

Second Quarter 2017 Results

July 27, 2017



Neves-Corvo, Portugal

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 the Company's management, as of the date of this presentation, and include but are not limited to the Company's guidance on estimated annual metal production, cash costs and capital expenditures; exploration; feasibility studies and their results; projects; and other future performance. Forward-looking statements may be identified by terminology such as, without limitation, "aimed", "anticipate", "believe", "budget", "contingent", "enable", "estimate", "exploration", "expect", "feasibility", "flexibility", "focus", "forecast", "guidance", "initiative", "intend", "on track", "opportunities", "outlook", "plan", "project", "risk", "schedule", "strategy", "study", "target", 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; 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, 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 plans, and life of mine estimates; the possibility that future exploration, development or mining results will not be consistent with expectations; the potential for and effects of labour disputes, 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 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 "Cautionary Statement on Forward-Looking Information" in the Company's July 26, 2017 news release, the "Risks and Uncertainties" section of the Company's most recently filed Annual Information Form and in the "Managing Risks" of the Company's full-year 2016 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 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.

Participants

Paul Conibear	President & Chief Executive Officer
Marie Inkster	Senior Vice President & Chief Financial Officer
Steve Gatley	Vice President Technical Services

Operating Highlights – Q2/17

Operations Delivered Strong Aggregate Performance All Growth Projects Advancing on Schedule and on Budget



Candelaria had excellent copper production on higher head grades and recoveries; we expect production to be at the high end of our guidance, offsetting below expectation copper production at **Neves-Corvo**

Eagle copper production is above plan on throughput, grade and recovery; we have increased copper production guidance for the year



Eagle nickel production is also progressing better than plan; we have therefore increased nickel production and full-year cash cost guidance

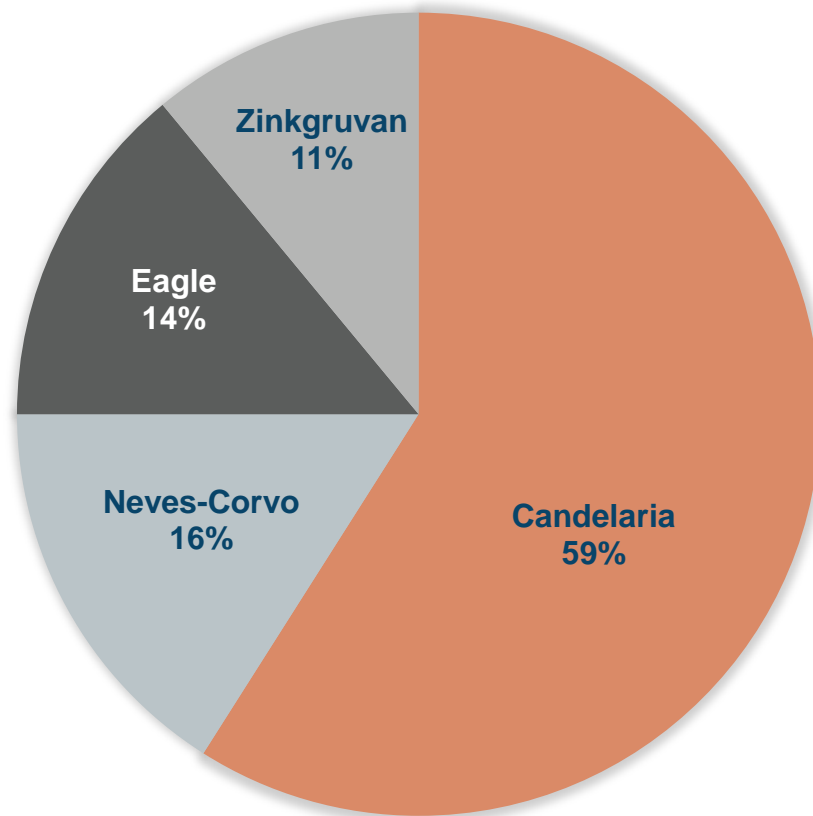


Zinkgruvan has commissioned its mill expansion project on schedule and on budget providing ~10% increased zinc production capacity

