



# lundin mining

Third Quarter 2019 Results

October 24, 2019

TSX: LUN Nasdaq Stockholm: LUMI

Candelaria, Atacama Region, Chile

# Cautionary Statements

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

Certain of the statements made and information contained herein is “forward-looking information” within the meaning of applicable Canadian securities laws. All statements other than statements of historical facts included in this document constitute forward-looking information, including but not limited to statements regarding the Company’s plans, prospects and business strategies; the Company’s guidance on the timing and amount of future production and its expectations regarding the results of operations; expected costs; permitting requirements and timelines; timing and possible outcome of pending litigation; the results of any Preliminary Economic Assessment, Feasibility Study, or Mineral Resource and Mineral Reserve estimations, life of mine estimates, and mine and mine closure plans; anticipated market prices of metals, currency exchange rates, and interest rates; the development and implementation of the Company’s Responsible Mining Management System; the Company’s ability to comply with contractual and permitting or other regulatory requirements; anticipated exploration and development activities at the Company’s projects; and the Company’s integration of acquisitions (such as the Chapada mine) and any anticipated benefits thereof. Words such as “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “goal”, “aim”, “intend”, “continue”, “budget”, “estimate”, “may”, “will”, “can”, “could”, “should”, “schedule” and similar expressions identify forward-looking statements.

Forward-looking information is necessarily based upon various estimates and assumptions including, without limitation, the expectations and beliefs of management, including that the Company can access financing, appropriate equipment and sufficient labour; assumed and future price of copper, nickel, zinc, gold and other metals; anticipated costs; ability to achieve goals; the prompt and effective integration of acquisitions; that the political environment in which the Company operates will continue to support the development and operation of mining projects; and assumptions related to the factors set forth below. While these factors and assumptions are considered reasonable by Lundin Mining as at the date of this document in light of management’s experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and undue reliance should not be placed on such statements and information. Such factors include, but are not limited to: risks inherent in and/or associated with operating in foreign countries; uncertain political and economic environments; community activism, shareholder activism and risks related to negative publicity with respect to the Company or the mining industry in general; changes in laws, regulations or policies including but not limited to those related to permitting and approvals, environmental and tailings management, labour, trade relations, and transportation; delays or the inability to obtain necessary governmental approvals and/or permits; regulatory investigations, enforcement, sanctions and/or related or other litigation; risks associated with business arrangements and partners over which the Company does not have full control; risks associated with acquisitions and related integration efforts (including with respect to the Chapada mine), including the ability to achieve anticipated benefits, unanticipated difficulties or expenditures relating to integration and diversion of management time on integration; competition; development or mining results not being consistent with the Company’s expectations; estimates of future production and operations; operating, cash and all-in sustaining cost estimates; allocation of resources and capital; litigation; uninsurable risks; volatility and fluctuations in metal and commodity prices; the estimation of asset carrying values; funding requirements and availability of financing; indebtedness; foreign currency fluctuations; interest rate volatility; changes in the Company’s share price, and equity markets, in general; changing taxation regimes; counterparty and credit risks; health and safety risks; risks related to the environmental impact of the Company’s operations and products and management thereof; unavailable or inaccessible infrastructure and risks related to ageing infrastructure; risks inherent in mining including but not limited to risks to the environment, industrial accidents, catastrophic equipment failures, unusual or unexpected geological formations or unstable ground conditions; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; ore processing efficiency; risks relating to attracting and retaining of highly skilled employees; ability to retain key personnel; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; the price and availability of energy and key operating supplies or services; the inherent uncertainty of exploration and development, and the potential for unexpected costs and expenses including, without limitation, for mine closure and reclamation at current and historical operations; risks associated with the estimation of Mineral Resources and Mineral Reserves and the geology, grade and continuity of mineral deposits including but not limited to models relating thereto; actual ore mined and/or metal recoveries varying from Mineral Resource and Mineral Reserve estimates; mine plans, and life of mine estimates; the possibility that future exploration, development or mining results will not be consistent with expectations; natural phenomena such as earthquakes, flooding, and unusually severe weather; potential for the allegation of fraud and corruption involving the Company, its customers, suppliers or employees, or the allegation of improper or discriminatory employment practices, or human rights violations; security at the Company’s operations; breach or compromise of key information technology systems; materially increased or unanticipated reclamation obligations; risks related to mine closure activities; risks related to closed and historical sites; title risk and the potential of undetected encumbrances; risks associated with the structural stability of waste rock dumps or tailings storage facilities; and other risks and uncertainties, including but not limited to those described in the “Risk and Uncertainties” section of the Annual Information Form for the year ended December 31, 2018 and the “Managing Risks” section of the Company’s MD&A for the year ended December 31, 2018, which are available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company’s profile. All of the forward-looking statements made in this document are qualified by these cautionary statements. 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 and readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. 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 forward-looking information is not a guarantee of future performance. 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 document. The Company disclaims any intention or obligation to update or revise forward-looking information or to explain any material difference between such and subsequent actual events, except as required by applicable law.

