



# lundin mining

**Second Quarter 2020 Results**

July 30, 2020

# Cautionary Statements

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

This document contains “forward-looking information” within the meaning of Canadian securities laws. All statements other than statements of historical facts constitute forward-looking information, including but not limited to statements regarding plans, prospects and business strategies; timing and amount of future production; expectations regarding the results of operations and costs; permitting requirements and timelines; timing and possible outcome of pending litigation; the results of economic studies or Mineral Resource and Mineral Reserve estimations, life of mine estimates, and mine and mine closure plans; market prices of metals, currency exchange rates, and interest rates; the ability to comply with permitting or other regulatory requirements; anticipated exploration and development activities; and the integration and benefits of acquisitions. Words such as “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “goal”, “aim”, “intend”, “continue”, “budget”, “estimate”, “may”, “will”, “can”, “could”, “should”, “schedule” and similar expressions identify forward-looking statements. Forward-looking information is necessarily based upon various assumptions including, without limitation, the expectations and beliefs of management, including that the Company can access financing, equipment and labour; assumed and future price of metals; anticipated costs; ability to achieve goals; the effective integration of acquisitions; the political environment supporting mining projects; and assumptions related to the factors set forth below. While these factors and assumptions are considered reasonable by Lundin Mining as at the date of this document in light of management’s experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected. Such factors include, but are not limited to: volatility in commodity prices; global financial conditions; risks inherent in mining including but not limited to the environment, industrial accidents, catastrophic equipment failures, unexpected geological formations or unstable ground conditions, and natural phenomena; uninsurable risks; equity markets volatility; outbreaks of viruses and infectious diseases (such as COVID-19); negative publicity and reputation risks; reliance on a single asset; fraud and corruption risks; actual ore mined and/or recoveries varying from estimates; risks associated with the estimation of Mineral Resources and Mineral Reserves and the geology, grade and continuity of mineral deposits; ore processing efficiency; foreign country and emerging markets risks; security; taxation regimes; health and safety risks; exploration, development or mining results not being consistent with expectations; infrastructure risks; counterparty and credit risks and customer concentration; environmental regulation risks; exchange rate fluctuations; stakeholder opposition; civil disruption; labour disputes or difficulties; interruptions in production; uncertain political and economic environments; litigation; regulatory investigations, enforcement and/or sanctions; structural stability of waste rock dumps or tailings storage facilities risks; changes in laws or policies; climate change; cybersecurity risks; estimates of future production, operations, capital and operating cash and all-in sustaining costs; permitting risks; compliance with laws; mine closure risks; challenges to title; the price/availability of supplies or services; liquidity risks and limited financial resources; the estimation of asset carrying values; risks relating to dividends; and other risks and uncertainties, including but not limited to those described in the “Risk and Uncertainties” section of the Annual Information Form and the “Managing Risks” section of the Company’s MD&A for the year ended December 31, 2019, which are available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company’s profile. All of the forward-looking statements made in this document are qualified by these cautionary statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, forecast or intended and readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Accordingly, there can be no assurance that forward-looking information will prove to be accurate and forward-looking information is not a guarantee of future performance. Readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this document. The Company disclaims any intention or obligation to update or revise forward-looking information or to explain any material difference between such and subsequent actual events, except as required by applicable law.

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

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



# Participants

**Marie Inkster**  
President & CEO

**Jinhee Magie**  
SVP & CFO

**Peter Richardson**  
SVP & COO



Delivery of medical equipment and supplies for Copiapó and Vallenar hospitals as part of a two billion peso Candelaria and Atacama Health Service agreement signed in May to help the region face the COVID-19 pandemic

