

First Quarter 2017 Results

April 27, 2017



Neves-Corvo, Portugal

Cautionary Statements

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

All statements, other than statements of historical fact, made and information contained or incorporated by reference in or made in giving this presentation and responses to questions is "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking statements are based on expectations, estimates, forecasts and projections as well as beliefs and assumptions made by the Company's management, as of the date of this presentation, and include but are not limited to the Company's guidance on estimated annual metal production, cash costs and capital expenditures; exploration; feasibility studies and their results; projects; and other future performance. Forward-looking statements may be identified by terminology such as, without limitation, "anticipate", "believe", "budget", "contingent", "continue", "estimate", "exploration", "expect", "feasibility", "flexibility", "focus", "forecast", "guidance", "initiative", "intend", "likely", "on track", "opportunities", "outlook", "plan", "project", "risk", "strategy", "study", "target", and "upside", similar such words and phrases or statements that certain actions, events or results may, can, could, would, should, might, indicates, or will be taken, and any similar expressions. Forward-looking statements are necessarily based upon a number of estimates, assumptions and expectations that, while considered reasonable by the Company as of the date of such statements, are inherently subject to known and unknown risks, uncertainties and contingencies. Such risks, uncertainties and contingencies could cause assumptions, estimates and expectations to be incorrect and actual results to differ materially from those projected in the forward-looking statement and, as such, there can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. These risks, uncertainties and contingencies include, without limitation, 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 "Risks and Uncertainties" section of the Company's most recently filed Annual Information Form and in the "Managing Risks" of the Company's full-year 2016 Management's Discussion and Analysis. Accordingly, readers are advised not to place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

This presentation contains certain financial measures such as operating earnings, net debt, operating cash flow per share and cash costs which 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.

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

Participants

Paul Conibear	President & Chief Executive Officer
Marie Inkster	Senior Vice President & Chief Financial Officer
Peter Quinn	Chief Operating Officer

Operating Highlights – Q1/17

Operations Performed in Line with Plan

Expansion Studies and Projects Advancing at All Operations



Candelaria copper production and cash costs on track to meet full-year guidance
Throughput lower during the quarter on planned maintenance activities

Eagle achieved excellent copper production on grade, recovery, and continued mill throughput performance



Eagle full-year cash cost guidance improved on more favorable by-product credits and strong performance across the operation

