

## Annual General Meeting

May 11, 2018

Candelaria, Atacama Region, Chile

# Cautionary Statements

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

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

This presentation contains certain financial measures such as net cash, net debt, operating cash flow per share and cash costs which have no standardized meaning within generally accepted accounting principles under IFRS and therefore amounts presented may not be comparable to similar data presented by other mining companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures or performance prepared in accordance with IFRS.

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

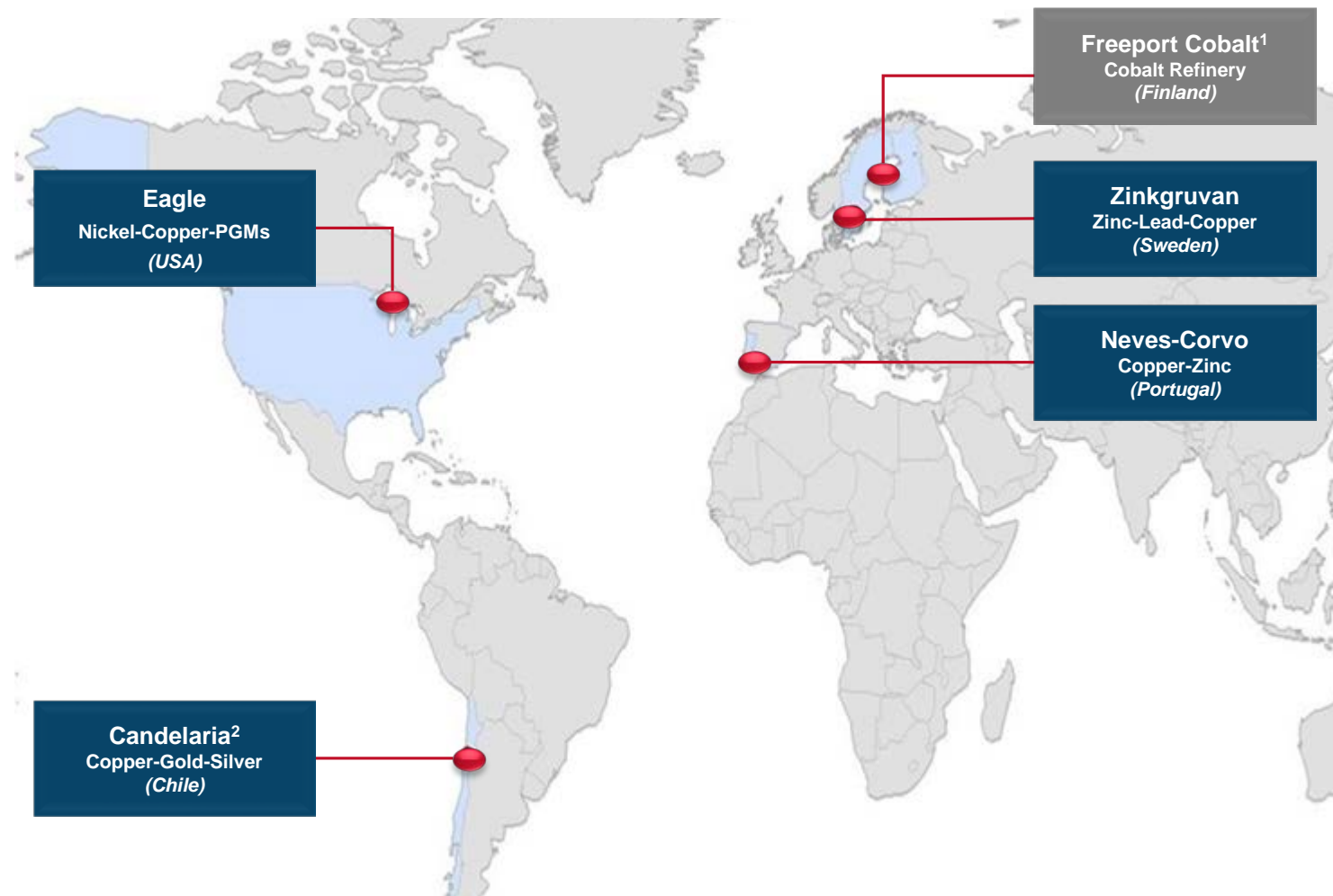
# Lundin Mining

## Our Strategy

Operate, upgrade and grow a base metal portfolio that provides leading returns for our shareholders throughout the cycle

- copper dominant
- competitive cost position
- low-risk mining jurisdictions, leverage current geographies
- pipeline of development and exploration projects
- maintain low leverage and flexible balance sheet

## Our Operations



1. Lundin Mining holds an indirect 24% equity stake in the Freeport Cobalt Oy business which includes a cobalt refinery located in Kokkola, Finland.  
2. Lundin Mining holds an 80% interest in Candelaria.

# 2017 in Review



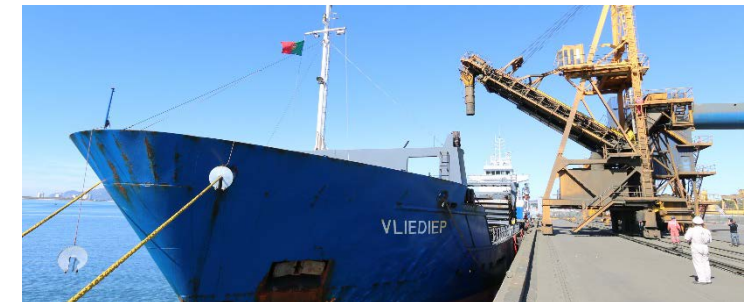
## Strong Performance

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



## Excellent Project Execution

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



## Disciplined Capital Management

- commenced regular dividend
- completed sale of interest in Tenke for \$1.136B
- early redemption of \$550M principal amount of notes
- actively evaluated several M&A opportunities

