

## NEWS RELEASE

### Lundin Mining Announces 2017 Production Results and Fourth Quarter 2017 Results Date

**Toronto, January 16, 2018 (TSX: LUN; OMX: LUMI) Lundin Mining Corporation** (“Lundin Mining” or the “Company”) announces production results for the three and twelve months ended December 31, 2017, and provides an update on operations and capital projects. The financial results for the year and quarter ended December 31, 2017 will be published on February 15, 2018.

#### Highlights:

- Annual production guidance was achieved for all metals.
- Candelaria met full year copper production guidance, and first tailings have been deposited in the new Los Diques tailings facility.
- Eagle continued its outstanding performance with records achieved on metal recoveries and concentrate quality in 2017.
- Zinkgruvan achieved its highest quarterly zinc production of the past seven quarters on record quarterly throughput following the mid-year completion of the 1350 expansion.
- Neves-Corvo achieved guidance despite the previously announced strike action.
- Operations safety performance in 2017 remained excellent with a Total Recordable Injury Frequency (“TRIF”) rate of 0.60. This is consistent with the strong performance achieved in 2016, and the Company’s best ever result.
- Year-end net cash balance was approximately \$1.1 billion. Year-end cash and cash equivalents stood at approximately \$1.6 billion following the fourth quarter early redemption of \$550 million principal amount of 7.50% Senior Secured Notes.

**Mr. Paul Conibear, President and CEO commented:** *“We ended 2017 with solid metal production meeting guidance and an excellent balance sheet. We are well positioned to take advantage of stronger metal prices in the years ahead, with low-risk, high-return projects and significant exploration programs advancing at all four of our mines.*

*The significant reinvestment in Candelaria’s open pit and underground mine fleet, and mill optimization is ramping up and we expect to see operating benefits in stages through the course of this year and next. All projects are progressing including commissioning the of the Los Diques tailings storage facility, which received first tailings earlier this month, ahead of schedule.*

*We remain focused on value creation through disciplined investment in our existing assets and potential external acquisition initiatives.”*

## Summary of 2017 Production

(contained tonnes)		Q4 2017 Production Results	Full Year 2017 Production Results	2017 Production Guidance <sup>1</sup>
<b>Copper</b>	<i>Candelaria (80%)</i>	<b>34,141</b>	<b>147,086</b>	<i>147,000 - 151,000</i>
	<i>Eagle</i>	<b>4,130</b>	<b>21,302</b>	<i>19,000 - 22,000</i>
	<i>Neves-Corvo</i>	<b>7,385</b>	<b>33,624</b>	<i>32,000 - 35,000</i>
	<i>Zinkgruvan</i>	-	<b>977</b>	<i>1,000</i>
	<i>Total attributable</i>	<b>45,656</b>	<b>202,989</b>	<i>199,000 – 209,000</i>
<b>Zinc</b>	<i>Neves-Corvo</i>	<b>15,835</b>	<b>71,356</b>	<i>70,000 - 73,000</i>
	<i>Zinkgruvan</i>	<b>21,497</b>	<b>77,963</b>	<i>77,000 - 80,000</i>
	<i>Total</i>	<b>37,332</b>	<b>149,319</b>	<i>147,000 - 153,000</i>
<b>Nickel</b>	<i>Eagle</i>	<b>4,299</b>	<b>22,081</b>	<i>20,000 - 23,000</i>
	<i>Total</i>	<b>4,299</b>	<b>22,081</b>	<i>20,000 - 23,000</i>

### Operations and Capital Projects Commentary

- Safety performance:** remained excellent with a Company TRIF rate of 0.60 measured per 200,000 person hours worked. This is consistent with the strong performance achieved in 2016 while exposure hours increased by 19% with the increased capital project activities in 2017. This marks the fifth straight year in which the Company's overall safety performance under multiple performance factors has improved compared to the prior year.
- Candelaria:** Copper production guidance was met for the year. Average head grades in the fourth quarter were negatively impacted as a greater portion of stockpiled ore was processed than originally planned subsequent to the previously announced localized slide on the east wall of the open pit. Waste stripping is progressing in line with the revised mine plan, including above the slide area, with Candelaria and contractor equipment targeting movement of over 100,000 tpd with additional equipment arriving on site in January.

Commissioning of the Los Diques tailings storage facility is underway with the first placement of tails on January 8, 2018, several months ahead of schedule. Construction of Phases 1, 2 and 3 continue with excellent progress in acceleration of schedule to benefit with cost synergies from the mine.

Significant equipment orders were placed in the fourth quarter as part of the new mine fleet investment, and underground mine development and internalization initiatives. These investments will enable accelerated waste stripping, improved open pit productivity and support internalization of underground load-haul operations in 2018 and thereafter to achieve overall lower costs of production.