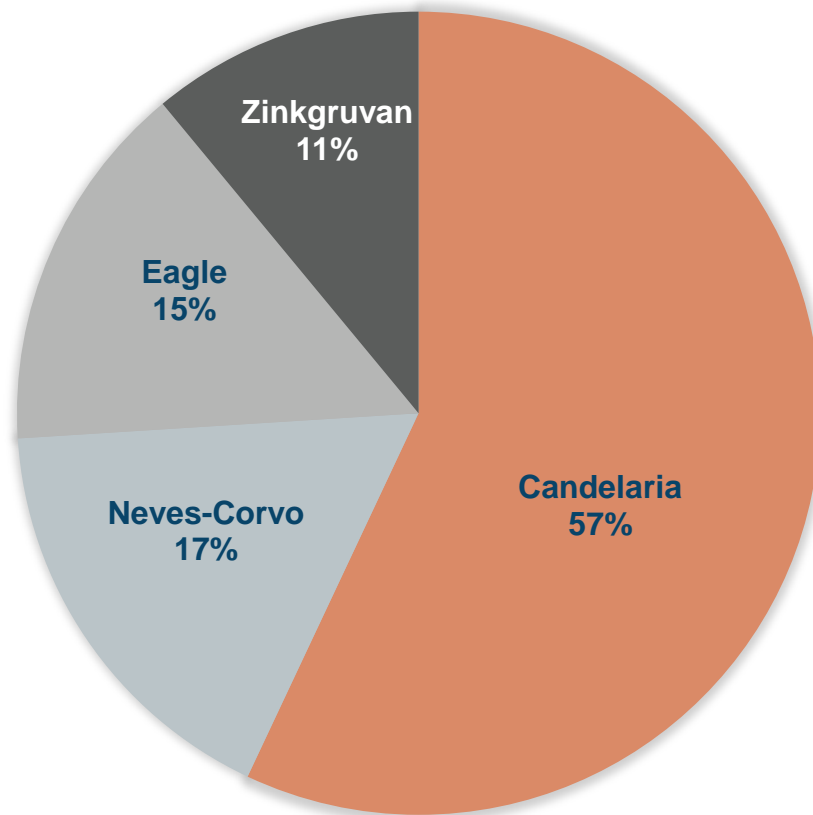


Neves-Corvo cash cost guidance lowered on higher by-product credit pricing

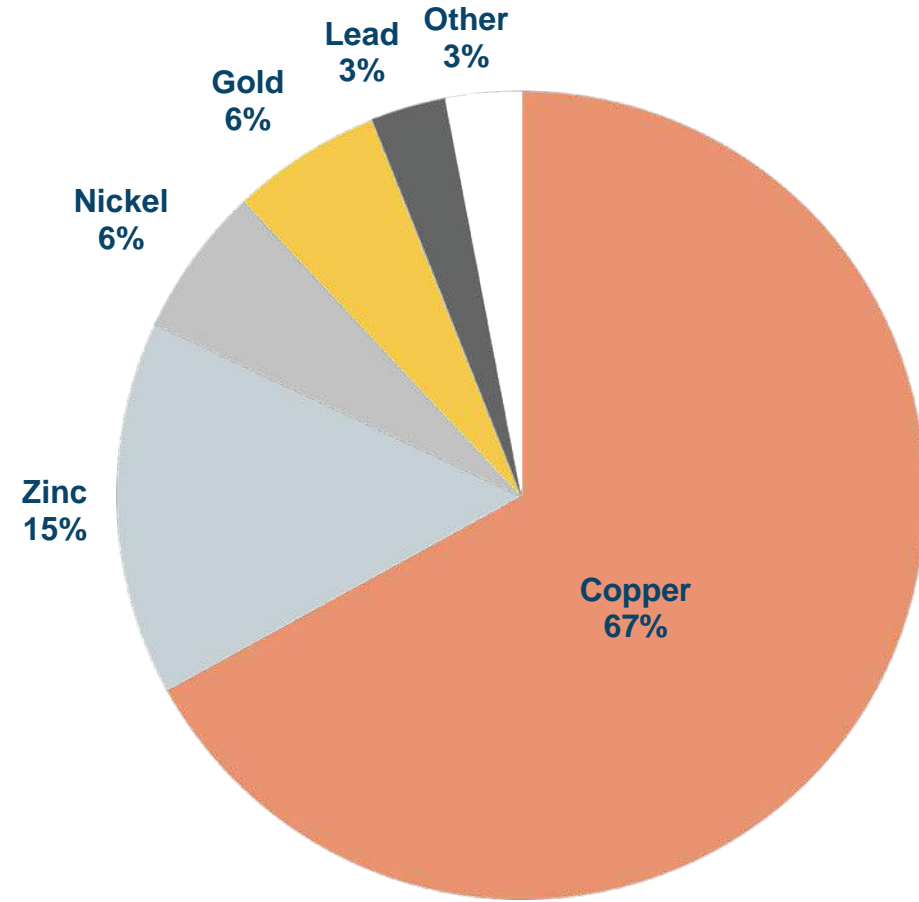
Zinkgruvan commissioning underway of ~10% mill capacity expansion

Revenue Breakdown – Q1/17

Sales of \$488M



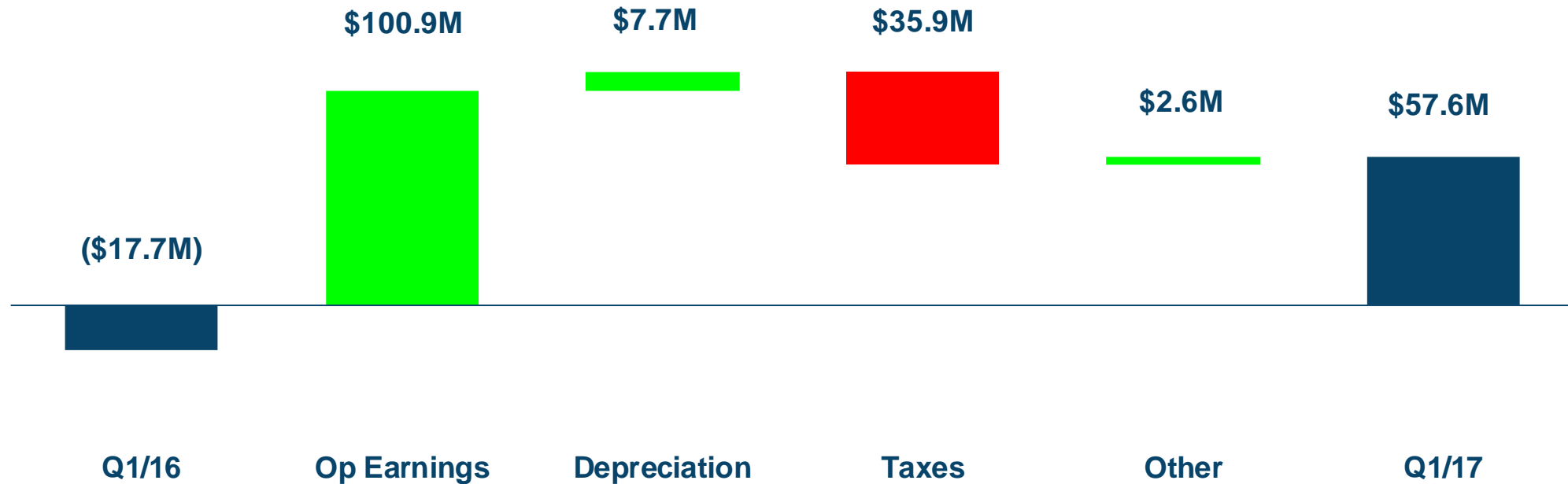
By Operation



By Metal

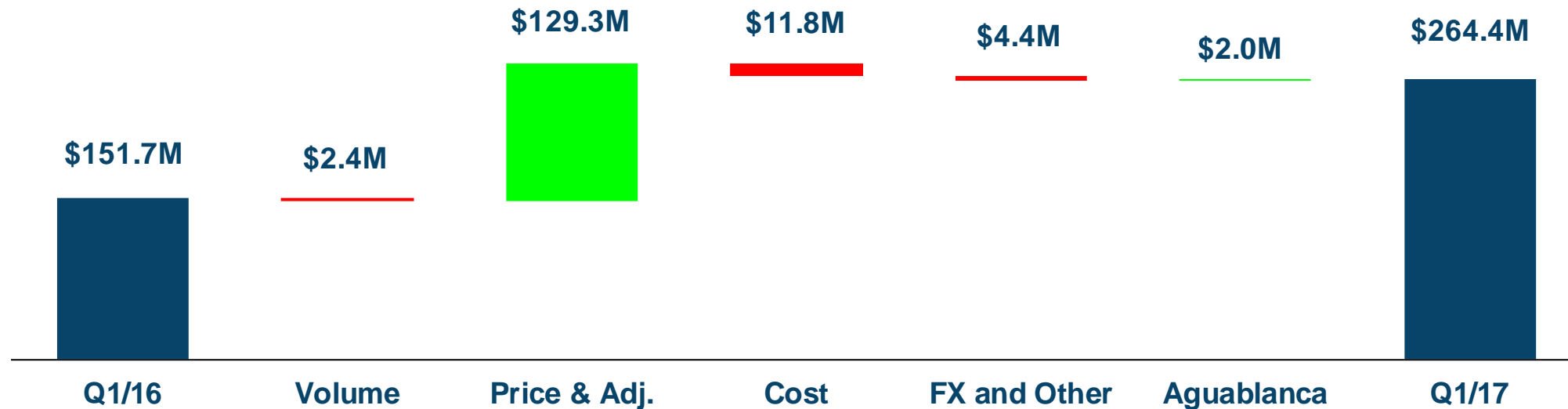
Attributable Net Earnings from Continuing Operations

