Lundin Mining Corporation
(the "Company")

Note to Readers: This Swedish prospectus has been prepared in conjunction with the application for admission to trading on NASDAQ Stockholm of Swedish depository receipts representing common shares of the Company. This Swedish prospectus has been prepared in accordance with the provisions of the Swedish Financial Instruments Trading Act (1991:980) and European Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and the Council and has been approved and registered by the Swedish Financial Supervisory Authority (the "SFSA") in accordance with the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (1991:980). Approval and registration of the prospectus does not imply a guarantee by the SFSA that the facts presented in the prospectus are correct or complete. **This Swedish prospectus does not comprise any offer to purchase, subscribe for or acquire any shares, Swedish depository receipts or other financial instruments issued by the Company**. The prospectus may not be distributed, directly or indirectly, in any country where such distribution requires additional registration or other measures than those provided for under Swedish law or that contravene applicable regulations in such country.

The Swedish prospectus is intended for the Swedish market. In reviewing the attached, the reader shall be deemed to make the representation that the reader is not located in the USA, Canada, Australia, Hong Kong, Japan, New Zealand or South Africa or any other country where such review is, partly or in whole, subject to any legal restrictions. The Swedish prospectus is not intended for, and may not be distributed to or be published in, directly or indirectly, the USA, Canada, Australia, Hong Kong, Japan, New Zealand or South Africa, or any other jurisdiction where this would require registrations measures or would constitute a breach of law.

LUNDIN MINING CORPORATION

Admission to trading of additional Swedish Depository Receipts of Lundin Mining Corporation

IMPORTANT INFORMATION

This prospectus has been prepared in conjunction with the application for admission to trading on NASDAQ Stockholm AB (the "**NASDAQ Stockholm**") of up to an additional 132,157,000 Swedish depository receipts (the "**SDRs**") representing up to an additional 132,157,000 common shares (the "**New Shares**") of Lundin Mining Corporation. The "**Company**", "**Lundin Mining**", "**we**", "**our**" or similar words mean Lundin Mining Corporation (incorporation number 443736-5) and/or one or more or all of its subsidiaries, as it may apply. References to "**CAD**" or "**C$**" means Canadian dollars, "**SEK**" means Swedish kronor, "**£**" means British pounds sterling and "**$**", "**US$**" or "**USD**" means United States dollars. Reference to "**IFRS**" means International Financial Reporting Standards. This prospectus has been prepared in accordance with the provisions of the Swedish Financial Instruments Trading Act (1991:980) and European Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and the Council. The prospectus has been approved and registered by the Swedish Financial Supervisory Authority (the "**SFSA**") in accordance with the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (1991:980). Approval and registration of the prospectus does not imply a guarantee by the SFSA that the facts presented in the prospectus are correct or complete. This prospectus does not comprise any offer to purchase, subscribe for or acquire New Shares, SDRs or other financial instruments issued by Lundin Mining. The prospectus may not be distributed, directly or indirectly, in any country where such distribution requires additional registration or other measures than those provided for under Swedish law or that contravene applicable regulations in such country. The New Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under any equivalent statute in any individual state of the United States of America (the "**US**"). Certain amounts and numbers expressed in per cent in this prospectus have been rounded off and may therefore not add up correctly. With the exception of the Company's audited consolidated financial statements for 2011, 2012, and 2013, and the Company's unaudited condensed interim consolidated financial statements for the financial nine-month period ended September 30, 2014, which have been reviewed by the Company's auditors, no information has been reviewed or audited by the Company's auditors. No person has been authorized to give any information or to make any representation not contained in this prospectus and, if given or made, such information or representation not contained herein must not be relied upon as having been authorized by the Company. In the event of any material changes to the prospectus during the period from the date of the announcement to the first day of trading, such changes will be announced pursuant to the rules in the Swedish Financial Instruments Trading Act (1991:980), which governs the publication of the prospectus supplements. Any dispute concerning or relating to this prospectus shall be resolved in accordance with Swedish law and exclusively by a Swedish court of law. No rule of Swedish law, which would result in the application of foreign law, shall be applied. The prospectus is available in paper form at Lundin Mining's head office and in electronic form on Lundin Mining's website, www.lundinmining.com, as well as on the website of the SFSA, www.fi.se.

FORWARD-LOOKING STATEMENTS

This prospectus includes "forward-looking statements". All statements other than statements of historical facts included in this prospectus including statements regarding the Acquisition (as defined herein) and the Transactions (as defined herein) as well as the prospects of the industry and the Company's prospects, plans, financial position and business strategy constitute forward-looking statements. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industries in which the Company operates as well as beliefs and assumptions made by the Company's management. Such statements include, in particular, statements about the Company's plans, prospects, financial position, estimated financial results, and business strategies. Words such as "may," "will," "should," "expect," "continue," "intend," "aim," "estimate," "target," "anticipate," "plan," "foresee," "believe," or "seek" or the negatives of these terms or variations of them or similar terminology are intended to identify such forward-looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, these statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Such statements are also subject to assumptions concerning, among other things, the Company's anticipated business strategies and anticipated trends in the Company's business. The Company can give no assurance that these estimates and expectations will prove to have been correct. Actual outcomes and results may, and often do, differ from what is expressed, implied or projected in such forward-looking statements, and such differences may be material. Some important factors that could cause actual results to differ materially from those expressed in these forward-looking statements include, but are not limited to: Risks and uncertainties relating to the Acquisition, such as the Company's ability to integrate the Acquisition Property (as defined herein), successfully operate the Acquisition Property with a minority shareholder and realize the anticipated benefits of the Acquisition; risks and uncertainties relating to the clearance of this prospectus and the other Transactions; risks and uncertainties relating to the estimated cash costs, timing and amount of production, cost estimates and foreign currency fluctuations; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; risks associated with the estimation of mineral resources and mineral reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses and commodity price fluctuations; uncertain political and economic environments and relationships with local communities; changes in laws or policies, foreign taxation, foreign investment regimes, or delays or the inability to obtain necessary governmental permits, licenses and regulatory approvals; and litigation risks.

Forward-looking information may also be based on other various assumptions including, without limitation the expectations and beliefs of management, the assumed long term price of copper, zinc, lead, nickel, gold or silver; and that the Company can access financing, appropriate equipment and sufficient labour and that the political environment where the Company operates will continue to support the development and operation of mining projects. Investors are cautioned that the above list of cautionary statements is not exhaustive. These and other factors could cause actual results to differ materially from the Company's expectations expressed in the forward-looking statements included in this prospectus, and further details and descriptions of these and other factors are disclosed in this prospectus, including under the section "Risk Factors." Each of these forward-looking statements speaks only as of the date of this prospectus. The Company will not update these statements unless required under applicable securities laws.
This prospectus has been prepared by the Board of Directors based on information from the Company and information from third parties (including publically available information) that the Board of Directors considers to be reliable. The Company's statements with respect to its position in its markets and its market share are based on revenues and reflect its belief based on industry data and its knowledge of its markets. Industry data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some of the data in this prospectus is also based on our good faith estimates, which are derived from our review of internal surveys, as well as independent sources. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. The information from third parties in the prospectus has been correctly reproduced and – as far as the Company is aware and as far as it can ascertain through comparison with other information made public by the third party concerned – no information has been omitted in such manner that would make the reproduced information herein incorrect or misleading. However, the accuracy or completeness of the information cannot be guaranteed, irrespective of if it relates to past or future circumstances, as no independent verification has been made of such information or the underlying economic assumptions relied upon therein. Reference to the Company's website does not imply that information on the website has been incorporated in the prospectus.

MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

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

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SUMMARY

This summary is made up of disclosure requirements, (referred to as "**Elements**"). The Elements are numbered in sections A.1 to E.7 below.

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

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

Section A – Introduction and Warnings		
A.1	*Introduction and warnings*	**This summary should be read as an introduction to the prospectus.** **Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Please note, however, that this is not an offer to acquire securities.** **Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European union, have to bear the costs of translating the prospectus before the legal proceedings are initiated.** **Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.**
A.2	*Consent and financial intermedia-ries*	N/A; this prospectus does not contain any offer to sell Shares or SDRs.
Section B – Issuer		
B.31	*Information on the issuer of the under-lying securities*	The legal and commercial name of the issuer is Lundin Mining Corporation.
		The Company is registered and incorporated in Canada under the *Canada Business Corporations Act* (the "**CBCA**"). The incorporation number of the Company is 443736-5.
		The Company is a diversified Canadian base metals mining company with operations and development projects in Chile, Portugal, Sweden, Spain, and the US, producing copper, zinc, lead and nickel, as well as a 24% equity interest in the Tenke Fungurume copper and cobalt mine ("**Tenke**") in DRC and a cobalt business which includes a cobalt refinery in Finland. With regard to the Company's operations in Chile, the effective date of the acquisition of 80% of the equity interests in Candelaria and Ojos pursuant to the Share Purchase Agreement

(the “**Acquisition**”) is June 30, 2014 and closing was completed on November 3, 2014.

So far in 2014, production volumes for nickel, zinc and lead have met expectations while copper is slightly below expectations. The Tenke operations have continued to perform well in 2014 and the Eagle Nickel/Copper Project has been delivered ahead of schedule and is expected to be at or below the budget. Sales have been in accordance with expectations.

The Company believes the market for copper is likely to remain strong over the next several years, driven by demand from emerging market economies, including China, and the challenge of depleting reserves and declining ore grades at existing mines. New mine development has the potential to keep the copper market in a surplus position, but recent delays in new mine construction and disruptions at existing mines remain a significant risk to medium-term copper industry supply projections.

The Company believes the fundamentals for zinc are strong given its use in galvanized steel and the associated applications in engineering and construction, together with the pending closure of several major zinc mines around the world. The Company believes these factors provide a positive medium-term outlook for zinc prices. The long-term outlook for zinc will be determined by the structural issue of whether mine supply growth will be able to keep pace with consumption growth. In the medium-term, deficits in the global refined zinc market are expected to persist. China is expected to remain a dominant driving force behind growth in zinc consumption.

Nickel is a key alloy used in the production of stainless steel. While the world nickel market is currently oversupplied, we believe several factors will continue to drive improving fundamentals in the market for nickel. The Indonesian ore export ban and its impact on nickel pig iron production rates in China has been the driving force behind the recent rally in nickel prices. If the ban continues, this will continue to contribute to an increasing scarcity situation in nickel going forward. As a result, the market could tip into a deficit position in 2015 and beyond.

Lundin Mining is the Canadian parent company of a group of companies, which consists of significant subsidiaries and equity investee companies incorporated in Chile, Sweden, the United States, Bermuda, Spain, Portugal, Finland and the DRC. With regard to the Company’s subsidiaries in Chile, the effective date of the Acquisition pursuant to the Share Purchase Agreement is June 30, 2014 and closing was completed on November 3, 2014.

To the knowledge of the directors and officers of the Company, the Company’s largest shareholders as of the date of this prospectus are:

i. Zebra Holdings and Investments S.à.r.l. (“**Zebra**”)(1), holding 38,964,854(2) Common Shares and
ii. Lorito Holdings S.à r.l. (“**Lorito**”)(1), holding 33,950,000(2) Common Shares.

(1) Lorito and Zebra, who report their security holdings as joint actors, are private corporations owned by a trust whose settler is the Estate of Adolf H. Lundin. Lorito and Zebra hold a total of 72,914,854 Common Shares, which represents approximately 12.44% of the current outstanding Common Shares.
(2) Upon conversion of the Subscription Receipts, Lorito and Zebra will hold 37,557,844 and 54,964,854 Common Shares, respectively.

The Company's Acquisition pursuant to the Share Purchase Agreement is not reflected below.

Income statements	Unaudited	Unaudited	Audited	Audited	Audited
	Jan-Sept	Jan-Sept			
($ in thousands)	2014	2013	FY 2013	FY 2012	FY 2011
Sales	508,283	540,861	727,782	721,106	783,786
Operating costs	(328,804)	(347,786)	(461,155)	(384,997)	(382,020)
Depreciation, depletion and amortization	(111,216)	(111,111)	(148,149)	(122,379)	(153,796)
General and administrative expenses	(19,201)	(16,948)	(23,570)	(27,445)	(19,881)
General exploration and business development	(37,761)	(34,255)	(43,668)	(66,064)	(50,702)
Income from equity investment in associates(1)	69,070	71,633	93,967	101,516	94,681
Finance income	3,519	1,179	1,945	2,983	3,602
Finance costs	(10,129)	(11,001)	(14,745)	(10,441)	(16,741)
Other income	11,968	16,448	17,506	9,311	16,845
Other expenses	(8,693)	(10,693)	(18,949)	(9,708)	(5,238)
Asset impairment	-	-	-	(67,252)	(35,726)
Earnings before income taxes	**77,036**	**98,327**	**130,964**	**146,630**	**234,810**
Current tax recovery (expense)	3,786	(18,253)	(12,471)	(51,983)	(77,841)
Deferred tax recovery	5,945	14,479	18,256	28,533	26,796
Net earnings for the period	**86,767**	**94,553**	**136,749**	**123,180**	**183,765**

(1) Represents income received as a result of the Company's interests in Tenke Fungurume and Freeport (24% effective interest)

Balance sheets	Unaudited	Audited	Audited	Audited
	Sept 30			
($ in thousands)	2014	FY 2013	FY 2012	FY 2011
ASSETS				
Current				
Cash & Cash equivalents	150,757	116,640	275,104	265,400
Trade and other receivables	95,618	114,196	110,808	120,066
Income taxes receivable	20,461	24,909	6,494	6,869
Inventories	61,864	44,651	48,740	41,203
	328,700	**300,396**	**441,146**	**433,538**
Non-current				
Restricted funds	38,680	63,869	51,617	54,392
Marketable securities and other assets	13,679	21,617	39,052	19,515
Mineral properties, plant and equipment	1,874,176	1,784,868	1,270,813	1,242,126
Investment in associates	2,051,477	2,063,846	2,003,053	1,886,537
Deferred tax assets	22,189	24,031	18,893	37,848
Goodwill	158,194	173,383	165,877	190,369
	4,158,395	**4,131,614**	**3,549,305**	**3,430,787**
Total assets	**4,487,095**	**4,432,010**	**3,990,451**	**3,864,325**
LIABILITIES				
Current				
Trade and other payables	135,468	155,500	119,714	121,733
Income taxes payable	281	1,903	5,726	5,211
Current portion of deferred revenue	4,247	4,849	17,683	12,523

Current portion of long-term debt and finance leases	17,568	3,341	3,037	21,740
Current portion of reclamation and other closure provisions	5,757	8,712	6,486	6,581
	163,321	**174,305**	**152,646**	**167,788**
Non-current				
Deferred revenue	47,456	56,163	59,979	68,514
Long-term debt and finance leases	341,973	225,435	6,985	7,606
Reclamation and other closure provisions	143,959	142,958	124,244	103,046
Other long-term liabilities	2,935	3,234	3,625	5,745
Provision for pension obligations	18,096	20,752	21,216	18,525
Deferred tax liabilities	121,024	139,558	148,677	195,245
	675,443	**588,100**	**364,726**	**398,681**
SHAREHOLDER'S EQUITY				
Share capital	3,516,530	3,509,343	3,505,398	3,497,006
Contributed surplus	42,974	40,379	34,140	29,450
Accumulated other comprehensive loss	(145,443)	(27,620)	(77,213)	(116,174)
Retained earnings	234,270	147,503	10,754	(112,426)
	3,648,331	**3,669,605**	**3,473,079**	**3,297,856**
Total liabilities and equity	**4,487,095**	**4,432,010**	**3,990,451**	**3,864,325**

Cash flow statements	**Unaudited**	**Unaudited**	**Audited**	**Audited**	**Audited**
	Jan-Sept	**Jan-Sept**			
($ in thousands)	**2014**	**2013**	**FY 2013**	**FY 2012**	**FY 2011**
Net cash provided (used) in operating activities	118,626	99,720	153,744	194,048	308,663
Net cash used in investing activities	(211,643)	(446,315)	(536,742)	(187,063)	(230,870)
Net cash provided (used) in financing activities	135,390	199,740	220,653	(5,641)	(2,643)
Effect of foreign exchange on cash balances	(8,256)	8,826	3,881	8,360	(8,659)
Increase/(decrease) in cash during the period	**34,117**	**(138,029)**	**(158,464)**	**9,704**	**66,491**
Cash and cash equivalent, beginning of period	116,640	275,104	275,104	265,400	198,909
Cash and cash equivalent, end of period	150,757	137,075	116,640	275,104	265,400

Key ratios	**Unaudited**	**Unaudited**	**Audited**	**Audited**	**Audited**
	Jan-Sept	**Jan-Sept**			
	2014	**2013**	**FY 2013**	**FY 2012**	**FY 2011**
Sales Growth(1)	-6 %	-1 %	1 %	-8 %	-8 %
Net Earnings Margin(2)	17 %	17 %	19 %	17 %	23 %
Equity Ratio End of Period(3)	81 %	83 %	83 %	87 %	85 %
Weighted Average basic Shares outstanding	585,462,726	584,222,082	584,276,739	582,942,459	582,074,865
Weighted Average diluted Shares outstanding	587,491,886	584,887,589	584,938,925	584,013,588	582,964,608
"Net Income" divided by "Weighted Average diluted Shares outstanding"	0.15	0.16	0.23	0.21	0.32
Dividend per Paid Share	-	-	-	-	-
Capital expenditures, including advances to Tenke ($000)	320,459	127,228	243,674	174,371	253,139
Total production (tonnes)	224,831	210,174	283,284	265,049	259,975
Copper (tonnes)	82,262	86,359	116,592	101,983	107,400
Zinc (tonnes)	108,627	91,952	124,748	122,204	111,445

		Lead (tonnes)	27,585	26,402	34,370	38,464	41,130
		Nickel (tonnes)	6,357	5,461	7,574	2,398	n/a
		Net Cash Cost/lb Cu, Neves-Corvo, ($)[(4)]	1.89	1.96	1.9	1.79	1.76
		Net Cash Cost/lb Zn, Zinkgruvan, ($)[(4)]	0.37	0.31	0.32	0.13	0.3
		Net Cash Cost/lb Ni, Aguablanca, ($)[(4)]	4.63	4.05	3.78	6.76	n/a
		(1) Current period's sales compared to the previous period's sales (2) "Net earnings for the period" divided by "sales" (3) "Total equity year end" divided by "total assets year end" (4) "Net Cash Cost /lb" is calculated as total cash costs attributable to mining operations, less credit for by-products sales (including deferred sales from streaming agreements), divided by the sales volume of the primary metal					
		N/A; the prospectus does not include any financial forecast or calculation of expected profit.					
		N/A; there are no auditor's remarks.					
B.32	*Information on the issuer of the SDRs*	Pareto Securities AB, Swedish Reg. No. 556206-8956 ("**Pareto**"), is the issuer of the SDRs. Pareto is a limited company with its registered office in Stockholm, Sweden, and operates under the laws of Sweden.					
Section C - Securities							
C.13	*Information on underlying securities*	N/A; this prospectus does not contain any offer to purchase any New Shares and/or New SDRs and there is no offer by Lundin Mining to acquire any New Shares and/or SDRs.					
		The New Shares are denominated in CAD. The New SDRs are traded and settled in SEK.					
		The authorized share capital of the Company consists of an unlimited number of Shares without par value, and one special share without nominal or par value. As of the date of this prospectus, 585,949,507 Shares were issued and outstanding. The special share is not issued and outstanding at this time.					
		Each Share entitles the holder to receive notice of and attend all meetings of shareholders with each Share held entitling the holder to one vote on any resolution to be passed at such shareholder meetings. The holders of Shares are entitled to dividends if, as and when declared by the Board. The Shares are entitled, upon liquidation, dissolution or winding up of the Company, to receive the remaining assets of the Company available for distribution to shareholders.					
		N/A; neither the Shares nor the SDRs are subject to limitations to the free transferability.					
		It is intended that the New Shares will be listed on the TSX and that the New SDRs shall be listed on NASDAQ Stockholm under the symbol "LUMI", with ISIN code SE0001134529.					
		The Company's ability to pay dividends and make other distributions is restricted in certain circumstances by covenants contained in the Amended Credit Agreement. The Company has not paid dividends on its Shares in the last five years and it has no present intention of paying any dividends on its Shares, as it anticipates that all available funds will be invested to finance the growth of its business. The directors of the Company will determine if and when dividends should be declared and paid in the future, based on the Company's					

		financial position at the relevant time.
C.14	*Information on SDRs*	N/A; this prospectus does not contain any offer to purchase any New SDRs and there is no offer by Lundin Mining to acquire any SDRs.
		The New SDRs are traded and settled in SEK.
		Each Share entitles the holder to receive notice of and attend all meetings of shareholders with each Share held entitling the holder to one vote on any resolution to be passed at such shareholder meetings. The holders of Shares are entitled to dividends if, as and when declared by the Board. The Shares are entitled, upon liquidation, dissolution or winding up of the Company, to receive the remaining assets of the Company available for distribution to shareholders.
		N/A; neither the Shares nor the SDRs are subject to limitations to the free transferability.
		The Share are represented by SDRs registered with Euroclear Sweden ("**Euroclear**"). Each SDR corresponds to one Share. Pareto is the registered shareholder.
		An SDR entails the same right to a dividend as the underlying share. Holders of SDRs are entitled to a share of the surplus (if any) in proportion to the number of SDRs owned by the holder in the event of a liquidation of the Company. An SDR holder has the same right to vote at general meetings as a shareholder. In order to attend a general meeting it is, however, required that the holder of SDRs follows the instructions from the custodian bank.
		Description of the bank or other guarantees attached to the depository receipt and intended to underwrite the issuer's obligations: N/A; there are no such bank or other guarantees.
Section D – Risks		
D.4	*Information on the issuer of the underlying securities*	**Risks relating to the business** • Changes in the market price of copper, zinc, lead, nickel, silver and gold, which in the past have fluctuated widely, may affect the Company's results of operations, cash flows and financial position. • Fluctuations in foreign currency exchange rates could significantly affect our results of operations, cash flows and financial position. • The Company is subject to credit risk through its trade receivables. • The use of forward or futures contracts may expose the Company to risk of an opportunity loss, and its hedging strategy may not be successful. • The actual costs of reclamation and mine closure are uncertain, and higher than expected costs could negatively impact the Company's results of operations, cash flows and financial position. • The Company competes with other mining companies, many of which have greater financial resources than the Company, for the acquisition of property interests and for the recruitment and retention of qualified employees and other personnel. • The Company's international operations are subject to political, economic, social and geographic risks of doing business in foreign countries. • The Company's significant investment in TFM, which is located in the DRC and may be

		adversely affected by security risks, political, economic and social instability and lack of infrastructure. • The Company is subject to a variety of risks associated with minority shareholdings, which could result in a material adverse effect on our future growth, results of operations, cash flows and financial position. • The Company's operations are subject to significant governmental regulation, in part because it produces and sells hazardous materials, and these regulations could significantly limit its exploration and production activities. • The Company's operations are subject to stringent environmental laws and regulations that could significantly limit its ability to conduct its business and have a material adverse effect on its future growth, results of operations, cash flows and financial position. • The Company relies on a number of licenses, permits and approvals from various governmental authorities, any loss of which could have a material adverse effect on its business. • The mining business is inherently dangerous and subject to conditions or events beyond the Company's control, which could have a material adverse effect. • The Company's inability to expand or replace depleted mineral reserves and mineral resources and the possible recalculation or reduction of its mineral reserves and mineral resources could materially affect its results of operations, cash flows and financial position. • Mineral reserves and mineral resources are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated. • The Company may not be able to obtain the external financing necessary to continue our exploration and development activities on its mineral properties. • As the Company is a holding company with its material subsidiaries and the majority of its assets located outside of Canada, it may be difficult for investors to enforce within Canada any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. **Risks relating to the Acquisition** • Failure to successfully integrate the Acquisition Companies and their operations in a timely manner may have a material adverse effect on the Company's business, results of operations, cash flows and financial position. • The Company may fail to realize any of the anticipated benefits of the Acquisition due to, among other reasons, the complexity of successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities from integrating the Acquisition Companies into its existing business. • There may be liabilities that the Company failed to discover or was unable to quantify in its due diligence (which it conducted prior to the execution of the Share Purchase Agreement). • The risks and uncertainties of operating mines in Chile include but are not limited to political unrest, labour disputes, changes in laws, regulations, policies, taxation, royalties, price controls, export controls or exchange controls, nationalization and expropriation of assets. • Candelaria and Ojos are located in areas of Chile that may be of particular interest or sensitivity to one or more local groups or interest groups. There is no assurance that the Company's relationships with such groups will be positive. Accordingly, it is possible

		that exploration, development or operations on the Acquisition Property could be interrupted or otherwise adversely affected in the future by political uncertainty, community opposition, tax reforms, land claims entitlements, expropriations of property, changes in applicable governmental policies and policies of relevant local or interest groups. • There is no assurance that future changes to environmental regulation, if any, will not adversely affect the Acquisition Property or operations thereon. • As a result of the Company's shared ownership of the Acquisition Company via shareholders' agreements, there are a variety of risks associated with shared ownership which could result in a material adverse effect on the Company's future growth, results of operations, cash flows and financial position. • The Company has a significant amount of indebtedness which could have important consequences to securityholders such as an increased difficulty in satisfying obligations with respect to indebtedness and limitations on the ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements, or requiring the Company to make non- strategic divestitures.
D.5	*Information on SDRs*	• A prospective investor should be aware that an investment in the Company's SDRs is associated with a high degree of risk, and that the price of the SDRs may not develop favourably. • The mineral exploration and production industry is capital intensive and the Company's profits may need to be accumulated and used to reinvest in the Company's operations. Hence, the Company may not be able to pay dividends to its shareholders or holders of SDRs.
Section E - Offer		
E.1	*Rights issue amount and costs*	N/A; this prospectus does not contain any offer to purchase any New Shares and/or New SDRs and there is no offer by Lundin Mining to acquire any New Shares and/or SDRs.
E.2a	*Reasons for the offer and use of proceeds*	N/A; this prospectus does not contain any offer to purchase any New Shares and/or SDRs and there is no offer by Lundin Mining to acquire any New Shares and/or SDRs.
E.3	*Background and conditions*	N/A; this prospectus does not contain any offer to purchase any New Shares and/or SDRs and there is no offer by Lundin Mining to acquire any New Shares and/or SDRs.
E.4	*Conflicts of interest etc.*	N/A; this prospectus does not contain any offer to purchase any New Shares and/or SDRs and there is no offer by Lundin Mining to acquire any New Shares and/or SDRs .
E.5	*Lock-up agreement*	N/A; this prospectus does not contain any offer to purchase any New Shares and/or SDRs and there is no offer by Lundin Mining to acquire any New Shares and/or SDRs.
E.6	*Dilution*	N/A; this prospectus does not contain any offer to purchase any New Shares and/or SDRs and there is no offer by Lundin Mining to acquire any New Shares and/or SDRs .
E.7	*Costs for the investor*	N/A; this prospectus does not contain any offer to purchase any New Shares and/or SDRs and there is no offer by Lundin Mining to acquire any New Shares and/or SDRs.

SAMMANFATTNING

Denna sammanfattning består av informationskrav (hänvisade till som "**Moduler**" {Elements}). Dessa Moduler är numrerade i punkterna A.1 – E.7 nedan.

Denna sammanfattning innehåller alla Moduler som ska ingå i en sammanfattning för denna typ av värdepapper och emittent. Eftersom vissa Moduler inte behöver redovisas kan det finnas luckor i nummersekvensen av Modulerna.

Även om det på grund av värdepapperstyp och emittent kan krävas att en viss Modul redovisas i sammanfattningen så är det möjligt att det inte finns någon relevant information att redovisa avseende den ifrågavarande Modulen. I sådant fall inkluderas i sammanfattningen en kort beskrivning av Modulen ifråga med kommentaren ej tillämplig ("**Ej tillämpligt**" {N/A}).

Avsnitt A – Introduktion och varningar		
A.1	*Introduktion och varningar*	**Denna sammanfattning bör betraktas som en introduktion till prospektet.** **Varje beslut om att investera i värdepapprena ska baseras på en bedömning av prospektet i dess helhet från investerares sida. Observera dock att detta inte är ett erbjudande om att förvärva värdepapper.** **Om ett yrkande avseende uppgifterna i prospektet anförs i domstol kan den investerare som är kärande i enlighet med medlemsstaternas nationella lagstiftning bli tvungen att svara för kostnaderna för att översätta prospektet innan den rättsliga förfarandena inleds.** **Civilrättsligt ansvar kan endast åläggas de personer som lagt fram sammanfattningen, inklusive översättningen därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av prospektet eller om den inte, tillsammans med andra delar av prospektet, ger nyckelinformation för att hjälpa investerare när de överväger att investera i sådana värdepapper.**
A.2	*Samtycke och finansiella mellanhänder*	Ej tillämpligt. Detta prospekt innehåller inget erbjudande att sälja Aktier {Shares} eller Depåbevis {SDRs}.
Avsnitt B – Emittent		
B.31	*Information om emittenten av de underliggande aktierna*	Emittentens firma och handelsbeteckning är Lundin Mining Corporation ("**Bolaget**" {Company}).
		Bolaget {the Company} är registrerat och har sitt säte i Kanada i enlighet med *Canada Business Corporations Act* ("**CBCA**" {CBCA}). Bolagets organisationsnummer är 443736-5.
		Bolaget är ett diversifierat kanadensiskt gruvföretag inriktat på oädla metaller med verksamhet och utvecklingsprojekt i Chile, Portugal, Sverige, Spanien och USA där

		man producerar koppar, zink, bly och nickel, såväl som en 24-procentig andel i koppar- och koboltgruvan Tenke Fungurume (”**Tenke**” {Tenke}), belägen i Demokratiska republiken Kongo, samt en kobaltverksamhet, som inkluderar ett kobolt-raffinaderi i Finland. Avseende Bolagets verksamhet i Chile, är datumet för förvärvet av 80% av andelarna i Candelaria och Ojos enligt aktieköpsavtalet ("**Förvärvet**" {Acquisition }) den 30 juni 2014 och Förvärvet slutfördes den 3 november 2014.
		Hittills under 2014 har produktionen av nickel, zink och bly mött förväntningarna medan kopparproduktionen är något lägre än förväntat. Tenkeverksamheten har fortsatt att prestera väl under 2014 och Eagle Nickel/Copper Project har leverat tidigare än angiven tidsplan och förväntas vara på eller under budget. Försäljningar har varit enligt förväntan.
		Bolaget bedömer att kopparmarknaden kommer att förbli stark under de närmaste åren, drivet av efterfrågan från tillväxtmarknader, däribland Kina, och utmaningen med sinande reserverna och minskande malmhalter i befintliga gruvor. Nya gruvetableringar innebär potentiellt ett överskott av utbud på kopparmarknaden, men senaste tidens förseningar i nya gruvetableringar och störningar vid befintliga gruvor är fortfarande en betydande risk på medellång sikt för kopparindustrin tillgångsprognoser. Bolaget bedömer förutsättningarna för zinkmarknaden som goda med tanke på dess användning i galvaniserat stål och tillhörande användningsområden inom teknik och konstruktion, tillsammans med den pågående nedläggningen av flera stora zinkgruvor runt om i världen. Bolaget bedömer dessa faktorer ger en positiv påverkan på zinkpriserna på medellång sikt. De långsiktiga utsikterna för zink kommer att avgöras av den strukturella frågan om ökningen av gruvtillgångar kommer att kunna hålla jämna steg med konsumtionen. På medellång sikt kommer underskottet på den globala marknaden för raffinerat zink att väntas bestå. Kina väntas förbli den dominerande drivkraften bakom tillväxten av zinkefterfrågan. Nickel är en viktig legering vid framställning av rostfritt stål. Medan den globala nickelmarknaden för närvarande har ett utbudsöverskott, tror vi att flera faktorer kommer att fortsätta driva upp efterfrågan på marknaden för nickel. Det indonesiska malmexportförbudet och dess inverkan på nickel tackjärn produktionstakten i Kina har varit den drivande kraften bakom den senaste tidens prisrally på nickel. Om förbudet kvarstår, kommer detta att fortsätta att bidra till en ökad brist på nickel framöver. Som ett resultat av detta, kan marknaden vända till ett underskottsläge under 2015 och därefter.
		Lundin Mining är det kanadensiska moderbolaget i en koncern med viktigare dotterbolag och holdingbolag med säte i Chile, Sverige, USA, Bermuda, Spanien, Portugal, Finland och Demokratiska republiken Kongo. Avseende Bolagets dotterbolag i Chile, är datumet för förvärvet av 80% av andelarna i Candelaria och Ojos enligt aktieköpsavtalet ("**Förvärvet**" {Acquisition }) den 30 juni 2014 och Förvärvet slutfördes den 3 november 2014.

Såvitt styrelseledamöterna och de ledande befattningshavarna i Bolaget känner till, är Bolagets största aktieägare per dagen för prospektet följande:

i. Zebra Holdings and Investments S.à r.l. (1), innehar 38 964 854(2) Stamaktier {Common Shares} och

ii. Lorito Holdings S.à r.l. (1), innehar 33 950 000(2) Stamaktier.

(1) Lorito Holdings S.à r.l. and Zebra Holdings and Investments S.à r.l., som rapporterar sina värdepappersinnehav såsom gemensamma aktörer, är privata företag som ägs av en stiftelse vars förmånstagare är Adolf H. Lundins dödsbo. Lorito Holdings S.à r.l. och Zebra Holdings and Investments S.à r.l.innehar totalt 72 914 854 Stamaktier, vilket motsvarar ca 12,44 % av det totala antalet utestående Stamaktier.

(2) Efter konvertering av Teckningsinstrument {Subscription Receipts}, kommer Lorito respektive Zebra att inneha 37 557 844 respektive 54 964 854 Stamaktier.

Bolagets förvärv av 80% av andelarna i Candelaria och Ojos enlighet med aktieköpsavtalet ("Förvärvet") återspeglas inte nedan.

Resultaträkning	**Oreviderad**	**Oreviderad**	**Reviderad**	**Reviderad**	**Reviderad**
	jan-sept	**jan-sept**	**jan-dec**	**jan-dec**	**jan-dec**
($ tusen)	**2014**	**2013**	**2013**	**2012**	**2011**
Försäljning	508 283	540 861	727 782	721 106	783 786
Rörelsekostnader	(328 804)	(347 786)	(461 155)	(384 997)	(382 020)
Avskrivning, förbrukning och nedskrivning	(111 216)	(111 111)	(148 149)	(122 379)	(153 796)
Administrativa kostnader	(19 201)	(16 948)	(23 570)	(27 445)	(19 881)
Generell prospektering och affärsutveckling	(37 761)	(34 255)	(43 668)	(66 064)	(50 702)
Intäkter från intressebolag(1)	69 070	71 633	93 967	101 516	94 681
Finansiella intäkter	3 519	1 179	1 945	2 983	3 602
Finansiella kostnader	(10 129)	(11 001)	(14 745)	(10 441)	(16 741)
Övriga intäkter	11 968	16 448	17 506	9 311	16 845
Övriga kostnader	(8 693)	(10 693)	(18 949)	(9 708)	(5 238)
Nedskrivning av tillgångar	-	-	-	(67 252)	(35 726)
Resultat före skatt	**77 036**	**98 327**	**130 964**	**146 630**	**234 810**
Aktuell skatt	3 786	(18 253)	(12 471)	(51 983)	(77 841)
Uppskjuten skatt	5 945	14 479	18 256	28 533	26 796
Periodens resultat	**86 767**	**94 553**	**136 749**	**123 180**	**183 765**

(1) Representerar intäkter från Bolagets ägandeintressen i Tenke Fungurume och Freeport Cobalt (24% effektivt intresse)

Balansräkning	**Oreviderade**	**Reviderade**	**Reviderade**	**Reviderade**
	jan-sept	**jan-dec**	**jan-dec**	**jan-dec**
($ tusen)	**2014**	**2013**	**2012**	**2011**
TILLGÅNGAR				
Kortfristiga				
Likvida medel	150 757	116 640	275 104	265 400
Kundfordringar och andra fordringar	95 618	114 196	110 808	120 066
Uppskjutna skattefordringar	20 461	24 909	6 494	6 869
Varulager	61,864	44,651	48 740	41 203

	328 700	**300 396**	**441 146**	**433 538**
Långfristiga				
Spärrade likvida medel	38,680	63 869	51 617	54 392
Marknadsvärderade värdepapper och andra tillgångar	13,679	21 617	39 052	19 515
Mineraltillgångar, anläggningstillgångar och utrustning	1 874 176	1 784 868	1 270 813	1 242 126
Investeringar i intresseföretag	2 051 477	2 063 846	2 003 053	1 886 537
Uppskjutna skattefordringar	22 189	24 031	18 893	37 848
Goodwill	158 194	173 383	165 877	190 369
	4 158 395	**4 131 614**	**3 549 305**	**3 430 787**
Totala tillgångar	**4 487 095**	**4 432 010**	**3 990 451**	**3 864 325**
SKULDER				
Kortfristiga				
Leverantörsskulder och andra skulder	135 468	155 500	119 714	121 733
Aktuella skatteskulder	281	1 903	5 726	5 211
Förutbetalda intäkter	4 247	4 849	17 683	12 523
Räntebärande skulder och finansiella leasingavtal	17 568	3 341	3 037	21 740
Avsättningar för reklamation och avvecklingar	5 757	8 712	6 486	6 581
	163 321	**174 305**	**152 646**	**167 788**
Långfristiga				
Förutbetalda intäkter	47 456	56 163	59 979	68 514
Långfristiga räntebärande skulder och finansiella leasingavtal	341 973	225 435	6 985	7 606
Avsättningar för reklamationer och avvecklingar	143 959	142 958	124 244	103 046
Övriga långfristiga skulder	2 935	3 234	3 625	5 745
Avsättningar till pensioner	18 096	20 752	21 216	18 525
Uppskjutna skatteskulder	121 024	139 558	148 677	195 245
	675 443	**588 100**	**364 726**	**398 681**
Eget kapital				
Aktiekapital	3 516 530	3 509 343	3 505 398	3 497 006
Övrigt tillskjutet kapital	42 974	40 379	34 140	29 450
Ackumulerat totalresultat	(145 443)	(27 620)	(77 213)	(116 174)
Balanserade vinstmedel	234 270	147 503	10 754	(112 426)
	3 648 331	**3 669 605**	**3 473 079**	**3 297 856**
Summa skulder och eget kapital	**4 487 095**	**4 432 010**	**3 990 451**	**3 864 325**

Kassaflödesanalys	**Oreviderade**	**Oreviderade**	**Reviderade**	**Reviderade**	**Reviderade**
	jan-sept	**jan-sept**	**jan-dec**	**jan-dec**	**jan-dec**
($ tusen)	**2014**	**2013**	**2013**	**2012**	**2011**
Kassaflöde från den löpande verksamheten	118,626	99,720	153 744	194 048	308 663
Kassaflöde från investeringsverksamheten	(211 643)	(446 315)	(536 742)	(187 063)	(230 870)
Kassaflöde från finansieringsverksamheten	135 390	199,740	220 653	(5 641)	(2 643)

Kursdifferens i likvida medel	(8 256)	8 826	3 881	8 360	(8 659)
Ökning/(minskning) av likvida medel under perioden	**34 117**	**(138 029)**	**(158 464)**	**9 704**	**66 491**
Likvida medel, periodens början	116 640	275 104	275 104	265 400	198 909
Likvida medel, periodens slut	150 757	137 075	116 640	275 104	265 400

Nyckeltal	**Oreviderade**	**Oreviderade**	**Reviderade**	**Reviderade**	**Reviderade**
	jan-sept	**jan-sept**	**jan-dec**	**jan-dec**	**jan-dec**
	2014	**2013**	**2013**	**2012**	**2011**
Försäljningstillväxt[(1)]	-6 %	-1 %	1 %	-8 %	-8 %
Periodens resultat-marginal[(2)]	17 %	17 %	19 %	17 %	23 %
Soliditet[(3)]	81 %	83 %	83 %	87 %	85 %
Genomsnittligt antal aktier före utspädning	585 462 726	584 222 082	584 276 739	582 942 459	582 074 865
Genomsnittligt antal aktier efter utspädning	587 491 886	584 887 589	584 938 925	584 013 588	582 964 608
"Periodens resultat" dividerat med "Genomsnittligt antal aktier efter utspädning"	0.15	0.16	0.23	0.21	0.32
Utdelning per aktie	-	-	-	-	-
Investeringar (inkluisve förskott till Tenke $000)	320 459	127 228	243 674	174 371	253 139
Total produktion (ton)	224 831	210 174	283 284	265 049	259 975
Koppar (ton)	82 262	86 359	116 592	101 983	107 400
Zink (ton)	108 627	91 952	124 748	122 204	111 445
Bly (ton)	27 585	26 402	34,370	38,464	41,130
Nickel (ton)	6 357	5 461	7 574	2 398	n/a
Kontantkostnad (netto) per pund producerad koppar – Neves-Corvo $ [(4)]	1.89	1.96	1.9	1.79	1.76
Kontantkostnad (netto) per pund producerad Zink – Zinkgruvan $ [(4)]	0.37	0.31	0.32	0.13	0.3
Kontantkostnad (netto) per pund producerad nickel – Aguablanca $ [(4)]	4.63	4.05	3.78	6.76	n/a

(1) Periodens försäljning jämfört med föregående (motsvarande) periods försäljning

(2) "Periodens resultat" dividerat med "försäljning" för motsvarande period

(3) "Summa eget kapital" dividerat med "summa tillgångar" (periodens slut)

(4) Kontantkostnad (netto) per pund beräknas på totala kontantkostnader hänförliga till gruvverksamhet, minus tillgodohavande från försäljning av biprodukter (inklusive förutbetald försäljning från streamingavtal), delat med försäljningsvolymen på såld primärmetall

Ej tillämpligt; prospektet innehåller inte någon resultatprognos eller beräkning avseende förväntat resultat.

Ej tillämpligt; det finns inga revisorsanmärkningar.

B.32	*Information om emittenten av depåbevisen*	Pareto Securities AB, org.nr. 556206-8956, är emittent av Depåbevisen. Pareto {Pareto} är ett aktiebolag med säte i Stockholm, Sverige, och lyder under svensk lag.

Avsnitt C – Värdepapper

C.13	*Information om underliggande värdepapper*	Ej tillämpligt; prospektet innehåller inget erbjudande att köpa, teckna eller sälja Aktier eller Depåbevis och Lundin Mining lämnar inget erbjudande om att köpa Nya Aktier

		och/eller Depåbevis.
		De Nya Aktierna {New Shares} är utgivna i kanadensiska dollar {CAD}. De Nya Depåbevisen {New SDRs} handlas och säljs i SEK {SEK}.
		Det högsta tillåtna aktiekapitalet för Bolaget är ett obegränsat antal Aktier utan nominellt värde samt en särskild aktie utan nominellt värde eller kvotvärde. Per dagen för detta prospekt var 585 949 507 Aktier emitterade och utestående. Den särskilda aktien är inte emitterad och utgiven för närvarande.
		Varje Aktie berättigar innehavaren att erhålla kallelse till samt att delta i alla Bolagets bolagsstämmor. Innehavaren är berättigad att rösta i samtliga frågor som behandlas under en bolagsstämma och varje ägd Aktie motsvarar en röst. Aktiehavarna är berättigade till vinstutdelning beslutad av Styrelsen {the Board}. I händelse av likvidation, upplösning eller avveckling av Bolaget har aktieinnehavarna samma rätt vid fördelningen av de återstående tillgångarna i Bolaget som är tillgängliga för utdelning till aktieägarna.
		Ej tillämpligt; varken Aktierna eller Depåbevisen är föremål för begränsningar i den fria överlåtbarheten.
		Avsikten är att de Nya Aktierna ska noteras på Torontobörsen {TSX} och att de Nya Depåbevisen ska noteras på NASDAQ Stockholm under beteckningen ”LUMI”, med ISIN-kod SE0001134529
		Bolagets förmåga att göra utdelningar och andra fördelningar är i vissa fall begränsad av överenskommelser i Kreditavtalet {the Amended Credit Agreement}. Bolaget har inte lämnat någon utdelning på Aktierna under de senaste fem åren och har i nuläget inte heller några planer på en framtida utdelning, då man räknar med att alla tillgängliga medel kommer att investeras för att finansiera tillväxten av verksamheten. Bolagets styrelse kommer, med hänsyn till Bolagets finansiella ställning vid den aktuella tidpunkten, att besluta om och när utdelningar ska företas i framtiden.
C.14	*Information om depåbevisen*	Ej tillämpligt; prospektet innehåller inget erbjudande att köpa, teckna eller sälja Depåbevis och Lundin Mining lämnar inget erbjudande om att köpa Depåbevis.
		De Nya Depåbevisen {New SDRs} handlas och säljs i SEK {SEK}.
		Varje Aktie berättigar innehavaren att erhålla kallelse till samt att delta i alla Bolagets bolagsstämmor. Innehavaren är berättigad att rösta i samtliga frågor som behandlas under en bolagsstämma och varje ägd Aktie motsvarar en röst. Aktiehavarna är berättigade till vinstutdelning beslutad av Styrelsen {the Board}. I händelse av likvidation, upplösning eller avveckling av Bolaget har aktieinnehavarna samma rätt vid fördelningen av de återstående tillgångarna i Bolaget som är tillgängliga för utdelning till aktieägarna.
		Ej tillämpligt; varken Aktierna eller Depåbevisen är föremål för begränsningar i den fria överlåtbarheten.

		Aktierna representeras av Depåbevis registrerade hos Euroclear Sweden AB. Varje Depåbevis motsvarar en Aktie. Den registrerade aktieinnehavaren är Pareto.
		Ett Depåbevis innefattar samma rätt till utdelning som den underliggande aktien. Vid händelse av likvidering av Bolaget är innehavare av Depåbevisen berättigade till den del av (det eventuella) överskottet som motsvarar det antal Depåbevis som innehavaren äger. En innehavare av Depåbevis har samma rätt som en aktieinnehavare att rösta vid en bolagsstämma. För att delta vid en bolagsstämma måste innehavaren av Depåbevisen emellertid följa instruktionerna från depåbanken.
		Beskrivning av bankgarantier eller andra garantier som gäller för Depåbevisen och som är avsedda att garantera emittentens åtaganden: Ej tillämpligt; det finns inga sådana bankgarantier eller garantier.
Avsnitt D – Risker		
D.4	*Information om emittenten av de underliggande värde-papprena*	**Risker förknippade med verksamheten** • Förändringar i marknadens pris på koppar, zink, nickel, silver och guld, vilket i det förflutna har fluktuerat mycket, kan påverka Bolagets rörelseresultat, kassaflöde och finansiella ställning. • Valutakursförändringar kan kraftigt påverka vårt rörelseresultat, kassaflöde och finansiella ställning. • Bolaget är föremål för en kreditrisk genom sina kundfordringar. • Användning av terminer kan utsätta Bolaget för att risken för en alternativförlust, och dess säkringsstrategi kan misslyckas. • De faktiska kostnaderna för återställning och gruvnedläggning är osäkra, och högre kostnader än förväntat kan påverka Bolagets rörelseresultat, kassaflöde och finansiella ställning negativt. • Bolaget konkurrerar med andra gruvföretag, varav många har större finansiella resurser än Bolaget att använda till förvärv av landrättigheter samt för att rekrytera och behålla kvalificerade medarbetare och övrig personal. • Bolagets internationella verksamhet påverkas av de politiska, ekonomiska, sociala och geografiska risker som verksamhet i andra länder innebär. • Bolagets omfattande investeringar i Tenke Fungurume Mining Corp. SARL, vilken är belägen i Demokratiska republiken Kongo, kan bli väsentligen påverkad av säkerhetsrisker, politisk, ekonomisk och social instabilitet och avsaknad av infrastruktur. • Bolaget är föremål för olika risker förknippade med ägande av minoritetsposter, vilka kan resultera i en väsentlig negativ påverkan på vår framtida tillväxt, rörelseresultat, kassaflöde och finansiella ställning. • Bolagets verksamhet är föremål för omfattande offentliga föreskrifter, delvis på grund av att det producerar och säljer farliga ämnen och dessa föreskrifter kan märkbart begränsa dess prospektering och produktion. • Bolagets verksamhet är föremål för sträng miljölagstiftning och föreskrifter som

		kan väsentligt begränsa dess möjligheter att bedriva verksamhet och ha en väsentlig negativ på dess framtida tillväxt, rörelseresultat, kassaflöde och finansiella ställning. • Bolaget är beroende av en mängd licenser, tillstånd och godkännanden från offentliga myndigheter, varje förlust av sådant kan ha en väsentlig negativ påverkan på dess verksamhet. • Gruvindustrin är till sin natur farlig och är föremål för omständigheter och händelser bortom Bolagets kontroll, vilket kan innebära en väsentlig negativ påverkan. • Bolagets oförmåga att utöka eller ersätta uttömda malmreserver och mineraltillgångar och en eventuell omvärdering eller minskning av dess mineralreserver och mineralresurser kan väsentligen påverka dess rörelseresultat, kassaflöde och finansiella ställning. • Mineralreserver och mineraltillgångar är uppskattningar baserade på tolkningar och antaganden och kan ge mindre mineralproduktionen i verkligheten än vad som nu beräknas. • Bolaget kanske inte kan få fram den externa finansiering som krävs för att fortsätta våra prospekterings och utvecklingsaktiviteter på dess mineraltillgångar. • Bolaget är ett holding bolag och har sina väsentliga dotterföretag och majoriteten av sina tillgångar utanför Kanada och det kan därför vara svårt för investerare att inom Kanada verkställa domar mot Bolaget, däribland domar avseende civilrättsligt ansvar under Kanadensiska värdepappersrättslagar. **Risker förknippade med Förvärvet {the Acquisition}** • Ett misslyckande med att framgångsrikt integrera Förvärvsbolagen {the Acquisition Companies} och deras verksamhet i tid kan ha en väsentlig negativ påverkan på Bolagets verksamhet, rörelseresultat, kassaflöde och finansiella ställning. • Bolaget kan misslyckas med att tillvarata något av de förväntade fördelarna med Förvärvet på grund av, bland andra anledningar, komplexiteten i att framgångsrikt konsolidera funktioner och integrera verksamheter, förfaranden och personal på ett snabbt och effektivt sätt, samt Bolagets förmåga att tillvarata de förväntade tillväxtmöjligheterna från integrationen av Förvärvsbolagen i sin befintliga verksamhet. • Det kan finnas skulder som bolaget inte har upptäckt eller inte kunde beräkna i sin granskning (som det vidtog innan undertecknandet av Aktieöverlåtelsesavtalet {the Share Purchase Agreement}). • De risker och osäkerheter som är förknippade med gruvverksamhet i Chile inkluderar men är inte begränsade till politiska oroligheter, arbetsrättsliga tvister, ändringar i lagar, författningar, policies, beskattning, royalties, priskontroller, exportbegränsningar, valutabegränsningar, förstatliganden och expropriation av tillgångar. • Candelaria och Ojos är belägna i områden i Chile som kan vara av särskilt

		intresse eller känslighet för en eller flera lokala grupper eller intressegrupper. Det finns ingen garanti för att bolagets relationer med sådana grupper kommer att vara positiv. Följaktligen är det möjligt efter Förvärvet, att prospektering, utveckling eller verksamhet på Förvärvsegendomen {the Acquisition Property} kan avbrytas eller på annat sätt påverkas negativt i framtiden av den politiska osäkerheten, allmän opinion, skattereformer, markrättigheter på grund av hävd, expropriering av egendom, förändringar i relevanta regeringsföreskrifter och relevanta lokala eller intressegruppers policys. • Det finns ingen garanti om att inte framtida förändringar i miljölagstiftning, om några, inte skulle kunna få en negativ inverkan på Förvärvsegendomen eller dess verksamhet. • Som en följd av Bolagets delade ägande av Förvärvsbolaget via aktieägaravtal, det finns ett antal risker som är förknippade med delat ägande som kan leda till en väsentlig negativ effekt på Bolagets framtida tillväxt, rörelseresultat, kassaflöde och finansiella positionen. • Bolaget har en betydande skuldsättning som kan få omfattande konsekvenser för värdepappersinnehavare, såsom ökad svårighet att uppfylla finansieringskrav från långivare och begränsningar i möjligheten att erhålla ytterligare finansiering för att finansiera framtida rörelsekapital, investeringar, förvärv och andra allmänna krav på bolag, eller som kräver att Bolaget gör icke-strategiska avyttringar.
D.5	*Information om depåbevisen*	• En potentiell investerare bör vara medveten om att en investering i Bolagets Depåbevis är förknippad med hög risk samt att priset på Depåbevisen kanske inte kommer att utvecklas gynnsamt. • Mineralutvinnings- och produktionsindustrin är kapitalintensiv och Bolagets resultat kan behöva ackumuleras och användas för att återinvestera i Bolagets verksamhet. Bolaget kommer därför eventuellt inte kunna göra någon utdelning till sina aktieägare eller innehavare av Depåbevis.
Avsnitt E – Erbjudande		
E.1	*Nyemission - mängd och kostnader*	Ej tillämpligt; detta prospekt innehåller inte något erbjudande att förvärva Nya Aktier och/eller Nya Depåbevis och det finns inte heller något erbjudande från Lundin Mining att förvärva Nya Aktier och/eller Nya Depåbevis.
E.2a	*Motiven för erbjudandet och användningen av intäkterna*	Ej tillämpligt; detta prospekt innehåller inte något erbjudande att förvärva Nya Aktier och/eller Nya Depåbevis och det finns inte heller något erbjudande från Lundin Mining att förvärva Nya Aktier och/eller Nya Depåbevis.
E.3	*Bakgrund och villkor*	Ej tillämpligt; detta prospekt innehåller inte något erbjudande att förvärva Nya Aktier och/eller Nya Depåbevis och det finns inte heller något erbjudande från Lundin Mining att förvärva Nya Aktier och/eller Nya Depåbevis.
E.4	*Intressekonflikter etc.*	Ej tillämpligt; detta prospekt innehåller inte något erbjudande att förvärva Nya Aktier och/eller Nya Depåbevis och det finns inte heller något erbjudande från Lundin Mining att förvärva Nya Aktier och/eller Nya Depåbevis.

