LUNDIN MINING CORPORATION

Admission to Trading on Nasdaq Stockholm
of Common Shares of Lundin Mining Corporation

IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") has been prepared in conjunction with the application for admission to trading on NASDAQ Stockholm AB ("**NASDAQ Stockholm**") of up to 726,758,397 common shares (the "**Shares**" or "**Common Shares**") of Lundin Mining Corporation. The "**Company**", the "**Corporation**", "**Lundin Mining**", "**we**", "**our**" or similar words mean Lundin Mining Corporation (incorporation number 443736-5) and/or one or more or all of its subsidiaries, as it may apply. References to "**CAD**" or "**C$**" means Canadian dollars, "**SEK**" means Swedish kronor, and "**$**", "**US$**" or "**USD**" means United States dollars. Reference to "**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board. This Prospectus has been prepared in accordance with the provisions of the Swedish Financial Instruments Trading Act (1991:980) and European Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and the Council. The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (the "**SFSA**") in accordance with the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (1991:980). Approval and registration of the Prospectus does not imply a guarantee by the SFSA that the facts presented in the Prospectus are correct or complete. This Prospectus does not comprise any offer to purchase, subscribe for or acquire Shares or other financial instruments issued by Lundin Mining. The Prospectus may not be distributed, directly or indirectly, in any country where such distribution requires additional registration or other measures than those provided for under Swedish law or that contravene applicable regulations in such country. The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under any equivalent statute in any individual state of the United States of America (the "**US**"). Certain amounts and numbers expressed in per cent in this Prospectus have been rounded off and may therefore not add up correctly. With the exception of the Company's audited consolidated financial statements for 2014, 2015 and 2016 no information has been reviewed or audited by the Company's auditors. No person has been authorized to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation not contained herein must not be relied upon as having been authorized by the Company. Any dispute concerning or relating to this Prospectus shall be resolved in accordance with Swedish law and exclusively by a Swedish court of law with the Stockholm district court as the first instance. No rule of Swedish law, which would result in the application of foreign law, shall be applied. The Prospectus is available in paper form at Lundin Mining's head office and in electronic form on Lundin Mining's website, www.lundinmining.com, as well as on the website of the SFSA, www.fi.se. The contents of the Company's website and any third party websites referred to herein do not form part of this Prospectus.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

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. Forward-looking information and statements other than statements of historical facts included in this Prospectus, including but not limited to statements regarding the prospects of the industry and the Company's prospects, plans, future financial and operating performance and business strategy constitute forward-looking information. Forward-looking information is based on current expectations, estimates, forecasts and projections about the industries in which the Company operates as well as beliefs and assumptions made by the Company's management. Such statements include, in particular, statements about the Company's plans, prospects, position, future results, and business strategies; the Company's Feasibility Studies and Technical Reports, including, without limitation, with respect to Mineral Resource and Mineral Reserve estimates, life of mine estimates, and mine and mine closure plans; the parameters and assumptions underlying the Mineral Resource and Mineral Reserve estimates and financial analysis; anticipated market prices of metals; the Company's anticipated capital and operating costs for its material mineral properties; the development of the Company's Responsible Mining Management System; the Company's ability to comply with contractual and regulatory requirements; the receipt of all necessary permitting and approvals; the Company's intentions with respect to exploration and development activities at its projects and expectations regarding the results of operations and production at the Company's projects. Words such as "aim", "anticipate", "believe", "continue", "contingent", "estimate", "expect", "feasibility", "forecast", "focus", "foresee", "future", "guidance", "initiative", "intend", "likely", "may", "model", "objective", "opportunity", "option", "outlook", "PEA", "plan", "potential", "predict", "preliminary", "project", "proposed", "prospect", "risk", "seek" "should", "strategy", "study", "target", "uncertainty", or "will", or the negatives of these terms or variations of them or similar terminology or statements that certain actions, events or results "could," "may," "might," "would," or "occur," are intended to identify such forward-looking information. Although the Company believes that the expectations reflected in the forward-looking information contained herein are reasonable, these statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Forward-looking information is based on a number of assumptions and are subject to a variety of risks and uncertainties, and ultimately, actual events or results may differ materially from those reflected in the forward-looking information. Risks and uncertainties that may impact the Company's performance include, without limitation, risks associated with operating in foreign countries; community activism; changes in laws, regulations or policies or breaches thereof; risks associated with business partners; risks associated with acquisitions; competition; the Company's ability to maintain production levels; the Company may be forced to curtail investments in growth initiatives; litigation; uninsurable risks; volatility in commodity prices; the estimation of asset carrying values; funding requirements and availability of financing; foreign currency fluctuations; interest rate volatility; changing taxation regimes; counterparty and credit risks; health and safety risks; risks related to non-compliance with environmental regulations; unavailable or inaccessible infrastructure; risks inherent in mining including but not limited to safety matters, property development, production and contractual obligations and covenants; ability to retain key personnel; labour disruptions; the price and availability of energy, water and key operating supplies or services; the inherent uncertainty of exploration efforts; risks associated with the estimation of Mineral Resources and Mineral Reserves; natural phenomena; potential for the allegation of fraud, corruption and/or unethical practices; security breaches at the Company's operations; breach or compromise of key information technology systems; risks related to mine closure activities; risks associated with the structural stability of waste rock dumps or tailings impoundments; title risk; uncertainty regarding future share value; volatility in the Company's share price; trading liquidity; uncertainty of dividends; changes in currency values; dilution resulting from future offerings; and other risks and uncertainties, including but not limited to those described in the Risk Factors section of this Prospectus and the risks disclosed in the Company's annual management's discussion and analysis available under the Company's SEDAR profile at www.sedar.com. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, forecast or intended. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management that the Company can access financing, appropriate equipment and sufficient labour and that the political environment in which 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 information. Accordingly, there can be no assurance that forward-looking information will prove to be accurate and so readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this Prospectus. The Company does not undertake to update such forward-looking information unless required under applicable laws.

MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

Disclosure by the Company in this Prospectus relating to all Mineral Reserve and Mineral Resource estimates is in accordance with the Canadian securities laws, more specifically, National Instrument 43-101 - *Standards for Disclosure For Mineral Projects* ("**NI 43-101**") and such estimates are classified thereunder in accordance with the CIM Standards. For example, the terms "mineral resources", "measured mineral resources", "indicated mineral resources", "inferred mineral resources", "mineral reserves", "probable mineral reserves" and "proven mineral reserves" may be used. Pursuant to the CIM Standards, mineral resources have a higher degree of uncertainty than mineral reserves as to their existence as well as their economic and legal feasibility. Inferred mineral resources, when compared with measured or indicated mineral resources, have the least certainty as to their existence, and it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Pursuant to NI 43-101, inferred mineral resources may not form the basis of any economic analysis, including any feasibility study. Accordingly, readers are cautioned not to assume that all or any part of a mineral resource exists, will ever be converted into a mineral reserve, or is or will ever be economically or legally mineable or recovered. Mineral reserves are sub-divided in order of increasing confidence into probable mineral reserves and proven mineral reserves whereby a probable mineral reserve has a lower level of confidence than a proven mineral reserve. A probable mineral reserve is the economically mineable part of an indicated and, in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study whereas a proven mineral reserve is the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study.

The estimates of Mineral Reserves and Mineral Resources discussed in this Prospectus may be affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing and other relevant issues. The Company's current Technical Reports, prepared in accordance with NI 43-101, which are available on SEDAR under the Company's profile at www.sedar.com, contain further details regarding mineral reserve and mineral resource estimates, classification, reporting parameters, key assumptions and risks for each of the Company's material mineral properties.

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SUMMARY

*Summaries are made up of disclosure requirements (hereinafter referred to as "**Elements**"). The Elements are numbered in Sections A - E (A.1 - E.7).*

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

*Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of not applicable ("**N/A**").*

Section A – Introduction and warnings		
A.1	*Introduction and warnings*	**This summary should be read as an introduction to the Prospectus.** **Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Please note, however, that this is not an offer to acquire securities.** **Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Union, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.** **Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.**
A.2	*Consent and financial intermediaries*	N/A; this Prospectus does not contain any offer to sell Shares.
Section B – Issuer		
B.1	*Legal and commercial name*	The legal and commercial name of the issuer is Lundin Mining Corporation.
B.2	*Legal context, registered office and corporate form*	The Company is registered and incorporated in Canada under the Canada Business Corporations Act. The incorporation number of the Company is 443736-5.
B.3	*Operations and industry*	The Company is a diversified Canadian base metals mining company with operations in Chile, the US, Portugal, and Sweden, primarily producing copper, nickel and zinc. In addition, the Company holds an indirect 24% equity stake in the Freeport Cobalt Oy ("**Freeport Cobalt**") business, which includes a cobalt refinery located in Kokkola, Finland.
B.4a	*Tendencies and trends influencing the issuer*	The trends and drivers of copper, nickel and zinc are inherently both affected by the market as a whole and specifically by the market for each individual metal. In the

<table>
<tr><td></td><td>and its industries</td><td>Company’s view, some of the major trends and drivers are:
China is the demand driver for most, if not all, base metals. China is taking the opportunity of depressed metal prices to acquire key assets to secure its supply of key metals.
Large scale capital allocation by major mining companies has been limited in recent years, with most of these companies divesting certain assets in order to deleverage balance sheets after a period of challenging expansions and acquisitions during the higher metal price environment.
Low prices of some metals has dis-incentivised new development capacity.
Environmental regulation plays a key role in greenfield projects, with many projects experiencing significant delays while companies work with local and national governments to address regulatory issues.
Major mining companies are still experiencing development hurdles in less established mining jurisdictions and the increasing threat of resource nationalism in more established jurisdictions which has affected some of the largest copper mines in the world.</td></tr>
<tr><td>B.5</td><td>Group and Issuer’s position in the group</td><td>The Company is the Canadian parent company of a group of companies, which consists of significant subsidiaries and equity investee companies incorporated in Chile, the US, Portugal, Sweden, and Finland.</td></tr>
<tr><td>B.6</td><td>Largest shareholders</td><td>To the knowledge of the directors and officers of the Company, shareholders carrying 10 percent or more of the voting rights attached to the Shares as of March 31, 2017 were:<table><tr><th>Name</th><th>Number of Shares(1)</th><th>% of Shares</th></tr><tr><td>Nemesia Holdings S.à.r.l. (2)</td><td>92,522,698</td><td>12.73</td></tr></table>(1) This information was obtained from publicly disclosed information and has not been independently verified by the Company.

(2) On January 27, 2017, Lorito Holdings S.a.r.l. (“Lorito”) and Zebra Holdings and Investments S.a.r.l. (“Zebra”), two private companies controlled by a trust settled by the late Adolf H. Lundin pursuant to a corporate reorganization transferred to Nemesia 37,557,844 Common Shares and 54,964,854 Common Shares respectively of the Company, to thereafter hold no Common Shares of the Company. Lorito and Zebra received Class C shares of Nemesia as consideration for the Common Shares of the Company and together own 100% of the outstanding Class C shares of Nemesia.</td></tr>
</table>

B.7 *Financial summary*

The financial information presented below has been derived from the Company's audited consolidated financial statements for the years ended December 31, 2014, 2015 and 2016 and the unaudited interim financial statements for the three-month period ended March 31, 2017 for the respective periods. The Company prepares its financial statements in accordance with IFRS. Except where otherwise noted, financial data has been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

Summary of Income Statements

($ in thousands)	Jan-Mar 2017	Jan-Mar 2016	FY 2016	FY 2015	FY 2014
Sales	487,787	369,569	1,545,591	1,701,947	951,314
Operating costs	(214,124)	(210,290)	(864,449)	(962,694)	(619,741)
Depreciation, depletion and amortization	(109,660)	(119,574)	(434,867)	(555,021)	(208,703)
General and administrative expenses	(9,240)	(7,542)	(26,933)	(27,167)	(27,238)
General exploration and business development	(15,181)	(12,821)	(56,113)	(59,500)	(74,685)
(Loss) Income from equity investment in associates	(739)	(895)	(1,110)	(54)	1,780
Finance costs	(11,749)	(18,278)	(80,339)	(89,240)	(28,108)
Other income	882	1,020	6,607	23,591	29,859
Other expenses	(11,472)	(9,006)	(56,130)	(18,737)	(10,785)
Impairment and impairment reversals	-	-	95,922	(293,285)	(47,064)
Earnings (Loss) before income taxes	**116,504**	**(7,817)**	**128,179**	**(280,160)**	**(33,371)**
Current tax expense	(58,245)	(19,665)	(48,451)	(68,769)	(5,300)
Deferred tax recovery	14,123	16,408	44,138	42,523	74,036
Net earnings (Loss) from continuing operations	72,382	(11,074)	123,866	(306,406)	35,365
(Loss) earnings from discontinued operations	34,062	(4,391)	(754,096)	24,617	88,016
Net (Loss) earnings for the period	**106,444**	**(15,465)**	**(630,230)**	**(281,789)**	**123,381**

Summary of Balance Sheets

($ in thousands)	March 31, 2017	March 31, 2016	FY 2016	FY 2015	FY 2014
ASSETS					
Current					
Cash & cash equivalents	928,820	560,748	715,311	556,511	174,792
Trade and other receivables	325,424	230,853	338,931	192,194	404,967
Income taxes receivable	5,573	53,030	34,853	54,795	49,241
Inventories	149,659	128,103	163,138	144,746	162,074
Other current assets	9,884	4,106	8,877	5,101	-
	1,419,360	976,840	1,261,110	953,347	791,074
Assets classified as held for sale	1,125,218	-	1,146,776	-	-
	2,544,578	**976,840**	**2,407,886**	**953,347**	**791,074**
Non-current					
Restricted funds	39,270	53,526	41,272	53,818	57,007
Long-term inventory	232,966	221,422	217,914	194,065	154,725
Other non-current assets	11,087	13,514	11,977	13,341	18,226
Mineral properties, plant and equipment	3,146,676	3,318,130	3,179,600	3,354,711	3,927,291
Investment in associates	81,427	2,042,357	79,166	2,050,823	2,059,199
Deferred tax assets	120,960	54,626	102,786	55,022	57,671
Goodwill	103,225	109,232	101,928	104,921	261,482
	3,735,611	**5,812,807**	**3,734,643**	**5,826,701**	**6,535,601**
Total assets	**6,280,189**	**6,789,647**	**6,142,529**	**6,780,048**	**7,326,675**

LIABILITIES	Jan-Mar 2017	Jan-Mar 2016	FY 2016	FY 2015	FY 2014
Current					
Trade and other payables	260,211	231,750	243,675	231,960	274,213
Income taxes payable	86,026	15,928	34,592	14,201	6,380
Current portion of deferred revenue	55,398	52,176	55,934	58,666	65,098
Current portion of long-term debt and finance leases	1,321	1,263	1,082	1,102	1,932
Current portion of reclamation and other closure provisions	14,212	16,359	20,279	14,425	8,995
	417,168	**317,476**	**355,562**	**320,354**	**356,618**
Non-current					
Deferred revenue	491,705	546,723	504,009	549,830	602,244
Long-term debt and finance leases	983,444	979,512	982,295	978,014	980,888
Reclamation and other closure provisions	235,274	251,753	236,526	242,556	254,461
Other long-term liabilities	10,089	12,715	9,992	13,815	10,001
Provision for pension obligations	12,863	14,652	13,269	15,332	17,030
Deferred tax liabilities	398,109	398,611	413,249	412,536	466,759
	2,131,484	**2,203,966**	**2,159,340**	**2,212,083**	**2,331,383**
SHAREHOLDER'S EQUITY					
Share capital	4,143,557	4,107,486	4,135,367	4,107,469	4,099,038
Contributed surplus	44,947	50,784	44,779	49,112	45,021
Accumulated other comprehensive loss	(302,498)	(272,449)	(320,138)	(308,819)	(199,023)
Retained earnings (Deficit)	(620,608)	(56,060)	(695,718)	(33,975)	260,109
Equity attributable to Company shareholders	3,265,398	3,829,761	3,164,290	3,813,787	4,205,145
Non-controlling interests	466,139	438,444	463,337	433,824	433,529
	3,731,537	**4,268,205**	**3,627,627**	**4,247,611**	**4,638,674**
Total liabilities and equity	**6,280,189**	**6,789,647**	**6,142,529**	**6,780,048**	**7,326,675**

Cash Flow Statements

($ in thousands)	Jan-Mar 2017	Jan-Mar 2016	FY 2016	FY 2015	FY 2014
Net cash provided in operating activities	244,677	42,878	363,188	713,937	187,366
Net cash (used) in investing activities[(1)]	(23,537)	(40,485)	(143,846)	(244,504)	(2,065,769)
Net cash provided (used) in financing activities	(6,612)	(2,853)	(60,682)	(80,409)	1,947,966
Effect of foreign exchange on cash balances	(1,019)	4,697	140	(7,305)	(11,411)
Increase/(decrease) in cash during the period	**213,509**	**4,237**	**158,800**	**381,719**	**58,152**
Cash and cash equivalents, beginning of period	715,311	556,511	556,511	174,792	116,640
Cash and cash equivalents, end of period	928,820	560,748	715,311	556,511	174,792

(1) Cash flows from discontinued operations were:

Jan-Mar 2017	$55.6 million
Jan-Mar 2016	$3.2 million
2016	$60.4 million
2015	$24.6 million
2014	$85.8 million

Key Financial and Key Performance Data (1)

($ millions, except share and per share amounts)	Jan-Mar 2017	Jan-Mar 2016	Year ended December 31, 2016	2015	2014
Net debt(2)	71.3	438.1	284.1	441.3	829.2
Operating earnings(3)	264.4	151.7	654.2	712.1	304.3
Operating cash flow	244.7	42.9	363.2	713.9	187.4
Operating cash flow per share (4)	0.24	0.12	0.67	0.72	0.38
Shares outstanding:					
- Basic weighted average	726,184,033	719,628,357	720,328,576	719,089,063	600,442,231
- Diluted weighted average	728,794,024	719,628,357	721,208,806	719,089,063	602,357,872
- End of period	726,702,997	719,632,457	725,134,187	719,628,357	718,168,173
Basic and diluted earnings / (loss) per share attributable to shareholders					
- continuing operations (EPS - Continuing)	0.08	(0.02)	0.13	(0.44)	0.04
- net (loss) / earnings (EPS - Total)	0.13	(0.03)	(0.92)	(0.41)	0.19
Dividends	0.03	-	-	-	-
Capital expenditures (including capitalized interest) (5)					
- Sustaining capital expenditures	65.5	46.8	176	268.2	113.9
- Expansionary capital expenditures	11.2	0.7	11.3	9.5	307.7
Cash cost per pound (6)					
- Candelaria (Cu)	1.27	1.22	1.31	1.25	1.49
- Eagle (Ni)	0.94	1.61	1.75	2.02	2.79
- Neves-Corvo (Cu)	0.75	1.48	1.54	1.63	1.85
- Zinkgruvan (Zn)	0.37	0.36	0.37	0.37	0.37
All-in sustaining cost per pound (7)					
- Candelaria (Cu)	1.73	1.53	1.63	-	-
- Eagle (Ni)	1.28	1.75	2.10	-	-
- Neves-Corvo (Cu)	1.42	1.75	1.96	-	-
- Zinkgruvan (Zn)	0.57	0.55	0.57	-	-

(1) Except where otherwise noted, financial data has been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

(2) Net-debt is a non-GAAP measure - see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”.

(3) Operating earnings is a non-GAAP measure - see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”.

(4) Operating cash flow per share is a non-GAAP measure – see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”.

(5) Capital expenditures is a non-GAAP measure - see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”.

(6) Cash cost per pound is a non-GAAP measure - see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”. All-in sustaining cost (“**AISC**”) per pound is a non-GAAP measure - see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”.

(7) The Company did not disclose AISC data prior to 2016.

Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS

The Company uses certain performance measures in its analysis. These performance measures 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 of performance prepared in accordance with IFRS. The following are non-GAAP measures that the Company uses as key performance indicators.

Net Cash/Debt

Net cash/debt is a performance measure used by the Company to assess its financial position. Net cash/debt is defined as cash and cash equivalents, less long-term debt and finance leases, excluding deferred financing fees.

Operating Earnings

Operating earnings is a performance measure used by the Company to assess the contribution by mining operations to the Company's net earnings or loss. Operating earnings is defined as sales, less operating costs (excluding depreciation) and general and administrative expenses.

Operating Cash Flow per Share

Operating cash flow per share is a performance measure used by the Company to assess its ability to generate cash from its operations, while also taking into consideration changes in the number of outstanding shares of the Company. Operating cash flow per share is defined as cash provided by operating activities, less changes in non-cash working capital items, divided by the basic weighted average number of shares outstanding.

Capital Expenditures

Identifying capital expenditures, on a cash basis, using a sustaining or expansionary classification provides management with a better understanding of costs required to maintain existing operations, and costs required for future growth of existing or new assets.

- Sustaining capital expenditures – Expenditures which maintain existing operations and sustain production levels.

- Expansionary capital expenditures – Expenditures which increase current or future production capacity, cash flow or earnings potential.

Where an expenditure both maintains and expands current operations, classification would be based on the primary decision for which the expenditure is being considered/was made.

Cash Cost per Pound

Copper, nickel and zinc cash costs per pound are key performance measures that management uses to monitor performance. Management uses these statistics to assess how well the Company's producing mines are performing and to assess overall efficiency and effectiveness of the mining operations. Cash cost is not an IFRS measure and, although it is calculated according to accepted industry practice, the Company's disclosed cash costs may not be directly comparable to other base metal producers.

- Cash cost per pound, gross – Total cash costs directly attributable to mining operations, excluding any allocation of upfront streaming proceeds or capital expenditures for deferred stripping, are divided by the sales volume of the primary metal to arrive at gross cash cost per pound. As this measure is not impacted by fluctuations in sales of by-product metals, it is generally more consistent across periods.

- Cash cost per pound, net of by-products – Credits for by-products sales are deducted from total cash costs directly attributable to mining operations. By-product revenue is adjusted for the terms of streaming agreements, but excludes any deferred revenue from the allocation of upfront cash received. The net cash costs are divided by the sales volume of the primary metal to arrive at net cash cost per pound. The inclusion of by-product credits provides a broader economic measurement, incorporating the benefit of other metals extracted in the production of the primary metal.

All-in Sustaining Cost per Pound

All-in sustaining cost per pound is an extension of the cash cost per pound measure discussed above and is also a key performance measure that management uses to monitor performance. Management uses this measure to analyze margins achieved on existing assets while sustaining and maintaining production at current levels. Expansionary capital and certain exploration costs are excluded from this definition as these are costs typically incurred to extend mine life or materially increase the productive capacity of existing assets, or for new operations. Corporate general and administrative expenses have also been excluded from the all-in sustaining cost measure, as any attribution of these costs to an operating site would not necessarily be reflective of costs directly attributable to the administration of the site.

Key Developments and Activities

2014

- Commercial production commenced at the Eagle mine.
- The Company completed a bought deal equity financing to raise gross proceeds of approximately $600 million and completed its offering of $1.0 billion of Senior Secured Notes.
- The Company acquired an 80% ownership stake in Candelaria and supporting infrastructure. Total cash consideration of $1.852 billion was paid.
- The Company completed the sale of a gold and silver stream to Franco-Nevada Corporation ("**Franco-Nevada**").
- The Company repaid its $250 million term loan and executed an amendment to the Credit Agreement, which provides for its $350 million revolving Credit Facility.

2015

- The Company reported Mineral Reserve estimates for two orebodies at the Candelaria Mine.
- The Company announced that exploration drilling near the Eagle Mine intersected a new zone of high-grade massive and semi-massive nickel-copper sulphide mineralization.
- The Company received approval of the Candelaria 2030 EIA.
- The Company announced it had completed an updated mine plan and annual sustaining capital cost estimate for Candelaria.

2016

- The Company announced a maiden Inferred Mineral Resource estimate for the high grade Eagle East nickel-copper mineralization mineralization at the Eagle Mine.

		• The Company executed an amending agreement to its $350 million revolving term Credit Facility that reduces the costs of borrowing and which extends the term to June 2020, from October 2017. • The Company entered into a definitive agreement to sell its indirect interest in TF Holdings. • The Company announced that the Board of Directors approved a dividend policy. • The Company divested the Aguablanca mine in Spain through the transfer of all the shares of Rio Narcea Recursos S.A. 2017 • The Company declared its first quarterly dividend of C$0.03 per share for payment in April 2017. • All of the issued and outstanding shares of Galmoy Mines Limited, the owner of the Galmoy Mine, were sold to an affiliate of the Lanes Group plc, who has in turn assumed all of the assets and liability of Galmoy. • The Company announced the results of a Feasibility Study, including an updated Mineral Resource estimate and a maiden Mineral Reserve estimate, on the high grade Eagle East nickel-copper mineralization, and provided an update on the project progress. • The Company announced the completion of the sale of its indirect interest in TF Holdings to an affiliate of BHR Partners, a Chinese private equity firm, for $1.136 billion in cash. • The Company declared a dividend of C$0.03 per share for payment in June 2017 and its intention to cancel the Swedish Depository Receipts and dual list its Shares directly on Nasdaq Stockholm. • The Company announced the results of a Feasibility Study on the Zinc Expansion Project at the Neves-Corvo mine in Portugal, and provided an update on the project progress. Since March 31, 2017 the Company's financial position has been affected by: • The sale of its indirect interest in TF Holdings to an affiliate of BHR Partners, a Chinese private equity firm, for $1.136 billion in cash.
B.8	*Selected pro forma financial information*	N/A; the Prospectus does not include any pro forma financial information.
B.9	*Financial forecast*	N/A; the Prospectus does not include any financial forecast or calculation of expected profit.
B.10	*Auditor's remarks*	N/A; there are no auditor's remarks.
B.11	*Working capital of the issuer*	N/A; as at the date of this Prospectus, the Company is of the opinion that the Company's existing working capital is expected to be sufficient to fully fund its present requirements during the next twelve months. The Company believes it will generate sufficient cash flow and has adequate cash and debt facilities, including an undrawn $350 million revolving credit facility expiring in June 2020, to finance on-going operations, contractual obligations and planned capital and exploration investment programs.

Section C - Securities		
C.1	*Securities being listed*	The Shares are currently traded via Swedish depository receipts on Nasdaq Stockholm, each depository receipt representing one Share. On April 26, 2017, the Company announced its intention to no longer have the Shares represented by depository receipts. The record date for the conversion of the depository receipts in the Swedish VPC register shall be June 9, 2017. Pareto Securities AB will, in accordance with the VPC plan for conversion of securities, deliver the underlying Shares to the holders of depository receipts entitled to receive Shares. Entitled holders do not need to take any action as all depository receipts will be converted to Shares automatically. The estimated last day of trading of the depository receipts is June 7, 2017 unless the depository receipts are delisted by a decision of Nasdaq Stockholm before such date. The estimated first day of trading of the Shares on Nasdaq Stockholm is June 8, 2017. The Shares underlying the depository receipts are expected to be credited on June 12, 2017, after which Euroclear Sweden AB will send out account statements to owner registered accounts. Those who have their holdings registered with a bank or other nominee will receive information in accordance with each nominee's procedures It is intended that the Shares are to be listed on Nasdaq Stockholm, with ISIN code CA5503721063. All Shares traded on Nasdaq Stockholm will be affiliated to Euroclear.
C.2	*Denomination*	The Shares are denominated in CAD.
C.3	*Total number of shares in the Company*	The authorized share capital of the Company consists of an unlimited number of Shares without par value, and one special share without nominal or par value. As of the date of this Prospectus, 726,758,397 Shares were issued and outstanding. The special share is not issued and outstanding at this time.
C.4	*Rights pertaining to the shares*	Each Share entitles the holder to receive notice of and attend all meetings of shareholders with each Share held entitling the holder to one vote on any resolution to be passed at such shareholder meetings. The holders of Shares are entitled to dividends if, as and when declared by the Board. The Shares are entitled, upon liquidation, dissolution or winding up of the Company, to receive the remaining assets of the Company available for distribution to shareholders.
C.5	*Limitations to the free transferability*	N/A; the Shares are not subject to limitations to the free transferability.
C.6	*Trading in the shares*	The Shares trade in Canada on the TSX under the ticker symbol "LUN" and the ISIN code is CA5503721063. It is intended that the Shares will also be listed on NASDAQ Stockholm under the symbol "LUMI" and with the same ISIN code.
C.7	*Dividend policy*	In November 2016, the Company's Board of Directors approved a dividend policy providing for the payment of a regular quarterly dividend of \$0.03 per Share (\$0.12 per Share annually) commencing in 2017. The dividend policy of the Company will undergo a periodic review by the Board of Directors and is subject to change at any time depending on the earnings of the Company, its financial requirements and other factors existing at the time. Upon payment of dividends, if any, the Company intends to administer the

		payments to holders of Shares listed on Nasdaq Stockholm through Euroclear and such payments will be made in SEK.
Section D - Risks		
D.1	*Risks related to the issuer and industry*	The operations of the Company are speculative due to the high risk nature of its business which includes acquisition, financing, exploration, development and operation of mineral properties. Material risk factors and uncertainties, which should be taken into account in assessing the Company's activities, include, but are not necessarily limited to those set out below. Any one or more of these risks and others could have an adverse effect on the Company. *Strategic/External Risks* • The Company is subject to material political, civil and governmental risks in the countries in which it operates including political instability, changes in laws and regulations, taxation and civil unrest. Such developments or changes may have an adverse effect on the Company, including, but not limited to, its operations. • There is an increasing level of public concern and opposition relating to the perceived adverse effect of mining activities on the environment which could have an adverse effect on the Company's ability to operate. • The Company operates in a highly regulated environment in various countries. Changes or modification to these regulations or a breach of these regulations by the Company could have an adverse impact on the Company. • The Company may experience difficulties with its business partners which could adversely affect the Company's plans with respect to its assets. • The Company may experience material issues, including unplanned liability, integration issues and incorrect valuations in respect of any acquisition it may undertake. Such issues could have an adverse impact on the Company's business, financial condition, results of operations and cash flows. • The mining industry is highly competitive. As a result of this competition, the Company may not be able to acquire attractive mining properties or attract and retain employees, which could have an adverse effect on the Company's future growth, results of operations and financial position. • The Company's ability to maintain, or increase, its annual production levels is dependent on its ability to bring new mines into production and to expand existing mines. The assumptions and forecasts used, including in respect of timelines, operating costs and capital requirements may prove to be incorrect. • There is a risk that the Company will be forced to curtail investments in the growth of the Company, due to changing economic conditions, geo-political events or other factors, and this may impact the Company's future profitability. • The Company may be subject to litigation or regulatory actions which may materially adversely affect the results of operations, prospects, share price and/or reputation of the Company. • The Company is not insured against all risks that it may experience. The Company may suffer an adverse effect on its business, results and operations, cash flows and financial position if it incurs a material loss that is not covered, or adequately covered, by its insurance policy.

		Financial Risks • Fluctuation in commodity prices may have a dramatic effect on the Company's results of operations. • The Company may not be able to recover the carrying value of its assets and in the future may need to write down the value of its assets. • The Company does not have unlimited financial resources and there is a risk that sufficient additional funding will not be available to the Company on acceptable terms, or at all, for growth initiatives, further exploration or development of its properties or to fulfill its obligations under any applicable agreements, including its obligations related to its credit facilities. • Fluctuation in foreign currencies may adversely affect the Company's financial position and operating results. • Changes in interest rates may adversely affect the Company's financial position. • The Company may encounter adverse tax regimes and adverse tax rulings. • The Company is subject to credit risks relating to trade receivables. The Company's access to funds under credit arrangements depend on the financial condition of its lenders.
		Operational Risks • The Company's operations present inherent significant health and safety hazards associated with exploration and mining activities. An incident could result in litigation and/or regulatory action (including, but not limited to, suspension of operations and/or fines and penalties), or otherwise adversely affect the Company's ability to meet its objectives. • The Company is subject to extensive environmental regulation in respect of all aspects of its operations and non-compliance with environmental regulation may adversely affect the Company's ability to operate. • Limitations on or impairment of infrastructure necessary to the Company's operations could adversely affect the activities and profitability of the Company. • The Company's business operations are subject to risks and hazards inherent in the mining industry. Should any of these risks materialize, it could materially and adversely affect, among other things, the safety of personnel, the development of properties, production quantities and sales, costs and expenditures, production commencement dates, contractual obligations and financial covenants. • The Company may be unable to attract and retain the skilled employees it requires. • A labour disruption could adversely affect the Company's mining operations. • An increase in energy prices and/or the availability of energy, water, and key operating supplies and services would negatively impact the Company's operations. • The Company's exploration activities involve significant risks. • The Company's reported Mineral Resources and Mineral Reserves are only estimates there is a risk that these mineral estimates will not be correct or that the minerals will not be recovered. • Severe natural phenomena may result in catastrophic losses to the Company. • Allegations of fraud, corruption and/or unethical practices may affect the

		Company's ability to carry on business. • The Company may be subject to trespass or security breaches at its operations. • A breach of the Company's information or operational technology systems may result in the disruption of business activities, loss of confidential or proprietary data, failure of internal controls over financial reporting, failure to meet obligations and reputational damage and may result in legal and regulatory action. • Mine closure activities are expensive and estimates related to remediation costs may prove to be inaccurate. • The Company may experience issues related to waste management at its mines. The occurrence of such an event may result in environmental release, extended business interruption, damage or harm to third parties, regulatory fines and penalties, revocation or suspension of permits or licenses, material impact to cash flows, balance sheet, share price and reputational damage. • Title in respect of the Company's properties is not guaranteed.
D.3	*Risks related to an investment in the Shares*	• An investment in the Shares is associated with a high degree of risk, and the price of the Shares may not develop favourably. • The price of the Shares may be significantly affected by short-term changes in commodity prices or in the Company's financial condition or results of operations or the sale of a substantial number of Shares or other equity-related securities in the public markets by the Company or its significant shareholders. The market price of the Shares, at any given point in time, may not accurately reflect its long-term value. • Should active and liquid trading not be sustained, holders of Shares may experience difficulties in selling Shares, either momentarily, or completely. • The Company may not be able to pay dividends to its shareholders now or in the future. • Any depreciation of CAD in relation to SEK could reduce the value of the investment or of any dividends. • Holders of Shares bear the risk of any future offerings reducing the market price of the Shares and diluting their shareholdings in the Company.

Section E - Offer

E.1	*Rights issue proceeds and costs*	N/A; this Prospectus is being issued in conjunction with the admission to trading of Shares on Nasdaq Stockholm and there is no offer by the Company to acquire Shares.
E.2	*Reasons for the offer and use of proceeds*	N/A; this Prospectus is being issued in conjunction with the admission to trading of Shares on Nasdaq Stockholm and there is no offer by the Company to acquire Shares.
E.3	*Background and terms and conditions*	N/A; this Prospectus is being issued in conjunction with the admission to trading of Shares on Nasdaq Stockholm and there is no offer by the Company to acquire Shares.
E.4	*Conflicts of interest etc.*	N/A; this Prospectus is being issued in conjunction with the admission to trading of Shares on Nasdaq Stockholm and there is no offer by the Company to acquire Shares. As far as the members of the Board are aware, no physical or legal persons

		involved in the admission to trading of the Shares on Nasdaq Stockholm have financial or other relevant interests that are of importance to the admission to trading.
E.5	*Lock-up agreements and selling shareholder*	N/A; this Prospectus is being issued in conjunction with the admission to trading of Shares on Nasdaq Stockholm and there is no selling shareholder.
E.6	*Dilution*	N/A; this Prospectus is being issued in conjunction with the admission to trading of Shares on Nasdaq Stockholm.
E.7	*Costs for the investor*	N/A; this Prospectus is being issued in conjunction with the admission to trading of Shares on Nasdaq Stockholm and there is no offer by the Company to acquire Shares.

SAMMANFATTNING

*Denna sammanfattning omfattar information som måste offentliggöras (s.k. ”**Moduler**”). Modulerna är numrerade i avsnitt A.1 till E.7 nedan.*

Denna sammanfattning inkluderar alla Moduler som krävs i en sammanfattning för denna typ av värdepapper och emittent. Eftersom inte samtliga Moduler behöver vara inkluderade kan det vara luckor i numreringen av Modulerna.

Även om det på grund av värdepapperstyp och emittent kan krävas att en viss Modul redovisas i sammanfattningen så är det möjligt att det inte finns någon relevant information att redovisa avseende den ifrågavarande Modulen. I sådant fall inkluderas i sammanfattningen en kort beskrivning av Modulen ifråga med kommentaren ”Ej tillämplig”.

Avsnitt A - Introduktion och varningar		
A.1	*Introduktion och varningar*	**Denna sammanfattning bör betraktas som en introduktion till Prospektet.** **Varje beslut om att investera i värdepapperna ska baseras på en bedömning av Prospektet i dess helhet från investerares sida. Observera dock att detta inte är ett erbjudande om att förvärva värdepapper.** **Om ett yrkande avseende uppgifterna i Prospektet anförs i domstol kan den investerare som är kärande i enlighet med medlemsstaternas nationella lagstiftning bli tvungen att svara för kostnaderna för att översätta Prospektet innan de rättsliga förfarandena inleds.** **Civilrättsligt ansvar kan endast åläggas de personer som lagt fram sammanfattningen, inklusive översättningen därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av Prospektet eller om den inte, tillsammans med andra delar av Prospektet, ger nyckelinformation för att hjälpa investerare när de överväger att investera i sådana värdepapper.**
A.2	*Samtycke och finansiella mellanhänder*	Ej tillämplig; upptagandet till handel på Nasdaq Stockholm av Aktierna omfattas inte av finansiella mellanhänder.
Avsnitt B - Emittent		
B.1	*Firma och handelsbeteckning*	Emittentens firma och handelsbeteckning är Lundin Mining Corporation (”**Bolaget**”).
B.2	*Säte, bolagsform etc.*	Bolaget är registrerat och har sitt säte i Kanada i enlighet med Canada Business Corporations Act. Bolagets organisationsnummer är 443736-5.
B.3	*Huvudsaklig verksamhet och industri*	Bolaget är ett diversifierat kanadensiskt gruvföretag inriktat på oädla metaller med verksamhet i Chile, USA, Portugal och Sverige med produktion av framförallt koppar, zink och nickel. Bolaget äger även indirekt en 24-procentig andel i Freeport Cobolt Oy (”**Freeport Oy**”), som inkluderar ett kobolt-raffinaderi i Kokkola, Finland.
B.4a	*Tendenser och trender som*	De tendenser och trender som inverkar på koppar, nickel och zink påverkas

	påverkar emittenten och dess industrier	oundvikligen av marknaden som helhet, och mer specifikt av marknaden för respektive metall. Enligt Bolagets uppfattning är några av de viktigare tendenserna och trenderna: • Kina står för den största efterfrågan på de flesta, om inte alla, oädla metaller. Kina utnyttjar låga metallpriser för att förvärva nyckeltillgångar i syfte att säkra tillgången på nyckelmetaller. • Storskalig kapitalalanskaffning i större gruvbolag har under de senaste åren varit begränsad, och majoriteten av bolagen har avyttrat vissa tillgångar som ett led i att minska sin skuldsättningsgrad efter en tid av utmanande expansioner och förvärv när metallpriserna var högre. • Lågt pris på vissa metaller har minskat incitamenten att utveckla ny kapacitet. • Miljöregleringar spelar en nyckelroll i nya projekt, där många projekt erfar betydande fördröjningar när bolagen arbetar med lokala och nationella myndigheter i regulatoriska frågor. • Stora gruvbolag erfar fortfarande motstånd mot expansion i mindre etablerade mineralländer liksom ett växande hot i form av nationalism avseende naturtillgångar i mer etablerade länder, vilket har påverkat några av de största koppargruvorna i världen.
B.5	*Koncernen och emittentens position i koncernen*	Bolaget är det kanadensiska moderbolaget i en koncern med väsentliga dotterbolag och holdingbolag med säte i Chile, USA, Portugal, Sverige och Finland.
B.6	*Största aktieägare*	Såvitt styrelseledamöterna och de ledande befattningshavarna i Bolaget känner till, innehar följande aktieägare mer än 10 procent av rösterna i Bolaget per 31 mars 2017: **Namn** / **Antal Aktier** [(1)] / **% av Aktierna** Nemesia Holdings S.à.r.l. [(2)] / 92 522 698 / 12,73 (1) Denna information har inhämtas från publika källor och har inte verifierats av Bolaget. (2) Den 27 januari 2017 överförde Lorito Holdings S.a.r.l. (nedan kallat ”Lorito”) och Zebra Holdings and Investments S.a.r.l. (nedan kallat “Zebra”), två privata företag som kontrolleras av en stiftelse grundad av framlidne Adolf H. Lundin, i samband med en företagsomstrukturering, 37 557 844 respektive 54 964 854 stamaktier i företaget till Nemesia, och innehar därefter inga stamaktier i företaget. Lorito och Zebra erhöll C-aktier i Nemesia som ersättning för stamaktierna i företaget, och äger tillsammans 100 % av de utestående C-aktierna i Nemesia.

B.7	*Finansiell information i sammandrag*

Den finansiella informationen nedan har för respektive period hämtats från Bolagets reviderade konsoliderade finansiella rapporter för räkenskapsåren som avslutades den 31 december 2014, 2015 och 2016 samt Bolagets icke-reviderade delårsrapport för tremånadersperioden som avslutades den 31 mars 2017. Bolaget upprättar sina finansiella rapporter i enlighet med IFRS. Förutom i de fall då så anges, har informationen nedan upprättats i enlighet med IFRS såsom utgiven av International Accounting Standards Board.

Sammanfattning av resultaträkning ($ tusen)	**jan-mar 2017**	**jan-mar 2016**	**jan-dec 2016**	**jan-dec 2015**	**jan-dec 2014**
Försäljning	487 787	369 569	1 545 591	1 701 947	951 314
Rörelsekostnader	(214 124)	(210 290)	(864 449)	(962 694)	(619 741)
Avskrivning, förbrukning och nedskrivning	(109 660)	(119 574)	(434 867)	(555 021)	(208 703)
Administrativa kostnader	(9 240)	(7 542)	(26 933)	(27 167)	(27 238)
Generell prospektering och affärsutveckling	(15 181)	(12 821)	(56 113)	(59 500)	(74 685)
(Förlust) Intäkter från intressebolag	(739)	(895)	(1 110)	(54)	1 780
Finansiella kostnader	(11 749)	(18 278)	(80 339)	(89 240)	(28 108)
Övriga intäkter	882	1 020	6 607	23 591	29 859
Övriga kostnader	(11 472)	(9 006)	(56 130)	(18 737)	(10 785)
Nedskrivningar och återföring av nedskrivningar	-	-	95 922	(293 285)	(47 064)
Resultat före skatt	**116 504**	**(7 817)**	**128 179**	**(280 160)**	**(33 371)**
Aktuell skatt	(58 245)	(19 665)	(48 451)	(68 769)	(5 300)
Uppskjuten skatt	14 123	16 408	44 138	42 523	74 036
Nettoresultat från kvarvarande verksamhet	72 382	(11 074)	123 866	(306 406)	35 365
Resultat avyttrad verksamhet	34 062	(4 391)	(754 096)	24 617	88 016
Periodens resultat (Förlust)	**106 444**	**(15 465)**	**(630 230)**	**(281 789)**	**123 381**

Sammanfattning av balansräkning ($ tusen)	**31 mars 2017**	**31 mars 2016**	**jan-dec 2016**	**jan-dec 2015**	**jan-dec 2014**
TILLGÅNGAR					
Kortfristiga					
Likvida medel	928 820	560 748	715 311	556 511	174 792
Kundfordringar och andra fordringar	325 424	230 853	338 931	192 194	404 967
Aktuella skattefordringar	5 573	53 030	34 853	54 795	49 241
Varulager	149 659	128 103	163 138	144 746	162 074
Övriga kortfristiga tillgångar	9 884	4 106	8 877	5 101	-
	1 419 360	976 840	1 261 110	953 347	791 074
Tillgångar som innehas för försäljning	1 125 218	-	1 146 776	-	-
	2 544 578	**976 840**	**2 407 886**	**953 347**	**791 074**
Långfristiga					
Spärrade likvida medel	39 270	53 526	41 272	53 818	57 007
Långfristigt varulager	232 966	221 422	217 914	194 065	154 725
Andra långfristiga tillgångar	11 087	13 514	11 977	13 341	18 226
Mineraltillgångar och materiella anläggningstillgångar	3 146 676	3 318 130	3 179 600	3 354 711	3 927 291
Investeringar i intresseföretag	81 427	2 042 357	79 166	2 050 823	2 059 199
Uppskjutna skattefordringar	120 960	54 626	102 786	55 022	57 671
Goodwill	103 225	109 232	101 928	104 921	261 482
	3 735 611	**5 812 807**	**3 734 643**	**5 826 701**	**6 535 601**
Totala tillgångar	**6 280 189**	**6 789 647**	**6 142 529**	**6 780 048**	**7 326 675**

SKULDER	jan-mar 2017	jan-mar 2016	jan-dec 2016	jan-dec 2015	jan-dec 2014
Kortfristiga					
Leverantörsskulder och andra skulder	260 211	231 750	243 675	231 960	274 213
Aktuella skatteskulder	86 026	15 928	34 592	14 201	6 380
Förutbetalda intäkter	55 398	52 176	55 934	58 666	65 098
Räntebärande skulder och finansiella leasingavtal	1 321	1 263	1 082	1 102	1 932
Avsättningar för reklamationer och avvecklingar	14 212	16 359	20 279	14 425	8 995
	417 168	**317 476**	**355 562**	**320 354**	**356 618**
Långfristiga					
Förutbetalda intäkter	491 705	546 723	504 009	549 830	602 244
Långfristiga räntebärande skulder och finansiella leasingavtal	983 444	979 512	982 295	978 014	980 888
Avsättningar för reklamationer och avvecklingar	235 274	251 753	236 526	242 556	254 461
Övriga långfristiga skulder	10 089	12 715	9 992	13 815	10 001
Avsättningar till pensioner	12 863	14 652	13 269	15 332	17 030
Uppskjutna skatteskulder	398 109	398 611	413 249	412 536	466 759
	2 131 484	**2 203 966**	**2 159 340**	**2 212 083**	**2 331 383**
Eget kapital					
Aktiekapital	4 143 557	4 107 486	4 135 367	4 107 469	4 099 038
Övrigt tillskjutet kapital	44 947	50 784	44 779	49 112	45 021
Ackumulerat totalresultat	(302 498)	(272 449)	(320 138)	(308 819)	(199 023)
Balanserade vinstmedel (Underskott)	(620 608)	(56 060)	(695 718)	(33 975)	260 109
Eget kapital hänförligt till Bolagets aktieägare	3 265 398	3 829 761	3 164 290	3 813 787	4 205 145
Innehav utan bestämmande inflytande	466 139	438 444	463 337	433 824	433 529
	3 731 537	**4 268 205**	**3 627 627**	**4 247 611**	**4 638 674**
Summa skulder och eget kapital	**6 280 189**	**6 789 647**	**6 142 529**	**6 780 048**	**7 326 675**

Kassaflödesanalys ($ tusen)	**jan-mar 2017**	**jan-mar 2016**	**jan-dec 2016**	**jan-dec 2015**	**jan-dec 2014**
Kassaflöde från den löpande verksamheten	244 677	42 878	363 188	713 937	187 366
Kassaflöde från investeringsverksamheten[1]	(23 537)	(40 485)	(143 846)	(244 504)	(2 065 769)
Kassaflöde från finansieringsverksamheten	(6 612)	(2 853)	(60 682)	(8 0409)	1 947 966
Kursdifferens i likvida medel	(1 019)	4 697	140	(7 305)	(11 411)
Förändring av likvida medel under perioden	**213 509**	**4 237**	**158 800**	**381 719**	**58 152**
Likvida medel, periodens början	715 311	556 511	556 511	174 792	116 640
Likvida medel, periodens slut	928 820	560 748	715 311	556 511	174 792

(1) Kassaflöde från avyttrad verksamhet:

Jan-mar 2017	55,6 miljoner $
Jan-mar 2016	3,2 miljoner $
2016	60,4 miljoner $
2015	24,6 miljoner $
2014	85,8 miljoner $

Viktiga finansiella och operativa nyckeltal[1]

($ miljoner, förutom aktie och belopp per aktie)	jan-mar 2017	jan-mar 2016	jan-dec 2016	jan-dec 2015	jan-dec 2014
Nettoskuld[2]	71,3	438,1	284,1	441,3	829,2
Rörelseresultat[3]	264,4	151,7	654,2	712,1	304,3
Kassaflöde från löpande verksamheten	244,7	42,9	363,2	713,9	187,4
Kassaflöde från löpande verksamheten per aktie[4]	0,24	0,12	0,67	0,72	0,38

Utestående aktier:					
- Vägt genomsnitt	726 184 033	719 628 357	720 328 576	719 089 063	600 442 231
- Vägt genomsnitt efter utspädning	728 794 024	719 628 357	721 208 806	719 089 063	602 357 872
- Periodens slut	726 702 997	719 632 457	725 134 187	719 628 357	718 168 173
Resultat per aktie hänförligt till aktieägare					
- Löpande verksamhet (vinst per aktie - Löpande)	0,08	(0,02)	0,13	(0,44)	0,04
- Nettoresultat / (förlust) / inkomst (vinst per aktie - Total)	0,13	(0,03)	(0,92)	(0,41)	0,19
Utdelningar	0,03	-	-	-	-
Investeringar (inklusive kapitaliserad ränta)(5)					
- Upprätthållande investeringar	65,5	46,8	176	268,2	113,9
- Expansiva investeringar	11,2	0,7	11,3	9,5	307,7
Produktionskostnad per pound(6)					
- Candelaria (Cu)	1,27	1,22	1,31	1,25	1,49
- Eagle (Ni)	0,94	1,61	1,75	2,02	2,79
- Neves-Corvo (Cu)	0,75	1,48	1,54	1,63	1,85
- Zinkgruvan (Zn)	0,37	0,36	0,37	0,37	0,37
Total upprätthållandekostnad per pound (7)					
- Candelaria (Cu)	1,73	1,53	1,63	-	-
- Eagle (Ni)	1,28	1,75	2,10	-	-
- Neves-Corvo (Cu)	1,42	1,75	1,96	-	-
- Zinkgruvan (Zn)	0,57	0,55	0,57	-	-

(1) Om annat inte anges har den finansiella informationen upprättats i enlighet med IFRS såsom utgiven av "International Accounting Standards Board".

(2) Nettoskuld i är inte definierat enligt IFRS - se "Definitioner av nyckeltal som inte är definierade enligt IFRS".

(3) Rörelseresultat är inte definierat enligt IFRS - se "Definitioner av nyckeltal som inte är definierade enligt IFRS".

(4) Kassaflöde från löpande verksamheten per aktie är inte definierat enligt IFRS – se "Definitioner av nyckeltal som inte är definierade enligt IFRS".

(5) Investeringar är inte definierat enligt IFRS - se "Definitioner av nyckeltal som inte är definierade enligt IFRS".

(6) Produktionskostnad per pound är inte definierat enligt IFRS - se "Definitioner av nyckeltal som inte är definierade enligt IFRS".

(7) Total upprätthållandekostnad per pound är inte definierat enligt IFRS - se "Definitioner av nyckeltal som inte är definierade enligt IFRS". Bolaget har inte angivit detta nyckeltal före 2016.

Definitioner av nyckeltal som inte är definierade enligt IFRS

Bolaget använder särskilda nyckeltal i sina analyser. Dessa nyckeltal är inte definierade enligt generellt accepterade redovisningsprinciper under IFRS, och är därför inte alltid jämförbara med liknande data som presenteras av andra gruvbolag. Denna information syftar till att tillhandahålla tilläggsinformation och ska inte beaktas enskilt eller som ersättning för nyckeltal beräknade i enlighet med IFRS. Följande nyckeltal är nyckeltal som Bolaget använder och som inte definieras enligt IFRS.

Nettoskuld (s.k. net cash/debt)

Nettoskuld är ett nyckeltal som används av Bolaget för att bedöma Bolagets finansiella position. Nettoskuld definieras som likvida medel och motsvarigheter till likvida medel, minus långfristiga skulder och finansiell leasing exklusive uppskjutna finansiella avgifter.

Rörelseresultat (s.k. operating earnings)

Rörelseresultat är ett nyckeltal som används av Bolaget för att bedöma bidraget som gruvrörelsen gör till Bolagets nettointäkter eller -förluster. Rörelseresultat definieras som försäljning, minus rörelsekostnader (exklusive avskrivningar) samt allmänna och administrativa kostnader.

Kassaflöde från den löpande verksamheten per aktie (s.k. operating cash flow per share)

Kassaflöde från den löpande verksamheten per aktie är ett nyckeltal som används av Bolaget för att bedöma dess förmåga att generera likvida medel från sin rörelse, som också tar i beaktande förändringar i antalet utestående aktier i Bolaget. Kassaflöde från den löpande verksamheten per aktie definieras som likvida medel från rörelsen, minus förändringar i icke-kontanta rörelsekapitalsobjekt dividerat med det genomsnittliga antalet utestående aktier.

Investeringar (s.k. capital expenditures)

Genom att identifiera och klassificera investeringar som antingen upprätthållande eller expansiva investeringar, ges ledningen en bättre förståelse för kostnader som är nödvändiga för att bibehålla befintliga verksamheter, respektive kostnader som är nödvändiga för framtida expansion av befintliga eller nya tillgångar.

- Upprätthållande investeringar (s.k. sustanining capital expenditures) – Kostnader som upprätthåller befintliga verksamheter och bibehåller produktionsnivåer.

- Expansiva investeringar (s.k. expansionary expenditures) – Kostnader som ökar befintlig eller framtida produktionskapacitet, kassaflöde eller avkastningsförmåga.

Om en kostnad både bibehåller och expanderar den befintliga verksamheten, ska klassificeringen baseras på det primära skälet till varför kostnaden övervägdes/gjordes.

Produktionskostnad per pound (s.k. cash cost per pound)

Koppar-, nickel- och zinkproduktionskostnad per pound är nyckeltal som ledningen använder för att övervaka verksamhetens effektivitet. Ledningen använder denna statistik för att bedöma hur väl Bolagets gruvor presterar och för att bedöma gruvrörelsens generella effektivitet. Produktionskostnad är inte ett IFRS-mått och, även om det beräknas enligt accepterad industripraxis, kan Bolagets redovisade produktionskostnad därför inte direkt jämföras med andra metallproducenters produktionskostnad.

- Produktionskostnad per pound, brutto – Totala produktionskostnader direkt hänförliga till gruvverksamheten, exklusive intäkter från streaming och exklusive kostnader för uppskjuten ”stripping”, divideras med försäljningsvolymen av den primära metallen för att beräkna bruttoproduktionskostnaden per pound. Då detta mått inte påverkas av fluktuationer i försäljningen av biprodukter från metallen, är måttet över tid generellt mer konsekvent.

- Produktionskostnad per pound, netto från biprodukter – Intäkter från biproduktsförsäljningen avräknas från totala produktionskostnader direkt hänförliga till gruvverksamheten. Intäkter från biprodukter justeras enligt villkoren i streaming avtal, men exkluderar uppskjutna intäkter från förskottsbetalningar. Nettoproduktionskostnaden divideras sedan med försäljningsvolymen av primärmetallen vilket ger en nettoproduktionskostnad per pound. Genom att inkludera intäkter från biprodukter får Bolaget ett bredare ekonomiskt mått, som inkluderar vinsterna från andra metaller utvunna i produktionen av primärmetaller.

Total upprätthållandekostnad per pound (s.k. all-in sustaining cost, AISC)

Total upprätthållandekostnad per pound är en förlängning av det ovan nämnda nyckeltalet, och är även ett nyckeltal som ledningen använder för att övervaka verksamhetens effektivitet. Ledningen använder detta nyckeltal för att analysera marginalen på befintliga tillgångar med upprätthållande av nuvarande produktionsnivåer. Expansiva investeringar och vissa prospekteringskostnader är exkluderade från denna definition eftersom de vanligen ådras för att förlänga en gruvas livslängd eller väsentligt öka produktionskapaciteten av befintliga tillgångar eller för nya verksamheter. Allmänna eller administrativa kostnader har också exkluderats från nyckeltalet eftersom ett hänförande av dessa kostnader till ett visst driftställe inte alltid skulle återspegla de kostnader som är direkt hänförliga till administrationen av driftstället.

