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NEWS RELEASE
Lundin Mining First Quarter Results

Toronto, April 26, 2017 (TSX: LUN; OMX: LUMI) Lundin Mining Corporation ("Lundin Mining" or the "Company") today reported cash flows of $244.7 million generated from operations in the first quarter of the year, not including the Company's attributable cash flows from Tenke Fungurume. Net earnings attributable to Lundin Mining shareholders of $91.6 million ($0.13 per share) for the quarter ended March 31, 2017 were aided by improved copper and zinc prices.

(This news release contains forward-looking statements. Please refer to the cautionary language under the heading "Cautionary Statement on Forward-Looking Information and Non-Gaap Performance Measures" below. All dollar amounts expressed in this news release are in US dollars unless otherwise noted.)

Mr. Paul Conibear, President and CEO commented, *"Our operations performed reliably and in line with plan during the first quarter. We have improved cash cost guidance at both Eagle and Neves-Corvo, and reconfirm the production outlook for the year. The Company's cash position now stands at over $2.0 billion, reflecting the nearly $214 million of cash generated during the first quarter, in addition to proceeds from the sale of Tenke received in April.*

We remain focused on value creation and disciplined in our approach to investment opportunities both on our own assets and externally. Expansion studies and projects are advancing at all of our operations, and most notably a final Feasibility Study on our Neves-Corvo Zinc Expansion Project, expected to approximately double current zinc production, is on track to be delivered very soon with an expectation of fast tracking this significant value added project."

Summary financial results for the quarter:

	Three months ended March 31,	
US$ Millions (except per share amounts)	**2017**	2016
Sales	**487.8**	369.6
Operating costs	**214.1**	210.3
Operating earnings[1]	**264.4**	151.7
Continuing, attributable net earnings / (loss)[2]	**57.5**	(17.7)
Attributable net earnings / (loss)[2]	**91.6**	(22.1)
Net earnings / (loss)	**106.4**	(15.5)
Basic and diluted earnings / (loss) per share[3]	**0.13**	(0.03)
Cash flow from operations	**244.7**	42.9
Cash and cash equivalents	**928.8**	560.7
Net debt[4]	**71.3**	438.1

[1] Operating earnings is a non-GAAP measure defined as sales, less operating costs (excluding depreciation) and general and administrative costs.
[2] Attributable to shareholders of Lundin Mining Corporation.
[3] Basic and diluted earnings / (loss) per share attributable to shareholders of Lundin Mining Corporation.
[4] Net debt is a non-GAAP measure defined as cash and cash equivalents, less long-term debt and finance leases, before deferred financing fees

Highlights

Operational Performance

Assisted by higher by-product metal prices, cash costs[1] for the first quarter of 2017 were largely favourable compared to the prior year and guidance. Production for the first quarter of 2017 was consistent with expectations although, with the exception of nickel, was less than that reported in the prior year. The Company remains on track to meet overall full year guidance.

Candelaria (80% owned): The Candelaria operations produced, on a 100% basis, 39,133 tonnes of copper, approximately 23,000 ounces of gold and 357,000 ounces of silver in concentrate during the quarter. Copper production for the quarter was in-line with the mine plan, but was lower than the prior year comparable period due primarily to lower throughput. Copper cash costs of $1.27/lb for the quarter were marginally higher than the prior year and are expected to meet guidance over the full year.

Construction of the Los Diques tailings dam facility continues on schedule and on budget. Approximately $20 million was spent during the quarter. Total forecast spend on the project remains unchanged at $295 million of which approximately $145 million remains to be spent.

Eagle (100% owned): Eagle had an excellent quarter of production generating 6,342 tonnes of nickel and 6,503 tonnes of copper, with both assisted by higher than expected head grades and recoveries. Nickel cash costs of $0.94/lb for the quarter benefited from higher by-product sales than the comparable period in the prior year.

With completion of the Feasibility Study and full Board approval, the Eagle East ramp is advancing on schedule. The exploitation of the Eagle East deposit remains subject to permit approval, which is expected by late 2017.

Neves-Corvo (100% owned): Neves-Corvo produced 10,195 tonnes of copper and 17,948 tonnes of zinc in the first quarter. Zinc production in the quarter modestly exceeded the prior year comparable period, while copper production, as expected, was lower due primarily to lower grades. Copper cash costs of $0.75/lb for the quarter were significantly lower than the prior year comparable period and full year guidance, aided by higher by-product zinc prices.

Zinkgruvan (100% owned): Zinc and lead production in the first quarter of 2017 was consistent with the mine plan and overall guidance expectations but fell short of that produced in the comparable period in 2016, primarily as a result of lower grades. Cash costs for zinc of $0.37/lb for the quarter were consistent with the prior year comparable period and full year guidance.

Tenke (24% owned): Tenke operations continued to perform well, generally meeting expectations for the quarter. Lundin's attributable share of first quarter production included 12,932 tonnes of copper cathode and 861 tonnes of cobalt in hydroxide. The Company's attributable share of sales included 13,946 tonnes of copper at an average realized price of $2.63/lb and 867 tonnes of cobalt at an average realized price of $20.86/lb. Tenke's operating cash costs for the first quarter of 2017 were $0.49/lb of copper sold.