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

# Responsible Mining

## Safety

- best ever performance with records on multiple metrics

## Social

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

## Environmental

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

## Total Recordable Injury Frequency

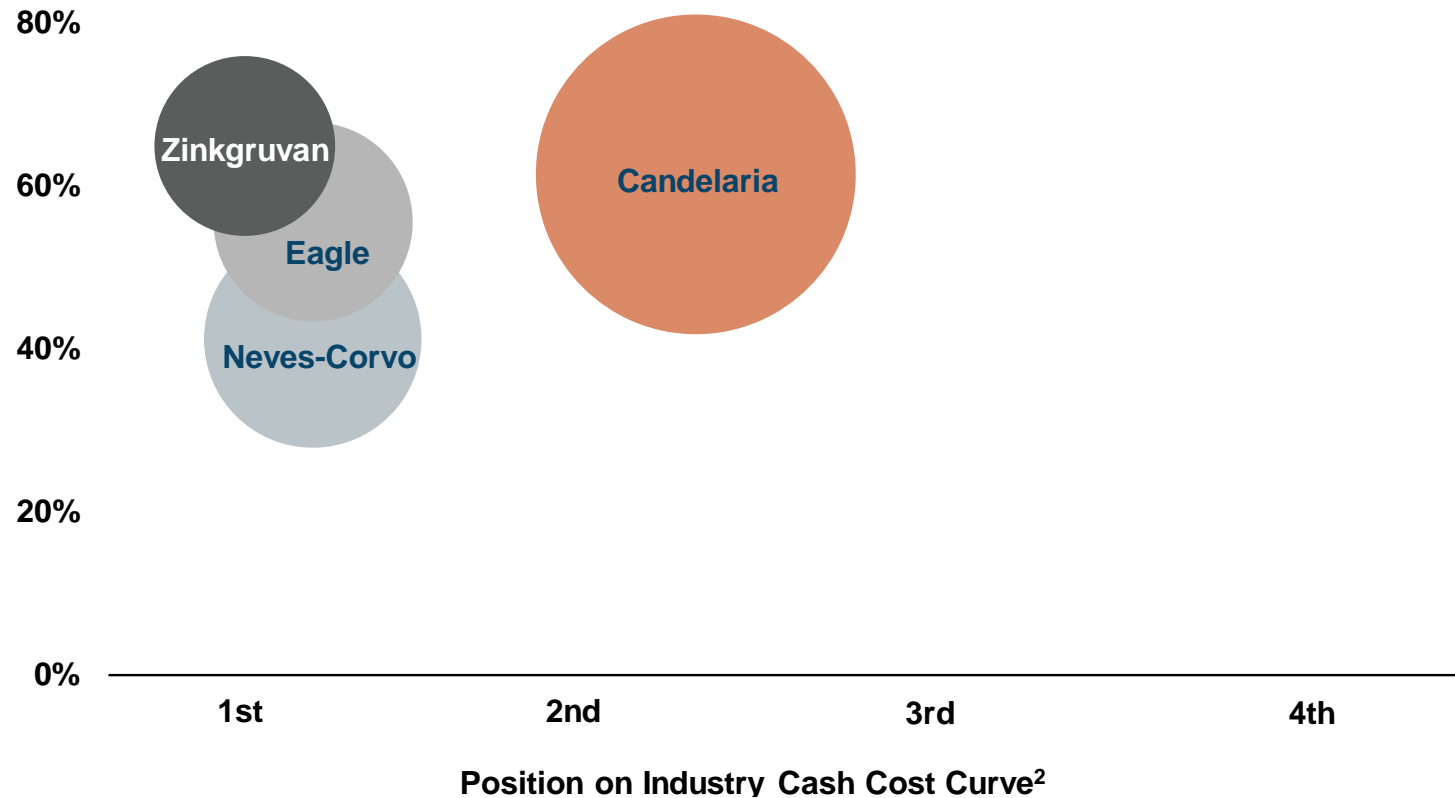
per 200,000 person hours worked



# Strong Performance Across Portfolio

## Robust Margins<sup>1</sup>

(operating margin 2017, %)