# Responsible Mining

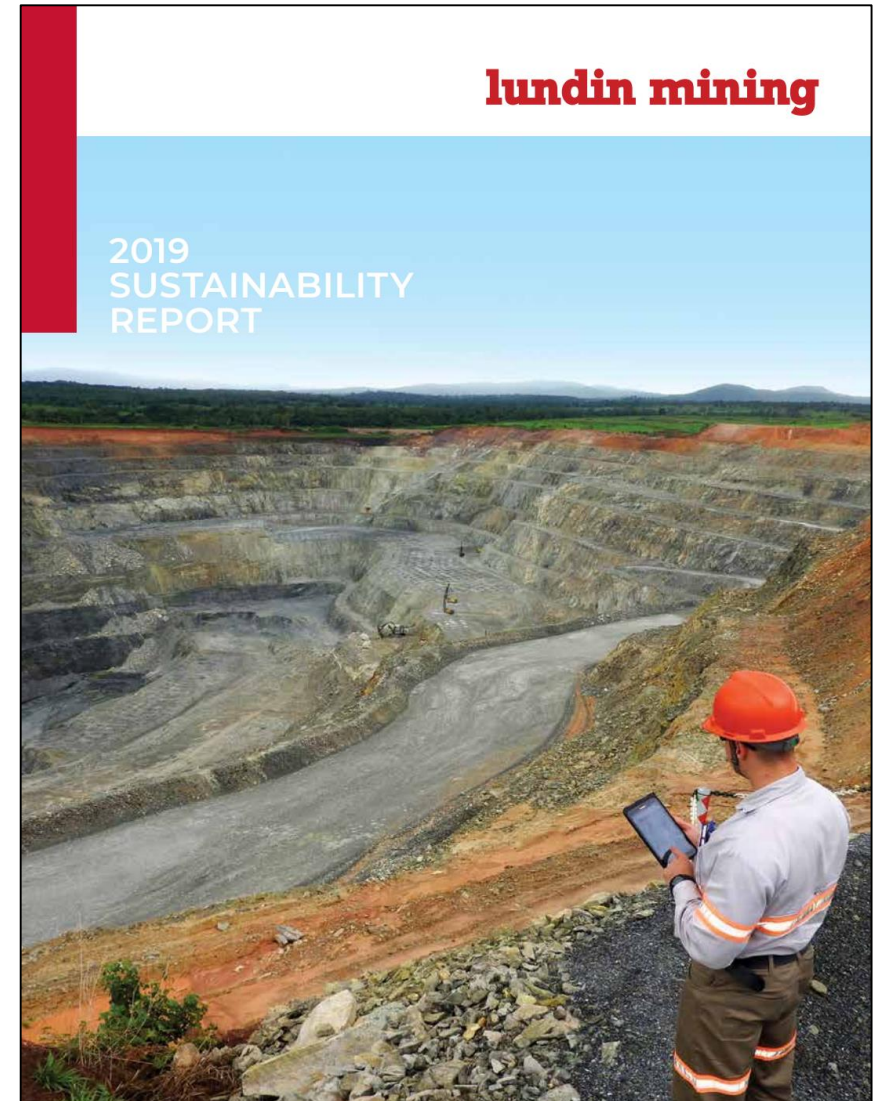
## 2019 Sustainability Report

- we recognize the important role of the metals we produce and are committed to mining these metals responsibly
- we demonstrate this commitment through living our core values of Safety, Respect, Integrity and Excellence in all aspects of our decision-making
- Lundin Mining has been reporting on our sustainability performance in a comprehensive, standalone document since 2011

<https://www.lundinmining.com/responsible-mining/sustainability-reports/>

## COVID-19 Readiness & Response

- across Lundin Mining we continue to identify and implement measures to protect our workforce and communities and ensure their needs are being addressed
- providing proactive assistance and resources to our local communities to best address needs as the pandemic continues to evolve differently in each region
- contributed approximately US\$3.0 million thus far in direct relief efforts, including education, healthcare support, local business development and humanitarian aid





# Q2/20 Summary Results



Ediney Drummond, Managing Director presenting during celebrations of Chapada's first year anniversary as a Lundin Mining operation on July 5, 2020

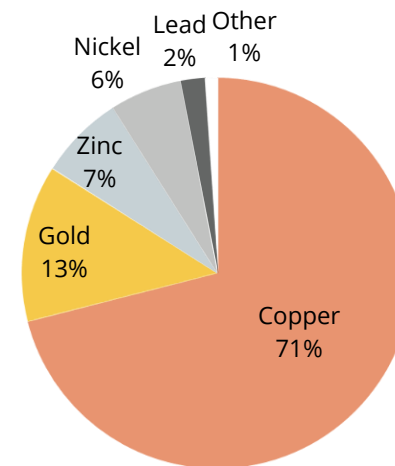
## Production

65,285 t of copper  
 31,582 t of zinc  
 44,000 oz of gold  
 3,380 t of nickel  
 5,358 t of lead

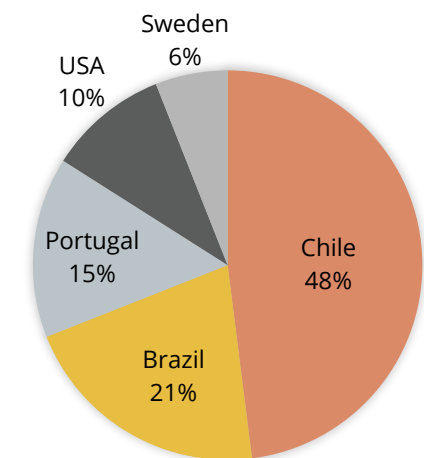
## Payable Sales

63,625 t of copper  
 26,361 t of zinc  
 42,000 oz of gold  
 2,419 t of nickel  
 7,014 t of lead