Bolagets utveckling och aktiviteter

2014

- Produktion påbörjades i Eagle mine.
- Bolaget ingick ett bindande finansieringsavtal som inbringade cirka 600 miljoner dollar brutto i kapital, och fullföljde sitt erbjudande om värdepapper med förmånsrättsordning före andra värdepapper med säkerhet till ett värde av 1,0 miljard $.
- Bolaget förvärvade en ägarandel om 80% i Candelaria och med omgivande infrastruktur. Den totala köpeskillingen uppgick till 1,852 miljarder $.
- Bolaget ingick ett s.k. guld och silver stream-avtal med Franco-Nevada Corporation (”**Franco-Nevada**”).
- Bolaget återbetalade sitt lån om 250 miljoner $ och ingick ett tillägg till sitt Kreditavtal, vilket gav en kreditfacilitet på 350 miljoner $.

2015

- Bolaget offenttliggjorde malmreserver uppgående till två stycken malmkroppar vid Candelriagruvan.
- Bolaget offentliggjorde att prospekteringsborrningen nära Eagle-gruvan fann en ny zon av höggradigt massiv och semi-massiv nickel-koppar sulfid.
- Bolaget erhöll godkännande av Candelaria 2030 EIA.
- Bolaget offentliggjorde att det färdigställt en uppdaterad gruvplan och ett årligt estimat avseende upprätthållande investeringar (sustaining capital cost estimate) för Candelaria.

2016

- Bolaget offenttliggjorde en första uppskattning av Eagle Easts antagna mineraltillgångar beträffande höghaltig nickel/koppar i Eagle-gruvan.
- Bolaget ingick ett tilläggsavtal till sitt 350 miljoner $ kreditfacilitetsavtal vilket reducerar lånekostnaderna och förlänger löptiden från oktober 2017 till juni 2020.
- Bolaget ingick avtal om försäljning av sitt indirekta innehav i TF Holdings.
- Bolaget offentliggjorde att styrelsen godkänt en utdelningspolicy.
- Bolaget avyttrade Aguablancagruvan i Spanien genom överlåtelse av samtliga aktier i Rio Narcea Resources S.A.

2017

- Bolaget beslutade om en första kvartalsvis vinstutdelning på 0,03 C$ per aktie med betalning i april 2017.

		• Samtliga aktier i Galmoy Mines Limited, ägaren till Galmoygruvan, såldes till ett bolag i Lanes Group plc sfären, som samtidigt övertog Galmoys alla tillgångar och skulder. • Bolaget offentliggjorde resultaten av en förstudie, inklusive uppdaterade estimat avseende antagna mineraltillgångar beträffande höghaltig nickel/koppar i Eagle East, och tillhandahöll en uppdatering av projektet. • Bolaget offentliggjorde fullgörandet av sin försäljning av sin indirekta ägarandel i TF Holdings till ett dotterbolag till BHR Partners, ett kinesiskt private equity-bolag, för en kontant köpeskilling om 1,136 miljarder $. • Bolaget offentliggjorde en vinstutdelning på 0,03 C$ per aktie med betalning i juni 2017, och sin intention att avnotera depåbevisen i Sverige samt notera Aktierna direkt på Nasdaq Stockholm. • Bolaget offentliggjorde resultaten av en förstudie av dess Zink Expansion Project i Neves-Corvo gruvan i Portugal, och tillhandahöll en uppdatering av projektet. Efter den 31 mars 2017 har Bolagets finansiella ställning påverkats av: • Försäljningen av sitt indirekta innehav i TF Holdings till ett dotterboalg till BHR Partners, ett kinesiskt private equity-bolag, för en kontant köpeskilling om 1,136 miljarder $.
B.8	*Utvald proforma-redovisning*	Ej tillämpligt; Prospektet innehåller inte någon proformaredovisning.
B.9	*Resultatprognos*	Ej tillämpligt; Prospektet innehåller inte någon resultatprognos eller beräkning avseende förväntat resultat.
B.10	*Revisorsanmärk-ningar*	Ej tillämpligt; det finns inga revisorsanmärkningar.
B.11	*Rörelsekapital hos emittenten*	Ej tillämpligt; per dagen för detta Prospekt är det Bolagets uppfattning att Bolagets rörelsekapital är tillräckligt för att finansiera dess aktuella behov under de närmast kommande tolv månaderna. Bolaget anser att det kommer att generera ett tillräckligt kassaflöde och att dess tillgång till likvida medel och kreditfaciliteter, inklusive den icke-utnyttjade revolverande kreditfaciliteten om 350 miljoner $ som löper ut i juni 2020, är adekvat för att finansiera pågående verksamhet, kontraktuella skyldigheter och planerade investeringsprogram.
Avsnitt C – Värdepapper		
C.1	*Värdepapper som tas upp till handel*	Aktierna handlas för närvarande på Nasdaq Stockholm genom svenska depåbevis, varvid varje depåbevis representerar en Aktie. Den 26 april 2017 offentliggjorde Bolaget sin avsikt att inte längre låta Aktierna representeras av depåbevis. Avstämningsdagen för omvandling av depåbevisen i VPC registret ska vara den 9 juni 2017. Pareto Securities AB kommer att leverera Aktier enligt det i VPC gällande tidsschemat för omvandling av värdepapper till berättigade depåbevisinnehavare. Berättigade depåbevisinnehavare behöver inte vidta någon åtgärd i anledning av ovanstående eftersom samtliga depåbevis med automatik kommer att omvandlas till Aktier. Sista dag för handel med depåbevis beräknas vara den 7 juni 2017, såvida inte depåbevisen avnoteras tidigare genom beslut av Nasdaq Stockholm. Första dag för handel med Aktier på Nasdaq Stockholm beräknas vara den 8 juni 2017. Aktier, som representeras av depåbevis, beräknas levereras den 12 juni 2017, varefter Euroclear Sweden AB kommer att utsända vp-

		avi till direktregistrerade innehavare. Innehavare som har sitt innehav registrerat hos bank eller annan förvaltare kommer att erhålla information i enlighet med respektive förvaltares rutiner. Avsikten är att Aktierna ska upptas till handel på Nasdaq Stockholm, med ISIN-kod CA5503721063. Samtliga Aktier som handlas på Nasdaq Stockholm kommer att anslutas till Euroclear.
C.2	*Denominering*	Aktierna är utgivna i kanadensiska dollar.
C.3	*Totalt antal Aktier i Bolaget*	Det högsta tillåtna aktiekapitalet för Bolaget är ett obegränsat antal Aktier (eng. Common Shares) utan kvotvärde värde samt en särskild aktie utan nominellt värde eller kvotvärde. Per dagen för detta Prospekt var 726 758 397 Aktier emitterade och utestående. Den särskilda aktien är inte emitterad och utgiven för närvarande.
C.4	*Rättigheter som sammanhänger med värdepappren*	Varje Aktie berättigar innehavaren att erhålla kallelse till samt att delta i alla Bolagets bolagsstämmor. Innehavaren är berättigad att rösta i samtliga frågor som behandlas under en bolagsstämma och varje ägd Aktie motsvarar en röst. Aktiehavarna är berättigade till eventuell vinstutdelning beslutad av Styrelsen. I händelse av likvidation, upplösning eller avveckling av Bolaget har aktieinnehavarna rätt till de återstående tillgångarna i Bolaget som är tillgängliga för utdelning till aktieägarna.
C.5	*Inskränkningar i den fria överlåtbarheten*	Ej tillämpligt; Aktierna är inte föremål för begränsningar i den fria överlåtbarheten.
C.6	*Upptagande till handel*	Aktierna är upptagna till handel på TSX under beteckningen "LUN" med ISIN-kod CA5503721063. Avsikten är att Aktierna även ska tas upp till handel på NASDAQ Stockholm under beteckningen "LUMI" och med samma ISIN-kod.
C.7	*Utdelningspolicy*	I november 2016 godkände Bolagets Styrelse en utdelningspolicy enligt vilken en kvartalsvis utdelning betalas med $0,03 per Aktie ($0,12 per Aktie och år) med början 2017. Utdelningspolicyn kommer löpande att granskas av Styrelsen och är föremål för ändringar vid varje given tidpunkt beroende på Bolagets resultat, finansiella krav och andra faktorer som gäller vid den aktuella tidpunkten. Vid en utdelning avser Bolaget att hantera utbetalningen via Euroclear såvitt avser de Aktier som är upptagna till handel på Nasdaq Stockholm och utbetalningar kommer att ske i SEK.
Avsnitt D – Risker		
D.1	*Risker relaterade till emittenten eller branschen*	Bolagets verksamhet är spekulativ på grund av att dess verksamhet är förknippad med hög risk, inklusive förvärv, finansiering, exploatering, utveckling och drift av mineralbolag. Väsentliga risker och osäkerhetsfaktorer, som måste beaktas när Bolagets verksamhet bedöms, inkluderar men är inte nödvändigtvis begränsade till riskerna nedan. En eller flera av dessa risker, eller andra risker, kan ha väsentligt negativ inverkan på Bolaget.

		Strategiska/Externa risker • Bolaget är föremål för betydande politiska, civila och statliga risker i länderna som det verkar i, vilket även inkluderar politisk instabilitet, förändring av lagar och föreskrifter, skatter och andra oroligheter. Sådana förändringar kan ha en negativ inverkan på Bolaget, inklusive men inte begränsat till dess verksamhet. • Det finns ökade nivåer av allmän oro och motstånd beträffande den negativa effekten som gruvdrift upplevs ha på miljön, vilket kan ha en negativ påverkan på Bolagets möjlighet att driva verksamhet. • Bolaget verkar inom ett område som är strikt reglerat i vissa länder. Förändringar eller modifikationer av dessa föreskrifter, eller ett brott mot sådana föreskrifter av Bolaget, kan ha en negativ effekt på Bolaget. • Bolaget kan uppleva svårigheter med sina affärspartners vilket kan påverka Bolagets planer negativt avseende dess tillgångar. • Bolaget kan drabbas av negativa effekter, såsom oväntade skyldigheter, integrationsfrågor och inkorrekta värderingar beträffande förvärv som Bolaget kan komma att göra. Sådana effekter kan ha en negativ inverkan på Bolagets verksamhet, finansiella ställning, vinst från verksamhet och kassaflöde. • Gruvverksamhet är en starkt konkurrensutsatt bransch. Som ett resultat av konkurrensen riskerar Bolaget att inte kunna förvärva attraktiva gruvor eller attrahera och behålla arbetskraft, vilket kan ha en negativ inverkan på Bolagets framtida tillväxt, resultat och finansiella position. • Bolagets förmåga att bibehålla, eller öka, sin årliga produktionsnivå är beroende av dess förmåga att etablera nya gruvor och utöka redan existerande gruvor. Antagandena och prognoserna som används, även när det gäller tidslinjer, driftskostnader och kapitalkrav, kan visa sig vara felaktiga. • Det finns en risk att Bolaget kommer att tvingas begränsa investeringar i Bolagets tillväxt p.g.a. ändrade ekonomiska förutsättningar, geopolitiska händelser eller andra faktorer, vilket kan påverka Bolagets framtida lönsamhet negativt. • Bolaget kan bli föremål för tvister eller regulatoriska åtgärder vilket på ett väsentligt sätt kan påverka resultatet av verksamheten, framtidsutsikter, pris och/eller Bolagets rykte på ett negativt sätt. • Bolaget är inte försäkrat mot samtliga risker som det kan exponeras för. Bolagets affärsverksamhet, resultat och övrig verksamhet, kassaflöde och finansiella position kan lida skada om Bolaget drabbas av en väsentlig skada som inte täcks, eller inte är tillräckligt täckt, av sina försäkringar. *Finansiella risker* • Fluktuationer i råvarupriser kan ha en stark påverkan på Bolagets resultat av verksamheten. • Bolaget riskerar att inte kunna utvinna det redovisade värdet på sina tillgångar och kan i framtiden behöva skriva ned värdet på sina tillgångar. • Bolaget har inte obegränsade finansiella resurser, och det finns en risk att

		tillräckligt med kapital inte kommer att vara tillgängligt för Bolaget på acceptabla villkor, eller överhuvudtaget tillgängligt, för tillväxt, vidare prospektering eller utveckling av dess tillgångar eller för att uppfylla dess skyldigheter under gällande avtal, inklusive dess skyldigheter mot sina kreditgivare. • Fluktuationer i utländska valutor kan påverka Bolagets finansiella position och verksamhetsresultat på ett väsentligt negativt sätt. • Förändringar av räntenivåer kan påverka Bolagets finansiella position på ett negativt sätt. • Bolaget kan vara föremål för ogynnsamma skattesystem och skattebeslut/domar. • Bolaget är föremål för kreditrisker avseende kundfordringar. Bolagets tillgång till medel genom kreditavtal är beroende på kreditgivarnas finansiella situation. *Verksamhetsrisker* • Bolagets verksamhet medför oundvikligen hälso- och säkerhetsrisker hänförliga till prospekterings- och gruvverksamheten. En olycka kan leda till processer och/eller regulatoriska ingripanden (inklusive, men inte begränsat till, nedstängning av verksamheten och/eller böter och straff), eller på annat sätt negativt påverka Bolagets förmåga att möta sina mål. • Bolaget är föremål för sträng miljölagstiftning beträffande samtlig verksamhet bedriven av Bolaget, och brott mot sådan miljölagstiftning kan påverka Bolagets förmåga att verka inom gruvnäringen på ett negativt sätt. • Begränsningar och försämringar av infrastruktur, nödvändiga för Bolagets verksamhet, kan påverka verksamheten och lönsamheten i Bolaget på ett negativt sätt. • Bolagets affärsverksamhet är föremål för underliggande risker och faror i gruvindustrin. Skulle någon av dessa risker realiseras kan det väsentligt och allvarligt, bland annat, påverka arbetstagares säkerhet, prospektering, produktionskvantiteter och försäljningskvantiteter, kostnader och utgifter, produktionsstart, avtalsrättsliga skyldigheter och finanseringsvillkor. • Bolaget riskerar att inte kan attrahera och behålla kompetent arbetskraft i den usträckning som verksamheten kräver.. • Avbrott i arbetet kan påverka Bolagets gruvdrift. • En ökning av energipriser och/eller tillgången till energi, vatten och viktiga operativa varor samt tjänster skulle påverka Bolagets verksamhet på ett negativt sätt. • Bolagets prospekteringsverksamhet innebär betydande risker. • Bolagets redovisade mineraltillgångar och -reserver är endast uppskattningar och det finns en risk att dessa uppskattningar inte kommer vara korrekta eller att mineralen inte kan utvinnas.

		• Svårartade naturfenomen kan resultera i betydande förluster för Bolaget. • Anklagelser om bedrägeri, korruption och/eller oetisk verksamhet kan påverka Bolagets förmåga att bedriva sin verksamhet. • Bolaget kan bli föremål för intrång eller säkerhetsöverträdelser på verksamhetsställena. • Ett intrång i Bolagets informationssystem eller operativa IT-system kan leda till avbrott av verksamheten, förlust av konfidentiell eller annan data ägd av Bolaget, brister i den interna kontrollen över den finansiella rapporteringen, underlåtenhet att uppfylla skyldigheter och skadat anseende samt rättsliga följder. • Åtgärder relaterade till nedläggning av gruvor är kostsamma och uppskattningar beträffande återställandekostnader kan visa sig vara felaktiga. • Bolaget kan drabbas av problem relaterade till avfallshanteringen i gruvorna. Inträffar sådana problem kan det resultera i utsläpp i miljön, utökade verksamhetsavbrott, skada för tredje part, regulatoriska böter och straff, återkallande eller upphävande av tillstånd eller licenser, väsentlig inverkan på kassaflöden, balansräkning, aktiekurs och skadat anseende. • Äganderätten till Bolagets tillgångar kan inte garanteras.
D.3	*Risker relaterade till en investering i Aktierna*	• En investering i Aktierna är förenad med betydande risker, och kursen är inte garanterad att utvecklas på ett gynnsamt vis. • Aktiekursen kan påverkas väsentligt av kortsiktiga förändringar av råvarupriser, Bolagets finansiella ställning eller som resultat av försäljning av ett stort antal Aktier eller andra aktierelaterade värdepapper på publika marknader av Bolaget eller dess större aktieägare. Marknadsvärdet av Aktierna, vid ett givet tillfälle, är inte garanterat att återspegla Aktiernas långsiktiga värde. • Om aktiv och likvid handel i Aktierna inte upprätthålls, kan innehavare av Aktierna få svårigheter att avyttra dem, antingen tillfälligt eller helt. • Bolaget kan idag eller i framtiden komma att inte kunna betala utdelning till sina aktieägare. • Eventuella nedskrivningar av CAD gentemot SEK kan minska värdet på investeringen eller eventuell utdelning. • Innehavare av Aktierna bär risken för att framtida erbjudanden reducerar marknadspriset av Aktierna och späder ut det ekonomiska värdet samt röstvärdet av Aktierna.
Avsnitt E – Erbjudande		
E.1	*Emissionsbelopp och emissions-kostnader*	Ej tillämpligt; detta Prospekt ges ut i samband med upptagande till handel av Aktierna på Nasdaq Stockholm och det finns inget erbjudande från Lundin Mining att förvärva Aktier.

E.2a	*Motiv till erbjudandet och användning av medel*	Ej tillämpligt; detta Prospekt ges ut i samband med upptagande till handel av Aktier på Nasdaq Stockholm och det finns inget erbjudande från Bolaget att förvärva Aktier.
E.3	*Erbjudandets former och villkor*	Ej tillämpligt; detta Prospekt ges ut i samband med upptagande till handel av Aktier på Nasdaq Stockholm och det finns inget erbjudande från Bolaget att förvärva Aktier.
E.4	*Intressekonflikter etc.*	Ej tillämpligt; detta Prospekt ges ut i samband med upptagande till handel av Aktier på Nasdaq Stockholm och det finns inget erbjudande från Bolaget att förvärva Aktier. Styrelseledamöterna känner inte till några fysiska eller juridiska personer som är inblandade i upptagandet till handel av Aktierna på Nasdaq Stockholm som har ekonomiska eller andra relevanta intressen som är av betydelse för upptagandet till handel.
E.5	*Lock-up-avtal och säljande aktieägare*	Ej tillämpligt; detta Prospekt ges ut i samband med upptagande till handel av Aktier på Nasdaq Stockholm och det finns ingen säljande aktieägare.
E.6	*Utspädning*	Ej tillämpligt; detta Prospekt ges ut i samband med upptagande till handel av Aktier på Nasdaq Stockholm och det finns inget erbjudande från Bolaget att förvärva Aktier.
E.7	*Kostnader för investerare*	Ej tillämpligt; detta Prospekt ges ut i samband med upptagande till handel av Aktier på Nasdaq Stockholm och det finns inget erbjudande från Bolaget att förvärva Aktier.

RISK FACTORS

An investment in securities involves a significant degree of risk. The Company's business, operating results or financial position may be adversely affected by a number of risk factors which are beyond the control of the Company. The Company is exposed to a number of risks inherent in mineral exploration, development and production. Risk factors deemed to be of particular significance to the future prospects of the Company are described below. The risk factors described below are not exhaustive. The Company's business, operating results and financial position may also be materially adversely affected by other risks and uncertainties which are currently unknown to the Company, or which are currently not viewed as material. Further, risks are not ranked according to degree of importance. Nor do they indicate how significant the impact could be on the Company's operations. The risks described herein should also be considered in connection with the other information included in the Prospectus and the macro-economic environment, as well as the cautionary statement regarding forward-looking information set forth in "Cautionary Statement on Forward-Looking Information" above.

The operations of the Company are speculative due to the high risk nature of its business which includes acquisition, financing, exploration, development and operation of mineral properties. Material risk factors and uncertainties, which should be taken into account in assessing the Company's activities, include, but are not necessarily limited to those set out below. Any one or more of these risks and others could have an adverse effect on the Company. Material risks are listed below under four main categories: *Strategic/External Risks* related to the external environment in which the Company operates and/or the Company's business strategies; *Financial Risks* related to economic, market, and financial counterparty conditions, among others; *Operational Risks* including all people, process and system aspects of operations management; and *Investment Risks* related to the purchase of the Shares.

STRATEGIC/EXTERNAL RISKS

The Company is subject to material political, civil and governmental risks in the countries in which it operates including political instability, changes in laws and regulations, taxation and civil unrest.

The risks by which the Company's interest in any developing nation may be adversely affected include, but are not limited to: political unrest; labour disputes; invalidation of governmental orders, permits, agreements or property rights; risk of corruption including violations under applicable anti-corruption laws; military repression; war; rebel group and civil disturbances; criminal and terrorist actions; changes in laws, regulations, policies, taxation, price controls and exchange controls; delays in obtaining or the inability to obtain necessary permits; opposition to mining from environmental or other non-governmental organizations; limitations on foreign ownership; limitations on the repatriation of earnings; limitations on mineral exports; and high rates of inflation and increased financing costs. These risks may limit or disrupt the Company's operations and projects, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization, expropriation or other means without fair compensation.

There is a risk that industries which are deemed of national or strategic importance in countries in which the Company has operations or assets, including mineral exploration, production and development, will require mandatory government participation or be nationalized. The risk exists that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have an adverse effect on the Company. There is a risk that the Company's assets will be subject to nationalization, requisition or confiscation, whether legitimate or not, or undue taxation by an authority or body.

Political instability or civil unrest in target jurisdictions for exploration and business development may also curtail the Company's growth efforts.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have an adverse effect on the Company, including, but not limited to, its operations.

There is an increasing level of public concern and opposition relating to the perceived adverse effect of mining activities on the environment which could have an adverse effect on the Company's ability to operate.

There is an increasing level of public concern relating to the perceived effect of mining activities on certain environmental and social aspects such as water consumption and water quality, land use, noise and vibration, dust, mine closure, and employment and economic development opportunities. Opposition to mining activities by communities or indigenous groups may ultimately affect permitting, operations, and the Company's reputation. Publicity adverse to the Company's operations, partners, or extractive industries generally, could have an adverse effect on the Company and may affect its ability to operate. While the Company is committed to operating in a socially responsible manner, there is a risk that its efforts, in this respect, will not prevent or mitigate the occurrence of this potential risk.

The Company operates in a highly regulated environment in various countries. Changes or modifications to these regulations or a breach of these regulations by the Company could have an adverse impact on the Company.

The Company has operations in Chile, the US, Portugal, and Sweden and exploration activities and inactive mine properties in various countries. These operations and activities are subject to various political, economic and social uncertainties, and local laws and regulations. The implementation of new, or the modification of, existing laws and regulations affecting the mining and metals industry could have an adverse impact on the Company.

The Company's mining and exploration activities require a number of licenses, permits and approvals from various governmental authorities. Licenses and permits are subject to change in various circumstances, and permits and approvals may require renewal from time to time, and new permits may need to be obtained in the future.

The Company was successful in 2016 in obtaining major construction and other sectoral permits for a new tailings storage facility at Candelaria in Chile. There are additional permitting requirements to complete the new facility and there is a risk that all of these requirements cannot be satisfied in a timely manner. The Company has prepared or has submitted permit applications in respect of further mine extensions and an extension of the tailing pipeline and the mine workings at Candelaria, and is progressing with permitting activities related to the eventual development of the Eagle East Mineral Resource at the Eagle Mine. The Michigan Department of Environmental Quality ("**MDEQ**") approved the initial Eagle East access ramp development within the existing Eagle mine boundary. However, approval for a modification to the existing Part 632 mining permit to allow the mining of Eagle East, along with a supporting Environmental Impact Assessment ("**EIA**"), is pending approval. A decision is expected prior to the end of 2017. In November 2016, Somincor submitted to Portuguese authorities an Environmental Impact Study ("**EIS**") in connection with its potential Zinc Expansion Project ("**ZEP**"). There is a risk that approvals will not be received in a timely manner or at all. The granting, renewal and continued effectiveness of permits and approvals are subject to discretion by the applicable regulatory authority. Certain governmental approval and permitting processes are subject to public comment and can be challenged by project opponents, which may result in significant delays or in approvals being withheld or withdrawn. There is a risk that the Company will not be able to obtain or maintain all necessary licenses and permits as are required to explore and develop its properties, commence construction or operate mining facilities. Any of these factors could have an adverse effect on the Company, including, but not limited to its results of operations and financial position.

Non-compliance with applicable laws, regulations and permitting requirements (including allegations of such) may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed or causing the withdrawal of mining licenses, and the imposition of corrective measures requiring material capital expenditure or remedial action resulting in materially increased costs of compliance, reputational damage and potentially impaired ability to secure future approvals and permits. The Company may be required to compensate third parties for loss or damage and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

The Company may experience difficulties with its business partners which could adversely affect the Company's plans with respect to its assets.

The Company has business arrangements involving partners for various investments such as Candelaria, and Freeport Cobalt. There may be risks associated with the Company's partners in these arrangements which include, but are not limited to: disagreement on how to develop, operate or finance projects; differences between partners in economic or business goals; lack of compliance with agreements and laws; insolvency of a partner; limits placed on the Company's ability to control decision-making and possible limitations on its ability to sell its interest in a particular project.

The Company may experience material issues, including unplanned liability, integration issues and incorrect valuations in respect of any acquisition it may undertake.

The strategic acquisition of a mining company, property or asset may change the scale of the Company's business and operation, exposing the Company to new geographic, political, legal, regulatory, operational and financial risks. The Company's assessment and valuation of an acquisition target may be based on estimates or assumptions that ultimately prove to be incorrect. The Company may discover it has acquired a substantial undisclosed liability with little recourse against the seller. Such liabilities could have an adverse impact on the Company's business, financial condition, results of operations and cash flows. Integration efforts may cause an interruption of, or a slowdown in, the activities of the Company's business. The Company may not succeed in identifying suitable acquisition candidates, completing effective due diligence activities, negotiating acceptable terms, and integrating the acquired operations into the Company. There is a risk that investments made will not yield expected returns. A capital-intensive acquisition may also materially weaken the Company's balance sheet.

The mining industry is highly competitive.

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties or qualified employees, which could have an adverse impact on the Company's future growth, results of operations and financial position.

The Company's ability to maintain, or increase, its annual production levels is dependent on its ability to bring new mines into production and to expand existing mines. The assumptions and forecasts used, including in respect of timelines, operating costs and capital requirements may prove to be incorrect.

The Company's ability to maintain, or increase, its annual production of copper, nickel, zinc and other metals is dependent, in significant part, on its ability to bring new mines into production and to expand existing mines. Future operating cost estimates and capital requirement estimates may differ materially from actual operating results. The economic feasibility analysis with respect to any individual project is based upon, among other things, the interpretation of geological data obtained from drill holes and other sampling techniques, feasibility studies (which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed), and base metals price assumptions, the configuration of the orebody, expected recovery rates of metals from the ore, comparable facility and equipment costs, anticipated climatic conditions, estimates of labour, productivity, royalty or other ownership requirements and other factors. Development projects are also subject to issuance of necessary permits and other governmental approvals, sourcing suitable power and water requirements, confirming the availability of appropriate local area infrastructure, receipt of adequate financing and addressing local stakeholder concerns.

The capital expenditures and timeline needed to develop a new mine or expansion are considerable and the economics of and the ability to complete a project can be affected by many factors, including; inability to complete construction and related infrastructure in a timely manner; changes in the legal and regulatory environment; currency fluctuations; industrial disputes, availability of parts, machinery or operators; delays in the delivery of major process plant equipment; inability to obtain, renew or maintain the necessary permits, licenses or approvals; unforeseen natural events and political and other factors. Factors such as changes to technical specifications, failure to enter into agreements with contractors or suppliers in a timely manner, and shortage of capital may also delay the completion of construction or commencement of production or require the expenditure of additional funds. The actual operating results of development projects may differ materially from those anticipated, and uncertainties related to operations are even greater in the case of development projects. There is a risk that development projects will not be able to be developed successfully or economically or that they will not be subject to the other risks described in this section.

There is a risk that the Company will be forced to curtail investments in the growth of the Company, due to changing economic conditions, geo-political events or other factors, and this may impact the Company's future profitability.

Exploration, acquisition, development and operation activities require significant investment of resources and capital. The Company allocates such resources and capital to support business objectives, and the availability of required resources and capital is subject to market conditions and the Company's financial position. There is a risk that the Company will be forced to curtail investments in the growth of the Company, due to changing economic conditions, geo-political events or other factors, and this may impact the Company's future profitability. The Company may not have sufficient personnel with required expertise to successfully deliver on all business objectives, and this may also impact the Company's results.

The Company may be subject to litigation which may materially adversely affect the results of operations, prospects, share price and/or reputation of the Company.

The Company is subject to litigation from time to time and may be involved in disputes with other parties in the future, which may result in litigation. The Company cannot accurately predict the outcome of any litigation. If the Company cannot resolve disputes favourably, the Company's activities, financial condition, results of operations, future prospects, share price and reputation may be materially adversely affected.

The Company is not insured against all risks that it may experience.

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, work force health issues, contaminations, labour disputes, changes in regulatory environment, rock bursts, cave-ins, fires, floods, droughts, earthquakes, severe weather events and other natural phenomena, as well as political and social instability. Certain risks may not currently be insurable or may become uninsurable, or required insurance will not be sufficient or available at affordable premiums. The Company may decide not to insure against certain risks as the potential loss associated with risk events is deemed acceptable or as the costs of insurance are deemed excessive for the protection provided. The Company does not maintain insurance against political risks. The Company may suffer an adverse effect on its business, results and operations, cash flows and financial position if it incurs a material loss that is not covered, or not adequately covered, by its insurance coverage.

FINANCIAL RISKS

Fluctuation in commodity prices may have a dramatic effect on the Company's results of operations.

Commodity prices, primarily copper, nickel, and zinc are key performance drivers and fluctuations in the prices of these commodities can have a dramatic effect on the results of operations. Prices can fluctuate widely and are affected by numerous factors beyond the Company's control. The prices of metals are influenced by supply and demand, exchange rates, interest rates and interest rate expectations, inflation or deflation and expectations with respect to inflation or deflation, speculative activities, changes in global economies, and geo-political, social and other factors. The supply of metals consists of a combination of new mine production, recycling and existing stocks held by governments, producers and consumers.

If the market prices for metals fall below the Company's full production costs and remain at such levels for any sustained period of time, the Company may experience losses and may decide to discontinue mining operations or development of a project at one or more of its properties. If the prices drop significantly, the economic prospects of the mines and projects in which the Company has an interest could be significantly reduced or rendered uneconomic. Low metal prices will affect the Company's liquidity, and if they persist for an extended period of time, the Company may have to look for other sources of cash flow to maintain liquidity until metal prices recover. A sustained and material impact on the Company's liquidity may also impact the Company's ability to comply with financial covenants under its credit facilities. The Company does not currently hedge metal prices.

The Company may not be able to recover the carrying value of its assets and in the future may need to write down the value of its assets.

The Company annually undertakes a detailed review of the LOM plans for its operating properties and an evaluation of the Company's portfolio of development projects, exploration projects and other assets. The recoverability of the Company's carrying values of these operating and development properties may be affected by a number of factors including, but not limited to, metal prices, foreign exchange rates, capital cost estimates, mining, processing and other operating costs, metallurgical characteristics of ore, mine design and timing of production. In the event of a prolonged period of depressed prices, the Company may be required to take a material impairment, writing down the carrying value of certain of its operating and/or development properties.

The Company does not have unlimited financial resources and there is a risk that sufficient additional funding will not be available to the Company on acceptable terms, or at all, for further exploration or development of its properties or to fulfill its obligations under any applicable agreements, including its obligations related to its credit facilities.

The Company does not have unlimited financial resources and there is a risk that sufficient additional funding or financing will not be available to the Company or its direct and indirect subsidiaries on acceptable terms, or at all, for further exploration or development of its properties or to fulfill its obligations under any applicable agreements. The Company is a multinational company and relies on financial institutions worldwide to fund its corporate and project needs. Instability of large financial institutions may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. Disruptions in the capital and credit markets as a result of uncertainty, geo-political events, changing or increased regulation of financial institutions, reduced alternatives or failures of significant financial institutions could adversely affect the Company's access to the liquidity needed for the business in the longer term. Failure to obtain such additional funding could result in the delay or indefinite postponement of the exploration and development of the Company's properties.

The Company may incur substantial debt from time to time to finance working capital, capital expenditures, investments or acquisitions or for other purposes. If the Company does so, the risks related to the Company's indebtedness could intensify, including: (i) increased difficulty in satisfying existing debt obligations; (ii) limitations on the ability to obtain additional financing, or imposed requirements to make non-strategic divestitures; (iii) imposed hedging requirements, (iv) imposed restrictions on the Company's cash flows, for debt repayment; (v) increased vulnerability to general adverse economic and industry conditions; (vi) interest rate risk exposure as borrowings may be at variable rates of interest; (vii) decreased flexibility in planning for and reacting to changes in the industry in which it competes; (viii) reduced competitiveness as compared to less leveraged competitors; and (ix) increased cost of borrowing.

In addition, the Company's existing credit facilities and other agreements may contain restrictive covenants that limit the Company's ability to engage in activities that may be in the Company's long-term best interest. The Company's failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of repayment of the Company's debt. The Company's ability to make scheduled payments on or refinance its debt obligations, depends on the Company's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to various external and other risks.

Fluctuation in foreign currencies may adversely affect the Company's financial position and operating results.

The Company's revenue from operations is received in US dollars while a significant portion of its operating expenses are incurred in CLP, EUR, SEK, and other currencies. Accordingly, foreign currency fluctuations may adversely affect the Company's financial position and operating results.

Changes in interest rates may adversely affect the Company's financial position.

The Company holds various financial assets, the value of which may be impacted by changes in interest rates. Interest rates may also affect the Company's credit arrangements over time. The Company does not currently hedge interest rate exposure.

The Company may encounter adverse tax regimes and adverse tax rulings.

The Company's operations are subject to local tax regimes which may be complex and subject to changes. Future adverse effects on the Company's financial performance may result from changes in tax regulations. Any change in taxation law or review and assessment thereof could result in higher taxes being payable by the Company. The Company may also be the object of a tax audit by regulators, and such audit may result in an adverse tax ruling. Repatriation of earnings to Canada from other countries may be constrained or subject to withholding taxes. The Company has no control over changes in tax laws or regulations and withholding tax rates.

The Company is subject to credit risks relating to trade receivables. The Company's access to funds under credit arrangements depend on the financial condition of its lenders.

The Company is subject to credit risk associated with trade receivables. The Company's access to funds under its credit facilities or other debt arrangements is dependent on the ability of the financial institutions that are counterparties to the facilities to meet their funding commitments. Those financial institutions may not be able to meet their funding requirements. Default by financial institutions could require the Company to take measures to conserve cash until the markets stabilize or until alternative credit or other funding arrangements for the Company's business needs can be obtained.

The Company maintains relationships with various banking partners for its operating activities in the jurisdictions in which the Company operates. One or more partners may experience a deteriorating financial condition ultimately resulting in their failure or default.

OPERATIONAL RISKS

The Company's operations present inherent significant health and safety hazards associated with exploration and mining activities.

Exploration and mining activities represent inherent safety hazards. These hazards may give rise to a number of significant adverse events including, but are not limited to, surface or underground fires, rock falls underground, blasting accidents, vehicle accidents, contact with power sources, and exposure to infectious disease. Employees involved in exploration activities in remote areas may also be exposed to attacks by individuals or animals or violent opposition by local communities that may place the employees at risk of harm. Any incident resulting in serious injury or death could result in litigation and/or regulatory action (including, but not limited to suspension of operations and/or fines and penalties), or otherwise adversely affect the Company's ability to meet its objectives.

The Company is subject to extensive environmental regulation in respect of all aspects of its operations and non-compliance with environmental regulation may adversely affect the Company's ability to operate.

All phases of mining and exploration operations are subject to extensive environmental regulation. These regulations mandate, among other things, the preparation of environmental assessments before commencing certain operations, the maintenance of air and water quality standards, and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. The transportation of the Company's concentrates may also be affected by environmental amendments to international maritime laws that may impose restrictions on products shipped by vessel. Some laws and regulations may impose penalties for environmental contamination, which could subject the Company to liability for the conduct of others or for its own actions that were in compliance with all applicable laws at the time such actions were taken. Environmental legislation is evolving in a manner that will result in stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and MCPs, and a heightened degree of responsibility for companies and their officers, directors and employees. Any future changes in environmental regulation could adversely affect the Company's ability to conduct its operations.

In addition, environmental conditions may exist on the Company's properties that are unknown and/or have been caused by previous or existing owners or operators of such properties, but the remediation of which may be the Company's responsibility. Some of the Company's properties may also have been used for mining and related operations for many years before they were acquired and were acquired as is or with assumed legacy environmental liabilities from previous owners or operators. The Company may need to address contamination at its properties in the future, either for existing environmental conditions or for leaks or discharges that may arise from ongoing operations or other contingencies. Contamination from hazardous substances at properties for which the Company is responsible, may subject it to material liability for the investigation or remediation of contamination, as well as for claims seeking to recover for related property damage, personal injury or damage to natural resources.

Limitations on or impairment of infrastructure necessary to the Company's operations could adversely affect the activities and profitability of the Company.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges and power and water supplies are important determinants which affect capital and operating costs. Extreme weather damage, sabotage or government or other interference in the maintenance or provision of such infrastructure could adversely affect the activities and profitability of the Company.

The Company's business operations are subject to risks and hazards inherent in the mining industry.

The Company's business operations are subject to risks and hazards inherent in the mining industry, including, but not limited to, unanticipated variations in grade and other geological problems, surface and ground water conditions, underground conditions, metallurgical, ore hardness and other processing problems, critical equipment or process failure, the lack of availability of input materials and equipment, disruption to water or power supply, ground subsidence, the occurrence of rock wall or ramp collapses, accidents, labour force disruptions, supply chain/logistics disruptions, force majeure factors, unanticipated transportation costs, and weather conditions, any of which can materially and adversely affect, among other things, the safety of personnel, the development of properties, production quantities and rates, costs and expenditures, production commencement dates, contractual obligations and financial covenants.

The Company's processing facilities are dependent upon continuous mine feed to remain in operation. Significant disruption in either mine feed or processing throughput, whether due to equipment failures, adverse weather conditions, supply interruptions, labour force disruptions or other causes, may have an immediate adverse effect on results of operations of the Company.

The Company may be unable to attract and retain the skilled employees it requires.

Attracting, motivating, and retaining highly skilled employees is essential to the success of the Company. There is a risk, however, that the Company will not successfully retain current key personnel or attract additional qualified personnel to manage the Company's current or future needs. The loss of services of one or more key personnel or the failure to attract and retain new key personnel could have an adverse effect on the Company's ability to manage and expand its business.

A labour disruption could adversely affect the Company's mining operations.

A prolonged labour disruption by employees or suppliers at any of the Company's mining operations or distribution channels could have an adverse effect on the Company's ability to achieve its objectives with respect to such properties and its operations as a whole.

An increase in energy prices and/or the availability of energy, water and key operating supplies and services would negatively impact the Company's operations.

The Company's mining operations and facilities are intensive users of electricity and carbon based fuels. Energy prices can be affected by numerous factors beyond the Company's control, including global and regional supply and demand, weather patterns, political and economic conditions and applicable regulatory regimes. The availability of energy and water may be negatively impacted due to a variety of reasons including, fluctuations in climate, severe weather conditions, inadequate infrastructure capacity, equipment failure or the ability to extend supply contracts on economical terms. A catastrophic failure of Candelaria's desalination plant would materially impair water supply to the operation which, until corrected, would result in partial or total suspension of the operations. The prices and various sources of energy the Company relies on may be negatively impacted and any such change could have an adverse effect on profitability.

Key operating supplies such as explosives, reagents, tires and spare parts are necessary for the ongoing operations of the Company's mines and mills. If these supplies become unavailable or their costs increase significantly, the profitability of the Company's operations would be negatively impacted.

Concentrate treatment and transportation costs are a significant component of costs. Increases in treatment costs, rates, or lack of available ocean vessels or rail cars may have an adverse impact on results of operations, cash flows and financial position.

The Company's exploration activities involve significant risks.

Exploration of mineral properties involves significant risk. Very few properties that are explored are later developed into operating mines. Whether a mineral deposit will be commercially viable depends on a number of factors, including: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal recoverability; metal prices, which are highly cyclical; and government regulation, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environment protection. In addition, political instability and/or community opposition to mining activities in certain jurisdictions may restrict the Company's ability to explore. The Company cannot provide assurance that its exploration efforts will result in any new commercial mining operations or yield new Mineral Resource and Mineral Reserve estimates.

The Company's reported Mineral Resources and Mineral Reserves are only estimates and there is a risk that these mineral estimates will be incorrect or that the minerals will not be recovered.

The Company's reported Mineral Resources and Mineral Reserves are only estimates. There is a risk that the estimated Mineral Resources and Mineral Reserves will not be recovered or that they will not be recovered at the rates estimated. Mineral Resource and Mineral Reserve estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral Resource and Mineral Reserve estimates may require revision based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs, reduced recovery rates or deteriorating ground conditions may render certain Mineral Reserve estimates uneconomic and may ultimately result in a restatement of estimated Mineral Resources and/or Mineral Reserves. Short-term operating factors relating to the estimated Mineral Resources and Mineral Reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades or types, may adversely affect the Company's profitability. Resequencing of mining activities may ultimately impair the LOM.

Severe natural phenomena may result in catastrophic losses to the Company.

Certain Company operations are located in regions considered to be at high risk of severe natural phenomena such as earthquakes, windstorms, and severe precipitation. There is a risk that a significant natural event may result in catastrophic losses having an adverse affect on the Company, including, but not limited to its personnel and assets.

Severe drought conditions impacting the regions in which the Company operates may affect its access to adequate water to sustain operations in the normal course, may result in conflict with local communities, or may materially increase operating costs.

Allegations of fraud, corruption and/or unethical practices may affect the Company's ability to carry on business.

The Company, its customers, suppliers or employees may be the subject of allegations by third parties of fraud and corruption in connection with its business activities. Such allegations may result in material reputational damage to the Company, may prompt investigations by regulators or result in litigation, may impact its standing with stakeholders and ultimately adversely impact the Company, including, but not limited to its share price. The Company may also be subject to allegations of discriminatory practices, harassment, unethical behavior or breach of human rights.

The Company may be subject to trespass or security breaches at its operations.

There is a risk that unauthorized access onto an exploration or mining concession will occur. Such illegal ingress may result in injury to personnel or third parties and/or damage to property, as well as illegal mining and theft.

A breach of the Company’s information or operational technology systems may result in the disruption of business activities, loss of confidential or proprietary data, failure of internal controls over financial reporting, failure to meet obligations and reputational damage and may result in legal and regulatory action.

The Company and its operations rely heavily on various operating and financial systems and data. A breach of the Company’s information or operational technology systems may result in disruption of business activities, loss of confidential or proprietary data, failure of internal controls over financial reporting, failure to meet obligations and reputational damage. Such a breach may also expose the Company to legal and regulatory action. There is a risk that the Company will suffer a business disruption or loss or corruption of proprietary data, whether inadvertent or otherwise.

Mine closure activities are expensive and estimates related to remediation costs may prove to be inaccurate.

Closure activities typically include ground stabilization, infrastructure demolition and removal, topsoil replacement, regrading and revegetation. Mine closure may have significant impacts on local communities and site remediation activities may not be supported by local stakeholders. In addition to immediate closure activities, closed mining operations may require long-term surveillance and monitoring.

Future remediation costs for inactive mines are estimated at the end of each financial reporting period, including ongoing care, maintenance and monitoring costs. Actual costs realized in satisfaction of mine closure obligations may vary materially from management’s estimates. From time to time, regulatory approval for amendments to MCPs and associated permits may be sought, and these could have a significant impact on mine closure costs.

Changes in environmental laws, regulations and standards can create uncertainty with regards to future reclamation costs and affect the funding requirements. There is a risk that the reclamation funds set aside will not be sufficient to meet the needs of actual reclamation work in the future.

The Company may experience issues related to waste management at its mines.

The mining and milling processes generate waste rock and tailings and the disposal of these materials is regulated. Waste rock dumps and tailings impoundments may be subject to ground movements or deteriorating ground conditions, or extraordinary weather events that may result in structure instability, or impoundment overflow, requiring that deposition activities be suspended. The TSF infrastructure, including pipelines, pumps, liners, etc. may fail or rupture. The occurrence of such an event may result in environmental release, extended business interruption, damage or harm to third parties, regulatory fines and penalties, revocation or suspension of permits or licenses, material impact to cash flows, balance sheet, share price and reputational damage.

Title in respect of the Company’s properties is not guaranteed.

Title in respect of the Company’s properties is not guaranteed. Other parties may dispute the title to a property or the property may be subject to prior unregistered agreements and transfers or land claims by aboriginal, native, or indigenous peoples. Title to the Company’s properties may be affected by undetected encumbrances or defects or governmental actions. The Company has not conducted surveys of all of its properties and the precise area and location of claims or the properties may be challenged. Title insurance is generally not available for mineral properties. Failure to have obtained satisfactory title may adversely affect production from estimated mineral reserves and mineral resources.

RISKS RELATED TO AN INVESTMENT IN THE SHARES

An investment in the Shares is associated with a high degree of risk, and the price of the Shares may not develop favourably.

A prospective investor should be aware that an investment in the Shares is associated with a high degree of risk, and that the price of the Shares may not develop favourably. The share prices of publicly-traded companies can be highly volatile. The price at which the Shares may be quoted and the price which investors may realize for their Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect the industry as a whole, or listed companies generally. In addition to the Company's performance, such factors may include the economic climate, market interest rates, capital flows, political uncertainties and market and behavioural psychology, as well as substantial future sale of Shares. The Company is unable to predict or exercise control over these factors. Thus, a potential investor should be aware of the risk that the trading price of the Shares can decline and that that an active market for the Shares may not be sustained.

The price of the Shares may be significantly affected by short-term changes in commodity prices or in the Company's financial condition or results of operations or the sale of a substantial number of Shares or other equity-related securities in the public markets by the Company or its significant shareholders. The market price of the Shares, at any given point in time, may not accurately reflect its long-term value.

The price of the Shares may be significantly affected by short-term changes in commodity prices or in the Company's financial condition or results of operations. Other factors unrelated to the Company's performance that may also have an effect on the price of the Shares include a lessening in trading volume and general market interest in the Company's securities and the size of its public float.

Sales of a substantial number of Shares or other equity-related securities in the public markets by the Company or its significant shareholders could depress the market price of the Shares and impair the Company's ability to raise capital through the sale of additional equity securities. The Company cannot predict the effect that future sales of Shares or other equity-related securities would have on the market price of the Shares. The price of the Shares could be affected by possible sales of the Shares by hedging or arbitrage trading activity. If the Company raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in earnings per Share.

The Company's share price may be significantly affected by factors unrelated to the Company's performance. Macro-economic, geo-political, and industry-related events, among others, may affect investor sentiment and have an impact on the price of the Company's Common Shares.

As a result of any of these factors, the market price of the Shares, at any given point in time, may not accurately reflect its long-term value. Securities class action litigation has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation.

Should active and liquid trading not be sustained, holders of Shares may experience difficulties in selling Shares, either momentarily, or completely.

It is not possible to anticipate the degree to which investors' interest in the Company will lead to active trading in its Shares or how trading in the Shares will function in the future. Should active and liquid trading not be sustained, holders of Shares may experience difficulties in selling Shares, either momentarily, or completely. If there is not a sufficient number of holders of Shares traded on Nasdaq Stockholm, the Company may not be able to comply with the listing requirements of Nasdaq Stockholm, requiring that there shall be sufficient liquidity in order to facilitate orderly trading and an efficient price formation process.

The Company may not be able to pay dividends to its shareholders or holders of Shares now or in the future.

The mining and exploration industry is capital intensive and the Company's profits may need to be accumulated and used to reinvest in the Company's operations. Hence, the Company may not be able to pay dividends to its shareholders or holders of Shares now or in the future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including operating results, financial condition, and current and anticipated cash needs.

Upon payment of dividends, if any, the Company intends to administer the payments to holders of Shares listed on Nasdaq Stockholm through Euroclear. The methodology for providing payment of dividends other than cash dividends through Euroclear has not yet been established and no agreement with Euroclear regarding administration of such dividends has been entered into. The lack of agreement with Euroclear does not deprive holders of Shares to be listed on Nasdaq Stockholm of the right to receive such dividends, but may cause delays, prevent dividends in kind and create other problems in relation to the administration of the dividend on Euroclear registered Shares.

Any depreciation of CAD in relation to SEK could reduce the value of the investment or of any dividends.

Should the Company pay dividends in respect of the Shares, such dividends will be paid in CAD. However, holders of Shares registered with Euroclear will receive dividend distributions in SEK. Any depreciation of CAD in relation to SEK could reduce the value of the investment or of any dividends. Furthermore, the holding of Shares by an investor whose principal currency is not SEK would expose the investor to additional foreign currency exchange rate risk.

Holders of Shares bear the risk of any future offerings reducing the market price of the Shares and diluting their shareholdings in the Company.

The Company may require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Company raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Company's shareholders. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities.

Thus, holders of Shares bear the risk of any future offerings reducing the market price of the Shares and diluting their shareholdings in the Company.

BACKGROUND AND REASONS FOR LISTING OF SHARES

Background and Reasons

This Prospectus has been prepared in conjunction with the application for admission to trading on Nasdaq Stockholm of up to 726,758,397 Shares (the "**Listing**").

The Shares are issued under Canadian law in CAD. The Shares trade in Canada on the TSX under the ticker symbol "LUN" (ISIN code CA5503721063) and are traded on the TSX in CAD.

By way of a custodian arrangement between the Company and Pareto Securities AB ("**Pareto**"), the Shares are also traded on Nasdaq Stockholm in the form of Swedish Depository Receipts ("**SDRs**") issued by Pareto. Pursuant to this arrangement, Shares may be deposited with Pareto who issues one SDR for each Share deposited.

The SDRs trade on Nasdaq Stockholm under the ticker symbol "LUMI" (ISIN code SE0001134529).

For the purpose of improving the availability of the Shares to both current and prospective investors and to reduce administrative costs, the Company has resolved to terminate the arrangement pursuant to which Shares must be represented by SDRs to be traded on Nasdaq Stockholm, and has applied to list the Shares directly on Nasdaq Stockholm, thus achieving a dual listing of the Shares on TSX and on Nasdaq Stockholm.

On April 26, 2017 the Company announced its intention to terminate the arrangement pursuant to which the Shares are traded on Nasdaq Stockholm via SDRs, and instead have the Shares directly listed on Nasdaq Stockholm. In accordance therewith, the Company instructed Pareto to terminate the custodian agreement of the Shares.

On May 2, 2017 a notice of termination of the "General Terms and Conditions for Swedish Depository Receipts in Lundin Mining Corporation" was published in Svenska Dagbladet with the information that the record date for the conversion of the SDRs in the Swedish VPC register shall be June 9, 2017 (the "**Record Date**").

Pareto will, in accordance with the VPC plan for conversion of securities, deliver the underlying Shares to the holders of SDRs entitled to receive Shares. Entitled holders do not need to take any action as all SDRs will be converted to Shares automatically. The conversion will have the same meaning as deregistration according to section 18.4 of the aforementioned terms.

The estimated last day of trading of the SDRs is June 7, 2017 unless the SDRs are delisted by a decision of Nasdaq Stockholm before such date.

The estimated first day of trading of Shares on Nasdaq Stockholm is June 8, 2017 for those who have their holdings nominee registered and are entitled to trade with Shares not yet received in accordance with each nominee's procedures. This means that trading in the Shares on Nasdaq Stockholm may start before Shares are credited to entitled holders.

The Shares underlying the SDRs are expected to be credited on June 12, 2017, after which Euroclear Sweden AB ("**Euroclear**") will send out account statements to those who held SDRs on the Record Date and received Shares on owner registered accounts (Sw. VP-accounts). Those who have their holdings registered with a bank or other nominee will receive information in accordance with each nominee's procedures.

To execute the above, a halt for cross border transfers will be applied from and including June 5, 2017 from which date Shares cannot be deposited with Pareto and deposited Shares cannot be withdrawn. The first possible day for cross border trades in Shares is expected to be June 12, 2017 (see "Registration with Euroclear" below).

The Shares are intended to be admitted to trading on Nasdaq Stockholm under the ticker symbol “LUMI” and ISIN code CA5503721063 and be traded and settled on Nasdaq Stockholm in SEK.

This is not an offering to purchase, subscribe for or sell Shares or any other securities.

Registration with Euroclear

Only Shares registered in the local central securities depositary system with Euroclear will be subject to trading on Nasdaq Stockholm following the Listing. Holders of Shares listed on the TSX are entitled to register those Shares in the depositary system at Euroclear in order to trade their securities on Nasdaq Stockholm and vice versa. In order to trade Shares on Nasdaq Stockholm, holders of Shares are advised to contact their nominees or their bank. No physical share certificates in the Company are or will be issued to holders through the Euroclear system. All Shares traded on Nasdaq Stockholm will be affiliated to Euroclear and will not be represented by physical share certificates.

Conditions for the Listing of the Shares

The Company’s application for the Listing has been approved by Nasdaq Stockholm, which approval is conditional upon the Company meeting Nasdaq Stockholm’s ownership distribution requirements and upon the approval and registration with the Swedish Financial Supervising Authority of this Prospectus, and the subsequent publication of the prospects in accordance with the Swedish Financial Instruments Trading Act (1991:980).

Responsibility for the Prospectus

The Board of the Company is responsible for the contents of this Prospectus. The Board hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Board of Directors of Lundin Mining Corporation.

Toronto, Ontario, Canada

May 31, 2017

INDUSTRY OVERVIEW

The section below includes information on the markets where the Company mainly operates. The information originates from the Company, unless expressly stated otherwise. The Company has obtained this information from several sources, including industry publications and market surveys from third parties as well as publicly available information. Although the industry publications state that they are based on information obtained from several different sources and using various methods that may be deemed reliable, the information may not be correct and complete. Industry forecasts are by their nature subject to considerable uncertainty, and such forecasts may prove to be incorrect.

Information from third parties has been correctly reproduced and, as far as the Board is aware and is able to warrant through comparisons with other information published by the third party concerned, no information has been omitted in a way that would make the reproduced information incorrect or misleading.

Exploration, Mining and Production

The Company is active in the minerals and mining industry, where it operates and develops mines, and conducts exploration primarily of base metals. Global minerals and mining investments are highly cyclical and fluctuate over time, with the main driver being metal prices. In addition, minerals and mining investments typically fluctuate with the availability of financing opportunities.

Production starts with the extraction of metal-bearing ores. This typically occurs through either surface or underground mining. After the ore has been mined, it is crushed and ground, followed by a concentration process producing either a refined product or, often, a metal concentrate. The metal concentrate obtained contains a certain amount of metal often mixed with various by-products.

Traditionally, the concentrate is shipped to a smelting and refining facility where the metal is transformed through roasting and smelting or roasting and leaching into an intermediary product. This intermediary product is further processed to refined metal. The metal is then shipped to fabricators.

The Global Metal Market

Upon completion of mining and concentrating base metal ores companies often sell their bulk concentrates privately to smelters. The market for bulk non-ferrous concentrates can be characterised as discrete and private. Sale terms for these products are typically set once a year through private negotiations between the respective parties.

The downstream market is the refined spot market. Producers sell their present or future production to clients, who transform the metal into various products for end use, as described in the following sections for each metal.

One of the most important factors in trading base metals is the settlement price, which is either spot or future. The commodity exchange provides transparency and facilitates the process of settling prices. The London Metal Exchange, the Commodity Exchange Division of the New York Mercantile Exchange and the Shanghai Futures Exchange are major global base metals exchanges. On these exchanges, base metal contracts are settled by bid and offer, which reflect the market's perception of supply and demand on a given day. Exchanges also provide for the trading of futures and options contracts, allowing producers and consumers to fix a price in the future and thus hedge against price fluctuations.