Cash distributions received by Lundin Mining in the quarter were $55.6 million from Tenke.

[1] Cash cost/lb of copper, zinc and nickel are non-GAAP measures defined as all cash costs directly attributable to mining operations, less royalties and by-product credits.

Financial Performance

- Sales for the quarter ended March 31, 2017 were $487.8 million, an increase of $118.2 million in comparison to the first quarter of the prior year. The increase was due to higher metal prices and positive price adjustments ($129.3 million), partially offset by lower sales volumes ($8.7 million).

- Operating costs (excluding depreciation) for the quarter ended March 31, 2017 were $214.1 million, an increase of $3.8 million, or 2% in comparison to the first quarter of the prior year. The impact of lower overall sales volumes ($8.2 million) were more than offset by higher per unit operating costs ($7.9 million), higher royalties ($2.1 million) and an overall unfavourable foreign exchange impact ($2.0 million).

- Operating earnings for the quarter ended March 31, 2017 were $264.4 million, an increase of $112.7 million in comparison to the first quarter of the prior year ($151.7 million). The increase was primarily due to higher metal prices and positive price adjustments ($129.3 million), partially offset by higher per unit costs ($7.9 million).

- Net earnings for the quarter ended March 31, 2017 were $106.4 million, an increase of $121.9 million over the net loss of $15.5 million reported in 2016. Net earnings, in comparison with the prior year quarter, were impacted by:

    - higher operating earnings ($112.7 million);
    - higher earnings from discontinued operations ($38.5 million); and
    - lower depreciation, depletion and amortization ($9.9 million); partially offset by
    - higher income tax expense ($40.8 million).

- Cash flow from operations for the quarter ended March 31, 2017 was $244.7 million, an increase of $201.8 million in comparison to the cash flow of $42.9 million reported in 2016. The increase was primarily attributable to higher operating earnings and a comparative change in non-cash working capital.

Corporate Highlights

- On February 22, 2017, the Company announced the declaration of a C$0.03 per share dividend, payable on April 18, 2017 to the shareholders of record at the close of business on March 31, 2017. The declaration, timing and amount of future dividends will remain at the discretion of the Board of Directors.

- On April 10, 2017, the Company announced the results of its Eagle East Feasibility Study, which demonstrates the viability of mining Eagle East as an extension of the Eagle Mine with an incremental estimated post-tax net present value of $205 million, assuming pre-production capital costs of $102 million.

  The Feasibility Study indicates that the Eagle East Mineral Resource estimate can be mined with no significant changes to the current mine, ore transport, mill or tailings infrastructure. Full details can be found in the NI 43-101 Technical Report entitled, "Technical Report on the Eagle Mine, Michigan, U.S.A.", which can be found on the Company's website at www.lundinmining.com or on SEDAR (www.sedar.com).

- On April 19, 2017, the Company announced the completion of the sale of its indirect interest in TF Holdings Limited ("TF Holdings") to an affiliate of BHR Partners for $1.136 billion in cash. Lundin Mining's effective 24% interest in Tenke was held through its 30% indirect interest in TF Holdings.

Financial Position and Financing

- Cash and cash equivalents increased $213.5 million, over the quarter ended March 31, 2017, from $715.3 million to $928.8 million. The increase is primarily a result of cash generated from operating activities of $244.7 million and distributions from Tenke of $55.6 million, partially offset by investments in mineral properties, plant and equipment of $79.1 million.

- Net debt position at March 31, 2017 was $71.3 million compared to $284.1 million at December 31, 2016.

- The Company has a revolving credit facility available for borrowing up to $350 million. As at March 31, 2017, the Company had no amount drawn on the credit facility. Letters of credit totaling approximately $24.4 million are outstanding.

- As at April 26, 2017, cash and net cash were approximately $2.1 billion and $1.1 billion, respectively. Cash and net cash reflect proceeds of $1.136 billion received on the sale of Tenke.

Outlook

Production and exploration guidance for 2017 remains unchanged from that provided on November 30, 2016 (see news release entitled "Lundin Mining Provides Operating Outlook"). Forecast improvements in C1 cash cost guidance at Eagle and Neves-Corvo and changes in capital expenditures are noted below.