## \$533M in Sales



**By Metal**



**By Jurisdiction**

# Financial Highlights

Realized Metal Prices <sup>1</sup>	Q2/20	Q2/19	Δ
Copper	\$2.85/lb	\$2.45/lb	16%
Gold	\$1,865/oz	\$1,410/oz	32%
Nickel	\$5.58/lb	\$5.66/lb	(1%)
Zinc	\$0.91/lb	\$1.07/lb	(15%)

Summary Financial Results <sup>2</sup>	Q2/20	Q2/19	Δ
Revenue	\$533M	\$369M	44%
Gross (Loss) Profit	\$142M	\$25M	468%
Attributable Net (Loss) Earnings	\$39M \$0.05/sh	(\$8M) (\$0.01/sh)	588% \$0.06/sh
Adjusted (Loss) Earnings	\$53M \$0.07/sh	(\$11M) (\$0.02/sh)	582% \$0.09/sh
Adjusted EBITDA	\$232M	\$76M	205%
Cash Flow from Operations	\$38M	\$205M	(81%)
Adjusted Operating Cash Flow	\$179M \$0.24/sh	\$50M \$0.07/sh	258% \$0.17/sh
Net (Debt) Cash	(\$220M)	\$661M	(\$881M)
Dividends Declared	C\$0.04/sh	C\$0.03/sh	\$0.01/sh

- Net debt position has improved to approximately \$190 million as at July 29, 2020

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

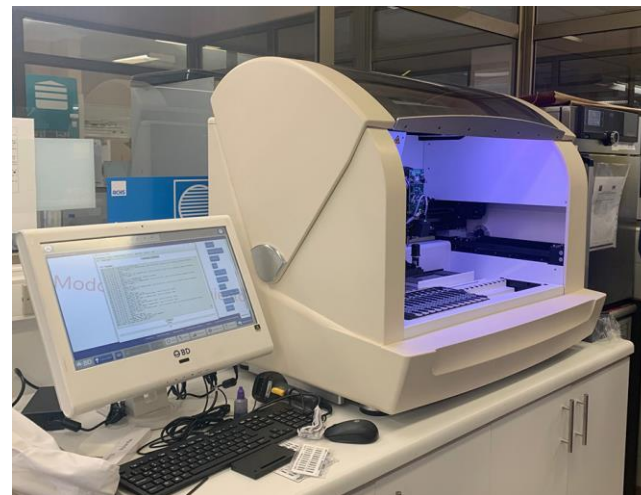
2. Adjusted Net Earnings, Adjusted EBITDA, Adjusted Operating Cash Flow and Net (Debt) Cash are non-GAAP measures. Please see Lundin Mining's MD&A for the three months ended June 30, 2020 for discussion on non-GAAP measures.

## Resilient Operations in Face of COVID-19 Challenges

- Q2/20 production of 35,060 t of copper and approximately 21,000 oz of gold at cash cost of \$1.36/lb of copper
- throughput increased over Q1/20 though continued to be impacted by ore hardness and available operational hours of plants
- CMOP replacement of fourth ball mill motor postponed to January 2021 due to limited ability to safely mobilize contractors and consultants as a result of COVID-19
- revised full year copper and gold production guidance reflecting H1/20 production and reduced H2/20 throughput expectations
- full year cash cost guidance of \$1.35/lb of copper unchanged

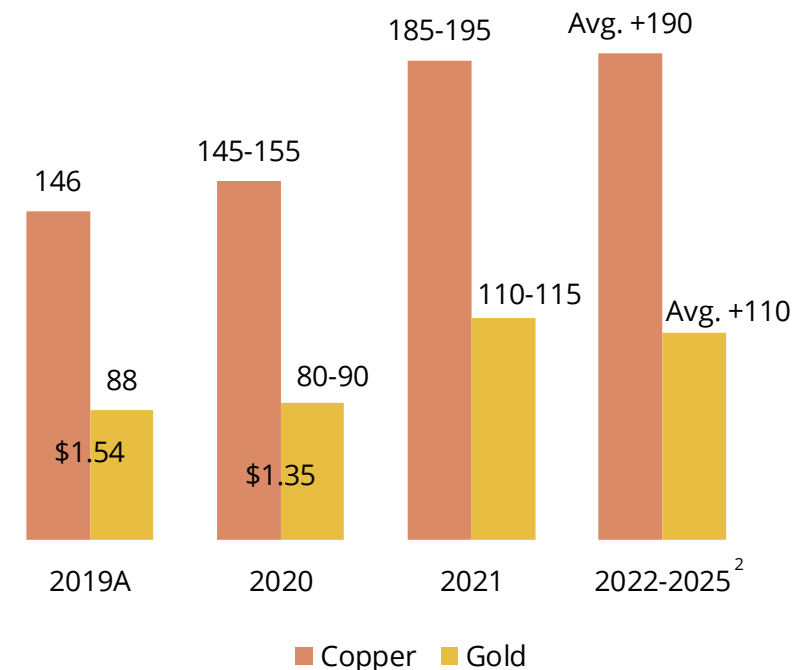
## Sustaining Capital & Exploration Expenditures