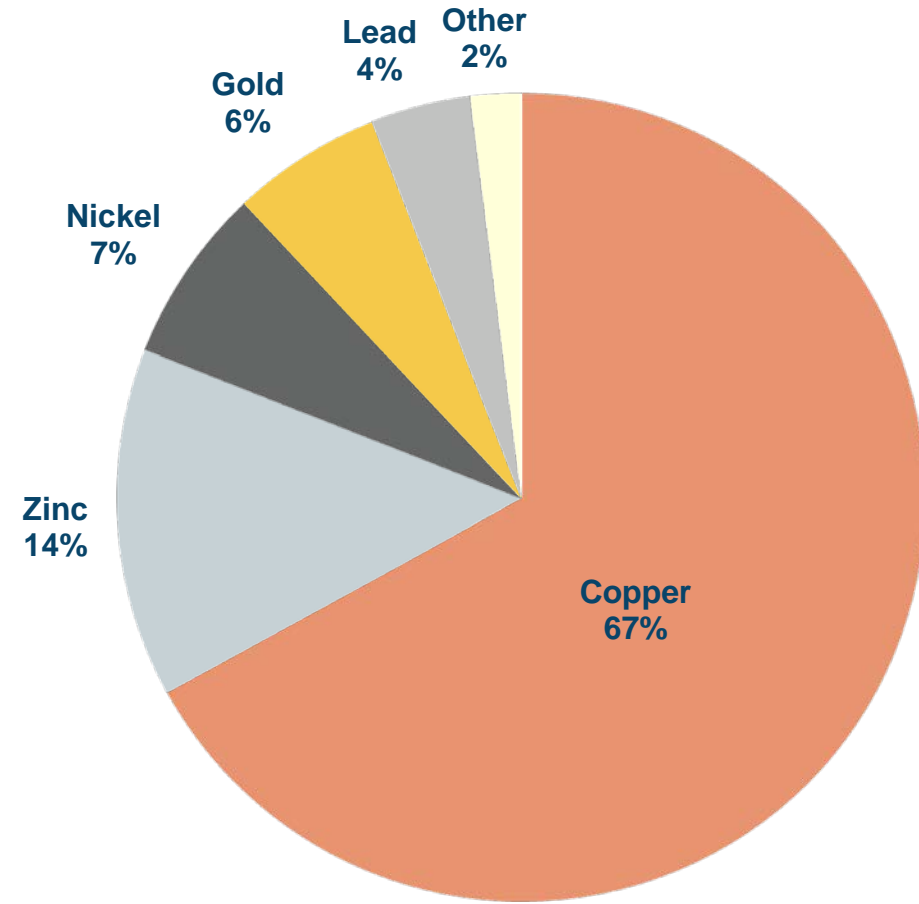
Neves-Corvo zinc production is stable. The Zinc Expansion Project was approved and is ramping up; Environmental Impact Assessment approval received in early July

