

**SECTION 85 ELECTION
TAX INSTRUCTION LETTER RELATING TO THE
DISPOSITION OF COMMON SHARES OF
JOSEMARIA RESOURCES INC.
("TAX INSTRUCTION LETTER")**

Lundin Mining Corporation ("**Lundin Mining**")

Acquisition of the Shares of
Josemaria Resources Inc. ("**Josemaria Resources**")

The Section 85 Election process is time sensitive. Your immediate attention to the matters contained herein is suggested.

The deadline for providing your information to Lundin Mining is on or before July 27, 2022.

The information included in this Tax Instruction Letter is of a general nature only and is not intended to be, nor should it be construed to be, legal, tax or financial advice or a representation to any shareholder of Josemaria Resources who is an "Eligible Holder". Eligible Holders are therefore urged to consult their own tax advisors. Lundin Mining and Josemaria Resources or their respective successors, affiliates, advisors, agents, or employees shall not incur any liability in respect of the accuracy of such information. Furthermore, Lundin Mining and Josemaria Resources have not provided and will not provide the Eligible Holder with any advice respecting a valid joint tax election with Lundin Mining pursuant to subsection 85(1) of the *Income Tax Act* (the "**Tax Act**") (or, in the case of an Eligible Holder that is a partnership, pursuant to subsection 85(2) of the Tax Act) (a "**Section 85 Election**") or the manner of its completion or execution by virtue of the following instructions. None of Lundin Mining, Josemaria Resources, or their respective successors, affiliates, advisors, agents, or employees will be responsible or liable for any taxes, interest, penalties, damages, losses or expenses resulting from the failure by anyone to properly complete or file a Section 85 Election, in the form and manner and within the time prescribed by the relevant tax laws.

All capitalized terms used in this Tax Instruction Letter but not otherwise defined herein have the meanings set forth in the Glossary of Terms or elsewhere in the management information circular of Josemaria Resources (the "**Information Circular**") which is dated March 16, 2022 and is available on SEDAR (www.sedar.com) under Josemaria Resources' issuer profile. **You are encouraged to carefully review the Information Circular in its entirety.**

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

Overview

On December 19, 2021, Lundin Mining entered into an arrangement agreement with Josemaria Resources, pursuant to which Lundin Mining agreed to acquire all of the issued and outstanding common shares of Josemaria Resources (the “**Josemaria Shares**”) that it did not already own. The acquisition was affected by way of a statutory plan of arrangement under the *Canada Business Corporations Act* on April 28, 2022.

Under the Arrangement, each shareholder of Josemaria Resources (a “**Shareholder**”) had the right to elect to receive as consideration for such Shareholder’s Josemaria Shares, on the closing of the Arrangement:

- i) C\$1.60 in cash for each Josemaria Share (the “**Cash Consideration**”), or
- ii) 0.1487 of a common share in the capital of Lundin Mining (each whole common share, a “Lundin Mining Share”) for each Josemaria Share held (the “Share Consideration”), plus for each whole Lundin Mining Share issued to such Shareholders, C\$0.11 in cash will also be paid to such Shareholders (the “Share Consideration Cash Payment”), or
- iii) any combination thereof.

The Cash Consideration and Share Consideration (together, the “**Consideration**”) was subject, in each case, to proration based on a maximum cash consideration of approximately C\$183,000,000 (the “**Maximum Cash Consideration**”) and a maximum of approximately 39,700,000 Lundin Mining Shares to be issued pursuant to the Plan of Arrangement, subject to adjustment in accordance with the Plan of Arrangement. The Shareholders who did not make an election or a valid election were deemed to have elected the Share Consideration (together with the applicable Share Consideration Cash Payment) in respect of each Josemaria Share held, subject to pro-ration. The Share Consideration Cash Payment was not included in the determination of the Maximum Cash Consideration.

