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NEWS RELEASE
Lundin Mining Second Quarter Results

Toronto, July 26, 2017 (TSX: LUN; OMX: LUMI) Lundin Mining Corporation ("Lundin Mining" or the "Company") today reported cash flows of $179.2 million generated from operations in its second quarter of the year, with net earnings from continuing operations attributable to Lundin Mining shareholders of $49.0 million ($0.07 per share) for the quarter ended June 30, 2017.

Mr. Paul Conibear, President and CEO commented, *"Our operations delivered another quarter of strong aggregate performance including excellent production from Candelaria and Eagle that surpassed plan. Copper production guidance has been updated and tightened, and nickel production and cash cost guidance improved. All growth projects are on schedule and budget including the Neves-Corvo Zinc Expansion Project which recently received preliminary Environmental Impact Assessment approval following a timely and efficient review process with Portuguese authorities.*

We remain focused on value creation through disciplined investment in our existing assets and potential external acquisition initiatives. As part of a multi-year reinvestment program at Candelaria we have increased the sustaining capital expenditure program this year to purchase new and larger equipment aimed at improving operating capacity, efficiency, and profitability, and to bring forward underground development in support of planned near term production increases. Further, on success, we have increased our Company-wide 2017 exploration budget to $75 million in support of expanded near-mine programs."

Summary financial results for the quarter and year-to-date:

	Three months ended June 30,		**Six months ended June 30,**	
US$ Millions (except per share amounts)	**2017**	2016	**2017**	2016
Sales	**454.7**	342.3	**942.5**	711.9
Operating costs	**(209.5)**	(202.2)	**(423.6)**	(412.5)
Operating earnings[1]	**236.2**	134.5	**500.7**	286.3
Impairment reversals / (impairment)	**13.3**	(772.1)	**21.9**	(772.1)
Continuing, attributable net earnings / (loss) [2]	**49.0**	(19.8)	**106.6**	(37.5)
Attributable net earnings / (loss) [2]	**70.0**	(791.2)	**161.7**	(813.3)
Net earnings / (loss)	**85.0**	(787.9)	**191.5**	(803.4)
Basic and diluted earnings / (loss) per share[3]	**0.10**	(1.10)	**0.22**	(1.13)
Cash flow from operations	**179.2**	153.2	**423.9**	196.1
Cash and cash equivalents	**2,050.7**	657.6	**2,050.7**	657.6
Net cash / (debt)[4]	**1,045.1**	(341.9)	**1,045.1**	(341.9)

[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 cash / (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

Overall production for the second quarter of 2017 was consistent with expectations, with excellent copper production from Candelaria in the quarter making up for lower production from Neves-Corvo. Nickel and zinc production were less than that realized in the second quarter of 2016, but remain in-line with expectations and full year guidance. Cash costs[1] for the quarter are consistent with or lower than those realized in the second quarter of 2016, benefitting from higher by-product metal prices.

Candelaria (80% owned): The Candelaria operations produced, on a 100% basis, 52,846 tonnes of copper, approximately 30,000 ounces of gold and 540,000 ounces of silver in concentrate during the quarter. Copper production for the quarter was slightly higher than expectations and the prior year comparable period due primarily to higher grades and recoveries. Copper cash costs of $1.08/lb for the quarter were lower 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. Total forecast spend on the project remains unchanged at $295 million, of which approximately $115 million remains to be spent as of June 30, 2017, $85 million in the second half of 2017 and $30 million in 2018.

Eagle (100% owned): Eagle had another strong quarter of production, exceeding expectations by generating 5,822 tonnes of nickel and 5,674 tonnes of copper. Amounts were less than the same period in 2016 as a result of planned lower head grades. Nickel cash costs of $1.02/lb for the quarter benefited from higher by-product sales than the comparable period in the prior year.

The Eagle East ramp is advancing ahead of schedule with formal amendment permit approval, for the mining of Eagle East, expected prior to year-end.

Neves-Corvo (100% owned): Neves-Corvo produced 8,098 tonnes of copper and 18,011 tonnes of zinc in the quarter. Zinc production was consistent with the prior year comparable period, while copper production was lower due to lower throughput and grades. Copper cash costs of $1.38/lb for the quarter remain significantly lower than the prior year comparable period and full year guidance, aided by higher by-product zinc prices.

The Zinc Expansion Project ("ZEP") investment to double zinc production at Neves-Corvo was approved by the Company's Board during the quarter. Underground material handling development for ZEP commenced and environmental permitting is advancing according to plan. Project activities were highlighted by the receipt of preliminary Environmental Impact Assessment approval on July 6, 2017 from Portuguese authorities.

Zinkgruvan (100% owned): Zinc and lead production in the second quarter of 2017 was consistent with the mine plan and overall guidance expectations. Zinc production, aided by higher throughput, exceeded the prior year comparable period, while lower lead grades in the current period negatively impacted its production. Cash costs for zinc of $0.34/lb for the quarter were consistent with the prior year comparable period and below full year guidance.