E.5	*Lock-up-avtal*	Ej tillämpligt; detta prospekt innehåller inte något erbjudande att förvärva Nya Aktier och/eller Nya Depåbevis och det finns inte heller något erbjudande från Lundin Mining att förvärva Nya Aktier och/eller Nya Depåbevis.
E.6	*Utspädning*	Ej tillämpligt; detta prospekt innehåller inte något erbjudande att förvärva Nya Aktier och/eller Nya Depåbevis och det finns inte heller något erbjudande från Lundin Mining att förvärva Nya Aktier och/eller Nya Depåbevis.
E.7	*Kostnader för investerarna*	Ej tillämpligt; detta prospekt innehåller inte något erbjudande att förvärva Nya Aktier och/eller Nya Depåbevis och det finns inte heller något erbjudande från Lundin Mining att förvärva Nya Aktier och/eller Nya Depåbevis.

RISK FACTORS

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

The operations of the Company are speculative due to the high risk nature of its business which includes acquisition, financing, exploration, development and operation of mineral properties. Material risk factors and uncertainties, which should be taken into account in assessing the Company's activities, include, but are not necessarily limited to those set out below. Any one or more of these risks and others could have a material adverse effect on the Company.

Risks Relating to Our Business

Many, if not all, of the risk factors set forth below in this prospectus relating to business, operational, regulatory, environmental, financial and other risks associated with the mining business apply equally in respect of the operation of the Acquisition Property that we have acquired pursuant to the Acquisition.

The Company is subject to various risks and uncertainties, including but not limited to those listed below.

Changes in the market price of copper, zinc, lead, nickel, silver and gold, which in the past have fluctuated widely, may affect our results of operations, cash flows and financial position.
Our profitability and long-term viability depend, in large part, upon the market price of metals that may be produced from our properties, primarily copper, zinc, lead and nickel. Metal prices fluctuate widely and are affected by numerous factors beyond our control, including:

- supply and demand for industrial products containing metals generally;
- changes in global or regional investment or consumption patterns;
- increased production due to new mine developments and improved mining and production methods;
- interest rates and interest rate expectation;
- inflation and deflation and expectations with respect to the rate of inflation or deflation;
- fluctuations in the value of the USD and other currencies;
- global or regional political or economic conditions; and
- sales by holders, speculators and other producers of metals in response to any of the above or other factors.

Metal prices are highly volatile. There can be no assurance that metal prices will remain at current levels or that such prices will improve. A decrease in the market prices could adversely affect the profitability of our existing mines and projects as well as our ability to finance the exploration and development of additional properties, which would have a material adverse effect on our results of operations, cash flows and financial position. As a result, we may decide to discontinue mining operations or development of a project at one or more of our properties. A decline in metal prices may require us to write-down our mineral reserve and mineral resource estimates and revise our life-of-mine plans, which could result in material write-downs of our investments in mining properties. Any of these factors could result in a material adverse effect on our results of operations, cash flows and financial position. Further, if revenue from metal sales decline, we may experience liquidity difficulties. Our cash flow from mining operations may be insufficient to meet our operating needs, and as a result we could be forced to discontinue production and could lose our interest in, or be forced to sell, some or all of our properties.

In addition to adversely affecting our mineral reserve and mineral resource estimates and our results of operations, cash flows and financial position, declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays and/or may interrupt operations until the reassessment can be completed, which may have a material adverse effect on our results of operations, cash flows and financial position.

We do not currently hedge metal prices, but in the future we may, from time to time, engage in hedging transactions intended to reduce the risk associated with fluctuations in metal prices. There is no assurance that any such commodity-hedging transactions designed to reduce the risk associated with fluctuations in metal prices would be successful. Hedging may not protect adequately against declines in the price of the hedged metal. Furthermore, although hedging may protect us from a decline in the price of the metal being hedged, it may also prevent us from benefiting from price increases.

Fluctuations in foreign currency exchange rates could significantly affect our results of operations, cash flows and financial position.
Our revenue from operations is almost entirely received in USD while most of our operating expenses are incurred in Euros and SEK and corporate expenses are incurred largely in CAD. As a result of the Acquisition, we will also incur significant expenses in Chilean Pesos going forward. Accordingly, our operating results and cash flow are, and will be, significantly affected by changes in the value of the USD relative to the Euro, SEK and Chilean Peso. Because metals are sold throughout the world principally in USD, any significant and sustained appreciation of the Euro, SEK or Chilean Peso against the USD may materially increase our costs and reduce profitability of our operations. We do not currently hedge foreign exchange exposure, but in the future may, from time to time, engage in currency hedging transactions intended to reduce the risk associated with fluctuations in foreign exchange rates. There is no assurance that any such currency hedging transactions designed to reduce the risk associated with fluctuations in foreign exchange rates would be successful. Hedging may not protect adequately against fluctuations in foreign exchange rates. Furthermore, although hedging may protect us from adverse changes in foreign exchange rates, it may also prevent us from benefiting from positive changes in foreign exchange rates.

We are exposed to credit risk in trade receivables that could have an adverse effect on our results of operations, cash flows and financial position.
We are exposed to various counterparty risks, particularly credit risk, associated with trade receivables. We seek to manage this risk through evaluation and monitoring of industry and economic conditions and assessment of customers' financial reports. We seek to transact with creditworthy customers to minimize credit risk and if necessary, employ pre-payment arrangements and the use of letters of credit, where appropriate. Nevertheless, we cannot always be assured of the solvency of our customers. The failure of a significant customer to satisfy its payment obligations on a timely basis, or at all, could have a material adverse effect on our results of operations, cash flows and financial position, could cause us to seek alternative sources of capital and could cause us to sustain a significant write-down of an uncollected receivable.

If we enter into hedging arrangements in the future it could have an adverse effect on our results of operations, cash flows and financial position.

Although we do not currently employ hedging arrangements, in the future we may, from time to time, enter into price risk management contracts to protect against fluctuations in metal prices, exchange rates, interest rates and changes in the price of energy and other input costs. These contracts could include forward sales or purchase contracts, futures contracts, purchased put and call options and other contracts. Such contracts limit the price that can be realized on metals subject to any hedges where the market price exceeds the hedge contract. The use of forward or futures contracts can expose us to risk of an opportunity loss, and our hedging strategy may not be successful. The use of derivative contracts may also result in significant mark-to-market accounting adjustments, which may have a material adverse impact on our results of operations, cash flows and financial position.

Actual costs of reclamation and mine closure are uncertain, and higher than expected costs could negatively impact our results of operations, cash flows and financial position.

Land reclamation requirements are generally imposed on mineral exploration companies in order to minimize long term effects of land disturbance, and we are subject to such requirements at our mineral properties. Reclamation obligations include requirements to control dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance land forms and vegetation, as well as long-term surveillance and monitoring of the reclaimed site. Closing a mine can have significant impact on local communities and site remediation activities may not be supported by local stakeholders.

In order to carry out reclamation obligations arising from mining and exploration activities, we must allocate financial resources that might otherwise be spent on further exploration and development programs. Site closure plans have been developed and amounts accrued in our financial statements to provide for mine closure obligations. As at September 30, 2014, we had $149.7 million in a number of reclamation funds that will be used to fund future site reclamation and mine closure costs at our various mine sites and nil in reclamation funds in connection with the Acquisition Property. We will continue to contribute to these funds as required, based on an estimate of the future site reclamation and mine closure costs as detailed in the closure plans. However, changes in environmental laws and regulations can create uncertainty with regards to future reclamation costs and affect the funding requirements. Reclamation and mine closure costs are uncertain and planned expenditures may differ from the actual expenditures required. Actual costs realized in satisfaction of reclamation and mine closure obligations may vary materially from estimates. If we are required to expend greater resources than estimated to complete unanticipated reclamation and mine closure work, our results of operations, cash flows and financial position could be adversely affected.

Mining activity at Galmoy (as defined herein) ceased in the fourth quarter of 2012 and all remnant high grade ore was transported to an adjacent mine for treatment during 2013 and 2014. We received regulatory approval for closure at our Galmoy mine and closure activities are ongoing. From time to time Galmoy may need to seek regulatory approval for amendments to its mine closure plan for necessary changes; however there can be no assurance that the Company will receive such approvals, and if such approvals are not obtained it may have a material adverse effect on the Company's closure plans.

Rehabilitation programs at the Storliden mine were completed in 2012. In 2013, work was initiated to improve the surface water management and the site remains subject to an ongoing aftercare monitoring program until 2020. We also have closure programs in place associated with legacy mining operations previously carried on in Honduras under the ownership of one of our subsidiaries, which we acquired in 2007. The active closure phase at this former gold mine was completed recently and a three year aftercare monitoring program has started, focusing on maintenance and monitoring of the restored areas and water quality. However, there can be no assurance that the current closure and after-care monitoring programs are sufficient to satisfy the Company's closure obligations, and if they are not sufficient, this it result in further closure obligations for the Company.

We may be unable to compete successfully with other mining companies.
Competition in the mining industry is intense and could adversely affect our ability to acquire suitable producing properties or prospects for mineral exploration in the future. Our ability to acquire properties and add mineral reserves and mineral resources in the future will depend not only on our ability to develop our present properties, but also on our ability to select and acquire suitable producing properties or prospects for mineral exploration. We may be at a competitive disadvantage in acquiring additional mining properties because we must compete with companies that have greater financial resources, operational experience and technical capabilities than us. Increased competition could also adversely affect our ability to attract necessary capital funding in the future. As a result of this competition, we may be unable to maintain or acquire attractive mining properties or qualified employees, which could have an adverse impact on our future growth, results of operations and financial position. In addition, over the past several years there have been increases in mining exploration, development and construction activities, which have resulted in increased demand for, and cost of, exploration, development and construction services and equipment. Increased demand for services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely or cost-effective manner due to inadequate availability or unreasonable costs. Potential scheduling difficulties and additional costs may also arise due to the need to coordinate the availability of services and/or equipment. If any of the foregoing were to occur, it could materially increase project exploration, development or construction costs, result in project delays or both, all of which could have an adverse effect on our results of operations, cash flows and financial position.

Our international operations are subject to political, economic, social and geographic risks of doing business in foreign countries.
We are a Canadian diversified base metals mining company with operations and projects in the United States as well as Portugal, Sweden and Spain and with significant investments in Finland and the DRC. As a result of the Acquisition, we also have substantial operations in Chile. We also have exploration properties in countries such as Chile, Peru and Romania. Accordingly, our business may be adversely affected by political, economic and social uncertainties in each of such countries. Risks of conducting business in such countries include:

- renegotiation, cancellation or forced modification of existing contracts;
- expropriation or nationalization of property;
- changes in laws, regulations and policies, including those relating to labour, taxation, royalties, divestment, imports, exports, trade regulations, currency and environmental matters, which because of rising "resource nationalism" in countries around the world, may impose increasingly onerous requirements on foreign operations and investment;
- political instability, bribery, extortion, corruption, civil strife, acts of war, guerrilla activities, insurrection and terrorism;
- changes in the aspirations and expectations of local communities in which we operate with respect to our contributions to employee health and safety, infrastructure and community development and other factors that may affect our social license to operate, all of which lead to increased costs;
- foreign exchange controls; and
- the risk of having to submit to the jurisdiction of an international court or arbitration panel or having to enforce the judgment of an international court or arbitration panel against a sovereign nation within its own territory.

Our insurance does not cover most losses caused by the above described risks. Accordingly, our exploration, development and production activities may be substantially affected by many unpredictable factors beyond our control, some of which could materially and adversely affect our results of operations, cash flows and financial position.

As a Canadian company, our operations must comply with the *Canadian Corruption of Foreign Public Officials Act* and similar anti-corruption and anti-bribery laws of the other jurisdictions in which we operate. There has been a substantial increase in the global enforcement of these laws. Although we have rules and procedures in place designed to reduce the likelihood of violations of such laws, any violation could result in significant criminal or civil fines and penalties, litigation, and loss of operating licenses or permits, and may damage our reputation, which could have a material adverse effect on our results of operations, cash flows and financial position.

We have a significant investment in TFM, which is located in the DRC and may be adversely affected by security risks, political, economic and social instability and lack of infrastructure.
We have a significant investment in TFM located in Katanga province of the DRC. The carrying value of this investment and our ability to advance development plans may be adversely affected by political instability and legal and economic uncertainty. These risks include, but are not limited to: political unrest; labour disputes; invalidation of governmental orders, permits, agreements or property rights; risk of corruption including violations under applicable foreign corrupt practices statutes; military repression; war; rebel group and civil disturbances; criminal and terrorist actions; arbitrary changes in laws, regulations, policies, taxation, price controls and exchange controls; attempts to increase taxes or claims for fees and penalties by governmental officials, including retroactive claims; delays in obtaining or the inability to obtain necessary permits; opposition to mining from environmental or other non-governmental organizations; limitations on foreign ownership; limitations on the repatriation of earnings; limitations on mineral exports; and high rates of inflation and increased financing costs. These risks may limit or disrupt our operations and projects, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization, expropriation or other means without fair compensation. Africa’s status as a developing continent may also make it more difficult for us to obtain any required exploration, development and production financing for our projects.

Since gaining independence in 1960, the DRC has undergone outbreaks of violence, changes in national leadership and financial crises. These factors heighten the risk of abrupt changes in the national policy toward foreign investors, which in turn could result in unilateral modification of concessions or contracts, increased taxation, denial of permits or permit renewals or expropriation of assets.

In addition to ongoing conflict in the eastern region of the DRC, there have been acts of violence in the Katanga province where TFM mineral properties are located. TFM works cooperatively with government officials to address security issues. However, no assurance can be given that conflict or random acts of violence will not occur near or impact TFM’s operations.

Political, economic, social and security risks in the DRC are outside of our control and could adversely affect our investment in TFM. Consequently, TFM’s operations and future development activities may be substantially affected by factors beyond our control, any of which could interrupt TFM’s operations or future development activities, which could have a material adverse effect on our investment in TFM and our results of operations, cash flows and financial position.

The TFM mineral properties are located in a remote area of the DRC and subject to additional challenges, including severely limited infrastructure, including road, bridge and rail access that is in disrepair and receives minimal maintenance; limited and unreliable energy supply from antiquated equipment and from power distribution corridors that are not maintained; challenges in obtaining experienced personnel;

security risks; and limited health care in an area plagued by disease and other potential endemic health issues, including malaria, cholera and HIV. TFM's future development may be substantially affected by factors beyond our control, which could adversely affect our investment in TFM.

We are subject to a variety of risks associated with minority shareholdings, which could result in a material adverse effect on our future growth, results of operations, cash flows and financial position.

We are a minority partner in TFM and Freeport Cobalt. We do not operate either of these associates. Additionally, as a result of the Acquisition, we hold an 80% equity interest in each of the Acquisition Property, and Sumitomo owns the remaining 20% equity interests. We may also acquire additional minority shareholdings or enter into joint ventures in the future. There may be risks associated with Freeport and Sumitomo that we are not aware of and have no control over that could adversely affect our investments in TFM, Freeport Cobalt and the Acquisition Property. There are a variety of general risks associated with minority shareholdings, particularly where we are not the operator. These risks include:

- disagreement with a partner about how to develop, operate or finance a project;
- that a partner may at any time have economic or business interests or goals that are, or become, inconsistent with our business interests or goals;
- that a partner may not comply with a shareholders' or joint venture agreement;
- the possibility that a partner might become bankrupt;
- that a partner may be in a position to take action contrary to our instructions, requests, policies, objectives or interests;
- possible litigation with a partner about minority shareholder or joint venture matters;
- our inability to exert control over decisions relating to minority shareholdings or joint ventures in which we do not hold a controlling interest; and
- the possibility that we may not be able to sell our interest if we desire to exit.

These risks could result in legal liability or affect our ability to develop or operate a project where we have a minority interest or other joint venture project, either of which could have a material adverse effect on our future growth, results of operations, cash flows and financial position.

Our operations are subject to significant governmental regulation, in part because we produce and sell hazardous materials, and these regulations could significantly limit our exploration and production activities.

Our mining, processing, development and mineral exploration activities are subject to various laws governing prospecting, mining, development, production, exports, taxes, labour standards and occupational health, mine safety, management and use of toxic substances and explosives, handling and disposal of hazardous materials, management of tailings and other wastes generated by our operations, management of natural resources, environmental protection, land use, water use, land claims of local people, historical and cultural preservation regulations concerning business dealings with local groups, among other matters. Some of the preceding laws apply to us because we produce and sell hazardous materials. In addition, new rules and regulations may be enacted or existing rules and regulations may be applied in a manner that could limit or curtail our exploration and production activities. Any such amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on us, such as increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or could require abandonment or delays in development of new mining properties.

Failure to comply with any applicable laws, regulations or permitting requirements may result in enforcement actions against us, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. For example, we could be forced to compensate those suffering loss or damage by reason of the mining activities and could face civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Any such regulatory or judicial action could materially increase our operating costs and delay or curtail our operations.

New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations, could have a material adverse impact on our future cash flow, results of operations and financial position. In addition, changes in accounting rules or the interpretation of such rules may adversely impact on the presentation of our financial performance.

Our operations are subject to stringent environmental laws and regulations that could significantly limit our ability to conduct our business and have a material adverse effect on our future growth, results of operations, cash flows and financial position.

All phases of our operations are subject to extensive environmental regulation in the various jurisdictions in which we operate. These regulations mandate, among other things, the preparation of environmental assessments before commencing certain operations, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Some laws and regulations may impose strict as well as joint and several liability for environmental contamination, which could subject us to liability for the conduct of others or for our own actions that were in compliance with all applicable laws at the time such actions were taken. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Any future changes in environmental regulation could adversely affect our ability to conduct our operations. We may in the future be required to obtain additional environmental approvals and permits in connection with our operations which could materially increase exploration expenses, capital expenditures or production costs, reduce production levels, or could require abandonment or delays in development of mining properties. Moreover, public interest in environmental protection has increased over the years and environmental organizations have opposed, with some degree of success, certain mining operations.

In addition, environmental conditions may exist on properties in which we hold or will hold an interest that are unknown to us and/or have been caused by previous or existing owners or operators of such properties, but the remediation of which may be our responsibility. We may also acquire properties with environmental risks, and the indemnification proceeds we receive from the entity we acquire such properties from, if any, may not be adequate to pay all the fines, penalties and costs (such as clean-up and restoration costs) incurred related to such properties. Some of our properties also have been used for mining and related operations for many years before we acquired them and were acquired as is or with assumed environmental liabilities from previous owners or operators. We have been required to address contamination at our properties in the past and may need to address contamination at our properties in the future, either for existing environmental conditions or for leaks or discharges that may arise from our ongoing operations or other contingencies. Contamination from hazardous substances, either at our own properties or other locations for which we may be responsible, may subject us to liability for the investigation or remediation of contamination, as well as for claims seeking to recover for related property damage, personal injury or damage to natural resources. The occurrence of any of these adverse events could have a material adverse effect on our future growth, results of operations, cash flows and financial position.

Production at certain of our mines involves the use of various chemicals, including certain chemicals that are designated as hazardous substances. Should such chemicals leak or otherwise be discharged from the containment system, we may become subject to liability for cleanup work that may not be insured. While appropriate steps will be taken to prevent discharges of pollutants into the ground water and the environment, we may become subject to liability for hazards that we may not be insured against and such liability could be material.

Our failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed or causing the withdrawal of our mining licenses, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. We may be required to compensate those suffering loss or damage by reason of our operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Regulation of greenhouse gas emissions effects and climate change issues may adversely affect our operations and markets.

Energy, including energy produced from the combustion of carbon-based fuels, is a significant input to our mining and processing operations, and as a result we must comply with emerging climate change regulatory requirements, including programs to reduce greenhouse gas emissions. Our principal energy sources are electricity and purchased petroleum products. In addition, our processing facilities and mobile mining equipment emit carbon dioxide.

Our Eagle mine is located in Michigan, USA. The US Environmental Protection Agency has developed final rules requiring large emitters of greenhouse gases to collect and report data with respect to their greenhouse gas emissions. In the future, the US federal and state governments or non-US governments may enact an emission trading or similar program for greenhouse gas emissions, which could significantly increase our energy and regulatory compliance costs. For example, the US federal government has considered legislation to reduce greenhouse gas emissions through a cap-and-trade system of allowances and credits, among other provisions.

We are in the process of evaluating the potential impacts on our operations of these new and proposed laws and regulations, which will likely result in increased future energy costs. The regulations are also likely to increase our compliance costs. For example, we may be required to install new equipment to reduce emissions from our processing facilities in order to comply with new regulatory standards or to mitigate the financial impact of a new climate change program. In addition, it is uncertain how state or local initiatives will interact with any federal climate change regulations.

We continue to monitor these developments along with other such initiatives and their potential impacts on operations. We also continue to assess energy efficiency opportunities across all of our operations with the goal of reducing both costs and greenhouse gas emissions. The potential physical impacts of climate change on our operations are highly uncertain and would be particular to the unique geographic circumstances associated with each of our facilities. These may include changes in weather and rainfall patterns, water shortages, changing storm patterns and intensities and changing temperatures. These effects may adversely impact the cost, production and our results of operations, cash flows and financial position.

We rely on a number of licenses, permits and approvals from various governmental authorities, any loss of which could have a material adverse effect on our business.

Our operations require a number of licenses, permits and approvals from various governmental authorities. We believe that we hold and are presently complying in all material respects with all necessary licenses and permits under applicable laws and regulations to conduct our current operations.

However, such licenses and permits are subject to change in various circumstances, and certain permits and approvals are required to be renewed from time to time. Additional permits or permit renewals will need to be obtained in the future. The granting, renewal and continued effectiveness of these permits and approvals are, in most cases, subject to some level of discretion by the applicable regulatory authority. Certain governmental approval and permitting processes are subject to public comment and can be appealed by project opponents, which may result in significant delays or in approvals being withheld or withdrawn. There can be no assurance that we will be able to obtain or maintain all necessary licenses and permits as are required to explore and develop our properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost. Any of these factors could have a material adverse effect on our results of operations and financial position.

We may be unsuccessful in integrating businesses and assets we acquire in the future.
We continuously evaluate opportunities to acquire additional mining assets and businesses both to grow and to replace depleted mineral reserves and mineral resources. Future acquisitions may be significant in size, may change the scale of our business and may expose us to new geographic, political, operating, financial and geological risks. Our success in our acquisition activities depends on our ability to identify suitable acquisition candidates, acquire them on acceptable terms and integrate their operations successfully. In addition, any acquisition we make will require a significant amount of the attention and time of management as well as resources that could otherwise have been spent on the operation and development of our existing business.

Any future acquisitions would be accompanied by risks, such as a significant decline in the relevant metal price after we commit to complete an acquisition on certain terms; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of our ongoing business; the inability of management to realize anticipated synergies and maximize our financial and strategic position; the failure to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. There can be no assurance that any businesses or assets acquired in the future will prove to be profitable, that we will be able to integrate the acquired businesses or assets successfully or that we will identify all potential liabilities during the course of due diligence. Any of these factors could negatively affect our business, expansion, results of operations and financial position.

Furthermore, our acquisition strategy may involve the investment of all or a substantial part of our assets in failed, underperforming or financially distressed companies. These companies present a higher degree of risk in comparison to traditional investments. We may need additional capital to finance other acquisitions. Any debt financing obtained in connection with an acquisition will expose us to additional leverage and our operations could become subject to restrictive loan and lease covenants and undertakings.

Our ability to identify, consummate and to integrate effectively any future acquisitions on terms that are favourable to us may be limited by the number of attractive acquisition targets, internal demands on our resources, competition from other mining companies and, to the extent necessary, our ability to obtain financing on satisfactory terms, if at all. In addition, we compete for attractive acquisition targets with other potential buyers that have more financial and other resources than us.

The mining business is inherently dangerous and subject to conditions or events beyond our control, which could have a material adverse effect on us.
Mining involves various types of risks and hazards, including, but not limited to:

- environmental hazards;
- industrial accidents;
- metallurgical and other processing problems;
- unusual or unexpected rock formations;
- rock falls;
- seismic activity;
- flooding;
- fires;
- periodic interruptions due to inclement or hazardous weather conditions;
- variations in grade, deposit size, continuity and other geological problems;
- mechanical equipment performance problems;
- unavailability of materials and equipment;
- theft of equipment and supplies;
- labour force disruptions;
- unanticipated or significant changes in the costs of supplies; and
- unanticipated transportation costs.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, loss of key employees, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

In addition, our processing facilities are dependent upon continuous mine feed to remain in operation. Insofar as our mines may not maintain material stockpiles of ore or material in process, any significant disruption in either mine feed or processing throughput, whether due to equipment failures, adverse weather conditions, supply interruptions, labour force disruptions or other causes, may have an immediate adverse effect on our results of operations, cash flows and financial position.

Increases in the cost of energy used in operations may adversely affect our results of operations, cash flows and financial position.
Our mining operations and facilities are intensive users of electricity and carbon based fuels. Energy prices can be affected by numerous factors beyond our control, including global and regional supply and demand, political and economic conditions and applicable regulatory regimes. The availability of energy may be negatively impacted due to a variety of reasons including, fluctuations in climate, severe weather conditions, inadequate infrastructure capacity, equipment failure or the ability to extend supply contracts on economic terms. The prices and various sources of energy we rely on may be negatively impacted and any such change could have an adverse effect on profitability. The prices of various sources of energy may increase significantly from current levels. We do not hedge the cost of energy, therefore an increase in energy prices could materially adversely affect our results of operations, cash flows and financial position.

Our results of operation, cash flows or financial position could be materially adversely affected by the availability and cost of key operating supplies and services.
We are heavily reliant on key operating supplies, including sulphuric acid, explosives, fuel, tires for mining equipment and other supplies. If such supplies become unavailable or their cost increases significantly, the profitability of our mines would be impacted and operations at our mines could be interrupted or halted resulting in a material adverse impact on our results of operations, cash flows and financial

position. The availability and cost of sulphuric acid is particularly important for TFM, which requires significant quantities of acid to maintain copper production. In recent years, there have been supply shortages and significant price volatility in the sulphuric acid market. In addition, all of our mines require fuel, tires for mining equipment and other supplies and services to maintain operations. Management prepares its cost and production guidance and other forecasts based on its review of current and estimated future costs, and management assumes that the materials and supplies required for operations will be available for purchase. Lack of supply or increased costs for any of these inputs would decrease productivity, reduce the profitability of our mines, have an adverse impact on our results of operations, cash flows and financial position and potentially result in suspension of certain operations.

Concentrate treatment charges and rail, truck and ocean transportation costs are also a significant component of operating costs. Transportation costs have been volatile over the last several years and could continue to be volatile due to a number of factors, including changes in the price of oil, changes in the global economy and a shortage in the number of ocean vessels available to ship concentrate. Concentrate treatment and refining charges have also been volatile in recent years. Increases in these rates will have an adverse impact on our results of operations, cash flows and financial position.

Our inability to expand or replace depleted mineral reserves and mineral resources and the possible recalculation or reduction of our mineral reserves and mineral resources could materially affect our results of operations, cash flows and financial position.

Mines have limited lives based on proven and probable mineral reserves. Consequently, we have to continually expand our mineral reserves and mineral resources and replace those depleted by operations. Our ability to maintain, or increase, our annual production of copper, zinc, lead, nickel and other metals will be dependent in significant part on our ability to expand existing mines and bring new mines into production. In addition, the production estimates and the life-of-mine estimates included in this prospectus may vary materially from the actual production from, or productive life of, the subject mines because the feasibility of mineral reserves and mineral resources is largely dependent on market conditions, the regulatory environment and available technology. See "Mineral reserves and mineral resources are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated."

Further, it may take many years from the initial phase of drilling before production is possible at certain locations, and during that time the economic feasibility of exploiting a discovery may change. Fluctuations in metal prices, as well as increased production and capital costs or reduced recovery rates, may render our mineral reserves and mineral resources unprofitable to develop at a particular site or sites for periods of time or may render some uneconomic. Moreover, short-term operating factors, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause mineral reserves and mineral resources to be reduced, which may cause us to be unprofitable in any particular accounting period and could have a material adverse effect on our results of operations, cash flows and financial position. In addition, failure to obtain necessary permits or government approvals could also force us to reduce our mineral reserves and mineral resources. Estimated mineral reserves and mineral resources may have to be recalculated based on actual production experience. Any of these factors may require us to reduce our mineral reserves and mineral resources, which could have a negative impact on our results of operations, cash flows and financial position.

Actual capital costs, operating costs and expenditures, as well as production schedules and economic returns may differ significantly from our current expectations.

The capital expenditures and timeline needed to develop a new mine or expand an existing operating mine are considerable and the economics of and the ability to complete a project can be affected by many factors, including: inability to complete construction and related infrastructure in a timely manner; changes in the legal and regulatory environment; currency fluctuations; industrial disputes, availability of parts, machinery or operators; delays in the delivery of major process plant equipment; inability to obtain, renew or maintain the necessary permits, licenses or approvals; unforeseen natural events and political and other factors. Factors such as changes to technical specifications, failure to enter into agreements with contractors or suppliers in a timely manner, and shortage of capital may also delay the completion of construction or commencement of production or require the expenditure of additional funds. Although our feasibility studies are generally completed with our knowledge of the operating history of similar ore bodies in the region, the actual operating results of our development projects may differ materially from those anticipated, and uncertainties related to operations are even greater in the case of development projects. Many major mining projects constructed in the last several years, or under construction currently, have experienced cost overruns that substantially exceeded the capital cost estimated during the basic engineering phase of those projects. There can be no assurance that our development projects will be able to be developed successfully or economically or that they will not be subject to the other risks described in this section.

Actual results may not meet guidance we issue with respect to future production, cash costs and capital expenditures.

We issue guidance with respect to future production for our operating mines. Guidance is an estimate based on interpretation and assumptions and actual production may be less than the guidance we have provided. Failure to achieve our production guidance could have a material and adverse effect on future results of operations, cash flows and financial position. The realization of production guidance depends on a number of factors, including the accuracy of mineral reserve and mineral resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions (including hydrology), the physical characteristics of ores, the presence or absence of particular metallurgical characteristics and the accuracy of the estimated rates and costs of mining, ore haulage and processing. Our actual production may vary from guidance for a variety of reasons, including: the actual ore mined varying from estimates of grade or tonnage; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; unusual or unexpected geological conditions; potential power shortages; shortages of principal supplies needed for mining operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; plant and equipment failure; the inability to process certain types of ore; labour shortages or strikes; civil disobedience and protests; and restrictions or regulations imposed by government authorities or other changes in the regulatory environment applicable to the mining industry. Any failure to achieve production estimates could have a material adverse effect on our results of operations, cash flows and financial position. In addition to adversely affecting mineral production, the occurrences described above could result in damage to mineral properties or mines, interruptions in production, injury or death to persons, damage to our property or the property of others, monetary losses and legal liabilities. Any of these results could cause the suspension or cessation of certain operations, which would adversely affect our results of operations, cash flows and financial position.

We also issue guidance with respect to cash costs and capital expenditures for each operation and capital expenditures for exploration. No assurance can be given that such estimates will be achieved. Failure to achieve cash cost estimates or material increases in cash costs or capital expenditures could have an adverse impact on our results of operations, cash flows and financial position. Our actual costs may vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; revisions to mine plans; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; escalating construction or development costs; and unexpected labour shortages or strikes. Costs of production may also be affected by a variety of factors, including: changing waste-to-ore ratios, ore grade metallurgy, labour costs, cost of commodities, general inflationary pressures and currency exchange rates.

Mineral exploration is inherently speculative and uncertain.
Exploration of mineral properties involves significant financial risk. Very few properties that are explored are later developed into economically successful operating mines. Major expenses may be required to locate and establish mineral reserves and mineral resources, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, including: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulation, including regulations relating to prices, taxes, royalties land tenure, land use, importing and exporting of minerals and environment protection. The combination of these factors may cause us to expend significant resources (financial and otherwise) on a property without receiving a return on investment and means that our exploration efforts may not result in any new commercial mining operations or yield new mineral reserves or mineral resources.

Our failure to maintain positive community relations could have an adverse effect on our business.
Our relationships with the communities in which we operate and other stakeholders are critical to ensure the future success of our existing operations and the construction and development of our projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to us, our operations or extractive industries generally, could have an adverse effect on us and may impact relationships with the communities in which we operate and other stakeholders. While we are committed to operating in a socially responsible manner, there can be no assurance that our efforts, in this respect, will mitigate this potential risks.

Mineral reserves and mineral resources are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated.
Our reported mineral reserves and mineral resources are only estimates. No assurance can be given that the estimated mineral reserves and mineral resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and mineral resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral reserve and mineral resource estimates may require revision (either up or down) based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain mineral reserves and mineral resources uneconomic and may ultimately result in a restatement of estimated mineral reserves and mineral resources. Moreover, short-term operating factors relating to mineral reserves and mineral resources, such as the need for sequential development of ore bodies and the processing of new or different ore grades or types, may adversely affect our profitability in any particular accounting period. In addition, failure to obtain necessary permits or government approvals could also force us to reduce our mineral reserves and mineral resources.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The US Securities and Exchange Commission (the "**SEC**") generally does not permit US companies to disclose mineral resources in their filings with the SEC. However, because we prepare our mineral reserve and mineral resource estimates in accordance with Canadian disclosure requirements, we include mineral resource estimates, which are required by NI 43-101. Mineral resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as actual production experience is gained. No assurance can be given that any part or all of mineral resources constitute or will be converted into reserves. See "Mineral Reserve and Mineral Resource Estimates."

Estimation of Asset Carrying Values
The Company annually undertakes a detailed review of the LOM plans for its operating properties and an evaluation of the Company's portfolio of development projects, exploration projects and other assets. The recoverability of the Company's carrying values of its operating and development properties are assessed by comparing carrying values to estimated future net cash flows and/or market values for each property.

Factors which may affect the recoverability of carrying values include, but are not limited to, metal prices, foreign exchange rates, capital cost estimates, mining, processing and other operating costs, grade and metallurgical characteristics of ore, mine design and timing of production. In the event of a prolonged period of depressed prices, the Company may be required to take material write-downs of its operating and development properties.

We may not be able to obtain the external financing necessary to continue our exploration and development activities on our mineral properties.
We do not have unlimited financial resources and there is no assurance that sufficient additional funding or financing will be available to us or on acceptable terms, or at all, for further exploration or development of our properties or to fulfill our obligations under any applicable agreements. Failure to obtain such additional funding could result in the delay or indefinite postponement of the exploration and development of our properties.

We are a multinational company and rely on financial institutions worldwide to fund our corporate and project needs. Instability of large financial institutions may impact our ability to obtain equity or debt financing in the future and, if obtained, on terms favourable to us. Disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation of financial institutions, reduced alternatives or failures of significant financial institutions could adversely affect our access to the liquidity needed for the business in the longer term.

Our access to funds under our Amended Credit Facility will be dependent on the ability of our lenders to meet their funding commitments. Those financial institutions may not be able to meet their funding requirements if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time. Moreover, the obligations of the financial institutions under our Amended Credit Facility will be several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others. Such disruptions could require us to take measures to conserve cash until the markets stabilize or until alternative credit or other funding arrangements for our business needs can be obtained.

Our insurance does not cover all potential losses, liabilities and damage related to our business and certain risks are uninsured or uninsurable.
Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, industrial accidents, work force health issues, contaminations, labour disputes, changes in regulatory environment, ground or slope failure, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. Such occurrences could result in damage to our and other persons' properties, personal injury or death of employees or third parties, delays in mining, monetary losses and possible legal liability. Where considered practical to do so, we maintain insurance against risks in the operation of our business in amounts which we believe to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. In addition, it is not always possible to obtain insurance against all such risks. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to us or to other companies within the

mining industry. We may also decide not to insure against certain risks because of high premiums compared to the benefit offered by such insurance or other reasons and do not maintain insurance against political risks. We may suffer a material adverse effect on our business, results of operations, cash flows and financial position if we incur a material loss related to any significant event that is not covered, or adequately covered, by our insurance policies.

Title, mineral rights or surface rights to our properties could be challenged, and, if successful, such challenges could have a material adverse effect on our production, results of operations, cash flows and financial position.

Although we have investigated the right to explore and exploit our various properties and obtained records from government offices with respect to all of the mineral claims comprising our properties, this should not be construed as a guarantee of title. Other parties may dispute the title or other rights to a property or the property may be subject to prior unregistered agreements and transfers or land claims by indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. We have not conducted surveys of all of our properties and the precise area and location of claims or the properties may be challenged. Title insurance is generally not available for mineral properties and our ability to ensure that we have obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Valid challenges to the title of our properties may be made in the future, which, if successful, could have an adverse effect on the development of our properties as well as our results of operations, cash flows and financial position.

We may be subject to litigation that could have an adverse effect on our business.

We are subject, from time to time, to litigation and may be involved in disputes with other parties in the future, which may result in litigation. We cannot accurately predict the outcome of any litigation. If we are unable to resolve disputes favorably, our results of operations, cash flows and financial position may be materially adversely affected. Moreover, any litigation (regardless of the merits) could be costly to defend and distract management from our operations, all of which could have a material adverse effect on our business.

Our Eagle mine is and in the future may be the subject of litigation proceedings which if decided adversely to us could have a material adverse effect on our results of operations, cash flows and financial position.

We acquired the Eagle mine, which consists of the Eagle underground mine and the Humboldt mill, in July 2013. The Eagle mine has been the subject of various legal proceedings, both prior to and after the acquisition, regarding permits granted or required under applicable state law, and is currently the subject of a proceeding regarding our mine and groundwater discharge permits issued by the Michigan Department of Environmental Quality (the "**MDEQ**"). In 2007, four groups (the "**Petitioners**") filed two separate contested case petitions with the MDEQ challenging the agency's decisions to issue Eagle a mining permit and a groundwater discharge permit (the "**Mining and Groundwater Discharge Petitions**"). Eagle intervened in the process and, ultimately, the MDEQ issued a Final Decision and Order in favor of Eagle, affirming the permits. The Petitioners appealed the MDEQ's decisions to Michigan Circuit Court, which also found in Eagle's favor and affirmed the permits. The Petitioners were granted leave to appeal the Circuit Court's decisions to the Michigan Court of Appeals. The Court of Appeals heard oral argument in June 2014. In August 2014, the Court of Appeals issued separate decisions affirming the Circuit Court's orders affirming the decisions of the MDEQ to grant Eagle mining and groundwater discharge permits. In September 2014, the Petitioners filed applications for leave to appeal both decisions with the Michigan Supreme Court. The Michigan Supreme Court will not consider the Petitioners' appeals on the merits unless the applications for leave are granted. Ultimately, a reversal by the Michigan Supreme Court could lead the MDEQ to require Eagle to file new or amended permit applications. A reversal could also result in a suspension of Eagle's operations for several months or more pending reprocessing of the permits. However, even if the Michigan Supreme Court finds that some of the Petitioners' claims have merit, it could still decline to reverse the Court of Appeals' decisions due to harmless error or lack of substantial prejudice. We believe that the Mining and Groundwater Discharge Petitions are without merit and we will continue to vigorously defend the validity of the permits granted to us. In the past, we and our predecessors have successfully defended claims made by a private landowner group under the U.S. Rivers and Harbors Appropriation Act and the U.S. Clean Water Act and successfully intervened in actions by the same group against the MDEQ regarding the Eagle mine's Air Quality Permit to Install. However, if the Petitioners in the Mining and Groundwater Discharge Petitions or claimants in any future proceeding are successful, it could cause a suspension of operations at the Eagle mine, which may have a material adverse effect on our results of operations, cash flows and financial position.

Enforcement of Legal Rights

As the Company is a holding company, its material subsidiaries and the majority of its assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian securities laws or otherwise. Given that the Company's material assets and certain of the Company's directors and officers, including the Chairman, reside outside of Canada, it may not be possible for shareholders to effect service of process against such individuals who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of the Company's directors or officers for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against those directors or officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities laws claims or otherwise in original actions instituted in foreign jurisdictions. Courts of foreign jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the context of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

We are subject to taxation in several different jurisdictions, and adverse changes to the tax laws resulting in higher taxes for us could have a material adverse effect on our profitability.

We operate our business in several different jurisdictions and are subject to the tax laws of and taxation in such jurisdictions. The tax systems in certain of these jurisdictions are complicated and subject to change. Any such change in tax law, the level of taxation we face or reviews and assessments of tax returns could result in higher taxes being payable by us, which could adversely affect our profitability. Repatriation of earnings to Canada or other countries, from other countries may also be subject to withholding taxes. We have no control over changes in tax regulations and withholding tax rates.

The temporary shutdown of any of our operations could expose us to significant costs and adversely affect our access to skilled labour.

From time to time, we may have to temporarily shut down one or more of our mines if they are no longer considered commercially viable. There are a number of factors that may cause our operations to be no longer commercially viable, many of which are beyond our control. These factors include adverse changes in metal prices, foreign exchange and interest rates, increases in transportation costs or increases in labour costs. During such temporary shutdowns, we would have to continue to expend capital to maintain the plant and equipment. We could also incur significant labour costs as a result of a temporary shutdown if we are required to give employees notice prior to any layoff or to pay severance for any extended layoff. Furthermore, temporary shutdowns may adversely affect our future access to skilled labour, as employees who are laid off may seek employment elsewhere. In addition, if our operations are shut down for an extended period of time, we may be required to engage in environmental remediation of the plant sites, which would require us to incur additional costs. The costs of ramping up production following a shutdown could also be significant. Given the costs involved in a temporary shutdown of our operations, we may instead choose to continue to operate those operations at a loss. Such a decision could have a material adverse effect on our results of operations, cash flows and financial position.

Our operations would be adversely affected if we fail to maintain satisfactory labour relations.
We have approximately 3,100 employees, including those employees of the Acquisition Companies. Most of our employees are unionized and their employment is governed by collective bargaining or similar arrangements. We cannot predict at this time whether we will be able to reach new agreements with our unionized workforce without a work stoppage or other labour unrest when their current agreements expire, and any such new agreements may not be on terms favourable to us. Additional groups of non-union employees may seek union representation in the future. Further, relations with employees and suppliers may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in jurisdictions where we conduct business. Changes in such legislation or otherwise in our relationship with our employees and suppliers may result in higher ongoing labour costs, employee turnover, strikes, lockouts or other work stoppages, any of which could have a material adverse effect on our business, results of operations, cash flows and financial position.

We are dependent on transportation facilities and infrastructure, a lack of which could impact our production and development of projects.
Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges and power and water supplies are important determinants which affect capital and operating costs. A major disruption to transportation systems or a lack of access to port facilities could have a material adverse effect on our results of operations, cash flows and financial position. Unusual or infrequent weather phenomena, sabotage or government or other interference in the maintenance or provision of such infrastructure could adversely affect our activities and profitability. For example, during recent years, the water supply has been the object of political debate between the region in which Aguablanca operates and the neighboring region. We are continuing to advance our application with central and regional authorities to obtain all of the water licenses required to satisfy all of our supply requirements.

In addition, lack of transportation facilities and infrastructure could delay or prevent us from developing our projects. Completion of the development of our projects is subject to various requirements, including the availability and timing of acceptable arrangements for power, water and transportation. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of our projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that:

- the development of our projects will be commenced or completed on a timely basis, if at all;
- the resulting operations will achieve the anticipated production volume; or
- the construction costs and ongoing operating costs associated with the development of our projects will not be higher than anticipated.

We depend on key management personnel and may not be able to attract and retain qualified personnel in the future.
Our ability to manage our operations, exploration and development activities, and hence, our success, depends in large part on our ability to retain key management personnel and to attract and retain new personnel, including management, technical and unskilled workforce. The international mining industry is

very active, and we are facing increased competition for personnel in all disciplines and areas of operation. The loss of the services of one or more key employees or the failure to attract and retain new personnel could have a material adverse effect on our ability to manage and expand our business. We do not maintain key person insurance on any director, officer or employee.

Our directors and officers may have interests that conflict with our interests.
Certain of our directors and officers also serve as directors and/or officers of other companies involved in the mining business and, consequently, there exists the possibility for such directors and officers to have interests that conflict with our interests. Situations may arise in connection with potential investments where the other interests of our directors conflict with our interests. As such, conflicts of interest may arise that may influence these persons in evaluating possible acquisitions or in generally acting on our behalf, as they may pursue opportunities that would then be unavailable to us. In the event that our directors and officers are subject to conflicts of interest, there may be a material adverse effect on our business.

We may fail to maintain the effectiveness of internal control over financial reporting.
Canadian securities laws require that our management conduct an annual assessment of the effectiveness of our internal control over financial reporting. Consequently, management documented and tested our internal control procedures in order to satisfy such requirements. Although management concluded that our internal control over financial reporting was effective as of our most recent year end, due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud. Furthermore, we may fail to maintain the adequacy of our internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting. Our failure to satisfy the requirements of applicable Canadian securities laws on an ongoing, timely basis could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm our business and negatively impact the trading price of the Notes. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations.

General economic conditions or changes in consumption patterns may adversely affect our growth, results of operations, cash flows and financial position.
The market for metals such as copper, zinc, lead, nickel, gold and silver is volatile and cyclical, and consumption of such metals is influenced by global economic growth, trends in industrial production, conditions in the housing and automotive industries and economic growth in China, which is the largest consumer of refined copper in the world. Should demand weaken and consumption patterns change (in particular, if consumers seek out cheaper substitute materials), the price of copper, zinc, lead, nickel and other metals could be adversely affected, which could negatively affect our results of operations, cash flows and financial position.

The global financial crisis had a profound impact on the global economy. Many industries, including the mining industry, were adversely impacted by these market conditions. Some of the key impacts of the recent financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and metal markets, a lack of market liquidity and a decrease in access to public financing. Another downturn in the financial markets or other economic conditions, including, but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates could adversely affect our growth and profitability. Specifically:

- another global credit/liquidity crisis could impact the cost and availability of debt or equity financing and our overall liquidity and, further, the availability of financing on terms favourable to us;
- as a significant amount of copper and other metals production is sold to China, the overall state of the Chinese economy, including credit/lending levels, fluctuations in inflation and interest rates and fiscal policy, would have an impact on the country's demand for copper and other metals, which in turn could have a significant impact on metal prices;
- the volatility of metal prices would impact our revenues, profits, losses and cash flows;
- volatile energy prices, commodity and consumables prices and currency exchange rates would impact our production costs; and
- the devaluation and volatility of global stock markets would impact the valuation of our securities.

Any of these factors could have a material adverse effect on our results of operations, cash flows and financial position.

Risks Relating to the Acquisition

Integration of the Acquisition Property
Integrating the Acquisition Companies' operations with the Company's existing business will be a complex, time-consuming and costly process. Failure to successfully integrate the Acquisition Companies and their operations in a timely manner may have a material adverse effect on the Company's business, results of operations, cash flows and financial position. The difficulties of integrating the Acquisition Companies include, among other things:

- operating a larger organization;
- operating in a new jurisdiction;
- coordinating geographically disparate organizations, systems and facilities;
- adapting to additional regulatory and other legal requirements;
- integrating corporate, technological and administrative functions; and
- diverting management's attention from other business concerns.

The process of integration could cause an interruption of, or a slowdown in, the activities of the Company's business. Members of the management team may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage the business. If the management is not able to effectively manage the integration process, or if any business activities are interrupted as a result of the integration process, the Company's business could suffer.

Realization of the Benefits of the Acquisition
The Company completed the Acquisition to, among other things:

- increase its global footprint and scale;
- increase its copper exposure;
- enhance its operational and geographic diversification;
- increase cash flow and earnings per share; and
- solidify its competitive long-term cash position.

Achieving the benefits of the Acquisition depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities from integrating the Acquisition

Companies into its existing business. For the reasons set out above and below, and for other reasons not described in this prospectus, the Company may fail to realize any of the anticipated benefits of the Acquisition.

Undisclosed Liabilities Associated with the Acquisition

In connection with the Acquisition, there may be liabilities that the Company failed to discover or was unable to quantify in its due diligence (which it conducted prior to the execution of the Share Purchase Agreement). The representations, warranties and indemnities contained in the Share Purchase Agreement are limited and the Company's ability to seek remedies for breach of such provisions is limited.

Acquisitions require geologic, metallurgic, engineering, title, environmental, economic, financial and other assessments that may be materially incorrect and may not produce as expected.