2017 Production and Cost Guidance

(contained tonnes)		Tonnes	Cash Costs[a]
Copper	Candelaria (80%)	*145,000 - 150,000*	*$1.20/lb*
	Eagle	*15,000 - 18,000*	
	Neves-Corvo	*41,000 - 46,000*	***$1.00/lb***[b]
	Zinkgruvan	*1,000 - 2,000*	
	Total attributable	*202,000 - 216,000*	
Nickel	Eagle	*17,000 - 20,000*	***$2.00/lb***[b]
Zinc	Neves-Corvo	*72,000 - 77,000*	
	Zinkgruvan	*80,000 - 85,000*	*$0.40/lb*
	Total	*152,000 - 162,000*	

a. Cash costs remain dependent upon exchange rates (forecast at €/USD:1.10, USD/SEK:8.40, USD/CLP:650) and metal prices (forecast at Cu: $2.50/lb, Ni: $5.00/lb, Zn: $1.15/lb, Pb: $0.90/lb, Au: $1,250/oz, Ag: $16.50/oz). Exchange rate of €/USD:1.15 and metal prices of Cu: $2.25/lb and Zn: $1.00/lb were previously assumed.
b. C1 cash cost guidance at Neves-Corvo and Eagle were previously forecast at $1.35/lb and $2.45/lb, respectively.

2017 Capital Expenditure Guidance

Capital expenditures, excluding capitalized interest, are expected to be $390 million, (prior guidance $405 million) as outlined below.

The Los Diques tailings project remains on schedule and the project's capital cost forecast remains unchanged although the expected timing of certain payments have resulted in $15 million of expenditures expected in 2017 that will now be paid in 2018. In particular, due to extended mine life and ongoing exploration success, other sustaining capital expenditures at Candelaria are currently under review. It is expected that capital spending related to large mine mobile equipment and other sustaining capital investment will be increased as part of a rejuvenation program to reinstate capital investments that were deferred under cost constraint programs in 2015 and 2016. A further update will be provided with the second quarter results. Exploration spend remains unchanged at $65 million.

2017 Guidance	$millions
Capitalized Stripping	*105*
Los Diques Tailings	*120*
Other Sustaining	*25*
Candelaria (100% basis)	*250*
Eagle	*10*
Neves-Corvo	*50*
Zinkgruvan	*40*
Total Sustaining Capital	***350***
Eagle East	*35*
Zinkgruvan Expansion (1350)	*5*
Total Expansionary Capital	***40***
Total Capital Expenditures	***390***

Annual and Special Meeting

The Company reports that it will hold its annual and special meeting of shareholders at the St. Andrew's Club & Conference Centre, 150 King Street West, 27th Floor (King Street/University Avenue) Toronto, Ontario, on Friday, May 12, 2017 at 10:00 a.m. Toronto time.

On Behalf of the Board,
Paul Conibear
President and CEO

The information in this release is subject to the disclosure requirements of Lundin Mining under the EU Market Abuse Regulation. This information was publicly communicated on April 26, 2017 at 5:30 p.m. Eastern Time.

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Cautionary Statement on Forward-Looking Information and Non-GAAP performance measures

Certain of the statements made and information contained or incorporated by reference herein is "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements other than statements of historical facts in this document constitute forward-looking information which is based on current expectations, estimates, forecasts and projections as well as beliefs and assumptions made by the Company's management. Such forward looking statements include, but are not limited to, those regarding the Company's guidance on estimated annual metal production, cash costs, exploration and capital expenditures; feasibility studies and their results; and projects. Words such as "approach", "assume", "believe", "budget", "estimate, "expect", "feasibility", "focus", "forecast", "future", "guidance", "indicate", "intent", "on track", "opportunity", "outlook", "plan", "project", "schedule", "study", or "subject to", or variations of or similar such terms, or statements that certain actions, events or results could, may, might or will be taken or occur or be achieved, identify forward-looking information. Although the Company believes that the expectations reflected in the forward-looking information herein are reasonable, these statements by their nature involve risks and uncertainties and are not guarantees of future performance. These estimates, expectations and other forward-looking statements are based on a number of assumptions and are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements. Such risks and uncertainties include, without limitation, risks and uncertainties inherent in and/or relating to: estimates of future production and operating, cash and all-in sustaining costs; metal and commodity price fluctuations; foreign currency fluctuations; mining operations including but not limited to environmental hazards, industrial accidents, ground control problems and flooding; geology including, but not limited to, unusual or unexpected geological formations, estimation and modelling of grade, tonnes, metallurgy continuity of mineral deposits, dilution, and mineral resources and mineral reserves, and actual ore mined and/or metal recoveries varying from such estimates; mine plans, and life of mine estimates; the possibility that future exploration, development or mining results will not be consistent with expectations; the potential for and effects of labour disputes, shortages or other unanticipated difficulties with or interruptions in production; potential for unexpected costs and expenses including, without limitation, for mine closure and reclamation at current and historical operations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental approvals and/or permits; regulatory investigations, enforcement, sanctions and/or related or other litigation; and other risks and uncertainties, including but not limited to those described in the "Managing Risks" section of the Company's Management's Discussion and Analysis for the period ending March 31, 2017 and the "Risks and Uncertainties" section of its most recently filed Annual Information Form. In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management; assumed prices of copper, nickel, zinc and other metals; 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. 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 statements. Accordingly, there can be no assurance that forward-looking information will prove to be accurate, and readers are advised not to place undue reliance on forward-looking statements. The Company does not undertake to update such forward-looking information unless required under applicable laws.*

Certain financial measures contained herein, such as operating earnings, net debt and cash costs, have no 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.