## Attributable Production

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

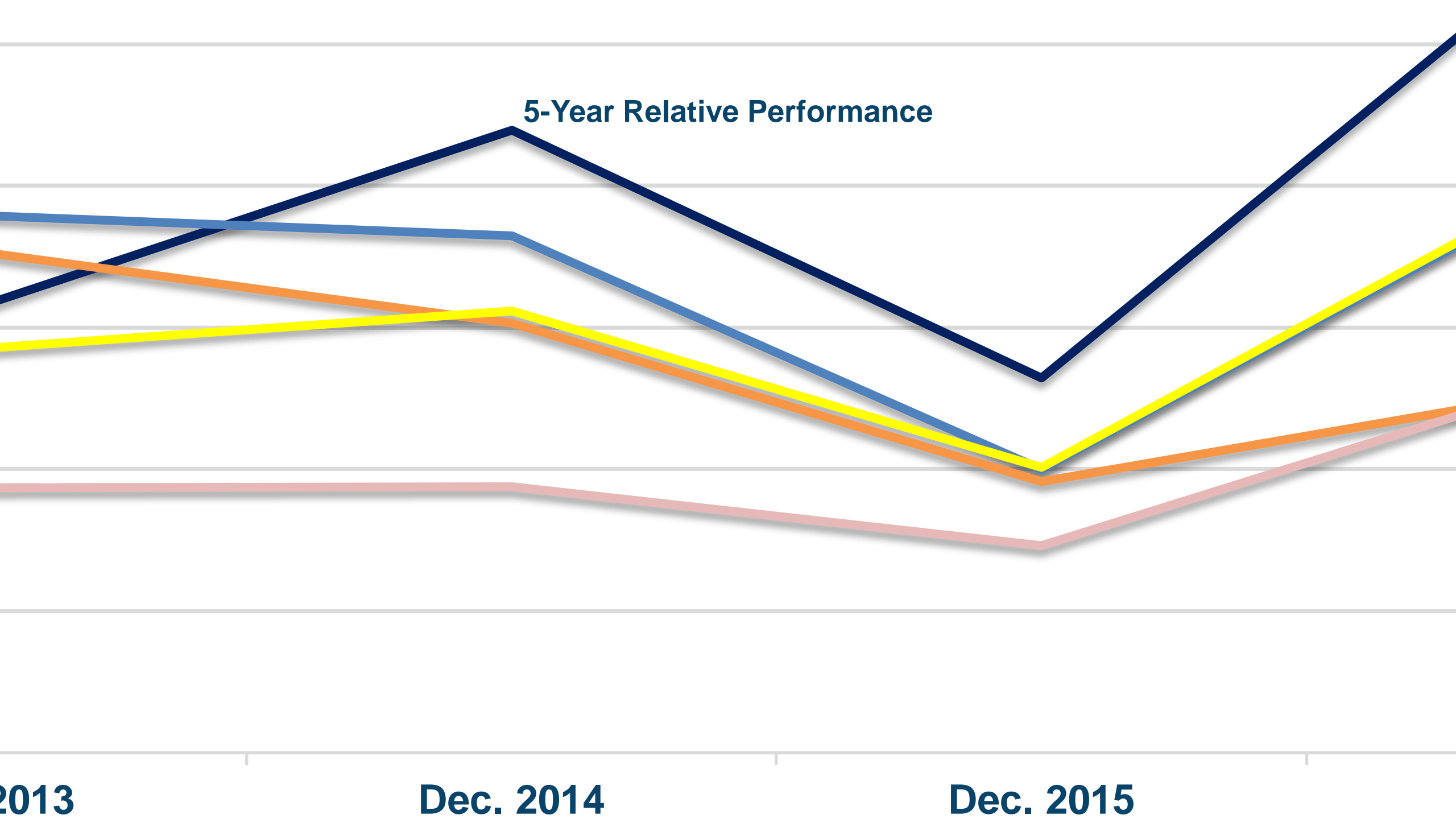
## \$2,078M in Sales

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

Source: Wood Mackenzie, Lundin Mining reports

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

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



# 2018 Outlook





# 2018 Priorities

**Operate safely and responsibly, with strong community support**

**Progress internal high value-add growth projects**

Zinc Expansion Project at Neves-Corvo

Candelaria Projects

- mine fleet reinvestment
- underground mine development and production expansion
- mill optimization
- full operation of Los Diques

Eagle East ramp and initial mine development

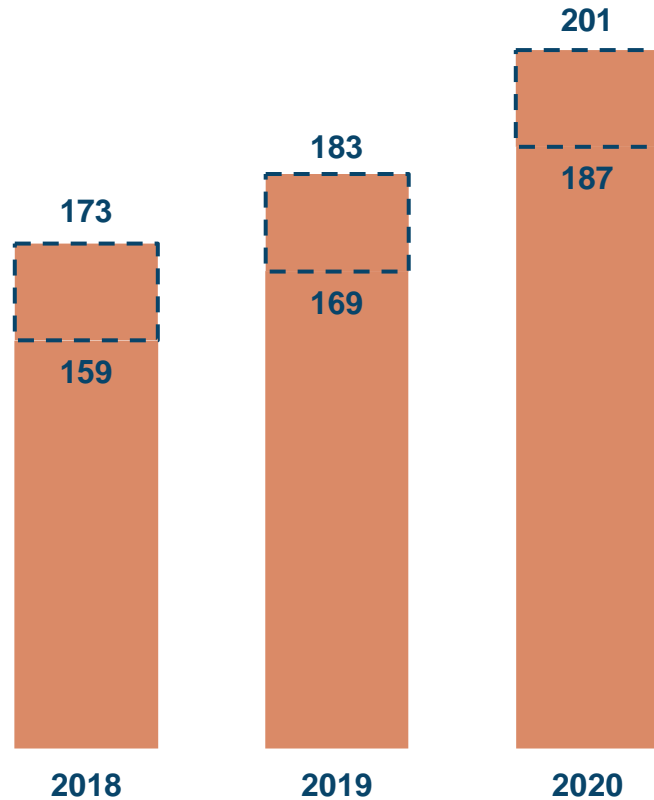
**Significantly advance exploration projects, existing and new**

