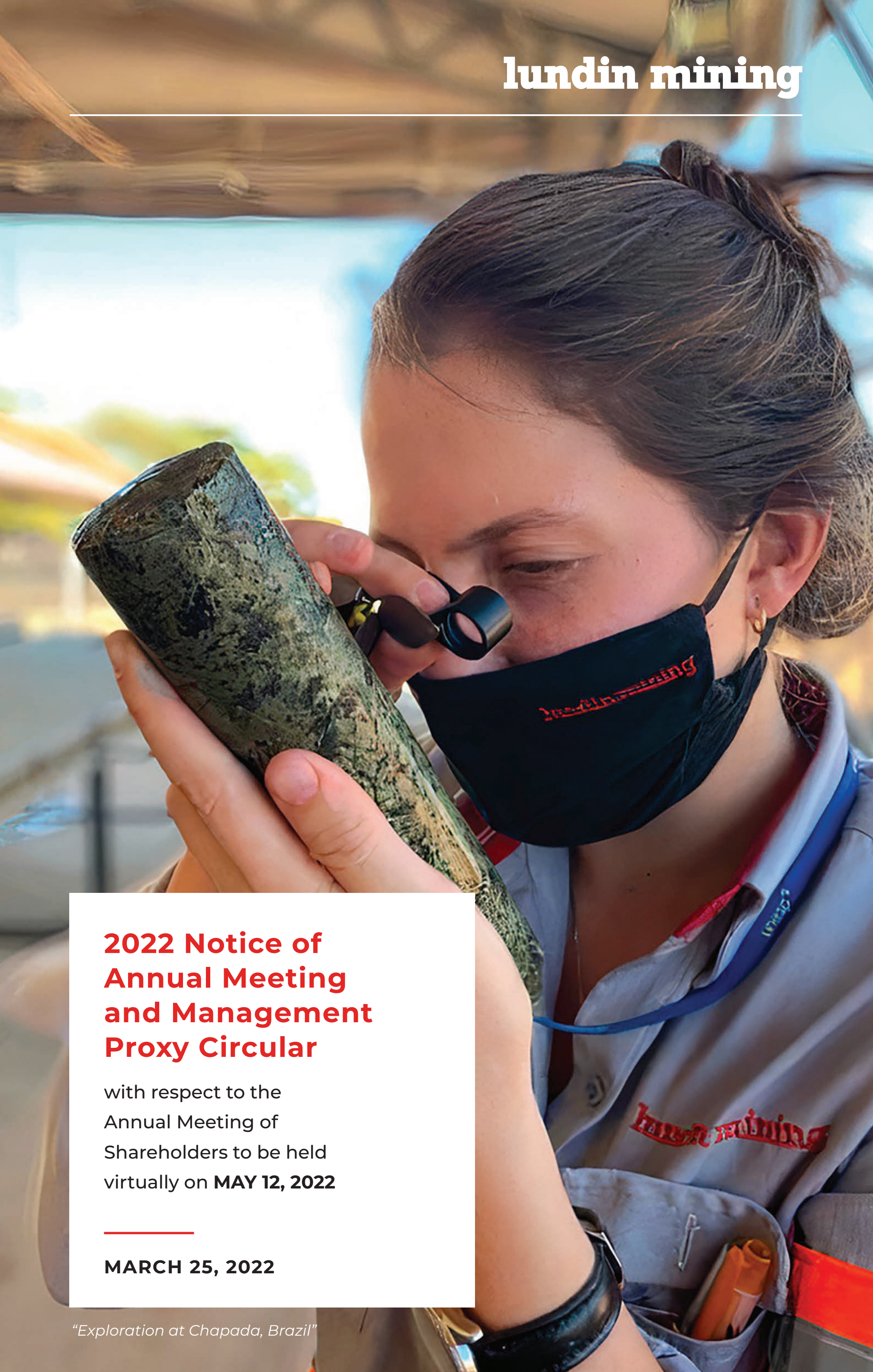
lundin mining



2022 Notice of Annual Meeting and Management Proxy Circular

with respect to the Annual Meeting of Shareholders to be held virtually on **MAY 12, 2022**

MARCH 25, 2022

"Exploration at Chapada, Brazil"

Notice of Annual Meeting of Shareholders and Availability of Proxy Materials

You are invited to the Annual Meeting of the shareholders (the "Meeting") of **LUNDIN MINING CORPORATION** ("we", the "Corporation" or "Company" or "Lundin Mining"). The Meeting will be held:

When	Time	Where
Thursday May 12, 2022	**10:00 a.m.** (Toronto time)	virtual-only shareholders Meeting via live audio webcast online at www.virtualshareholdermeeting.com/LUN2022

We are using "Notice and Access" to provide you with easy electronic access to our Management Proxy Circular (the "Circular"), other meeting materials and with copies of our audited consolidated financial statements for the year ended December 31, 2021 and the auditor's report thereon together with the associated management's discussion and analysis (our "2021 Annual Financial Statements" or "2021 Annual Report"), rather than mailing paper copies. This electronic delivery system is environmentally friendly and saves money.

The purpose of the Meeting is:

- To receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2021 and the report of the auditors thereon
- To elect the directors for the ensuing year
- To appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants as auditors of the Corporation for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the auditors
- To provide shareholders with an advisory vote on Executive Compensation
- To transact such further and other business as may properly be brought before the Meeting or any adjournment or postponement thereof

The Circular provides additional information relating to the above items for consideration at the Meeting under the heading "Business of the Meeting" beginning on page 13.

Why a Virtual-Only Meeting

The ongoing impact of the COVID-19 pandemic and the potential for changes in public health guidelines and restrictions respecting large group gatherings make it unclear as to whether it will be safe or permissible for the Meeting to be held in person this year. Therefore, to ensure the health and safety of the employees, shareholders and representatives of the Corporation, we have made arrangements to enable shareholders and proxyholders to attend and vote virtually at this year's Meeting.

How Can I Access the Virtual-Only Shareholders Meeting?

Registered shareholders as of March 25, 2022 and duly appointed proxyholders (including beneficial shareholders who have appointed themselves as proxyholder) will be able to participate in the Meeting, submit questions and vote, all in real time, by connecting to the meeting via the internet to www.virtualshareholdermeeting.com/LUN2022 using a web browser that is running the most updated version of the applicable software plugins. Beneficial shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting and ask questions. Guests may attend the Meeting but will not be able to vote or ask questions at the Meeting.

Any shareholder that wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including a beneficial shareholder who wishes to appoint themselves to attend and vote at the Meeting) must carefully follow the instructions in the Circular and on the form of proxy or voting instruction form. These instructions must be followed closely as the steps for appointing a proxyholder are different than for in-person meetings.

Detailed information on how shareholders can participate in and vote at the Meeting is available starting on page 6 of the Circular.

It is important to note that shareholders will not be able to attend this year's Meeting in person. Shareholders participating in the virtual shareholder Meeting must remain connected to the internet during the Meeting in order to vote when balloting commences. It is the shareholders' responsibility to ensure internet connectivity for the duration of the Meeting. You are encouraged to vote in advance to ensure your vote is counted at the Meeting.

How Do I Vote My Shares in Advance?

You may vote in advance by proxy in any of the following ways. You will need the 16-digit control number contained in the accompanying form of proxy or voting instruction form in order to vote in advance or to appoint a proxyholder (including beneficial shareholders wishing to appoint themselves as proxyholder to attend and vote at the Meeting).

Telephone Voting	Internet Voting	Mail-in Voting
Vote by calling the toll-free number shown on the form of proxy or voting instruction form	Vote online at www.proxyvote.com or scan the QR Code on the form of proxy or voting instruction form to access the website	Complete the form of proxy or voting instruction form and return it in the envelope provided

To be valid, your vote or proxy appointment must be received by Broadridge Financial Solutions Inc., by no later than 4:00 p.m. (Toronto time) on May 10, 2022, or, if the Meeting is adjourned or postponed, not less than 48 hours prior to the date of the reconvened Meeting. Non-registered shareholders should return their voting instruction forms to their intermediary using one of the above methods by the date specified in their voting instruction form, and in any case at least one business day in advance of the proxy deadline. The Corporation reserves the right to accept late proxies and to waive the proxy deadline, with or without notice, but is under no obligation to accept or reject any late proxy.

How Do I Get an Electronic Copy of the Circular?

Electronic copies of the Circular and our 2021 Annual Report may be accessed online on the Corporation's website at https://www.lundinmining.com/investors/corporate-filings or under the Corporation's profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. You can also access our 2021 Extractive Sector Transparency Measures Act annual report online on the Corporation's website as indicated above.

How Do I Get a Paper Copy of the Circular?

In addition to being able to instantly view or print the Circular and/or our 2021 Annual Report online at our website, shareholders can request that a paper copy of the documents be sent by regular postal delivery, free of charge. Requests may be made at www.proxyvote.com, or by phone at 1-877-907-7643 by entering the 16-digit control number from your form of proxy or voting instruction form. If the 16-digit control number is not available, shareholders can request a paper copy at 1-844-916-0609 (English), 1-844-973-0593 (French) or outside of North America at 1-303-562-9305 (English), 1-303-562-9306 (French).

To receive the Meeting materials prior to the proxy deadline for the Meeting, you should make your request before 10:00 a.m. (Toronto time) on April 27, 2022. For requests received on or after the date of the Meeting, please call 416-342-5121 and a paper copy will be mailed to you within 10 calendar days after receiving your request. The Meeting materials will also remain available at https://www.lundinmining.com/investors/corporate-filings/ for a period of at least one year after SEDAR filing.

This notice is not a ballot or form of proxy. You cannot use this notice to vote your shares. This communication presents only an overview of the more complete proxy materials that are available to you in the Circular and on the internet.

We strongly encourage you to review the Circular and to vote well in advance of the Meeting. If you have any questions concerning Notice and Access, please call 1-844-916-0609 (English) or 1-844-973-0593 (French). The contents of the Circular and the sending thereof to the shareholders have been approved by the Corporation's board of directors.

DATED at Toronto, Ontario this 25th day of March 2022.

BY ORDER OF THE BOARD OF DIRECTORS

Annie Laurenson
Director, Governance and Corporate Secretary

Table of Contents

Letter to Shareholders

We are pleased to present this Management Proxy Circular which speaks in detail to the year's operational, financial, health, safety, and environmental performance compared to our targets.

In a year that brought pandemic, political and operational challenges, we demonstrated our ability to execute on our Mission when guided by our core values of Safety, Respect, Integrity and Excellence.

Lundin Mining took advantage of strong base metals prices, delivering record financial results, cash generation and substantially increased dividend returns in 2021. Further, we advanced key priorities to deliver on our strategy of operating, upgrading and growing a base metals portfolio that provides leading returns for our shareholders throughout the cycle.

We achieved our best-ever safety results, increased metal production volumes and delivered on cost guidance. We advanced growth projects at each of our operations and announced the acquisition of Josemaria Resources Inc. ("Josemaria Resources") which will complement our portfolio of high-quality assets and will significantly increase our future growth potential.

Our ongoing commitment to Responsible Mining is reflected in our daily actions and summarized in our annual Sustainability Report. In 2022, we will announce a thoughtful long-term Sustainability Strategy. The Board's newly renamed Safety and Sustainability Committee has clear and direct oversight of this progress and performance.

Evolving Leadership

We believe there is significant value in the continuity of skills, experience, and knowledge of our Company. At the same time, we recognize there are many benefits to be gained through change with the rejuvenation of ideas and perspectives.

Executive leadership of the Company seamlessly transitioned to Mr. Peter Rockandel in the fourth quarter of 2021; and earlier this year, we welcomed three key hires, SVP Technical Services & Growth; VP Technical Services, and VP Projects to our management team.

These additions, as well as senior hires at the operations, have enhanced the expertise and technical strength across our growing organization.

At the Board level, Mr. Lukas Lundin announced his retirement at this year's Annual Meeting of Shareholders. We are grateful for the nearly three decades of invaluable strategic guidance Mr. Lundin has provided as our Chair. Our Company and many stakeholders have benefitted immensely from his perspectives and experiences shared over a lifetime of success leading natural resources companies. Lundin Mining is well positioned to continue to deliver on his vision.

Additionally Director Mr. Peter Jones is not standing for re-election, and we thank him for his insight and many contributions to Lundin Mining's Board over the past eight years.

We are pleased to welcome our new Director Ms. Juliana Lam and Director nominee Mr. Adam Lundin. As highlighted in this Circular, Ms. Lam brings extensive executive and board level finance and international business experience gained in diverse industries, including mining. Mr. A. Lundin is a director of several publicly traded resource companies and brings with him intimate knowledge of Josemaria Resources, the project and Argentina, having most recently led the company as its President and CEO.

The Future is Bright

Lundin Mining finished 2021 on strong footing. The outlook for base metals and our contribution to a growing green economy is very constructive. We are confident we have the right culture, people and prospects in place for Lundin Mining to create significant value in the years ahead.

On behalf of the management team and board of Lundin Mining, thank you for your continued support.

Peter Rockandel
President, CEO and Director

Lukas Lundin
Chair of the Board

Our Approach to Sustainability

At Lundin Mining, our *Mission* and *Values* form the foundation of our sustainability approach. Our reputation as a good corporate citizen is central to our *Mission* and *Values* and vital to the long-term economic success and sustainability of our business.

Our Mission

We responsibly mine base metals vital to society, creating meaningful value for our stakeholders.

Our Values

Safety	We hold health and safety as our top priority in everything we do.
Respect	We embrace diversity, inclusion, open dialogue and collaboration.
Integrity	We do what is right and honour our commitments.
Excellence	We set high standards and challenge ourselves to deliver superior performance

Our Sustainability Strategy

Our *Mission* and *Values* and Responsible Mining Policy align with the United Nations Global Compact Principles and Sustainable Development Goals, and we have undertaken programs at site and Corporate levels to advance positive change in these priority areas. We continued development of our Sustainability Strategic Framework in 2021 with the establishment of a multi-disciplinary sustainability working group represented by our operations and core functional areas across the organization. Guided by an executive steering committee, the working group established a framework that will allow us to integrate, embed and improve sustainability across the organization.

Anchored in our updated materiality assessment and robust evidence-based benchmarking, this collaborative process allowed us to review and recalibrate our long-term sustainability vision. In 2021, we defined our sustainability purpose, identified clear themes, and approved key priorities and guiding statements to support our multi-year Sustainability Strategy. Our Sustainability Strategy is based on the following five key pillars:

Key Priorities	Guiding Statements
THRIVING COMMUNITIES	**We collaborate to enhance the health and well-being of our communities** by addressing impacts and developing initiatives that achieve positive social and economic benefits that last.
ENVIRONMENTAL STEWARDSHIP	**We commit to climate action, strengthening water and waste management, and biodiversity conservation** to contribute towards a more sustainable environment for all.
EMPOWERED WORKFORCE	**We support and motivate our people by providing safe work environments,** fostering open communication and inclusivity, and investing in skills and talent for tomorrow.
BUSINESS RESILIENCE	**We adapt to changing conditions and leverage proven and new technology, partnerships, and operational excellence** to ensure sustained growth of our business into the future.
GOOD GOVERNANCE	**We engage in ethical business practices founded on transparency and accountability** to enhance trust with all our stakeholders throughout the mine life and beyond.

THRIVING COMMUNITIES

Lundin Mining strives to build a trust-based environment that earns and maintains our social license to operate while contributing to the long-term viability and well-being of the regions where we operate – each having unique and diverse cultures, languages, landscapes and levels of economic development. Our commitment is to consider and respect the rights, interests, concerns, traditional land uses and cultural activities of Indigenous Peoples within our sphere of influence.

ENVIRONMENTAL STEWARDSHIP

Lundin Mining is committed to effective environmental management, including compliance with applicable legal requirements and corporate governance. We are committed to actively addressing climate change by working to reduce our greenhouse gas emissions, and by preparing our operations and host communities to respond to climate-related risks. We continue to follow strict protocols for storing, handling and disposing of hazardous materials and wastes, including tailings and our tailings storage facilities are designed, constructed and operated in accordance with leading industry practices and standards.

EMPOWERED WORKFORCE

Lundin Mining strives to create a safe, fair and respectful working environment for our employees. Our Diversity and Inclusion Policy commits us to creating an inclusive and diverse work environment that aligns with our Human Rights Policy. We believe diversity among our Board, senior management and employees will enable Lundin Mining to be a more successful business and an employer of choice.

Our workforce is largely sourced locally to ensure the economic benefit of employment remains in nearby communities. We defined a specific target of 30% female representation on our Board of Directors and amongst executive officers. We have also implemented or continued various diversity and inclusion initiatives within our workforce including hiring and training initiatives specifically targeted at recruiting women into our site-based workforces, sexual harassment awareness training and reporting, cultural integration activities for ex-patriates and employee education sessions on race and gender identity issues, anti-racism and discrimination training.

BUSINESS RESILIENCE

We strive to create meaningful value through the responsible acquisition, development, operation and closure of base metal mines, delivering shared value through effective partnerships and innovation while maintaining balance sheet strength and flexibility to act on compelling growth opportunities. Our economic strategy is focused on delivering strong production and cash flow generation, low cash costs, maintaining a strong and flexible balance sheet, and executing improvement and expansionary projects as planned. Lundin Mining is focused on improving productivity through operational excellence initiatives, value-added technologies and continuous improvement programs, and it will remain committed to optimizing sustaining capital expenditures.

GOOD GOVERNANCE

Lundin Mining is committed to maintaining high standards of accountability, corporate governance, ethics and honesty; enacting robust corporate governance processes; and ensuring our employees understand, and consistently meet, the standards established in our policies and procedures. All employees and contractors are expected to conduct business ethically and transparently as stated in our Code of Conduct, Ethical Values and Anti-Corruption Policy.

THE PATH FORWARD

In 2022, we will continue to integrate multi-year workplans to define long-term targets and performance indicators to advance implementation of our Sustainability Strategy and monitor progress across the organization. More details regarding our Sustainability Strategy will be available in our upcoming Sustainability Report to be published in the second quarter of 2022.

Management Proxy Circular

You have received this Management Proxy Circular ("Circular") because you owned Lundin Mining common shares as of the close of business on March 25, 2022 (the "record date") and are entitled to attend and vote at the Meeting of Lundin Mining's shareholders to be held on Thursday May 12, 2022 (the "Meeting") at the time and for the purposes set out in the accompanying Notice of Annual Meeting of Shareholders or at any adjournment or postponement of the Meeting.

Management of the Corporation is soliciting your proxy for the Meeting. Management's solicitation of proxies will primarily be by mail, but you may be contacted by telephone or other means of communication by employees, directors or officers of the Corporation, without compensation other than their regular salaries. The cost of solicitation by management will be borne by the Corporation.

In this Circular, references to "we", "us" and "our" or to "Lundin Mining" or "the Corporation" are to Lundin Mining Corporation, references to "common shares" are to the common shares in the capital of Lundin Mining, and references to "Shareholders", "you" and "your" are to the holders of common shares.

It is anticipated that this Circular, together with the accompanying Notice and form of proxy or voting instruction form will be delivered to shareholders of the Corporation on or about April 12, 2022 using notice and access, as described below. Unless otherwise stated, the information contained in this Circular is as of March 25, 2022.

Currency

The Corporation's reporting currency is United States Dollars. References in this Circular to (i) US$ or $ is to United States Dollars; (ii) C$ is to Canadian Dollars; and (iii) SEK is to Swedish Kronor. The Corporation has used the following annual average exchange rate for each year for all currency conversions throughout this Circular, unless indicated otherwise:

	C$	SEK
2021	C $1.00 to US $0.7978	SEK 1.00 to US $0.1167
2020	C $1.00 to US $0.7462	SEK 1.00 to US $0.1089
2019	C $1.00 to US $0.7537	SEK 1.00 to US $0.1058
2018	C $1.00 to US $0.7719	SEK 1.00 to US $0.1153

Delivery of Proxy Materials

As permitted by applicable Canadian securities laws, we are providing shareholders with electronic access to the Circular for the Meeting, including copies of the Corporation's audited consolidated financial statements for the year ended December 31, 2021 and the auditor's report thereon together with the associated management's discussion and analysis (our "Annual Financial Statements") instead of mailing out paper copies. Electronic delivery is environmentally friendly and saves money.

Shareholders will receive notice of availability of proxy materials together with a form of proxy or voting instruction form. The notice provides instructions on how shareholders may access and review an electronic copy of the Circular and how to request a paper copy. Shareholders who have already provided instructions on their account to receive paper copies of the Circular will also receive a paper copy of the Circular with a copy of the notice regarding electronic availability. The notice also provides information on voting at the Meeting.

Proxy materials are being sent to registered shareholders directly and will be sent to intermediaries to be forwarded to all non-registered (beneficial) shareholders. We pay the cost of proxy solicitation (including the cost of sending the proxy materials) for all registered shareholders and for non-registered shareholders, including non-registered shareholders who object to their name and address being given to the Corporation.

Information About Voting

Why Is This Year's Meeting Virtual Only?

The ongoing impact of the COVID-19 pandemic and the potential for changes in public health guidelines and restrictions respecting large group gatherings make it unclear as to whether it will be safe or permissible for the Meeting to be held in person this year. Therefore, to ensure the health and safety of the employees, shareholders and representatives of the Corporation, we have made arrangements to enable shareholders and proxyholders to attend and vote virtually at this year's Meeting.

The Meeting will be entirely virtual and shareholders and proxyholders will not be able to attend in person. If you are a registered shareholder or a duly appointed proxyholder (including non-registered shareholders who have appointed themselves as proxyholder), you will be able to attend, vote and ask questions at the Meeting, all in real time. If you are a non-registered shareholder who does not appoint themselves as proxyholder then you may attend the Meeting as a guest, but you will not be able to vote or to ask questions at the Meeting.

Who Can Vote at the Meeting?

Shareholders who held common shares as of the record date are entitled to one vote per common share held as of that date.

How Can I Vote?

You have various options for voting. You may vote in advance of the Meeting online or by phone, or mail. You may also attend and vote in person during the live webcast or you may appoint another person (called a proxyholder) to attend the Meeting and vote on your behalf.

If you are a registered shareholder, we mail the notification directly to you and your package will include a form of proxy. We distribute the notification to intermediaries to forward to our non-registered shareholders. For most non-registered shareholders, your package is sent by Broadridge Financial Services, Inc. ("Broadridge") and includes a voting instruction form. We pay the cost of proxy solicitation for all registered and non-registered shareholders.

However you choose to vote, please carefully follow the instructions below for the option you select and note that the process for appointing proxyholders at the Meeting is different this year than it was last year.

You must also make sure you allow enough time for your instructions to reach Broadridge if you are sending the completed form of proxy or voting instruction form by mail. To be valid, Broadridge must receive your instructions for voting or appointing a proxyholder **before 4:00 p.m. (Toronto time) on Tuesday May 10, 2022** or, if the Meeting is postponed or adjourned, at not later than 48 hours (not including Saturdays, Sundays or statutory holidays in Ontario) before the postponed or adjourned Meeting convenes (the "proxy deadline"). Non-registered shareholders must also ensure that their instructions are submitted by the deadline specified in their voting instruction form and, in any case, at least one business day in advance of the proxy deadline to provide sufficient time for their intermediary to act on those instructions prior to the proxy deadline. If you are a non-registered shareholder and you have any questions regarding these deadlines, you should contact your intermediary. **Submit your voting instructions right away to meet the proxy deadline.**

	Non-Registered (Beneficial) Shareholders	Registered Shareholders
The voting process is different depending on whether you are a registered or non-registered shareholder (see details on how to determine what you are to the right).	You are a non-registered (beneficial) shareholder if your bank, trust company, securities broker, trustee or other financial institution holds your common shares (your nominee). This means the common shares are registered in your nominee's name, and you are the beneficial shareholder. Many of our shareholders are beneficial shareholders.	You are a Registered Shareholder if your name appears on your share certificate. Broadridge will have sent you a form of proxy.
How Can I Vote in Advance?	Follow the instructions on your voting instruction form to submit your voting instructions or to appoint a proxyholder using one of the following methods: • Online: Visit www.proxyvote.com and vote using the unique 16-digit control number located on your voting instruction form. • Mail: Using the envelope provided, send the duly completed, signed and dated voting instruction form by mail. You may also vote by phone by calling the toll-free number shown on the voting instruction form. You will not be able to appoint a proxyholder other than the Management Proxyholders if you vote by phone. However you choose to vote, please follow the instructions on your voting instruction form carefully. Your intermediary must receive your voting instructions by the time specified on your voting instruction form in sufficient time to act on them, which will be at least 24 hours prior to the proxy deadline. If you wish to appoint a proxyholder other than the Management Proxyholders please see "How do I appoint a proxyholder" below.	Follow the instructions on your form of proxy and return it using one of the following methods: • Online: Visit www.proxyvote.com and vote using the unique 16-digit control number located on your form of proxy. • Mail: Using the envelope provided, send the duly completed, signed and dated form of proxy by mail. You may also vote by phone by calling the toll-free number shown on the form of proxy. You will not be able to appoint a proxyholder other than the Management Proxyholders if you vote by phone. However you choose to vote, please follow the instructions on your form of proxy carefully. To be valid, your form of proxy must be received by Broadridge by the proxy deadline. The online and telephone voting options will be available until the proxy deadline. If you wish to appoint a proxyholder other than the Management Proxyholders, please see "How do I appoint a proxyholder" below.
How do I Vote at the Meeting?	If you wish to attend and vote at the Meeting you can do so as follows: 1. Appoint yourself as proxyholder by carefully following the instructions below under the heading "How do I appoint a proxyholder?". Please note that these steps must be completed prior to the proxy deadline or you will not be able to vote your common shares at the Meeting. 2. Follow the instructions below for proxyholders to log in and vote at the Meeting as described below under the heading "How do I attend the Meeting as a proxyholder?" All Beneficial Shareholders will be able to access and ask questions at the Meeting in the same manner as for Registered Shareholders, except that your 16-digit control number will be located on your voting instruction form rather than on a form of proxy.	Do not complete the form of proxy or return it to Broadridge since you will be accessing and voting at the Meeting. Instead, complete the instructions below, which must be followed very carefully: 1. Log into www.virtualshareholdermeeting.com/LUN2022 at least 15 minutes before the Meeting starts. You should allow ample time to check into the Meeting and to complete the related procedures. 2. Enter your 16-digit control number into the Shareholder Login section (your control number is located on your form of proxy) and click on "Enter Here". 3. Follow the instructions to access the Meeting and vote when prompted.

