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2008 Third Quarter Results

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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.

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Presenter

PHIL WRIGHT

PRESIDENT & CEO

Questions

TED MAYERS

CFO

JOAO CARRELO

EXEC. VP & COO

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Significant Highlights

- Record or near-record production is continuing at all mines
- Metal prices have fallen sharply
- Operating cost performance continues to improve and the weakening Euro should further contribute to this
- Operating earnings \$68.9 million; operating cash flow \$46.8 million
- Non-cash impairment charge of \$228.2 million related to write down of Aguablanca and EuroZinc goodwill
- Net debt \$194.8 million. The Company is in compliance with all its debt covenants
- Plans being implemented at all operations to address current market circumstances

Production & Metal Prices: Q3'08 and Q3'07

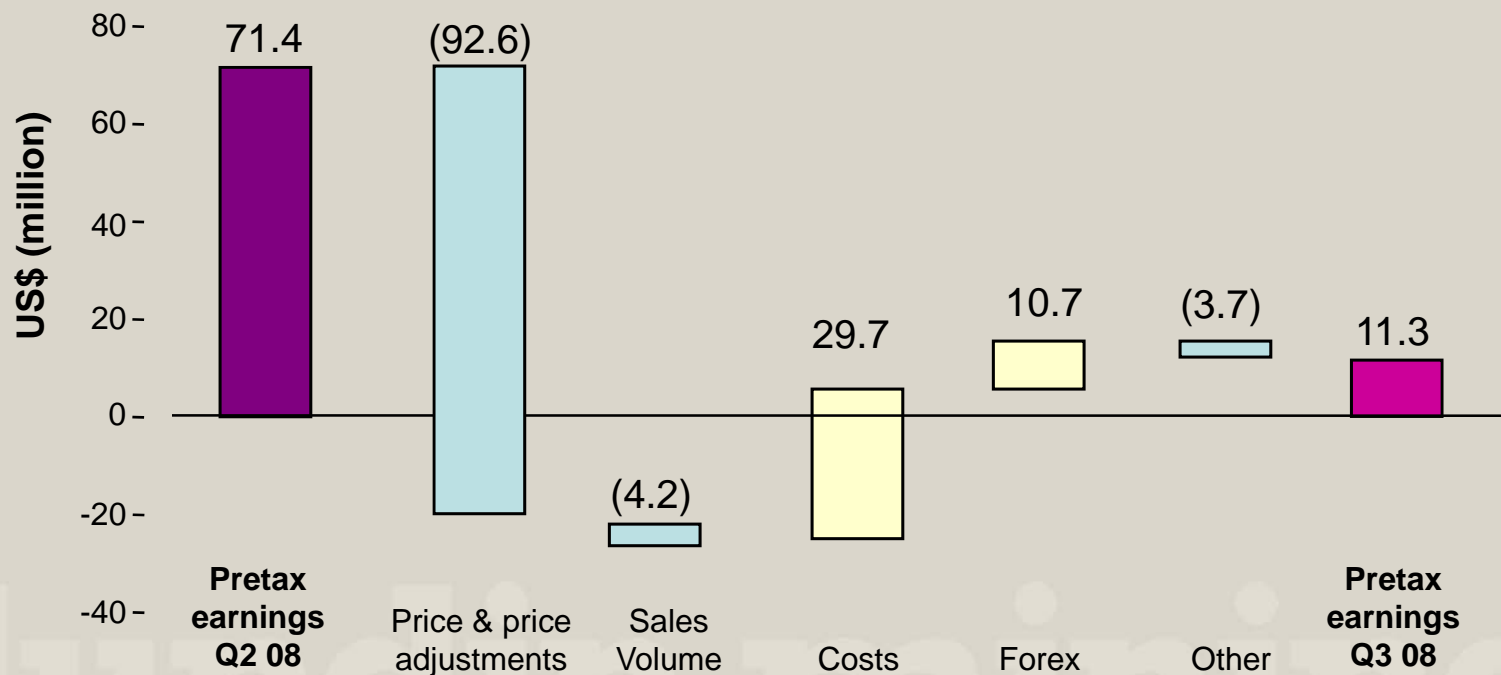
	Production (tonnes)		Prices (US \$/t, US \$/lb)	
	Q3'08	Q3'07	Q3'08	Q3'07
Copper	24,433	22,654	7,693 3.49	7,714 3.50
Zinc	44,605	36,392	1,773 0.80	3,238 1.47
Lead	9,908	9,906	1,946 0.88	3,141 1.42
Nickel	2,155	1,579	18,980 8.61	30,226 13.71