**Keep a strong and flexible balance sheet to move quickly on compelling external growth opportunities**

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

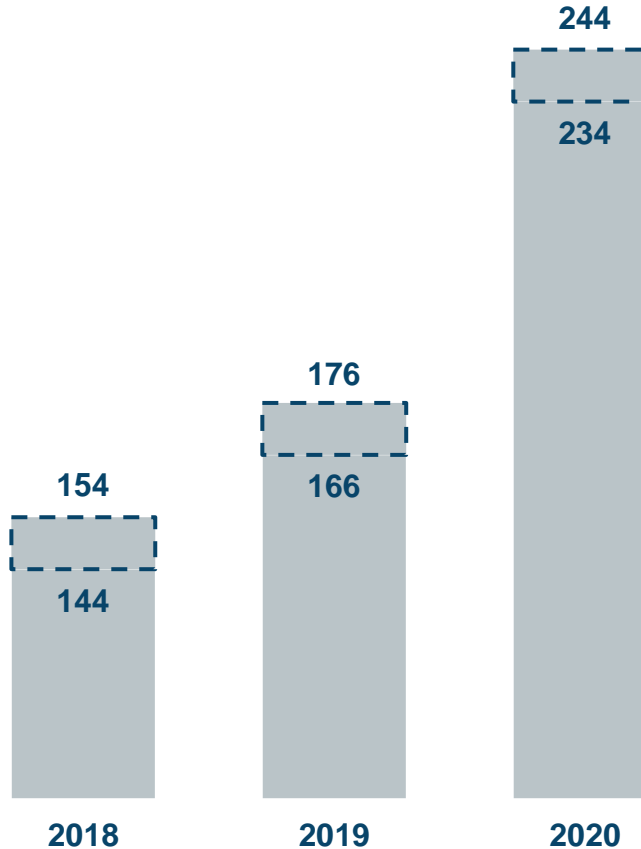
## Copper

Increasing primarily on improved Candelaria mine plan



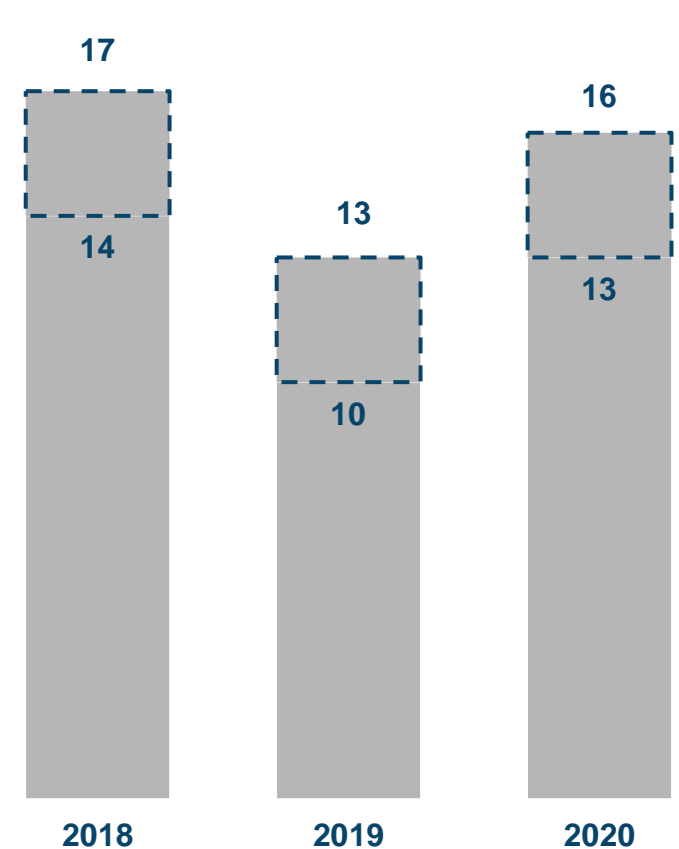
## Zinc

~60% increase primarily on Neves-Corvo Zinc Expansion Project



## Nickel

Eagle East on-line in 2020



 Production Guidance Range

1. Production guidance is based on certain estimates and assumptions, including but not limited to; Mineral Resource and Mineral Reserve estimates (see slide 27), geological formations, grade and continuity of deposits and metallurgical characteristics. This guidance was originally announced by news release on November 29, 2017.

# Financial Strength

## Capital Allocation Strategy

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

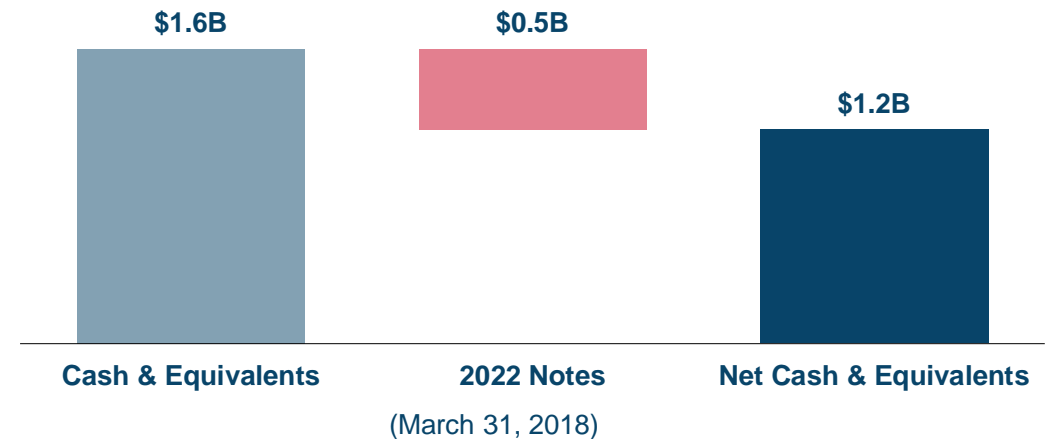
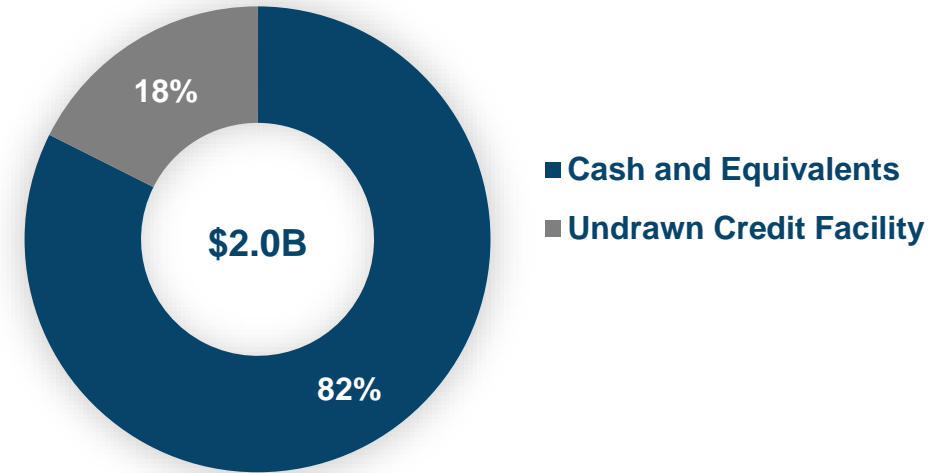
Maintain regular dividend

Prudent and accretive management of debt and cash positions

Flexible balance sheet to move quickly on compelling growth opportunities

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

**Liquidity Position**  
(March 31, 2018)



# Internal Growth Projects



# 2018 Investment in Operations & Exploration



## **\$850M Planned Investment in Operations**

- \$220M growth capital
- \$145M for Candelaria new mine fleet, mill optimization, and underground expansion

## **\$83M Planned Investment in Exploration**

- \$34M at Candelaria
- \$18M at Eagle
- \$13M at Zinkgruvan
- \$5M at Neves-Corvo
- advance exploration on new projects in South America and Eastern Europe