During the quarter, the 1350 Project, a process plant investment increasing production capacity by 10%, was successfully commissioned, on schedule and on budget.

[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 June 30, 2017 were $454.7 million, an increase of $112.4 million in comparison to the second quarter of the prior year ($342.3 million). The increase was mainly due to higher metal prices, net of price adjustments ($73.6 million) and higher sales volumes ($31.8 million).

  On a year-to-date basis, sales were $942.5 million, an increase of $230.6 million in comparison to the first six months of 2016 ($711.9 million). The increase was mainly due to higher metal prices, net of price adjustments ($202.2 million) and higher sales volumes ($23.5 million).

- Operating costs (excluding depreciation) for the quarter ended June 30, 2017 were $209.5 million, an increase of $7.3 million in comparison to the second quarter of the prior year ($202.2 million). The increase was largely due to higher overall sales volumes ($22.5 million), partially offset by lower per unit operating costs ($14.2 million).

  On a year-to-date basis, operating costs (excluding depreciation) were $423.6 million, an increase of $11.1 million in comparison to the six months ended June 30, 2016 ($412.5 million). The increase was largely due to higher sales volumes ($13.4 million).

- Operating earnings for the quarter ended June 30, 2017 were $236.2 million, an increase of $101.7 million in comparison to the second quarter of the prior year ($134.5 million). The increase was primarily due to higher metal prices, net of price adjustments ($73.6 million), higher sales ($9.2 million) and lower per unit operating costs ($14.2 million).

  On a year-to-date basis, operating earnings were $500.7 million, an increase of $214.4 million in comparison to the first six months of 2016 ($286.3 million). The increase was primarily due to higher metal prices in the current year, net of price adjustments ($202.2 million) and higher sales volumes ($10.1 million).

- Net earnings from continuing operations for the quarter ended June 30, 2017 were $64.0 million compared to net loss of $16.5 million in the second quarter of the prior year. Comparative earnings were higher due to:

  - higher operating earnings ($101.7 million); partially offset by
  - higher net tax expense ($26.2 million).

  On a year-to-date basis, the Company reported a net earnings from continuing operations of $136.4 million compared to a net loss of $27.6 million for the six months ended June 30, 2016. Comparative earnings, in the current year, were higher due to:

  - higher operating earnings ($214.4 million); and
  - lower net interest expense ($14.8 million); partially offset by
  - higher net tax expense ($67.0 million).

Corporate Highlights

- The Company announced it completed the sale of its indirect interest in TF Holdings Limited ("TF Holdings") to an affiliate of BHR Partners for $1.1 billion on April 19, 2017.

  Lundin Mining's effective 24% interest in Tenke Fungurume Mining S.A. ("Tenke") was held through its 30% indirect interest in TF Holdings.

- On April 27, 2017, the Company filed an updated technical report for the Eagle mine. The Technical Report incorporates updates to Eagle mine's operations and the results of a Feasibility Study on the high-grade Eagle East nickel/copper mineralization. A copy of the Technical Report can be found under the Company's profile on www.sedar.com.

- On May 11, 2017, the Company announced the results of a Feasibility Study on the Zinc Expansion Project at its Neves-Corvo mine. Refer to the news release entitled "*Lundin Mining Announces Neves-Corvo Zinc Expansion Project Feasibility Study Results*" on the Company's website (www.lundinmining.com). An updated Technical Report for the Neves-Corvo Mine, incorporating the ZEP, was filed on June 23, 2017 and can be found under the Company's profile on www.sedar.com.

Financial Position and Financing

- Cash and cash equivalents increased $1,121.9 million during the quarter from $928.8 million at March 31, 2017 to $2,050.7 million at June 30, 2017. The increase is primarily from the sale of Tenke ($1.1 billion), cash generated from operating activities of $179.2 million, partially offset by investments in mineral properties, plant and equipment of $84.5 million, payments to non-controlling interests of $34.0 million, shareholder dividends of $32.9 million and interest paid of $38.3 million.
- For the six months ended June 30, 2017, cash increased by $1,335.4 million due primarily to operating cash flows of $423.9 million, proceeds from the sale of and distributions from Tenke of $1.1 billion and $58.3 million, respectively, partially offset by investments in mineral properties, plant and equipment of $163.6 million, shareholder dividends of $32.9 million and interest paid of $38.3 million.
- Net cash position at June 30, 2017 was $1,045.1 million compared to a net debt position of $284.1 million at December 31, 2016 and $71.3 million at March 31, 2017.
- The Company has a revolving credit facility available for borrowing up to $350 million. As at June 30, 2017, the Company had no amount drawn on the credit facility, only letters of credit in the amount of $25.9 million.
- As at July 26, 2017, cash and net cash were approximately $2.1 billion and $1.1 billion, respectively.