- 2020 sustaining capital expenditure guidance of \$230M unchanged
- H1/20 expenditures of \$130M
- over 50,000 m drilling planned as part of \$15M exploration program
- 29,805 m of drilling competed in H1/20 with five rigs



Delivery of Bd-Max molecular biology analyzer for real-time PCR analysis at the Copiapó Regional Hospital

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



1. Currently, 68% of Candelaria's total gold and silver production are subject to a streaming agreement and as such C1 cash costs guidance is based on receipt of \$412/oz and \$4.12/oz, respectively, in 2020 on the streamed portion of gold and silver sales.
2. Average 2022-2025 production is based on the NI 43-101 Technical Reports dated November 28, 2018 which is available on SEDAR under the Company's profile page. See also slide 16.

## Improved Grades & Recoveries

- copper production increased 16% and gold production approximately 28% over Q1/20, driven by improving grades and recoveries for both metals
- Q2/20 production of 13,799 t of copper and approximately 23,000 oz of gold
- copper cash cost of \$0.21/lb for the quarter benefiting from a favourable FX rate and gold price<sup>3</sup>
- full year cash cost guidance further improved to \$0.65/lb of copper, from \$0.85/lb. On-track to achieve full year copper and gold production guidance
- full year sustaining capital expenditure guidance of \$40M is unchanged
- new mobile crusher expected operational beginning of 2021

## Ramp Up of Exploration Drilling

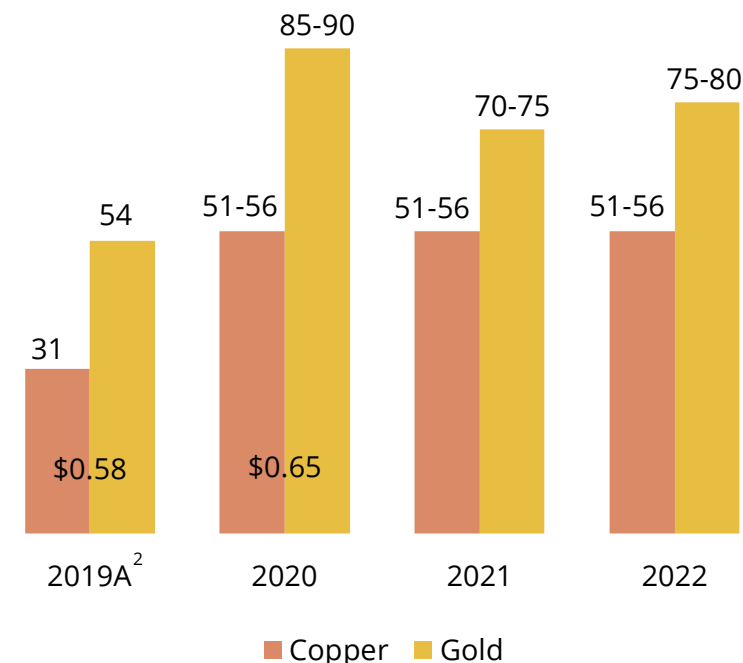
- 9,810 m of drilling competed in H1/20
- targeting over 40,000 m of drilling for the year as part of \$7M exploration program
- focus remains primarily on near mine targets with some regional drilling
- study work evaluating mine and plant expansion advancing



Chapada geologist, Tais Bischof Pian, examining drill core from current drilling campaign

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

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



1. Chapada cash costs are calculated on a by-product basis and do not include the effects of its copper stream agreements. Effects of the copper stream agreements are reflected in copper revenue and will impact realized price per pound.  
 2. 2019 production based on period of Lundin Mining's ownership post closing of acquisition on July 5, 2019 (approximately half year).  
 3. Q2/20 average market price of USD/BRL: 5.37 and \$1,727/oz gold compared to assumptions of 4.75 and \$1,500/oz, respectively, in previous guidance. Assumptions revised to USD/BRL: 5.00 and \$1,600/oz gold in guidance announced by news release on July 29, 2020.