# Candelaria



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

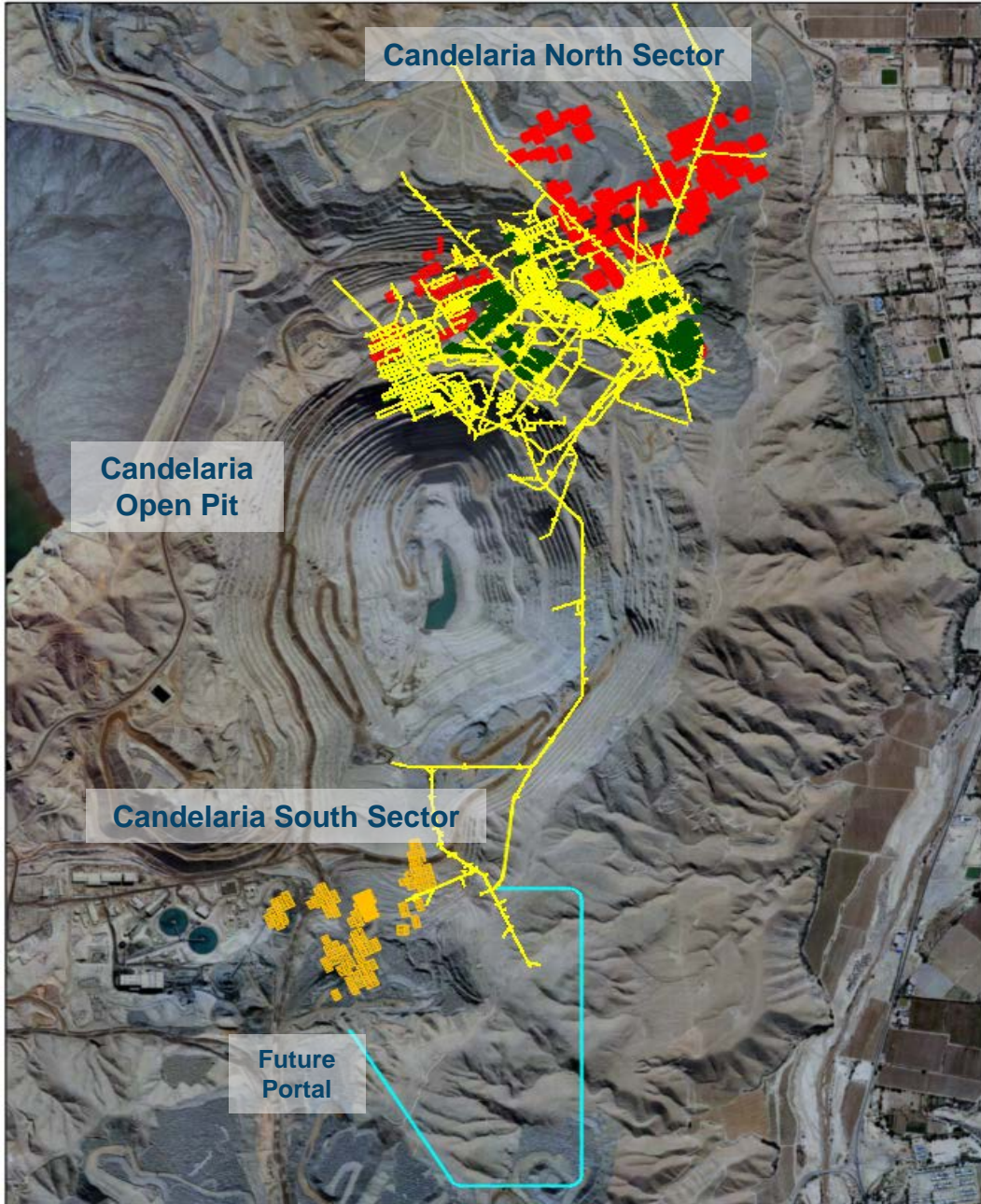
# Los Diques Tailings Storage Facility



## **First Phase Construction Complete**

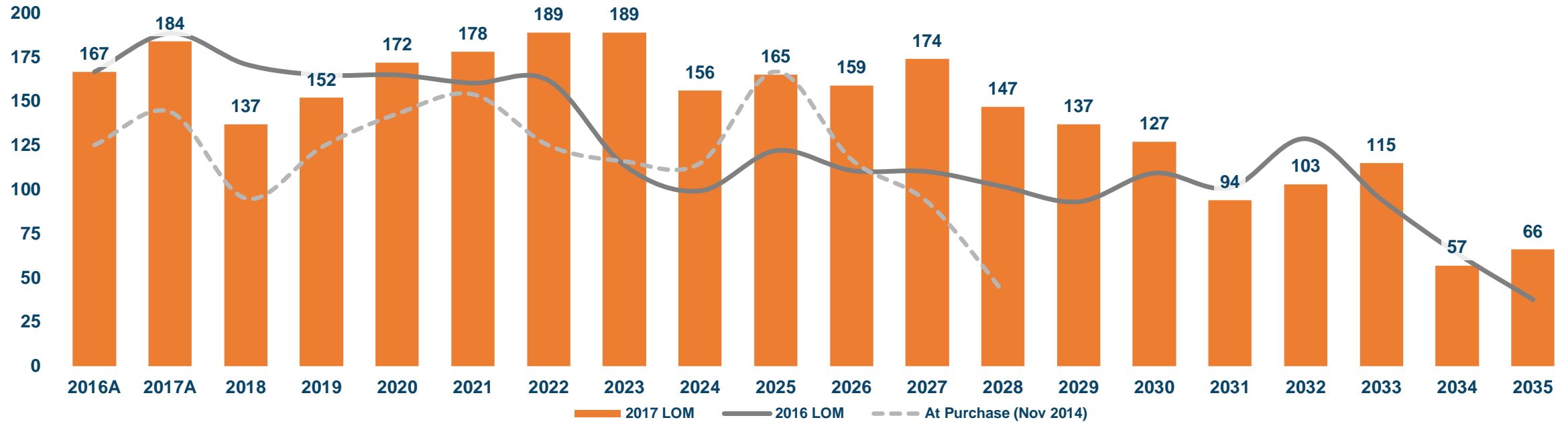
- commissioning with continuous tailings placement commenced ahead of schedule, under budget
- operating permit applications submitted

# Candelaria Initiatives





# Candelaria Copper Production Profile<sup>1</sup> (kt; 100% basis)



Copper production profile has increased 290kt (+20%) over next 10 years and 410kt (+19%) life-of-mine from previous plan

Contained copper and gold in the Mineral Reserve estimate<sup>2</sup> has increased by over 65%<sup>3</sup> and the production profile significantly improved since acquisition

1. Production shown on 100% basis and is based on the NI 43-101 Technical Report filed December 2017. See also slide 28.

2. Refer to Press Release "Lundin Mining Announces 2017 Mineral Resource and Mineral Reserve Estimates" dated September 5, 2017. See also slide 27.