Acquisitions of mining properties or mining companies are based in large part on geologic, metallurgic, engineering, title, environmental, economic and financial assessments made by the acquirer and its personnel as well as independent consultants and advisors it may hire. These assessments include a series of assumptions regarding such factors as the ore bodies, grades, recoverability, regulatory and environmental restrictions, future prices of metals and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the mineral reserves and mineral resources. Many of these factors are subject to change and are beyond the Company's control. All such assessments involve a measure of geologic, metallurgic, engineering, environmental, regulatory, political, economic and financial uncertainty that could result in lower production and lower mineral reserves and mineral resources or higher operating or capital expenditures than anticipated or unanticipated difficulty in obtaining required permits or complying with regulatory or environmental requirements. In addition, while the Company received opinions on title, title and rights of access to the Acquisition Property can never be guaranteed. Failure to have obtained satisfactory title to the Acquisition Property may adversely affect the production and mineral reserves and mineral resources associated with the Acquisition Property and the Company's ability in the future to increase production and mineral reserves and mineral resources. Although select title and environmental reviews were conducted by the Company in connection with the Acquisition, this review cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the Company's title to certain assets or that environmental defects, liabilities or deficiencies do not exist or are greater than anticipated.

Risks Associated with Operations in Chile

As a result of the completion of the Acquisition, the Company holds an 80% equity interest in the Acquisition Property, located in Chile and as such will be exposed to various levels of political, economic and other risks and uncertainties associated with conducting business and mineral operations in Chile. These risks and uncertainties include but are not limited to political unrest, labour disputes, changes in laws, regulations, policies, taxation, royalties, price controls, export controls or exchange controls, nationalization and expropriation of assets, renegotiation or invalidation of concessions, licenses, permits, contracts or other property rights, delays in the ability to obtain necessary permits, changing political conditions, risk of corruption including violations under applicable foreign corrupt practices statutes, restrictions on foreign exchange and repatriation of earnings, opposition to mining from environmental or other non-governmental organizations and local communities, limitations on production or mineral exports and high rates of inflation.

In addition, operations may be affected in varying degrees by changes to government regulations relating to, among other things, foreign ownership or investment and take-overs, mandatory government participation, requirements to confer domestic benefits through local contract awards, local hiring practices and purchase of parts and supplies, or other changes to the mining regime in respect of mineral right applications, tenure, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. These risks may limit or disrupt the Company's operations and ability to advance the Acquisition Property, which may adversely affect the viability and profitability of the Acquisition Property.

The legal and regulatory requirements in Chile with respect to conducting mineral exploration and mining activities and banking systems and controls are different from those in Canada. The officers and directors of the Company will rely, to a great extent, on the Company's local legal counsel and local consultants and advisors in respect of legal, banking, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations in Chile, and to assist the Company with its governmental relations. The Company will also need to rely, to some extent, on those members of management and the Company's board of directors who have previous experience working and conducting business in Chile. The failure to comply with all material legal and regulatory requirements may lead to the revocation of certain rights, penalties or fees, which may have an adverse effect on the Company.

Currency fluctuations may also affect the Company's capital costs and the costs that the Company incurs on the Acquisition Property. The appreciation of the Chilean peso against the United States dollar would increase the costs of production at the Acquisition Property.

Political, Community and Social Risks

Candelaria and Ojos mines are located in areas of Chile that may be of particular interest or sensitivity to one or more local groups or interest groups. There is no assurance that the Company's relationships with such groups will be positive. Accordingly, it is possible that exploration, development or operations on the Acquisition Property could be interrupted or otherwise adversely affected in the future by political uncertainty, community opposition, tax reforms, land claims entitlements, expropriations of property, changes in applicable governmental policies and policies of relevant local or interest groups. Any changes in community or government relations or shifts in political conditions may be beyond the Company's control and may adversely affect its business and operations, including the ability to obtain or maintain necessary permits, and if significant, may result in the impairment or loss of mineral concessions or other mineral rights, or may make it impossible to continue mineral exploration and mining activities in the applicable area, any of which could have an adverse effect on the results of operations, cash flows and financial position.

The Acquisition Property's desalination plant and port facilities are located in the community of Caldera which relies on commercial fishing as a primary source of income. The Acquisition Companies have been negotiating social benefits arrangements with local fishing unions over the course of the past year. During the course of these negotiations, access to the port and the main North/South Chilean highway has been blocked by members of certain unions from time to time. While certain arrangements have been recently agreed to, there is a risk that disruptions may occur until formal comprehensive social benefits agreements have been finalized. To date, local authorities have been supportive of the Acquisition Companies' efforts and any operational impacts of protests have been mitigated. However, there is no assurance that formal agreements will be reached with each of the local fishing unions or that further protests will not have an adverse effect on the Acquisition Companies' operations in the future.

The Acquisition Property's desalination plant and port facilities are located in the community of Caldera which relies on commercial fishing as a primary source of income. The Acquisition Companies have been negotiating social benefits arrangements with local fishing unions over the course of the past year. During the course of these negotiations, access to the port and the main North/South Chilean highway has been blocked by members of certain unions from time to time. Formal comprehensive social benefits agreements have now been finalized with the local fishing unions pending official signatures from the relevant governmental authorities. Despite formal agreements having been agreed, there is no assurance that the union parties will not breach the terms of such agreements or that further protests of local interest groups will not occur at the Acquisition Companies' operations in the future.

Environmental Hazards and Reclamation Obligations

All phases of the Acquisition Property's operations are subject to environmental regulation, which mandates such things as air and water quality standards, land reclamation, site restoration and site closure requirements. Environmental legislation is evolving in a manner which will likely require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes to environmental regulation, if any, will not adversely affect the Acquisition Property or operations thereon. Environmental hazards may exist on the Acquisition Property that are currently unknown and may have been caused by previous owners or operators of the properties. Such hazards could result in loss or liability or regulatory or legal action that could have a material adverse effect on the Company. The Company calculated its estimates of the ultimate reclamation liability with respect to the Acquisition Property based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing the mine sites. It is possible that the Company's estimate of the ultimate reclamation liability could change in the near term due to changes in laws and regulations and changes in cost estimates.

Shareholders' Agreement with Sumitomo

As a result of the Acquisition, the Company holds an 80% equity interest in the Acquisition Property and Sumitomo owns the remaining 20% equity interest. Shareholders' agreements are in force which govern each of the Acquisition Companies. As a result of the Acquisition, the Company became a party to the shareholders' agreements. Each of the Acquisition Companies is managed by a five member management committee. The Company has the right to nominate four representatives to the committee and Sumitomo has the right to nominate one representative to the committee. Certain actions to be taken by the Acquisition Companies will require the approval of the Sumitomo representative, and as such Sumitomo will have the right to veto the following actions:

- a material amendment to the bylaws of the Acquisition Companies;
- a merger, consolidation, amalgamation, liquidation or dissolution of the Acquisition Companies;
- a change in the legal form of the Acquisition Companies;
- the issuance of equity securities of the Acquisition Companies except in certain circumstances;
- the sale, lease or other disposition of assets of Candelaria in excess of US$10 million and of Ojos in excess of US$5 million or property containing ore reserves or containing other mineral bearing material believed by the management committee of the respective Acquisition Company to be commercially viable;
- the creation of any mortgage, lien, pledge, charge or other encumbrance on any property of the Acquisition Companies, except in limited circumstances;
- inter-company transactions with an Acquisition Company or an Acquisition Company's affiliates greater than US$1 million;
- changes to the dividend policies of either Acquisition Company; and
- capital expenditures exceeding US$20 million in the case of Candelaria and US$10 million in the case of Ojos.

The shareholders' agreements also contain transfer restrictions and a proposed sale by either of the shareholders will give rise to certain rights in and to the other shareholder, including under certain circumstances, a right of first refusal or a right to participate in the sale.

There are a variety of other general risks associated with shared ownership, which could result in a material adverse effect on our future growth, results of operations, cash flows and financial position.

Significant Level of Indebtedness

The Company has a significant amount of indebtedness. Subject to the limits contained in the Amended Credit Facility and any limits under the Company's other debt instruments, the Company may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions or for other purposes. If the Company does so, the risks related to the Company's high level of indebtedness could intensify. The Company's high level of indebtedness could have important consequences to securityholders, due to the following factors affecting the Company: (i) increased difficulty in satisfying obligations with respect to indebtedness; (ii) limitations on the ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements, or requiring the Company to make non- strategic divestitures; (iii) requirements that a substantial portion of the Company's cash flows be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes; (iv) increased vulnerability to general adverse economic and industry conditions; (v) exposure to the risk of increased interest rates as borrowings under the Amended Credit Facility would be at variable rates of interest; (vi) decreased flexibility in planning for and reacting to changes in the industry in which it competes; (vii) placing the Company at a disadvantage compared to other, less leveraged competitors; and (viii) increased cost of borrowing.

In addition, the Amended Credit Facility and other agreements entered into in connection with the Transactions, contain restrictive covenants that will limit the Company's ability to engage in activities that may be in the Company's long-term best interest. The Company's failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all the Company's debt.

The Company's ability to make scheduled payments on or refinance its debt obligations, depends on the Company's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond its control. The Company may be unable to generate or maintain a level of sufficient cash flows from operating activities to satisfy its debt obligations or to refinance its indebtedness on commercially reasonable terms or at all, which would have a material and adverse effect on the Company's financial condition and results of operations. The Company is a holding company and a substantial portion of its assets are the capital stock of its subsidiaries. As a holding company, the Company conducts substantially all of its business through its subsidiaries, which generate substantially all of the Company's revenues. Consequently, the Company's cash flow and ability to service its debt obligations are dependent upon the cash flow of its subsidiaries and the distribution of such cash flow to the Company, or upon loans, advances or other payments made by these entities to the Company. The ability of these entities to pay dividends or make loans, advances or payments to the Company will depend upon their operating results and will be subject to applicable laws and contractual restrictions contained in the instruments governing their debt. The ability of the Company's subsidiaries to generate sufficient cash flow from operations to allow the Company to make scheduled payments on its debt obligations will depend on their future financial performance, which will be affected by a range of economic, competitive and business factors as well as structural changes, many of which are outside of the Company's or their control. The Company can provide no assurance that the cash flow and earnings of its operating subsidiaries and the amount that they are able to distribute to the Company, as dividends or otherwise, will be sufficient for the Company to satisfy its debt obligations. If cash flows and capital resources are insufficient to fund debt service obligations, the Company could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance indebtedness. If the Company cannot make scheduled payments on its debt, the Company will be in default and holders of any indebtedness could declare all outstanding principal and interest to be due and payable, enabling lenders under the Amended Credit Facility to cancel their commitments to lend and causing a cross-acceleration or cross-default under certain of our other debt agreements, if any. The Company's other creditors could foreclose against the collateral securing the Company's obligations and the Company could be forced into bankruptcy or liquidation. All of the above events could result in the entire loss of the purchaser's investment under this short form prospectus.

The Company and its subsidiaries may be able to incur significant additional indebtedness in the future. Although the indenture governing the Senior Secured Notes contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent the Company from incurring obligations that do not constitute indebtedness.

Risks Related to an Investment in the SDRs

Risks Related to the Stock Market

A prospective investor should be aware that an investment in the SDRs is associated with a high degree of risk, and that the price of the SDRs may not develop favourably. The share prices of publicly-traded companies can be highly volatile. The price at which the SDRs may be quoted and the price which investors may realize for their SDRs will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect the industry as a whole, or listed companies generally. In addition to the Company's performance, such factors may include the economic climate, market interest rates, capital flows, political uncertainties and market and behavioural psychology, as well as substantial future sale of SDRs or Common Shares. The Company is unable to predict or exercise control over these factors. Thus, a potential investor should be aware of the risk that the trading price of the SDRs can decline and that there can be no assurance that an active market for the SDRs will be sustained.

Market Price of SDRs

The price of the SDRs may be significantly affected by short-term changes in commodity prices or in the Company's financial condition or results of operations. Other factors unrelated to the Company's performance that may also have an effect on the price of the SDRs include a lessening in trading volume and general market interest in the Company's securities and the size of its public float. As a result of any of these factors, the market price of the SDRs, at any given point in time, may not accurately reflect its long-term value. Securities class action litigation has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation.

Risks Related to Dividends

The mineral exploration and production industry is capital intensive and the Company's profits may need to be accumulated and used to reinvest in the Company's operations. Hence, the Company may not be able to pay dividends to its shareholders or holders of Common Shares or SDRs.

If the Company pays dividends in the future, the Company intends to administer payments to holders of SDRs through Euroclear. However, the methodology for providing such payments has yet not been established and there is no agreement with Euroclear regarding the administration of dividends. The lack of an agreement with Euroclear does not deprive holders of SDRs the right to receive dividends but may cause delays and other problems in connection with the administration of any dividends.

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

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

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

BACKGROUND AND REASONS

This prospectus has been prepared in conjunction with the application for admission to trading on NASDAQ Stockholm of up to an additional 132,157,000 New SDRs representing up to an additional 132,157,000 New Shares.

The Company is a diversified Canadian base metals mining company with operations and development projects in Chile, Portugal, Sweden, Spain, and the US, producing copper, zinc, lead and nickel, as well as a 24% equity interest in Tenke Fungurume in the DRC and a cobalt business which includes a cobalt refinery in Finland.

The Company has 585,949,507 Common Shares issued and outstanding as of the date of this prospectus.

On October 17, 2014, the Company filed a final prospectus in Canada in connection with the Equity Financing. The Equity Financing was offered on a bought deal prospectus basis, pursuant to which the Company issued a total of 132,157,000 subscription receipts of the Company (the "**Subscription Receipts**") at a price of CAD$5.10 per Subscription Receipt for aggregate gross proceeds of CAD$674,000,700 (the "**Equity Financing**") pursuant to an underwriting agreement (the "**Underwriting Agreemen**t") between the Company and GMP Securities L.P. and BMO Nesbitt Burns Inc. (the "**Co-Lead Underwriters**"), Scotia Capital Inc., Merrill Lynch Canada Inc., TD Securities Inc., CIBC World Markets Inc., Dundee Securities Ltd., RBC Dominion Securities Inc., and Haywood Securities Inc. (together with the Co-Lead Underwriters, the "**Canadian Underwriters**") and Pareto Securities AS (Pareto Securities AS together with the Canadian Underwriters, the "**Underwriters**"). The Subscription Receipts were issued pursuant to a subscription receipt agreement (the "**Subscription Receipt Agreement**") between the Company and Computershare Trust Company of Canada, as subscription receipt agent (the "**Trustee**").

The Equity Offering closed on October 23, 2014 and the proceeds were held in escrow until completion of the transaction, at which time they were released to the Company. The Company used the net proceeds of the Equity Financing together with the proceeds of the offering of the Senior Secured Notes and the Stream Agreement to fund the Acquisition.

The Subscription Receipts will automatically convert into Underlying Shares without payment of additional consideration or further action on the part of the holders upon the approval and registration with the SFSA of this prospectus (and the subsequent publication of this prospectus) regarding the listing of the SDRs representing the Underlying Shares.

No additional consideration will be received by the Company and no commission or fee will be payable by the Company in connection with the issuance of the Underlying Shares upon conversion of the Subscription Receipts.

None of the Subscription Receipts or New Shares have been or will be registered under the U.S. Securities Act or under applicable state securities laws.

Upon the automatic conversion of the Subscription Receipts, there will be an increase in the Company's issued and outstanding Common Shares from 585,949,507 Common Shares to 718,106,507 Common Shares. Shareholders who did not participate in the Equity Financing will be affected by a dilution of New Shares, corresponding to 18.40 percent of the total number of Common Shares in the Company following the automatic conversion of the Subscription Receipts.

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

The Board of Directors of Lundin Mining Corporation.

Toronto, Ontario, Canada

November 17, 2014

INFORMATION REGARDING THE SHARES AND THE SDRS

This is not an offering to purchase, subscribe for or sell SDRs (including New SDRs), Shares (including New Shares) or any other securities.

SDRs

The SDRs representing the Shares have been created under the laws of Sweden. The SDRs are registered with Euroclear. The SDRs are traded in SEK and settled in SEK. Each SDR corresponds to one Share in the Company.

An SDR entitles the holder to the same right to a dividend as a Share. To the same extent as a holder of Shares, holders of SDRs are entitled to a surplus (if any) in proportion to the number of SDRs held in the event of a liquidation of the Company. Further, a holder of an SDR has the same right to vote at general meetings as holder of a Share. An SDR holder who holds SDRs through a nominee may vote at shareholders' meeting through its registered nominee by submitting a proxy to the registered nominee with voting instructions. Such registered nominee would then vote, generally, by proxy in accordance with the instructions on the proxy. Pursuant to the general terms and conditions for the SDRs, Pareto shall notify the SDR holders of the Company's shareholders' meetings as soon as possible after Pareto has received notice of a meeting of shareholders of the Company, including providing instructions regarding any measures to be taken by the SDR holders in order to submit a proxy with voting instructions for such meetings. In Sweden, Euroclear is responsible for maintaining a register of the SDRs and Pareto shall, prior to any Lundin Mining shareholders' meeting, seek voting instructions from the SDR holders who are registered in the Euroclear register on the record date and who have notified Pareto of their intention to submit such instructions. The terms and conditions for the SDRs are reproduced in "Schedule A - Terms and Conditions for Depositary Receipts".

Trading of Shares and SDRs

The SDRs, representing Shares are currently traded in Sweden on NASDAQ Stockholm under the ticker symbol "LUMI". The ISIN code for the SDRs is SE0001134529. It is intended that the New SDRs will be admitted to trading on NASDAQ Stockholm under the same ticker symbol and ISIN code.

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

The Equity Financing Approval

On October 6, 2014, the Board of Directors, among other things, approved the issuance of up to 132,157,000 Subscription Receipts at an offering price between $5.10 to $5.20 per Subscription Receipt and the issuance of up to 132,157,000 New Shares upon the exercise or automatic exercise of the Subscription Receipts.

Custody of the Shares Represented by SDRs

Any New Share represented by a SDR will be kept in custody in Canada by a custodian, in the electronic securities system operated by CDS Clearing and Depository Services Inc. (address 85 Richmond Street West Toronto, ON M5H 2C9), with Pareto as the registered holder (a Swedish limited company incorporated on September 10, 1980, with its registered office in Stockholm and operating under the laws of Sweden). The SDRs are issued by Pareto, and are registered with Euroclear, which acts as the central securities depositary enabling trading and safekeeping for the SDRs. Certain terms and conditions apply to the SDRs as a result of an arrangement between the Company and Pareto**,** whereby Pareto will hold the New Shares on behalf of the holders of SDRs, and an arrangement between Pareto and Euroclear. In accordance with Swedish laws and the terms and conditions of the SDRs as well as the terms and conditions applicable between Pareto and Euroclear, Pareto provides the holders of SDRs with information on general meetings of shareholders of the Company and procedures for exercising voting rights, amongst other things. The Terms and Conditions for the SDRs are included in Schedule A to this prospectus.

Registration with Euroclear

Only SDRs (including new SDRs) registered in the local central securities depositary system with Euroclear will be subject to trading on NASDAQ Stockholm. Holders of Shares listed on the TSX are entitled to register those Shares in the depositary system at Euroclear in order to trade their securities on NASDAQ Stockholm and vice versa by way of a notice in writing to Pareto, whereupon Pareto will charge the applicable fee set from time to time. No New SDRs representing the New Shares can be issued by Pareto before the Subscription Receipts have been converted to New Shares.

Pareto may refuse to accept New Shares for deposit if the transfer of such New Shares is restricted pursuant to Canadian, Swedish or any other applicable legislation or stock exchange rules in order to observe and comply with such restrictions, or otherwise in the Pareto's own discretion in order to comply with Swedish, Canadian or other applicable securities laws or stock market regulations.

In order to trade SDRs on NASDAQ Stockholm, holders of New Shares are advised to contact their nominees or their bank.

Other Information

The New Shares and New SDRs are not subject to any restrictions on their transferability.

The SDRs are not subject to offers made as a result of any mandatory takeover bids, and/or squeeze out rules, redemption rights or redemption obligations. There have been no public offers for the SDRs during the current or preceding financial year.

INDUSTRY OVERVIEW

The following industry overview describes the Company's market in terms of size, development and prospects for future growth. The information contained in the section below originates from Lundin Mining, unless expressly stated otherwise. The Company has obtained this information from several sources, including industry publications and market surveys from third parties as well as publicly available information. Although the industry publications state that they are based on information obtained from several different sources and using various methods that may be deemed reliable, the information may not be correct and complete. Industry forecasts are by their nature subject to considerable uncertainty, and such forecasts may prove to be incorrect.

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

Exploration, Mining and Production

Lundin Mining is active in the minerals and mining industry, where it operates mines by exploration and production of base metals. Global exploration investments are highly cyclical and fluctuate with time. The main driver of exploration is metal prices. In addition, exploration investments also fluctuate with the availability of financing opportunities.

Production starts with the extraction of metal-bearing ores. This typically occurs through either surface or underground mining. Open-pit surface mining accounts for the majority of global mining production. After the ore has been mined, it is crushed and ground, followed by a concentration process to extract the metal. The metal concentrate obtained typically contains a certain amount of metal mixed with various by-products.

Traditionally, the concentrate is shipped to a smelting and refining facility where the metal is transformed through roasting into a molten matte. This matte is further processed to improve the purity of the metal. The metal is then shipped to fabricators.

The Global Metal Market

Exchanges

Companies focused on the mining of base metals can sell the refined metal either privately or on a commodity exchange. The primary market, upon completion of mining and concentrating base metal ores, companies sell their bulk non-ferrous concentrates privately to smelters. The market for bulk non-ferrous concentrates can be characterised as discrete and private. Prices for these products are typically set once a year through private negotiations between the respective companies and smelters.

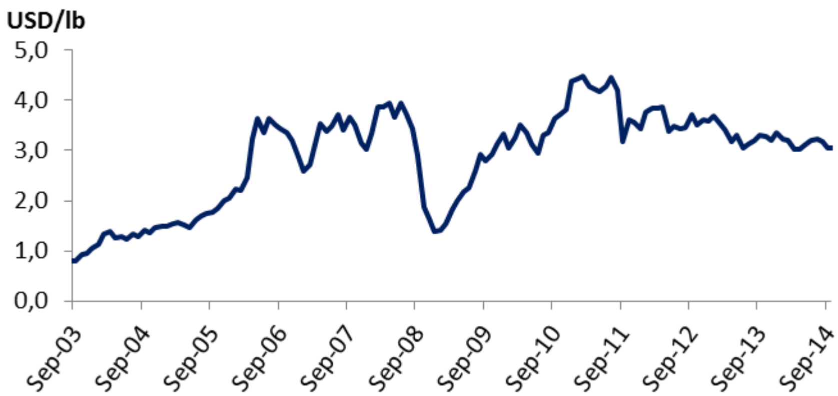
The secondary market is the refined spot market. Producers sell their present or future production to clients, who transform the metal into various products for end use, as described in the following sections for each metal. One of the most important factors in trading copper is the settlement price, which is either spot or future. The commodity exchange provides transparency and facilitates the process of settling the prices. The London Metal Exchange ("**LME**"), the Commodity Exchange Division of the New York Mercantile Exchange ("**COMEX"/"NYMEX**") and the Shanghai Futures Exchange ("**SHFE**") are major global copper exchanges. On these exchanges, copper contracts are settled by bid and offer, which reflect the market's perception of supply and demand on a given day. Exchanges also provide for the trading of futures and options contracts, allowing producers and consumers to fix a price in the future and thus hedge against price fluctuations.

Introduction to Copper, Zinc, Nickel and Lead

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

The price of copper increased significantly between 2003 and 2006 as shown in the graph below. During 2005-2006, the price increased from USD 1.48/lb to USD 3.98/lb. The surge in price was largely due to import demand from China to feed its construction industry and due to a tight scrap metal market, coupled with a slow response from mining operations to increase copper output.[1] Prior to the price increase in 2005-2006, little incentive was given to long lead, scalable and capital intensive copper projects, resulting in a majority of today's copper supply being constrained to a number of large mature mines.

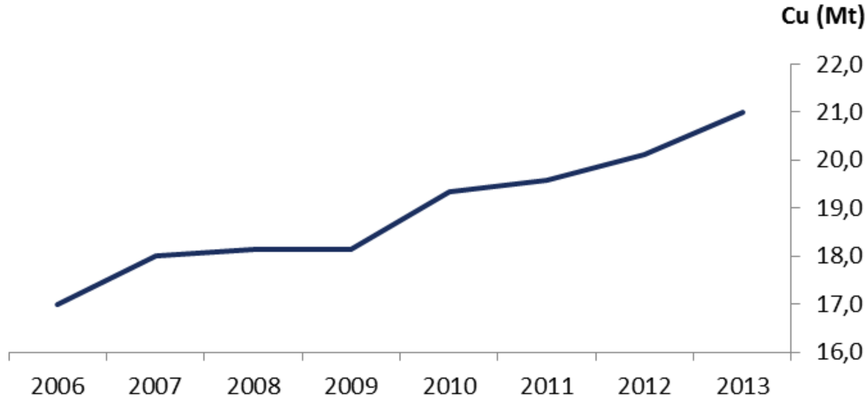
Monthly development of copper price 09/2003-09/2014[2]



Demand for copper is driven largely by the construction (31%) and electrical and electronic products (39%) industries, with increasing demand from the industrial equipment and consumer product sectors.[3] In 1993, China accounted for 9% of global refined copper demand and within ten years the Chinese share of global demand increased to 43%, with electrical and electronic products accounting for almost half of Chinese demand.[4] China has aggressively expanded its smelting and refining capacity, but this has not been matched with an expansion in mine capacity. As a result, Chinese copper demand relies heavily on the international market.

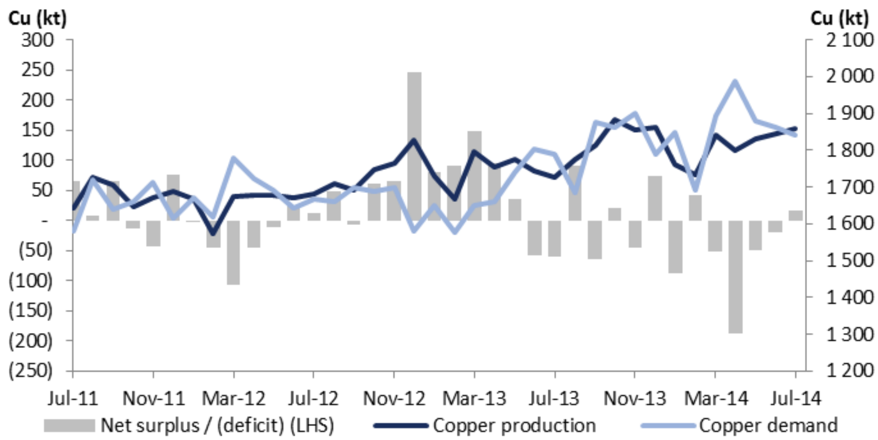
1 The International Copper Study Group
2 Bloomberg (LME prices)
3 Thomson Reuters GFMS
4 Thomson Reuters GFMS

Annual demand for copper 2006-2013[5]



In the last 10 years, global copper mine production output has increased on average by 3% per annum. The five nations that have largely contributed to this growth (ranked by the largest cumulative contribution) are China, Chile, DRC, Zambia and Brazil. In 2013, global mine production of copper increased by 8% (1.3Mt) to 17.8Mt, the largest annual growth seen since 2004, which had a 6% increase.[6] Copper supply reduced in 2014, with many mining developments experiencing development and production delays in the first half of 2014.[7] As current mine utilisation rates remain high, with little excess capacity to meet near term demand needs, Peru and Chile are expected to account for a large amount of global copper production going forward.

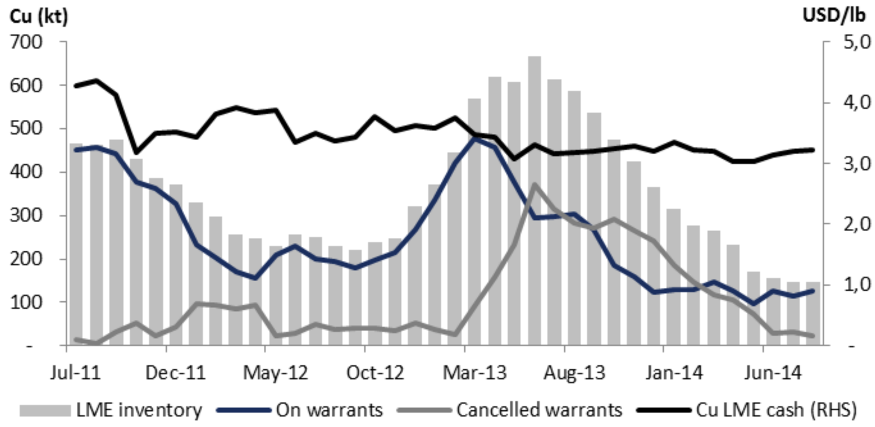
Supply of copper 07/2011-7/2014[8]



The delay in anticipated mine supply has resulted in a fall in copper LME inventories. As the graph below shows, LME inventories fell 77% year on year from 660kt in June 2013 to 155kt in June 2014.

5 Bloomberg, sum of country data
6 Thomson Reuters GFMS
7 Bloomberg news article: “Copper glut seen imperiled as projects face delays” (April 9, 2014)
8 Bloomberg, sum of country data

Inventories of copper 07/2011-08/2014[9]



Zinc
Zinc is a bluish-white crystalline brittle metal, which at normal temperatures is not affected by air and is easy to process. One of the more prominent features of zinc is its ability to improve the quality of other metals. Because of this, about half of the global zinc usage is for galvanizing steel in order to improve its corrosion resistance. Zinc is also used in the manufacturing of automobiles, buildings, medicines and tools and is used as an alloy metal for brass manufacturing. In addition, it can be found in trace amounts in food products.

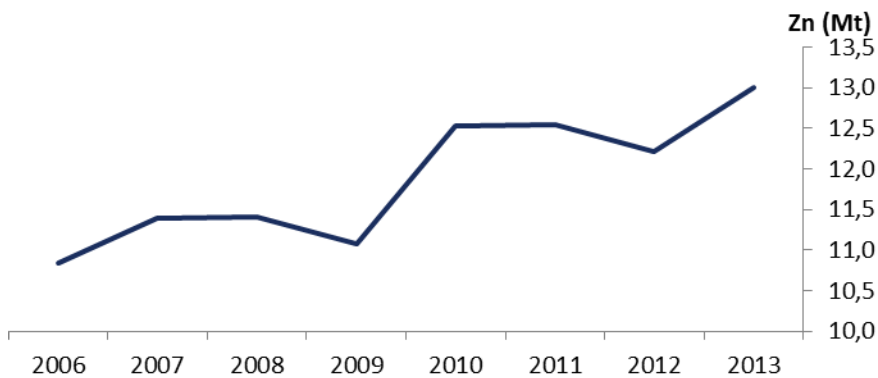
Zinc has been a very stable metal for many years with prices ranging between USD 1,800/tonne (USD 0.81/lb) and USD 2,200/tonne (USD 0.99/lb) over the last three years, as shown in the graph below. The zinc market has been suitably supplied by a number of key mines, but also through by-products from base metal mines. However, in the last 12-18 months, a number of large stable mining operations have been shut down, which is expected to contribute to a supply deficit over the mid-term. During 2013, zinc pricing was relatively stable due to a well-balanced supply and demand dynamics. However, with inventories at the lowest levels since 2011, the zinc price has been one of the strongest performing base metals year to date in 2014.

9 Bloomberg

Monthly development of zinc price 09/2003-09/2014[10]

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

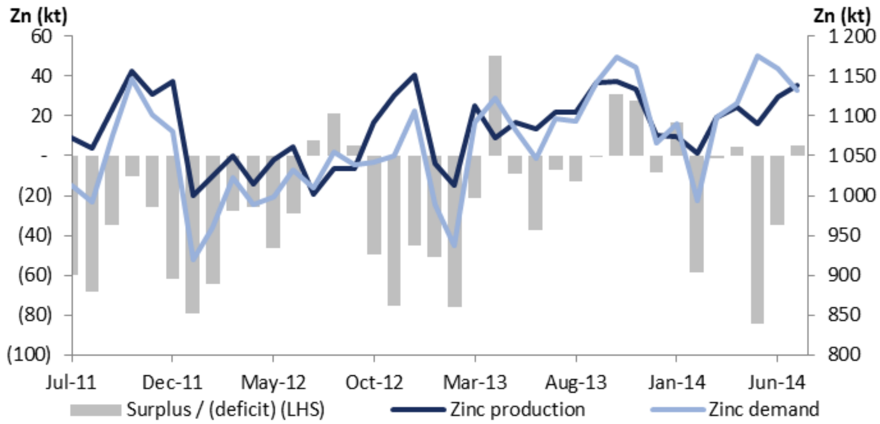
Annual demand for zinc 2006-2013[11]



In general, there are a small number of mines that mine zinc as their primary metal output, and a number of these mature zinc operations are, or are soon to be fully depleted.[12] The number of zinc mines that have closed, with the lack of new greenfield projects in development, will likely require near to mid-term supply to be fulfilled from by-product production or the expansion of current zinc brownfield operations. Over the near term, additional supply needs could potentially be filled from current operations eking additional capacity.

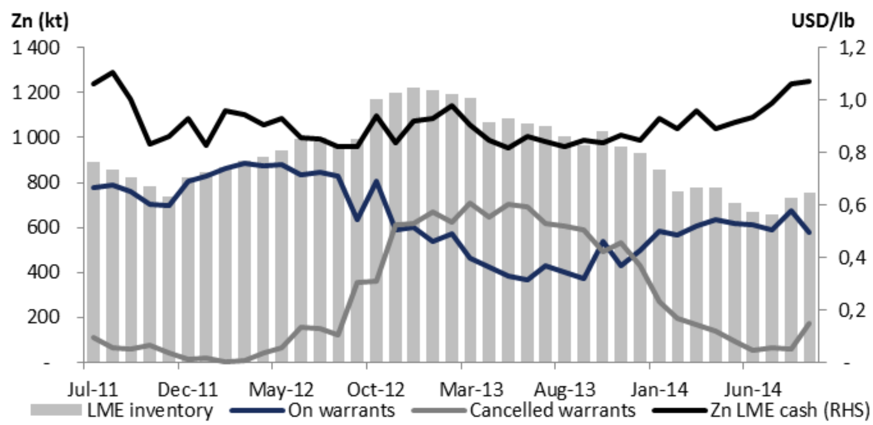
10 Bloomberg (LME prices)
11 Bloomberg, sum of country data
12 CRU (former name Commodities Research Unit)

Supply of zinc 07/2011-07/2014[13]



Zinc inventories have remained relatively constant over the past three years. Nevertheless, a significant decrease in cancelled warrants has illustrated physical demand for the metal since the first quarter of 2014, resulting in an increase in the price of zinc in recent months.

Inventories of zinc 07/2011-09/2014[14]



Nickel

Nickel can be used for a variety of applications, such as mobile phones, power tools and kitchen equipment due to its corrosion resistance and high melting point. Furthermore, nickel can easily be recycled, but is often used in products with a long life. A rapid increase in Chinese demand pushed the price of nickel past USD 50,000/tonne (USD 22.68/lb) in 2007, from USD 10,000/tonne (USD 4.54/lb) a few years earlier, as seen in the graph below. During this period, much of nickel supply was controlled by western mining companies. This led Chinese smelters to develop a cheaper lower grade substitute, nickel pig iron, which unlocked the potential to more efficiently process nickel laterite ores which were previously an uneconomic source of nickel. The innovation opened a wave of supply predominantly coming from

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13 Bloomberg, sum of country data
14 Bloomberg

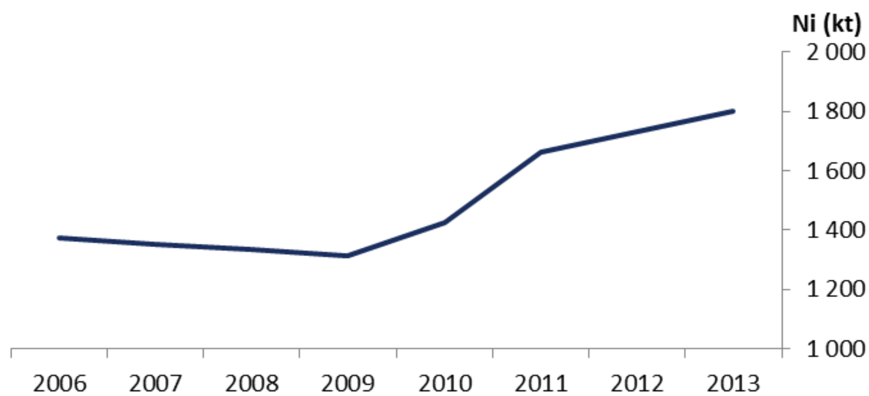
Indonesia and the Philippines, rapidly reducing the price of nickel to approximately USD 15,000/tonne (USD 6.80/lb) and solidifying China as the leading global nickel producer.

Nickel pig iron contains both nickel (approx. 5-15%) and iron, both ingredients for producing stainless steel, which is the primary use of the metal in China. In 2014, the price of nickel has recovered significantly. The recovery is largely a result of Indonesia implementing a ban on the export of unprocessed ores. Indonesia has accounted for over half of China's laterite ore supply, and the ban has forced Chinese smelters to enter the refined nickel market in order to source additional nickel.

Monthly development of nickel price 09/2003-09/2014[15]

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

Annual demand for nickel 2006-2013[16]

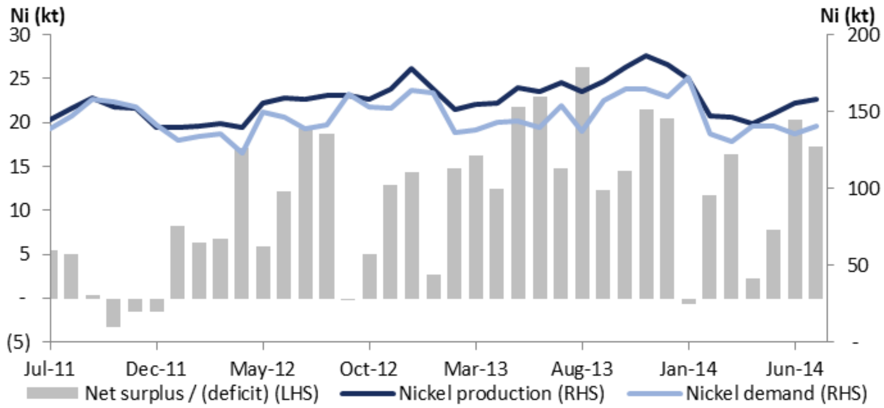


In recent years nickel supply has increased in line with demand with a portion of the supply growth coming from nickel pig iron. However, Indonesia has halted all ore exports with the goal of establishing

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

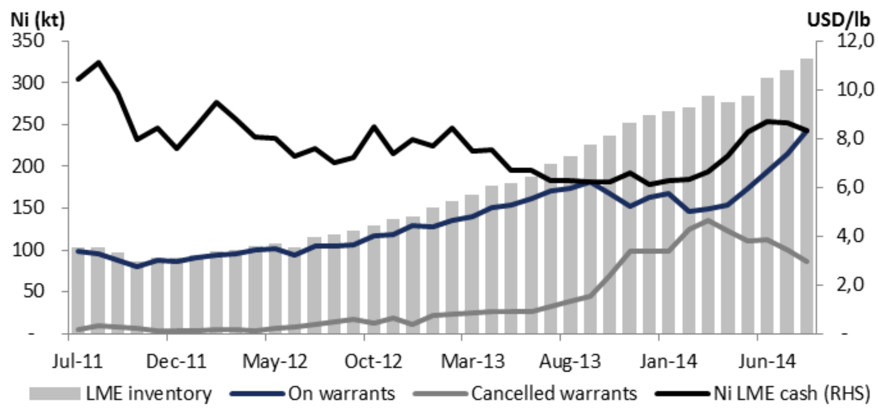
downstream value added processing within the country, which is likely to reduce nickel supply in the coming years.

Supply of nickel 07/2011-07/2014[17]



LME nickel inventories have continued to grow steadily since 2007 which experienced levels as low as 3.7kt to an all-time high of 380kt at the end of October 2014.[18]

Inventories of nickel 07/2011-08/2014[19]



Lead

In the nine months ended September 30, 2014, lead accounted for less than 7% of the Company's sales and this share is expected to decrease in the future, following the startup of the Eagle mine and acquisition of Candelaria.

In general, lead can be used in infrastructure construction, batteries, bullets and weights. Lead is a by-product from copper, zinc and silver operations and sometimes considered as a waste material. In

17 Bloomberg, sum of country data
18 LME website (October 29, 2014)
19 Bloomberg

general, supply dynamics are closely correlated to zinc, as lead conforms to mineralized bodies that often contain zinc as the primary metal. A significant portion of the supply comes from the recycled market. In terms of demand dynamics, lead is a very stable metal with a major part of the demand coming from the battery industry. Unusual events affecting demand are atypical in the lead market.

Trends & Drivers

The trends and drivers of the metals mentioned above are inherently both affected by the market as a whole and specifically by the market for each individual metal. Some of the major trends and drivers are:

- China is the demand driver for most, if not all, base metals. China is taking the opportunity of depressed metal prices to acquire key assets to secure its supply of key metals.

- Large scale capital allocation by major mining companies has been limited in recent years, with most of these companies divesting certain assets in order to deleverage balance sheets after a period of challenging expansions and acquisitions during the higher metal price environment.

- Low prices of some metals has dis-incentivised new development capacity.

- Environmental regulation plays a key role in greenfield projects, with many projects experiencing significant delays while companies work with local and national governments to address regulatory issues.

- Major mining companies are still experiencing development hurdles in less established mining jurisdictions and the increasing threat of resource nationalism in more established jurisdictions, such as in Indonesia, where unfavourable copper export tariffs have affected some of the largest copper mines in the world.

OPERATIONS OF LUNDIN MINING

The Company is a diversified Canadian base metals mining company with operations and development projects in Chile, Portugal, Sweden, Spain, and the US, producing copper, zinc, lead and nickel, as well as a 24% equity interest in the Tenke mine in the DRC and a cobalt business which includes a cobalt refinery in Finland.

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

- the Neves-Corvo mine, an underground copper and zinc mine located in Portugal; and
- the Zinkgruvan mine, an underground copper and zinc mine located in Sweden.

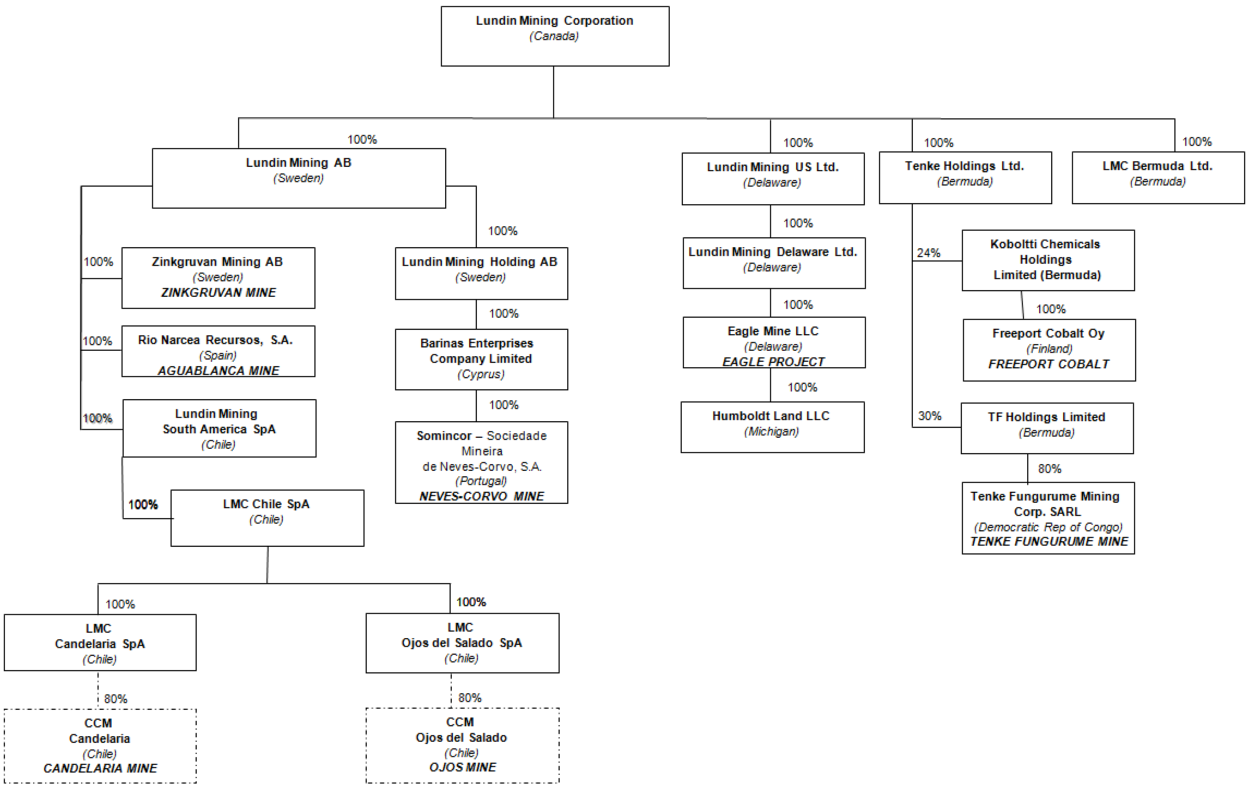
In 2013, the Company acquired a 100% interest in the high-grade nickel-copper Eagle mine (the "**Eagle Project**") located in Michigan, US, a well-advanced mineral property which commenced concentrate production in September 2014. The Company also has (i) a 100% interest in Aguablanca, an open-pit and underground nickel and copper mine located in Spain, (ii) a 24% interest in Tenke, one of the world's largest known copper-cobalt resources located in the Katanga Province, DRC, and (iii) a 24% interest in Freeport Cobalt, a cobalt business which includes a cobalt refinery located in Kokkola, Finland.

As a result of the Acquisition the Company owns an 80% equity interest in the Acquisition Property. See "Operations of Lundin Mining – Acquisition Property" in this prospectus for further details about the Acquisition Property.

Lundin Mining also owns, indirectly:

- 100% of the outstanding shares of Sociedade Mineira de Neves Corvo S.A. ("**Somincor**"). Somincor is a Portuguese mining and exploration company, the main asset of which is the Neves-Corvo copper/zinc mine in Portugal.
- 100% of the outstanding shares of Zinkgruvan Mining AB. Zinkgruvan Mining AB operates the Zinkgruvan mine.
- 100% of the outstanding shares of Rio Narcea Gold Mines, Ltd ("**Rio Narcea**"). Rio Narcea is a Spanish mining and exploration company, the main asset of which is the Aguablanca mine.
- A 24% equity interest in Tenke Fungurume Mining Corp. SARL ("**TFM**"), an entity incorporated in the DRC. TFM is the owner of the Tenke mine. This mine is operated by Freeport.
- 100% of the outstanding shares of Eagle Mine LLC and Humboldt Land LLC, the main asset of which are the Eagle nickel/copper underground mine and associated Humboldt mill.

A significant portion of the Company's business is carried on through its various subsidiaries. The following chart illustrates the Company's significant subsidiaries and equity investee companies, including their respective jurisdiction of incorporation and the percentage of voting securities in each that are held by the Company either directly or indirectly (** Acquisition Companies are denoted with the dotted lines).



The Company's analysis of segment sales by product is set out in the table below:

Sales Analysis ($ in thousands)	**FY 2011**	**FY 2012**	**FY 2013**	**Jan-Sept 2013**	**Jan-Sept 2014**
Copper	563,103	452,742	398,246	293,415	228,994
Zinc	135,078	164,144	158,009	116,096	141,538
Lead	71,356	71,029	62,464	47,541	47,581
Nickel	(444)	15,548	77,423	59,312	70,337
Other	14,693	17,643	31,640	24,497	19,833

Total production from the Company's' assets including attributable share of Tenke	**FY 2011**	**FY 2012**	**FY 2013**	**Jan-Sept 2013**	**Jan-Sept 2014**
Total production (tonnes)	259,975	265,049	283,284	210,174	224,831
Copper (tonnes)	107,400	101,983	116,592	86,359	82,262
Zinc (tonnes)	111,445	122,204	124,748	91,952	108,627
Lead (tonnes)	41,130	38,464	34,370	26,402	27,585
Nickel (tonnes)	n/a	2,398	7,574	5,461	6,357

Details of the Company's resources and reserves are shown in the table below, other than for the Acquisition Property which can be found under the heading "Acquisition Property – Candelaria and Ojos

Project”. Mineral reserves and mineral resources are shown on a 100 percent basis for each mine. Mineral resources for all operations are inclusive of reserves. Also see “Mineral Reserve and Mineral Resource Estimates”.

Mineral Reserves And Resources - 30 June 2014

Mineral Reserves

Contained Metal 000's (Ounces millions)

	Category	000's Tonnes	Cu %	Zn %	Pb %	Ag g/t	Ni %	Co %	Cu T	Zn T	Pb T	Ag Oz	Ni T	Co T	Lundin Interest
Copper															
Neves-Corvo	Proven	4,907	4.2	0.9	0.2	39			206	45	11	6			*100%*
	Probable	20,478	2.4	0.7	0.2	36			501	139	39	24			*100%*
	Total	**25,385**	**2.8**	**0.7**	**0.2**	**37**			**707**	**183**	**50**	**30**			***100%***
Zinkgruvan	Proven	3,328	2.2	0.3		35			73	10		4			*100%*
	Probable	65	2.1	0.6		35			1	-		-			*100%*
	Total	**3,393**	**2.2**	**0.3**		**35**			**75**	**10**		**4**			***100%***
Tenke	Proven	52,116	3.7					0.4	1,907					203	*24%*
Fungurume	Probable (Stockpile)	30,696	1.3					0.3	384					101	*24%*
	Probable	61,323	3.1					0.3	1,883					202	*24%*
	Total	**144,135**	**2.9**					**0.4**	**4,174**					**506**	***24%***
Zinc															
Neves-Corvo	Proven	10,371	0.4	8.5	2.1	73			40	884	218	24			*100%*
	Probable	10,232	0.4	6.4	1.5	67			39	657	155	22			*100%*
	Total	**20,603**	**0.4**	**7.5**	**1.8**	**70**			**79**	**1,541**	**372**	**46**			***100%***
Zinkgruvan	Proven	7,354		9.1	3.8	87				669	279	21			*100%*
	Probable	4,196		7.5	2.6	51				315	109	7			*100%*
	Total	**11,550**		**8.5**	**3.4**	**74**				**984**	**389**	**27**			***100%***
Nickel															
Aguablanca	Proven	1,132	0.5				0.6		5				7		*100%*
	Proven (Stockpile)	88	0.4				0.5		0				0		*100%*
	Probable														*100%*
	Probable (U'ground))	3,196	0.5				0.6		17				20		*100%*
	Total	**4,416**	**0.5**				**0.6**		**22**				**28**		***100%***
Eagle	Proven	1,953	3.4				4.2	0.1	67				83	2	*100%*
	Probable	3,212	2.0				2.4	0.1	66				78	2	*100%*
	Total	**5,164**	**2.6**				**3.1**	**0.1**	**132**				**161**	**4**	***100%***
Note: totals may not summate correctly due to rounding								**Lundin's share**	**2,017**	**2,719**	**811**	**107**	**189**	**126**	

Mineral Resources - inclusive of reserves

Contained Metal 000's (Ounces millions)

	Category	000's Tonnes	Cu %	Zn %	Pb %	Ag g/t	Ni %	Co %	Cu T	Zn T	Pb T	Ag Oz	Ni T	Co T	Lundin Interest
Copper															
Neves-Corvo	Measured	10,471	4.9	1.0	0.3	45			512	103	27	15			*100%*
	Indicated	45,314	2.5	1.0	0.3	45			1,112	458	146	66			*100%*
	Inferred	25,076	1.8	1.1	0.4	43			441	270	100	35			*100%*
Semblana	Inferred	7,807	2.9			25			223			6			*100%*
Zinkgruvan	Measured	4,495	2.3	0.3		32			103	13		5			*100%*
	Indicated	462	2.4	0.4		39			11	2		1			*100%*
	Inferred	505	2.0	0.3		34			10	2		1			*100%*
Tenke	Measured	160,748	3.0					0.3	4,785					501	*24%*
Fungurume	Indicated	418,511	2.4					0.3	10,045					1,072	*24%*
	Inferred	343,237	2.0					0.2	6,842					812	*24%*
Zinc															
Neves-Corvo	Measured	24,027	0.3	7.6	1.8	67			70	1,816	438	52			*100%*
	Indicated	70,014	0.3	5.6	1.2	58			231	3,908	848	130			*100%*
	Inferred	21,369	0.3	4.6	0.9	49			71	981	201	34			*100%*
Zinkgruvan	Measured	8,603		10.7	4.2	95				921	361	26			*100%*
	Indicated	8,399		9.2	4.0	87				773	336	23			*100%*
	Inferred	6,109		8.3	2.7	75				507	165	15			*100%*
Nickel															
Aguablanca	Measured	6,654	0.5				0.6		35				41		*100%*
	Indicated	250	0.3				0.5		1				1		*100%*
	Inferred	40	0.2				0.5		-				-		*100%*
Eagle	Measured	1,774	3.9				4.8	0.1	69				86	2	*100%*
	Indicated	2,845	2.5				3.0	0.1	71				86	2	*100%*
	Inferred	8	1.2				1.2		-				-	-	*100%*
								Lundin's share not including Inferred Resources	**5,775**	**7,993**	**2,156**	**317**	**214**	**382**	

Notes:

(1) Mineral reserves and mineral resources are shown on a 100% basis for each mine. The Measured and Indicated mineral resources are inclusive of those mineral resources modified to produce the mineral reserves. All estimates, with the exception of Tenke, are prepared as at June 30, 2014. The Tenke Fungurume estimate is dated December 31, 2013.