	Non-Registered (Beneficial) Shareholders	Registered Shareholders
How do I Vote at the Meeting? (continued)	In the event that the proxy deadline is waived by the Company prior to the Meeting, if you have previously provided voting instructions or appointed another person to vote on your behalf at the Meeting and you choose to access and vote on any matter at the Meeting during the live webcast, then you will revoke any previously submitted proxy. If you do not wish to revoke your prior proxy, you will still be able to access the Meeting and ask questions. However, you should not assume that the proxy deadline will be waived and you should vote prior to the Meeting or appoint yourself or a proxyholder to vote at the Meeting prior to the proxy deadline to ensure that your vote is counted at the Meeting.	Even if you currently plan to attend the Meeting, you should consider voting your common shares by proxy in advance so that your vote will be counted if you later decide not to attend the Meeting or in the event that you are unable to access the virtual Meeting for any reason. If you vote on any matter at the Meeting during the live webcast, then you will revoke any previously submitted proxy.
What If I Want to Change My Vote?	Contact your intermediary if you need help providing new voting instructions or appointing a new proxyholder, if you want to revoke your voting instructions (without giving new instructions), or if you want to vote at the Meeting instead. Your new instructions or proxy appointment must be received by Broadridge by the proxy deadline. Any instructions or appointments received after this time may only be effective to revoke your previous instructions or appointments. Please remember that your intermediary must receive your instructions by the time specified on your voting instruction form, which will be at least 24 hours prior to the proxy deadline.	If you voted in advance of the Meeting and you wish to change your voting instructions or if you wish to appoint another person as your proxyholder, you may submit a new proxy with your new voting instructions or appointing that other person as proxyholder using the 16-digit control number on your form of proxy by following the instructions on your form of proxy and using any of the methods listed above. Your new proxy must be received by Broadridge by the proxy deadline. Any new proxy received after this time may only be effective to revoke your previous proxy. You can also revoke your proxy without providing new voting instructions by: • sending a notice in writing to the Corporate Secretary of the Corporation at 150 King Street West, Suite 2200, P.O. Box 38, Toronto, Ontario, Canada, M5H 1J9, so she receives it by 5 p.m. (Toronto time) on the last business day before the Meeting (Wednesday, May 11, 2022) • giving notice in any other manner permitted by law. The notice can be from you or your attorney, if they have your written authorization. If your common shares are owned by a corporation, the written notice must be from its authorized officer or attorney. Finally, you may change your voting instructions by participating and voting on any matter at the Meeting, which will revoke any previously submitted proxy.

How can I attend the Meeting as a guest?	Guests can log into the Meeting and view the Meeting, but they are not able to vote or ask questions at the Meeting. Guests can access the Meeting using the following instructions: • Log into www.virtualshareholdermeeting.com/LUN2022 at least 15 minutes before the Meeting starts. You should allow ample time to check into the virtual Meeting and to complete the related procedures. • Complete the GUEST LOGIN section and click on "Enter Here".

How do I appoint a proxyholder?

If you vote in advance, you will be appointing the persons named as proxyholders in the enclosed form of proxy or voting instruction form as your proxyholder ("Management Proxyholders"). These persons are directors and/or officers of the Corporation. **You may also appoint a person other than the Management Proxyholders as your proxyholder to attend and vote on your behalf at the Meeting. This other person does not need to be a shareholder of the Corporation.** If you wish to do so, this appointment must be received by the proxy deadline.

If you wish to appoint another person as your proxyholder (other than the Management Proxyholders), you may do so by carefully following the instructions below. Because this year's Meeting is being held virtually, the process for appointing a proxyholder (other than the Management Proxyholders) is different and failure to follow the instructions as described below will result in your proxyholder not being able to attend or vote at the Meeting.

If you are a non-registered shareholder and you wish to attend and vote at the Meeting, you must appoint yourself as proxyholder by following the applicable instructions below.

Non-Registered (Beneficial) Shareholders

To appoint yourself or another person (other than the Management Proxyholders) as proxyholder you must appoint yourself or that other person as your proxyholder by carefully following the instructions on your voting instruction form or at www.proxyvote.com.

If you wish to attend and vote at the Meeting yourself, you must appoint yourself as proxyholder by following these instructions.

The steps you must follow to validly appoint a proxyholder other than the Management Proxyholders will include:

- inserting an "Appointee Name" and designating an 8-character "Appointee Identification Number" (together, this is the Appointee Information) online at www.proxyvote.com or in the spaces provided on your voting instruction form. You must complete this step regardless of whether you wish to appoint yourself or another person (other than the Management Proxyholders); and
- if you have appointed someone other than yourself to access and vote at the Meeting on your behalf, informing your appointed proxyholder of the exact Appointee Name and 8-character Appointee Identification Number prior to the Meeting.

Registered Shareholders

To appoint another person (other than the Management Proxyholders) as proxyholder you must appoint that person by carefully following the instructions on your form of proxy or at www.proxyvote.com, including:

- inserting an "Appointee Name" and designating an 8-character "Appointee Identification Number" (together, this is the Appointee Information) online at www.proxyvote.com or in the spaces provided on your form of proxy; and
- informing your appointed proxyholder of the exact Appointee Name and 8-character Appointee Identification Number prior to the Meeting. Your proxyholder will require both your Appointee Name and Appointee Identification Number in order to vote on your behalf at the Meeting.

If you wish to appoint such other person (other than the Management Proxyholders), you are encouraged to do so online at www.proxyvote.com as this will allow you to share the Appointee Information you have designated with any other person you have appointed to represent you at the Meeting more easily.

Please note that if you wish to appoint a person as your proxyholder other than the Management Proxyholders and you do not designate the Appointee Information as required when completing your appointment online or on your form of proxy or if you do not provide the exact Appointee Name and Appointee Identification Number to that other person, that other person will not be able to access the Meeting and vote on your behalf.

Non-Registered (Beneficial) Shareholders	Registered Shareholders
If you wish to appoint yourself or such other person (other than the Management Proxyholders), you are encouraged to do so online at www.proxyvote.com as this will allow you to share the Appointee Information you have designated with any other person you have appointed to represent you at the Meeting more easily. If you do not designate the Appointee Information as required when completing your appointment online or on your voting instruction form, or if you do not provide the exact Appointee Identification Number and Appointee Name to any other person (other than the Management Proxyholders) who has been appointed to access and vote at the Meeting on your behalf, neither you nor that other person, as applicable, will be able to access the Meeting and vote. If you do not appoint yourself as your proxyholder, you may still attend the Meeting by following the instructions for accessing the Meeting described under the heading "How do I vote at the Meeting?" above.	

What technology will I need to access the Meeting?

You will be able to participate in the Meeting using an internet connected device such as a laptop, computer, tablet or mobile phone. The Meeting platform will be supported across browsers and devices that are running the most updated version of the applicable software plugins and that meet the minimum system requirements. If you have any doubt, please visit www.virtualshareholdermeeting.com/LUN2022 to test your browser's compatibility.

What if I have difficulty accessing the Meeting?

If you have any difficulties logging into the meeting, please contact Broadridge's virtual shareholder meeting help line using the toll-free number provided on the Meeting Login page (www.virtualshareholdermeeting.com/LUN2022).

If you are participating in the virtual Meeting, you must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the meeting. Note that if you lose connectivity once the meeting has commenced, there may be insufficient time to resolve your issue before ballot voting is completed.

Even if you plan to attend the Meeting, you should consider voting your common shares in advance so that your vote will be counted in case you later decide not to attend the Meeting or if you experience any technical difficulties and are unable to access the Meeting and vote for any reason. Please note that you cannot vote if you access the Meeting by dialing in – voting at the Meeting can only be done through the meeting portal.

Will I be able to ask questions at the Meeting?

Yes. Lundin Mining believes that the ability to participate in the Meeting in a meaningful way, including asking questions, remains important despite the decision to hold this year's Meeting virtually. It is anticipated that registered shareholders and proxyholders (including non-registered shareholders who have appointed themselves as proxyholders) will have substantially the same opportunity to ask questions on matters of business before the Meeting as in past years when the annual shareholders meeting was held in person.

Shareholders will have the opportunity to submit questions during the Meeting in writing by sending a message to the chair of the Meeting online through the meeting portal.

Questions received from shareholders which relate to the business of the Meeting are expected to be addressed in the question-and-answer session that will follow the Meeting. Such questions will be read by the chair of the Meeting or a designee of the chair and responded to by a representative of the Corporation as they would be at a shareholders meeting that was being held in person. As at an in-person meeting, to ensure fairness for all attendees, the chair of the Meeting will decide on the amount of time allocated to each question and will have the right to limit or consolidate questions and to reject questions that do not relate to the business of the Meeting or which are determined to be inappropriate or otherwise out of order.

Voting of proxies

The form of proxy accompanying this Circular provides that the common shares represented by properly executed and deposited proxies will be voted or withheld from voting on each respective matter in accordance with your instructions and that, if that you specify a choice with respect to any matter to be acted upon at the Meeting, the common shares represented by your proxy will be voted accordingly.

If you appoint the Management Proxyholders but do not tell them how to vote, your common shares will be voted as follows:

(i) **FOR** the election of the persons listed as nominees under the heading "Election of Directors" as directors of the Corporation;

(ii) **FOR** the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation and authorizing the directors to fix their remuneration; and

(iii) **FOR** the resolution approving the Corporation's approach to executive compensation on an advisory and non-binding basis.

Other important things to know

If for any reason a nominated director becomes unable to serve, your proxyholder has the right to vote for another nominated director at his or her discretion, unless you have indicated that you want to withhold your common shares from voting on the election of directors.

If there are amendments or other items of business that properly come before the Meeting, the form of proxy or voting instruction form provide that your proxyholder can vote on each matter as your proxyholder sees fit whether or not it is a routine matter, an amendment or contested item of business.

The chair of the Meeting has the discretion to accept or reject any late proxies and can waive or extend the deadline for receiving proxy voting instructions without notice but is under no obligation to accept or reject any late proxy.

If the Meeting is postponed or adjourned, the deadline for Broadridge to receive your voting instructions will be extended to 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting is reconvened for your new voting instructions to be valid. If you are revoking your proxy without giving new voting instructions, the Corporate Secretary must receive the notice by 5:00 p.m. (Toronto time) on the day before the Meeting is reconvened.

Questions About Voting

If you have questions about voting, completing the form of proxy or about the Meeting in general, please contact Broadridge at: proxy.request@broadridge.com.

Quorum

The quorum required at the Meeting will be two persons together holding not less than 25% of the shares entitled to be voted at the Meeting present, each being a shareholder entitled to vote at the Meeting or a duly appointed proxyholder or representative for a shareholder entitled to vote at the Meeting.

Record Date

Shareholders registered as at March 25, 2022 (the "Record Date") are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting may vote in advance or appoint their proxyholders in the manner described above.

Interest of Certain Persons or Companies in Matters to Be Acted Upon

Except as otherwise set out herein, no director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors.

Voting Securities and Principal Holders Thereof

The Corporation is authorized to issue an unlimited number of common shares and one special share, of which 737,909,961 common shares and no special shares were issued and outstanding as of the Record Date (March 25, 2022). Each common share is entitled to one vote on all matters to be acted upon at the Meeting.

The following table sets forth those persons who, to the knowledge of the directors and executive officers of the Corporation, beneficially own, control or direct, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all common shares:

Name of Shareholder	Number of Common Shares	Percentage of Common Shares
Nemesia S.a.r.l. ("Nemesia") Luxembourg[1]	95,922,698	Approximately 13.0%

(1) Two private companies controlled by a trust settled by the late Adolf H. Lundin, together hold 100% of the outstanding Class C shares of Nemesia and control Nemesia.

Business of the Meeting

Financial Statements

The audited consolidated financial statements of the Corporation for the year ended December 31, 2021, including the report of the auditors thereon, will be tabled at the Meeting and will be received by the shareholders. These audited consolidated financial statements of the Corporation for the year ended December 31, 2021 and the report of the auditors thereon and the related management's discussion and analysis have been provided to shareholders who have validly requested such statements separately and are available under the Corporation's profile on SEDAR at www.sedar.com.

Election of Directors and Information Regarding Proposed Directors

The directors of the Corporation for the ensuing year will be elected at this Meeting.

The board of directors of the Corporation (the "Board") has accepted a recommendation of the Corporate Governance and Nominating Committee (the "CGNC") of the Corporation and has determined that the size of the Board should be nine directors. The number of directors to be elected is nine. Each of the nine nominees, other than Mr. Adam Lundin, are presently members of the Board and the dates on which they were first elected or appointed are indicated below. Mr. A. Lundin will be standing for election to the Board for the first time this year. Mr. Peter Rockandel and Ms. Juliana Lam were appointed to the Board effective January 1, 2022 and March 23, 2022, respectively, and are also standing for election to the Board for the first time this year. Each director nominee elected will hold office until their successor is elected at the next annual meeting of shareholders, or any postponement(s) or adjournment(s) thereof, or until their successor is otherwise elected or appointed.

Unless otherwise instructed, the common shares represented by the proxies held by a Management Proxyholder will be voted by the persons named therein **FOR** the election of each of the nine nominees as directors. Management does not contemplate that any nominee will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote **FOR** another nominee in their discretion, unless the shareholder has specified in the accompanying form of proxy that such shareholder's shares are to be withheld from voting on the election of directors. Please see the summary below on our Majority Voting Policy.

Advance Notice

The Corporation's Amended and Restated By-Law No. 1 includes an advance notice requirement for nominations of directors by shareholders in certain circumstances. Among other things, the advance notice by-law fixes a deadline by which holders of record of common shares must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation. In the case of an annual meeting of shareholders, notice to the Corporation must be provided not less than 30 days prior to the date of the applicable annual meeting of shareholders or, where notice and access is to be used for the delivery of the applicable meeting materials, not less than 40 days prior the date of such meeting. If the meeting date is announced less than 50 days prior to the meeting, notice must be provided in either case by not later than the close of business on the 10th day following the date of such announcement. Please see "Shareholder Proposals" for additional information.

As at the date of this Circular, the Corporation has not received notice of any director nominations in connection with the Meeting.

Appointment and Remuneration of Auditors

The auditors for the Corporation will be appointed at this Meeting. Following an assessment of the effectiveness of the auditors, the directors of the Corporation recommend the re-appointment of PricewaterhouseCoopers LLP ("PwC"), Chartered Professional Accountants, Licensed Public Accountants, located in Toronto, Ontario, as auditors of the Corporation to hold office until the termination of the next annual meeting of the shareholders of the Corporation. PwC was first appointed as the auditors of the Corporation on October 19, 2006. The Corporation also proposes that the remuneration to be paid to the auditors be determined by the directors of the Corporation.

The disclosure required by National Instrument 52-110 – *Audit Committees* ("NI 52-110"), including the text of the Audit Committee's charter and the fees paid to the Corporation's external auditors, can be found in the "Audit Committee" section of the Corporation's Annual Information Form for the year ended December 31, 2021 as filed on SEDAR at www.sedar.com.

Auditors' Fees

The following table discloses the fees billed to the Corporation by its external auditors during the financial years ended December 31, 2021 and 2020. Services billed in C$, Chilean Pesos, Brazilian Reais, Euros or SEK were converted using average exchange rates that prevailed during 2021 and 2020 (as quoted on Bloomberg).

Fiscal Year Ending	Audit Fees(1)	Audit-Related Fees(2)	Tax Fees(3)	All other Fees(4)
December 31, 2021	$1,438,355	$7,000	$64,546	$5,384
December 31, 2020	$1,797,298	$10,366	$68,667	$nil

(1) Audit fees represent fees billed by the Corporation's auditors for audit services.
(2) Audit-related fees represent fees billed for assurance and related services by the Corporation's auditors that are reasonably related to the performance of the audit or review of the Corporation's financial statements and not disclosed in the Audit Fees column.
(3) Tax fees represent fees billed for professional services rendered by the Corporation's auditors for tax compliance, tax advice and tax planning.
(4) All other fees represent fees billed for products and services provided by the Corporation's auditors other than services reported under notes (1), (2) and (3) above.

The Board recommends that shareholders vote FOR the re-appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, as auditors of the Corporation for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the auditors.

Unless otherwise instructed , the common shares represented by proxies held by a Management Proxyholder will be voted **FOR** the re-appointment of PwC, Chartered Professional Accountants, Licensed Public Accountants, as auditors of the Corporation until the close of the next annual meeting of shareholders or until their successor is appointed and to authorize the directors to fix their remuneration. To pass, this resolution will require approval by a majority of the common shares voted at the Meeting in person during the live webcast or by proxy.

Advisory Vote on the Corporation's Approach to Executive Compensation

The Board has adopted a shareholder advisory vote on the Corporation's approach to executive compensation, as disclosed under the heading "Executive Compensation". As a formal opportunity to provide their views on the disclosed objectives of the Corporation's pay for performance compensation model, shareholders are asked to review and vote, in a non-binding, advisory manner, on the following resolution:

> ***Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board, that the shareholders accept the approach to executive compensation disclosed in the Circular.***

The Human Resources/Compensation Committee ("HRCC") and the Board will take the results of the vote into account, as appropriate, when considering future compensation policies, procedures and decisions, all of which are to be consistent with its pay for performance compensation model (see Executive Compensation for details regarding the compensation philosophy and guidelines of the Board and the performance metrics and process used to assess performance as well as whether any compensation consultant was retained last year and, if so, the mandate of such consultant). The pay for performance compensation model is designed to attract, retain and motivate talented management and pay for actual performance which drives the long-term creation and preservation of shareholder value.

The Board recommends that shareholders vote <u>FOR</u> the resolution to accept the Corporation's approach to executive compensation.

Unless otherwise instructed, the common shares represented by proxies received by management will be voted **<u>FOR</u>** the approval of the resolution to accept the Corporation's approach to executive compensation. To pass, this resolution will require approval by a majority of the common shares voted at the Meeting or by proxy but because your vote on this matter is advisory it will not be binding upon the Board.

Election of Directors

Director Nominee Profiles

This section profiles each of the nominated directors, including principal occupation and experience, participation on the Corporation's Board and Board committees and shareholdings in Lundin Mining. The Corporation has been advised that each of the nominated directors is willing to serve on the Board for the ensuing year. Except as noted above under the heading "Business of the Meeting – Election of Directors", each of the directors proposed for election at the Meeting is a current director. Messrs. Lukas Lundin and Peter Jones have advised the Board that they will not be standing for re-election at this year's Meeting and their terms will expire at the end of the Meeting.

The nominated directors have confirmed the following information as of the date of this Circular:

C. Ashley Heppenstall

London,
United Kingdom

Age: 59
Director since: May 11, 2020

Lead Director of the Corporation since May 2020. Mr. Heppenstall served as the President and Chief Executive Officer of Lundin Petroleum AB from 2002 until his retirement in 2015. Mr. Heppenstall holds a degree in Mathematics from Durham University.

Independent[1]

LUNDIN MINING BOARD AND BOARD COMMITTEES

Board (Lead Director)

Human Resources/ Compensation Committee

Corporate Governance and Nominating Committee

PUBLIC COMPANY BOARD MEMBERSHIP

International Petroleum Corporation (TSX, Nasdaq Stockholm)

Josemaria Resources Inc. (TSX, Nasdaq Stockholm)[6]

Lundin Energy AB (Nasdaq Stockholm)

Lundin Gold Inc. (TSX, Nasdaq Stockholm)

Common Shares Owned[3]
Nil

Total Compensation for Fiscal 2021
US$151,584

2021 Voting Results
85.63% for
14.37% withheld

A business executive who has held multiple executive leadership positions including public company CEO experience in both mining and financial services. Mr. Charter brings extensive experience in all aspects of executive leadership as well as in mergers, acquisitions, finance and capital markets. He has sat on multiple public and private company boards in a number of business sectors and has sat on and chaired audit, governance, compensation, health and safety, special and independent committees in multiple situations over his career.

Donald K. Charter

Ontario, Canada

Age: 65
Director since: October 31, 2006

Independent[1]

LUNDIN MINING BOARD AND BOARD COMMITTEES

Board

Human Resources/Compensation Committee (Chair)

Audit Committee

PUBLIC COMPANY BOARD MEMBERSHIP

DREAM Office Real Estate Investment Trust (TSX)

International Petroleum Corporation (TSX, Nasdaq Stockholm)

Common Shares Owned[3]
82,424
(valued at C$1,069,039)[4]

Total Compensation for Fiscal 2021
US$152,248

2021 Voting Results
88.08% for
11.92% withheld

Juliana L. Lam

Ontario, Canada

Age: 58
Director since: March 23, 2022

Ms. Lam has extensive executive level financial management and international business experience in diverse industries including mining, manufacturing, services and distribution. Ms. Lam's principal occupation is a Corporate Director. She currently serves as a member of the Board of Directors of Gibson Energy Inc. since 2021, Major Drilling Group International Inc. since 2020, and the Toronto Hydro Corporation (a reporting issuer) since 2017. Prior to becoming a Corporate Director, Ms. Lam has held a number of executive and finance leadership positions in private and publicly traded companies including Executive Vice-President and Chief Operating Officer of the Chartered Professional Accountants of Ontario, Executive Vice-President and Chief Financial Officer of Uranium One Inc., Senior Vice-President, Finance at Kinross Gold Corporation and Chief Financial Officer at Nexans Canada Inc. Ms. Lam holds a Bachelor of Arts from the University of Toronto, an MBA from the Ivey Business School, University of Western Ontario, is a Chartered Professional Accountant, Chartered Accountant (CPA, CA), and holds the ICD.D designation from the Institute of Corporate Directors.

Independent[1]

LUNDIN MINING BOARD AND BOARD COMMITTEES

Board

PUBLIC COMPANY BOARD MEMBERSHIP

Gibson Energy Inc. (TSX)
Major Drilling Group International Inc. (TSX)

Common Shares Owned[3]
Nil

Total Compensation for Fiscal 2021
N/A

2021 Voting Results
N/A

Jack O. Lundin

British Columbia, Canada

Age: 32
Director since: February 18, 2021

Mr. J. Lundin is currently the President, CEO and a director of Bluestone Resources Inc. Prior to joining Bluestone Resources, Mr. J. Lundin was involved in the successful development of Lundin Gold Inc.'s Fruta del Norte Gold Mine in southern Ecuador where he served as the Project Superintendent. He began his career in the sector working prospecting jobs on various early-stage projects in Canada, Russia, Ireland, and Portugal. Mr. J. Lundin holds a Bachelor of Science degree in Business Administration from Chapman University and a Master of Engineering degree in Mineral Resource Engineering from the University of Arizona. Mr. J. Lundin is a former member of the board of directors of Denison Mines Corp. and currently serves on the board of The University of Arizona's Lowell Institute for Mineral Resources.

Non-Independent[1][2]

LUNDIN MINING BOARD AND BOARD COMMITTEES

Board
Safety and Sustainability Committee

PUBLIC COMPANY BOARD MEMBERSHIP[5]

Bluestone Resources Inc. (TSX-V)

Common Shares Owned[3]
80,000
(valued at C$1,037,600)[4]

Total Compensation for Fiscal 2021
US$112,026

2021 Voting Results
98.66% for
1.34% withheld

Adam I. Lundin

British Columbia, Canada

Age: 35
Director since: N/A

Mr. A. Lundin has many years of experience in capital markets and public company management across the natural resources sector. His background includes oil & gas and mining technology, investment advisory, international finance and executive management. He began his career working for several Lundin Group mining companies in various countries before moving into finance where he specialized in institutional equity sales, ultimately becoming co-head of the London office for an international securities firm. Mr. A. Lundin is currently the President, CEO and a Director of Josemaria Resources. Mr. A. Lundin was the former President and CEO of Filo Mining from September 2017 to June 2020, and now serves as the Chairman of the Board of Filo Mining. He is also a Director of NGEx Minerals Ltd., Lundin Energy AB and the Lundin Foundation.

Non-Independent[1][2]

LUNDIN MINING BOARD AND BOARD COMMITTEES

N/A

PUBLIC COMPANY BOARD MEMBERSHIP

Filo Mining Corp. (TSX, Nasdaq Stockholm, OTCQX)

Josemaria Resources Inc. (TSX, Nasdaq Stockholm)[6]

NGEx Minerals Ltd. (TSX-V)

Lundin Energy AB (Nasdaq Stockholm)

Common Shares Owned[3]
Nil

Total Compensation for Fiscal 2021
N/A

2021 Voting Results
N/A

Dale C. Peniuk

British Columbia, Canada

Age: 62
Director since: October 31, 2006

Chartered Professional Accountant (CPA, CA) and corporate director; formerly an assurance partner with KPMG LLP; director of a number of publicly traded companies.

Independent[1]

LUNDIN MINING BOARD AND BOARD COMMITTEES

Board

Audit Committee (Chair)[7]

PUBLIC COMPANY BOARD MEMBERSHIP

Argonaut Gold Inc. (TSX)

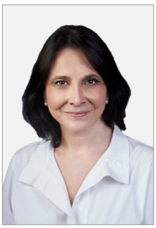
MAG Silver Corp. (TSX, NYSE American)

Kuya Silver Resources (CSE)

Common Shares Owned[3]
50,000
(valued at C$648,500)[4]

Total Compensation for Fiscal 2021
US$141,279

2021 Voting Results
94.15% for
5.85% withheld



Karen P. Poniachik

Santiago, Chile

Age: 57
Director since: February 18, 2021

Ms. Poniachik is currently the Director of Columbia University's Global Center in Santiago, and a member of the advisory boards of the Chilean American Chamber of Commerce (Amcham), Global Americans and Chilemujeres. Previously, Ms. Poniachik served as Chile's Minister of Mining from 2006-2008, during which time she chaired the boards of directors of state-owned companies Codelco, Enap and Enami. She was Chile's Special Envoy to the Organization for Economic Co-operation and Development (OECD) in charge of the country's accession process to the organization (completed in 2010). Currently she is a member of the board of directors of Aclara Resources Inc. (TSX).

Independent[1]

LUNDIN MINING BOARD AND BOARD COMMITTEES

Board

Safety and Sustainability Committee

Corporate Governance and Nominating Committee

PUBLIC COMPANY BOARD MEMBERSHIP

Aclara Resources Inc. (TSX)

Common Shares Owned[3]
Nil

Total Compensation for Fiscal 2021
US$114,353

2021 Voting Results
99.97% for
0.03% withheld

Peter T. Rockandel

Ontario, Canada

Age: 56
Director since: January 1, 2022

President and Chief Executive Officer of Lundin Mining Corporation since November 2021, and Director since January 1, 2022. He previously served as Senior Vice President, Corporate Development and Investor Relations, having joined Lundin Mining in 2018. Mr. Rockandel has over 25 years of experience in Canadian capital markets, particularly in global resources and mining. Prior to joining Lundin Mining, Mr. Rockandel was the Managing Director, Investment Banking at GMP Securities and led their North American Mining practice overseeing and executing GMP's Mining capital markets and investment banking strategy from 2003 to 2018. He brings with him former experience from GMP Institutional Sales, Deutsche Bank Canada and Yorkton Securities (currently Macquarie). Mr. Rockandel holds a Bachelor of Business Administration from Simon Fraser University.

Non-Independent[1][2]

LUNDIN MINING BOARD AND BOARD COMMITTEES

Board

PUBLIC COMPANY BOARD MEMBERSHIP

N/A

Common Shares Owned[3]
127,000
(valued at C$1,647,190)[4]

Total Compensation for Fiscal 2021
N/A

2021 Voting Results
N/A

Corporate director since October 2016. President of Stefan & Associates, a consulting firm, between 1990 and October 2016. Ms. Stefan served as Board Chair and Chair of the Audit Committee of Denison Mines Corp. from 2004 until 2021. She was 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 is a Chartered Professional Accountant (CPA, CA) and is a member of the Institute of Corporate Directors.