Third Quarter: Financial Results

\$ Millions	Q3'08	Q3'08 (incl. impairment)	Q3'07
Sales	192	192	293
Operating Earnings	<u>69</u>	<u>69</u>	<u>154</u>
Other Items:			
General Exploration	(9)	(9)	(11)
Amortization	(54)	(54)	(47)
Forward Sales	(1)	(1)	(18)
Forex	8	8	(4)
Interest and Other Items	(1)	(1)	1
Investments	-	-	27
Impairment	-	<u>(228)</u>	<u>-</u>
Earnings Before Income Tax	<u>11</u>	<u>(217)</u>	<u>102</u>
Net Earnings	<u>2</u>	<u>(199)</u>	<u>77</u>

Change in Pre-Tax Earnings Q2'08 to Q3'08

Pre-Impairment



Project Progress

Tenke Copper Project

- Significant construction progress during quarter
- First copper expected 2nd half 2009
- Contract review process ongoing

Ozernoe Project

- Working with partner to assess options including seeking strategic advice

Zinkgruvan Copper Project

- On-budget and on schedule
- Targeting 2010 for first copper
- Project improves zinc mining flexibility

Plans for Low Metal Price Environment

- Our view is:

"prices in some of our products are already so low that perhaps a majority of global production is now uneconomic"

- The Company has reviewed its operations in light of depressed metals prices and has implemented plans in respect of each asset.

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Plans for Neves-Corvo



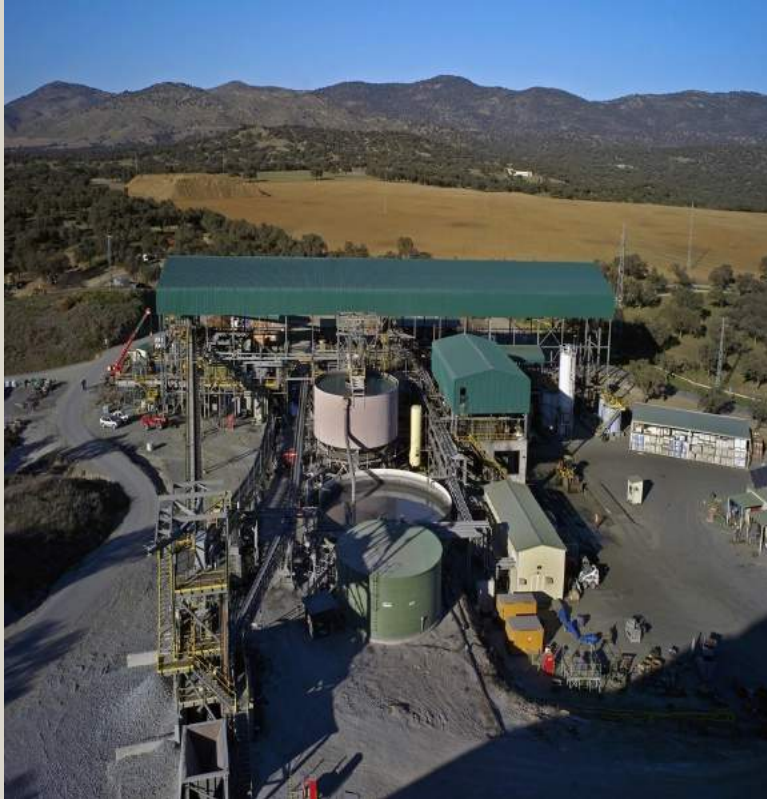
- Zinc production suspended
- Lower grade copper ore to be processed in zinc plant to produce 24% copper concentrate
- Gives positive cash return whereas zinc presently negative
- Zinc expansion slowed but production capacity still to be expanded

Plans for Zinkgruvan



- Underground development related to resource exploration that does not impact on 5 year production plan has been deferred
- All costs under review
- Copper expansion continuing as this further improves Zinkgruvan production flexibility and competitiveness.

Plans for Aguablanca



- Mine tonnage to be reduced
- Mill throughput to be maintained using broken ore stockpiles and oxidized stockpile material (450,000 tonnes)
- Metal output to be maintained at reduced cost per pound
- All costs under review
- Aguablanca expected to continue to make positive cash contribution

Plans for Galmoy & Aljustrel



Galmoy

- Life of Mine under review
- Earlier closure than planned is a possibility



Aljustrel

- To be placed on care and maintenance
- Reviewing alternatives

Outlook

- 2008 contained metal production outlook: 97,000 (+1,000) tonnes copper, 151,000 tonnes zinc excluding Aljustrel, 45,000 tonnes of lead and 7,900 (+900) tonnes nickel. (Increases in brackets)
- First copper expected from Tenke next year
- 2008 capex expected to be \$475 million, up from \$400 – \$450 million previous guidance as a result of Tenke
- Preliminary capex for 2009 expected to be \$130 - \$150 million including Tenke although this number is still under review
- Exploration in 2009 is expected to fall to \$21 million from around \$40 million in 2008. Of this, 50% will be spent on looking for copper at Neves-Corvo

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