(2) Estimates for all 100% owned operations are prepared by or under the supervision of a "**Qualified Person**" as defined in NI 43-101. Tenke's Proven and Probable mineral reserves are estimated by the operator Freeport, and are reported in accordance with CIM standards and are reviewed by the Company's independent Qualified Persons.

(3) Except as noted below, mineral reserves have been calculated using metal prices of US$2.50/lb copper, US$1.00/lb zinc, US$1.00/lb lead, US$8.50/lb nickel and exchange rates of €/US$ 1.30 and US$/SEK 6.50.

(4) Neves-Corvo: The mineral resources are reported above cut-off grades of 1.0% for copper and 3.0% for zinc. The copper and zinc mineral reserves have been calculated using variable Net Smelter Return ("**NSR**") values based on area and mining method. The NSR is calculated on a recovered payable basis taking in to account copper, lead, zinc and silver grades, metallurgical recoveries, prices and realization costs. The copper mineral reserves are reported above a site average cut-off grade equivalent to 1.6%. For zinc mineral reserves an average cut-off grade equivalent to 4.8% is used. Mineral reserves and resources for Neves-Corvo were estimated by the mine's geology and mine engineering departments under the guidance of Nelson Pacheco, Chief Geologist and Fernando Cartaxo, Chief Mine Planning Engineer. Qualified Persons are Nelson Pacheco and Michael Hulmes, Managing Director, Iberian Operations, Lundin Mining.

(5) Semblana: The mineral resources are reported above a cut-off grade of 1.0% copper. The mineral resource estimate was prepared by Graham Greenway, Group Resource Geologist, Lundin Mining.

(6) Zinkgruvan: The zinc mineral resources and reserves are reported above a site average cut-off grade of 4.0% zinc equivalent. The copper mineral resources and reserves are reported above cut-off grades of 1.0% and 1.5% respectively. The mineral reserves have been calculated using variable NSR values based on area and mining method. The NSR is calculated on a recovered payable basis taking in to account copper, lead, zinc and silver grades, metallurgical recoveries, prices and realization costs. The Zinkgruvan mineral resource and reserve estimates are prepared by the mine's geology and mine engineering department under the guidance of Lars Malmström, Resource Manager, employed by Zinkgruvan mine. Qualified Persons are Graham Greenway and David Allison, Group Mining Engineer, Lundin Mining.

(7) Aguablanca: The mineral resources and reserves within the open pit are reported above a 0.18% nickel cut-off. The underground mineral resources are reported above a 0.35% nickel cut-off. Mineral reserves for the underground mine were estimated from designed sub-level caving and sub-level open stoping mining panels beneath the open pit using a 0.5% nickel cut-off, with appropriate allowances made for mining dilution and recovery. Mineral resources and reserves for Aguablanca were estimated by the mine's geology and mine engineering departments under the guidance of César Martinez, Chief Geologist, and Carlos Moreira, Mine Manager. Qualified Persons are Graham Greenway and David Allison.

(8) Eagle: The mineral resources and mineral reserves are reported above a fixed NSR cut-off of US$131/t. The NSR is calculated on a recovered payable basis taking in to account nickel, copper, cobalt, gold and PGM grades, metallurgical recoveries, prices and realization costs. The Qualified Persons responsible for the Eagle mineral resource and mineral reserve estimates are Robert Mahin, Chief Geologist and Steve Kirsch, Mine Manager, respectively, both of whom are employees of Eagle mine.

(9) Tenke Fungurume: The mineral resources are an estimate of what is mineralized material in the ground based on a cut-off of 1.3% copper equivalent and a cobalt to copper factor of 4.0 without assigning economic probability. The 2013 mineral reserves are based on smoothed pit designs for Measured and Indicated Resources using metal prices of US$2.00/lb copper and US$10.00/lb cobalt which result in a cut off grade of approximately 1.33% copper equivalent. The mineral resources (not reported by Tenke operator Freeport) and mineral reserve estimates (reported in accordance with CIM standards) for Tenke have been prepared by Freeport staff and reviewed by independent consultants and Qualified Persons John Nilsson, P.Eng. of Nilsson Mine Services Ltd and Ronald Simpson P.Geo. of GeoSim Services Inc., on behalf of the Company.

Specialized skill and Knowledge

The Company's success at mining and marketing its minerals is reliant on the services of key employees, and the development and continued relationships with certain third parties, including geologists, engineers, metallurgists and other personnel with specialized skill and knowledge. The Company employs contractors at its mining operations to manage its mining and processing activities, who are responsible for ensuring that it has the mining engineers and skilled miners and process plant operators required to mine and process the production of its minerals. The assistance of external experts is also retained with regard to valuations, completing analytical tests, drilling programs and economic assessments.

Significant Projects

The following descriptions of Lundin Mining's material operating properties, being Neves-Corvo (Portugal), Zinkgruvan (Sweden), Tenke Fungurume (DRC) and the Eagle Nickel/Copper Project (US) and the Acquisition Property, are based on filed NI 43-101 technical reports and the most recent mineral resource and mineral reserve estimate update, included in this prospectus in the table above. For more detailed information in respect of Lundin Mining's properties, direct reference should be made to these technical reports.

Neves-Corvo Mine - Portugal

*The following information has been based on the NI 43-101 technical report entitled "NI 43-101 Technical Report for Neves-Corvo Mine and Semblana Deposit, Portugal" dated January 18, 2013 (the "**Neves-Corvo Report**") prepared for Lundin Mining by Mark Owen, BSc, MSc (MCSM), CGeol, EurGeol, FGS and Lewis Meyer, ACSM, MCSM, BEng, MSc, PhD, CEng, FIMMM, qualified persons as defined by NI 43-101. The authors have reviewed and approved all scientific and technical information in this summary, including all scientific and technical information relating to any updates to the Neves-Corvo mine since the date of the Neves-Corvo Report. Updates to mineral reserve and mineral resource estimates are due to mining activities and have been reviewed and approved as indicated in the table above.*

Project Description and Location

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

Details of Mineral Resource and Mineral Reserve Estimates

Mineral resources at Neves-Corvo are estimated using three dimensional interpretation and modelling methods with calculations performed using specialized software and in particular Leapfrog® and Vulcan® 3D. The ordinary kriging method of interpolation is used to estimate metal grades and a multiple regression formula using the estimated metal grades is used to estimate density. Mineral reserves are calculated by the Neves-Corvo mine planning department primarily using Vulcan® 3D software. Stoping volumes are cognizant of the method of access to allow for the cut-off grade boundary and include an allowance for planned and unplanned dilution and ore loss. An effective minimum mining width of 5 m is applied.

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

Details of the June 30, 2014 mineral resource and reserve estimate for Neves-Corvo are included in the table above.

Anticipated Mine Life and Exploration Potential

The current copper mineral reserve at Neves-Corvo will support a mine life of around 10 years with copper production, based on currently known reserves, gradually decreasing, and planned zinc production increasing. The Lombador Phase I ramp reached its planned depth in 2013 and initial production of both copper and high grade zinc mineralization commenced. Development of twin access ramps to the Semblana orebody was suspended in 2013. Studies continue on low capital cost expansion opportunities to exploit the large remaining copper and zinc mineral resource and mineral reserves particularly in the Lombador south and north orebodies.

In September 2011, the Company announced the results of the feasibility study for the Lombador Phase I project in the Neves-Corvo mine. The study showed that Lombador Phase I could be developed as a profitable and value accretive extension to the Neves-Corvo mine, and would extend the mine life to at least 2026.

Duration and Main Terms of Concessions and Licenses
The mining operations are contained within a mining concession contract between the State and Somincor covering 13.5 km^2, located in the parishes of Santa Bárbara de Padrões and Senhora da Graça de Padrões, counties of Castro Verde and Almodôvar, district of Beja. The concession provides the rights to exploit the Neves-Corvo deposits for copper, zinc, lead, silver, gold, tin and cobalt for an initial period of fifty years (from November 24, 1994) with two further extensions of twenty years each.

This mining concession is in turn surrounded by the Castro Verde exploration concession, signed in 2006, covering an area of 294 km2, which concession is valid for an initial period of 5 years, with a provision for three one year extensions subject to a 50% reduction in area each time.

The mining concession provides sufficient surface rights to accommodate the existing mine infrastructure and allows for expansion if required.

The mine operates under an IPPC licence (No.18/2008) granted by the Portuguese Environmental Agency in 2008. The licence includes conditions covering environmental management systems, tailings and waste rock disposal, water and energy consumption, emissions to atmosphere, emissions to water courses and water treatment, noise, industrial waste disposal, emergency and closure planning. Key environmental issues include the acid-generating potential of the ore and waste rocks; the close proximity of the Oeiras River to the mine site; the groundwater is a significant aquifer and connects to local water supplies and the Oeiras River; and the dispersal of dust and noise from the mine site. The mine permit requires that closure plans for the mine are updated every 5 years, and an accumulating closure fund is in place to cover final closure costs.

Accessibility, Climate, Local Resource, Infrastructure and Physiography
Neves-Corvo has good connections to the national road network which links with Faro to the south and Lisbon to the north. The mine has a dedicated rail link into the Portuguese rail network and to the port of Setúbal. There are no major centres of population close to the mine, although a number of small villages with populations numbered in the hundreds are located within the mining concession. Most employees travel to the mine by company-provided buses or private cars. The mine collar is 210 m above sea level.

Fresh water is supplied to the mine via a 400 mm diameter pipeline from the Santa Clara reservoir, approximately 40 km west of the mine. The mine is connected to the national grid by a single 150 kV, 50 MVA rated, overhead power line 22.5 km long.

Recent history
In December 2011, following extensive diamond drilling, an initial inferred mineral resource was published, and that was further updated in June 2012. A high-resolution 3D seismic survey carried out in 2011 also identified several new exploration targets in the Neves-Corvo vicinity.

A feasibility study on the Lombador Phase 1 project, which contemplated mining this zinc rich orebody and expanding the overall zinc capacity at Neves-Corvo to 2.5 mtpa, was completed in September 2011.

The underground elements of this project were advanced in 2013 with the first zinc stopes mined to provide high grade feed to the existing 1.0 mtpa zinc plant. Development of the mine accesses initiated in 2012 to the Semblana orebody were suspended in mid 2013 pending resolution of discussions with government on royalties and concession rights. A resolution between the Company and the Portuguese government has been reached with respect to royalties and concession rights that relate to Semblana, however no further mine development has been completed. Studies continue on low capital cost expansion opportunities to exploit the large remaining copper and zinc mineral resource and mineral reserves particularly in the Lombador south and north orebodies.

Geological Setting

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

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

Mineralization

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

Exploration and Development

Exploration work within the mining concession has concentrated primarily on the extension of known orebodies by both underground and surface drilling. Some of the Neves-Corvo orebodies have not been completely delineated. Drilling from both surface and underground in the last few years has identified significant new zinc and copper mineralization within the Lombador massive sulphide lens and associated stockworks, as well as important bridge fissural copper mineralization between the Lower Corvo, Neves and Lombador orebodies.

In 2011, surface exploration drilling focused on delineating the extent of Semblana and defining an initial mineral resource. In December 2011, a NI 43-101 compliant inferred mineral resource of 6.58 million tonnes grading 3.0% copper was announced; this was updated with additional drilling in September 2012 to 7.13 million tonnes grading 2.8% copper. This incorporated the copper mineralization discovered in late 2011, located approximately 300 metres south of the Semblana resource.

A high resolution 3D seismic survey covering the area immediately east and southeast of the mine was also completed in 2011. This survey was successful in detecting both the Lombador and Semblana massive sulphide bodies in great detail, in addition to identifying several seismic reflectors that have similar characteristics to massive sulphide bodies. Drilling of one of these high-priority reflectors led to the discovery of the high-grade copper sulphides located just south of Semblana. During the fourth quarter of 2011, a new copper discovery was made called "**Monte Branco**," located just west of the tailings dam. Drilling continued on extending the Monte Branco mineralization approximately 1.4 km south of Semblana in the vicinity of the tailings management facility. Priority was given to ongoing exploration of this new discovery in 2012 and 2013.

Surface drilling in 2014 will focus on exploring for extensions to the Monte Branco deposit. In addition there will be drill testing of various 3D seismic targets and step-outs to investigate areas between Zambujal and Monte Branco and the area between Semblana and Monte Branco. Underground drilling will focus primarily on upgrading the Lombador north ore body.

Drilling

In 2013, 49,034 m of drilling was completed from surface with 46 holes completed and 42,685 m was drilled from underground in 249 holes.

Mining Operations

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

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

Concentrates are transported by rail to a dedicated port facility at Setúbal, Portugal from where they are shipped to smelter customers.

Tailings disposal was changed from subaqueous to paste techniques during 2010 following approval by the Portuguese authorities. Tailings are thickened and pumped from a new facility located at the Cerro de Lobo tailings impoundment, 3 km from the mine site.

The corporation tax rate in Portugal is 25%, and a local tax of 1.5% is also payable. For 2013, an extra tax rate of 3% for profits between €1.5 million and €7.5million (2012-€10 million) was applicable, increasing to 5% for profits above €7.5 million (2012-€10 million). Royalties are either a profit-related royalty of 10%, or a revenue-based royalty of 1% (at the State’s discretion). The payment may be reduced by 0.25% of the revenue-based royalty provided that the corresponding amount of such percentage is spent on mining development investment.

Customers

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

Zinkgruvan Mine - Sweden

*The following information has been based on the NI 43-101 technical report entitled “NI 43-101 Technical Report for the Zinkgruvan Mine, Central Sweden” dated January 18, 2013 (the “**Zinkgruvan Report**”)* *prepared for Lundin Mining by Mark Owen, BSc, MSc (MCSM), CGeol, EurGeol, FGS and Lewis Meyer, ACSM, MCSM, BEng, MSc, PhD, CEng, FIMMM, qualified persons as defined by NI 43-101. The authors have reviewed and approved all scientific and technical information in this summary, including all scientific and technical information relating to any updates to the Zinkgruvan mine since the date of the Zinkgruvan Report. Updates to mineral reserve and mineral resource estimates are due to mining activities and have been reviewed and approved as indicated in the table above.*

Project Description and Location
The Zinkgruvan mine is located approximately 200 km southwest of Stockholm in south central Sweden. The mine site is some 15 km from the town of Askersund and comprises a deep underground mine, a processing plant and associated infrastructure and tailings disposal facilities. Concentrates are trucked from the mine to the inland port of Otterbäcken on Lake Vänern from where they are shipped via canal and sea to European smelter customers.

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

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

Details of the June 30, 2014 mineral resource and reserve estimate for Zinkgruvan are included in the table above.

Anticipated Mine Life and Exploration Potential
Current mineral reserves at Zinkgruvan are sufficient for a mine life in excess of 10 years.

Duration and Main Terms of Concessions and Licenses
The mining operations are contained within two exploitation concessions held by Zinkgruvan Mining AB, a wholly owned subsidiary of the Company, covering the deposit and its immediate area. The Zinkgruvan concession was amalgamated from a large number of smaller rights in 2000, has an area of 254 ha and is valid until 2025. The neighbouring Klara concession was granted in 2002, has an area of 355 ha and is valid until 2027. These concessions are automatically extendable for periods of 10 years provided the concession is being regularly exploited. In addition, the mine currently holds exploration concessions in the area totaling 10,096 ha.

The mine is currently operated under an environmental licence that is valid until December 2017. The licence includes conditions covering production levels, tailings disposal, water discharge limits, hazardous materials, process chemicals, water recirculation, noise levels, dust pollution, waste handling, energy use and closure planning.

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

The topography around the mine comprises gently rolling terrain approximately 175 m above sea level. There is ready access to power, telephone lines and domestic water and industrial water sources. The mine owns sufficient freehold surface land to accommodate the existing and planned mine infrastructure.

Geological Setting

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

The Zinkgruvan deposit is situated in an east-west striking synclinal structure. The tabular-shaped Zn-Pb-Ag orebodies occur in a 5 m to 25 m thick stratiform zone in the upper part of the metavolcanic-sedimentary group. The orebody is 5 km long and is proven to a depth of 1,500 m below surface. A major sub-vertical fault splits the ore deposit in two parts, the Knalla mine to the west and the Nygruvan to the east.

Mineralization

The Zinkgruvan orebodies are dominated by sphalerite and galena and are generally massive, well banded and stratiform. Remobilization of galena and silver has occurred in response to metamorphism and deformation, and is most pronounced in the lead-rich western extension of Nygruvan and in the Burkland area. Copper stockwork mineralization has been identified in the structural hanging wall of the Burkland deposit. Chalcopyrite is the main copper mineral and occurs as coarse disseminations and patches within a marble host rock.

Exploration and Development

Exploration has focused primarily on replacing depleted resources initially by exploring the Nygruvan and Burkland areas at depth, and more recently in the Knalla area to the west. Due to the depth of the exploration areas and the relatively complex geometry, exploration is done by underground drilling. Additional underground development is required in order to provide drill platforms to fully evaluate the potential of new zones intersected from initial surface drilling.

Exploration activities in 2014 will focus on converting inferred mineral resources to Indicated Resources through in-fill definition drilling, defining new Inferred Resources through down-dip and step-out drilling of existing mineral resources. Exploration drives will continue to be developed in order to establish underground drill platforms to allow drilling of deep extensions of known orebodies. Drilling of approximately 3,000m from surface to explore the continuation of the Dalby area is also planned in 2014.

Drilling

In 2013, 29,989 m of drilling was completed from underground. From surface 3,105 m was completed into the Isåsen and Dalby areas.

Mining Operations

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

The processing plant is located adjacent to the P2 shaft. The run-of-mine ore is secondary crushed and then ground in an AG and ball mill circuit. A bulk flotation concentrate is produced initially before further flotation to separate zinc and lead concentrates. The concentrates are thickened and filtered and then stockpiled under cover. Tailings are pumped some 4 km to a dedicated tailings impoundment from which decant water is returned to the process.

A separate 0.3 mtpa copper treatment line in the processing plant was commissioned during 2010, and copper production has commenced. This line was further modified during 2011 to allow it the flexibility to treat zinc-lead ore as well as copper ore.

For exploitation concessions granted before 2005, there are no mining royalties in Sweden. The corporation tax rate in Sweden is 22%.

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

Tenke Fungurume Mine – Democratic Republic of Congo

*The following information has been based on the NI 43-101 technical report entitled "Technical Report – Resource and Reserve Update For the Tenke Fungurume Mine, Katanga Province, Democratic Republic of Congo" dated July 21, 2014 and prepared by John Nilsson, P.Eng., and Ronald Simpson, P.Geo. (the "**Tenke Technical Report**"), qualified persons as defined by NI 43-101. The authors have reviewed and approved all scientific and technical information in this summary, including all scientific and technical information relating to any updates to the Tenke Fugurume mine since the date of the Tenke Technical Report. Updates to Mineral Reserve and Mineral Resource estimates are due to mining activities and have been reviewed and approved as indicated in the table above.*

Property Description and Location
Tenke's copper-cobalt deposits are believed to be one of the world's largest known copper-cobalt resources. The deposits are located on contiguous concessions which total approximately 1,500 km^2. These concessions are located in Katanga Province, DRC, approximately 175 km northwest of Lubumbashi, the provincial capital.

Associates
The Company owns 30% of TF Holdings Limited (a company incorporated in Bermuda), while the remaining 70% is held by Freeport. TF Holdings Limited, holds 80% of TFM (a company incorporated under the laws of DRC), resulting in the Company holding a 24% effective ownership interest in TFM. The remaining 20% of TFM is held by La Générale des Carrières et des Mines ("**Gécamines**"), a DRC state-owned mining company.

The operating partner in the Tenke Fungurume copper/cobalt project is Freeport.

Details of Mineral Resource and Mineral Reserve Estimates
The current mineral resources at Tenke Fungurume have been estimated with 14 deposit models within the concessions: Kwatebala, Tenke, Fwaulu, Mwadinkomba, Kansalawile, Fungurume, Fungurume V1/VI Extension, Katuto, Shinkusu, Kazinyanga, Mambilima, Pumpi, Zikule and Mudilandima.

Mineral resources have been estimated using three dimensional modelling methods with Minesight® software being used for geological modeling. Grade estimation has been carried out using specially developed Local Anisotropy Kriging (LAK) techniques to account for the narrow and complex nature of the orebodies.

The open-pit designs were optimized for all the 14 deposits listed above. In each case, a Lerchs Grossman algorithm was used to maximize the gross value of the pit. Pits were designed with 38 degree inter-ramp slope angle, 33 degree overall slope angle and double 7.5 m benches to 15 m interval between berms. Input parameters to the open-pit optimizations were updated in 2013 and include revisions to the mine operating costs, cobalt recovery factors and the gangue acid consumption estimations.

Dilution is potentially a significant issue as mineralized zones are long, typically narrow (10 m to 15 m wide), faulted and folded, and contacts are relatively sharp. To address this issue, the resource and reserve models have block dimensions of 5 m by 2.5 m by 2.5 m and 0.625 m ore cuts broken by the surface miners. For mine planning purposes, resource grades are reduced by 5% to account for anticipated grade dilution during operations.

Details of the June 30, 2014 mineral resource and reserve estimate for Tenke Fungurume are included in the table above.

Anticipated Mine Life and Exploration Potential

The 2013 TFM mineral reserves were used to develop the current mine plan. The principal objectives of this plan are to provide 208,000 tpa recoverable copper and approximately 15,000 tpa recoverable cobalt to the process facility through 2022 followed by a steady decline in metal output as head grades decrease. The current mine plan is an open pit operation for 17 years, 2014 through 2030, followed by reclaim and processing of stockpiled lower grade material for another 11 years for a total mine life of 28 years 2014 through 2041. A total of 144.1 million tonnes with an average grade of 2.89% TCu and 0.35% TCo will be processed including stockpile material reclaimed. Total waste mined will be 698.0 million tonnes.

Duration and Main Terms of Concessions and Licenses

TFM has the right to develop the deposits of copper, cobalt and associated minerals under mining concession no. 123 and mining concession no. 159 at Tenke and Fungurume, respectively, in the Katanga Province of the DRC. Under Ordinance-Law No. 81-013 dated April 2, 1981, enacting the general legislation on mines and hydrocarbons, a mining concession is granted for a term of 20 years and is renewable once or twice for successive 10-year terms. Thereafter, the mining concession holder may seek to obtain a new concession. Other than uncertainty in connection with commodity price, metal recovery and mining and process costs, and the normal risks faced by mining projects in the DRC in terms of environmental, permitting, taxation, socio economic, marketing and political factors. there are no other known factors or issues that materially affect the mineral estimate or the concessions.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The dominant landform is the Dipeta Syncline, an east-west trending valley approximately 15 km long and 3 km wide. The Dipeta River runs along the valley bottom while the Kwatebala, Tenke and Fwaulu orebodies lie on the north-western crest of this valley. The orebodies presently form hills and ridges rising to elevations of about 1,500 m above sea level and up to 170 m above adjacent valleys. The plant site elevation is 1,200 m above sea level. The ore deposits lie on a surface water divide, with waters to the north flowing into the Mofya River and waters to the south flowing into the Dipeta River.

Road access within the DRC generally comprises hardened dirt roads that can be highly variable in quality. The road from Lubumbashi between Likasi and Tenke Fungurume was upgraded in 2008 to support the transportation of supplies for construction and operation of the mine. Seal coating was carried out during 2011. The rail system in the Katanga province servicing Tenke and Fungurume is a single track, accommodating only two trains per week with speeds limited to 25 km per hour, due to lack of maintenance of the tracks, and is inadequate for projected project requirements. From the DRC/Zambian border at Kasumbalesa, apart from some rail limitations, the transport infrastructure of the transit countries is generally adequate and provides a number of options for construction and operational requirements. An airstrip constructed on the concession can accommodate medium sized aircraft. The copper and cobalt product and bulk mine consumables are primarily transported by truck between Tenke and ports in South Africa via a transport hub located at Ndola in Zambia.

Tailings facilities are located to the west of the process plant site and north-west of the Kwatebala pit. The current tailings storage location is of sufficient size to handle the majority of currently proven/probable reserves. Other areas for future tailings storage to support expansion have been indentified to the north and east of the current facility. Waste rock from Kwatebala open pit will is placed in several sites to both the north and south of the plant site. Future open pits on the other identified orebodies will have waste dumps located at suitable sites in close proximity.

Electrical power is provided from the national grid. The power supply to the plant site is provided via a high voltage overhead line from the Fungurume substation to the switchyard at the plant site. The Fungurume substation has been upgraded to provide a reliable power supply to TFM. La Société Nationale d'Electricité ("**SNEL**") is the state owned electric utility company serving the region. TFM has signed a long term contract with SNEL for supply of electricity from SNEL`s Nseke Power Station located west of the Tenke concessions towards Kolwezi. A separate contract includes provisions for TFM to loan SNEL the funds required to recondition the hydro electric station and increase generating capacity from three to four 65 megawatt units, as well construct new local transition lines to service the mine and neighbouring communities. The initial phase of reconditioning the power station and construction of power lines was completed during the second quarter of 2009. The first generating unit refurbishment was completed in January 2011, a second has since been completed and the remaining two units will be refurbished in sequence with full completion expected in 2015. There have been ongoing issues with power supply interruptions that occasionally limits production capability of the processing facility. Foreign investments in new and refurbishment of power generation and associated infrastructure in Katanga and DRC have increased in recent years and this trend is expected to continue. Katanga also draws power from the Southern African with power being routed via Zambia.

Water supply is available within a reasonable distance of the mine site and plant. Appropriately spaced wells will sustain the mining and plant processes, with standby capacity. Additional process water requirements come from a combination of water from the TSF supernatant return water and potentially impacted run-off stormwater collected from the waste rock stockpiles and plant site. Potable water is supplied to and reticulated throughout, the permanent village located north of Fungurume.

Recent History
In October 2010, the government of the DRC announced the conclusion of a review of TFM's mining contracts, the Congolese company that owns the Tenke Fungurume mine.

The conclusion of the review process confirmed that TFM's existing mining contracts were in good standing and acknowledged the rights and benefits granted under those contracts.

In connection with the review, TFM made several commitments, which have been reflected in amendments to its mining contracts, including: An increase in the ownership interest of Gécamines from 17.5% to the current 20.0% resulting in a decrease of Freeport's effective ownership interest from 57.75% to the current 56% and Lundin Mining's effective ownership interest from 24.75% to the current 24%.

Further, TFM also made the following commitments: An additional royalty of $1.2 million for each 100,000 tonnes of proven and probable copper reserves above 2.5 million tonnes at the time new reserves are established by Freeport; additional payments totalling $30 million to be paid by TFM to Gécamines in six equal installments of $5 million upon reaching certain production milestones, which payments have been paid in full; a conversion of $50 million in intercompany loans from the TFM shareholders to TFM to equity; a payment from TFM to Gécamines of approximately $5 million for surface area fees, which amount has been paid in full, and ongoing surface area fees of approximately $0.8 million annually; and incorporating clarifying language stating that TFM's rights and obligations are governed by the amended and restated mining convention dated September 28, 2005; and expanding Gécamines' participation in TFM management.

TFM has also reiterated its commitment to the use of local services and Congolese employment. In connection with the modifications, the annual interest rate on advances from TFM shareholders increased from a rate of LIBOR plus 2% to LIBOR plus 6%.

The aforementioned changes in Lundin Mining's ownership interest in TFM and the conversion of intercompany loans to equity became effective on March 26, 2012.

Geological Setting
The Tenke Fungurume copper-cobalt deposits are typical of those that comprise the Central African Copperbelt. The Copperbelt is located in a major geological structure called the Lufilian Arc, a 500 km fold belt that stretches from Kolwezi in the southern DRC to Luanshya in Zambia. The deposits of the Tenke Fungurume district are located at the northernmost apex of the arc. The arc formed between the Angolan Plate to the southeast and Congo Plate to the northwest during the late Neoproterozic, approximately 650 to 600 million years before present (Ma). Rocks in the arc are exposed in a series of tightly folded and thrusted anticlines and synclines, generally trending east-west to southeast-northwest in the southern DRC. The Tenke Fungurume group of sediment-hosted copper cobalt deposits occurs near the base of a thick succession of sedimentary rocks belonging to the Katanga Supergroup of Neoproterozoic age (570-880 Ma).

The older rocks of the basement complex belonging to the Kibara Supergroup form the framework within which the Katangan sediments were deposited and consist of granitic rocks and metamorphosed sediments. Sedimentation took place in shallow intra-cratonic basins bounded by rifts. A series of cratonic events of Pan African age (650 Ma to 500 Ma) resulted in extensive deformation of these rocks. The principal tectonic event is referred to as the Lifilian Orogeny and this led to the formation of the Lufilian Arc.

Mineralization
The copper-cobalt mineralization is mainly associated with two dolomitic shale horizons, each ranging in thickness from 5 m to 15 m, separated by 20 m of cellular silicified dolomite (RSC).

Primary copper and cobalt mineralogy is predominately chalcocite, digenite, bornite, and carrollite. Oxidation has resulted in widespread alteration producing malachite, pseudomalachite, chrysocolla (hydrated copper silicate) and heterogenite.

Dolomite and quartz are the main gangue minerals present. Dolomite or dolomitic rocks make up the bulk of the host strata. Weathering of the host rocks is normally depth-related, intensity decreasing with increasing depth, producing hydrated iron oxides and silica at the expense of dolomite, which is leached and removed.

Exploration and Development

The mineral concessions have been subject to multiple phases of exploration over time. Exploration in 2013 continued the focus on finding additional high-grade oxide resources and the investigation of deeper mixed and sulphide mineralization. A total of 108,762 m of diamond drilling was completed during 2013 in 597 individual holes. The exploration objectives were to convert oxide and mixed resources to reserve class, locate additional oxide resources, add to existing resources of sulphide and mixed material and supply samples for mixed ore metallurgical sampling.

A concession-wide airborne geophysical survey was carried out in June and July of 2013 by Fugro Airborne Surveys Ltd. A total of 5,545 line kilometres were flown over an area of approximately 1,000 km². The aircraft carried a time-domain electromagnetic CGG:TEMPEST system and also gathered radiometric data. TEMPEST was designed to acquire high resolution, fully calibrated TEM data that can be used in a quantitative fashion for both conductivity mapping applications and conductive target detection. Results will be used to define new exploration targets in the Mines Series units characterized by low conductivity near surface and higher conductivity at depth due to the presence of sulphide minerals.

Underground development for bulk metallurgical sampling was started at Fungurume in 2012. A vertical shaft started in June 2012 and reached its final depth in late 2013 and a crosscut has been started. The goal is to obtain mixed oxide-sulphide bulk samples for metallurgical testing in 2014. A similar shaft is also underway at Kwatebala again with bulk samples due in 2014. At the end of the second quarter of 2014 the Fungurume shaft crosscut had advanced 85m and the bulk ore sample was expected in the third quarter of 2014. The Kwatebala shaft has reached its planned depth and the sampling tunnel has started. An ore sample is expected in the fourth quarter of 2014.

Seven new exploration targets are scheduled for drill testing over the next 4 years. Eleven developed deposits will be tested for definition and expansion of oxide, mixed and deep sulphide resources over the next 3 years. Additional targets are expected to be identified once the new geophysical data are processed. The exploration plan for 2014 encompasses 30,000m of drilling with a budget of $19M.

Drilling

Between the start of 2012 and the end of 2013, Freeport completed 1225 drill holes totaling 214,676 m. The exploration objectives were to convert oxide and mixed resources to reserve class, locate additional oxide resources, add to existing resources of sulphide and mixed material and supply samples for mixed ore metallurgical sampling. Drill holes generally started with PQ core (85 mm diameter) and then were reduced to HQ (64 mm) and NQ (48 mm), as needed. The larger core diameters were required to attain acceptable recovery in the weathered and oxide zones. Resource conversion and infill drilling at 9 of the deposits confirmed expected extents and grades to support updated resource models in 2012 and 2013.

Mining Operations

The Tenke Fungurume deposits are being mined using continuous surface miners combined with conventional drill-blast, load and haul open pit techniques. The mine and mill production plans are developed to maximize the copper and cobalt grades fed to the plant to fully utilise the processing capacities available. Continuous miners are used to break the ore, and drill and blast is employed in the waste rock. Conventional loaders and trucks transport the ore to the crusher or stockpiles and the waste to dumps. Larger mining equipment is currently being introduced to enable increased mining rates. In 2013, production was sourced primarily from the Kwatebala, Fwaulu, Tenke and Mwandinlomba orebodies. The other orebodies are scheduled to be mined in a number of phases over time.

The latest proven process technology is being used to extract copper and cobalt. Copper is extracted using standard SAG milling, sulphuric acid leach, solvent extraction and electro-winning ("**SXEW**") to produce copper cathode. Solution from the copper SXEW plant feeds the cobalt plant where cobalt hydroxide is produced through purification and precipitation processes. Current investigation work includes front-end debottlenecking and trial heap leach options to take advantage of excess SXEW tank house capacity in the plant.

Copper is marketed with guidance from Freeport-McMoRan Copper & Gold Inc global copper marketing program. Cobalt is sold as cobalt hydroxide under contract and on the spot market. Nominal daily mill feed of oxide ore is 14,500 tpd. Copper cathode production will average 208,000 tpa over the 2014 to 2022 period followed by declining output for the remainder of the mine life. Cobalt production will average 15,000 tpa through 2037 then declines when processing final low grade stockpiles.

TFM has invested more than $3 billion in its copper and cobalt operations in Katanga Province of the DRC. TFM has signed a long term contract with SNEL for supply of electricity from SNEL`s Nseke Power Station located west of the Tenke concessions towards Kolwezi. A separate contract includes provisions for TFM to loan SNEL the funds required to recondition the hydro electric station and increase generating capacity from three to four 65 megawatt units, as well construct new local transmission lines to service the mine and neighboring communities. The N'Seke project loan through December 31, 2013 was $152 million plus interest and repayments and SNEL oversight. The current projection is for a $250 million loan with oversight provided by TFM and completion by the end of 2015. With the Phase 2 Expansion completed the current power demand for Tenke Fungurume is approximately 90-92 MW. The existing contract with SNEL is for a supply of up to 100 MW with an additional 100 MW available within a 2 year notice period. TFM has notified SNEL of its desire to increase its contractual right for an additional 100 MW of power for a total demand of 200 MW. TFM is currently in power supply discussions with SNEL as power supply reliability continues to cause operating difficulties at the plant.

The Phase 2 Expansion at Tenke, completed in 2013, has expanded processing operations to a nameplate capacity of 195,000 tpa copper and circa 15,000 tpa cobalt. No significant modifications to the flowsheet were undertaken and the expansion comprises the largely installation of additional crushing, SXEW facilities.

Freeport continues to engage in drilling activities, exploration analyses and metallurgical testing on mixed and sulphide ores to evaluate the full potential of the highly prospective minerals district at Tenke. These analyses are being incorporated in the evaluation of several further phases of expansion.

TFM's key fiscal terms, including a 30 percent income tax rate, a 2% mining royalty rate and a 1% export fee, will continue to apply and are consistent with the rates in the DRC's current new mining code for mining rights under Law No. 007/2002. TFM has committed to a 0.3% net sales social fund, to be administered annually to benefit local communities.

Customers

The copper cathode produced by Tenke Fungurume is sold as part of the overall Freeport copper marketing program with sales based on arm's length terms. The quality of TFM copper cathode product has shown steady improvement which has helped grow TFM's reputation in the markets. TFM remains focused on higher quality requirements, in particular for copper rod manufacturing customers.

Cobalt hydroxide is sold either under multiyear frame contracts or on the spot market. In March 2013, the TFM partners acquired the Kokkola cobalt refinery in Finland and related business in order to enhance TFM's cobalt marketing position, product portfolio and product development capabilities.

The acquisition provides direct end-market access for the cobalt hydroxide production at Tenke. Since the acquisition, the business based in Finland has been renamed Freeport Cobalt.

Environmental and Social Aspects
The Tenke project has been developed in accordance with Equator Principles, Voluntary Principles of Security and Human Rights, applicable World Bank/IFC standards and the Extractive Industries Transparency Initiative. Development and operation are subject to a number of DRC laws, regulations and standards dealing with the protection of public health, public safety and the environment. Permits and authorizations are in place for construction and operation.

Key environmental issues addressed by the project include mitigation of damage to sensitive indigenous flora unique to highly mineralized areas of the DRC copper belt, construction of the first fully membrane lined base metals tailings impoundment facility on the African continent to ensure the highest practical emission standards are maintained, protection of natural watercourses with drainage plans and sediment control, and special waste impoundment areas for long term environmental protection. As this is the first commercial development of mining on the concessions, there are no known existing environmental liabilities.

Key social investments addressed during project development include: construction of over 90 potable water village wells in the concession and five in the greater region, and construction of an urban water distribution system for Tenke Fungurume; construction of six schools and refurbished one, serving over 12,000 students in resettlement villages and the urban centers of Tenke and Fungurume; and developing a Community Health Action Plan to reduce preventable diseases such as malaria, HIV/AIDS, and cholera. As of December 2013, TFM employed approximately 3,400 full time personnel and 3,900 contractors. According to an economic impact assessment commissioned by TFM, both directly and indirectly TFM accounts for 5 percent of all formal employment in the DRC’s private sector. Additional social and community benefits from the project development include assistance with agriculture, education, community health, clean water, electricity and resettlement housing.

Other Projects

Aguablanca Mine – Spain

Project Description and Location
The Aguablanca mine is a single open-pit mine and is located approximately 100 km north of Seville in the Extremadura region of southern Spain. The mine lies some 30 km south of the town of Monesterio. Mining operations use a conventional drill and blast, and truck and shovel fleet.

Details of Mineral Resource and Reserve Estimates
Mineral resources at Aguablanca were estimated using three dimensional geological block modelling methods and specialized software (Datamine®). The Ordinary Kriging method of interpolation was used to estimate six metal grades (Ni, Cu, Pt, Pd, Co and Au) and the Inverse Distance Squared method was used for the density estimation.

Mineral reserves for the open pit were estimated from the mineral resource block model within a re-configured open pit shell originally produced by Golder Associates (using the specialized software Whittle® Four-X) in March 2011.

Mineral reserves for the underground mine were estimated from designed sub-level caving and sub-level open stoping mining panels beneath the open pit, with appropriate allowances made for mining dilution and recovery.

Details of the June 30, 2014 mineral resource and mineral reserve estimate for Aguablanca, including the underground mineral reserves, are included in the table above.

Duration and Main Terms of Concessions and Licenses

The Company holds various mineral licenses and exploration permits covering an area greater than 350 hectares. The boundaries governed by the licenses and permits are valid for 30 years extendable for another 30 years. The mine operates under environmental permits granted by the Spanish government. These permits cover all aspects of the operations including tailings management and project closure and were obtained in June 2003.

Accessibility, Climate, Local Resource, Infrastructure and Physiography

The pit is mined with 8 m benches and the final slopes are designed with a double bench configuration. Waste rock is stacked to the immediate north of the open pit and the waste dumps form the downstream wall of the tailings impoundment. Run-of-mine ore is stockpiled, blended and then primary crushed. The crushed ore is conveyor fed to a conventional grinding and flotation circuit to produce a bulk nickel-copper concentrate. The concentrate is thickened and filtered to produce a filter cake suitable for onward transport. The concentrate is truck hauled approximately 125 km to Huelva port from where it is shipped to customer smelter facilities. Tailings from the process plant are pumped to a fully lined tailings impoundment to the north of the plant site area. Decant water from the tailings dam is returned to the process plant.

Open pit instabilities occurred in the south wall of the open pit during the third quarter of 2012. Significant effort was expended during 2013 in stabilising the south wall of the open pit including further push backs, slope reinforcement, increased drainage and, prior to year end, the successful mining of two drainage tunnels beneath the affected slope. These initiatives have been successful and consistent open pit production was achieved throughout the year.

Anticipated Mine Life, Exploration and Development

In August 2012, Aguablanca restarted production ahead of schedule after a pit slope failure in 2010.

Mine production is now expected to continue until 2018 following the approval of the underground project. Open pit mining is planned to continue until the first quarter of 2015 when the pit will reach the 186 metre level. Development of the underground mine will commence in mid-2014 from the exploration decline that is already in place, with first stope production from the initial sub-level cave due to commence following cessation of the open pit. A deeper sub-level open stoping zone will also be developed and will enter into production in 2017.

Mining Operations

All bulk nickel-copper concentrate produced from the Aguablanca operation is sold under a single, long-term contract. Principle payable metals are nickel and copper with by-product payments made for platinum, palladium, cobalt and gold, and the payment terms are typical of those for bulk nickel/copper sulphide concentrates.

The corporation tax rate in Spain is 30% and royalties of 2% of NSR apply.

Eagle Project – USA

*The following information has been based on the NI 43-101 technical report entitled "NI 43-101 Technical Report on the Eagle Mine, Upper Peninsula of Michigan, US (the "**Eagle Report**") dated July 26, 2013 prepared for Lundin Mining by Mark Owen, BSc, MSc (MCSM), CGeol, EurGeol, FGS and Lewis Meyer, ACSM, MCSM, BEng, MSc, PhD, CEng, FIMMM, qualified persons as defined by NI 43-101. The authors have reviewed and approved all scientific and technical information in this summary, including all scientific and technical information relating to any updates to the Eagle Nickel/Copper Project mine since the date of the Eagle Report. Updates to mineral reserve and mineral resource estimates are due to mining activities and have been reviewed and approved as indicated in the table above.*

On July 17, 2013, the Company entered into the Membership Interest Purchase Agreement with Rio Tinto Nickel Company whereby the Company completed the acquisition of Eagle Nickel/Copper Project from Rio Tinto Nickel Company, a subsidiary of Rio Tinto plc. Total consideration paid was $315 million, consisting of a $250 million purchase amount plus project expenditures from January 1, 2013 until transaction closing of $65 million, subject to customary closing adjustments. For updates on the Eagle Mine see "Other Information About Lundin Mining – Background – Recent Milestones – 2014".

Project Description and Location
The Eagle mine is located in the Upper Peninsula of Michigan, USA, in Michigamme Township, Marquette County. The property is on the watershed divide of the Yellow Dog River and Salmon Trout Rivers.

The closest community to the mine site is Big Bay, 24km from the property by road. Big Bay is an unincorporated community within Powell Township and has limited services. The closest full service community is Marquette, 53km by road from the property. Marquette provides a regional airport, rail and shipping facilities, and a full range of commercial services. The Humboldt mill property, a former iron ore processing facility, occupying approximately 142 hectares, is located 61km west of Marquette, Michigan. The facility is located in the township of Humboldt, Marquette County, Michigan.

Ore from the Eagle mine will be trucked 105 km to the Humboldt mill for processing.

Details of Mineral Resource and Reserve Estimates
Mineral resources at Eagle are estimated using 3D block modelling using Maptek Vulcan mining software. Ordinary Kriging is used for grade and density estimation. Mineral reserves are calculated from the resources by designing stopes and sill layouts using Maptek Vulcan software. An NSR cut-off is applied together with dilution and mining recovery factors.

Details of the June 30, 2014 mineral resource and mineral reserve estimate for Eagle are included in the table above.

Anticipated Mine Life and Exploration Potential
Current mineral reserves at Eagle are sufficient for a mine life of 8 years.

Duration and Main Terms of Concessions and Licenses
Both the mine and mill operate under a number of local, state and federal permits and all key permits are in place for the start of operations. Mineral rights for the portion of the property there the Eagle deposit lies (the west ½- section) are leased from the state under the State of Michigan Lease Agreement M-00602, which encompasses Section 11, NW, E/2SW, and W/2SW. The present lease commenced in

1992 and is for 30 years, or until 2022. The lease is extendable should the property be put into economic production or under mutual agreement with the State.

Recent History

The Eagle deposit was first drilled in 2002 as part of a nickel exploration program commenced by Rio Tinto in 2000. Following further drilling an initial mineral resource was estimated in early 2004. Following further drilling, feasibility studies, and the receipt of all relevant permits Rio Tinto began construction of the Eagle mine site in 2010 and began underground development in September 2011. The re-construction work at the Humbolt mill also commenced in 2011. In July 2013, Lundin Mining acquired the Eagle mine from Rio Tinto. Following the purchase, construction of the project has been accelerated and first concentrate production is expected to be achieved in late 2014. (For further updates on the Eagle Mine see "Other Information About Lundin Mining – Background – Recent Milestones – 2014".)

Geological Setting

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

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

The high-grade Eagle deposit measures approximately 300m in strike length, up to 85m in width, and 340m in vertical depth.

Mineralization

The Eagle deposit is a high-grade magmatic sulphide deposit containing nickel and copper mineralization and minor amounts of cobalt, precious and platinum group metals (PGMs). The economic minerals associated with this deposit are predominately pentlandite and chalcopyrite.

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

Exploration and Development

Exploration work within the mining concession in 2013 has concentrated primarily on searching for an extension of the known orebody by both underground and surface drilling. A small number of regional generative targets were also tested.

In 2014, exploration will continue to focus on near-mine extensions to the known Eagle deposit. Drilling will also be carried out to trace the feeder dyke below Eagle and further explore the currently uneconomic Eagle East intrusion.

Drilling
In 2013, 3,357 m of drilling was completed from surface with 7 holes and 2,641 m was drilled from underground in 43 holes.

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

The Humbolt mill is a former iron ore processing plant that is being converted for processing Eagle ore. From a further covered coarse ore storage facility, the ore will be processed using a conventional crush, grind and differential flotation process to produce separate nickel and copper concentrates. Tailings from the plant will be deposited sub-aqueously in the adjacent former Humbolt iron ore open pit.

Nickel and copper concentrates will be stored in a covered concentrate building on site. A rail spur in to the site will be used to transport the concentrate direct to smelter facilities within North America or to the ports of Quebec, Montreal or Vancouver for shipment to overseas smelters.

Federal taxes for Eagle comprise the greater of a regular income tax of 35% or the alternative minimum tax of 20%. The state of Michigan imposes an additional severance tax of 2.75% on “taxable minerals”. A combination of state and private royalties are payable at 7.0% and 2.5% respectively.

Acquisition Property

On October 6, 2014, two of the Company’s indirect wholly-owned subsidiaries entered into a stock purchase agreement (the “**Share Purchase Agreement**”) with a subsidiary of Freeport-McMoRan Inc. (“**Freeport”**) to acquire 80% of the equity interests in Compañia Contractual Minera Candelaria (“**Candelaria**”) and Compañia Contractual Minera Ojos del Salado S.A. (“**Ojos**” and together with Candelaria, the “**Acquisition Companies**” or an “**Acquisition Company**”) held by affiliates of Freeport (the “**Acquisition**”). The remaining 20% of the equity interests in the Acquired Companies are held by Sumitomo Metal Mining Co., Ltd., Sumitomo Corporation and their respective affiliates (collectively, “**Sumitomo**”). The Acquisition resulted in the Company having an 80% equity interest in the Candelaria mine (as defined herein) and the Ojos mine (as defined herein) and supporting infrastructure located in the Atacama province in Chile (collectively, the “**Acquisition Property**”).

Under the Share Purchase Agreement the Company paid Freeport for its 80% equity interest in the Acquisition Companies: (i) a base purchase price of US$1.8 billion; and (ii) US$82 million for cash and non-cash working capital and other agreed adjustments. The purchase price is subject to customary adjustments for cash in the Acquisition Companies. The Company has also agreed to make contingent earn out payments, payable in arrears and once yearly, to Freeport in an amount equal to 5% of annual realized copper revenue (net of treatment charges, refining costs and freight costs). The earn out payments need only be made in respect of a 12 month period when the annual average realized copper price during such period exceeds US$4.00/lb. Freeport’s right to receive the earn-out payments will terminate on the earlier of: (i) the five year anniversary of the first day of the fiscal quarter following the Acquisition closing date, and (ii) the date upon which Freeport receives US$200 million in earn-out payments.

In the Share Purchase Agreement, Freeport provided customary representations, warranties and indemnities to the Company that are standard for a transaction of this nature, including with respect to the shares of the Acquisition Companies acquired as well as the business and operations of the Acquisition Companies and the Acquisition Property.

The effective date of the Acquisition is June 30, 2014 and the closing was completed on November 3, 2014 (the effective date for accounting purposes is November 3, 2014).

The Acquisition was funded with the net proceeds from the Equity Financing, together with proceeds from the offering of Senior Secured Notes and the Stream Agreement. Additional related adjustments (US$82 million, the Original Term Loan (as defined herein) (US$250 million), related fees and expenses (US$74 million) and amounts for general corporate purposes (US$42 million) will also be funded from such proceeds.

Under the shareholders' agreements in place prior to the completion of the Acquisition between Freeport and Sumitomo, Freeport could sell its majority interest in the Acquisition Companies so long as Freeport provided no less than 45 days' prior written notice of such sale to Sumitomo, identifying the proposed purchaser and specifying the interest to be sold as well as the price, terms and conditions of such sale. Such written notice was provided to Sumitomo and Sumitomo elected not to exercise its tag-along right under the shareholders' agreements. As a result of the Acquisition, the Company holds an 80% equity interest in the Acquisition Property and Sumitomo owns the remaining 20% equity interest. The Company covenanted to assume the existing shareholders' agreements and entered into new principal agreements with Sumitomo. Pursuant to the shareholders' agreements, the Company is the operator of the Acquisition Property and has four representatives on the five-member management committee (akin to a board of directors) which is responsible for, amongst other things, supervising the operation of the Acquisition Property, considering and approving annual programs and budgets and appointing the officers of the Acquisition Companies. The Company will have the ability to appoint and remove four of the five members of the management committee at any time through a declaration in a public deed, which must be registered as a note under the Acquisition Companies' registration in the Santiago Mine Register. Officers may be appointed and removed by majority decision of the management committee. While various ordinary corporate actions, including the appointment and removal of officers, can be undertaken without the approval of the one Sumitomo representative to the management committee, extraordinary actions require approval by the Sumitomo representative. The shareholders' agreements and principal agreements also contain transfer restrictions and a proposed sale by either of the shareholders will give rise to certain rights in and to the other shareholder, including under certain circumstances, a right of first refusal or a right to participate in the sale. See "Risk Factors".

