

# lundin mining

First Quarter 2020 Results

April 30, 2020

# Cautionary Statements

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

This document contains “forward-looking information” within the meaning of Canadian securities laws. All statements other than statements of historical facts constitute forward-looking information, including but not limited to statements regarding plans, prospects and business strategies; timing and amount of future production; expectations regarding the results of operations and costs; permitting requirements and timelines; timing and possible outcome of pending litigation; the results of economic studies or Mineral Resource and Mineral Reserve estimations, life of mine estimates, and mine and mine closure plans; market prices of metals, currency exchange rates, and interest rates; the ability to comply with permitting or other regulatory requirements; anticipated exploration and development activities; and the integration and benefits of acquisitions. 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 assumptions including, without limitation, the expectations and beliefs of management, including that the Company can access financing, equipment and labour; assumed and future price of metals; anticipated costs; ability to achieve goals; the effective integration of acquisitions; the political environment supporting 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. Such factors include, but are not limited to: volatility in commodity prices; global financial conditions; risks inherent in mining including but not limited to the environment, industrial accidents, catastrophic equipment failures, unexpected geological formations or unstable ground conditions, and natural phenomena; uninsurable risks; equity markets volatility; outbreaks of viruses and infectious diseases (such as COVID-19); negative publicity and reputation risks; reliance on a single asset; fraud and corruption risks; actual ore mined and/or recoveries varying from estimates; risks associated with the estimation of Mineral Resources and Mineral Reserves and the geology, grade and continuity of mineral deposits; ore processing efficiency; foreign country and emerging markets risks; security; taxation regimes; health and safety risks; exploration, development or mining results not being consistent with expectations; infrastructure risks; counterparty and credit risks and customer concentration; environmental regulation risks; exchange rate fluctuations; stakeholder opposition; civil disruption; labour disputes or difficulties; interruptions in production; uncertain political and economic environments; litigation; regulatory investigations, enforcement and/or sanctions; structural stability of waste rock dumps or tailings storage facilities risks; changes in laws or policies; climate change; cybersecurity risks; estimates of future production, operations, capital and operating cash and all-in sustaining costs; permitting risks; compliance with laws; mine closure risks; challenges to title; the price/availability of supplies or services; liquidity risks and limited financial resources; the estimation of asset carrying values; risks relating to dividends; and other risks and uncertainties, including but not limited to those described in the “Risk and Uncertainties” section of the Annual Information Form and the “Managing Risks” section of the Company’s MD&A for the year ended December 31, 2019, 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 adjusted earnings, adjusted loss, EBITDA, net cash, net debt, adjusted 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



Across Lundin Mining we continue to identify and implement measures to protect and ensure the needs of our workforce and communities are being addressed.

# Q1/20 Summary Results



Construction of new 1140 level service area in Zinkgruvan mine

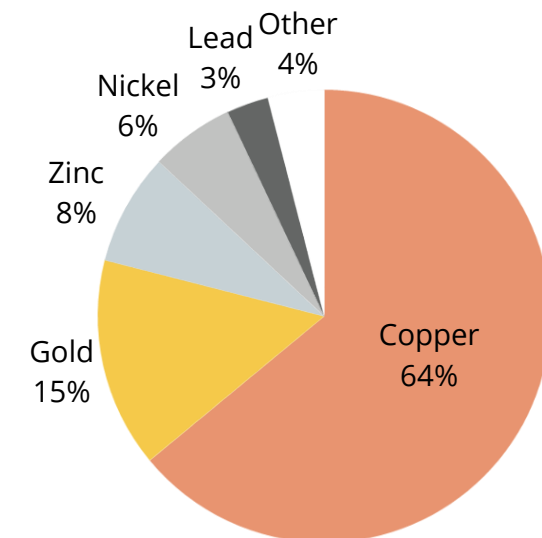
## Production

62,167 t of copper  
36,947 t of zinc  
38,000 oz of gold  
3,575 t of nickel  
9,481 t of lead

## Payable Sales

61,923 t of copper  
29,348 t of zinc  
39,000 oz of gold  
2,809 t of nickel  
7,322 t of lead