Catherine J. G. Stefan

Ontario, Canada

Age: 69
Director since: May 8, 2015

Independent(1)

LUNDIN MINING BOARD AND BOARD COMMITTEES

Board

Audit Committee

Corporate Governance and Nominating Committee (Chair)

PUBLIC COMPANY BOARD MEMBERSHIP

N/A

Common Shares Owned(3)
65,000
(valued at C$843,050)(4)

Total Compensation for Fiscal 2021
US$139,617

2021 Voting Results
99.19% for
0.81% withheld

(1) "Independent" refers to the Board's determination of whether a director is "independent" as described under the heading "Independence" on page 33.
(2) Mr. Rockandel is the President and CEO and therefore is a non-independent director. The board has determined that Messrs. A. Lundin and J. Lundin could be considered to be independent for purposes of applicable Canadian securities laws; however, the Board nonetheless determined, primarily as a matter of good governance to consider Messrs. A. Lundin and J. Lundin to be non-independent at this time. The Board intends to revisit this position and the associated analysis annually. Please see the discussion under the heading "Independence" on page 33.
(3) Represents the number of common shares beneficially owned, or controlled or directed, directly or indirectly.
(4) Calculated using the closing market price of the common shares on the TSX as at March 25, 2022 (being C$ 12.97). Values have been rounded. All applicable directors comply with the Corporation's Director Share Ownership Guidelines. Messrs. Heppenstall, A. Lundin and J. Lundin, and Ms. Lam and Ms. Poniachik each have five years from the date of their respective elections to the Board to attain the required level of common share ownership. Similarly, Mr. Rockandel has five years to comply with the increased requirements of the Executive Share Ownership Guidelines that are now applicable to him. At the time of his appointment as CEO he was in compliance with the lower ownership requirements to which he was subject at that time. See "Director Share Ownership Requirements" and "Executive Share Ownership Guidelines" for additional information.
(5) Mr. J. Lundin has been nominated for election to the Board of Lundin Gold Inc.
(6) Mr. Heppenstall and Mr. A. Lundin each currently serve as directors of Josemaria Resources Inc. Not later than the consummation of the Company's proposed acquisition of Josemaria Resources Inc., which is expected to occur prior to the Meeting, each of Mr. Heppenstall and Mr. A. Lundin will cease to be directors of Josemaria Resources Inc. and Mr. A. Lundin will resign from his position as Chief Executive Officer of Josemaria Resources Inc.
(7) Mr. Peniuk is the designated financial expert on the Audit Committee.

DIRECTORS’ ATTENDANCE RECORD AT BOARD AND BOARD COMMITTEE MEETINGS

Below is the attendance record of each director for all Board and Board committee meetings held during the period from January 1, 2021 to December 31, 2021:

	Board		Audit		Human Resources/ Compensation Committee		Corporate Governance and Nominating Committee		Safety and Sustainability Committee	
Director	# of Meetings attended	% of Meetings attended(1)	# of Meetings attended	% of Meetings attended(1)	# of Meetings attended	% of Meetings attended(1)	# of Meetings attended	% of Meetings attended(1)	# of Meetings attended	% of Meetings attended(1)
Lukas H. Lundin(2)(12)	9 of 9	100%	–	–	–	–	–	–	–	–
Donald K. Charter(4)(12)	10 of 11	90%	5 of 5	100%	5 of 5	100%	–	–	–	–
John H. Craig(5)	3 of 3	100%	–	–	–	–	–	–	2 of 2	100%
C. Ashley Heppenstall(12)	9 of 9	100%	–	–	5 of 5	100%	5 of 5	100%	–	–
Marie Inkster(6)(12)	11 of 11	100%	–	–	–	–	–	–	2 of 2	100%
Peter C. Jones(7)(12)	11 of 11	100%	–	–	5 of 5	100%	–	–	4 of 4	100%
Jack O. Lundin (3)(8)(9)(12)	8 of 8	100%	–	–	–	–	–	–	1 of 2	50%
Dale C. Peniuk (10)(12)	11 of 11	100%	5 of 5	100%	–	–	3 of 3	100%	–	–
Karen P. Poniachik(3)(8)(11)(12)	10 of 10	100%	–	–	–	–	2 of 2	100%	2 of 2	100%
Catherine J. G. Stefan(12)	11 of 11	100%	5 of 5	100%	–	–	5 of 5	100%	–	–

(1) Represents percentage of meetings attended during the year while serving on the Board or a given committee.
(2) Mr. L. Lundin is not standing for re–election at the Meeting.
(3) Mr. J. Lundin and Ms. Poniachik joined the Board on February 18, 2021. Their attendance reflects the number of Board and committee meetings held after this date.
(4) Mr. Charter did not attend the April 28, 2021 Board meeting due to a prior conflict.
(5) Mr. Craig did not stand for election at last year’s meeting and attended each of the three Board meetings that were held between Jan 1, 2021 and the date on which his term expired.
(6) Ms. Inkster ceased to be a member of the Safety and Sustainability Committee (formerly HSEC) on May 7, 2021 and resigned from the Board on December 31, 2021.
(7) Mr. Jones will not be standing for re–election at the Meeting.
(8) Mr. J. Lundin and Ms. Poniachik became members of the Safety and Sustainability Committee (formerly HSEC) on May 7, 2021.
(9) Mr. J. Lundin did not attend the Safety and Sustainability (formerly HSEC) meeting on October 26, 2021 due to a prior conflict.
(10) Mr. Peniuk ceased to be a member of the Corporate Governance and Nominating Committee on May 7, 2021.
(11) Ms. Poniachik became a member of the Corporate Governance and Nominating Committee on May 7, 2021.
(12) There were two additional Board meetings held on December 17 and 19, 2021 in respect of the proposed transaction with Josemaria Resources Inc. Messrs. Heppenstall, J. Lundin and L. Lundin recused themselves from these meetings due to a declared conflict of interest with respect to the matters to be discussed during such meetings. Each of the other directors in office on these dates attended these two meetings (for additional details see “Conflicts of Interest and Related Party Transactions” on page 47).

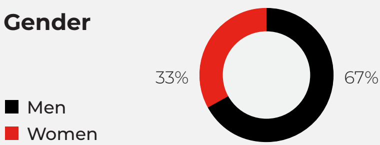
In September 2021, the Board held a strategy session to review and discuss the Corporation’s proposed five–year strategy. All directors in office at that time attended this session. In addition, a special committee of the Board convened in connection with the proposed transaction with Josemaria Resources Inc. met six times during 2021. The special committee was comprised of Messrs. Charter, Jones and Peniuk. Each of them attended all six of the meetings of this committee. The committee is expected to remain in place until the consummation of the proposed transaction. For additional details, please see “Conflicts of Interests and Related Party Transactions”.

Director Nominee Skills and Experience

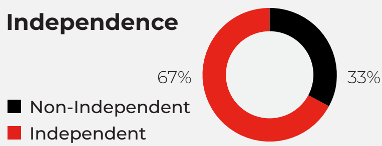
The Corporation's Board is a strategic asset adding value through the collective judgement of its members. This collective judgement guides the Corporation and is derived not only from the deep expertise individual directors bring on specific topics, but also from their respective professional experiences and track records in guiding and growing large and successful organizations. Diversity of perspectives is essential, particularly in defining strategy and managing risk.

The Corporation's director nominees bring a depth of knowledge, a mix of skills and experiences and the necessary strategic mindset to drive the Corporation's business forward in a disciplined and well-governed manner. The specific skills and expertise of our nominees for election as directors are set forth below:

Gender



Independence



Experience and expertise

Overview of Board Profile	C. A. Heppenstall	D. Charter	J. L. Lam	A. Lundin[(1)]	J. Lundin[(1)]	D. C. Peniuk	K. Poniachik	P. T. Rockandel[(1)]	C. Stefan
Capital Allocation & Financial Acumen	•	•	•	•	•	•		•	•
Communications, Investor Relations, Public Relations, Media	•	•	•	•	•		•	•	•
Corporate Responsibility, Sustainability and Climate Change	•	•	•	•	•	•	•	•	•
Executive Leadership and Strategic Planning	•	•	•	•	•	•	•	•	•
Financial Literacy	•	•	•	•	•	•	•	•	•
Government and Regulatory Affairs	•	•	•	•	•	•	•		•
Legal/Governance/Board – experience as board member of a major organization or a lawyer in private practice or a law firm	•	•	•	•	•	•	•	•	•
Health, Safety, Environment	•	•	•	•	•		•	•	•
Human Resources and Executive Compensation	•	•	•	•	•	•		•	
International Business Experience and Global Partnerships	•	•	•	•	•	•	•	•	•
Metallurgy		•		•	•				
Mining Industry and Operations	•	•	•	•	•	•	•	•	•
M&A Execution and Financing	•	•	•	•	•	•		•	•
Risk Management	•	•	•	•	•	•	•	•	•
Senior Officer Experience – CEO or other Senior Officer of a publicly listed company or major organization	•	•	•	•	•			•	•

(1) Mr. Rockandel is the President and CEO and therefore is a non-independent director. The board has determined that Messrs. A. Lundin and J. Lundin could be considered to be independent for purposes of applicable Canadian securities laws; however, the Board nonetheless determined, primarily as a matter of good governance, to consider Messrs. A. Lundin and J. Lundin to be non-independent at this time. The Board intends to revisit this position and the associated analysis annually. See "*About the Board – Independence*" below for more detail.

Director Compensation

The following table provides information regarding compensation paid to the Corporation's non-executive directors during the fiscal year ended December 31, 2021:

Name	Fees earned (US$)[1]	Share-based awards (US$)	Option-based awards (US$)	Non-equity incentive plan compensation (US$)	Pension value (US$)	All other compensation (US$)	Total (US$)[1]
Lukas H. Lundin[2]	190,144	–	–	–	–	–	190,144
Donald K. Charter	152,248	–	–	–	–	–	152,248
John H. Craig[3]	51,525	–	–	–	–	–	51,525
C. Ashley Heppenstall	151,584	–	–	–	–	–	151,584
Peter C. Jones	135,628	–	–	–	–	–	135,628
Jack O. Lundin	112,026	–	–	–	–	–	112,026
Dale C. Peniuk	141,279	–	–	–	–	–	141,279
Karen P. Poniachik	114,353	–	–	–	–	–	114,353
Catherine J. G. Stefan	139,617	–	–	–	–	–	139,617

(1) See heading "Currency" on page 5 for the exchange rates.
(2) Mr. L. Lundin will not be standing for re-election at the Meeting. Mr. L. Lundin also voluntarily waived the receipt of fees for his service as director and Board Chair commencing November 30, 2021.
(3) Mr. Craig did not stand for re-election at the 2021 Meeting. His compensation was pro-rated based on the part of the year for which he served as a director.

Ms. Inkster, the Corporation's President and CEO until October 31, 2021, and a director until December 31, 2021, did not receive any compensation for her services as a director during the financial year ended December 31, 2021.

The following table sets out details of the flat fee structure for the non-executive directors for 2021. No changes were made to the fee structure in respect of the 2021 fiscal year compared to the prior year.

Description of fee	2021 fees (C$)
Chairman of Board	260,000
Lead Director	175,000
Annual Retainer for other Directors	150,000
Committee Chair:	
Audit Committee	25,000
Human Resources/Compensation Committee	20,000
Safety and Sustainability Committee[1]	10,000
Corporate Governance and Nominating Committee	10,000
Committee Membership Fee:	
Audit Committee	15,000
Human Resources/Compensation Committee	10,000
Safety and Sustainability Committee[1]	5,000
Corporate Governance and Nominating Committee	5,000

(1) Formerly the Health, Safety, Environment and Community Committee

The Corporation also reimburses directors for 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 the Board Chair and for its other directors and officers when in Geneva, Switzerland. The services were being provided for a monthly fee of C$10,000, effective June 1, 2016, by a company which is owned by Mr. Ian Lundin, who did not serve in any capacity within the Corporation. The agreement was terminated on December 31, 2021.

No director was compensated either directly or indirectly by the Corporation and its subsidiaries during the most recently completed financial year for services as consultants or experts.

Director Outstanding Share-Based Awards and Option-Based Awards

No share-based awards or option-based awards were outstanding for non-executive directors on December 31, 2021, and the Corporation does not currently issue any share-based awards or option-based awards to non-executive directors.

Director Share Ownership Requirements

On July 27, 2010, the Board approved a share ownership guideline for the non-executive directors of the Corporation, amended in February 2021. All non-executive directors are required to own, at a minimum, three times their annual retainer fee in common shares of the Corporation, based on the greater of cost and market value. The directors are required to attain this level within five years after becoming a director. Furthermore, if the annual retainer fees increase, directors will have an additional three years to attain the new required level.

The following table outlines the aggregate value of the common shares held by each non-executive director as at March 25, 2022, and compliance under the share ownership requirement.

Director	Annual Retainer (C$)	Number and value (in C$) of Common Shares Owned[1]	Multiple of Director Share Ownership Requirement	Meets Current Director Share Ownership Requirement
Lukas H. Lundin	260,000	2,271,449 ($29,460,694)	113.3	Yes
Donald K. Charter	150,000	82,424 ($1,069,039)	7.1	Yes
C. Ashley Heppenstall[2]	175,000	–	n/a	n/a
Peter C. Jones	150,000	76,482 ($991,972)	6.6	Yes
Juliana L. Lam[2]	150,000	–	n/a	n/a
Jack O. Lundin[2]	150,000	80,000 ($1,037,600)	6.9	Yes
Dale C. Peniuk	150,000	50,000 ($648,500)	4.3	Yes
Karen Poniachik[2]	150,000	–	n/a	n/a
Peter Rockandel[3]	n/a	127,000 ($1,647,190)	n/a	n/a
Catherine J. G. Stefan	150,000	65,000 ($843,050)	5.6	Yes

(1) Value calculated using the closing market price of the common shares on the TSX as at March 25, 2022 (being C$12.97).
(2) Mr. Heppenstall, Ms. Lam, Mr. J. Lundin and Ms. Poniachik, each have five years from the date of their respective appointments to the Board to attain the required level of common share ownership. Mr. Heppenstall is required to satisfy this requirement in May 2025, Ms. Poniachik has until February 2026 and Ms. Lam has until March 2027. Mr. J. Lundin already satisfies this requirement.
(3) Mr. Rockandel is also the President and CEO of the Corporation and is subject to its Executive Share Ownership Guidelines.

Mr. A. Lundin will be standing for election for the first time at the Meeting and will have five years to attain the share ownership requirements from the election.

Corporate Cease Trade Orders or Bankruptcies

No proposed director is, as of the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

a. was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, "order") that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer; or

b. was subject to an order that was issued after the proposed director 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.

No proposed director is, as of the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company (including the Corporation) 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.

Individual Bankruptcies

No proposed director of the Corporation has, within the 10 years prior to the date of this Circular, 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 that individual.

Penalties or Sanctions

No proposed director of the Corporation has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for the proposed director.

Statement of Corporate Governance Practices

Introduction and Overview

This statement of corporate governance practices is made with reference to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and to National Policy 58-201 – *Corporate Governance Guidelines* (collectively, the "Governance Guidelines").

The CGNC oversees our governance policies and practices with a view to ensuring that they are sound and support the Board in carrying out its duties.

WHAT WE DO

Independent Board

Six of our nine director nominees or 67% are independent.

see page 33

Lead Director

We have an independent Lead Director.

see page 34

Mr. Heppenstall was appointed Lead Director on May 11, 2020.

Director Share Ownership

We require our directors to own a significant number of shares in the Corporation to align their interests with those of our shareholders.

see page 26

Regular In Camera Sessions

We hold in camera (independent directors only) discussions at each meeting of the Board and regular in camera discussions at Board committee meetings.

No Equity Awards for Non-Executive Directors

We do not award any stock options or other forms of equity to non-executive directors.

see page 26

Independent Director Committees

The Audit Committee, the CGNC and the HRCC are comprised entirely of independent directors.

WHAT WE DO

Board Diversity

The Board has a diverse mix of skills, background and experience. The Diversity & Inclusion Policy includes a target of 30% female directors on the Board. If all nominees are elected, female directors will comprise 33% of our Board.

Risk Oversight

The Board and committees oversee the Corporation's risk management and strategic, financial, operational and other risks. Board members meet periodically to review and discuss risk factors of the Corporation and the effective management of them.

Environmental, Social and Sustainability Risk Oversight

The Safety and Sustainability Committee oversees risk management for environmental, social and sustainability risks.

Say-on-Pay

The Board has included a shareholder advisory vote on the Corporation's approach to executive compensation. In 2021, 89.89% of shareholders voted **FOR** the Corporation's approach to executive compensation.

Executive Share Ownership Guidelines

We have guidelines for our executives to own shares in the Corporation to align their interests with those of our shareholders.

see page 69

Recoupment Policy (clawback)

We have a Recoupment Policy that requires executives to return a portion of their incentive compensation in certain circumstances.

see page 82

No Hedging

The Corporation has a policy prohibiting executives, directors and employees from hedging personal holdings against a decrease in the price of our common shares.

Governance Principles

POLICIES AND GUIDELINES

Ethical Business Conduct

The Board has adopted a formal written Code of Conduct, Ethical Values and Anti-Corruption Policy (the "Code of Conduct") with which all directors, officers, employees, consultants and contractors of Lundin Mining and its subsidiaries are expected to comply in conducting the business and affairs of the Corporation. The Board believes that the Code of Conduct helps to support our culture of ethical business conduct by promoting a culture of open communication, honesty and accountability, by providing guidance to help directors, officers and employees recognize and deal with ethical issues, and by specifying the potential disciplinary actions that may be taken for violations of the Code of Conduct, including the sanctions for any person retaliating against any person who makes a good faith report under the Code of Conduct.

The Corporation places a high priority on ensuring the health and safety of its employees, contractors and consultants in line with our corporate value of safety 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, or offer or agreement to provide, a benefit of any kind, directly or indirectly, to a government or other public official for the purpose of influencing the performance of official duties or functions, or the acts or decisions of the public official, government or public organization, or to obtain any other business advantage. Further, employees of the Corporation are prohibited from accepting gratuities, favours or gifts of any sort having more than a nominal value from any person or organization that does, or is seeking to do, business with the Corporation.

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 Corporation has a material interest, which include ensuring that directors, officers and employees are 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 or might be perceived to conflict with their duties to the Corporation or with the economic interest of the Corporation. 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 Corporation. Where a director declares an interest in any material contract or transaction being considered at a meeting of directors, the director recuses themselves from the meeting during the consideration of the matter and does not vote on the matter.

During 2021, in connection with the Josemaria Transaction, Messrs. L. Lundin, J. Lundin and Heppenstall all declared a conflict of interest in respect of the transaction and recused themselves from all discussions and did not attend any meeting at which the Josemaria Transaction was discussed or voted upon. See "*About the Board – Independence*" below for more detail.

Employees, officers and directors of the Corporation 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 Corporation 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 Corporation 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 Corporation, or by submitting a report via the Corporation's independently hosted online and telephone reporting service, or directly to the Audit Committee Chair or the CGNC Chair, who will treat the matter in confidence, disclosing information only as required for the purposes of properly conducting an 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 CGNC may deem appropriate. The Audit Committee in satisfying its mandate, among other things, also reviews compliance with the Code of Conduct as relates to the accounting, internal accounting control and auditing procedures of the Corporation. On an annual basis, or otherwise upon request from the Board, the Chairs of the Audit Committee and CGNC also prepare a report to the Board summarizing all whistleblower reports received during the prior year, all outstanding unresolved reports, how such reports are being handled, the results of any investigations and any corrective actions implemented.

The foregoing is a summary of the Code of Conduct only. The Code of Conduct is available on the Corporation's website and has been filed and is accessible through SEDAR under the Corporation's profile at www.sedar.com.

Whistleblower Policy

The Board, through the Audit Committee and the CGNC, has also established a Whistleblower Policy to establish procedures for the receipt, retention and treatment by the Corporation and its subsidiaries of concerns reported by its directors, officers, employees, consultants and contractors regarding known or suspected accounting, financial or auditing irregularities or other known or suspected violations of the Corporation's Code of Conduct. Individuals governed by the Whistleblower Policy are required to report such improper conduct on a confidential and, if preferred, anonymous basis which includes submitting a report via the Corporation's independently hosted online and telephone reporting service, or by sending a letter to the applicable Committee Chair. The applicable Committee Chair is responsible for assessing and evaluating any such reports or letters and conducting investigations and may engage management and/or independent advisors to assist in investigations and recommend appropriate action provided that investigations implicating members of the Board of Directors or the senior leadership team shall be managed by the Board of Directors (excluding each director implicated in the report).

The foregoing is a summary of the Whistleblower Policy only. The Whistleblower Policy is available on the Corporation's website.

About the Board

The Board is responsible for overseeing management and our strategy and business affairs. Its goal is to ensure we operate as a successful business, optimizing financial returns while effectively managing risk.

The Board carries out its responsibilities directly and through its four standing committees. The Board believes that this provides proper oversight and accountability for specific aspects of governance, risk and the Corporation's business activities and affairs, and frees up the Board to focus more on our strategic priorities and broader oversight of enterprise risk and other matters.

Independence

The Board assesses the independence of each director on an annual basis as well as if any change of circumstance warrants revisiting prior determinations. The Board also assesses the independence of director nominees prior to nomination for election or appointment. In making an independence assessment the Board considers Canadian securities laws as well as other matters it considers relevant, including investor and proxy advisor voting guidelines. Under Canadian securities laws, director independence is assessed against certain bright line tests as well as a broader assessment of any direct or indirect relationship that could, in the view of the Board, reasonably be expected to interfere with a director's independent judgment in respect of the Corporation. Investor and proxy advisor voting guidelines are broadly similar to the test in Canadian securities laws but, these guidelines do vary in some important respects and extend beyond the boundaries of what is required by Canadian securities laws.

The Corporation currently has eight independent directors and one non-independent director (Mr. Rockandel). Mr. Rockandel is a non-independent director due to his position as President and CEO of the Corporation.

This year, the Board has determined that all director nominees, except Mr. Rockandel, could be considered to be independent for purposes of applicable Canadian securities laws. In assessing director independence, particularly as it relates to Messrs. A. Lundin and J. Lundin, the Board specifically considered a range of factors, including (i) the long-standing existence of an independent executive team and that team's multi-year track record of managing the business; (ii) the current and proposed pay for director services will be equivalent for all non-executive directors; (iii) the part-time nature of each non-executive director's service on the Board; (iv) the absence of any material relationship between either Messrs. A. Lundin or J. Lundin and the Corporation or its management; (v) the absence of any dedicated office space for any non-executive director at the Corporation's head office; and (vi) the absence of any authority for Messrs. A. Lundin or J. Lundin to act on behalf of the Corporation with respect to any operational decision pursuant to the Corporation's Board-approved delegation of authorities.

Mr. A. Lundin has advised the Corporation that he will cease being the President and CEO of Josemaria Resources prior to or contemporaneously with the Corporation's acquisition of Josemaria Resources (assuming the consummation of that transaction). Mr. J. Lundin has similarly advised the Corporation that he will cease being a special advisor to Josemaria Resources prior to or contemporaneously with the Corporation's acquisition of Josemaria Resources. As directors, neither Mr. A. Lundin nor Mr. J. Lundin are expected to serve in an executive capacity at the Corporation, nor are they expected to serve on any of the Audit, Human Resources/ Compensation or Corporate Governance and Nominating Committees. They will each focus their involvement on providing strategic guidance and perspective consistent with their role as members of the Board and will not have involvement in the day-to-day operations of the Corporation's business.

Notwithstanding the Board's determination that each of Mr. A. Lundin and Mr. J. Lundin could be considered to be independent for purposes of applicable Canadian securities laws, the Board has nonetheless determined to consider both Mr. A. Lundin and Mr. J. Lundin to be non-independent at this time. The Board is making this determination on the assumption that the Josemaria Resources transaction will close prior to the Meeting and therefore, as a matter of good governance, to allow for a "cooling off" period to pass particularly in connection with Mr. A. Lundin's role as President and CEO of Josemaria Resources up to the closing of the transaction with the Corporation and in light of the familial relationship between

Messrs. A. Lundin and J. Lundin, who are brothers. The Board intends to revisit this position and the associated analysis as part of its normal annual determinations regarding the independence of the directors nominated for service on the Board. Therefore, if the Josemaria Resources transaction closes and all director nominees are elected, the Board will have six independent directors and three non-independent directors (Messrs. A. Lundin, J. Lundin and Rockandel).

Lead Director and In Camera Meetings

Annually, and for a renewable one-year term, the Board appoints an independent Lead Director to provide leadership to the Board and support the Chair. The Lead Director, as an independent director, among other things, presides at meetings of the Board and of the Corporation's shareholders, works to ensure 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 Corporation. Mr. Heppenstall was originally appointed as Lead Director on May 11, 2020 and was reappointed in that capacity on May 7, 2021.

The Board sets aside a portion of each Board meeting to meet in camera without management and non-independent directors present. During the financial year ended December 31, 2021, there were eleven board meetings including two dedicated meetings held with respect to the Josemaria Resources transaction. The Board committees also regularly hold in camera sessions at their meetings. 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.

Our Expectations for Directors

We expect each member of the Board to act honestly and in good faith, and to exercise business judgment in the Corporation's best interest. We expect our directors to bring their skills, experience and functional expertise to the Board. They are expected to draw on a variety of resources to support their decision making, including materials prepared by management, their own research and business experience, independently prepared media reports on the Corporation and the industry and knowledge gained from serving on other boards. We also expect each director to:

- Comply with our Code of Conduct
- Promptly report on any perceived, potential or actual conflicts of interest
- Develop an understanding of the Corporation's strategy, business environment, operations, performance, financial position and markets in which we operate
- Diligently prepare for each Board and committee meeting
- Attend all Board meetings, their committee meetings and the annual meeting of shareholders
- Actively participate in each meeting and seek clarification from management and outside advisors to fully understand the issues
- Participate in the annual Board, committee and director assessment process

Majority Voting Policy

The Board has adopted a majority voting policy which states that in an uncontested election of directors of the Corporation, if any nominee for election as director has received, on a ballot vote at, or, if a ballot vote was not conducted, a majority of the votes represented by proxies validly deposited prior to, a meeting of the shareholders at which directors of the Corporation are to be elected, a greater number of votes "withheld" from his or her election than votes "for" his or her election (a "Majority Withhold Vote"), such director will promptly tender his or her resignation to the Chair of the Board following such meeting, to take effect upon acceptance by the Board. If a director who receives a Majority Withhold Vote at a meeting of the shareholders refuses to resign, such director will not be nominated for election as a director of the Corporation at the next meeting of the shareholders at which directors of the Corporation are to be elected. Under the Majority Voting Policy, an "uncontested election" means an election where the number of nominees for director is equal to the number of directors to be elected. The CGNC will 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. The Board must accept the affected director's resignation absent exceptional circumstances. Absent certain limited circumstances, 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.

Internal Controls

The Board and Board committees are responsible for overseeing the monitoring of the integrity of our internal controls and management information systems.

The Audit Committee is responsible for overseeing the Corporation's internal controls, including controls over accounting and financial reporting systems.

Board Succession Planning

The CGNC, which is composed entirely of independent directors, is responsible for identifying and recruiting new candidates for nomination to the Board. Among the duties under its mandate, the CGNC: reviews the composition of the Board to ensure it has an appropriate number of independent directors; maintains a list of potential nominees; analyzes the needs of the Board when vacancies arise; ensures that an appropriate selection process for new Board nominees is in place; makes recommendations to the Board for the election of nominees to the Board; and continually engages in succession planning for the Board, by performing at least annually, through the annual Board assessment processes and diversity analysis, the identification of the future needs of the Board.

In assessing the composition of the Board, the CGNC takes into account a range of considerations, including: the independence of each director, diversity of the Board, including gender representation, the competencies and skills that the Board, as a whole, should possess, and the current strengths, skills and experience represented by each director and other matters. Nominees to the Board proposed for election at the Meeting are elected by individual voting on each nominee to the Board.

For several years the Corporation has been implementing a deliberate process of progressive Board renewal designed to ensure stability and continuity in the Corporation's business and its oversight. Since 2020, one-third of the Board has been replaced, allowing for an effective transition of knowledge about the Corporation and its business, as well as the addition of different skills, perspectives and experience. If all nominees are elected in 2022, the Board will be adding two new directors (Ms. Lam and Mr. A. Lundin) who will further enhance the Board's overall mix of skills by adding considerable mining-specific financial and project development experience while promoting diversity.