## New Mill Throughput Record Set

- Q2/20 production of 10,559 t of copper, 18,986 t of zinc and 1,559 t of lead all increased over Q1/20
- new throughput record set with over one million tonnes milled in the quarter
- cash cost of \$1.75/lb of copper improved 22% over Q1/20
- per tonne operating costs benefiting from lower contractor costs and increased throughput
- positioned to achieve production and cash cost guidance



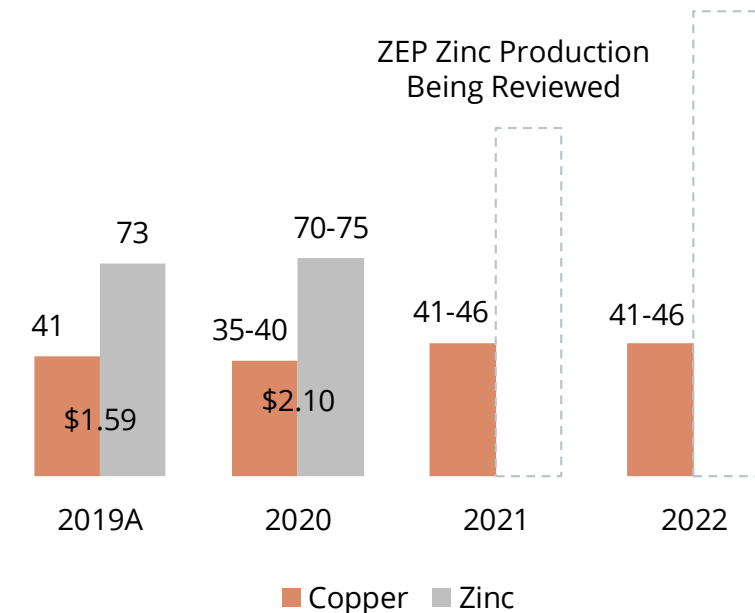
Managing Director, Kenneth Norris, and Neves-Corvo CFO, Rodrigo Rosa, meeting with Portuguese President Marcelo Rebelo de Sousa to discuss impact of COVID-19 pandemic on economy and mining sector

## Zinc Expansion Project Restart Plans in Review

- major ZEP construction and commissioning activities remain temporarily suspended to reduce COVID-19 related risks to workforce and local communities
- minor works to continue in H2/20 to facilitate efficient ramp-up of construction and commissioning
- 2020 ZEP capital expenditure guidance increased to \$65M, from \$55M. Total pre-production expenditure remains unchanged at €360M
- phased commissioning and production ramp-up being reviewed considering COVID-19 measures and protocols

## Copper, Zinc Production & Cash Cost Outlook

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



## On-Track to Achieve Full-Year Guidance

- Q2/20 production of 12,596 t of zinc, 3,799 t of lead and 1,765 t of copper at cash cost of \$0.56/lb of zinc
- extended campaign of copper ore resulted in increased copper and lower zinc and lead production compared to Q1/20
- mine plan calls for return to high grade stopes in H2/20 driving increased zinc production in second half
- on-track to achieve full year production and cash cost guidance
- sustaining capital expenditure guidance of \$45M unchanged



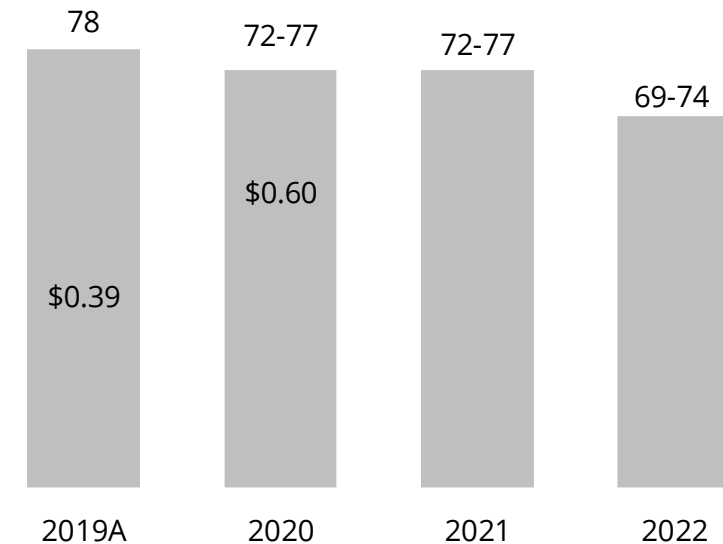
Women comprise half of this year's summer hire program, including Emma Johansson working on the production loading team

## Underground Exploration Advancing

- exploration expenditure guidance of \$6M with approximately 17,000 m drilling planned
- 11,186 m of exploration drilling and 195 m of drifting completed in H1/20
- underground drilling focused on the extension of Dalby and the area between Burkland and Nygruvan orebodies

