



lundin mining

PI Financial Presents Lundin Group of Companies

January 14, 2021

TSX: LUN Nasdaq Stockholm: LUMI

Candelaria, Atacama Region, Chile

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 or labour disputes; timing for any required repairs and resumption of any interrupted operations; the results of any Feasibility Study, 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. 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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 and the quarter end September 30, 2020, which are available on SEDAR at 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. 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This presentation may contain 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.

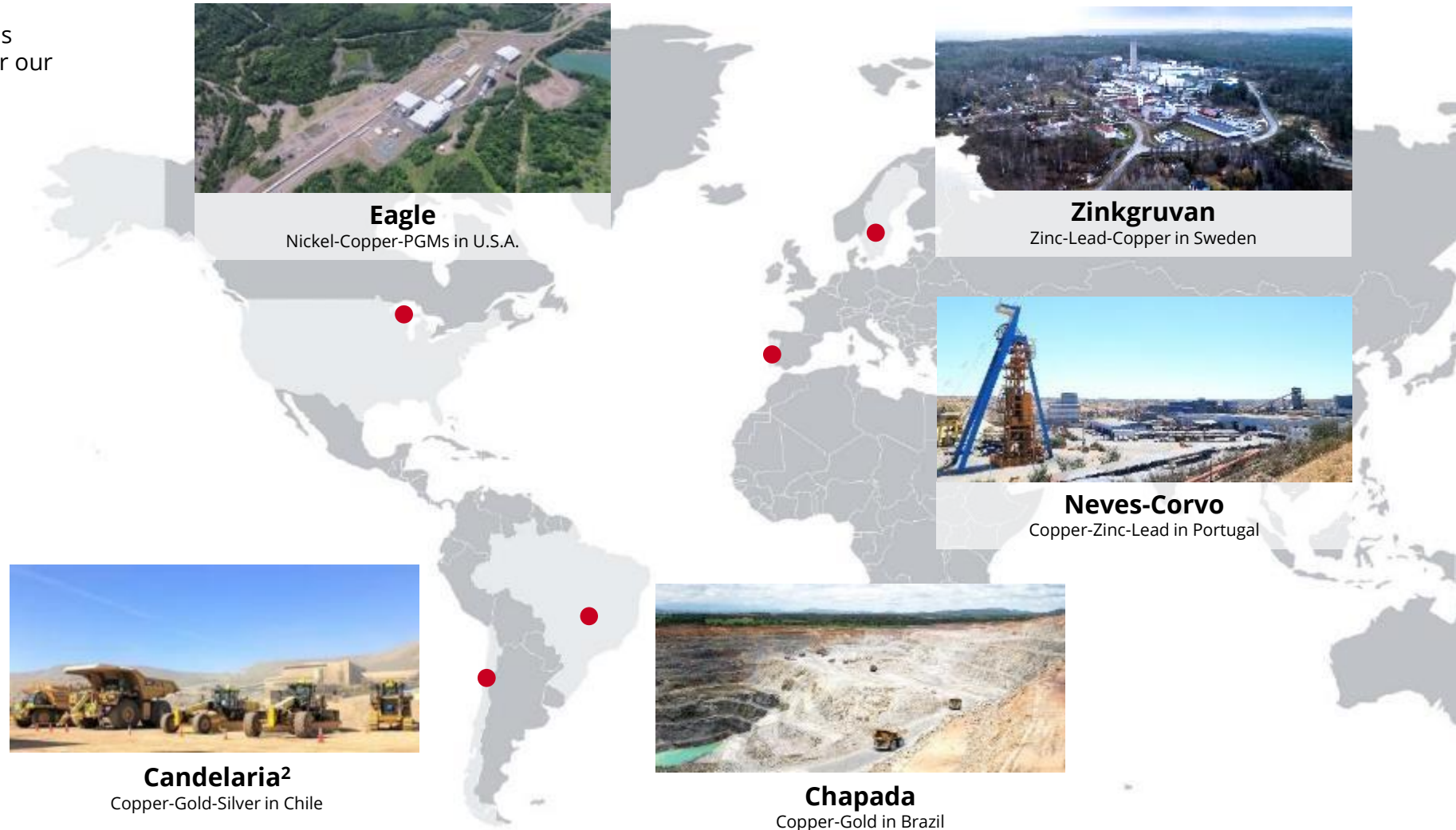
Note: All dollar amounts are in US dollars unless otherwise denoted.

