

## Fourth Quarter and 2017 Year-End Results

February 15, 2018

Candelaria, Region III, Chile

# Cautionary Statements

## Caution Regarding Forward-Looking Information and Non-GAAP Performance Measures

All statements, other than statements of historical fact, made and information contained or incorporated by reference in or made in giving this presentation and responses to questions is "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking statements are based on expectations, estimates, forecasts and projections as well as beliefs and assumptions made by management, as of the date of this presentation. Forward-looking statements include but are not limited to the Company's guidance and outlook on estimated annual metal production, cash costs, exploration expenditures, and capital expenditures; projects including but not limited to the Neves-Corvo Zinc Expansion Project (ZEP), the Eagle East project and the Los Diques tailings facility project; Mineral Resource and Mineral Reserve estimates; and mine and life-of-mine plans (including but not limited to production profile, and mine life and life-of-mine (or LOM) estimates); exploration; feasibility and other studies and their results; projects and their expected returns; and other future performance. Forward-looking statements may be identified by terminology such as, without limitation, "accrative", "aimed", "anticipate", "assumption", "believe", "budget", "compelling", "consideration", "development", "estimate", "exploration", "expect", "forward", "flexibility", "focus", "forecast", "future", "growth", "guidance", "initiative", "intend", "life-of-mine", "LOM", "opportunities", "optimization", "outlook", "phase", "plan", "possibility", "potential", "probable", "program", "progress", "project", "ramp-up", "return", "risk", "schedule", "target", "trend", and "upside", similar such words and phrases or statements that certain actions, events or results may, can, could, would, should, might, indicates, or will be taken, and any similar expressions. Forward-looking statements are necessarily based upon a number of estimates, assumptions and expectations that, while considered reasonable by the Company as of the date of such statements, are inherently subject to known and unknown risks, uncertainties and contingencies. Such risks, uncertainties and contingencies could cause assumptions, estimates and expectations to be incorrect and actual results to differ materially from those projected in the forward-looking statement and, as such, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. These risks, uncertainties and contingencies include, without limitation, estimates of future production, and operating, cash and all-in sustaining costs; metal and commodity price fluctuations; foreign currency fluctuations; risks associated with mining operations including but not limited to environmental hazards, industrial accidents, ground control problems and flooding; geological risks including, but not limited to, unusual or unexpected geological formations, estimation and modelling of grade, tonnes, metallurgy, continuity of mineral deposits, dilution and Mineral Resource and Mineral Reserve estimates, and actual ore mined and/or metal recoveries varying from such estimates; mine plans including but not limited to mine life or life-of-mine (or LOM) estimates; the possibility that future exploration, development or mining results will not be consistent with expectations; the potential for and effects of labour disputes (including but not limited to at Neves-Corvo), shortages or other unanticipated difficulties with or interruptions in production; 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/or maintain necessary governmental approvals and/or permits; regulatory investigations, enforcement, sanctions and/or related or other litigation including but not limited to securities class action litigation; and other risks and uncertainties, including but not limited to those described in the "Cautionary Statement on Forward-Looking Information" in the Company's November 29, 2017 and January 16, 2018 news releases, the "Risks and Uncertainties" section of the Company's most recently filed Annual Information Form and in the "Managing Risks" section of the Company's full-year 2016 and 2017 interim Management's Discussion and Analysis. Accordingly, readers are advised not to place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

This presentation contains certain financial measures such as operating earnings, net cash, net debt, operating cash flow per share and cash costs which have no standardized 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.