## \$378M in Sales by Metal



# Financial Highlights

<b>Realized Metal Prices<sup>1</sup></b>	<b>Q1/20</b>	<b>Q1/19</b>	<b>Δ</b>
Copper	\$1.95/lb	\$3.11/lb	(37%)
Gold	\$1,644/oz	\$1,133/oz	45%
Nickel	\$3.83/lb	\$8.37/lb	(54%)
Zinc	\$0.78/lb	\$1.38/lb	(43%)
<b>Summary Financial Results<sup>2</sup></b>	<b>Q1/20</b>	<b>Q1/19</b>	<b>Δ</b>
Revenue	\$378M	\$416M	(9%)
Gross (Loss) Profit	(\$23M)	\$141M	(116%)
Attributable Net (Loss) Earnings	(\$112M) (\$0.15/sh)	\$52M \$0.07/sh	(315%) (\$0.22/sh)
Adjusted (Loss) Earnings	(\$41M) (\$0.06/sh)	\$63M \$0.09/sh	(165%) (\$0.15/sh)
Adjusted EBITDA	\$90M	\$177M	(49%)
Cash Flow from Operations	\$83M	\$62M	34%
Adjusted Operating Cash Flow	\$0.04/sh	\$0.19/sh	(\$0.15/sh)
Net (Debt) Cash	(\$118M)	\$659M	(\$777M)
Dividends Declared	C\$0.04/sh	C\$0.03/sh	\$0.01/sh

1. LUN average realized price, including impact of provisional price adjustments. Realized price for copper is inclusive of the impact of streaming agreements.

2. Adjusted Net Earnings, Adjusted EBITDA, Adjusted Operating Cash Flow and Net (Debt) Cash are non-GAAP measures. Please see Lundin Mining's MD&A for the three months ended March 31, 2020 for discussion on non-GAAP measures.

## Increasing Production Profile

- Q1/20 production of 36,297 t of copper and approximately 21,000 oz of gold
- production impacted by ore hardness and available operational hours of SAG mills
- replacement of fourth ball mill motor under CMOP deferred until H2/20
- widened full year copper production guidance range and lowered gold modestly
- \$1.31/lb cash cost of copper benefited from favourable exchange rate<sup>3</sup>
- full year cash cost guidance improved to \$1.35/lb of copper from \$1.45/lb

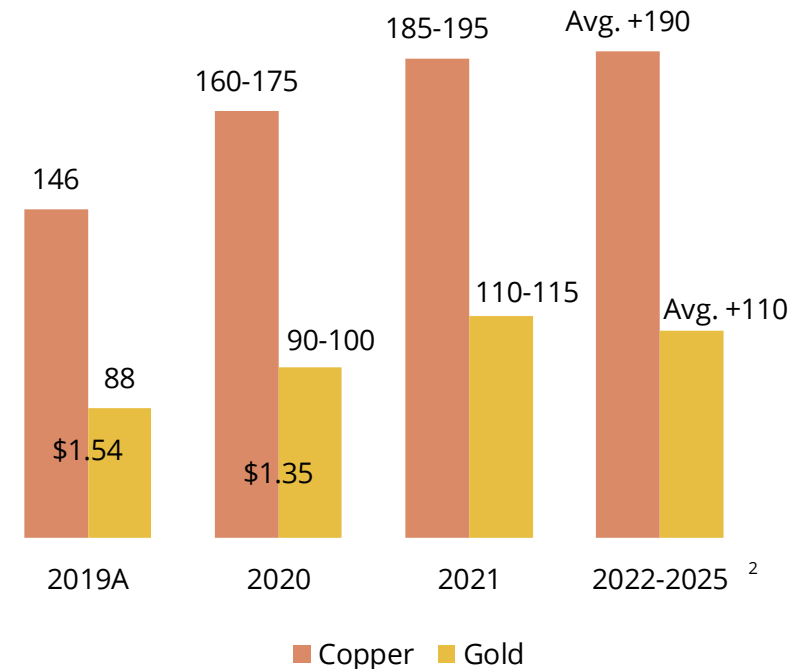
## Reduced Capital & Exploration Expenditures

- 2020 sustaining capital expenditure guidance reduced to \$230M, from \$265M
- Q1/20 sustaining capital expenditures of \$77M
- exploration expenditure guidance lowered to \$15M, from \$20M
- exploration deferral does not impact long mine life
- over 50,000 m drilling planned