Outlook

Production, cash cost, capital expenditure and exploration guidance for 2017 have been updated from that disclosed in our Management's Discussion and Analysis for the three months ended March 31, 2017.

2017 Production and Cost Guidance

2017 Guidance (contained tonnes)		Previous Guidance[a] Tonnes	 C1 Cost	Revised Guidance[b] Tonnes	 C1 Cost
Copper	Candelaria (80%)	*145,000 - 150,000*	*$1.20/lb*	***147,000 - 151,000***	*$1.20/lb*
	Eagle	*15,000 - 18,000*		***19,000 - 22,000***	
	Neves-Corvo	*41,000 - 46,000*	*$1.00/lb*	***36,000 - 39,000***	*$1.00/lb*
	Zinkgruvan	*1,000 - 2,000*		*1,000 - 2,000*	
	Total attributable	*202,000 - 216,000*		***203,000 - 214,000***	
Nickel	Eagle	*17,000 - 20,000*	*$2.00/lb*	***20,000 - 23,000***	***$1.35/lb***
Zinc	Neves-Corvo	*72,000 - 77,000*		72,000 - 77,000	
	Zinkgruvan	*80,000 - 85,000*	*$0.40/lb*	*80,000 - 85,000*	*$0.40/lb*
	Total	*152,000 - 162,000*		152,000 - 162,000	

a. Guidance as outlined in our Management's Discussion and Analysis for the three months ended March 31, 2017.
b. Cash costs are dependent upon exchange rates (forecast at €/USD:1.10, USD/SEK:8.40, USD/CLP:675) and metal prices (forecast at Cu: $2.50/lb, Ni: $4.25/lb, Zn: $1.15/lb, Pb: $0.90/lb, Au: $1,250/oz, Ag: $16.50/oz).

2017 Capital Expenditure and Exploration Guidance

Capital expenditures, excluding capitalized interest, are expected to be $490 million (prior guidance $390 million), as outlined below.

The Los Diques tailings project remains on schedule and the project's overall capital cost forecast remains unchanged, although the expected timing of certain payments have resulted in $15 million of expenditures expected in 2018 that will now be paid in 2017.

Following expansion of Mineral Reserves and life of mine plans, previously announced production level increases, cost restraint driven deferrals in purchases of mobile equipment in 2015 and 2016 and commencement of an initiative to self-perform some underground mining currently done by contractor, management has undergone an intensive review of Candelaria's mobile equipment and identified a number of areas where operating capacity, efficiency and profitability could be improved with the purchase of new additional and larger equipment. As part of this multi-year re-investment program, $45 million is expected to be spent in 2017.

In addition, $10 million in capital infrastructure has been brought forward to further develop Candelaria's underground mines and provide access to new sectors, ensuring ore access in support of near term increased underground mine production plans.

Neves-Corvo's €260 million Zinc Expansion Project was approved by the Board in the second quarter of 2017, with $30 million expected to be spent in 2017.

Exploration spend is expected to increase to $75 million, from $65 million previously guided, in support of expanded near mine exploration programs.

Revised Capital Expenditure Guidance

($ millions)	Previous Guidance[a]	Revisions	**Revised Guidance**
Candelaria			
Capitalized Stripping	105	5	**110**
Los Diques Tailings	120	15	**135**
Other Sustaining	25	55	**80**
	250	75	**325**
Eagle	10	-	**10**
Neves-Corvo	50	-	**50**
Zinkgruvan	40	-	**40**
Total Sustaining Capital	**350**	**75**	**425**
Eagle East	35	(5)	**30**
Zinc Expansion (Neves-Corvo)	-	30	**30**
Zinkgruvan Expansion (1350)	5	-	**5**
Total Expansionary Capital	**40**	**25**	**65**
Total Capital Expenditures	**390**	**100**	**490**

a. Guidance as outlined in our Management's Discussion and Analysis for the three months ended March 31, 2017.

The information in this release is subject to the disclosure requirements of Lundin Mining under the EU Market Abuse Regulation. This information was publically communicated on July 26, 2017 at 6:00 p.m. Eastern Time.

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

Certain of the statements made and information contained or incorporated by reference in this news release is "forward-looking information" within the meaning of applicable Canadian securities laws. All statements other than statements of historical facts in this news release constitute forward-looking information 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 outlook and guidance on estimated metal production, costs, exploration and capital expenditures; any Feasibility Study and its results; and projects, within the "Corporate Highlights" and "Outlook" sections of this news release and elsewhere herein. Words such as "aim", "anticipate", "assume", "believe", "budget", "develop", "estimate, "expect", "exploration", "feasibility", "focus", "forecast", "forward", "guidance", "initiative", "opportunity", "outlook", "plan", "potential", "preliminary", "program", "project", "schedule", "study" or "ZEP", 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 operations, 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 June 30, 2017 and the "Risks and Uncertainties" section of our 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 should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise forward-looking statements or to explain any material difference between such and subsequent actual events, except as required by applicable law.

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.