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

# Participants

<b>Paul Conibear</b>	President & Chief Executive Officer
<b>Marie Inkster</b>	Senior Vice President & Chief Financial Officer
<b>Peter Richardson</b>	Vice President Chief Operating Officer
<b>Steve Gatley</b>	Vice President Technical Services

# 2017 Highlights



## Strong Performance

- best ever safety performance
- achieved guidance for production of all metals
- generated \$903M of cash flow from operations
- 58% operating margin<sup>1</sup>



## Excellent Project Execution

- Los Diques tailings project under budget and ahead of schedule
- Eagle East and Zinc Expansion Project both progressing well
- significantly improved life-of-mine plan at Candelaria



## Disciplined Capital Management

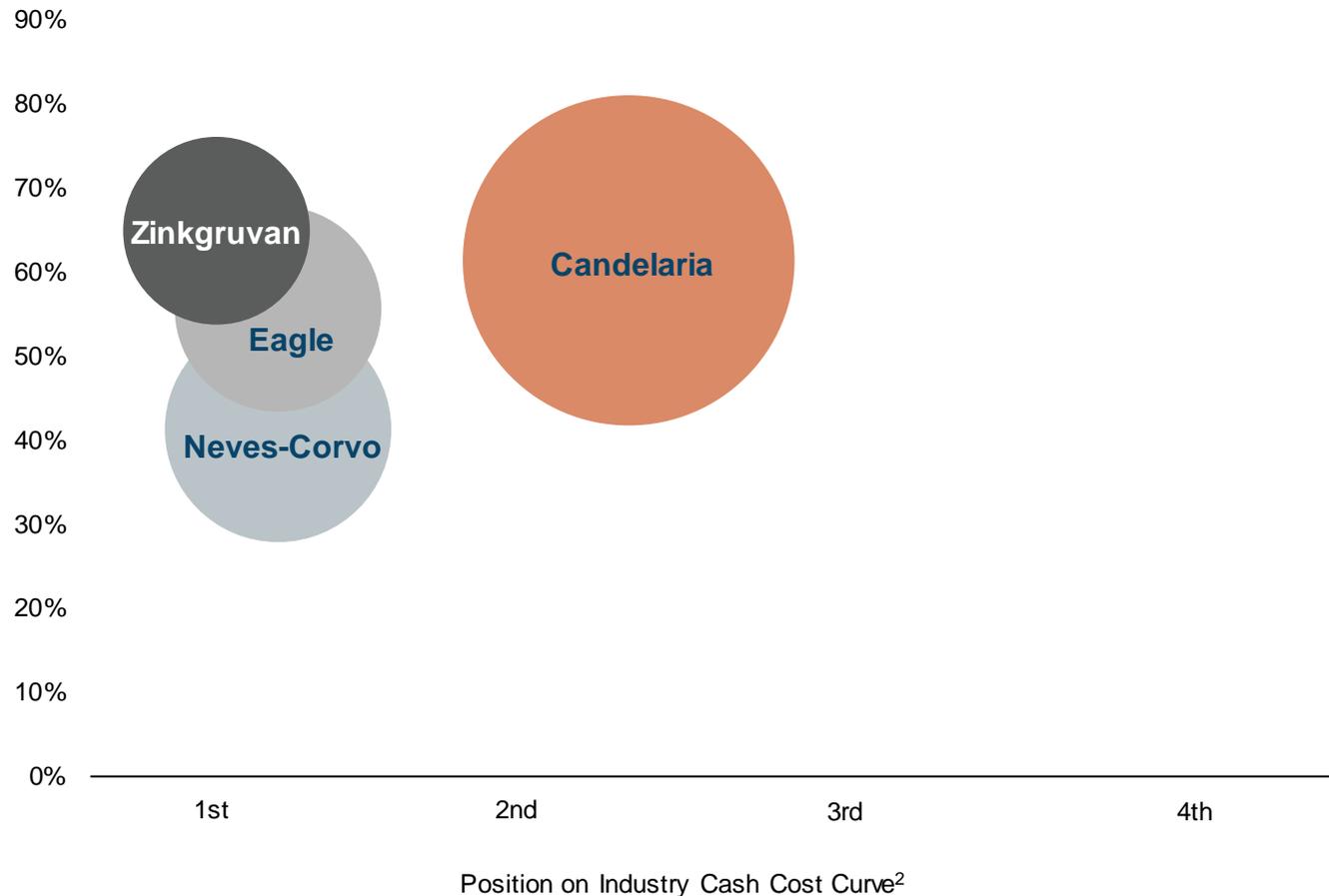
- commenced regular dividend
- completed sale of interest in Tenke for \$1.136B
- early redemption of \$550M principal amount of notes
- actively assessing M&A with disciplined investment criteria

<sup>1</sup> Operating margin is a non-GAAP measure defined as a Operating Earnings to Sales. Please see Lundin Mining's MD&A for the year ended December 31, 2017 for discussion on non-GAAP measures.