Some of the measures implemented at Candelaria to protect our workers health and safety (as at April 24, 2020)

## Copper, Gold Production & Cash Cost<sup>1</sup> Outlook (100% basis; kt Cu, koz Au & \$/lb Cu, net of by-product credits)



1. Currently, 68% of Candelaria's total gold and silver production are subject to a streaming agreement and as such C1 cash costs guidance is based on receipt of \$412/oz and \$4.12/oz, respectively, in 2020 on the streamed portion of gold and silver sales.
2. Average 2022-2025 production is based on the NI 43-101 Technical Reports dated November 28, 2018 which is available on SEDAR under the Company's profile page. See also slide 17.
3. Q1/20 average USD/CLP: 802 compared to assumption of 675 in previous guidance. Assumption revised to USD/CLP: 850 in cash cost guidance announced by news release on April 29, 2020.

## Robust Mine and Mill Performance

- Q1/20 production of 11,881 t of copper and approximately 18,000 oz of gold
- above plan mill throughput offset modestly below plan copper grade and recovery
- lower than planned gold recovery; showing improvements in Q2
- copper cash cost of \$0.92/lb benefited from favourable exchange rate<sup>3</sup> and gold price
- on-track to achieve full year copper production guidance. Gold production guidance reduced to reflect Q1/20 results
- full year cash cost guidance improved to \$0.85/lb of copper from \$1.15/lb

## Reduced Capital & Focused Exploration Expenditures

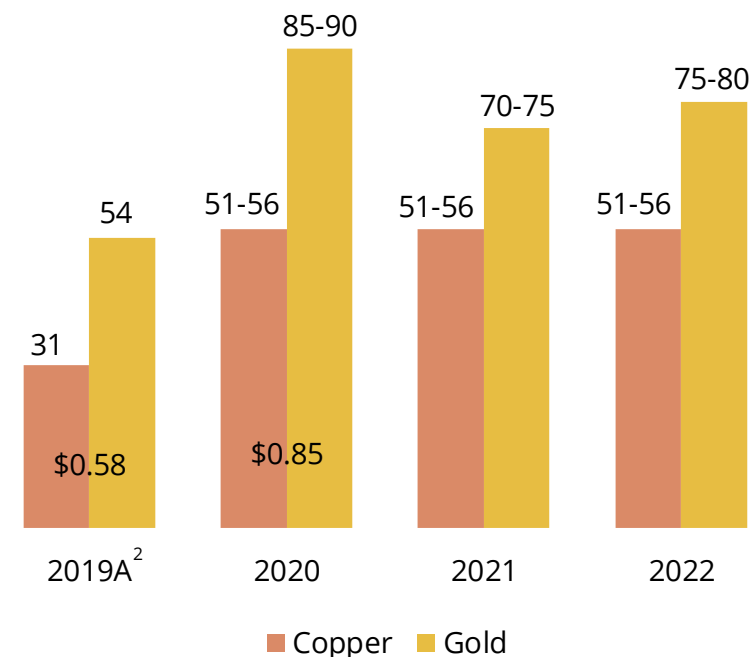
- 2020 sustaining capital expenditure guidance reduced to \$40M, from \$60M, reflecting deferrals of small projects and reduction in capital stripping
- Q1/20 sustaining capital expenditures of \$3.7M
- exploration expenditure guidance lowered to \$7M, from \$10M
- over 40,000 m drilling planned
- expansion studies ongoing



Chapada providing locally sourced food baskets, hygiene products and educational games to local communities.

## Copper, Gold Production & Cash Cost<sup>1</sup> Outlook

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



1. Chapada cash costs are calculated on a by-product basis and do not include the effects of its copper stream agreements. Effects of the copper stream agreements are reflected in copper revenue and will impact realized price per pound.  
 2. 2019 production based on period of Lundin Mining's ownership post closing of acquisition on July 5, 2019 (approximately half year).  
 3. Q1/20 average USD/BRL: 4.46 and \$1,583/oz gold compared to assumptions of 3.75 and \$1,350/oz, respectively, in previous guidance. Assumptions revised to USD/BRL: 4.75 and \$1,500/oz gold in guidance announced by news release on April 29, 2020.