Introduction to Copper, Zinc, Nickel and Lead

Copper

Copper is the most efficient non-precious metal for conducting electricity. As such, copper is used extensively for electricity transmission in power cables across all voltage applications. Aluminium is typically the closest substitute for copper. However, copper's exceptional strength, ductility and resistance to corrosion make it the preferred and safest conductor for wiring. In addition to electrical applications, copper is used in electronics and communications, construction and building materials, transportation, industrial machinery and equipment, as well as in general consumer products. When alloyed with other metals, such as zinc, aluminium, tin or nickel, copper produces new materials, for example brass and bronze. These in turn acquire new characteristics and can be used for highly specialised applications.

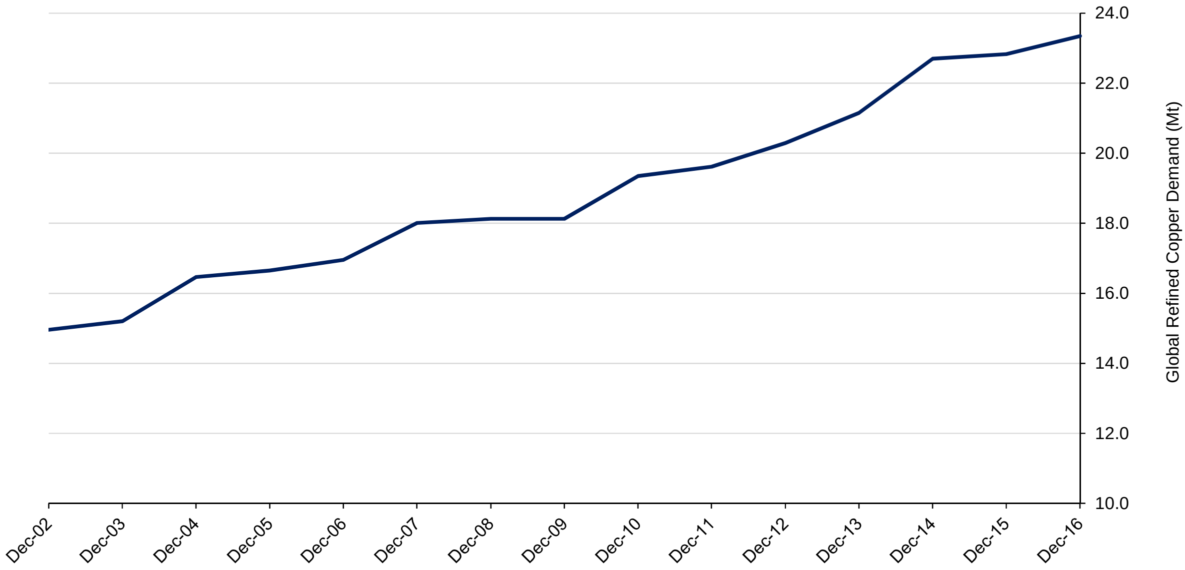
The price of copper increased significantly between 2003 and 2006 as shown in the figure below. During 2005-2006, the price increased from USD 1.48/lb to USD 3.95/b. The surge in price was largely due to import demand from China to feed its construction industry and due to a tight scrap metal market, coupled with a slow response from mining operations to increase copper output.[1] In the years leading up to the price increase in 2005-2006, little incentive was given to long lead, scalable and capital intensive copper projects.

Weekly Development of Refined Copper Price (01/2002-03/2017)[2]

Demand for copper is driven largely by the construction and electrical and electronic products industries, with increasing demand from the industrial equipment and consumer product sectors. In 1993, China accounted for 9% of global refined copper demand and by 2016 its share of global demand increased to 48%.[3] In recent years China has aggressively expanded its smelting and refining capacity, but this has not been matched with expansion in mine production capacity. As a result, Chinese copper demand relies heavily on the international market for raw materials.

1 The International Copper Study Group
2 Bloomberg (LME prices)
3 WoodMackenzie's Global Copper Short-Term Outlook March 2017

Global Annual Demand for Refined Copper (2002-2016)[4]

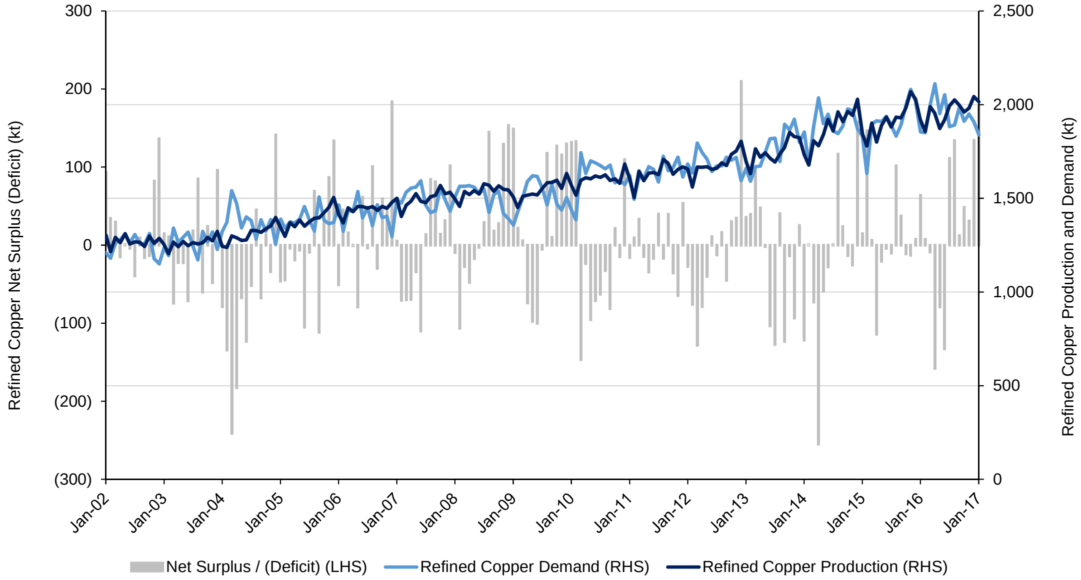


In the last 10 years, global mine production output has increased at a compound annual growth rate of 2.9% per annum. The five nations that have largely contributed to this growth (ranked by the largest cumulative contribution over the period) are Peru, DRC, China, Mexico and Zambia. In 2016, global mine production of copper increased by 5.2% (1.0Mt) to 20.2Mt, the largest annual growth since 2013, which had an 8.4% increase.[5]

The refined copper market was characterised by ample supply and elevated global inventory levels in 2016 as seen in the figure below, in part, as long project development lead times resulted in additional supply entering the market at a time when demand growth for copper was slower.[6] Late 2016 appears to have been a turning point for copper prices as sentiment reflected the collective expectation of greater Chinese demand, supply-side disruptions occurred, commodity exchanges experienced inventory withdrawals, and potential US infrastructure policy stimulus provided further support.[6]

4 Bloomberg, sum of country data
5 WoodMackenzie's Global Copper Long-Term Outlook Q1 2017 Data
6 WoodMackenzie's Global Copper Long-Term Outlook Q4 2016

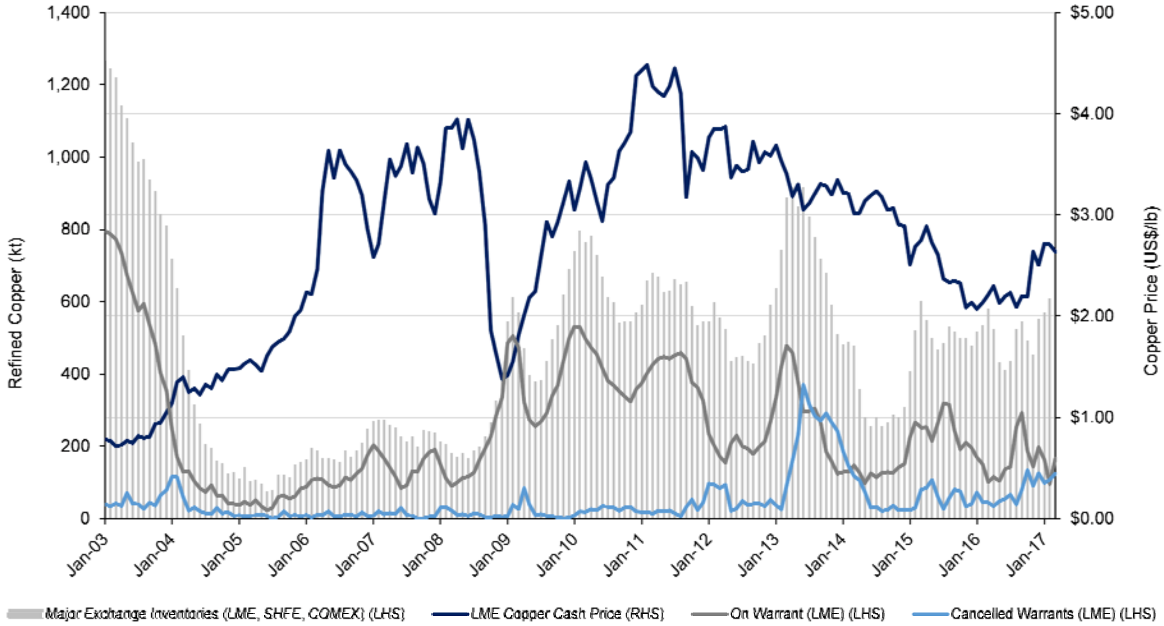
Supply of Refined Copper (01/2002-01/2017)[7]



Over the next few years, copper production growth is expected to slow and demand continue to expand although at a more modestly pace than experienced in the most recent decade. The long lead times of project development required to bring new capacity into production suggests that there could be a period of consistent supply deficits and stronger prices before there will be sufficient confidence to encourage producers to reactivate shuttered mines, undertake incremental expansions, and develop greenfield projects.[6]

7 Bloomberg, sum of country data

Inventories of Refined Copper (01/2003-03/2017)[8]



Zinc

One of the more prominent features of zinc is its ability to improve the quality of other metals. Because of this, about half of the global zinc usage is for galvanizing steel in order to improve its corrosion resistance. Zinc is also used in the manufacturing of automobiles, buildings, medicines and tools and is used as an alloy metal for brass manufacturing. In addition, it can be found in trace amounts in food products.

A rapid increase in Chinese demand pushed the price of refined zinc to USD 4,515/tonne (USD 2.05/lb) in late 2006, from the 2002 low of USD 743/tonne (USD 0.34/lb), as seen in the figure below. During this period, the lead times required for additional production limited concentrate and consequently refined metal production, which could not satisfy demand. Refined metal inventories were drawn down to low levels before supply responded with increased production from both western world mines and Chinese domestic operations. Following the global financial crisis, the price of refined zinc was relatively stable for several years (2010-2014) as shown in the figure below. During this period, the zinc market was suitably supplied by a number of key mines, but also through by-products from base metal mines. However, in the last 12-18 months there has been a notable increase in the metal price as previous closure and shutdown of a number of large stable mining operations have contributed to a concentrate shortage, and as visible inventories of refined metal have been drawn down.

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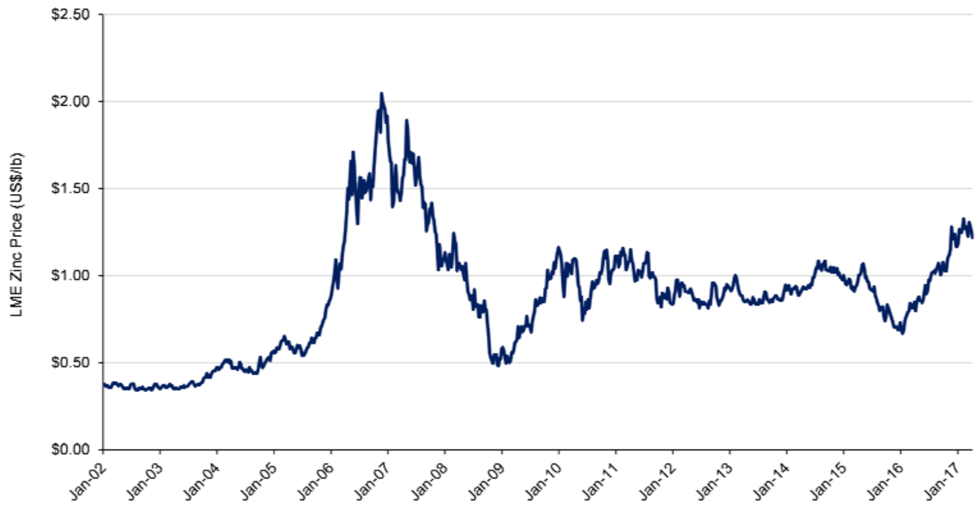
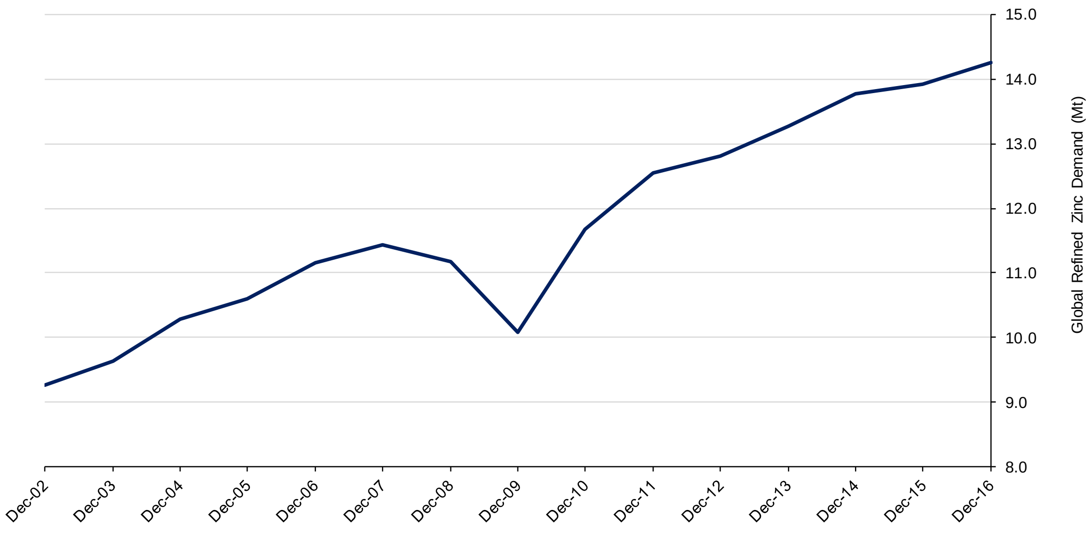
8 Bloomberg

Weekly Development of Refined Zinc Price (01/2002-03/2017)[9]



Zinc is a mid-economic cycle commodity. Galvanised steel is the primary demand driver for refined zinc metal. China plays a significant role in the global demand, with its galvanised steel production leading to a strong demand of imported zinc.

Global Annual Demand for Refined Zinc (2002-2016)[10]

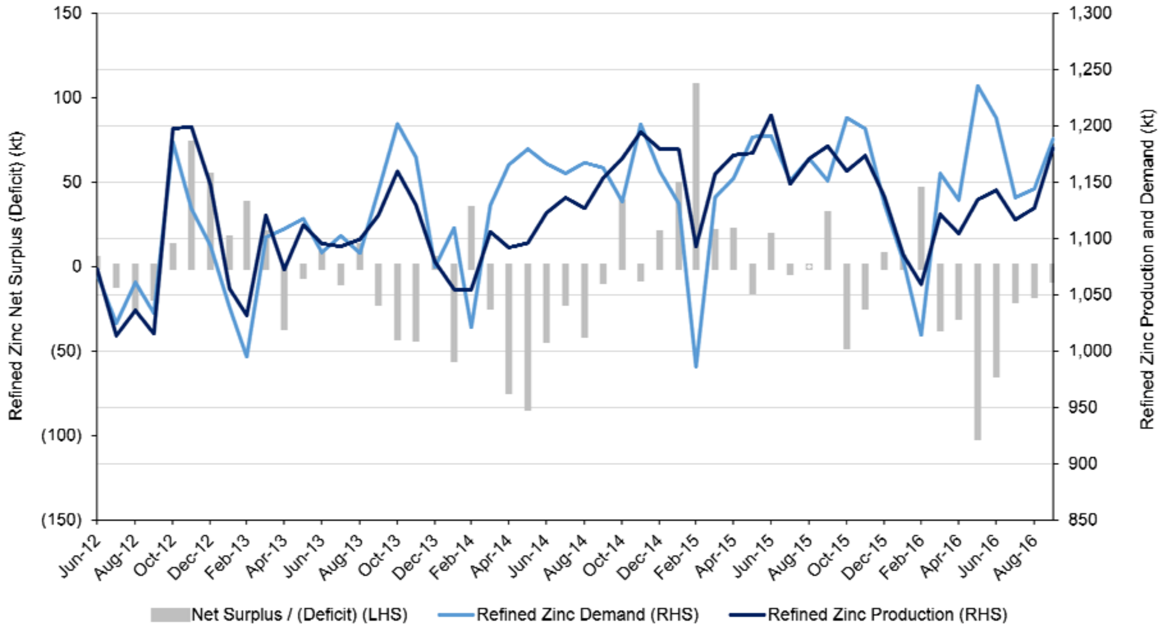


End-of-life mine closures and voluntary production cuts in 2015 and 2016 caused a rapid draw down of global inventories of zinc concentrate during 2016. Low concentrate inventory levels are forecast to

9 Bloomberg (LME Prices)
10 WoodMackenzie's Global Zinc Long-Term Outlook Q1 2017 Data

persist for the next three years and expected to constrain the ability of smelters to respond to higher zinc prices. [11] Constraints on refined production and demand growth are forecast to result in the drawdown of global inventories of refined zinc to critically low levels.[11] With supply constraints and long lead times required for additional production limiting concentrate and consequently refined metal production, refined metal inventories are forecast to remain at low levels through the end of decade and provide fundamental support for higher prices.[11]

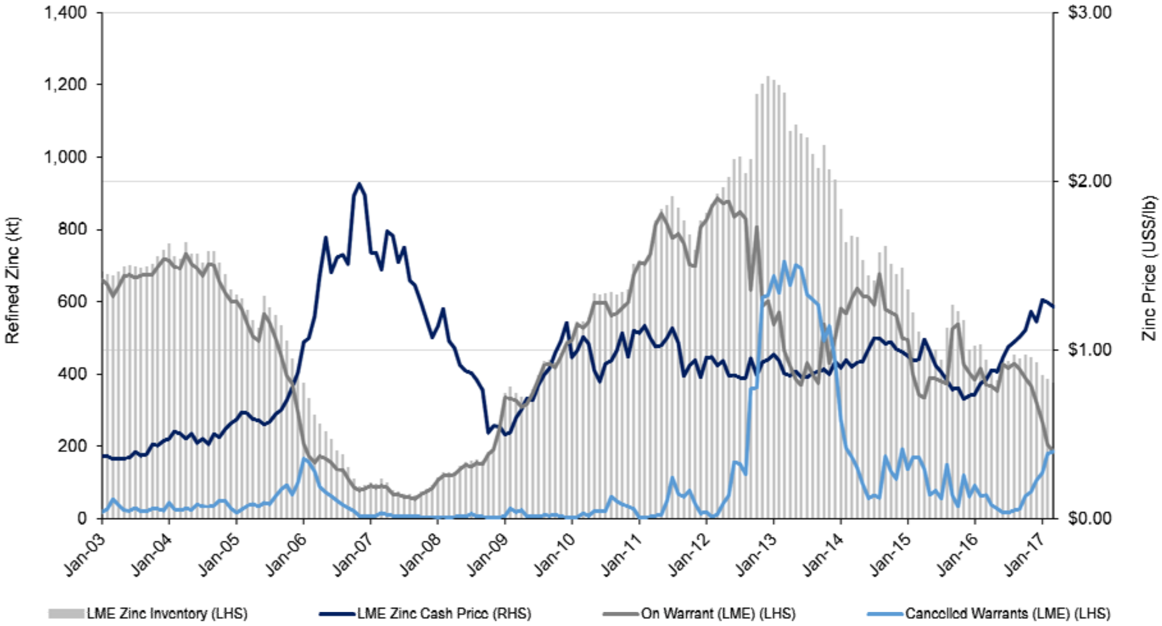
Supply of Refined Zinc (06/2012-09/2016)[12]



In general, there are a small number of mines that mine zinc as their primary metal output. The number of zinc mines that have closed, with the lack of new greenfield projects in development, will likely require near to mid-term supply to be fulfilled from production of the expansion of current zinc brownfield operations increasing capacity.

11 WoodMackenzie's Global Zinc Long-Term Outlook Q4 2016
12 Bloomberg, sum of country data

Inventories of Refined Zinc (01/2003-03/2017)[13]



Nickel

Nickel can be used for a variety of applications, such as mobile phones, power tools and kitchen equipment due to its corrosion resistance and high melting point. Furthermore, nickel can easily be recycled, but is often used in products with a long life. Demand for nickel, as with zinc, is closely linked to the demand for stainless steel, which is primarily driven by China.

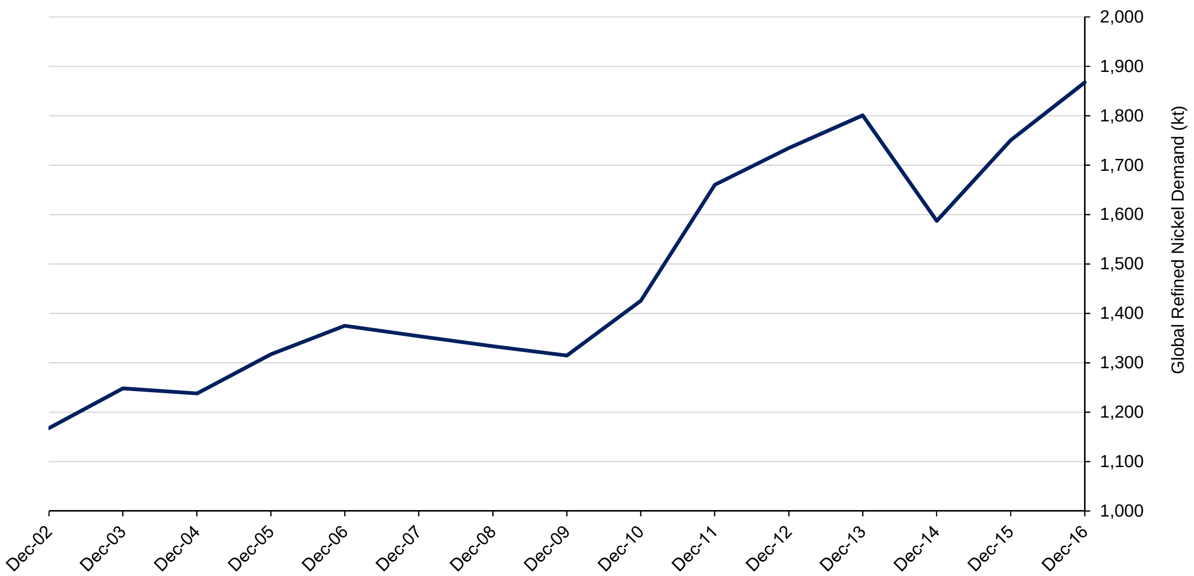
A rapid increase in Chinese demand pushed the price of refined nickel past USD 50,000/tonne (USD 22.68/lb) in 2007, from USD 10,000/tonne (USD 4.54/lb) a few years earlier, as seen in the figure below. During this period, much of the nickel supply was controlled by western mining companies. This led Chinese smelters to develop a cheaper, lower grade substitute product known as nickel pig iron. Nickel pig iron unlocked the potential to more efficiently process nickel laterite ore, previously an uneconomic source of nickel. Nickel pig iron contains both nickel (approximately 5-15%) and iron, both ingredients for producing stainless steel, which is the primary use of metal in China.

13 Bloomberg

Weekly Development of Refined Nickel Price (01/2002-03/2017)[14]

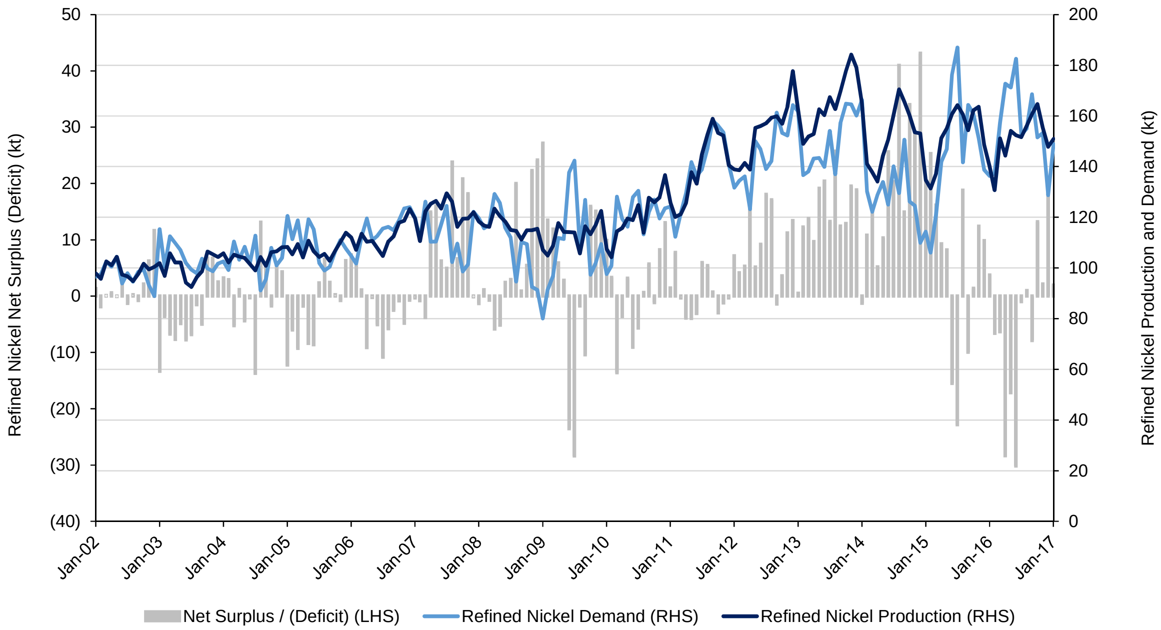
Demand for nickel, as with zinc, is closely linked to the demand for steel, which is primarily driven by China.

Global Annual Demand for Refined Nickel (2002-2016)[15]



14 Bloomberg (LME prices)
15 Bloomberg, sum of country data

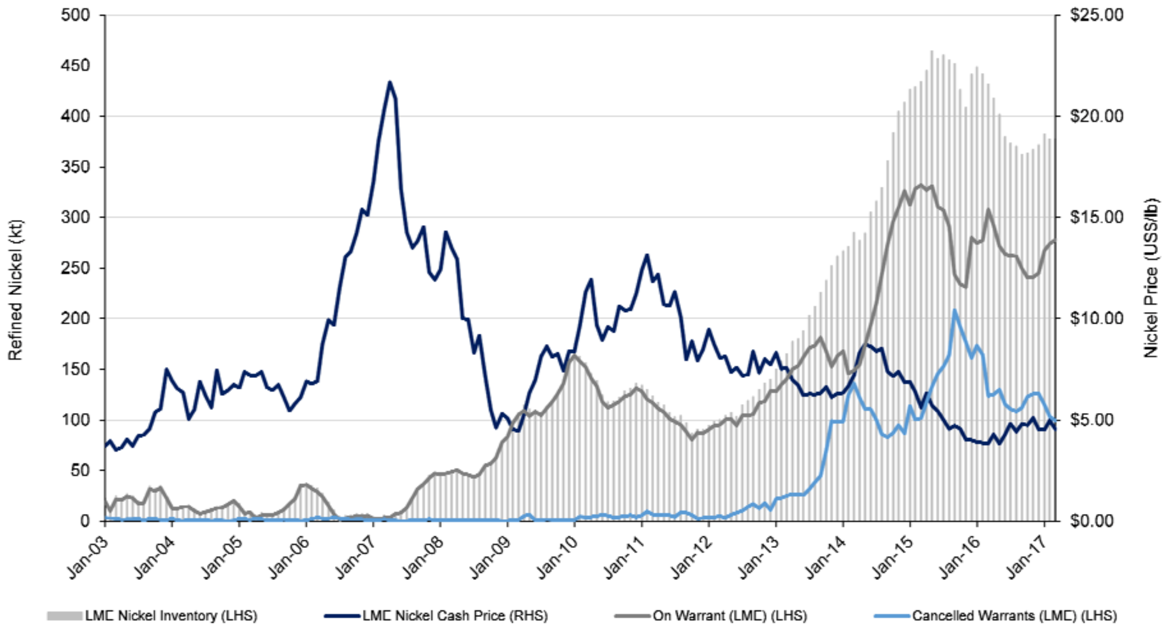
Supply of Refined Nickel (01/2002-01/2017)[16]



Global inventory levels of nickel remained elevated relative to historic levels in 2016. Supply curtailments have been slower to materialize than collective expectations despite negative operating margins experienced by many nickel producers. While fundamental demand activity is encouraging, forecasting supply and when inventory levels may be drawdown to historic levels remains challenging. Announced and expected mine closures in the Philippines as a result of environmental audits is expected to reduce supply, however ramp-up of nickel pig iron operations and the announced easing of the ban on ore exports from Indonesia is expected to temper the supply-side rebalancing.

16 Bloomberg, sum of country data

Inventories of Refined Nickel (01/2003-03/2017)[17]



Lead

In general, lead can be used in infrastructure construction, batteries, bullets and weights. Lead is often a by-product from copper, zinc and silver operations and sometimes considered as a waste material. Supply dynamics are closely correlated to zinc, as lead conforms to mineralized bodies that often contain zinc as the primary metal. A significant portion of the supply comes from the recycled market. In terms of demand dynamics, lead is a very stable metal with a major part of the demand coming from the battery industry. Unusual events affecting demand are atypical in the lead market.

Late 2016 experienced growing evidence of tightening in the lead concentrate market following mine closures and curtailments in 2015 and 2016, and resulted in concentrate inventory being drawn down to low levels.[18] This has helped strengthen the lead price. Chinese environmental compliance inspections and plant closures are expected to continue to restrict output from mines, smelters and battery manufacturers.[18] As lead is overwhelmingly produced as a by-product of poly-metallic mines, mined lead supply response depends significantly on the economies of zinc and other by-product metals such as silver.

17 Bloomberg
18 WoodMackenzie's Global Lead Long-Term Outlook Q4 2016

Trends & Drivers

The trends and drivers of the metals mentioned above are inherently both affected by the market as a whole and specifically by the market for each individual metal. In the Company's view, some of the major trends and drivers are:

- China is the demand driver for most, if not all, base metals. China is taking the opportunity of depressed metal prices to acquire key assets to secure its supply of key metals.
- Large scale capital allocation by major mining companies has been limited in recent years, with most of these companies divesting certain assets in order to deleverage balance sheets after a period of challenging expansions and acquisitions during the higher metal price environment.
- Low prices of some metals have dis-incentivised new development capacity.
- Environmental regulation plays a key role in greenfield projects, with many projects experiencing significant delays while companies work with local and national governments to address regulatory issues.
- Major mining companies are still experiencing development hurdles in less established mining jurisdictions and the increasing threat of resource nationalism in more established jurisdictions which has affected some of the largest copper mines in the world.

OPERATIONS OF THE COMPANY

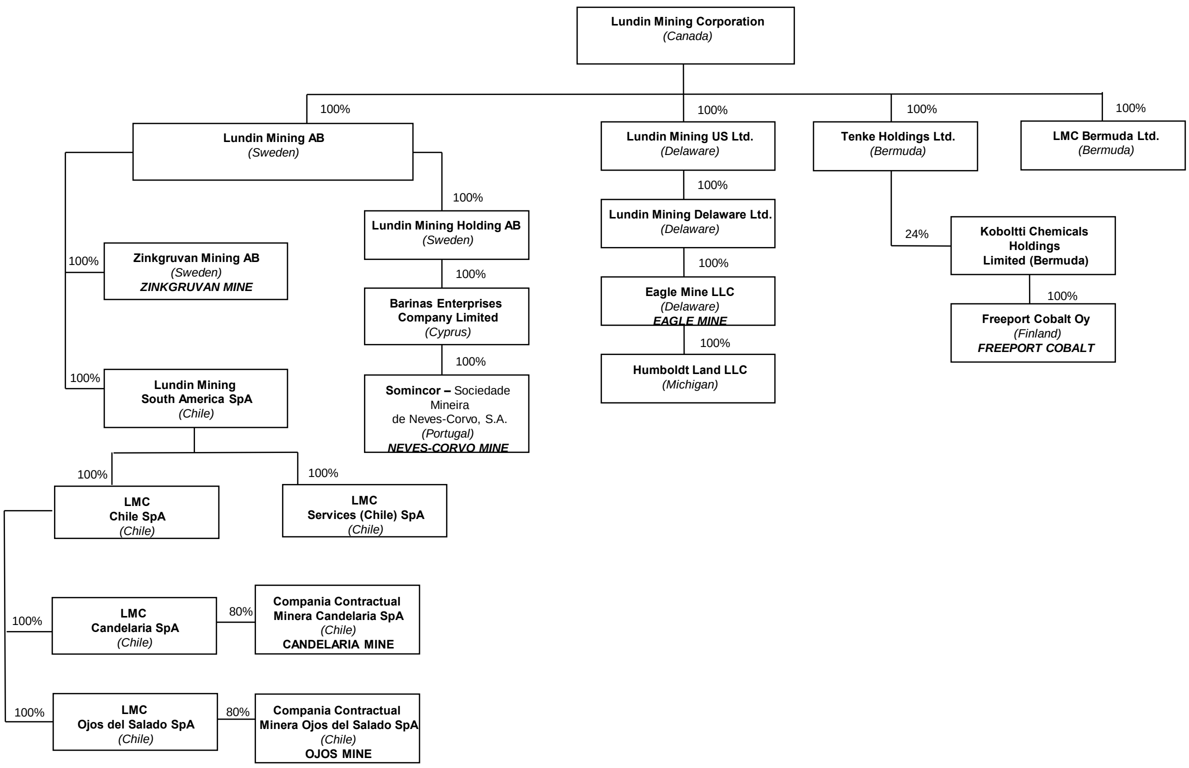
The Company is a diversified Canadian base metals mining company with operations in Chile, the US, Portugal and Sweden, primarily producing copper, nickel and zinc. In addition, the Company undertakes mineral exploration activities around our existing mines and at greenfield sites in various jurisdictions, and manages legacy mine sites Sweden and Honduras. The Company's headquarters are in Toronto, Canada, with an operations and project support office in Haywards Heath, south of London, UK.

The Company has three wholly-owned material producing mineral assets:

- the Eagle mine, an underground nickel/copper mine located in Michigan, USA;
- the Neves-Corvo mine, an underground copper and zinc mine located in Portugal; and
- the Zinkgruvan mine, an underground copper and zinc mine located in Sweden.

In addition, the Company holds and 80% interest in the Candelaria and Ojos del Salado mines and surrounding tenements in Chile's Atacama Province and an indirect 24% equity stake in the Freeport Cobalt business, which includes a cobalt refinery located in Kokkola, Finland.

A significant portion of the Company's business is carried on through its various subsidiaries. The following chart illustrates the Company's material subsidiaries, including their respective jurisdiction of incorporation and the percentage of votes attaching to all voting securities of each subsidiary that are beneficially owned, controlled or directed, directly or indirectly, by the Company as at the date of this Prospectus.



As shown in the chart, the Company holds:

- 80% of the equity interests in Candelaria and Ojos, the main assets of which are the Candelaria mine and the Ojos del Salado mine and supporting infrastructure located in the Atacama province in Chile.
- 100% of the outstanding shares of Eagle Mine LLC and Humboldt Land LLC, the main asset of which are the Eagle nickel/copper underground mine and associated Humboldt mill.
- 100% of the outstanding shares of Sociedade Mineira de Neves Corvo S.A., a Portuguese mining and exploration company, the main asset of which is the Neves-Corvo copper/zinc mine in Portugal.
- 100% of the outstanding shares of Zinkgruvan Mining AB, the main asset of which is the Zinkgruvan mine.

Production Summary

Years ended December 31,		2016	2015	2014
(Contained tonnes)		Actual	Actual	Actual
Copper	Candelaria (80%)	133,274	144,832	22,872
	Eagle	23,417	24,331	3,905
	Neves-Corvo	46,557	55,831	51,369
	Zinkgruvan	1,906	2,044	3,464
	Aguablanca	-	6,221	7,390
	Tenke (24%) (1)	51,826	48,951	48,636
	Total attributable	256,980	282,210	137,636
Nickel	Eagle	24,114	27,167	4,300
	Aguablanca	-	7,213	8,631
	Total	24,114	34,380	12,931
Zinc	Neves-Corvo	69,527	61,921	67,378
	Zinkgruvan	78,523	83,451	77,713
	Total	148,050	145,372	145,091

Sales Overview – Sales Volumes by Payable Metal

Years ended December 31,	2016	2015	2014
Contained metal in concentrate			
Copper (tonnes)			
Candelaria (100%) (2)	158,983	176,133	34,636
Eagle	21,675	22,661	2,114
Neves-Corvo	44,553	54,104	48,007
Zinkgruvan	1,757	2,065	3,427
Aguablanca	-	2,319	2,634
	226,968	257,282	90,818
Nickel (tonnes)			
Eagle	21,193	23,069	2,356
Aguablanca	-	4,399	5,233
	21,193	27,468	7,589
Zinc (tonnes)			
Neves-Corvo	56,357	51,279	54,849
Zinkgruvan	65,863	70,550	65,802
Galmoy	-	-	189
	122,220	121,829	120,840
Gold (000 oz)			
Candelaria (100%) (2)	89	95	19
	89	95	19
Lead (tonnes)			
Neves-Corvo	3,819	2,767	3,182
Zinkgruvan	30,450	32,093	30,486
Galmoy	-	-	99
	34,269	34,860	33,767
Silver (000 oz)			
Candelaria (100%) (2)	1,372	1,574	350
Eagle	86	93	6
Neves-Corvo	552	663	707
Zinkgruvan	1,861	1,936	1,798
	3,871	4,266	2,861

(1) On April 19, 2017, the Company announced the completion of the sale of its indirect interest in TF Holdings.

(2) Sales results are for the period of Lundin Mining's ownership, commencing November 3, 2014.

Sales Analysis

	Year ended December 31					
		2016		2015		2014
($ thousands)	$	%	$	%	$	%
by Mine						
Candelaria	847,684	55	908,129	53	215,192	23
Eagle	244,467	16	284,015	17	47,280	5
Neves-Corvo	281,134	18	292,107	17	373,148	39
Zinkgruvan	174,336	11	155,130	9	194,009	20
Other	(2,030)	-	62,566	4	121,685	13
	1,545,591		1,701,947		951,314	
by Metal						
Copper	1,023,250	66	1,127,084	66	518,205	54
Nickel	128,049	8	205,078	12	124,608	13
Zinc	195,644	13	150,892	9	192,525	20
Gold	94,200	6	106,498	6	22,061	2
Lead	53,914	3	49,258	3	59,696	6
Silver	33,580	2	37,623	2	19,787	2
Other	16,954	2	25,514	2	14,432	3
	1,545,591		**1,701,947**		**951,314**	

The information above has been derived from the Company's MD&A as at December 31, 2016, 2015 and 2014.

Details of the Company's Mineral Resource and Mineral Reserve estimates are shown in the table below. Mineral Resource estimates for all operations are inclusive of estimated Mineral Reserves (also referred to as Schedule A).

Mineral Resources and Reserves 2016

Mineral Reserves

	Category	000's Tonnes	Cu %	Zn %	Pb %	Au g/t	Ag g/t	Ni %	Co %	Contained Metal 000's (Ounces millions) Cu t	Zn t	Pb t	Au Oz	Ag Oz	Ni t	Co t	Lundin Interest
Copper																	
Candelaria	Proven	320,997	0.5			0.1	1.8			1,746			1.3	18			*80%*
Open Pit	Proven (Stockpile)	93,772	0.3			0.1	1.4			321			0.3	4			*80%*
	Probable	16,634	0.5			0.1	1.6			76			0.1	1			*80%*
	Total	**431,404**	**0.5**			**0.1**	**1.7**			**2,143**			**1.6**	**24**			***80%***
Candelaria	Proven	31,309	0.9			0.2	3.4			295			0.2	3			*80%*
Underground	Probable	19,821	0.8			0.2	2.1			166			0.1	1			*80%*
	Total	**51,131**	**0.9**			**0.2**	**2.9**			**461**			**0.3**	**5**			***80%***
Neves-Corvo	Proven	6,423	3.7	0.9	0.2		35			239	55	12		7			*100%*
	Probable	22,193	2.3	0.7	0.2		34			513	146	43		24			*100%*
	Total	**28,616**	**2.6**	**0.7**	**0.2**		**34**			**752**	**201**	**55**		**31**			***100%***
Zinkgruvan	Proven	3,583	2.2	0.2			29			79	7			3			*100%*
	Probable									-	-			-			*100%*
	Total	**3,583**	**2.2**	**0.2**			**29.0**			**79**	**7**			**3**			***100%***
Zinc																	
Neves-Corvo	Proven	7,425	0.3	8.5	2.1		75			26	631	155		18			*100%*
	Probable	26,664	0.4	7.2	1.8		64			100	1,927	469		55			*100%*
	Total	**34,089**	**0.4**	**7.5**	**1.8**		**66**			**125**	**2,558**	**625**		**73**			***100%***
Zinkgruvan	Proven	7,382		8.5	3.6		81				627	266		19			*100%*
	Probable	3,388		6.9	2.6		51				234	88		6			*100%*
	Total	**10,770**		**8.0**	**3.3**		**72**				**861**	**354**		**25**			***100%***
Nickel																	
Eagle	Proven	1,129	2.8			0.3		3.3	0.1	31					37	1	*100%*
	Probable	2,148	1.8			0.2		2.0	0.1	39					43	1	*100%*
	Probable Eagle East	1,544	3.0			0.4	11	3.7	0.1	46				1	57	2	*100%*
	Total	**4,821**	**2.4**			**0.3**	**3**	**2.8**	**0.1**	**116**				**164**	**137**	**4**	***100%***
Note: totals may not summate correctly due to rounding									**Lundin's share**	**3,156**	**3,628**	**1,034**	**2**	**318**	**137**	**4**	

Mineral Resources - inclusive of Mineral Reserves

	Category	000's Tonnes	Cu %	Zn %	Pb %	Au g/t	Ag g/t	Ni %	Co %	Contained Metal 000's (Ounces millions) Cu t	Zn t	Pb t	Au Oz	Ag Oz	Ni t	Co t	Lundin Interest
Copper																	
Candelaria	Measured	412,265	0.6			0.1	2			2,281			1.7	25			*80%*
Open Pit	Measured (Stockpile)	93,805	0.3			0.1	1			321			0.3	4			*80%*
	Indicated	30,787	0.5			0.1	2			146			0.1	2			*80%*
	Inferred	11,254	0.3			0.1	1			38			-	-			*80%*
Underground	Measured	84,270	1.1			0.3	3			948			0.7	9			*80%*
	Indicated	67,860	1.1			0.2	2			732			0.5	5			*80%*
	Inferred	50,336	1.0			0.2	2			503			0.4	4			*80%*
Neves-Corvo	Measured	14,732	4.2	0.9	0.3		44			625	137	38		21			*100%*
	Indicated	55,254	2.2	1.1	0.4		45			1,232	580	199		80			*100%*
	Inferred	12,758	1.7	1.2	0.4		37			222	152	45		15			*100%*
Semblana	Inferred	7,807	2.9				25			223				6			*100%*
Zinkgruvan	Measured	4,719	2.3	0.3			33			109	14			5			*100%*
	Indicated	619	2.1	0.4			36			13	2			1			*100%*
	Inferred	193	2.3	**0.3**			**25.00**			4	1			-			*100%*
Zinc																	
Neves-Corvo	Measured	15,464	0.3	7.7	1.7		67			48	1,183	266		33			*100%*
	Indicated	91,355	0.3	5.9	1.2		56			283	5,344	1,115		164			*100%*
	Inferred	11,386	0.3	4.4	1.0		52			39	499	118		19			*100%*
Zinkgruvan	Measured	7,938		10.0	4.1		91				794	325		23			*100%*
	Indicated	8,152		8.8	3.7		86				717	302		23			*100%*
	Inferred	7,862		8.3	3.6		83				653	283		21			*100%*
Nickel																	
Eagle	Measured	1,198	3.4			0.3		4.2	0.1	40					50	1	*100%*
	Indicated	2,146	2.2			0.2		2.6	0.1	47					55	1	*100%*
	Indicated Eagle East	1,293	4.2			0.5	15	5.2	0.1	54				1	67	1	*100%*
	Inferred	44	1.1			0.1		1.1	0.0	-					-	-	*100%*
	Inferred Eagle East	290	1.4			0.2	6	1.7		4				0	5	-	*100%*
Note: totals may not summate correctly due to rounding									**Lundin's share** not including Inferred Resources	**5,994**	**8,772**	**2,245**	**3**	**387**	**172**	**4**	

Notes on Mineral Reserves and Mineral Resources Table

Mineral Reserves and Mineral Resource estimates are shown on a 100% basis for each mine. The Measured and Indicated Mineral Resource estimates are inclusive of those Mineral Resource estimates modified to produce the Mineral Reserve estimates.

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.

Except as noted below, Mineral Reserves have been estimated using metal prices of US$2.75/lb copper, US$1.00/lb zinc, US$1.00/lb lead, US$8.50/lb nickel, US$1,000/oz gold and exchange rates of EUR/US$1.25, US$/SEK 7.00 and Chilean Peso/US$550.

Candelaria and Ojos

Open pit Mineral Resources are estimated within a conceptual pit shell based on metal prices of US$3.16/lb copper and US$1,000/oz gold, and estimated at a cut-off grade of 0.2% copper. Underground Mineral Resources are estimated at a cut-off grade of 0.6% copper. Mineral Reserves for the open pit and underground for the Candelaria property are estimated at cut-off grades of 0.28% and 0.64% copper, respectively. Underground Mineral Reserves for the Ojos del Salado property (Santos and Alcaparrosa mines) are estimated at cut-off grades of 0.73% and 0.66% copper, respectively. Mineral Resources and Mineral Reserves for Candelaria and Ojos del Salado were estimated by mine technical staff supervised by Qualified Persons Patricio Calderón, Superintendent Resource Estimation, and Erick Lagos, Manager Technical Services.

Neves-Corvo

Mineral Resources are estimated above cut-off grades of 1.0% for copper and 3.0% for zinc. The copper and zinc Mineral Reserves have been estimated using variable NSR values based on area and mining method. The NSR is calculated on a recovered payable basis taking in to account copper, lead, zinc and silver grades, metallurgical recoveries, prices and realization costs. The resulting equivalent site average cut-off grade, excluding LP2, for copper Mineral Reserves is 1.3% and 5.2% for the zinc Mineral Reserves. For the LP2 area, the Mineral Reserves average equivalent cut-offs are 1.6% for copper and 6.7% for zinc. Mineral Reserves and Mineral Resource estimates for Neves-Corvo were estimated by the mine's geology and mine engineering departments under the guidance of Nelson Pacheco, Chief Geologist and Fernando Cartaxo, Chief Mine Planning Engineer. Qualified Persons are Richard Ellis and Phil Newall, Wardell Armstrong International Ltd..

Semblana

Mineral Resources are estimated above a cut-off grade of 1.0% copper. The Mineral Resource estimate was prepared by Graham Greenway, Group Resource Geologist, Lundin Mining and the Qualified Person is Richard Ellis, Wardell Armstrong International Ltd..

Zinkgruvan

The zinc Mineral Resources and Mineral Reserves are estimated above a site average cut-off grade of 3.9% zinc equivalent. The copper Mineral Resources and Mineral Reserves are estimated above cut-off grades of 1.0% and 1.5% respectively. The zinc Mineral Reserves have been estimated using variable NSR values based on area and mining method. The NSR is calculated on a recovered payable basis taking in to account copper, lead, zinc and silver grades, metallurgical recoveries, prices and realization costs. The Zinkgruvan Mineral Resource and Mineral Reserve estimates are prepared by the mine's geology and mine engineering department under the guidance of Anja Hagerud, Resource Manager, employed by Zinkgruvan mine. Qualified Persons are Graham Greenway and Antonio Salvador.

Eagle

The Eagle and Eagle East Mineral Resources are estimated above a fixed NSR cut-off of US$142/t. The Eagle and Eagle East Mineral Reserves are estimated above fixed NSR cut-offs of US$142/t and US$160/t respectively. The NSR is calculated on a recovered payable basis taking into account nickel, copper, cobalt, gold and PGM grades, metallurgical recoveries, prices and realization costs. The Eagle

Mineral Resource and Mineral Reserve estimates are prepared by the mine's geology and mine engineering department under the guidance of Robert Mahin, Chief Geologist and Colin Connors, Eagle East Project Mining Lead, respectively, both of whom are employees of Eagle mine. The Eagle East Mineral Resource estimate was prepared by Graham Greenway, Group Resource Geologist. The Eagle and Eagle East Mineral Resource and the Eagle Mineral Reserve estimates were audited by Roscoe Postle Associates Inc. Qualified Persons are David Rennie, P.Eng., Associate Principal Geologist and Normand Lecuyer, P.Eng., Principal Mining Engineer, respectively, both of Roscoe Postle Associates Inc.

SIGNIFICANT OPERATIONS

*The information in this section is summarized, compiled or extracted from the results of the NI 43-101 technical reports stated below (together the "**Technical Reports**") and the most recent Mineral Resource and Mineral Reserve estimate update, included in this Prospectus in the table above (Schedule A), and is qualified in its entirety with reference to the full text of the Technical Reports. The information in this section is included, in the form and context as shown below, with the consent of the persons below, respectively. Readers should read this summary in conjunction with the Technical Reports. Other than the tables reproduced herein, the remaining figures and tables are contained in the Technical Reports.*

Candelaria and Ojos Mines – Chile

*The following information has been based on, in part, the NI 43-101 technical report entitled "Technical Report for the Candelaria Copper Mining Complex, Atacama Province, Region III, Chile" dated effective January 17, 2017 prepared for the Company by Jean-François Couture, PGeo, Glen Cole, PGeo, Benny Zhang, PEng, John Nilsson, PEng, Adrian Dance, PEng, and Cameron C. Scott, PEng (the "**Candelaria Report**"). The Candelaria Report is available under the Company's SEDAR profile at www.sedar.com.*

Project Description, Location and Access

The Candelaria Copper Mining Complex comprises two adjacent copper mining operations, Candelaria and Ojos del Salado, that produce copper concentrates from open pit and underground mines. Minera Candelaria is an open pit and underground mine providing copper ore to an on-site concentrator with a capacity of 75,000 tpd per day, and Minera Ojos del Salado comprises two underground mines: Santos and Alcaparrosa. The Santos mine provides copper ore to an on-site concentrator with a capacity of 3,800 tpd, while ore from the Alcaparrosa mine is treated at the Minera Candelaria processing plant. The Candelaria Copper Mining Complex is indirectly owned by Lundin Mining Corporation (Lundin; 80%), and Sumitomo Metal Mining Co., Ltd. and Sumitomo Corporation (collectively, "Sumitomo;" 20%).

The Candelaria Copper Mining Complex is located in Chile's Atacama Province, Region III, at an elevation of approximately 650 m above sea level, 20 km south of the city of Copiapó and 650 km north of Santiago. The properties are easily accessed using the public road system. Personnel employed at the Candelaria Copper Mining Complex come primarily from the Copiapó region. Copiapó is a modern city with all regular services and a population of approximately 160,000. Copiapó regional airport is serviced by regional flights from Santiago and other destinations on a daily basis.

The Minera Candelaria property comprises 249 mining exploitation concessions (approximately 5,855 ha) and 65 mining exploration concessions (approximately 6,580 ha). The Ojos del Salado property comprises 192 mining exploitation concessions (approximately 9,273 ha) and 38 mining exploration concessions (approximately 6,848 ha). The tenements are free of mortgages, encumbrances, prohibitions, injunctions, and litigation. The tenements containing the active and future mining activities are not affected by royalties.

History

The Candelaria sulphide deposit was discovered by Phelps Dodge in 1987. A Feasibility Study was completed in 1990, and, following approval by the Chilean government, construction started in October of 1992. Sumitomo acquired a 20% stake in the property in 1992. Production commenced in early 1995.

In 2007, property ownership changed when Freeport acquired Phelps Dodge.

During 2011, a pipeline was completed to bring water from a nearby sewage treatment facility to the Candelaria Mine. A desalination plant at the port of Caldera was built and commissioned in 2013 at a capacity of 500 litres per second.

The Santos underground mine has been in production since 1929, with processing taking place at what is now called the PAC plant. Phelps Dodge became sole owner of Minera Ojos del Salado and the Santos mine and PAC plant in 1985. The PAC plant has been expanded several times to its current capacity of 3,800 tpd. Sumitomo acquired its 20% interest in Minera Ojos del Salado in 2005.

In early 1996, production from the Alcaparrosa underground mine commenced.

In November 2014, Lundin acquired Freeport's interest in the Candelaria Copper Mining Complex.

In 2015, the Candelaria 2030 Project, including the new Los Diques tailings management facility, received environmental approval from Chilean regulators. Construction of Los Diques commenced in 2016 after the receipt of the major construction permits.

The Candelaria Copper Mining Complex has been a significant producer of copper since the mid-1990s. In the last four years, annual payable copper and gold metal in concentrates sold varied between 157 and 191 kilotonnes and 87,000 and 101,000 oz, respectively.

Geological Setting, Mineralization and Deposit Type

The Candelaria sulphide deposit is located at the boundary between the Coastal Cordillera and the Copiapó Precordillera. The Coastal Cordillera of Chañaral and Copiapó is composed of Permian to Lower Cretaceous intrusions within a basement of metasedimentary rocks of Devonian to Carboniferous age. Volcanic, volcaniclastic, and marine carbonate rocks represent intra- and back-arc sequences that were deposited during early to mid-Cretaceous period.

The Candelaria, Santos, and Alcaparrosa mines are located in the district of Punta del Cobre. The polymetallic sulphide deposits are hosted in volcanic rocks of the Punta del Cobre Formation. Polymetallic sulphide deposits in the Punta del Cobre district are located to the east of the main branches of the Atacama fault zone, a subduction-linked strike-slip fault system stretching over 1,000 km along the Chilean coast and active at least since the Jurassic period. The dominant structural elements of the Punta del Cobre area are the northeast-trending Tierra Amarilla Anticlinorium, a southeast verging fold-and-thrust system and a series of north-northwest- to northwest-trending high-angle faults.

The copper-gold sulphide mineralization found at the Candelaria Copper Mining Complex is generally referred to as IOCG mineralization. The sulphide mineralization occurs in breccias, stockwork veinlets, disseminations in andesite, and as an internal tuff unit. There are also some localized controls to mineralization in the form of faults, breccias, veins, and foliation. Candelaria has become an exploration model for Andean-type iron oxide copper gold ("**IOCG**") deposits that display close relationships to the plutonic complexes and broadly coeval fault systems. Depending on lithology and the structural setting, the polymetallic sulphide mineralization can occur as veins, hydrothermal breccias, replacement mantos, and calcic skarns. The Candelaria IOCG system lies within the thermal aureole of the Lower Cretaceous magmatic arc plutonic suite in the Candelaria-Punta del Cobre district.

Exploration

Ongoing exploration is conducted by Candelaria Copper Mining Complex with the primary purpose of supporting mining and increasing estimated Mineral Resources and Mineral Reserves available for mining. Exploration is focused on the known mantos, veins, and breccia masses in proximity to existing underground infrastructure. Historically, this strategy has proven very effective in defining new estimated Mineral Resources and Mineral Reserves available for underground mining. Much of the exploration is conducted from underground, requiring significant underground development to provide adequate drilling stations. Regional exploration is also undertaken on the large properties surrounding the mines to identify targets and define new areas with Mineral Resource estimates. All existing exploration information is being compiled into a comprehensive 3D model to allow for evaluation and prioritization of exploration efforts.