# Strong Performance Across Portfolio

## Robust Margins and Meaningful Scale<sup>1</sup>

(operating margin 2017, %)



Source: Wood Mackenzie, Lundin Mining reports

1. Bubble sizes represent 2017 attributable copper equivalent production based on average 2017 metal prices realized scaled relative to Candelaria's attributable copper production.

2. Based on relative position in the Wood Mackenzie forecast industry C1 cash cost curve (Q4 2017 data set) for the primary metal produced from the operation. Candelaria – copper; Eagle – nickel, Neves-Corvo – copper; Zinkgruvan – zinc.

## 2017 Full-Year Results

### Attributable Production

- 202,989 t of copper
- 149,319 t of zinc
- 22,081 t of nickel
- 33,488 t of lead

### \$2,078M in sales

- 67% copper
- 15% zinc
- 7% nickel
- 7% gold and silver

# Financial Highlights

	2017	2016	Δ
<b>Realized Metal Prices<sup>1</sup></b>			
Copper	\$2.98/lb	\$2.31/lb	29%
Nickel	\$4.84/lb	\$4.44/lb	9%
Zinc	\$1.37/lb	\$0.99/lb	38%
<b>Summarized Financial Results<sup>2</sup></b>			
Revenue	\$2,078M	\$1,546M	34%
Operating Earnings	\$1,163M	\$654M	78%
Attributable Net Earnings from Continuing Operations	\$371M	\$92M	303%
	\$0.51/sh	\$0.13/sh	\$0.38/sh
Cash Flow from Operations	\$903M	\$363M	149%
Operating Cash Flow (before working capital)	\$830M	\$484M	71%
	\$1.14/sh	\$0.67/sh	\$0.47/sh
Dividends Declared	C\$0.12/sh	-	-

1. LUN average realized price, including impact of provisional price adjustments.

2. Operating Earnings and Operating Cash Flow are a non-GAAP measures. Please see Lundin Mining's MD&A for the year ended December 31, 2017 for discussion on non-GAAP measures.

# Responsible Mining

## Safety

- best ever performance with records on multiple parameters

## Social

- positive stakeholder engagement and increased social investment
- achieved top ISS Environment & Social Quality Scores

## Environmental

- robust risk and compliance management programs in place
- increased reporting and disclosure practices
- excellent progress with permits at Candelaria, and Neves-Corvo and Eagle for growth initiatives

## Total Recordable Injury Frequency

per 200,000 person hours worked



# Candelaria



Candelaria Mill – Copper / Gold / Silver – Region III, Chile

# Candelaria

## Excellent Operating Performance

- 2017 copper production of 183,858 tonnes (100% basis) met guidance
- full-year cash cost of \$1.22/lb copper modestly above guidance

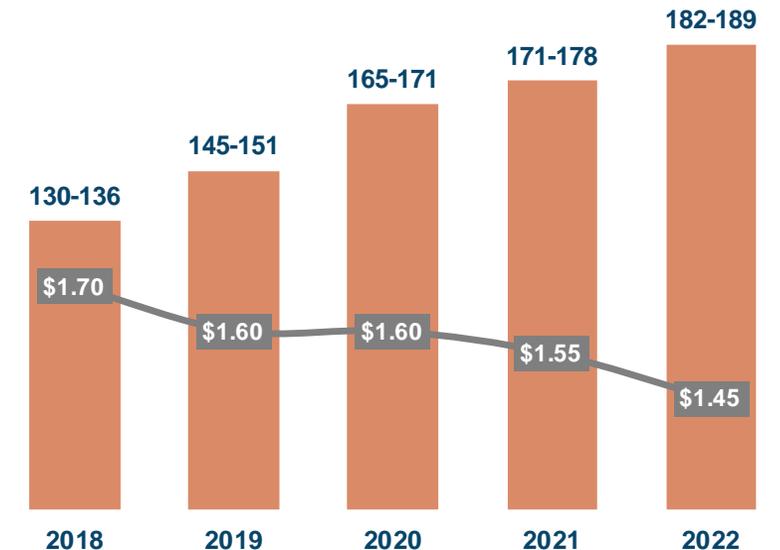
## Delivered Improved Life-of-Mine (LOM) Plan