## Focused on Current Operations

- Q1/20 production of 9,075 t of copper, 17,948 t of zinc and 1,468 t of lead
- copper production impacted primarily by headgrade; zinc production in-line with plan
- operating costs were better than plan, however, copper cash costs of \$2.24/lb were impacted by production levels and by-product zinc pricing
- full year copper production guidance has been lowered reflecting Q1 results
- zinc guidance revised to reflect production from current operation only following temporary suspension of the ZEP
- Copper cash cost guidance has been revised to \$2.10/lb reflecting reduced zinc by-product production and lower pricing

## Reduced ZEP and Sustaining Capital & Exploration Expenditures

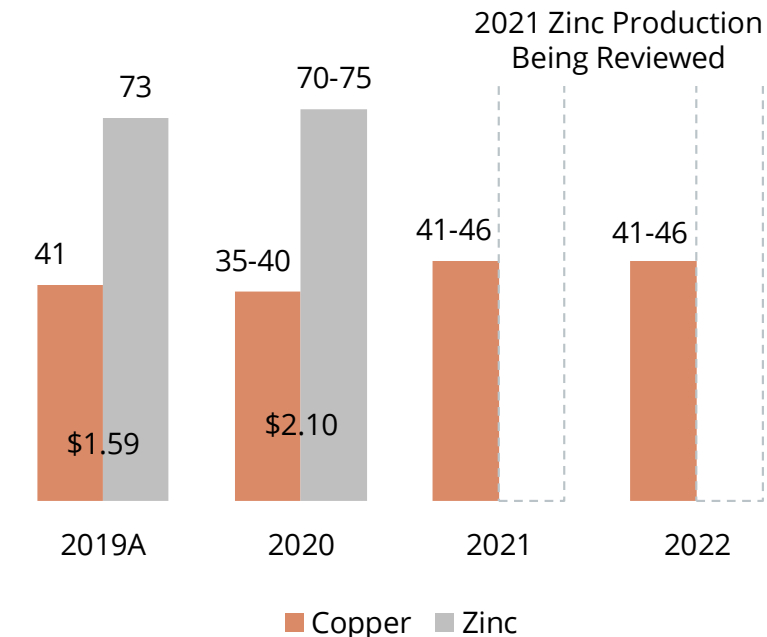
- 2020 total capital expenditure guidance reduced to \$110M, from \$230M
- majority of reduction (\$100M) reflects temporary suspension of the ZEP
- Q1/20 total capital expenditures of \$47M
- exploration expenditure guidance lowered to \$2M, from \$7M



Neves-Corvo donation of 360 protective masks and disposable suits to the Local Health Unit of Baixo Alentejo and the University Hospital Center of Algarve.

## Copper, Zinc Production & Cash Cost Outlook

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





## Underground & Surface Construction

- excellent progress prior to temporary suspension; Surface construction recorded highest monthly progress rates
- underground 88% progress with civil and mechanical works largely complete. Development of lower stopes advancing as planned with first two sublevel accesses continuing
- surface construction was nearly 80% complete at quarter end with materials handling and SAG aspects more than 98% complete
- mechanical, electrical, instrumentation and pre-commissioning work advanced as planned for flotation circuits, dewatering circuit, backfill cyclone station, tailings and water supply piping systems, and new paste fill tailings thickener
- demobilization of construction contractors and owner's teams completed in March

Underground construction – Q1/20



Transfer tower #2



Crusher chamber

Surface construction – Q1/20



SAG mill commissioning work



Flotation building piping

## Consistent Mine & Mill Operating Performance

- Q1/20 production of 3,575 t of nickel and 4,378 t of copper
- nickel headgrade impacted by mine resequencing in Eagle East ; copper production above plan
- nickel cash cost of \$1.43/lb in-line with plan despite lower by-product copper price
- full year production guidance for nickel and copper maintained, as well as nickel cash cost of \$1.00/lb despite lower by-product copper price assumption
- 2020 nickel production to increase more than 3,000 t (22%) over 2019, at reduced cash costs, as higher-grade Eagle East ore contributes to the mill feed
- copper production expected to increase more than 2,200 t (15%) in 2020