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

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

# Participants

**Marie Inkster**  
President & CEO

**Jinhee Magie**  
SVP & CFO

**Peter Richardson**  
SVP & COO



First ore mined from Eagle East at end of September 2019

# Q3/19 Summary Results



Candelaria Ball Mill 2 motor replacement

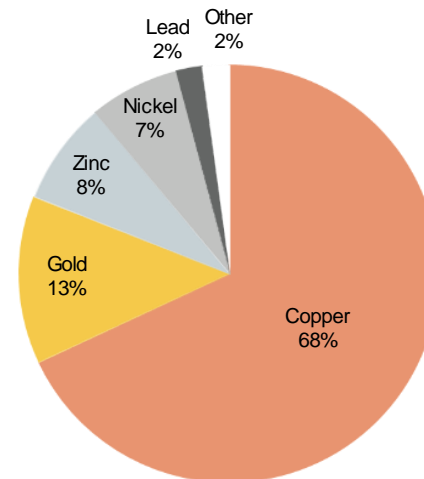
## Production

74,560t of copper  
 58,000oz of gold  
 35,028t of zinc  
 3,232t of nickel  
 7,397t of lead

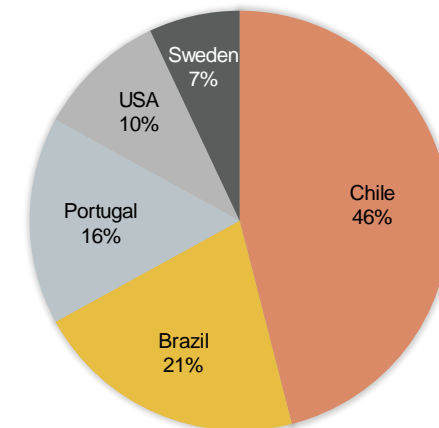
## Payable Sales

71,972t of copper  
 52,000oz of gold  
 27,224t of zinc  
 1,889t of nickel  
 5,476t of lead

## \$539M in Sales by Metal



## Sales by Jurisdiction



# Financial Highlights

<b>Realized Metal Prices<sup>1</sup></b>	<b>Q3/19</b>	<b>Q3/18</b>	<b>Δ</b>
Copper	\$2.52/lb	\$2.57/lb	(2%)
Nickel	\$10.73/lb	\$5.26/lb	104%
Zinc	\$1.02/lb	\$1.06/lb	(4%)

<b>Summarized Financial Results<sup>2</sup></b>	<b>Q3/19</b>	<b>Q3/18</b>	<b>Δ</b>
Revenue	\$539M	\$380M	42%
Gross Profit	\$129M	\$60M	115%
Attributable Net (Loss) Earnings	\$26M	\$7M	271%
	\$0.04/sh	\$0.01/sh	\$0.03/sh
Cash Flow from Operations	\$112M	\$141M	(21%)
Operating Cash Flow (before working capital)	\$155M	\$84M	85%
	\$0.21/sh	\$0.11/sh	\$0.10/sh
Net (Debt) Cash	(\$185M)	\$1,032M	(118%)
Dividends Declared	C\$0.03/sh	C\$0.03/sh	-

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

2. Operating Cash Flow is a non-GAAP measures. Please see Lundin Mining's MD&A for the three months ended September 30, 2019 for discussion on non-GAAP measures.

## Step-Change Increase in Production and Cash Cost Reduction

- 21% copper production increase and 25% cash cost reduction over Q2/19 as copper headgrade increased with more ore sourced from the open pit
- Q3/19 production of 40,700t of copper at cash cost of \$1.39/lb
- YTD production of 107,100t of copper at cash cost of \$1.60/lb
- on-track to achieve 2019 production guidance of 145,000t – 155,000t of copper

## Capital Reinvestment Projects Nearing Completion

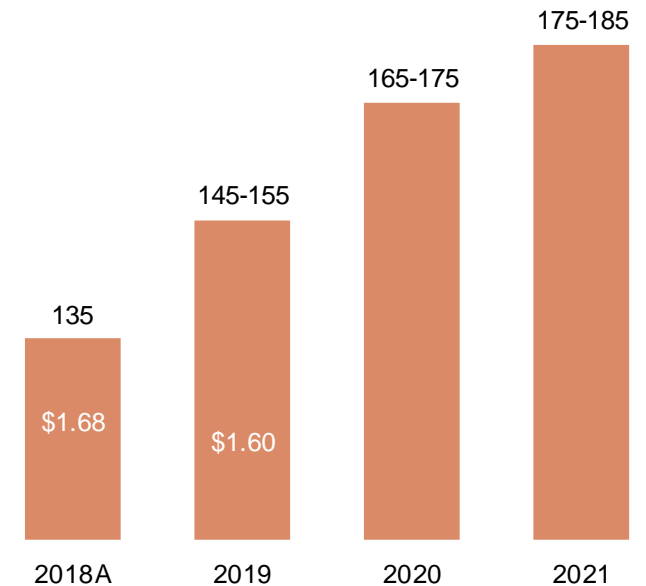
- South Sector underground mine successfully transferred to operations ahead of schedule
- mill optimization project forecast to be complete in early Q1/20
- mine fleet reinvestment 95% complete with 81 of 85 pieces of equipment in service at quarter end



New Candelaria CAT 793F haul trucks

## Copper Production & Cash Cost Outlook

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



Currently 68% of Candelaria's total gold and silver production are subject to a streaming agreement and as such 2019 C1 cash costs guidance is based on receipt of \$408/oz and \$4.08/oz respectively, on the streamed portion of gold and silver sales.