The Acquisition presents a unique opportunity to acquire a large, high quality copper producer, ranked within the top 20 producing copper mines worldwide (according to Wood Mackenzie, based on 2013 production figures), in Chile, which is a favourable mining jurisdiction with low technical and execution risk.

Chile is a favourable mining jurisdiction, with a stable democratic government, an independent judiciary and advanced mining laws. As a general rule foreign and domestic persons (and companies) are equally able to own property in Chile and conduct exploration and exploitation work through mining concessions. The government of Chile regulates mining activities through the National Geological and Mining Service and the National Environmental Commission, which are the regulatory authorities in charge of authorizing research, exploration, development, exploitation and control safety. In addition, the government's environmental authorities regulate mining operations by licensing all steps of operations that have any environmental impact. As with all mining operations in Chile, the Company's operations on the Acquisition Property will be subject to various laws for the protection of indigenous land rights and the environment, none of which the Company anticipates will have a material impact on the operations of the Acquisition Property.

The Acquisition Property is a high quality asset with proven operational performance and supporting infrastructure which includes a wholly-owned large, underutilized modern port facility, a new desalination plant and long term competitive power supply contracts.

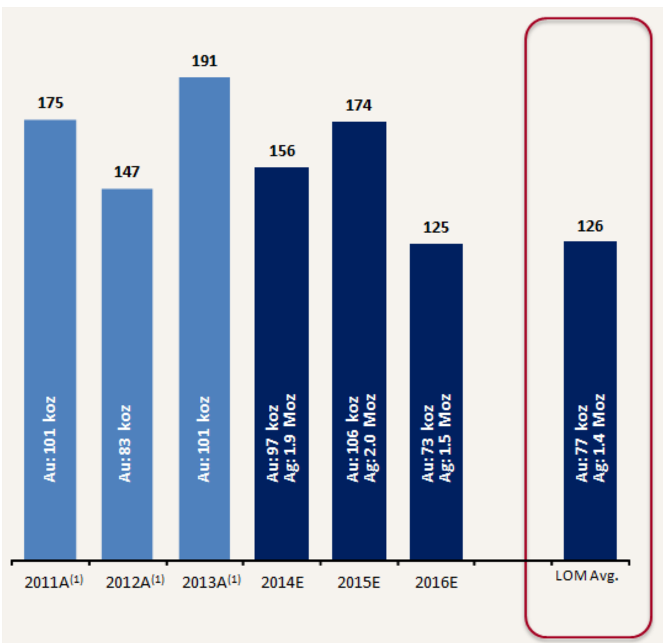
The Company believes that the Acquisition is an excellent strategic fit, which is consistent with its growth strategy and builds on the success of the acquisition of the Eagle Project in 2013, and will further strengthen the Company's asset base of high quality, long-life mines with strong growth potential. The Acquisition is expected to be immediately accretive on key operating and financial metrics including cash flow and earnings per share and will allow the Company to add large open pit capability to its core strength, increase its scale of operation and geographic diversification and position the Company as a top 20 copper producer globally.

The Company is also committed to maintaining community investments and stakeholder relationships. The Company believes that maintaining its reputation as a good corporate citizen is important to its long-term success and aims to create sustainable value in host communities in which it operates. The Company is committed to becoming a valuable and long standing resident of the Copiapo region and to maintain existing social programs to support the local communities of Tierra Amarilla, which is located adjacent to the Acquisition Property facilities and other locations such as Caldera and Copiapo, where the majority of the work force is located.

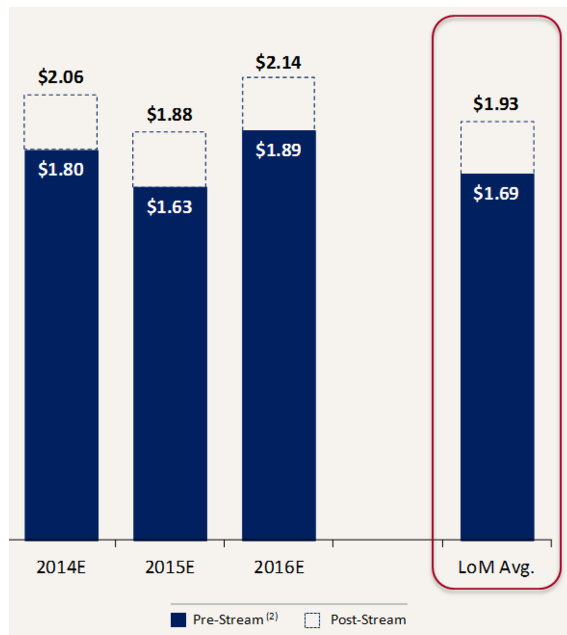
The Acquisition Property has a proven track record with an estimated average copper production of 139,000 tpa over the next five years and 126,000 tpa over the life of mine ("**LOM**"). There is mine life extension potential through pit optimization using higher copper prices and underground exploration over a large prospective regional mineral property position.

The Acquisition Property has a competitive cost profile over the LOM, with a modest sustaining capital cost estimate profile, significant precious metal by-products (gold and silver), magnetite credits from the sale of tailings to a third party (approximately US$33 million in 2013) and low cost of power (approximately US$0.12 per kilowatt hour in 2013).

Acquisition Property Total Copper Production (ktpa) 100% Basis(1)



Acquisition Property Copper C1 Cash Costs (US$/lb)(1)



(1) Historical production information supplied by Freeport and is payable copper and gold metal in concentrate.	(1) Cash costs per pound is a non-GAAP measure. See "Cautionary Note Regarding Non-GAAP Financial Measures". Waste stripping is expensed and included in C1 operating cash forecasts. Includes full year impact of precious metals stream in 2014 for illustrative purposes. (2) Pre-stream C1 cash costs are based on metal price assumptions of US$1,200/oz gold and US$20/oz silver

The financial information in the table above has not been audited by the Company's auditors.

Concurrent with the announcement of the Acquisition, the Company, through its wholly-owned subsidiary LMC Bermuda Ltd. ("**Stream Seller**"), entered into a definitive precious metals streaming agreement (the "**Stream Agreement**") with Franco-Nevada (Barbados) Corporation (the "**Stream Purchaser**"). Franco-Nevada Corporation ("**Franco-Nevada**") guaranteed certain obligations of the Stream Purchaser under the Stream Agreement.

In connection with the closing of the Acquisition, the Stream Purchaser provided the Company with a deposit of US$648 million (the “**Deposit**”) as a prepayment for delivery of refined gold and silver with respect to: (i) 68% of the gold and silver produced from the Candelaria and Ojos mines until 720,000 ounces of gold and 12 million ounces of silver have been delivered; and (ii) 40% of the gold and silver produced thereafter for the life of the mine. In addition to the Deposit, the Stream Purchaser will pay to the Stream Seller a cash purchase price at the time of each delivery equal to the lesser of: (i) US$400 per ounce of gold and US$4.00 per ounce of silver, subject to an increase of 1% per annum (on a compounded basis) starting on the third anniversary of the date of the Stream Agreement, and (ii) the market price of the gold and silver at the relevant delivery date.

If, for any calendar year, recoveries (based on the metal in concentrate as a percentage of metal in pre-processed ore) exceed certain designated percentages, then Stream Purchaser shall pay to Stream Seller the value of gold and silver attributable to the higher recovery (less the amount of the associated fixed payments already made). In the event recoveries are less than certain designated percentages, then Stream Seller shall deliver to Stream Purchaser, and Stream Purchaser shall purchase from Stream Seller, the amount of gold and silver representing the deficiency below such percentages.

The Company has agreed to prepare a mineral reserve estimate for certain portions of the Acquisition Property by March 31, 2015. In the event that such estimate establishes more, or less, than an agreed targeted reserve amount for gold and silver, the Stream Purchaser or Stream Seller, as applicable, shall pay an amount of up to US$40 million to the other party.

The obligation to deliver gold and silver to Stream Purchaser commenced on the closing date of the Acquisition and includes gold and silver sold on or after July 1, 2014 for which a payment is received. The Stream Agreement provides for a right of first offer in favour of Stream Purchaser with respect to future royalties, streams and other interests in respect of minerals from the Candelaria and Ojos mines. It also provides Stream Purchaser with an option to purchase additional production from properties acquired by a Lundin Mining entity and located within approximately two kilometres of the outer boundaries of the Acquisition Property (the “**Area of Interest Properties**”). To exercise the option, Stream Purchaser would pay an additional deposit in respect of any Area of Interest Properties based on the net present value of gold and silver mineral reserves reflected in a feasibility study in respect of such properties.

Lundin Mining guaranteed the payment and performance of the obligations of Stream Seller under the Stream Agreement. The Stream Agreement is secured by a pledge of securities of Stream Seller and certain subsidiaries of Lundin Mining. In the event that Stream Seller defaults on the Stream Agreement because of a failure to sell and deliver gold or silver or there is another event of default as specified in the Stream Agreement, Stream Purchaser can: (i) demand all amounts and deliveries owing; (ii) in certain circumstances, including the failure to deliver gold and silver, terminate the Stream Agreement and demand all losses suffered or incurred as a result of the default and termination; and (iii) enforce the security. Franco-Nevada guaranteed certain obligations of the Stream Purchaser under the Stream Agreement. Stream Seller also has certain remedies provided for in the Stream Agreement in the event that Franco-Nevada and Stream Purchaser fail to fulfil their obligations under the Stream Agreement.

Acquisition Property Financing

Senior Secured Notes

The Company entered into a purchase agreement dated October 10, 2014 with Merrill Lynch, Pierce, Fenner and Smith Incorporated on behalf of a syndicate of banks to issue and sell US$550 million aggregate principal amount of 7.5% Senior Secured Notes due 2020 (the “**2020 Notes**”) and US$450 million aggregate principal amount of 7.875% Senior Secured Notes due 2022 (the “**2022 Notes**” and, together with the 2020 Notes, the “**Senior Secured Notes**”). The 2020 Notes will mature on November 1, 2020 and the 2022 Notes will mature on November 1, 2022. Interest on the Senior Secured Notes will be payable semi-annually in cash in arrears on May 1 and November 1 of each year, starting on May 1, 2015.

This prospectus is not an offer of Senior Secured Notes for sale in the United States of America or any territory or possession thereof, any state of the United States or the District of Colombia (the “**United States**”) or in any other jurisdictions. Senior Secured Notes may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act. The Senior Secured Notes referred to in this prospectus have not been and will not be registered under the U.S. Securities Act and may not be offered or sold absent an exemption from registration under the U.S. Securities Act.

Original Credit Facilities

On October 7, 2013, the Company entered into a Second Amended and Restated Credit Agreement (the “**Original Credit Agreement**”) with a syndicate of banks which established a US$350 million revolving term credit facility (the “**Original Revolving Facility**”) and a US$250 million non-revolving term credit facility (the “**Original Term Loan**” and together with the Original Revolving Facility, the “**Original Credit Facilities**”).

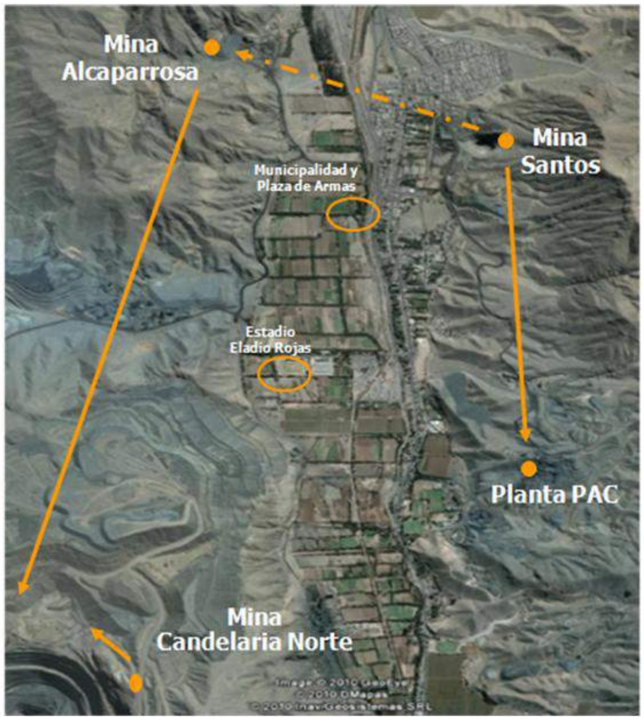
Concurrent with the closing of the Acquisition, the Company repaid and cancelled the Original Term Loan. In addition, the Company requested an amendment to the Original Revolving Facility which gave the Company, among other things, the flexibility required to complete the Acquisition (the Original Credit Agreement as so amended, the “**Amended Credit Agreement**” and the Original Credit Facilities as so amended, the “**Amended Credit Facility**”). After giving effect to the intended amendments, all covenants and events of default under the Amended Credit Agreement otherwise remain the same as under the current Original Credit Agreement. For further details regarding the terms of the Amended Credit Facility see “Capital Structure, Indebtedness and Related Information – Credit Facility.”

Candelaria and Ojos Project

*On October 6, 2014, the Company filed a NI 43-101 technical report in respect of the Candelaria mine and Ojos mine entitled “Technical Report for the Compañía Minera Candelaria and Compañía Minera Ojos del Salado Copper Projects, Atacama Province, Region III, Chile” dated October 6, 2014 (the “**Candelaria and Ojos Technical Report**”) and prepared by Jean-Francois Couture, P.Geo., Glen Cole, P.Geo., Gary Poxleitner, P.Eng., Adrian Dance, P.Eng., and Cam Scott, P.Eng., from SRK Consulting (Canada) Inc. and John Nilsson, P.Eng., from Nilsson Mine Services Ltd., who are independent “**Qualified Persons**” as defined by NI 43-101. The below summary is based on the Candelaria and Ojos Technical Report. The Candelaria and Ojos Technical Report was prepared in accordance with NI 43-101. The authors have reviewed and approved all scientific and technical information in this summary.*

Property Description and Location
Candelaria and Ojos produce copper concentrates from open pit and underground mines located near Copiapó in the Atacama Province, Region III of Chile. Candelaria mine is a 66,000 tpd open pit mine and a 6,000 tpd underground mine, providing copper ore to an on-site concentrator with a capacity of 75,000 tpd. Ojos mine comprises two underground mines, with a capacity of 3,800 tpd from the Santos underground mine and 4,000 tpd from the Alcaparrosa underground mine. The Santos mine provides copper ore to an on-site concentrator with a capacity of 3,800 tpd, while ore from the Alcaparrosa mine is treated at the Candelaria concentrator. In 2013, both projects produced concentrates containing 191.4

kilotonnes of copper and 101,000 ounces of gold. As a result of the Acquisition, Candelaria and Ojos are currently owned indirectly by the Company (80%) and affiliates of Sumitomo (20%).



The Candelaria property comprises 249 mining exploitation concessions (6,182 hectares) and 51 mining exploration concessions (6,605 hectares). The Ojos property comprises 195 mining exploitation concessions (8,809 hectares) and 37 mining exploration concessions (6,522 hectares). The tenements are free of mortgages, encumbrances, prohibitions, injunctions, and litigation. The tenements containing the active and future mining activities are not affected by royalties. Candelaria and Ojos own certain underground water use rights and certain surface water use rights.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The property is accessible by two maintained dirt roads, one through the Tierra Amarilla community and the other branching off of Route 5, the Pan-American Highway. Copiapó regional airport is serviced by regional flights from Santiago and other destinations on a daily basis.

Copiapó has a desert climate with mild temperatures year round. Winters are mild; midwinter maximum temperatures reach approximately 20 degrees Celsius, while lows reach 7 degrees Celsius. Summers are warm with a January average of 22 degrees Celsius. Annual precipitation averages approximately 17 millimetres, of which the majority falls in the winter months. Exploration and mining can occur year round.

Personnel employed by Candelaria and Ojos come from the Copiapó region. Candelaria and Ojos receive electrical power through long-term contracts with AES Gener S.A., a local energy company. The current contract will expire in 2022. The contract has a number of maximum and minimum power supply limits with a maximum capacity of approximately 135MW and under all foreseen future operating circumstance these are likely to be met. Typical maximum demands for the mines, port and desalination plant are approximately 110MW. Reported power costs in 2013 were US$0.12/kWhr. The main line to the

Candelaria mine is rated at 220 kilovolts at 745 ampere. Ojos is serviced by a 23 kilovolt line with 235 ampere.

The main water supply comes from a desalination plant commissioned in 2013 owned by Candelaria and located at the Punta Padrones port facility at the sea port of Caldera and from local treated sewage water. Punta Padrones port facility is located approximately 110 kilometres from the mine site. The facility comprises a covered concentrate warehouse with a capacity of 45,000 wet metric tonnes and a telescopic ship loader that has a capacity of 1,200 wet metric tonnes per hour. The copper concentrate is shipped from Punta Padrones to world markets. The port has a total annual capacity of some 3.5 million tonnes, well in excess of current and planned production. The maximum annual concentrate production over the remaining life of mine is approximately 600 kilotonnes per annum.

The project area is mountainous with a relief varying between 200 and 1,000 metres. Vegetation is minimal outside of inhabited valleys where irrigation is used to support vegetation that is capable of withstanding the desert environment. The mines are located in an active seismic zone.

History and Development Terms

The Candelaria deposit was discovered by Phelps Dodge Corporation ("**Phelps Dodge**") in 1987. A feasibility study was completed in 1990, and construction started in October 1992. Production commenced in early 1995. Sumitomo acquired a 20% stake in Candelaria in 1992. In 2007, property ownership changed when Freeport acquired Phelps Dodge. During 2011, Freeport completed a pipeline to bring water from a nearby sewage water treatment facility to the Candelaria mine. A desalination plant at the port of Caldera was built and commissioned in 2013 at a capacity of 500 litres per second which removed the need for continued ground water extraction from the sensitive Copiapó aquifer. The mines continue to hold ground water rights in the Copiapó aquifer and they will continue to be used for potable supply and in emergencies.

The Santos underground mine has been in production since 1929, with processing taking place at what is now called the Pedro Aguirre Cerde ("**PAC**") processing plant. Phelps Dodge became sole owner of Ojos and the Santos mine and PAC plant in 1985. The PAC plant has been expanded several times to its current capacity of 3,800 tpd. Sumitomo acquired its 20% interest in Ojos in 2005. In early 1996, production from the Alcaparrosa underground mine commenced.

The Candelaria and Ojos mines have been significant producers of copper since the mid-1990s. In the last three years, Freeport has reported payable copper and gold metal in concentrate varying between 147 and 191 kilotonnes and 83,000 and 101,000 ounces, respectively.

Geological Setting

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

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

Exploration

Ongoing exploration is conducted by Candelaria and Ojos with the primary purpose of supporting mining and increasing mineral resources and mineral reserves available for mining. Exploration is focused on known mantos, veins, and breccias masses in proximity to existing underground infrastructure. Historically, this strategy has proven very effective in defining new mineral resources available for underground mining. Much of the exploration is conducted from underground, requiring significant underground development to provide adequate drilling stations. Regional exploration is also undertaken on the large properties surrounding the mines to identify targets and define new mineral resource areas.

From 2010 to 2013, Candelaria and Ojos invested more than US$105 million in exploration to expand mineral resources primarily below the Candelaria open pit, to the north and south, and at the three underground mines. Information from that program was used to define approximately 14 million tonnes of new underground mineral reserves at a grade of 0.93% copper. In addition, at Candelaria, new discoveries were made beneath the eastern and southern portions of the open pit (the Susana and Damiana ore bodies and as well at the existing Candelaria Norte underground operations (Wendy Norte ore body). These new discoveries are expected to extend the mine life at Candelaria and potentially allow future increases in production. Initial mineral resource and reserve estimates for these new discoveries are expected to be completed and published in the first quarter of 2015.

At Ojos, new discoveries at Santos (Melendez Central) and at Alcaparrosa (Southeast) are expected to extend the mine life of these two underground operations. Initial mineral resource and reserve estimates are being prepared, and are expected to be completed and published in the first quarter of 2015.

Building on this exploration success, an exploration program is planned for the period 2014 to 2018, targeting the lateral extensions of the areas investigated since 2010. The planned exploration program includes 5,180 metres of underground development and 384,000 metres of core drilling at an estimated total cost of US$133 million. The mineral potential targeted by the proposed exploration program is estimated at between 65 and 130 million tonnes of sulphide mineralization grading between 0.9% and 1.2% copper. The range of tonnage and grades expected from the results of the proposed exploration program are estimated from the recent exploration results. The reader is cautioned that the potential quantity and grade estimates expected from the proposed 2014 to 2018 exploration program are conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if the implementation of the proposed exploration program will result in the delineation of mineral resources.

The exploration potential of the Candelaria and Ojos properties remains good.

Mineralization

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

Drilling

Mineral resources are informed from information from surface and underground boreholes. Between 1991 and the end of 2013, Phelps Dodge and Freeport drilled 2,437 core and percussion boreholes in and around the Candelaria mine. In the Santos mine, approximately 341 core boreholes were drilled between

1993 and 2012 in the Mantos and Melendez Sur sectors. In the Alcaparrosa mine, the borehole database contains information from 627 core boreholes.

Sampling and Analysis

The drilling and sampling procedures are consistent with generally recognized industry best practices. The samples used to inform mineral resources are representative of the source materials and there is no evidence that the sampling process introduced a bias.

Analytical samples informing the Candelaria mineral resources were prepared and assayed at the Candelaria mine laboratory that is accredited to ISO17025 for the analyses of copper, iron, zinc, and silver. Analytical samples informing the Ojos del Salado mineral resources were prepared and assayed by Intertek (formerly Vigalab). Conventional preparation and assaying procedures are used. Copper is analyzed by multi acid digestion and atomic absorption spectroscopy ("**AAS**"). Gold is assayed using a fire assay procedure. Specific gravity is systematically measured on core samples.

Strict analytical quality control measures consistent with generally accepted industry best practices are used, and include the use of control samples, check assaying by umpire laboratories and routine monitoring of analytical quality control data. The analytical results delivered by the primary laboratories used are free of apparent bias. The sampling preparation, security, and analytical procedures used are consistent with generally accepted industry best practices and are therefore adequate to support mineral resource estimation.

Security of Samples

Data and sample security procedures that conform to industry standards are in place. Each exploration core is logged and photographed and analytical samples are taken from the sawed core by qualified personnel. Archived cores are stored on-site.

Mineral Resource and Mineral Reserve Estimates

The mineral resources are informed from core drilling information stored in a secured central database, and were evaluated using a geostatistical block modelling approach. Separate models were prepared for the Candelaria open pit mine and the three underground mines (Candelaria Norte, Santos and Alcaparrosa) using slightly different methodologies and assumptions. Each underground mine was sub-divided into sectors and evaluated using separate block models. In total, 10 distinct block models were created to model the entire zone of sulphide mineralization.

The mineral resources have been estimated in conformity with generally accepted CIM *Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines* and are reported in accordance with NI 43-101. The consolidated audited Mineral Resource Statement for Candelaria and Ojos is presented in the table below. Mineral resources include mineral reserves.

Consolidated Mineral Resource Statement*, Candelaria and Ojos, SRK Consulting (Canada) Inc., December 31, 2013

Classification	Quantity Tonnes (000s)	Grade Copper (%)	Grade Gold (g/t)	Grade Silver (g/t)	Contained Metal Copper Tonnes (000s)	Contained Metal Gold Ounces (000s)	Contained Metal Silver Ounces (000s)
Open Pit							
Measured	359,400	0.53	0.12	1.92	1,914	1,436	22,151
Indicated	15,800	0.48	0.13	1.80	77	64	914
Total Measured and Indicated	**375,200**	**0.53**	**0.12**	**1.91**	**1,990**	**1,500**	**23,065**
Inferred	7,643	0.33	0.09	1.13	25	23	278
Underground							
Measured	19,837	1.11	0.27	5.11	221	172	3,261
Indicated	13,922	1.08	0.27	5.61	151	120	2,511
Measured and Indicated	**33,759**	**1.10**	**0.27**	**5.32**	**371**	**292**	**5,772**
Inferred	3,690	1.14	0.28	6.24	42	34	741
WIP**							
Measured	92,025	0.36	0.09	1.46	336	264	4,326
Indicated							
Measured and Indicated	**92,025**	**0.36**	**0.09**	**1.46**	**336**	**264**	**4,326**
Inferred							
Combined							
Measured	471,262	0.52	0.12	1.96	2,470	1,872	29,738
Indicated	29,722	0.76	0.19	3.58	227	184	3,425
Measured and Indicated	**500,984**	**0.54**	**0.13**	**2.06**	**2,697**	**2,055**	**33,163**
Inferred	11,334	0.59	0.16	2.79	67	57	1,018

* Reported within the boundaries of the Candelaria and Ojos properties. Mineral resources are not mineral reserves and have not demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimates. Mineral resources include mineral reserves. Open pit mineral resources are reported at a cut-off grade of 0.2% copper. Underground mineral resources are reported at a cut-off grade of 0.6% copper.

** Work in Progress (WIP) Stockpiles.

Monthly reconciliations completed at the Candelaria open pit mine between the mineral resource model and grade control models show excellent reconciliation. For the period August 2013 to July 2014, cumulative quantity and grade variance was within 3%.

Mineral reserves are derived from measured and indicated mineral resources after applying economic parameters. The mineral reserves have been derived and classified according to the following criteria:

- Proven mineral reserves are the economically mineable part of the measured mineral resources where development work for mining and information on processing/metallurgy and other relevant factors demonstrate that economic extraction is achievable; and
- Probable mineral reserves are those measured and indicated mineral resources where development work for mining and information on processing/metallurgy and other relevant factors demonstrate that economic extraction is achievable.

The consolidated audited mineral reserve statement for Candelaria and Ojos is presented in the table below. Mineral reserves are included in mineral resources.

Consolidated Mineral Reserve Statement*, Candelaria and Ojos, SRK Consulting (Canada) Inc., December 31, 2013

Classification	Quantity (000't)	Grade			Contained Metal		
		Copper (%)	Gold (g/t)	Silver (g/t)	Copper (000't)	Gold (000'oz)	Silver (000'oz)
Open Pit							
Proven	266,725	0.57	0.13	2.09	1,533	1,140	17,884
Probable	9,182	0.54	0.14	1.98	50	42	586
Total	**275,907**	**0.57**	**0.13**	**2.08**	**1,583**	**1,182**	**18,469**
WIP**							
Proven	92,025	0.36	0.09	1.46	336	264	4,326
Probable	0	0.00	0.00	0.00	0	0	0
Total	**92,025**	**0.36**	**0.09**	**1.46**	**336**	**264**	**4,326**
Underground							
Proven	7,897	1.08	0.25	4.56	85	63	1,158
Probable	4,591	1.01	0.23	4.40	46	34	650
Total	**12,487**	**1.05**	**0.24**	**4.50**	**132**	**96**	**1,808**
Combined							
Proven	366,647	0.53	0.12	1.98	1,954	1,466	23,368
Probable	13,772	0.70	0.17	2.79	96	76	1,235
Total	**380,419**	**0.54**	**0.13**	**2.01**	**2,050**	**1,542**	**24,603**

* Mineral reserves included in mineral resources. Mineral reserves have been prepared using US$2.00 per pound of copper, US$1,000 per ounce of gold and US$15.00 per ounce of silver. All figures have been rounded to reflect the relative accuracy of the estimates. Underground mineral reserves are reported at various cut-off grades and mining costs. Mineral reserves for open pit, underground and stockpiles/work-in-progress for Candelaria are reported at cut-off grades of 0.25%, 0.81% and 0.24% copper, respectively. Underground mineral reserves for Ojos (Santos and Alcaparrosa) are reported at cut off grades of 0.84% and 0.75% copper, respectively

** Work in Progress (WIP) Stockpiles.

Mining Operations

The Candelaria open pit mine operates at a rate of approximately 270,000 tpd including 66,000 tpd of ore sent to the Candelaria concentrator. The remaining life of the open pit mine is 14 years based on current mineral reserves. The average grade of the open pit ore over the remaining life of mine is 0.57% copper while stockpiled material averages 0.36% copper. The mine operates seven electric shovels, 46 haulage trucks, eight production drills, and a fleet of support equipment. The open pit was designed to be mined in several phases of development as a drill and blast, load and haul operation. As of December 2013, five phases of development remain in the life of mine plan (phases 8 to 12). The geotechnical risks in the open pit are being well managed and the overall stability risk is low. The overall strip ratio is 2.9:1 excluding stockpiles. The total in-pit waste is 752.0 million tonnes. The surface waste dumps are located adjacent to the pit to the north and southwest.

The Candelaria Norte underground mine produces 6,000 tpd of ore at an average copper grade of 1.14% in the current mine plan. The Alcaparrosa underground mine produces 4,000 tpd of ore with an average grade of 1.04% copper and the Santos underground mine produces 3,800 tpd of ore with an average grade of 0.98% copper over the remaining life of mine. The mining method in all three underground mines is sublevel open stoping. The large vertical stopes are drilled down from the sublevel drilling drifts as benches. The holes are loaded and blasted in vertical slices towards an open face. The blasted ore is collected through draw points at the production level below and mucked to surface by 30-ton highway type trucks via the ramp to a surface stockpile for subsequent re-handling and processing. The current life of the Candelaria Norte, Alcaparrosa and Santos mines are 3, 2 and 4 years, respectively. There is a strong likelihood that exploration success will lead to an extension of the lives of the underground mines.

Total copper production from the Candelaria and PAC processing plants is forecast at 156,000 tonnes in 2014, with 97,000 ounces of gold and 1.9 million ounces of silver, 174,000 tonnes in 2015, with 106,000 ounces of gold and 2.0 million ounces of silver and 125,000 tonnes in 2016, with 73,000 ounces of gold and 1.5 million ounces of silver. Over the five year period, 2014 to 2018, average annual copper production is projected to be 139,000 tonnes, and over the life of mine 126,000 tonnes. Life of mine annual average gold and silver production is projected to be 77,000 ounces gold and 1.4 million ounces of silver.

The Candelaria processing plant flow sheet is conventional comprising two parallel process lines for grinding and flotation, reclaimed process water from a conventional tailings dam, final concentrate filtration, and shipping of bulk copper concentrates. Compañía Minera del Pacifico operates magnetite recovery from the tailings plant. From 2000 to 2013 the Candelaria processing plant averaged 25 million tonnes per year (approximately 68,600 tpd) with utilization of 93%. During this period metallurgical recovery averaged 94.2% for copper, 75.4% for gold, and 82.6% for silver. The concentrate is high grade with low penalties and significant gold and silver by-products.

The PAC concentrator has been in operation since 1929. The concentrator processes 3,800 tpd of fresh feed from the Santos underground mine with an average head grade of 0.85% copper and a copper recovery of 93.5%. The PAC concentrator flow sheet comprises a closed-circuit crushing plant, a grinding circuit and conventional multi-stage flotation circuits. Final concentrate is thickened and filtered using a ceramic disc filter. Final flotation tailing from the PAC plant are pumped to the main Candelaria tailings storage facility.

Copper concentrates containing precious metals are trucked to the Punta Padrones port, near Caldera. From 2000 to 2013, the typical Candelaria copper concentrate averaged 30.1% copper, 5.4 g/t gold, and 90 g/t silver with a moisture content of 7.6% after filtration. The PAC copper concentrate produced averages 29.7% copper, 5.6 g/t gold, and 71 g/t silver.

The current Candelaria tailings storage facility receives the flotation tails from the Candelaria and PAC processing plants. The Candelaria flotation tails are thickened and then pumped to the tailings storage facility at an average solids concentration of 50.1%. The PAC flotation tails are pumped unthickened at an average concentration of 35.3%. The remaining tailings storage capacity is estimated at 43 million cubic metres, sufficient to receive tailings until the end of 2017 at the current production throughput.

A new tailings management facility ("**Los Diques**") located to the west of the open pit and plant, is proposed to replace the existing tailings facility when it reaches completion. The site has a total available tailings capacity of 600 million tonnes, exceeding what is required by the current mine life (390 million tonnes). The Los Diques tailings management facilities were a key part of the "Candelaria 2030 - Project Operational Continuity" environmental impact assessment that was submitted to the environmental authorities in September 2013 and is currently under review. The forecasted capital investment plan for the tailings is approximately US$310 million over the next five years.

To mitigate against the risk that the permitting and construction of Los Diques is not completed before the filling of the existing tailings facility, Candelaria is considering two options:

- Reducing the freeboard of the existing dam from 5.0 to 1.5 metres will provide another 13 to 15 months of capacity; and/or
- Raising the existing tailings storage facility by additional 4.0 metres to provide another 12 to 14 months of capacity, which would be subject to further permitting.

Candelaria and Ojos currently operate with all applicable permits in place and their environmental management system is accredited to ISO 14001 and OSHAS 18001 standards. Comprehensive social programs have been developed.

Candelaria officially began operations on March 9, 1995 as approved by ORD. N ° 817 of June 9, 1992. Over the years, the operations went through a series of environmental assessment processes. Permitting of the mine, excluding the proposed Los Diques tailings management facility, is in place until 2017. At Ojos, the Alcaparrosa mine obtained environmental approval in 1996, with subsequent amendments. The Santos mine and the PAC plant began operating before 1994, at a time when Chile did not have environmental laws in place. The PAC processing plant tailings are deposited in the Candelaria tailings facility according to a resolution granted to Candelaria (Environmental Qualification Resolution No. 004/1997). Ore from the Alcaparrosa mine is shipped to the Candelaria processing plant as approved by a resolution granted to Candelaria (Environmental Qualification Resolution No. 012/2005).

In September 2013, an environmental impact assessment in support of the Candelaria 2030 project was submitted to the Chilean environmental impact assessment system and it is currently under evaluation. The review process received two rounds of Consolidated Report of Request for Clarifications, Corrections, and Additions (“**ICSARA**”). Candelaria has filed a Supplemental Addendum in response to the second ICSARA on October 1, 2014. Assuming no further consultation occurs, an Environmental Qualification Resolution is anticipated by December 2014. If a third round of questions is received, Candelaria expects the environmental impact assessment approval in March 2015.

The Candelaria closure plan was approved by Servicio Nacional de Geología y Minería (“**SERNAGEOMIN**”) through Resolution No. 291 of 2009. Currently, Candelaria is developing an updated closure plan and this must be submitted to the authority in November 2014. The updated closure plan for Ojos including closure cost estimates was approved by SERNAGEOMIN on May 16, 2014. The legacy historic facilities (old tailings and slag deposit) have already been closed and remediated.

All underground mining operations are conducted by contractors, while the open pit is owner operated.

At Candelaria, total capital expenditures over the period 2014 to 2018 are forecast at US$461 million and from 2019 to 2023 at US$210 million. The main capital project is the construction of the new Los Diques tailings storage facility, expected to start in 2015 and be ready to receive its first tailings in early 2018. From 2018, the capital costs include conventional raises to the dam and extensions to the distribution systems. Mill capital costs include sustaining items to upgrade control systems and equipment replacements in the Candelaria processing plant. General and administrative capital costs include the final lift to the existing tailings dam as well as a number of environmental and local community initiatives. The forecast capital expenditure for Ojos over the next five years is US$4.2 million. Of the total, US$3.4 million is in the underground mines and US$0.8 million for the primary crusher in the PAC plant. The capital expenditures at Candelaria and Ojos are expected to be funded from the operating cash flows generated by the respective Acquisition Company. This financial information has not been audited by the Company’s auditors.

Freeport Cobalt Refinery - Finland

Associate

During 2013, Lundin Mining acquired, through a newly formed entity with Freeport, a large scale cobalt chemical refinery located in Kokkola, Finland and the related sales and marketing business. The Company is of the opinion that the acquisition provides direct end-market access for the cobalt hydroxide production from the Tenke Fungurume mine among other advantages. The operations were re-branded Freeport Cobalt.

Lundin Mining holds an effective 24% ownership interest in the associate, with Freeport holding an effective 56% ownership interest and acting as operator of the associate and Gécamines, the DRC's state-owned mining company, holding a 20% interest in the associate. Initial consideration of $348 million, excluding cash acquired, was paid at closing.

The refinery located on the Baltic Sea in Finland processes unrefined cobalt and related metals and manufactures advanced inorganic products for use in a variety of applications in fast-growing end use markets.

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

Mine Closures

Mining activity at the Galmoy mine ceased in the fourth quarter of 2012. The Company has received regulatory approval for closure at its Galmoy mine and closure activities are ongoing. From time to time Galmoy Mines Ltd., the wholly-owned indirect subsidiary of the Company that owns the Galmoy mine, may need to seek regulatory approval for amendments to its mine closure plan for necessary changes. Closure activities are expected to be largely completed in 2014 and the restricted cash closure fund accumulated during the mine life will continue to be drawn down to meet the closure obligations and these funds are expected to be sufficient for this purpose.

The Company also has closure programs in place associated with legacy mining operations previously carried on in Honduras under the ownership of a Lundin Mining subsidiary, which was acquired by the Company in 2007. The active closure phase at this former gold mine was completed in 2014 and has entered a three year aftercare monitoring program

Production ceased in 2008 at the Storliden zinc-copper mine in northern Sweden. A rehabilitation program has been completed in accordance with the approved closure plan. The Company is currently studying water quality in the mine area and the site remains subject to an ongoing aftercare monitoring program until 2020.

As at September 30, 2014, the Company had $149,7 million in a number of reclamation funds that will be used to fund future site reclamation and mine closure costs at the Company's various mine sites. The Company will continue to contribute to these funds as required, based on an estimate of the future site reclamation and mine closure costs as detailed in the closure plans.

Closing a mine can have significant impact on local communities and site remediation activities may not be supported by local stakeholders. The Company endeavours to mitigate this risk by reviewing and updating closure plans regularly with external stakeholders over the life of the mine and considering where post-mining land use for mining affected areas has potential benefits to the communities.

Site closure plans have been developed and amounts accrued in the Company's financial statements to provide for mine closure obligations. Future remediation costs for inactive mines are estimated at the end of each period, including ongoing care, maintenance and monitoring costs. Changes in estimates at inactive mines are reflected in earnings in the period an estimate is revised.

Overview Investments and Funding

For information on the Company's investments for each financial period and up to the date of the prospectus reference is made to section "Comments to The Financial Information".

For information on the Company's principal investments that are currently in progress, including the distribution of these investments geographically and whether these investments are funded internally or externally, as well as information on the Company's principal future investments please below.

Capital expenditures for the financial year 2014 are expected to be approximately $440 million (excluding Tenke). Major capital investments for 2014 are expected to be divided as follows (approximate numbers):

Sustaining capital in European operations: $100 million, consisting of:

- Neves-Corvo $60 million
- Zinkgruvan $35 million for and
- Other sites: $5 million.

The capital expenditures are expected to be self-funded by cash flow from European operations.

New investment capital in European operations: $40 million, consisting of:

- Neves-Corvo Lombador - $25 million: For underground vertical and horizontal development and associated mine infrastructure related to the development of the upper Lombador ore bodies for future high grade zinc and copper production. Redesign and optimization of development has allowed for a combination of cost savings and the deferral of certain expenditures into 2015.
- Aguablanca underground mining project - $15 million: For ramp and initial ore body development and the installation of associated mine infrastructure.

The capital expenditures above are expected to be self-funded by cash flow from European operations.

New investment in Tenke - $50 million: The number is estimated by the Company as its share of expansion related initiatives and sustaining capital funding for 2014. All of the capital expenditures are expected to be self funded by cash flow from Tenke operations.

New investment in Eagle operations - $300 million: To complete construction of the Humboldt mill and Eagle mine. All of the capital expenditures were funded externally through the Original Credit Agreement. For more information on the Amended Credit Agreement, reference is made to "Capital Structure, Indebtedness and Related Information – Amended Credit Facility".

Further, the total exploration expenses for 2014 (excluding Tenke) are estimated to be $35 million. These expenditures will be principally directed towards underground and surface mine exploration at Neves-Corvo, Zinkgruvan and Eagle, select greenfield exploration programs and new business development activities in South America (drilling in Chile and Peru) and Eastern Europe (drilling in Turkey). These expenditures are expected to be self-funded by cash flow from the European operations and Tenke distributions.

For information in capital expenditures for the Acquisition Property, see "Operations of Lundin Mining – Acquisition Property".

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

The Company’s Customers

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

OTHER INFORMATION ABOUT LUNDIN MINING

Background

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

Recent Milestones

2011

- In January, Lundin Mining and Inmet Mining Corporation ("**Inmet**") announced that they had entered into an arrangement agreement (the "**Arrangement Agreement**") to merge and create Symterra Corporation, a leading international copper producer. The transaction was valued at approximately C$9 billion.

- In February, Lundin Mining announced that it had been advised by Equinox Minerals Limited ("**Equinox**") that Equinox intended to make an unsolicited take-over bid for the Common Shares of Lundin Mining.

- In March, Lundin Mining and Inmet jointly announced the termination of the Arrangement Agreement. Also on that day, Lundin Mining announced that its Board of Directors had adopted a limited duration shareholder rights plan to enable a full consideration of strategic alternatives.

- In April, Lundin Mining announced that the government of the DRC had issued a Presidential Decree approving the amendments to the Tenke Fungurume mining contracts. This decree formalized the conclusion of a contract review process by the DRC government and confirmed that the Tenke Fungurume contracts were in good standing, and acknowledged the parties' continuing commitment to the rights and benefits granted under the Tenke Fungurume mining contracts.

- In April, Equinox announced the withdrawal of its offer to acquire the Common Shares of Lundin Mining. Subsequent to the hostile take-over bid for Lundin Mining, Equinox became subject to a take-over bid by Barrick Gold Corporation which was conditional on Equinox abandoning its bid for Lundin Mining.

- In May, Lundin Mining announced the conclusion of its strategic review process and the expiration of the shareholder rights plan, which was not renewed.

- In September, the Company announced the results of the feasibility study for the Lombador Phase I project in the Neves-Corvo mine. The study showed that Lombador Phase I could be developed as a profitable and value accretive extension to the Neves-Corvo mine, and would extend the mine life to at least 2026.

- In October, the Company announced the formal appointment of Mr. Paul Conibear as President and Chief Executive Officer, after having held the role on an interim basis following the retirement of Mr. Philip Wright on June 30, 2011.

- In November, the Company reported that Freeport, as operator of the Tenke Fungurume mining operations, approved the undertaking of a second phase expansion (the "**Phase 2 Expansion**") of the Tenke Fungurume mine to add approximately 68,000 tonnes of copper cathode production annually.

- In December, the Company released an interim report on exploration activities including an initial inferred mineral resource for the Semblana copper deposit located adjacent to its 100% owned Neves-Corvo mine in southern Portugal.

2012

- In January, Lundin Mining released a summary of the results of a study for Neves-Corvo. This conceptual level study identified and evaluated various underground materials handling and access options necessary to pursue the exploitation of the deeper Lombador copper/zinc resources as well as the Semblana copper deposit which are adjacent to the Company's Neves-Corvo mine.

- As of March 26, 2012, Lundin Mining's effective ownership interest in TFM was reduced from 24.75% to 24% and $50 million in intercompany loans were converted to equity.

- In April, the Company announced that it had entered into a purchase option agreement to acquire an 80% interest in the Touro copper project located in northern Spain owned by two private Spanish companies.

- In August, Aguablanca restarted production ahead of schedule after a pit slope failure in 2010.

- In September, the Company announced that it had notified the owners of the Touro copper project that it did not intend to exercise its option under the option agreement.

- In December 2012, Lundin Mining announced that it executed an amendment to its Credit Agreement increasing the amount of its revolving credit facility to $350 million from $300 million and extending the term of the facility to December 2015.

2013

- In March, the Company announced the closing of the acquisition of the cobalt chemical refinery in Kokkola, Finland and the related sales and marketing business from OM Group, Inc.

- In January, Lundin Mining filed updated independent NI 43-101 technical reports on the Neves-Corvo mine and Semblana deposit and the Zinkgruvan mine.

- In July, the Company completed the acquisition of the high grade Eagle Nickel/Copper Project from Rio Tinto Nickel Company, a subsidiary of Rio Tinto plc., and filed an independent NI 43-101 technical report for its Eagle Nickel/Copper Project.

- In September, the Company reported its mineral reserve and mineral resource estimate update.

- In October, the Company announced that it had completed amendments to its Credit Agreement, which included the provision for a new term loan of $250 million and an extension of the maturity of the existing $350 million revolving credit facility to October 2017.

2014

- On September 23, 2014, the Company announced that concentrate production had commenced from the Eagle Project. Construction activities at the Eagle Project are now substantially complete, with the project being delivered on budget and ahead of schedule compared to initial guidance. The Eagle Project shipped its first saleable copper and nickel concentrates in the first half of October 2014 and is expected to reach full design rates during or prior to the second quarter of 2015.

- On October 6, 2014, two of the Company's indirect wholly-owned subsidiaries entered into the Share Purchase Agreement. For further information, reference is made to "Operations of Lundin Mining – Acquisition Property" above.
- On October 23, 2014 the Equity Financing closed and the proceeds held in escrow were released to the Company.
- On October 27, 2014 the offering of Senior Secured Notes closed. For further information, see "Operations of Lundin Mining – Acquisition Property."
- On November 3, 2014 the Acquisition closed. For further information, see "Operations of Lundin Mining – Acquisition Property."

Legal Structure

A significant portion of the Company's business is carried on through its various subsidiaries. The chart in section "Operations of Lundin Mining", illustrates, the Company's significant subsidiaries and equity investee companies, including their respective jurisdiction of incorporation and the percentage of voting securities in each that are held by the Company either directly or indirectly.

Employees and Contractors

At the end of 2013, Lundin Mining had a total of approximately 1,700 employees and 1,750 contract employees located in Canada, Ireland, Portugal, Spain, Sweden, United Kingdom and the United States. At the end of 2012, Lundin Mining had a total of approximately 1,600 employees and 1,300 contract employees located in Canada, United Kingdom, Portugal, Sweden, Spain and Ireland. At the end of 2011, Lundin Mining had a total of approximately 1,500 employees and 1,300 contract employees located in Canada, United Kingdom, Portugal, Sweden, Spain and Ireland.

Health, Safety, Environment and Community Policies

Lundin Mining's policy is to conduct its business responsibly and in a manner designed to protect its employees, adjacent communities and the natural environment. The Company is committed to achieving a safe, productive and healthy work environment and to upholding the values of human rights. Lundin Mining seeks to create sustainable value for employees, business partners and the communities in which it operates. These commitments are described in the Company's Health, Safety, Environment and Community Committee ("**HSEC**") policy.

The HSEC policy, approved by the Board of Directors, commits the Company to compliance with applicable legal requirements as a minimum and to go beyond those requirements where deemed appropriate.

HSEC planning is part of the Company's business planning processes to assess the potential safety, health and environmental effects of its activities and integrate these considerations into its operational decisions and processes.

The Company is committed to design, develop and operate its facilities with a view to minimizing the environmental impact of its operations; providing efficient use of energy, water and other resources; reducing or preventing pollution; limiting waste generation and disposal; and where waste must be disposed of, doing so responsibly.

The Company has in place closure plans for all its operations and these are reviewed and updated in accordance with relevant national legislation. Each mine has in place an agreed financial mechanism to meet anticipated closure costs. Wherever practicable, the operations progressively rehabilitate areas no longer required for ongoing operations using environmentally sound methods.

Lundin Mining has a company-wide HSEC system that formalizes the Company's implementation of the HSEC policy supporting consistency across sites owned or operated by the Company, and clearly setting out expectations for HSEC management for associates and joint ventures. The management system describes how the Company's operations and projects will comply with the Company's corporate values and commitments.

The HSEC system exists to:

a) Ensure that sound management practices and processes are in place in sites across the Company resulting in strong HSEC performance.

b) Describe and formalize the expectations of the Company with respect to HSEC management.

c) Provide a systematic approach to the identification of HSEC issues and ensure that a system of risk identification and risk management is in place.

d) Provide a framework for HSEC responsibility and a systematic approach for the attainment of corporate HSEC objectives.

e) Provide a structure to drive continuing improvement of HSEC programs and performance.

In applying the HSEC system, the Company engages its employees, contractors, the community, regulators and other interested parties to ensure that stakeholder concerns are considered in managing aspects of our business that have the potential to impact health, safety, the environment and adjacent communities.

The Company strives for continuous improvement in its HSEC performance through the development of objectives and targets. To achieve this, the Company advises and trains employees and contractors as necessary to meet HSEC undertakings and the operations establish clear accountabilities for employees, and especially managers, with respect to their HSEC performance.

To ensure that the Company meets its objectives and targets, management monitors and reviews performance and publicly reports progress.

For further information on the Company's social and community programs and other HSEC information please consult Lundin Mining's most recent Sustainability Report which is available on the Company's website at www.lundinmining.com.

Tendencies and Expected Future Trends

Tendencies for production, sales and costs for the period January 1, 2014 – to date of prospectus

So far in 2014, production volumes for nickel, zinc and lead have met expectations while copper is slightly below expectations. The Tenke operations have continued to perform well in 2014 and the Eagle Nickel/Copper Project has been delivered ahead of schedule and is expected to be at or below the budget. Sales have been in accordance with expectations.

Neves-Corvo produced 10,904 tonnes of copper and 17,908 tonnes of zinc in the third quarter of 2014. Production from the Lombador ore body resulted in a 22% increase in zinc production over the prior year comparable period. Lower copper head grades, metallurgical recoveries and ore throughput resulted in lower copper production compared with the third quarter of 2013, but production for the nine month ended September 30, 2014 still remains in line with our full-year guidance for 2014. Copper cash costs of $1.96/lb for the quarter were moderately higher than our latest full-year guidance ($1.85/lb).

Zinc production of 20,050 tonnes at Zinkgruvan met expectations and was higher than the comparable period in 2013 due to a third consecutive quarter of record mine production of zinc ore. Lead production of 6,531 tonnes met expectations but was below the comparable period in 2013 primarily due to lower head grades. Cash costs for zinc of $0.48/lb were higher than guidance ($0.35/lb) in part due to lower lead by-product credits, net of treatment charges.

Aguablanca had yet another strong quarter of operational performance, with third quarter production of 1,958 tonnes of nickel and 1,919 tonnes of copper. This met expectations for the third quarter of 2014 and exceeded production levels of the prior year comparable period. Cash costs of $5.89/lb of nickel for the quarter, though higher than prior quarters, remain in line with our mine plan and full year guidance expectations.

Tenke operations continue to perform well. Lundin's attributable share of third quarter production included 12,694 tonnes of copper cathode and 851 tonnes of cobalt in hydroxide. The Company's attributable share of Tenke's sales included 12,229 tonnes of copper at an average realized price of $3.11/lb and 895 tonnes of cobalt at an average realized price of $9.99/lb. Attributable operating cash flow from Tenke for the third quarter of 2014 was $48.4 million ($113.9 million for the nine month period ended September 30, 2014). Cash distributions received by Lundin Mining in the third quarter were $33.8 million ($73.2 million for the nine month period ended September 30, 2014), in line with expectations. Operating cash costs for the third quarter of 2014 were $1.10/lb of copper sold, better than the revised full-year guidance of $1.16/lb.