In early 2021, a new director search process was commenced to prepare for the planned future retirement of two directors (Mr. Jones in 2022 and Ms. Stefan in 2023). Following an examination of various third-party search firms, one was selected in the third quarter of 2021 and mandated to focus on candidates with operational and technical expertise. Additional considerations specified in the search firm engagement included prior executive/board experience, experience in mining or other capital-intensive industries and diversity, including gender and diversity characteristics beyond gender. Following Ms. Inkster's announcement that she was stepping down from her role as President and CEO and from the Board and the Corporation's planned additions of technical talent to management, the search focus expanded to identifying a candidate with financial expertise. A detailed search ensued with the search firm analyzing dozens of candidate profiles, conducting preliminary interviews with numerous diverse candidates and completing appropriate background checks. The candidate pool was progressively refined to a selected few who subsequently met with various current directors, resulting in Ms. Lam's appointment.

Mr. A. Lundin's nomination follows the announcement of the Josemaria transaction and Mr. L. Lundin's decision not to stand for re-election to the Board at the Meeting. Given these factors, the Board determined that the benefit of Mr. A. Lundin's candidacy was compelling. In particular, Mr. A. Lundin has spent the past five years working to advance mining projects in Argentina and Chile. Since 2019, he has been the President and CEO and a Director of Josemaria Resources and has a detailed knowledge of the Josemaria project. As a result, he has a high degree of personal involvement in the relationships and interactions with the Governments of Argentina and San Juan that the Board believes remain essential to advance the project as planned. Mr. A. Lundin also provides practical, on-the-ground technical mining experience that the Board determined would provide tremendous benefit to the Corporation and the Board, not only in Argentina but also in Chile and its other operations.

The CGNC continues to consider additional candidates as part of its organized succession planning, having regard to a range of factors, with a particular focus on further supplementing the technical and operational expertise of the Board. In the interim, and at the CGNC's recommendation, the Board has determined it will retain Mr. Jones as a special technical advisor following his retirement from the Board at the Meeting.

Term and Age Limits

The Board believes there is value to having continuity of directors who have experience with the Corporation, possess the skills and other experiences to add value to the Board's discussions and who continue to perform at an elevated level, including based on the director's attendance record and the results of the Board's annual assessment process. The Board has adopted an age limit policy pursuant to which directors will not be appointed or nominated for (re)election in the calendar year following which the individual has reached 70 years of age, unless otherwise determined by the Board. To allow for appropriate planning and transition, the age limit has been in effect since January 1, 2022. With age limits assuring that there will be regular and ongoing Board renewal in the coming years and for the other reasons set out above, the Board has not adopted specific term limits on individual directors. We do, however, review the average tenure of the Board when assessing renewal.

The Board has been active in promoting renewal as part of its succession-planning to ensure new perspectives are brought to the Board. Over the past three years, four long-standing directors have retired or are retiring at this year's Meeting after a number of years of service on the Board. the Board has identified five new directors who have joined the Board since 2020 (Mr. Heppenstall in 2020; Ms. Poniachik and Mr. J. Lundin in 2021; and Ms. Lam and Mr. Rockandel in 2022). If all nominee directors are elected, following the Meeting, the average tenure of directors will be 5 years, down from 13 years in 2019.

Annual Assessments of the Board

In accordance with the Board's mandate, the Board, through the CGNC, undertakes formal Board evaluations of itself, its committees and of each individual director's effectiveness and contribution on an annual basis. The directors also complete an annual skills self-assessment.

The CGNC prepares and delivers an annual Board Effectiveness Assessment questionnaire to each member of the Board. The questionnaire is divided into six parts dealing with: (i) Board structure and composition; (ii) Board responsibility; (iii) Board operations; (iv) Board effectiveness; (v) effectiveness and contribution of individual directors; and (vi) individual assessments (including a self-assessment and a peer review). Each director must complete the entire questionnaire including the rating of each other director and a self-assessment. The CGNC also prepares and delivers an annual Board skills self-assessment form to each member of the Board. The Chair of the CGNC also conducts one-on-one interviews with each of the directors upon receipt of the completed questionnaire and skills self-assessment. The CGNC reviews and considers the responses received and makes a final report, with recommendations, if any, to the Board. This process occurs prior to the consideration by the CGNC of nominations for director elections at the Corporation's annual meeting of shareholders each year.

Orientation and Education

The Corporation provides new directors with an electronic orientation package upon joining the Corporation that includes financial and technical information relevant to the Corporation's operations and provides one-on-one discussion opportunities to address questions a new director may have. On an ongoing basis, the Board believes that it is important for its members to keep themselves current with trends and developments in matters affecting the Corporation and its operations, including with respect to corporate governance, human resources talent development, and developments in the broader mining industry. To facilitate this, Board members have full access to the Corporation's records and receive a monthly report from management discussing the operations, health and safety matters, sales of product, projects and investments, financial summary, exploration, human resources, and new business and corporate development. The Board and Committees receive regular presentations from senior management updating directors about market and industry conditions and trends that may impact the Corporation's business and influence its strategy. Annually, the Board is also provided with opportunities to visit at least one operation to familiarize members of the Board with the Corporation's operations and frontline leadership and to ensure that their knowledge and understanding of the Corporation's business remains current. From time to time, the Board receives specialized presentations on various matters of significance to the Corporation and Board members are also encouraged to attend relevant seminars, conferences and similar events.

Through the course of 2021, the following events, seminars and other events were attended by the Corporation's directors:

Topic/Event	Date	Participants
Director Climate Change Workshop *(facilitated by Accenture)*	July 19, 2021	Board Members and Executive Team
Cybersecurity Education Session *(facilitated by Deloitte)*	October 27, 2021	Board Members

Diversity and Inclusion

The Corporation is a global company and believes that its workforce should reflect the diversity of the countries and communities in which it operates. The Corporation believes that diversity promotes the inclusion of different perspectives and ideas, encourages independent thinking and ensures that the Corporation benefits from all available talent. It also values the benefits that diversity can bring to the Board, members of senior management and employees of the Corporation and its subsidiaries.

In furtherance of those beliefs, the Corporation adopted an updated written Diversity and Inclusion Policy on March 19, 2020 which was further amended in February 2021. The amended and expanded Diversity and Inclusion Policy reflects the Corporation's ongoing commitment to promoting diversity at the highest levels of the Corporation in order to set the "tone at the top" and demonstrate the Corporation's commitment to diversity at all levels within the organization, and its commitment to fostering an inclusive culture based on merit and free of conscious or unconscious basis. Diversity is defined broadly to include a range of personal characteristics, including gender and members of the other "designated groups" prescribed under the CBCA diversity disclosure requirements (Aboriginal peoples, persons with disabilities and members of visible minorities, each as defined in the *Employment Equity Act (Canada)*).

The Diversity and Inclusion Policy provides that the Corporation seeks to have directors and executive officers that are comprised of talented and dedicated individuals with a diverse mix of experience, skills, knowledge, education, personal qualities and backgrounds collectively reflecting the strategic needs of the business and the nature of the environment in which the Corporation operates.

When assessing Board and committee composition or identifying suitable individuals for appointment or re-election to the Board or as executive officers, the CGNC, the Board and/or the Corporation (as applicable) will consider candidates using objective criteria and on their merit, having due regard to the needs of the Board or the Corporation (as applicable) and to diversity, including the current level of representation of women and each of the other designated groups on the Board or among the Corporation's executive officers (as applicable).

The Corporation has chosen to focus on the level of representation of women on the Board at this time, as women represent approximately half the population in each of the jurisdictions in which the Corporation operates and the other designated groups do not represent as high a proportion of the population in these jurisdictions. If all nominees proposed for election at the Meeting are elected, there will be three women on the Board, representing 33% of the directors and marking the second year in a row in which the Corporation has achieved this level of female representation on the Board. Amongst the Corporation's nine executive officers, three (or 33%) are women. Further, one of four officers at a material subsidiary of the Corporation is a woman. If all executive officers at the Corporation and officers at its material subsidiary are combined, four of 13 are women (31%).

While the Corporation's focus continues to be on gender, the Corporation actively considers the extent to which members of the Board and executive officers are comprised of individuals who reflect diverse characteristics (which includes members of each of the designated groups). In particular, in order to increase the representation of individuals who are members of other designated groups on the Board and in executive officer positions, the Diversity & Inclusion Policy specifically provides that, when recruiting new candidates for director or executive officer positions, the Corporation adopt search protocols and specifically instruct external consultants engaged to help identify such candidates to include the identification of a reasonable proportion of candidates who are members of the designated groups (including and in addition to women) for consideration by the CGNC, the Board and/or the Corporation (as applicable). Three of the executive officers identify as visible minorities, representing 33% of executive officers within the Corporation. Further, if all director nominees are elected at the Meeting, there will be three women, representing 33% of the Board, and two directors who identify as a visible minority, representing approximately 22% of the Board. No directors or executive officers of the Corporation identify as being a member of any of the other designated groups. The Corporation has based all information provided in respect of the representation of each designated group on the Board or among the Corporation's executive officers on information provided by the directors and executive officers, who have been requested, but are not required, to identify whether they are a member of a designated group.

Targets

In February 2021, the Corporation adopted a target providing that the Board and executive officer positions should at all times be comprised of at least 30% women. If all the nominees proposed for election at the Meeting are elected, the Board will have exceeded this target for a second year in a row, and the Corporation continues to exceed this target at the executive officer level. The Corporation has not adopted specific targets for directors or executive officers in respect of any of the other designated groups. Rather, the Corporation believes that the number of women on the Board and the number of women and members of other designated groups in executive officer positions reflects the Corporation's commitment to and success in promoting diversity. As noted above, three members of a designated group (other than women) hold executive officer positions, representing 33% of executive officers within the Corporation. Further, if all director nominees are elected at the Meeting, there will be two members of a designated group (other than women) on the Board (22%). Nevertheless, the Board annually revisits its determination regarding whether a target for members of the other designated groups is required and bases that determination on the actual representation and directional movement in key roles within the Corporation both at the executive officer level and below.

Other Corporation and Employee Led Diversity and Inclusion Initiatives

Separate and distinct from its diversity initiatives with respect to Board and senior leadership representation, the Corporation has implemented and is continuing a number of diversity and inclusion initiatives within its workforce. These include hiring and training initiatives specifically targeted at recruiting women into our site-based workforces, sexual harassment awareness training and reporting, cultural integration activities for ex-patriates and employee education sessions on race and gender identity issues. In 2021, the Corporation continued the activities of its internal, employee-led Diversity, Inclusion, Anti-Racism & Discrimination Committee (DIARD). DIARD is a multi-disciplinary working group established to further the Corporation's diversity and inclusion agenda, which aims to create and foster a workplace that reflects and contributes to the diverse, global communities in which we do business, and provide recommendations to address institutional and systemic inequalities and biases that may exist. DIARD organizes events and activities around the five core concepts of (i) building awareness, (ii) celebrating culture; (iii) engaging with communities; (iv) mentoring; and (v) networking.

Reporting

As part of its consideration of Board and senior management succession and in furtherance of the Corporation's commitment to diversity, the CGNC: (i) monitors the proportion of the Corporation's directors and executive officers and other members of senior management that are members of each of the designated groups; (ii) reviews the Corporation's determination regarding the adoption of specific diversity targets for directors and executive officers from other designated groups; and (iii) monitors compliance with the Diversity and Inclusion Policy and the annual and cumulative progress made by the Corporation in achieving the objectives of that policy. The CGNC provides reports to the Board on these matters on a periodic basis. It will also review and, if necessary, recommend amendments to the Diversity and Inclusion Policy on an annual basis.

CEO Succession Planning and Leadership Development

The Board oversees succession planning to ensure we have a pool of strong, diverse candidates for senior management positions, and that we nurture talent and attract and retain key people for our long-term success. The Corporation's approach to leadership development focuses on building competencies throughout the organization, identifying high-potential employees and preparing those employees to take on executive officer and other senior management positions in the future. The purpose of this approach is to ensure the Corporation's capacity to meet future strategic objectives and to ensure a depth of talent that serve in critical organization roles over time. The Board also has the responsibility for approving the appointment of the Company's officers.

The primary vehicle through which the Board discharges these duties is the HRCC, which monitors progress in succession for executive positions reporting to the President and CEO to ensure that the Corporation's business will continue to be strongly managed in the future. The CEO, working with the SVP, Human Resources, identifies internal successors for each of the NEOs and senior management positions throughout the Corporation. This broader succession planning process includes the identification of successors for all senior roles on a "ready-now" and longer-term basis. Further, to ensure business continuity, successors are also identified who can serve in a temporary or emergency basis in the event of an unexpected vacancy. Both of these planning processes ensure that any business impacts are minimized and operational continuity and stability is maintained when transitions occur.

The Corporation's comprehensive succession planning processes include succession planning for the President and CEO, who annually provides a list of potential successors for the President and CEO position to the HRCC and discusses each potential candidate. These discussions include an assessment of each candidate's strengths and areas for improvement or development and the steps the President and CEO is taking to ensure a strong pipeline of internal talent is available to the Corporation. The strength of this succession planning process was tested in the third quarter of 2021 when the then President and CEO, Ms. Inkster, announced her intention to step down as of December 31, 2021 for personal reasons. Ms. Inkster's successor, Mr. Peter Rockandel (then SVP, Corporate Development and Investor Relations) was appointed as the incoming new President and CEO. Mr. Rockandel joined the Company in 2018 and led the successful acquisition of the Chapada mine in Brazil in 2019 as well as various other matters (including, in the fourth quarter of 2021, the pending acquisition of the Josemaria copper-gold project in Argentina). As a member of the executive leadership team, Mr. Rockandel was amongst a group of internal candidates that the prior President and CEO had previously identified to the HRCC and Board as a potential successor for her role. While the possibility of external candidates was also considered, it was the unanimous view of the HRCC and the Board that Mr. Rockandel was the best choice given his intimate knowledge of the Corporation, as well as his broad industry knowledge and strategic vision. The appointment was announced on September 9, 2021 and, as a result of the seamlessness of the change, the CEO transition was promptly accelerated from December 31, 2021 to November 1, 2021.

The leadership development activities of the Corporation extend beyond the leadership level and the Corporation is committed to developing careers and future leaders at all levels. In 2020, the Corporation rolled out a competency model to identify core and complementary leadership competencies required of its top leadership. This competency model cascades down through other levels of the organization and will allow for defined succession planning throughout the key roles in the organization. The use of this competency model was further enhanced in 2021 with the development and, in early 2022, launch of a company-wide talent management system that will allow for structured goal setting, individual development plans, regular review and follow-up on progress against those plans. The Corporation also regularly conducts talent management review sessions in conjunction with performance reviews and identifies high performing individuals and leadership staffing needs in the organization. This is periodically supplemented with challenging work assignments, secondments to subsidiaries and individualized development and awareness building tools, such as career coaching, mentorship, specialized educational and 360° reviews.

Role of the Board

Board Mandate

The Board has adopted a mandate which acknowledges its responsibility for the overall stewardship of the conduct of the business of the Corporation and the activities of management. Management is responsible for the day-to-day conduct of the business of the Corporation. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Corporation meets its obligations on an ongoing basis and to ensure that the Corporation 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 Corporation. In overseeing the conduct of the business, the Board, through the CEO, sets the standard of conduct for the Corporation.

The Board oversees the Corporation'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 Corporation 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 Chair 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 Corporation and the *Canada Business*

Corporations Act, 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 Corporation's communications policy. The Board has put structures in place to ensure effective communication between the Corporation, its shareholders and other members of the public. The Corporation 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 Corporation with its shareholders and with the public, 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 Corporation 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 Corporation's website and are available on SEDAR at www.sedar.com.

The full text of the Board's mandate is attached as Appendix A.

Position Descriptions

The Board has adopted a written position description for each of the Chair, Lead Director, the Chair of each Board Committee, and the CEO. A copy of the description of these positions is available on the Corporation's website at www.lundinmining.com.

Chair of the Board

The Chair of the Board is Mr. L. Lundin. As Mr. L. Lundin is not standing for re-election at the Meeting, his successor is expected to be appointed from among the directors elected at the Meeting. The Board has established a standalone, written position description for the Chair of the Board. The Chair is responsible for the management, development and effective performance of the Board, and for providing leadership to the Board for all aspects of its work. The Chair acts in an advisory capacity to the CEO and to other officers on all matters concerning the interests and management of the Corporation and, in coordination with the Lead Director and CEO, may play a role in the Corporation's external relationships.

Lead Director

The Lead Director is Mr. Heppenstall. The Board has established a standalone, written position description for the Lead Director of the Board. The primary role of the Lead Director is to provide leadership to the Board and support the Chair. The Lead Director, among other things, presides at meetings of the Board and of the Corporation's shareholders, works to ensure 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 Corporation.

Chair of the Audit Committee

The Chair of the Audit Committee is Mr. Peniuk. The Board has established a written position description for the Chair of the Audit Committee, who is responsible for, among other things, acting as liaison between the Audit Committee, the Board and management, chairing all meetings of the Audit Committee, ensuring that meetings of the Audit Committee are held as required, coordinating the attendance of the Corporation's external auditors at meetings of the Audit Committee, and reporting regularly to the Board on all matters within the authority of the Audit Committee and in particular, the recommendations of the Audit Committee in respect of the Corporation's quarterly and annual financial statements and risk management.

Chair of the Corporate Governance and Nominating Committee

The Chair of the CGNC is Ms. Stefan. The Board has established a written position description for the Chair of the CGNC, who is responsible for, among other things, acting as liaison between the CGNC and the Board, chairing all meetings of the CGNC, proposing nominees for the Board and each committee of the Board, ensuring that the meetings of the CGNC are held as required, monitoring the preparation of the statement of corporate governance to be provided to the shareholders of the Corporation each year, and reporting regularly to the Board on matters within the authority of the CGNC.

Chair of the Safety and Sustainability Committee

The current Chair of the Safety and Sustainability Committee ("SSC") (formerly the Health, Safety, Environment and Community Committee) is Mr. Jones. As Mr. Jones is not standing for re-election at the Meeting, his successor is expected to be appointed from among the independent directors elected at the Meeting. The Board has established a written position description for the Chair of the SSC, who is responsible for, among other things, acting as liaison between the SSC, the Board and management, chairing all meetings of the SSC, ensuring that the meetings of the SSC are held as required, and reporting regularly to the Board on matters within the authority of the SSC.

Chair of the Human Resources/ Compensation Committee

The Chair of the Human Resources/ Compensation Committee ("HRCC") is Mr. Charter. The Board has established a written position description for the Chair of the HRCC, who is responsible for, among other things, acting as liaison between the HRCC, the Board, the CEO and management, chairing all meetings of the HRCC, ensuring that the meetings of the HRCC are held as required, overseeing succession planning and the processes whereby annual salary, bonus, equity awards and other benefits of the Corporation's executive officers (other than the CEO) are reviewed and assessed following discussion with and considering for the recommendations of the CEO, reviewing the directors' and CEO compensation and reporting regularly to the Board on matters within the authority of the HRCC.

President and Chief Executive Officer

The President and Chief Executive Officer, effective November 1, 2021, is Mr. Rockandel. Ms. Marie Inkster served as President and Chief Executive Officer prior to that date. The Board has established a written position description for the CEO, who is responsible for, among other things, the day-to-day management of the business and the affairs of the Corporation. The CEO is also responsible for assisting the Chair of the Board, the Lead Director and the Chairs of the Board committees to develop agendas for the Board and Board committee meetings to enable these entities to carry out their responsibilities, reporting to the Board in an accurate, timely and clear manner on all aspects of the business that are relevant so that the directors may carry out their responsibilities, making recommendations to the Board on those matters on which the Board is required to make decisions, ensuring that the financial statements and other financial information contained in regulatory filings and other public disclosure fairly present the financial condition of the Corporation, ensuring the integrity of the financial and other internal control and management information systems and risk management systems, the promoting of ethical conduct within the Corporation and its subsidiaries, recruiting of senior management as may be directed by the Board, senior management development and succession, acting as the principal interface between the Board and senior management, promoting a safe work environment that is conducive to attracting, retaining and motivating a diverse group of high-quality employees, promoting continuous improvement in the timeliness, quality, value and results of the work of the employees of the Corporation, and speaking on behalf of the Corporation in its communications to its shareholders, government and the public.

Board Committees

To assist the Board with its responsibilities, the Board has established four standing committees: the Audit Committee, the CGNC, the SSC and the HRCC. Each committee has a written mandate and reviews its mandate annually.

Audit Committee

The Audit Committee comprises three directors. The current members of the Audit Committee are Mr. Peniuk (Chair), Mr. Charter and Ms. Stefan, all of whom are independent and financially literate for the purposes of NI 52-110. Mr. Peniuk is the designated financial expert on the Audit Committee.

The Audit Committee's purpose is to ensure that management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements of the Corporation and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material risks and facts. The Audit Committee assists the Board in the discharge of its responsibilities in this regard. Its other duties and responsibilities include: (i) making recommendations to the Board regarding the Corporation's external auditors, their independence and remuneration; (ii) ensuring that management has designed, implemented and is maintaining an effective system of internal financial controls; (iii) reviewing and approving the fee, scope and timing of the audit and other related services rendered by the external auditors and reviewing any unresolved issues between management and the external auditors; (iv) reviewing the Corporation's quarterly statement of earnings and regulatory filings and decisions as they relate to the Corporation's consolidated financial statements and MD&A; (v) reviewing and approving the internal audit plan; (vi) reviewing the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to risk management; (vii) reviewing compliance under the Corporation's Code of Conduct, Ethical Values and Anti-Corruption Policy; (viii) establishing procedures for the receipt, retention and treatment of reports received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; (ix) reviewing financial risk management programs (such as material commodity, currency or interest rate hedging); and (x) coordinating with the SSC (in respect of relevant risks) and review with management the effectiveness of the Corporation's procedures with respect to risk identification, assessment and management, the Corporation's major risk exposures and the steps taken to monitor and control such exposures and the effect of relevant regulatory initiatives and trends.

The Board appoints the members of the Audit Committee for the ensuing year at its organizational meeting held in conjunction with each annual meeting of the shareholders of the Corporation. 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 Corporation and to such information respecting the Corporation and may engage independent counsel and advisors at the expense of the Corporation, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

Additional information relating to the Audit Committee, including a copy of the Audit Committee's mandate, is provided in the Corporation's Annual Information Form for the year ended December 31, 2021, a copy of which is available on the SEDAR website at www.sedar.com and on the Corporation's website at www.lundinmining.com in the section titled "About Us – Governance – Audit Committee".

Human Resources/ Compensation Committee

The HRCC comprises three directors, all of whom are independent within the meaning of the Governance Guidelines. The current members of the HRCC are Mr. Charter (Chair), Mr. Jones and Mr. Heppenstall. As Mr. Jones is not standing for re-election at the Meeting, his successor is expected to be appointed from among the independent directors elected at the Meeting.

The principal purpose of the HRCC is to implement and oversee human resources and compensation policies approved by the Board and review all aspects of the Corporation's and directors' compensation program. The duties and responsibilities of the HRCC include overseeing succession planning and recommending to the Board the annual salary, bonus, equity awards and other benefits, direct and indirect, for the CEO, and after considering the recommendations of the CEO, approving the compensation for the Corporation's other executive officers, approving other human resources and compensation policies and guidelines, ensuring management compensation is competitive to enable the Corporation 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 meeting of the shareholders of the Corporation. 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 Corporation and to such information respecting the Corporation and may engage independent counsel or advisors at the expense of the Corporation, all as it considers to be necessary or advisable to perform its duties and responsibilities.

Corporate Governance and Nominating Committee

The CGNC comprises three directors, all of whom are independent within the meaning of the Governance Guidelines. The current members of the CGNC are Ms. Stefan (Chair), Mr. Heppenstall and Ms. Poniachik.

The principal purpose of the CGNC is to provide a focus on corporate governance that will enhance the Corporation's performance, and to oversee on behalf of the Board the Corporation's corporate governance system and its effectiveness in facilitating the discharge of the Board's obligations to the Corporation's stakeholders. The duties and responsibilities of the CGNC include: (i) the development and monitoring of the Corporation'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; (ii) recommendation of nominees to the Board for election as directors of the Corporation at the annual meeting of shareholders; (iii) reporting annually to the Corporation's shareholders, through the Corporation's annual management proxy circular to shareholders, on the Corporation's system of corporate governance and the operation of its system of governance (including the Corporation's Code of Conduct and Whistleblower Policy in respect of concerns reported regarding known or suspected violations of the Code of Conduct other than those matters under the power of the Audit Committee); (iv) analyzing and reporting annually to the Board the relationship of each director to the Corporation as to whether such director is an independent director or not an independent director; (v) 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; and (vi) in the event of a vacancy on the Board or any Committee, whether to recommend to the Board to fill the vacancy and, if the vacancy is to be filled, to recommend an individual to 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 meeting of the shareholders of the Corporation. 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 Corporation and to such information respecting the Corporation and may engage independent counsel and advisors at the expense of the Corporation, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

Safety and Sustainability Committee

The SSC (formerly the Health, Safety, Environment and Community Committee) comprises three directors. The current members of the SSC are Mr. Jones (Chair), Mr. J. Lundin and Ms. Poniachik. As Mr. Jones is not standing for re-election at the Meeting, his successor is expected to be appointed from among the independent directors elected at the Meeting.

The principal purpose of the SSC is to assist the Board in its oversight of the Corporation's compliance with applicable legal and regulatory requirements associated with health, safety, environmental, community, sustainability and climate change-related matters, safety and sustainability-related risks, performance in relation to safety and sustainability matters, the performance and leadership of safety and sustainability-related functions in the Corporation, and external reporting in relation to safety and sustainability matters.

The Board appoints the members of the SSC for the ensuing year at its organizational meeting held in conjunction with each annual meeting of the shareholders of the Corporation. The Board may at any time remove or replace any member of the SSC and may fill any vacancy in the SSC. The SSC meets a minimum of four times a year. The SSC has access to such officers and employees of the Corporation and to such information respecting the Corporation and may engage independent counsel and advisors at the expense of the Corporation, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

Risk Management and Oversight

The Board believes that an enterprise-wide approach to risk management allows the Corporation to successfully assess and mitigate risks. The Board therefore requires management to maintain a framework that ensures that the Corporation effectively and efficiently identifies, manages and mitigates risk in a manner that creates the greatest value; integrates procedures for managing and mitigating risk into key decision-making processes; ensures the development, implementation and monitoring of key controls; and provides for periodic risk reporting and assurance to the executive team and relevant committees of the Board.

In this respect, the Corporation has established and implemented a Risk Management Statement, Risk Management Framework, Responsible Mining Policy, and Responsible Mining Management System standard. These documents establish the Corporation's approach and processes for risk governance, risk identification, risk management and responsible mining. The approach and related processes consider a broad spectrum of stakeholders and potential internal and external risk exposures and is also used to identify and leverage potential up-side risk related opportunities. Quarterly risk reviews are conducted by functional risk owners, site-based risk champions, and by senior leaders at the enterprise, functional, and site levels. Based on these reviews, a quarterly corporate risk report and listing of material enterprise risks is prepared under the guidance of the Vice President, Health, Safety and Risk for review by an Executive Risk Committee ("ERC") comprised of members of the senior leadership team. A formal quarterly risk report is prepared on behalf of the ERC for submission and review by the SSC and Audit Committee with follow-on reporting and discussion with the Board.

The Board and its Committees are responsible for overseeing enterprise level effectiveness of the Corporation's risk management program, and for knowing and understanding the details of the principal risks of the business. As part of its oversight responsibility, the Board is tasked with ensuring that the Corporation maintains a proper balance between risks incurred and potential return to shareholders, for assuring that risk management programs are in place and effective, including internal control frameworks and insurance and loss prevention efforts, and to implement policies and standards for monitoring and managing risks. A detailed enterprise risk review is also performed as part of the Board's annual approval of the Corporation's Annual Information Form.