## Strong First Operating Quarter Post-Acquisition

- acquisition closed July 5, 2019. Cash consideration paid was \$757M net of cash acquired and working capital adjustments
- produced 17,645t of copper, 34koz of gold and 81koz of silver. Well positioned to achieve H2/19 production guidance
- cash costs of \$0.35/lb copper were better than expected on lower operating costs, favorable FX rate and higher precious metal credits
- H2/19 cash cost guidance lowered to \$0.80/lb of copper

## Updated Mineral Reserves & Technical Report<sup>1</sup>

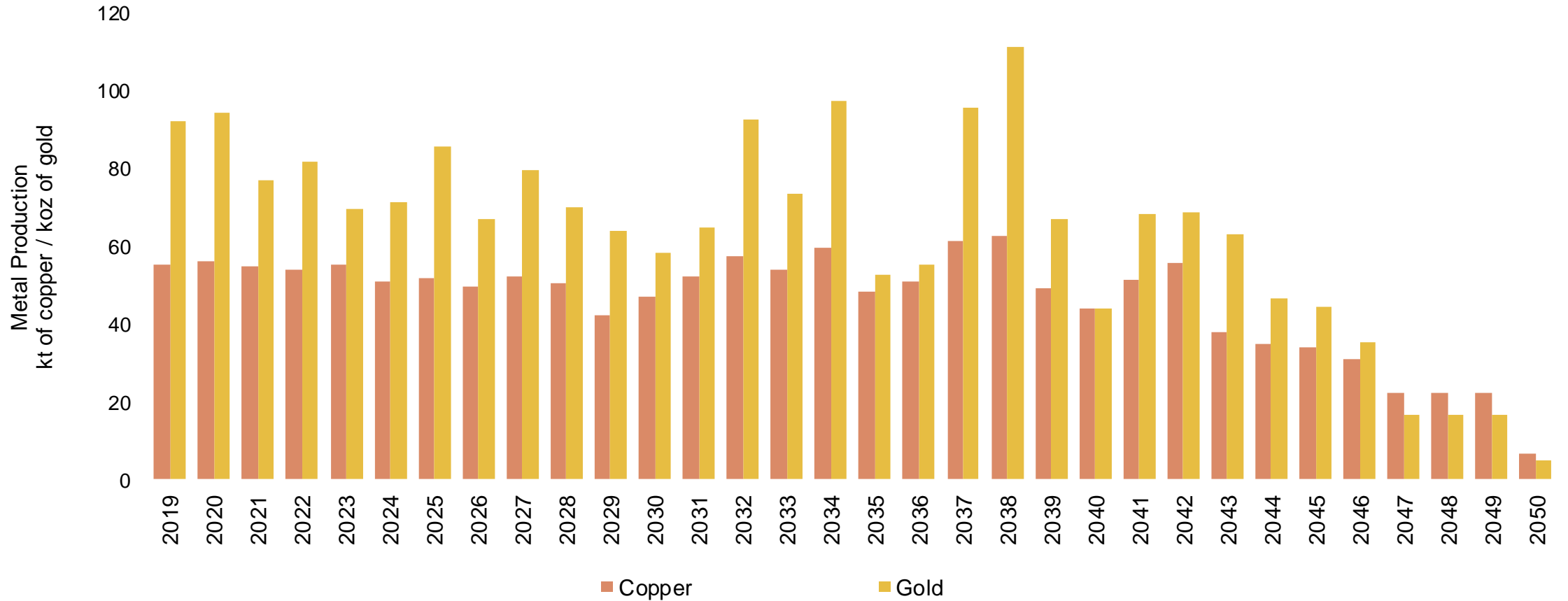
- Mineral Reserves estimated to contain 1,757kt of copper and 4.6Moz gold. Includes new Mineral Reserves from ongoing exploration drilling in both the Sucupira and Baru NE deposits
- significant increase in exploration efforts are underway, largely focused on near-mine targets. Two drill rigs completed 6,960m in the quarter on the Corpo Sul extension
- updated Technical Report based on current 24.0Mtpa throughput
- evaluating options for mine and plant expansion



Chapada processing facilities in center, and Chapada North and Main open pits in in background

1. Refer to Press Release "Lundin Mining Announces 2019 Mineral Resource and Reserve Estimates" dated September 5, 2019 and "Technical Report on the Chapada Mine, Goiás State, Brazil" dated October 10, 2019. See also slide 18.