Net earnings from continuing operations attributable to Lundin Mining shareholders increased compared to the same period last year mainly due to comparative changes in operating earnings



Operating Earnings – Q1/17

Operating earnings increased 74% compared to the same period last year mainly due to metal prices, partially offset by costs



Financial Highlights – Q1/17

	Q1/17	Q1/16	Δ
Realized Metal Prices ¹			
Copper	\$2.80/lb	\$2.20/lb	27%
Nickel	\$4.63/lb	\$3.55/lb	30%
Zinc	\$1.32/lb	\$0.81/lb	63%
Revenue	\$488M	\$370M	32%
Operating Earnings	\$264M	\$152M	74%
Attributable Net Income / (Loss) from Continuing Operations	\$58M \$0.08/sh	(\$18M) (\$0.02/sh)	422% \$0.10/sh
Cash Flow from Operations ²	\$245M	\$43M	470%
Operating Cash Flow (before working capital) ²	\$172M	\$84M	105%
Operating Cash Flow per share ²	\$0.24/sh	\$0.12/sh	\$0.12/sh

1. LUN average realized price, including impact of provisional price adjustments.

2. Cash Flow from Operations includes changes in non-cash working capital items whereas Operating Cash Flow is a non-GAAP measure defined as Cash Flow from Operations before changes in non-cash working capital items. Please see Lundin Mining's MD&A for the year ended December 31, 2016 for discussion on non-GAAP measures.

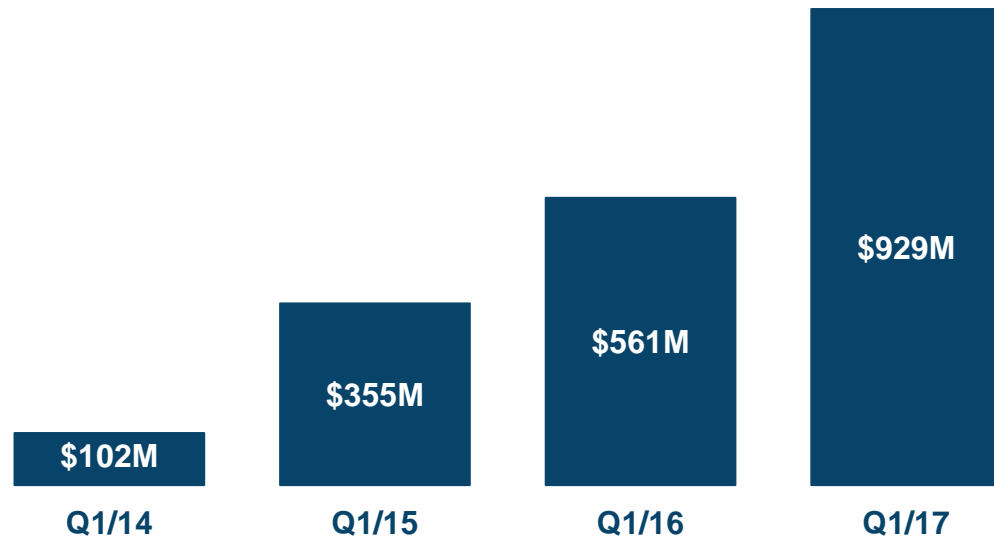
Balance Sheet Strength and Flexibility

\$214M of cash generated in Q1/17

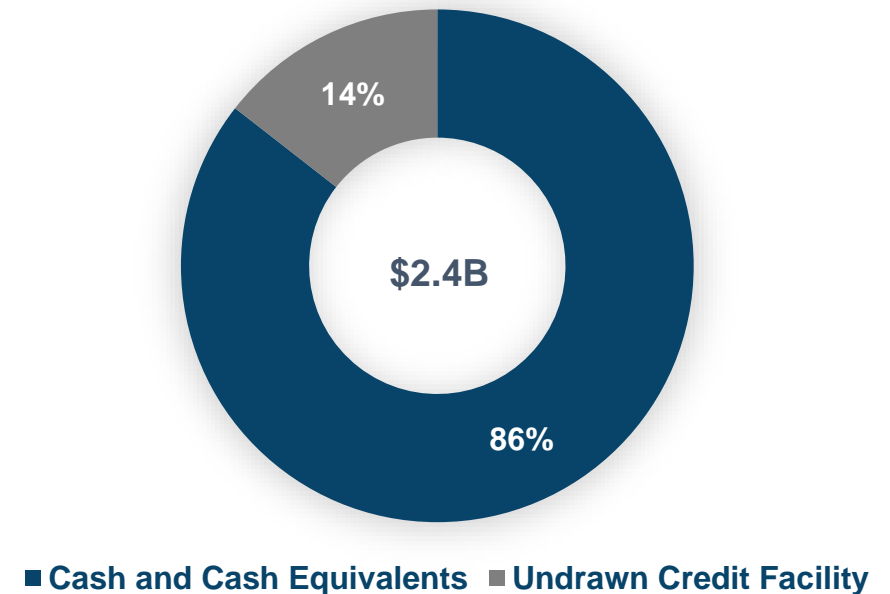
Cash balance at April 26, 2017 of approximately \$2.1B and net cash of approximately \$1.1B

\$350M revolving credit facility undrawn

Cash and Cash Equivalents
(End of Quarter)



Liquidity Position (April 26, 2017)



The Company has senior secured notes outstanding comprised of: \$550M at 7.5% due in 2020, and \$450M (\$445M net outstanding) at 7.875% due in 2022.