Managing Climate Change Risks and Decarbonization Efforts

The Corporation recognizes the need for effective approaches to managing climate-related responsibilities and risks, especially considering the locations in which the Corporation operates and the energy-intensive nature of the extractive industry sector. The Corporation's responsible management of climate change risks and opportunities is coupled with our important role in sustainably providing raw materials to support the global transition to a low-carbon future.

Climate change physical and transitional risks are managed under the risk management system described above in "Risk Management and Oversight". The Corporation reports annually on climate-related disclosures such as governance, strategy, risk management and metrics via the CDP Climate Change program, which is aligned with the Task Force on Climate-related Financial Disclosures. Externally assured Scope 1 and 2 greenhouse gas emission data is included in our annual Sustainability Report and CDP disclosures. In 2022, the Company expects to expand and evaluate Scope 3 GHG emissions associated with its operations.

At the Board level, the SSC meets quarterly and is responsible for overseeing the Corporation's policies, programs, and performance relating to sustainability matters, including the environment and climate change. Both SSC and Audit Committee, and thereafter the full Board, review and comment on the Corporation's public disclosure relating to climate change risks and initiatives.

The Company is in the final stages of establishing a specific carbon reduction target for its operations and expects to announce that target in the first half of 2022.

Conflicts of Interests and Related Party Transactions

In the case of any transaction or agreement in respect of which a director or officer of the

Corporation has a material interest, including agreements or transactions with other resource companies of which such director or officer serves as a director or officer or in which they have a significant shareholding, the director or officer is required to disclose his or her interest. Where applicable, he or she is also generally required to exclude himself or herself from any deliberations or votes relating to that transaction or agreement. Further, each of our officers and employees are required to avoid situations in which their personal interests conflict or might conflict or might be perceived to conflict with their duties to the Corporation or with the economic interest of the Corporation.

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 Corporation has a material interest, which include ensuring that directors, officers and employees are familiar with the Corporation's 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 or might be perceived to conflict with their duties to the Corporation or with the economic interest of the Corporation. Individuals governed by the Code of Conduct who have executive, managerial or supervisory responsibilities are required to ensure that actions and decisions within their jurisdiction are free from the influence of any conflict of interest with respect to the Corporation. Where a director declares an interest in any material contract or transaction being considered at a meeting of directors, the director recuses themselves from the meeting during the consideration of the matter and does not vote on the matter.

Further, on an annual basis, the Corporation requires all directors and officers to complete questionnaires that include disclosure regarding any related party transactions or conflicts of interest and any affirmative responses are forwarded to the Board for consideration.

Where a conflict or potential conflict is identified or a related party transaction is brought to the Board's attention, the full Board will assess the proposed related party transaction and/or situation involving a potential conflict of interest. If the matter is one that is required under applicable corporate or securities laws to be dealt with by a subset of the Board or a special committee consisting solely of independent directors or where the Board otherwise determines that the formation of such a committee is necessary or advisable, the relevant arrangements are made. In such a circumstance, all conflicted or potentially conflicted directors are required to recuse themselves and will abstain from voting on any resolutions, with only non-conflicted directors entitled to engage in substantive discussion, receive transaction evaluation materials and vote on such matters.

As an example, in 2021, three directors (Messrs. L. Lundin, J. Lundin and Heppenstall) declared their conflict of interest in connection with the transaction with Josemaria Resources. The conflicted directors promptly recused themselves from all consideration of the transaction and abstained from voting on the transaction. The non-conflicted directors met to consider the transaction and agreed to form a special committee that was composed exclusively of directors who are independent of the Corporation's management, Josemaria Resources and its major shareholders, officers and directors. The special committee held six formal meetings and met informally on a number of additional occasions, reviewed the materials presented by management, asked questions of management and considered risks with respect to the transaction. Both the Board of Directors (not including the conflicted directors) and the special committee discussed the materials and received input from separate independent third-party legal and financial advisors of both the Company and the special committee before approving the transaction.

Message from the Human Resources/ Compensation Committee

On behalf of the Human Resources/ Compensation Committee ("HRCC"), we are pleased to share with you our report on executive compensation. What follows under the "Compensation Discussion and Analysis" is a detailed review of the compensation policies and procedures which are followed and applied in determining the annual salaries, cash incentive and equity incentive awards for our executives. In addition, there is also the mandated disclosure of compensation in the format required by the applicable regulatory rules and regulations. To assist shareholders in understanding this disclosure, the following is a summary of the HRCC's approach. In reviewing the detailed information in the Compensation Discussion and Analysis, it is important to keep our basic approach and philosophy in mind.

Performance Based

In a commodity business such as ours we believe that shareholders and other stakeholders are best served when executives manage the business throughout the entire commodity business cycle.

Our fundamental premise is that compensation has a direct link to long-term performance while being fair to all stakeholders. Most of the compensation for the executive group is "at risk" incentive awards. The incentive program, as discussed below, is comprised of a cash incentive plan and an equity incentive plan that are both tied to long term performance measures. Both cash and equity incentive awards are 100% performance based and therefore "at risk". No one is guaranteed either cash or equity awards. The result is that consistent long-term corporate and individual performance provides the highest incentive awards and value over time.

Another fundamental premise is that our programs, while being directly connected to performance, must also be straight forward and easy to understand and not be applied as rigid formulas. These are guidelines and ultimately, they are applied with Board discretion where appropriate to ensure fair outcomes. External, unexpected or unforeseen events and transactions are recognized through the exercise of discretion to ensure a fair outcome to all stakeholders where warranted. The process ensures flexibility and discretion so that we can respond to changes in the market and the business and avoid results that are unfair to the various stakeholders.

To date, we believe the result has shown a strong relationship of executive "at risk" compensation to long-term corporate and executive performance.

Cash Incentive

The cash bonus incentives are based on achieving annual goals which have been consistently determined to best ensure long-term value creation. The level of achievement is tracked over time to ensure that the goals continue to be relevant and appropriate.

The cash incentive, while an annual score card, has a significant long-term shareholder value component due to the long-term planning necessity of the annual budget. It is important to understand the annual budget process discussed below, to appreciate the connection of the annual cash incentive awards to long-term shareholder value creation.

The cash incentive compensation is based on four basic measures:

- Operational and financial targets including per share adjusted operating cash flow, comparative total shareholder return ("TSR") and project execution (commodity price effects are netted out in the assessments of cash flow).
- Health and safety of our people, sustainability and community involvement.
- Execution against long-term strategy.
- Individual contribution based on specified key performance indicators ("KPIs").

It is important to remember that the results of operational and financial performance can often take time to be reflected in the share price which is why only one part of corporate performance is current share price return and longer term TSR performance is part of the equity plan. Outstanding work may take more than one year to be reflected in the market price of the shares. This format best reflects this reality.

The Corporation sets an annual budget which is prepared in the context of a five-year forward-looking forecast and in conjunction with the full "life of mine" plans. The nature of mining operations requires a long-term outlook to determine the optimum mine designs and operation based upon a long-term commodity price view. This determines not only Mineral Reserves but the mine plans and operations. It also looks at the issue of Mineral Reserve replacement (resulting from Mineral Resource conversion and exploration) given the nature of the resource extraction business and the ongoing need to replenish mined mineral reserves. Accordingly, the annual budget, which is the basis for management's objectives for the year, is prepared with a long-term outlook to create and sustain shareholder value. This prevents putting operations at risk from short-term thinking and short-term commodity price swings. As a result, the annual targets, which are established as benchmarks for management at both the corporate and individual level, are tied to a long-term outlook and reflect the key drivers of long-term value creation. We believe that the targets which are set for the Corporation require management to "outperform" while operating responsibly. This is an important part of our risk management.

Performance Equity Incentive

The performance equity incentive plan connects to long-term performance in several ways both before and post grant. The amount of equity awarded each year is based on long-term performance measures. Once granted, the vesting of the performance equity is over a long-term period as well as for a portion of the award vesting is tied directly to comparative TSR performance over a three-year period. The result is that both the amount granted, and the value realized have long term performance factors over the duration of the ongoing commodity cycles.

The amount of performance equity awarded under the plan is based on:

- Comparative TSR over both the historical three- and five-year periods. In addition, the performance against other metrics such as the S&P/TSX Global Base Metals Index and copper price are reviewed.
- Three-year historical performance against the cash incentive measures which, as discussed, include long-term planning factors and execution against the long-term strategic plans.
- Prior performance equity grants, dilution and "burn rate" which ensure that the outcome is fair to all stakeholders and to avoid any unusual or unforeseen outcomes resulting from share price volatility.

The structure of the performance equity incentive plan provides continued post award long-term performance incentives to link the incentive further to the shareholder experience:

- Vesting of 50% of the share units granted are tied to relative TSR performance over a three-year period.

- All equity vests over a three-year period to ensure that executives are continually participating in the TSR and share value fluctuations over the commodity cycles.
- All executives have a minimum shareholding requirement to ensure that they have ongoing exposure to shareholder value experience regardless of the vesting of awarded equity.

In assessing comparative total shareholder return we normally use a December-to-December volume weighted average price ("VWAP"). When determining the amount of performance equity to award we use a 20-day VWAP ending at the meeting date on which the HRCC determined the number of share units and options to grant. This will vary from the one-day spot price required to be used in reporting values under securities laws regulation. This approach ensures that short term share price volatility is eliminated to a considerable extent and provides a fairer outcome. The allocation of performance equity awards for all executives is an approximate 50/50 split between stock options and share units. Following the report of the HRCC for the 2020 fiscal year the HRCC was concerned that the base salaries of certain executives had become uncompetitive in the market. As a result, the HRCC engaged Global Governance Advisors ("GGA"), to assist it in determining if the base salaries were competitive against market peers. It was determined that the positions of Chief Operating Officer (COO), Chief Financial Officer (CFO), Senior Vice President Corporate Development & Investor Relations, and Senior Vice President & General Counsel, required base salary adjustments in line with market peers. These adjustments were retroactive to January 1, 2021.

In addition, on September 9, 2021 the Company announced that Marie Inkster, President and CEO at that time would be stepping down and Peter Rockandel, who was then the Senior Vice President, Corporate Development & Investor Relations would become the new President and CEO. This change was effective November 1, 2021. Accordingly, the compensation for Mr. Rockandel, reflects ten months' compensation as the Senior Vice President Corporate Development & Investor Relations and two months in his new role. Amounts paid to Marie Inkster are disclosed separately. This makes year over year CEO total compensation comparison unhelpful.

Compensation is determined in C$. Accordingly, from year to year, the exchange rate will vary in the comparative year over year numbers in the regulatory reporting chart on page 77 reflecting the change in relative currencies. This is a reporting anomaly that does not reflect the outcomes of the HRCC's determinations.

2021 Performance

How did we apply these guidelines for 2021 performance? The Corporation delivered record performance in a number of areas, as highlighted in this memo, while it continued to manage a global pandemic and other challenges during the year. Despite these achievements, the Corporation also missed several key operational and financial targets, as detailed in the following section, resulting in an overall performance below target.

As a result, cash and performance equity incentive compensation for the Named Executive Officers (NEOs) ranged from -14% to -17% below target incentive compensation and total compensation ranged from -9% to -12% below target total compensation. The purpose of our message is to provide a high-level insight into how the compensation guidelines were applied and where and why Board discretion was applied.

Cash Incentive

The cash incentive is based on the four criteria set out below.

- Financial & Operational Performance (35%)
- Health, Safety, and ESG (20%)
- Strategic Execution (20%)
- Individual Contribution (25%)

With respect to the operational and financial targets, while the Company achieved a record free cash flow of $1,010M in 2021*, fiscal 2021 was another challenging year, primarily at Candelaria. Negative commentary by the incoming government on increased taxes and royalties impacted all mining equities with Chilean exposure. In addition to these macro events, in May, our guidance was revised downward due to Phase 10 geotechnical issues, negative grade reconciliation and under performance of the Candelaria Mill Optimization Project. While it was a challenging year for Candelaria, it did finish the fourth quarter strong, meeting our reduced guidance and improving our grade reconciliation variances.

Overall, operational and financial performance was below target, in terms of Adjusted Operating Cash Flow per share (adjusting for commodity price and foreign exchange impact), one-year share price performance and Capital Investments. Actual capital expenditures for the year were within 8% of guidance and 15% of budget, with Candelaria below its targeted spend largely as a result of various projects deferred into early 2022 and at the Neves-Corvo Zinc Expansion Project (ZEP) below due to timing of payments. In addition to the above, lower spending than budgeted was due to changes in mine plans during the year, resulting in lower development and deferred stripping requirements. Cash costs per pound were better than guidance at all sites, aided by higher by-product metal prices.

The ZEP officially restarted in January 2021 after a proactive temporary suspension in March 2020 due to the COVID-19 pandemic. Construction was substantially completed at the end of 2021 for both the underground mine and at surface. Commissioning of the mine materials handling system and the expanded zinc processing plant commenced during the fourth quarter of 2021. ZEP continues to progress on schedule and on budget.

This performance resulted in an overall scoring for financial and operational targets of 2.625 points out of the 35 points available for this category, significantly below target.

With respect to the health and safety of our people, sustainability and community involvement targets, the Corporation achieved a record Total Recordable Injury Frequency (TRIF) of 0.54, the lowest TRIF ever recorded, a slightly better result than the target of 0.55. In terms of environment, sustainability and ESG, performance was very strong. While the Corporation recorded a Level 3 incident on December 31, it significantly reduced its Level 2 incidents to 7, as compared to 16 in 2020. In addition, it achieved stretch targets for water management assessments and Social License to Operate index surveys.

This performance resulted in an overall scoring for environment health safety and sustainability of 27 points out of 20, exceeding target.

With respect to execution against long-term strategy, it was determined that management met target when factoring in the added challenges faced while continuing to move all goals forward as well as entering into of the transaction to acquire Josemaria Resources. A score of 20 points out of 20 was considered appropriate.

Taking all this into account, the HRCC determined that an overall corporate score of 49.625 out of 75, or 66% out of 100% was appropriate and reflective of the actual

* This is a non-GAAP measure and may not be comparable to similar measures used by other companies. For further details, refer to the section entitled "Non-GAAP Performance Measures" on page 26 of the Corporation's management's discussion and analysis for the year ended December 31, 2021, which section is incorporated by reference herein and as filed on the Corporation's website at www.lundinmining.com and on SEDAR at www.sedar.com.

performance in 2021. You will see below under "Compensation Discussion and Analysis" the various levels of achievement against the corporate goals which were set for 2021.

For each NEO, individual achievement, represents 25% of their total incentive award potential. We assessed the performance of management based on their specific key performance indicators including the recommendations of the CEO. The scoring ranged from 80% to 120% of target scoring based on the individual factors.

Performance Equity Incentive

With respect to the performance equity incentive awards, the scoring is based on different criteria as set out above.

The Corporation's one-year TSR under-performed its peer group in 2021, performed equally to its peer group in the three-year period and outperformed its peer group in the five-year period.

In reviewing the three-year history of achievement on the cash incentive scorecard management did not meet the identified financial and operational targets for each of the three years ending with 2021.

The target incentive awards are generally set at twice the value of the targeted cash incentive award for each executive. There is a range of up or down 20% based on performance. In looking at the scorecard measures above and looking at the overall performance of management and the Corporation it was determined that the appropriate equity awards should 90% of the target value primarily reflecting the Corporation's historical three-year record of missing its financial and operational targets.

As set out in the guidelines the HRCC then reviewed dilution. The number of performance equity awards was based on the 20-day VWAP ended February 16, 2022, which was a price of C$11.08. The resulting number of performance equity units awards (options and share units) represents 0.30% of the outstanding common shares as at the date of this Circular. This represents a low level of dilution to shareholders and no adjustment was considered appropriate.

This equity incentive grant was seen as properly meeting the dual roles of providing appropriate incentive for future performance as well as appropriate retention of senior executives.

It is noted that the share price has seen further appreciation since the date of determination of the number of performance equity awards. The share unit and stock option valuation is calibrated off of a reference point, which is the volume weighted average closing price of the Corporation's common shares on the 20 consecutive trading days prior to the February 2022 HRCC meeting. This process resulted in values of C$11.08 (versus C$11.54 grant date value and C$13.52 IFRS Monte Carlo valuation determined on the date of grant) and C$3.82 (versus C$4.15 valuation determined on the date of grant) to be used for calculating the award of share units and stock options, respectively. This value is different from the accounting values typically used and as shown in the Summary Compensation Table which is required to be the closing price of the Corporation's Common Shares on the grant date of February 23, 2022; however, the HRCC believes the values selected produced a more meaningful and reasonable estimate of the value than utilizing a single day price.

CEO Compensation

Mr. Rockandel replaced Ms. Inkster as President and CEO of the Corporation, effective November 1, 2021. As such, CEO compensation is presented for both CEOs during 2021, and includes a pro-ration for Mr. Rockandel. The CEO compensation was in line with the scoring of the entire management team. In assessing the individual performance score of Mr. Rockandel, the HRCC recommended to the Board of Directors and the Board of Directors agreed that his individual performance met expectations with the result that he received a cash incentive award of 78% of his target and a performance equity award of 90% of his target.

The CEO total compensation is paid in C$ and, for the 2021 performance equity awards, uses the 20-day VWAP for valuation purposes, as described above.

Compensation is determined in C$. Accordingly, from year to year the exchange rate will vary in the comparative year-over-year numbers reflecting the change in relative currencies. This is a reporting anomaly that does not reflect the outcomes of the HRCC determinations.

Conclusion

The HRCC is of the view that this compensation outcome is consistent with our philosophy of pay for performance. It reflects mixed achievements in 2021 by the management team led by the CEO. The result was cash incentive awards ranging from 20-30 % below target and below 2020 awards. Equity awards were 10% percent below target and slightly above 2020.

Total compensation was below target for senior executives and ranged from –10% to +6% as compared to 2020.

Signed,
Human Resources/Compensation Committee

Compensation Discussion and Analysis

Introduction

This section describes the Corporation's approach to executive compensation by outlining the processes and decisions supporting the determination of the amounts which the Corporation paid to its Chief Executive Officers, Chief Financial Officer and its three other most highly compensated executives during the financial year ended December 31, 2021 (the "NEOs"). While this discussion relates to the NEOs, the other executives of the Corporation who report directly to the CEO participate in the same plans and are subject to a similar process. The NEOs for the financial year ended December 31, 2021 were:

Name	Title
Peter Rockandel(1)	President and Chief Executive Officer ("CEO")
Jinhee Magie	Senior Vice President and Chief Financial Officer ("CFO")
Peter Richardson	Senior Vice President and Chief Operating Officer ("COO")
Andrew Hastings	Senior Vice President and General Counsel ("SVP and General Counsel")
Jean-Claude Lalumiere	Senior Vice President, Human Resources
Marie Inkster(2)	Former President and Chief Executive Officer ("Former CEO")

(1) Mr. Rockandel was appointed as CEO effective November 1, 2021. Prior to that date, Mr. Rockandel served as Senior Vice President, Corporate Development and Investor Relations.
(2) Ms. Inkster served as CEO to October 31, 2021.

Compensation Governance

Role of the Human Resources/ Compensation Committee

The HRCC assists the Board in monitoring the Corporation's guidelines and practices with respect to compensation and benefits, as well as monitoring the administration of the Corporation's equity-based compensation plans. In overseeing the Corporation's compensation guidelines and practices, the HRCC's responsibilities include, but are not limited to:

- recommending to the Board human resources and compensation policies and guidelines for application to the Corporation;
- ensuring that the Corporation has in place programs to attract and develop management of the highest calibre and a process to provide for appropriate succession planning;
- reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and, in light of those goals and objectives, recommending to the Board the annual salary, bonus, performance equity awards and other benefits, direct and indirect, of the CEO, and to approve all compensation for all other executive officers of the Corporation, after considering the recommendations of the CEO, all within the human resources and compensation policies and guidelines approved by the Board; and
- implementing and administering human resources and executive compensation policies approved by the Board.

Composition of the HRCC

The Board has determined that the HRCC shall comprise at least three directors, each of whom must be independent as defined in National Instrument 58-101 – *Disclosure of Corporate*

Governance Practices ("NI 58-101") and who are knowledgeable about issues related to human resources, talent management, compensation, governance and risk management.

The current members of the HRCC are Messrs. Charter (Chair), Jones and Heppenstall, all of whom are independent within the meaning of NI 58-101 and have the skills and experience required by the Board and the HRCC mandate to carry out the responsibilities of the HRCC.

Below is a summary of the skills and experience of the HRCC members:

Mr. Charter is an executive with career experience in various executive leadership positions, including CEO experience, in mining and financial services. Mr. Charter's business experience relevant to the HRCC includes being the President and CEO of a publicly traded mining company; the CEO of a large financial services company; and a member or former member of the compensation committees of several Canadian publicly traded companies. As such, Mr. Charter has been directly involved with compensation matters. Accordingly, Mr. Charter has the requisite experience and knowledge in reviewing and approving compensation programs, policies and guidelines in the mining industry for the CEO level, other executive officers and senior management, to ensure that such compensation programs are relevant to the goals of the Corporation.

Mr. Jones is a corporate director and retired executive with over 40 years of experience in the global mining industry. Mr. Jones' business experience which is relevant to the HRCC includes serving as Interim President and CEO of IAMGOLD Corporation, President and COO of Inco Ltd., and President and CEO of Hudson Bay Mining & Smelting Co. Mr. Jones has been a director of public companies for over 20 years. Mr. Jones is the former chairman of the compensation committee of Century Aluminum Co. and IAMGOLD Corporation and a former member of the compensation committee of Concordia Resources and Red Crescent Resources. As such, Mr. Jones has been directly involved with compensation matters. As a member of these committees and his executive positions, Mr. Jones has developed the requisite experience in reviewing and approving compensation programs, policies and guidelines in the mining industry for the CEO level, other executive officers and senior management, to ensure that such compensation programs are relevant to the goals of the Corporation.

Mr. Heppenstall has over 30 years of experience in the oil and gas and resource sectors. From 2002–2015, Mr. Heppenstall served as the President and CEO of Lundin Petroleum AB, an oil and gas exploration and production company with core assets in Norway and Southeast Asia (and now named Lundin Energy AB). Early in his career, Mr. Heppenstall worked in the banking sector where he was involved in project financing of oil and resource sector businesses. In 1998 he was appointed Finance Director of Lundin Oil AB. Following the acquisition of Lundin Oil by Talisman Energy in 2001, Lundin Petroleum was formed, and Mr. Heppenstall was appointed President and CEO in 2002 until his retirement in 2015. Mr. Heppenstall holds a degree in Mathematics from Durham University. As such, Mr. Heppenstall has been directly involved with compensation matters as a member of these committees and his executive positions, Mr. Heppenstall has developed the requisite experience in reviewing and approving compensation programs, policies and guidelines in extractive industries for the CEO level, other executive officers and senior management, to ensure that such compensation programs are relevant to the goals of the Corporation.

Objectives of Compensation Program

The fundamental objective of the Corporation is the long-term creation and protection of shareholder value. The Corporation's approach is to encourage management to make decisions and take actions that will create long-term sustainable growth and long-term shareholder value.

The Corporation's executive compensation program is based on the following objectives:

- compensation must be guided by a pay for performance philosophy;
- compensation must be market-competitive to attract and retain the leadership talent required to drive business results;
- compensation must incorporate an appropriate balance of short-term and long-term performance;
- compensation must foster an environment of accountability, teamwork, and cross-functional collaboration;
- compensation must be linked to specific corporate, operational, functional and/or individual performance objectives of the Corporation while not encouraging excessive or inappropriate risk taking, in order to maximize shareholder return, promote sustainable growth and constantly improve the performance of the Corporation's operations; and
- compensation must motivate high performers to achieve exceptional levels of performance.

Critical criteria for the Corporation in all compensation mechanisms are as follows:

- simple to understand and communicate;
- linked to measurable benchmarks; and
- motivating.

Compensation Structure and Decision-making Process

Annually, the HRCC assesses and confirms the Corporation's compensation philosophy, program guidelines and structure.

At the end of every year, we apply a rigorous process to assess performance and award compensation. This includes corporate and individual performance reviews for each executive officer.

Review structure	Annually, the HRCC reviews the Corporation's compensation philosophy and structure for the ex-ecutive officers and, if applicable, recommends any changes to the Board for approval.
Confirm peer group	Annually, the HRCC reviews, among other things, the Corporation's peer groups for total direct compensation and for total shareholder return performance (see "Peer Groups" below).
Establish performance measures	The HRCC works with management to develop performance measures and levels that will be used to assess corporate performance and determine the cash bonus and performance equity incen-tives for the executive officers. Management provides quarterly updates to the Board on the Cor-poration's performance against these corporate objectives.
Assess risk and confirm approach	The HRCC reviews the overall executive cash and performance equity incentive plan design and the selected performance measures to: • consider potential payouts under different scenarios; • ensure a balanced approach to risk; and • ensure the decision-making process, cash and performance equity incentive plans and compensation governance do not provide executives incentive to take excessive risks or make inappropriate decisions.

Review performance	Management reviews executives' performance at mid-year and at the end of the year. The HRCC assesses the performance of the executive officers throughout the year and an extensive review process is conducted during the first quarter of each year, on the performance of the preceding year.
Review past compensation	The HRCC reviews historical cash bonus and performance equity incentive compensation for the executive officers for the previous three years to assess the longer-term performance against benchmarks.
Awards	The CEO reviews proposed compensation for each executive officer based on the results of the Corporation's annual corporate objectives and each executive's individual performance (based on the results of their KPIs set at the beginning of the year). The CEO will recommend each executive officer's annual salary adjustments, cash bonus incentives and performance equity incentives to the HRCC. The HRCC will review each executive officer's annual performance, competitive positioning, past compensation and the recommendations from the CEO. The HRCC will also discuss total compensation based on performance, market practice and Board-approved compensation philosophy and consult with independent consultants (if required). The HRCC approves the compensation of all executive officers, excluding the CEO. The CEO's compensation is reviewed by the HRCC on the same metrics described above and recommended to the Board for approval.

Peer Groups

The HRCC assesses the competitiveness of the Corporation's executive compensation program by examining compensation practices of a group of mining companies that are considered peers of the Corporation. The HRCC utilizes similar, but different peer groups for total direct compensation and total shareholder return performance. On an annual basis, the HRCC evaluates and, if appropriate, updates the composition of the peer groups to ensure it remains relevant to the markets in which the Corporation competes.

Total Direct Compensation Peer Group

For purposes of benchmarking total direct compensation for executives, the HRCC selected a peer group based on mining companies trading on the TSX with which the Corporation believes it competes for qualified and experienced executive talent in the mining industry (the "Total Direct Compensation Peer Group"). After consideration, for 2021 the HRCC maintained the same peer group for benchmarking executive compensation, that was used in 2020 as set out in the table below.

2021 Total Direct Compensation Peer Group

Agnico Eagle Mines Limited	Kinross Gold Corp.
B2Gold Corp.	Kirkland Lake Gold Ltd.
Centerra Gold Inc.	Pan American Silver Corp.
HudBay Minerals Inc.	Yamana Gold Inc.
IAMGOLD Corp.	

For 2022 the HRCC modified the Total Direct Compensation Peer Group by removing Agnico Eagle Mines Limited and Kirkland Lake Gold Ltd. following their merger in early 2022 and adding Capstone Copper Corp. The Corporation's 2022 Total Direct Compensation Peer Group is set out in the table below.

2022 Total Direct Compensation Peer Group

B2Gold Corp.	IAMGOLD Corp.
Capstone Copper Corp.	Kinross Gold Corp.
Centerra Gold Inc.	Pan American Silver Corp.
HudBay Minerals Inc.	Yamana Gold Inc.