# Chapada Production Profile<sup>1</sup>



1. Production shown is based on the NI 43-101 Technical Report dated October 10, 2019, available on the Company's website and SEDAR under the Company's profile page. See also slide 18.



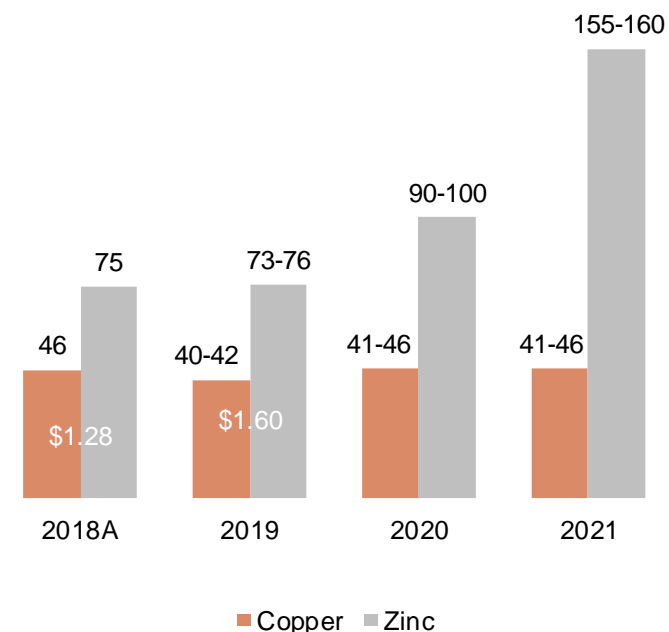
## Strong Mine and Mill Performance

- 25% copper production increase and 15% cash cost reduction over Q2/19 on improved copper recoveries and copper plant throughput
- copper recovery increased on ore characteristics and improving recirculated water quality
- Q3/19 production of 12,055t of copper and 18,232t of zinc at cash cost of \$1.60/lb copper
- on-track to deliver improved copper and zinc production guidance of 40,000 – 42,000t and 73,000 – 76,000t, respectively
- copper cash cost guidance improved to \$1.60/lb, from \$1.70/lb

## Zinc Expansion Project

- advancing in accordance with revised schedule and budget
- phased ramp-up targets commissioning the new SAG mill in Q1/20 with first ore in Q2/20
- underground approximately 70% complete and continuing to achieve planned advance rates
- overall surface progress stood at approximately 43% complete at the quarter end
- preproduction capital cost estimated of \$430M (€360M) including contingency. \$230M (€197M) has been capitalized through Q3/19