## Eagle East Development Concludes Successfully

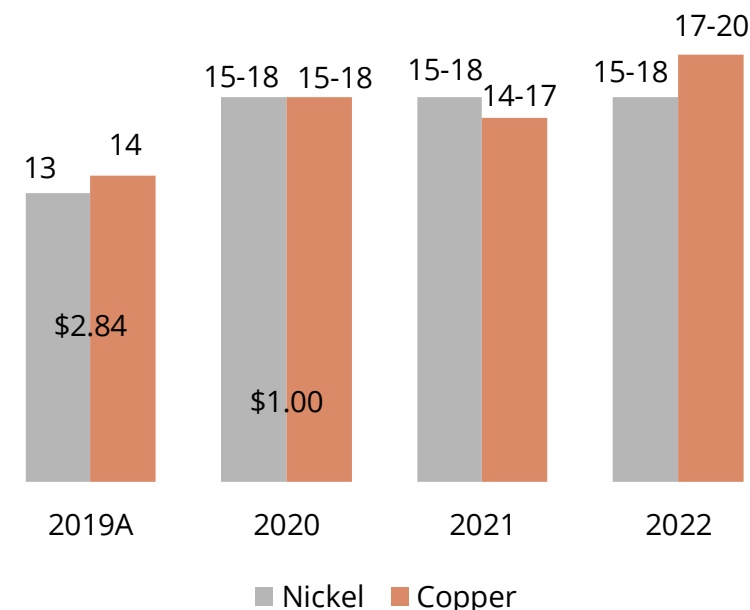
- Eagle East project development completed in Q1/20
- project completed one quarter ahead of original schedule and 13% below original budget
- 2020 sustaining capital expenditure guidance unchanged at \$15M



Eagle's donation of US\$10,000 to the [COVID-19 Community Response Fund](#) will help supply household necessities, food, sanitizing and caregiving supplies to organizations supporting individuals and families in Marquette County.

## Nickel, Copper Production & Cash Cost Outlook

(kt & \$/lb Ni, net of by-product credits)



## Strong Mine and Mill Throughput Performance

- Q1/20 production of 18,999 t of zinc, 8,013 t of lead and 536 t of copper at cash cost of \$0.51/lb of zinc
- excellent mine and mill throughput performance continued through Q1/20; zinc production was impacted by head grade
- mine sequence change has deferred production from some high-grade stopes to later in the year
- zinc production guidance revised to 72,000 – 77,000 and zinc cash cost guidance revised to \$0.60/lb to reflect Q1/20 results. Copper production guidance unchanged
- No impact to production guidance from Q2/20 contractor haul truck fire



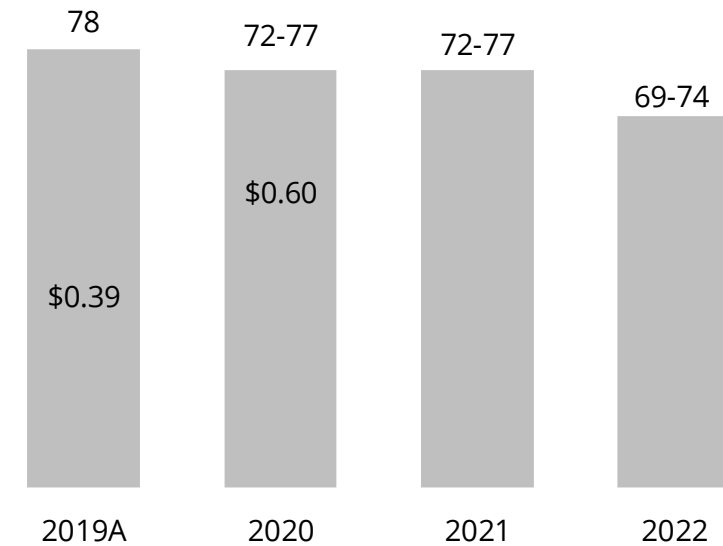
Monika Andersson, Communications Manager, displays one of 400 escape hoods with respiratory filters donated to the University hospital in Örebro.