Total Shareholder Return Performance Peer Group

For purposes of measuring the Corporation's relative total shareholder return ("TSR") performance, the HRCC selected a peer group based on mining companies that have similar operational and/or metals characteristics and therefore are considered key competitors with the Corporation for shareholders, capital and mineral properties (the "TSR Performance Peer Group"). The HRCC believes that this peer group of key competitors will provide an accurate and fair measure of the Corporation's relative TSR performance. The Corporation's 2021 TSR Performance Peer Group is set out in the table below. After consideration, for 2022 the HRCC maintained the same peer group for measuring relative TSR performance that was used in 2021. The TSR Performance Peer Group is relatively small so the HRCC also considered, on an indicative basis, other comparators as previously discussed.

2021 / 2022 TSR Performance Peer Group

Antofagasta PLC	Freeport McMoRan Inc.
Boliden AB	HudBay Minerals Inc.
Capstone Copper Corp. (formerly Capstone Mining Corp.)	Nexa Resources S.A.
Ero Copper Corp.	Southern Copper Corporation
First Quantum Minerals Ltd.	Turquoise Hill Resources Ltd.

Elements of Compensation

The Corporation's compensation program has three primary elements: base salary, cash bonus incentive and performance equity incentive. The combination of elements is designed to encourage executives to achieve strong results which drive long-term sustainable growth and long-term shareholder value. The Corporation regularly reviews all elements of executive compensation to ensure that it continues to be aligned with the strategic plan of the Corporation and industry practices.

Compensation Component	Objectives	Form
Base Salary	To provide fixed compensation that reflects the market value of the role, skills and experience of the executive. To attract, retain and motivate a competent, strong and effective executive management group.	Cash
Cash Bonus Incentive	To pay for performance and provide alignment with the Corporation's annual and long-term business strategy. This is "at risk" compensation.	Cash
Performance Equity Incentive	To provide alignment with shareholder interests and the Corporation's long-term business strategy. This is "at risk" compensation.	Equity

The HRCC has not established a strict policy regarding the mix of base salary, cash bonus incentive and performance equity incentives to be paid or awarded to executives. Annual cash bonus incentive and long-term incentive plan awards are not guaranteed; they are "at risk" and performance based. This allows the HRCC to be flexible in tailoring the compensation mix for each executive to the circumstances in effect at the time. However, the HRCC believes that a greater percentage of compensation for the Corporation's executives should come from the variable, performance-based elements, and the mix of compensation should be structured to balance the need to drive results based on the executive's position as well as to support the long-term growth of the Corporation overall.

The HRCC believes the Corporation's compensation programs are reasonable and fair to both executives and shareholders, and competitive with compensation made available by the Corporation's peers.

2021 Compensation

The following provides a summary of the 2021 performance highlights followed by a detailed discussion of the decisions made to determine each NEO's total compensation for 2021, which comprises base salary, annual cash incentives and performance equity incentives.

Summary of 2021 Performance Highlights

As noted above in the discussion under "2021 Performance" in the "Message from the Human Resources/Compensation Committee", the HRCC considered several factors when assessing specific KPI performance and unforeseen events which required decisive action by the management team. The HRCC determined that an overall corporate score of 66% was appropriate and reflective of the actual performance.

The HRCC is of the view that the corporate score yields a compensation outcome consistent with our philosophy of pay for performance and is fair to shareholders and other stakeholders. Details of each component are described in more detail below.

Financial and Operational Performance (35%): The overall performance in Financial and Operational resulted in a final score of 2.625% out of a target of 35%. The breakdown was as follows:

- **Adjusted Operating Cash Flow:** With adjusted operating cash flow of $2.02 per share*, the Corporation came in below the target of $2.59 per share, and below the threshold of $2.20 per share (all adjusted for actual commodity prices and foreign exchange). This resulted in an unadjusted weighted score of nil for this metric.

- **Relative TSR Performance:** Measured on the comparison of the December to December VWAPs, the Corporation's total shareholder return was 1.4% in 2021, underperforming the 2021 TSR Performance Peer Group and below the threshold resulting in an unadjusted weighted score of nil for this metric.
- **Capital Investments:** Construction of the Zinc Expansion Project (ZEP) recommenced in January 2021 and through the dedication of our team achieved target performance for both budget and schedule with the project substantially complete at year end.

Health, Safety & ESG (20%): The Corporation achieved a best-ever Total Recordable Injury Frequency rate of 0.54 bettering the target of 0.55. On the ESG metrics, the Corporation recorded one level 3 environmental incident during 2021 against a target of zero and reduced Level 2 incidents from 16 to 7. It also met or exceeded other targets for ESG initiatives, which resulted in an aggregate weighted score of 27% out of a target of 20%.

Strategic Execution (20%): The HRCC assessed the achievement of the Corporation's One Page Plan, a comprehensive set of goals and initiatives designed to drive the strategic direction in a value-creating and sustainable manner. The Corporation was able to deliver on a number of key initiatives, which the HRCC agreed met target expectations set at the beginning of the year. This resulted in a weighted score of 20% out of a target of 20%.

Overall Performance: Total sales for the year were $3,328.8 million, with cash flow from operations of $1,485 million. Cash and cash equivalents increased $452.6 million over the year, from $141.4 million at December 31, 2020, to $594.1 million at December 31, 2021. Gross profit for the year was $1,369.7 million, an increase of $871.6 million in comparison to the prior year. Net earnings of $879.3 million were $690.2 million higher than the prior year. Adjusted earnings for the year were $820.6 million, $595.4 million higher than the prior year. The Corporation continues to maintain a healthy balance sheet with a net cash position* of $563.1 million as at December 31, 2021.

Individual Performance (25%): Each NEO was assessed against their specific KPIs, based on the recommendation of the President and CEO. The KPIs of the President and CEO were assessed by the HRCC. The scoring ranged from 80% to 120% of target resulting in individual NEO scores ranging from 20-30%.

Base Salary

The overall objective of the base salary paid to the Corporation's executives is to provide fixed compensation that reflects the market value of the role, skills and experience of the executive. The salary structure includes market competitive ranges for the executives.

In November 2020, as part of its annual review of base salaries, the HRCC approved increases of between 2.5–2.7% to the base salaries paid to certain executives effective January 1, 2021. However, following the report of the HRCC for the 2020 fiscal year, the HRCC was concerned that the base salaries of certain executives had become uncompetitive in the market. As a result, the HRCC engaged Global Governance Advisors ("GGA"), to assist it in determining if the base salaries were competitive against market peers. It was determined that the positions of Chief Operating Officer (COO), Chief Financial Officer (CFO), Senior Vice President Corporate Development & Investor Relations, and Senior Vice President & General Counsel, required base salary adjustments to bring their salaries in line with market peers. These additional adjustments were retroactive to January 1, 2021.

* These are non-GAAP measures and may not be comparable to similar measures used by other companies. For further details, refer to the section entitled "Non-GAAP Performance Measures" on page 26 of the Corporation's management's discussion and analysis for the year ended December 31, 2021, which section is incorporated by reference herein and as filed on the Corporation's website at www.lundinmining.com and on SEDAR at www.sedar.com.

In November 2021, as part of its annual review of base salaries, the HRCC only approved an increase to the base salary of the Senior Vice President, Human Resources, for 2022.

The following table summarizes each NEO's annual base salary.

Named Executive Officer	2020 Base Salary (C$)	2021 Base Salary (C$)	2021 Base Salary (US$)[1]	2022 Base Salary (C$)	2022 Base Salary (US$)[1]
Peter Rockandel[2][3] CEO	480,000	600,000	478,686	1,128,000	899,930
Jinhee Magie[4] CFO	490,000	600,000	478,686	600,000	478,686
Peter Richardson[4] COO	570,000	650,000	518,577	650,000	518,577
Andrew Hastings[4] SVP and General Counsel	445,000	525,000	418,850	525,000	418,850
Jean-Claude Lalumiere[5] SVP, Human Resources	400,000	410,000	327,102	422,300	336,915
Marie Inkster[5] Former CEO	1,100,000	1,128,000	899,930	–	–

(1) During 2021, all the NEOs were paid in Canadian dollars. See "Currency" on page 5 for the applicable exchange rates.
(2) In addition to the January 1, 2021 adjustment authorized by the HRCC in November 2020, following peer benchmarking the HRCC adjusted Mr. Rockandel's base salary to C$600,000 retroactive to January 1, 2021. The increase indicated for Mr. Rockandel only reflects base salary increases he received for 2021 in his capacity as Senior Vice President, Corporate Development and Investor Relations.
(3) Mr. Rockandel was promoted from Senior Vice President, Corporate Development and Investor Relations to President and Chief Executive Officer on November 1, 2021. Following his appointment to CEO Mr. Rockandel's base salary was adjusted to C$1,128,000. Mr. Rockandel's realized base salary for 2021 was C$688,000. Considering Mr. Rockandel's promotion to CEO on November 1, 2021, there were no further salary adjustments for 2022.
(4) In addition to the January 1, 2021 adjustment authorized by the HRCC in November 2020, following a mid-year review and peer benchmarking the HRCC adjusted the 2021 base salaries for Ms. Magie, Mr. Richardson and Mr. Hastings retroactive to January 1, 2021. Considering these additional mid-year adjustments, there were no further salary adjustments for Ms. Magie, Mr. Richardson and Mr. Hastings for 2022.
(5) There were no mid-year 2021 base salary adjustments for Ms. Inkster and Mr. Lalumiere. Mr. Lalumiere received a salary adjustment for 2022.

Cash Bonus Incentive Plan

Introduction

The Corporation's Cash Bonus Incentive ("CBI") Plan provides a performance-based "at risk" annual cash payment based on a targeted amount for each position based on results measured against specific performance measures, including corporate level objectives together with each executive's "individual objectives". The amount of the target CBI award is set as a percent of base salary and is divided between corporate targets and individual objectives, all as set out below, and is subject to an overall cap of 2.0 times target, subject to HRCC discretion to grant a higher award were considered appropriate. Consistent with the overriding discretion of the HRCC, all CBI awards are subject to the ability of the Corporation to make such awards based upon its financial performance and situation.

The CBI award is the outcome of a process that links long-term business planning, life of mine plans and a five-year forecast and annual budgeting with an evaluation of performance against benchmarks which include specific corporate performance targets and executive's individual objectives. Each year the Corporation completes a rigorous budget process. The annual budget is determined in conjunction with a five-year forward looking forecast, full life of mine plans for each operation and a long-term strategic plan, all of which are done based upon a long-term price outlook. Accordingly, the annual budget and therefore the specific performance benchmarks for management are determined to be in line with the long-term outlook and are set to achieve long-term value. The CBI links the award amount to management's performance relative to these benchmarks. Accordingly, the targets for the CBI all reflect goals which are aimed at long-term shareholder value. The proportion of cash bonus incentive linked to corporate objectives and individual objectives is based on the position of the individual; however, that proportion is identical for each NEO.

With respect to individual performance each executive is scored on one of three possible outcomes; Meets Expectations (scored at 100% of target), Exceeds Expectations (scored at up to 120% of target) or Developing (scored at up to 80% of target). The HRCC can exercise its discretion to provide for an individual performance in excess of 120%. There also remains the possibility to assess individual performance as Does Not Meet Expectations, resulting in a score of 0% of target.

Target levels of performance are established as guidelines and are not applied as an absolute formula. The HRCC believes that fixed formulas may lead to a CBI award that does not accurately reflect actual performance, and accordingly, the knowledge and experience of the HRCC should be the ultimate determinant of final, overall compensation within the context of those predetermined guidelines.

2021 CBI Award

With respect to the corporate performance benchmarks of operational and financial performance, Health, Safety & ESG performance and strategic execution result of 66% was achieved. The corporate objective weighting is 75% of the each NEO's CBI target and the individual performance weighting is 25% of each NEO's CBI target. In view of the overall performance for the year discussed above together with the CBI guidelines, individual NEO performance weighting ranged between 80% and 120% of target. The table below sets out each NEO's 2021 target CBI with the respective corporate and individual performance results and the 2021 actual CBI paid:

Named Executive Officer	2021 Target CBI as a Percentage of Base Salary	2021 Actual CBI as a Percentage of Base Salary	2021 CBI Paid (C$)(1)	2021 CBI Paid (US$)
Peter Rockandel(2) CEO	78%	63%	430,000	343,058
Jinhee Magie CFO	75%	52%	313,000	249,715
Peter Richardson COO	80%	58%	374,000	298,381
Andrew Hastings SVP and General Counsel	70%	56%	292,000	232,961
Jean-Claude Lalumiere SVP, Human Resources	70%	52%	214,000	170,731

(1) During 2021, all the NEOs were paid in Canadian dollars. See "Currency" on page 5 for the applicable exchange rates.
(2) Mr. Rockandel was promoted from Senior Vice President, Corporate Development and Investor Relations to President and Chief Executive Officer on November 1, 2021. The 2021 target CBI is shown as a blended target between the two roles. His CBI target as Former SVP, Corporate Development was 70% and his CBI target as CEO is 120%. The Actual CBI percentage is shown based on his realized annual salary for 2021 (C$688,000).

Ms. Inkster ceased to be President and CEO of the Corporation effective October 31, 2021 and received a departure package of C$6,316,800 inclusive of 2021 CBI payment at target (120%), which was subsequently paid on December 31, 2021, all in accordance with the terms of her separation agreement.

Cash Bonus Incentive Plan – Corporate Performance

The table below outlines the 2021 corporate performance targets and results for the scorecard metrics of operational and financial performance, Health, Safety & ESG performance, and strategic execution. The 2021 TSR performance objectives were measured against the 2021 TSR Performance Peer Group and other criteria discussed earlier. In all categories, if the overall results of the corporate objectives are at (i) Target, 100% of the Target payment will be allocated, (ii) Stretch, 200% of the Target payment will be allocated, and (iii) Threshold, 50% of the Target payment will be allocated. The amounts in between are not necessarily determined on a straight-line basis but rather at the discretion of the HRCC. Subject to the discretion of the HRCC and/or the Board, below threshold it is a zero and there are caps in place to limit the maximum award.

As discussed at "Summary of 2021 Performance Highlights" above, the corporate result was awarded at a score of 49.625 out of 75 (or 66%) of each executive's corporate objective weighting.

Cash Bonus Incentive Plan – Individual Performance Measurement

Performance of the NEOs and each member of the senior management team is measured annually through a comprehensive system of pre-set, formally documented KPIs. Achievements against the KPI's are evaluated by the CEO and discussed with and confirmed by the HRCC. However, the assessment of individual performance is not a formulaic process and judgment is exercised in determining the level of individual performance for compensation purposes.

The total result was a score of 49 out of 75 (or 66%). The table below outlines the actual 2021 corporate performance results.

Financial and Operational Performance (35%)	2021 Actual	Threshold 0.5x	On Target 1x	Stretch 2.0x	Category Weighting	Overall Weighting	Final Score
Adjusted Operating Cash Flow[1] (target factored for actual metal prices and exchange rates)	$2.02	$2.20	$2.59	$2.85	**50%**	**17.5%**	**0%**
Total Shareholder Return Performance vs Peers (December-December VWAP)[2]	1.4%	24.4%	28.7%	34.5%	**25%**	**8.75%**	**0%**
Capital Investments					**25%**	**8.75%**	**2.625%**
Deferred stripping (OP) and capital development (UG) – tonnes and metres	78%	85% of budget	95% of budget	105% of budget	40%	3.50%	0%
ZEP – Time and Cost	108% of budget	10% below plan	On time/on budget	10% better than plan	30%	2.625%	2.625%
Total Sustaining Capex spend	-30%	+/- 15% of budget	+/- 10% of budget	+/- 5% of budget	30%	2.625%	0%
Financial & Operational assessment						**35%**	**2.625%**

Health, Safety & ESG (20%)	2021 Actual	Threshold 0.5x	On Target 1x	Stretch 2.0x	Category Weighting	Overall Weighting	Final Score
Total Recordable Incident Frequency (TRIF)[3]	0.54	0.7	0.55	0.45	**34%**	**6.80%**	**6.80%**
Environment level 3 incidents	1 Level 3 and 7 Level 2s	2	0	20% reduction of Level 2 vs 2020 (16)	**33%**	**6.60%**	**6.60%**
Sustainability & ESG					**33%**	**6.60%**	**13.20%**
Improve water management strategies across Lundin Mining, incorporating operational, financial, social and environmental risks and opportunities	5 site reports completed	3 site reports completed	4 site reports completed	5 site reports completed			
SLO Index surveys and action plans	5 sites with surveys completed, all with action plans complete	4 sites with surveys completed	5 sites with surveys completed, 3 with action plans developed	5 sites with surveys completed, all with action plans complete			
Health, Safety & ESG assessment						**20%**	**27%**

Strategic Execution (20%)	Threshold 0.5x	On Target 1x	Stretch 2.0x	Category Weighting	Overall Weighting	Final Score
Performance related to 2021 One Page Plan	Achieved 75% of objectives	Fully achieved objectives	Significantly exceeded objectives	**100%**	**20%**	**20%**

Total Corporate Performance Factor (out of 75%)	**75%**	**49%**
Converted to 100%		**66%**

(1) This is a non-GAAP measure and may not be comparable to similar measures used by other companies. For further details, refer to the section entitled "Non-GAAP Performance Measures" on page 26 of the Corporation's management's discussion and analysis for the year ended December 31, 2021 which section is incorporated by reference herein and as filed on the Corporation's website at www.lundinmining.com, and on SEDAR at www.sedar.com.
(2) Measured as December 2020 to December 2021 VWAP. VWAP is the ratio of the value traded to total volume traded over a period.
(3) In the event of a fatality the TRIF score is zero.

Performance Equity Incentive Plans

Introduction

The Corporation provides performance-based equity incentives currently through the grant of share units and stock options (collectively, the "Performance Equity Awards") under its Share Unit Plan and its Stock Option Plan.

The Corporation believes its performance equity incentive plans are directly tied to executive and corporate performance and provide executives an opportunity to build ownership in the business and align their interests with those of shareholders by rewarding consistent long-term performance. The recipients of Performance Equity Awards only receive awards based on long-term performance metrics and achieve an increase in value only to the extent the Corporation's shareholders benefit from the increase in the Corporation's stock price both on an absolute and relative basis to our peers. Typically, share units vest 36 months after the award date (subject, in part, to certain future performance-based vesting criteria) and stock option grants vest over three years from the date of grant and have a seven-year term.

The Corporation's Performance Equity Awards connect to long term performance in a versatile and thoughtful manner by assessing and rewarding consistent multi-year performance. This is achieved both in the grant and vest process for all Performance Equity Awards. The amount of Performance Equity Awards granted each year is based on a combination of factors including three- and five-year historical TSR performance. The amount of Performance Equity Awards and the actual value realized are affected positively or negatively by anywhere from one to seven years of future performance. This is achieved through the grant of Performance Equity Awards that contain future performance-based vesting conditions which require superior comparative returns over a three-year future time period relative to our TSR Performance Peer Group and through the grant of Performance Equity Awards that contain time-based vesting conditions and, in the case of stock options a seven-year life, which has the effect of deferring value realization for executives. These core elements of the Corporation's Performance Equity Awards have the effect of incentivizing and rewarding a continuous management focus on long-term, year-over-year value growth for the Corporation's shareholders and other stakeholders.

Specifically, the amount of performance equity awarded under the plan is based on:

- Comparative TSR over both the historical three-and-five-year periods. In addition, the performance against other metrics such as the S&P/TSX Global Base Metals Index and copper price are reviewed;
- Three-year historical performance against the CBI measures which include long term planning factors and execution against the long-term strategic plans;
- Prior Performance Equity Award grants, dilution and "burn rate" which ensure that the outcome is fair to all stakeholders and to avoid any unusual or unforeseen outcomes resulting from share price volatility;
- The structure of the Performance Equity Award plan provides continued post-award long-term performance incentives to link the incentive further to the shareholder experience;
- Vesting of 50% of the share units granted under the Corporation's Performance Equity Award plan are tied to relative TSR performance over a three-year future time period;
- All Performance Equity Awards vest over a three-year period to ensure that executives are continually participating in the TSR and share value fluctuations over the commodity cycles;
- Stock options have a seven-year life, which provides a longer term value appreciation time period that can maximize value realization; and

- All executives have a meaningful, minimum shareholding requirement to ensure that they have ongoing exposure to shareholder value experience regardless of the vesting of Performance Equity Awards.

In assessing comparative total shareholder return we normally use a December-to-December volume weighted average price ("VWAP"). When determining the amount of performance equity to award we use a 20-day VWAP ending at the meeting date on which the HRCC determined the number of Performance Equity Awards to grant. This will vary from the one-day spot price required to be used in reporting values under securities regulations. This approach ensures that short-term share price volatility is eliminated to a large extent and provides a fairer outcome. Generally, the allocation of Performance Equity Awards for all executives is an approximate 50/50 split between stock options and share units.

The value of Performance Equity Awards is targeted at two times an executive's CBI award. Generally, the Performance Equity Award value will be increased or decreased on the performance measures discussed above with a 20% range up and down from target. However, no Performance Equity Award is guaranteed, the actual award could be zero if warranted by performance or the Corporation's circumstances and the HRCC and Board retain absolute discretion in determining the quantum of each Performance Equity Award. The evaluation period and vesting periods ensure a long-term performance connection for executives and provides a significant retention factor, particularly in connection with the Corporation's executive share ownership guidelines.

Performance Equity Awards are targeted to be approximately 50% stock options and 50% share units for all executives. The HRCC and/or Board reviews the composition of Performance Equity Awards from time to time and may make changes to the composition as may be required. Performance Equity Awards are made after the release of the Corporation's annual financial statements.

Performance Equity Award – Stock Option Vesting Conditions

Once the number of stock options to be granted as part of a Performance Equity Award is determined (pursuant to the performance metrics described above), the stock options will vest in equal amounts over three years and have a term of seven years.

Performance Equity Award – Share Unit Vesting Conditions

Once the number of share units to be granted as part of a Performance Equity Award is determined (pursuant to the performance metrics described above), all share units will time vest in three years with the additional post-grant vesting requirement that 50% of the share units granted will vest conditional on the Corporation's future performance. This future performance vesting requirement only provides reward to executives if the Corporation achieves targets related to TSR over a three-year future time period as measured against the Corporation's 2021 TSR Performance Peer Group. If the Corporation outperforms the TSR Performance Peer Group, the number of share units subject to this future performance condition which actually vest can be increased to as much as 2.0x. Conversely, if the Corporation underperforms the TSR Performance Peer Group, the number of share units subject to this future performance condition which actually vest can be decreased to as little as zero times – meaning executives receive no reward for poor performance. To the extent any such share units vest at the end of the three-year time period, they are settled in Common Shares issued from treasury. The table below sets out the targets and vesting percentages for those share units that are subject to the additional future performance vesting condition of achieving relative TSR targets (being 50% of all share units awarded as part of an executive's Performance Equity Award).

Relative TSR Performance vs Peer Group		Vesting (% of Award)
Max	Above 85th percentile	200%
Stretch	At or above 75th percentile	150%
Target	At or above 50th percentile	100%
Threshold	At or above 25th percentile	50%
Minimum	Below 25th percentile	0%

2021 Performance Equity Awards

The following Performance Equity Awards were granted in February 2022 with respect to 2021 performance to each NEO. Performance share units vest on the third anniversary of the date of grant and, for 50% of such share units granted, assuming the established future performance targets are met. The stock options will vest one-third on the first, second and third anniversary of the date of grant and expire seven years after the date of grant. The HRCC, in determining the number of share units and stock options to be granted to each NEO, considered several factors only one of which was a Black Scholes option valuation.

The share unit and stock option valuation is calibrated off of a reference point, which is the volume weighted average closing price of the Corporation's common shares on the 20 consecutive trading days prior to the February 2022 HRCC meeting. This process resulted in values of C$11.08 (versus C$11.54 grant date value and C$13.52 IFRS Monte Carlo valuation determined on the date of grant) and C$3.82 (versus C$4.15 valuation determined on the date of grant) to be used for calculating the award of share units and stock options, respectively. This value is different from the accounting values typically used and as shown in the Summary Compensation Table which is required to be the closing price of the Corporation's Common Shares on the grant date of February 23, 2022; however, the HRCC believes the values selected produced a more meaningful and reasonable estimate of the value than utilizing a single day price.

	2021 Performance Equity Awards			
Named Executive Officer	Number of Share Units Awarded	Value of Share Units Awarded (C$)	Number of Stock Options Awarded	Value of Stock Options Awarded (C$)
Peter Rockandel CEO	46,800	540,072	135,600	562,740
Jinhee Magie CFO	36,600	422,364	106,000	439,900
Peter Richardson COO	42,200	486,988	122,500	508,375
Andrew Hastings SVP and General Counsel	30,000	346,200	86,600	359,390
Jean-Claude Lalumiere SVP, Human Resources	23,300	268,882	67,600	280,540

Ms. Inkster ceased to be President and CEO of the Corporation effective October 31, 2021 and did not receive 2021 Performance Equity Awards.

The HRCC and the Board believe that 2021 Performance Equity Awards are fair and appropriate on both an absolute and relative basis when compared to historical compensation levels and performance in 2021.

Executive Share Ownership Guidelines

To further align the interests of the Corporation's executives with the interests of the Corporation's shareholders the HRCC has implemented specific executive share ownership guidelines that tie to each executive's base salary. Pursuant to these guidelines, executives are expected to acquire and retain Common Shares of the Corporation as set out in the table below:

Position	Share Ownership Target (multiple of base salary)
Chief Executive Officer	3.0 times
Senior Vice President	1.5 times
Vice President (officers)	1.0 times

Executives will have five years from January 1, 2020 (or from the date of their respective appointments) to attain the share ownership guidelines above. The HRCC in its discretion may extend the period of time for attainment of these ownership levels in appropriate circumstances. For purposes of these guidelines an executive's share ownership shall include the following:

- Common Shares purchased on the open market;
- Common Shares owned jointly with, or separately, by the executive officer's immediate family members; (spouse and/or dependent children);
- Common Shares held in trust for the executive officer or immediate family members;
- Common Shares obtained through the exercise of stock options; and
- Unvested share units (counted at target) and any other form of equity compensation as determined by the HRCC and/or Board.

In the event an executive officer does not meet the requirement, he or she will not be permitted to sell Common Shares until the requirement is met.

As at the date of this Circular, all the executives of the Corporation are in compliance with the Executive Share Ownership Guidelines. Using the March 25, 2022 closing price of the Common Shares of C$12.97 per share, Mr. Rockandel has 127,000 common shares with a value of C$1,647,190, and 128,000 Performance Share Units (counted at target) with a value of C$1,660,160 for an aggregate value of C$3,307,350. Mr. Rockandel has five years from the date of appointment (November 1, 2021) to attain the required level of common share ownership of C$3,384,000 based on his current base salary of C$1,128,000.

Performance 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 a new Share Unit Plan (the "SU Plan"), and the adoption of the Stock Option Plan. The SU Plan was subsequently amended and approved by shareholders on May 10, 2019 and the Stock Option Plan was subsequently amended and approved by the shareholders on May 10, 2019 and May 11, 2020. Both performance equity incentive plans were further amended and approved by the Board on November 30, 2020 and did not require shareholder approval.

Stock Option Plan

The Stock Option Plan has the dual purpose of (i) attracting, incentivizing and retaining those key employees and consultants of the Corporation who are considered by the Board to be key to the growth and success of the

Corporation; and (ii) aligning the interests of key employees and consultants with those of the shareholders through longer term equity ownership in the Corporation.