The Eagle Nickel/Copper Project has been delivered ahead of schedule and is expected to be on or slightly under budget. On September 23, 2014, the Eagle Project officially announced the handover of the facility to the operations team and the commencement of ramp up to design production throughput of 2,000 tonnes per day. Mine stope production commenced on schedule during the third quarter of 2014 and the mill commenced concentrate production during early September. County road upgrade work over the haul route between the mine and mill is on-track for completion in early November 2014 prior to the onset of winter.

Expected Future Trends for Remainder of 2014

Copper Outlook

We believe the market for copper is likely to remain strong over the next several years, driven by demand from emerging market economies, including China, and the challenge of depleting reserves and declining ore grades at existing mines. New mine development has the potential to keep the copper market in a surplus position, but recent delays in new mine construction and disruptions at existing mines remain a significant risk to medium-term copper industry supply projections.

Zinc Outlook

We believe the fundamentals for zinc are strong given its use in galvanized steel and the associated applications in engineering and construction, together with the pending closure of several major zinc mines around the world. We believe these factors provide a positive medium-term outlook for zinc prices. The long-term outlook for zinc will be determined by the structural issue of whether mine supply growth will be able to keep pace with consumption growth. In the medium-term, deficits in the global refined zinc market are expected to persist. China is expected to remain a dominant driving force behind growth in zinc consumption.

Nickel Outlook

Nickel is a key alloy used in the production of stainless steel. While the world nickel market is currently oversupplied, we believe several factors will continue to drive improving fundamentals in the market for nickel. The Indonesian ore export ban and its impact on nickel pig iron production rates in China has been the driving force behind the recent rally in nickel prices. If the ban continues, we believe this will continue to contribute to an increasing scarcity situation in nickel going forward. As a result, the market could tip into a deficit position in 2015 and beyond.

SELECT FINANCIAL INFORMATION

The Company prepares its financial statements in accordance with IFRS. This information should be read together with sections "Comments to the Financial Statements" and "Capital Structure, Indebtedness and Related Information", the Company's audited financial statements for the years ended December 31, 2011, 2012 and 2013, and the unaudited interim financial statements for the nine-month period ending on September 30, 2013 and 2014. The Company's audited financial statement for the years ended December 31, 2011, 2012 and 2013 and the unaudited interim financial statements for the nine-month period ending on September 30, 2014 have been incorporated into this prospectus by reference (see section "Documents Incorporated by Reference").

This section provides a summary of the Company's financial performance and position. The financial information presented below has been derived from the Company's unaudited quarterly financial statements and audited annual financial statements for the specific reporting periods. The Acquisition is not reflected below.

Income statements

	Unaudited Jan-Sept	Unaudited Jan-Sept	Audited	Audited	Audited
($ in thousands)	**2014**	**2013**	**FY 2013**	**FY 2012**	**FY 2011**
Sales	508,283	540,861	727,782	721,106	783,786
Operating costs	(328,804)	(347,786)	(461,155)	(384,997)	(382,020)
Depreciation, depletion and amortization	(111,216)	(111,111)	(148,149)	(122,379)	(153,796)
General and administrative expenses	(19,201)	(16,948)	(23,570)	(27,445)	(19,881)
General exploration and business development	(37,761)	(34,255)	(43,668)	(66,064)	(50,702)
Income from equity investment in associates(1)	69,070	71,633	93,967	101,516	94,681
Finance income	3,519	1,179	1,945	2,983	3,602
Finance costs	(10,129)	(11,001)	(14,745)	(10,441)	(16,741)
Other income	11,968	16,448	17,506	9,311	16,845
Other expenses	(8,693)	(10,693)	(18,949)	(9,708)	(5,238)
Asset impairment	-	-	-	(67,252)	(35,726)
Earnings before income taxes	**77,036**	**98,327**	**130,964**	**146,630**	**234,810**
Current tax recovery (expense)	3,786	(18,253)	(12,471)	(51,983)	(77,841)
Deferred tax recovery	5,945	14,479	18,256	28,533	26,796
Net earnings for the period	**86,767**	**94,553**	**136,749**	**123,180**	**183,765**

(1) Represents income received as a result of the Company's interests in Tenke Fungurume (24% effective interest) and Freeport Cobalt (24% effective interest)

Balance sheets

($ in thousands)	Unaudited Sept 30 2014	Audited FY 2013	Audited FY 2012	Audited FY 2011
ASSETS				
Current				
Cash & Cash equivalents	150,757	116,640	275,104	265,400
Trade and other receivables	95,618	114,196	110,808	120,066
Income taxes receivable	20,461	24,909	6,494	6,869
Inventories	61,864	44,651	48,740	41,203
	328,700	**300,396**	**441,146**	**433,538**
Non-current				
Restricted funds	38,680	63,869	51,617	54,392
Marketable securities and other assets	13,679	21,617	39,052	19,515
Mineral properties, plant and equipment	1,874,176	1,784,868	1,270,813	1,242,126
Investment in associates	2,051,477	2,063,846	2,003,053	1,886,537
Deferred tax assets	22,189	24,031	18,893	37,848
Goodwill	158,194	173,383	165,877	190,369
	4,158,395	**4,131,614**	**3,549,305**	**3,430,787**
Total assets	**4,487,095**	**4,432,010**	**3,990,451**	**3,864,325**
LIABILITIES				
Current				
Trade and other payables	135,468	155,500	119,714	121,733
Income taxes payable	281	1,903	5,726	5,211
Current portion of deferred revenue	4,247	4,849	17,683	12,523
Current portion of long-term debt and finance leases	17,568	3,341	3,037	21,740
Current portion of reclamation and other closure provisions	5,757	8,712	6,486	6,581
	163,321	**174,305**	**152,646**	**167,788**
Non-current				
Deferred revenue	47,456	56,163	59,979	68,514
Long-term debt and finance leases	341,973	225,435	6,985	7,606
Reclamation and other closure provisions	143,959	142,958	124,244	103,046
Other long-term liabilities	2,935	3,234	3,625	5,745
Provision for pension obligations	18,096	20,752	21,216	18,525
Deferred tax liabilities	121,024	139,558	148,677	195,245
	675,443	**588,100**	**364,726**	**398,681**
SHAREHOLDER'S EQUITY				
Share capital	3,516,530	3,509,343	3,505,398	3,497,006
Contributed surplus	42,974	40,379	34,140	29,450
Accumulated other comprehensive loss	(145,443)	(27,620)	(77,213)	(116,174)
Retained earnings	234,270	147,503	10,754	(112,426)
	3,648,331	**3,669,605**	**3,473,079**	**3,297,856**
Total liabilities and equity	**4,487,095**	**4,432,010**	**3,990,451**	**3,864,325**

Cash flow statements

($ in thousands)	Unaudited Jan-Sept 2014	Unaudited Jan-Sept 2013	Audited FY 2013	Audited FY 2012	Audited FY 2011
Net cash provided (used) in operating activities	118,626	99,720	153,744	194,048	308,663
Net cash used in investing activities	(211,643)	(446,315)	(536,742)	(187,063)	(230,870)
Net cash provided (used) in financing activities	135,390	199,740	220,653	(5,641)	(2,643)
Effect of foreign exchange on cash balances	(8,256)	8,826	3,881	8,360	(8,659)
Increase/(decrease) in cash during the period	**34,117**	**(138,029)**	**(158,464)**	**9,704**	**66,491**
Cash and cash equivalent, beginning of period	116,640	275,104	275,104	265,400	198,909
Cash and cash equivalent, end of period	150,757	137,075	116,640	275,104	265,400

Key ratios

	Unaudited Jan-Sept 2014	Unaudited Jan-Sept 2013	Audited FY 2013	Audited FY 2012	Audited FY 2011
Sales Growth(1)	-6 %	-1 %	1 %	-8 %	-8 %
Net Earnings Margin(2)	17 %	17 %	19 %	17 %	23 %
Equity Ratio End of Period(3)	81 %	83 %	83 %	87 %	85 %
Weighted Average basic Shares outstanding	585,462,726	584,222,082	584,276,739	582,942,459	582,074,865
Weighted Average diluted Shares outstanding	587,491,886	584,887,589	584,938,925	584,013,588	582,964,608
"Net Income" divided by "Weighted Average diluted Shares outstanding"	0.15	0.16	0.23	0.21	0.32
Dividend per Paid Share	-	-	-	-	-
Capital expenditures, including advances to Tenke ($000)	320,459	127,228	243,674	174,371	253,139
Total production (tonnes)	224,831	210,174	283,284	265,049	259,975
Copper (tonnes)	82,262	86,359	116,592	101,983	107,400
Zinc (tonnes)	108,627	91,952	124,748	122,204	111,445
Lead (tonnes)	27,585	26,402	34,370	38,464	41,130
Nickel (tonnes)	6,357	5,461	7,574	2,398	n/a
Net Cash Cost/lb Cu, Neves-Corvo, ($)(4)	1.89	1.96	1.9	1.79	1.76
Net Cash Cost/lb Zn, Zinkgruvan, ($)(4)	0.37	0.31	0.32	0.13	0.3
Net Cash Cost/lb Ni, Aguablanca, ($)(4)	4.63	4.05	3.78	6.76	n/a

(1) Current year's sales compared to the previous year's sales

(2) "Net earnings for the period" divided by "sales"

(3) "Total equity year end" divided by "total assets year end"

(4) Net Cash Cost per pound is calculated as total cash costs attributable to mining operations, less credit for by-products sales (including deferred sales from streaming agreements), divided by the sales volume of the primary metal

COMMENTS TO THE FINANCIAL STATEMENTS

This information should be read together with sections "Select Financial Information" and "Capital Structure, Indebtedness and Related Information", the Company's audited financial statement for the years ended December 31, 2011, 2012 and 2013, and the unaudited interim financial statements for the nine-month period ending on September 30, 2013 and 2014. The Company's audited financial statements for the years ended December 31, 2011, 2012 and 2013 and the unaudited interim financial statements for the nine-month period ending on September 30, 2014 have been incorporated into this prospectus by reference (see section "Documents Incorporated by Reference").

Sales

January – September 2014 Compared to January – September 2013
Sales of $508.3 million for the nine months ended September 30, 2014 were $32.6 million lower than the comparable period in 2013 ($540.9 million) due to lower sales volumes ($42.7 million), primarily copper sales at Neves-Corvo, and higher treatment charges across all sites ($11.9 million), partially offset by higher net realized metal prices and prior period price adjustments ($22.0 million). Average metal prices for zinc and nickel for the nine months ended September 30, 2014 were higher (12%) than the same period in the prior year, while copper and lead prices declined from the prior year comparable period (1% - 6%).

Financial Year Ended December 31, 2013 Compared to Financial Year Ended December 31, 2012
For the year ended December 31, sales were $727.8 million in 2013 (2012: $721.1 million). The increase in sales of $6.7 million from the prior year was mainly a result of the restart of operations at Aguablanca ($91.9 million), offset by lower realized metal prices and prior period price adjustments, lower overall sales volume, and a change in sales mix.

Financial Year Ended December 31, 2012 Compared to Financial Year Ended December 31, 2011
For the year ended December 31, sales were $721.1 million in 2012 (2011: $783.8 million). The decrease was mainly as a result of lower net sales volume ($24.8 million) and lower realized metal prices and prior period price adjustments ($39.7 million). Increased volume of metal concentrate sales at Zinkgruvan and the restart of the Aguablanca mine were more than offset by lower copper sales at Neves-Corvo and overall reduced sales at Galmoy.

Operating Costs

January – September 2014 Compared to January – September 2013
Operating costs (excluding depreciation) of $328.8 million for the nine months ended September 30, 2014 were $19.0 million lower than the prior year of $347.8 million due primarily to the closure of our Galmoy operation and lower net sales volumes.

Financial Year Ended December 31, 2013 Compared to Financial Year Ended December 31, 2012
Operating costs were $461.2 million in 2013 (2012: $385.0 million). The increase in operating costs of $76.2 million was largely a result of the restart of operations at Aguablanca ($53.8 million), higher net per unit production costs ($10.4 million) and unfavourable foreign exchange rates ($12.0 million).

Financial Year Ended December 31, 2012 Compared to Financial Year Ended December 31, 2011
Operating costs (excluding depreciation) of $385.0 million in 2012 were slightly higher than the prior year 2011 of $382.0 million. Excluding increased costs from Aguablanca ($18.2 million) associated with restart of production, costs decreased by $15.2 million which was primarily attributable to Neves-Corvo ($11.5

million) and favourable foreign exchange rate and lower royalty charge, partially offset by higher per unit costs; and to Galmoy ($4.4 million) due to lower production and cessation of mining operations.

General and Administrative Expenses

January – September 2014 Compared to January – September 2013
General and administrative expenses for the nine months ended September 30, 2014 were $19.2 million in 2014 (2013: $17.0 million), which was in line with the general and administrative expenditures in the previous corresponding period.

Financial Year Ended December 31, 2013 Compared to Financial Year Ended December 31, 2012
General and administrative expenses were $23.5 million for the year ended December 31, 2013 (2012: $27.4 million). The decrease of $3.9 million was primarily a result of lower expensed salaries and timing of social investment program donations.

Financial Year Ended December 31, 2012 Compared to Financial Year Ended December 31, 2011
General and administrative expenses of $27.4 million for the year ended December 31, 2012 were $7.5 million higher than the year ended December 31, 2011, primarily as a result of higher stock-based compensation expense.

General Exploration and Business Development

January – September 2014 Compared to January – September 2013
General exploration and business development costs for the nine months ended September 30, 2014 were $37.8 million (2013: $34.3 million). The increase is attributable to higher corporate development and project development expenditures. Corporate development expenses include costs related to the Candelaria acquisition. Project development expenses include pre-feasibility costs and indirect costs for the Eagle project.

Financial Year Ended December 31, 2013 Compared to Financial Year Ended December 31, 2012
General exploration and business development costs were $43.7 million for the year ended December 31, 2013 (2012: $66.1 million). The decrease of $22.4 million was primarily a result of reduced comparative exploration activities of $16.8 million from the reduction in surface exploration at Neves-Corvo and lower corporate development expenditures of $6.5 million in the current year.

Financial Year Ended December 31, 2012 Compared to Financial Year Ended December 31, 2011
General exploration and business development costs increased from $50.7 million in 2011 to $66.1 million for the year ended December 31, 2012. The increase was a result of incremental exploration costs at Neves-Corvo, primarily from a 90,000 metre drilling program and additional high-resolution 3D seismic in and around the mine, focused on extending mine life for copper production. In addition, business development projects were undertaken in support of the Company's initiative for growth.

Income From Equity Investment in Associates

January – September 2014 Compared to January – September 2013
Income from equity investment in associates was $69.1 million for the nine months ended September, 2014 (2013: $71.6 million).

Financial Year Ended December 31, 2013 Compared to Financial Year Ended December 31, 2012
Income of $93.9 million in 2013 was $7.5 million lower than 2012. Higher copper sales volumes were more than offset by lower average realized price on copper sales and higher depreciation and amortization expense. Volume of copper cathode sold during 2013, on a 100% basis, was 205,851 tonnes compared to 152,355 tonnes in 2012. The average price realized for copper sales during 2013

(was $3.21/lb (2012: $3.51/lb). The average realized price for cobalt sold during 2013 was $8.02/lb (2012: $7.83/lb). Included in 2013 was also the share of equity loss of $3.8 million from Freeport Cobalt.

Financial Year Ended December 31, 2012 Compared to Financial Year Ended December 31, 2011
Income of $101.5 million in 2012 was $6.8 million higher than the prior year 2011. Higher copper sales volumes were partially offset by higher costs and lower average realized price on both copper and cobalt sales. Volume of copper cathode sold during 2012, on a 100% basis, was 152,355 tonnes compared to 128,284 tonnes in 2011.The average price realized for copper sales during 2012 was $3.51/lb (2011: $3.74/lb). The average realized price for cobalt sold during 2012 was $7.83/lb (2011: $9.99/lb).

Current Tax Expense

January – September 2014 Compared to January – September 2013
Current income tax recovery of $3.8 million for the nine months ended September 30, 2014 was $22.1 million higher than the $18.3 million expense recorded in 2013 during the same period largely due to investment tax credits of $7.6 million and prior period tax adjustments of $3.2 million at Neves-Corvo, and timing of current tax recoveries of $9.2 million in Sweden.

Financial Year Ended December 31, 2013 Compared to Financial Year Ended December 31, 2012
Current income tax expense for 2013 was $12.5 million (2012: $52.0 million). The decrease of $39.5 million reflects lower taxable earnings at Neves-Corvo and Zinkgruvan, a decrease in Swedish tax rates from 26.3% to 22.0% and investment tax credits of $14.3 million received by Neves-Corvo.

Financial Year Ended December 31, 2012 Compared to Financial Year Ended December 31, 2011
Current income tax expense for 2012 was $52.0 million, $25.8 million lower than the $77.8 million recorded in 2011. Aguablanca recorded a tax expense of €9.1 million ($12.5 million) in 2011 from a Spanish tax assessment for the deductibility of accelerated depreciation expense in fiscal years 2006 and 2007. In addition, the lower tax expense in 2012 reflected lower operating earnings and tax credits applied by Neves-Corvo for government approved investments

Net Earnings

January – September 2014 Compared to January – September 2013
Net earnings of $86.8 million ($0.15 per share) year-to-date were $7.8 million lower than the $94.6 million ($0.16 per share) reported in 2013. Net earnings were negatively impacted by lower operating earnings ($15.8 million).

Financial Year Ended December 31, 2013 Compared to Financial Year Ended December 31, 2012
Net earnings were $136.7 million (2012: $123.2 million) or $0.23 per share in 2013 (2012:$0.21). The increase was $13.5 million; however, excluding the after-tax impairment loss of $62.1 million recorded in 2012 related to Aguablanca, net earnings in 2013 were $48.6 million lower than 2012. Earnings were impacted by: lower operating earnings primarily due to lower realized metal prices and sales volumes of $65.6 million; and higher depreciation, depletion and amortization expense of $25.8 million, as a result of higher production at Neves-Corvo and the restart of production at Aguablanca; offset by investment tax credits of $14.3 million received at Neves-Corvo; $15.1 million in insurance proceeds for business interruption at the Aguablanca mine received in the current year (2012: $7.9 million); and lower exploration and business development expenditures of $22.4 million.

Financial Year Ended December 31, 2012 Compared to Financial Year Ended December 31, 2011
Net earnings of $123.2 million ($0.21 per share) for 2012 were $60.6 million lower than the $183.8 million ($0.32 per share) reported in 2011. Earnings were impacted by lower operating earnings primarily due to lower sales and lower realized metal prices ($73.2 million); higher impairment loss on write-down of

Aguablanca's mineral properties, plant and equipment and goodwill in 2012 compared to 2011 ($31.6 million); higher exploration and business development expenditures ($15.4 million); offset by lower depreciation, depletion and amortization expense ($31.4 million) as a result of lower production at Neves-Corvo and foreign exchange rates; and lower tax expense of $27.6 million, reflecting lower operating earnings and a decrease in Sweden's future tax rate from 26.3% to 22% effective January 1, 2013.

Cash Flow

January – September 2014 Compared to January – September 2013
For the nine months ended September 30, 2014, cash flow from operations was $118.6 million compared to $99.7 million for the same period in 2013. Changes in non-cash working capital and refunds from investment tax credits were the primary contributors to the increase.

Financial Year Ended December 31, 2013 Compared to Financial Year Ended December 31, 2012
Cash flow from operations for 2013 was $153.7 million (2012: $194.0 million). The decrease of $40.3 million in the cash flow was mostly attributable to lower operating earnings.

Cash flow from investing activities for 2013 was an outflow of $536.7 million (2012: $187.1 million). The increase of used cash of $349.6 million was primarily due to the acquisition of Eagle Project of $318 million, acquisition of Freeport Cobalt of $116.3 million and increased investment in mineral properties, plant and equipment.

Cash flow from financing activities for 2013 was $220.7 million (2012: -$5.6 million). The increase of $226.3 million was primarily due to proceeds from credit facilities of $313.9 million and repayment of long-term debt of $87.5 million.

Financial Year Ended December 31, 2012 Compared to Financial Year Ended December 31, 2011
Cash flow from operations for 2012 was $194.0 million (2011: $308.7 million). The comparative decrease of $114.7 million in the cash flow was mostly attributable to lower operating earnings and changes in working capital.

Cash flow from investing activities for 2012 was an outflow of $187.1 million (2011: $230.9 million). The decrease of used cash of $43.8 million was primarily due to smaller investment in mineral properties, plant and equipment of $159.4 million (2011: $188.6 million) and investment in Tenke Fungurume of $15.0 million (2011: $64.5 million).

Cash flow from financing activities for 2012 was an outflow of $5.6 million (2011: $2.6 million). The increase of used cash was $3.0 million.

Principal Investments During 2011 and up to the Date of This Prospectus

January 1, 2014 – the date of this prospectus
Capital expenditures for the nine-months period ending September 30, 2014 were approximately $320 million, with approximately $55 million spent at Neves-Corvo, approximately $20 million spent at Zinkgruvan, approximately $11 million spent at Aguablanca and $234 million spent at Eagle. For further information on capital expenditures related to the acquisition of the Acquisition Property, see section "Operations of Lundin Mining – Acquisition Property Financing".

Financial Year Ended December 31, 2013 Compared to Financial Year Ended December 31, 2012
Capital expenditures during 2013 were $244 million (2012: $174 million), with approximately $100 million spent at Neves-Corvo, $33 spent at Zinkgruvan, $12 million in Aguablanca and $98 million in Eagle.

Financial Year Ended December 31, 2012 Compared to Financial Year Ended December 31, 2011
Capital expenditures during 2012 were $174 million (2011: $253 million), with approximately $88 million spent at Neves-Corvo, $30 million spent at Zinkgruvan and $40 million spent at Aguablanca.

For information on the Company's principal investments that are currently in progress, see "Operations of Lundin Mining – Overview Investments and Funding."

CAPITAL STRUCTURE, INDEBTEDNESS AND RELATED INFORMATION

This information should be read together with sections "Select Financial Information" and "Comments to the Financial Statements", the Company's audited financial statement for the years ended December 31, 2011, 2012 and 2013, and the unaudited interim financial statements for the nine-month period ending on September 30, 2013 and 2014. The Company's audited financial statement for the years ended December 31, 2011, 2012 and 2013, and the unaudited interim financial statements for the nine-month period ending on September 30, 2014 have been incorporated into this prospectus by reference (see section "Documents Incorporated by Reference").

This section breaks down the Company's financial position and provides related information. The information provided is primarily based on the Company's unaudited financial statements for the nine-month period ended September 30, 2014.

Financial Position

On September 30, 2014, the Company had $363.0 million in interest bearing liabilities. The Company's cash and cash equivalents amounted to $150.8 million. Total shareholders' equity on September 30, 2014 was $3,648.3 million. The equity ratio (defined in the Key Ratios table in "Select Financial Information – Key Ratios") was 81%.

Property, Plant and Equipment

The use of the Company's properties, plants and equipment is subject to its licenses as well as leases, royalties, applicable environmental regulations and other encumbrances (for further information, please see section "Operations of Lundin Mining").

Breakdown of property, plant and equipment as at September 30, 2014 (unaudited, $ in thousands)

	Cost	**Accumulated depreciation, depletion and amortization**	**Net book value**
Mineral properties	1,665,239	935,712	729,527
Plant and equipment	702,645	332,827	369,818
Exploration properties	57,032	-	57,032
Assets under construction	717,799	-	717,799

The net carrying amount of equipment under finance leases was $2.881 million as per September 30, 2014.

Foreign Currency

The Company does not currently engage in foreign currency hedging activities.

Credit Facility

The Company entered into the Original Credit Agreement on September 1, 2010 with a banking syndicate comprised of BNS, ING Bank NV, Bank of Montreal, Export Development Canada, BANA, Société Générale and Skandinaviska Enskilda Banken AB, as amended and restated on December 19, 2012, and on October 7, 2013, which established the Original Revolving Facility the Original Credit Facilities. The borrowings under the Original Revolving Facility may only be used for general corporate purposes, including permitted acquisitions. The borrowings under the Original Term Loan may only be used to finance the construction and development of the Eagle Project, including the reimbursement of up to US$65 million of previously incurred construction and development costs. The Original Credit Facilities are secured on certain of the Company's material assets and a pledge of certain subsidiary shares. The Original Credit Agreement contains a number of affirmative and negative covenants, including limits on indebtedness, asset sales and liens. The Original Credit Agreement makes allowances to ensure that there shall not be a breach of any financial covenants solely from a change in accounting policies (including to IFRS). The Original Credit Agreement contains the following significant maintenance covenants of both borrowers (the Company and its subsidiary Lundin Mining AB):

Minimum tangible net worth	Greater than or equal to the sum of (x) US$2,062,200,000, (y) 50% of each equity issuance by the Company after June 30, 2013, and (z) 50% of the positive net income, if any, for each fiscal year from and including the fiscal year ending December 31, 2013 as such net income is reflected in the audited financial statements of the Company for such fiscal year
Maximum debt to tangible net worth ratio	Less than or equal to 1:1
Maximum leverage ratio (net debt to rolling EBITDA)	For each fiscal quarter prior to April 30, 2016, less than or equal to 4:1, and thereafter less than or equal to 3:1
Minimum interest coverage ratio (EBITDA to interest)	Greater than or equal to 2.5:1 for each fiscal quarter

The interest margin on drawings under the Original Credit Facilities, consisting of prime rate loans and base rate Canada loans ranges from 1.75% to 2.75%. The bankers acceptance fee, LIBOR loan rate and financial letter of credit issuance fee ranges from 2.75% to 3.75%. The non-financial letter of credit issuance fee ranges from 1.815% to 2.475%. The standby fee ranges from 0.6875% to 0.9375% per annum. These margins and fees are based on the leverage ratio (debt to EBITDA) levels set out in the Applicable Rates schedule to the Original Credit Agreement.

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

Concurrent with the closing of the Acquisition, the Company repaid and cancelled the Original Term Loan. In addition, the Company entered into the Amended Credit Agreement which gave the Company, among other things, the flexibility required to complete the Acquisition. All covenants and events of default under the Amended Credit Agreement will otherwise remain the same as under the current Original Credit Agreement. On September 30, 2014 the Company had $339 million committed against these facilities, leaving debt capacity of $261 million available for future drawdowns. Reference is also made to "Operations of Lundin Mining – Acquisition Property Financing."

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

Reclamation and Closure Provisions

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

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

Financial Risk Management

For information in the Company's financial risk management and related information, reference is made to pages 87-89 of the Company's financial statements for the year ended December 31, 2013 (Management of Financial Risk and Management of Capital Risk).

For information on the Company's internal controls, reference is made to page 32 in the Company's Management's Discussion and Analysis for the nine months ended September 30, 2014 (Management's Report on Internal Controls).

Other Information

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

Since September 30, 2014 the Company's financial position has been affected by: the Transactions; changes in its market capitalization in connection with movements in the equity markets; and the value of the Company's outstanding receivables as they are tied to changing commodity prices. Please see "Other Information about Lundin Mining – Recent Milestones - 2014" and "Operations of Lundin Mining – Acquisition Property Financing" for further details.

BOARD OF DIRECTORS, EXECUTIVE OFFICERS AND AUDITOR

Board of Directors

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

Director	Position	Served as director since
Lukas H. Lundin	Chairman and Director	September 9, 1994
Paul K. Conibear	Director	June 30, 2011
Donald K. Charter	Director	October 31, 2006
John H. Craig	Director	June 11, 2003
Brian D. Edgar	Director	September 9, 1994
Peter C. Jones	Director	September 20, 2013
Dale C. Peniuk	Director	October 31, 2006
William A. Rand	Director	September 9, 1994

BIOGRAPHIES

Lukas H. Lundin, Chairman and Director
Mr. Lundin graduated from the New Mexico Institute of Mining and Technology (Engineering). Throughout his career, he has been responsible for various resource discoveries, including the multi-million ounce Veladero gold deposit. Mr. Lundin has also led numerous companies through very profitable business acquisitions and mergers; most recently the $9.2 billion sale of Red Back Mining Inc.

Mr. Lundin currently sits on the board of Denison Mines Corp., Lucara Diamond Corp., Fortress Minerals Corp.; Lundin Petroleum AB and NGEx Resources Inc.

Within the last five years, Mr. Lundin was, but is no longer, a director of Kinross Gold Corporation, Red Back Mining Inc., Sirocco Mining Inc., Vostok Gas Ltd. and Vostok Nafta Investments Ltd.

Paul K. Conibear, President, Chief Executive Officer and Director
Mr. Conibear has more than 30 years' experience in corporate and asset management of all phases of mining investments in North and South America, and several African countries including DRC. Originally from the mining centre of Sudbury, he brings to Lundin Mining and its investments a practical background of 18 years in mining project and construction management followed by 12 years as a corporate officer and director for several successful Lundin Mining group public companies including Tenke Mining Corp.

As Chief Operating Officer then President/CEO and a Director of Tenke Mining Corp for many years until its merger with Lundin Mining, Mr. Conibear was instrumental in progressing the world class Tenke Fungurume copper/cobalt project towards development. In this capacity he has also been active in advancing the group's corporate social responsibility initiatives and is one of the founding directors of the Lundin for Africa Foundation, a charitable entity established to support sustainable development across Africa.

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

Donald K. Charter, Director
Mr. Charter is the President of 3Cs Corporation his private consulting and investment company. Mr. Charter has experience in a number of sectors including mining, oil & gas, real estate, financial services and corporate governance. He has completed the Institute of Corporate Directors, Directors Education Program and is a member of the Institute. He is a graduate of McGill University where he obtained degrees in Economics and Law. In 1995 he left the practice of law and joined the Dundee group of companies as an Executive Vice President with a number of responsibilities including the company's capital market activities. In 1998 he became the inaugural Chairman and CEO of the Dundee Securities group of companies and oversaw its growth from a start up to a major independent financial services company. In 2006 Mr. Charter left this group of companies and has focused his attention on 3Cs and as a corporate director primarily in the resource sector.

Mr. Charter is currently a director of Adriana Resources Inc., Dream Office REIT and IAMGOLD Corporation and is currently the president of President of 3Cs Corporation.

Within the last five years, Mr. Charter was, but is no longer, a director of Baffinland Iron Mines Corporation and Great Plains Exploration Inc**,** and President and Chief Executive Officer of Corsa Coal Corp.

John H. Craig, Director
Mr. Craig practices in the securities law area with a focus on equity financings both for underwriters and issuers with an emphasis on resource companies, TSX listing, dealings with TSX and OSC for listed public companies, takeovers and issuer bids and going private transactions. His mergers and acquisitions experience involves mergers of public companies, both listed and unlisted and acquisitions of listed companies by unlisted and private concerns. Mr. Craig is also involved with international resources in negotiation and drafting of mining, oil and gas concession agreements, joint venture agreements, operation agreements and farm-in agreements in a variety of countries. Mr. Craig received his B.A. and LLB from the University of Western Ontario and was admitted to the bar in 1973.

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

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

Brian Edgar, Director
Mr. Edgar has been active in public markets for over 25 years. A graduate of the University of British Columbia law school, Mr. Edgar practiced corporate and securities law in Vancouver for 16 years before retiring in October 1992 to establish Rand Edgar Investment Corp., an investment/banking, venture capital company in the business of providing early stage venture capital to high growth companies and in providing advisory services concerning corporate structuring, finance, business strategies, private and public securities offerings and relations with regulatory authorities, lawyers, accountants and technical consultants.

Mr. Edgar serves on the board of BlackPearl Resources Inc., Denison Mines Corp., Lucara Diamond Corp., ShaMaran Petroleum Ltd. and Silver Bull Resources, Inc.

Within the last five years, Mr. Edgar was, but is no longer, a director of New West Energy Services Inc. and Red Back Mining Inc. and President and Chief Executive Officer of Dome Ventures Corporation (resource company).

Peter C. Jones, Director
Mr. Jones has over 40 years of experience in the mining industry, including work in Europe, Africa, North and South America, Australia and Asia. Mr. Jones served as Interim President and CEO of IAMGOLD Corp., President and Chief Operating Officer of Inco Ltd., and President and Chief Executive Officer of Hudson Bay Mining & Smelting Co.

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

Dale C. Peniuk, Director
Mr. Peniuk received his Bachelor of Commerce degree from the University of British Columbia in 1982. He subsequently received his designation as a Chartered Accountant from the Institute of Chartered Accountants of British Columbia in 1986. Mr. Peniuk has been a member of the Institute of Chartered Accountants of British Columbia's Public Company Technical Forum since 2000 and is currently the Chair of that committee. Mr. Peniuk currently provides financial consulting services to companies in the mining industry.

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

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

William A. Rand, Director
Mr. Rand received a Bachelor of Commerce degree (Honours Economics and Major Accounting) from McGill University in 1963, a Bachelor of Laws degree from Dalhousie Law School in 1966 and a Masters of Law degree from the London School of Economics in 1967. At present, Mr. Rand is an advisor to Canadian and international investors and entrepreneurs on taking companies public in Canada and advising on public offerings, private placements, asset acquisitions and dispositions, mergers, amalgamations and statutory arrangements. Mr. Rand has been associated with companies owned by a member of the Lundin Family since the late 1970s.

Mr. Rand serves on the board of Denison Mines Corp., Lundin Petroleum AB, New West Energy Services Inc. and NGEx Resources Inc.

Within the last five years, Mr. Rand was, but is no longer, a director of Dome Ventures Corporation, Rockgate Capital Corp., Vostok Gas Ltd., and Vostok Nafta Investment Ltd.

Executive Officers

Executive Officer	Position	Joined Lundin Mining
Susan J. Boxall	Vice President, Human Resources	2012
Paul K. Conibear	President, CEO and Director	2011
Stephen T. Gatley	Vice President, Technical Services	2005
James A. Ingram	Corporate Secretary	2010
Marie Inkster	Senior Vice President and Chief Financial Officer	2008
Julie A. Lee Harrs	Senior Vice President, Corporate Development	2011

Executive Officer	Position	Joined Lundin Mining
Jinhee Magie	Vice President, Finance	2008
Paul M. McRae	Senior Vice President, Projects	2008
Neil P. M. O'Brien	Senior Vice President, Exploration and Business Development	2005
J. Mikael Schauman	Vice President, Marketing	2006

Susan J. Boxall, Vice President, Human Resources
Ms. Boxall joined Lundin Mining in August of 2012 as Vice President, Human Resources (HR). She has over 25 years of human resources experience and her career has spanned manufacturing and mining in both the private and public sector. She started her career with Motorola then moved into the manufacture of diamond for industrial purposes, latterly in the role of Executive Director HR and finally into mining as the Group HR Director with De Beers. Throughout her career she has been involved with many organisational changes, startups, M&As and relocations. She has an MSc in Strategic Human Resource Management, is a Fellow of the Chartered Institute of Personnel and Development and has been an active member of various committees and network panels.

Paul K. Conibear, President, CEO and Director
Please see "Board of Directors" for Mr. Conibear's biography.

Stephen T. Gatley, Vice President, Technical Services
Mr. Gatley is a British citizen and a qualified mining engineer with over 30 years' experience in the base metals mining industry. He has spent much of his career with the Rio Tinto group occupying increasingly senior mine production and project management positions in mines across Europe, Africa and South America. He joined Lundin Mining in 2005 with their acquisition of the Galmoy mine in Ireland where he held the position of General Manager. Since 2006 he has occupied a corporate role providing high level technical support to the company's operating mines, strategic investments and business development initiatives.

Mr. Gatley serves on the board of Sunridge Gold Corp.

James A. Ingram, Corporate Secretary
Mr. Ingram is a lawyer and a member of the Law Society of Upper Canada. He is also a Fellow of the Institute of Chartered Secretaries and Administrators in Canada. Before joining Lundin Mining in 2010, he worked as Secretary, General Counsel and Privacy Officer over a period of more than 11 years with the Canadian retailer, Hudson's Bay Company. During this time, he rebuilt the secretarial function to strengthen corporate governance throughout the company and all subsidiaries, directed the creation and evolution of the legal department from a minimal presence, established the privacy office and settled donation policy and procedure for the company's charitable foundations. Prior to that he worked as General Counsel, Secretary and Director of Real Estate for Kmart Canada Limited. In this position, he redefined the secretarial department together with the policies and procedures for good corporate governance, directed all legal matters for the company and led the real estate activities for this major Canadian retailer. Before joining these corporations, he practiced law. Mr. Ingram currently sits on the boards of several Canadian amateur athletic associations.

Within the last five years, Mr. Ingram was, but is no longer, Secretary, General Counsel and Privacy Officer for Hudson's Bay Company.

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

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

Julie A. Lee Harrs, Senior Vice President, Corporate Development
Ms. Lee Harrs joined the Company in 2011 and has extensive international mining experience including corporate affairs, project development, operations, and mergers and acquisitions, gained through executive positions with Inco Limited (now part of Vale) where she served on negotiating teams on such notable projects as Voisey's Bay and Goro, then at Sherritt International as Senior Vice President and General Counsel. At Sherritt, Ms. Lee Harrs held corporate roles on financing and acquisitions, served on joint venture boards and maintained various corporate responsibilities on Ambatovy and Moa Bay. She also held directorship and executive management roles with MacDonald Mines and Energizer Resources. Previous to those positions, she was a corporate lawyer with Blakes, one of Canada's national law firms. Prior to joining the Company Ms. Lee Harrs worked on mining, oil and gas investments in Canada, New Caledonia, Cuba, Madagascar, Indonesia, Spain and Pakistan. Within the last five years, Ms. Lee Harrs was, but is no longer, President & COO of Energizer Resources and a director of Energizer Resources and MacDonald Mines.

Jinhee Magie, Vice President, Finance
Ms. Magie joined the Company in 2008 and has been Vice President, Finance of the Company since May 1, 2009. Prior to that she was Director of Finance of the Company from September 2008 to April 30, 2009. Before joining Lundin Mining, Ms. Magie was the Director of Corporate Compliance for LionOre Mining International Ltd.

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

Neil P. M. O'Brien, Senior Vice President, Exploration and Business Development
Dr. O'Brien is a Canadian and British citizen. Dr. O'Brien joined the Company in 2005 and has more than 20 years' experience in the international mining industry. He holds a Ph.D. in Geological Sciences from Queen's University, Kingston, Ontario, Canada. Dr. O'Brien began his career in the early 1980s in Mine Exploration with leading Canadian companies, including Kidd Creek Mines Ltd. Since 1990, Dr. O'Brien has held several positions within the Teck Cominco group, including the position of General Manager, Minera Teck Cominco. Dr. O'Brien has extensive international experience in early to advanced stage exploration for zinc, copper and gold. Dr. O'Brien serves on the board of Sunridge Gold Corp.

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

Other Information Regarding the Board of Directors and Executive Officers

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

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

Each director of the Company holds office until the next annual meeting of shareholders or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company or he becomes disqualified to act as a director.

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

None of the directors or executive officers above has, in the capacity of director or member of the management of a company, been involved in any bankruptcy, receivership or liquidation during the past five years.

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

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

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

No member of the Board or executive officer has any private interest, other than interests arising from his or her holding of Shares, options and/or phantom share appreciation right ("**PSAR**") in the Company, which potentially conflicts with the interests of the Company. However, the Company's directors and officers may serve as directors or officers, or may be associated with other public companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transactions.

The Board has adopted a formal written Code of Conduct and Ethical Values Policy ("**Code of Conduct**") for its directors, officers and employees of Lundin Mining and its subsidiaries.

Individuals governed by the Code of Conduct are required to disclose in writing all business, commercial or financial interests or activities which might reasonably be regarded as creating an actual or potential conflict with their duties. Individuals must avoid all situations in which their personal interests conflict or may conflict with their duties to the Company or with the economic interest of the Company. All business transactions with individuals, corporations or other entities that could potentially, directly or indirectly, be considered to be a related party, must be approved by the Board regardless of the amount involved.

Directors, officers and employees are encouraged to report violations of the Code of Conduct on a confidential and, if preferred, anonymous basis to senior management, the Board or the Audit Committee Chair, in accordance with the complaints procedure set out in the Code of Conduct. If the Audit Committee becomes involved with the matter, the Audit Committee may request special treatment for any complaint, including the involvement of the Company's external auditors, legal counsel or other advisors. All complaints are required to be documented in writing by the person(s) designated to investigate the complaint, who shall report forthwith to the Chair of the Audit Committee. On an annual basis, or otherwise upon request from the Board, the Code of Conduct requires the Chair of the Audit Committee to prepare a written report to the Board summarizing all complaints received during the previous year, all outstanding unresolved complaints, how such complaints are being handled, the results of any investigations and any corrective actions taken.

The Code of Conduct is available on the Company's website and has been filed and is accessible through SEDAR on the Company's profile at www.sedar.com.

The Audit Committee has also established a Fraud Reporting and Investigation (Whistleblower) Policy to encourage employees, officers and directors to raise concerns regarding questionable accounting, internal controls, auditing or other fraudulent matters, on a confidential basis free from discrimination, retaliation or harassment.

With respect to each person in the Board, management and other insiders, the table set out below lists their Share and option ownership in the Company as of the date of this prospectus.

Holdings

As of the date of this prospectus the above members of the Board and the executive officers held the following Shares and options in the Company:

Insider	Common Shares Held	Options Held
Lukas H. Lundin	2,271,449	Nil
Paul K. Conibear	789,904	550,000
Donald K. Charter(1)	42,424	142,800
John H. Craig	213,849	Nil
Brian D. Edgar	130,000	Nil
Peter C. Jones(2)	22,070	Nil
Dale C. Peniuk	50,000	Nil
William A. Rand	223,424	Nil
Susan J. Boxall	Nil	450,000
Stephen T. Gatley	35,000	570,000
James A. Ingram	Nil	115,500
Marie Inkster	130,200	805,200
Julie A. Lee Harrs	125	610,000

Insider	Common Shares Held	Options Held
Jinhee Magie	Nil	540,000
Paul M. McRae	Nil	660,000
Neil P. M. O'Brien	122,000	645,000
J. Mikael Schauman	Nil	480,000
Zebra [(3)(4)]	38,964,854	Nil
Lorito [(3)(4)]	33,950,000	Nil

Notes:
[(1)] Upon conversion of the Subscription Receipts, Mr. Charter will hold 67,424 Common Shares.
[(2)] Upon conversion of the Subscription Receipts, Mr. Jones will hold 51,482 Common Shares.
[(3)] Lorito and Zebra, who report their security holdings as joint actors, are private corporations owned by a trust whose settler is the Estate of Adolf H. Lundin. Lorito and Zebra hold a total of 72,914,854 Common Shares, which represents approximately 12.44% of the current outstanding Common Shares.
[(4)] Upon conversion of the Subscription Receipts, Lorito and Zebra will hold 37,557,844 and 54,964,854 Common Shares, respectively.

Compensation, Pension and Benefits

Compensation of Directors

For the year ended December 31, 2013, the Chairman of the Board received annual remuneration in the amount of C$200,000 (subject to currency conversion). Each non-executive director received annual base remuneration of C$90,000. The Chair of the Audit Committee received annual remuneration of C$25,000 and each committee member received annual remuneration of C$15,000. The Chair of the HRCC received annual remuneration of C$20,000 and each committee member received annual remuneration of C$10,000. The Chair of each of the other Board committees received annual remuneration of C$10,000 and each committee member received annual remuneration of C$5,000. The lead director, William A. Rand, received annual remuneration of C$25,000. All of these amounts were paid in monthly instalments.

The following table provides information regarding compensation paid to the Company's non-executive directors during the financial year ended December 31, 2013.

Name	Fees Earned	Share-based Awards	Option-based Awards	Non-Equity Incentive Plan - Compensation	Pension Value	All Other Compensation	Total (US$)
Lukas H. Lundin	194,200	-	-	-	-	-	**194,200**
Colin K. Benner[1]	48,550	-	-	-	-	-	**48,550**
Donald K. Charter	121,375	-	-	-	-	-	**121,375**
John H. Craig	92,245	-	-	-	-	-	**92,245**
Brian D. Edgar	101,955	-	-	-	-	-	**101,955**
Peter C. Jones[2]	27,094	-	-	-	-	-	**27,094**
Dale C. Peniuk[3]	125,527	-	-	-	-	-	**125,527**
William A. Rand	135,940	-	-	-	-	-	**135,940**

Notes:
[1] Mr. Benner ceased to be a director and Chair of the HSEC effective July 1, 2013.
[2] Mr. Jones was appointed as a director effective September 20, 2013 and he was appointed as a member of the HSEC. On October 29, 2013, he was appointed Chair of the HSEC and on December 4, 2013, he was appointed as a member of the HRCC

[3] Mr. Peniuk ceased to be a member of the HRCC effective December 4, 2013.The CEO, Mr. Conibear, who also acts as a director of the Company, does not receive any compensation for services as a director.

Compensation of Executive Officers

2013 Executive Officer Compensation Results

The Board reviewed Lundin Mining's 2013 performance and the analysis and recommendations of the Human Resources/Compensation Committee (the "**HRCC**") and approved the following decisions on executive compensation for 2013.

(i) *Base Salaries*

The HRCC reviewed base salaries by reviewing industry trends, competitive market data, internal equality among executive positions and individual performance measured against the achievement of business and operating goals. The table below summarizes the base salary for certain executive officers for fiscal 2013.

Executive Officer	2013 Base Salary (US$)[1]
Paul Conibear, CEO	750,098
Marie Inkster, CFO	396,051
Paul McRae, SVP, Projects	505,217
Julie Lee Harrs, SVP, Corporate Development	350,046
Stephen Gatley, VP, Technical Services	402,885

Note:
[1] These executive officers were paid in C$, except Messrs. McRae and Gatley who were paid in £. See "Currency" for the exchange rates.

(ii) *Long Term Incentives*

Lundin Mining's executive officers noted above each received annual stock grants in February 2014 (for information on these person's holdings in the Company, reference is made to "Holdings" above.

(iii) *Annual Short Term Incentives*

The HRCC utilized Lundin Mining's Short Term Incentive Program Framework to assess short term incentives. The following describes for 2013, the results considered by the HRCC as part of the assessment process.

- The HRCC determined that the contribution of the executive officers noted above for 2013 was on or above target, and so it warranted bonuses on this occasion that were commensurate with that level of performance. In assessing the performance of such executive officers the HRCC considered the following results, among others:
- The successful acquisition of the Eagle Nickel/Copper Project, the investment alongside Freeport-McMoRan Copper & Gold Inc. in Freeport Cobalt and the significant extension of the life of mine at Aguablanca with an underground project.
- Copper and nickel production exceeded the high end of the Company's production guidance, while zinc and lead met the overall targets.
- Higher throughput at Neves-Corvo resulted in better than expected copper production, while nickel and copper production at Aguablanca was assisted by better than expected throughput, grades and recoveries.

- The Company strongly outperformed most of its peer group.
- The Company continued a very successful investor relations program and has continued to favourably position the Company in the marketplace with analysts and investors.
- The Company completed a major financing package for the acquisition of the Eagle Nickel/Copper Project, significantly improving the Company's financing flexibility.
- The very efficient transition of ownership transfer from Rio Tinto plc, rapid remobilization of construction activities, high local stakeholder support continuing post asset transfer and to date on time/on schedule execution of the project are notable achievements.

Summary Compensation Table Executive Officers

The following table sets forth a summary of the total compensation paid to, or earned by the Company's Executive Officers during the most recently completed fiscal period (US$).

				Non-equity incentive plan compensation				
Name and principal position[1]	Salary	Share-based awards[2]	Option-based awards[3]	Annual incentive plans[4]	Long-term incentive plans	Pension Value	All other compensation	**Total compensation**
Paul Conibear CEO	750,098	323,329	558,000	990,129	-	-	62,274[5]	2,683,830
Marie Inkster CFO	396,051	-	521,172	380,214	-	-	30,767[5]	1,328,204
Paul McRae SVP, Projects	505,217	-	390,600	315,768	-	-	104,714[5]	1,316,299
Julie Lee Harrs SVP, Corporate Development	350,046	-	390,600	273,035	-	-	26,867[5]	1,040,548
Stephen Gatley VP, Technical Services	402,885	-	334,800	232,672	-	-	44,518[5]	1,014,875
Other Executive Officers	1,444,143	-	4,985,276	759,353	-	86,648[6]	87,325[5]	7,362,745

Notes:

[1] All the executive officers were paid in C$, except Messrs. McRae, Gatley and certain of the other executive officers who were paid in £. See "*Important Information - Currency*" for the exchange rates

[2] This amount represents the fair value of the 500,000 PSARs, on the date of grant calculated using the Black Scholes model according to IFRS2 Share-based payment of IFRS since it is used consistently by comparable companies. The key assumptions and estimates used for the calculation of the grant date fair value under this model include the risk-free interest rate, expected stock price volatility, expected life and expected dividend yield. Fair values were calculated in C$ and translated into US$. Any actual value will depend on the value of the Common Shares on April 30, 2014 (the **"Maturity Date**"). On the Maturity Date, Mr. Conibear received cash equal to the increase in the value of the Common Shares from the date of grant to the Maturity Date.

[3] The value of the 2013 stock options that were granted in February 2014 was determined based on the Black Scholes fair value of the Common Shares on the grant date of C$1.92 (US$1.86). The fair value of stock option awards on the grant date were calculated using the Black Scholes model according to IFRS2 Share-based payment of IFRS since it is used consistently by comparable companies. Below are the key assumptions and estimates:

	Volatility (%)	Risk-Free Rate (%)	Exercise Price (C$ / US$)
2014*	49.3%	1.33%	C$5.18 / US$5.03
2012	54.6%	1.27%	C$4.96 / US$4.82
2011	62.2%	1.12%	C$3.92 / US$3.81

*The 2014 stock option grants are included in 2013 compensation.

[4] Represents incentive awards in respect of the corresponding year's performance but are paid the following year.
[5] Amounts in this column typically consist of, but are not limited to, benefits such as retirement savings benefits, supplemental life and other additional benefits and parking allowances. As an expat, Mr. McRae also received expat benefits, education and taxable benefits for travel-related expenses and an amount representing 6% of his base salary in cash due to his inability to participate in the contributory retirement savings scheme offered in the United Kingdom. Mr. Conibear received the cash value for his 2011 PSARs that matured in 2013.
[6] Amount reflects the average pension payment to these individuals, which is an average of 6% of their respective base salary.

Pension Plan Benefits

Apart from the information below regarding Zinkgruvan, the Company and its subsidiaries do not have amounts set aside or accrued for pension, retirement or similar benefits.

Total provision for pension obligations at the Zinkgruvan mine amounted to approximately $20,752,000 for the financial year ended December 31, 2013. The Company has a liability relating to the defined benefit plan at the Zinkgruvan mine. The defined benefit plan is unfunded and, accordingly, there are no plan assets and the Company made no contributions to the plan. The Company's pension expense related to the defined benefit plan and recorded within operating costs was approximately $1,528,000 for the financial year ended December 31, 2013. A 1% change in the discount rate assumption would have an insignificant impact on the pension obligation or the pension expense for 2013. The Company expects to make payments of $1.8 million under the defined benefit plan during the next financial year.

Termination and Change of Control Benefits

Other than as set forth below, the Company has no compensatory plan, contract or arrangement where a member of the Board or an Executive Officer is entitled to receive compensation or benefits in the event of resignation, retirement or other termination of employment with the Company.

Each of the Company's executive officers is a party to an indefinite term employment agreement with the Company that sets forth certain instances where payments and other obligations arise on the termination of their employment or in the situation of a change of control of the Company.

Termination Without Cause

The employment agreements for each of the executive officers contain specific terms and conditions describing the Company's obligations if any of these executive officers had their employment terminated without cause. If those agreements are terminated by the Company without cause, or if the agreement is terminated by certain of these executive officers for good reason then payment of salary and, in some cases, short-term incentives, long-term incentives and benefits will be due for the appropriate notice period as provided in their respective contracts.