Lundin Mining

Our Strategy

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

- copper dominant - ~65-70% copper
- competitive cost position
- low-risk mining jurisdictions¹
- pipeline of development and exploration projects
- low leverage and flexible balance sheet
- attractive direct shareholder returns










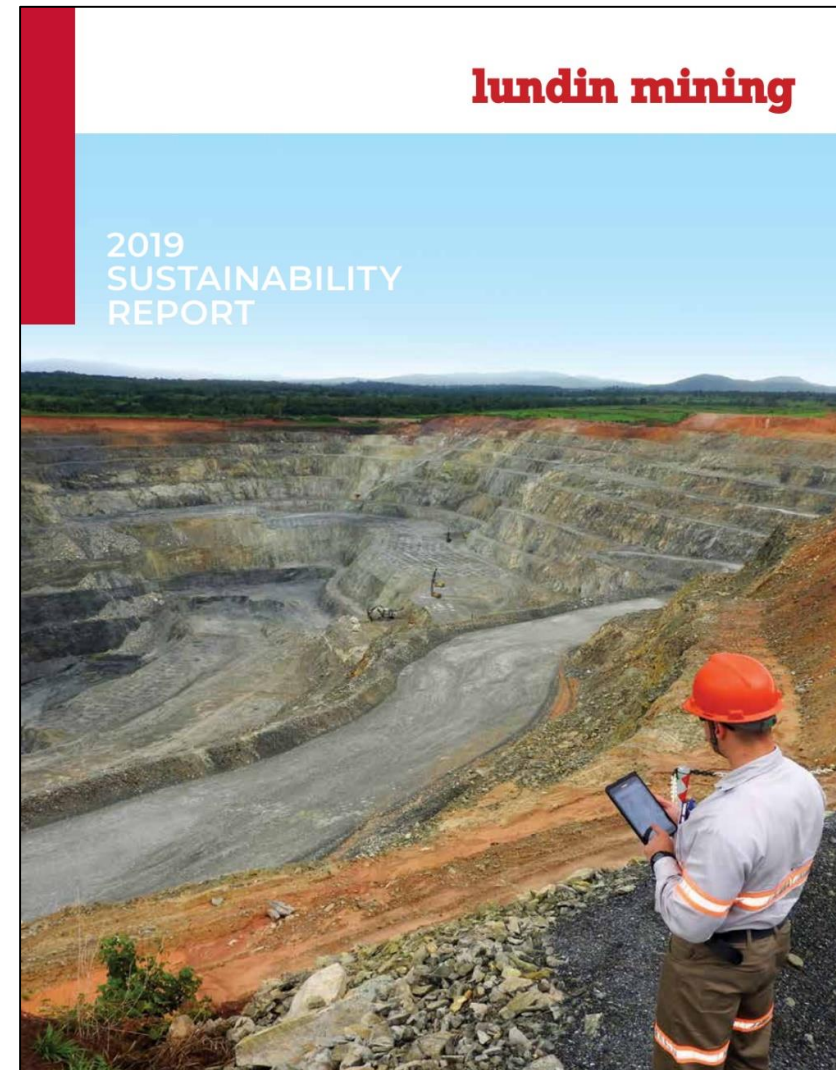
1. Fraser Institute's 2019 Annual Survey of Mining Companies Investment Attractiveness Rankings: Portugal 5th, Sweden 10th, Chile 17th, and Brazil 46th of 76 jurisdictions included. The State of Michigan in the U.S.A. did not meet the minimum number of survey responses to be included in the 2019 report.
2. Lundin Mining holds an 80% interest in Candelaria

Responsible Mining

- we recognize the important role of the metals we produce and are committed to mining these metals responsibly
- Lundin Mining has been reporting on our sustainability performance in a comprehensive, standalone document since 2011
- we have demonstrated sustainable improvements in our safety, environmental, social and operating performance over the past several years, and with focused disclosure in our *Sustainability Report*
- since joining the United Nations Global Compact in 2016, we continue to commit to the initiative, documenting our support of the 10 Principles on human rights, labour standards, environment and anti-corruption, and the 17 Sustainable Development Goals, through an annual Communication on Progress