As noted above, the Board approved amendments to the Stock Option Plan in 2020. These amendments included: (1) providing that, upon retirement, only those unvested stock options that were granted to the optionee 12 months or more prior to the date of retirement will continue to vest and that all stock options granted to the optionee during the 12-month period immediately prior to the optionee's retirement will become void on the date of retirement; (2) providing that, upon termination of employment without cause of an employee who has been continuously employed for at least two years, only those unvested stock options that were granted to the optionee 12 months or more prior to the date of termination will vest and that all stock options granted to the optionee during the 12-month period immediately prior to the optionee's termination date will become void on the date of termination; (3) clarifying existing treatment of stock options and the optionee's entitlements upon cessation of employment with the Corporation in all circumstances; and (4) updating and improving defined terms and other minor housekeeping changes.

The following is a summary of the key terms of the Stock Option Plan:

- Prior to March 19, 2020, the term of all stock options awarded under the Stock Option Plan was a maximum of five years. Subsequent to March 19, 2020, the term of all stock options awarded under the Stock Option Plan is a maximum of seven years.
- 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 Corporation on the date of grant of the options. The market price is calculated as the closing market price on the TSX of the Common Shares on the date of the grant.
- Stock options granted pursuant to the Stock Option Plan 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. Stock options generally vest on each of the first, second and third anniversary of the grant date.
- In the event that the expiry of an option falls within a trading blackout period imposed by the Corporation, 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.
- Options are not transferable other than by will or the laws of descent and distribution.
- Employees and consultants of the Corporation or its affiliates are eligible to receive option grants.
- For stock options granted prior to March 21, 2019, the termination provisions under the Stock Option Plan are as follows and, in all cases subject to the original option expiry date: (i) in the event of retirement, all options will automatically vest and the optionee will have a 12 month period to exercise his/her options; (ii) in the event of termination without cause, all options will automatically vest for optionees who have been continuously employed by the Corporation or by a company providing management services to the Corporation for at least two years including any notice period, as applicable; (iii) in the event of resignation, the optionee will have 90 days to exercise his/her options that have vested as of the date of resignation; and (iv) in the event of termination with cause, all options will immediately be terminated, except as may be set out in the optionee's grant agreement or as otherwise determined by the Board in its sole discretion.

- For stock options granted on or after March 21, 2019 and on or prior to November 30, 2020, the termination provisions under the Stock Option Plan are the same as those granted prior to March 21, 2019, except as follows: (i) in the event of retirement, all options will continue to vest in accordance with their normal vesting schedule and the optionee will have a 12-month period after the final vesting date of his/her options to exercise his/her options, subject to the optionee complying with any obligations set out in the Corporation's retirement statement; and (ii) in the event of termination without cause, all options, other than those awarded in the year of termination (which will be forfeited), will automatically vest for optionees who have been continuously employed by the Corporation or by a company providing management services to the Corporation for at least two years including any notice period, as applicable, and the optionee will have 90 days to exercise his/her options.
- For stock options granted after November 30, 2020, the termination provisions under the Stock Option Plan are the same as those granted on or prior to November 30, 2020, except as follows: in the event of termination without cause, all options, other than those awarded in the 12-month period immediately prior to the optionee's termination (which will be forfeited), will automatically vest for optionees who have been continuously employed by the Corporation or by a company providing management services to the Corporation for at least two years including any notice period, as applicable, and the optionee will have 90 days to exercise his/her options.
- For stock options granted prior to March 21, 2019: 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.
- Stock options granted on or after March 21, 2019 are subject to "double-trigger" vesting conditions. In the event of a change of control any surviving, successor or acquiring entity shall assume outstanding stock options or substitute similar awards and the vesting of stock options will only accelerate if the optionee's employment is terminated without cause within 12 months following a change of control, in which case the optionee will have 90 days to exercise his/her options, subject to the original option expiry date. If, however, the surviving, successor or acquiring entity does not assume the outstanding stock options, in connection with the change of control, the stock options will immediately vest on the date of such change of control, and options may be cancelled if such options are out of the money. If any options are subject to performance vesting criteria, the level of achievement of the applicable performance vesting criteria will be deemed to be achieved at target.
- Change of control is defined as the occurrence of any one or more of the following events: (1) a consolidation, merger, amalgamation or other reorganization or acquisition involving the Corporation or any of its affiliates as a result of which the Corporation's shareholders immediately prior to the transaction hold less than 50% of the outstanding shares of the successor corporation; (2) the sale, lease, exchange or disposition of all or substantially all of the assets of the Corporation or its subsidiaries on a consolidated basis; (3) a resolution to wind-up dissolve or liquidate the Corporation; (4) any person or group of persons acting jointly or in concert acquires 50% or more of the Corporation's outstanding voting securities; (5) as a result of or in connection with a contested election of directors or a transaction, fewer than 50% of the directors of the Corporation immediately prior to such transaction remain directors of the Corporation; or (6) the Board

adopts a resolution to the effect that a change of control has occurred.

- In the event of the death or disability of an optionee, all options will vest and the optionee's estate or the optionee, as applicable, 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 written employment/severance agreement between the optionee and the Corporation which specifically addresses the treatment of options.
- All stock options granted on or after March 21, 2019 are subject to the Corporation's Recoupment Policy.
- The grant of stock options under the Stock Option Plan is subject to the number of the Common Shares: (i) issued to insiders of the Corporation, within any one (1) year period, and (ii) issuable to insiders of the Corporation, at any time, under the Stock Option Plan, or when combined with all of the Corporation's other security based compensation arrangements, not exceeding 10% of the Corporation's total issued and outstanding Common Shares, respectively.
- The Stock Option Plan does not provide for a maximum number of shares which may be issued to an individual pursuant to the plan and any other security-based compensation arrangement.
- The Board may delegate, to the extent permitted by applicable law and by resolution of the Board, its powers under the Stock Option Plan to the HRCC, or such other committee as the Board may determine from time to time.
- The specific amendment provisions for the Stock Option 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 an option;
  - changes to the termination provisions of an option or the Stock Option Plan 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 Stock Option Plan reserves; and
  - amendments to reflect changes to applicable securities or tax laws.
- Any of the following amendments shall 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;
  - materially increase the benefits to the holder of the options who is an insider to the material detriment of the Corporation and its shareholders;
  - increase the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the Stock Option Plan (other than by virtue of adjustments permitted under the Stock Option Plan);
  - permit options to be transferred other than for normal estate settlement purposes;
  - remove or exceed the insider participation limits of the Stock Option Plan;
  - materially modify the eligibility requirements for participation in the Stock Option Plan, including the re-introduction of non-employee directors as participants; or
  - modify the amending provisions of the Stock Option Plan.

The Stock Option Plan currently has reserved 17,034,163 Common Shares for issuance, which represents approximately 2.31% of the Corporation's issued and outstanding Common Shares as of the date of this Circular.

As of December 31, 2021, there were 8,652,925 stock options outstanding under the Stock Option Plan, representing approximately 1.18% of the Corporation's issued and outstanding Common Shares. As of December 31, 2021, there were an aggregate of 18,716,657 stock options available for grant under the Stock Option Plan, representing 2.55% of the Corporation's issued and outstanding Common Shares.

Share Unit Plan

The SU Plan has the dual purpose of (i) attracting, incentivizing and retaining those key employees of the Corporation who are considered by the Board to be key to the growth and success of the Corporation; and (ii) aligning the interests of key employees with those of the shareholders through longer term equity ownership in the Corporation.

As noted above, the Board approved amendments to the SU Plan in 2020. These amendments included: (1) providing that, upon retirement, only those unvested share units that were granted to the participant 12 months or more prior to the date of retirement will continue to vest and that all share units granted to the participant during the 12-month period immediately prior to the optionee's retirement will become void on the date of retirement; (2) providing that, upon termination of employment without cause of an employee who has been continuously employed for at least two years, only those unvested stock options that were granted to the participant 12 months or more prior to the date of termination will vest and that all stock options granted to the participant during the 12-month period immediately prior to the participant's termination date will become void on the date of termination; (3) clarifying existing treatment of share units and the participant's entitlements upon cessation of employment with the Corporation in all circumstances; and (4) updating and improving defined terms and other minor housekeeping changes.

The following is a summary of the key terms of the SU Plan:

- The SU Plan provides that share unit awards (the "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. Effective March 19, 2020, the SU Plan was amended to include additional provisions to allow for the award of SUs that are subject to performance vesting criteria.
- Any Common Shares subject to a SU (whether time-vesting or performance-vesting) which has been 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 Corporation, within any one (1) year period, and (ii) issuable to insiders of the Corporation, at any time, under the SU Plan, or when combined with all of the Corporation's other security based compensation arrangements, shall not exceed 10% of the Corporation's total issued and outstanding Common Shares, respectively.
- The SU Plan does not provide for a maximum number of Common Shares which may be issued to an individual pursuant to the plan and any other security-based compensation arrangement.
- Employees of the Corporation or any affiliate, including any senior executive, vice president, and/or member of the management team of the Corporation or its affiliates, are eligible to participate in the SU Plan. Non-employee directors are not eligible to participate in the SU Plan.

- A SU is a unit credited by means of an entry on the books of the Corporation to a participant, representing the right to receive one Common Share (subject to adjustments) issued from treasury. SUs are subject to either time-based vesting conditions or achieving applicable performance vesting conditions.
- 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 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 (except for 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.
- Unless otherwise specified in the share unit grant letter, SUs subject to time-based vesting conditions vest on the third anniversary of the grant date and SUs subject to performance-based vesting conditions vest on the third anniversary of the grant date contingent upon achieving applicable performance vesting conditions.
- 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 Corporation, 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 Corporation. 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 unvested SUs will be forfeited and of no further force or effect at the date of termination, unless otherwise determined by the HRCC or provided for in the share unit grant letter. Vested SUs that are subject to a deferred payment date will be settled in Common Shares forthwith.
- For SUs granted prior to March 21, 2019: In the event of termination without cause, all unvested SUs will vest for participants who were continuously employed by the Corporation 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. For participants who were not continuously employed by the Corporation 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, in accordance with the retirement policies of the Corporation, 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.
- For SUs granted on or after March 21, 2019 and on or prior to November 30, 2020, the termination provisions under the SU Plan are the same as those granted prior to March 21, 2019, except as follows: (i) in the event of

termination without cause, a pro-rated portion of each SU award will vest on the date of termination (based on the number of days that the participant was employed during the three-year vesting period), and any performance vesting criteria applicable to SUs will be deemed achieved at target; and (ii) in the event of retirement, subject to the participant complying with any obligations set out in the Corporation's retirement statement, unvested SUs will continue to vest in accordance with their normal vesting schedule (and, for SUs, based on actual achievement of any applicable performance criteria); however, SUs granted in the year the participant's retirement occurs will be forfeited.

- For all SUs granted after November 30, 2020, the termination provisions under the SU Plan are the same as those granted on or prior to November 30, 2020, except that only those share units that were granted to the participant 12 months or more prior to the participant's date of termination will vest, provided that the participant has been continuously employed for at least two years. Any SUs granted to the participant during the 12-month period immediately prior to the participant's termination date will be forfeited.
- SUs granted on or after March 21, 2019, are subject to "double-trigger" vesting conditions. In the event of a change of control any surviving, successor or acquiring entity shall assume outstanding SUs (including SUs or substitute similar awards) and the vesting of SUs will only accelerate if the participant's employment is terminated without cause within 12 months following a change of control. SUs performance vesting criteria will be deemed to be achieved at target. If, however, the surviving, successor or acquiring entity does not assume the outstanding SUs, in connection with the change of control, the SUs will immediately vest on the date of such change of control and for SUs performance vesting criteria will be deemed to be achieved at target. Change of control is defined in the same manner as under the Stock Option Plan.
- 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. For SUs subject to performance vesting criteria, such criteria will be deemed to be achieved at target.
- Notwithstanding the terms of the SU Plan, all the termination provisions shall be subject to the terms of any written employment/severance agreement between the participant and the Corporation which specifically addresses the treatment of share units.
- SUs are not transferable other than by will or the laws of descent 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 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 Corporation and its shareholders;

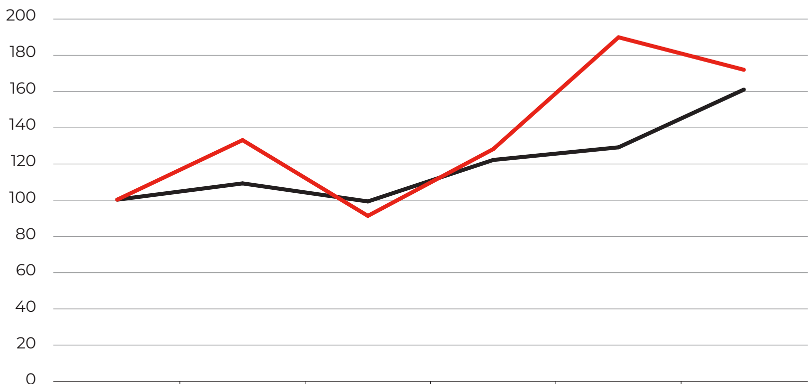
- increasing the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the SU Plan (other than by virtue of adjustments permitted under the SU Plan);
- permitting SUs to be transferred other than for normal estate settlement purposes;
- removing or exceeding the 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.

The SU Plan currently has reserved 6,952,607 Common Shares for issuance, which represents approximately 0.94% of the Corporation's issued and outstanding Common Shares as of the date of this Circular.

As of December 31, 2021, there were 2,320,750 SUs outstanding under the SU Plan, representing approximately 0.32% of the Corporation's issued and outstanding Common Shares. As of December 31, 2021, an aggregate of 7,433,036 SUs were available for grant under the SU Plan, representing approximately 1.01% of the Corporation's issued and outstanding Common Shares.

Performance Graph

The following graph compares the cumulative total shareholder return on the TSX for C$100 invested in Common Shares on December 31, 2016 against the cumulative total shareholder return of the S&P/TSX Composite Index for the five most recently completed financial years of the Corporation. In both cases, it has been assumed that dividends have been reinvested.



	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
LUN TSR	100	133	91	128	190	172
S&P/TSX Composite Index TSR	100	109	99	122	129	161

The Corporation is included in the S&P/TSX Composite and the graph and chart above shows the relative share performance of the Corporation to this index. As discussed above, the current compensation policy relates performance compensation of executives to specific benchmarks which include specific operational objectives and individual objectives as well as relative share price performance compared to the described specific peer group. Accordingly, there is no direct link between the index shown and executive compensation as determined by the HRCC.

Summary Compensation Table

The total compensation cost of the NEOs for 2021 as reflected in the Summary Compensation Table represented 0.39% of the Corporation's consolidated revenues for 2021.

The following table sets out the total compensation actually paid to the NEOs in the most recently completed financial year as well as the two previous financial years, to the extent the NEO was employed by the Corporation. The Corporation does not have a pension plan.

The 2021 Summary Compensation Table uses a single day value for purposes of valuing the Performance Equity Awards which has a flow through effect on each NEO's 2021 total compensation.

					Non-equity incentive plan compensation (US$)			
Named Executive Officer	Year	Salary (US$)(1)	Share-based Awards (US$)(1)(2)	Option-based Awards (US$)(1)(3)	Annual incentive plans (US$)(1)(4)	Long-term incentive plans	All other compensation (US$)(1)(5)(6)	Total compensation (US$)(1)
Peter Rockandel(7) CEO	**2021**	**548,893**	**431,028**	**448,836**	**343,058**		**22,203**	**1,794,019**
	2020	358,176	346,944	294,120	226,845	–	20,319	1,246,404
	2019	339,165	267,000	232,500	327,860		19,973	1,186,498
Jinhee Magie CFO	**2021**	**478,686**	**337,086**	**350,860**	**249,715**		**22,203**	**1,438,550**
	2020	365,638	380,304	321,984	247,738	–	20,319	1,335,983
	2019	358,008	283,020	244,500	260,780		19,973	1,166,281
Peter Richardson COO	**2021**	**518,577**	**388,662**	**405,475**	**298,381**		**22,203**	**1,633,297**
	2020	425,334	471,488	399,384	307,434	–	20,319	1,623,959
	2019	414,535	373,800	324,000	348,963		33,944	1,495,242
Andrew Hastings(8) SVP and General Counsel	**2021**	**418,850**	**276,300**	**286,646**	**232,961**		**22,203**	**1,236,960**
	2020	332,059	322,480	272,835	210,428	–	19,924	1,157,726
	2019	266,221	501,480	373,000	241,938		91,343	1,473,982
Jean-Claude Lalumiere SVP, Human Resources	**2021**	**327,102**	**214,593**	**223,756**	**170,731**		**19,626**	**955,809**
	2020	332,059	322,480	272,835	210,428	–	19,924	1,157,726
	2019	266,221	501,480	373,000	241,938		91,343	1,473,982
Marie Inkster(9) Former CEO	**2021**	**899,930**	**–**	**–**	**1,079,916**		**3,981,894(9)**	**5,961,739(9)**
	2020	820,820	1,364,424	1,156,356	890,217	–	20,319	4,252,136
	2019	753,700	1,025,280	882,000	904,400		19,973	3,585,393

(1) During 2021, all the NEOs were paid in C$. See "Currency" on page 5 for the applicable exchange rates.

(2) The value of the SU awards is determined by multiplying the number of SUs granted by the fair value which is the closing price of the Corporation's Common Shares on the TSX on the date of the grant:

Grant Date	Performance Year	Fair Value on Grant
February 23, 2022*	2021 (annual)	C$11.54 / $9.21
February 23, 2021**	2020 (annual)	C$14.90 / $11.12
February 25, 2020***	2019 (annual)	C$7.09 / $5.34
February 21, 2019****	2018 (annual)	C$6.65 / $5.13
February 21, 2019****	Initial Grant	C$6.65 / $5.13

* February 23, 2022 annual awards converted at the average exchange rate for 2021 as this relates to 2021 compensation. For the SUs subject to future performance vesting conditions (which represent 50% of the SUs granted for 2021 compensation) the accounting fair value is C$13.52 / $10.79 according to IFRS 2 – Share-based Payment and Monte Carlo valuation accounting for the market-based TSR performance conditions (including assumptions of average correlation of 49.7%, volatility of 47.8%, dividend yield of 3.12% and risk-free rate of 1.64%), representing a per share difference between the grant date fair value reflected in the summary compensation table and the accounting value for the SUs subject to performance vesting conditions of C$1.98 / $1.58 per SU.

** February 23, 2021 annual awards converted at the average exchange rate for 2020 as this relates to 2020 compensation. For the SUs subject to future performance vesting conditions (which represent 50% of the SUs granted for 2020 compensation) the accounting fair value is C$18.83 / $14.05 according to IFRS 2 – Share-based Payment and Monte Carlo valuation accounting for the market-based TSR performance conditions (including assumptions of average correlation of 48.2%, volatility of 47.5%, dividend yield of 1.61% and risk-free rate of 0.30%), representing a per share difference between the grant date fair value reflected in the summary compensation table and the accounting value for the SUs subject to performance vesting conditions of C$3.93 / $2.93 per SU.

*** February 25, 2020 annual awards converted at the average exchange rate for 2019 as this relates to 2019 compensation.

**** February 21, 2019 awards were converted at the average exchange rate for 2018 as this relates to 2018 compensation.

(3) The fair value of stock option awards on the grant date were calculated using the Black Scholes model according to IFRS2 Share-based payment since it is used consistently by comparable companies. Below are the key assumptions and estimates:

Grant Date	Performance Year	Excercise Price	Risk-free Rate of Return	Volatility Estimate	Dividend	Expected Life (years)	Black Scholes Value(1)
February 23, 2022*	2021 (annual)	C$11.54 / $9.21	1.59%	46.5%	0.36	4.41	C$4.15 / $3.31
February 23, 2021**	2020 (annual)	C$14.90 / $11.12	0.33%	46.6%	0.16	4.41	C$5.19 / $3.87
February 25, 2020***	2019 (annual)	C$7.09 / $5.34	1.38%	42.1%	0.12	3.15	C$1.99 / $1.50
February 21, 2019****	2018 (annual)	C$6.65 / $5.13	1.82%	46.9%	0.12	3.15	C$2.03 / $1.57
February 21, 2019****	Initial Grant	C$6.65 / $5.13	1.82%	46.9%	0.12	3.15	C$2.03 / $1.57

* February 23, 2022 annual award converted at the average exchange rate for 2021 as this relates to 2021 compensation.

** February 23, 2021 annual award converted at the average exchange rate for 2020 as this relates to 2020 compensation.

*** February 25, 2020 annual award converted at the average exchange rate for 2019 as this relates to 2019 compensation.

**** February 21, 2019 awards were converted at the average exchange rate for 2018 as this relates to 2018 compensation.

(4) Represents annual cash bonus in respect of the corresponding year's performance but which are paid the following year.

(5) Amounts in this column typically consist of, but are not limited to, benefits such as retirement savings benefits, and other additional benefits.

(6) Mr. Rockandel, Ms. Magie, Mr. Richardson and Mr. Hastings each received C$27,830 during 2021 in registered retirement savings contributions. Mr. Lalumiere received C$24,600 during 2021 in registered retirement savings contributions.

(7) Mr. Rockandel was promoted from Senior Vice President, Corporate Development and Investor Relations to President and Chief Executive Officer on November 1, 2021. Following his appointment to CEO, Mr. Rockandel's base salary was adjusted to C$1,128,000. Mr. Rockandel's realized base salary for 2021 was C$688,000. Considering Mr. Rockandel's promotion to CEO on November 1, 2021, there were no further salary adjustments for 2022.

(8) Mr. Hastings joined the Corporation on February 27, 2019. His annualized base salary for 2019 in US$ was $316,554. Mr. Hastings received an on-hire signing bonus of C$100,000. Mr. Hastings' performance equity grants noted above include an initial grant of 50,000 SUs and 100,000 options on February 21, 2019, using the fair value on grant and Black Scholes value disclosed above.

(9) Ms. Inkster ceased to be President and CEO of the Corporation effective October 31, 2021 and remained on the Board of Directors until December 31, 2021. Ms. Inkster did not receive additional compensation as a director. Ms. Inkster's base salary for 2021 was C$1,128,000 and her 2021 realized base salary in US$ is shown in the table above. Ms. Inkster received C$27,830 in registered retirement savings contributions made by the Corporation. Ms. Inkster received a departure package of C$6,316,800 inclusive of 2021 CBI payment at target (120%), which was subsequently paid on December 31, 2021. Ms. Inkster's unvested stock options and share units vested on December 31, 2021, all in accordance with the terms of each applicable plan and her separation agreement.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each NEO all awards outstanding at the end of the most recently completed financial year.

		Option-based Awards				Share-based Awards		
Named Executive Officer	Grant date	Number of securities underlying unexcercised options (#)	Option excercise price (US$)[(1)(2)]	Option expiration date	Value of unexercised in-the-money options (US$)[(1)(2)(3)]	Number of shares or units of shares that have not vested (#)[(7)]	Market or payout value of share-based awards that have not vested (US$)[(1)(2)(3)(7)]	Market or payout value of vested share-based awards not paid out or distributed (US$)[(1)]
Peter Rockandel CEO	21-Sep-2018	75,000	5.62	26-Jul 2023	162,750[(4)]	–	–	–
	21-Feb-2019	100,000	5.25	20-Feb-2024	254,000[(5)]	32,000	249,378	–
	25-Feb-2020	155,000	5.59	24-Feb-2025	341,000[(6)]	50,000	389,652	–
	23-Feb-2021	76,000	11.75	22-Feb-2028	–	31,200	243,143	–
Jinhee Magie[(8)] CFO	24-Feb-2017	99,990	6.44	23-Feb-2022	134,987[(4)]	–	–	–
	21-Feb-2018	66,000	6.58	20-Feb-2023	79,860[(4)]	–	–	–
	26-Oct-2018	30,000	4.14	25-Oct-2023	109,500[(8)]	–	–	–
	21-Feb-2019	162,000	5.25	20-Feb-2024	411,480[(5)]	52,000	405,238	–
	25-Feb-2020	163,000	5.59	24-Feb-2025	358,600[(6)]	53,000	413,032	–
	23-Feb-2021	83,200	11.75	22-Feb-2028	–	34,200	266,522	–
Peter Richardson COO	21-Feb-2018	40,000	6.58	20-Feb-2023	48,400[(4)]	–	–	–
	21-Feb-2019	87,000	5.25	20-Feb-2024	220,980[(5)]	84,000	654,616	–
	25-Feb-2020	216,000	5.59	24-Feb-2025	475,200[(6)]	70,000	545,513	–
	23-Feb-2021	103,200	11.75	22-Feb-2028	–	42,400	330,425	–
Andrew Hastings SVP and General Counsel	21-Feb-2019	100,000	5.25	20-Feb-2024	254,000[(5)]	50,000	389,652	–
	25-Feb-2020	144,000	5.59	24-Feb-2025	316,800[(6)]	47,000	366,273	–
	23-Feb-2021	70,500	11.75	22-Feb-2028	–	29,000	225,998	–
Jean-Claude Lalumiere SVP, Human Resources	21-Feb-2019	43,333	5.25	20-Feb-2024	110,066[(5)]	41,000	319,515	–
	25-Feb-2020	89,333	5.59	24-Feb-2025	196,533[(6)]	44,000	342,894	–
	23-Feb-2021	63,400	11.75	22-Feb-2028	–	26,000	202,619	–
Marie Inkster[(9)] Former CEO	24-Feb-2017	207,900	6.44	23-Feb-2022	280,665[(9)]	–	–	–
	21-Feb-2018	156,000	6.58	20-Feb-2023	188,760[(9)]	–	–	–
	21-Feb-2019	508,000	5.25	20-Feb-2024	1,290,320[(9)]	–	–	–
	25-Feb-2020	588,000	5.59	24-Feb-2025	1,293,600[(9)]	–	–	–
	23-Feb-2021	298,800	11.75	22-Feb-2028	–	–	–	–

(1) Based on the closing exchange rate of C$1.00:US$0.7888 on December 31, 2021.
(2) All stock options are granted in C$. Below are the exercise prices in C$:
February 24, 2017 – C$8.17
February 21, 2018 – C$8.34
September 21, 2018 – C$7.13
October 26, 2018 – C$5.25
February 21, 2019 – C$6.65
February 25, 2020 – C$7.09
February 23, 2021 – C$14.09
(3) In respect of stock options, the value is based on the closing price of the Common Shares on the TSX on December 31, 2021 of C$9.88 ($7.79) per Common Share, less the exercise price of the in-the-money stock options. These stock options have not been, and may never be, exercised and the actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise. In respect of SUs, the value is based on the closing price of the Common Shares on the TSX on December 31, 2021 of C$9.88 ($7.79) per Common Share. The SUs granted February 25, 2020 and February 23, 2021, are currently unvested and the actual market value will depend on the value of the Common Shares on the vesting date. The vesting date for SUs is the third anniversary date after the grant date. The February 21, 2019 SUs vested on February 21, 2022.
(4) These values represent all vested stock options.
(5) These values represent two-thirds vested stock options. The remaining one-third vested on February 21, 2022.
(6) These values represent one-third vested stock options. The remaining two-thirds vest on February 21, 2022 and February 21, 2023, respectively.
(7) Unvested as at December 31, 2021.
(8) Ms. Magie received a grant of stock options and share units with respect to her promotion to CFO. These values represent all vested stock options.
(9) Ms. Inkster ceased to be President and CEO of the Corporation effective October 31, 2021 and continued as a Director to December 31, 2021. All of her stock options and share units automatically vested at target and were released on December 31, 2021. At December 31, 2021 Ms. Inkster's stock options were available to exercise in accordance with the Stock Option Plan.

Incentive Plan Awards – Value Vested or Earned In 2021

The following table provides information regarding the value on vesting of equity incentive plan awards for the financial year ended December 31, 2021, plus a summary of cash awards made under the CBI for 2021 performance (paid in 2022).