Following the termination of Mr. Conibear's employment by the Company without cause, the Company will be required to pay Mr. Conibear on termination 24 months' base salary, plus two times the average of the bonus received in the previous two years. Mr. Conibear will also be entitled to be paid the long-term incentive for the year in which the termination occurs with the PSAR valuation determined on the termination date as the increase, if any, of the value of those shares on the termination date compared to the pricing date. Mr. Conibear shall also continue to participate in the Company's health and medical benefits for 24 months following the termination date.

Following the termination of Ms. Inkster's employment by the Company without cause, the Company will be required to pay Ms. Inkster at termination 12 months' base salary. In the case of a termination of her employment in the event of redundancy, the Company will also provide 12 months' bonus calculated as the average over the last two performance years and 12 months' benefits.

Following the termination of Mr. McRae's employment by the Company without cause, Mr. McRae will receive an amount equal to the Salary that would have been payable to him had his employment with the Company continued for a period of 12 months after the termination date in full satisfaction of any notice periods, severance or other payments to which he may be entitled to under statute or otherwise in respect of the termination of his employment with the Company. In this paragraph, "**Salary**" is defined as base salary, plus pro-rated bonus averaged over the last two performance years, and pro-rated benefits.

Following the termination of Ms. Lee Harrs' employment by the Company without cause, Ms. Lee Harrs will receive an amount equal to the Salary that would have been payable to her had her employment with the Company continued for a period of 12 months after the termination date in full satisfaction of any notice periods, severance or other payments to which she may be entitled to under statute or otherwise in respect of the termination of her employment with the Company. In this paragraph, "**Salary**" is defined as base salary, plus pro-rated bonus averaged over the last two performance years, and pro-rated benefits.

Following the termination of Mr. Gatley's employment by the Company without cause, Mr. Gatley is entitled to receive two weeks' notice or payment in lieu of notice plus one week for each additional year of employment to a maximum of 12 weeks' (the "**Notice Period Payment**"). Currently, Mr. Gatley will receive an amount equal to 12 weeks' Salary that would have been payable to him had his employment with the Company continued for a period of 12 weeks after the termination date in full satisfaction of any notice periods, severance or other payments to which he may be entitled to under statute or otherwise in respect of the termination of his employment with the Company. In this paragraph, "**Salary** is defined as base salary. Furthermore, subject to certain provisions of Mr. Gatley's employment agreement, the Company, at its sole discretion, can provide written notice to Mr. Gatley requiring him not to perform any further services ("**Garden Leave**"). In the event that the Company required Mr. Gatley to be on Garden Leave, Mr. Gatley will receive up to six months' Salary, inclusive of the Notice Period Payment. The amount up to six months' Salary is determined at the sole discretion of the Company.

Following the termination of any of the other executive officers' respective employment by the Company without cause, the Company will be required to pay such executive officer on termination a range of 6-24 months' base salary, depending on the terms of employment of the executive officer, and in certain circumstances, two times the average of the bonus received in the previous two years. Certain of these executive officers will also be entitled to continue to participate in the Company's health, medical and other benefits as permitted under the Company's benefits programs.

For certain of the executive officers, the Company may elect to terminate their employment for disability in which case additional payments may be required.

The following table provides details regarding the estimated incremental payments from the Company to the executive officers assuming termination of employment without cause on December 31, 2013.

Executive Officer	**Base Salary**	**Short-Term Incentive Plan**	**Value of Benefits**	**Equity**[1]	**Total**
Paul Conibear CEO	1,500,195	1,890,858	82,705	300,000[2]	**3,773,758**
Marie Inkster CFO	396,051	338,232	37,840	132,000	**904,123**
Paul McRae SVP, Projects	505,217	282,131	63,217	128,000	**978,565**

Executive Officer	Base Salary	Short-Term Incentive Plan	Value of Benefits	Equity[1]	Total
Julie Lee Harrs SVP, Corporate Development	350,046	232,846	29,085	95,000	**706,977**
Stephen Gatley VP, Technical Services	92,973	-	-	76,400	**169,373**
Other Executive Officers	1,526,613	294,703	118,497	693,050	**2,632,863**

Notes:
[1] Values represent the gain on all vested options, assuming a TSX closing price on December 31, 2013 of C$4.60 (US$4.32). Based on the closing exchange rate of US$0.9402:C$1.00 on December 31, 2013.
[2] Value includes 500,000 PSARs.

Change of Control

In the majority of the employment agreements of the executive officers and in the case of change of control of the Company, certain of the executive officers have a commitment that they may not terminate their employment until the expiry of a 6 month period following the change of control, except in the case of a reduction in the executive officer's compensation (other than any year-over-year change in their awards under incentive compensation plans) or a material change in the executive officer's place of employment. During the 6 to 12 month period following a change of control, certain executive officers may terminate his or her employment with the Company, in which case the termination payments below would apply.

Within 12 months of a change of control of the Company, if Mr. Conibear is terminated without cause or if a triggering event occurs, such as a significant diminution of Mr. Conibear's duties or responsibilities, and Mr. Conibear elects to terminate his employment, he will be entitled to receive the termination provisions of his employment agreement for termination without cause.

After the expiration of the 6-month period following a change of control of the Company, Ms. Inkster may terminate her employment with the Company and will be entitled to a termination payment of 12 months' base salary. If this election is not made within 12 months of the date of the change of control then this right will lapse.

After the expiration of the 6-month period following a change of control of the Company, Ms. Lee Harrs may be eligible to terminate her employment with the Company and be entitled to a termination payment of 12 months' Salary. In this paragraph, "**Salary** is defined as base salary, plus pro-rated bonus averaged over the last two performance years, and pro-rated benefits. If this election is not made within 12 months of the date of the change of control then this right will lapse.

If at any time Mr. Gatley`s employment is terminated by reason of any reconstruction, amalgamation or sale of the Company and Mr. Gatley is not offered employment with terms that are no less favourable to any material extent than the terms of his current employment agreement, Mr. Gatley is entitled to receive payment in lieu of an extended notice period of 24 months' Salary, which are inclusive of any other payments including notice that may be payable under his employment agreement. In this paragraph, "**Salary**" is defined as base salary, pension contributions and other benefits in kind.

Following the termination of any of the other executive officers' respective employment by the Company following a change of control of the Company, the Company will be required to pay such executive officer on termination a range of 6-24 months' base salary, depending on the terms of employment of the executive officer, and in certain circumstances, two times the average of the bonus received in the previous two years. Certain of these executive officers will also be entitled to continue to participate in the Company's health, medical and other benefits as permitted under the Company's benefits programs.

Outstanding Option-based and Share-based Awards

The following table sets forth for the executive officers all awards outstanding at the end of the most recently completed financial year, December 31, 2013. The following also includes awards granted in 2014 in respect of 2013 performance.

	Option-based Awards					Share-based Awards	
Executive Officer	**Grant date**	**Number of securities underlying unexercised options (#)**	**Option exercise price (US$)[2]**	**Option expiration date**	**Value of unexercised in-the-money options(US$)[1, 2]**	**Number of shares or units of shares that have not vested (#)**	**Market payout value of share-based awards that have not vested (US$)[1]**
Paul Conibear CEO	Dec 10/12	250,000	4.71	Dec 9/17	-	-	-
	May 1/13	-	-	-	-	500,000[8]	300,000[8]
	Feb 25/14	300,000	4.87	Feb 24/19	-	-	-
Marie Inkster CFO	Dec 12/11	300,000	3.66	Dec 11/16	198,000[(3)]	-	-
	Dec 10/12	225,000	4.71	Dec 9/17	-	-	-
	Feb 25/14	280,200	4.87	Feb 24/19	-	-	-
Paul McRae SVP, Projects	Oct 31/11	300,000	3.68	Jan 2/17	192,000[4]	-	-
	Dec 10/12	150,000	4.71	Dec 9/17	-	-	-
	Feb 25/14	210,000	4.87	Feb 24/19	-	-	-
Julie Lee Harrs SVP, Corporate Development	Nov 7/11	250,000	3.75	Nov 6/16	142,500[5]	-	-
	Dec 10/12	150,000	4.71	Dec 9/17	-	-	-
	Feb 25/14	210,000	4.87	Feb 24/19	-	-	-
Stephen Gatley VP, Technical Services	Dec 12/11	150,000	3.66	Dec 11/16	99,000[6]	-	-
	May 28/12	60,000	3.80	May 27/17	31,200[7]	-	-
	Dec 10/12	180,000	4.71	Dec 9/17	-	-	-
	Feb 25/14	180,000	4.87	Feb 25/19	-	-	-
Other Executive Officers	08/01/12	180,000	4.28	7/31/17	57,600	-	-
	12/10/12	585,000	5.01	12/09/17	-	-	-
	12/12/11	870,000	3.89	12/31/16	617,700	-	-
	12/12/11	25,000	3.89	12/31/14	17,750	-	-
	02/25/14	745,500	5.18	02/24/19	-	-	-

Notes:

1. The closing exchange rate on December 31, 2013 of US$0.9402 = C$1.00 was used in this table.
2. Based on the closing price of the Common Shares on the TSX on December 31, 2013 of C$4.60 (US$4.32) per Common Share, less the exercise price of the in-the-money stock options. These 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.
3. This value represents 200,000 vested options and 100,000 unvested options. 100,000 options vest on December 12, 2014.
4. This value represents 200,000 vested options and 100,000 unvested options. 100,000 options vest on October 31, 2014.
5. This value represents 166,666 vested options and 83,334 unvested options. 83,334 vest on November 7, 2014.
6. This value represents 100,000 vested options and 50,000 unvested options. 50,000 options vest on December 12, 2014.

7. This value represents 20,000 vested options and 40,000 unvested options. 20,000 options vest on May 28, 2014 and the remaining 20,000 vest on May 28, 2015.
8. Based on the closing price of the Common Shares on the TSX on December 31, 2013 of C$4.60 (US$4.32) per Common Share, less the grant price of the PSARs on the grant date of C$3.96 (US$3.72). PSARs are not eligible to be exercised until the maturity date of April 30, 2014. Any actual value will depend on the value of the Common Shares on the maturity date.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table provides information regarding the value on vesting of incentive plan awards for the financial year ended December 31, 2013, plus a summary of cash awards made under the Short-Term Incentive Plan for 2013 performance.

Executive Officer	Option-based awards – value vested during the year US$)(1)	Non-equity incentive plan compensation – value earned during year (US$)(2)
Paul Conibear CEO	Nil(3)	990,129
Marie Inkster CFO	20,000(4)(5)	380,214
Paul McRae SVP, Projects	78,000(6)(7)	315,768
Julie Lee Harrs SVP, Corporate Development	Nil(8)(9)	273,035
Stephen Gatley VP, Technical Services	17,400(10)(11)(12)	232,672
Other Executive Officers	95,289	841,667

(1) Represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the closing price of the Common Shares of Company as traded on the TSX on the vesting date and the exercise price of the options.
(2) This column represents only the cash Short-Term Incentive Plan payments referred to earlier in the report.
(3) 83,333 options which have an exercise price of C$5.01 (US$4.86) vested during 2013. The TSX closing price of the Common Shares on the vesting date was C$4.14 (US$4.02).
(4) 75,000 options which have an exercise price of C$5.01 (US$4.86) vested during 2013. The TSX closing price of the Common Shares on the vesting date was C$4.14 (US$4.02).
(5) 100,000 options which have an exercise price of C$3.89 (US$3.78) vested during 2013. The TSX closing price of the Common Shares on the vesting date was C$4.10 (US$3.98).
(6) 50,000 options which have an exercise price of C$5.01 (US$4.86) vested during 2013. The TSX closing price of the Common Shares on the vesting date was C$4.14 (US$4.02).
(7) 100,000 options which have an exercise price of C$3.91 (US$3.78) vested during 2013. The TSX closing price of the Common Shares on the vesting date was C$4.70 (US$4.56).
(8) 83,333 options which have an exercise price of C$3.99 (US$3.87) vested during 2013. The TSX closing price of the Common Shares on the vesting date was C$3.99 (US$3.86).
(9) 50,000 options which have an exercise price of C$5.01 (US$4.86) vested during 2013. The TSX closing price of the Common Shares on the vesting date was C$4.14 (US$4.02).
(10) 50,000 options which have an exercise price of C$3.89 (US$3.78) vested during 2013. The TSX closing price of the Common Shares on the vesting date was C$4.10 (US$3.98).
(11) 60,000 options which have an exercise price of C$5.01 (US$4.86) vested during 2013. The TSX closing price of the Common Shares on the vesting date was C$4.14 (US$4.02).
(12) 20,000 options which have an exercise price of C$4.04 (US$3.92) vested during 2013. The TSX closing price of the Common Shares on the vesting date was C$4.42 (US$4.29).

Transactions with Board Members

Other than the participation by certain insiders in the Equity Offering (see “Historic Share Capital and Other Information”) and the transactions set forth under the heading “Related Party Transactions”, to the best of the Company’s knowledge, no informed person of the Company, proposed directors or any associate or affiliate of any of them, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction since the commencement of the Company’s most recently completed financial year which has materially affected or will materially affect the Company or any of its subsidiaries.

No director was compensated directly or indirectly by the Company and its subsidiaries during 2013 for services as consultants or experts, other than Mr. Craig's law firm provides legal services for the Company. The amount of the fees charged by Mr. Craig's law firm for such legal services are considered insignificant relative to the overall fee income of his law practice. Mr. Craig is, however, not eligible to be a member of the Audit Committee because he is a partner of a law firm that provides legal services to the Company and is therefore deemed not to be independent pursuant to NI 52-110 (as defined herein) for the purposes of the Audit Committee."

Outstanding Option-Based Awards for Board Members

Other than as set out for Mr. Conibear above, no share-based or option-based awards were outstanding for the above directors at September 30, 2014.

Incentive Plan Awards - Value Vested or Earned During the Year for Board Members

Other than as set out for Mr. Conibear above, no incentive plan awards were outstanding for the above directors at September 30, 2014.

Auditors

Lundin Mining's auditor is PricewaterhouseCoopers LLP ("**PwC**"), Chartered Professional Accountants, Licensed Public Accountants, with the address PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2. Robert M. Bosshard, chartered professional accountant and member of the Chartered Professional Accountants of Ontario, is the Company's lead partner at PwC.

No auditor has resigned, been removed or not been re-appointed during the period covered by the historical financial information in this prospectus.

CORPORATE GOVERNANCE

Canadian Corporate Governance Guidelines

Since Lundin Mining is not a Swedish limited company (Sw. aktiebolag), it is not subject to the rules in the Swedish Companies Act and only to a limited extent of the rules in the Swedish Code of Corporate Governance. However, Lundin Mining complies and is required to comply with the corporate governance guidelines of its jurisdiction, corporate governance rules and guidelines of the Canadian Securities Administrators and the TSX and applicable securities legislation in all material aspects.

Corporate governance guidelines, set out in National Instrument 58-201 - *Corporate Governance Guidelines* ("**NI 58-201**") were adopted by Canadian regulatory authorities in June 2005, and deal with matters such as the constitution and independence of corporate boards, the effectiveness and education of board members and other items dealing with sound corporate governance practices.

Furthermore, the Board has adopted a formal written Code of Conduct and Ethical Values Policy ("**Code of Conduct**") for its directors, officers and employees of Lundin Mining and its subsidiaries. Individuals governed by the Code of Conduct are required to disclose in writing all business, commercial or financial interests or activities which might reasonably be regarded as creating an actual or potential conflict with their duties. Individuals must avoid all situations in which their personal interests conflict or may conflict with their duties to the Company or with the economic interest of the Company. All business transactions with individuals, corporations or other entities that could potentially, directly or indirectly, be considered to be a related party, must be approved by the Board regardless of the amount involved.

Directors, officers and employees are encouraged to report violations of the Code of Conduct on a confidential and, if preferred, anonymous basis to senior management, the Board or the Audit Committee Chair, in accordance with the complaints procedure set out in the Code of Conduct. If the Audit Committee becomes involved with the matter, the Audit Committee may request special treatment for any complaint, including the involvement of the Company's external auditors, legal counsel or other advisors. All complaints are required to be documented in writing by the person(s) designated to investigate the complaint, who shall report forthwith to the Chair of the Audit Committee. On an annual basis, or otherwise upon request from the Board, the Code of Conduct requires the Chair of the Audit Committee to prepare a written report to the Board summarizing all complaints received during the previous year, all outstanding unresolved complaints, how such complaints are being handled, the results of any investigations and any corrective actions taken.

The Audit Committee has also established a Fraud Reporting and Investigation (Whistleblower) Policy to encourage employees, officers and directors to raise concerns regarding questionable accounting, internal controls, auditing or other fraudulent matters, on a confidential basis free from discrimination, retaliation or harassment.

Companies listed on the TSX are subject to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and are required to disclose their corporate governance practices in accordance with that instrument. This disclosure must be published in the Company's management information circular, or in its annual information form if a management information circular is not sent to its security holders.

Board Structure and Function

In accordance with NI 58-201, the Board should be constituted at all times of a majority of independent directors. The Chairman of the Board should also be independent, where this is not appropriate, an independent director should be appointed to act as a "lead director".

The Board has considered the relationship and status of each director. As of the date hereof, the Board currently consists of eight directors, a majority of whom are independent.

The independent directors are Donald K. Charter, Brian D. Edgar, Peter C. Jones, Dale C. Peniuk and William A. Rand. Each of these directors do not have any material business relationships with the Company and are therefore considered independent under the Governance Guidelines and otherwise independent under National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") for the purposes of sitting on the Company's Audit Committee. John H. Craig is also considered independent. While Mr. Craig's law firm provides legal services for the Company, the amount of the fees charged by Mr. Craig's law firm for such legal services are considered insignificant relative to the overall fee income of his law practice. Mr. Craig is, however, not eligible to be a member of the Audit Committee because he is a partner of a law firm that provides legal services to the Company and is therefore deemed not to be independent pursuant to NI 52-110 for the purposes of the Audit Committee.

The non-independent directors of the Board are Paul K. Conibear and Lukas H. Lundin. Mr. Conibear is not independent because of his current role as President and Chief Executive Officer of the Company. Mr. Lundin, Chairman of the Board, is not considered independent due to his direct involvement with management of the Company.

Lundin Mining does not have a formal policy limiting the number of outside directorships or the number of directors that can sit on the same board outside of the Company.

The Board has adopted a mandate which acknowledges its responsibility for the overall stewardship of the conduct of the business of the Company and the activities of management. Management is responsible for the day-to-day conduct of the business of the Company. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Company meets its obligations on an ongoing basis and that the Company operates in a reliable and safe manner. In performing its functions, the Board considers the legitimate interests that its other stakeholders, such as employees, customers and communities, may have in the Company. In overseeing the conduct of the business, the Board, through the CEO, sets the standards of conduct for the Company.

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its Chairman and Lead Director, nominating candidates for election to the Board and constituting committees of the Board. Subject to the Articles and By-Laws of the Company and the CBCA, the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

Under its mandate, the Board is required to oversee the Company's communications policy. The Board has put structures in place to ensure effective communication between the Company, its shareholders and the public. The Company has established a Disclosure and Confidentiality Policy. The Board monitors the policies and procedures that are in place to provide for effective communication by the Company with its shareholders and with the public generally, including effective means to enable shareholders to communicate with senior management and the Board. The Board also monitors the policies and procedures that are in place to ensure a strong, cohesive, sustained and positive image of the Company with shareholders, governments and the public generally. Significant shareholder concerns are brought to the attention of management or the Board. Shareholders are informed of corporate developments by the issuance of timely press releases which are concurrently posted to the Company's website and are available on SEDAR at www.sedar.com.

Strategic Planning

The Board has the responsibility to ensure that there are long-term goals and a strategic planning process in place for the Company and to participate with management directly or through its committees in developing and approving the mission of the business of the Company and the strategic plan by which it proposes to achieve its goals, which strategic plan takes into account, among other things, the opportunities and risks of the Company's business.

Risk Oversight

The Board has the responsibility to identify and understand the principal risks of the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company.

Audit committee

The Audit Committee is comprised of three directors. The current members of the Audit Committee are Dale C. Peniuk (Chair), Donald K. Charter and William A. Rand, all of whom are independent and financially literate for the purposes of NI 52-110. The Audit Committee oversees the accounting and financial reporting processes of the Company and its subsidiaries and all audits and external reviews of the financial statements of the Company, on behalf of the Board, and has general responsibility for oversight of internal controls, and accounting and auditing activities of the Company and its subsidiaries. All auditing services and non-audit services to be provided to the Company by the Company's auditors are pre-approved by the Audit Committee. The Audit Committee reviews, on a regular basis, any reports prepared by the Company's external auditors relating to the Company's accounting policies and procedures, as well as internal control procedures and systems. The Audit Committee is also responsible for reviewing all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, the quarterly review engagements, the Company's internal accounting controls, the Company's Fraud Reporting and Investigation (Whistleblower) Policy, any complaints and concerns regarding accounting, internal control or audit matters, and the resolution of issues identified by the Company's external auditors. The Audit Committee recommends to the Board annually the firm of independent auditors to be nominated for appointment by the shareholders at the shareholders annual meeting.

Human Resources/Compensation Committee

The HRCC consists of three directors, all of whom are independent within the meaning of the Governance Guidelines. The current members of the HRCC are Donald K. Charter (Chair), Peter C. Jones and William A. Rand. Mr. Peter C. Jones replaced Mr. Dale Peniuk as a member of the HRCC on December 4, 2013.

The principal purpose of the HRCC is to implement and oversee human resources and compensation policies approved by the Board of the Company. The duties and responsibilities of the HRCC include recommending to the Board the annual salary, bonus and other benefits, direct and indirect, for the CEO, after considering the recommendations of the CEO approving the compensation for the Company's other executive officers, approving other human resources and compensation policies and guidelines, ensuring management compensation is competitive to enable the Company to continue to attract individuals of the highest calibre, and recommending the adequacy and form of director compensation to the Board.

Corporate Governance and Nomination Committee

The Corporate Governance and Nominating Committee ("**CGNC**") consists of three directors, all of whom are independent within the meaning of the Governance Guidelines. The current members of the CGNC are Brian D. Edgar (Chair), John H. Craig and Dale C. Peniuk.

The principal purpose of the CGNC is to provide a focus on corporate governance that will enhance the Company's performance, and to ensure, on behalf of the Board and shareholders that the Company's corporate governance system is effective in the discharge of its obligations to the Company's stakeholders. The duties and responsibilities of the CGNC include the development and monitoring of the Company's overall approach to corporate governance issues and, subject to approval by the Board, implementation and administration of a system of corporate governance which reflects superior standards of corporate governance practices, recommendation to the Board a slate of nominees for election as directors of the Company at the Annual Meeting of Shareholders, reporting annually to the Company's shareholders, through the Company's annual management information circular or annual reports to shareholders, on the Company's system of corporate governance and the operation of its system of governance, analyzing and reporting annually to the Board the relationship of each director to the Company as to whether such director is an independent director or not an independent director, and 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.

Health, Safety, Environmental and Community Committee

The HSEC consists of three directors. The current members of the HSEC are Peter C. Jones (Chair), Paul K. Conibear and Brian D. Edgar. Mr. Peter C. Jones became a member of the HSEC on September 20, 2013 and Chair on October 29, 2013.

The principal purpose of the HSEC is to assist the Board in its oversight of health, safety, environment and community risks, compliance with applicable legal and regulatory requirements associated with health, safety, environmental and community matters, performance in relation to health, safety, environmental and community matters, the performance and leadership of the health, safety, environment and community function in the Company, and external annual reporting in relation to health, safety, environmental and community matters.

SHARE CAPITAL AND RELATED ISSUES

Description of the Share Capital

As of the date of this prospectus, the authorized share capital of the Company consists of an unlimited number of Shares without nominal or par value of which 585,949,507 Shares are issued and outstanding (and 587,491,886 Shares on a fully diluted basis), and one special share without nominal or par value. The special share is not issued and outstanding at this time. As of the date of this prospectus, the Company and its subsidiaries held no Shares on its own account.

The Shares have been issued under the CBCA and are denominated in CAD.

Each Share entitles the holder to receive notice of and attend all meetings of shareholders with each Share held entitling the holder to one vote on any resolution to be passed at such shareholder meetings. The holders of Shares are entitled to dividends if, as and when declared by the Board. There are no fixed dates on which entitlement to any dividends arises. The Shares are entitled, upon liquidation, dissolution or winding up of the Company, to receive the remaining assets of the Company available for distribution to shareholders.

The Shares are not subject to offers made as a result of any mandatory take-over bids, and/or squeeze out sell out rules, redemption rights or redemption obligations. There have been no public offers for the Shares during the current or preceding financial year.

Stock Options

The Company has an incentive stock option plan (the "**Plan**") available for certain employees and officers to acquire shares in the Company. The term of any options granted are approved by the Board of Directors and may not exceed ten years from the date of grant. The total number of options that are issuable under the plan is 21,000,000. The vesting requirements for the options include the passage of a specified time period, as well as continued employment.

The Company uses the fair value method of accounting for the recording of stock option grants to employees and officers. Under this method, the Company recorded a share-based compensation expense of $7.5 million for 2013 with a corresponding credit to contributed surplus and $**5.0** million for the first three quarters 2014.

During the year ended December 31, 2013, the Company granted 1.2 million incentive stock options to employees and officers that expire in 2018. During the first three quarters of 2014, the Company granted 3,670,200 incentive stock options to employees and officers that expire in 2019. No consideration was paid.

The fair value of the stock options at the date of the grant using the Black-Scholes pricing model assumes risk-free interest rate of 1.1% to 1.6%, no dividend yield, expected life of 3.5 years with an expected price volatility of 52% to 70%. Volatility is determined using daily volatility over the expected life of the options. A forfeiture rate of approximately 18% is applied. The weighted average fair value per option granted during 2013 was $2.09.

As at September 30, 2014, there was $5.4 of unamortized stock compensation expense.

As per September 30, 2014, the Company had 11,974,650 stock options outstanding under its stock-based incentive plan.

For information on the holders of the stock options, see "Board of Directors, Executive Officers and Auditor – Holdings."

Historic Share Capital and Other Information

Please see below for a summary of the Company's security issuances from January 1, 2011 – September 30, 2014.

Date of Issuance	Number of Securities Issued	Security Issued	Issue/Exercise Price Per Security
2011			
Q1'11	1,274,097	Common shares	4.38
Q1'11	348,333	Options	7.92
Q2'11	330,835	Common shares	3.55
Q2'11	75,000	Options	5.35
Q3'11	295,000	Common shares	4.50
Q4'11	5,391,666	Options	3.90
2012			
Q1'12	27,223	Common shares	4.01
Q1'12	135,000	Options	4.72
Q2'12	397,500	Common shares	2.67
Q2'12	375,000	Options	4.56
Q3'12	337,501	Common shares	4.23
Q3'12	240,000	Options	4.48
Q4'12	767,495	Common shares	4.17
Q4'12	3,613,000	Options	5.01
2013			
Q1'13	144,000	Options	5.13
Q1'13	50,000	Common shares (not related to option exercises)	5.19
Q1'13	151,667	Common shares	3.98
Q2'13	936,000	Options	4.10
Q2'13	35,000	Common shares	3.89
Q3'13	90,000	Options	4.65
Q3'13	191,389	Common shares	4.24
Q4'13	210,001	Common shares	4.42
2014			
Q1'14	3,670,200(1)	Options	5.16
Q1'14	538,778(3)	Common Shares	3.94
Q2'14	626,000(3)	Common Shares	3.95
Q3'14	141,666(3)	Common Shares	4.36

Notes:
1. Issued in connection with the incentive stock option plan (pre-2014).
2. Issued in connection with the new incentive stock option plan (2014).
3. Issued pursuant to the exercise of options.

As per January 1, 2013, there were 584,005,006 Shares are issued and outstanding (and 585,076,135 Shares on a fully diluted basis). As per December 31, 2013, there were 584,643,063 Shares are issued and outstanding (and 585,305,249 Shares on a fully diluted basis). During the period January 1, 2011 – September 30, 2014, less than 10% of the capital was paid for with other assets than cash.

For more information on the Equity Financing, please see section "Background and Reasons". To the extent known by the Company, the following major shareholders, members of the Board and executive officers participated in the Equity Financing: Zebra, Lorito, Donald Charter and Peter Jones.

Significant Shareholders

Any shareholders who own more than 10 percent of shares in a Canadian company are obliged to file details of such holdings with SEDI or SEDAR (www.sedar.com) as applicable. To the knowledge of the directors and officers of the Company, the only entities that beneficially owns or exercises control or direction over Common Shares carrying more than 10 percent voting rights attached to all the Common Shares are the below (as of March 31, 2014). Major shareholders do not hold Common Share containing different voting rights to them.

Shareholder[(1)]	**Shares Owned**
Zebra	38,964,854[(2)]
Lorito	33,950,000[(2)]

Notes:

(1) Lorito and Zebra, who report their security holdings as joint actors, are private corporations owned by a trust whose settler is the Estate of Adolf H. Lundin. Lorito and Zebra hold a total of 72,914,854 Common Shares, which represents approximately 12.44% of the current outstanding Common Shares.

(2) Upon conversion of the Subscription Receipts, Lorito and Zebra will hold 37,557,844 and 54,964,854 Common Shares, respectively.

The Company is not aware of any agreements which could lead to a change in the control of the Company.

In connection with the Equity Financing, certain directors and officers of the Company have entered into lock up agreements in favour of the Underwriters evidencing their agreement not to sell, transfer, assign, pledge or otherwise dispose of any securities of the Company owned, directly or indirectly, by such directors or officers for a period of 90 days following the closing date of the Equity Financing, other than those securities contemplated in the Equity Financing, without the prior written consent of GMP Securities L.P. (on behalf of the Underwriters).

Dividend Policy

The Company's ability to pay dividends and make other distributions is restricted in certain circumstances by covenants contained in the Amended Credit Agreement. The Company has not paid dividends on its Shares in the last five years and it has no present intentions of paying any dividends on its Shares, as it anticipates that all available funds will be invested to finance the growth of its business. The directors of the Company will determine if and when dividends should be declared and paid in the future, based on the Company's financial position at the relevant time.

If the Company would in the future pay dividends, the Company intends to administer payments to holders of SDRs through Euroclear. However, the methodology for providing such payments has yet not been established and there is no agreement with Euroclear regarding the administration of dividends. The lack of an agreement with Euroclear does not deprive holders of SDRs the right to receive dividends but may cause delays and other problems in connection with the administration of any dividends.

LEGAL AND SUPPLEMENTARY INFORMATION

Incorporation and Legal Form of Business

Lundin Mining is a public company incorporated under the laws of Canada. The Company was incorporated on September 9, 1994, under the CBCA. The Company operates under the laws of Canada. The incorporation number of Lundin Mining is 443736-5.

The legal and commercial name of the Company is Lundin Mining Corporation. The Company's registered and records office and its business office are located at #1500 - 150 King Street West, P.O. Box 38, Toronto, ON, M5H 1J9, telephone number +1-416-342-5560.

Related Party Transactions

Other than as set out below and under the heading "Transactions with Board Members", there were no related party transactions during the year ended 2011, 2012, 2013 and 2014 (as of the date of this prospectus).

($)

Services	Related party	FY 2011	FY 2012	FY 2013	Jan-Sept 2014
Management services	Company owned by the Chairman of the Company	0.3 million	0.3 million	0.3 million	0.2 million
Donations	Charitable Foundation directed by members of Company's key management personnel	0.2 million	0.5 million	0.8 million	0.6 million

Tenke Fungurume
The Company enters into transactions related to its investment in Tenke Fungurume. These transactions are entered into in the normal course of business and on an arm's length basis. During the quarter ended September 30, 2014, the Company made no cash advances to fund its portion of Tenke expenditures and received $33.8 million in cash distributions.

Freeport Cobalt Oy
The Company enters into transactions related to its investment in Freeport Cobalt. These transactions are entered into in the normal course of business and on an arm's length basis. The Company received $1.0 million in cash distributions from Freeport Cobalt during the quarter ended September 30, 2014.

Associates

For information on the Company's interest in Tenke Fungurume, reference is made to "Operations of Lundin Mining – Tenke Fungurume Mine - Democratic Republic of Congo".

On March 29, 2013, the Company completed its acquisition of a 24% ownership interest in Freeport Cobalt, a cobalt refinery in Finland, and its related sales and marketing business. Freeport-McMoRan Copper & Gold Inc holds a 56% ownership interest and Gécamines owns the remaining 20% interest in Freeport Cobalt. The acquisition cost was $348 million and the Company funded $116.3 million based on 30%/70% split with Freeport-McMoRan Copper & Gold Inc. Additional attributable consideration up to $73.3 million (the Company's 30% share, up to $22.0 million) remains potentially payable over a period of two years, contingent upon the achievement of revenue-based performance targets.

Significant Agreements

Except for set forth below, the Company and its subsidiaries are not party to any material agreement entered into for the two years immediately preceding this prospectus, other than contracts entered into in the ordinary course of business.

Except for as set forth below, the Company and its subsidiaries have not entered into any contract which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of this prospectus:

(a) The Share Purchase Agreement (see "Operations of Lundin Mining – Acquisition Property" for more information);

(b) The Stream Agreement (see "Operations of Lundin Mining – Acquisition Property" for more information);

(c) The Amended Credit Agreement (see section "Capital Structure, Indebtedness and Related Information" for further information);

(d) The Underwriting Agreement (see section "Background and Reasons" for further information);

(e) Shareholders' agreement with Sumitomo (see "Risk Factors – Shareholders' Agreement with Sumitomo" for more information); and

(f) Membership interest purchase agreement dated June 12, 2013 between Lundin Mining Delaware Ltd. and Rio Tinto Nickel Company, in conjunction with the acquisition of the Eagle Nickel/Copper Project (see "Operations of Lundin Mining – Significant Projects" for more information).

The Company's revenues are a result of its mining activities at its material mineral properties and as a result the continuation of these licenses is of utmost importance to the Company.

Legal and Arbitration Proceedings

Apart from as described in "Risk Factors - Our Eagle mine is and in the future may be the subject of litigation proceedings which if decided adversely to us could have a material adverse effect on our results of operations, cash flows and financial position", the Company is not currently, and has not been for the past 12 months, involved in any governmental, legal or arbitrational proceedings which have had or may have significant effect on the Company's financial position or profitability, nor is the Company aware of any such pending or threatened proceeding; however, from time to time, the Company may become party to routine litigation incidental to Lundin Mining's business.

TAX MATTERS

The following is a summary of certain tax issues that may arise as a result of holding SDRs in the Company. The summary is based on Swedish tax legislation currently in force and is intended only as general information for shareholders, who are resident or domiciled in Sweden for tax purposes, if not otherwise stated.

The summary does not cover situations where SDRs are held as current assets in business operations or by a partnership. Furthermore, the summary does not cover special regulations governing tax exempt capital gains, shareholding in companies that are, or have previously been, closely held companies or on SDRs acquired on the basis of such holdings, or other specific situations and rules. The summary does also not cover tax issues related to holdings in unlisted shares. The summary is not applicable to holders that have ever been resident in Canada for Canadian tax purposes, carried on business or maintained a permanent establishment in Canada or performed independent personal services in Canada from a fixed base situated in Canada, each as defined in the Sweden-Canada Income Tax Convention (1996). Each holder of SDRs is recommended to consult a tax adviser for information on the specific tax consequences that may arise as a result of holding SDRs in the Company, including the applicability and effect of foreign or other rules, tax treaties or from foreign exchange rate fluctuations between currencies which may be applicable.

Individuals

Capital Gains Taxation
Individuals who sell their shares, are subject to capital gains tax. The current tax rate is 30% of the gain. The capital gain is calculated to equal the difference between the sales proceeds, after deduction for sales expenses, and the shares' acquisition cost for tax purposes. The acquisition cost is determined according to the “average cost method”. This means that the costs for all shares of the same type and class are added together and determined collectively, with respect to changes to the holding. Alternatively, “the standard rule” according to which the acquisition cost is deemed to be equal to 20% of the net sales price may be applied on the disposal of listed shares.

Capital losses on listed shares are fully deductible against taxable capital gains on shares during the same fiscal year. The loss is also deductible against gains on other listed securities that are taxed in the same manner as listed shares (except for shares in mutual funds containing only Swedish receivables (Sw. räntefonder)). A loss in excess of the above mentioned gains is deductible with 70% against any other taxable income derived from capital.

If a deficit arises in the income from capital category, a reduction of the tax on income from employment and from business, as well as the tax on real estate, is allowed. The tax reduction allowed amounts to 30% of any deficit not exceeding SEK 100,000 and 21% of any deficit in excess of SEK 100,000. Deficits may not be carried forward to a later fiscal year.

An individual tax resident in Sweden for the purposes of the tax treaty between Sweden and Canada is not subject to any Canadian capital gains taxation from the sale of shares listed on the TSX.

Dividend Taxation
In general, dividends on shares/SDRs are taxed in Sweden at a rate of 30% as income from capital for individuals. Additionally, dividends paid or credited (or deemed to be paid or credited by a company resident in Canada, such as the Company, to a non-resident of Canada are generally subject to Canadian withholding tax at a rate of 25%. However, under the tax treaty between Sweden and Canada, the tax rate is normally reduced to 15% for dividends beneficially owned by a person resident in Sweden for the

purpose of the treaty. The treaty rate is only applied if sufficient information regarding the tax residency of the shareholder is available.

The Company assumes responsibility for deducting tax in relation to the dividends where required. The Company is required to withhold the tax from dividends paid or credited to a non-resident of Canada, and to remit the withheld amount to the Canada Revenue Agency.

Since the dividend is generally taxable in both Sweden and Canada, double taxation may occur. However, Canadian withholding tax levied can be credited from Swedish tax to the extent Swedish tax is attributable to foreign income (overall credit).

If the foreign tax should exceed the Swedish tax attributable to foreign income one year, the credit may, subject to certain limitations, be carried forward for up to five years. Alternatively, the foreign tax may be deducted as a cost for the recipient.

Limited Liability Companies

Capital Gains

As a main rule, Swedish limited companies (Sw. aktiebolag) are taxed on all income as income from business activities at a flat rate of 22%, including capital gains on listed shares. Regarding the calculation of a capital gain or loss and the acquisition cost, see "Individuals."

A capital loss on shares incurred by a corporate shareholder may be offset only against gains on shares or other securities that are taxed in the same manner as shares. Such capital losses may, under certain circumstances, also be deductible against capital gains on such securities within the same group of companies, provided the requirements for group contributions are met. Capital losses on shares or other such securities, which have not been deducted from capital gains within a certain year, may be carried forward and be offset against similar capital gains in future years without any limitation in time.

Capital gains on listed shares in limited liability companies, including foreign equivalents, are tax-exempt (and capital losses on such shares are non-deductible) provided that the holding represents at least 10% of the voting rights of all shares. Exemption may also be available provided the holding is conditioned by the shareholder's (or affiliated company's) business. Capital gains on listed shares are only tax-exempt if they are held not less than one year from the day any of the above holding requirements were met.

Dividend Taxation

In general, dividends on shares to limited liability companies are taxed in Sweden at a rate of 22% as ordinary income from business activities.

Dividends on listed shares in limited liability companies, including foreign equivalents, are tax exempt provided that the holding represents at least 10% of the voting rights of all shares (or the holding is conditioned by the shareholder's, or affiliated company's, business). The dividend tax exemption only applies if the listed shares are not disposed of within one year from the day any of the above holding requirements were met. The shares must, however, not have been held continuously for one year at the date of distribution. Taxation will, however, be triggered if the shares are sold (or otherwise ceases to be entitled to the tax exemption) before the one year holding period requirement is met. A dividend on shares that ceases to be covered by the tax exemption may therefore be subject to tax in a different fiscal year than the dividend was received.

Dividends paid or credited (or deemed to be paid or credited) from a company resident in Canada, such as the Company, to a non-resident of Canada are generally subject also to Canadian withholding tax at a rate of 25%. However, under the tax treaty between Sweden and Canada, the tax rate is normally reduced to 15% for dividends beneficially owned by a legal entity resident in Sweden for the purpose of the treaty. If the beneficial owner is a company resident in Sweden for the purposes of the tax treaty that controls directly at least 10% of the voting power, or that holds directly at least 25% of the capital, in the Company, the withholding tax rate is reduced to 5%.

The treaty rate is only applied if sufficient information regarding the tax residency of the shareholder is available. The Company assumes responsibility for deducting tax in relation to the dividends where required. The Company is required to withhold the tax from dividends paid or credited to a non-resident of Canada, and to remit the withheld amount to the Canada Revenue Agency.

Since the dividend is generally taxable in both Sweden and Canada, double taxation may occur. However, Canadian withholding tax levied can be credited from Swedish tax to the extent Swedish tax is attributable to foreign income (overall credit).

If the foreign tax should exceed the Swedish tax attributable to foreign income one year, the credit may, subject to certain limitations, be carried forward for up to five years. Alternatively, the foreign tax may be deducted as a cost for the recipient.

Certain Tax Issues for Shareholders Who Are Not Tax Resident in Sweden

Individual shareholders who are not resident or domiciled in Sweden for Swedish tax purposes are generally not subject to tax in Sweden for capital gains realized upon the sale or other disposal of shares. Shareholders may, however, be subject to taxation in their country of domicile and elsewhere. If shares are attributable to a permanent establishment in Sweden, the rules concerning tax-exempt dividends and capital gains described above are applicable with certain limitations.

Under a domestic Swedish tax provision, non-Swedish tax resident individuals may be subject to Swedish capital gains taxation upon a sale or other disposal of shares in non-Swedish corporate entities if the shares were acquired during their tax residency in Sweden if they have been resident or lived permanently in Sweden at any time during the calendar year of such disposal or during the previous ten calendar years preceding the year of disposal. The applicability of this provision may however be limited by an applicable tax treaty between Sweden and other countries.

Foreign legal entities are not liable to Swedish tax on dividends or capital gains upon a sale or other disposal of shares, provided that the shares are not pertaining to a permanent establishment in Sweden.

Canadian Withholding Tax

Since Lundin Mining is a Canadian company, dividends paid or credited (or which are deemed to be paid or credited) to a non-resident Canadian holder will be subject to a Canadian withholding tax of 25%. When the beneficial owner of such dividends is a resident of Sweden, according to the tax treaty between Canada and Sweden, the withholding tax rate will generally be reduced to 15%. Where the beneficial owner is a company that directly controls at least 10% of the votes or holds directly at least 25% of the capital in Lundin Mining, the withholding tax rate will be reduced to 5%. The treaty rate is only applied if sufficient information regarding the tax residency of the shareholder is available. Unless the dividend is tax-free for the Swedish holder, the Canadian tax withheld can generally be credited against Swedish income tax and real estate tax. In order to benefit from the tax credit, legal entities must apply for a tax credit from the Swedish Tax Agency.

INTEREST OF EXPERTS

The Qualified Persons as defined by NI 43-101 who have supervised the preparation of the Company's mineral reserve and mineral resource estimates disclosed in this prospectus or authored portions of the technical reports disclosed in this prospectus are as follows:

- Messrs. Nelson Pacheco, Chief Geologist, Neves-Corvo (#1500 – 150 King Street West, P.O. Box 38, Toronto, ON, M5H 1J9), and Michael Hulmes, Managing Director, Iberian Operations of the Company (#1500 – 150 King Street West, P.O. Box 38, Toronto, ON, M5H 1J9), in respect of the Neves-Corvo mineral resource and mineral reserve estimate;
- Mr. Graham Greenway, Group Resource Geologist of the Company (#1500 – 150 King Street West, P.O. Box 38, Toronto, ON, M5H 1J9), in respect of the Semblana mineral resource estimate;
- Dr. Lewis Meyer (Wheal Jane, Baldhu, Truro, Cornwall, TR3 6EH, United Kingdom) and Mr. Mark Owen (Wheal Jane, Baldhu, Truro, Cornwall, TR3 6EH, United Kingdom) of Wardell Armstrong International Ltd., in respect of the Neves-Corvo technical report entitled "NI 43-101 Technical Report for Neves-Corvo Mine and Semblana Deposit, Portugal" dated January 18, 2013;
- Messrs. Graham Greenway, Group Resource Geologist (#1500 – 150 King Street West, P.O. Box 38, Toronto, ON, M5H 1J9), and David Allison, Group Mining Engineer (#1500 – 150 King Street West, P.O. Box 38, Toronto, ON, M5H 1J9), both employees of the Company, in respect of the Zinkgruvan mineral resource and mineral reserve estimate;
- Dr. Lewis Meyer (Wheal Jane, Baldhu, Truro, Cornwall, TR3 6EH, United Kingdom) and Mr. Mark Owen (Wheal Jane, Baldhu, Truro, Cornwall, TR3 6EH, United Kingdom) of Wardell Armstrong International Ltd., in respect of the Zinkgruvan Report entitled "NI 43-101 Technical Report for the Zinkgruvan Mine, Central Sweden" dated January 18, 2013;
- Messrs. Graham Greenway, Group Resource Geologist (#1500 – 150 King Street West, P.O. Box 38, Toronto, ON, M5H 1J9), and David Allison, Group Mining Engineer (#1500 – 150 King Street West, P.O. Box 38, Toronto, ON, M5H 1J9), both employees of the Company, in respect of the Aguablanca mineral resource and mineral reserve estimate;
- Messrs. Robert Mahin, Chief Geologist (#1500 – 150 King Street West, P.O. Box 38, Toronto, ON, M5H 1J9) and Steve Kirsch, Mine Manager (#1500 – 150 King Street West, P.O. Box 38, Toronto, ON, M5H 1J9), both employees of Eagle, in respect of the Eagle mineral resource and mineral reserve estimates;
- Dr. Lewis Meyer (Wheal Jane, Baldhu, Truro, Cornwall, TR3 6EH, United Kingdom) and Mr. Mark Owen (Wheal Jane, Baldhu, Truro, Cornwall, TR3 6EH, United Kingdom) of Wardell Armstrong International Ltd., in respect of the Eagle technical report entitled "NI 43-101 Technical Report on the Eagle Mine, Upper Peninsula of Michigan, USA" dated 26 July 2013;
- Messrs. Jean-Francois Couture (Suite 1300, 151 Yonge Street, Toronto, Ontario, Canada), Glen Cole (Suite 1300, 151 Yonge Street, Toronto, Ontario, Canada), Gary Poxleitner (Suite 101, 1984 Regent Street South, Sudbury, Ontario, Canada), Adrian Dance (22nd Floor, 1066 West Hastings Street, Vancouver, British Columbia, Canada), and Cam Scott (Suite 2200, 1066 West Hastings Street, Vancouver, British Columbia, Canada) of SRK Consulting (Canada) Inc. and John Nilsson (20263 Mountain Place, Pitt Meadows, British Columbia, Canada) of Nilsson Mine Services Ltd., in respect of the Candelaria and Ojos technical report entitled "Technical Report for the

Compañía Minera Candelaria and Compañía Minera Ojos del Salado Copper Projects, Atacama Province, Region III, Chile" dated October 6, 2014; and

- Messrs. John Nilsson (20263 Mountain Place, Pitt Meadows, British Columbia, V3Y 2T9, Canada) of Nilsson Mine Services Ltd. and Ronald G. Simpson (1975 Stephens St., Vancouver, British Columbia, V6K 4M7, Canada) of GeoSim Services Inc., in respect of the Tenke technical report entitled "Technical Report – Resource and Reserve Update For the Tenke Fungurume Mine, Katanga Province, Democratic Republic of Congo" dated July 21, 2014.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, (PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2) have advised the Company that they are independent in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

No person or company named or referred to under this section beneficially owns, directly or indirectly, 1% or more of any class of the Company's outstanding securities.

SUMMARY OF SHAREHOLDER RIGHTS

The following is a summary of the rights of shareholders in Lundin Mining based upon current Canadian law and the Company's current articles and bylaws. It also sets out certain differences between Canadian corporate law and Canadian corporate governance principles compared to Swedish corporate law (in those parts applicable on companies whose shares are subject to trading on a regulated market) and Swedish corporate governance principles. As noted in the section "Corporate Governance," the Company is not required to comply with Swedish corporate governance rules. The summary is of a general nature and it is not an exhaustive account of the aforementioned corporate documents. Neither is it an exhaustive review of the aforementioned corporate documents nor of all potentially relevant differences between Canadian and Swedish law or corporate governance requirements, material or not.

The Business of Lundin Mining

CANADA
The articles of incorporation do not restrict the Company from carrying on its business.

SWEDEN
Under the Swedish Companies Act, the objectives of a Swedish company must be set out in the articles of association. These objectives set out the limits within which the company can operate.

Shares

CANADA
The Shares have been issued in accordance with the CBCA. The capital structure of the Company is composed of an unlimited number of common shares without par value, and one special share without nominal or par value.

SWEDEN
Under the Swedish Companies Act, a company may issue different classes of shares only if such share classes are specified in a company's articles of association. The articles shall also contain limitations on the minimum and maximum number of shares and of each share class.

Voting rights

CANADA
Under the CBCA, a corporation is required to maintain a securities register in which it records the securities issued by it in registered form, showing with respect to each class or series of securities the name and the latest known address of each person who is or has been a security holder, the number of securities held by each security holder, and the date and particulars of the issue and transfer of each security. A registered shareholder can either attend the meeting and vote in person or appoint someone else to vote for his or her shares (a "**proxyholder**"). A shareholder appoints a proxyholder to attend and act on the shareholder's behalf at a meeting of shareholders by giving the proxyholder a completed and executed form of proxy. A proxy holder is required to vote for the shares in accordance with the shareholder's instructions.

A non-registered shareholder has beneficial ownership of his or her shares, but a securities broker or dealer required to be registered to trade or deal in securities, a securities depositary, a financial institution, or another person authorized by legislation (an "**intermediary**") is the registered holder that holds the shares on behalf of the beneficial owner. The intermediary cannot vote with respect to the shares registered in its name unless it receives written voting instructions from the beneficial owner. If the beneficial owner requests and provides an intermediary with appropriate documentation, the intermediary must appoint the beneficial owner or nominee of the beneficial owner as proxyholder.

Unless the articles of a company provide otherwise, a shareholder or proxyholder who is entitled to participate in, including vote at, a meeting of shareholders may do so by telephone or by other means of communication if all shareholders and proxy holders participating in the meeting, whether by telephone, by other communication medium, or in person, are able to communicate with each other.

SWEDEN
Under the Swedish Companies Act, all shares carry one vote unless different share classes with different voting rights are provided for in the articles of association of the company. No share may however have a voting right which exceeds ten times the voting rights of any other share.

Shareholders registered in the share register as of the record date for a general meeting are entitled to vote at such general meeting (in person or by appointing a proxy holder). Shareholders with shares registered through a nominee must request to be temporarily registered as a shareholder of record on the record date in order to participate in a general meeting. The share register is kept by Euroclear and the record date for a general meeting shall be the fifth business day prior to the date of the meeting as a main rule. Shareholders must also, if provided for in the articles of association, give notice of their intention to attend the shareholders' meeting within a certain period of time.

Shareholder Meetings

CANADA
Under the CBCA, companies are required to hold an annual general meeting of shareholders not later than fifteen months after their annual general meeting for the preceding calendar year but no later than six months after the end of the corporation's preceding financial year. A general meeting of a company must be held at the place within Canada provided in the by-laws or, in the absence of such provision, at the place within Canada that the directors determine, unless a location outside Canada is permitted by the company's articles or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place. The Company's articles state that the directors may, whenever they think fit, call a meeting of shareholders to be held in Canada, unless all shareholders entitled to vote at the meeting agree to hold the meeting outside Canada or at such other location as may be approved by the Registrar of Companies.