2019 Highlights

 <p>Corporate climate change adaptation and mitigation planning toolkit developed</p>	 <p>\$7.45M Total community-investment expenditures of approximately \$7.45 million</p>
 <p>SPONSORSHIP AGREEMENT SIGNED with Coalition for Energy Efficient Comminution (CEEC) for the promotion of industry uptake of energy-efficient, lower footprint mining</p>	 <p>REDUCTION IN ENERGY INTENSITY AND GHG EMISSIONS INTENSITY, PER TONNE ROCK MINED, FROM 2016 TO 2019</p>
 <p>Total fresh surface water withdrawal decreased by 7% compared to 2018</p>	 <p>COMPLETED CRISIS MANAGEMENT TRAINING at all operations and head office</p>
 <p>\$1.63B \$1.63 BILLION (OR 94%) OF OUR GOODS AND SERVICES WERE PROCURED LOCALLY (19%) OR NATIONALLY (75%)</p>	



Notable Recent Events



Candelaria open pit

Anticipated 50% Dividend Increase¹

- increase in the quarterly dividend to C\$0.06 per common share, C\$0.24 annualized, anticipated to be declared in February 2021
- expected increase reflects the strong free cash flow outlook from current operations. Well positioned to enhance shareholder returns with a progressive regular dividend

2021 Guidance & Three-Year Production Outlook¹

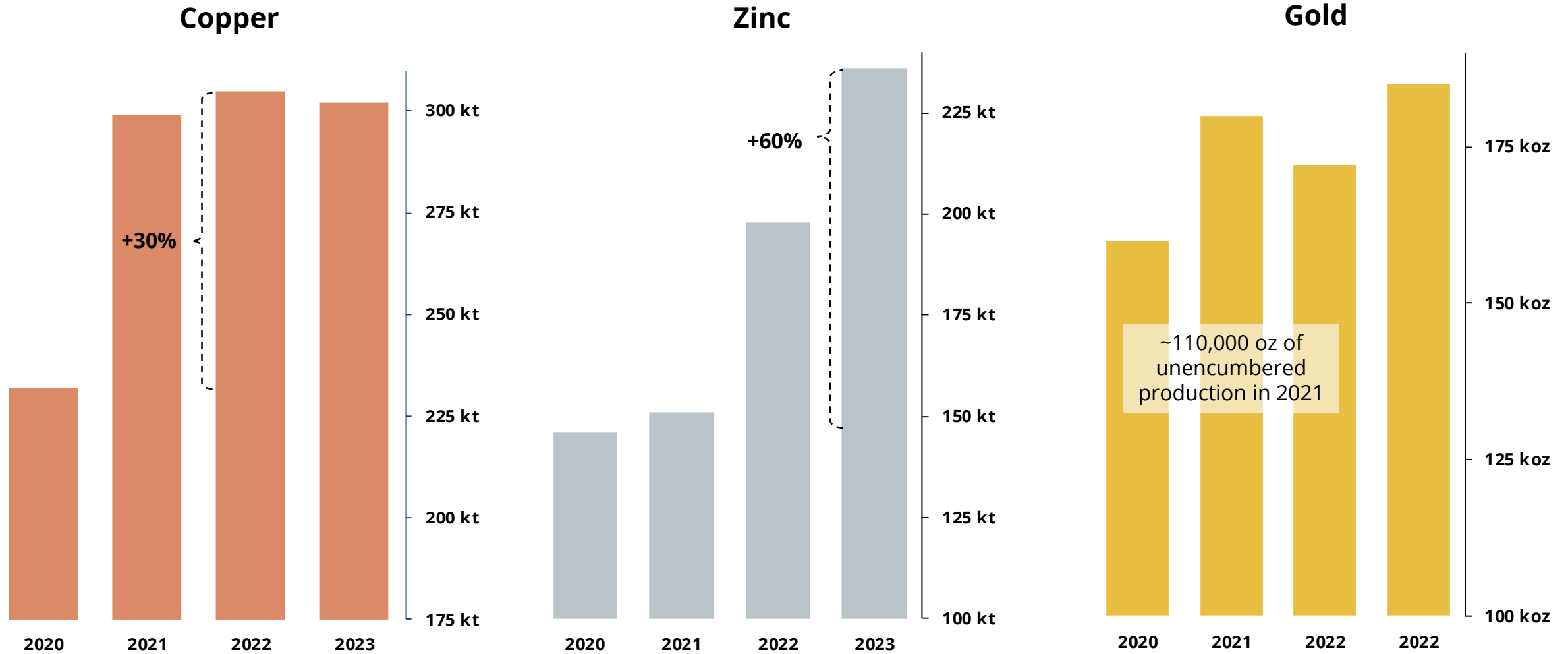
- copper production is forecast to increase over 25% in 2021
- zinc production is forecast to increase 30% in 2022, over 2021, as the Neves-Corvo Zinc Expansion Project completes its ramp up
- gold production is forecast to be 175,000 oz at the midpoint of 2021 guidance. Nearly 110,000 oz are unencumbered

