (\$16.5 million).
- Cost of goods sold for the quarter ended March 31, 2018 was \$320.6 million, a decrease of \$3.2 million in comparison to the \$323.8 million reported in the first quarter of the prior year. Higher per unit production costs (\$25.0 million) and the negative impact of foreign exchange (\$16.4 million) were offset by lower sales volumes (\$43.1 million).
- Gross profit for the quarter ended March 31, 2018 was \$149.9 million, a decrease of \$14.1 million in comparison to the \$164.0 million reported in the first quarter of the prior year. The decrease was primarily due to higher per unit production costs (\$25.0 million) and lower sales volumes (\$31.5 million), partially offset by higher realized metal prices, net of price adjustments (\$36.7 million).
- Net earnings for the quarter ended March 31, 2018 were \$87.1 million, a decrease of \$19.3 million over the \$106.4 million reported in the first quarter of 2017. Net earnings, in comparison with the prior year quarter, were negatively impacted by:
 - lower earnings from discontinued operations (\$34.0 million); and
 - lower gross profit (\$14.1 million); partially offset by
 - lower net income tax expense (\$18.6 million).
- Cash flow from operations for the quarter ended March 31, 2018 was \$172.9 million, a decrease of \$71.8 million in comparison to the cash flow of \$244.7 million reported in the first quarter of 2017. The decrease was primarily attributable to a comparative change in non-cash working capital.

Financial Position and Financing

- Cash and cash equivalents increased \$72.1 million over the quarter ended March 31, 2018, from \$1,567.0 million to \$1,639.1 million. The increase is primarily a result of cash generated from operating activities of \$172.9 million and proceeds from the sale of marketable securities of \$35.4 million, partially offset by investments in mineral properties, plant and equipment of \$150.7 million.
- Net cash position at March 31, 2018 was \$1,183.2 million compared to \$1,110.5 million at December 31, 2017.
- The Company has a revolving credit facility available for borrowing up to \$350 million. As at March 31, 2018, the Company had no amount drawn on the credit facility, only letters of credit in the amount of \$26.6 million.
- As at April 25, 2018, cash and net cash balances were approximately \$1.7 billion and \$1.2 billion, respectively.

Outlook

Production and exploration guidance for 2018 remains unchanged from that provided on November 29, 2017 (see news release entitled “Lundin Mining Provides Operational Outlook & Update”). Eagle’s 2018 cash cost guidance has been reduced to \$1.10/lb, from \$1.35/lb, largely in recognition of higher expected copper by-product prices.

2018 Production and Cost Guidance

(contained tonnes in concentrate)		Tonnes	Cash Costs ^a
Copper	Candelaria (80%)	104,000 - 109,000	\$1.70/lb
	Eagle	15,000 - 18,000	
	Neves-Corvo	39,000 - 44,000	\$1.30/lb
	Zinkgruvan	1,000 - 2,000	
	Total attributable	159,000 - 173,000	
Zinc	Neves-Corvo	68,000 - 73,000	
	Zinkgruvan	76,000 - 81,000	\$0.45/lb
	Total	144,000 - 154,000	
Nickel	Eagle	14,000 - 17,000	\$1.10/lb

a. Cash costs remain dependent upon exchange rates (forecast at €/USD:1.25, USD/SEK:8.00, USD/CLP:600) and metal prices (forecast at Cu: \$3.00/lb, Zn: \$1.40/lb, Ni: \$5.50/lb, Au: \$1,250/oz, Pb: \$1.00/lb, Ag: \$18.00/oz).

2018 Capital Expenditure and Exploration Guidance

Total capital expenditures, excluding capitalized interest, are forecast to be \$850 million as previously disclosed. Minor, offsetting changes in sustaining capital expenditures at Eagle (from \$25 million to \$20 million) and Neves-Corvo (from \$55 million to \$60 million) are expected. A comprehensive project cost review for the ZEP will be conducted and updates provided with the second quarter results.