The holders of not less than 5% of the issued shares that carry the right to vote at a meeting sought to be held may also requisition the directors to call a meeting of the shareholders for the purposes stated in the requisition, and if the directors do not, within 21 days after the date on which the requisition is received by the company, call a meeting of shareholders, any shareholder who signed the requisition may call the meeting. Special meetings of shareholders may be called by the Board at any time or by a court upon the application of a director or shareholder.

Under the CBCA, shareholder action without a meeting may only be taken by written resolution signed by all shareholders who would be entitled to vote thereon at a meeting.

SWEDEN
Under the Swedish Companies Act, the board of directors is responsible for convening general meetings but holders of not less than 10% of all shares in the company may request that an extraordinary general meeting is convened. If so requested, the board has two weeks to issue a notice to convene the general meeting failing which the shareholder can request that the Companies Registration Office convenes the meeting. General meetings shall be held in the municipality in which the board of directors holds its registered office (or in another municipality in Sweden if specified in the articles of association).

The general meeting shall be opened by the chairman of the board or such person as the board has decided. Moreover, the Swedish corporate governance code stipulates that the chairman of the board of directors together with a quorum of directors, as well as the chief executive officer, shall attend general meetings. The chairman of the general meeting shall be nominated by the nomination committee and elected by the general meeting.

Minutes from general meetings shall be available on the company's website no later than two weeks after the meeting.

Notices

CANADA

Unless waived by the shareholders, a company must send notice of the date, time and location of a general meeting of the company not less than 21 days and not more than 60 days before the meeting.

SWEDEN

Under the Swedish Companies Act, a general meeting of shareholders must be preceded by a notice. The notice of the annual general meeting of shareholders must be given no sooner than six weeks and no later than four weeks before the date of the meeting. In general, notice of extraordinary general meetings must be given no sooner than six weeks and no later than three weeks before the meeting. The notice shall be announced in a press release, published in the Swedish Official Gazette and on the company's website. The company must also publish in a daily newspaper with nationwide circulation a short form message containing information regarding the notice and where it can be found. The notice shall include an agenda listing each item that the meeting is to resolve upon.

Pursuant to the Swedish corporate governance code, a company shall, as soon as the time and venue of a general meeting have been decided publish such information on the company's website. With respect to annual general meetings, such publication shall be made no later than in conjunction with the third quarterly report.

Record Date

CANADA

The record date for a meeting of shareholders is set by the Board. The Company is required to file on SEDAR a notice of record date and meeting date at least 25 days before the record date for the meeting. The record date must not precede the date on which the meeting is to be held by more than 60 days or by less than 21 days.

Reporting issuers, pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* must fix a record date for notice of meeting, which shall be no fewer than 30 and no more than 60 days before the meeting date.

SWEDEN

Under the Swedish Companies Act, the record date for a general meeting is the fifth work day (i.e. not a holiday) prior to the date of the meeting as a main rule.

Issue of shares

CANADA

Under the TSX regulations, shareholder approval is required in those instances where the number of securities issued or issuable exceeds 25% of the number of securities of the issuer which are outstanding, on a non- diluted basis.

Under the CBCA:

(1) subject to the articles, the by-laws and any unanimous shareholder agreement, shares may be issued at such times and to such persons and for such consideration as the directors may determine;

(2) shares issued by the company are non-assessable, and the holders are not liable to the company or to its creditors in respect thereof; and

(3) a share shall not be issued until the consideration for the share is fully paid in money or in property or past services and the directors must not attribute to past services or property a value that exceeds the fair market value of those past services or that property, as the case may be.

SWEDEN
Under the Swedish Companies Act, resolutions on new share issues are as a main rule passed by the shareholders at a general meeting. A general meeting may also authorize the board of directors to issue new shares for period, which cannot run longer than until the next annual general meeting. Furthermore, the board of directors may also resolve to issue new shares without such authorization, provided that the resolution is conditioned upon the shareholders' approval at a general meeting.

New shares may be issued against payment in cash, in kind or by way of set-off.

When issuing new shares the limitations on maximum number of shares and share capital set out in the company's articles of association need to be adhered to, unless a general meeting decides to amend the articles.

Pre-emption Rights

CANADA
The articles of Lundin Mining do not contain any pre-emptive rights.

SWEDEN
Under the Swedish Companies Act, shareholders have pre-emption rights (Sw. företrädesratt) to subscribe for new shares issued in proportion to their shareholdings as of a certain record date for the new share issue. Pre-emption rights to subscribe for new shares do not apply in respect of shares issued for consideration in kind or shares issued pursuant to convertibles or warrants previously granted by the company. The pre-emption rights to subscribe for new shares may also be set aside by a resolution passed by two thirds of the votes cast and shares represented at the general meeting resolving upon the issue. The corresponding majority threshold applies to a decision by a general meeting to authorize the board to decide upon new share issues with deviation from shareholders' pre-emption rights.

Dividends

CANADA
Under the CBCA, a corporation may pay a dividend in money or property or by issuing fully paid shares of the corporation. A corporation shall not declare or pay a dividend if there are reasonable grounds for believing that: (i) the corporation is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

SWEDEN
Under the Swedish Companies Act, payments of dividends require a shareholder resolution at a general meeting. A resolution to pay dividends may, with some exceptions, not exceed the amount recommended by the board of directors. Dividends may only be made if, after the payment of the dividend, there is

sufficient coverage for the company's restricted equity and the payment of dividends is justified, taking into consideration the equity required for the type of operations, the company's need for consolidation and liquidity as well as the company's financial position in general. Each shareholder appearing in share register as of the record date for the dividend is entitled to receive the dividend distribution. Dividends are normally distributed to the shareholders through Euroclear.

Distribution of Assets on Liquidation

CANADA
Under the CBCA, a corporation may liquidate and dissolve by special resolution of the shareholders or by court order. The liquidation of a corporation commences when a court makes an order therefor. When making an order for the liquidation of a corporation or at any time thereafter, the court may appoint any person, including a director, an officer or a shareholder of the corporation or any other body corporate as liquidator of the corporation.

After giving the appropriate notice and adequately providing for the payment or discharge of all its obligations, the Company will distribute its remaining property, either in money or in kind, among its shareholders according to their respective rights.

Dissenting shareholders are entitled to be paid the fair value of their Shares in accordance with the CBCA. If a dissenting shareholder elects to demand payment of the fair value of their Shares, the shareholder may apply to the court for a determination of the fair value of such shares.

SWEDEN
Under the Swedish Companies Act, a company can enter into voluntary liquidation following a resolution by simple majority vote among the shareholders at a general meeting. All shares carry equal rights in a liquidation unless otherwise provided for in articles of association.

The Swedish Companies Act also stipulates that a company shall enter into compulsory liquidation in a capital deficiency situation and in certain other situations.

Certain Extraordinary Corporate Actions

CANADA
Under the CBCA, certain extraordinary corporate actions, such as certain amalgamations, continuances, and sales, leases or other dispositions of all or substantially all of the undertakings of a corporation other than in the ordinary course of business, and other extraordinary corporate actions such as liquidations, dissolutions and (if ordered by a court) arrangements, are required to be approved by special resolution. Under the CBCA, a special resolution means a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution.

SWEDEN
Under the Swedish Companies Act, a statutory merger requires a shareholder resolution passed at a general meeting. The majority requirements for a valid resolution depends on the type of companies involved, however not less than two-thirds of the votes cast and the shares represented at the meeting. A voluntary liquidation requires a resolution passed at a shareholders meeting supported by more than half of the votes cast, unless otherwise provided in the articles of association of the company. A material change of the operations conducted by the company may require a change of the company's objects and purposes in the articles of association, see "Amendment to the Articles or By-laws."

Restrictions on Change of Control

CANADA
The Company does not have any shareholder rights plans in effect.

SWEDEN
Not applicable for Swedish companies with shares listed on a regulated market.

Mandatory Takeover Bids/Squeeze-out Rules

CANADA
The CBCA together with Canadian securities laws, contain the procedural requirements for takeover bids and going-private transactions. If a bid is accepted by more than 90% of the shares of any class of shares to which the take-over bid relates, other than shares held at the date of the take-over bid by or on behalf of a nominee for, the offeror or its affiliate, the offeror is entitled to acquire the shares held by any dissenting offerees.

If the acquiring company elects to proceed by way of takeover bid but fails to acquire the requisite percentage of the shares to permit a force-out of the minority, the company may elect to squeeze out the minority through an alternative statutory process if it acquires a certain threshold percentage of the company's issued and outstanding shares.

SWEDEN
Under Swedish law an obligation to launch a mandatory takeover bid applies when a party becomes the owner of 30% or more of the votes in a company with shares listed on a regulated market.

Under the Swedish Companies Act, a shareholder holding more than 90% of the shares in a company is entitled, on a compulsory basis, to buy-out the remaining shares from the other shareholders in the company. On the other hand, a minority shareholder is also, in such situation, entitled to demand that the majority shareholder purchases his or her shares.

Redemption Provisions

CANADA
A listed company can file a Notice of Intention to Make a Normal Course Issuer Bid with the TSX seeking approval for the company to purchase by normal market purchases up to, when aggregated with all other purchases by the listed issuer during the same trading day, the greater of 25% of the average daily trading volume of the Shares and 1,000 securities, up to a maximum in a 12 month period of the greater of 5% of the outstanding Shares or 10% of the Public Float.

SWEDEN
Under the Swedish Companies Act, a company with shares listed on a regulated market is permitted to repurchase a maximum of 10% of all outstanding shares in the company. A resolution to repurchase shares must be taken either by a qualified majority vote among the shareholders at a general meeting or, following authorization from the general meeting with same majority vote, by the board of directors.

A general meeting may also resolve upon the redemption of the company's shares through which the share capital of the company will be reduced. This is a more formal and complex process, which as a main rule involves also notice to the company's creditors.

Amendments to the Articles or By-laws

CANADA
Under the CBCA, the amendment of the articles of a corporation generally requires the approval by special resolution of the shareholders. The CBCA provides that, unless the articles or by-laws otherwise provide, the directors may, by resolution, make, amend or repeal any by-law that regulates the business or affairs of a corporation. Where the directors make, amend or repeal a by-law, they are required under the CBCA to submit the by-law, amendment or repeal to the shareholders at the next meeting of shareholders, and the shareholders may confirm, reject or amend the by-law, amendment or repeal by an

ordinary resolution, which is a resolution passed by a majority of the votes cast by shareholders who voted in respect of the resolution. If the directors of a corporation do not submit a by-law, an amendment or a repeal to the shareholders at the next meeting of shareholders, the by-law, amendment or repeal will cease to be effective on the date of the meeting of shareholders at which it should have been submitted, and no subsequent resolution of the directors to adopt, amend or repeal a by-law having substantially the same purpose and effect is effective until it is confirmed or confirmed as amended by the shareholders.

Under the CBCA the articles of a corporation may by special resolution be amended to change the designation of all or any of its shares, and add, change or remove any rights, privileges, restrictions and conditions, including rights to accrued dividends, in respect of all or any of its shares, whether issued or unissued. "Special resolution" means a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution or signed by all the shareholders entitled to vote on that resolution

SWEDEN

Under the Swedish Companies Act, an amendment of the articles of association requires a shareholder resolution at a general meeting. The majority requirement for a valid resolution depends on the type of alteration. However, not less than two-thirds of the votes cast and of the shares represented at the meeting will be required. The board of directors is not allowed to make amendments to the articles of association. Any amendment to the articles will have to be registered with the Swedish Companies Registration Office.

Number of Directors

CANADA

Under the CBCA, a public company must have no fewer than three directors at least two of whom are not officers or employees of the corporation or its affiliates and whereby at least twenty-five per cent of the directors of a corporation must be resident Canadians and if a corporation has less than four directors, at least one director must be a resident Canadian. The directors are elected at the annual meeting of Lundin Mining shareholders for a term expiring at the end of the next annual meeting. Under the CBCA, the directors may also, if the articles so provide, appoint one or more additional directors, who shall also hold office for a term expiring at the end of the next annual meeting, provided that the total number of directors so elected shall not exceed one third of the number of directors elected at the previous annual meeting.

The articles of the Company provide that, so long as the Company is a public company, it shall have a minimum of 3 and a maximum of 10 directors.

SWEDEN

Under the Swedish Companies Act, a public company shall have a board of directors consisting of at least three board members and the chairman of the board may not be the managing director of the company. More than half of the directors shall be resident within the European Economic Area (unless otherwise approved by the Swedish Companies Registration Office). The actual number of board members shall be determined by a shareholders' meeting, within the limits set out in the company's articles of association.

Under the Swedish corporate governance code, not more than one director may also be a senior executive of the relevant company or a subsidiary. In addition, a majority of board members shall be independent of the company and its management and two of these members shall also be independent of major shareholders in the company.

Nomination, Appointment and Removal of Directors

CANADA

Under the CBCA the shareholders of a corporation may by ordinary resolution at a special meeting remove any director or directors from office. However, there are a couple of exceptions. Where the articles provide for cumulative voting, a director may be removed from office only if the number of votes cast in favour of the director's removal is greater than the product of the number of directors required by the articles and the number of votes cast against the motion. In addition, where the holders of any class or series of Shares of a corporation have an exclusive right to elect one or more of the directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

SWEDEN

Under Swedish law, the board of directors shall, except for any employee representatives, be elected by the annual general meeting of shareholders, unless the articles of association provide otherwise. The members of the board of directors are usually elected for the period until the end of the next annual general meeting of shareholders, unless a longer term of up to four financial years is set out in the articles of association. It is possible for a board member to be re-elected for a new term of office.

Companies to which the Swedish corporate governance code applies shall have a nomination committee. In addition to nominating directors, the nomination committee shall nominate the chairman of the board of directors and the auditors and shall also propose fees to each director and to the auditors. The nomination committee's proposals are to be presented in the notice of the general meeting and on the company's website. At the same time, the nomination committee is to issue a statement on the company's website explaining its proposals and providing more information about the candidates proposed for election or re-election.

Under the Swedish corporate governance code, the annual general meeting of shareholders shall either appoint the members of a nomination committee or pass a resolution specifying how the members are to be appointed. The nomination committee shall have at least three members, the majority of which shall be independent of the company and its management. One of the independent members shall also be independent of the company. One of the independent members shall also be independent of the largest shareholder. The chief executive officer and other senior executives may not be members of the nomination committee.

Majority Voting Policy

The Board has adopted a policy on majority voting (the "**Majority Voting Policy**") that provides that each director of the Company should be elected by the vote of a majority of the Shares, represented in person or by proxy, at any meeting for the election of directors.

The Chair of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee of the Company is recorded and promptly made public after the relevant meeting. If any nominee for director receives, from the shares voted at the meeting in person or by proxy, a greater number of shares withheld than shares voted in favour of his or her election, the director must immediately tender his or her resignation to the Chair of the Board following the meeting, to take effect upon acceptance by the Board. To assist the Board in making a determination with regard to exceptional circumstances, the Board will refer the resignation to the CGNC who will expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept the resignation. Within 90 days of the shareholders' meeting, 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 Majority Voting Policy does not apply to a contested election of directors, that is, where the number of nominees exceeds the number of directors to be elected.

If the director fails to tender his or her resignation as contemplated in the Majority Voting Policy, the Board will not re-nominate the director. Subject to any corporate law restrictions, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to elect a new nominee to fill the vacant position.

Advance Notice Policy

On February 21, 2013, the Board of Directors approved certain amendments to the Company's By-Law No. 1 to add an advance notice requirement (the "**Advance Notice Policy**") for nominations of directors by shareholders in certain circumstances, which was approved by the shareholders of the Company on May 10, 2013. The purpose of the Advance Notice Policy is to provide shareholders, directors and management of the Company with direction on the nomination of directors. The Advance Notice Policy fixes a deadline by which holders of record of Shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

Pursuant to the Advance Notice Policy, nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the CBCA, or a requisition of the shareholders made in accordance with the provisions of the CBCA; or (c) by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the Notice Date (as defined below) and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Policy.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form in accordance with the provisions of the Advance Notice Policy.

To be timely, a Nominating Shareholder's notice must be made: (a) in the case of an annual meeting of shareholders, not less than 30 days nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement; and (b) in the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a shareholder's notice as described above.

To be in proper written form, a Nominating Shareholder's notice must set forth particulars as to each person whom the Nominating Shareholder proposes to nominate for election as director, including their name, age, address, principal occupation, and the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Policy; provided, however, that nothing in the Advance Notice Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the CBCA. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Remuneration

CANADA

According to the by-laws of the Company, the directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for reasonable expenses they may incur in and about the business of the Company.

The compensation package for directors is intended to provide a competitive level of remuneration reflective of the responsibilities, accountability and time commitments of the Board members. Executive officers of the Company who also act as directors of the Company do not receive any additional compensation for services rendered in such capacity, other than as paid by the Company to such executive officers in their capacity as executive officers. Options and other incentive based securities may be granted from time to time upon the recommendation of the HRCC.

SWEDEN

Under the Swedish Companies Act, the remuneration to the board of directors shall be determined by the annual general meeting of shareholders, specifying the amount for each director. For companies complying with the Swedish corporate governance code, the nomination committee’s proposal to the annual general meeting of shareholders shall include a proposal regarding the remuneration to each member of the board.

In addition, the board of directors shall, pursuant to the Swedish corporate governance code, have a remuneration committee. The remuneration committee shall prepare the board of directors’ resolutions regarding executive compensation and shall also monitor and evaluate the company’s principles and levels of remuneration to the executive management, including programs for variable compensation. The code also stipulates that variable compensation paid in cash to the executive management shall be subject to predetermined limits regarding the total outcome and that the board of directors in such cases shall consider (i) to make payment conditional on the performance proving to be sustainable over time, and (ii) to introduce the right to reclaim remuneration that has been paid on the basis of information which later proves to be manifestly misstated. Furthermore, all share and share-price related incentive schemes for the executive management shall be approved by a general meeting.

Powers of the Board of Directors

CANADA

Directors of corporations governed by the CBCA have fiduciary obligations to the corporation. Under the CBCA, directors, when exercising the powers and discharging their duties, must act honestly and in good faith with a view to the best interests of the corporation and exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances.

The Board is responsible for the stewardship of the business and for acting in the best interests of the Company and its shareholders. The specific duties of the Board are contained in the Board of Directors' Mandate. A copy of the Mandate of the Board of Directors is attached as Appendix A to the Management Information Circular dated March 31, 2014.

SWEDEN
Under the Swedish Companies Act, the board of directors is responsible for the organization of the company and shall monitor the financial situation of the company and the group. The board shall appoint a managing director and issue instructions to such director setting out the responsibilities of the board and managing director. The board shall also issue instructions in reporting obligations in order for the board to fulfill its duties.

The managing director is responsible for the day-to-day management of the company in accordance with law, which normally includes appointing the other senior executives. The managing director shall be resident within the European Economic Area (unless otherwise approved by the companies' registration office).

Right to Indemnification

CANADA
Under the CBCA, a corporation may indemnify a director or officer of the corporation, a former director or officer of the corporation or another individual who acts or acted at the corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, (an "**Indemnifiable Person**") against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal administrative, investigative or other proceeding in which the individual is involved because of that association with the corporation or other entity.

A company may not indemnify an Indemnifiable Person unless the individual:

(1) acted honestly and in good faith with a view to the best interests of the corporation, or, as the case may be, to the bests interests of the other entity for which the individual acted as director or officer or in a similar capacity at the corporation's request; and

(2) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

A corporation may, with the approval of a court, also indemnify an Indemnifiable Person in respect of an action by or on behalf of the corporation or other entity to procure a judgment in its favour, to which the individual is made a party because of the individual's association with the corporation or other entity, against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the Indemnifiable Person fulfils all of the conditions.

SWEDEN
The Swedish Companies Act does not contain any specific provisions requiring that the articles of association provide for indemnification of board members, officers or other persons. Instead, Swedish companies can have professional indemnity insurance in place for its board members and officers.

The annual general meeting of shareholders shall resolve on the discharge of the board of directors and managing director from liability. An action for damages on behalf of the company may be available in certain circumstances against a founder, board member, managing director, auditor or shareholder of the company. Such an action may be instituted where at a general meeting of shareholders the majority, or a minority comprising the owners of at least one-tenth of all shares, has supported the proposal that such an action be instituted. The action for damages in favour of a company may also be conducted by owners (in their own name) of at least one-tenth of all shares.

Financial Statements, Auditor's reports, Auditors and Audit committee

CANADA

Under the CBCA, the directors of the Company must place before the shareholders at every annual meeting (a) comparative financial statements as prescribed in respect of the immediately preceding financial year; (b) comparative financial statements as prescribed in respect of the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting; (c) the report of the auditor, if any; and (c) any further information respecting the financial position of the corporation and the result of its operations required by the articles, the by-laws or any unanimous shareholder agreement.

Issuers are required to prepare and file on SEDAR its annual financial statements and annual management discussion and analysis along with the report of the auditor, if any, within the prescribed period of time following financial year-end. Issuers are required to prepare and file on SEDAR its quarterly financial statements and interim management discussion and analysis within the prescribed period of time following the end of the first, second and third financial quarter.

For information on the Audit Committee, reference is made to "Corporate Governance – Audit Committee."

SWEDEN

Under the Swedish Companies Act, the annual general meeting shall adopt the balance sheet and the profit and loss statement. Further, it makes decisions in respect of the disposition of the company's profit or loss (such as payment of dividends). Swedish companies with shares listed on a regulated market are required to make their annual reports public not later than four months after the end of each financial year.

The annual report, together with the auditor's report, must be presented at the annual general meeting which according to the Swedish Companies Act is to be held within six months after the end of the financial year.

Auditors are appointed by a general meeting of shareholders, whereby a registered accounting firm may be appointed as auditor. The Swedish corporate governance code requires that the board of directors shall at least once annually meet the company's auditor without any member of the executive management present.

Companies with shares listed on a regulated market must have an Audit Committee, unless the assignments of such committee are carried out by the board of directors. The Audit Committee shall (i) monitor the company's financial reporting; (ii) monitor the efficiency of the company's internal control, internal audit and risk management; (iii) keep itself informed regarding the audit of the annual report and consolidated financial statements; (iv) review and monitor the auditor's impartiality and independence, paying particular attention to whether the auditor provides the company with services other than auditing services; and (v) assist in the preparation of a proposal to the general meeting for a resolution regarding the election of auditors.

Corporate Governance Reports and Website

CANADA

Companies listed on the TSX must provide corporate governance information in their management information circular (usually referred to as a proxy circular). The circular is distributed together with the Company's notice of annual shareholders' meeting and is filed on SEDAR. There is no requirement to have the management information circular reviewed by the Company's auditors, and unless the Company elects to use the "notice- and-access" provisions under Canadian securities laws, there is no requirement to include the management information circular on the Company's website. The content of the management information circular is regulated by Canadian securities laws, and the circular must, among other things, include a discussion of the Company's compliance with the Canadian corporate governance principles. Although there are currently no legal requirements regarding the information on the Company's website, the Company does include information useful to investors.

SWEDEN

Swedish companies with shares listed on a regulated market are obliged by law to prepare an annual corporate governance report, with information about, among other things, the key elements of the internal control systems, information about major shareholders, information about the board of directors and its committees and any mandates for the board of directors to issue new shares or acquire treasury shares.

The Swedish corporate governance code requires that the company states which rules of the Swedish corporate governance code it has not complied with and to explain the reasons for each case of non-compliance, and describe the solution it has adopted instead. The company must also have a section on its website devoted to corporate governance matters, where the company's three most recent corporate governance reports are to be posted, together with, among other things, the articles of association, information about upcoming shareholders' meetings and minutes from general meetings held during the past three years.

Company's Obligation to Disclose Changes in its Share Capital

CANADA

The Company is required to file a report with the TSX within ten days of the end of each month in which any change to the number of outstanding or reserved listed securities has occurred (including a reduction in such number that results from a cancellation or redemption of securities).

SWEDEN

As a main rule, Swedish companies with shares listed on a regulated market are obliged, under Swedish law, to report any changes in the number of shares or votes. Such disclosure shall be made on the last trading day of the calendar month in which the increase or decrease of shares or votes occurred.

Distribution of Information to the Canadian and Swedish Markets

CANADA

The content and format of the disclosure obligations of Canadian issuers is mandated under National Instrument 51-102 and other National Instruments. The Canadian Securities Administrators have implemented *National Policy 51-201 - Disclosure Standards* to provide "best disclosure" practices in order that everyone investing in securities will have equal access to information that may affect their investment decisions. Canadian securities legislation prohibits a reporting issuer from selective disclosure or informing any person or company in a special relationship with a reporting issuer, other than in the necessary course of business, of a material fact or a material change before that material information has been generally disclosed. Securities legislation also prohibits anyone in a special relationship with a reporting issuer from purchasing or selling securities of the reporting issuer with knowledge of a material fact or material change about the issuer that has not been generally disclosed.

Under its mandate, the Board is required to oversee the Company's communications policy. The Board has put structures in place to ensure effective communication between the Company, its shareholders and the public. The Company has established a Disclosure and Confidentiality Policy. The Board monitors the policies and procedures that are in place to provide for effective communication by the Company with its shareholders and with the public generally, including effective means to enable shareholders to communicate with senior management and the Board. The Board also monitors the policies and procedures that are in place to ensure a strong, cohesive, sustained and positive image of the Company with shareholders, governments and the public generally. Significant shareholder concerns are brought to the attention of management or the Board. Shareholders are informed of corporate developments by the issuance of timely press releases which are concurrently posted to the Company's website and are available on SEDAR at www.sedar.com.

The Company is also subject to the rules on disclosure of the NASDAQ Stockholm Rulebook for Issuers. Financial reports and press releases are published on the Company's website at www.lundinmining.com and by its news distributors. Financial reports and press releases are also filed on SEDAR. The information will be in English only.

SWEDEN

In addition to any reporting requirements under applicable Canadian laws, persons holding an insider position (Sw. insynställning) in Lundin Mining are required to report their holdings of Shares and other financial instruments to the SFSA. Such reporting shall be made in accordance with the Swedish Act on Reporting Obligations for Certain Holdings of Financial Instruments (SFS 2000:1087). These reports are publicly available on the SFSA's website www.fi.se. In addition, the same act stipulates a trading ban for the chief executive officer, the deputy chief executive officer(s), the members and deputy members of the Board, and the external auditor and deputy auditor of the Company during the thirty days preceding the publication of the Company's ordinary quarterly interim reports (including the day of publication).

Furthermore, the Company must publish information on any acquisitions or transfers resulting in the portion of the Shares or votes in the Company held by the Company itself reaching, exceeding or falling below 5, 10, 15, 20, 25, 30, 50, 66-, or 90% of the aggregate number of Shares or voting rights in the Company. The Company is also subject to additional disclosure rules of NASDAQ Stockholm.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents form part of the prospectus and are incorporated by reference:

- Audited consolidated financial statements for the financial year ended December 31, 2011
- Audited consolidated financial statements for the financial year ended December 31, 2012
- Audited consolidated financial statements for the financial year ended December 31, 2013
- Unaudited condensed interim consolidated financial statements for the financial nine-month period ended September 30, 2014
- Lundin Mining Corporation, management's discussion and analysis December 31, 2011
- Lundin Mining Corporation, management's discussion and analysis December 31, 2012
- Lundin Mining Corporation, management's discussion and analysis December 31, 2013
- Lundin Mining Corporation, management's discussion and analysis September 30, 2014

The above-listed documents are available in electronic format at www.lundinmining.com and also on www.fi.se. The above-listed documents are also available in electronic format at SEDAR's website at www.sedar.com under the Company's profile.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are also available in electronic format for inspection on www.lundinmining.com.

- The Company's certificates of incorporation and articles
- The financial statements and management's discussion and analysis listed above

The below-listed documents are available in electronic format at www.lundinmining.com and also in electronic format at SEDAR's website at www.sedar.com under the Company's profile.

- The reports listed in section "Interest of Experts"

DEFINITIONS AND TERMS AND CURRENCY

In addition to the terms defined in the body of the prospectus, certain defined terms are set out below.

The following definitions apply throughout this prospectus:

"**Acquisition**" means the acquisition of 80% of the equity interests in Candelaria and Ojos pursuant to the Share Purchase Agreement;

"**Acquisition Property**" means the acquisition that closed on November 3, 2014 that resulted in the Company having an 80% equity interest in the Candelaria mine and the Ojos mine and supporting infrastructure located in the Atacama province in Chile;

"**Acquisition Companies**" means together, Ojos and Candelaria and an "**Acquisition Company**" means either Ojos or Candelaria, as applicable;

"**Aguablanca**" means the Company's Aguablanca mine located approximately 100 km north of Seville, Spain;

"**Amended Credit Agreement**" means the amended credit agreement resulting from the amendment to the Original Revolving Facility entered into concurrently with the closing of the Acquisition, and the Original Credit Facilities as so amended, means the "**Amended Credit Facility**";

"**Board of Directors**" or "**Board**" means the board of directors of the Company;

"**CAD**" or "**C$**" means Canadian dollars;

"**Canadian Underwriters**" means the Co-Lead Underwriters, Scotia Capital Inc., Merrill Lynch Canada Inc., TD Securities Inc., CIBC World Markets Inc., Dundee Securities Ltd., RBC Dominion Securities Inc., and Haywood Securities Inc.;

"**Candelaria**" means Compañia Contractual Minera Candelaria;

"**Candelaria mine**" means the copper concentrate producing open pit and underground mines located near Copiapó in the Atacama Province, Region III of Chile;

"**CBCA**" means the *Canada Business Corporations Act*;

"**Co-Lead Underwriters**" means GMP Securities L.P. and BMO Nesbitt Burns Inc.

"**Common Shares**" or "**Shares**" means the common shares in the capital of the Company;

"**Company**" or "**Lundin Mining**" means Lundin Mining Corporation with incorporation no. 443736-5 and/or any of its subsidiaries as applicable;

"**Credit Agreement**" or "**Original Credit Agreement**" means the Company's original credit agreement with a banking syndicate comprised of the Bank of Nova Scotia ("**BNS**"), ING Bank NV, Bank of Montreal, Export Development Canada, Bank of America N.A. ("**BANA**"), Société Générale and Skandinaviska Enskilda Banken AB, entered into on September 1, 2010, as amended and restated on December 19, 2012, and October 7, 2013, which provided for a revolving term credit facility in the amount of $350 million (the "**Original Revolving Facility**") and a US$250 million non-revolving term credit facility (the "**Original Term Loan**" and together with the Original Revolving Facility, the "**Original Credit Facilities**"). The Original Term Loan has been repaid and cancelled;

"**DRC**" means the Democratic Republic of Congo;

"**Eagle**" or "**Eagle Nickel/Copper Project**" or "**Eagle Project**" means the Company's Eagle mine project located in the Upper Peninsula of Michigan, US;

"**Equity Financing**" means the equity financing offered on a bought deal public offering basis, pursuant to which the Company issued a total of 132,157,000 Subscription Receipts of the Company at a price of

CAD$5.10 per Subscription Receipt for aggregate gross proceeds of CAD$674,000,700, which closed on October 23, 2014;

"**Euroclear**" means Euroclear Sweden AB, Swedish Reg. No. 556112-8074;

"**Franco-Nevada**" means Franco-Nevada Corporation;

"**Freeport**" means Freeport-McMoRan Inc.;

"**Freeport Cobalt**" mean Freeport Cobolt Oy, a company incorporated in Finland owning a refinery in Finland;

"**Gécamines**" means La Générale des Carrières et des Mines, a DRC state-owned mining company;

"**IFRS**" means International Financial Reporting Standards;

"**LOM**" means life-of mine;

"**Neves**" or "**Neves-Corvo**" means the Company's Neves-Corvo mine located in the Alentejo district of southern Portugal;

"**New SDRs**" means up to an additional 132,157,000 representing up to an additional 132,157,000 New Shares;

"**New Shares**" or "**Underlying Shares**" means the common shares of Lundin Mining issuable upon conversion of the Subscription Receipts in connection with the Equity Financing;

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"**Notes**" or "**Senior Secured Notes**" means collectively the US$550,000,000 aggregate principal amount of 7.5% Senior Secured Notes due 2020 and US$450,000,000 aggregate principal amount of 7.875% Senior Secured Notes due 2022;

"**Ojos**" means Compañia Contractual Minera Ojos del Salado S.A.;

"**Ojos mine**" means the two copper concentrate producing underground mines located near Copiapó in the Atacama Province, Region III of Chile;

"**Pareto**" means Pareto Securities AB, Swedish Reg. No. 556206-8956;

"**Rio Tinto**" means the group of companies where the parent is Rio Tinto plc.;

"**SDRs**" means Swedish Depository Receipts;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval (SEDAR), which is available on www.sedar.com;

"**SEK**" means Swedish kronor;

"**Share Purchase Agreement**" means the stock purchase agreement between two of the Company's indirect wholly-owned subsidiaries and a subsidiary of Freeport dated October 6, 2014;

"**Stream Agreement**" means the definitive precious metals streaming agreement entered into by the Company concurrently with the announcement of the Acquisition, through the Stream Seller, with Franco-Nevada and the Stream Purchaser;

"**Stream Purchaser**" means Franco-Nevada (Barbados) Corporation, a subsidiary of Franco-Nevada;

"**Stream Seller**" means the Company's wholly-owned subsidiary LMC Bermuda Ltd.;

"**Subscription Receipts**" means the subscription receipts of the Company issued pursuant to the Equity Financing;

"**Sumitomo**" means collectively, Sumitomo Metal Mining Co., Ltd, Sumitomo Corporation and their respective affiliates;

"**Tenke**" or "**Tenke Fungurume**" means the Tenke copper/cobalt mine located in Katanga Province, DRC in which the Company holds a 24% equity interest;

"**TFM**" means Tenke Fungurume Mining Corp. SARL, a Congolese company that owns the Tenke Fungurume mine;

"**Transactions**" means collectively, the Acquisition, the Stream Agreement, the offering of the Senior Secured Notes and the entering into of the Amended Credit Facility;

"**Trustee**" means Computershare Trust Company of Canada;

"**TSX**" means the Toronto Stock Exchange;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**US**" or "**United States**" means the United States of America;

"**USD**" "**US$**" or "**$**" means United States dollars; and

"**Zinkgruvan**" means the Company's Zinkgruvan mine, located in Sweden.

CURRENCY

The Company presents its consolidated financial statements in United States dollars. This prospectus contains references to United States dollars, referred to herein as $, US$ or USD, Euros, referred to herein as Euros or €, Swedish Kronor, referred to herein as SEK, and Canadian dollars, referred to herein as CAD or C$. All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars.

As at September 30, 2014 the noon buying rate as reported by the Bank of Canada for United States dollars was US$1.00 = C$1.1208 or C$1.00 = US$0.8922.

As at September 30, 2014 the noon exchange rate as reported by the Bank of Canada for Euros was €1.00 = C$1.4153 or C$1.00 = €0.7066.

As at September 30, 2014 the noon exchange rate as reported by the Bank of Canada for Swedish Kronor was SEK1.00 = C$0.1553 or C$1.00 = SEK6.4392

ADDRESSES

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Transfer agent
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Canada M5J 2Y1

SCHEDULE A

Terms and Conditions for Depositary Receipts

Below is, in essential respects, a translation of the Swedish General Terms and Conditions of Swedish Depositary Receipts representing ordinary shares in Lundin Mining Corporation, deposited with Pareto (Allmänna villkor för svenska depåbevis i Lundin Mining Corporation). In the event of any discrepancy between this translation anyand the Swedish original, the Swedish version shall prevail.

References to E. Öhman J:or Fondkommission AB mean Pareto Securities AB and references to VPC mean Euroclear Sweden AB and references to South Atlantic Ventures Ltd mean Lundin Mining Corporation.

GENERAL TERMS AND CONDITIONS FOR SWEDISH DEPOSITORY RECEIPTS IN SOUTH ATLANTIC VENTURES LTD

representing common shares in South Atlantic Ventures Ltd deposited with E. Öhman J:or Fondkommission AB.

South Atlantic Ventures Ltd (hereinafter referred to as the "**Company**") has entered into a custodial arrangement with E. Öhman J:or Fondkommission AB (hereinafter referred to as the "**Öhman**") whereby Öhman, on behalf of shareholders, will hold shares (hereinafter referred to as the "**Shares**") in the Company in a depository account and issue one Swedish depository receipt ("**SDR**") for each Share deposited in accordance with these General Terms and Conditions. The SDRs shall be registered with VPC AB (hereinafter referred to as "**VPC**") and are intended to be listed on Nya Marknaden at the Stockholm Stock Exchange or other marketplace.

1. Deposit of Shares and registration, etc.

1.1 The Shares, represented by registration in an account based system, are deposited on behalf of holders of SDRs, with a Canadian bank (the "**Canadian Deposit Bank**"). For each deposited Share, Öhman shall issue one SDR. A "**SDR Holder**" as set forth in these General Terms and Conditions means an owner of SDRs or the Owner's nominee.

1.2 The deposit of Shares shall be governed by these General Terms and Conditions.

1.3 The SDRs shall be registered in a Swedish CSD register maintained by VPC (hereinafter referred to as the "**VPC Register**") in accordance with the Financial Instruments Registration Act (SFS 1998:1479).

No certificates representing the SDRs will be issued.

2. Transfer Restrictions

Öhman and the Canadian Deposit Bank may refuse to accept Shares for deposit under these General Terms and Conditions if the transfer of such Shares is restricted pursuant to Canadian, Swedish or any other applicable legislation or stock exchange rules in order to observe and comply with such restrictions, or otherwise in the Custodian's own discretion in order to comply with Swedish, Canadian or other applicable securities laws or stock market regulations.

3. Deposit and withdrawal of Shares

3.1 Following payment of any and all taxes and fees payable in connection with a deposit of Shares, the Shares may be delivered for deposit to Öhman or the Canadian Deposit Bank under these General Terms and Conditions provided no impediment exists thereto in accordance with Swedish or foreign law, or decisions of governmental authorities. In connection herewith, the depositor shall provide necessary information to Öhman relating to the shareholder's or nominee's name, address, and securities account ("**VP Account**") in which the SDRs shall be registered.

3.2 Following payment of any and all taxes and fees payable in connection with a withdrawal of Shares, the Shares may be withdrawn from deposit provided no impediment exists thereto in accordance with Swedish or foreign law, or decisions of governmental authorities. The Shares will be transferred to a deposit account designated by the SDR Holder or as agreed between **Öhman** and the SDR Holder following the re-registration of the Shares and the deregistration of the corresponding SDRs in the VPC Register.

3.3 Öhman shall be entitled to compensation from the SDR Holders for the fees and costs which arise in conjunction with the deposit or withdrawal of Shares and/or issuance of SDRs as set forth in this Section 3, in accordance with the price list applied by Öhman from time to time.

3.4 Deposits and withdrawals of Shares and registrations in the VPC Register resulting therefrom takes place in accordance with the practices applied by Öhman from time to time and may be temporarily postponed or declined, during any period when the VPC Register or the share ledger of the Company is closed, or if such action is deemed necessary or advisable by the Company or Öhman.

4. Transfer and pledge, etc.

4.1 For as long as the Shares are deposited, they may only be transferred or pledged by registration in the VPC Register of the transfer or pledge of the SDRs by an authorized account operating institute (Sw: kontoförande institut) or, in the event that the SDRs are registered in the name of a nominee, by notification to the nominee. In order for a transfer or pledge to be approved by the Company, it must not be in violation of rules and regulations on restrictions on transferability that may arise under Swedish, Canadian or other applicable legislation, applicable stock exchange rules or the Company's articles of incorporation and by-laws. Until the expiry of such period as has been determined by the Company and Öhman in accordance with applicable legislation, SDR Holders may not transfer SDRs, orafter withdrawal of shares as above, Shares represented thereby, other than in accordance with applicable transfer restrictions. With respect to any transfer and pledge of SDRs, the provisions set forth in Chapter 6 of the Financial Instruments Registration Act shall apply.

4.2 Any registrations in the VPC Register which are necessary to accurately reflect the transfer of SDRs may, under specific circumstances, be postponed or declined during a time period deemed necessary by the Company or Öhman.

5. Record Date

Öhman shall in consultation with VPC and the Company fix a date (the "**Record Date**") which shall be applied by Öhman for the determination of which SDR Holders are, vis-à-vis Öhman, entitled to receive dividends in cash, shares, rights, or any other property or any proceeds thereof (if the property was sold by Öhman in accordance with these General Terms and Conditions), to submit voting instructions or a proxy for shareholders' meetings or otherwise exercise any rights held by shareholders of the Company.

When practically possible, it is the intention of the Company and **Öhman** that the Record Date in Sweden for dividends and other rights as set forth above shall correspond to the Record Date in Canada.

6. Dividends and taxes

6.1 At present the Company does not intend to declare or pay dividends in the foreseeable future. If and when any dividends are declared, Öhman and the Company shall use all reasonable efforts to enter into appropriate arrangements with VPC in order to enable distributions of dividends to Holders. Distribution to Holders is subject to such arrangements being put in place and would be payable net of applicable withholding taxes.

6.2 In connection with any distribution to SDR Holders, the Company, Öhman and VPC or any of their respective agents, as appropriate, will remit to the appropriate governmental authority or agency all amounts (if any) required to be withheld or charged, according to Canadian, Swedish or other applicable tax laws, by Öhman or VPC or any of their respective agents owing to such authority or agency. Öhman shall provide VPC with such information regarding amounts withheld as VPC requires in accordance with the VPC Agreement.

6.3 Öhman shall in consultation with the Company and VPC, determine the manner in which dividends in property other than cash shall be distributed to the SDR Holders. This may entail the sale of the property with the sales proceeds, following deduction for sales costs and taxes, distributed to the SDR Holders.

7. Bonus issues, splits, or consolidations of shares

7.1 Öhman shall accept delivery of Shares as a result of bonus issues and give effect to splits or consolidations of Shares as promptly as possible and shall ensure that necessary registration measures are taken on VP Accounts belonging to the SDR Holders or rights holders who are entitled to receive such Shares.

7.2 Anyone registered in the VPC Register on the Record Date as SDR Holder or holder of rights with respect to the measure in question shall be entitled to participate in the bonus issue, split or consolidation subject to these Terms and Conditions.

7.3 Any taxes levied will be handled in the manner set forth in Section 6.3.

8. New issues, etc.

8.1 Öhman shall inform the SDR Holders of new issues of shares, debentures or other rights to holders of Shares, where the SDR Holders are entitled (in accordance with resolutions by the Company and Swedish law) to subscribe for such shares, debentures or other rights as well as other offerings from the Company directed to the shareholders.

8.2 If the SDR Holders are not entitled to participate in the issue or the offering to the shareholders in accordance with Section 8.1 or if it is not practically and economically feasible for the SDR Holders to participate, Öhman shall be entitled to sell such rights on behalf of the SDR Holders and distribute the net proceeds received, if any, to the SDR Holders after deduction for any costs, fees and taxes.

9. Fractional rights

9.1 Öhman will not accept deposits of fractional Shares, exchange SDRs for fractional Shares or accept an odd number of fractional scrip rights (i.e. such number which does not entitle to receipt of a whole number of Shares or SDRs).

9.2 Where an SDR Holder would otherwise be entitled to receive fractional Shares or an odd number of fractional scrip rights or a fraction of a Share as a result of dividends or otherwise, Öhman and the Company may agree that Öhman shall sell such fractional Shares or SDRs or fractional rights, etc., and distribute the received net proceeds, if any, to the SDR Holder after deduction for any costs, fees and taxes.

10. Voting at shareholders meetings, etc.

10.1 As soon as possible after Öhman has received notice of a meeting of shareholders of the Company, Öhman shall notify the SDR Holders of the shareholders meeting. The notification shall be issued through a press release and shall be made available on Öhman's web site. The notification shall include i) the contents set forth in the notice which Öhman has received from the Company, ii) the Record Date for the SDR Holders determined in accordance with section 5 above and iii) instructions regarding any measures to be taken by the SDR Holder in order to vote for Shares represented by SDRs. Öhman shall, in due time prior to the shareholders meeting, seek voting instructions from the SDR Holders who are recorded in the VPC Register on the Record Date and have notified Öhman of their intention to deliver voting instructions for the shareholders meeting. Such voting instructions shall be compiled by Öhman and forwarded to the Canadian Deposit Bank, in the form directed by the Canadian Deposit Bank, together with a list of the SDR Holders from whom such instructions have been obtained.

10.2 According to applicable Canadian corporate and securities laws, notices to attend shareholders meetings must be sent by the Company not later than 24 days or more than 60 days before the meeting and the record date for shareholders' meetings must be no later than 30 days or more than 60 days before the meeting.

10.3 Öhman undertakes not to vote or otherwise represent Shares for which the SDR Holder has not provided voting instructions.

11. Notices

11.1 Öhman shall ensure that notices to SDR Holders pursuant to these General Terms and Conditions are dispatched to the SDR Holders and other rights holders who are registered in the VPC Register as entitled to receive notices in accordance with the Financial Instruments Registration Act.

11.2 Written notices shall be sent by Öhman by mail to authorized persons in accordance with section 11.1 to the address listed in the VPC Register. Öhman may, instead of mailing notices, publish the notice in a daily national newspaper in cases where a Swedish CSD-registered company is entitled to such notice.

12. Trading in SDRs

Trading in SDRs is intended to take place on Nya Marknaden, with Öhman as the Company's sponsor. Information regarding the commencement of trading on First North and any decision to transfer the trading to a Swedish regulated marketplace shall be announced in advance by the Company and Öhman.

13. Fees and costs

Öhman's costs and fees for administration of the deposit account for Shares and the services rendered by VPC shall be the responsibility of the Company unless otherwise set forth in these Terms and Conditions.

14. Replacement of custodian bank

In the event the Company decides to retain another securities institution as custodian bank in lieu of Öhman, Öhman shall transfer all of Öhman's rights and obligations vis-à-vis the SDR Holders pursuant to these General Terms and Conditions and shall deliver the Shares to the new custodian bank. Any replacement of the custodian bank must be notified to VPC for approval and shall be carried out not later than six months following the time at which notification regarding the replacement of the custodian bank is sent to SDR Holders in accordance with section 11.

15. Amendments to these General Terms and Conditions

Subject to approval by the Company, Öhman shall be entitled to amend these General Terms and Conditions where such amendment is necessary in order for these Terms and Conditions to comply with Swedish, Canadian or other applicable law, stock market rules, decisions of governmental authorities or amendments to VPC's rules and regulations. Öhman and the Company are entitled to jointly decide to amend these General Terms and Conditions where, for other reasons, it is deemed appropriate or necessary, provided in all cases that the SDR Holders' rights are not prejudiced in any material respect. Öhman shall notify the SDR Holders in the manner set forth in section 11 of any decision to amend the General Terms and Conditions.

16. Information regarding Depository Receipt Holders

16.1 Öhman retains the right to request information from VPC regarding the SDR Holders' ID or corporate registration number, name, address and the number of SDRs held, and to submit such information to the Company.

16.2 Öhman and the Company are entitled to provide information regarding the SDR Holders and their holdings to the Canadian Deposit Bank and such parties who perform share registration duties or to governmental authorities, provided that the obligation to submit such information is prescribed by Swedish or other applicable foreign law. The SDR Holders shall be obliged, upon request, to provide Öhman with such information.

16.3 Öhman and the Company shall be entitled to provide information regarding the SDR Holders and their holdings to governmental authorities in connection with restitution and refund of paid taxes, to the extent required.

16.4 Öhman and the Company are entitled to submit and publish information regarding the SDR Holders to the extent required by Nya Marknaden or other authorised market place or governing regulatory authorities.

17. Limitation of liability

17.1 With respect to the obligations incumbent on them hereunder, Öhman, the Canadian Deposit Bank, the Company and VPC shall not in the case of VPC taking into account the provisions of the Financial Instruments Registration Act - be liable for damage as a result of Swedish or foreign legislation, the actions of Swedish or foreign governmental authorities, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation with respect to strikes, blockades, boycotts, and lockouts shall apply notwithstanding that Öhman, the Canadian Deposit Bank, the Company or VPC itself undertakes, or is an object of, such measures.

17.2 If Öhman, the Canadian Deposit Bank, the Company or VPC shall be prevented from making payments or taking any other action due to the circumstances set forth in Section 17.1 above, such action may be deferred until the hindrance has ceased to exist.

17.3 Neither Öhman, the Canadian Deposit Bank, the Company nor VPC shall be liable for damages, losses, costs or expenses suffered or incurred by SDR Holders arising where Öhman, the Canadian Deposit Bank, the Company or VPC have exercised reasonable prudence. Neither Öhman, the Canadian Deposit Bank, the Company nor VPC shall be liable for indirect damages or lost profits.

17.4 Neither Öhman, the Canadian Deposit Bank, the Company nor VPC shall be liable for losses or damages which the SDR Holders suffer due to the fact that a certain dividend, right, notice or other entitlement which accrues to shareholders of the Company cannot, due to technical, legal or other reasons beyond the control of the abovementioned parties, be distributed or otherwise transferred or provided to those SDR Holders registered in the VPC Register on a timely basis or at all.

18. Termination, etc.

18.1 Öhman shall terminate the deposit of Shares by notice to the SDR Holders pursuant to section 11 if:

(i) the Company has resolved to no longer have Shares in the Company being represented by SDRs in accordance with these General Terms and Conditions;
(ii) the Company removes Öhman as custodian in accordance with the Custodian Agreement governing the custodial arrangement entered into between the Company and Öhman;
(iii) VPC terminates the Agreement concerning the registration of SDRs; or
(iv) the Company applies for reorganisation, bankruptcy, liquidation, or other similar procedure, or where such a procedure commences upon application by third parties,

provided, however, that Öhman shall assign its rights and obligations as custodian under the Custodian Agreement to a new custodian approved by the Company and VPC in which event the deposit of shares represented by SDRs may be maintained.

18.2 If Öhman terminates the deposits of Shares in accordance with section 18.1, these General Terms and Conditions shall continue to apply for a period of six months from the day the notice of termination was sent or from the day notice of termination is published in a daily national newspaper.

18.3 In cases other than those set forth in section 18.1, Öhman is entitled to terminate the deposits of Shares by notification to the SDR Holders, such termination to take effect twelve months from the date set forth in section 18.2 or that earlier date, however not less than six months from the said day, as agreed between Öhman and the Company, provided, however, that Öhman shall assign its rights and obligations as custodian under the Custodian Agreement to a new custodian approved by the Company and VPC in which event the deposit of shares represented by SDRs may be maintained.

18.4 In the notice of termination, Öhman shall set forth the Record Date upon which Öhman shall de-register all the SDRs in the VPC Register. Immediately, following the de-registration, Öhman shall deliver the Shares as instructed by the SDR Holders. If any SDR Holder has not instructed Öhman accordingly, Öhman shall have the right to sell the Shares represented by such SDRs and pay received proceeds to the SDR Holder after deduction for any costs, fees and taxes. Notwithstanding the foregoing, if a new custodian is appointed as contemplated above, the SDRs shall remain registered and Shares represented by SDR shall be re-registered to reflect the new custodian.

19. Applicable law, etc.

19.1 Interpretation and application of these General Terms and Conditions shall be pursuant to Swedish law.

19.2 Disputes regarding these General Terms and Conditions or resulting from conditions related to the legal relationships hereunder shall be settled by the court of general jurisdiction and the action shall be brought in Stockholm District Court (Stockholms tingsrätt), Sweden.