Full Production Capacity at Candelaria & Chapada

- ramp up of Candelaria to full capacity began late November 2020 after reaching new collective agreements
- Chapada returned to full processing capacity December 20, 2020 with installation of the remaining repaired motor on the ball mill

1. Refer to news release "Lundin Mining Provides Operational Outlook & Shareholder Returns Update" dated November 30, 2020. A 50% increase in the quarterly dividend to C\$0.06 per common share is anticipated to be declared with the release of 2020 full-year financial results in February 2021 pending approval by the Company's Board of Directors.

Increasing Production Profile^{1,2}



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 guidance is as most recently revised by news release on October 28, 2020 and further updated for the Candelaria operation by news release on November 30, 2020. The 2021-2023 guidance was announced by news release on November 30, 2020.

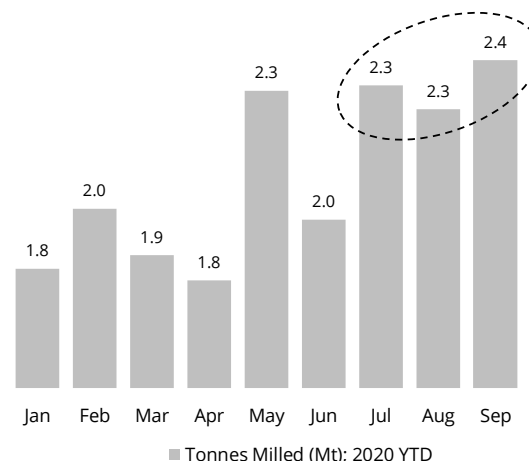
2. Currently, 68% of Candelaria's total gold and silver production are subject to a streaming agreement. Chapada's gold production is unencumbered.

Increase in Production and Reduction in Cash Costs

- copper production forecast to increase nearly 45% in 2021, over the impacted-2020, primarily on improving copper head grades and achievement of planned processing rates
- safe ramp up to full capacity after reaching new collective agreements with all unions representing employees in December 2020
- replacement of remaining ball mill motor completed in December 2020. Candelaria Mill Optimization Project (CMOP) is now 100% complete
- copper production to increase to 172,000-182,000 t in 2021 at cash costs of \$1.35/lb of copper, net of gold and silver by-product credits
- over next ten years copper production forecast to average nearly 180,000 tpa
- long operational life of +20 years with clear exploration potential to further extend

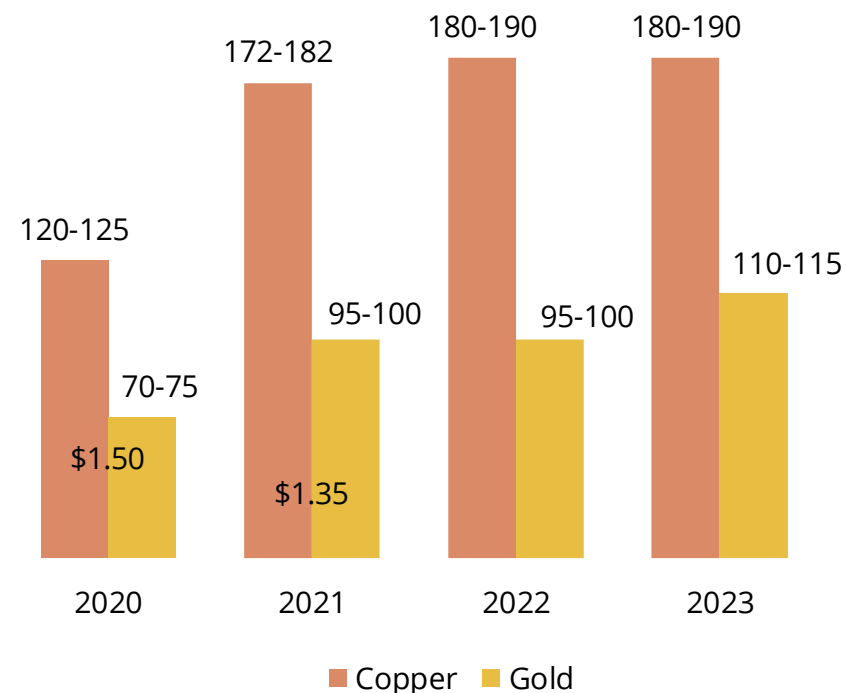
Improved Throughput to Achieve Production Growth