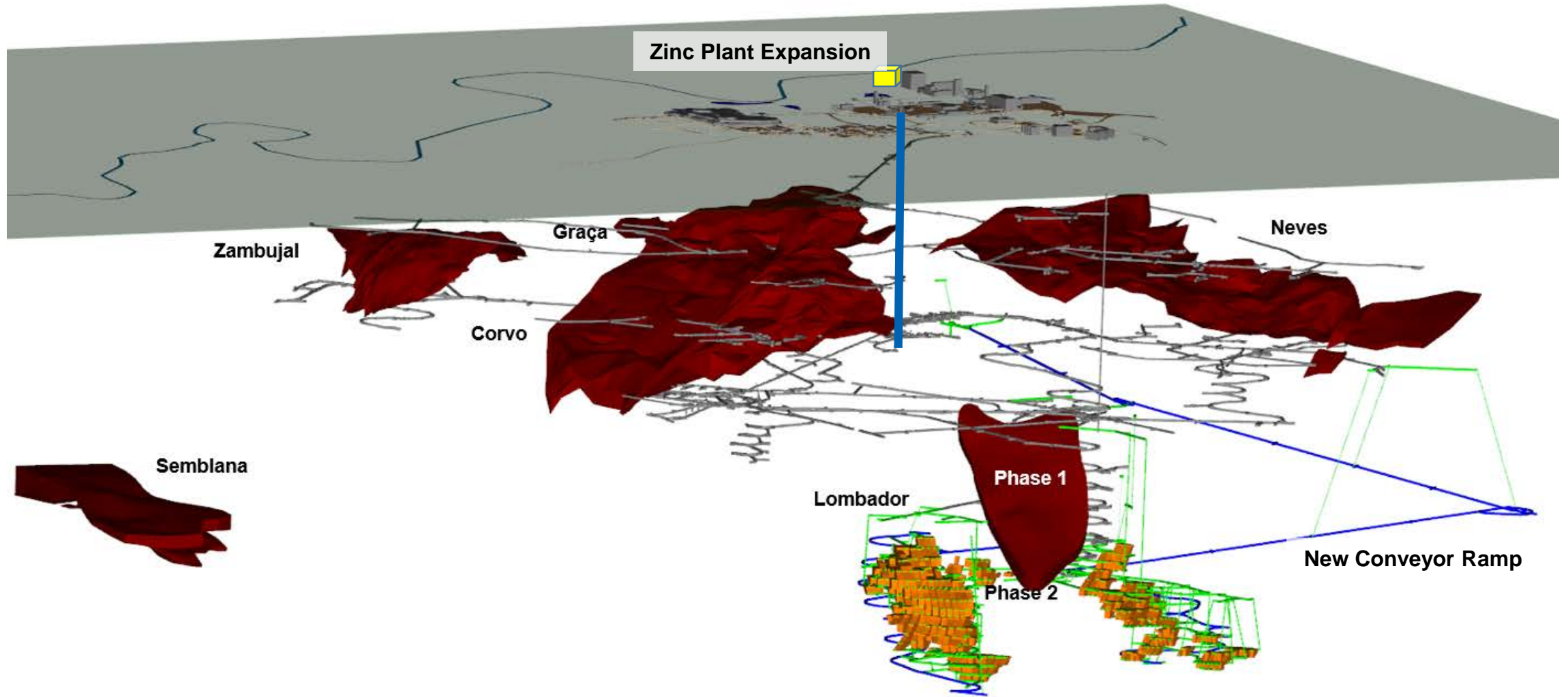
3. Mine depletion included.

# Neves-Corvo



Copper / Zinc / Lead – Portugal

# Neves-Corvo Overview



# Zinc Expansion Project Progressing at Neves-Corvo

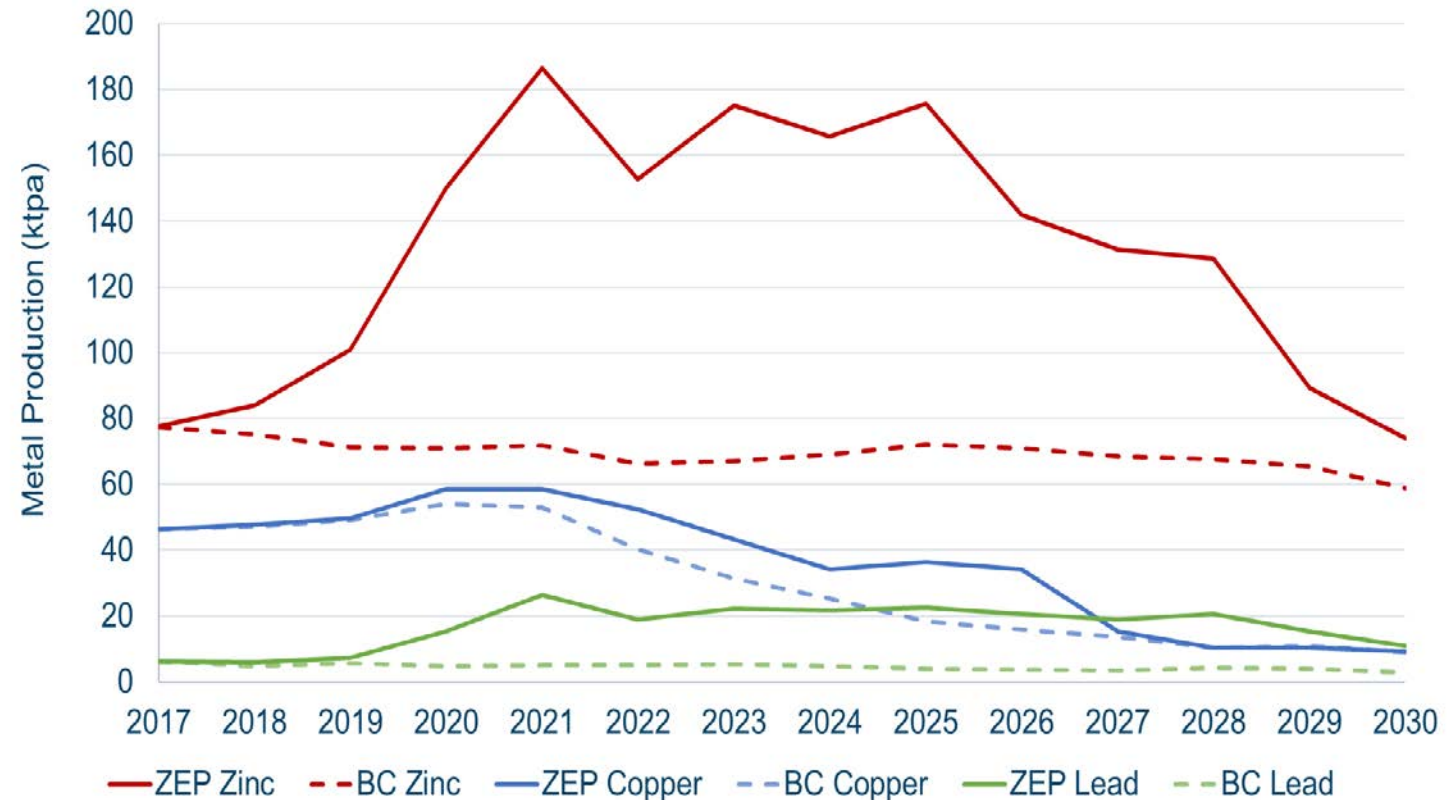
Project advancing with scheduled startup in H2 2019 – forecast to double zinc production