## Zinc Production & Cash Cost Outlook

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



## Improved Copper Production & Nickel Cash Cost Guidance

- Q2/20 production of 3,380 t of nickel and 4,102 t of copper at cash cost of \$1.13/lb nickel
- set a new record over 180 days without a recordable injury on May 2 and continued the quarter with zero recordables
- mill feed grades in the quarter modestly impacted by the processing of out-of-reserve ore mined from the Eagle East deposit
- positioned for a stronger H2/20 as mine sequencing calls for increasing nickel and copper ore grades from Eagle East
- full year copper production guidance increased to 17,000 to 19,000 t and nickel production guidance reiterated at 16,000 to 18,000 t
- cash cost guidance improved to \$0.85/lb of nickel, from \$1.00/lb, primarily on by-product copper production and price assumption

## Generating Meaningful FCF

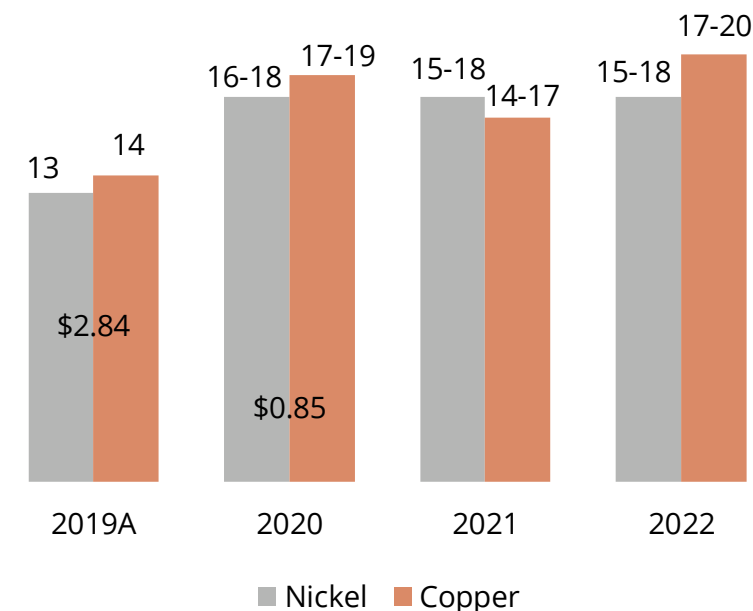
- 2020 sustaining capital expenditure guidance of \$15M unchanged
- \$7.6M of sustaining capital expenditures in H1/20



Meagan Morrison, Social Responsibility Advisor at Eagle Mine, displaying gift card distributed to employees to support Rockin Local campaign

## Nickel, Copper Production & Cash Cost Outlook

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





# 2020 Guidance Summary<sup>1</sup>

		Production (contained metal in concentrate)		C1 Cash Cost <sup>2</sup>
<b>Copper (t)</b>	Candelaria (100%)	145,000	- 155,000	\$1.35 <sup>3</sup>
	Chapada	51,000	- 56,000	\$0.65 <sup>4</sup>
	Eagle	17,000	- 19,000	
	Neves-Corvo	35,000	- 40,000	\$2.10 <sup>3</sup>
	Zinkgruvan	3,000	- 4,000	
	<b>Total</b>	<b>251,000</b>	<b>- 274,000</b>	
<b>Zinc (t)</b>	Neves-Corvo	70,000	- 75,000	
	Zinkgruvan	72,000	- 77,000	\$0.60 <sup>3</sup>
	<b>Total</b>	<b>142,000</b>	<b>- 152,000</b>	
<b>Gold (oz)</b>	Candelaria (100%)	80,000	- 90,000	
	Chapada	85,000	- 90,000	
	<b>Total</b>	<b>165,000</b>	<b>- 180,000</b>	
<b>Nickel (t)</b>	Eagle	15,000	- 18,000	\$0.85
	<b>Total</b>	<b>15,000</b>	<b>- 18,000</b>	

## Sustaining Capital

Candelaria (100% basis)	230
Chapada	40
Eagle	15
Neves-Corvo	55
Zinkgruvan	45
<b>Total Sustaining</b>	<b>385</b>
<b>ZEP (Neves-Corvo)</b>	<b>65</b>
<b>Total Capital Expenditures<sup>1,2</sup></b>	<b>\$450M</b>

- 2020 exploration guidance of \$35M unchanged from Q1/20
- over 110,000 m of drilling planned with focus on in and near-mine targets