Each Shareholder who is an “Eligible Holder” and who receives Lundin Mining Shares pursuant to the Arrangement may elect pursuant to section 85 of the Tax Act (and any corresponding provisions of any applicable provincial tax legislation) to defer some or all of the capital gain they would otherwise realize on the exchange of Josemaria Shares. Each Shareholder is encouraged to obtain professional tax advice regarding their own situation and in particular determine whether to make a Section 85 Election in a timely manner. In general, an Eligible Holder means a Shareholder who is (a) a resident of Canada for the purposes of the Tax Act and any applicable income tax treaty, holds Josemaria Shares as capital property and who is not exempt from tax on income under the Tax Act, or (b) a non-resident of Canada for the purposes of the Tax Act and any applicable income tax treaty,

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

whose Josemaria Shares constitute “taxable Canadian property” (as defined by the Tax Act) and who is not exempt from Canadian tax in respect of any gain realized on the disposition of Josemaria Shares by reason of an exemption contained in an applicable income tax treaty, or (c) a partnership if one or more members of the partnership are described in (a) or (b).

An Eligible Holder who receives Lundin Mining Shares pursuant to the Arrangement may obtain a full or partial Canadian income tax deferral in respect of the disposition of Josemaria Shares as a consequence of filing with the Canada Revenue Agency (the “**CRA**”) (and where applicable, with a provincial tax authority) a Section 85 Election made jointly by the Eligible Holder and Lundin Mining pursuant to section 85 of the Tax Act (and the corresponding provisions of any applicable provincial tax legislation).

All Eligible Holders who wish to make a Section 85 Election should give their immediate attention to this matter, and in particular should consult their own tax advisors without delay.

Purpose of the Section 85 Election

In the absence of a valid Section 85 Election, for Canadian income tax purposes, an Eligible Holder who exchanges Josemaria Shares in exchange for cash and Lundin Mining Shares pursuant to the Arrangement will be considered to have disposed of the Josemaria Shares for proceeds of disposition equal to the amount of cash received and the aggregate fair market value (“**FMV**”) of any Lundin Mining Shares received. As a result, the Resident Holder will generally realize a capital gain (or capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Josemaria Shares immediately before the exchange.

A Shareholder, who is an Eligible Holder and who receives cash and Lundin Mining Shares pursuant to the Arrangement, may choose to make a Section 85 Election pursuant to section 85 of the Tax Act (and corresponding provisions of any applicable provincial legislation) to obtain a full or partial deferral of the capital gain that would otherwise be realized on the disposition of the Josemaria Shares.

Making the Section 85 Election is at the discretion of each Eligible Holder and it is the responsibility of each Eligible Holder to consider whether filing the Section 85 Election is in their best interests. Eligible Holders are urged to consult their own tax advisors to determine whether they should make the Section 85 Election.

Section 85 Election Forms

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

To rely on the provisions of section 85 of the Tax Act to defer all or a portion of any capital gain realized on the disposition of the Josemaria Shares, the Tax Act requires that a Section 85 Election be filed by an Eligible Holder (also referred to as the transferor) and Lundin Mining (also referred to as the transferee) within the time period and in the form prescribed by the Tax Act.

For Eligible Holders who are individuals, trusts, or corporations, the prescribed federal Section 85 Election form is the Form T2057 - *Election on Disposition of Property by a Taxpayer to a Taxable Canadian Corporation* (“**Form T2057**”). For Eligible Holders that are partnerships, the prescribed federal Section 85 Election form is the Form T2058 - *Election on Disposition of Property by a Partnership to a Taxable Canadian Corporation* (“**Form T2058**”). Other provincial tax election forms may be required and will be provided by Lundin Mining, if applicable, based on the information provided by the Eligible Holder.

The relevant Section 85 Election form will include information related to the Eligible Holder and Lundin Mining. Although Lundin Mining must be a party to the Section 85 Election, the determination of the Elected Amount (within the limits provided for under section 85 of the Tax Act or the corresponding provisions of any applicable provincial tax legislation) which will be the amount of the proceeds of disposition at which the disposition of the Josemaria Shares is deemed to occur for Canadian tax purposes is the sole responsibility of each Eligible Holder.