From 2010 to 2016, more than $149 million was invested in exploration primarily below the Candelaria open pit, to the north and south, and at the three underground mines (Candelaria Norte, Santos and Alcaparossa). During this period, 1,916 core boreholes (460,669 metres) were drilled requiring 11,719 metres of underground development to provide access for drilling. This exploration has resulted in a significant expansion of the Mineral Resource and Mineral Reserve estimates of the underground mines, and contributed to the extension of their LOM.

Drilling

Mineral Resources are informed from information obtained from surface and underground boreholes. From 1990 to 2016, 2,747 core and percussion boreholes have been drilled in and around the Candelaria open pit mine. In the Santos mine, approximately 676 core boreholes were drilled from 1988 to 2016. For the Alcaparrosa mine, the borehole database contains information from 1,081 core boreholes drilled from 1990 to 2016. The drilling and sampling procedures are consistent with generally recognized industry best practices. SRK Consulting (Canada) Inc. concludes that the samples are representative of the source materials and there is no evidence that the sampling process introduced a bias.

Mineral Resources are estimated based on information obtained from surface and underground drill holes. In 2016, 27 diamond drill holes have been drilled in and around the Candelaria open pit mine. In the Santos and Alcaparrosa mines, 69 and 24 diamond drill holes were drilled, respectively and 120 were drilled in Candelaria Norte. Drilling in Candelaria Sur (Susana and Damiana) during 2016 totaled 43 underground diamond drill holes. Up to 11 drill rigs were employed during the year and a total of 80,452 m were drilled. The drilling and sampling procedures used are consistent with generally recognized industry best practices.

Sampling, Analysis and Data Verification

Analytical samples informing the Minera Candelaria Mineral Resource estimates were prepared and assayed at the Candelaria Mine laboratory that is accredited to ISO 17025 for the analyses of copper, iron, zinc, and silver. Analytical samples informing the Minera Ojos del Salado Mineral Resource estimates were prepared and assayed by Intertek (formerly Vigalab). Conventional preparation and assaying procedures are used. Copper is analyzed by multi acid digestion and atomic absorption spectroscopy. Gold and silver are assayed using a fire assay procedure. Specific gravity is systematically measured on core samples.

Since 2007, all drilling assay samples have been collected by the Company’s personnel or under the direct supervision of the Company’s personnel. Samples from Minera Candelaria are processed and analyzed entirely at the mine site. Samples from Minera Ojos del Salado are shipped directly from the property to the Intertek laboratory.

Assay samples are collected by appropriately qualified staff at the laboratories. Sample security involves two aspects: maintaining the chain of custody of samples to prevent inadvertent contamination or mixing of samples and rendering active tampering as difficult as possible.

The sampling preparation, security, analytical procedures, data verification and QA/QC protocols used are consistent with generally accepted industry best practices.

Mineral Processing and Metallurgical Testing

The Candelaria Copper Mining Complex maintains regular metallurgical testing programs that are incorporated with historical testing results and mill performance into a statistical model to predict and improve the complex’s processing performance in terms of mill throughput, metal recovery to concentrate, and final concentrate grade. Metallurgical tests are executed in a number of specialized in-house and commercial facilities. Testing includes rock hardness classification, mineralogy using QEMSCAN technology and bench scale, and flotation testing that is correlated with industrial scale performance in order to predict mill throughput and metallurgical performance. A similar but less intense program is underway for the PAC plant.

New metallurgical tests were initiated in late 2016 as part of a Feasibility Study to evaluate potential throughput increases at the Candelaria mill.

Mineral Resource and Mineral Reserve Estimates

The Mineral Resources at the Candelaria Copper Mining Complex are estimated from core drilling information stored in a secure central database, and were evaluated using a geostatistical block modelling approach. Separate models were prepared for the Candelaria open pit mine and the three underground mines (Candelaria Norte, Santos, and Alcaparrosa) using slightly different methodologies and assumptions. Each underground mine was sub-divided into sectors and evaluated using separate block models. In total, 19 distinct block models were created to model the zones of sulphide mineralization of the Candelaria Copper Mining Complex, including eight new models since the acquisition by the Company.

The open pit Mineral Reserve estimate is based on a mine plan and open pit designs developed using modifying parameters including metal prices, metal recovery based on performance of the processing plant, actual operating and sustaining capital cost estimates based on the production schedule and equipment requirements. Open pit optimisations are carried out using Minesight® and Datamine software.

Underground Mineral Reserve estimates at Candelaria Norte, Alcaparrosa and Santos are based on mine plans and designs developed using modifying parameters including metal prices, metal recovery based on performance of the processing plant), actual operating and sustaining capital cost estimates based on the production schedule and equipment requirements. Stope layouts and development plans are developed in Minesight® software with CAE Mine Stope Optimizer used for stope design.

Details of the June 2016 Mineral Resource and Mineral Reserve estimate for the Candelaria Copper Mining Complex are included in Schedule A.

Mining Operations

The Candelaria open pit mine operates with an overall mining rate of approximately 228,000 tpd including 68,400 tpd of ore sent to the Candelaria processing plant. The average grade of the ore that will be mined from the open pit over the remaining LOM is estimated at 0.54% Cu, while stockpiled work-in-progress material is estimated to have an average grade of 0.34% Cu. The mine operates seven electric shovels, 46 haulage trucks, eight production drills, and a fleet of support equipment.

The open pit was designed to be mined in several phases of development. As of June 2016, five phases of development remain in the LOM plan (Phases 9 to 13). The overall strip ratio is 2.8:1 excluding stockpiles. The total in-pit waste is 950 million tonnes and the LOM of the open pit mine is 19 years.

The Candelaria Norte underground mine currently produces 7,000 tpd of ore but is planned to ramp up to 7,500 tpd by year 2020 with an estimated average grade of 0.88% Cu in the LOM. The Alcaparrosa underground mine produces 4,300 tpd of ore with an average grade of 0.85% Cu. The Santos underground mine produces 5,000 tpd of ore with an estimated average grade of 0.99% Cu estimated over the remaining LOM. The three underground mines utilize a sublevel stoping mining method for ore extraction. This method is ideal for relatively large, vertical, as well as thick deposits with favourable and stable host rock.

Processing and Recovery Operations

Minera Candelaria and Minera Ojos del Salado operate their own processing plants. The Candelaria processing plant receives ore from the open pit and Candelaria Norte and Alcaparrosa underground mines. It has a nominal capacity of 75,000 tpd. The PAC processing plant receives ore from the Santos underground mine and has a design capacity of 3,800 tpd.

The Candelaria processing plant flowsheet is conventional comprising two parallel process lines for grinding and flotation followed by common final concentrate filtration and shipping of bulk copper concentrates. Run of mine ore is trucked to a primary gyratory crusher which then feeds a semi-autogenous grinding mill – ball mill circuit with pebble extraction and crushing. The secondary ball mill cyclone overflow constitutes feed to the rougher flotation bank. Rougher concentrate is reground prior to two stage cleaning in column flotation cells. Final flotation copper concentrate with gold and silver by-product metals is thickened, filtered, and stored on site. Final flotation tails are conventionally thickened and disposed in a rockfill embankment TSF. Typical metallurgical recoveries average 94% for copper, 75% for gold and 83% for silver.

A Feasibility Study is underway to evaluate potential debottlenecking expansions of the main Candelaria processing plant to add approximately 15-20% throughout capacity. The results of this expansion study are expected to be received during 2017.

The PAC concentrator has been in operation since 1929. The PAC concentrator flowsheet comprises a conventional three stage crushing plant. The grinding circuit has three closed circuit ball mills operating in parallel. The ball mill cyclone overflow constitutes feed to the rougher flotation bank. Rougher concentrates are reground prior to cleaning in a column cell with the tailings scavenged with conventional mechanical flotation cells. Final concentrate is thickened and filtered using a ceramic disc filter. Final flotation tailings from the PAC plant are pumped to the main Candelaria TSF. Typical metallurgical recoveries average 94% for copper, 72% for gold and 72% for silver.

Copper concentrates containing precious metals are sold on contract to local smelters or trucked to the Punta Padrones port, near Caldera for export to overseas smelters.

Candelaria Copper Mining Complex has an agreement with a third party company to process Candelaria's flotation tailings to produce a magnetite concentrate and this produces an additional source of by-product revenue subject to favorable iron ore prices.

Infrastructure, Permitting and Compliance Activities

The mines of the Candelaria Copper Mining Complex receive electrical power through long-term contracts with AES Gener S.A., a local energy company. The main water supply comes from a desalination plant, which was commissioned in 2013 and is located adjacent to the Punta Padrones port facility. Local treated sewage water is also used by the mines. Copper concentrate is shipped from the Punta Padrones port facility at the port of Caldera. Both the desalination plant and the Punta Padrones port are owned by Minera Candelaria.

The current Candelaria TSF receives the flotation tails from the Candelaria and PAC processing plants. The remaining tailings storage capacity is estimated at 23.3 million cubic metres, sufficient to receive tailings until the June 2018 at the current production throughput.

A new TSF, known as Los Diques, has been designed to replace the Candelaria TSF. The Los Diques facility will be located to the southwest of the open pit and plant sites and will have an approximate designed capacity of 600 million tonnes. The Los Diques tailings management facility was a key part of the Candelaria 2030 EIA that was submitted to the environmental authorities in September 2013 and was approved in July 2015. Engineering was completed during 2016 and after receipt of key sectorial permits construction of the starter dam was initiated. Completion of Los Diques tailings facility and the placement of first tailings is forecast in the first quarter 2018.

Chile has in place a comprehensive regulatory framework for mining and other industrial activities, dating from the mid-1990s and most recently updated in 2013. Although the Candelaria and Ojos del Salado facilities were permitted and developed prior to the modern framework being in place, both now hold numerous environmental approvals stemming from modifications to the original developments. In addition, the two companies hold more than 1,000 permits for construction and operation of the mining and milling facilities, and related infrastructure.

The most recently completed major environmental assessment process was initiated in September 2013 with the submittal of the Candelaria 2030 EIA. This included, among other things, an extension of the operating life of the facilities and the Los Diques TSF. The Candelaria 2030 EIA received regulatory approval with conditions in July, 2015. None of the conditions of approval represent risks to the technical or economic feasibility of the operation.

The Alcaparrosa Mine's current environmental approval expires at the end of 2017. An EIA was submitted in December 2016 to extend its operating life until 2022. Comments on the EIA were received from the Environmental Evaluation Service (Servicio de Evaluación Ambiental, SEA) in early February, 2017, which the Company will address in an updated EIA, currently planned for submission in early April, 2017. Assuming the updated EIA is satisfactory to the SEA, approval of the EIA is expected in late 2017.

The environmental management systems of Minera Candelaria and Minera Ojos del Salado have been certified for many years under the international ISO 14001 Standard. Minera Candelaria was most recently re-certified in March 2015 and the certification for Minera Ojos del Salado was achieved in September 2016.

Separate MCPs are in place for Minera Candelaria and Minera Ojos del Salado and both have been approved by the Chilean National Geology and Mining Service. The approved closure costs are US$42.4 million for Minera Candelaria and US$7.9 million for Minera Ojos del Salado. The closure cost estimate for Minera Candelaria does not reflect the developments recently permitted under the Candelaria 2030 EIA, including the Los Diques tailings facility. In December 2016, an updated closure plan was submitted for review and approval, which includes the Candelaria 2030 developments.

Minera Candelaria is an active participant in civil society in the Atacama region of Chile, with social initiatives focussed principally on the communities nearest to the mine and port sites, namely Tierra Amarilla and Caldera. The Candelaria Copper Mining Complex includes liaison offices in both communities and has implemented a formal stakeholder engagement plan and a grievance/suggestions mechanism. Community forums, called "Encuentros con Candelaria" and consisting of open meetings, have been conducted to share relevant information about the company's strategic plan and initiatives on topics related to safety, environmental, operational and social performance.

Minera Candelaria has in place an agreement with the local government of Tierra Amarilla, which makes available more than $16 million to develop a portfolio of community programs in areas such as housing, culture and health services improvements. In addition, at Caldera where most residents are either directly or indirectly linked to the fishing industry, Candelaria established the Fishermen Development Fund to offer local fishermen resources to develop individual and collective projects in the four main areas of housing, health, education and economic development.

Capital and Operating Costs

Total forecast Candelaria C1 cash costs for 2017 are tabulated below using a forecast exchange rate of US dollar/CLP: 650. Unit operating costs have fallen from recent levels as a result of cheaper diesel, energy and consumables prices, efficiency initiatives, particularly in the open pit mine, and lower overhead costs. Forecast C1 cash costs for 2017 are $1.20/lb Cu, assuming Au and Ag by-product credits priced at $1,250/oz and $16.50/oz, respectively.

Candelaria ($/lb Cu)(1)	**2017**
Mining costs	0.45
Milling costs	0.47
G&A and other costs	0.25
TC/RCs	0.27
By-product credit, net of TC/RCs	(0.24)
Cash Cost per payable pound of Copper	**1.20**

(1) Includes the impact of the Franco Nevada streaming agreement but excludes any allocation of upfront cash received under the streaming agreement, and capitalized stripping costs.

Total forecast capital costs for Candelaria 2017 are tabulated below. The main capital project at Candelaria is the construction of the new Los Diques TSF which commenced construction in 2016 and is expected to be ready to receive first tailings in 2018. The mine and mill capital costs comprise typical sustaining capital items for a mature operation and include replacement and rebuild of equipment and infrastructure.

The Company capitalizes waste stripping costs when experienced strip ratios are above the average planned strip ratio for each open pit phase under development. During the production phase of the Candelaria open pit mine, waste stripping costs, which provide probable future economic benefits and improved access to the orebody are capitalized to mineral properties. In 2017, capitalized waste stripping is forecast at $105 million.

Candelaria Capital Costs	Unit	2017
Tailings	$M	135.0
Other sustaining	$M	25.0
Total	**$M**	**160.0**
Capitalized Waste	**$M**	**105.0**
Total Cost	**$M**	**265.0**

Exploration, Development, and Production

During 2017, the planned exploration program at the Candelaria Mining Complex is expected to total 111,500 m of diamond drilling. A total of 1,650 m of exploration drifting are also planned for the year. Drilling will continue to target lateral extensions of the mineralization, with the objective of generating additional Mineral Resources and Mineral Reserves in open pit and underground mines.

A district exploration programme will continue in 2017, building upon the district-wide database and 3D model developed in 2016 with an emphasis on development of new target areas, and possible extensions to known mineralization. Total exploration expenditure in 2017 is forecast at approximately $32 million.

In 2016, the Candelaria Copper Mining Complex produced 166,592 tonnes of copper in concentrate (100% basis). For 2017, forecast production is as tabulated below.

Candelaria (100%)	Unit	2017
Copper Production	'000 Tonnes	181 – 188

The current LOM of the Candelaria open pit is to 2035, while the underground mines, Candelaria Norte, Alcaparossa and Santos have LOMs to 2027, 2023 and 2022 respectively.

Eagle Mine – US

*The following information has been based on, in part, the NI 43-101 technical report entitled "Technical Report on the Eagle Mine, Michigan, USA" dated April 26, 2017 prepared for the Company by Graham G. Clow, P.Eng , Normand L. Lecuyer, P.Eng, David W. Rennie, P.Eng, and Brenna J.Y. Scholey, P.Eng (the "**Eagle Report**"). Updates to Mineral Reserve and Mineral Resource estimates are due to mining and exploration activities and have been reviewed and approved as indicated in Schedule A. The Eagle Report is available under the Company's SEDAR profile at www.sedar.com.*

Project Description, Location and Access

The Eagle Mine is located in the Upper Peninsula of Michigan, US, in Michigamme Township, Marquette County. The property is on the watershed divide of the Yellow Dog River and Salmon Trout River. The closest community to the mine site is Big Bay, 24 km from the property by road. Big Bay is an unincorporated community within Powell Township, Marquette County and has limited services. The closest full service community is Marquette, approximately 53 km by road from the property. Marquette provides a regional airport, rail and shipping facilities, and a full range of commercial services.

The Humboldt mill property, a former iron ore processing facility, occupying approximately 142 ha, is located approximately 61 km west of Marquette, Michigan. The facility is located in the township of Humboldt, Marquette County, Michigan. Ore from the Eagle Mine is trucked approximately 105 km to the Humboldt mill for processing.

Road access to the mine property is by means of paved roads from the communities of Big Bay to the east, and Marquette to the south. The Humboldt mill is located close to the main US Route 41.

The Eagle Mine is 100% owned by the Company. The Eagle deposit is covered by both state and private mineral leases with the Mineral Resource estimates split approximately 50:50 between them. The state leases expire in July 2023 but are extendable by production, while the private leases have various expiry dates that are extendable by continued payments or production. Eagle Mine has obligations under state and private royalty agreements ranging from 1.0% to 7.0%.

History

The Eagle deposit was first drilled in 2002 as part of a nickel exploration program commenced by Rio Tinto in 2000. Following further drilling an initial Mineral Resource was estimated in early 2004.

Following further drilling, feasibility studies, and the receipt of all relevant permits Rio Tinto began construction of the Eagle Mine site in 2010 and began underground development in September 2011. The re-construction work at the Humboldt mill also commenced in 2011.

In July 2013, the Company acquired the Eagle Mine project from Rio Tinto and accelerated construction activities. Construction was completed in mid-2014 and commercial production of nickel and copper concentrates was achieved in November of 2014.

In June 2016, a maiden Inferred Mineral Resource estimate was released on Eagle East and a Preliminary Economic Assessment published.

In April 2017, the results of a Feasibility Study on the mining of Eagle East were published and this included the first time declaration of a Mineral Reserve estimate on this mineralization.

Geological Setting, Mineralization and Deposit Type

Eagle is an ultramafic-intrusive-hosted high grade Ni-Cu deposit, with associated cobalt, platinum, palladium, silver and gold, which is interpreted to have formed from multiple intrusive phases. The peridotite intrusive is hosted in paleoproterozoic meta-sediments, which exhibit hornfels at the contact with the intrusion. The whole area is mostly covered by pleistocene glacial till.

The Eagle deposit is hosted by one of two peridotite intrusions historically known as the Yellow Dog Peridotites and referred to as Eagle peridotites within the project lexicon. The eastern intrusion forms a prominent outcrop that rises above the Yellow Dog Plains and, at depth, hosts the new Eagle East zone two kilometers east of the Eagle deposit. The western intrusion, 650 m to the west and host to Eagle, is only poorly exposed in a small outcrop on the north side of Salmon Trout River. The intrusions are characterized by very prominent magnetic highs relative to the surrounding sedimentary rocks.

The Eagle deposit measures approximately 300 m in strike length, up to 85 m in width, and 340 m in vertical depth. Eagle East, at a depth of approximately 950 m, is approximately 500 m in strike length and 50 m in width and height.

The Eagle and Eagle East deposits are high-grade magmatic sulphide deposits containing nickel and copper mineralization and minor amounts of cobalt, precious metals and PGMs. The economic minerals associated with this deposit are predominately pentlandite and chalcopyrite.

Three distinct types of sulphide mineralization occur at the Eagle deposit. They are described as disseminated, semi-massive and massive sulphide. Massive sulphide is generally over 90% pyrrhotite-pentlandite-chalcopyrite. Semi-massive, or matrix ore, is 30% or greater net textured sulphide. Disseminated mineralization is generally uneconomic. The semi-massive and massive sulphides occur in separate zones called the massive sulphide, semi-massive East, and semi-massive West zones. At Eagle East, both the massive and semi-massive sulphides occupy a continuous horizontal peridotite conduit.

Exploration

Exploration activities at Eagle and Eagle East have included geological mapping, geochemistry and geophysics (airborne, surface, and underground borehole resistivity and gravity). The main and most successful exploration tool has been diamond drilling in combination with a very robust and predictive deposit model.

Following the acquisition of the Eagle Project in 2013, the Company continued with near mine exploration with a focus on extending mine life. Using the conduit model, the most direct and expedient exploration target was to follow the mineralized peridotite conduit at Eagle East to depth with directional drilling. With Eagle as a model, the Eagle East conduit was traced downward to a location where the conduit flattened to horizontal and where high metal tenor sulphide dropletshad settled to the base of the conduit. This high grade mineralization was intersected for the first time by diamond drilling in mid-2015.

In the first half of 2016, seven drill rigs were devoted to successfully completing the delineation of the Eagle East discovery sufficient to allow an initial Inferred Mineral Resource estimate to be defined. In the second half of the year, the drill rig contingent was reduced to four but sufficient drilling had been completed to classify the majority of the Eagle East mineralization as an Indicated Mineral Resource estimate.

Exploration drilling is continuing at Eagle to systematically test the Eagle East conduit and deep peridotite and gabbro targets.

Drilling

The Company has carried out drilling on Eagle and Eagle East since acquiring the property in 2013. Drilling at Eagle comprises 109,089 m in 243 surface holes drilled between 2001 and 2016. In addition, since 2012, 23,304 m in 306 holes have been drilled from underground. At Eagle East, the surface drilling encompasses 260 holes, for a total of 125,972 m. Nine holes, totalling 3,237 m, were drilled in 2014 from underground.

Surface and underground exploration drilling is an ongoing operation at the mine with the work undertaken by contractors. The nominal hole spacing of the underground diamond drilling averages 15 m, with surface drilling averaging a spacing of less than 25 m within the Eagle deposit. Drilling at Eagle and Eagle East is restricted to diamond core using various size tools. Down hole surveys at Eagle and Eagle East are predominantly either north seeking (rate) gyros or normal gyro surveys.

In 2016, 52,868 m of surface drilling was completed on both deposits with 95 holes and wedges. Underground, 5,287 m of definition/delineation drilling was completed with 89 holes. Surface drilling extensively employed Devico directional services.

Sampling, Analysis and Data Verification

The entire Mineral Resource estimate at Eagle and Eagle East is based on drill core samples. Sampling intervals are generally equal to 1.5 m or less. Drill core samples lengths reflect ore type and lithological contacts.

Industry standard exploration drill core splitting, sampling, insertion of quality control samples and density measurement protocols and procedures are in place. Samples are prepared on-site and sent to ALS Minerals (ALS Chemex) laboratory in Vancouver, Canada for assay.

Data verification, sample security and QA/QC procedures that conform to industry standards are in place at Eagle. All drill core is logged and photographed, and the cores and sampling splits are stored in secure facilities near Negaunee, Michigan. Traceability records prevent errors of identification and ensure sample history can be followed.

Mineral Processing and Metallurgical Testing

Eagle maintains regular metallurgical testing programs that are incorporated with historical testing results and mill performance into a statistical model to predict and improve the complex's processing performance in terms of mill throughput, metal recovery to concentrates, and final concentrate grades. Metallurgical tests are executed in a number of specialized in-house and commercial facilities. Testing includes work index determination, mineralogy using optical and QEMSCAN technology and bench scale flotation testing that is correlated with industrial scale performance in order to predict mill throughput and metallurgical performance.

Metallurgical testing of the Eagle East ores was undertaken to support the Feasibility Study in 2016. Metallurgical evaluation of the Eagle East ore samples consisted of mineralogical analysis, Bond Ball Mill Work Index testing, batch grinding and flotation testing, and locked cycle tests. These programmes have demonstrated that the Eagle East mineralization has equivalent performance in terms of grinding and flotation to Eagle, and no issues are foreseen with processing the blended Eagle and Eagle East mineralization in the Humboldt processing plant.

Mineral Resource and Mineral Reserve Estimates

Mineral Resources at Eagle are estimated using 3D block modelling using Maptek Vulcan® mining software. Ordinary kriging is used for grade and density estimation. Mineral Resources at Eagle East are estimated using Datamine Studio RM software. Grades and density values were estimated using the Inverse Power Distance method.

Eagle Mineral Reserves are estimated from the Mineral Resources by designing stopes and sill layouts using Vulcan® software. Eagle East Mineral Reserves are estimated using the same methodology in the Deswik software. A separate NSR cut-off is applied to the two orebodies together with dilution and mining recovery factors.

Details of the December 31, 2016 Mineral Resource and Mineral Reserve estimate for Eagle and Eagle East are included in Schedule A.

Mining Operations

Eagle is a relatively shallow underground mine with access gained via a surface ramp that also serves as the route for waste, ore and backfill haulage. The mine employs transverse bench-and-fill stoping with mining in an up-dip primary secondary sequence. Backfilling is undertaken using cemented and uncemented rockfill. Two ventilation shafts are in place, with the downcast shaft also equipped for emergency egress. Ore from the mine is stored in a covered coarse ore stockpile facility prior to transport by road 105 km to the Humboldt mill site.

Eagle East will be accessed by ramp from the bottom of the Eagle mine, with the mine services and infrastructure being extended from Eagle. Eagle East will require no new surface infrastructure and will use the same mining method as Eagle with ore, waste and backfill hauled through the ramp.

Processing and Recovery Operations

The Humboldt mill is a former iron ore processing plant that has been converted for processing Eagle ore. From a covered coarse ore storage facility, the ore is processed using a conventional three stage crushing and single stage ball milling process followed by differential flotation to produce separate nickel and copper concentrates. Metallurgical recoveries of nickel and copper average 84% and 97% respectively. Tailings from the plant are deposited sub-aqueously in the adjacent former Humboldt iron ore open pit. No modifications to the process plant are necessary for the treatment of the Eagle East which will be blended with that from Eagle over the final years of the LOM.

Nickel and copper concentrates are stored in a covered concentrate building on site prior to being transported via rail car direct to smelter facilities within North America or to ports for shipment overseas.

Infrastructure, Permitting, and Compliance Activities

The Eagle Mine and Humboldt Mill areas are served by an extensive network of paved roads, a regional airport, rail services, excellent telecommunications facilities, national grid electricity, an ample supply of water and a highly educated work force.

Both the mine and mill operate under a number of local, state and federal permits. All permits are in place for the operation and Eagle has maintained full compliance with the corresponding requirements. In addition to adhering with all legal requirements, Eagle Mine LLC operates using a management system that is aligned with the Company's health, safety and environment system standards. This system undergoes annual third party auditing to ensure continued compliance with all corporate standards and guidance documents.

Initial development of a decline for Eagle East and associated Eagle East related exploration and technical data collection activities commenced under provisions of the existing Eagle Mine Part 632 Mining Permit issued by the MDEQ. The MDEQ has approved the initial Eagle East access ramp development within the existing Eagle Mine boundary. An updated EIA and Mine Permit Amendment application were submitted in late March 2017 as part of a future request to modify the Eagle mine Part 632 Mining Permit to allow the extraction of Eagle East and a decision is expected prior to the end of 2017. No other permit requirements are anticipated for Eagle East, aside from planned modifications to the Humboldt Mill Part 632 Mining Permit and the Part 301 Inland Lakes and Streams Act permits, required for the placement of additional tailings in the Humboldt pit for both the existing Eagle tailings and those from Eagle East.

Eagle is committed to engage with the local community and other stakeholders in relation to all safety, health and environmental aspects of the business. An information centre on the project is located in the town of Marquette and a Community Scoring Program has been developed to measure the effectiveness of the satisfaction with the mine's performance on safety, environmental and other matters affecting the community. A Community Environmental Monitoring Programme is also in place using independent non-profit organizations to independently monitor the project's environmental performance.

Eagle has several community investment initiatives in place including the Technical Middle College Partnership, Accelerate UP and the Eagle Emerging Entrepreneurs' Fund.

Capital and Operating Costs

Total forecast Eagle C1 cash costs for 2017 are tabulated below. Unit operating costs are based on the operating experience gained in 2016 and include the use of contractors for mining and ore transport from the mine to mill. Lower diesel, energy and consumables prices and efficiency initiatives have resulted in lower operating costs. Forecast C1 cash costs for 2017 are $2.45/lb Ni, assuming a Cu by-product credit priced at $2.25/lb.

Eagle ($/lb Ni)	**2017**
Mining costs	1.08
Milling costs	0.62
G&A and other costs	1.38
TC/RCs	1.71
By-product credit, net of TC/RCs	(2.34)
Cash Cost per payable pound of Nickel	**2.45**

Total forecast capital costs for Eagle for 2017 are tabulated below. Sustaining capital includes primarily development to access new areas of the orebody as well equipment replacements and upgrades in both the mine and mill. The Eagle East capital covers the access development and equipment purchases.

Eagle	**Unit**	**2017**
Sustaining	$M	10.0
Eagle East	$M	35.0
Total	**$M**	**45.0**

Exploration, Development, and Production

In 2017, near-mine surface exploration will target potential extensions of the Eagle East conduit both laterally and at depth. A total of 25,000 meters of drilling from surface are projected. Exploration on regional targets is also being contemplated.

Underground delineation drilling during 2017 will focus on improving the definition of ore above the 265 Level. The program will focus on longer holes than previously drilled, in an effort to remain ahead of the rapidly advancing mine plan. A total of 5,400 m is planned in 55 holes.

In 2016, Eagle produced 24,114 tonnes of nickel and 23,417 tonnes of copper in concentrate, respectively. For 2017, forecast production is as tabulated below.

Eagle	**Unit**	**2017**
Nickel Production	‘000 Tonnes	17 – 20
Copper Production	‘000 Tonnes	15 – 18

Following approval of the Eagle East Feasibility Study, the revised LOM plan is a combination of the Eagle and Eagle East production with the higher grade from Eagle East being blended with lower grade from Eagle from the first quarter 2020. This will significantly increase nickel and copper production and extend the estimated mine life until the third quarter 2023.

Neves-Corvo Mine – Portugal

*The following information has been based on, in part, the NI 43-101 technical report entitled “NI 43-101 Technical Report for Neves-Corvo Mine and Semblana Deposit, Portugal” dated January 18, 2013 prepared for the Company by Mark Owen, BSc, MSc (MCSM), CGeol, EurGeol, FGS and Lewis Meyer, ACSM, MCSM, BEng, MSc, PhD, CEng, FIMMM (the “**Neves-Corvo Report**”). Updates to Mineral Reserve and Mineral Resource estimates are due to mining and exploration activities and have been reviewed and approved as indicated in Schedule A. The Neves-Corvo Report is available for review under the Company’s SEDAR profile at www.sedar.com.*

Project Description, Location and Access

The Neves-Corvo Mine is owned and operated by the Portuguese company Somincor, which is a 100% owned subsidiary of the Company. It is situated approximately 220 km southeast of Lisbon in the Alentejo district of southern Portugal. The mine site is located approximately 15 km southeast of the town of Castro Verde and exploits five major orebodies from an underground mine. The ore is processed on-site and tailings are disposed of in the Cerro de Lobo impoundment approximately 3 km from the plant. Concentrates are dispatched by rail and road for onward shipping to customers.

Neves-Corvo has good connections to the national road network which links with Faro to the south and Lisbon to the north. The mine has a dedicated rail link into the Portuguese rail network and to the port of Setúbal.

There are no major centres of population close to the mine, although a number of small villages with populations numbered in the hundreds are located within the mining concession. Most employees travel to the mine by Company-provided buses or private cars.

The mining operations are contained within a mining concession contract between the State and Somincor that as of July 1, 2014 covers an area of 28.9 km^2 and are located in the parishes of Santa Bárbara de Padrões and Senhora da Graça de Padrões, counties of Castro Verde and Almodôvar, district of Beja. The concession comprises the Neves-Corvo area with 13.5 km^2 and the Semblana area, covering the Semblana orebody, with 15.4 km^2. The concession provides the rights to exploit the Neves-Corvo deposits for copper, zinc, lead, silver, gold, tin and cobalt for an initial period of fifty years (from November 24, 1994) with two further extensions of twenty years each. The mining concession provides sufficient surface rights to accommodate the existing mine infrastructure and allow expansion if required.

This mining concession was in turn surrounded by the Castro Verde exploration concession. This concession covers an area of 294 km^2 and expired in May 2014. A new exploration concession of 140.6 km^2 that surrounds the combined Neves-Corvo mining concession and exploration targets in the district has been requested and the area was granted to Somincor in May 2015. Negotiations for the exploration agreement are due to start early in 2017.

Royalties for the Neves-Corvo area of the mining concession are either a profit-related royalty of 10%, or a revenue-based royalty of 1% (at the State's discretion). Royalties on the Semblana area are a 4% revenue based royalty for copper and associated payable metals and 3.5% for zinc and associated payable metals. The Semblana royalty payments may be reduced by between 2% and 6% of Somincor expenditure on mining related research, social projects and the granting of scholarships.

History

The Neves-Corvo ore bodies were discovered in 1977. The Portuguese company Somincor was established to exploit the deposit and by 1983, the Corvo, Graça, Neves and Zambujal sulphide deposits had been partially outlined, covering an area of approximately 1.5 km by 2 km. Rio Tinto became involved in the project in 1985, effectively forming a 49%/51% joint venture with the Portuguese State owned company EDM. The project was reappraised with eventual first production commencing from the Upper Corvo and Graça orebodies in January 1989.

During the development of the mine, high-grade tin ores were discovered, associated with the copper mineralization, which led to the rapid construction of a tin plant that was commissioned in 1990.

The railway link between Neves-Corvo and Setúbal was constructed between 1990 and 1992 for the shipment of concentrates and the hauling of sand for backfill on the return journey. This was followed between 1992 and 1994 by a major mine deepening exercise to access the Lower Corvo orebody through the installation of an inclined conveyor ramp linking the 700 and 550 levels.

In June 2004, EuroZinc acquired a 100% interest in Somincor for consideration of €128 million. In October 2006, EuroZinc merged with the Company and the Lundin Mining name was retained.

In 2006, zinc production commenced at Neves-Corvo with processing through the modified tin plant. In June 2007, Silver Wheaton (formerly Silverstone Resources Corp.) agreed to acquire 100% of the life-of-mine payable silver production from the mine, within the limits of the original concession, as the mine produces around 0.5 million ounces of silver per year in copper concentrate. Zinc production was suspended in November 2008 due to the low prevailing zinc price. In September 2009, the decision was made to expand the zinc plant at an estimated cost of €43 million, to a design capacity of 50,000 tpa zinc in concentrate. First zinc production was achieved from the expanded plant in mid-2011 including new high grade zinc feed from Phase 1 of the Lombador orebody.

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In mid-2009, a copper tailings retreatment circuit was commissioned to recover both copper and zinc, and in late 2010, tailings disposal changed from subaqueous to paste methods at the Cerro do Lobo facility.

In October 2010, the copper rich Semblana deposit was discovered located 1 km to the northeast of the Zambujal copper-zinc orebody within the Castro Verde exploration concession. In December 2011, following extensive diamond drilling, an initial Inferred Mineral Resource estimate was published, which was further updated in June 2012. A high-resolution 3D seismic survey carried out in 2011 also identified several new exploration targets in the Neves-Corvo vicinity.

A Feasibility Study of the ZEP, examining an expansion of the zinc operations to 2.5 mtpa throughput was completed in 2015. In May 2017, the Company announced the results of an update to this Feasibility Study which included the first declaration of a Mineral Reserve estimate for Phase 2 of the Lombador (LP2) orebody. Permitting of the ZEP is progressing with approximately 28 months anticipated between project approval and doubled zinc metal production. Approval of the EIA is expected during the third quarter of 2017, and it is anticipated that surface construction works will commence in the first quarter of 2018 and the expanded zinc plant is expected to be commissioned by the end of 2019.

Geological Setting, Mineralization and Deposit Types

Neves-Corvo is located in the western part of the Iberian Pyrite Belt, which stretches through southern Spain into Portugal and which has historically hosted numerous major stratiform volcano-sedimentary massive sulphide deposits.

The Neves-Corvo deposits occur within the Volcanic Sedimentary Complex, which consists of acid volcanics separated by shale units, with a discontinuous black shale horizon immediately below the lenses. Above the mineralization, there is a thrust-faulted repetition of volcano-sedimentary and flysch units. The whole assemblage has been folded into a gentle anticline oriented northwest to southeast which plunges to the southeast, resulting in orebodies distributed on both limbs of the fold. All the deposits have been affected by both sub-vertical and low angle thrust faults, causing repetition in some areas.

Seven massive sulphide lenses have been defined at Neves-Corvo comprising Neves (divided into North and South), Corvo, Graça, Zambujal, Lombador (divided North, South and East), Semblana and Monte Branco. The base metal grades are segregated by the strong metal zoning into copper, tin and zinc zones, as well as barren massive pyrite. The massive sulphide deposits are typically underlain by stockwork sulphide zones, which form an important part of the copper orebodies.

The mineral deposits at Neves-Corvo are classified as volcano-sedimentary massive sulphide. They typically occur as lenses of polymetallic (Cu, Zn, Sn, Pb) massive sulphides that formed at or near the seafloor in submarine volcanic environments. They formed from accumulations of the focussed discharges of hot metal-enriched fluids associated with seafloor hydrothermal convection, typically in tectonic areas of active submarine volcanism, including rift spreading centres and island arc subduction zones.

Exploration

Exploration drilling carried out following the acquisition of Somincor by Lundin Mining in 2006 was highly successful in delineating additional mineralization and resulted in significant increases in the Mineral Resource estimates, particularly for zinc. Higher grade zinc mineralization was discovered in the deep Lombador orebody underpinning the Company’s decision to expand the zinc plant in 2011 and complete the subsequent Feasibility Study of the ZEP. In 2010, a new massive sulphide deposit, containing a zone of copper-rich sulphide mineralization, was discovered by surface drilling. The new deposit, named Semblana, lies 1.3km northeast of the Zambujal orebody and is located in the exploration concession that surrounds the mine. In 2012, an additional copper discovery named Monte Branco was discovered.

Further surface drilling in 2013 principally targeted the Semblana and Monte Branco areas, whilst underground drilling focused on upgrading the Lombador North and South, Neves North and South, Zambujal and Corvo orebodies.

In 2016, exploration work was concentrated on the development of a 3D regional geological model, using Leapfrog® modelling software, to be later transferred to an integrated Gocad model. No underground or surface exploration drilling was undertaken. Underground infill and production drilling was completed during 2016 to delineate new areas suited for bulk mining methods. This drilling program targeted the Lombador, Neves, Zambujal and Lower Corvo orebodies.

Exploration work within the mining concession concentrates primarily on the extension of known ore bodies by both underground and surface drilling. Some of the Neves-Corvo orebodies remain open.

Drilling

Historically, underground drilling has been a continuous activity at Neves-Corvo and has focused on the delineating and upgrading existing resources as well as the exploration of peripheral Inferred Mineral Resources. Surface drilling campaigns have been important over the years in stepping out beyond the limits of underground development to explore orebody extensions.

Underground production drilling was largely executed with a 10 m spacing between sections in order to better define the shape and grades of the production panels. As a standard procedure, drill holes are surveyed with a Reflex EZ-Shot tool at 30 m intervals, which provides an accurate location of the drill intersections.

In 2016, 362 underground diamond drill holes were drilled providing a total of 22,998 m of underground production drilling.

Sampling, Analysis and Data Verification

Industry standard exploration drill core splitting, sampling, insertion of quality control samples and density measurement protocols and procedures are in place at Neves-Corvo. In addition to drill core sampling, underground grade control sampling is carried out using face sampling in the areas subject to drift-and-fill mining and short diamond drill holes in the bench-and-fill areas. Samples are prepared on-site and analyzed at either the mine's fully accredited assay laboratory facility or by the ALS Chemex laboratory in Vancouver, Canada.

Data verification, sample security and QA/QC procedures that conform to industry standards are in place at Neves-Corvo. All drill cores are logged and photographed, and the cores and sampling splits are stored on-site. Traceability records prevent errors of identification and ensure sample history can be followed.

Mineral Processing and Metallurgical Testing

Neves-Corvo maintains regular metallurgical testing programs that are incorporated with historical testing results and mill performance into statistical models to predict and improve the complex's processing performance. Model outputs are mill throughput, grind requirements, metal recovery to concentrate, and final concentrate grade. Metallurgical tests are executed in a number of specialized in-house and commercial facilities. Testing includes milling work indices, mineralogy using optical QEMSCAN and MLA techniques and bench scale flotation testing that is correlated with industrial scale performance in order to predict mill throughput and metallurgical performance.

ZEP is a brownfield expansion project to increase the average annual throughput tonnage to 2.5 mtpa. The Company expects that the main source of ore for the expanded facility will eventually be the Lombador orebody. Metallurgical testing of the LP2 ores as well as representative composite samples of the planned blends was undertaken to support the ZEP Feasibility Study. Metallurgical evaluation consisted of mineralogical analysis, comminution testwork, flotation testwork, locked cycle tests and sedimentation analysis. These programs have demonstrated that the LP2 mineralization will contribute to improved flotation performance. The Company does not anticipate any issues processing the blended mineralization in the expanded processing plant.

Mineral Resource and Mineral Reserve Estimates

Mineral Resources at Neves-Corvo are estimated using three dimensional interpretation and modelling methods with calculations performed using specialized software and in particular Leapfrog® and Vulcan® 3D. The ordinary kriging method of interpolation is used to estimate metal grades and a multiple regression formula using the estimated metal grades is used to estimate density.

Mineral Reserves are estimated by the Neves-Corvo Mine planning department primarily using Vulcan® 3D software. Stoping volumes are cognizant of the method of access to allow for the cut-off grade boundary and include an allowance for planned and unplanned dilution and ore loss. An effective minimum mining width of 5 m is applied. Separate NSR cut-offs, dilution and mining recovery factors are applied for each orebody and mining method.

The Semblana Mineral Resource was modelled and estimated using Datamine Studio software. Metal grades were estimated using ordinary kriging or inverse distance weighting. Bulk density was estimated using inverse distance weighting.

Details of the June 2016 Mineral Resource and Mineral Reserve estimates for Semblana and Neves-Corvo, inclusive of LP2 are included in Schedule A.

Mining Operations

Neves-Corvo is a major underground mine. The principal means of mine access are provided by one vertical 5 m diameter shaft and a ramp from surface. The shaft is used to hoist ore from the 700 m level. The surface is nominally 1,200 m above datum. A conveyor decline descends from the 700 m level to the 550 m level and provides ore hoisting from the deeper levels of the mine. The mine is highly mechanized and a number of different stoping methods are employed but the most significant are bench-and-fill and drift-and-fill. Backfill is provided by hydraulically placed sand, paste tailings and internally generated waste rock.

Access to LP2 will be by conventional ramp development and mining of both zinc and copper mineralization will be by methods currently used at Neves-Corvo. Broken ore from Lombador will be extracted using a new materials handling system comprising a crusher located at 1,000 m depth and a three-leg conveyor system to elevate the ore to the existing shaft hoisting facilities. Minor upgrades will take the existing shaft capacity up to 5.4 mtpa. Extensions to the mine’s ventilation, pumping, electrical reticulation and other infrastructure are also planned for ZEP.

Processing and Recovery Operations

The treatment facility at Neves-Corvo comprises two processing plants. The copper plant treats copper ores and has a maximum capacity of approximately 2.6 mtpa and the zinc plant, which treats zinc or copper ores was expanded to 1.0 mtpa capacity during 2011. Both processing plants comprise conventional crushing, rod and ball mill grinding circuits with flotation cells and concentrate thickening and dewatering. In mid-2009, modifications to the copper plant were completed to regrind and recover additional copper and zinc concentrate from the copper tailings stream. A similar modification to the zinc plant was commissioned in late 2014.

The existing zinc plant will be significantly upgraded by ZEP with changes to the existing ore storage area, a new 8.5 MW SAG mill for primary grinding, secondary grinding in the existing mills ahead of new and increased lead and zinc flotation capacity. Upgrades are also proposed to lead thickening and filtration, plant water supply and reagent circuits.

Copper and zinc concentrates are transported by rail to a dedicated port facility at Setúbal, Portugal from where they are shipped to smelter customers. Lead concentrate is containerised and trucked to ports for overseas shipment.

Tailings disposal was changed from subaqueous to sub-aerial paste deposition during 2010 following approval by the Portuguese authorities. Tailings are thickened and pumped from a new facility located at the Cerro de Lobo tailings impoundment, 3 km from the mine site. The additional volumes of tailings to be produced by ZEP will necessitate an expansion to the tailings thickening plant while the tailings themselves will continue to be deposited in an expansion to Cerro do Lobo.

Copper, zinc and lead concentrates from the mine are sold to a variety of smelter customers that are primarily European based. Multi-year sales contracts are normally agreed with customers and treatment, refining and penalty charges are typical of those for copper, zinc and lead sulphide concentrates.

Infrastructure, Permitting and Compliance Activities

The Neves-Corvo area in southern Portugal is well served by excellent transport facilities including a dedicated railhead to the mine site, a major highway within 25 km and the international airport of Faro 80km to the south.

Fresh water is supplied to the mine via a 400 mm diameter pipeline from the Santa Clara reservoir, approximately 40 km west of the mine. Supply capacity is 600 m^3/hr and storage facilities close to the mine hold 30 days' requirements. The total water requirement for the mine and plant is estimated at over 350 m^3/hr with as much as 75% of the volume being reused. The mine is connected to the national grid by a single 150 kV, 50 MVA rated, overhead power line 22.5 km long. ZEP will require no new ancillary infrastructure.

The Neves-Corvo Mine operates under an Integrated Pollution Prevention and Control Licence (No.19/2008) granted by the Portuguese Environmental Agency Agência Portuguesa do Ambiente (the "APA") in 2008. The licence includes conditions covering environmental management systems, tailings and waste rock disposal, water and energy consumption, emissions to atmosphere, emissions to water courses and water treatment, noise, industrial waste disposal, emergency and closure planning.

Key environmental issues include the acid-generating potential of the ore and waste rocks; the close proximity of the Oeiras River to the mine site; the groundwater is a significant aquifer and connects to local water supplies and the Oeiras River; and the dispersal of dust and noise from the mine site. The mine permit requires that closure plans for the mine are updated every five years, and an accumulating closure fund is in place to cover final closure costs.

Somincor submitted an EIA in late November 2016 to the Portuguese authorities, in support of a potential expansion of the zinc plant from 1.1 to 2.5 mtpa. The document is now under review by the APA and approval is expected during the third quarter of 2017. Surface construction is forecast to start during the first quarter of 2018 following receipt of the RECAPE (Relatório de Conformidade Ambiental do Projeto de Execução) approval and the completion of basic engineering during 2017. Additional planned requirements include Municipal Licenses and submission of an updated Mine Plan (Plano de Lavra) to the Direcção-Geral de Energia e Geologia. Both surface and underground construction is forecast to be completed by the third quarter of 2019, and production ramp up completed by the end of that year. In April 2017, ZEP was granted PIN (Project of National Interest) status by Portuguese authority Agência para o Investimento e Comércio Externo de Portugal in view of its scale and potential contribution to the local and national economy.

In addition, SOMINCOR has initiated an administrative process at the request of the APA to review and update the environmental license. The new environmental license, now named the Single Environmental Title ("**SET**") or Título Único Ambiental ("**TUA**") in Portuguese, shall be issued upon completion of the APA's review once the upload is complete and payment of the fee ("**SEF**"). The environmental license modification upload was completed on January 16, 2017 and the SEF was paid on January 18, 2017. Following receipt of the ZEP RECAPE approval, an application for a new TUA is planned.

Somincor has a well-established relationship with local residents and the community. Recent community investments have included partnerships with regional health institutions to prevent childhood obesity, a horse riding school for disabled children and regular contributions to local sports clubs. The mine also sponsored the Viola Campaniça and Cante Alentejano, traditional music of Alentejo and elected as Intangible Heritage of Humanity by UNESCO.

Capital and Operating Costs

Total forecast Neves-Corvo C1 cash costs for 2017 are tabulated below using a forecast exchange rate of US dollar/€: 0.8696. Unit operating costs are forecast to reduce with a number of cost saving initiatives including reduced use of contractors, greater use of bulk mining and the introduction of new larger underground loaders and trucks. Forecast C1 cash costs for 2017 are $1.35/lb Cu, assuming a Zn by-product credit priced at $1.00/lb.

Neves-Corvo ($/lb Cu)	2017
Mining costs	1.12
Milling costs	0.47
G&A and other costs	0.59
TC/RCs	0.38
By-product credit, net of TC/RCs	(1.21)
Cash Cost per payable pound of Copper	**1.35**

Total forecast capital costs for Neves-Corvo for 2017 are tabulated below. Capital includes primarily underground development, completion of the water treatment plant and rebuild and replacement of underground mining equipment.

Neves-Corvo	Unit	2017
Underground development	$M	12.0
Water treatment plant	$M	10.0
Other sustaining	$M	28.0
Total	**$M**	**50.0**

The estimated pre-production capital cost for the ZEP is €256.5 million including an overall contingency of 15%. Mining, including development, mobile equipment and the new materials handling systems and shaft upgrades, comprise the largest element of the direct costs.

Exploration, Development, and Production

The 2017 underground drilling campaign will include 34,000 m of production drill holes to improve the definition of the mining panels in the Lower Corvo, Neves North, Zambujal and Lombador South orebodies.

Plans for 2017 surface exploration include 10,000 m of drilling within the exploration lease, along with subsequent borehole electro-magnetic surveys if favorable geologic horizons are encountered. Targeting will be based on updates to the 3D integrated model, including new geologic cross sections and new structural interpretation from the 3D seismic data. Total drilling meterage may be increased depending on results.

In 2016, Neves-Corvo produced 46,557 tonnes of copper and 69,527 tonnes of zinc in concentrate. For 2017, forecast production is as tabulated below.

Neves-Corvo	Unit	2017
Copper Production	‘000 Tonnes	41 - 46
Zinc Production	‘000 Tonnes	72 - 77

The current copper and zinc Mineral Reserve estimates at Neves-Corvo will support a LOM of over 10 years with copper production, based on current Mineral Reserve estimates, gradually decreasing, and planned zinc production increasing.

Zinkgruvan Mine – Sweden

*The following information has been based on, in part, the NI 43-101 technical report entitled "NI 43-101 Technical Report for the Zinkgruvan Mine, Central Sweden" dated January 18, 2013 prepared for the Company by Mark Owen, BSc, MSc (MCSM), CGeol, EurGeol, FGS and Lewis Meyer, ACSM, MCSM, BEng, MSc, PhD, CEng, FIMMM (the "**Zinkgruvan Report**"). Updates to Mineral Reserve and Mineral Resource estimates are due to mining and exploration activities and have been reviewed and approved as indicated in Schedule A. The Zinkgruvan Report is available under the Company's SEDAR profile at www.sedar.com*.

Project Description, Location and Access

The Zinkgruvan Mine is owned and operated by Zinkgruvan Mining AB which is a 100% indirect subsidiary of the Company. It is located approximately 200 km southwest of Stockholm in south central Sweden. The mine site is approximately 15 km from the town of Askersund and comprises a deep underground mine, a processing plant and associated infrastructure and tailings disposal facilities. Concentrates are trucked from the mine to the inland port of Otterbäcken on Lake Vänern from where they are shipped via canal and sea to European smelter customers.

Zinkgruvan has good local road access and is close to the main E18 highway linking Stockholm and Oslo. Rail and air links are available at the town of Örebro some 60 km distant. Lake Vänern, the largest lake in Sweden, is 100 km distant and provides access to coastal shipping via a series of inland canals and the port of Göteborg.

The mining operations are contained within two exploitation concessions covering the deposit and its immediate area. The Zinkgruvan concession was amalgamated from a large number of smaller rights in 2000, has an area of 254 ha and is valid until 2025. The neighbouring Klara concession was granted in 2002, has an area of 355 ha and is valid until 2027. These concessions are automatically extendable for periods of 10 years provided the concession is being regularly exploited. In addition, the mine currently holds exploration concessions in the area totaling 3,291 ha of which 530 ha was acquired in 2015. For exploitation concessions granted before 2005, there are no mining royalties in Sweden. The Company's tax rate in Sweden is 22%. The Zinkgruvan Mine owns sufficient freehold surface land to accommodate the existing and planned mine infrastructure.

The Zinkgruvan Mine is operating under a recently extended environmental licence that is valid until 2026.

History

The Zinkgruvan deposit has been known since the 16th century but it was not until 1857 that large scale production commenced under the ownership of the Belgian Vieille Montagne Company. The processing plant for these operations was initially based in Åmmeberg on the shores of Lake Vättern with ore transported approximately 5 km from the mine site by narrow gauge railway.

In the mid-1970s, a decision was made to significantly expand production to 600,000 tpa. A new shaft, named P2, was sunk to access deeper ore and a new concentrator and tailings facility established adjacent to the mine site.

In 1990, Belgian Vieille Montagne Company merged with Union Miniere, and in 1995, North Australia acquired the Zinkgruvan Mine. In August 2000, Rio Tinto became the owner of the mine following its acquisition of North Australia. In June 2004, the Company purchased the mine from Rio Tinto.

In December 2004, Silver Wheaton agreed to purchase the LOM silver production from the Zinkgruvan Mine. In October 2007, the Company announced the Zinkgruvan expansion program to increase ore production by 300,000 tpa through the addition of copper to the current zinc-lead production.

In late 2010, the copper plant was commissioned and during 2011, modifications were made to allow the plant's 300,000 tpa ore capacity to be used to also treat zinc/lead ores. In November 2010, an access ramp from the surface to the underground workings was completed, allowing a significant increase in the mine's operational flexibility. In 2015, a low cost project was approved to increase the overall mill capacity by approximately 10%. This investment focused primarily on increased grinding capacity and improved plant availability is due for completion by mid-2017. Expansion of the existing Enemossen tailings facility was initiated in 2016 with the first phase due for completion in the third quarter of 2017.

Geological Setting, Mineralization and Deposit Types

Zinkgruvan is located in the southwest corner of the Proterozoic aged Bergslagen greenstone belt. The district is comprised of a series of small, elongated basins with felsic metavolcanics overlain by metasediments. The basins are surrounded by mainly granitoid intrusions of which the oldest are the same age as the metavolcanics.

The Zinkgruvan deposit is situated in an east-west striking synclinal structure. The tabular-shaped Zn-Pb-Ag orebodies occur in a 5 m to 25 m thick stratiform zone in the upper part of the metavolcanic-sedimentary group. The orebody is 5 km long and is proven to a depth of 1,650 m below surface. A major sub-vertical fault splits the ore deposit in two parts, the Knalla mine to the west and the Nygruvan to the east.

The Zinkgruvan orebodies are dominated by sphalerite and galena and are generally massive, well banded and stratiform. Remobilization of galena and silver has occurred in response to metamorphism and deformation, and is most pronounced in the lead-rich western extension of Nygruvan and in the Burkland area.

Copper stockwork mineralization has been identified in the structural hanging wall of the Burkland deposit. Chalcopyrite is the main copper mineral and occurs as coarse disseminations and patches within a marble host rock.

While the most appropriate genetic model for Zinkgruvan is still somewhat controversial, evidence, particularly the presence of what appears to be a copper-rich stringer zone stratigraphically below the Burkland ore body, seems to favour a volcanogenic model in a distal environment. In this model, mineralised hydrothermal fluids ascended through a vent system and deposited copper mineralization just below the paleo-sea floor and lead-zinc sulphide mineralization in shallow, fairly flat-lying sea floor depressions during a particularly quiescent period. However, some researchers prefer a sedimentary-exhalative model.

Exploration

With the expansion of the mine capacity in the mid-1970's, exploration increased and became more aggressive in the beginning of the 1980's. At first, focus was on the continuation of the Nygruvan mine at depth, but after that, and at present, the focus is towards the western half of the mining area and the Knalla Mine at depth.

Exploration has focused primarily on replacing mining depletion with new Mineral Resource estimates, initially by exploring the Burkland and the Dalby areas at depth. Due to the depth of the exploration areas and the relatively complex geometry, exploration is mostly done by underground drilling. Underground development has been done in the Mellanby/Dalby area at depths of 650 m and 1,125 m to provide platforms for drilling to test for possible extensions and further evaluate the potential of these areas.

Drilling

Underground exploration, comprising Mineral Resource estimation and stope definition drilling, is carried out on an ongoing basis. Stope definition holes are drilled from underground with intersections typically on 15 m by 20 m centres. All drill holes are surveyed at 3 m intervals using Maxibore surveying equipment which provides an accurate location of the drill intersections.

In 2016, 8,700 m of exploration drilling was completed, with 5,184 m from underground and 3,516 m from surface, to explore the possible continuation of the Western field and the Burkland area at depth. In addition, a total of 6,337 m of infill and definition drilling was completed underground.