- copper production profile increased 290kt (+20%) over next 10 years and 410kt (+19%) LOM
- reinvestment in new mine fleet to support extended life of mine
- low-risk, high-return plant optimization project underway
- increasing production from current and new underground mines

## Los Diques Tailings Facility Commissioning Underway

- project nearing substantial completion under budget and ahead of schedule

**Copper Production & Cash Cost Outlook**  
(100% basis; kt & \$/lb Cu, net of by-product credits)



# Candelaria – Los Diques Tailings Facility



## Commissioning Underway

- first tailings deposited on January 8, 2017
- total forecast capital cost unchanged at \$295M with \$45M to be spent in 2018

## Advancing Future Phases

- pulled forward to benefit from operational synergies
- \$15M to be spent in 2018 advancing Phases 2 & 3 for overall LOM cost savings

January 16, 2018



## Achieved Guidance & Record Zinc Production

- 2017 copper and zinc production met latest guidance
- production impacted by labour action and complex copper ores
- full-year cash cost of \$0.88/lb copper, better than guidance

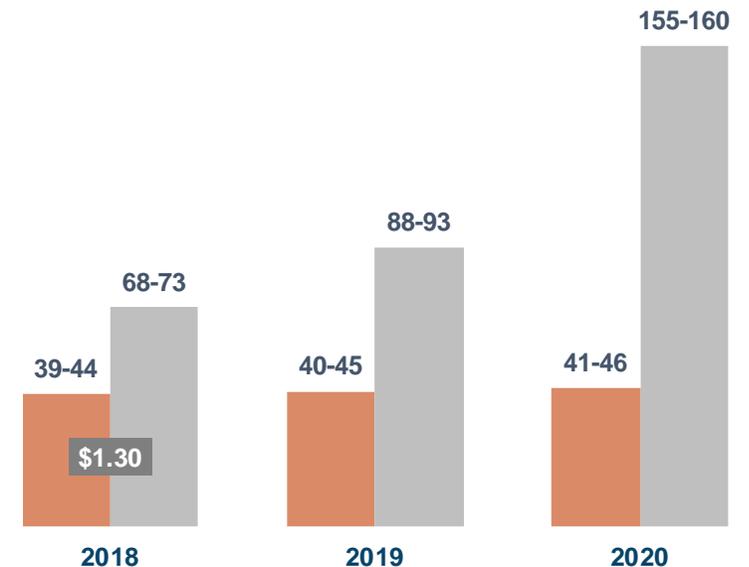
## Zinc Expansion Project Scheduled for H2/19 Ramp-Up

- project doubles current zinc production
- underground ramp development advancing
- surface facilities construction conditional permit received mid-January 2018

## Path Forward

- multiple initiatives underway to improve overall business performance, including commissioning of water treatment plant
- ongoing dialogue with the union/employees to resolve labour issues
- focussed on ensuring the long-term competitiveness of the operation, and protecting investments

**Copper, Zinc Production & Cash Cost Outlook**  
(kt & \$/lb Cu, net of by-product credits)





Humboldt Mill – Nickel / Copper / PGMs – Michigan, U.S.A.