## Reduced Capital & Exploration Expenditures

- 2020 sustaining capital expenditure guidance reduced to \$45M, from \$50M, reflecting deferral of mobile equipment
- exploration expenditure guidance lowered to \$7M, from \$15M
- approximately 17,000 m drilling planned

## Zinc Production & Cash Cost Outlook

(kt & \$/lb Zn, net of by-product credits)



# Production and Cash Cost Guidance<sup>1</sup>

		Production (contained metal in concentrate)	C1 Cash Cost <sup>2</sup>	
<b>Copper (t)</b>	Candelaria (100%)	160,000 - 175,000	\$1.35 <sup>3</sup>	<ul style="list-style-type: none"> <li>Candelaria copper production guidance range widened and cash cost guidance improved</li> <li>Chapada cash cost guidance improved</li> <li>Neves-Corvo copper production guidance reduced reflecting Q1/20 and cash cost guidance increased</li> </ul>
	Chapada	51,000 - 56,000	\$0.85 <sup>4</sup>	
	Eagle	15,000 - 18,000		
	Neves-Corvo	35,000 - 40,000	\$2.10 <sup>3</sup>	
	Zinkgruvan	3,000 - 4,000		
	<b>Total</b>	<b>264,000 - 293,000</b>		
<b>Zinc (t)</b>	Neves-Corvo	70,000 - 75,000		<ul style="list-style-type: none"> <li>Neves-Corvo guidance lowered to reflect current capacity without ZEP production</li> <li>Zinkgruvan zinc production guidance reduced and cash cost guidance increased to reflect lower average grades expected</li> </ul>
	Zinkgruvan	72,000 - 77,000	\$0.60 <sup>3</sup>	
	<b>Total</b>	<b>142,000 - 152,000</b>		
<b>Gold (oz)</b>	Candelaria (100%)	90,000 - 100,000		<ul style="list-style-type: none"> <li>Candelaria and Chapada gold production reduced modestly</li> </ul>
	Chapada	85,000 - 90,000		
	<b>Total</b>	<b>175,000 - 190,000</b>		
<b>Nickel (t)</b>	Eagle	15,000 - 18,000	\$1.00	<ul style="list-style-type: none"> <li>Eagle production and cash cost guidance unchanged</li> </ul>
	<b>Total</b>	<b>15,000 - 18,000</b>		

1. Guidance as outlined in the Management's Discussion and Analysis for the quarter ended March 31, 2020 and as announced by news release on April 29, 2020.

2. Cash costs are based on various assumptions and estimates, including but not limited to: production volumes, as noted above, commodity prices (Cu: \$2.25/lb, Zn: \$0.85/lb, Ni: \$5.00/lb, Pb: \$0.75/lb, Au: \$1,500/oz), foreign exchange rates (€/USD:1.10, USD/SEK:9.50, USD/CLP:850, USD/BRL:4.75) and operating costs.

3. 68% of Candelaria's total gold and silver production are subject to a streaming agreement and as such cash costs are calculated based on receipt of \$412/oz and \$4.12/oz respectively, on gold and silver sales in the year. Silver production at Zinkgruvan and Neves-Corvo are also subject to streaming agreements, and cash costs are calculated based on approximately \$4.40/oz and \$4.30/oz.

4. Chapada cash costs are calculated on a by-product basis and do not include the effects of its copper stream agreements. Effects of the copper stream agreements are reflected in copper revenue and will impact realized revenue per pound.

# Capital & Exploration Expenditure

## 30% Reduction in Capital Expenditure Guidance

- 2020 guidance lowered by \$180M from \$620M to \$440M
- ZEP 2020 capital expenditure guidance reduced by \$100M to \$55M with project construction temporarily suspended. \$31M capitalized on project in Q1/20
- sustaining capital expenditure guidance reduced by \$80M in response to low metal price environment

### Sustaining Capital

Candelaria (100% basis)	230
Chapada	40
Eagle	15
Neves-Corvo	55
Zinkgruvan	45
<b>Total Sustaining</b>	<b>385</b>
<b>ZEP (Neves-Corvo)</b>	<b>55</b>
<b>Total Capital Expenditures<sup>1,2</sup></b>	<b>\$440M</b>

