

NEWS RELEASE

Lundin Mining Fourth Quarter and Full Year Results

Toronto, February 14, 2019 (TSX: LUN; Nasdaq Stockholm: LUMI) Lundin Mining Corporation (“Lundin Mining” or the “Company”) today reported cash flows of \$44.2 million generated from operations in its fourth quarter and \$476.4 million for the year. Net earnings from continuing operations attributable to Lundin Mining shareholders were \$28.8 million (\$0.04 per share) for the quarter and \$195.9 million (\$0.27 per share) for the year ended December 31, 2018.

Fourth quarter net earnings include unrealized foreign exchange losses of \$11.9 million (\$0.02 per share), bond early redemption fee of \$16.9 million (\$0.02 per share), and other one-time item gains of \$4.4 million (\$0.01 per share).

Marie Inkster, President and CEO commented, “We are pleased with our operational performance in 2018. We beat our overall safety performance target for the sixth consecutive year and achieved or exceeded latest production and cash cost guidance for all metals at all operations.

Significant progress was made advancing our growth initiatives at Candelaria, Eagle East and Neves-Corvo Zinc Expansion Project. We are well positioned to complete these projects in 2019 and early 2020 to deliver improved production and free cash flow over the coming years.

We enter 2019 in a strong financial position with approximately \$800 million of cash, nominal debt and \$1.4 billion of liquidity. Strategic focus remains on value creation through disciplined capital allocation, investing in our existing assets and potential external acquisition opportunities.”

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

US\$ Millions (except per share amounts)	Three months ended December 31,		Twelve months ended December 31,	
	2018	2017	2018	2017
Revenue	407.7	533.3	1,725.6	2,077.5
Gross profit	72.0	252.5	436.6	820.3
Continuing, attributable net earnings¹	28.8	133.0	195.9	371.4
Attributable net earnings ¹	28.8	133.0	195.9	426.5
Net earnings	31.8	154.0	215.4	502.0
Basic and diluted net earnings per share ²	0.04	0.18	0.27	0.59
Cash flow from operations	44.2	230.1	476.4	903.5
Cash and cash equivalents	815.4	1,567.0	815.4	1,567.0
Net cash ³	804.4	1,110.5	804.4	1,110.5

¹ Attributable to shareholders of Lundin Mining Corporation.

² Basic and diluted net earnings per share attributable to shareholders of Lundin Mining Corporation.

³ Net cash 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

All metal production and cash costs across the operations achieved or exceeded the Company's most recent annual guidance. Capital spending for the year of \$751.8 million was also in-line with most recent guidance. Work on projects at Candelaria and Eagle continued with excellent progress achieved to date. Project work on the Zinc Expansion Project ("ZEP") in Portugal fell behind schedule in 2018 and actions were taken during the fourth quarter to improve project execution.

Candelaria (80% owned): The Candelaria operations produced, on a 100% basis, 134,578 tonnes of copper, approximately 78,000 ounces of gold and 1.2 million ounces of silver in concentrate during the year. Copper production was lower than the prior year due to planned mining and processing of lower grade materials. Copper cash costs of \$1.68/lb were better than full year guidance, but higher than the prior year. Lower metal production combined with higher diesel and labour costs contributed to the higher per unit production costs in the current year.

The Candelaria Mill Optimization Project progressed according to plan with construction approximately 40% complete at year-end. Ramp-up of the Candelaria Underground North Sector continues to achieve excellent results and is currently mining approximately 10,200 tonnes per day on average. The development of the South Sector continues and has advanced further than planned. With the advance in development, the project timeline is being reviewed to consider possible advancement in the production start-up date of year end 2019.

Approximately 60% of the new open pit mine fleet has been received and placed in service, with the remaining equipment expected to be delivered in 2019 and 2020.

Eagle (100% owned): Eagle production for the year met or exceeded most recent guidance, producing 17,573 tonnes of nickel and 17,974 tonnes of copper. Quantities were lower than the prior year as a result of planned mine sequencing. Nickel cash costs of \$1.01/lb for the year were better than guidance but marginally higher than the prior year as higher operating per unit costs were driven by lower sales volumes.

Development of the Eagle East access ramp continues ahead of the original schedule with first ore expected into the mill in the fourth quarter of 2019. Underground definition drilling from the access ramp to Eagle East is ongoing.