# Eagle

## Excellent Performance and New Records Set

- 2017 copper and nickel production met guidance
- full-year cash cost of \$0.93/lb nickel better than guidance
- records achieved on metal recoveries and concentrate quality

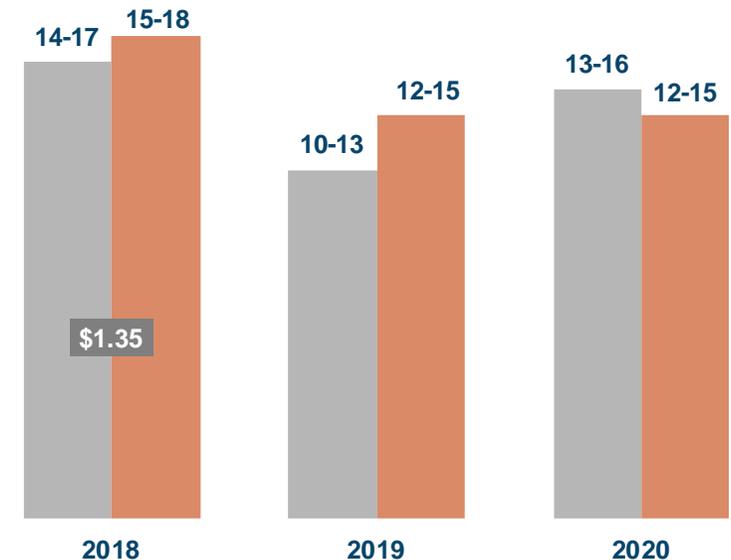
## Eagle East on Schedule and Trending Under Budget

- initial production on target for early 2020
- final approval of permit amendments to develop and mine received in Q4/17
- permit amendment for additional tailings at Humboldt mill in progress and expected by mid-2018

## Active Exploration Program Continues in 2018

- planned expenditure of \$18M to drill +35,000 metres with four rigs. Focus on tracing Eagle East feeder

**Nickel, Copper Production & Cash Cost Outlook**  
(kt & \$/lb Ni, net of by-product credits)



# Zinkgruvan



Zinc / Lead / Copper – Sweden

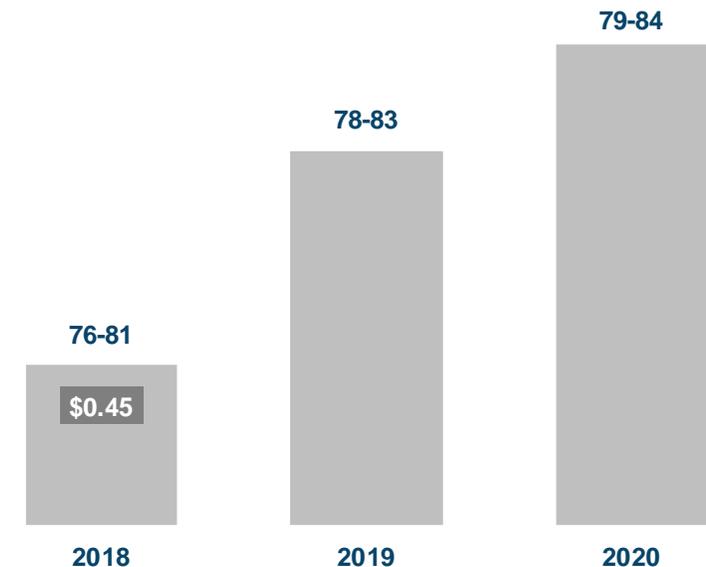
## Record Throughput Post Mill Expansion

- zinc production met latest guidance
- record quarterly throughput in Q4/17 and record annual throughput of 1.26M tonnes achieved
- full-year cash cost of \$0.31/lb zinc better than guidance
- increasing three-year production guidance primarily on grade

## Rejuvenated Exploration Program Focus

- maintain aggressive program for exploration in 2018 aimed at adding significantly to Mineral Resource and Mineral Reserve estimates<sup>1</sup>
- 2018 exploration budget of \$13M

**Zinc Production & Cash Cost Outlook**  
(kt & \$/lb Zn, net of by-product credits)



1. Refer to Press Release "Lundin Mining Announces 2017 Mineral Resource and Mineral Reserve Estimates" dated September 5, 2017. See also slide 22.