Sampling, Analysis and Data Verification

Industry standard exploration drill core splitting, sampling, insertion of quality control samples and density measurement protocols and procedures are in place.

Prior to 2002, all samples were assayed at Zinkgruvan's own on-site laboratory by Atomic Absorption Spectroscopy. Samples were analysed for Pb, Zn, Ag, Cu, Fe, Co, and Ni, with samples subjected to two separate digestions.

Since 2002, all samples are prepared on-site and sent to ACME Analytical Laboratories (Vancouver) Ltd.'s laboratory in Vancouver, Canada for assay.

Data verification, sample security and QA/QC procedures that conform to industry standards are in place at Zinkgruvan. All drill core is logged and photographed, and the cores and sampling splits are stored on-site in a purpose built facility at the mine site. Traceability records prevent errors of identification and ensure sample history can be followed.

Mineral Processing and Metallurgical Testing

Zinkgruvan makes significant use of historical testing results and mill performance to predict and improve the complex's processing performance in terms of mill throughput, metal recovery to concentrate, and final concentrate grade. Metallurgical tests are also executed in a number of specialized academic and commercial facilities. Testing includes grindability work indices, mineralogy using optical and QEMSCAN technology when necessary and bench scale flotation testing. This is correlated with industrial scale performance in order to predict mill throughput and metallurgical performance.

Mineral Resource and Mineral Reserve Estimates

Mineral Resources at Zinkgruvan are estimated using two methods: the polygonal method and 3D block modelling. The polygonal method is generally used at the early stages of resource assessment and is carried out on parts of Nygruvan, and Sävsjön. The remaining areas of Nygruvan and all of Burkland are estimated using block modelling with Microstation® AutoCad and Prorok® software. Ordinary kriging and inverse distance weighting methods are used for grade estimation and density estimation uses a regression formula based on estimated metal grades.

Mineral Reserves are estimated from Mineral Resource estimates using Prorok® and Microstation® software. A zinc equivalent cut-off is applied together with dilution and mining recovery factors that are based on the mine's long operating experience.

Details of the June 2016 Mineral Resource and Mineral Reserve estimates for Zinkgruvan are included in Schedule A.

Mining Operations

Zinkgruvan is an underground mine with a long history. Mine access is currently via three shafts, with the principal P2 shaft providing hoisting and man access to the 800 m and 850 m levels with the shaft bottom at 900 m. A ramp connecting the underground workings with surface was completed in 2010 and now provides vehicle access direct to the mine. A system of ramps is employed to exploit estimated Mineral Resources below the shaft and the deepest mine level is now at 1,130 m below surface. The mine is highly mechanized and uses longhole primary secondary panel stoping in the Burkland area of the mine, and sublevel benching in the Nygruvan area and in the Cecilia area. Recently underhand panel stoping has been introduced to the lower sections of the Burkland and Nygruvan orebodies. All stopes are backfilled with either paste tailings and cement or waste rock.

Processing and Recovery Operations

The processing plant is located adjacent to the P2 shaft. The run-of-mine ore is ground in a single stage closed-circuit autogenous mill with partial crushing of mid-size particles. A bulk flotation stage is followed by lead-zinc separation in the cleaner flotation section to produce separate zinc and lead concentrates. The concentrates are thickened and filtered and then stockpiled under cover. Metallurgical recoveries average 92% for zinc and 82% for lead. Tailings are pumped some 4 km to a dedicated tailings impoundment from which decant water is returned to the process.

A separate 0.3 mtpa copper treatment line in the processing plant was commissioned during 2010. This line was further modified during 2011 to allow it the flexibility to treat zinc-lead ore as well as copper ore. An expansion project is currently underway which is aimed at increasing the overall mill capacity by approximately 10%. Metallurgical recoveries of copper average 90%.

Zinc, lead and copper concentrates from the mine are sold to a variety of European smelters. Multi-year sales contracts are normally agreed upon with customers and treatment, refining and penalty charges are typical of those for zinc, lead and copper sulphide concentrates. The lead concentrates are particularly high grade and contain elevated levels of silver.

Infrastructure, Permitting and Compliance Activities

Zinkgruvan has good local road access with rail and air links are available at the town of Örebro approximately 60 km distant. Lake Vänern is 100 km distant and provides access to coastal shipping via a series of inland canals and the port of Göteborg. The mine has ready access to grid power, domestic water and industrial water sources and communications systems.

The Zinkgruvan Mine is operating under a recently extended environmental licence that is valid until 2026. The licence includes conditions covering production levels, tailings disposal, water discharge limits, hazardous materials, process chemicals, water recirculation, noise levels, blast induced vibrations, dust pollution, waste handling, energy use and closure planning.

Zinkgruvan has in place a local stakeholder engagement plan and regular meetings are held between the mine and the local community. The mine publishes a regular magazine and newsletter and these are distributed freely in the community. Community initiatives include teaming up with an external partner to encourage local entrepreneurs and continued sponsorship of the Zinkgruvan mining museum. Zinkgruvan has also established tech-centric scholarships to encourage young people into technology and engineering disciplines and supported the establishment with a local community board of a summer swimming school.

Capital and Operating Costs

Total forecast Zinkgruvan C1 cash costs for 2017 are tabulated below using a forecast exchange rate of US dollar/SEK: 8.40. Unit operating costs are based on 2016 operating experience with anticipated efficiency and cost saving initiatives as well as favourable currency exchange rates. Forecast C1 cash costs for 2017 are $0.40/lb Zn, assuming a Pb and Cu by-product credit priced at $0.90/lb and $2.25/lb, respectively.

Zinkgruvan ($/lb Zn)	2017
Mining costs	0.31
Milling costs	0.13
G&A and other costs	0.12
TC/RCs	0.23
By-product credit, net of TC/RCs	(0.39)
Cash Cost per payable pound of Zinc	**0.40**

Total forecast capital costs for Zinkgruvan for 2017 are estimated at $45 million, as tabulated below. The capital forecast includes approximately $5 million remaining to be spent on the 1350 expansion project prior to commissioning in mid-2017.

Zinkgruvan	Unit	2017
Underground development	$M	12.0
Processing expansion	$M	5.0
Other sustaining	$M	28.0
Total	**$M**	**45.0**

Exploration, Development, and Production

Exploration activities in 2017 will focus on in-fill, definition, down-dip and step-out drilling mainly in the Burkland, Nygruvan and Dalby areas in order to define new Inferred Mineral Resource estimate. In order to establish underground drill platforms to allow drilling of deeper extensions of the Dalby orebody, a total of 400 m of development in the Dalby exploration drive at 1,125 m below surface is planned for 2017.In order to get in position to allow drilling the extensions of ore lenses in the Western field a total of 600 m of development in the Mellanby exploration drive at 650 m below surface is also planned for 2017.

In total, 15,700 m of exploration drilling is planned with 9,500 m to be completed from underground and 6,200 m from surface. A total of 21,300 m of infill and definition drilling, all from underground, is also planned.

In 2016, Zinkgruvan produced 78,523 tonnes of zinc, 31,661 tonnes of lead and 1,906 tonnes of copper in concentrate. For 2017, forecast production is as tabulated below.

Zinkgruvan	Unit	2017
Zinc Production	‘000 Tonnes	80 - 85
Copper Production	‘000 Tonnes	1.0 – 2.0

The current zinc/lead and copper Mineral Reserve estimates at Zinkgruvan are able to support a LOM in excess of 10 years.

Other Information on Significant Operations

Tenke Fungurume Mine – Democratic Republic of Congo

In May 2016, Freeport announced that it had entered into a definitive agreement to sell its indirect 70% interest in TF Holdings Limited (“**TF Holdings**”) to China Molybdenum Co., Ltd. (“**CMOC**”) for $2.65 billion in cash and contingent consideration of up to $120 million, consisting of $60 million if the average copper price exceeds $3.50 per pound and $60 million if average cobalt price exceeds $20 per pound, both during the 24-month period between 2018 and 2019. The Company had a right of first offer on the sale of Freeport's interest and retained legal and financial advisors to evaluate all strategic options.

On November 15, 2016, the Company announced that it that it had entered into a definitive agreement to sell its indirect interest in TF Holdings to an affiliate of BHR Partners for $1.136 billion in cash and contingent consideration of up to $51.4 million, consisting of $25.7 million if the average copper price exceeds $3.50 per pound and $25.7 million if average cobalt price exceeds $20 per pound, both during the 24-month period beginning on January 1, 2018. In connection with its announced sale, the Company waived its right of first offer to acquire Freeport's indirect interest in TF Holdings, which allowed Freeport to complete its sale of its interest to CMOC on November 16, 2016.

On April 19, 2017, the Company announced the completion of the sale of its indirect interest in TF Holdings to an affiliate of BHR Partners, a Chinese private equity firm, for $1.136 billion in cash.

Associates

During 2013, Lundin Mining acquired, together with Freeport and Gécamines, a large scale cobalt chemical refinery located in Kokkola, Finland and the related sales and marketing business. The acquisition provided direct end-market access for the cobalt hydroxide production from the Tenke Fungurume, among other advantages. The Company holds an effective 24% indirect ownership interest, with Freeport holding an effective 56% ownership interest and acting as operator, and Gécamines holding a 20% interest. Initial consideration of $348 million (100% basis), net of cash acquired, was paid at closing. The Company's share of the investment is based on a 30/70% split with Freeport and will be repaid in full prior to any distributions. Under the terms of the agreement, there was the potential for additional consideration of up to $110 million payable over a period of three years from the acquisition date, contingent upon the achievement of revenue-based performance targets, which period expired in 2016 with no payments for additional consideration having been required.

Subsequent to the acquisition, the operations were re-branded Freeport Cobalt.

The refinery located on the Baltic Sea in Finland processes unrefined cobalt and related metals and manufactures advanced inorganic products for use in a variety of applications in fast-growing end use markets. Freeport Cobalt is one of the world's largest suppliers of cobalt chemicals and powders for use in batteries, pigments, chemicals, catalysts and ceramics and powder metallurgy.

The Kokkola refinery has been in operation since 1968. It has an experienced management team, approximately 400 employees, and a global sales and marketing footprint that services approximately 500 customers in over 50 countries in Asia, Europe and the Americas.

Mine Closures

Closure activities typically include ground stabilization, infrastructure demolition and removal, topsoil replacement, regrading and revegetation. Mine closure may have significant impacts on local communities and site remediation activities may not be supported by local stakeholders. To mitigate this risk, the Company develops and regularly updates MCPs for all operations over the life of the mine, giving consideration to where post-mining land use may benefit local communities. In addition to immediate closure activities, closed mining operations may require long-term surveillance and monitoring. MCPs are developed in accordance with the Company's corporate standards and to comply with local regulatory requirements. Funds have been accrued in the Company's financial statements to provide for future mine closure obligations. Future remediation costs for inactive mines are estimated at the end of each financial reporting period, including ongoing care, maintenance and monitoring costs. Actual costs realized in satisfaction of mine closure obligations may vary materially from management's estimates.

Separate MCPs are in place for Minera Candelaria and Minera Ojos del Salado and both have been approved by the Chilean National Geology and Mining Service. The approved closure costs are US$42.4 million for Minera Candelaria and US$7.9 million for Minera Ojos del Salado. The closure cost estimate for Minera Candelaria does not reflect the developments recently permitted under the Candelaria 2030 EIA, including the Los Diques tailings facility. In December 2016, an updated closure plan was submitted for review and approval, which includes the Candelaria 2030 developments.

The Galmoy Mine in County Kilkenny, Ireland was acquired by the Company in 2005. Mining was completed in October 2012. The Company implemented an approved MCP including the dismantling and sale of the mill, sealing and capping the mine entrances and rehabilitation of the tailings management facility. Closure activities were completed in 2015 and the site has transitioned into the aftercare phase during which the main activity will be routine environmental monitoring. On March 22, 2017, all of the issued and outstanding shares of Galmoy Mines Limited, the owner of Galmoy Mine, were sold to an affiliate of the Lanes Group plc, who has in turn assumed all of the assets and liabilities of Galmoy.

The Company acquired the closed Vueltas del Rio gold mine in Honduras as part of the acquisition of Rio Narcea Gold Mines, Ltd. (Canada) in 2007. The Company undertook site reclamation under an approved MCP, including a three-year aftercare monitoring program that will be completed in mid-2017. The Company is now working with authorities and local communities to wind down its activities related to Vueltas del Rio.

Production ceased in 2008 at the Storliden zinc-copper mine in northern Sweden. A rehabilitation program was substantially completed in accordance with the approved MCP, with some limited remediation work left to be undertaken in 2017. The site is now subject to a long-term monitoring program.

The Company has been working with local government authorities to define an environmental remediation program for a legacy processing and tailing site at Ammeberg near the Zinkgruvan operation, where mining and processing operations date from 1857. The area was partially rehabilitated during the 1980s and is currently used as a golf course and marina facility. A risk assessment was carried out according to Swedish requirements and submitted to authorities in 2013 following the identification of locally elevated metal concentrations near the old mill site. Additional site characterization and human health and environmental risk assessment studies are planned in 2017, which are expected to lead to a final remediation plan under agreement with the local authority in due course.

During the fourth quarter of 2016, the Company divested of the Aguablanca Mine in Spain through the transfer of all the shares of RNR to Valoriza Mineria, a subsidiary of Grupo Sacyr. The assets of RNR included the Aguablanca mine and other exploration licenses. Prior to the divestiture, the Company transferred approximately EUR30 million to RNR to fund all of the environmental, employee and other liabilities at the time of closing.

From time to time, regulatory approval for amendments to MCPs and associated permits may be sought, and these could have a significant impact on mine closure costs.

As at December 31, 2016, the Company had $41.2 million in cash in a number of reclamation funds that will be used to fund future site reclamation and mine closure costs at the Company's various mine sites. The Company will continue to contribute to these funds as required, based on an estimate of the future site reclamation and mine closure costs as detailed in the approved MCPs. Changes in environmental laws, regulations and standards can create uncertainty with regards to future reclamation costs and affect the funding requirements. There is a risk that the reclamation funds set aside will not be sufficient to meet the needs of actual reclamation work in the future.

OTHER INFORMATION ABOUT THE COMPANY

Corporate History

The Company was incorporated by Articles of Incorporation on September 9, 1994, under the CBCA as South Atlantic Diamonds Corp. and subsequently changed its name to South Atlantic Resources Ltd. on July 30, 1996, and to South Atlantic Ventures Ltd. on March 25, 2002. The Company changed its name to Lundin Mining Corporation on August 12, 2004. The Company amalgamated with EuroZinc Mining Corporation effective November 30, 2006 and with Tenke Mining Corp. effective July 31, 2007.

Recent Milestones

2014

- On September 23, 2014, the Company announced that concentrate production had commenced at the Eagle Mine. On November 24, 2014, the Company announced the achievement of commercial production at the Eagle Mine.

- On October 6, 2014, the Company announced that it had entered into the Stock Purchase Agreement to purchase an 80% ownership interest in Candelaria and supporting infrastructure for cash consideration of $1.8 billion, plus customary adjustments. In addition, contingent consideration of up to $200 million in aggregate is payable, calculated as 5% of net copper revenues in any annual period over five years from the date of acquisition if the realized copper price exceeds $4 per pound.

  The Company also announced that it had entered into the Purchase and Sale Agreement to sell to Franco-Nevada a gold and silver stream from Candelaria for an upfront deposit of $648 million, subject to expected post-closing adjustments. In addition to the upfront deposit, Franco-Nevada will make ongoing payments upon delivery of the stream.

  The Company concurrently announced that it had agreed to a bought deal equity financing for gross proceeds of $600 million (C$674 million) and that it had obtained a senior secured bridge loan commitment of up to $1 billion which would only be utilized if the Company could not complete a private offering of fixed rate permanent debt securities.

  In conjunction with the October 6, 2014 news release, the Company filed a NI 43-101 technical report on the Candelaria Mine.

- On October 23, 2014, the Company announced that it had completed the bought deal equity financing to raise gross proceeds of approximately $600 million (C$674 million). The Company issued a total of 132,157,000 subscription receipts at a price of C$5.10 per subscription receipt. Each subscription receipt represented the right to acquire, without payment of additional consideration or further action, one common share of the Company upon closing of the acquisition of an 80% ownership stake in Candelaria from Freeport and the approval and registration with the Swedish Financial Supervisory Authority of a Prospectus regarding the listing of the corresponding Swedish Depository Receipts relating to the Common Shares on conversion of the subscription receipts. The subscription receipts converted to Common Shares on or about November 27, 2014.

- On October 27, 2014, the Company completed its offering of $1.0 billion of Senior Secured Notes in two tranches, $550 million of 7.5% senior secured notes due 2020 and $450 million of 7.875% senior secured notes due 2022, pursuant to the terms of the Indenture.

- On November 3, 2014, the Company announced the closing of its acquisition of an 80% ownership stake in Candelaria and supporting infrastructure from Freeport. Total cash consideration of $1.852 billion was paid, consisting of a $1.8 billion base purchase price plus $52 million for cash and non-cash working capital and other agreed adjustments.

The remaining 20% ownership stake in Candelaria continues to be held by Sumitomo. Pursuant to a shareholders' agreement with Sumitomo, the Company is the operator of Candelaria.

The Company also announced the completion of the sale of a gold and silver stream to Franco-Nevada pursuant to the Stream Agreement.

The Company also repaid its $250 million term loan and executed an amendment to the Credit Agreement, which provides for its $350 million revolving Credit Facility.

2015

- On April 7, 2015, the Company reported Mineral Reserve estimates for two orebodies at the Candelaria Mine, known as Susana and Damiana, located to the immediate south and below the current open pit.

- On June 2, 2015, the Company announced that exploration drilling near the Eagle Mine intersected a new zone of high-grade massive and semi-massive nickel-copper sulphide mineralization. The discovery is located approximately two km east of the Eagle deposit, and is a consequence of the step-out drilling program described in the Company's press release dated July 16, 2014.

- On July 23, 2015, the Company announced it received approval of the Candelaria 2030 EIA.

- On July 29, 2015, the Company announced it had completed an updated mine plan and annual sustaining capital cost estimate for Candelaria. The new plan is expected to result in an improved production and operating cost profile over the next four-year period, as compared to the mine plan that was summarized in the previous technical report for the Candelaria Mine.

2016

- On May 9, 2016, the Company received notice from Freeport that it had entered into an agreement to sell its indirect interest in TF Holdings to CMOC, subject to the Company's right of first offer to acquire Freeport's indirect interest in TF Holdings.

- On June 29, 2016, the Company announced a maiden Inferred Mineral Resource estimate for Eagle East. Eagle East is located 2 km east and 650 metres below the Eagle mine deposit. The Company also announced the results of a Preliminary Economic Assessment that indicate that these Inferred Mineral Resources can potentially be mined with no significant changes to the current mine, ore transport, mill and tailings disposal infrastructure. Similar mining methods to Eagle are proposed and the potential mine production will significantly increase nickel and copper production from 2020 and extend the mine life to at least the end of 2023. Given the results of the Preliminary Economic Assessment, the Company initiated a Feasibility Study on Eagle East. Refer to the news release entitled "Lundin Mining Announces Eagle East Mineral Resources, PEA Results and Project Commencement" on the Company's website (www.lundinmining.com).

- On October 20, 2016, the Company announced that it has executed an amending agreement to its $350 million revolving Credit Facility that reduces the costs of borrowing and extends the term to June 2020, from October 2017.

- On November 15, 2016, the Company announced that it had entered into a definitive agreement to sell its indirect interest in TF Holdings to an affiliate of BHR Partners for $1.136 billion in cash and contingent consideration of up to $51.4 million, consisting of $25.7 million if the average copper price exceeds $3.50 per pound and $25.7 million if the average cobalt price exceeds $20 per pound, both during a 24-month period beginning on January 1, 2018. In connection with its announced sale, the Company waived its right of first offer which allowed Freeport to complete its sale of its interest to CMOC on November 16, 2016. The sale was completed on April 19, 2017.

- On November 30, 2016, the Company announced that the Board of Directors approved a dividend policy providing for the payment of a regular quarterly dividend of C$0.03 per common share commencing in 2017, subject to Board approval.

- During the fourth quarter of 2016, the Company divested the Aguablanca mine in Spain through the transfer of all the shares of RNR to Valoriza Mineria, a subsidiary of Grupo Sacyr. The assets of RNR included the Aguablanca mine and other exploration licenses. The Company transferred approximately EUR30 million to RNR prior to the transfer in order to ensure that all of the environmental, employee and other liabilities were fully funded.

2017

- On February 22, 2017, the Company declared its first quarterly dividend of C$0.03 per share for payment in April 2017.

- On March 22, 2017, all of the issued and outstanding shares of Galmoy Mines Limited, the owner of Galmoy Mine, were sold to an affiliate of the Lanes Group plc, who has in turn assumed all of the assets and liability of Galmoy.

- On April 10, 2017, the Company announced the results of a Feasibility Study, including an updated Mineral Resource estimate and a maiden Mineral Reserve estimate, on the high grade Eagle East nickel-copper mineralization, and provided an update on the project progress.

- On April 19, 2017, the Company announced the completion of the sale of its indirect interest in TF Holdings to an affiliate of BHR Partners, a Chinese private equity firm, for $1.136 billion in cash.

- On April 26, 2017, the Company declared a dividend of C$0.03 per share for payment in June 2017 and its intention to cancel the Swedish Depository Receipts and dual list its Shares directly on Nasdaq Stockholm.

- On May 11, 2017, the Company announced the results of a Feasibility Study on the Zinc Expansion Project at the Neves-Corvo mine in Portugal, and provided an update on the project progress.

Employees and Contractors

At the end of 2016, the Company had a total of approximately 3,221 employees and 3,984 contract employees located in Canada, Chile, Ireland, Portugal, Sweden, United Kingdom and the US and other exploration locations for a total equivalent full time employment of 7,205 people. At the end of 2015, the Company had a total of approximately 3,300 employees and 4,000 contract employees located in Canada, Chile, Ireland, Portugal, Spain, Sweden, United Kingdom, the US and other exploration locations for a total equivalent full time employment of 7,300 people. At the end of 2014, the Company had a total of approximately 3,300 employees and 4,600 contract employees located in Canada, Chile, Ireland, Portugal, Spain, Sweden, United Kingdom and the US, for a total equivalent full time employment of 7,900 people.

Specialized Skill and Knowledge

The Company's success at mining and marketing its minerals is reliant on the services of key employees and contractors, as well as the development and continued relationships with certain third parties, including geologists, engineers, metallurgists and other personnel with specialized skill and knowledge.

Customers

In general, the Company's customers consist of a variety of smelter customers. Minerals are commodity products, and the Company is not particularly dependent upon any particular customer and is able to readily find alternative buyers if necessary.

Responsible Mining Management Framework

The Company conducts its business responsibly and in a manner designed to protect its employees, nearby communities and the environment. The Company respects human rights and is committed to achieving a safe, productive and healthy work environment for its employees and contractors. The Company seeks to create sustainable value for employees, business partners and the communities in which it operates. The Company and its operations endeavor to comply with all applicable legal requirements, and to go beyond those requirements where deemed appropriate in the interest of the Company or its stakeholders.

To ensure that the Company meets its commitments relating to health, safety, environment and community ("**HSEC**"), the Company has adopted a Responsible Mining Management System, a corresponding Responsible Mining Policy, and a group of supporting management system standards that govern operational activities. The Responsible Mining Policy was formally approved by the Board in 2015.

The objectives of the Responsible Mining Management System are:

- To ensure that formal systems, processes and controls are designed and implemented to achieve a safe, productive and healthy work environment for all employees and contractors.
- To ensure formal systems are in place to avoid or manage social impacts to communities, to uphold fundamental human rights and respect cultures, customs, and values while engaging in open and inclusive dialogue with communities, employees, and others who are affected by the Company's activities.
- To generate shared value through the Company's projects, providing tangible support to local communities and host regions by working with communities, local governments and other organizations to promote sustainable development.
- To avoid, minimize or mitigate environmental impacts of operations and ensure appropriate management and monitoring systems are in place at all times.
- To ensure robust corporate governance processes underpin corporate responsibility commitments while maintaining high standards of ethics in all aspects of the Company's business.

As part of the Responsible Mining Management System, HSEC commitments and objectives are integrated into Company activities as follows:

- The Company evaluates and considers HSEC risks and opportunities during business planning and decision making processes.
- The Company applies the principles of continuous improvement to HSEC performance though the use of defined targets and objectives.
- The Company has established clear HSEC accountabilities for all employees.
- The Company advises and trains employees and contractors to assist them with meeting HSEC requirements and commitments.
- The Company designs, develops and operates its facilities to minimize the environmental impact of its operations; efficiently using energy, water and other resources; reducing or preventing pollution; and managing waste responsibly.
- The Company develops and maintains operational closure plans and, wherever practicable, progressively rehabilitates non-active operational areas using environmentally sound methods.
- The Company engages its employees, contractors, communities, regulators and other interested parties to ensure that stakeholder concerns are considered in managing business activities.

For the purpose of assurance, Company management regularly monitors and reviews operational activities, and publicly reports HSEC performance against objectives and targets.

SELECTED FINANCIAL INFORMATION

The information below should be read together with sections "Comments to the Financial Statements" and "Capital Structure, Indebtedness and Related Information" and the Company's audited financial statements for the years ended December 31, 2014, 2015 and 2016 and unaudited interim financial statements for the three-month periods ended March 31, 2016 and 2017. The financial information presented below has been derived from the Company's audited consolidated financial statements for the years ended December 31, 2014, 2015 and 2016 and the unaudited interim financial statements for the three-month period ended March 31, 2017 for the respective periods. The Company prepares its financial statements in accordance with IFRS. Except where otherwise noted, financial data has been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

Summary of Income Statements

($ in thousands)	Jan-Mar 2017	Jan-Mar 2016	FY 2016	FY 2015	FY 2014
Sales	487,787	369,569	1,545,591	1,701,947	951,314
Operating costs	(214,124)	(210,290)	(864,449)	(962,694)	(619,741)
Depreciation, depletion and amortization	(109,660)	(119,574)	(434,867)	(555,021)	(208,703)
General and administrative expenses	(9,240)	(7,542)	(26,933)	(27,167)	(27,238)
General exploration and business development	(15,181)	(12,821)	(56,113)	(59,500)	(74,685)
(Loss) income from equity investment in associates	(739)	(895)	(1,110)	(54)	1,780
Finance costs	(11,749)	(18,278)	(80,339)	(89,240)	(28,108)
Other income	882	1,020	6,607	23,591	29,859
Other expenses	(11,472)	(9,006)	(56,130)	(18,737)	(10,785)
Impairment and impairment reversals	-	-	95,922	(293,285)	(47,064)
Earnings (Loss) before income taxes	**116,504**	**(7,817)**	**128,179**	**(280,160)**	**(33,371)**
Current tax expense	(58,245)	(19,665)	(48,451)	(68,769)	(5,300)
Deferred tax recovery	14,123	16,408	44,138	42,523	74,036
Net earnings (Loss) for continuing operations	72,382	(11,074)	123,866	(306,406)	35,365
(Loss) earnings from discontinued operations	34,062	(4,391)	(754,096)	24,617	88,016
Net (loss) earnings for the period	**106,444**	**(15,465)**	**(630,230)**	**(281,789)**	**123,381**

Summary of Balance Sheets

($ in thousands)	March 31, 2017	March 31, 2016	FY 2016	FY 2015	FY 2014
ASSETS					
Current					
Cash & cash equivalents	928,820	560,748	715,311	556,511	174,792
Trade and other receivables	325,424	230,853	338,931	192,194	404,967
Income taxes receivable	5,573	53,030	34,853	54,795	49,241
Inventories	149,659	128,103	163,138	144,746	162,074
Other current assets	9,884	4,106	8,877	5,101	-
	1,419,360	976,840	1,261,110	953,347	791,074
Asset classified as held for sale	1,125,218	-	1,146,776	-	-
	2,544,578	**976,840**	**2,407,886**	**953,347**	**791,074**
Non-current					
Restricted funds	39,270	53,526	41,272	53,818	57,007
Long-term inventory	232,966	221,422	217,914	194,065	154,725
Other non-current assets	11,087	13,514	11,977	13,341	18,226
Mineral properties, plant and equipment	3,146,676	3,318,130	3,179,600	3,354,711	3,927,291
Investment in associates	81,427	2,042,357	79,166	2,050,823	2,059,199
Deferred tax assets	120,960	54,626	102,786	55,022	57,671
Goodwill	103,225	109,232	101,928	104,921	261,482
	3,735,611	5,812,807	3,734,643	5,826,701	6,535,601
Total assets	6,280,189	6,789,647	6,142,529	6,780,048	7,326,675

LIABILITIES					
Current					
Trade and other payables	260,211	231,750	243,675	231,960	274,213
Income taxes payable	86,026	15,928	34,592	14,201	6,380
Current portion of deferred revenue	55,398	52,176	55,934	58,666	65,098
Current portion of long-term debt and finance leases	1,321	1,263	1,082	1,102	1,932
Current portion of reclamation and other closure provisions	14,212	16,359	20,279	14,425	8,995
	417,168	**317,476**	**355,562**	**320,354**	**356,618**
Non-current					
Deferred revenue	491,705	546,723	504,009	549,830	602,244
Long-term debt and finance leases	983,444	979,512	982,295	978,014	980,888
Reclamation and other closure provisions	235,274	251,753	236,526	242,556	254,461
Other long-term liabilities	10,089	12,715	9,992	13,815	10,001
Provision for pension obligations	12,863	14,652	13,269	15,332	17,030
Deferred tax liabilities	398,109	398,611	413,249	412,536	466,759
	2,131,484	**2,203,966**	**2,159,340**	**2,212,083**	**2,331,383**
SHAREHOLDER'S EQUITY					
Share capital	4,143,557	4,107,486	4,135,367	4,107,469	4,099,038
Contributed surplus	44,947	50,784	44,779	49,112	45,021
Accumulated other comprehensive loss	(302,498)	(272,449)	(320,138)	(308,819)	(199,023)
Retained earnings (deficit)	(620,608)	(56,060)	(695,718)	(33,975)	260,109
Equity attributable to Company shareholders	3,265,398	3,829,761	3,164,290	3,813,787	4,205,145
Non-controlling interests	466,139	438,444	463,337	433,824	433,529
	3,731,537	**4,268,205**	**3,627,627**	**4,247,611**	**4,638,674**
Total liabilities and equity	**6,280,189**	**6,789,647**	**6,142,529**	**6,780,048**	**7,326,675**

Cash Flow Statements

($ in thousands)	**Jan-Mar 2017**	**Jan-Mar 2016**	**FY 2016**	**FY 2015**	**FY 2014**
Net cash provided in operating activities	244,677	42,878	363,188	713,937	187,366
Net cash (used) in investing activities[1]	(23,537)	(40,485)	(143,846)	(244,504)	(2,065,769)
Net cash provided (used) in financing activities	(6,612)	(2,853)	(60,682)	(80,409)	1,947,966
Effect of foreign exchange on cash balances	(1,019)	4,697	140	(7,305)	(11,411)
Increase/(decrease) in cash during the period	**213,509**	**4,237**	**158,800**	**381,719**	**58,152**
Cash and cash equivalents, beginning of period	715,311	556,511	556,511	174,792	116,640
Cash and cash equivalents, end of period	928,820	560,748	715,311	556,511	174,792

(1) Cash flows from discontinued operations were:

Jan-Mar 2017	$55.6 million
Jan-Mar 2016	$3.2 million
2016	$60.4 million
2015	$24.6 million
2014	$85.8 million

Key Financial and Performance Data (1)

($ millions, except share and per share amounts)	Jan-Mar 2017	Jan-Mar 2016	Year ended December 31, 2016	2015	2014
Net debt(2)	71.3	438.1	284.1	441.3	829.2
Operating earnings(3)	264.4	151.7	654.2	712.1	304.3
Operating cash flow	244.7	42.9	363.2	713.9	187.4
Operating cash flow per share (4)	0.24	0.12	0.67	0.72	0.38
Shares outstanding:					
- Basic weighted average	726,184,033	719,628,357	720,328,576	719,089,063	600,442,231
- Diluted weighted average	728,794,024	719,628,357	721,208,806	719,089,063	602,357,872
- End of period	726,702,997	719,632,457	725,134,187	719,628,357	718,168,173
Basic and diluted earnings / (loss) per share attributable to					
- continuing operations (EPS - Continuing)	0.08	0.02	0.13	(0.44)	0.04
- net (loss) / earnings (EPS - Total)	0.13	0.03	(0.92)	(0.41)	0.19
Dividends	0.03	-	-	-	-
Capital expenditures (including capitalized interest) (5)					
- Sustaining capital expenditures	65.9	46.8	176	268.2	113.9
- Expansionary capital expenditures	10.7	0.7	11.3	9.5	307.7
Cash cost per pound (6)					
- Candelaria (Cu)	1.27	1.22	1.31	1.25	1.49
- Eagle (Ni)	0.94	1.61	1.75	2.02	2.79
- Neves-Corvo (Cu)	0.75	1.48	1.54	1.63	1.85
- Zinkgruvan (Zn)	0.37	0.36	0.37	0.37	0.37
All-in sustaining cost per pound (7)					
- Candelaria (Cu)	1.73	1.53	1.63	-	-
- Eagle (Ni)	1.28	1.75	2.10	-	-
- Neves-Corvo (Cu)	1.42	1.75	1.96	-	-
- Zinkgruvan (Zn)	0.57	0.55	0.57	-	-

(1) Except where otherwise noted, financial data has been prepared in accordance with IFRS as issued by the International Accounting Standards Board.
(2) Net debt is a non-GAAP measure – see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”.
(3) Operating earnings is a non-GAAP measure – see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”.
(4) Operating cash flow per share is a non-GAAP measure – see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”.
(5) Capital expenditures is a non-GAAP measure – see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”.
(6) Cash cost per pound is a non-GAAP measure – see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”.
(7) All-in sustaining cost (AISC) per pound is a non-GAAP measure – see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”. The Company did not disclose AISC data prior to 2016.

Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS

The Company uses certain performance measures in its analysis. These performance measures 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 of performance prepared in accordance with IFRS. The following are non-GAAP measures that the Company uses as key performance indicators.

Net Cash/Debt

Net cash/debt is a performance measure used by the Company to assess its financial position. Net cash/debt is defined as cash and cash equivalents, less long-term debt and finance leases, excluding deferred financing fees.

Operating Earnings

Operating earnings is a performance measure used by the Company to assess the contribution by mining operations to the Company's net earnings or loss. Operating earnings is defined as sales, less operating costs (excluding depreciation) and general and administrative expenses.

Operating Cash Flow per Share

Operating cash flow per share is a performance measure used by the Company to assess its ability to generate cash from its operations, while also taking into consideration changes in the number of outstanding shares of the Company. Operating cash flow per share is defined as cash provided by operating activities, less changes in non-cash working capital items, divided by the basic weighted average number of shares outstanding.

Capital Expenditures

Identifying capital expenditures, on a cash basis, using a sustaining or expansionary classification provides management with a better understanding of costs required to maintain existing operations, and costs required for future growth of existing or new assets.

- Sustaining capital expenditures – Expenditures which maintain existing operations and sustain production levels.

- Expansionary capital expenditures – Expenditures which increase current or future production capacity, cash flow or earnings potential.

Where an expenditure both maintains and expands current operations, classification would be based on the primary decision for which the expenditure is being considered/was made.

Cash Cost per Pound

Copper, nickel and zinc cash costs per pound are key performance measures that management uses to monitor performance. Management uses these statistics to assess how well the Company's producing mines are performing and to assess overall efficiency and effectiveness of the mining operations. Cash cost is not an IFRS measure and, although it is calculated according to accepted industry practice, the Company's disclosed cash costs may not be directly comparable to other base metal producers.

- Cash cost per pound, gross – Total cash costs directly attributable to mining operations, excluding any allocation of upfront streaming proceeds or capital expenditures for deferred stripping, are divided by the sales volume of the primary metal to arrive at gross cash cost per pound. As this measure is not impacted by fluctuations in sales of by-product metals, it is generally more consistent across periods.

- Cash cost per pound, net of by-products – Credits for by-products sales are deducted from total cash costs directly attributable to mining operations. By-product revenue is adjusted for the terms of streaming agreements, but excludes any deferred revenue from the allocation of upfront cash received. The net cash costs are divided by the sales volume of the primary metal to arrive at net cash cost per pound. The inclusion of by-product credits provides a broader economic measurement, incorporating the benefit of other metals extracted in the production of the primary metal.

All-in Sustaining Cost per Pound

All-in sustaining cost per pound is an extension of the cash cost per pound measure discussed above and is also a key performance measure that management uses to monitor performance. Management uses this measure to analyze margins achieved on existing assets while sustaining and maintaining production at current levels. Expansionary capital and certain exploration costs are excluded from this definition as these are costs typically incurred to extend mine life or materially increase the productive capacity of existing assets, or for new operations. Corporate general and administrative expenses have also been excluded from the all-in sustaining cost measure, as any attribution of these costs to an operating site would not necessarily be reflective of costs directly attributable to the administration of the site.

Reconciliation of Key Performance Indicators Which Are Not in Accordance With IFRS

For reconciliation of each of the above non-GAAP measures for the years ended December 31, 2014, 2015 and 2016 as well as for the three month period ended March 31, 2016 and 2017, reference is made to

- Lundin Mining Corporation, MD&A December 31, 2014 (pages 42-44 section "Non-GAAP Performance Measures")
- Lundin Mining Corporation, MD&A December 31, 2015 (pages 46-47 section "Non-GAAP Performance Measures)
- Lundin Mining Corporation, MD&A December 31, 2016 (pages 35-38 section "Non-GAAP Performance Measures)
- Lundin Mining Corporation, MD&A for the three months ended March 31, 2016 (pages 24-25 section "Non-GAAP Performance measures)
- Lundin Mining Corporation, MD&A for the three months ended March 31, 2017 (pages 28-30 section "Non-GAAP Performance Measures)

The above-listed documents are available in electronic format at http://www.lundinmining.com/s/FinancialStatements.asp.

COMMENTS TO THE FINANCIAL STATEMENTS

The information below should be read together with sections "Selected Financial Information" and "Capital Structure, Indebtedness and Related Information" and the Company's audited financial statements for the years ended December 31, 2014, 2015 and 2016 and unaudited interim financial statements for the three-month periods ended March 31, 2016 and 2017. The financial information presented below has been derived from the Company's audited consolidated financial statements for the years ended December 31, 2014, 2015 and 2016 and the unaudited interim financial statements for the three-month period ended March 31, 2017 for the respective periods, which have been incorporated into this Prospectus by reference.

Three-Month Period Ended March 31, 2017 Compared to Three-Month Period Ended March 31, 2016

Sales

Sales for the quarter ended March 31, 2017 were $487.8 million, an increase of $118.2 million in comparison to the first quarter of the prior year. The increase was due to higher metal prices and positive price adjustments ($129.3 million), partially offset by lower sales volumes ($8.7 million).

Sales of gold and silver for the quarter ended March 31, 2017 include the partial recognition of an upfront purchase price on the sale of precious metals streams for Candelaria, Neves-Corvo, and Zinkgruvan as well as the cash proceeds which amount to $400/oz for gold and between $4.00/oz and $4.29/oz for silver.

Sales are recorded using the metal price received for sales that settle during the reporting period. For sales that have not been settled, an estimate is used based on the expected month of settlement and the forward price of the metal at the end of the reporting period. The difference between the estimate and the final price received is recognized by adjusting gross sales in the period in which the sale (finalization adjustment) is settled. The finalization adjustment recorded for these sales depends on the actual price when the sale settles. Settlement dates can range from one to six months after shipment.

Operating Costs

Operating costs (excluding depreciation) for the quarter ended March 31, 2017 were $214.1 million, an increase of $3.8 million, or 2% in comparison to the first quarter of the prior year. The impact of lower overall sales volumes ($8.2 million) was more than offset by higher per unit operating costs ($7.9 million), higher royalties ($2.1 million) and an overall unfavourable foreign exchange impact ($2.0 million).

Operating Earnings

Operating earnings for the quarter ended March 31, 2017 were $264.4 million, an increase of $112.7 million in comparison to the first quarter of the prior year ($151.7 million). The increase was primarily due to higher metal prices and positive price adjustments ($129.3 million), partially offset by higher per unit costs ($7.9 million).

Net Earnings

Net earnings for the quarter ended March 31, 2017 were $106.4 million, an increase of $121.9 million over the net loss of $15.5 million reported in 2016. Net earnings, in comparison with the prior year quarter, were impacted by:

- higher operating earnings ($112.7 million);
- higher earnings from discontinued operations (Tenke - $38.5 million); and
- lower depreciation, depletion and amortization ($9.9 million); partially offset by
- higher income tax expense ($40.8 million).

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization expense for the quarter ended March 31, 2017 was $109.7 million, a decrease of $9.9 million in comparison to the $119.6 million reported in 2016. The decrease was largely attributable to lower amortization of deferred stripping costs at Candelaria and lower production at Neves-Corvo, in the current quarter, partially offset by the impact of Eagle's 2015 impairment reversal at the end of 2016.

For the quarter, $13.6 million of Candelaria's depreciation relates to the amortization of deferred stripping costs that were previously capitalized (Q1 2016: $28.2 million). The deferred stripping asset balance at March 31, 2017 was $310.2 million.

Finance Income and Costs

For the quarter ended March 31, 2017, finance costs were $11.7 million, compared to $18.3 million for the comparable period in the prior year. The decrease was primarily attributable to interest income received on a Portuguese tax refund.

Other Income and Expense

Net other expenses for the three months ended March 31, 2017 were $11.3 million compared to $8.8 million for the three months ended March 31, 2016. A foreign exchange loss was recognized in the current year of $7.7 million, while a foreign exchange loss of $4.8 million was recognized in the prior year quarter.

Foreign exchange gains and losses recorded in Other Income and Expense relate to working capital denominated in foreign currencies that was held by the Company's subsidiaries. Period end exchange rates having a meaningful impact on such subsidiaries at March 31, 2017 were $1.00:CLP663 (December 31, 2016 - $1.00:CLP669), $1.07:€1.00 (December 31, 2016 - $1.05:€1.00) and $1.00:SEK8.93 (December 31, 2016 - $1.00:SEK9.10).

Income Taxes

Income tax expense of $44.1 million for the three months ended March 31, 2017 was $40.8 million higher than the $3.3 million expense recorded in the prior year. The increase in income tax expense is associated with higher taxable earnings at all operating sites. Furthermore, included in the prior year tax is a recovery adjustment of $6.7 million at Candelaria.

Financial Year Ended December 31, 2016 Compared to Financial Year Ended December 31, 2015

Sales

Sales for the year ended December 31, 2016 were $1,545.6 million, a decrease of $156.3 million in comparison to the $1,701.9 million reported in 2015. The decrease was mainly due to lower sales volumes ($135.3 million) and the shutdown and subsequent sale of the Aguablanca operation ($64.6 million), partially offset by higher realized metal prices and price adjustments ($45.2 million).

Sales of gold and silver for the year ended December 31, 2016 include the partial recognition of an upfront purchase price on the sale of precious metals streams for Candelaria, Neves-Corvo, and Zinkgruvan as well as the cash proceeds which amount to $400/oz for gold and between $4.00/oz and $4.29/oz for silver.

Sales are recorded using the metal price received for sales that settle during the reporting period. For sales that have not been settled, an estimate is used based on the expected month of settlement and the forward price of the metal at the end of the reporting period. The difference between the estimate and the final price received is recognized by adjusting gross sales in the period in which the sale is settled. Settlement dates can range from one to six months after shipment.

Operating Costs

Operating costs (excluding depreciation) for the year ended December 31, 2016 were $864.4 million, a decrease of $98.3 million in comparison to the $962.7 million reported in 2015. The decrease was largely due to lower sales volume ($68.4 million) and the shutdown of Aguablanca operations ($46.5 million) and favourable changes in foreign exchange rates ($13.3 million), partially offset by higher per unit costs ($42.1 million).

Operating Earnings

Operating earnings for the year ended December 31, 2016 were $654.2 million, a decrease of $57.9 million in comparison to the $712.1 million reported in 2015. The decrease was primarily due to lower sales volumes ($66.9 million) and the shutdown of Aguablanca ($18.1 million) and higher per unit operating costs ($42.1 million), partially offset by higher realized metal prices and price adjustments ($45.2 million), favourable foreign exchange movements ($13.3 million) and lower treatment and refining charges ($9.9 million). (Operating earnings is a non-GAAP measure – see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”.)

Net Loss

Net loss for the year ended December 31, 2016 was $630.2 million, an increase of $348.4 million over the net loss of $281.8 million reported in 2015. Net losses in both years were primarily a result of impairment related adjustments, as cost and production performance at mine operations met or exceeded expectations. Net loss was impacted by:

- higher net impairment ($389.2 million);
- lower operating earnings ($57.9 million);
- effect of foreign exchange ($39.5 million); and
- loss on disposal of Aguablanca assets ($22.3 million); partially offset by
- lower depreciation, depletion and amortization ($120.1 million); and
- lower income taxes ($21.9 million).

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization expense for the year ended December 31, 2016 was $434.9 million, a decrease of $120.1 million in comparison to the $555.0 million reported in 2015. The decrease was attributable to asset impairment and lower production at Candelaria and Eagle and an increase in the Candelaria Mineral Resources and Reserve Estimate, as well as the shutdown of the Aguablanca operations ($13.4 million).

Candelaria’s depreciation expense for 2016 includes $86.3 million (2015 - $125.4 million) for amortization of previously capitalized deferred stripping costs. The deferred stripping asset at December 31, 2016 was $305.8 million (December 31, 2015 - $364.9 million).

Finance Income and Costs

For the year ended December 31, 2016, net finance costs decreased $8.9 million from the prior year. The decrease was primarily attributable to net unrealized gains on revaluation of currency options and marketable securities ($5.2 million).

Other Income and Expense

Net other expense for the year ended December 31, 2016 was $49.6 million compared to earnings of $4.9 million for the year ended December 31, 2015. The increase in net other expense is largely as a result of changes in foreign exchange ($39.5 million) and a loss on disposal of Aguablanca and related net assets in 2016. The sale of Aguablanca assets resulted in a loss on disposal of $22.3 million and a currency translation adjustment of $19.5 million, which was reported as foreign exchange expense.

Foreign exchange gains and losses recorded in Other Income and Expense relate to working capital denominated in foreign currencies that was held by the Company and as a result of the sale of Aguablanca. Period end exchange rates having a meaningful impact on foreign exchange recorded at December 31, 2016 were $1.00:CLP669 (December 31, 2015 - $1.00:CLP710), $1.05: €1.00 (December 31, 2015 - $1.09:€1.00) and $1.00:SEK9.10 (December 31, 2015 - $1.00:SEK8.35).

Impairment and Impairment Reversals

In 2015, the decline in forecast metal prices and other factors had a significant impact on the estimated recoverable amount of our operating assets and exploration properties resulting in the recognition of $293.3 million in goodwill and asset impairment; specifically, $146.3 million at Candelaria, $62.9 million at Eagle, $42.6 million at Neves-Corvo, $37.6 million at Aguablanca and $3.9 million related to exploration properties.

Certain impairment reversal indicators have been identified as at December 31, 2016; specifically expanded Mineral Reserves and Mineral Resources at Eagle and Candelaria, as well as reduced capital spending at Candelaria. Upon re-measurement of the recoverable amounts for Candelaria and Eagle, the recoverable amounts exceeded the previously impaired carrying values. Accordingly, an impairment reversal of $95.9 million was recorded in mineral properties; including $45.0 million at Candelaria and $50.9 million at Eagle.

In 2016, the Company announced it had entered into a definitive agreement to sell its indirect interest in TF Holdings for $1.136 billion in cash and contingent consideration up to $51.4 million. The Company recognized an impairment loss of $772.1 million, estimated as the difference between the carrying value of the investment and the expected consideration to be received, during the year ended December 31, 2016.

Income Taxes

Income tax expense for the year ended December 31, 2016 was $4.3 million compared to $26.2 million recorded in the prior year.

The $38.4 million increase in income tax expense at Candelaria was mainly due to the reversal of asset impairment previously recorded and higher taxable earnings in the current year. 2015 taxes included the effect of a deferred tax recovery of $53.8 million related to prior period adjustments and asset impairment.

Eagle reported a net deferred tax recovery of $51.6 million in the current year primarily related to loss carry forwards which had previously been unrecognized. With the addition of Eagle East, it has now been determined that sufficient taxable profits should be available to utilize the recognized tax losses.

The $15.5 million increase in tax recoveries at Neves-Corvo, over the prior year, is mainly the result of tax refunds related to the successful resolution of a 2008 tax dispute, partially offset by higher taxable earnings and lower investment tax credits in the current year. In December 2016, the Portuguese tax court ruled in favour of Neves- Corvo resulting in $27.7 million in tax refunds from a 2008 assessment.

Other income tax expense increased over the prior year largely as a result of withholding tax on intercompany loan interest.

Financial Year Ended December 31, 2015 Compared to Financial Year Ended December 31, 2014

Sales

Sales for the year ended December 31, 2015 were $1,701.9 million, an increase of $750.6 million in comparison to the $951.3 million reported in 2014. The increase was mainly due to the inclusion of a full year of operating results from Candelaria ($692.9 million) and Eagle ($236.7 million), partially offset by lower realized metal prices and price adjustments from our European operations. Average London Metal Exchange metal prices for copper, nickel and zinc were lower (20%, 30%, and 11%, respectively) in comparison to 2014.

Operating Costs

Operating costs (excluding depreciation) for the year ended December 31, 2015 were $962.7 million, an increase of $343.0 million in comparison to the $619.7 million reported in 2014. The increase was largely due to the inclusion of a full year of operating results from Candelaria and Eagle of $309.5 million and $136.6 million, respectively, partially offset by favourable foreign exchange rates in the € and SEK ($74.8 million).

Operating Earnings

Operating earnings for the year ended December 31, 2015 were $712.1 million, an increase of $407.8 million in comparison to the $304.3 million reported in 2014. The increase was primarily due to the inclusion of a full year of operating results from Candelaria ($383.4 million) and Eagle ($100.1 million) and favourable foreign exchange rates in the € and SEK ($74.8 million), partially offset by lower realized metal prices and price adjustments ($173.9 million) from our European operations. (Operating earnings is a non-GAAP measure – see “Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS”.)

Net Loss

Net loss for the year ended December 31, 2015 was $281.8 million, a decrease of $405.2 million in comparison to net earnings of $123.4 million reported in 2014. Net losses were primarily a result of asset impairments connected to lower metal prices, as cost and production performance at mine operations met or exceeded expectations. Before the impact of impairments (net of tax), net loss for the current year was $3.8 million, compared with net earnings of $155.6 million for the year ended December 31, 2014. Net loss, before asset impairments, was impacted by:

- net loss at Neves-Corvo and lower net income at Zinkgruvan largely due to lower metal prices ($55.4 million); and
- net loss at Eagle generated from a full year of operation in a poor economic environment ($32.1 million) and write-down of deferred tax assets ($22.9 million); and
- lower operating earnings from Aguablanca ($22.0 million), partially due to the suspension of underground mining operations in the third quarter; and
- full year of interest expense associated with the Senior Secured Notes ($62.8 million); and
- lower income from investment in Tenke ($63.4 million); partly offset by
- full year of operations at Candelaria ($106.9 million).

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization expense for the year ended December 31, 2015 was $555 million, an increase of $346.3 million in comparison to the $208.7 million reported in 2014. The increase was attributable to the inclusion of a full year of operating results from Candelaria and Eagle of $238.2 million and $122.3 million, respectively. $125.4 million of Candelaria's depreciation relates to the amortization of deferred stripping costs that were previously capitalized. The corresponding deferred stripping asset balance at December 31, 2015 was approximately $365 million.

General Exploration and Business Development

General exploration and business development costs decreased from $74.7 million in 2014 to $59.5 million for the year ended December 31, 2015. The decrease is largely attributable to lower corporate development costs in the current year, partly offset by general exploration activities at Candelaria. Costs in 2014 included $25.7 million in Candelaria transactions costs and $13.4 million for project development costs consisting primarily of indirect project costs for Eagle.

Income from Equity Investment in Associates

Income from equity investments includes earnings from a 24% interest in each of Tenke and Freeport Cobalt. For Tenke, equity earnings of $24.6 million were recognized for the year ended December 31, 2015 (2014 - $88.0 million).

Finance Income and Costs

For the year ended December 31, 2015, net finance costs increased $61.1 million from the prior year. The increase was primarily attributable to a full year of interest expense ($62.8 million) related to the Company's Senior Secured Notes.

Other Income and Expense

Net other income for the year ended December 31, 2015 was $4.8 million compared to $19.1 million for the year ended December 31, 2014. The largest factor in the decrease in other income was a payment of $7.0 million made by Candelaria in the year to the Municipality of Tierra Amarilla, Chile, as the initial payment pursuant to terms in the Settlement and Community Development Agreements for funding sustainable social programs.

Foreign exchange gains and losses recorded in Other Income and Expense relate to working capital denominated in foreign currencies that was held by the Company's subsidiaries. Period end exchange rates having a meaningful impact on such subsidiaries at December 31, 2015 were $1.00:CLP710 (December 31, 2014 - $1.00:CLP607), $1.09: €1.00 (December 31, 2014 - $1.21: €1.00) and $1.00:SEK8.35 (December 31, 2014 - $1.00:SEK7.81).

Goodwill and Asset Impairment

Estimated recoverable value of our operating assets are subject to a number of assumptions including forecast metal prices, treatment and refining charges, Mineral Meserve and Mineral Resource quantities, operating costs, capital expenditures, reclamation and other closure costs, discount rates and foreign exchange rates. Most notably, the decline in forecast metal prices has had a significant impact on the estimated recoverable amount of our operating assets and exploration properties, resulting in impairments in the current year, as noted below:

- Candelaria – impairment losses on goodwill ($98.1 million) and mineral properties ($48.2 million) as a result of the decrease in the Company's short-term metal price forecast primarily for the years 2016-2018.

- Eagle – impairment loss of $62.9 million on mineral properties. The Eagle mine has a relatively short mine life and as such lower near-term nickel pricing had a significant impact on the recoverable amount of the asset.

- Neves-Corvo – impairment loss of $42.6 million on goodwill, primarily as a result of short-term metal prices forecast, partially offset by positive foreign exchange assumptions.

- Aguablanca – as a result of significant nickel and copper price declines and expectations of continued financial losses, the Board of Directors approved management's plans to close the mine. Accordingly, a $34.9 million impairment of mineral properties and $2.7 million write down of plant and equipment, including assets under construction, have been recorded.

- Exploration properties – the Company recognized an exploration property impairment of $3.9 million related to the valuation of exploration concessions.

Income Taxes

Income tax expense for the year ended December 31, 2015 was $26.2 million compared to a $68.7 million recovery recorded in the prior year.

The increase in net income tax expense at Eagle is the result of a deferred tax expense of $22.9 million arising from the write-down of a deferred tax asset relating to taxable losses recorded in prior periods. Due to the significant decrease in forecasted metal prices, it has been determined that it is no longer probable that sufficient taxable profit will be available in the future to utilize the accumulated tax losses.

Neves-Corvo's decrease in tax recovery is the result of an impairment related to its Portuguese exploration concessions in 2014 (tax impact of $14.8 million) and lower future tax rates in 2014 ($6.7 million).

The increase of $13.1 million in net income tax expense at Zinkgruvan is largely due to the utilization of losses in 2014 of related companies.

The decrease in other net income tax recovery is the result of a 2014 reversal of a previously unrecognized deferred tax asset of $22.2 million in Canada, partially offset by a $5.2 million payable recorded for withholding tax on accrued intercompany interest income.

Cash Flow

Three-Month Period Ended March 31, 2017 Compared to Three-Month Period Ended March 31, 2016

Cash flow from operations during the three month period ended March 31, 2017 was $244.7 million which was an increase of $201.8 million compared to the prior year quarter. This increase was primarily attributable to higher operating earnings and a comparative change in non-cash working capital.