2018 Guidance	\$ millions
Candelaria (100% basis)	
Capitalized Stripping	200
Los Diques TSF	60
New Mine Fleet Investment	75
Candelaria Mill Optimization Project	50
Candelaria Underground Development	20
Other Sustaining	105
Candelaria Sustaining	510
Eagle Sustaining	20
Neves-Corvo Sustaining	60
Zinkgruvan Sustaining	40
Total Sustaining Capital	630
Eagle East	30
ZEP (Neves-Corvo)	190
Total Expansionary Capital	220
Total Capital Expenditures	850

2018 Exploration Investment Guidance

Exploration expenditures are expected to remain unchanged at \$83 million in 2018.

This is information that Lundin Mining Corporation is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below on April 25, 2018 at 5:00 p.m. Eastern Time.

For further information, please contact:

Mark Turner, Director, Business Valuations and Investor Relations: +1-416-342-5565

Sonia Tercas, Senior Associate, Investor Relations: +1-416-342-5583

Robert Eriksson, Investor Relations Sweden: +46 8 545 015 50

Cautionary Statement in Forward-Looking Information and Non-GAAP performance measures

Certain of the statements made and information contained or incorporated by reference herein is "forward-looking information" within the meaning of applicable Canadian securities laws. All statements other than statements of historical facts in this document constitute forward-looking information based on current expectations, estimates, forecasts and projections as well as beliefs and assumptions made by the Company's management. Such forward-looking statements include but are not limited to those regarding the Company's outlook and guidance on metal production, costs and capital expenditures; exploration; the Zinc Expansion Project (or ZEP) at Neves-Corvo, Eagle East and the Los Diques Tailings Storage Facility (TSF) at Candelaria; and life-of-mine estimates and plans. Words such as "advancing", "anticipate", "assumption", "believe", "estimate", "expectation", "exploration", "further", "forecast", "guidance", "initiative", "outlook", "phase", "plan", "potential", "progress", "project", "schedule", "target" or "track", or variations of or similar such terms, or statements that certain actions, events or results could, may, might or will be taken or occur or be achieved, identify forward-looking information. Although the Company believes that the expectations reflected in the forward-looking information herein are reasonable, these statements by their nature involve risks and uncertainties and are not guarantees of future performance. These estimates, expectations and other forward-looking statements are based on a number of assumptions and are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements. Such risks and uncertainties include, without limitation, risks and uncertainties inherent in and/or relating to: estimates of future production and operations, cash and all-in sustaining costs; metal and commodity price fluctuations; foreign currency fluctuations; mining operations including but not limited to environmental hazards, industrial accidents, ground control problems and flooding; geology including, but not limited to, unusual or unexpected geological formations and events (including but not limited to rock slides and falls of ground), estimation and modelling of grade, tonnes, metallurgy continuity of mineral deposits, dilution, and Mineral Resources and Mineral Reserves, and actual ore mined and/or metal recoveries varying from such estimates; mine life and life-of-mine plans and estimates; the possibility that future exploration, development or mining results will not be consistent with expectations; the potential for and effects of labour actions, disputes or shortages (including but not limited to at Neves-Corvo), community or other civil protests or demonstrations or other unanticipated difficulties with or interruptions to operations; potential for unexpected costs and expenses including, without limitation, for mine closure and reclamation at current and historical operations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain and maintain necessary governmental approvals and/or permits; regulatory investigations, enforcement, sanctions and/or related or other litigation; and other risks and uncertainties, including but not limited to those described in the "Managing Risks" section of the Company's full-year 2017 and subsequent Management's Discussion and Analysis, and the "Risks and Uncertainties" section of the Company's most recently filed Annual Information Form. In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management; assumed prices of copper, zinc, nickel and other metals; that the Company can access financing, appropriate equipment and sufficient labour; and that the political environment where the Company operates will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, there can be no assurance that forward-looking information will prove to be accurate, and readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise forward-looking statements or to explain any material difference between such and subsequent actual events, except as required by applicable law.

Certain financial measures contained herein, such as net debt and cash costs, have no meaning within generally accepted accounting principles under IFRS and therefore amounts presented may not be comparable to similar data presented by other mining companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures or performance prepared in accordance with IFRS.