# 2018 Capital Expenditure & Exploration Guidance

## Capital Expenditures<sup>1</sup> (US\$M)

Total Capitalized Stripping <sup>2</sup>	200
Los Diques Facility	60
New Mine Fleet Investment	75
Mill Optimization Investment	50
Candelaria UG South Development	20
Other Candelaria Sustaining	105
<b>Total Candelaria (100% basis)</b>	<b>510</b>
Eagle Sustaining	25
Neves-Corvo Sustaining	55
Zinkgruvan Sustaining	40
<b>Total Sustaining</b>	<b>630</b>
Eagle Expansionary	30
Zinc Expansion (Neves-Corvo)	190
<b>Total Expansionary</b>	<b>220</b>
<b>Total Capital Expenditures</b>	<b>\$850M</b>

## Candelaria

- investment in low-risk, high-return initiatives maximizing benefits from improved life-of-mine production profile
- re-phasing of open pit and capitalized stripping to align with revised production plan
- to ramp up underground production from four deposits
- advance future phases of Los Diques tailings facility for multi-year cost savings

## Neves-Corvo

- ZEP doubles production capacity in H2/19
- initial capex of €260M with \$190M (€158M) in 2018

## Eagle

- Eagle East on schedule and trending under budget
- expected on-line in early 2020

**Exploration** – \$83M budget, primarily brownfields

1. Excludes capitalized interest. Amounts forecast above are on a cash basis, and may vary from accrual based estimates.

2. During the production phase, waste stripping costs which provide probable future economic benefits and improved access to the orebody are capitalized to mineral properties. The Company capitalizes waste costs when experienced strip ratios are above the average planned strip ratio for each open pit phase under development.

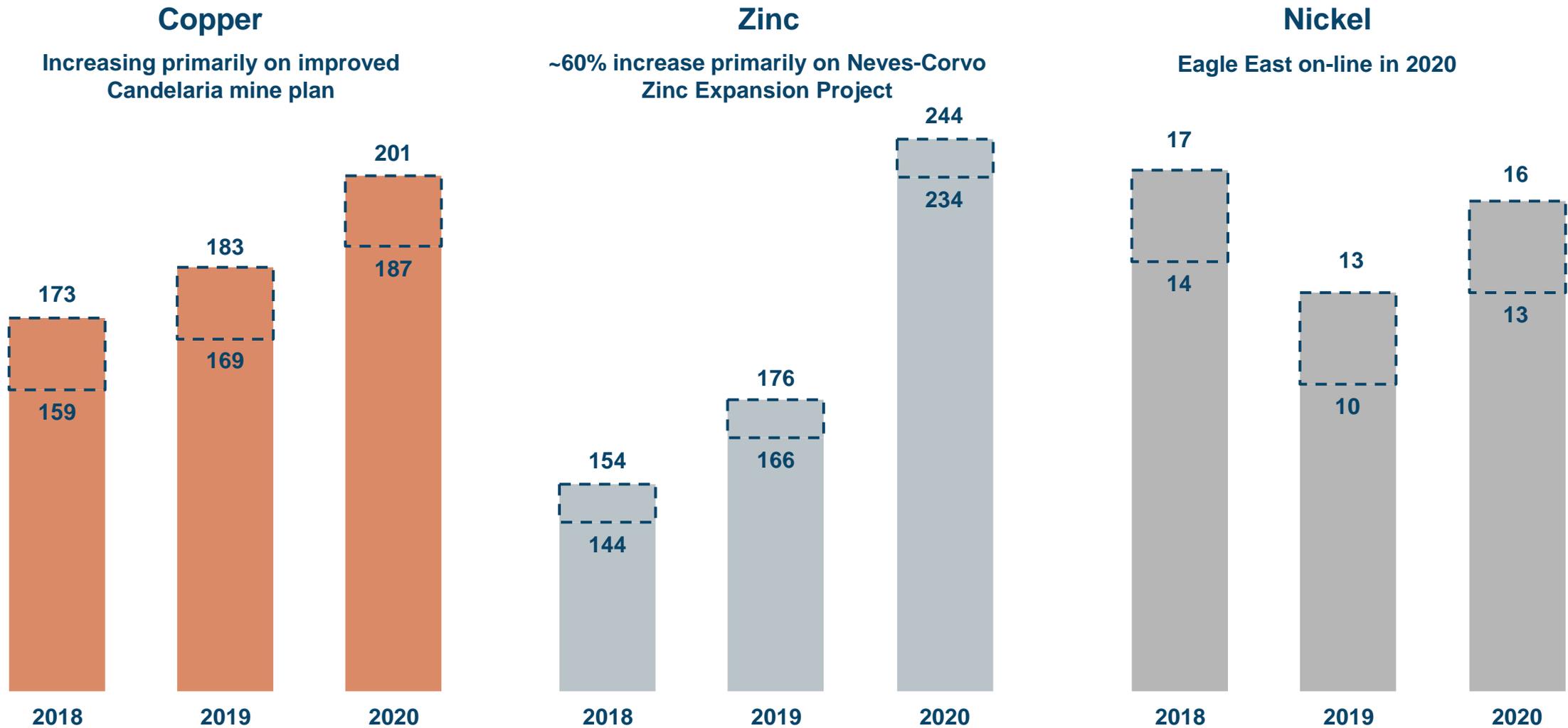
# 2018 Production and Cash Cost Guidance