Neves-Corvo (100% owned): Neves-Corvo produced 45,692 tonnes of copper and 75,435 tonnes of zinc for the year, exceeding the most recent guidance. Copper and zinc production for the year were also higher than the prior year due to improved mine productivity and higher mill throughput driven by improvements in mine plan execution and, to a lesser extent, higher head grades. Copper cash costs of \$1.28/lb for the year were better than guidance but higher than the prior year due to lower by-product credits. Current year cash costs benefited from lower per unit mine, mill and administration costs associated with higher copper sales volumes.

Construction on ZEP was approximately 43% complete at year-end. Underground development remains on track with ore from this newly developed area of the mine expected to contribute to mill feed in the first quarter of 2020. Surface facilities construction remains on track to be complete and commence commissioning in early 2020. Following a third party review, total project capital costs are now expected to be \$385 million (€320 million).

Zinkgruvan (100% owned): Zinc production of 76,606 tonnes and lead production of 24,613 tonnes exceeded the most recent guidance but were lower than the prior year driven by lower head grades as a result of mine sequencing and higher than planned dilution and ore loss. The operation continues to focus on mine stope design optimization, mining execution and ore tracking in order to improve these factors. Zinc cash costs of \$0.34/lb for the year were lower than guidance but higher than the prior year due primarily to higher per unit costs stemming from lower sales volumes.

Corporate Highlights

- On April 26, 2018, the Company issued a tender to purchase any and all of its \$450.0 million aggregate principal amount of the 2022 Notes. A principal amount of \$10.8 million was tendered and accepted.
- On July 25, 2018, the Company announced that, following a successful seven-year tenure as the Company's President and Chief Executive Officer, Paul Conibear would retire. Following the Board's succession planning process, Marie Inkster, Senior Vice President and Chief Financial Officer, was selected and assumed the role of President and Chief Executive Officer on October 1, 2018.
- On July 26, 2018, the Company announced an offer to acquire all of the issued and outstanding common shares of Nevsun Resources Ltd. This bid expired on November 9, 2018 with no shares taken up.
- On September 6, 2018, the Company reported its Mineral Resource and Mineral Reserve estimates as at June 30, 2018, on SEDAR (www.sedar.com). On a consolidated and attributable basis, estimated contained metal in the Proven and Probable Mineral Reserve categories totaled 3,672,000 tonnes of copper, 3,374,000 tonnes of zinc and 108,000 tonnes of nickel.
- On October 1, 2018, the Company announced two new executive appointments: Jinhee Magie, previously Lundin Mining's Vice President of Finance, was appointed Senior Vice President and Chief Financial Officer and Peter Rockandel was appointed Senior Vice President, Corporate Development and Investor Relations.
- On October 22, 2018, the Company issued a notice for early redemption of the remaining 2022 Notes in accordance with the Notes Indenture. The redemption of all the 2022 Notes was completed on November 21, 2018. It was also announced that the Company had executed an amending agreement to its revolving credit facility (the "Facility") that increases the Facility to \$550 million with a \$50 million accordion option, reducing the costs of borrowing and extending the term to October 2022, from June 2020.
- On November 28, 2018 the Company filed an updated Technical Report for the Candelaria Copper Mining Complex in Chile. Refer to the news release entitled "Lundin Mining Provides Operational Outlook & Update" on the Company's website. The report can be found under the Company's profile on SEDAR and on the Company's website.
- On December 4, 2018, the Company announced that the Toronto Stock Exchange had accepted notice of the Company's intention to commence a normal course issuer bid ("NCIB"). The approval allows the Company to purchase up to 63,718,842 common shares of the Company over a period of twelve months commencing on December 7, 2018, though no shares have been purchased to date. The NCIB will expire no later than December 6, 2019.