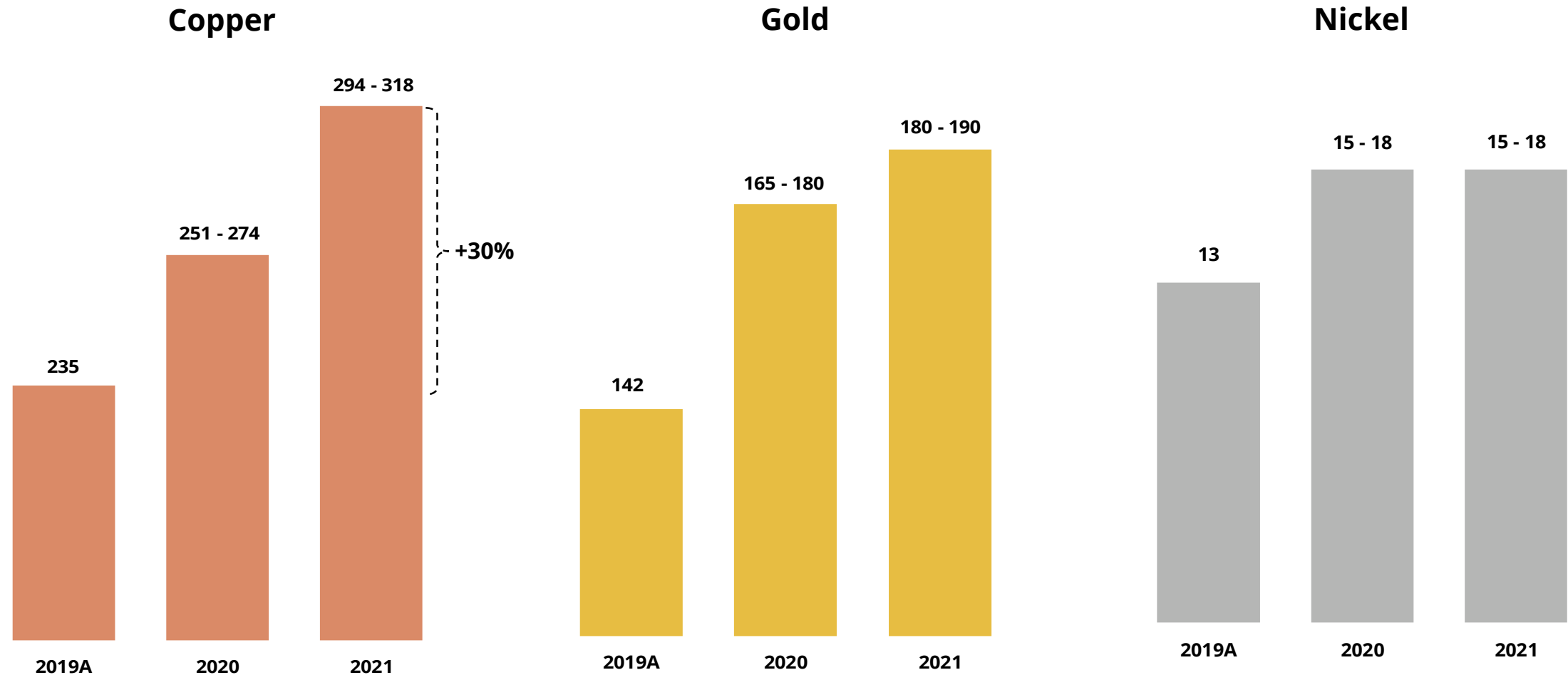
1. Guidance as outlined in the Management's Discussion and Analysis for the quarter ended June 30, 2020 and as announced by news release on July 29, 2020.

2. Cash costs are based on various assumptions and estimates, including but not limited to: production volumes, as noted above, commodity prices (Cu: \$2.35/lb, Zn: \$0.85/lb, Ni: \$5.25/lb, Pb: \$0.75/lb, Au: \$1,600/oz), foreign exchange rates (€/USD:1.15, USD/SEK:9.25, USD/CLP:800, USD/BRL:5.00) and operating costs.