Capital Allocation Strategy

Focus on Disciplined Growth

Invest in high-return brownfield expansion projects and exploration

Service regular dividend

Prudent and accretive management of bond debt and cash positions

Keep flexible balance sheet to move quickly on compelling growth opportunities

Consider other shareholder returns of capital from time-to-time

2017 Production and Cash Cost Guidance

No change to annual production guidance

C1 cash cost guidance improved for Eagle and Neves-Corvo

Attributable Production¹ and C1 Cash Cost² (kt and \$/lb, net of by-products)

Copper	Candelaria (80%)	145,000	–	150,000	\$1.20/lb
	Eagle	15,000	–	18,000	
	Neves-Corvo	41,000	–	46,000	\$1.00/lb ³
	Zinkgruvan	1,900	–	2,000	
	Total Attributable	202,900	–	216,000	
Nickel	Eagle	17,000	–	20,000	\$2.00/lb ³
	Total	17,000	–	20,000	
Zinc	Neves-Corvo	72,000	–	77,000	
	Zinkgruvan	80,000	–	85,000	\$0.40/lb
	Total	152,000	–	162,000	

1. Production guidance is 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
2. C1 cash costs are based on various assumptions and estimates, including, but not limited to; production volumes, as noted above, 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), and operating costs. Exchange rate of €/USD:1.15 and metal prices of Cu: \$2.25/lb and Zn: \$1.00/lb were previously. All figures in are in US\$ unless otherwise noted.
3. C1 cash cost guidance at Neves-Corvo and Eagle were previously forecast at \$1.35/lb and \$2.45/lb, respectively.

2017 Capital Expenditure and Exploration Guidance

Capital Expenditures¹ (US\$M)	
Total Capitalized Stripping ²	105
Los Diques Facility	120
Other Candelaria Sustaining	25
Total Candelaria (100% basis)	250
Eagle Sustaining	10
Neves-Corvo Sustaining	50
Zinkgruvan Sustaining	40
Total Sustaining	350
Eagle Expansionary	35
Zinkgruvan Expansionary	5
Total Expansionary	40
Total Capital Expenditures	\$390M³

Los Diques estimated cost unchanged at \$295M

- \$120M in 2017 of which \$20M was spent in Q1
- \$45M in 2018

Candelaria other sustaining capital expenditures being reviewed in context of ongoing exploration success, extended mine life and mill expansion opportunities

2017 exploration budget of \$65M

- aggressive in-mine and near-mine programs at Candelaria and Eagle
- rejuvenated exploration focus at Neves-Corvo and Zinkgruvan. Expanded programs likely

1. Excludes capitalized interest. Amounts forecast above are on a cash basis, and may vary from accruals based estimates.

2. During the production phase, waste stripping costs which provide probable future economic benefits and improved access to the orebody are capitalized to mineral properties. The Company capitalizes waste costs when experienced strip ratios are above the average planned strip ratio for each open pit phase under development.

3. Prior guidance was \$405 million.

Candelaria



Copper / Gold / Silver – Region III, Chile

Candelaria

Q1/17 copper production of 39.1 kt (100% basis)

- \$1.27/lb copper cash cost
- throughput impacted by planned downtime for maintenance activities on crusher and SAG mill

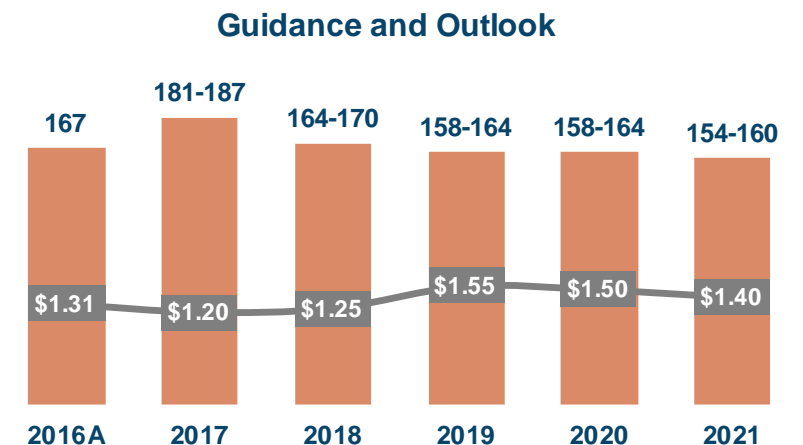
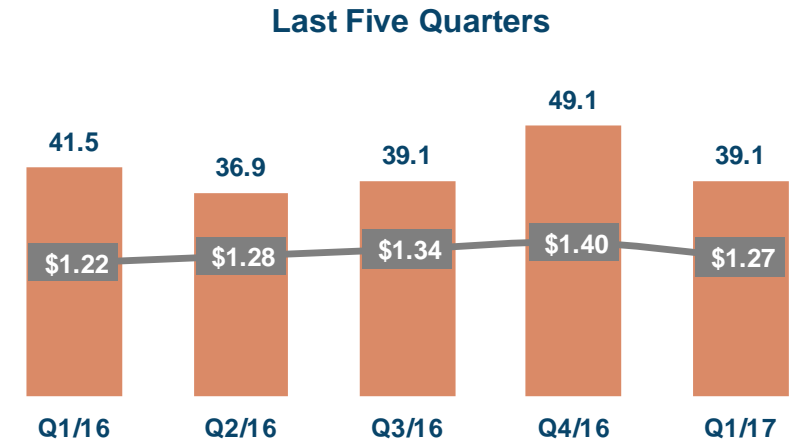
Full-year production guidance unchanged