2016

Cash flow from operations for the year ended December 31, 2016 was $363.2 million. Cash flow from operations decreased of $350.7 million from the previous fiscal year largely due to negative non-cash working capital changes of $315.6 million.

2015

Cash flow from operations for the year ended December 31, 2015 was $713.9 million, an increase of $526.5 million in comparison to the $187.4 million reported in 2014. The increase was attributable to a full year of operating earnings from Candelaria, net of deferred revenue recognized ($336.5 million); and Eagle ($100.1 million); and changes in non-cash working capital and long-term inventory ($226.6 million); partly offset by (i) lower operating earnings at our European operations ($74.8 million); and (ii) higher net income taxes paid ($49.3 million).

2014

Cash flow form operations for the year ended December 31, 2014 was $187.4 million. This was an increase of $33.0 million from the previous fiscal year due to positive non-cash working capital change of $12.1 million.

Cash flow used in investing activities

- Cash flow used in investing activities was $23.5 million for the three months ended March 31, 2017 and decreased by $16.9 million from the prior year quarter. This decrease was largely to the decrease in capital expenditures.

- Cash flow used in investing activities was $143.9 million in 2016, $244.5 million in 2015 and $2,066 million in 2014. In 2016, a cash outlay of $30.7 million was made on the disposal of Aguablanca. In 2014, cash flow used in investing activities included the acquisition of Candelaria of $1,747 million.

Cash flow from financing activities

- Cash flow used in financing activities was $6.6 million for the three months ended March 31, 2017 and increased by $3.8 million due mainly to higher distributions of $10 million paid to non-controlling interests as well as a long-term debt repayment made of $6 million.

- Cash flow used in financing activities in 2016 was $60.7 million and in 2015 was $80.4 million, comprised mainly of interest paid on the Senior Secured Notes. Cash flow from financing activities in 2014 of $1,948 million was due to proceeds from Common Shares issued and Senior Secured Notes issued, net of repayments made on long-term debt of $230.2 million.

Principal Investments

The below is a description (including the amount) of the Company's principal investments for each financial year for the period covered by the historical financial information up to the date of the Prospectus.

Capital expenditures (including capitalized interest) per mine:

	Jan-Mar 2017	**FY2016**	**FY2015**	**FY2014**
($ thousands)	Total	Total	Total	Total
by Mine				
Candelaria	48,114	109,771	167,663	18,320
Eagle	9,807	8,579	21,798	285,524
Neves-Corvo	9,757	35,146	43,484	74,203
Zinkgruvan	11,355	33,230	27,726	28,063
Other	103	825	17,071	15,447
Total	79,136	187,551	277,742	421,557

Exploration Three-Month Period Ended March 31, 2017

Candelaria Mine, Chile (Copper, Gold)

Nine rigs drilled 26,956 metres within the three existing underground mines and around the Candelaria open pit mine in an effort to rapidly expand Mineral Reserve and Mineral Resource estimates and to determine the potential extension of known ore bodies. Geophysics commenced in the south district in the first quarter to assist in the development of drilling targets for the remainder of the year.

Eagle Resource Exploration, USA (Nickel, Copper)

Eagle exploration continued into 2017 with four surface rigs. Drilling is focused on tracing the Eagle East conduit. A total of 4,079 surface metres were drilled in the first quarter of 2017, with drilling expected to continue throughout the year. In addition, a geophysical program is also being planned for the 2017 field season.

European Operations

Exploration planning sessions were held at both Zinkgruvan and Neves-Corvo aimed at strategically expanding exploration efforts for both zinc and copper mineralization extensions. A significant ramp up in exploration activity is expected starting in the second quarter and continuing for the balance of the year and throughout 2018.

Peru (Copper)

Field work commenced on a copper/gold exploration project acquired in late 2016. Initial work includes geophysical surveys, geological mapping and surface rock and soil sampling, which is aimed at outlining potential drill targets.

Eastern Europe (Copper, Gold)

Project evaluation work is continuing on new copper and zinc-lead opportunities in Eastern Europe. Prospecting permits for polymetallic mineralization were obtained in Romania in an area with a long history of mining activities. It is expected that field work will commence on several projects during the year.

Exploration 2016

Candelaria Mine, Chile (Copper, Gold)

Ten rigs drilled 80,452 metres within the three existing underground mines and around the Candelaria open pit mine in an effort to rapidly expand Mineral Reserve and Mineral Resource estimates and to determine the potential extension of known ore bodies. LOM plans were updated and issued at year end, increasing the expected production profile over the next five years and extending mine life.

Eagle Resource Exploration, US (Nickel, Copper)

Seven drill rigs successfully delineated the Eagle East mineralization in the first half of 2016. An initial Inferred Mineral Resource estimate was reported in 2016, as discussed in the news release entitled *"Lundin Mining Announces Eagle East Mineral Resource, PEA Results and Project Commencement".* Four rigs continued drilling during the second half of the year testing for possible extensions of the Eagle East mineralization. A total of 52,868 metres were drilled in 2016.

Peru (Copper)

Drilling on the Elida porphyry project totalled 9,890 metres by end of the second quarter of 2016 after which a decision was taken to terminate the option agreement. Following a period of field remediation work, the closure process is expected to be completed by March 2017.

In the fourth quarter of 2016, a 100% interest was acquired in a new potentially high-grade copper/gold exploration project in a favourable, low elevation coastal location which will be the focus of the 2017 Peruvian exploration program.

Eastern Europe (Copper, Gold)

Project evaluation work is continuing on new copper and zinc-lead opportunities in the most favourable parts of Eastern Europe including in Serbia and Romania.

Exploration 2015

Candelaria Mine, Chile (Copper, Gold): A significant exploration drill campaign was designed to rapidly expand Mineral Reserve and Mineral Resource estimates. A total of 111,006 metres were drilled during 2015. Fifteen drill rigs were actively drilling within the three underground mines and around the mine to determine the potential extension of known ore bodies.

Candelaria District Exploration (Copper, Gold): A district property-wide exploration program is underway, designed to expand the Candelaria Mineral Reserve and Mineral Resource estimates. All existing exploration information were compiled into a comprehensive 3D model to allow for evaluation and prioritization of exploration efforts.

Eagle Resource Exploration, US (Nickel, Copper): Two drill rigs continued to drill on the Eagle East mineralized zone. One rig drilled close spaced delineation holes while the second rig probed for extensions of mineralization on step out holes. 4,365 metres were drilled in the fourth quarter of 2015, for a total of 12,832 metres drilled during the year. Four additional drill rigs were mobilized in December to further delineate the Eagle East zone.

Neves-Corvo Mine, Portugal (Copper, Zinc): Underground exploration drilling for 2015 was focused on expanding the Mineral Reserve and Mineral Resource estimates in the Lombador, Neves-Corvo and Zambujal ore bodies. A total of 46,523 metres were drilled in 2015 under an accelerated drill program using seven underground drill rigs. The information will be used to better define the copper and zinc zones, transfer some estimated Inferred Mineral Resources into Indicated Mineral Resources, and to further investigate copper and zinc potential.

Zinkgruvan Mine, Sweden (Zinc, Copper): Underground exploration drilling focused on the Dalby area. During 2015, a total of 9,518 metres of exploration drilling was completed. The Dalby area was included for the first time in the June 30, 2015 Mineral Reserves and Mineral Resources estimate update. A new, near-mine exploration permit was obtained.

Peru (Copper): Work in Peru focused on drilling the Elida Project, a porphyry copper prospect located close to the coast in central Peru. First-pass drilling at Elida, which began in the fourth quarter of 2014, continued into 2015 with 7,797 metres drilled to date. Drilling results have outlined part of a large porphyry system characterized by abundant sulphides and veining, containing variable but extensive copper, molybdenum and silver mineralization.

Eastern Europe (Copper, Gold): The drill program that commenced in February was completed at an optioned porphyry copper property located in Central Turkey with a total of 4,133 metres drilled in ten holes. Project evaluation work is continuing on new copper and zinc-lead opportunities in favourable parts of Eastern Europe.

Exploration 2014

Eagle Resource Exploration, US (Nickel, Copper): A 3D seismic survey was completed over Eagle and Eagle East deposits. Data processing and target modelling was in progress for definition of new drill targets. To support seismic interpretation, borehole geophysical property measurements were completed on 9 holes. Surface drilling with one rig resumed in the fourth quarter after completion of the seismic survey targeting the down-plunge extension of the Eagle East feeder dike using directional drilling. Two successive step-outs intersected rocks interpreted to be the Eagle East feeder with elevated levels of nickel-copper mineralization, some of which contained semi-massive sulphides and strongly mineralized intrusive breccia. This supports the model tracing the feeder dyke to a deeper, massive sulphide bearing staging chamber. A total of 2,579 meters were drilled from surface in the year, and a total of 7,536 meters were drilled from underground.

Los Rulos Exploration, Chile (Copper, Gold): An agreement with Southern Hemisphere Mining was executed in late 2013 to explore copper-gold prospects across an extensive package of low altitude mineral properties in the Coquimbo region of the Chilean coastal copper belt. Fieldwork completed, including trenching, mapping and geophysics, resulted in two targets. Drill testing was completed at the Armandino target during the third quarter of 2014. While a notable mineralized system was encountered, results were less than anticipated. A decision was made to exit the agreement in December 2014.

Peru (Copper): Work in Peru focused on new copper project evaluations, principally on the Elida Project, an undrilled porphyry copper prospect located close to the coast in central Peru. Initial targeting and permitting work on the Elida Project was completed in the third quarter of 2014. Mobilization for an initial drill program started in September and drilling commenced in October, with drilling continuing into 2015.

Eastern Europe (Copper, Gold): Project evaluation work is continuing on new copper and zinc-lead opportunities in favourable parts of Eastern Europe and Near East regions. An exploration program was initiated at a porphyry copper property located in Central Turkey which was optioned in the second quarter of 2014. Drill target definition work was completed, including mapping, grid soil sampling, rock geochemical sampling, trenching and induced polarization geophysics, which outlined a large copper geochemical anomaly associated with outcropping porphyry copper mineralization and coincident geophysical anomalies. Defined drill targets to be tested in the first quarter of 2015.

Candelaria Regional Exploration (Copper, Gold): Immediately after the acquisition of Candelaria in early November, steps were taken to commence a large property wide exploration program. A significant underground drill campaign was initiated, and 8 drill rigs were mobilized as the first phase of a larger 2015 exploration program to expand Candelaria's Mineral Reserve and Mineral Resource estimates.

Tendencies and Expected Future Trends – Outlook

Tendencies for Production, Sales, and Costs for the Period March 31, 2017 to date of Prospectus

Production for the first quarter of 2017 was consistent with expectations though, with the exception of nickel, was less than that reported in the prior year. The Company remains on track to meet or do better than overall full year guidance.

Expected Future Trends for the Remainder of 2017

Copper Outlook

We believe the market for copper is likely to be strong in the coming years supported by demand from emerging market economies including China, albeit at a slowing rate of growth, and the challenge of depleting reserves and declining ore grades at existing mines. In the nearer-term the refined copper market appears to be characterised by sufficient supply as long project development times results in additional supply now entering the market. Late 2016 appears to have been a turning point for copper prices. As sentiment reflected the collective expectation of greater Chinese demand, supply-side disruptions combined with potential United States infrastructure policy stimulus provided pricing support. The long lead times of project development required to bring new capacity into production suggest that there could be a period of consistent supply deficits and stronger prices before sufficient confidence exists to encourage additional mine production capacity.

Zinc Outlook

We believe the fundamentals for zinc are strong, particularly given the constraints on mine production. End-of-life mine closures coupled with voluntary production cuts have caused a rapid draw down of global inventories of zinc concentrate. The number of zinc mines that have closed, along with the lack of new greenfield projects in development, will likely require near to mid-term supply to be fulfilled through by-product production of the expansion of current zinc brownfield operations increasing capacity. The long-term outlook for zinc will be determined by the structural issue of whether mine supply growth will be able to keep pace with consumption growth. China is expected to remain a dominant driving force behind growth in zinc consumption.

Nickel Outlook

While the world refined nickel market is currently well supplied, with elevated global inventories relative to historic levels, we believe several factors will drive improving fundamentals in the market. Fundamental demand activity is encouraging. However, forecasting supply and when inventory levels may be drawn down to historic levels remains challenging. Supply curtailments have been slower to materialize than collective expectations despite negative operating margins experienced by many nickel producers.

Announced and expected mine closures in the Philippines resulting from environmental audits are expected to reduce supply. However, ramp-up of nickel pig iron operations and the announced easing of the ban on ore exports from Indonesia are expected to temper the supply-side rebalancing.

2017 Production and Cost Guidance

The information below has been derived from the Company's MD&A as at March 31, 2017.

(contained tonnes)		Tonnes	Cash Costs (1)(2)
Copper	Candelaria (80%)	*145,000 - 150,000*	*$1.20/lb*
	Eagle	*15,000 - 18,000*	
	Neves-Corvo	*41,000 - 46,000*	*$1.00/lb*
	Zinkgruvan	*1,000 - 2,000*	
	Total attributable	*202,000 - 216,000*	
Nickel	Eagle	*17,000 - 20,000*	*$2.00/lb*
Zinc	Neves-Corvo	*72,000 - 77,000*	
	Zinkgruvan	*80,000 - 85,000*	*$0.40/lb*
	Total	*152,000 - 162,000*	

(1) Cash costs remain dependent upon exchange rates (forecast at €/USD:1.10, USD/SEK:8.40, USD/CLP:650) and metal prices (forecast at Cu: $2.50/lb, Ni: $5.00/lb, Zn: $1.15/lb, Pb: $0.90/lb, Au: $1,250/oz, Ag: $16.50/oz). Exchange rate of €/USD:1.15 and metal prices of Cu: $2.25/lb and Zn: $1.00/lb were previously assumed.

(2) Cash cost guidance at Neves-Corvo and Eagle were previously forecast at $1.35/lb and $2.45/lb, respectively. Cash cost per pound is a non-GAAP measure – see "Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS".

2017 Cash Costs

At Candelaria, estimated C1 cash costs are expected to approximate $1.20/lb Cu after by-product credits. By-product credits have been adjusted for the terms of the streaming agreement but exclude any allocation of upfront cash received.

At Eagle, estimated C1 cash costs are expected to approximate $2.00/lb Ni after by-product credits.

At Neves-Corvo, estimated C1 cash costs for 2017 are expected to approximate $1.00/lb Cu after zinc and lead by-product credits.

At Zinkgruvan, estimated C1 cash costs are expected to approximate $0.40/lb Zn after copper and lead by-product credits. Zinkgruvan is expected to remain one of the lower cost zinc producers for the foreseeable future.

2017 Capital Expenditure Guidance

The information below has been derived from the Company's MD&A as at March 31, 2017.

Capital expenditures, excluding capitalized interest, are expected to be $390 million in 2017, (prior guidance $405 million) as outlined below.

The Los Diques tailings project remains on schedule and the project's capital cost forecast remains unchanged although the expected timing of certain payments have resulted in $15 million of expenditures expected in 2017 that will now be paid in 2018. In particular, due to extended estimated mine life and ongoing exploration success, other sustaining capital expenditures at Candelaria are currently under review. It is expected that capital spending related to large mine mobile equipment and other sustaining capital investment will be increased as part of a rejuvenation program to reinstate capital investments that were deferred under cost constraint programs in 2015 and 2016. A further update will be provided with the second quarter results. Exploration spend remains unchanged at $65 million.

2017 Guidance	$millions
Capitalized Stripping	*105*
Los Diques Tailings	*120*
Other Sustaining	*25*
Candelaria (100% basis)	*250*
Eagle	*10*
Neves-Corvo	*50*
Zinkgruvan	*40*
Total Sustaining Capital	***350***
Eagle East	*35*
Zinkgruvan Expansion (1350)	5
Total Expansionary Capital	***40***
Total Capital Expenditures	***390***

(1) Capital expenditures is a non-GAAP measure – see "Definitions of Key Performance Indicators Which Are Not in Accordance With IFRS".

Attributable Production Outlook 2017 – 2019(1)

The information below has been derived from the Company's "Operating Outlook" announced by the Company on November 30, 2016 and updated from the Company's MD&A as at March 31, 2017.

	2017	2018	2019
Copper	Tonnes	Tonnes	Tonnes
Candelaria (80%)	145,000 - 150,000	131,000 - 136,000	126,000 - 131,000
Eagle	15,000 - 18,000	14,000 - 17,000	14,000 - 17,000
Neves-Corvo	41,000 - 46,000	42,000 - 47,000	45,000 - 50,000
Zinkgruvan	1,000 - 2,000	2,000 - 3,000	3,000 - 4,000
Total Attributable Copper	**202,000 - 216,000**	**189,000 - 203,000**	**188,000 - 202,000**
Zinc			
Neves-Corvo	72,000 - 77,000	70,000 - 75,000	66,000 - 71,000
Zinkgruvan	80,000 - 85,000	87,000 - 92,000	86,000 - 91,000
Total Zinc	**152,000 - 162,000**	**157,000 - 167,000**	**152,000 - 162,000**
Nickel			
Eagle	17,000 - 20,000	14,000 - 17,000	11,000 - 14,000
Total Nickel	**17,000 - 20,000**	**14,000 - 17,000**	**11,000 - 14,000**

(1) Production guidance is based on certain estimates and assumptions, including but not limited to; Mineral Resources and Mineral Reserves, geological formations, grade and continuity of deposits and metallurgical characteristics.

Candelaria: The copper production profile for Candelaria has been improved over the three and five-year forecast periods compared with the prior three-year guidance from the Company and the September 2015 NI 43-101 Technical Report. Optimization of the open pit life-of-mine plan and inclusion of additional volumes of higher grade underground ore has led to improvement in the forecast mine and mill head grade profiles over the three and five-year periods. Our Candelaria attributable copper production guidance of 145,000 to 150,000 tonnes in 2017 is 25,000 tonnes greater (20%) than previous guidance and 17,500 tonnes greater (13%) than our expected 2016 production. Gold and silver production are expected to remain significant by-product credits.

Candelaria Five-Year Outlook

Candelaria (100% basis)	2017	2018	2019	2020	2021
Copper Production (tonnes)	**181,000-187,000**	**164,000-170,000**	**158,000-164,000**	**158,000-164,000**	**154,000-160,000**
C1 Cash Cost(1)(2)	**\$1.20/lb**	**\$1.25/lb**	**\$1.55/lb**	**\$1.50/lb**	**\$1.40/lb**
Capital Expenditures ($ millions)					
Capitalized Stripping	105	95	30	35	70
Los Diques Tailings Capex	120	45	-	-	-
Other Sustaining Capex	25	45	35	70	25
Total Candelaria Capital Expenditures	**265**	**170**	**65**	**105**	**95**

(1) C1 cash costs are based on various assumptions and estimates, including, but not limited to; production volumes, as noted above, commodity prices (2017 - Cu: $2.50/lb, Zn: $1.15/lb, Pb: $0.90/lb, Ni: $5.00/lb) foreign currency exchange rates (2017 - €/USD:1.10, USD/SEK:8.40, CLP/USD:650) and operating costs. All figures are in US$ unless otherwise noted.

(2) 68% of Candelaria's total gold and silver production are subject to the Streaming Agreement and as such C1 cash costs are calculated based on receipt of $400/oz and $4/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.

Eagle: Consistent with original expectations, year-over-year production levels of nickel and copper are expected to gradually decline as the highest grade ore is mined early in the mine plan, and prior to the potential development of the Eagle East deposit.

Neves-Corvo: Zinc production assumes plant capacity continues at current levels of 1.2 million tonnes per annum throughput and does not yet incorporate the ZEP which should approximately double zinc production within 28 months of full project approval. Overall average mill feed copper grade and recovery have been reassessed. Annual copper production is expected to increase throughout the forecast period back towards 50,000 tonnes per annum while maintaining significant zinc and lead by-product credits.

Zinkgruvan: Zinc production in 2017 is expected to be in line with 2016 guidance. The 1350 Zinc Expansion Project is expected to be commissioned mid-2017 and will increase zinc production by an additional 10%, providing between 85,000 - 92,000 tonnes per annum over the remainder of the outlook period.

Tenke: On April 19, 2017, the Company announced the completion of the sale of its indirect interest in TF Holdings to an affiliate of BHR Partners, a Chinese private equity firm, for $1.136 billion in cash.

Overview Investments and Funding

For information on the Company’s principal investments during the period covered by the historical financial information in this Prospectus, see “Comments to Financial Information”.

For a summary of the Company’s principal investments that are in progress, including the geographic distribution of these investments, as well as the Company’s principal future investments on which its management bodies have already made firm commitments, see “Operations of the Company”, “Significant Operations”. The Company believes it will generate sufficient cash flow and has adequate cash and debt facilities, including an undrawn $350 million revolving credit facility expiring in June 2020, to finance on-going operations, contractual obligations and planned capital and exploration investment programs.

CAPITAL STRUCTURE, INDEBTEDNESS AND RELATED INFORMATION

The information below should be read together with sections "Selected Financial Information" and "Comments to Financial Statements" and the Company's audited financial statements for the years ended December 31, 2014, 2015 and 2016 and unaudited interim financial statements for the three-month periods ended March 31, 2016 and 2017. The financial information presented below has been derived from the Company's unaudited interim financial statements for the three-month period ended March 31, 2017, but has been compiled for the specific purpose of this Prospectus and has not been audited.

Financial Position

Cash Reserves

Cash and cash equivalents were $928.8 million as at March 31, 2017, an increase of $213.5 million from $715.3 million at December 31, 2016. Cash inflows for the three months ended March 31, 2017 included operating cash flows of $238.7 million and distributions from Tenke of $55.6 million. Use of cash was primarily directed towards investments in mineral properties, plant and equipment of $79.1 million.

Net Debt

Net debt position at March 31, 2017 was $71.3 million compared to $284.1 million at December 31, 2016.

Working Capital

Working capital was $1,073.1 million as at March 31, 2017, compared to $982.8 million at December 31, 2016. The increase in working capital is largely a reflection of a higher balance of cash and cash equivalents, as discussed above, partially offset by higher income taxes payable as at March 31, 2017. Higher taxable earnings in the quarter have contributed to a higher income tax payable balance.

Long-Term Debt

As at March 31, 2017, the Company had $550 million of 7.5% senior secured notes (due 2020) and $445 million of 7.875% senior secured notes (due 2022) outstanding.

In addition, the Company has an undrawn $350 million revolving credit facility, expiring in June 2020. Letters of credit totalling $24.4 million have been issued.

The Company believes it will generate sufficient cash flow and has adequate cash and debt facilities to finance on-going operations, contractual obligations and planned capital and exploration investment programs.

Shareholders' Equity

Shareholders' equity was $3,731.5 million at March 31, 2017, compared to $3,627.6 million at December 31, 2016. The increase in shareholders' equity is primarily due to net earnings in the quarter of $106.4 million.

Capitalization and Net Indebtedness

Shareholders' equity and debt capital as at March 31, 2017	($ thousands)
Guaranteed and secured	-
Unguaranteed/unsecured	1,321
Total current debt	1,321
Guaranteed and secured	979,686
Unguaranteed/unsecured	3,758
Total non-current debt	983,444
Share capital	4,143,557
Equity-settled share-based payment reserve	44,947
Foreign currency translation reserve	(302,498)
Deficit	(620,608)
Total shareholders' equity	3,265,398
TOTAL EQUITY AND DEBT	4,249,924

Net Interest-Bearing Indebtedness

Net financial debt or net financial assets as at March 31, 2017	
A. Cash	689,384
B. Cash equivalents	239,436
C. Trading securities	-
D. Liquidity (A + B + C)	928,820
E. Current financial receivables	338,931
F. Current bank debt	-
G. Current portion of non-current debt	1,321
H. Other current financial debt	-
I. Total current financial debt (F + G + H)	1,321
J. Net current financial liabilities (I − E − D)	(1,266,430)
K. Non-current bank loans	-
L. Bonds issued	979,686
M. Other non-current loans	3,758
N. Non-current financial debt (K + L + M)	983,444
O. Net financial liabilities (J + N)	(282,986)

The Company has in place closure plans for all its operations and these are reviewed and updated in accordance with relevant national legislation. Each mine has in place an agreed financial mechanism to meet anticipated closure costs. For funding of mine closures, see "Mine Closures."

The Company had the following contractual obligations and capital commitments as at March 31, 2017:

	Payments due by period				
US$ thousands	<1 years	1-3 years	4-5 years	> 5 years	Total
Long-term debt and finance leases	**902**	**1,809**	**550,964**	**445,557**	**999,232**
Reclamation and closure provisions (1)	**20,060**	**14,561**	**6,559**	**248,169**	**289,349**
Capital commitments	**49,080**	**6,989**	**-**	**-**	**59,061**
Defined pension obligations	**1,127**	**1,854**	**1,942**	**5,611**	**10,534**
Operating leases and other	**10,605**	**9,370**	**6,758**	**1,831**	**28,564**
	68,061	**36,768**	**566,223**	**701,168**	**1,372,220**

(1) Reclamation and closure provisions are reported on a discounted basis, after inflation.

Working Capital

As at the date of this Prospectus, the Company is of the opinion that the Company's existing working capital is expected to be sufficient to fully fund its present requirements during the next twelve months.

The Company believes it will generate sufficient cash flow and has adequate cash and debt facilities, including an undrawn $350 million revolving credit facility expiring in June 2020, to finance on-going operations, contractual obligations and planned capital and exploration investment programs.

Other Information

As of the date of this Prospectus, the Company is not aware of any governmental, economic, fiscal, monetary or other political measure that, directly or indirectly, has had or could have a material effect on the Company's operations, except as provided under the heading "Risk Factors" and elsewhere in this Prospectus.

Since March 31, 2017 the Company's financial position has been affected by:

- The sale of its indirect interest in TF Holdings to an affiliate of BHR Partners, a Chinese private equity firm, for $1.136 billion in cash.

Apart from the aforementioned, there has been no significant change in the financial or trading position of the Company which has occurred since the end of the last financial period for which financial information have been published.

Property, Plant and Equipment

The table below provides information regarding the Company's material tangible fixed assets, including leased properties.

Breakdown of property, plant and equipment as at March 31, 2017 ($ in thousands)

	Cost	Accumulated depreciation, depletion and amortization	Net book value
Mineral properties	**3,129,825**	**1,480,470**	**1,649,355**
Plant and equipment	**2,042,585**	**747,367**	**1,295,218**
Exploration properties	**-**	**-**	**-**
Assets under construction	**202,103**	**-**	**202,103**

The use of the Company's properties, plants and equipment is subject to its licenses as well as leases, royalties, applicable environmental regulations and other encumbrances.

Foreign Currency

Hedging activities approved by the Board of Directors are undertaken, from time to time, to mitigate the potential impact of currency price volatility.

Credit Facility

The Company entered into the Second Amended & Restated Credit Agreement on October 7, 2013, as amended on October 27, 2014, January 13, 2015, April 27, 2015 and October 19, 2016 (as amended, the "Credit Agreement"), which established the US$350 million revolving facility (the "Revolving Facility") and a US$250 million non-revolving term credit facility (non-revolving term credit facility has been repaid and cancelled). The borrowings under the Revolving Facility may be used for general corporate purposes, including permitted acquisitions. The Revolving Facility is secured by certain of the Company's material assets and a pledge of certain subsidiary shares. The Credit Agreement contains a number of affirmative and negative covenants, including limits on indebtedness, asset sales and liens. The Credit Agreement makes allowances to ensure that there shall not be a breach of any financial covenants solely from a change in accounting policies (including to IFRS).

The interest margin on drawings under the Credit Agreement, consisting of prime rate loans and base rate Canada loans ranges from 1.50% to 2.50%. The bankers' acceptance fee, LIBOR loan rate and financial letter of credit issuance fee ranges from 2.50% to 3.50%. The non-financial letter of credit issuance fee ranges from 1.65% to 2.31%. The standby fee ranges from 0.5625% to 0.7875% per annum. These margins and fees are based on the leverage ratio (debt to EBITDA) levels set out in the Applicable Rates schedule to the Credit Agreement.

The Credit Agreement contains events of default that are customary for lending transactions of this nature and include the following: (i) if an event of default occurs under any agreement for indebtedness that exceeds $25,000,000, (ii) if any lien-holder enforces their security against property with an aggregate fair market value of at least $25,000,000, and (iii) if any judgment is registered against the property of any material subsidiary in an amount of at least $25,000,000. Upon the occurrence of an event of default, the lenders under the Credit Agreement may declare all indebtedness immediately due and payable and seek recourse under the guarantees and security granted by the borrowers and certain of their subsidiaries.

In 2016, the Company executed an amending agreement to the Credit Agreement that reduced the costs of borrowing (see above) and extended the term to June 2020, from October 2017. The amending agreement also contains additional revisions, including amending certain mandatory prepayment clauses and provides for an increase in the leverage ratio for four quarters following a significant acquisition.

Provided that there is sufficient capital in the Company's subsidiaries there are no restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Company's operations.

Senior Secured Notes

In 2014, the Company closed the offering of the Senior Secured Notes, pursuant to which the Company issued and sold $550 million aggregate principal amount of 7.5% senior secured notes due 2020 and $450 million aggregate principal amount of 7.875% senior secured notes due 2022. The 2020 senior secured notes will mature on November 1, 2020 and the 2022 senior secured notes will mature on November 1, 2022. Interest on the Senior Secured Notes is payable semi-annually in cash in arrears on May 1 and November 1 of each year, starting on May 1, 2015.

The Senior Secured Notes are guaranteed on a senior secured basis by certain of the Company's subsidiaries that are guarantors under its existing Credit Facility and certain of the Company's subsidiaries that are guarantors under the Stream Agreement. The Senior Secured Notes and the guarantees are secured on a first priority basis by a pledge of the shares of certain of the Company's subsidiaries that are guarantors under the Stream Agreement, and on a second priority basis by a pledge of the shares of certain of the Company's subsidiaries that are also pledged to secure the Company's existing Credit Facility (as defined herein).

Reclamation and Closure Provisions

For information on the Company's obligations for reclamation and other closure costs such as site restoration, decommissioning activities and end of mine life severance related to its mining properties, please see "Significant Operations – Mine Closures".

The future obligations for mine closure activities are estimated by the Company using MCPs or other similar studies which outline the requirements that will be carried out to meet the obligations. Since the obligations are dependent on the laws and regulations of the countries in which the mines operate, the requirements could change as a result of amendments in the laws and regulations relating to environmental protection and other legislation affecting resource companies. As the estimate of the obligations is based on future expectations, a number of assumptions are made by management in the determination of closure provisions. The closure provisions are more uncertain the further into the future the mine closure activities are to be carried out.

Financial Risk Management

For information in the Company's financial risk management, internal controls and related information, reference is made to pages 46-48 of the Company's financial statements for the year ended December 31, 2016 (Management of Financial Risk and Management of Capital Risk).

BOARD OF DIRECTORS, EXECUTIVE OFFICERS AND AUDITOR

Board of Directors

The Board of Directors is currently comprised of eight directors who are elected annually. Each director holds office until the next annual meeting of shareholders or until his successor is duly elected unless his office is earlier vacated in accordance with the Company's articles.

List of Directors	Position	Served as director since
Lukas H. Lundin	Chairman	September 9, 1994
Paul K. Conibear	President, Chief Executive Officer and Director	June 30, 2011
Donald K. Charter	Director	October 31, 2006
John H. Craig	Director	June 11, 2003
Peter C. Jones	Director	September 20, 2013
Dale C. Peniuk	Director	October 31, 2006
William A. Rand	Lead Director	September 9, 1994
Catherine J. G. Stefan	Director	May 8, 2015

Biographies

Lukas H. Lundin, Chairman and Director

Mr. Lundin is Chairman and a director of the Company since September 1994; chairman, president and/or director of a number of publicly traded resource-based companies. Mr. Lundin graduated from the New Mexico Institute of Mining and Technology (Engineering).

Mr. Lundin currently sits on the boards of Lucara Diamond Corp., Lundin Gold Inc., Denison Mines Corp., NGEx Resources Inc., Lundin Petroleum AB and Filo Mining Corp.

Within the last five years, Mr. Lundin was, but is no longer, a director of Sirocco, Red Black Mining Inc., Kinross Gold Corporation and Newmarket Gold Inc.

Paul K. Conibear, President, Chief Executive Officer and Director

Mr. Conibear has over 30 years' of experience in corporate and asset management of all phases of mining investments in North and South America, and several African countries including DRC. Mr. Conibear is President and Chief Executive Officer of the Company since June 30, 2011; Senior Vice President, Corporate Development of the Company from October 2009 to June 2011; Senior Vice President, Projects, of the Company from July 2007 to October 2009.

Mr. Conibear currently sits on the board of Lucara Diamond Corp.

Within the last five years, Mr. Conibear was, but is no longer, a director of Sirocco, Sanu Resources Ltd, Astur Gold Corp., INV Metals Inc. and NGEx Resources Inc.

Donald K. Charter, Director

Mr. Charter is a corporate director with experience in a number of senior executive leadership positions in mining and financial services as well as mergers, acquisitions and finance. Mr. Charter is currently a director of the following public companies; DREAM Real Estate Investment Trust, IAMGOLD Corporation (Chair), International Petroleum Corporation and Sprott Resources Holding Inc (formerly Adrianna Resources). In addition, he holds the following private company positions; director of the World Gold Council, Chair of HGC Holdings (an employee owned hedge fund investment management holding company) and President/Director of 3Cs Corporation (his private consulting and investment company). He was the President and Chief Executive Officer of Corsa Coal Corp. from August 2010 to July 2013 and has sat on a number of other public and private company boards throughout his career. He has completed the Institute of Corporate Directors, Directors Education Program and is a member of the Institute. He is a graduate of McGill University where he obtained degrees in Economics and Law.

Mr. Charter is currently a director of DREAM Real Estate Investment Trust, IAMGOLD Corporation and Sprott Resources Holding Inc.

Within the last five years, Mr. Charter was, but is no longer, an officer of Corsa Coal Corp.

John H. Craig, Director

Mr. Craig is Counsel to Cassels, Brock & Blackwell LLP ("**Cassels**") since January 1, 2016. Previously, Mr. Craig practiced in the securities law area with a focus on equity financings both for underwriters and issuers with an emphasis on resource companies, TSX listing, dealings with TSX and OSC for listed public companies, takeovers and issuer bids and going private transactions at Cassels. His mergers and acquisitions experience involved mergers of public companies, both listed and unlisted and acquisitions of listed companies by unlisted and private concerns. Mr. Craig was also involved with international resources in negotiation and drafting of mining, oil and gas concession agreements, joint venture agreements, operation agreements and farm-in agreements in a variety of countries. Mr. Craig received his B.A. and LLB from the University of Western Ontario and was admitted to the bar in 1973.

Mr. Craig currently sits on the board of Africa Oil Corp., BlackPearl Resources Inc., Consolidated HCI Holdings Corp. and Corsa Coal Corp.

Within the last five years, Mr. Craig was, but is no longer, a partner of Cassels, a director of Etrion Corporation, NGex Resources Inc., Sirocco, Suramina Resources Inc. and Denison Mines Corp.

Peter C. Jones, Director

Mr. Jones is a corporate director and a retired executive with over 40 years of experience in the global mining industry. Mr. Jones served as Interim President and CEO of IAMGOLD Corporation, President and Chief Operating Officer of Inco Ltd., and President and Chief Executive Officer of Hudson Bay Mining & Smelting Co. Mr. Jones has been a director of public companies for over 20 years.

Mr. Jones currently sits on the board of Royal Nickel Corporation.

Within the last five years, Mr. Jones was, but is no longer, a director of Century Aluminum Co., IAMGOLD Corporation, Kaizen Discovery Inc. (formerly Concordia Resources), Mizuho Corporate Bank (Canada), Red Crescent Resources Limited (formerly Nico Mining Ltd.) and Tembo Gold Corp. (formerly Lakota Resources Inc.) and as Interim President and CEO of IAMGOLD Corporation.

Dale C. Peniuk, Director

Mr. Peniuk is a Chartered Professional Accountant (CPA, CA) and holds a B.Comm (Accounting and Management Information Systems). He was formerly an audit/assurance partner of KPMG LLP Chartered Accountants and led KPMG Vancouver's Mining industry practice. In addition to Lundin Mining, he is presently a director and audit committee chair of Argonaut Gold Inc. and Capstone Mining Corp. and has been the audit committee chair of a number of other reporting issuers since 2006.

Mr. Peniuk is currently a director of Argonaut Gold Inc. and Capstone Mining Corp.

Within the last five years, Mr. Peniuk was, but is no longer, a director of Corriente Resources Inc., Q2 Gold Resources Inc., Rainy River Resources Ltd., Reservoir Capital Corp. and Sprott Resource Lending Corp.

William A. Rand, Lead Director

Mr. Rand is President and director of Rand Investments Ltd. since July 1986 and a director of a number of publicly traded companies. Mr. Rand is a retired corporate and securities lawyer and mining executive with a B.Comm. from McGill University (Honours in Economics and Major in Accounting), a Bachelor of Laws degree from Dalhousie Law School in 1966 and a Masters of Law degree from the London School of Economics in 1967. Mr. Rand has been a member of a number of boards and audit committees of public companies for over 30 years.

Mr. Rand serves on the boards of Denison Mines Corp., New West Energy Services Inc. and NGEx Resouces Inc.

Within the last five years, Mr. Rand was, but is no longer, a director of Vostok Nafta Investment Ltd., Rand Edgar Investment Corp. and Lundin Petroleum AB.

Catherine J. G. Stefan, Director

Ms. Stefan is a corporate director since October 2016. Previously, Ms. Stefan was President of Stefan & Associates, a consulting firm, between 1990 and October 2016. Ms. Stefan served as Chief Operating Officer of O&Y Properties Inc. from 1996 to 1998. From 1999 until 2008, Ms. Stefan was Managing Partner of Tivona Capital Corporation, a private investment firm. Ms. Stefan obtained her Bachelor of Commerce degree from the University of Toronto in 1973. Ms. Stefan is a Chartered Professional Accountant (CPA, CA) and a member of the Institute of Corporate Directors, with 30 years of business experience, primarily in senior management of public companies in the real estate sector. Mining related experience includes that gained in her position as a Board member of Denison Mines Corp. ("**DMC**") where she has served as a Director since 2006. From 2004 to 2006, Ms. Stefan was a Board member of DMC's predecessor, Denison Mines Inc.

Ms. Stefan is currently a corporate director of Denison Mines Corp.

Executive Officers

Paul K. Conibear, President, Chief Executive Officer and Director

Please see "Board of Directors" for Mr. Conibear's biography.

Susan J. Boxall, Vice President, Human Resources

Ms. Boxall joined the Company in August of 2012 as Vice President, Human Resources (HR), initially based in the UK, relocating to Toronto in 2015 and building up a corporate team at the HQ to support Lundin Mining Corporation's global operations. She has over 30 years of human resources experience and her career has spanned manufacturing and mining in both private and public companies. She started her career with Motorola Inc., then moved to Element Six Limited, which specialises in the manufacture of diamond for industrial purposes, she undertook a number of roles in various locations, her last role was as the Executive Director HR. Her final role prior to joining Lundin Mining Corporation was as the Group HR Director with De Beers, both in mining and retail. Throughout her career she has been involved with many organisational changes, start-ups, M&As and relocations. She has an MSc in Strategic Human Resource Management, is a Fellow of the Chartered Institute of Personnel and Development and has been an active member of various committees and network panels.

Within the last five years, Ms. Boxall was, but is no longer, a director of Atreus Consulting Limited.

Stephen T. Gatley, Vice President, Technical Services

Mr. Gatley is a British citizen and a qualified mining engineer with over 35 years' experience in the base metals mining industry. He has spent much of his career in senior mine production and project management positions in mines across Europe, Africa and South America. He joined the Company in 2005 with their acquisition of the Galmoy mine in Ireland where he held the position of General Manager. Since 2006 he has occupied a corporate role providing high level technical support to the company's operating mines, strategic investments and business development initiatives.

Within the last five years, Mr. Gatley was, but is no longer, a director of Sunridge Gold Corp.

Nicholas J. Hayduk, Senior Vice President, Chief Legal Officer, Corporate Secretary

Mr. Hayduk has acted as Senior Vice President, Chief Legal Officer and Corporate Secretary of the Company since March 1, 2017, and has worked as an in-house lawyer in the mining industry since September 2005. Prior to joining the Company, Mr. Hayduk was Senior Vice President & General Counsel of Kinross Gold Corporation, where he also previously held various senior legal roles starting in December 2006, prior to which he was General Counsel, Operations-Canada & USA at Goldcorp Inc. from February 2006 to December 2006; General Counsel, Canada at Placer Dome from September 2005 to February 2006; and an Associate at Blake, Cassels & Graydon LLP from February 2001 to September 2005, in all cases based in Toronto, Ontario, Canada. Since February 2001, Mr. Hayduk has been licensed by the Law Society of Upper Canada to practice in the Province of Ontario, Canada. He holds a Master's in Business Administration in Finance and a Bachelor of Laws from Dalhousie University, obtained in May 1999, and a Bachelor of Arts in Economics and History from the University of Alberta, obtained in April 1994.

Within the last five years, Mr. Hayduk was, but is no longer an officer of Kinross Gold Corporation. He does not currently, nor has he in the last five years, been employed by or an officer of any company, other than as described, and he has not been a director of any company other than certain wholly-owned subsidiaries of his employers during that period.

Marie Inkster, Senior Vice President and Chief Financial Officer

Ms. Inkster joined the Company in 2008 as Vice President, Finance. During her career she has held positions of increasing responsibility in a number of publicly traded companies, including five years with LionOre Mining International Ltd, where she served as Vice President, Controller at the time of its acquisition by Norilsk Nickel in July of 2007. She has experience in public and private equity and debt fundraising, corporate transactions and public company reporting. Mrs. Inkster is a Chartered Accountant and spent 5 years in public accounting with Deloitte.

Ms. Inkster serves on the board of Lucara Diamond Corp.

Julie A. Lee Harrs, Senior Vice President, Corporate Development

Ms. Lee Harrs joined the Company in 2011 and has extensive international mining experience including corporate affairs, project development, operations, and mergers and acquisitions, gained through executive positions with Inco Limited (now part of Vale), Sherritt International and Energizer Resources. In addition to these executive positions, she has been a director of MacDonald Mines and Energizer Resources, two publicly listed junior exploration companies. Previous to those positions, she was a corporate lawyer with Blakes, one of Canada's national law firms. During her career, in addition to the Company's assets, Ms. Lee Harrs has worked on mining, oil and gas investments and exploration projects in Canada, New Caledonia, Cuba, Madagascar, Indonesia, Spain, Pakistan and Ireland.

Within the last five years, Ms. Lee Harrs was, but is no longer, President & COO of Energizer Resources and a director of Energizer Resources and MacDonald Mines.

Jinhee Magie, Vice President, Finance

Ms. Magie joined the Company in 2008 and has been Vice President, Finance of the Company since May 1, 2009. Prior to that she was Director of Finance of the Company from September 2008 to April 30, 2009. Ms. Magie is a CPA, CA with over 20 years of finance experience. Before joining the Company, Ms. Magie was the Director of Corporate Compliance for LionOre Mining International Ltd.

Paul M. McRae, Senior Vice President, Projects

Mr. McRae joined the Company in 2008 and has a distinguished global reputation in project and construction management in the mining industry for both surface and underground projects of all scales and complexities. He was Project Manager on the world scale Cerro Casale copper/gold project at AMEC in Chile. His track record includes on time/on budget project management of major underground investments for Inco including McCreedy East, Garson and Birch Tree projects, serving as Project Manager on the highly successful De Beers Victor Project in the north of Canada, and leadership of numerous other projects from conceptual through to construction phases in Australia, Canada, Spain, Portugal, and South America, over a career spanning more than 30 years.

Mr. McRae serves on the board of Filo Mining Corp. and Lundin Gold Inc.

Neil P. M. O'Brien, Senior Vice President, Exploration and New Business Development

Dr. O'Brien joined the Company in 2005 and has nearly 30 years' experience in the international mining industry, including 15 years in technical roles with Teck Cominco. He holds a PhD in Economic Geology from Queen's University in Canada and is a Canadian and British citizen, residing in Canada. Dr. O'Brien has extensive international experience in early to advanced stage exploration and resource development for zinc, copper and gold.

Within the last five years, Dr. O'Brien was, but is no longer, a director of Sunridge Gold Corporation and is currently a director of Georgian Mining Corporation.

Peter M. Quinn, Chief Operating Officer

Mr. Quinn has over 25 years of experience in the mining industry, overseeing all aspects of mining, leaching and concentrating processes in both open pit and underground operations. He commenced his career at Western Mining Corporation's Olympic Dam Operations in 1988 (now BHP Billiton) and subsequently gained experience in Newcrest Mining, Phelps Dodge, and Freeport-McMoRan before joining the Company in November 2014. Mr. Quinn has had major greenfield project startup experiences with the Mt. Keith Nickel Project in Western Australia and the Cadia Hill Gold Mine Project in New South Wales, Australia and has extensive experience with operating large scale open pit mining operations such as the Morenci Mine Operations, Arizona, US and the Candelaria operations. Throughout his career Mr. Quinn has been a leader in safety and production efficiency, through organizational team building and people development and was recognized by CORESEMIN, Third Region de Atacama Premier Award for Safety Leadership in 2012. Mr. Quinn received his Bachelor of Engineering in mining engineering from the South Australian Institute of Technology.

Within the last five years, Mr. Quinn was, but is no longer, President, Candelaria & Ojos del Salado subsidiaries of Freeport.

Derek Riehm, Vice President, Environment

Mr. Riehm, a metallurgical engineer by training, has over 25 years of experience in environmental and regulatory affairs in the international mining industry. He started his career with Rescan Environmental Services Ltd. and subsequently moved to Teck Corporation, where he worked in both operating and corporate roles. He then spent 12 years at Barrick Gold Corporation in a variety of positions, including Vice President, Approvals and Permitting. He joined the Company in January 2015 as Vice President, Environment, based in Toronto, and is responsible for corporate matters related to environment, closure planning and legacy sites, environmental management systems and environmental permitting.

Within the last five years, Mr. Riehm was, but is no longer, Vice President, Approvals & Permitting at Barrick Gold Corporation.

J. Mikael Schauman, Vice President, Marketing

Mr. Schauman is a Swedish citizen. Mr. Schauman was born and educated in Sweden and holds a BA in Finance from The Stockholm School of Economics. He began his career with Boliden in 1983 and has held several senior positions of increasing responsibility in international trading companies. Mr. Schauman was also a senior trader at Mitsui & Co. Metals (U.S.A.), Inc. with responsibility for zinc and lead concentrate sales globally. Mr. Schauman joined the Company in December 2006.

Other Information Regarding the Board of Directors and Executive Officers

Documentation for members of the Board and executive officers can be sent to the Company's business address at Lundin Mining Corporation, #1500 - 150 King Street West, P.O. Box 38, Toronto, ON M5H 1J9.

There are no family ties between any members of the Board or executive officers of the Company.

None of the directors or executive officers above has been convicted in relation to any fraudulent offences.

Except as noted below, no director or executive officer of the Company is, as at the date of this Prospectus, or was within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including Lundin Mining), that:

a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Jones was a director of Lakota Resources Inc. ("**Lakota**") between September 2008 and October 2009. In May and August 2009, cease trade orders were issued against Lakota for failure to file financial statements that were due in July. Lakota was delisted from the TSX-V for failure to maintain listing requirements. The cease trade order was revoked in 2011.

Except as noted below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including Lundin Mining) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Messrs. Conibear, Craig and Lundin were all directors of Sirocco. Pursuant to a plan of arrangement completed on January 31, 2014, Canadian Lithium Corp. acquired Sirocco. Under the plan of arrangement, Canadian Lithium Corp. amalgamated with Sirocco to form RBI.

In October 2014, RBI commenced proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). CCAA proceedings continued in 2015 and a receiver was appointed in May 2015. The TSX de-listed RBI's Common Shares in November 24, 2014 for failure to meet the continued listing requirements of the TSX.

Messrs. Conibear, Craig and Lundin were never directors, officers or insiders of RBI. Messrs. Conibear, Craig and Lundin, however, were directors of Sirocco within the 12-month period prior to RBI filing under the CCAA.

Ms. Inkster was Vice President, Finance of GBS from September 2007 to June 2008. On September 15, 2008, GBS put its Australian group of subsidiaries into voluntary liquidation proceedings. In March 2009, GBS announced that it had agreed to transfer its remaining valued assets to the secured promissory note holders pursuant to the terms of a note indenture and general security deed entered into on May 27, 2008. The shares of GBS were suspended from trading on the NEX board and it ceased carrying on business.

None of the persons above has been subject to any official public incrimination and/or sanction by a statutory or regulatory authority (including designated professional bodies) during the past five years, except for Mr. Conibear who has been charged with a special fee for failure to comply with the provisions in the Swedish Reporting Obligations for Certain Holdings of Financial Instruments Act.

The foregoing information, not being within the knowledge of the Company, has been furnished by the respective directors, officers and controlling shareholders of the Company individually.

No director of the Company or any of the executive officers has been disqualified by a court from acting as a member of the administrative, management or supervisory body of a company or from acting as the management or conducting of the affairs of a company during the past five years.

The foregoing information, not being within the knowledge of the Company, has been furnished by the respective directors and officers of the Company individually.

Holdings

As of March 31, 2017, the above members of the Board and the executive officers held the following Shares and options in the Company:

Insider	Shares	Options	Share Units
Lukas H. Lundin	2,271,449	Nil	Nil
Paul K. Conibear	789,904	1,050,000	800,000
Donald K. Charter	42,424	Nil	Nil
John H. Craig	213,849	Nil	Nil
Peter C. Jones	61,482	Nil	Nil
Dale C. Peniuk	50,000	Nil	Nil
William A. Rand	223,424	Nil	Nil
Catherine J. G. Stefan	55,000	Nil	Nil
Susan J. Boxall	20,000	609,000	98,000
Stephen T. Gatley	55,000	543,990	96,000
Nicholas J. Hayduk	Nil	150,000	Nil

Insider	Shares	Options	Share Units
Marie Inkster	130,200	1,205,100	197,160
Julie A. Lee Harrs	10,000	765,000	150,000
Jinhee Magie	20,000	593,990	96,000
Paul M. McRae	Nil	610,000	144,000
Neil P. M. O'Brien	82,000	714,000	98,000
Peter M. Quinn	Nil	788,100	189,240
Derek Riehm	Nil	432,000	92,000
J. Mikael Schauman	Nil	663,990	96,000

Interest of Management

On January 27, 2017, Lorito and Zebra, two private companies controlled by a trust settled by the late Adolf H. Lundin pursuant to a corporate reorganization transferred to Nemesia 37,557,844 Common Shares and 54,964,854 Common Shares respectively of the Company to hold no Common Shares of the Company. Lorito and Zebra received Class C shares of Nemesia as consideration for the Common Shares of the Company and together own 100% of the outstanding Class C shares of Nemesia. During 2014, the Company completed a bought deal equity financing to raise gross proceeds of approximately $600 million, of which companies owned by the trust purchased collectively, 19,607,844 Shares at price of C$5.10 per Share.

No member of the Board or executive officer has any private interest, other than interests arising from his or her holding of Shares, options and/or other instruments in the Company, which potentially conflicts with the interests of the Company.

However, The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or the terms of such participation. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, the involvement in a greater number of programs or a reduction in financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of Canada, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and the financial position at that time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors and officers of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the CBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. Other than as disclosed herein, the directors and officers of the Company are not aware of any such conflicts of interest in any existing or contemplated contracts with or transactions involving the Company

Compensation, Pension and Benefits

Compensation of Directors

The following table provides information regarding compensation paid to the Company's non-executive directors during the financial year ended December 31, 2016.

Name	Fees Earned (US$)	Share-based Awards	Option-based Awards	Non-Equity Incentive Plan - Compensation	Pension Value	All Other Compensation	Total (US$)
Lukas H. Lundin	195,624	-	-	-	-	-	195,624
Paul K. Conibear	-	-	-	-	-	-	-
Donald K. Charter	131,670	-	-	-	-	-	131,670
John H. Craig	116,622	-	-	-	-	-	116,622
Peter C. Jones	127,908	-	-	-	-	-	127,908
Dale C. Peniuk	135,432	-	-	-	-	-	135,432
William A. Rand	150,480	-	-	-	-	-	150,480
Catherine J. G. Stefan	131,670	-	-	-	-	-	131,670

The CEO, Mr. Conibear, who also acts as a director of the Company, does not receive any compensation for services as a director.

For the year ended December 31, 2016, the Chairman of the Board received annual remuneration in the amount of C$260,000. The Lead Director received annual base remuneration of C$175,000 and each non-executive director received annual base remuneration of C$150,000. The Chair of the Audit Committee received additional annual remuneration of C$25,000 and each committee member received additional annual remuneration of $15,000. The Chair of the HRCC received additional annual remuneration of C$20,000 and each committee member received additional annual remuneration of C$10,000. The Chair of each of the other Board committees received additional annual remuneration of C$10,000 and each committee member received additional annual remuneration of C$5,000. All of these amounts were paid in monthly instalments. The Company also reimburses directors for any reasonable travel and out of pocket expenses relating to their duties as directors. In 2016, after the review by the Board, the independent directors of the Board approved an arrangement for the provision of offices and administrative services for its directors when they are in Geneva, Switzerland. The services are being provided for a monthly fee of C$10,000, effective June 1, 2016, by a company which is owned by a relative of the Chairman.

Non-executive directors do not receive any equity incentives or cash incentives.

During the most recently completed financial year, approximately C$1.1 million was paid or accrued to the law firm of Cassels Brock & Blackwell LLP, of which Mr. Craig, a director of the Company, is currently counsel to the firm and prior to December 31, 2015, a partner of the firm, for legal services rendered to the Company.

No other director was compensated either directly or indirectly by the Company and its subsidiaries during the most recently completed financial year for services as consultants or experts.

Compensation of Executive Officers

The following table sets forth a summary of the total compensation paid to, or earned by the Company's executive officers during the financial year ended December 31, 2016. Please see the Company's Management Information Circular dated March 24, 2017, available at www.sedar.com and www.lundinmining.com, for details on the total compensation.

Name	Base Salary (US$)	Share-based Awards (US$)	Option-based Awards (US$)	Non-Equity Incentive Plan - Compensation (US$)	Pension Value (US$)	All Other Compensation (US$)	Total (US$)
Paul Conibear							
President and Chief Executive Officer	652,139	1,230,000	1,055,000	1,000,692	-	35,140	3,972,971
Marie Inkster							
Senior Vice President and Chief Financial Officer	334,939	511,434	438,669	331,056	-	29,225	1,645,323
Peter Quinn							
Chief Operating Officer	420,000	462,726	396,891	380,000	-	570,085	2,229,702
Paul McRae							
Senior Vice President, Projects	457,958	369,000	316,500	298,735	-	29,850	1,444,440
Julie Lee Harrs							
Senior Vice President, Corporate Development	304,739	405,900	348,150	278,388	-	25,733	1,362,909

Pension Plan Benefits

Apart from the information below regarding Zinkgruvan, the Company and its subsidiaries do not have amounts set aside or accrued for pension, retirement or similar benefits.

Total provision for pension obligations at the Zinkgruvan mine amounted to approximately $13.2 million for the financial year ended December 31, 2016. The Company has a liability relating to the defined benefit plan at the Zinkgruvan mine. The defined benefit plan is unfunded and, accordingly, there are no plan assets and the Company made no contributions to the plan. A 1% change in the discount rate assumption would have an insignificant impact on the pension obligation or the pension expense for 2016. The Company expects to make payments of $1.1 million under the defined benefit plan during the next financial year.

Termination and Change of Control Benefits

Other than as set forth below, the Company has no compensatory plan, contract or arrangement where a member of the Board or an executive officer is entitled to receive compensation or benefits in the event of resignation, retirement or other termination of employment with the Company.

Each of the Company's executive officers is a party to an indefinite term employment agreement with the Company that sets forth certain instances where payments and other obligations arise on the termination of their employment or in the situation of a change of control of the Company.