Named Executive Officer	Option-based awards – value vested during year (US$)(1)(2)	Share-based awards – value vested during year (US$)(1)(3)	Non-equity incentive plan compensation – value earned during year (US$)(1)(4)
Peter Rockandel CEO	591,537	438,556	343,058
Jinhee Magie CFO	852,993	403,692	249,715
Peter Richardson COO	1,239,757	539,874	298,381
Andrew Hastings SVP and General Counsel	515,460	–	232,961
Jean-Claude Lalumiere SVP, Human Resources	648,311	222,433	170,731
Marie Inkster(5) Former CEO	3,974,514	5,181,537	1,079,916

(1) Based on the closing exchange rate of C$1.00:US$0.7888 on December 31, 2021.
(2) Calculated using the closing price of the Corporation's Common Shares on the TSX on the relevant vesting date and subtracting the exercise price of in-the-money stock options.
(3) Calculated using C$15.21 ($12.00) which was the closing market price of the Common Shares on the TSX on February 19, 2021(trading day prior to the vest date of Sunday February 21, 2021).
(4) Non-equity incentive plan compensation includes the amount of the annual performance bonus awards earned by NEOs for the noted year, as paid in the following year. NEO annual performance bonus awards were paid in C$. See "Currency" on page 5 for the applicable exchange rates.
(5) Ms. Inkster ceased to be President and CEO of the Corporation effective October 31, 2021 and continued as a Director to December 31, 2021. All of her stock options and share units automatically vested at target and were released on December 31, 2021. At December 31, 2021 Ms. Inkster's stock options were available to exercise in accordance with the Stock Option Plan.

The following table provides information relating to amounts received upon the exercise of options during the year ended December 31, 2021.

Named Executive Officer	Number of Stock Options Exercised	Grant Price (US$)[1]	Share Price on Exercise Date (US$)[1]	Value Realized on Exercise (US$)[1]
Peter Rockandel CEO	50,000	5.62	12.23	330,100
Jinhee Magie CFO	–	–	–	–
Peter Richardson COO	174,000	5.25	12.27	1,221,489
Andrew Hastings SVP and General Counsel	–	–	–	–
Jean-Claude Lalumiere SVP, Human Resources	43,333	5.25	11.76	282,325
	20,000	6.85	12.07	104,433
	44,667	5.59	12.07	289,255
Marie Inkster Former CEO	246,000	3.41	11.71	2,041,274

(1) Values are in Canadian dollars and were converted to U.S. dollars for purposes of this table using the closing exchange rate of C$1.00:US$0.7888 on December 31, 2021.

Pension Plan Benefits

The Corporation does not have any defined benefit or actuarial plans for the NEOs.

Compensation Risk Management

As part of its annual review, the HRCC evaluated potential risks related to the Corporation's compensation policies and practices. The Corporation's annual corporate and individual objectives which form the basis of the compensation plan evaluations are carefully considered by the HRCC with a view of establishing a realistic and balanced set of objectives together with a range of achievement level factors that both encourage initiative and discourage under performance in areas important to the Corporation and do not encourage excessive risk-taking by senior management.

Below are some of the risk mitigating features of the Corporation's executive compensation programs:

- consistent program design among all executive officers;
- a mix of performance measures are used in the cash bonus incentives, and granting of performance equity incentives provides a balanced performance focus;
- benchmark compensation against size and industry appropriate peer group and target total direct compensation in the median range;
- capped payout opportunity within the CBI of 2.0 times the target CBI which is subject to Board discretion;
- awards are granted annually;
- SUs vest three years after the award date, and beginning in 2021 (with respect to 2020 performance), 50% of share units granted are subject to performance vesting criteria;
- stock options vest over three years and have a seven-year term;

- a 20-day VWAP is used to determine equity values to avoid short swing price volatility impacts;
- potential performance equity awards are regularly "stress-tested" to avoid unintended behaviours and compensation outcomes;
- specific share ownership guidelines tied to a multiple of base salary;
- the Corporation provides a non-binding advisory vote on the Corporation's approach to executive compensation; and
- in camera sessions are held after certain HRCC Meetings.

The HRCC determined that there are no risks arising from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

Hedging

Directors and officers are prohibited from purchasing financial instruments that are designed to hedge or offset any decrease in the market value of the Corporation's equity securities that are held directly or indirectly by them or granted as compensation to them. Such prohibited financial instruments with respect to the Corporation's equity securities include prepaid variable forward contracts, equity swaps, collars, put or call options, and similar financial instruments.

Recoupment Policy

Effective as of March 21, 2019, the Board approved a Recoupment Policy that provides that the Corporation may recover or cancel certain incentive compensation, including cash bonuses, options, share appreciation rights, share units, restricted shares, or equivalents, and any other equity-based compensation, provided to executives and other designated employees in circumstances where (i) there has been an accounting restatement of the Corporation's financial statements as a result of significant non-compliance with financial reporting requirements and the amount of incentive compensation received or realized was higher than it would have been based on the restated financial results, or (ii) the employee has engaged in misconduct (fraud, or intentional and/or reckless non-compliance with applicable laws or the Corporation's Code of Conduct).

Management's Role in Compensation Decision-Making

The CEO and Senior Vice President, Human Resources provide information to the HRCC as required on compensation risk management and also provide annual recommendations to the HRCC on base salary adjustments, cash and equity incentives for the executives and other members of management, excluding the CEO. The HRCC approves any base salary adjustments, cash and equity incentive awards for the executives and recommends to the Board all compensation for the CEO, based on the results of the key strategic deliverables, the results of each executive's KPIs and in the context of total compensation. As part of the final determination of the total compensation, the HRCC also refers to compensation of executives among the selected peer group.

The CEO is not a member of the HRCC. The CEO provides input on the performance of senior executives and managers. Discussions affecting the CEO's remuneration package, either directly or indirectly, are held in camera without management present.

Compensation Consultants

In 2021 the HRCC conducted a request for proposal to provide advice to the HRCC on executive compensation and related governance matters. The services of Global Governance Advisors were selected by the Corporation and the HRCC, to review and provide recommendations on NEO compensation. HRCC pre-approval is required for Global Governance Advisors to provide services to the Corporation at management's request.

Advisor	Type of Work	2021 Fees (C$)	2020Fees (C$)
Global Governance Advisors	Executive compensation review	$36,102	$ nil
	All other fees	$ nil	$ nil

Termination and Change of Control Benefits

Introduction

Each of the Corporation's NEOs as of December 31, 2021 is a party to an indefinite term employment agreement with the Corporation that sets forth certain instances where payments and other obligations arise on the termination of their employment or in the event of a change of control of the Corporation.

Termination Without Cause

The employment agreements for each of the NEOs include specific terms and conditions describing the Corporation's obligations should the employment of the NEO be terminated without cause. If the employment of a NEO is terminated by the Corporation without cause, or if a NEO terminates their own employment for good reason, then payment of base salary and, in some cases, CBI payments, equity awards and benefits shall be due as provided in the respective agreement.

Following a without cause termination of Mr. Rockandel's employment by the Corporation, Mr. Rockandel will receive working notice of 24 months, or at the discretion of the Corporation, in lieu of such notice a payment consisting of 24 months' base salary. Mr. Rockandel will also receive a payment equal to two times the average of the CBI payments received in the previous two years. Mr. Rockandel's participation in the Corporation's group health benefits plan will continue for 24 months. Such payments will be in full satisfaction of any claim Mr. Rockandel may have to notice of termination, severance, or separation pay of any kind, in respect of the termination of his employment with the Corporation. Any equity awards received by Mr. Rockandel prior to the date of termination will be treated in accordance with the applicable equity award plan terms.

Following a without cause termination of Ms. Magie's employment by the Corporation, Ms. Magie will receive working notice of 24 months, or at the discretion of the Corporation, in lieu of such notice, a payment consisting of 24 months' base salary and two times the average of the CBI payments received in the previous two years. Ms. Magie shall also continue to participate in the Corporation's group medical and dental benefits program for a period of 24 months after the termination date. Such payments shall be in full satisfaction of any claim Ms. Magie may have to notice of termination, severance, or separation pay of any kind in respect of the termination of her employment with the Corporation. Any equity awards received by Ms. Magie prior to the date of termination will be treated in accordance with the applicable equity award plan terms.

Following a without cause termination of Mr. Richardson's employment by the Corporation, Mr. Richardson will receive working notice of 12 months, or at the discretion of the Corporation, in lieu of such notice a payment consisting of 12 months' base salary. Mr. Richardson will also receive a payment equal to the average of the CBI payments received in the previous two years, and his participation in the Corporation's group health benefits plan and the group RRSP program will continue for a period of 12 months. Such payments will be in full satisfaction of any claim Mr. Richardson may have to notice of termination, severance, or separation pay of any kind, in respect of the termination of his employment with the Corporation. Any equity awards received by Mr. Richardson prior to the date of termination will be treated in accordance with the applicable equity award plan terms.

Messrs. Hastings and Lalumiere have similar employment contracts. Following a without cause termination of either Mr. Hastings or Mr. Lalumiere, they will receive working notice of 12 months, or at the discretion of the Corporation, in lieu of such notice a payment consisting of 12 months' base salary. Each will also receive a payment equal to the average of the CBI payments received in the previous two years, and their participation in the Corporation's group health benefits plan will continue for 12 months. Such payments will be in full satisfaction of any claim that either Mr. Hastings or Mr. Lalumiere may have to notice of termination, severance, or separation pay of any kind, in respect of the termination of his employment with the Corporation. Any equity awards received by Mr. Hastings and Mr. Lalumiere prior to the date of termination will be treated in accordance with the applicable equity award plan terms.

The following table provides details regarding the estimated incremental payments payable by the Corporation to the NEOs (other than our Former CEO) assuming termination of employment without cause on December 31, 2021:

	Severance				
Named Executive Officer	Base Salary (US$)(1)	CBI (US$)(1)	Value of Benefits (US$)(1)	Equity (US$)(1)(2)	Total (US$)(1)
Peter Rockandel CEO	1,779,465	2,135,358	71,510	1,315,967	5,302,300
Jinhee Magie CFO	946,524	534,786	73,947	1,835,074	3,390,331
Peter Richardson COO	512,701	345,087	37,597	1,828,971	2,724,355
Andrew Hastings SVP and General Counsel	414,104	237,814	35,755	1,250,344	1,938,018
Jean-Claude Lalumiere SVP, Human Resources	323,396	215,334	35,049	894,831	1,468,610

(1) Based on the closing exchange rate of C$1.00:US$0.7888 on December 31, 2021.
(2) Unless provisions are included in an employment contract (as set forth above), in accordance with the Stock Option Plan and SU Plan, all options granted prior to March 21, 2019 vest and become exercisable and all share units granted prior to March 21, 2019 automatically vest following a termination of employment without cause, if an individual has been continuously employed with the Corporation for two years.
(3) In accordance with the Stock Option Plan, for stock options granted between March 21, 2019 and November 20, 2020, all options will vest and become exercisable except for those granted in the year of termination without cause. For stock options granted on or after November 21, 2020, all options will vest and become exercisable except those granted in the 12 months immediately preceding the date of termination without cause. In accordance with the SU Plan, for share units granted between March 21, 2019 and November 20, 2020, a pro-rated portion of each SU award will vest on the date of termination based on the number of days that the participant was employed during the three-year vesting period. For share units granted on or after November 21, 2020, a pro-rated portion of each SU award will vest on the date of termination based on the number of days that the participant was employed during the three-year vesting period except for shares granted within the 12 months immediately preceding the date of termination. Values represent the in the money value of all vested and unvested options and share units, using a TSX closing price on December 31, 2021 of C$9.88 / $7.79.

Ms. Inkster ceased to be President and CEO of the Corporation effective October 31, 2021. She received a departure package of C$6,316,800 inclusive of her 2021 CBI payment at target (120%), which was subsequently paid on December 31, 2021, all in accordance with her contractual agreement.

Change of Control

All NEOs have the same Change of Control protection. If there is a Change of Control of the Corporation, as defined in the applicable employment agreement, and a NEO's employment is terminated within 12 months of the Change of Control for any reason other than cause, death, or disability, the NEO is entitled to the benefits of their employment contract as set out for termination without cause. Alternately the NEO may, within 60 days of such Change of Control, provide the Corporation with written notice of resignation for good reason with immediate effect and they will be entitled to receive the payments and benefits as set out for termination without cause. In the event of a Change of Control of the Corporation, all unvested stock option and share unit awards outstanding and held by the NEO as of the effective date of such Change of Control shall, notwithstanding any provisions of any resolution, by-law, equity incentive plan, agreement, contract or instrument pertaining to or evidencing the unvested stock option and share unit awards to the contrary, automatically immediately vest on such effective date and any share units so vesting shall be immediately issued and any stock options so vesting shall be immediately exercisable and shall remain exercisable until their expiry date.

Change of Control is defined in the employment agreements in a substantially similar manner as it is defined in the Stock Option Plan, provided that, pursuant to the employment agreements, a Change of Control is triggered where any person or group of persons acting jointly or in concert acquires 30% or more of the Corporation's outstanding voting securities (as compared to the Equity Plans threshold of 50% of the Corporation's outstanding voting securities).

Other than as set forth herein, the Corporation has no compensatory plan, contract or arrangement where a NEO is entitled to receive compensation in the event of resignation, retirement or other termination of the NEOs employment with the Corporation.

The following table provides details regarding the estimated incremental payments from the Corporation to the NEOs assuming a change of control of the Corporation on December 31, 2021. If a NEO is terminated without cause following a change of control, the NEO's entitlement is set out in the table detailing estimated incremental payments for a termination without cause.

	Severance				
Named Executive Officer	Base Salary (US$)(1)	CBI (US$)(1)	Value of Benefits (US$)(1)	Equity (US$)(1)(2)	Total (US$)(1)
Peter Rockandel CEO	1,779,465	2,135,358	71,510	1,639,727	5,626,061
Jinhee Magie CFO	946,524	534,786	73,947	2,197,945	3,753,203
Peter Richardson COO	512,701	345,087	37,597	2,275,094	3,170,478
Andrew Hastings SVP and General Counsel	414,104	237,814	35,755	1,552,849	2,240,523
Jean-Claude Lalumiere SVP, Human Resources	323,396	215,334	35,049	1,171,617	1,745,396

(1) Based on the closing exchange rate of C$1.00:US$0.7888 on December 31, 2021.
(2) In accordance with the Stock Option Plan and SU Plan and certain employment agreements, as set forth above, all options vest and become exercisable and all share units automatically vest following a change of control. Notwithstanding any provision to the contrary in the Stock Option Plan, in the event of a Termination Without Cause on or within 12 months following a Change of Control and before the expiry of such Participant's Options, all unvested Options held by such Participant will automatically vest on the Date of Termination. Values represent the gain on all vested and unvested options and share units, using a TSX closing price on December 31, 2021 of C$9.88 / $7.79.

Indebtedness of Directors and Executive Officers

None of the directors or executive officers of the Corporation, proposed nominees for election as directors, or associates of any of the foregoing persons, is as at the date hereof, or has been, during the year ended December 31, 2021, indebted to the Corporation or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

Securities Authorized for Issuance Under Equity Compensation Plan

The Corporation's Stock Option Plan, as described above, provides for the grant of non-transferable stock options to permit the purchase of the Common Shares by the participants of the Stock Option Plan. The Corporation's SU Plan, as described above, provides for the grant of share unit awards which represent a right to receive Common Shares by participants of the SU Plan.

Equity Compensation Plan Information as of December 31, 2021:

Plan category	Number of securities to be issued upon exercise of outstanding options and SUs	Weighted-average exercise price of outstanding options and SUs (C$)	Number of securities remaining available for future issuance under equity compensation plans
Equity Compensation Plans approved by security holders	8,652,925 (stock options) 2,320,750 (SUs)	82 (stock options) N/A (SUs)	18,716,657 (stock options) 7,433,036 (SUs)
Equity Compensation Plans not approved by security holders	N/A	N/A	N/A

Annual Burn Rate

The table below sets out the burn rate for each of the Corporation's equity compensation plans as at December 31, 2021 for each of the last three years. The burn rate represents the total number of stock options and SUs granted during the year, divided by the weighted average number of Common Shares outstanding during the year.

Plan	2021	2020	2019
Share Unit Plan	0.08%	0.14%	0.15%
2014 Stock Option Plan	0.27%	0.55%	0.57%

Normal Course Issuer Bid

On December 6, 2021, the Corporation announced TSX approval of the renewal of the Corporation's normal course issuer bid ("NCIB"), commencing on December 9, 2021 and expiring no later than December 8, 2022. The NCIB allows the Corporation to repurchase for cancellation up to an aggregate of 63,762,574 shares representing approximately 10% of the "public float" (as defined by the TSX) of the Corporation as at the date the NCIB notice filed with the TSX. Daily purchases under the NCIB (other than pursuant to a block purchase exemption) on the TSX under the NCIB are limited to a maximum of 565,398 Common Shares. The Corporation will pay market price at the time of purchase for all Common Shares purchased in open market transactions. A copy of the notice provided to the TSX is available, without charge, by contacting the Corporate Secretary using the details provided under the heading "Stakeholder Engagement", below.

In connection with the NCIB renewal, the Corporation entered into an automatic repurchase plan with its designated broker to allow for the repurchase of Common Shares at times when the Corporation ordinarily would not be active in the market due to its own internal trading blackout periods, insider trading rules or otherwise (any such period being an "Operating Period"). Before entering an Operating Period, the Corporation may, but is not required to, instruct the designated broker to make purchases under the NCIB in accordance with the terms of the plan. Purchases made pursuant to the plan, if any, will be made by the Corporation's designated broker based upon the parameters prescribed by the TSX, applicable Canadian securities laws and the terms of the written agreement entered between the Corporation and its designated broker outside of these Operating Periods, Common Shares will be purchasable by the Corporation at its discretion under its NCIB. The automatic repurchase plan commenced on the effective date of the NCIB and will terminate on the earliest of the date on which: (i) the purchase limit under the NCIB has been reached; (ii) the NCIB expires; and (iii) the Corporation terminates the automatic repurchase plan in accordance with its terms.

As of the date of this Circular, from and including the original inception date of the NCIB (December 7, 2018), the Corporation has purchased an aggregate of 10,968,962 Common Shares at a weighted average price of approximately C$8.43 with a total of 4,463,600 Common Shares purchased at a weighted average price of approximately C$10.11 per Common Share in 2021, all through open market transactions. All shares purchased under the NCIB have been cancelled.

Compensation of Directors and Officers

The extent and level of directors' and officers' compensation is determined by the Board after considering the recommendations of the HRCC which is composed entirely of independent directors. The HRCC has been mandated to review the adequacy and form of the compensation of directors and officers to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director or officer in the Corporation and the mining industry. In making recommendations to the Board in respect of compensation to directors, the HRCC considers the time commitment, risks and responsibilities involved in being a director with the Corporation as well as market data pertinent to the compensation paid to directors of peer group companies.

Please review the section in this Circular titled "Director Compensation" for further information concerning director compensation.

Management Contracts

Management functions of the Corporation and its subsidiaries are performed by the directors and executive officers of the Corporation and not pursuant to any external management contract.

Interest of Informed Persons in Material Transactions

To the best of the Corporation's knowledge, no informed person of the Corporation, proposed nominees for election as directors, or any associate or affiliate of any informed person or proposed nominee, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

Other Business

Management of the Corporation knows of no other matters which will be brought before the Meeting, other than those referred to in the Notice of Meeting. Should any other matters properly be brought before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on those matters in accordance with the best judgment of the persons voting such proxies.

Non-GAAP and Other Performance Measures

The Corporation 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 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.

For a description and reconciliation of these and other non-GAAP measures, please refer to the heading "Non-GAAP and Other Performance Measures" on page 26 in the Corporation's management's discussion and analysis for the year ended December 31, 2021, which section is incorporated by reference herein and is available on SEDAR under the Corporation's profile at www.sedar.com. For further details, including how these measures are reconciled, see the Corporation's management's discussion and analysis for the year ended December 31, 2021.

Additional Information

Additional information relating to the Corporation is available on the SEDAR website under the Corporation's profile at www.sedar.com. Financial information related to the Corporation is contained in the Corporation's audited consolidated financial statements and related management's discussion and analysis for the year ended December 31, 2021. Copies of the Corporation's audited consolidated financial statements, related management's discussion and analysis and Annual Information Form prepared for its fiscal year ended December 31, 2021 may be obtained free of charge by writing to the Corporate Secretary of the Corporation at 150 King Street West, Suite 2200, P.O. Box 38, Toronto, Ontario, Canada, M5H 1J9 or may be accessed on the Corporation's website at www.lundinmining.com or under the Corporation's profile on the SEDAR website at www.sedar.com.

Shareholder Proposals

Shareholder Proposals – General

The *Canada Business Corporations Act* permits certain eligible shareholders to submit shareholder proposals to the Corporation, which may be included in a management proxy circular relating to an annual meeting of shareholders. The final date by which the Corporation must receive shareholder proposals for the annual meeting of shareholders in 2023 is December 16, 2022.

Shareholder Proposals – Nominations for Directors

Shareholders may at any time submit to the Board the names of individuals for consideration as directors. The CGNC will consider such submissions when assessing the Board's composition and when making recommendations for individuals to be nominated for election as directors.

Holders of shares representing in the aggregate not less than 5% of the Corporation's outstanding shares may nominate individuals to serve as directors and have their nominations included in the Corporation's proxy circular for its annual meeting of shareholders by submitting a shareholder proposal in compliance with and subject to the provisions of the *Canada Business Corporations Act*. No such shareholder proposal was received this year. For additional information regarding the process for nominating directors for election, please see "Advance Notice".

Stakeholder Engagement

The Corporation is committed to engaging in constructive and meaningful communication with its shareholders and other stakeholders. We communicate with our shareholders and other stakeholders through our continuous disclosure, including through our annual and quarterly reports and this Circular, press releases, Annual Information Form, and through a variety of other channels, including our website, industry conferences, quarterly earnings calls and through direct outreach to key stakeholders from time to time.

Shareholders may communicate comments directly to the Board by writing to our Board Chair and to our Lead Director, in each case care of the Corporate Secretary, at 150 King Street West, Suite 2200, P.O. Box 38, Toronto, Ontario, Canada, M5H 1J9. All correspondence, with the exception of solicitations for the purchase or sale of products and services and other similar types of correspondence, will be directed accordingly. Alternatively, the Board Chair and Lead Director may be contacted by email at corporatesecretary@lundinmining.com.

Certificate of Approval

The contents and the distribution of this Circular have been approved by the Board.

DATED at Toronto, Ontario this 25th day of March 2022.

BY ORDER OF THE BOARD OF DIRECTORS

Annie Laurenson
Director, Governance and Corporate Secretary

Appendix A
Mandate of the Board of Directors

A. Introduction

The Board of Directors (the "**Board**") has the responsibility for the overall stewardship of the conduct of the business of Lundin Mining Corporation (the "**Corporation**") and the activities of management. Management is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, and to ensure the Corporation meets its obligations on an ongoing basis and that the Corporation operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests that its other stakeholders, such as employees, customers and communities, may have in the Corporation. In overseeing the conduct of the business, the Board, through the President and Chief Executive Officer ("**CEO**"), shall set the standards of conduct for the Corporation.

B. Procedures and Organization

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 Chair 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 Corporation and the *Canada Business Corporations Act* (the "**Act**"), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

With effect from January 1, 2022, unless otherwise determined by the Board, no person shall be appointed or nominated as a director in the calendar year following which that person has reached 70 years of age.

Duties and Responsibilities

The Board's principal duties and responsibilities fall into the categories outlined below.

1. **Legal Requirements**
    a. The Board has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained;
    b. The Board has the statutory responsibility to:
        i. manage or, to the extent it is entitled to delegate such power, to supervise the management of the business and affairs of the Corporation by the senior officers of the Corporation;
        ii. act honestly and in good faith with a view to the best interests of the Corporation;
        iii. exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and
        iv. act in accordance with its obligations contained in the Act and the regulations thereto, the Corporation's Articles and By-laws, securities legislation of each province and territory of Canada, and other relevant legislation and regulations.

2. Independence

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management, including endeavouring to have a majority of independent directors as well as an independent Chair or an independent Lead Director, as the term “independent” is defined in National Instrument 58-101 “Disclosure of Corporate Governance Practices” and set out by the Canadian Securities Administrators in Multilateral Instrument 52-110 and any other applicable laws and regulations as the same may be amended from time to time.

3. Strategy Determination

The Board has the responsibility to ensure that there are long-term goals and a strategic planning process in place for the Corporation and to participate with management directly or through its committees in developing and approving the mission of the business of the Corporation 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 Corporation’s business.

4. Managing Risk

The Board has the responsibility to identify and understand the principal risks of the business in which the Corporation 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 Corporation.

5. Division of Responsibilities

The Board has the responsibility:

a. to appoint and delegate responsibilities to committees where appropriate to do so;

b. to develop position descriptions for:

   i. the Chair of the Board;

   ii. the Lead Director of the Board;

   iii. the Chair of each Board Committee;

   iv. the President and Chief Executive Officer; and

c. ensure that the directors of the Corporation’s subsidiaries are qualified and appropriate in keeping with the Corporation’s guidelines and that they are provided with copies of the Corporation’s policies for implementation by the subsidiaries.

To assist it in exercising its responsibilities, the Board hereby establishes four standing committees of the Board: the Audit Committee, the Corporate Governance and Nominating Committee, the Human Resources/Compensation Committee and the Safety and Sustainability Committee. The Board may also establish other standing committees from time to time.

Each committee shall have a written mandate that clearly establishes its purpose, responsibilities, members, structure and functions. Each mandate shall be reviewed by the applicable Committee and Board regularly. The Board is responsible for appointing committee members.

6. **Appointment, Training and Monitoring Senior Management**

   The Board has the responsibility:

   a. to appoint the CEO, to monitor and assess the CEO's performance, to satisfy itself as to his or her integrity, and to provide advice and counsel in the execution of the CEO's duties;

   b. to develop or approve the corporate goals or objectives that the CEO is responsible for;

   c. to approve the appointment of all senior corporate officers, acting upon the advice of the CEO and to satisfy itself as to the integrity of such corporate officers;

   d. to ensure that adequate provision has been made to train, develop and compensate management and to ensure that all new directors receive a comprehensive orientation, fully understand the role of the Board and its committees, the nature and operation of the Corporation's business and the contribution that individual directors are required to make;

   e. to create a culture of integrity throughout the Corporation;

   f. to ensure that management is aware of the Board's expectations of management;

   g. to provide for succession of management; and

   h. to set out expectations and responsibilities of directors including attendance at meetings and review of meeting materials.

7. **Policies, Procedures and Compliance**

   The Board has the responsibility:

   a. to ensure that the Corporation always operates within applicable laws, regulations and ethical standards;

   b. to approve and monitor compliance with significant policies and procedures by which the Corporation is operated; and

   c. upon the recommendation of the Safety and Sustainability Committee, approve recommended actions relating to climate change and greenhouse gas emissions reductions as deemed appropriate.

8. **Reporting and Communication**

   The Board has the responsibility:

   a. to ensure the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally;

   b. to ensure that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;

   c. to ensure the timely reporting of developments that have a significant and material impact on the value of the Corporation;

   d. to report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year;

   e. to develop appropriate measures for receiving shareholder feedback; and

   f. to develop the Corporation's approach to corporate governance and to develop a set of corporate governance principles and guidelines.

9. **Monitoring and Acting**

The Board has the responsibility:

a. to monitor the Corporation’s progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;

b. to act when performance falls short of its goals and objectives or when other special circumstances warrant;

c. to ensure that the Corporation has implemented adequate control and information systems which ensure the effective discharge of its responsibilities; and

d. to make regular assessments of itself, its committees and each individual director’s effectiveness and contribution.

Approved: February 17, 2022.

lundin mining

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