- ore milled increased nearly 20% in Q3/20 over H1/20 average
- Q1-Q3/20 production of 107,193 t of copper and 63,000 oz of gold at cash costs of \$1.34/lb of copper



Copper, Gold Production & Cash Costs¹ 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 and \$416/oz and \$4.16/oz, respectively, in 2021 on the streamed portion of gold and silver sales.

Strong Operational Performance Continues

- returned to full processing capacity following the installation of the remaining repaired motor on the ball mill on December 20, 2020
- processing plant achieved approximately 35% of nameplate capacity while operating only the SAG mill and throughput further improved mid-November 2020 with the installation of a single motor on the ball mill
- copper production forecast to increase to 48,000-53,000 t in 2021 at cash costs of \$1.10/lb of copper, net of credits from 75,000-80,000 oz of gold
- all gold production remains unhedged and receives full market pricing
- Q1-Q3/20 production of 38,670 t of copper and 65,000 oz of gold at first-quartile copper cash costs of \$0.44/lb. One of the lowest cost open pit copper mines in South America²

Exploration Advancing Well & Expansion Studies Underway

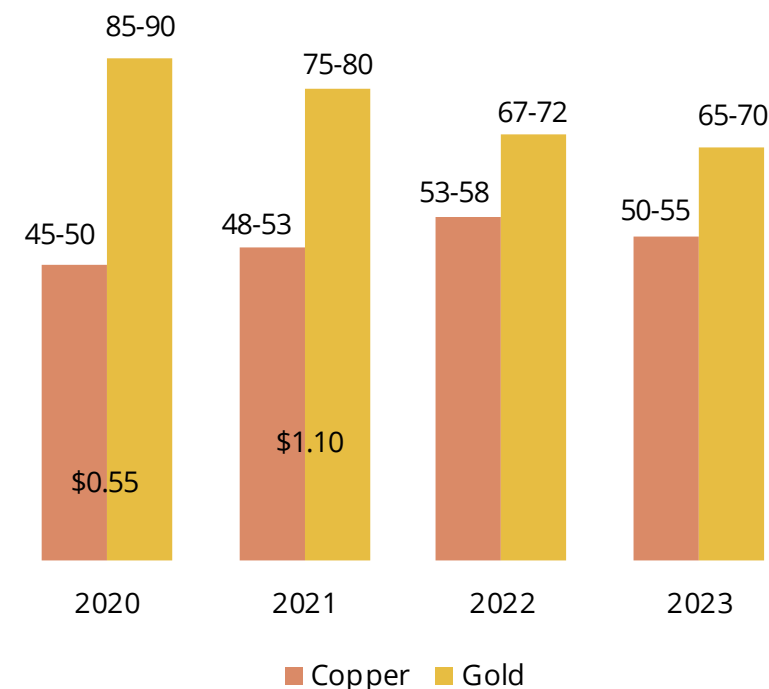
- 60,000 m drilling campaign and \$8M exploration budget in 2021
- expansion studies ongoing to optimize value and near-mine exploration
- +30-year operational life based on current throughput capacity of 24 Mtpa



Chapada processing facilities

Copper, Gold Production & Cash Costs¹ 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. According to Wood Mackenzie Q3 2020 data set sort for primary copper open pit sulphide mines in South America