Termination Without Cause

The employment agreements for each of the executive officers contain specific terms and conditions describing the Company's obligations if any of these executive officers had their employment terminated without cause. If those agreements are terminated by the Company without cause, or if the agreement is terminated by certain of these executive officers for good reason then payment of salary and, in some cases, short-term incentives, long-term incentives and benefits will be due for the appropriate notice period as provided in their respective contracts.

Following the termination of Mr. Conibear's employment by the Company without cause, the Company will be required to pay him on termination 24 months' base salary, plus two times the average of the bonus received in the previous two years. All unvested SUs will automatically vest and that all unvested stock options awarded pursuant to the Company's ISOP, as amended or replaced from time to time, shall automatically vest and Mr. Conibear will have 90 days from the date following termination to exercise such stock options. Furthermore, the terms of termination without cause, as set out in Mr. Conibear's employment agreement, will prevail over the terms regarding termination without cause as contained in the SU Plan and/or ISOP, as may be amended or replaced from time to time, unless such terms contained in the SU Plan and/or ISOP are more favourable, in which case the terms in the SU Plan and/or ISOP, as applicable, shall prevail. The executive officer shall also continue to participate in the Company's health and medical benefits for 24 months following the termination date.

Following the termination of Ms. Inkster's employment by the Company without cause, the Company will be required to pay her on termination 12 months' base salary. In the case of a termination of her employment in the event of redundancy, the Company will also provide 12 months' bonus calculated as the average of the bonus received in the previous two years and participation in the Company's health and medical benefits for 12 months following termination.

Following the termination of Mr. Quinn's employment by the Company without cause, the Company will be required to pay statutory requirements under US employment law.

Following the termination of Mr. McRae's employment by the Company without cause, Mr. McRae will receive an amount consisting of his base salary, a pro-rated bonus calculated as the average of the bonus received in the previous two years, and pro-rated benefits that would have been payable to him had his employment with the Company continued for a period of 12 months after the termination date in full satisfaction of any notice periods, severance or other payments to which he may be entitled to under statute or otherwise in respect of the termination of his employment with the Company.

Following the termination of Ms. Lee Harrs' employment by the Company without cause, Ms. Lee Harrs will receive an amount consisting of her base salary, a pro-rated bonus calculated as the average of the bonus received in the previous two years, and pro-rated benefits that would have been payable to her had her employment with the Company continued for a period of 12 months after the termination date in full satisfaction of any notice periods, severance or other payments to which she may be entitled to under statute or otherwise in respect of the termination of her employment with the Company.

Following the termination of any of the other executive officers' respective employment by the Company without cause, the Company will be required to pay such executive officer on termination a range of 6-24 months' base salary, depending on the terms of employment of the executive officer, and in certain circumstances, two times the average of the bonus received in the previous two years. Certain of these executive officers will also be entitled to continue to participate in the Company's health, medical and other benefits as permitted under the Company's benefits programs.

For certain of the executive officers, the Company may elect to terminate their employment for disability in which case additional payments may be required.

Change of Control

In the majority of the employment agreements of the executive officers and in the case of change of control of the Company, certain of the executive officers have a commitment that they may not terminate their employment until the expiry of a 6 month period following the change of control, except in the case of a reduction in the executive officer's compensation (other than any year-over-year change in their awards under incentive compensation plans) or a material change in the executive officer's place of employment. During the 6 to 12 month period following a change of control, certain executive officers may terminate his or her employment with the Company, in which case the termination payments below would apply.

Within 12 months of a change of control of the Company, if Mr. Conibear is terminated without cause or if a triggering event occurs, such as a significant diminution of Mr. Conibear's duties or responsibilities, and Mr. Conibear elects to terminate his employment, he will be entitled to receive the termination provisions of his employment agreement for termination without cause.

After the expiration of a six month period following a change of control of the Company (except in the case of a reduction in compensation (other than any year-over-year change in their awards under incentive compensation plans) or a material change in the place of employment), Ms. Inkster may terminate her employment with the Company following a change of control and will be entitled to a termination payment of 12 months' base salary. If this election is not made within 12 months of the date of the change of control then this right will lapse.

After the expiration of the 6-month period following a change of control of the Company (except in the case of a reduction in compensation (other than any year-over-year change in their awards under incentive compensation plans) or a material change in the place of employment), Ms. Lee Harrs may be eligible to terminate her employment with the Company and be entitled to a termination payment of 12 months' Salary. In this paragraph, "Salary is defined as base salary, plus pro-rated bonus averaged over the last two performance years, and pro-rated benefits. If this election is not made within 12 months of the date of the change of control then this right will lapse.

Following the termination of any of the other executive officers' respective employment by the Company following a change of control of the Company, the Company will be required to pay such executive officer on termination a range of 6-24 months' base salary, depending on the terms of employment of the executive officer, and in certain circumstances, two times the average of the bonus received in the previous two years. Certain of these executive officers will also be entitled to continue to participate in the Company's health, medical and other benefits as permitted under the Company's benefits programs.

Transactions with Board Members

No director was compensated directly or indirectly by the Company and its subsidiaries during 2016 for services as consultants or experts, other than the law firm which Mr. Craig is counsel to provides legal services for the Company. Mr. Craig is, however, not eligible to be a member of the Audit Committee as he is not deemed to be independent pursuant to National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") for the purposes of the Audit Committee.

Auditors

The Company's auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, with the address PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2. Craig Moffat, chartered professional accountant and member of the Chartered Professional Accountants of Ontario, is the Company's lead partner at PricewaterhouseCoopers LLP.

No auditor has resigned, been removed or not been re-appointed during the period covered by the historical financial information in this Prospectus.

CORPORATE GOVERNANCE

Canadian Corporate Governance Guidelines

Since the Company is not a Swedish limited company (Sw. aktiebolag), it is not subject to the rules in the Swedish Companies Act.

The Company is not required to apply the Swedish Corporate Governance Code, provided that it follows Canadian corporate governance code. As a non-Swedish company that does not apply the Code, the Company is to state which corporate governance code or corporate governance rules it applies and its reasons for doing so. It is also to report and explain the important aspects in which the Company's conduct deviates from the Swedish Code. This explanation is to be provided in or adjacent to the Company's corporate governance report or, if no such report exists, on the company's website.

The Company complies and is required to comply with the corporate governance guidelines of its jurisdiction, corporate governance rules and guidelines of the Canadian Securities Administrators and the TSX and applicable securities legislation in all material aspects.

Corporate governance guidelines, set out in National Instrument 58-201 - *Corporate Governance Guidelines* were adopted by Canadian regulatory authorities in June 2005, and deal with matters such as the constitution and independence of corporate boards, the effectiveness and education of board members and other items dealing with sound corporate governance practices.

Furthermore, The Board has adopted a formal written Code of Conduct, Ethical Values and Anti-Corruption Policy (the "Code of Conduct") for the directors, officers, employees, consultants and contractors of the Company and its subsidiaries with respect to conducting the business and affairs of the Company. The Board encourages adherence to an overall culture of ethical business conduct by; promoting compliance with the Code of Conduct, including applicable laws, rules and regulations; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability, and; ensuring awareness of disciplinary action for violations of ethical business conduct.

The Company places a high priority on ensuring the health and safety of its employees, contractors and consultants and works proactively to eliminate health risks and develop safe workplace environments. Employees, contractors and consultants are expected to continuously assess the risks and impacts of operations in an effort to avoid injury and death and damage to property and the environment.

The Code of Conduct prohibits the provision of gifts of significant value and the illegal payment of any kind, directly or indirectly, from corporate funds or assets, to government personnel or other officials for the purpose of influencing the performance of official duties or for any other improper purpose or business advantage. Further, employees of the Company are prohibited from accepting gifts or other favours having more than a nominal value from any organization that does, or is seeking to do, business with the Company.

The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Company has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code of Conduct. Under the Code of Conduct, directors, officers and employees are required to avoid all situations in which their personal interests conflict or might conflict with their duties to the Company or with the economic interest of the Company. Individuals governed by the Code of Conduct who have executive, managerial or supervisory responsibilities are required to ensure that actions and decisions within his or her jurisdiction are free from the influence of any conflict of interest with respect to the Company. Where a director declares an interest in any material contract or transaction being considered at a meeting of directors, the director absents himself or herself from the meeting during the consideration of the matter, and does not vote on the matter.

Employees, officers and directors of the Company who are involved in the issuance of regulatory and financial reports have a responsibility to fairly present all information in a truthful, accurate and timely manner. The Company maintains all records in accordance with laws and regulations regarding the retention of business records. Employees must maintain the confidentiality of information, including all non-public information that might be harmful to the Company or its partners or associates.

Individuals governed by the Code of Conduct are required to report violations or suspected violations of the Code of Conduct on a confidential and, if preferred, anonymous basis by raising such concern with his or her immediate supervisor or, if impractical to do so, with senior management of the Company, or by submitting a report via the Company's confidential and anonymous online reporting service, or directly to the Audit Committee Chair, who will treat the matter in confidence, disclosing information only as required for the purposes of conducting a proper investigation. Any retaliation against an individual disclosing a violation in good faith is prohibited by the Code of Conduct.

In carrying out its mandate, the CGNC, among other things, reviews compliance with the Code of Conduct, and periodically reviews the policy, recommending such amendments to the Board as the Committee may deem appropriate. The Audit Committee in satisfying its mandate, among other things, also reviews compliance with the Code of Conduct as it relates to the internal control procedures of the Company. On an annual basis, or otherwise upon request from the Board, the Chair of the Audit Committee also prepares a report to the Board summarizing all complaints received during the prior year, all outstanding unresolved complaints, how such complaints are being handled, the results of any investigations and any corrective actions implemented.

The Board, through the Audit Committee, has also established a Whistleblower Policy to establish procedures for the receipt, retention and treatment of complaints received, on a confidential and anonymous basis, by the Company and its subsidiaries from its directors, officers, employees, consultants and contractors regarding any known or suspected accounting, financial or auditing irregularities or any known or suspected violations of the Company's Code of Conduct. Individuals governed by the Whistleblower Policy are required to report any such irregularities or violations by submitting a report via the Company's confidential and anonymous online reporting service or by sending a letter to the Chair of the Audit Committee. The Chair of the Audit Committee is responsible for assessing and evaluating any such reports or letters and conducting investigations, and, from time to time, may engage independent advisors to assist in investigations and recommend appropriate action.

Companies listed on the TSX are subject to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and are required to disclose their corporate governance practices in accordance with that instrument. This disclosure must be published in the Company's management information circular, or in its annual information form if a management information circular is not sent to its security holders.

Board Structure and Function

In accordance with NI 58-201, the Board should be constituted at all times of a majority of independent directors. The Chairman of the Board should also be independent, where this is not appropriate, an independent director should be appointed to act as a Lead Director".

The Board has considered the relationship and status of each director. As of the date hereof, the Board currently consists of eight directors, a majority of whom are independent.

The independent directors are Donald K. Charter, Peter C. Jones, Dale C. Peniuk, Catherine J. G. Stefan and William A. Rand. None of these directors has any material business relationships with the Company and are therefore considered independent under the Governance Guidelines and otherwise independent under NI 52-110 for the purpose of sitting on the Company's Audit Committee.

The non-independent directors of the Board are Paul K. Conibear, Lukas H. Lundin and John H. Craig. Mr. Conibear is not independent because of his current role as CEO of the Company. Mr. Lundin, Chairman of the Board, is not considered independent due to his direct involvement with management of the Company. Mr. Craig is not independent as a result of the legal fees incurred by the Company from Mr. Craig's law firm.

The Board regularly sets aside a portion of each Board meeting to meet in camera without management and non-independent directors present. In addition, the mandates of the Board and the CGNC require that procedures be implemented at such times as are desirable or necessary to enable the Board to function independently of management and to facilitate open and candid discussion among its independent directors.

The Board has appointed Mr. Rand, an independent director, as Lead Director to act as effective leader of the Board, to ensure that the Board's agenda will enable it to successfully carry out its duties and to provide leadership for the Board's independent directors. As Lead Director, Mr. Rand, among other things, presides at meetings of the Board and of the Company's shareholders, ensures that the Board is alert to its obligations and responsibilities and that it fully discharges its duties, communicates with the Board to keep the Board up to date on all major developments, and acts as a liaison between the Board and management of the Company.

The Company does not have a formal policy limiting the number of outside directorships or the number of directors that can sit on the same board outside of the Company.

The Board has adopted a mandate which acknowledges its responsibility for the overall stewardship of the conduct of the business of the Company and the activities of management. Management is responsible for the day-to-day conduct of the business of the Company. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Company meets its obligations on an ongoing basis and that the Company operates in a reliable and safe manner. In performing its functions, the Board considers the legitimate interests that its other stakeholders, such as employees (including consultants and contractors), suppliers, customers and communities, may have in the Company. In overseeing the conduct of the business, the Board, through the CEO, sets the standards of conduct for the Company.

The Board oversees the Company's risk management and strategic, financial and operational risks, including, but not limited to risks relating to external stakeholder relations, regulatory environment, acquisitions/business arrangements, commodity price volatility, liquidity and financing, health, safety and environmental risks, mining and processing, risks to infrastructure, including cyber technology and physical assets. Board members meet periodically to review and discuss risk factors of the Company and the effective management of them.

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its Chairman and Lead Director, nominating candidates for election to the Board and constituting committees of the Board. Subject to the Articles and By-Laws of the Company and the CBCA, the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

Under its mandate, the Board is required to oversee the Company's communications policy. The Board has put structures in place to ensure effective communication between the Company, its shareholders and the public. The Company has established a Disclosure and Confidentiality Policy. The Board monitors the policies and procedures that are in place to provide for effective communication by the Company with its shareholders and with the public generally, including effective means to enable shareholders to communicate with senior management and the Board. The Board also monitors the policies and procedures that are in place to ensure a strong, cohesive, sustained and positive image of the Company with shareholders, governments and the public generally. Significant shareholder concerns are brought to the attention of management or the Board. Shareholders are informed of corporate developments by the issuance of timely press releases which are concurrently posted to the Company's website and are available on SEDAR at www.sedar.com.

Strategic Planning

The Board has the responsibility to ensure that there are long-term goals and a strategic planning process in place for the Company and to participate with management directly or through its committees in developing and approving the mission of the business of the Company and the strategic plan by which it proposes to achieve its goals, which strategic plan takes into account, among other things, the opportunities and risks of the Company's business.

Risk Oversight

The Board has the responsibility to identify and understand the principal risks of the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company.

Audit Committee

The Audit Committee consists of three Board members, each of whom is independent and financially literate: Dale C. Peniuk (Chair), William A. Rand and Catherine J. G. Stefan.

The Audit Committee of the Board of Directors oversees the accounting and financial reporting processes of the Company and its subsidiaries and all external audits and interim reviews of the financial statements of the Company, on behalf of the Board, and has general responsibility for oversight of internal controls, and accounting and auditing activities of the Company and its subsidiaries. All auditing services and non-audit services to be provided to the Company by the Company's auditors are pre-approved by the Audit Committee. The Audit Committee reviews, on a regular basis, any reports prepared by the Company's external auditors relating to the Company's accounting policies and procedures, as well as internal control procedures and systems. The Audit Committee is also responsible for reviewing all financial information, including annual and quarterly financial statements, MD&A and press releases regarding earnings, prepared for securities commissions and similar regulatory bodies, and recommending approval thereof to the Board, prior to public dissemination or delivery of the same. The Audit Committee also oversees the work of the external auditor on the annual audit process, the quarterly review engagements, the Company's internal accounting controls, the Company's Whistleblower Policy, any complaints and concerns regarding any known or suspected accounting, financial or auditing irregularities or any known or suspected violations of the Company's Code of Conduct, Ethical Values and Anti-Corruption Policy, and the resolution of issues identified by the Company's external auditors. The Audit Committee recommends to the Board annually the firm of independent auditors to be nominated for appointment by the shareholders at the annual general meeting of shareholders and approves the compensation of such external auditor.

The Board appoints the members of the Audit Committee for the ensuing year at its organizational meeting held in conjunction with each annual general meeting of the shareholders of the Company. The Board may at any time remove or replace any member of the Audit Committee and may fill any vacancy in the Audit Committee.

The Audit Committee meets a minimum of four times a year. The Audit Committee has access to such officers and employees of the Company and to such information respecting the Company and may engage independent counsel and advisors at the expense of the Company, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

Human Resources/Compensation Committee

The HRCC is comprised of three non-executive members of the Board: Donald K. Charter (Chair), Peter C. Jones, and William A. Rand, all of whom are independent within the meaning of the Governance Guidelines:

The principal purpose of the HRCC is to implement and oversee human resources and compensation policies approved by the Board of the Company. The duties and responsibilities of the HRCC include recommending to the Board the annual salary, bonus, equity awards and other benefits, direct and indirect, for the CEO, after considering the recommendations of the CEO approving the compensation for the Company's other executive officers, approving other human resources and compensation policies and guidelines, ensuring management compensation is competitive to enable the Company to continue to attract individuals of the highest calibre, and recommending the adequacy and form of director compensation to the Board.

The Board appoints the members of the HRCC for the ensuing year at its organizational meeting held in conjunction with each annual general meeting of the shareholders of the Company. The Board may at any time remove or replace any member of the HRCC and may fill any vacancy in the HRCC.

The HRCC meets regularly each year on such dates and at such locations as the Chair of the HRCC determines. The HRCC has access to such officers and employees of the Company and to such information respecting the Company and may engage independent counsel or advisors at the expense of the Company, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

Corporate Governance and Nomination Committee

The CGNC is comprised of three non-executive Board members: Catherine J. G. Stefan (Chair), Donald K. Charter and Dale C. Peniuk, all of whom are independent within the meaning of the Governance Guidelines.

The principal purpose of the CGNC is to provide a focus on corporate governance that will enhance the Company's performance, and to ensure, on behalf of the Board and shareholders that the Company's corporate governance system is effective in the discharge of its obligations to the Company's stakeholders. The duties and responsibilities of the CGNC include the development and monitoring of the Company's overall approach to corporate governance issues and, subject to approval by the Board, implementation and administration of a system of corporate governance which reflects superior standards of corporate governance practices, recommendation of nominees to the Board for election as directors of the Company at the annual meeting of shareholders, reporting annually to the Company's shareholders, through the Company's annual management information circular or annual reports to shareholders, on the Company's system of corporate governance and the operation of its system of governance, analyzing and reporting annually to the Board the relationship of each director to the Company as to whether such director is an independent director or not an independent director, advising the Board or any of the committees of the Board of any corporate governance issues which the CGNC determines ought to be considered by the Board or any such committee, in the event of a vacancy on the Board, the CGNC will consider whether to recommend to the Board to fill the vacancy and if the vacancy is to be filled, the CGNC will recommend an individual to the Board to fill such vacancy, and, in the event of a vacancy occurring on a committee of the Board, the CGNC will recommend to the Board an individual for appointment as a member to the applicable committee of the Board to fill such vacancy.

The Board appoints the members of the CGNC for the ensuing year at its organizational meeting held in conjunction with each annual general meeting of the shareholders of the Company. The Board may at any time remove or replace any member of the CGNC and may fill any vacancy in the CGNC.

The CGNC meets regularly each year on such dates and at such locations as the Chair of the CGNC determines. The CGNC has access to such officers and employees of the Company and to such information respecting the Company and may engage independent counsel and advisors at the expense of the Company, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

Health, Safety, Environmental and Community Committee

The HSEC is comprised of three Board members, a majority of whom are non-executive Board members: Peter C. Jones (Chair), Paul K. Conibear and John H. Craig.

The principal purpose of the HSEC is to assist the Board in its oversight of health, safety, environment and community risks, compliance with applicable legal and regulatory requirements associated with health, safety, environmental and community matters, performance in relation to health, safety, environmental and community matters, the performance and leadership of the health, safety, environment and community function in the Company, and external reporting in relation to health, safety, environmental and community matters.

The Board appoints the members of the HSEC for the ensuing year at its organizational meeting held in conjunction with each annual general meeting of the shareholders of the Company. The Board may at any time remove or replace any member of the HSEC and may fill any vacancy in the HSEC.

The HSEC meets a minimum of four times a year. The HSEC has access to such officers and employees of the Company and to such information respecting the Company and may engage independent counsel and advisors at the expense of the Company, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

SHARE CAPITAL AND RELATED ISSUES

The Shares

None of the Shares have been or will be registered under the U.S. Securities Act or under applicable state securities laws.

The Shares are not subject to any restrictions on their transferability.

The Shares are not subject to offers made as a result of any mandatory takeover bids, and/or squeeze out rules, redemption rights or redemption obligations. There have been no public offers for the Shares during the current or preceding financial year.

As far as the members of the Board are aware, no physical or legal persons involved in the Listing have financial or other relevant interests that are of importance to the Listing, other than as described herein.

Shares held through the Euroclear system are in uncertificated form. Shares issued outside of the Euroclear system are in both certificated and uncertificated form and certificated Shares are in registered form. The Company's registrar and transfer agent in Canada is Computershare Investor Services Inc.

Share Capital

As of the date of this Prospectus, the authorized share capital of the Company consists of an unlimited number of Shares without nominal or par value of which 726,758,397 Shares are issued and outstanding and one special share without nominal or par value. The special share is not issued and outstanding at this time. As of the date of this Prospectus, the Company and its subsidiaries held no Shares on its own account.

The Shares have been issued under the CBCA and are denominated in CAD.

Each Share entitles the holder to receive notice of and attend all meetings of shareholders with each Share held entitling the holder to one vote on any resolution to be passed at such shareholder meetings. The holders of Shares are entitled to dividends if, as and when declared by the Board. There are no fixed dates on which entitlement to any dividends arises. The Shares are entitled, upon liquidation, dissolution or winding up of the Company, to receive the remaining assets of the Company available for distribution to shareholders.

Historic Share Capital

Please see below for a summary of the Company's share capital for the period covered by the historical financial information in this Prospectus.

Date of Issuance	Number of Securities Issued	Security Issued	Issue Price per Security (C$)
2014			
Q1'-Q4'	1,276,998 (1)	Shares	4.00 (3)
Q4'	132,157,000	Subscription Receipts	5.10
Balance as per December 31, 2014	*718,168,173*	*Shares*	-
2015			
Q1'-Q4'	1,437,884 (1)	Shares	4.08(3)
Q1'-Q4'	22,300 (2)	Shares	-
Balance as per December 31, 2015	*719,628,357*	*Shares*	-
2016			
Q1'-Q4'	5,443,930(1)	Shares	4.95(3)
Q1'-Q4'	61,900(2)	Shares	-
Balance as per December 31, 2016	*725,134,187*	*Shares*	-

Date of Issuance	Number of Securities Issued	Security Issued	Issue Price per Security (C$)
2017			
Q1'	1,535,810(1)	Shares	5.02(3)
Q1'	33,000(2)	Shares	-
Balance as per March 31, 2017	726,702,997	*Shares*	-

(1) Issued pursuant to the exercise of options.

(2) Issued pursuant to the exercise of SUs.

(3) Weighted average exercise price (C$).

As per January 1, 2016, there were 719,628,357 Shares issued and outstanding. As per December 31, 2016, there were 725,134,187 Shares issued and outstanding.

The basic weighted average number of Shares outstanding for the year ended December 31, 2016 was 720,328,576. Stock options and SUs were not included in the computation of diluted loss per Share or diluted loss from discontinued operations per Share for the year ended December 31, 2016 as their inclusion would be anti-dilutive. Stock options and SUs were included in the computation of diluted earnings from continuing operations per Share for the year ended December 31, 2016. The total incremental Shares added to the basic weighted average of Common Shares to arrive at the fully diluted number of Shares for the year ended December 31, 2016 was 880,226 Shares which relate to exercisable "in-the-money" outstanding stock options and outstanding SUs.

During the period January 1, 2014 – December 31, 2016 there was not any capital paid for with other assets than cash.

Equity Compensation Plans

At the annual and special shareholder's meeting held on May 9, 2014, the shareholders approved, among other things, the adoption of the SU Plan and the adoption of the new ISOP replacing the 2006 ISOP. On May 12, 2017, the shareholders approved an amendment to the 2006 ISOP which allows expiring options to be exercised during a short period following the end of a Company imposed "blackout period".

SU Plan

The SU Plan has the dual purpose of (i) attracting, incentivizing and retaining those key employees of the Company who are considered by the Board to be key to the growth and success of the Company; and (ii) aligning the interests of key employees with those of the shareholders through longer term equity ownership in the Company.

The following is a summary of the key terms of the SU Plan:

- The SU Plan provides that SUs may be granted by the Board or the HRCC, or any other committee of directors authorized by the Board to administer the SU Plan.

- The SU Plan has reserved 6,000,000 Common Shares for issuance under the SU Plan, which represents approximately 0.8% of the Company's issued and outstanding Common Shares. Any Common Shares subject to a SU which has cancelled or terminated in accordance with the terms of the SU Plan without settlement will again be available for issuance under the SU Plan.

- The grant of SUs under the SU Plan is subject to the number of the Common Shares: (i) issued to insiders of the Company, within any one (1) year period, and (ii) issuable to insiders of the Company, at any time, under the SU Plan, or when combined with all of the Company's other security based compensation arrangements, shall not exceed 10% of the Company's total issued and outstanding Common Shares, respectively.

- The SU Plan is for the benefit of employees of the Company or any affiliate, including any senior executive, vice president, and/or member of the management team of the Company or its affiliates.

- A SU is a unit credited by means of an entry on the books of the Company to a participant, representing the right to receive one Common Share (subject to adjustments) issued from treasury.

- The number and terms of SUs granted to participants will be determined by the Board or committee based on the market price of the Common Shares on the grant date and credited to the participant's account effective on the grant date. The market price shall be calculated as the closing market price on the TSX of the Common Shares on the date of the grant. The Board or committee may also impose vesting criteria on the SUs. The SUs will be settled by way of the issuance of Common Shares from treasury as soon as practicable following the entitlement date determined by the Board or committee in accordance with the terms of the SU Plan. However, participants who are residents of Canada or as otherwise may be designated in the grant letter (with the exception of US taxpayers) will be permitted to elect to defer issuance of all or any part of the Common Shares issuable to them provided proper notice is provided to the Board or committee pursuant to the terms of the SU Plan.

- All grants of SUs shall be evidenced by a confirmation share unit grant letter.

- The Board or committee will have the discretion to credit a participant with additional SUs in lieu of any cash dividends paid to shareholders of the Company, equal to the aggregate amount of any cash dividends that would have been paid to the participant if the SUs had been Common Shares, divided by the market value of the Common Shares on the date on which dividends were paid by the Company. For the avoidance of doubt, no cash payment will be made to a participant if cash dividends are paid to shareholders.

- In the event of a participant's resignation or termination with cause, the SUs will be forfeited and of no further force or effect at the date of termination, unless otherwise determined by the HRCC, provided for in the share unit grant letter or vested and are only subject to a deferred payment date, as further described under the SU Plan. In the event of termination without cause, all unvested SUs that are not subject to performance vesting criteria will vest for participants who were continuously employed by the Company or any affiliate for at least two years including any notice period, if applicable, on the date of termination and the Common Shares represented by the SUs held shall be issued as soon as reasonably practical. In the event of termination without cause, all unvested SUs with performance vesting criteria will remain subject to the normal vesting schedule for participants who were continuously employed by the Company or any affiliate for at least two years including any notice period, if applicable, on the date of termination and the Common Shares represented by the SUs held shall be issued as soon as reasonably practical unless otherwise determined by the HRCC or provided for in the share unit grant letter, as further described under the SU Plan. For participants who were not continuously employed by the Company for two years their SUs will be forfeited and of no further force or effect at the date of termination, except as may otherwise be stipulated in the participant's grant letter or as may otherwise be determined by the HRCC in its sole and absolute discretion. In the event of retirement, any unvested SUs will automatically vest and the Common Shares will be issued as soon as practicable. However, any unvested SUs held by a US taxpayer will automatically vest on the date such participant attains the age of 65 and the Common Shares will be issued forthwith but no later than March 15 of the following calendar year. In the event of death, all unvested SUs credited to the participant will vest on the date of the participant's death and the Common Shares represented by the SUs held shall be issued to the participant's estate as soon as reasonably practical. In the event of the total disability of a participant, all unvested SUs credited to the participant will vest on the date in which the participant is determined to be totally disabled and the Common Shares represented by the SUs held shall be issued as soon as reasonably practical. In the event of a change of control, all SUs outstanding will immediately vest on the date of such change of control. Notwithstanding, all of the termination provisions shall be subject to the terms of any employment/severance agreement between the participant and the Company.

- SUs are not transferable other than by will or the laws of dissent and distribution.
- The specific amendment provisions for the SU Plan provide the Board or committee with the power, subject to the requisite regulatory approval, to make the following amendments without shareholder approval (without limitation):
    - amendments of a housekeeping nature;
    - the addition or a change to any vesting provisions of a SU;
    - changes to the termination provisions of a SU or the SU Plan; and
    - amendments to reflect changes to applicable securities or tax laws.

Any of the following amendments require shareholder approval:

- materially increasing the benefits to a holder of SUs who is an insider to the material detriment of the Company and its shareholders;
- increasing the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the SU Plan (other than by virtue of adjustments permitted under the SU Plan);
- permitting SUs to be transferred other than for normal estate settlement purposes;
- removing or exceeding the insider participation limits of the SU Plan;
- materially modifying the eligibility requirements for participation in the SU Plan; or
- modifying the amending provisions of the SU Plan.

As of April 30, 2017, there were 3,139,690 SUs outstanding under the SU Plan, representing approximately 0.43% of the Company's issued and outstanding Common Shares. Since inception of the SU Plan to April 30, 2017, a total of 117,200 Common Shares were issued following the vesting of SUs under the SU Plan, representing approximately 0.02% of the Company's issued and outstanding Common Shares. As at April 30, 2017, there is an aggregate of 2,743,110 SUs available for grant under the SU Plan, representing approximately 0.38% of the Company's issued and outstanding Common Shares.

ISOP

The ISOP has the dual purpose of (i) attracting, incentivizing and retaining those key employees and consultants, of the Company who are considered by the Board to be key to the growth and success of the Company; and (ii) aligning the interests of key employees and consultants with those of the shareholders through longer term equity ownership in the Company.

The following is a summary of the key terms of the ISOP:

- The aggregate number of Common Shares available at all times for issuance under the ISOP is 30,000,000, which represents approximately 4.2% of the Company's current issued and outstanding Common Shares. Any option which has been cancelled or terminated prior to exercise in accordance with the terms of the ISOP will again be available under the ISOP.

- The exercise price per Common Share under an option shall be determined by the Board but, in any event, shall not be lower than the market price of the Common Shares of the Company on the date of grant of the options.

- The term of all options awarded under the ISOP is a maximum of five years.

- Options granted pursuant to the ISOP shall vest and become exercisable by an optionee at such time or times as may be determined by the Board at the date of grant and as indicated in the option commitment.

- In the event that the expiry of an option falls within, or within two days of, a trading blackout period imposed by the Company, the expiry date of the option shall be automatically extended to the tenth business day following the end of the blackout period as permitted by applicable TSX policies.

- The termination provisions under the ISOP are as follows: An optionee will have, in all cases subject to the original option expiry date (i) a 12 month period to exercise his/her options, which will automatically vest, in the event of retirement; (ii) 90 days to exercise his/her options, which will automatically vest for optionees who have been continuously employed by the Company or by a company providing management services to the Company for at least two years including any notice period, if applicable, in the event of termination without cause; (iii) 90 days to exercise his/her options that have vested, in the event of resignation; and (iv) immediate termination of the options in the event of termination with cause, except as may be set out in the optionee's option commitment or as otherwise determined by the Board in its sole discretion. In the event of the death or disability of an optionee, all options will vest and the optionee will have, subject to the original option expiry date, 12 months to exercise his/her options. Notwithstanding the foregoing, all of the termination provisions shall be subject to the terms of any employment/severance agreement between the optionee and the Company.

- In the event of a change of control, all unvested options shall automatically vest on the date of the change of control and options may be cancelled if such options are out of the money.

- The grant of options under the ISOP is subject to the number of the Common Shares: (i) issued to insiders of the Company, within any one (1) year period, and (ii) issuable to insiders of the Company, at any time, under the ISOP, or when combined with all of the Company's other security based compensation arrangements, not exceeding 10% of the Company's total issued and outstanding Common Shares, respectively.

- The aggregate number of options granted pursuant to the ISOP to any one non-employee director, if ever applicable, within any one-year period shall not exceed a maximum value of C$100,000 worth of options. The value of the options shall be determined using a generally accepted valuation model.

- The aggregate number of Common Shares reserved for issuance pursuant to the ISOP to non-employee directors as a group, if ever applicable, shall not exceed 1% of the number of issued and outstanding Common Shares, as calculated without reference to the initial options granted under the ISOP to a person who is not previously an insider of the Company upon such person becoming or agreeing to become a director of the Company, and without reference to options held by former directors of the Company.

- The Board may delegate, to the extent permitted by applicable law and by resolution of the Board, its powers under the ISOP to the HRCC of the Board, or such other committee as the Board may determine from time to time.

- The specific amendment provisions for the ISOP provide the Board or committee with the power, subject to the requisite regulatory approval, to make the following amendments without shareholder approval (without limitation):

- amendments of a housekeeping nature;
- the addition or a change to any vesting provisions of an option;
- changes to the termination provisions of an option or the ISOP which do not entail an extension beyond the original expiry date;
- the addition of a cashless exercise feature, payable in cash or securities, whether or not providing for a full deduction of the number of underlying Common Shares from the ISOP reserves; and
- amendments to reflect changes to applicable securities or tax laws.

Any of the following amendments shall also require shareholder approval:

- reduce the exercise price of an option or cancel and reissue an option;
- amend the term of an option to extend the term beyond its original expiry;
- amend the limits imposed on non-employee directors (other than by virtue of adjustments permitted under the ISOP);
- materially increase the benefits to the holder of the options who is an insider to the material detriment of the Company and its shareholders;
- increase the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the ISOP (other than by virtue of adjustments permitted under the ISOP);
- permit options to be transferred other than for normal estate settlement purposes;
- remove or exceed the insider participation limits of the ISOP;
- materially modify the eligibility requirements for participation in the ISOP; or
- modify the amending provisions of the ISOP.

As of April 30, 2017, there were 12,657,535 stock options outstanding under the ISOP, representing approximately 1.74% of the Company's issued and outstanding Common Shares. Since inception of the ISOP to April 30, 2017, a total of 1,172,790 Common Shares were issued upon exercise of stock options granted under the ISOP, representing approximately 0.16% of the Company's issued and outstanding Common Shares. As at April 30, 2017, there is an aggregate of 16,169,675 stock options available for grant under the ISOP, representing 2.2% of the Company's issued and outstanding Common Shares.

2006 ISOP

Effective May 9, 2014, no further options may be granted under the 2006 ISOP; however, any outstanding options granted under the 2006 ISOP shall remain outstanding and shall continue to be governed by the provisions of the 2006 ISOP as set out below:

- The Board had the authority under the 2006 ISOP to establish the option price at the time each share option was granted but, the price was not to be lower than the market price of the Common Shares on the date of grant of the options. The market price was calculated as the closing market price on the TSX of the Common Shares on the date of the grant, or, if the date of grant was not a trading day, the closing price of the Common Shares on the last trading day prior to the date of grant.

- The Board had the authority at the time of grant to set the periods within which options could be exercised and the number of options which may be exercised in any such period. All options granted under the 2006 ISOP were required to be exercisable during a period not extending beyond ten years from the date of the option grant unless otherwise permitted by the TSX. Nothwithstanding the foregoing, in the event that an option issued under the 2006 ISOP expires during or within 2 days of a trading "blackout period" imposed by the Company, the expiry date of the option shall be automatically extended for 10 business days following the end of the "blackout period".

- The Board has the authority to determine the vesting terms of the options at the date of the option grant and as indicated in any option commitments related thereto.

- Options are not transferable other than by will or the laws of dissent and distribution. Typically, if an optionee ceases to be an Eligible Person (as defined in the 2006 ISOP) for any reason whatsoever other than death, each option held by such optionee will cease to be exercisable 60 days following the termination date (being the date on which such optionee ceases to be an Eligible Person). If an optionee dies, the legal representative of the optionee may exercise the optionee's options within 12 months after the date of the optionee's death but only up to and including the original option expiry date.

- The Company provides no financial assistance to facilitate the purchase of Common Shares by optionees who hold options granted under the 2006 ISOP.

- The aggregate number of Common Shares reserved for issuance pursuant to the 2006 ISOP or any other share compensation arrangement (pre-existing or otherwise) to insiders shall not exceed 10% of the Common Shares outstanding at any time unless the Company has obtained disinterested shareholder approval to do so.

- The aggregate number of Common Shares issued and options granted pursuant to the 2006 ISOP or any other share compensation arrangement (pre-existing or otherwise) to insiders within any one-year period shall not exceed 10% of the Common Shares outstanding unless the Company has obtained disinterested shareholder approval to do so.

As of April 30, 2017, there were 1,849,550 stock options outstanding under the 2006 ISOP, representing approximately 0.26% of the Company's issued and outstanding Common Shares.

Significant Shareholders

Any shareholders who own more than 10% of shares in a Canadian company are obliged to file details of such holdings with SEDI (www.sedi.ca) or SEDAR (www.sedar.com) as applicable. To the knowledge of the directors and officers of the Company, the only entities that beneficially owns or exercises control or direction over Shares carrying more than 10% voting rights attached to all the Shares are the below (as of March 31, 2017).

Name	Number of Shares (1)	% of Shares
Nemesia Holdings S.à.r.l.	92,522,698	12.73

(1) This information was obtained from publicly disclosed information and has not been independently verified by the Company.

(2) On January 27, 2017, Lorito and Zebra, two private companies controlled by a trust settled by the late Adolf H. Lundin pursuant to a corporate reorganization transferred to Nemesia 37,557,844 Common Shares and 54,964,854 Common Shares respectively of the Company to hold no Common Shares of the Company. Lorito and Zebra received Class C shares of Nemesia as consideration for the Common Shares of the Company and together own 100% of the outstanding Class C shares of Nemesia. Significant shareholders do not hold Shares containing different voting rights to them.

The Company is not aware of any agreements which could lead to a change in the control of the Company.

There are no lock-up agreements or similar.

To the extent known to the Company, the Company is not directly or indirectly owned or controlled by anyone.

Dividend Policy

On November 30, 2016, the Company's Board approved a dividend policy. The Company's dividend policy anticipates paying four cash dividends per calendar year, the first declared with the release of year-end results; the second declared with the release of first quarter results; the third declared with the release of second quarter results; and the fourth declared with the release of the third quarter results. The declaration, timing, amount and payment of all dividends remain at the discretion of the Board.

On February 22, 2017, the Board approved a dividend of C$0.03 cents per share with a record date of March 31, 2017 and a payment date of April 18, 2017. Holders of Swedish Depository Receipts will have a dividend payment date on or around April 25, 2017 and will receive payment in SEK.

Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Company’s operating results, financial condition and current and anticipated cash needs.

Upon payment of dividends, if any, the Company intends to administer the payments to holders of Shares listed on Nasdaq Stockholm through Euroclear. Dividends will be paid in SEK in accordance with Euroclear’s principles.

LEGAL AND SUPPLEMENTARY INFORMATION

Incorporation and Legal Form of Business

The Company is a public company incorporated under the laws of Canada. The Company was incorporated on September 9, 1994, under the CBCA. The Company operates under the laws of Canada. The incorporation number of the Company is 443736-5.

The legal and commercial name of the Company is Lundin Mining Corporation. The Company's registered and records office and its business office are located at #1500 - 150 King Street West, P.O. Box 38, Toronto, ON, M5H 1J9, telephone number +1-416-342-5560.

Related Party Transactions

Other than as set out below and under the heading "Transactions with Board Members", there were no related party transactions that the Company has entered into during the period covered by the historical financial information and up to the date of this Prospectus.

The Company enters into transactions related to its investment in Tenke and transactions related to its investment in Freeport Cobalt. These transactions are entered into in the normal course of business and on an arm's length basis.

Three-Month Period Ended March 31, 2017

During the three months ended March 31, 2017, the Company received $55.6 million in cash distributions from Tenke.

During the three months ended March 31, 2017, the Company paid $3.0 million to Freeport Cobalt for expanded cobalt battery product line investments.

For the three months ended March 31, 2017, the Company paid $0.3 million (2016 - $0.2 million) to a charitable foundation directed by members of the Company's key management personnel to carry out social programs on behalf of the Company.

Financial Year Ended December 31, 2016

During the year ended December 31, 2016, the Company received $60.4 million of cash distributions from Tenke.

For 2016, the Company paid $0.1 million for services provided by a company owned by the Chairman of the Company. The Company also paid $0.9 million to a charitable foundation directed by members of the Company's key management personnel to carry out social programs on behalf of the Company.

The Company has provided $8.8 million of employee benefits to its key management personnel.

The Company received $9.3 million of cash distributions from Freeport Cobalt during the year ended December 31, 2016.

Financial Year Ended December 31, 2015

During the year ended December 31, 2015, the Company received $24.6 million of cash distributions from Tenke.

For 2015, the Company paid $0.1 million for services provided by a company owned by the Chairman of the Company. The Company also paid $0.9 million to a charitable foundation directed by members of the Company's key management personnel to carry out social programs on behalf of the Company.

The Company has provided $8.6 million of employee benefits to its key management personnel.

The Company received $8.3 million of cash distributions from Freeport Cobalt during the year ended December 31, 2015.

Financial Year Ended December 31, 2014

During the year ended December 31, 2014, the Company received $85.8 million of cash distributions from Tenke.

The Company received $8.6 million of cash distributions from Freeport Cobalt during the year ended December 31, 2014.

During the year ended December 31, 2014, the Company paid $0.2 million for management services provided by a company owned by the Chairman of the Company and paid $0.7 million to a charitable foundation directed by members of the Company's key management personnel to carry out social programs on behalf of the Company.

The Company has provided $9.6 million of employee benefits to its key management personnel.

Associates

The Company has a 24% ownership interest in Freeport Cobalt, a cobalt refinery in Finland, and its related sales and marketing business. Freeport-McMoRan Inc. holds a 56% ownership interest and Gécamines owns the remaining 20% interest in Freeport Cobalt.

On April 19, 2017, the Company announced the completion of the sale of its indirect interest in TF Holdings to an affiliate of BHR Partners for $1.136 billion in cash. Lundin Mining's effective 24% interest in Tenke was held through its 30% indirect interest in TF Holdings.

Significant Agreements

Below are summaries of each material contract, other than contracts entered into in the ordinary course of business, to which the Company or any member of the group is a party and which were entered into during the two years immediately preceding publication of the registration document

Below are also summaries of other contracts, other than contracts entered into in the ordinary course of business) entered into by the Company or any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the Prospectus (to the extent not described elsewhere in the Prospectus).

The Credit Facility

See "Credit Facility" in section "Capital Structure, Indebtedness and Related Information".

Indenture

See "Senior Secured Notes" in section "Capital Structure, Indebtedness and Related Information".

The Share Purchase Agreement and the Shareholders' Agreements

In 2014, two of the Company's indirect wholly-owned subsidiaries entered into a stock purchase agreement (the "**Share Purchase Agreement**") with a subsidiary of Freeport to acquire 80% of the equity interests in Minera Candelaria and Minera Ojos held by affiliates of Freeport (the **"Candelaria Acquisition**"). The remaining 20% of the equity interests in the acquired companies are held by Sumitomo Metal Mining Co., Ltd., Sumitomo Corporation and their respective affiliates (collectively, "**Sumitomo**"). The Candelaria Acquisition resulted in the Company having an 80% equity interest in the Candelaria mine and the Ojos mine and supporting infrastructure located in the Atacama province in Chile.

Under the Share Purchase Agreement, the Company paid Freeport for its 80% equity interest in the acquired companies: (i) a base purchase price of US$1.8 billion; and (ii) US$52 million for cash and non-cash working capital and other agreed adjustments. The purchase price was subject to customary adjustments for cash in the acquired companies. The Company has also agreed to make contingent earn out payments, payable in arrears and once yearly, to Freeport in an amount equal to 5% of annual realized copper revenue (net of treatment charges, refining costs and freight costs). The earn out payments need only be made in respect of a 12 month period when the annual average realized copper price during such period exceeds US$4.00/lb. Freeport's right to receive the earn-out payments will terminate on the earlier of: (i) the five year anniversary of the first day of the fiscal quarter following the Candelaria Acquisition closing date, and (ii) the date upon which Freeport receives US$200 million in earn-out payments.

In the Share Purchase Agreement, Freeport provided customary representations, warranties and indemnities to the Company that are standard for a transaction of this nature, including with respect to the shares of the acquired Companies acquired as well as the business and operations of the companies and Candelaria.

The effective date of the Candelaria Acquisition was June 30, 2014 and the closing was completed on November 3, 2014 (the effective date for accounting purposes was November 3, 2014).

The Company covenanted to assume the existing shareholders' agreements and entered into new principal agreements with Sumitomo. Pursuant to the shareholders' agreements, the Company is the operator of Candelaria and has four representatives on the five-member management committee (akin to a board of directors) which is responsible for, amongst other things, supervising the operation of Candelaria, considering and approving annual programs and budgets and appointing the officers of the acquired companies. The Company will have the ability to appoint and remove four of the five members of the management committee at any time through a declaration in a public deed, which must be registered as a note under the companies' registration in the Santiago Mine Register. Officers may be appointed and removed by majority decision of the management committee. While various ordinary corporate actions, including the appointment and removal of officers, can be undertaken without the approval of the one Sumitomo representative to the management committee, extraordinary actions require approval by the Sumitomo representative.

Certain actions to be taken by the acquired companies will require the approval of the Sumitomo representative, and as such Sumitomo will have the right to veto the following actions:

- a material amendment to the bylaws of the companies;
- a merger, consolidation, amalgamation, liquidation or dissolution of the companies;
- a change in the legal form of the companies;
- the issuance of equity securities of the companies, except in certain circumstances;
- the sale, lease or other disposition of assets of Candelaria Mine in excess of US$10 million and of Ojos in excess of US$5 million or property containing ore reserves or containing other mineral bearing material believed by the management committee of the respective company to be commercially viable;
- the creation of any mortgage, lien, pledge, charge or other encumbrance on any property of the companies, except in limited circumstances;
- inter-company transactions with a company or a company's affiliates greater than US$1 million;
- changes to the dividend policies of either company; and

- capital expenditures exceeding US$20 million in the case of Candelaria and US$10 million in the case of Ojos.

The shareholders' agreements also contain transfer restrictions and a proposed sale by either of the shareholders will give rise to certain rights in and to the other shareholder, including under certain circumstances, a right of first refusal or a right to participate in the sale.

The Stream Agreement

Concurrent with the announcement of the Candelaria Acquisition, the Company, through its wholly-owned subsidiary LMC Bermuda Ltd. ("**Stream Seller**" in this section), entered into a definitive precious metals stream purchase and sale agreement (the "**Stream Agreement**") with an affiliate of Franco-Nevada (the "**Stream Purchaser**" in this section). Franco-Nevada guaranteed certain obligations of the Stream Purchaser under the Stream Agreement.

In connection with the closing of the Candelaria Acquisition, the Stream Purchaser provided the Company with a deposit of US$648 million as a prepayment for delivery of refined gold and silver with respect to: (i) 68% of the gold and silver produced from the Candelaria and Ojos mines until 720,000 ounces of gold and 12 million ounces of silver have been delivered; and (ii) 40% of the gold and silver produced thereafter for the life of the mine. In addition to the deposit, the Stream Purchaser will pay to the Stream Seller a cash purchase price at the time of each delivery equal to the lesser of: (i) US$400 per ounce of gold and US$4.00 per ounce of silver, subject to an increase of 1% per annum (on a compounded basis) starting on the third anniversary of the date of the Stream Agreement, and (ii) the market price of the gold and silver at the relevant delivery date.

If, for any calendar year, recoveries (based on the metal in concentrate as a percentage of metal in pre-processed ore) exceed certain designated percentages, then Stream Purchaser shall pay to Stream Seller the value of gold and silver attributable to the higher recovery (less the amount of the associated fixed payments already made). In the event recoveries are less than certain designated percentages, then Stream Seller shall deliver to Stream Purchaser, and Stream Purchaser shall purchase from Stream Seller, the amount of gold and silver representing the deficiency below such percentages.

The obligation to deliver gold and silver to Stream Purchaser commenced on the closing date of the Candelaria Acquisition and includes gold and silver sold on or after July 1, 2014 for which a payment is received. The Stream Agreement provides for a right of first offer in favour of Stream Purchaser with respect to future royalties, streams and other interests in respect of minerals from the Candelaria and Ojos mines. It also provides Stream Purchaser with an option to purchase additional production from properties acquired by a Lundin Mining entity and located within approximately two kilometres of the outer boundaries of Candelaria (the "**Area of Interest Properties**" in this section). To exercise the option, Stream Purchaser would pay an additional deposit in respect of any Area of Interest Properties based on the net present value of gold and silver Mineral Reserves reflected in a feasibility study in respect of such properties.

The Company guaranteed the payment and performance of the obligations of Stream Seller under the Stream Agreement. The Stream Agreement is secured by a pledge of securities of Stream Seller and certain subsidiaries of the Company. In the event that Stream Seller defaults on the Stream Agreement because of a failure to sell and deliver gold or silver or there is another event of default as specified in the Stream Agreement, Stream Purchaser can: (i) demand all amounts and deliveries owing; (ii) in certain circumstances, including the failure to deliver gold and silver, terminate the Stream Agreement and demand all losses suffered or incurred as a result of the default and termination; and (iii) enforce the security. Franco-Nevada guaranteed certain obligations of the Stream Purchaser under the Stream Agreement. Stream Seller also has certain remedies provided for in the Stream Agreement in the event that Franco-Nevada and Stream Purchaser fail to fulfil their obligations under the Stream Agreement.

Sale of Interest in TF Holdings

On April 19, 2017, the Company announced the completion of the sale of its indirect interest in TF Holdings to an affiliate of BHR Partners for $1.136 billion in cash. The Company's effective 24% interest in Tenke was held through its 30% indirect interest in TF Holdings.

Disposal of the Aguablanca Mine in Spain

In 2016 the Company disposed of the Aguablanca mine in Spain through the transfer of all of the shares of Rio Narcea Recursos S.A. to Valoriza Mineria, a subsidiary of Grupo Sacyr. The assets of Rio Narcea Recursos S.A. included the Aguablanca mine and other exploration licenses. Grupo Sacyr is a multinational infrastructures and services company, operating in 29 countries and headquartered in Madrid, Spain. The Company transferred approximately EUR30 million to Rio Narcea Recursos S.A. to Valoriza Mineria prior to the transfer in order to ensure that all of the environmental, employee and other liabilities were fully funded.

Disposal of Galmoy Mines Limited in Ireland

In 2017, all of the issued and outstanding shares of Galmoy Mines Limited, the owner of Galmoy Mine, were sold to an affiliate of the Lanes Group plc, who has in turn assumed all of the assets and liabilities of Galmoy.

Licenses

The Company's revenues are a result of its mining activities at its material mineral properties and as a result the continuation of these licenses is of utmost importance to the Company. For more information on the Company's licenses, see "Significant Operations".

Legal and Arbitration Proceedings

The Company is not currently, and has not been for the past 12 months, involved in any material governmental, legal or arbitrational proceedings which have had or may have significant effect on the Company's financial position or profitability, nor is the Company aware of any such pending or threatened proceeding except for as described below; however, from time to time, the Company may become party to routine litigation incidental to the Company's business.

Candelaria Mine

In May 2015, Minera Candelaria was notified by the Chilean Environmental Superintendent (Superintendencia de Medio Ambiente, or "**SMA**") of 16 charges associated with alleged infractions of its environmental approvals. The charges, which originate from two inspections carried out by SMA in June 2013 and August 2014, relate to issues including dust control, road maintenance and signage, disposal of used tires, brine management at the desalination plant, fresh water consumption and the footprint of the mining operations, among others. Minera Candelaria followed the process established by the SMA for responding to the charges, which continued for approximately 18 months.

On December 1, 2016, SMA issued a resolution clearing some of the charges and sanctioning Minera Candelaria with a fine of approximately US$4M for others. The majority of the fine relates to water management issues. On December 7, 2016, former legal representatives of Tierra Amarilla community submitted an independent administrative appeal with SMA. They requested that certain charges be reclassified from "serious" to "very serious" which, if successful, would most likely result in increased fines. On December 23, 2016, Minera Candelaria filed an appeal to the sanctioning resolution with the Environmental Court. Once the administrative appeal is resolved with the SMA, the Court may request a report from SMA and will then call the parties to a hearing. The adjudication process is expected to take several months to resolve subject to appeal to a superior court.

On October 1, 2015, Frutícola y Exportadora Atacama Ltda. ("**FEA**") filed a legal challenge before the Committee of Ministers, against the approval ("**RCA**") of the Candelaria 2030 EIA, which was granted on July 23, 2015, by SEA. The challenge claims that the environmental review process did not properly consider the observations made by FEA and requests the annulment of the RCA or, alternatively, modification of the mitigation, compensation and monitoring measures specified in it.

In September 2016, the Council of Ministers issued a decision that upheld the RCA and imposed additional impact mitigation measures with respect to fugitive dust control, aquifer management and noise monitoring. FEA appealed the decision, which the Environmental Court agreed to process. A hearing was held in January, with any resulting decision of the Environmental Court being subject to appeal to the Supreme Court, and accordingly the process remains on-going.

The Company believes that the legal challenge of the RCA is without merit; however, if FEA is successful, and the RCA is annulled, it could cause the suspension of operations at the Candelaria Mine, which may have an adverse effect on the Company, including, but not limited to results of operations, cash flows and financial position.

TAX MATTERS

The following is a summary of certain tax issues that may arise as a result of holding Shares in the Company. The summary is based on Swedish tax legislation currently in force and is intended only as general information for shareholders, who are resident or domiciled in Sweden for tax purposes, if not otherwise stated.

The summary does not cover situations where Shares are held as current assets in business operations or by a partnership. Furthermore, the summary does not cover special regulations governing tax exempt capital gains, shareholding in companies that are, or have previously been, closely held companies or on Shares acquired on the basis of such holdings, or other specific situations and rules. The summary also does not cover tax issues related to holdings in unlisted shares. The summary is not applicable to shareholders that have ever been resident in Canada for Canadian tax purposes, carried on business or maintained a permanent establishment in Canada or performed independent personal services in Canada from a fixed base situated in Canada, each as defined in the Sweden-Canada Income Tax Convention (1996). Each shareholder is recommended to consult a tax adviser for information on the specific tax consequences that may arise as a result of holding Shares in the Company, including the applicability and effect of foreign or other rules, tax treaties or from foreign exchange rate fluctuations between currencies which may be applicable.

Individuals

Capital Gains Taxation

Individuals who sell their shares are subject to capital gains tax. The current tax rate is 30% of the gain. The capital gain is calculated to equal the difference between the sales proceeds, after deduction for sales expenses, and the shares' acquisition cost for tax purposes. The acquisition cost is determined according to the "average cost method". The "average cost method" is calculated by dividing the total cost of the same type and class of shares by the total number of shares in that same type and class with respect to changes in the holding. Alternatively, "the standard rule" according to which the acquisition cost is deemed to be equal to 20% of the net sales price may be applied on the disposal of listed shares.

Capital losses on listed shares are fully deductible against taxable capital gains on shares during the same fiscal year. The loss is also deductible against gains on other listed securities that are taxed in the same manner as listed shares (except for shares in mutual funds containing only Swedish receivables (Sw. räntefonder)). A loss in excess of the abovementioned gains is deductible with 70% against any other taxable income from capital.

If an overall deficit arises in the income from capital category, a reduction of the tax on income from employment and from business, as well as the real estate tax, is allowed. The tax reduction amounts to 30% of any deficit not exceeding SEK 100,000 and 21% of any deficit in excess of SEK 100,000. Deficits may not be carried forward to a later fiscal year.

Dividend Taxation

In general, dividends on listed shares are taxed in Sweden at a rate of 30% as income from capital for individuals resident in Sweden for tax purposes.

Additionally, dividends paid or credited (or deemed to be paid or credited by a company resident in Canada, such as the Company) to a non-resident of Canada are generally subject to Canadian withholding tax. See "Certain Canadian Federal Income Tax Considerations for Non-Residents of Canada" below.