To make a Section 85 Election, an Eligible Holder must provide the relevant information to Lundin Mining through the web-based system (the “Section 85 Election Assistant”) provided by Lundin Mining specifically for this Section 85 Election process. Eligible Holders can go to the web page set up specifically for this election process at <https://www.lundinmining.com> by clicking on the link referred to as “Section 85 Election Assistant” on the right side of the home page (under the heading “DISPOSITION OF SHARES OF JOSEMARIA RESOURCES”), upon slightly scrolling down the home page. By clicking the button “Section 85 Election Assistant”, Eligible Holders will be directed to another a web page where the link to the Section 85 Election Assistant will be provided along with other relevant information. An Eligible Holder must submit the relevant information to Lundin Mining through the Section 85 Election Assistant on or before July 27, 2022 being the day that is 90 days after the Effective Date (the “Section 85 Election Deadline”). Lundin Mining may not make a Section 85 Election with an Eligible Holder who does not provide the relevant information through the Section 85 Election Assistant on or before the Section 85 Election Deadline.

After receipt of all of the relevant information through the Section 85 Election Assistant, and provided that the information provided complies with the rules under the Tax Act described in the Information Circular, Lundin Mining will within 90 days deliver an executed copy of the Section 85 Election containing the relevant information to each Eligible Holder.

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

Neither Josemaria Resources, Lundin Mining nor any successor corporation shall be responsible for the proper completion and filing of any joint election form, except for the obligation to deliver an executed copy of the joint election form to Eligible Holders as noted above. Each Eligible Holder will be solely responsible for executing the Section 85 Election form and submitting it to the CRA (and, where applicable, to any provincial tax authority) within the required time. Eligible Holders wishing to make a Section 85 Election should consult their own tax advisors without delay and should provide the relevant information to Lundin Mining through the Section 85 Election Assistant as described above as soon as possible. A Section 85 Election will be valid only if it meets all the applicable requirements under the Tax Act (and any applicable provincial tax legislation) and is filed on a timely basis. These requirements are complex, are not discussed in any detail in this Tax Instruction Letter and meeting these requirements with respect to preparing and filing the Section 85 Election will be the sole responsibility of the Eligible Holder.

Any Eligible Holder who does not ensure that information necessary to make a Section 85 Election has been received by Lundin Mining in accordance with the procedures set out in this Tax Instruction Letter within the time period noted above may not be able to benefit from the tax deferral provisions in subsections 85(1) or 85(2) of the Tax Act (or the corresponding provisions of any applicable provincial tax legislation). Accordingly, all Eligible Holders who wish to make a Section 85 Election with Lundin Mining should give their immediate attention to this matter.

For the CRA (and, where applicable, the provincial tax authorities) to accept a Section 85 Election without a late filing penalty being paid by an Eligible Holder, the Section 85 Election form must be filed with such tax authorities on or before the day that is the earliest of the days on or before which either Lundin Mining or the Eligible Holder is required to file an income tax return for the taxation year in which the disposition occurs (subject to special rules applicable for partnerships). Lundin Mining' taxation year is scheduled to end on **December 31, 2022**, but it may end earlier in certain circumstances. Lundin Mining' income tax return would be required to be filed within six months from the end of its taxation year. Eligible Holders are urged to consult their own tax advisors as soon as possible respecting the deadlines applicable to their own particular circumstances. **However, regardless of such deadlines, the Section 85 Election Information must be received by Lundin Mining through the Section 85 Election Assistant in accordance with the procedures set out below no later than July 27, 2022.**

Instructions for completing the Section 85 Election using the Section 85 Election Assistant

These instructions are of a general nature only and are not intended to be, nor should they be construed to be, legal, tax or financial advice to any particular Eligible Holder. Furthermore, Lundin Mining and Josemaria Resources have not provided, and will not

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

provide, Eligible Holders with any legal, tax or financial advice respecting the Section 85 Election or the manner of its completion, execution or filing by virtue of the following instructions. Accordingly, Eligible Holders are urged to consult with their own legal, tax and financial advisors to obtain advice whether to make the Section 85 Election and if so to consider the proper completion, execution and filing of the required Section 85 Election, having regard to their own particular circumstances. Eligible Holders are also urged to consult their own tax advisors with respect to the requirements of any applicable provisions of any provincial tax legislation analogous to section 85 of the Tax Act.