- 181-187 kt (100% basis)
- increasing copper grade

Los Diques tailings facility construction progressing on schedule to be in operation in H1/18

Advancing Feasibility Study to target increased production from underground deposits to optimize life-of-mine plan

Copper Production & Cash Cost
(100% basis; kt & \$/lb Cu, net of by-product credits)



Candelaria – Los Diques Construction



As at April 13, 2017

Candelaria Exploration Extension Potential

SW

NE

Candelaria Pit

Candelaria Norte

Alcaparrosa

Surface Topography

3rd Party Property

Drillhole Trace

Interpreted Prospective Horizons

> 0.4 % Cu Drillhole Samples

1,000 m

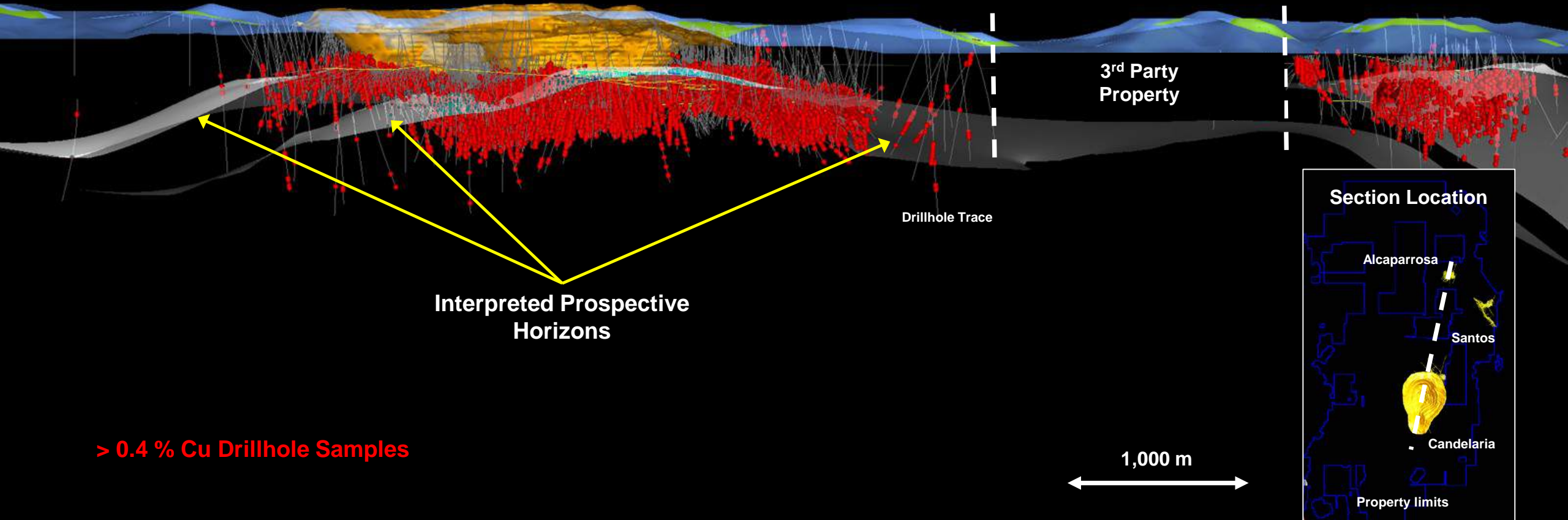
Section Location

Alcaparrosa

Santos

Candelaria

Property limits



Eagle



Nickel / Copper / PGMs – Michigan, U.S.A.

Eagle

Q1/17 production of 6.3 kt nickel and 6.5 kt copper

- above plan grades, recoveries, and mill throughput
- cash cost of \$0.94/lb nickel on higher by-product credits

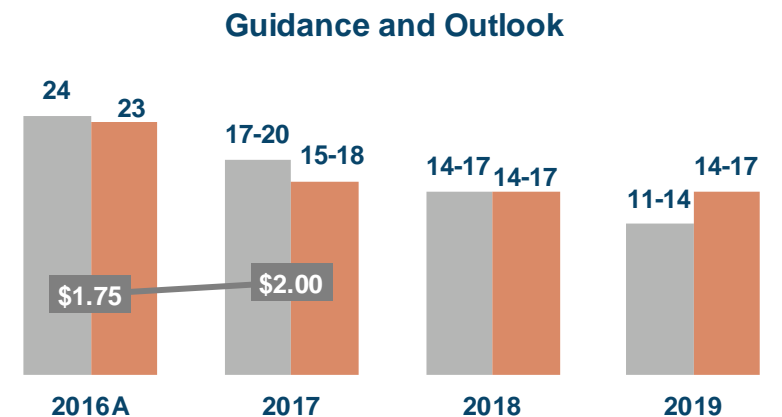
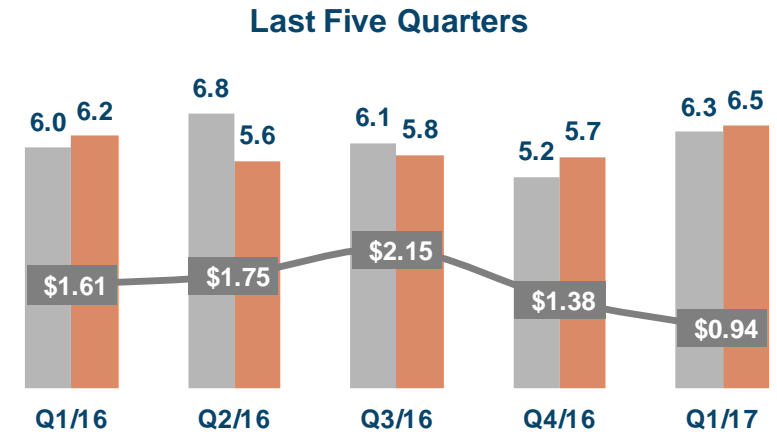
2017 cash cost guidance improved