Financial Performance

- Gross profit for the year ended December 31, 2018 was \$436.6 million, a decrease of \$383.7 million in comparison to the \$820.3 million reported in 2017. The decrease was primarily due to the effect of lower sales volumes (\$133.6 million), higher per unit operating cost (\$185.9 million) and lower realized metal prices, net of price adjustments (\$90.0 million).
- For the year ended December 31, 2018, the Company reported net earnings from continuing operations of \$215.4 million, a decrease of \$231.5 million in comparison to the year ended December 31, 2017 (\$446.9 million). Comparative net earnings in the current year were lower due to lower gross profit (\$383.7 million), partially offset by lower income tax expense (\$115.0 million).
- Net cash position at December 31, 2018 was \$804.4 million compared to net cash of \$1,110.5 million at December 31, 2017. The Company generated \$476.4 million of cash flow from operations and used \$675.4 million in investing activities, primarily for capital expenditures, as well as \$92.0 million for the payment of dividends and interest.

Outlook

2019 Production and Cost Guidance

Production, cash cost, capital expenditure and exploration guidance for 2019 remains unchanged from that provided on November 28, 2018 (see news release “Lundin Mining Provides Operational Outlook & Update”).

(contained tonnes in concentrate)		Tonnes	Cash Costs ^a
Copper	Candelaria (100%)	145,000 - 155,000	\$1.60/lb ^b
	Eagle	12,000 - 15,000	
	Neves-Corvo	40,000 - 45,000	\$1.70/lb
	Zinkgruvan	2,000 - 3,000	
	Total	199,000 - 218,000	
Zinc	Neves-Corvo	71,000 - 76,000	
	Zinkgruvan	76,000 - 81,000	\$0.40/lb
	Total	147,000 - 157,000	
Nickel	Eagle	12,000 - 15,000	\$2.20/lb

a. Cash costs are based on various assumptions and estimates, including but not limited to: production volumes, as noted above, commodity prices (Cu: \$2.80/lb, Zn: \$1.10/lb, Ni: \$6.00/lb, Pb: \$0.95/lb), foreign exchange rates (€/USD:1.20, USD/SEK:8.00, USD/CLP:620) and operating costs.

b. 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 \$408/oz and \$4.08/oz respectively, on gold and silver sales in the year.

2019 Capital Expenditure Guidance

Capital expenditures, excluding capitalized interest, are expected to be \$745 million, as outlined below.

2019 Guidance ^a	\$ millions
Candelaria (100% basis)	
Capitalized Stripping	130
Los Diques TSF	10
New Mine Fleet Investment	75
Candelaria Mill Optimization Project	50
Candelaria Underground Development	40
Other Sustaining	70
Candelaria Sustaining	375
Eagle Sustaining	15
Neves-Corvo Sustaining	65
Zinkgruvan Sustaining	50
Total Sustaining Capital	505
Eagle East	30
ZEP (Neves-Corvo)	210
Total Expansionary Capital	240
Total Capital Expenditures	745

a. Forecast capital expenditures have been reported on a cash basis.

2019 Exploration Investment Guidance

Exploration investments are expected to approximate \$80 million in 2019, of which \$67 million will be spent on in-mine and near-mine targets.

About Lundin Mining

Lundin Mining Corporation is a diversified Canadian base metals mining company with operations in Chile, the USA, Portugal and Sweden, primarily producing copper, zinc and nickel. 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.

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 February 14, 2019 at 5:45 p.m. Eastern Time.

For further information, please contact:

Mark Turner, Director, Business Valuations and Investor Relations: +1 416 342 5565

Brandon Throop, Manager, Investor Relations: +1 416 342 5583

Robert Eriksson, Investor Relations Sweden: +46 8 545 015 50

Cautionary Statement on 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 the Company's outlook and guidance on estimated metal production and production profile, costs, and exploration and capital expenditures; the Zinc Expansion Project at Neves-Corvo and the Eagle East project; Mineral Reserves, Mineral Resources, life-of-mine (or mine life); all of which are estimates (and the parameters, expectations and assumptions underlying, and realization of, such estimates including, but not limited to metal price assumptions, and permitting and development expectations. Words such "aim", "anticipate", "assumption", "believe", "budget", "commitment", "estimate", "expansionary", "expect", "exploration", "flexibility", "focus", "forecast", "foreseeable", "forward", "future", "growth", "guidance", "initiative", "on track", "outlook", "plan", "positioning", "potential", "priority", "profile", "project", "ramp-up", "risk", "schedule", "study", "target" or "view", 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 or variations of these terms or similar terminology or statements that certain actions, events or results could, may, might or will be taken or occur or be achieved 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 labour disputes or 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 this Company's Management's Discussion and Analysis, 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.