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

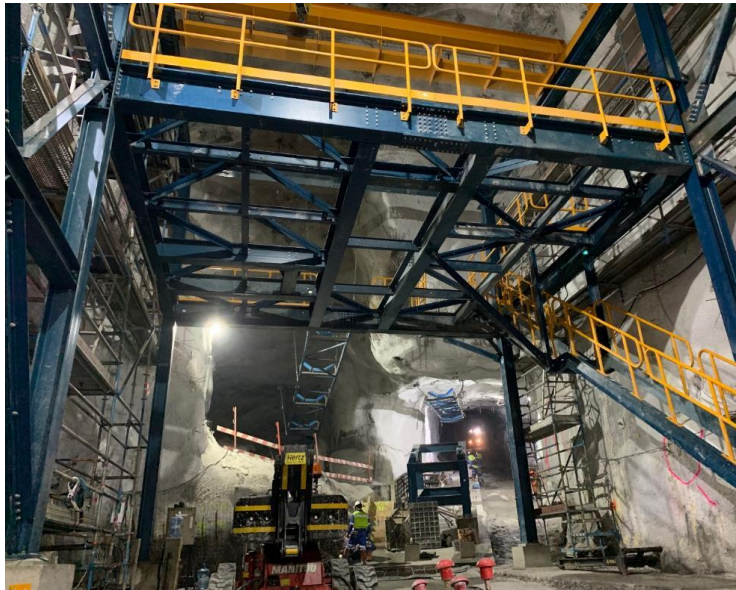


# Neves-Corvo – ZEP

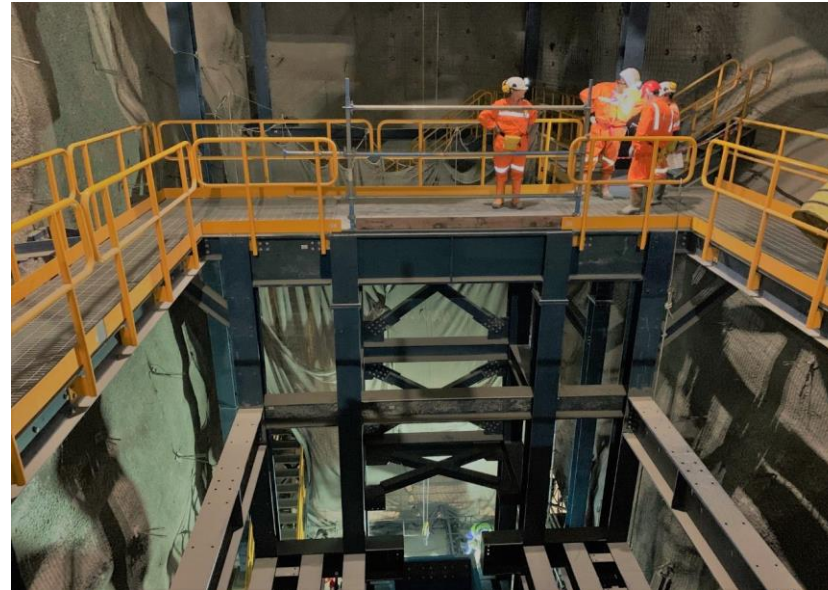
## Underground Construction

- development of lower stopes underway with first sublevel accesses ongoing in lower Lombador orebody
- materials handling civil works progressed well and are nearing completion
- conveyor system mechanical and electrical equipment installations are well advanced
- installation of the underground jaw crusher commenced in October

Underground construction – October 2019



Transfer Tower 2 steel works



Crusher Chamber mechanical equipment installation started



Silo 7 ground support complete

# Neves-Corvo – ZEP

## Surface Construction

work continued with focus on:

- mechanical and electrical installation of materials handling system
- SAG mill trunnion, gear ring and drive system installation complete
- all flotation cells, agitators and pumps in place
- backfill cyclone station installed
- tailings and water supply piping systems
- new zinc filtration building steel erection commenced

Surface construction photos – early October 2019



New flotation building piping installation



Cyclone station in center, new mill building in background



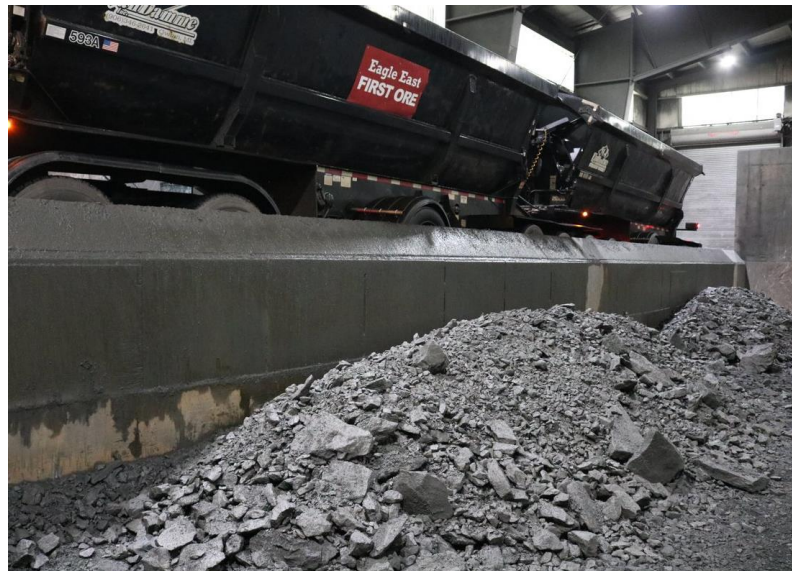
Cyclones area piping installation

## Robust Operating Performance

- produced 3,232t of nickel and 3,042t of copper at cash cost of \$3.25/lb nickel in line with expectations
- gross operating costs were lower than Q2/19 and better than plan, though lower nickel and copper sales volume impacted cash costs
- YTD production of 10,843t of nickel and 10,671t of copper at cash cost of \$2.54/lb nickel
- Well positioned to achieve improved production and \$2.60/lb nickel cash cost guidance

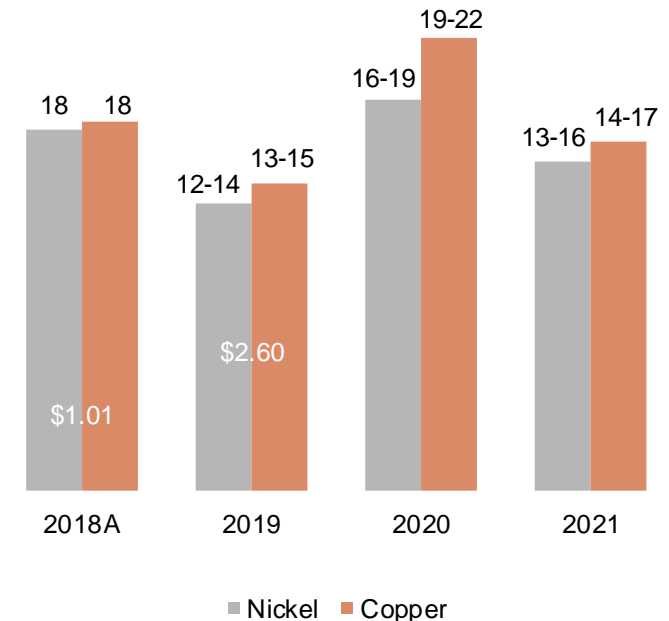
## First Ore from Eagle East

- first ore was reached in late September and processed October 1<sup>st</sup>
- access ramp and vertical development for ventilation and emergency egress systems progressed well
- mine life extended to 2025 on updated Mineral Reserve estimate<sup>1</sup>



First ore from Eagle East at Humboldt Mill

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



1. Refer to Press Release "Lundin Mining Announces 2019 Mineral Resource and Reserve Estimates" dated September 5, 2019. See also slide 18.