## 36% Reduction in Exploration Expenditure Guidance

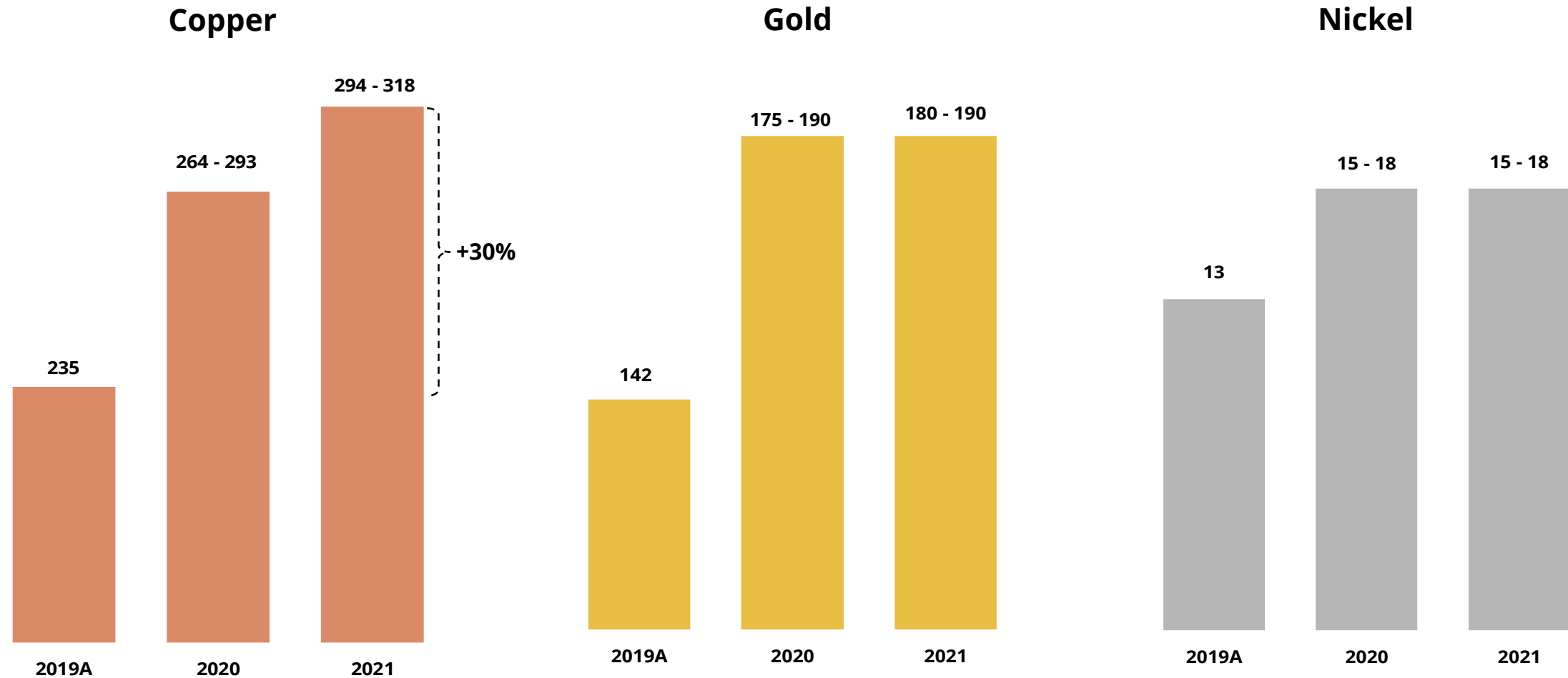
- 2020 exploration guidance lowered by \$20M from \$55M to \$35M
- reduction includes deferred drilling, drift and geophysical surveys
- over 110,000 m of drilling remains in plan with focus on in and near-mine targets



New Zinkgruvan core shed completed in Q4/19

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)