Underground materials handling development 57% completed at the end of Q1/18

Surface construction started on the mill expansion to 2.5 mtpa from 1.1 mtpa

High levels of community and government support

Neves-Corvo with ZEP, and Base Case (BC) without ZEP<sup>1</sup>

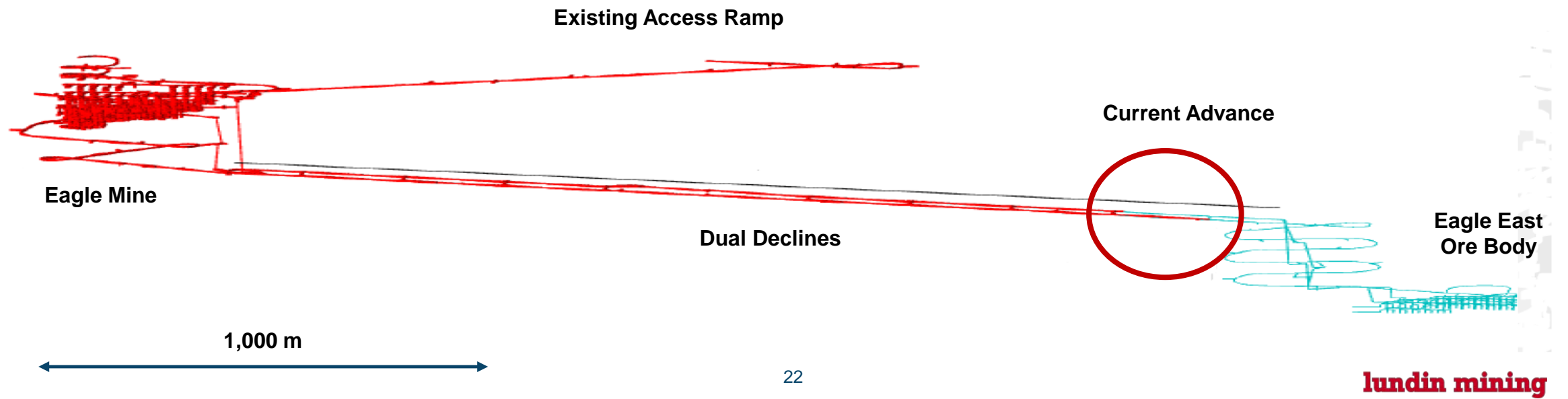


<sup>1</sup>For more information please refer to the NI 43-101 Technical Report for the Neves-Corvo Mine on the Company's website ([www.lundinmining.com](http://www.lundinmining.com)). See also slide 27.



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

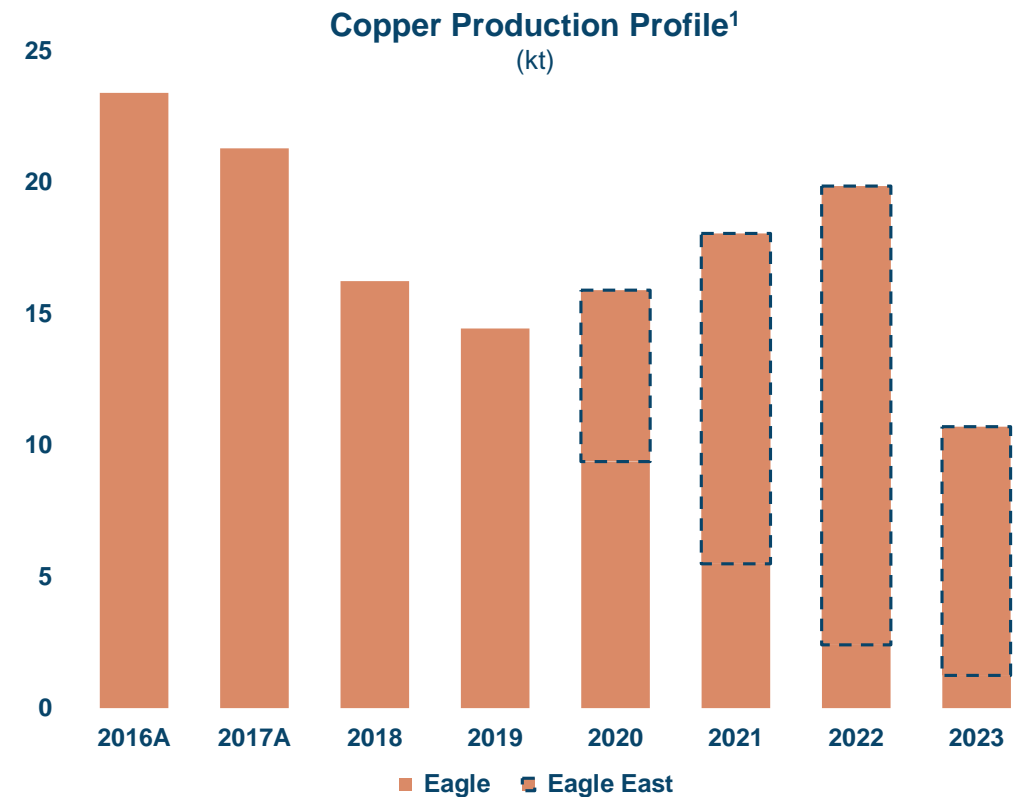
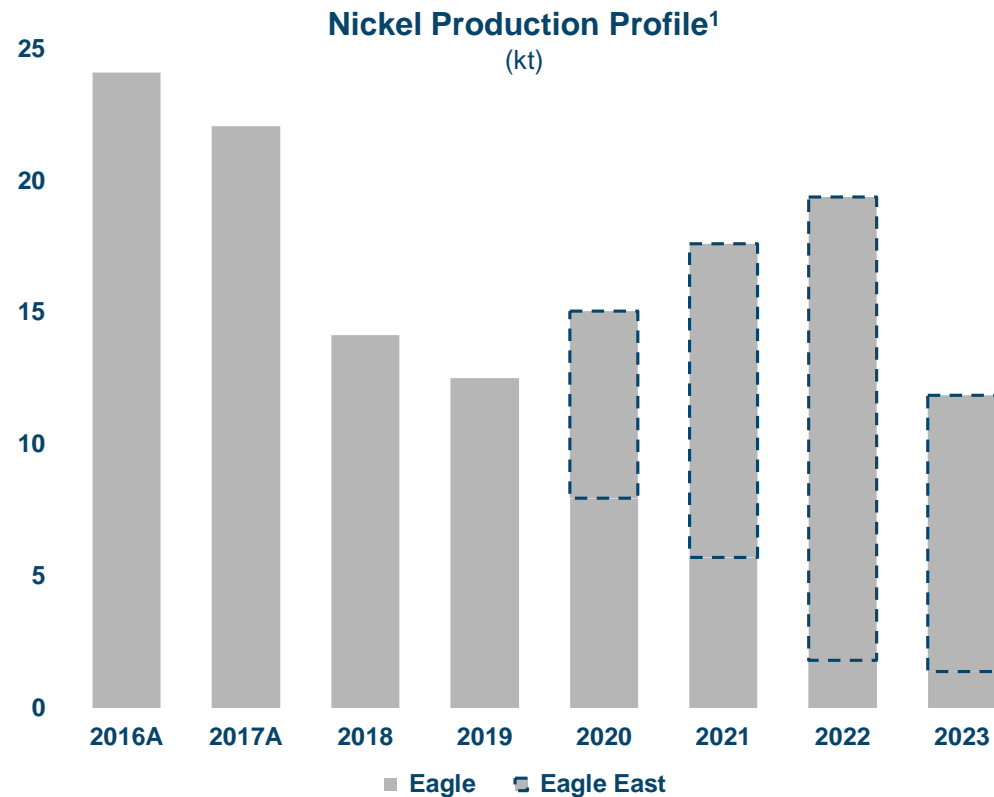
# Eagle East