Revenue Breakdown – Q2/17

Sales of \$455M



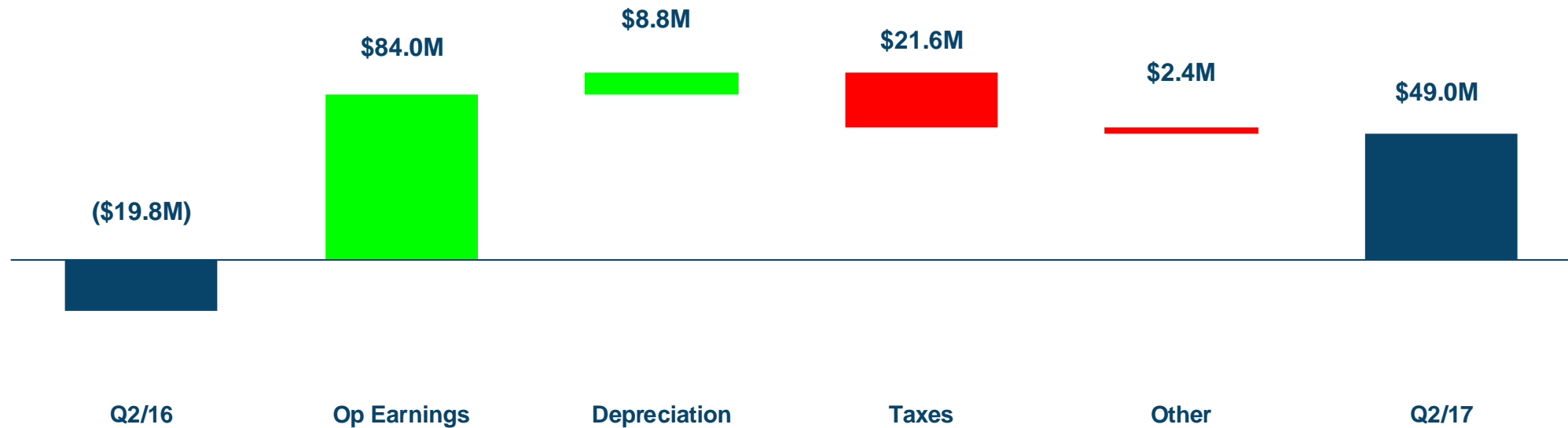
By Operation



By Metal

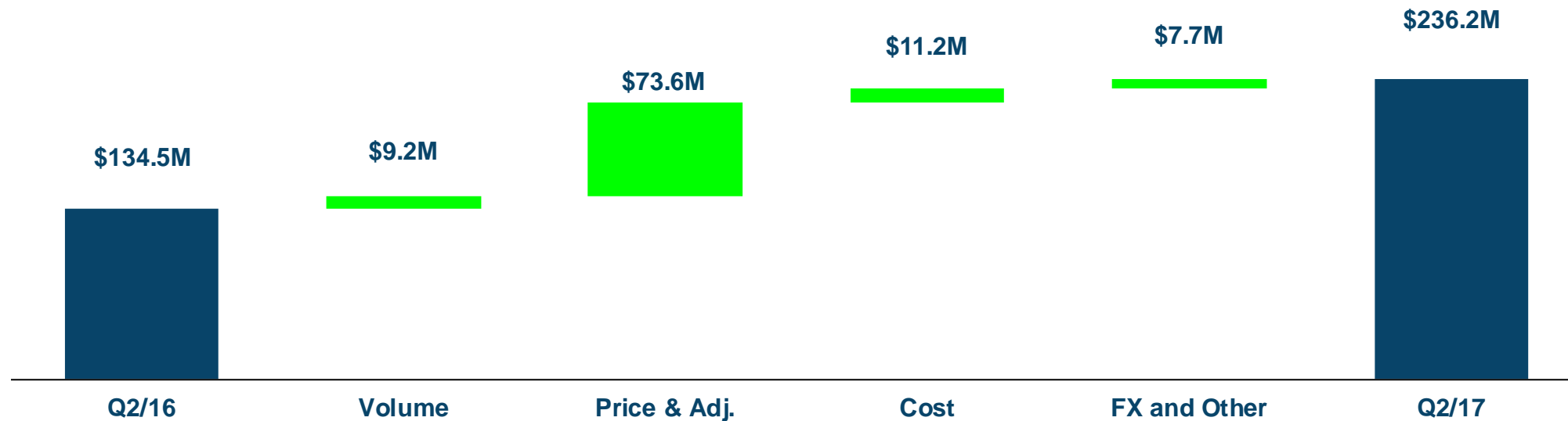
Attributable Net Earnings from Continuing Operations

Net earnings from continuing operations attributable to Lundin Mining shareholders increased compared to the same period last year mainly due to comparative changes in operating earnings slightly offset by a higher tax expense



Operating Earnings – Q2/17

Operating earnings increased 76% compared to the same period last year mainly due to metal prices



Financial Highlights – Q2/17

	Q2/17	Q2/16	Δ
Realized Metal Prices ¹			
Copper	\$2.59/lb	\$2.11/lb	23%
Nickel	\$3.78/lb	\$4.36/lb	-13%
Zinc	\$1.20/lb	\$0.94/lb	28%
Revenue	\$455M	\$342M	33%
Operating Earnings	\$236M	\$135M	76%
Attributable Net Income / (Loss) from Continuing Operations	\$49M \$0.07/sh	(\$20M) (\$0.03/sh)	na \$0.10/sh
Cash Flow from Operations ²	\$179M	\$153M	17%
Operating Cash Flow (before working capital) ²	\$162M	\$86M	88%
Operating Cash Flow per share ²	\$0.22/sh	\$0.12/sh	\$0.10/sh

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

2. Cash Flow from Operations includes changes in non-cash working capital items whereas Operating Cash Flow is a non-GAAP measure defined as Cash Flow from Operations before changes in non-cash working capital items. Please see Lundin Mining's MD&A for the quarter ended June 30, 2017 for discussion on non-GAAP measures.