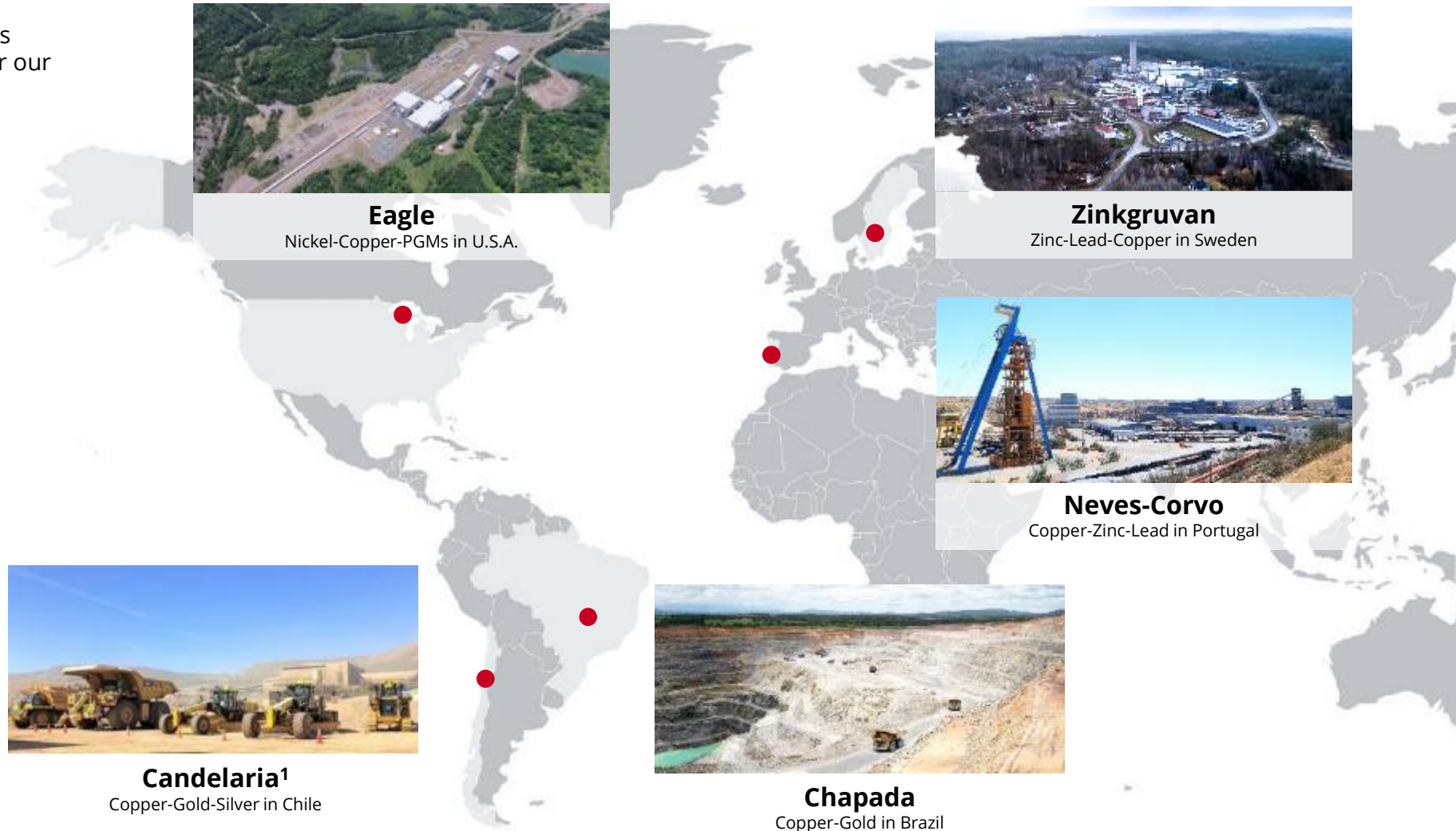
1. Production profile based on certain estimates and assumptions, including but not limited to; Mineral Resource and Mineral Reserve estimates geological formations, grade and continuity of deposits and metallurgical characteristics. The 2020-2021 guidance was announced by news release on November 26, 2019, with 2020 guidance subsequently revised by news release on April 29, 2020. The 2019 production results were announced in the press release dated January 22, 2020. Copper production for 2019 reflects attributable production for the Chapada Mine under Lundin Mining ownership.

2. Gold production guidance for Candelaria is 90-100 koz in 2020 and 110-115 koz in 2021, on a 100% basis. Currently, 68% of Candelaria's total gold and silver production are subject to a streaming agreement. Gold production guidance for Chapada is 85-90 koz in 2020 and 70-75 koz in 2021. Chapada's gold production is unencumbered.

## 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 while increasing direct shareholder returns



1. Lundin Mining holds an 80% interest in Candelaria

**lundin mining**



# 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.