Zinc Expansion Project Officially Restarted January 2021

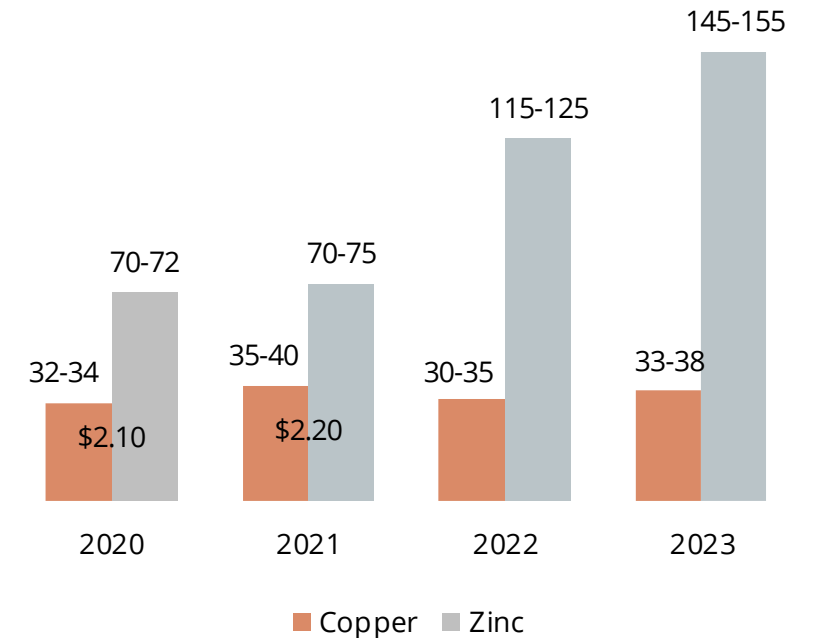
- ZEP to double current zinc production capacity and improve per unit operating costs
- mobilizing a smaller number of contractors with an extended schedule given the current safety requirements for social distancing and other personnel limitations
- construction is to be completed in stages over the course of 2021 with production ramp up planned to commence in Q4/21
- pre-production capital cost estimate of \$430M (€360M) remains unchanged with \$70M estimated to be capitalized in 2021 and the remaining \$30M in 2022 to complete
- zinc production forecast to increase 66% in 2022 to 115,000-125,000 t as production ramp up is completed in H1/22
- +10-year mine life based on expanded ZEP throughput capacity with significant potential to extend mine life



Neves-Corvo headframe

Copper, Zinc Production & Cash Costs Outlook

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



Positioned for Strong Start to 2021

- plans call for mining of high-grade stopes driving increased zinc production into 2021
- zinc production forecast to increase to 71,000-76,000 t in 2021 at cash costs of \$0.65/lb of zinc, net of lead and copper credits
- Q1-Q3/20 production of 48,923 t zinc and 3,346t of copper
- cash costs remained stable and favorable at \$0.54/lb in first three quarters of 2020



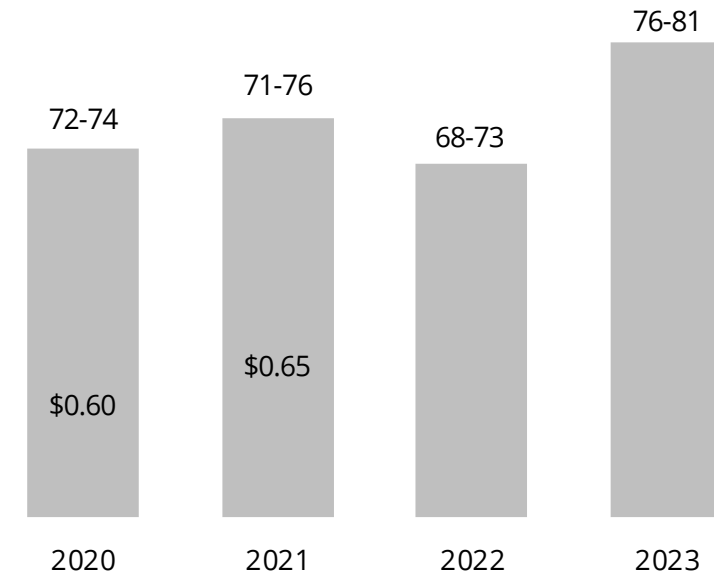
Zinkgruvan mill operator and summer student

Underground Exploration Advancing

- continuous production since 1857
- +10-year mine life with potential to extend mine life on Mineral Resource conversion
- exploration drilling from underground continues
- focus is on the extension of Dalby and area between Burkland and Nygruvan orebodies
- 2021 exploration expenditure guidance of \$6M with 27,000 m of drilling planned