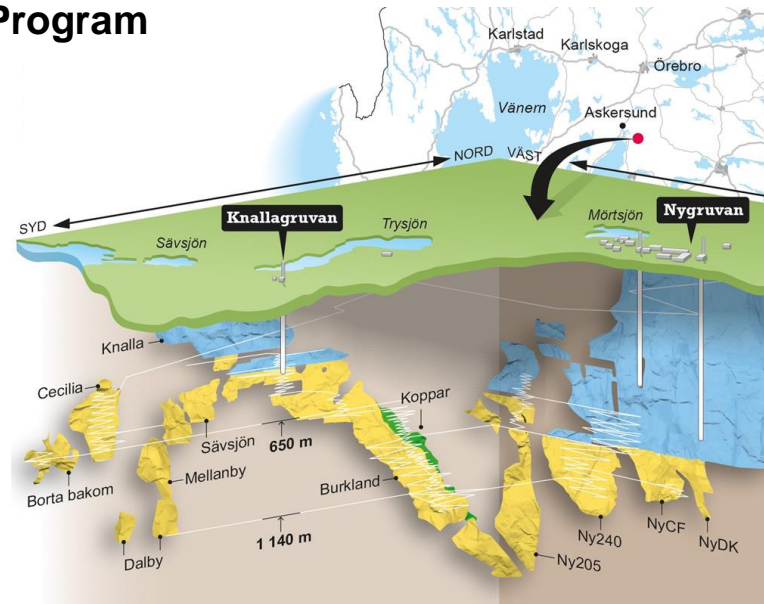
# Zinkgruvan

## On-Track to Deliver Full-Year Guidance

- produced 16,796t of zinc, 6,291t of lead and 1,120t of copper at a cash cost of \$0.42/lb zinc
- improved zinc recovery helped offset lower mill throughput on planned maintenance and mine equipment availability and utilization
- copper production was higher than recent quarters on a combination of higher mill throughput, head grade and recovery

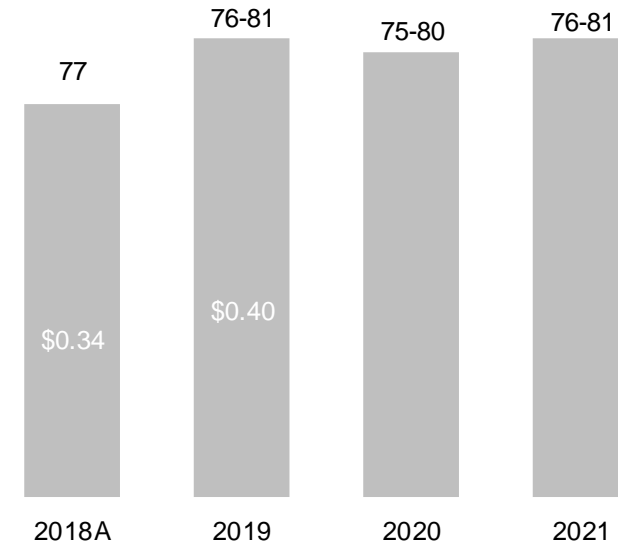
## Rejuvenated Exploration Program

- Exploration continued on Dalby and Flaxen. Also testing extension of Cecilia and Borta Bakom
- over 16,000m drilled in quarter with six surface and three underground rigs
- 2019 \$18M exploration program includes 65,000m of planned drilling with 46,300m drilled YTD