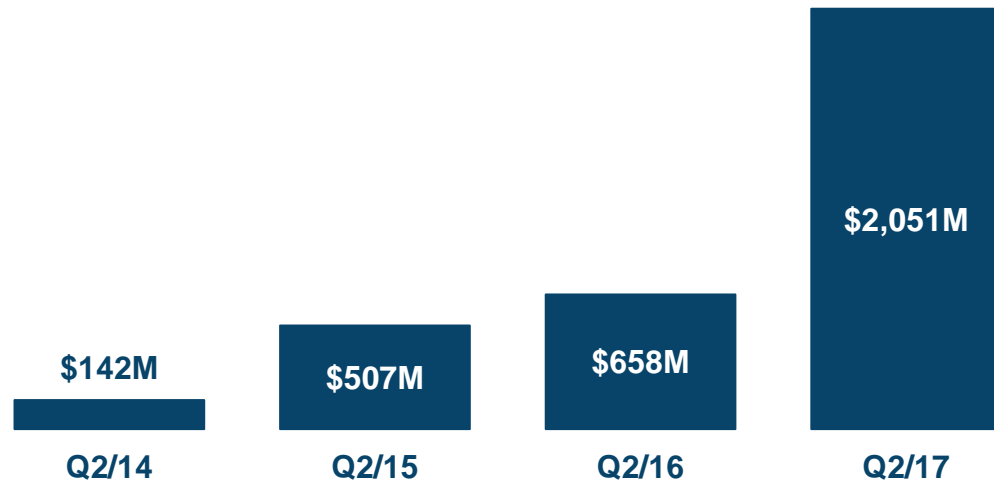
Balance Sheet Strength and Flexibility

Cash balance at July 26, 2017 of approximately \$2.1B and net cash of approximately \$1.1B

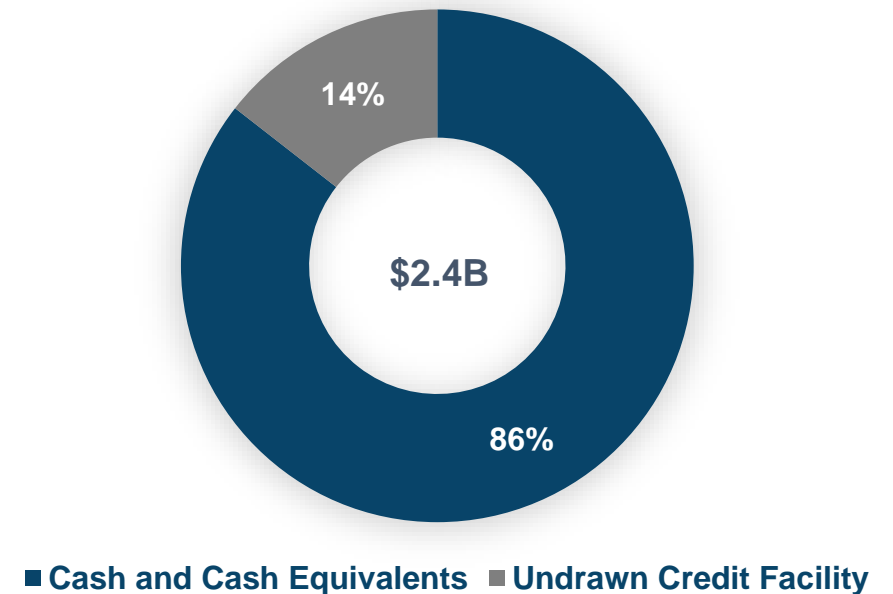
- closed sale of interest in TF Holdings Limited in April 2017 receiving net proceeds of \$1.121B

\$350M revolving credit facility undrawn

Cash and Cash Equivalents
(End of Quarter)



Liquidity Position (July 26, 2017)



The Company has senior secured notes outstanding comprised of: \$550M at 7.5% due in 2020, and \$450M (\$445M net outstanding) at 7.875% due in 2022.