## Attributable Production<sup>1</sup> and C1 Cash Cost<sup>2</sup> (t and \$/lb, net of by-products)

<b>Copper</b>	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	
	<b>Total Attributable</b>	<b>159,000</b>	<b>–</b>	<b>173,000</b>	
<b>Nickel</b>	Eagle	14,000	–	17,000	\$1.35/lb
	<b>Total</b>	<b>14,000</b>	<b>–</b>	<b>17,000</b>	
<b>Zinc</b>	Neves-Corvo	68,000	–	73,000	
	Zinkgruvan	76,000	–	81,000	\$0.45/lb
	<b>Total</b>	<b>144,000</b>	<b>–</b>	<b>154,000</b>	

1. Production Guidance is based on certain estimates and assumptions, including but not limited to; Mineral Resource and Mineral Reserve estimates (see slide 22), geological formations, grade and continuity of deposits and metallurgical characteristics.  
 2. C1 cash costs are based on various assumptions and estimates, including, but not limited to; production volumes, as noted above, commodity prices (2018 - Cu: \$2.75/lb, Zn: \$1.30/lb, Pb: \$1.00/lb, Ni: \$5.00/lb, \$1,250/oz gold and \$18/oz silver) foreign currency exchange rates (2018 - €/USD:1.20, USD/SEK:8.00, CLP/USD:625) and operating costs. 68% of Candelaria's total gold and silver production are subject to a streaming agreement and as such C1 cash costs are calculated based on receipt of \$404/oz and \$4.04/oz, respectively, on gold and silver sales in the year. No consideration has been made for the upfront payment received in the calculation of C1 cash costs. All figures in are in US\$ unless otherwise noted.

# Three-Year Production Outlook<sup>1</sup> (kt attributable)



 Production Guidance Range

1. Production guidance is based on certain estimates and assumptions, including but not limited to; Mineral Resource and Mineral Reserve estimates (see slide 22), geological formations, grade and continuity of deposits and metallurgical characteristics. This guidance was originally announced by news release on November 29, 2017.