Zinkgruvan Mine Isometric

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



# 2019 Capital & Exploration Expenditure Guidance

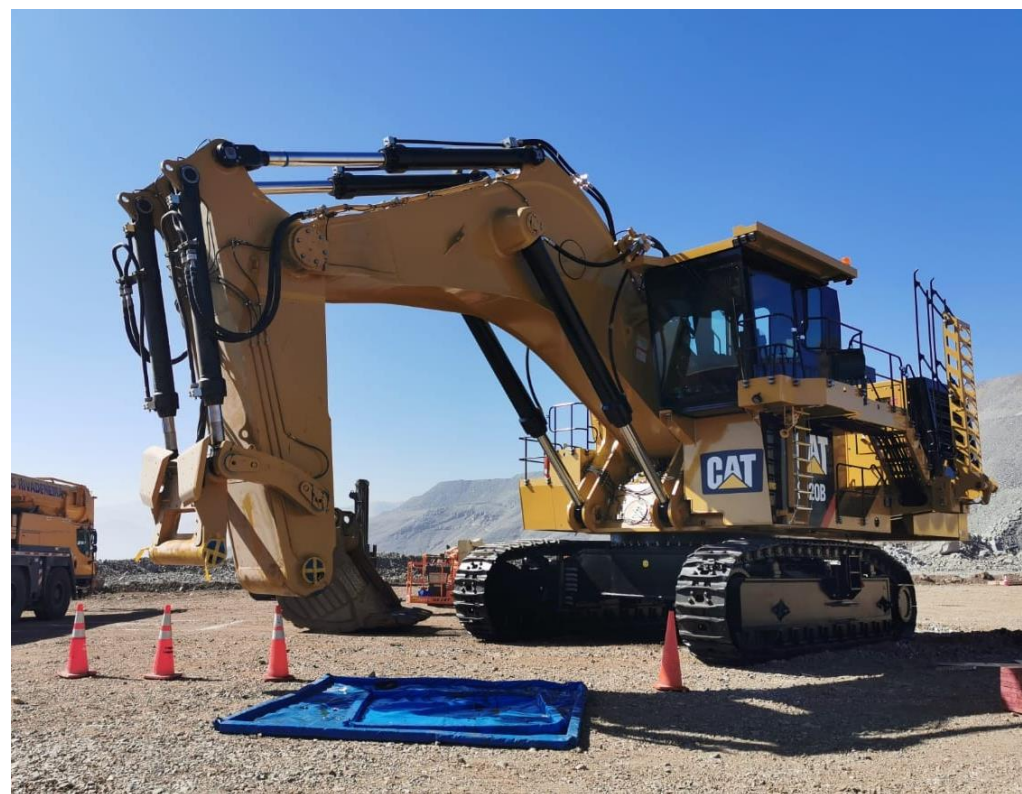
## Capital Expenditures<sup>1</sup>

- previous full-year guidance maintained
- Candelaria and Eagle East investment programs concluding

Candelaria Sustaining (100% basis)	375
Chapada Sustaining	25
Eagle Sustaining	15
Neves-Corvo Sustaining	65
Zinkgruvan Sustaining	45
<b>Total Sustaining</b>	<b>\$525M</b>
Eagle East	30
ZEP (Neves-Corvo)	140
<b>Total Expansionary</b>	<b>\$170M</b>
<b>Total Capital Expenditures<sup>2</sup></b>	<b>\$695M</b>

## Exploration

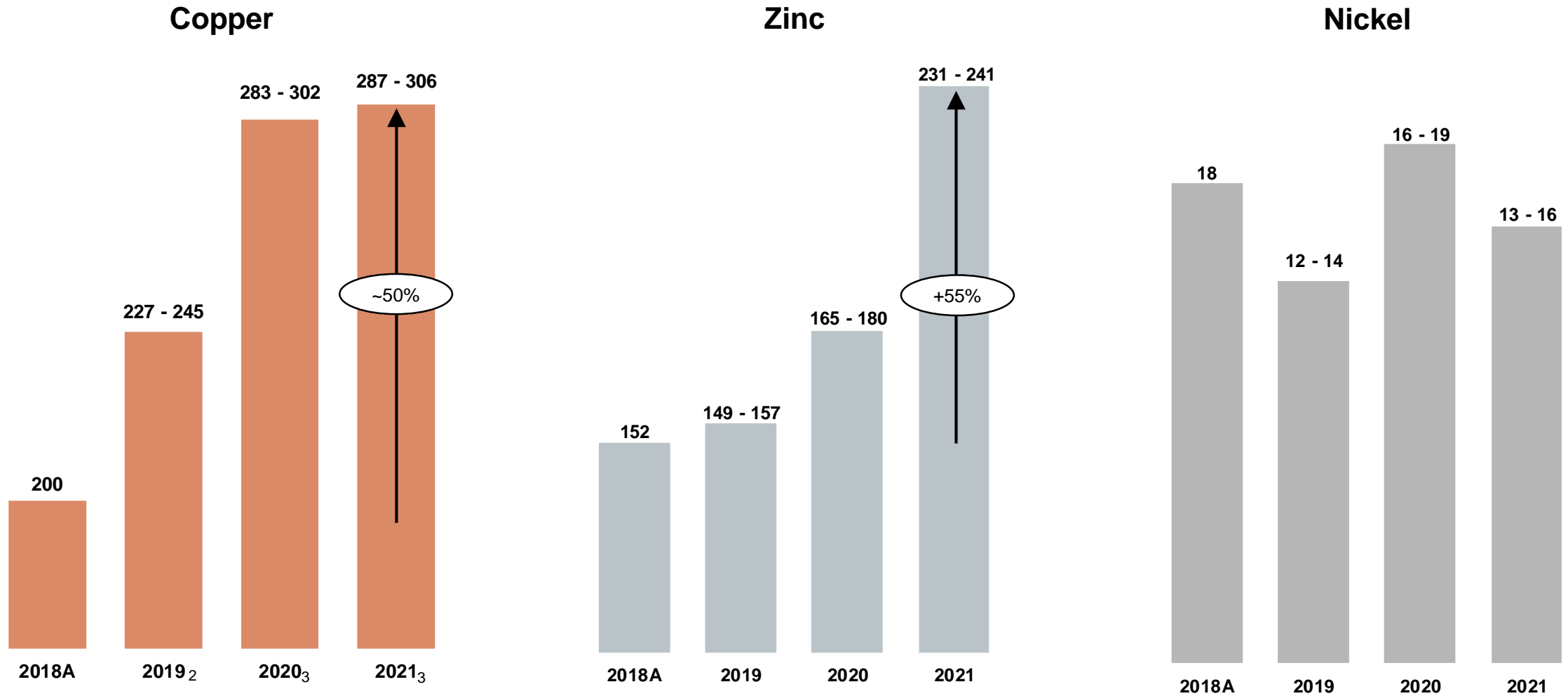
- \$60M to be invested in 2019 in exploration programs, \$10 million lower than previously guided
- reflects the conclusion of the regional drill program at Eagle and reduction of meters at Zinkgruvan