Canadian withholding tax levied can be credited from Swedish tax to the extent Swedish tax is attributable to foreign income (overall credit). Any tax actually withheld exceeding the applicable treaty rate can however not be credited against Swedish tax. If Canadian tax has been withheld in excess of the applicable treaty rate, for instance because the available information regarding the tax residency of the recipient was not deemed sufficient, the tax payer is referred to apply for a refund of such excess tax from the Canadian Revenue Service.

If the Canadian withholding tax should exceed the Swedish tax attributable to foreign income one year, the credit may, subject to certain limitations, be carried forward for up to five years. Alternatively, the foreign tax may be deducted as a cost for the recipient.

Limited Liability Companies

Capital Gains

As a main rule, Swedish limited companies (Sw. aktiebolag) are taxed on all income as income from business activities at a flat rate of 22%, including capital gains on listed shares. Regarding the calculation of a capital gain or loss and the acquisition cost, see "Individuals."

A capital loss on shares incurred by a corporate shareholder may be offset only against gains on shares or other securities that are taxed in the same manner as shares. Such capital losses may, under certain circumstances, also be deductible against capital gains on such securities within the same group of companies, provided the requirements for group contributions (Sw. koncernbidrag) are met. Capital losses on shares or other such securities, which have not been deducted from capital gains within a certain year, may be carried forward and be offset against similar capital gains in future years without any limitation in time.

Capital gains on listed shares held as non-stock items in limited liability companies, including foreign equivalents, are tax-exempt (and capital losses on such shares are non-deductible) provided that the holding represents at least 10% of the voting rights of all shares. Exemption is also available provided the holding is conditioned by the shareholder's (or affiliated company's) business operations. Capital gains on listed shares are only tax-exempt if they are held at least one year from the day any of the above holding requirements were met.

Dividend Taxation

In general, dividends on shares to limited liability companies are taxed in Sweden at a rate of 22% as ordinary income from business activities.

Dividends on listed shares held as non-stock items in limited liability companies, including foreign equivalents, are tax exempt provided that the holding represents at least 10% of the voting rights of all shares or the holding is conditioned by the shareholder's, or an affiliated company's, business operations. The dividend tax exemption only applies if the shares are continuously held for a period of at least one year from the day any of the above holding requirements were met. Dividends may however be treated as tax free even if distributed before the one year period lapses, although in that situation taxation will be triggered if the shares are thereafter sold or otherwise cease to be entitled to the tax exemption before the one year period is completed. A dividend on shares that cease to be covered by the tax exemption may therefore be subject to tax in a different fiscal year than the year the dividend was actually received.

Additionally, dividends paid or credited (or deemed to be paid or credited by a company resident in Canada, such as the Company) to a non-resident of Canada are generally subject to Canadian withholding tax. See section "Certain Canadian Federal Income Tax Considerations for Non-Residents of Canada" below.

If the foreign tax should exceed the Swedish tax attributable to foreign income one year, the credit may, subject to certain limitations, be carried forward for up to five years. Alternatively, the foreign tax may be deducted as a cost for the recipient.

Certain Tax Issues for Shareholders Who Are Not Tax Resident in Sweden

Individual shareholders who are not resident or domiciled in Sweden for Swedish tax purposes are generally not subject to tax in Sweden for capital gains realized upon the sale or other disposal of shares. Shareholders may, however, be subject to taxation in their country of domicile and elsewhere.

For corporate shareholders, if shares are attributable to a permanent establishment in Sweden, the rules concerning tax-exempt dividends and capital gains described above are applicable with certain limitations.

Under a domestic Swedish tax provision, non-Swedish tax resident individuals may be subject to Swedish capital gains taxation upon a sale or other disposal of shares in non-Swedish corporate entities if the shares were acquired during their tax residency in Sweden if they have been resident or lived permanently in Sweden at any time during the calendar year of such disposal or during the previous ten calendar years preceding the year of disposal. The applicability of this provision may, however, be limited by an applicable tax treaty between Sweden and other countries. In the treaty between Sweden and Canada, this time period is limited to six years.

Foreign legal entities are not liable for Swedish tax on dividends or capital gains upon a sale or other disposal of shares, provided that the shares are not pertaining to a permanent establishment in Sweden.

Certain Canadian Federal Income Tax Considerations for Non-Residents of Canada

The following summary describes, as of the date hereof, the principal Canadian federal income tax consequences under the Income Tax Act (Canada) (the "**Canadian Tax Act**"), generally applicable to a holder (a "**Holder**"), who, for the purposes of the Canadian Tax Act, and at all relevant times, (i) is not (and is not deemed to be) resident in Canada for the purposes of the Canadian Tax Act and any applicable income tax treaty or convention, (ii) acquires and holds Shares as capital property, (iii) deals at arm's length with, and is not affiliated, with the Company, and (iv) who will not use or hold, and is not deemed to use or hold the Shares in carrying on a business in Canada, has never carried on business or maintained a permanent establishment in Canada or performed independent personal services in Canada from a fixed base situated in Canada. The Shares will generally be considered to be capital property for this purpose unless either the Holder holds (or will hold) such Shares in the course of carrying on a business of trading or dealing in securities, or the Holder has acquired (or will acquire) such Shares in a transaction or transactions considered to be an adventure or concern in the nature of trade. In addition, this discussion does not apply to a Holder that carries on or is deemed to carry on, an insurance business in Canada and elsewhere or to an "authorized foreign bank," as defined in the Canadian Tax Act, if those provisions were law. Any such Holder to which this summary does not apply should consult its own tax advisor.

This summary is based upon the current provisions of the Canadian Tax Act and the regulations thereunder (the "**Canadian Tax Regulations**"), the Sweden-Canada Income Tax Convention (1996) (the "**Convention**") as in effect on the date hereof, and counsel's understanding of the administrative and assessing policies and practices of the Canada Revenue Agency published in writing prior to the date hereof. The summary also takes into account all specific proposals to amend the Canadian Tax Act and the Canadian Tax Regulations that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Canadian Tax Proposals**"), and assumes that all such Canadian Tax Proposals will be enacted in the form proposed. No assurance can be given that the Canadian Tax Proposals will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in law, administrative policy or assessing practice, whether by way of legislative, regulatory, judicial or administrative action or interpretation, nor does it address any provincial, territorial or foreign tax considerations.

This summary is not exhaustive of all possible Canadian federal income tax considerations of holding Shares. The summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business, or tax advice to any prospective Holder. Holders should consult their own tax advisors as to the Canadian federal tax consequences, and the tax

consequences of any other jurisdiction, applicable to them having regard to their own particular circumstances.

Dividends on the Shares

Canadian withholding tax at a rate of 25 per cent (subject to reduction under the provisions of any applicable income tax treaty or convention) will be payable on the gross amount of dividends on the Shares paid or credited, or deemed to be paid or credited, to a Holder. The Canadian withholding taxes will be deducted directly by the Company or its paying agent from the amount of the dividend otherwise payable and remitted to the Receiver General of Canada. The rate of withholding tax applicable to a dividend paid on the Shares to a Holder who is a resident of Sweden for purposes of the Convention, who is entitled to the benefits of the Convention, and who beneficially owns the dividend will generally be reduced to 15 per cent or, if such a Holder is a company that controls directly at least ten per cent of the voting power, or that holds directly at least 25 per cent of the Company's capital, to 5 per cent. The rate of withholding tax on dividends may also be reduced under certain other bilateral income tax treaties or conventions to which Canada is a signatory. The treaty rate is only applied if sufficient information regarding the tax residency of the shareholder is available.

Dispositions of the Shares

A Holder will not be subject to tax under the Canadian Tax Act in respect of any capital gain realized by such Holder on a disposition, or deemed disposition, of the Shares unless the Shares constitute "taxable Canadian property," as defined in the Canadian Tax Act, of the Holder at the time of disposition and the holder is not entitled to an exemption under any applicable income tax treaty or convention. As long as the Shares are then listed on a "designated stock exchange" (which currently includes the TSX and the Nasdaq Stockholm), the Shares generally will not constitute taxable Canadian property of a Holder, unless (a) at any time during the 60-month period preceding the disposition: (i) one or any combination of (A) the Holder, (B) persons not dealing at arm's length with such Holder, and partnerships in which the Holder or a person described in (B) holds a membership interest directly or indirectly through one or more partnerships, owned 25 per cent or more of the Company's issued shares of any class or series; and (ii) more than 50 per cent of the fair market value of the Shares was derived, directly or indirectly, from a combination of real or immovable property situated in Canada, "Canadian resource properties," as such term is defined in the Canadian Tax Act, "timber resource properties," as such term is defined in the Canadian Tax Act, or options in respect of interests in, or for civil law rights in, any such properties whether or not the property exists, or (b) the Shares are otherwise deemed to be taxable Canadian property. If the Shares are considered taxable Canadian property to a Holder, an applicable income tax treaty or convention may in certain circumstances exempt that Holder from tax under the Canadian Tax Act in respect of the disposition or deemed disposition of the Shares. Under the Convention, a holder who, for purposes of the Convention is at all times a resident of Sweden and is entitled to the benefits of the Convention would not be subject to Canadian taxation on capital gains from the sale of Shares listed on the TSX. Holders whose Shares are, or may be, taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances.

As long as the Shares are listed at the time of their disposition or deemed disposition on a "recognized stock exchange" (which currently includes the TSX and the Nasdaq Stockholm), as defined in the Canadian Tax Act, a Holder who disposes of Shares that are taxable Canadian property will not be required to satisfy the obligations imposed under section 116 of the Canadian Tax Act and, as such, the purchaser of such shares will not be required to withhold any amount on the purchase price paid. An exemption from such requirements may also be available in respect of such disposition if the Shares are "treaty-exempt property," as defined in the Canadian Tax Act.

A Holder whose shares are taxable Canadian property should consult their own tax advisors.

INTEREST OF EXPERTS

The Qualified Persons who have supervised the preparation of the Company's Mineral Reserve and Mineral Resource estimates during the year ended December 31, 2016 or authored portions of the Technical Reports disclosed in this Prospectus are as follows:

Candelaria Mine:

- Messrs. Patricio Calderón, Superintendent Resource Estimation, Candelaria Mine and Erick Lagos, Manager Technical Services, Candelaria Mine, in respect of the Candelaria Mineral Resource and Mineral Reserve estimates.
- Messrs. Jean-Francois Couture, P.Geo., Glen Cole, P.Geo., Benny Zhang P.Eng, Adrian Dance, P.Eng., and Cameron C. Scott, P.Eng, SRK Consulting (Canada) Inc. and John Nilsson, P.Eng., Nilsson Mine Services Ltd., in respect of the Candelaria Report;

Neves-Corvo Mine

- Messrs. Richard Ellis, Wardell Armstrong International Ltd., and Phil Newall, Wardell Armstrong International Ltd., in respect of the Neves-Corvo Mineral Resource and Mineral Reserve estimate;
- Mr. Richard Ellis, Wardell Armstrong International Ltd., in respect of the Semblana deposit Mineral Resource estimate;
- Dr. Lewis Meyer and Mr. Mark Owen, Wardell Armstrong International Ltd., in respect of the Neves-Corvo Report;

Zinkgruvan Mine

- Messrs. Graham Greenway, Group Resource Geologist, Lundin Mining, and Antonio Salvador, Group Mining Engineer, Lundin Mining, in respect of the Zinkgruvan Mineral Resource and Mineral Reserve estimate;
- Dr. Lewis Meyer and Mr. Mark Owen, Wardell Armstrong International Ltd., in respect of the Zinkgruvan Report;

Eagle Mine

- Messrs. David Rennie, Associate Principal Geologist and Normand Lecuyer, Principal Mining Engineer, respectively, both of Roscoe Postle Associates Inc. in respect of the Eagle and Eagle East Mineral Resource and Mineral Reserve estimates; and
- Graham Clow, David Rennie, Brenna Scholey, and Normand Lecuyer, of Roscoe Postle Associates Inc., in respect of the Eagle Report.

Each of the aforementioned firms or persons held less than 1% of the outstanding securities of the same class of the Company or of any associate or affiliate of the Company when such expert prepared the reports or the Mineral Resource or Mineral Reserve estimates referred to, and held less than 1% of the outstanding securities of the same class of the Company following the preparation of such reports or data.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company, other than Messrs. Gatley and Greenway who are each currently employed by the Company or one of its subsidiaries.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, are the auditors of the Company and has advised the Company that they are independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

SUMMARY OF SHAREHOLDER RIGHTS

The following is a summary of the rights of shareholders in the Company based upon current Canadian law and the Company's current articles and bylaws. It also sets out certain differences between Canadian corporate law and Canadian corporate governance principles compared to Swedish corporate law (in those parts applicable on companies whose shares are subject to trading on a regulated market) and Swedish corporate governance principles. As noted in the section "Corporate Governance," the Company is not required to comply with Swedish corporate governance rules. The summary is of a general nature and it is not an exhaustive account of the aforementioned corporate documents. Neither is it an exhaustive review of the aforementioned corporate documents nor of all potentially relevant differences between Canadian and Swedish law or corporate governance requirements, material or not.

The Business of the Company

CANADA

The articles of incorporation do not restrict the Company from carrying on its business.

SWEDEN

Under the Swedish Companies Act, the objectives of a Swedish company must be set out in the articles of association. These objectives set out the limits within which the company can operate.

Shares

CANADA

The Shares have been issued in accordance with the CBCA. The capital structure of the Company is composed of an unlimited number of Common Shares without par value, and one special share without nominal or par value.

SWEDEN

Under the Swedish Companies Act, a company may issue different classes of shares only if such share classes are specified in a company's articles of association. The articles shall also contain limitations on the minimum and maximum number of shares and of each share class.

Voting Rights

CANADA

Under the CBCA, a corporation is required to maintain a securities register in which it records the securities issued by it in registered form, showing with respect to each class or series of securities the name and the latest known address of each person who is or has been a security holder, the number of securities held by each security holder, and the date and particulars of the issue and transfer of each security. A registered shareholder can either attend the meeting and vote in person or appoint someone else to vote for his or her shares (a "**proxyholder**" in this section). A shareholder appoints a proxyholder to attend and act on the shareholder's behalf at a meeting of shareholders by giving the proxyholder a completed and executed form of proxy. A proxy holder is required to vote for the shares in accordance with the shareholder's instructions.

A non-registered shareholder has beneficial ownership of his or her shares, but a securities broker or dealer required to be registered to trade or deal in securities, a securities depositary, a financial institution, or another person authorized by legislation (an "**intermediary**" in this section) is the registered holder that holds the shares on behalf of the beneficial owner. The intermediary cannot vote with respect to the shares registered in its name unless it receives written voting instructions from the beneficial owner.

If the beneficial owner requests and provides an intermediary with appropriate documentation, the intermediary must appoint the beneficial owner or nominee of the beneficial owner as proxyholder.

Unless the articles of a company provide otherwise, a shareholder or proxyholder who is entitled to participate in, including vote at, a meeting of shareholders may do so by telephone or by other means of communication if all shareholders and proxy holders participating in the meeting, whether by telephone, by other communication medium, or in person, are able to communicate with each other.

SWEDEN

Under the Swedish Companies Act, all shares carry one vote unless different share classes with different voting rights are provided for in the articles of association of the company. No share may however have a voting right which exceeds ten times the voting rights of any other share.

Shareholders registered in the share register as of the record date for a general meeting are entitled to vote at such general meeting (in person or by appointing a proxy holder). Shareholders with shares registered through a nominee must request to be temporarily registered as a shareholder of record on the record date in order to participate in a general meeting. The share register is kept by Euroclear and the record date for a general meeting shall be the fifth business day prior to the date of the meeting as a main rule. Shareholders must also, if provided for in the articles of association, give notice of their intention to attend the shareholders' meeting within a certain period of time.

Shareholder Meetings

CANADA

Under the CBCA, companies are required to hold an annual general meeting of shareholders not later than fifteen months after their annual general meeting for the preceding calendar year but no later than six months after the end of the corporation's preceding financial year. A general meeting of a company must be held at the place within Canada provided in the by-laws or, in the absence of such provision, at the place within Canada that the directors determine, unless a location outside Canada is permitted by the company's articles or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place. The Company's articles state that the directors may, whenever they think fit, call a meeting of shareholders to be held in Canada, unless all shareholders entitled to vote at the meeting agree to hold the meeting outside Canada or at such other location as may be approved by the Registrar of Companies.

The holders of not less than 5% of the issued shares that carry the right to vote at a meeting sought to be held may also requisition the directors to call a meeting of the shareholders for the purposes stated in the requisition, and if the directors do not, within 21 days after the date on which the requisition is received by the company, call a meeting of shareholders, any shareholder who signed the requisition may call the meeting. Special meetings of shareholders may be called by the Board at any time or by a court upon the application of a director or shareholder.

Under the CBCA, shareholder action without a meeting may only be taken by written resolution signed by all shareholders who would be entitled to vote thereon at a meeting.

SWEDEN

Under the Swedish Companies Act, the board of directors is responsible for convening general meetings but holders of not less than 10% of all shares in the company may request that an extraordinary general meeting is convened. If so requested, the board has two weeks to issue a notice to convene the general meeting failing which the shareholder can request that the Companies Registration Office convenes the meeting. General meetings shall be held in the municipality in which the board of directors holds its registered office (or in another municipality in Sweden if specified in the articles of association).

The general meeting shall be opened by the chairman of the board or such person as the board has decided. Moreover, the Swedish corporate governance code stipulates that the chairman of the board of directors together with a quorum of directors, as well as the chief executive officer, shall attend general meetings. In addition to the persons mentioned above, at least one member of the company's nominating committee as well as at least one of the company's auditors shall attend the annual meeting according to the Swedish corporate governance code. The chairman of the general meeting shall be nominated by the nomination committee and elected by the general meeting.

Minutes from general meetings shall be available on the company's website no later than two weeks after the meeting.

Notices

CANADA

Unless waived by the shareholders, a company must send notice of the date, time and location of a general meeting of the company not less than 21 days and not more than 60 days before the meeting.

SWEDEN

Under the Swedish Companies Act, a general meeting of shareholders must be preceded by a notice. The notice of the annual general meeting of shareholders must be given no sooner than six weeks and no later than four weeks before the date of the meeting. In general, notice of extraordinary general meetings must be given no sooner than six weeks and no later than three weeks before the meeting. The notice shall be announced in a press release, published in the Swedish Official Gazette and on the company's website. The company must also publish in a daily newspaper with nationwide circulation a short form message containing information regarding the notice and where it can be found. The notice shall include an agenda listing each item that the meeting is to resolve upon.

Pursuant to the Swedish corporate governance code, a company shall, as soon as the time and venue of a general meeting have been decided publish such information on the company's website. With respect to annual general meetings, such publication shall be made no later than in conjunction with the third quarterly report.

Record Date

CANADA

The record date for a meeting of shareholders is set by the Board. The Company is required to file on SEDAR a notice of record date and meeting date at least 25 days before the record date for the meeting. The record date must not precede the date on which the meeting is to be held by more than 60 days or by less than 21 days.

Reporting issuers, pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* must fix a record date for notice of meeting, which shall be no fewer than 30 and no more than 60 days before the meeting date.

SWEDEN

Under the Swedish Companies Act, the record date for a general meeting is the fifth work day (i.e. not a holiday) prior to the date of the meeting as a main rule.

Issue of Shares

CANADA

Under the TSX regulations, shareholder approval is required in those instances where the number of securities issued or issuable exceeds 25% of the number of securities of the issuer which are outstanding, on a non- diluted basis.

Under the CBCA:

(1) subject to the articles, the by-laws and any unanimous shareholder agreement, shares may be issued at such times and to such persons and for such consideration as the directors may determine;

(2) shares issued by the company are non-assessable, and the holders are not liable to the company or to its creditors in respect thereof; and

(3) a share shall not be issued until the consideration for the share is fully paid in money or in property or past services and the directors must not attribute to past services or property a value that exceeds the fair market value of those past services or that property, as the case may be.

SWEDEN

Under the Swedish Companies Act, resolutions on new share issues are as a main rule passed by the shareholders at a general meeting. A general meeting may also authorize the board of directors to issue new shares for period, which cannot run longer than until the next annual general meeting. Furthermore, the board of directors may also resolve to issue new shares without such authorization, provided that the resolution is conditioned upon the shareholders' approval at a general meeting.

New shares may be issued against payment in cash, in kind or by way of set-off.

When issuing new shares, the limitations on maximum number of shares and share capital set out in the company's articles of association need to be adhered to, unless a general meeting decides to amend the articles.

Pre-emption Rights

CANADA

The articles of the Company do not contain any pre-emptive rights.

SWEDEN

Under the Swedish Companies Act, shareholders have pre-emption rights (Sw. företrädesrätt) to subscribe for new shares issued in proportion to their shareholdings as of a certain record date for the new share issue. Pre-emption rights to subscribe for new shares do not apply in respect of shares issued for consideration in kind or shares issued pursuant to convertibles or warrants previously granted by the company. The pre-emption rights to subscribe for new shares may also be set aside by a resolution passed by two thirds of the votes cast and shares represented at the general meeting resolving upon the issue. The corresponding majority threshold applies to a decision by a general meeting to authorize the board to decide upon new share issues with deviation from shareholders' pre-emption rights.

Dividends

CANADA

Under the CBCA, a corporation may pay a dividend in money or property or by issuing fully paid shares of the corporation. A corporation shall not declare or pay a dividend if there are reasonable grounds for believing that: (i) the corporation is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

SWEDEN

Under the Swedish Companies Act, payments of dividends require a shareholder resolution at a general meeting. A resolution to pay dividends may, with some exceptions, not exceed the amount recommended by the board of directors. Dividends may only be made if, after the payment of the dividend, there is sufficient coverage for the company's restricted equity and the payment of dividends is justified, taking into consideration the equity required for the type of operations, the company's need for consolidation and liquidity as well as the company's financial position in general. Each shareholder appearing in share register as of the record date for the dividend is entitled to receive the dividend distribution. Dividends are normally distributed to the shareholders through Euroclear.

Distribution of Assets on Liquidation

CANADA

Under the CBCA, a corporation may liquidate and dissolve by special resolution of the shareholders or by court order. The liquidation of a corporation commences when a court makes an order therefor. When making an order for the liquidation of a corporation or at any time thereafter, the court may appoint any person, including a director, an officer or a shareholder of the corporation or any other body corporate as liquidator of the corporation.

After giving the appropriate notice and adequately providing for the payment or discharge of all its obligations, the Company will distribute its remaining property, either in money or in kind, among its shareholders according to their respective rights.

Dissenting shareholders are entitled to be paid the fair value of their Shares in accordance with the CBCA. If a dissenting shareholder elects to demand payment of the fair value of their Shares, the shareholder may apply to the court for a determination of the fair value of such shares.

SWEDEN

Under the Swedish Companies Act, a company can enter into voluntary liquidation following a resolution by simple majority vote among the shareholders at a general meeting. All shares carry equal rights in a liquidation unless otherwise provided for in articles of association.

The Swedish Companies Act also stipulates that a company shall enter into compulsory liquidation in a capital deficiency situation and in certain other situations.

Certain Extraordinary Corporate Actions

CANADA

Under the CBCA, certain extraordinary corporate actions, such as certain amalgamations, continuances, and sales, leases or other dispositions of all or substantially all of the undertakings of a corporation other than in the ordinary course of business, and other extraordinary corporate actions such as liquidations, dissolutions and (if ordered by a court) arrangements, are required to be approved by special resolution.

Under the CBCA, a special resolution means a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution.

SWEDEN

Under the Swedish Companies Act, a statutory merger requires a shareholder resolution passed at a general meeting. The majority requirements for a valid resolution depends on the type of companies involved, however not less than two-thirds of the votes cast and the shares represented at the meeting. A voluntary liquidation requires a resolution passed at a shareholders meeting supported by more than half of the votes cast, unless otherwise provided in the articles of association of the company. A material change of the operations conducted by the company may require a change of the company's objects and purposes in the articles of association, see "Amendment to the Articles or By-laws."

Restrictions on Change of Control

CANADA

The Company does not have any shareholder rights plans in effect.

SWEDEN

Not applicable for Swedish companies with shares listed on a regulated market.

Mandatory Takeover Bids/Squeeze-out Rules

CANADA

The CBCA together with Canadian securities laws, contain the procedural requirements for takeover bids and going-private transactions. If a bid is accepted by more than 90% of the shares of any class of shares to which the take-over bid relates, other than shares held at the date of the take-over bid by or on behalf of a nominee for, the offeror or its affiliate, the offeror is entitled to acquire the shares held by any dissenting offerees.

If the acquiring company elects to proceed by way of takeover bid but fails to acquire the requisite percentage of the shares to permit a force-out of the minority, the company may elect to squeeze out the minority through an alternative statutory process if it acquires a certain threshold percentage of the company's issued and outstanding shares.

SWEDEN

Under Swedish law an obligation to launch a mandatory takeover bid applies when a party becomes the owner of 30% or more of the votes in a company with shares listed on a regulated market.

Under the Swedish Companies Act, a shareholder holding more than 90% of the shares in a company is entitled, on a compulsory basis, to buy-out the remaining shares from the other shareholders in the company. On the other hand, a minority shareholder is also, in such situation, entitled to demand that the majority shareholder purchases his or her shares.

Redemption Provisions

CANADA

A listed company can file a Notice of Intention to Make a Normal Course Issuer Bid with the TSX seeking approval for the company to purchase by normal market purchases up to, when aggregated with all other purchases by the listed issuer during the same trading day, the greater of 25% of the average daily trading volume of the Shares and 1,000 securities, up to a maximum in a 12 month period of the greater of 5% of the outstanding Shares or 10% of the Public Float.

SWEDEN

Under the Swedish Companies Act, a company with shares listed on a regulated market is permitted to repurchase a maximum of 10% of all outstanding shares in the company. A resolution to repurchase shares must be taken either by a qualified majority vote among the shareholders at a general meeting or, following authorization from the general meeting with same majority vote, by the board of directors.

A general meeting may also resolve upon the redemption of the company's shares through which the share capital of the company will be reduced. This is a more formal and complex process, which as a main rule involves also notice to the company's creditors.

Amendments to the Articles or By-laws

CANADA

Under the CBCA, the amendment of the articles of a corporation generally requires the approval by special resolution of the shareholders. The CBCA provides that, unless the articles or by-laws otherwise provide, the directors may, by resolution, make, amend or repeal any by-law that regulates the business or affairs of a corporation. Where the directors make, amend or repeal a by-law, they are required under the CBCA to submit the by-law, amendment or repeal to the shareholders at the next meeting of shareholders, and the shareholders may confirm, reject or amend the by-law, amendment or repeal by an ordinary resolution, which is a resolution passed by a majority of the votes cast by shareholders who voted in respect of the resolution. If the directors of a corporation do not submit a by-law, an amendment or a repeal to the shareholders at the next meeting of shareholders, the by-law, amendment or repeal will cease to be effective on the date of the meeting of shareholders at which it should have been submitted, and no subsequent resolution of the directors to adopt, amend or repeal a by-law having substantially the same purpose and effect is effective until it is confirmed or confirmed as amended by the shareholders.

Under the CBCA the articles of a corporation may by special resolution be amended to change the designation of all or any of its shares, and add, change or remove any rights, privileges, restrictions and conditions, including rights to accrued dividends, in respect of all or any of its shares, whether issued or unissued. "Special resolution" means a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution or signed by all the shareholders entitled to vote on that resolution

SWEDEN

Under the Swedish Companies Act, an amendment of the articles of association requires a shareholder resolution at a general meeting. The majority requirement for a valid resolution depends on the type of alteration. However, not less than two-thirds of the votes cast and of the shares represented at the meeting will be required. The board of directors is not allowed to make amendments to the articles of association. Any amendment to the articles will have to be registered with the Swedish Companies Registration Office.

Number of Directors

CANADA

Under the CBCA, a public company must have no fewer than three directors at least two of whom are not officers or employees of the corporation or its affiliates and whereby at least twenty-five per cent of the directors of a corporation must be resident Canadians and if a corporation has less than four directors, at least one director must be a resident Canadian. The directors are elected at the annual meeting of the Company's shareholders for a term expiring at the end of the next annual meeting. Under the CBCA, the directors may also, if the articles so provide, appoint one or more additional directors, who shall also hold office for a term expiring at the end of the next annual meeting, provided that the total number of directors so elected shall not exceed one third of the number of directors elected at the previous annual meeting.

The articles of the Company provide that, so long as the Company is a public company, it shall have a minimum of 3 and a maximum of 10 directors.

SWEDEN

Under the Swedish Companies Act, a public company shall have a board of directors consisting of at least three board members and the chairman of the board may not be the managing director of the company. More than half of the directors shall be resident within the European Economic Area (unless otherwise approved by the Swedish Companies Registration Office). The actual number of board members shall be determined by a shareholders' meeting, within the limits set out in the company's articles of association.

Under the Swedish corporate governance code, not more than one director may also be a senior executive of the relevant company or a subsidiary. In addition, a majority of board members shall be independent of the company and its management and two of these members shall also be independent of major shareholders in the company.

Nomination, Appointment and Removal of Directors

CANADA

Under the CBCA the shareholders of a corporation may by ordinary resolution at a special meeting remove any director or directors from office. However, there are a couple of exceptions. Where the articles provide for cumulative voting, a director may be removed from office only if the number of votes cast in favour of the director's removal is greater than the product of the number of directors required by the articles and the number of votes cast against the motion. In addition, where the holders of any class or series of Shares of a corporation have an exclusive right to elect one or more of the directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

SWEDEN

Under Swedish law, the board of directors shall, except for any employee representatives, be elected by the annual general meeting of shareholders, unless the articles of association provide otherwise. The members of the board of directors are usually elected for the period until the end of the next annual general meeting of shareholders, unless a longer term of up to four financial years is set out in the articles of association. It is possible for a board member to be re-elected for a new term of office.

Companies to which the Swedish corporate governance code applies shall have a nomination committee. In addition to nominating directors, the nomination committee shall nominate the chairman of the board of directors and the auditors and shall also propose fees to each director and to the auditors. The nomination committee's proposals are to be presented in the notice of the general meeting and on the company's website. At the same time, the nomination committee is to issue a statement on the company's website explaining its proposals and providing more information about the candidates proposed for election or re-election.

Under the Swedish corporate governance code, the annual general meeting of shareholders shall either appoint the members of a nomination committee or pass a resolution specifying how the members are to be appointed. The nomination committee shall have at least three members, the majority of which shall be independent of the company and its management. One of the independent members shall also be independent of the company. One of the independent members shall also be independent of the largest shareholder. The chief executive officer and other senior executives may not be members of the nomination committee.

Majority Voting Policy

On February 21, 2013, the Board adopted a majority voting policy (the "**Majority Voting Policy**") in order to promote enhanced director accountability. The Majority Voting Policy provides that each director should be elected by the vote of a majority of the Common Shares, represented in person or by proxy, at any meeting for the election of directors. The Chairman of the Board will ensure that the number of Common Shares voted "for" or "withheld" for each director nominee is recorded and promptly made public after the meeting. If any nominee for election as director receives, from the Common Shares voted at the meeting in person or by proxy, a greater number of votes "withheld" than votes "for" his or her election, the director will promptly tender his or her resignation to the Chairman of the Board following the meeting, to take effect upon acceptance by the Board. The CGNC will expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept that offer. Within 90 days of the meeting of shareholders, the Board will make a final decision concerning the acceptance of the director's resignation and announce that decision by way of a news release. Any director who tenders his or her resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation.

If any director fails to tender his or her resignation as contemplated in the policy, the Board will not re-nominate that director in the future. Subject to any corporate law restrictions, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to elect a new nominee to fill the vacant position. The policy does not apply to a contested election of directors, that is, where the number of nominees exceeds the number of directors to be elected.

Advance Notice Policy

The Company's By-Law No. 1 includes an advance notice requirement (the "**Advance Notice Policy**" in this section) for nominations of directors by shareholders in certain circumstances. The purpose of the Advance Notice Policy is to provide shareholders, directors and management of the Company with direction on the nomination of directors. The Advance Notice Policy fixes a deadline by which holders of record of Shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

Pursuant to the Advance Notice Policy, nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the CBCA, or a requisition of the shareholders made in accordance with the provisions of the CBCA; or (c) by any person (a "**Nominating Shareholder**" in this section): (A) who, at the close of business on the Notice Date (as defined below) and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Policy.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form in accordance with the provisions of the Advance Notice Policy.

To be timely, a Nominating Shareholder's notice must be made: (a) in the case of an annual meeting of shareholders, not less than 30 days nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date (the "**Notice Date**" in this section) on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement; and (b) in the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a shareholder's notice as described above.

To be in proper written form, a Nominating Shareholder's notice must set forth particulars as to each person whom the Nominating Shareholder proposes to nominate for election as director, including their name, age, address, principal occupation, and the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Policy; provided, however, that nothing in the Advance Notice Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the CBCA. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Remuneration

CANADA

According to the by-laws of the Company, the directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for reasonable expenses they may incur in and about the business of the Company.

The compensation package for directors is intended to provide a competitive level of remuneration reflective of the responsibilities, accountability and time commitments of the Board members. Executive officers of the Company who also act as directors of the Company do not receive any additional compensation for services rendered in such capacity, other than as paid by the Company to such executive officers in their capacity as executive officers. Options and other incentive based securities may be granted from time to time upon the recommendation of the HRCC.

SWEDEN

Under the Swedish Companies Act, the remuneration to the board of directors shall be determined by the annual general meeting of shareholders, specifying the amount for each director. For companies complying with the Swedish corporate governance code, the nomination committee's proposal to the annual general meeting of shareholders shall include a proposal regarding the remuneration to each member of the board.

In addition, the board of directors shall, pursuant to the Swedish corporate governance code, have a remuneration committee. The remuneration committee shall prepare the board of directors' resolutions regarding executive compensation and shall also monitor and evaluate the company's principles and levels of remuneration to the executive management, including programs for variable compensation. The code also stipulates that variable compensation paid in cash to the executive management shall be subject to predetermined limits regarding the total outcome and that the board of directors in such cases shall consider (i) to make payment conditional on the performance proving to be sustainable over time, and (ii) to introduce the right to reclaim remuneration that has been paid on the basis of information which later proves to be manifestly misstated. Furthermore, all share and share-price related incentive schemes for the executive management shall be approved by a general meeting.

Powers of the Board of Directors

CANADA

Directors of corporations governed by the CBCA have fiduciary obligations to the corporation. Under the CBCA, directors, when exercising the powers and discharging their duties, must act honestly and in good faith with a view to the best interests of the corporation and exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances.

The Board is responsible for the stewardship of the business and for acting in the best interests of the Company and its shareholders. The specific duties of the Board are contained in the Board of Directors' Mandate. A copy of the Mandate of the Board of Directors is attached the Company's Management Information Circulars.

SWEDEN

Under the Swedish Companies Act, the board of directors is responsible for the organization of the company and shall monitor the financial situation of the company and the group. The board shall appoint a managing director and issue instructions to such director setting out the responsibilities of the board and managing director. The board shall also issue instructions in reporting obligations in order for the board to fulfill its duties.

The managing director is responsible for the day-to-day management of the company in accordance with law, which normally includes appointing the other senior executives. The managing director shall be resident within the European Economic Area (unless otherwise approved by the Swedish Companies Registration Office).

Right to Indemnification

CANADA

Under the CBCA, a corporation may indemnify a director or officer of the corporation, a former director or officer of the corporation or another individual who acts or acted at the corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, (an "**Indemnifiable Person**" in this section) against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal administrative, investigative or other proceeding in which the individual is involved because of that association with the corporation or other entity.

A company may not indemnify an Indemnifiable Person unless the individual:

(1) acted honestly and in good faith with a view to the best interests of the corporation, or, as the case may be, to the bests interests of the other entity for which the individual acted as director or officer or in a similar capacity at the corporation's request; and

(2) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

A corporation may, with the approval of a court, also indemnify an Indemnifiable Person in respect of an action by or on behalf of the corporation or other entity to procure a judgment in its favour, to which the individual is made a party because of the individual's association with the corporation or other entity, against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the Indemnifiable Person fulfils all of the conditions.

SWEDEN

The Swedish Companies Act does not contain any specific provisions requiring that the articles of association provide for indemnification of board members, officers or other persons. Instead, Swedish companies can have professional indemnity insurance in place for its board members and officers.

The annual general meeting of shareholders shall resolve on the discharge of the board of directors and managing director from liability. An action for damages on behalf of the company may be available in certain circumstances against a founder, board member, managing director, auditor or shareholder of the company. Such an action may be instituted where at a general meeting of shareholders the majority, or a minority comprising the owners of at least one-tenth of all shares, has supported the proposal that such an action be instituted. The action for damages in favour of a company may also be conducted by owners (in their own name) of at least one-tenth of all shares.

Financial Statements, Auditor's reports, Auditors and Audit committee

CANADA

Under the CBCA, the directors of the Company must place before the shareholders at every annual meeting (a) comparative financial statements as prescribed in respect of the immediately preceding financial year; (b) comparative financial statements as prescribed in respect of the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting; (c) the report of the auditor, if any; and (c) any further information respecting the financial position of the corporation and the result of its operations required by the articles, the by-laws or any unanimous shareholder agreement.

Issuers are required to prepare and file on SEDAR its annual financial statements and annual management discussion and analysis along with the report of the auditor, if any, within the prescribed period of time following financial year-end. Issuers are required to prepare and file on SEDAR its quarterly financial statements and interim management discussion and analysis within the prescribed period of time following the end of the first, second and third financial quarter.

SWEDEN

Under the Swedish Companies Act, the annual general meeting shall adopt the balance sheet and the profit and loss statement. Further, it makes decisions in respect of the disposition of the company's profit or loss (such as payment of dividends). Swedish companies with shares listed on a regulated market are required to make their annual reports public not later than four months after the end of each financial year.

The annual report, together with the auditor's report, must be presented at the annual general meeting which according to the Swedish Companies Act is to be held within six months after the end of the financial year.

Auditors are appointed by a general meeting of shareholders, whereby a registered accounting firm may be appointed as auditor. The Swedish corporate governance code requires that the board of directors shall at least once annually meet the company's auditor without any member of the executive management present.

Companies with shares listed on a regulated market must have an Audit Committee, unless the assignments of such committee are carried out by the board of directors. The Audit Committee shall (i) monitor the company's financial reporting and provide recommendations and proposals to ensure the reliability of the reporting; (ii) in respect of the financial reporting, monitor the efficiency of the company's internal control, internal audits and risk management; (iii) keep itself informed regarding the audit of the annual report and consolidated financial statements and group accounts as well as regarding the conclusions of the Supervisory Board of Public Accountants quality control; (iv) inform the board of directors of the result of the audit and the way in which the audit contributed to the reliability of the financial reporting, as well as the function billed by the Audit Committee; (v) review and monitor the auditor's impartiality and independence, paying particular attention to whether the auditor provides the company with services other than auditing services; and (vi) assist in the preparation of a proposal to the general meeting for a resolution regarding the election of auditors.

Corporate Governance Reports and Website

CANADA

Companies listed on the TSX must provide corporate governance information in their management information circular (usually referred to as a proxy circular). The circular is distributed together with the Company's notice of annual shareholders' meeting and is filed on SEDAR. There is no requirement to have the management information circular reviewed by the Company's auditors, and unless the Company elects to use the "notice- and-access" provisions under Canadian securities laws, there is no requirement to include the management information circular on the Company's website. The content of the management information circular is regulated by Canadian securities laws, and the circular must, among other things, include a discussion of the Company's compliance with the Canadian corporate governance principles. Although there are currently no legal requirements regarding the information on the Company's website, the Company does include information useful to investors.

SWEDEN

Swedish companies with shares listed on a regulated market are obliged by law to prepare an annual corporate governance report, with information about, among other things, the key elements of the internal control systems, information about major shareholders, information about the board of directors and its committees and any mandates for the board of directors to issue new shares or acquire treasury shares.

The Swedish corporate governance code requires that the company states which rules of the Swedish corporate governance code it has not complied with and to explain the reasons for each case of non-compliance, and describe the solution it has adopted instead. The company must also have a section on its website devoted to corporate governance matters, where the company's three most recent corporate governance reports are to be posted, together with, among other things, the articles of association, information about upcoming shareholders' meetings and minutes from general meetings held during the past three years.

Company's Obligation to Disclose Changes in its Share Capital

CANADA

The Company is required to file a report with the TSX within ten days of the end of each month in which any change to the number of outstanding or reserved listed securities has occurred (including a reduction in such number that results from a cancellation or redemption of securities).

SWEDEN

As a main rule, Swedish companies with shares listed on a regulated market are obliged, under Swedish law, to report any changes in the number of shares or votes. Such disclosure shall be made on the last trading day of the calendar month in which the increase or decrease of shares or votes occurred. This rule is also applicable to the Company.

Distribution of Information to the Canadian and Swedish Markets

CANADA

The content and format of the disclosure obligations of Canadian issuers is mandated under National Instrument 51-102 and other National Instruments. The Canadian Securities Administrators have implemented *National Policy 51-201 - Disclosure Standards* to provide “best disclosure” practices in order that everyone investing in securities will have equal access to information that may affect their investment decisions. Canadian securities legislation prohibits a reporting issuer from selective disclosure or informing any person or company in a special relationship with a reporting issuer, other than in the necessary course of business, of a material fact or a material change before that material information has been generally disclosed. Securities legislation also prohibits anyone in a special relationship with a reporting issuer from purchasing or selling securities of the reporting issuer with knowledge of a material fact or material change about the issuer that has not been generally disclosed.

Under its mandate, the Board is required to oversee the Company’s communications policy. The Board has put structures in place to ensure effective communication between the Company, its shareholders and the public. The Company has established a Disclosure and Confidentiality Policy. The Board monitors the policies and procedures that are in place to provide for effective communication by the Company with its shareholders and with the public generally, including effective means to enable shareholders to communicate with senior management and the Board. The Board also monitors the policies and procedures that are in place to ensure a strong, cohesive, sustained and positive image of the Company with shareholders, governments and the public generally. Significant shareholder concerns are brought to the attention of management or the Board. Shareholders are informed of corporate developments by the issuance of timely press releases which are concurrently posted to the Company’s website and are available on SEDAR at www.sedar.com.

Financial reports and press releases are published on the Company’s website at www.lundinmining.com and by its news distributors. Financial reports and press releases are also filed on SEDAR. The information will be in English only.

SWEDEN

As a main rule, the Company is subject to the disclosure requirements and other requirements for listed companies in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the “**Market Abuse Regulation**” in this section) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, as well as certain requirements in the Securities Market Act (SFS 2007:528).

The Company is also subject to the rules on disclosure of the NASDAQ Stockholm Rulebook for Issuers.

In addition to any reporting requirements of the Company, persons holding an insider position (“persons discharging managerial responsibilities”) and their closely associated persons are required to report their transactions of shares and other financial instruments to the SFSA within three days from the transaction. Such reporting shall be made in accordance with the Market Abuse Regulation. These reports are publicly available on the SFSA’s website www.fi.se. In addition, the same regulation stipulates a trading ban for persons within the company who discharges managerial responsibilities, during the thirty days preceding the publication of the Company’s ordinary quarterly interim reports.

Furthermore, the Company (as well as any other holder) must publish information on any acquisitions or transfers resulting in the portion of the shares or votes in the Company held by the Company itself reaching, exceeding or falling below 5, 10, 15, 20, 25, 30, 50, 66 2/3, or 90 per cent of the aggregate number of shares or voting rights in the Company. The Company is also subject to additional disclosure rules of Nasdaq Stockholm.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents form part of the Prospectus and are incorporated by reference:

- Audited consolidated financial statements for the financial year ended December 31, 2014
- Audited consolidated financial statements for the financial year ended December 31, 2015
- Audited consolidated financial statements for the financial year ended December 31, 2016
- Unaudited interim financial statements for the three-month period ended March 31, 2016
- Unaudited interim financial statements for the three-month period ended March 31, 2017
- Lundin Mining Corporation, MD&A December 31, 2014
- Lundin Mining Corporation, MD&A December 31, 2015
- Lundin Mining Corporation, MD&A December 31, 2016
- Lundin Mining Corporation, MD&A March 31, 2016
- Lundin Mining Corporation, MD&A March 31, 2017

The above-listed documents are available in electronic format at www.lundinmining.com and also on www.fi.se. The above-listed documents are also available in electronic format at SEDAR's website at www.sedar.com under the Company's profile.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are also available in electronic format for inspection on www.lundinmining.com.

- The Company's certificates of incorporation and articles
- The financial statements and MD&A listed above

The below-listed documents are available in electronic format at www.lundinmining.com and also in electronic format at SEDAR's website at www.sedar.com under the Company's profile.

- The reports listed in "Interest of Experts"

For the life of the Prospectus, historical financial information for the Company's subsidiaries for each of the two financial years preceding the publication of the Prospectus, is available for inspection by physical means at the Company's office (see "Addresses").

DEFINITIONS, TERMS AND CURRENCY

In addition to the terms defined in the body of the Prospectus, certain defined terms are set out below.

"**Aguablanca**" means the Aguablanca mine located approximately 100 km north of Seville, Spain, which the Company disposed of in the fourth quarter of 2016 through the transfer of all of the shares of Rio Narcea Recursos S.A.;

"**BHPB**" means BHP Copper Inc. (now BHP Billiton);

"**BHR Partners**" means BHR Newwood Investment Management Limited, a British Virgin Islands company;

"**Board of Directors**" or "**Board**" means the board of directors of the Company;

"**C1 cash costs**" means the costs of mining, milling and concentrating, onsite administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of the by-product credit;

"**CAD**" or "**C$**" means Canadian dollars;

"**Candelaria**" or "**Candelaria Mine**" or "**Candelaria Copper Mining Complex**" means the open pit and underground mines located near Copiapó in the Atacama Province, Region III of Chile owned by Minera Candelaria and Minera Ojos del Salado;

"**Candelaria 2030 EIA**" means the EIA entitled "Candelaria 2030 – Project Operational Continuity", which was submitted to the environmental authorities in September 2013 and approved on July 23, 2015;

"**Candelaria 2030 Project**" means the extension of operations and mine life for the Candelaria mine;

"**Candelaria Acquisition**" means the acquisition of 80% of the equity interests in Candelaria and Ojos pursuant to the Share Purchase Agreement;

"**Candelaria Property**" means the Company's 80% equity interest in the Candelaria mine and the Ojos mine and supporting infrastructure located in the Atacama province in Chile;

"**CBCA**" means the *Canada Business Corporations Act*;

"**CCAA**" means *Companies' Creditors Arrangement Act*;

"**CGNC**" means the Company's Corporate Governance and Nominating Committee;

"**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum;

"**CIM Standards**" means the "CIM Definition Standards for Mineral Resources and Mineral Reserves" adopted by CIM Council on May 10, 2014, which are utilized by the Canadian Securities Administrators in NI 43-101;

"**CLP**" means Chilean Peso;

"**CMOC**" means China Molybdenum Co., Ltd.;

"**Common Shares**" or "**Shares**" means the common shares in the capital of the Company;

"**Company**" or "**Lundin Mining**" means Lundin Mining Corporation with incorporation no. 443736-5 and/or any of its subsidiaries as applicable;

"**Credit Agreement**" means the amended and restated credit agreement dated October 7, 2013, as amended by a first amending agreement dated October 27, 2014, a second amending agreement dated January 13, 2015, a third amending agreement dated April 27, 2015, a fourth amending agreement dated October 19, 2016, between the Company and a banking syndicate comprised of The Bank of Nova Scotia, ING Capital LLC, Bank of Montreal, Export Development Canada, Bank of America, N.A., Société Générale and Skandinaviska Enskilda Banken AB;

"**Credit Facility**" means the Company's $350 million revolving credit facility with an extended term to June 2020;

“**Cu**” means copper;

“**DRC**” means the Democratic Republic of Congo;

“**Eagle**” or “**Eagle Project**” means the Company’s Eagle mine project located in the Upper Peninsula of Michigan, US;

“**Eagle East**” means the high grade massive and semi-massive nickel-copper sulphide mineralization approximately 2 km east of the Eagle deposit.

“**EIA**” means Environmental Impact Assessment;

“**EIS**” means Environmental Impact Study;

“**EUR**” or “**€”** means the Euro;

“**Euroclear**” means Euroclear Sweden AB, Swedish Reg. No. 556112-8074;

“**EuroZinc**” means EuroZinc Mining Corporation, which was acquired by the Company on October 31, 2006 and subsequently amalgamated with the Company effective November 30, 2006;

“**FMC**” means Freeport-McMoran Corporation, a wholly-owned subsidiary of Freeport, formerly called Phelps Dodge Corporation;

“**Feasibility Study**” is defined by CIM and contained in the CIM Standards;

“**Franco-Nevada**” means Franco-Nevada Corporation;

“**Freeport**” means Freeport-McMoRan Inc., a US-based natural resource company with a portfolio of mineral and oil and gas assets, which owns Freeport Cobalt and owned the majority interest in TF Holdings to November 16, 2016 and was indirectly the majority owner and operator of TFM and, where applicable, includes its subsidiaries to November 16, 2016.;

“**Freeport Cobalt**” means Freeport Cobalt Oy, a large scale cobalt chemical refinery located in Kokkola, Finland and its related sales and marketing companies;

“**Galmoy**” or **“Galmoy Mine**” means the former Galmoy mine located in County Kilkenny, Ireland, which was disposed in March 2017;

“**GBS**” means GBS Gold International Inc.;

“**G&A**” means general and administrative;

“**Gécamines**” means La Générale des Carrières et des Mines, a DRC state-owned mining company;

“**ha**” means hectare;

“**HRCC**” means the Company’s Human Resources/Compensation Committee;

“**HSEC**” means the Company’s Health, Safety, Environmental and Community Committee;

“**IFRS**” means International Financial Reporting Standards;

“**ISOP**” means the Company’s Incentive Stock Option Plan dated May 9, 2014, replacing the 2006 Incentive Stock Option Plan, as amended May 12, 2017 (the “**2006 ISOP**”);

“**Indenture**” means the indenture dated October 27, 2014 between the Company and U.S. Bank National Association, as trustee;

“**Indicated Mineral Resources**” are as defined by the CIM and contained in the CIM Standards;

“**Inferred Mineral Resources**” are as defined by the CIM and contained in the CIM Standards;

“**Listing**” means the intended admission to trading on NASDAQ Stockholm of the Shares;

“**km**” means kilometre;

“**LOM**” means life-of mine estimate;

“LP2” means phase 2 of the Lombador orebody at Neves-Corvo;

“**Lakota**” means Lakota Resources Inc.;

“**Lundin DRC Holdings Ltd.**” means a Bermuda company indirectly owned by the Company that owns 30% of TF Holdings;

“**m**” means metre;

“**MCP**” means mine closure plan;

“**MD&A**” means Management’s Discussion and Analysis of results of operations and financial condition of the Company;

“**Measured Mineral Resources**” are as defined by the CIM and contained in the CIM Standards;

“**Minera Candelaria**” means Compañía Contractual Minera Candelaria;

“**Minera Ojos”** or **“Minera Ojos del Salado**” or “**Ojos**” means Compañía Contractual Minera Ojos del Salado;

“**Mineral Reserves**” are as defined by the CIM and contained in the CIM Standards;

“**Mineral Resources**” are as defined by the CIM and contained in the CIM Standards;

“**mm**” means millimetre;

“**mtpa**” means million tonnes per annum;

“**Neves-Corvo**” or “**Neves-Corvo Mine**” means the copper and zinc mine situated approximately 220 km southeast of Lisbon in the Alentejo district of southern Portugal;

“**Ni**” means nickel;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“**NSR**” means Net Smelter Return;

“**oz**” means ounces;

“**Ojos mine**” or “**Ojos del Salado mine**” means the two copper concentrate producing underground mines located near Copiapó in the Atacama Province, Region III of Chile;

“**PAC**” means Pedro Aguirre Cerde, a concentrator located at Candelaria;

“**Pb**” means lead;

“**PGM**” means platinum group metals;

“**Pareto**” means Pareto Securities AB, Swedish Reg. No. 556206-8956;

“**Phelps Dodge**” means Phelps Dodge Corporation, a copper mining company which was acquired by Freeport in 2007;

“**Preliminary Economic Assessment**” or **PEA**” is as defined in NI 43-101;

“**Proven and Probable Mineral Reserves**” are as defined by the CIM and contained in the CIM Standards;

“QA/QC” is the combination of quality assurance, the process or set of processes used to measure and assure the quality of a product, and quality control, the process of ensuring products and services meet consumer expectations.

“**Qualified Person**” means a qualified person as defined in NI 43-101;

“**RBI**” means RB Energy Inc.;

“**Rio Tinto**” means the group of companies where the parent is Rio Tinto plc.;

“**RNR**” means Rio Narcea Recursos S.A.;

"**SDRs**" means Swedish Depository Receipts;

"**SEC Guide 7**" means the United States Securities and Exchange Commission Guide 7 under the United States Securities Act of 1933, as amended;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval (SEDAR), which is available on www.sedar.com;

"**SEK**" means Swedish kronor;

"**Senior Secured Notes**" means the Senior Secured Notes due 2020 and the Senior Secured Notes due 2022;

"**SERNAGEOMIN**" means Chile's Servicio Nacional de Geología y Minería;

"**SFSA**" means the Swedish Financial Supervisory Authority;

"**Silver Wheaton**" means Silver Wheaton Corp.;

"**Sirocco**" means Sirocco Mining Inc.;

"**Share Purchase Agreement**" means the stock purchase agreement between two of the Company's indirect wholly-owned subsidiaries and a subsidiary of Freeport dated October 6, 2014;

"**Somincor**" means Somincor-Sociedade Mineira de Neves-Corvo, S.A. (Portugal), a wholly-owned indirect subsidiary of the Company that owns the Neves-Corvo Mine located in Portugal;

"**Stream Agreement**" means the Company's, through its wholly-owned subsidiary LMC Bermuda Ltd. streaming agreement with Franco-Nevada effective as of July 28, 2015 and, as amended on November 4, 2016;

"**Sumitomo**" means collectively, Sumitomo Metal Mining Co., Ltd, Sumitomo Corporation and their respective affiliates;

"**SU**" means share unit awards under the SU Plan;

"**SU Plan**" means the Company's Share Unit Plan;

"**TC/RC**" means Treatment Charge (TC) and Refining Charge (RC);

"**Technical Reports**" means the Candelaria Report, the Eagle Report, the Neves-Corvo Report, and the Zinkgruvan Report;

"**Tenke**" or "**Tenke Fungurume**" or "**Tenke Fungurume Mine**" means the Tenke copper and cobalt mine located in the southeast region of the DRC (formerly, Katanga Province).

"**TF Holdings** means TF Holdings Limited (formerly, Lundin Holdings Ltd.), a Bermuda company owned 30% by Lundin DRC Holdings Ltd. and 70% by CMOC International DRC Holding Ltd., a wholly-owned subsidiary of CMOC, which owns a controlling 80% interest in TFM. The Company sold its indirect interest in TF Holdings to an affiliate of BHR in April 2017.

"**TFM**" means Tenke Fungurume Mining Corp. SA a Congolese company that owns the Tenke Fungurume mine;

"**tpa**" means tonnes per annum;

"**tpd**" means tonnes per day;

"**TSF**" means tailings storage facility;

"**TSX**" means the Toronto Stock Exchange;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**US**" or "**United States**" means the United States of America;

"**USD**" or "**US$**" or "**$**" means United States dollars;

"**ZEP**" means the Zinc Expansion Project;

"**Zinkgruvan**" or "**Zinkgruvan Mine**" means the Zinkgruvan zinc and copper mine located approximately 250 km south-west of Stockholm in south-central Sweden; and

"**Zn**" means zinc.

Currency

The Company presents its consolidated financial statements in United States dollars. This Prospectus contains references to United States dollars, referred to herein as $, US$ or USD, Euros, referred to herein as Euros or €, Swedish Kronor, referred to herein as SEK, and Canadian dollars, referred to herein as CAD or C$. All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars.

ADDRESSES

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