- cash cost guidance lowered by 18% to \$2.00/lb nickel, from \$2.45/lb
- nickel and copper production guidance unchanged

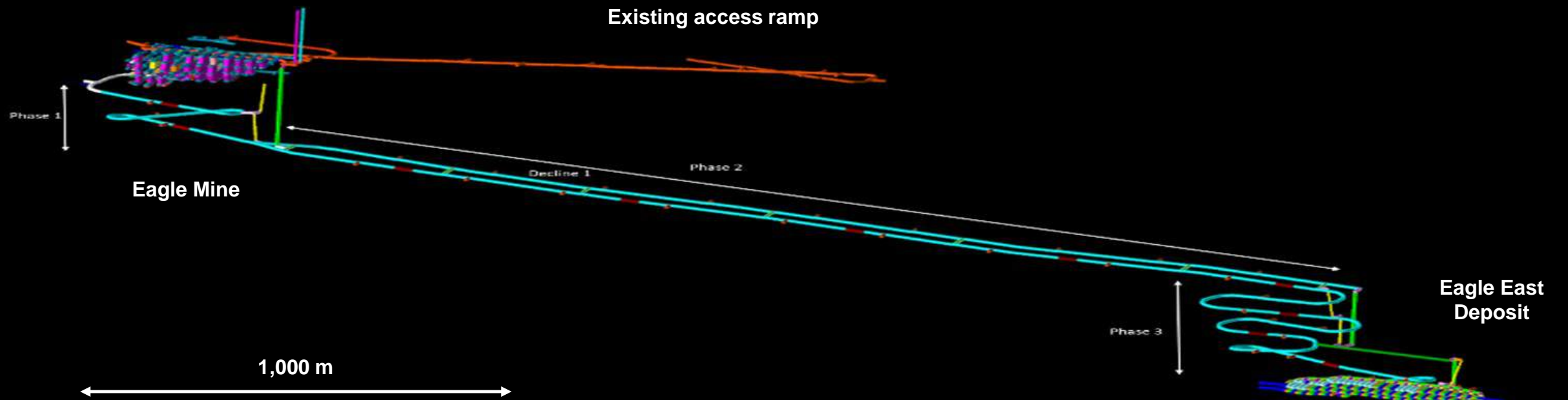
Eagle East advancing on schedule and on budget

- initial ramp development progressing well
- mine permit amendment application submitted in March. Decision expected prior to the end of year

Nickel, Copper Production & Cash Cost
(kt & \$/lb Ni, net of by-product credits)



Eagle and Eagle East Overview





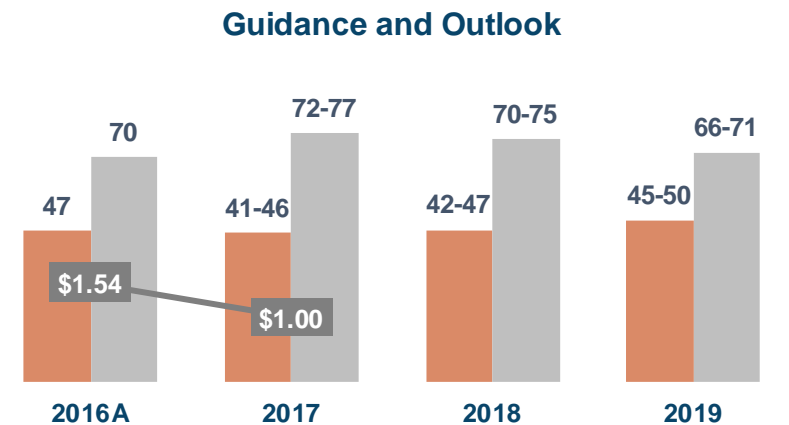
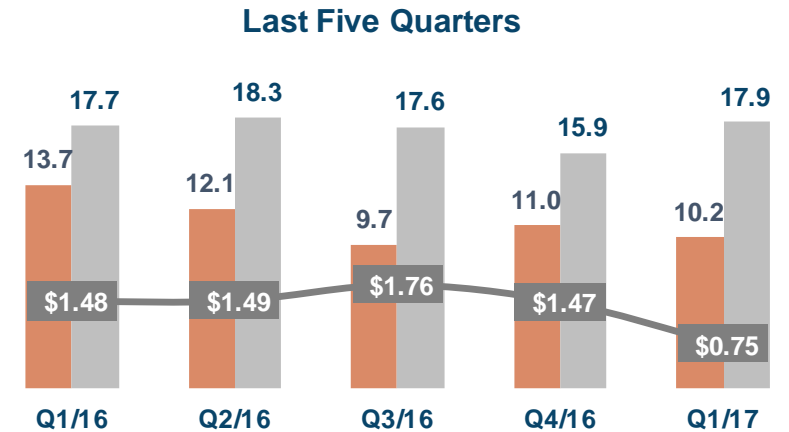
Q1/17 production of 10.2 kt copper and 17.9 kt zinc

- copper production slightly below plan primarily on lower throughput and grade as a result of mine sequencing
- full-year production guidance unchanged
- cash cost guidance improved to \$1.00/lb copper, from \$1.35/lb