Final new Candelaria CAT 6020 hydraulic shovel assembled in Q3/19

1. During the production phase, waste stripping costs which provide probable future economic benefits and improved access to the orebody are capitalized to mineral properties. The Company capitalizes waste costs when experienced strip ratios are above the average planned strip ratio for each open pit phase under development.  
2. Excludes capitalized interest. Amounts forecast above are on a cash basis and may vary from accrual based estimates.

# Increasing Production Profile<sup>1</sup> (kt)



1. Production profile based on certain estimates and assumptions, including but not limited to; Mineral Resource and Mineral Reserve estimates (see slide 18), geological formations, grade and continuity of deposits and metallurgical characteristics. The 2019-2021 guidance was originally announced by news release on November 28, 2018, with 2020 zinc guidance updated in the Q2/19 MD&A of July 24, 2019, and 2019 guidance updated in the Q3/19 MD&A of October 23, 2019.

2. Reflects half-year attributable production guidance for the Chapada Mine as provided in the Q3/19 MD&A of October 23, 2019.

3. Includes production assumption for the Chapada Mine, for which Lundin Mining has not provided guidance, based on the NI43-101 "Technical Report on the Chapada Mine, Goiás State, Brazil" dated October 10, 2019, copies of which are available on SEDAR under the Company's profile page.

## Our Strategy

Operate, upgrade and grow a base metals 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



**Eagle**  
Nickel-Copper-PGMs in U.S.A.



**Zinkgruvan**  
Zinc-Lead-Copper in Sweden



**Neves-Corvo**  
Copper-Zinc-Lead in Portugal



**Candelaria<sup>1</sup>**  
Copper-Gold-Silver in Chile



**Chapada**  
Copper-Gold in Brazil

1. Lundin Mining holds an 80% interest in Candelaria.

Lundin Mining also holds an indirect 24% equity stake in the Freeport Cobalt Oy business which includes a cobalt refinery located in Kokkola, Finland. The Company's joint venture with Freeport-McMoRan Inc. has entered into a definitive agreement to sell its cobalt refinery and related cobalt cathode precursor business. Please refer to press release "Lundin Mining Announces Sale of Interest in Kokkola Cobalt Refinery" dated May 23, 2019.



# **lundin mining**

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# 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 Resource and Mineral Reserve estimates of the Company are shown on a 100 percent 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. All estimates of the Company are prepared as at June 30, 2019. Estimates for all 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.

Mineral Resources at Candelaria are estimated using metal prices of US\$3.16/lb copper and US\$1,000/oz gold and an exchange rate of USD/CLP 600. Mineral Reserves at Candelaria were estimated using metal prices of US\$2.75/lb copper and US\$900/oz gold and an exchange rate of USD/CLP 600. Mineral Resources at Chapada and Suruca SW copper-gold are estimated using metal prices of US\$4.00/lb copper and US\$1,600/oz gold and an exchange rate of USD/BRL 3.95. For the Suruca gold only Mineral Resource estimates at Chapada a gold price of \$1,500/oz has been used and an exchange rate of USD/BRL 3.50. Mineral Reserves at Chapada were estimated using metal prices of US\$3.00/lb copper and US\$1,250/oz gold and an exchange rate of USD/BRL 3.95. Mineral Resource for Neves-Corvo and Semblana have been estimated using metal prices of US\$2.75/lb copper and US\$1.00/lb zinc and an exchange rate of EUR/USD 1.25. The Semblana Mineral Resource has been reported using the same metal prices and exchange rates as Neves-Corvo. Mineral Resources and Mineral Reserves at Zinkgruvan have been estimated using metal prices of US\$2.75/lb copper, US\$1.00/lb zinc and US\$1.00/lb lead and an exchange rates of USD/SEK 7.00. Mineral Resources and Mineral Reserves at Eagle and Eagle East have been estimated using metal prices of US\$2.75/lb copper and US\$8.00/lb nickel. Refer to the Company’s news release dated September 5, 2019 entitled “Lundin Mining Announces 2019 Mineral Resource and 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 28, 2018.

Chapada: technical report entitled Technical Report on the Chapada Mine, Goiás State, Brazil dated October 10, 2019

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.