Capital Allocation Strategy

Focus on Disciplined Growth

Invest in high-return brownfield expansion projects and exploration

Service regular dividend

Prudent and accretive management of bond debt and cash positions

Keep flexible balance sheet to move quickly on compelling growth opportunities

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

2017 Production and Cash Cost Guidance

Increased production guidance at Candelaria and Eagle; lowered copper guidance at Neves-Corvo; C1 cash cost guidance improved for Eagle

Attributable Production¹ and C1 Cash Cost² (kt and \$/lb, net of by-products)

		Previous Guidance				Revised Guidance			
Copper	Candelaria (80%)	145,000	–	150,000	\$1.20/lb	147,000	–	151,000	\$1.20/lb
	Eagle	15,000	–	18,000		19,000	–	22,000	
	Neves-Corvo	41,000	–	46,000	\$1.00/lb	36,000	–	39,000	\$1.00/lb
	Zinkgruvan	1,000	–	2,000		1,000	–	2,000	
	Total Attributable	202,000	–	216,000		203,000	–	214,000	
Nickel	Eagle	17,000	–	20,000	\$2.00/lb	20,000	–	23,000	\$1.35/lb
	Total	17,000	–	20,000		20,000	–	23,000	
Zinc	Neves-Corvo	72,000	–	77,000		72,000	–	77,000	
	Zinkgruvan	80,000	–	85,000	\$0.40/lb	80,000	–	85,000	\$0.40/lb
	Total	152,000	–	162,000		152,000	–	162,000	

1. Production guidance is based on certain estimates and assumptions, including but not limited to; Mineral Resource and Mineral Reserve estimates, 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, exchange rates (forecast at €/USD:1.10, USD/SEK:8.40, USD/CLP:675) and metal prices (forecast at Cu: \$2.50/lb, Ni: \$4.25/lb, Zn: \$1.15/lb, Pb: \$0.90/lb, Au: \$1,250/oz, Ag: \$16.50/oz), and operating costs. All figures in are in US\$ unless otherwise noted.

2017 Capital Expenditure and Exploration Guidance

Capital Expenditures ¹ (US\$M)	Prior Guidance	Revised Guidance
Total Capitalized Stripping ²	105	110
Los Diques Facility	120	135
Other Candelaria Sustaining	25	80
Total Candelaria (100% basis)	250	325
Eagle Sustaining	10	10
Neves-Corvo Sustaining	50	50
Zinkgruvan Sustaining	40	40
Total Sustaining	350	425
Eagle Expansionary	35	30
Zinc Expansion (Neves-Corvo)	-	30
Zinkgruvan Expansionary	5	5
Total Expansionary	40	65
Total Capital Expenditures	\$390M	\$490M

Los Diques estimated cost unchanged at \$295M

- \$85M remaining in H2/17 and \$30M in 2018

Candelaria

- \$55M reinvestment for mobile equipment and advancement of underground development

Neves-Corvo

- \$30M to be spent in 2017 for the Zinc Expansion Project

2017 Exploration budget increased to \$75M

- increase of \$10M for near-mine exploration programs

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.

Candelaria



Copper / Gold / Silver – Region III, Chile

Candelaria

Q2/17 copper production of 52.8 kt (100% basis)

- \$1.08/lb copper cash cost
- higher production due to higher grades and recoveries

Full-year production guidance increased

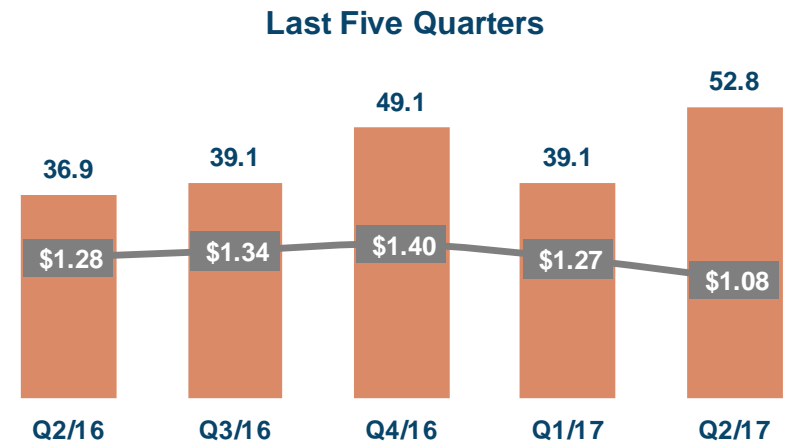
- 184-188 kt (100% basis)
- increasing average copper grade for H2/17