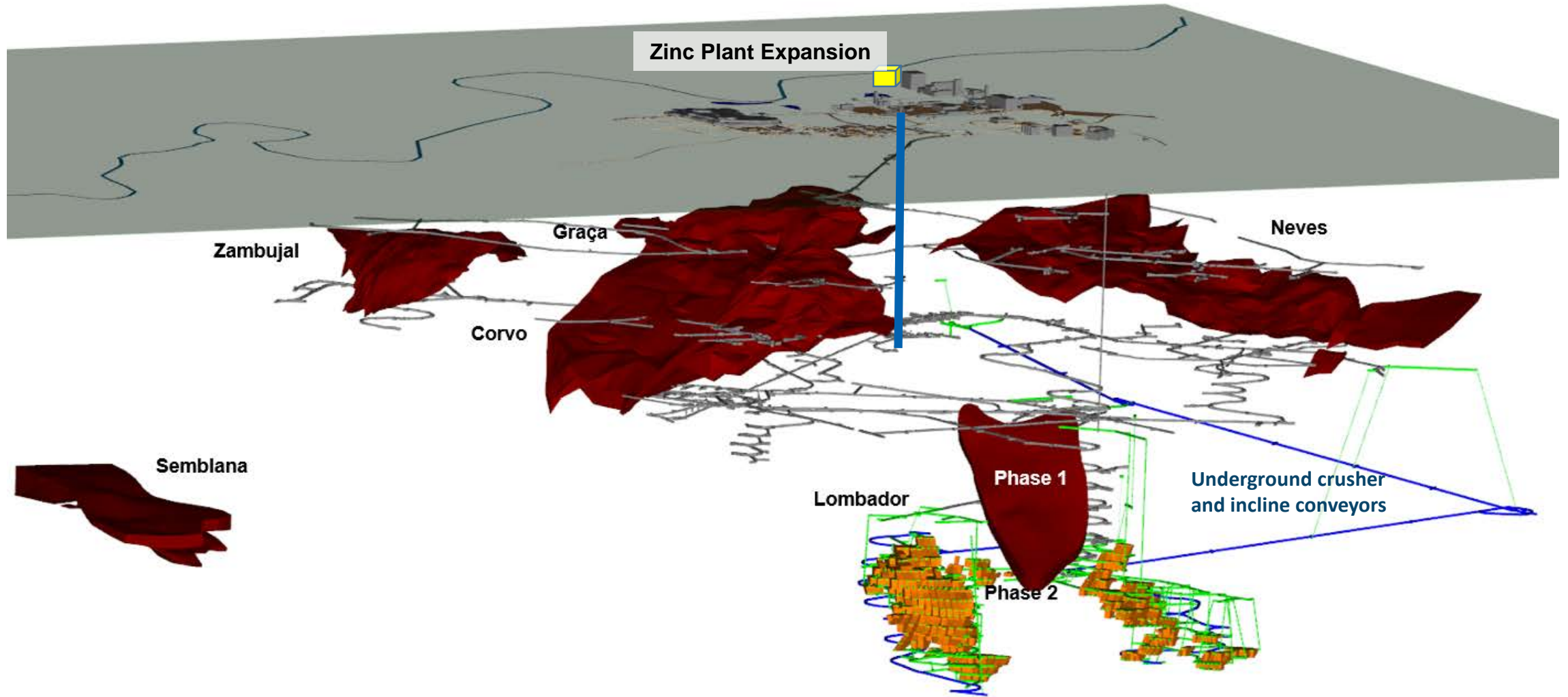
Zinc Expansion Project (ZEP)

- Feasibility Study expected to be published Q2/17
- EIA submitted in Q4/16 and permits advancing
- approximately €260 million estimated initial capital
- doubling of current zinc production levels forecast within 28 months of project approval

Copper, Zinc Production & Cash Cost
(kt & \$/lb Cu, net of by-product credits)



Neves-Corvo Overview



Zinkgruvan



Zinc / Lead / Copper – Sweden

Zinkgruvan

Q1/17 production of 19.3 kt zinc

- production and cash cost in line with expectations
- no change to annual guidance

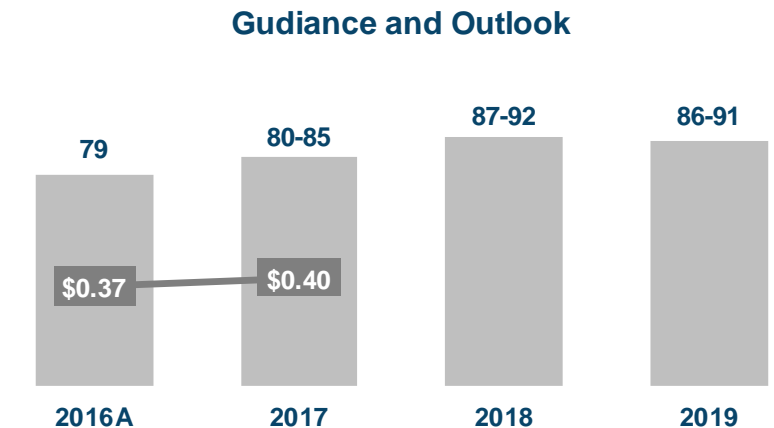
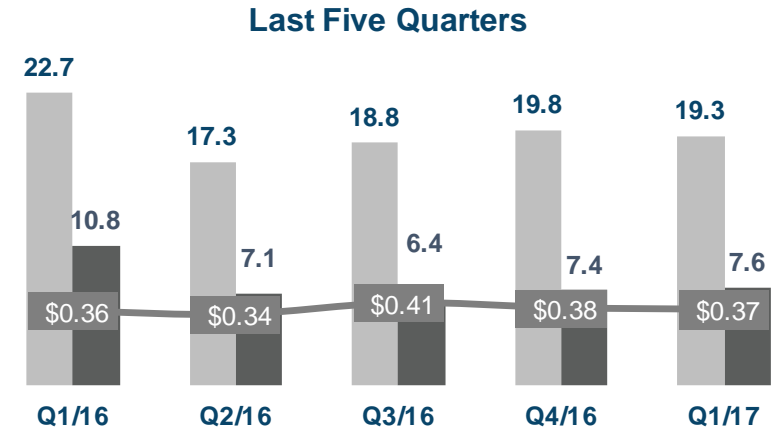
1350 Zinc Expansion Project