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

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

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



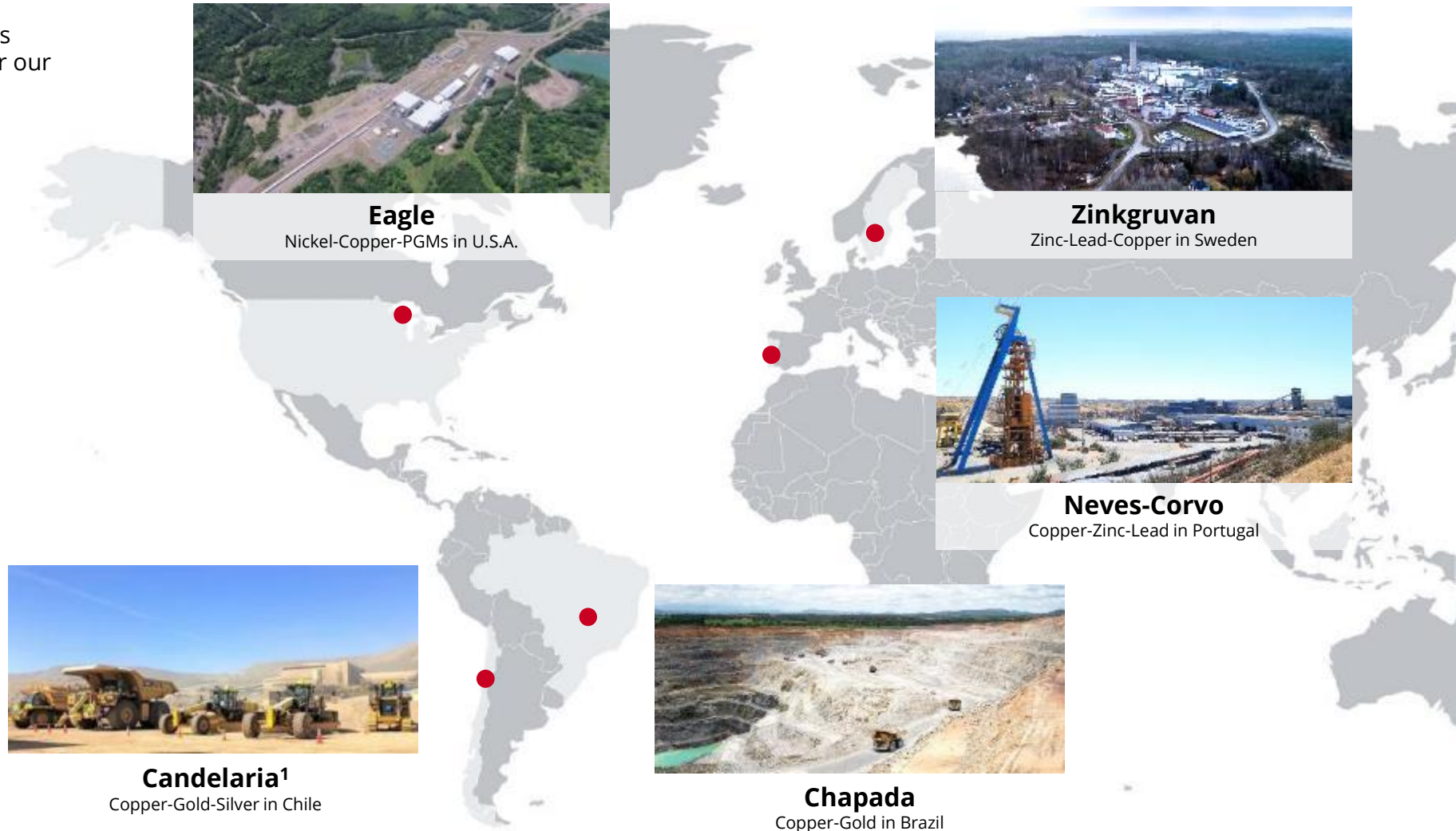
1. Production profile based on certain estimates and assumptions, including but not limited to; Mineral Resource and Mineral Reserve estimates geological formations, grade and continuity of deposits and metallurgical characteristics. The 2020-2021 guidance was announced by news release on November 26,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

2. Gold production guidance for Candelaria is 80-90 koz in 2020 and 110-115 koz in 2021, on a 100% basis. Currently, 68% of Candelaria's total gold and silver production are subject to a streaming agreement. Gold production guidance for Chapada is 85-90 koz in 2020 and 70-75 koz in 2021. Chapada's gold production is unencumbered.

## Our Strategy

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

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



1. Lundin Mining holds an 80% interest in Candelaria



**lundin mining**

# NI 43-101 Compliance

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

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

Mineral Resource and Mineral Reserve estimates of the Company are shown on a 100 percent basis for each mine. The Measured and Indicated Mineral Resource estimates are inclusive of those Mineral Resource estimates modified to produce the Mineral Reserve estimates. All estimates of the Company are prepared as at June 30, 2019. Estimates for all operations are prepared by or under the supervision of a Qualified Person as defined in NI 43-101 or have been audited by independent Qualified Persons on behalf of the Company.

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

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

Candelaria: technical report entitled Technical Report for the Candelaria Copper Mining Complex, Atacama Region, Region III, Chile dated November 28, 2018.

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

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

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

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