Reinvestment in mobile fleet and advancing UG development

- additional \$55M to be spent in 2017 on larger, more efficient mobile equipment, and to provide access to new sectors for increased underground production

Los Diques tailings facility construction progressing on schedule to be in operation in H1/18

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



Candelaria – Los Diques Tailings Storage Project



As at July 4, 2017

Eagle



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

Eagle

Q2/17 production of 5.8 kt nickel and 5.7 kt copper

- first-quartile cash cost of \$1.02/lb nickel

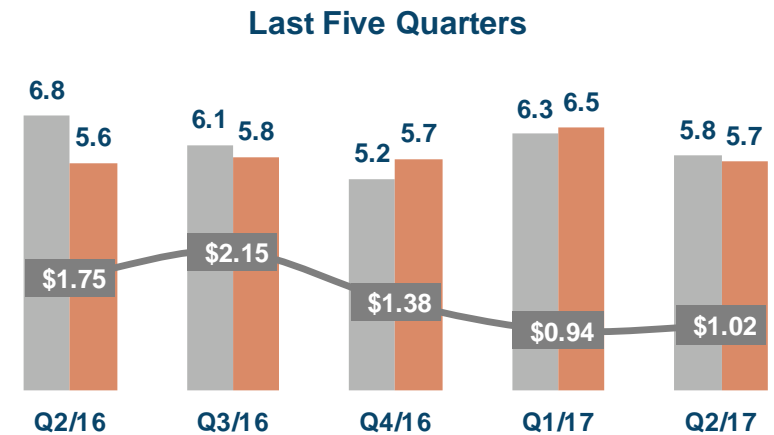
2017 cash cost guidance improved

- lowered by 33% to \$1.35/lb nickel, from \$2.00/lb
- nickel and copper production guidance increased

Eagle East advancing on schedule and on budget

- \$19M to be spent in H2/17
- overall ramp development 18% complete
- mine permit amendment decision expected prior to the end of year

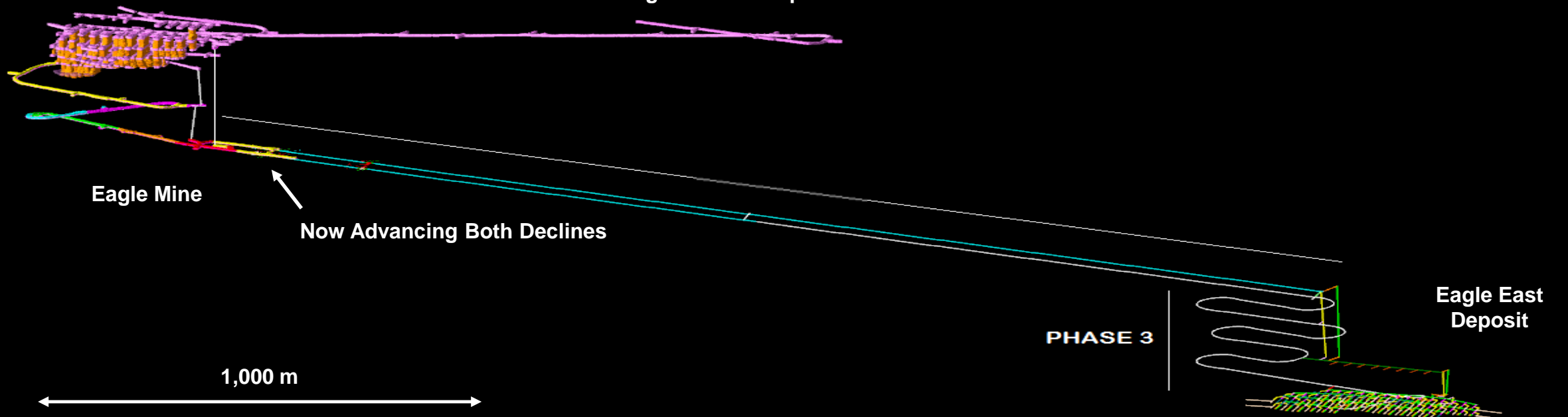
Nickel, Copper Production & Cash Cost
(kt & \$/lb Ni, net of by-product credits)