# Eagle East – Meaningful Addition to Production Profile

Development advancing ahead of schedule

- nearly 50% of pre-production works complete at end of Q1/18
- permit amendment for additional tailings at mill facility progressing and expected mid-year



1. Refer to the April 10, 2017 new release entitled “Lundin Mining Announces Eagle East Feasibility Study Results and Provides a Project Update” on the Company’s website ([www.lundinmining.com](http://www.lundinmining.com)) and the “Technical Report on the Eagle Mine, Michigan U.S.A”, April 26, 2017 available on SEDAR under Lundin Mining’s profile at [www.sedar.com](http://www.sedar.com). See also slide 27.

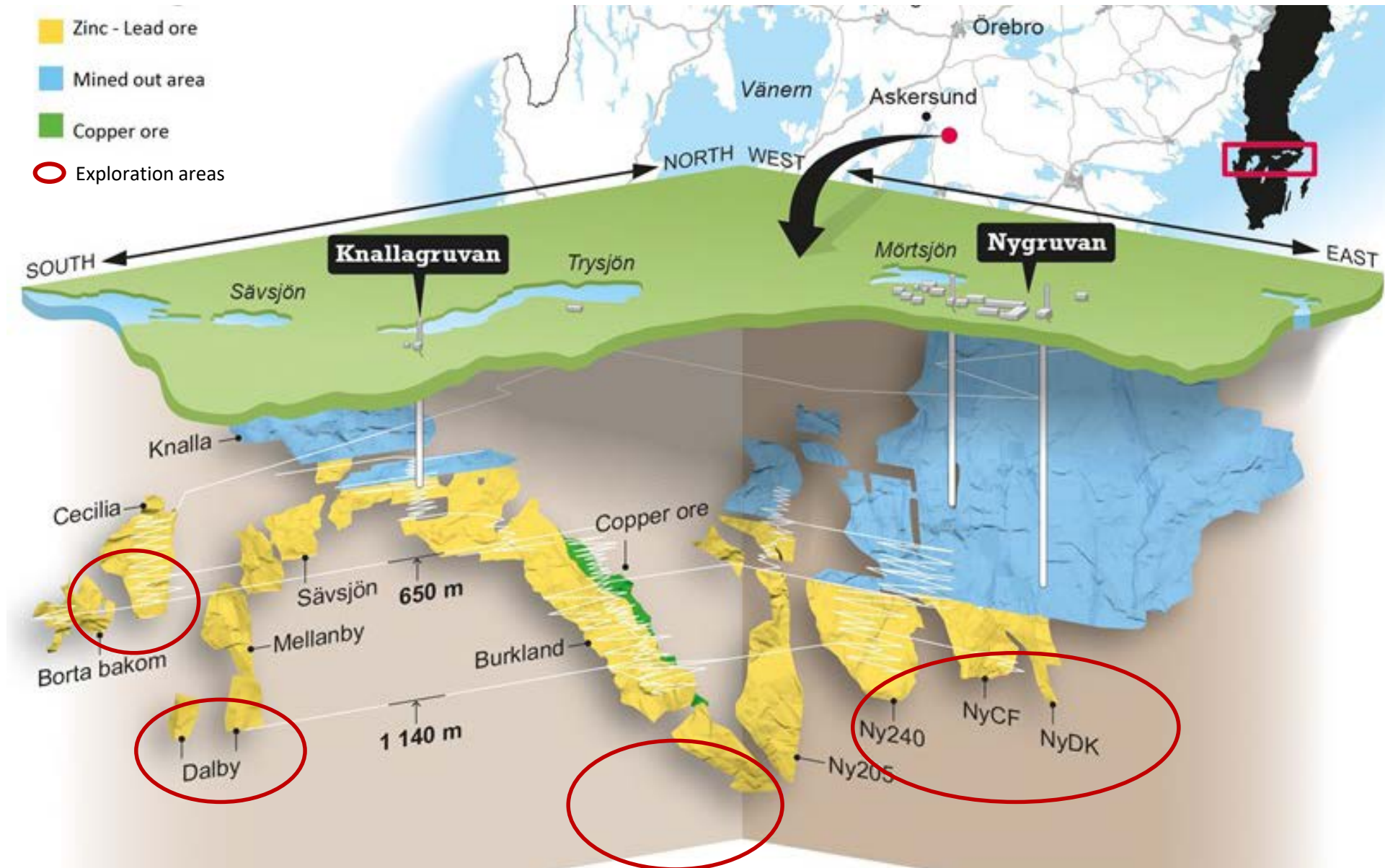
# Zinkgruvan



Zinc / Lead / Copper – Sweden



# Zinkgruvan





## High Quality Competitive Mines

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



## Meaningful Scale Growth Oriented

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



## Financial Strength

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

# NI 43-101 Compliance

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

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

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

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

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

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

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

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

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

**lundin mining**

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