Zinc Production & Cash Costs Outlook

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



To Continue to Generate Impressive Free Cash Flow¹

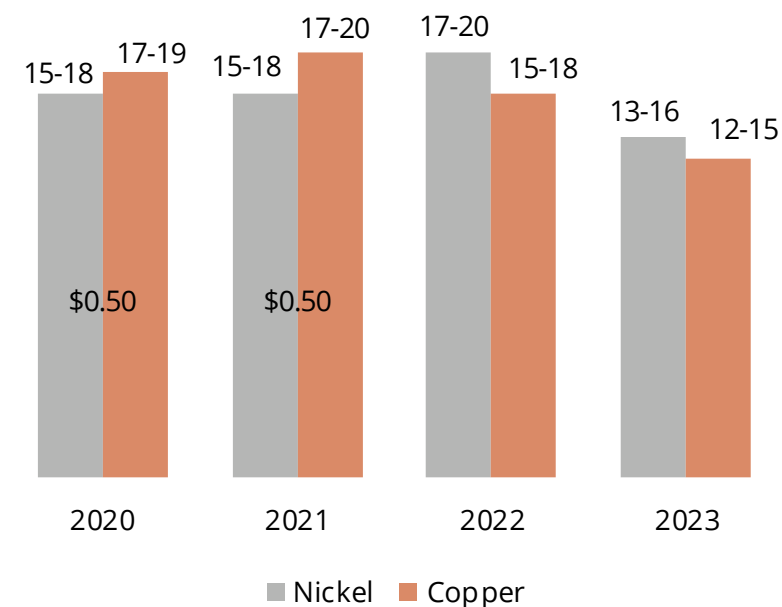
- first-quartile cash costs with minimal capex to continue through 2025
- nickel production increased nearly 45% and copper over 25% in Q3/20 compared to Q2/20 on increasing Eagle East ore grades and metal recovery
- Q1-Q3/20 production of 11,809 t of nickel and 13,535 t of copper at first-quartile cash costs of \$0.51/lb nickel
- impressive negative \$0.63/lb nickel cash costs in Q3/20
- \$81M of FCF in first three quarters of 2020, including \$27M of FCF in Q3/20
- production guidance of 15,000-18,000 t of nickel and 17,000-20,000 t of copper in 2021 at cash costs of \$0.50/lb of nickel
- 2021 capital expenditures expected to be minimal, forecast at \$15M



Eagle East high grade massive sulphide seam of approximately 7.5% nickel and 5% copper

Nickel, Copper Production & Cash Costs Outlook

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



1. Free Cash Flow (FCF) is a non-GAAP measure defined herein as cash flow from operations less sustaining capital expenditures.

2021 Guidance Summary¹

		Production (contained metal in conc.)		C1 Cash Cost ²
Copper (t)	Candelaria (100%)	172,000	- 182,000	\$1.35 ³
	Chapada	48,000	- 53,000	\$1.10 ³
	Eagle	17,000	- 20,000	
	Neves-Corvo	35,000	- 40,000	\$2.20 ³
	Zinkgruvan	3,000	- 4,000	
	Total	275,000	- 299,000	
Zinc (t)	Neves-Corvo	70,000	- 75,000	
	Zinkgruvan	71,000	- 76,000	\$0.65 ³
	Total	141,000	- 151,000	
Gold (oz)	Candelaria (100%)	95,000	- 100,000	
	Chapada	75,000	- 80,000	
	Total	170,000	- 180,000	
Nickel (t)	Eagle	15,000	- 18,000	\$0.50
	Total	15,000	- 18,000	

Capital Expenditures (\$M)

Sustaining

Candelaria (100% basis)	345
Chapada	65
Eagle	15
Neves-Corvo	65
Zinkgruvan	50

Total Sustaining 540

ZEP (Neves-Corvo) 70

Total Capital Expenditures^{1,2} \$610M

- \$40M to be invested in 2021 exploration programs
- over 140,000 m of drilling planned with focus on in and near-mine targets

1. Guidance as announced by news release November 30, 2020.
2. Cash costs are based on various assumptions and estimates, including but not limited to production volumes, as noted above, commodity prices (2021 – Cu: \$2.95/lb, Zn: \$1.00/lb, Pb: \$0.85/lb, Au: \$1,700/oz and Ag: 16.00/oz), foreign exchange rates (2021 – €/USD:1.20, USD/SEK:8.50, CLP/USD:675 and USD/BRL:4.75) and operating costs.
3. 68% of Candelaria's total gold and silver production are subject to a streaming agreement and as such C1 cash costs are calculated based on receipt of \$416/oz and \$4.16/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. 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.



High Quality Competitive Mines

- demonstrated operational excellence and culture of continuous improvement
- low-risk mining jurisdictions

Meaningful Scale Growth Oriented

- increasing copper, zinc and gold production profiles
- exploration upside and high-value expansion projects underway

Financial Strength

- proven track record for rigorous investment approach, focused on value creation
- strong balance sheet with low leverage

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