Eagle and Eagle East Overview



Existing Access Ramp



Eagle Mine

Now Advancing Both Declines

1,000 m

PHASE 3

Eagle East Deposit



Neves-Corvo

Q2/17 production of 8.1 kt copper and 18 kt zinc

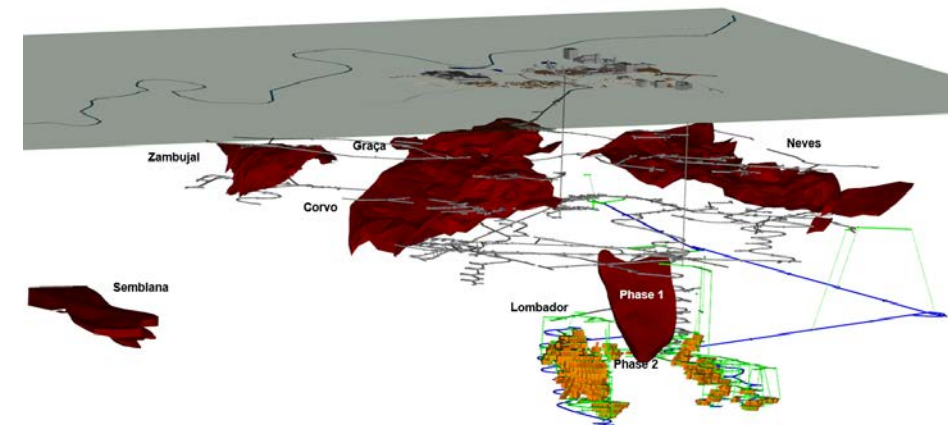
- \$1.00/lb copper cash cost unchanged
- full-year copper production guidance lowered
- mine sequencing and complex ore metallurgy impacting ore type availability and throughput

Zinc Expansion Project (ZEP)

- EIA approval received in July
- approximately €260 million estimated initial capital, \$30M to be spent in 2017
- doubling of current zinc production levels forecast by the end of 2019.
- ZEP also enables increase in copper production

Exploration program - ramping up in gap between Semblana and existing mined deposits

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



Zinkgruvan



Zinc / Lead / Copper – Sweden

Zinkgruvan

Q2/17 production of 18.2 kt zinc

- production and cash cost in line with expectations

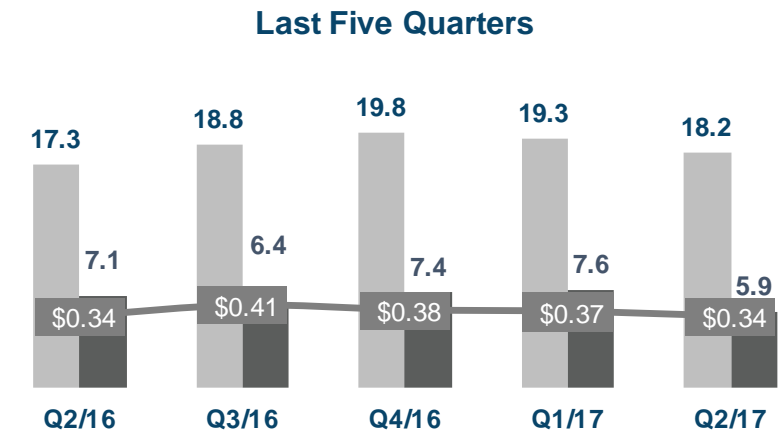
1350 Zinc Expansion Project

- overall ~10% mill capacity increased
commissioned in late Q2/17 on schedule and on budget