# Focus on Disciplined Growth

Invest in low-risk, high-return brownfield expansion projects and exploration

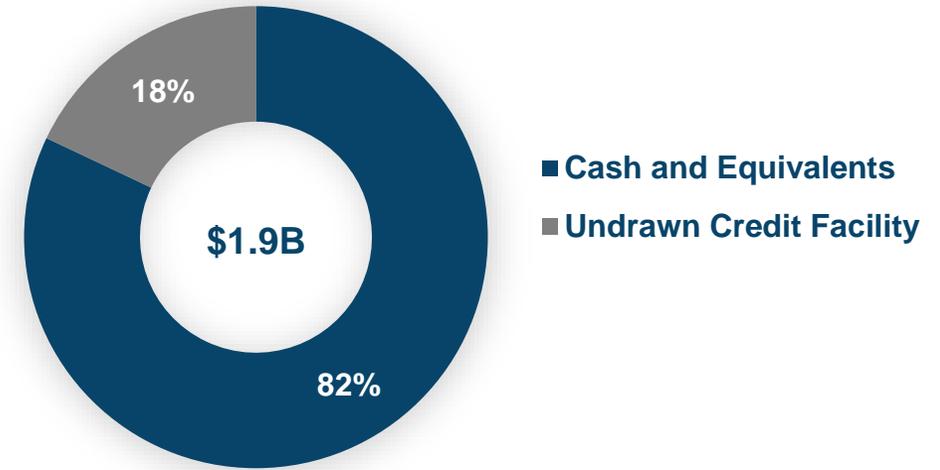
Maintain regular dividend

Prudent and accretive management of debt and cash positions

Keep flexible balance sheet to move quickly on compelling growth opportunities

Consider other returns of capital to shareholders from time-to-time

**Liquidity Position**  
(December 31, 2017)



# Lundin Mining



## High Quality Competitive Mines

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- strong margins at all operations
- demonstrated operational excellence and culture of continuous improvement
- low-risk mining jurisdictions



## Meaningful Scale Growth Oriented

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- exploration upside and high value expansion projects underway
- advancing external acquisition initiatives with disciplined criteria



## Financial Strength

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- proven track record for rigorous investment approach, focused on value creation
- substantial flexibility to respond to opportunities

# NI 43-101 Compliance

Unless otherwise indicated, Lundin Mining Corporation (the “Company”) has prepared the technical information in this presentation including Mineral Reserve and Mineral Resource estimates (“Technical Information”) based on information contained in the technical reports and news releases (collectively the “Disclosure Documents”) available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Each Disclosure Document was prepared by or under the supervision of a qualified person (“Qualified Person”) as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators (“NI 43-101”). For readers to fully understand the information in this presentation, they should read the technical reports identified below in their entirety, including all qualifications, assumptions and exclusions that relate to the information set out in this presentation which qualifies the Technical Information. Readers are advised that Mineral Resource estimates that are not Mineral Reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

The Technical Information in this presentation has been prepared in accordance NI 43-101 and has been reviewed and approved by Stephen Gatley, BSc (Eng), C.Eng. Vice President - Technical Services of the Company, a "Qualified Person" under NI 43-101. Mr. Gatley has verified the data disclosed in this presentation and no limitations were imposed on his verification process.

Mineral Reserve and Mineral Resource estimates are shown on a 100 percent basis for each mine. The Measured and Indicated Mineral Resource estimates are inclusive of those Mineral Resources estimates modified to produce the Mineral Reserve estimates. All estimates are prepared as at June 30, 2017. Estimates for all majority owned operations are prepared by or under the supervision of a Qualified Person as defined in NI 43-101, or have been audited by independent Qualified Persons on behalf of the Company. Unless indicated otherwise in the “Notes on Mineral Resource and Reserve Table” in the Company’s news release on September 5, 2017, Mineral Reserve estimates have been calculated using metal prices of US\$2.75/lb copper, US\$1.00/lb zinc, US\$1.00/lb lead, US\$8.00/lb nickel, US\$1,000/oz gold and exchange rates of EUR/US\$ 1.25, US\$/SEK 7.00 and Chilean Peso/US\$ 550.

Refer to the new release dated September 5, 2017 entitled “Lundin Mining Announces 2017 Mineral Resource and Mineral Reserve Estimates” on the Company’s website ([www.lundinmining.com](http://www.lundinmining.com)).

For further Technical Information on the Company’s material properties, refer to the following technical reports, each of which is available on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com):

Candelaria: technical report entitled Technical Report for the Candelaria Copper Mining Complex, Atacama Region, Region III, Chile dated November 30, 2017.

Neves-Corvo: technical report entitled NI 43-101 Technical Report for the Neves-Corvo Mine, Portugal dated June 23, 2017.

Zinkgruvan: technical report entitled NI 43-101 Technical Report for the Zinkgruvan Mine, Central Sweden dated November 30, 2017.

Eagle Mine: technical report entitled Technical Report on the Eagle Mine, Michigan, U.S.A. dated April 26, 2017.

**lundin mining**

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