- final stages of commissioning
- targeted to increase overall mill capacity by ~10%

Exploration program rejuvenated targeting two deposits currently not in mine plan

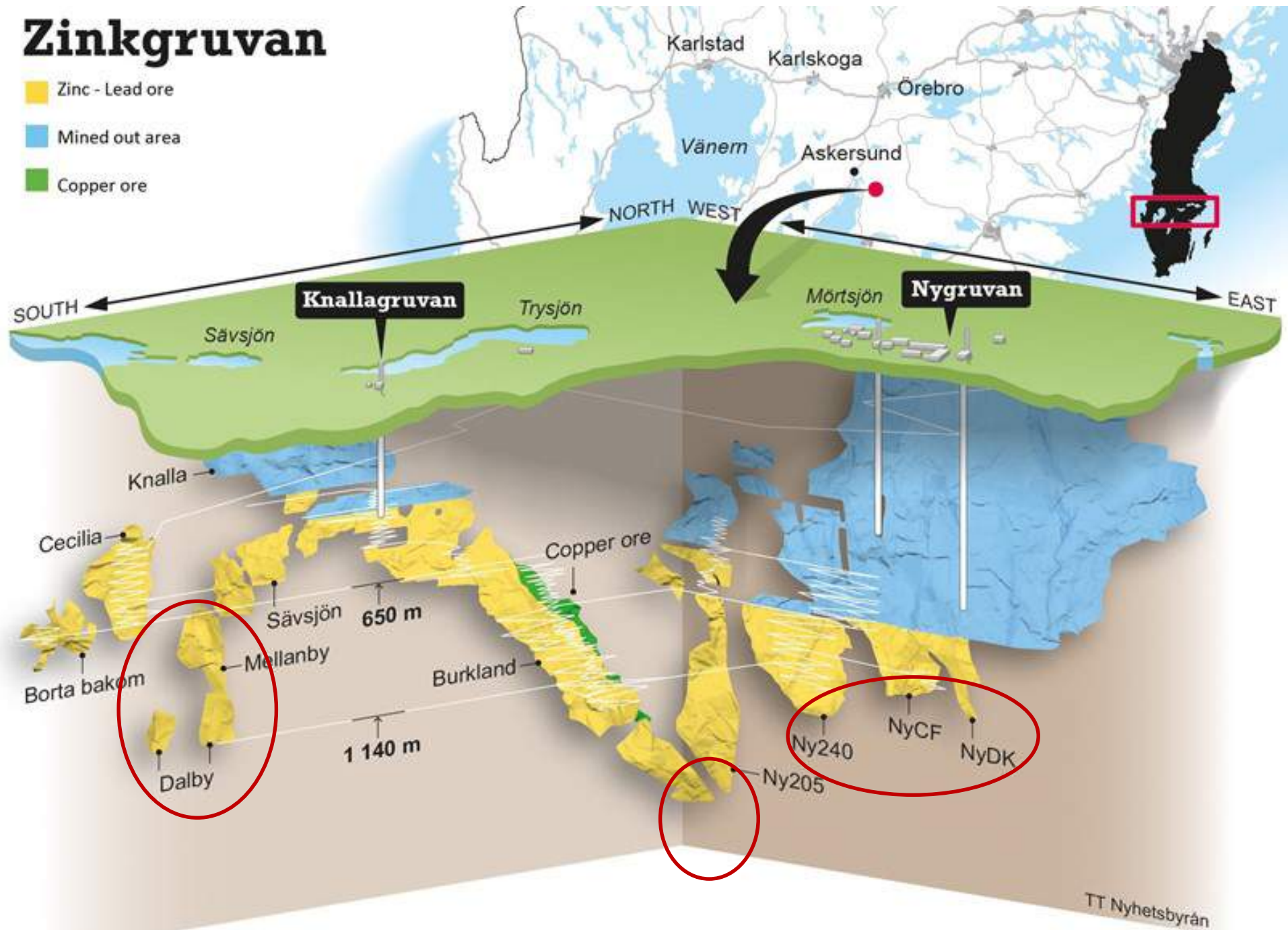
- initial drilling in the Mellanby and Dalby areas have been successful
- exploration budget may be expanded on this success

Zinc, Lead Production & Cash Cost
(kt & \$/lb Zn, net of by-product credits)



Zinkgruvan

- Zinc - Lead ore
- Mined out area
- Copper ore



Tenke Fungurume

Closed sale of interest in TF Holdings Limited in April 2017

- received gross proceeds of \$1.136B
- contingent additional consideration of up to \$51.4M

Tenke distributions totaled \$55M in Q1/17



Lundin Mining



High Quality Competitive Mines

- strong margins at all operations
- demonstrated operational excellence and culture of continuous improvement
- low-risk mining jurisdictions



Meaningful Scale Growth Oriented

- exploration upside and high value expansion projects at all operations
- advancing external acquisition initiatives with disciplined criteria



Financial Strength

- proven track record for rigorous investment approach, focused on value creation
- substantial flexibility to respond to opportunities

lundin mining

TSX: LUN OMX: LUMI