Exploration program budget doubled to \$10M

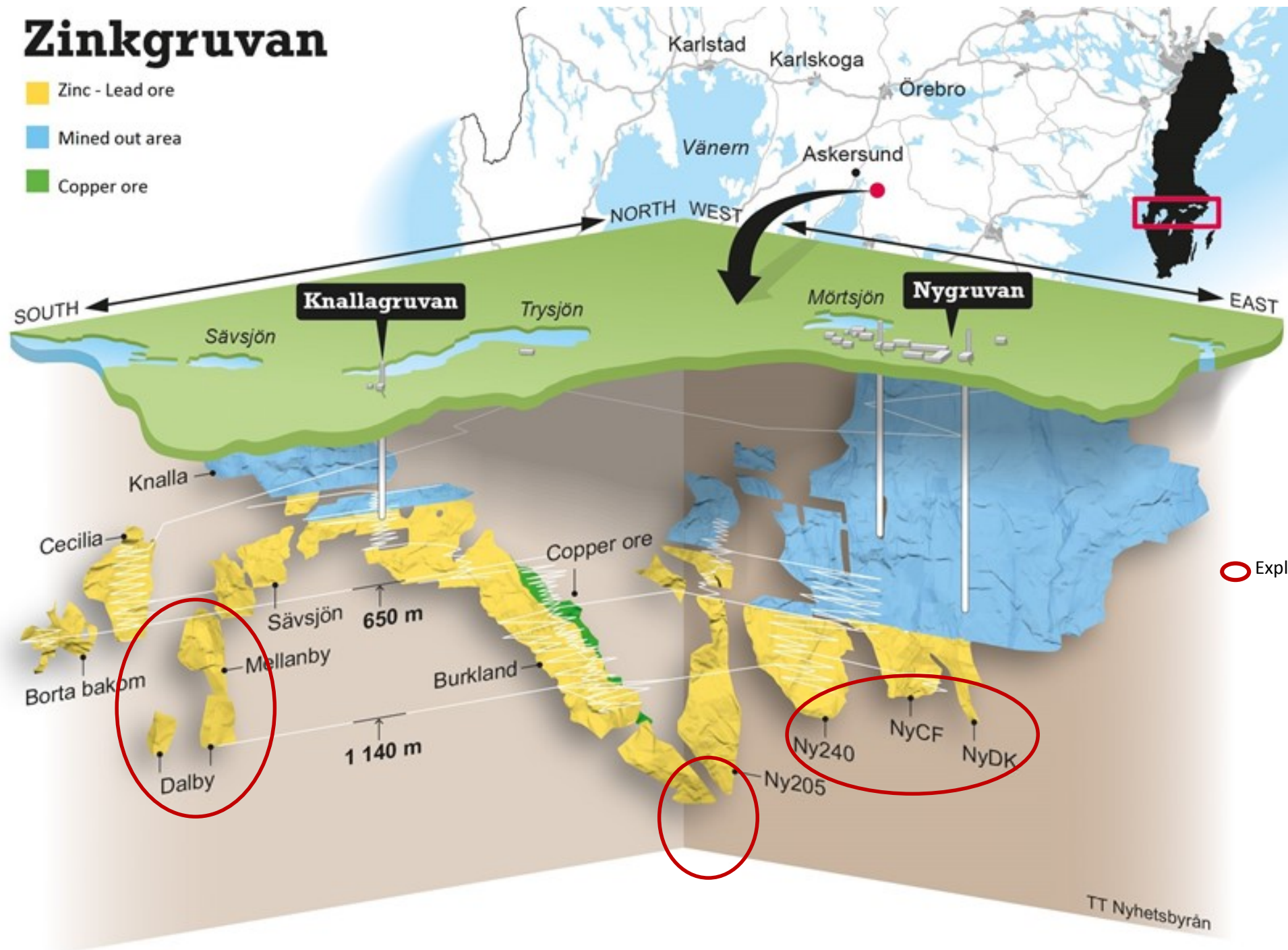
- drilling at Dalby has been successful intersecting good grades and widths
- 51,200m to be drilled this year aimed at expanding Mineral Resource estimate at Dalby

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



Zinkgruvan

- Zinc - Lead ore
- Mined out area
- Copper ore



Lundin Mining



High Quality Competitive Mines

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



Meaningful Scale Growth Oriented

- exploration upside and high value expansion projects at all operations
- advancing external acquisition initiatives with disciplined criteria



Financial Strength

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

lundin mining

TSX: LUN OMX: LUMI