

Lundin Mining Corporation

Statement of Significant Corporate Governance Differences

As a foreign private issuer listed on the New York Stock Exchange (“NYSE”) and the Toronto Stock Exchange (the “TSX”), we are generally entitled to follow the corporate governance practices applicable to Canadian issuers under Canadian corporate and securities laws as well as the rules and regulations of the TSX (collectively, “Canadian Rules”). We are, however, required by Section 303A.11 of the NYSE Listed Company Manual to identify any significant ways in which our corporate governance practices differ from those required to be followed by U.S. domestic companies under NYSE listing standards. The significant differences are summarized below.

- Section 303A.05(a) of the NYSE Listed Company Manual requires that all members of the compensation committee be independent. One member of our compensation committee is not independent, which is permitted under Canadian Rules.
- Section 303A.05(b)(ii) of the NYSE Listed Company Manual requires that the written charter of the compensation committee include an annual performance evaluation of the compensation committee. The written charter of our compensation committee charter complies with Canadian Rules, but does not require an annual performance evaluation.
- Section 303A.07(c)(i) of the NYSE Listed Company Manual requires, among other things, that the written charter of the audit committee state that the purposes of the audit committee include (i) assisting the board of directors’ oversight of the independent auditor’s qualifications and independence and the performance of the internal audit function and independent auditors; and (ii) preparing an audit committee report as required by the SEC to be included in the listed company’s annual proxy statement. The written charter of our audit committee complies with Canadian Rules, but does not explicitly state that these functions are part of the purpose of the audit committee, which is not required by Canadian Rules.
- Section 303A.07(c)(ii) of the NYSE Listed Company Manual requires that the written charter of the audit committee address an annual performance evaluation of the audit committee. The written charter of our audit committee complies with Canadian Rules, but does not explicitly state that these functions are part of the purpose of the audit committee, which is not required by Canadian Rules.
- Section 303A.07(c)(iii) of the NYSE Listed Company Manual requires, among other things, that the written charter of the audit committee state that the audit committee (i) at least annually, obtain and review a report by the independent auditor describing the firm’s internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; (ii) discuss the listed company’s earnings press releases, financial information and earning guidance; (iii) meet separately, periodically, with

management, with internal auditors and with independent auditors; and (iv) set clear hiring policies for employees or former employees of the independent auditors. The written charter of the audit committee complies with Canadian Rules, but does not explicitly state that these functions are part of the purpose of the audit committee, which is not required by Canadian Rules. However, our audit committee does discuss our earnings press releases, financial information and earning guidance and meets separately, periodically, with management, with internal auditors and with independent auditors.

- Section 303A.08 of the Listed Company Manual requires that shareholders of the listed company be given the opportunity to vote on all equity-compensation plans and material revisions thereto. Canadian Rules generally require that shareholders approve all equity-compensation plans, but the Canadian Rules are not identical to the NYSE Rules. For example, stock purchase plans that do not provide for financial assistance or discounts by the listed company do not require shareholder approval under Canadian Rules but do require shareholder approval under Section 303A.08 of the Listed Company Manual. We comply with Canadian Rules.
- Section 303A.09 of the Listed Company Manual requires that, amongst other things, our governance guidelines include provisions relating to an annual performance evaluation of the board, director compensation guidelines and director orientation and continuing education. We have adopted corporate governance guidelines, our Board Mandate, in compliance with the Canadian Rules. However, our corporate governance guidelines do not include provisions relating to an annual performance evaluation of the board, director compensation guidelines or director orientation and continuing education.
- Section 303A.10 of the Listed Company Manual requires that a listed company's code of business conduct and ethics mandate that any waiver of the code for executive officers or directors may be made only by the board or a board committee and must be promptly disclosed to shareholders. Our code of business conduct and ethics complies with Canadian Rules and does not include such a requirement.