Engineering and final negotiations on long lead-time equipment have begun for the mill optimization investments. These low-risk initiatives are expected to increase metal production, reduce maintenance costs and improve safety, primarily through upgrades of the primary crusher, cyclones, ball mills, pebble crushing and floatation circuits.

<sup>1</sup> Guidance as presented in the Company's Management Discussion and Analysis for the three and nine months ended September 30, 2017.

As anticipated, a Resolución de Calificación Ambiental (RCA) environmental permit for the underground Alcaparossa mine has been received allowing for continuation of operations through to at least 2022.

- **Eagle:** Production of both nickel and copper met expectations for the fourth quarter and achieved full year guidance on continued robust performance across the operation. Eagle East ramp development is progressing on plan having received mining permits in the fourth quarter 2017. The mill permit amendment for additional tailings at our Humboldt plant continues to progress and is expected by mid-2018. Exploration drilling continued throughout 2017, systematically testing the Eagle East conduit and deep peridotite and gabbro targets and is expected to continue throughout 2018.
- **Neves-Corvo:** Full year copper and zinc production met guidance. Production of both metals were negatively impacted by labour action during the fourth quarter. Zinc recovery rates continued to demonstrate improvement. Commissioning of the water treatment plant is underway and is expected to improve recirculated water quality further aiding metal recoveries in the plants.

The Zinc Expansion Project (ZEP), which targets to double current zinc production levels, is progressing on track to commence production in the second half of 2019. Underground ramp development, the project critical path, began in May 2017 and has advanced approximately 2 km. Process plant and surface infrastructure construction is expected to commence in Q1. The project engineering and construction permit (RECAPE) which is a prerequisite to commencement of surface construction was received as expected on January 15, 2018.

The Company has not been given notice of any planned strikes organized by the Mining Industry Workers' Union (STIM), though the labour situation at Neves-Corvo has not yet been resolved. There remains a risk to production targets and the ZEP project schedule due to the possibility of future labour action. The Company is in regular, constructive dialogue with the Union and our employees and has advised stakeholders that ongoing labour action may result in postponement of the exploration and zinc expansion investments in progress. The Company is focussed on ensuring the long-term competitiveness of the operation and protecting our investments.

- **Zinkgruvan:** Full year zinc production met guidance and benefited from a particularly strong fourth quarter. The operation achieved its highest quarterly zinc production in the past seven quarters on record throughput following the mid-year completion of the 1350 mill expansion project. Record total throughput of 1,263,000 tonnes processed was realized in the year.

#### **Fourth Quarter 2017 Results Date**

The report for the fourth quarter period ended December 31, 2017 will be published on Thursday February 15, 2018.

The Company will hold a telephone conference call and webcast at 08:00am ET, 14:00 CET on Friday, February 16, 2018. Conference call details are provided below:

**Please call in 10 minutes before the conference starts and stay on the line (an operator will be available to assist you).**

Call-in number for the conference call (North America): +1 617 826 1698

Call-in number for the conference call (North America Toll Free): +1 877 648 7976

Call-in number for the conference call (Sweden): +46 (0) 8 5661 9361

To view the live webcast presentation, please log on using this direct link:

<https://www.webcaster4.com/Webcast/Page/1266/24235>

The presentation slideshow will also be available in PDF format for download from the Lundin Mining website <http://www.lundinmining.com> before the conference call.

A replay of the telephone conference will be available after the completion of the conference call until **February 23, 2018**.

Replay numbers:

North America: 1 855 859 2056 or +1 404 537 3406

The passcode for the replay is: 1198349

A replay of the webcast will be available by clicking on the [direct link](#) above.

### **About Lundin Mining**

Lundin Mining is a diversified Canadian base metals mining company with operations in Chile, the United States of America, Portugal, and Sweden, primarily producing copper, nickel and zinc. In addition, Lundin Mining holds an indirect 24% equity stake in the Freeport Cobalt Oy business, which includes a cobalt refinery located in Kokkola, Finland.

This is information that Lundin Mining Corporation is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below on January 16, 2018 at 6:15 p.m. Eastern Time.

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### **Cautionary Statement in Forward-Looking Information**

Certain of the statements made and information contained herein or incorporated by reference 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 Company initiatives; the Zinc Expansion Project at Neves-Corvo, the Eagle East project, and the Los Diques tailings facility project and waste stripping at Candelaria; exploration; mine plans. Words such "anticipate", "assumption", "enable", "estimate", "expansion", "expect", "exploration", "focused", "forecast", "foreseeable", "forward", "future", "guidance", "in line", "initiative", "on track", "optimization", "plan", "positioned", "potential", "project", "risk", "schedule", or "targeting", or variations of or similar such terms, or statements that certain actions, events or results could, may, might or will be taken or will occur or be achieved, or variations of these terms or similar terminology are intended to identify such forward-looking information. 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 other labour disputes or shortages including but not limited to any future strikes by workers at Neves Corvo, 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 including but not limited to securities class action 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 financial period ending December 31, 2016 and completed financial quarters in 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.