Lundin Mining and Josemaria strongly recommend that each Eligible Holder carefully review the Information Circular and without limitation, the description of *Certain Canadian Federal Income Tax Considerations* on pages 95 to 102 of the Information Circular. For further information, Eligible Holders may wish to review Archived Information Circular 76-19R3, *Transfer of Property to a Corporation Under Section 85* and Archived Interpretation Bulletin IT-291R3, *Transfer of Property to a Corporation under Subsection 85(1)*, previously issued by the CRA and available on its website. In addition, if applicable to the Eligible Holder, for information about the Section 85 Election under the *Taxation Act* (Québec), Eligible Holders may also wish to review Revenu Québec Interpretation Bulletin IMP.520. 1-1/R1, *Disposition of Property to a Taxable Canadian Corporation: Due Date for Filing the Prescribed Form and Penalties*, and IMP.521.2-1/R1, *Disposition of Property to a Taxable Canadian Corporation: General Rules Concerning Tax-Deferred Transfers*.

Each Eligible Holder who chooses to make a Section 85 Election is solely responsible for ensuring that the Section 85 Election form (and prescribed provincial forms, as required), are completed and filed on a timely basis. With the exception of the execution of the Section 85 Election form by Lundin Mining, compliance with the requirements for a valid Section 85 Election will be the sole responsibility of the Eligible Holder making the Section 85 Election. Neither Lundin Mining nor Josemaria will be responsible for any loss, damages, expenses or taxes resulting from the failure by anyone to properly complete the Section 85 Election form or to properly file it within the time and in the form prescribed under the Tax Act (and any applicable provincial tax legislation).

Key steps to using the Section 85 Election Assistant

The following are the key steps with respect to using the Section 85 Election Assistant. Eligible Holders should read these instructions in their entirety, gather all applicable information and then commence using the Section 85 Election Assistant.

The Section 85 Election Assistant does not save information that is partially complete, and the information cannot be retrieved by an Eligible Holder at a later time. Accordingly, Eligible Holders making the Section 85 Election cannot enter part of the information into the Section 85 Election Assistant, save a draft version thereof, and come back to it later.

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

Step 1: Preparing the Section 85 Election form

Each Eligible Holder wishing to defer all, or a portion of its capital gains realized on the disposition of the Josemaria Shares must provide the relevant information to Lundin Mining using the Section 85 Election Assistant.

Section 85 Election Assistant Walk-Through

Eligible Holders can go to the web page set up specifically for this election process at <https://www.lundinmining.com> by clicking on the link referred to as “Section 85 Election Assistant” on the right side of the home page (under the heading “DISPOSITION OF SHARES OF JOSEMARIA RESOURCES”), upon slightly scrolling down the home page. By clicking the button “Section 85 Election Assistant”, Eligible Holders will be directed to another a web page where the link to the Section 85 Election Assistant will be provided along with other relevant information. Eligible Holders need to provide information by clicking on “Section 85 Election Assistant”. This link will be available at the end of the day on April 28, 2022 to July 27, 2022.

Directions on using Section 85 Election Assistant

The following section illustrates the information required to be provided by an Eligible Holder when using the Section 85 Election Assistant.

1. *Overview, Purpose of Section 85 Election*

Read the information contained in these sections and click “Next” at the bottom of each page to proceed to the next page.

2. *Terms & Conditions of Use*

Eligible Holders must accept the Terms and Conditions of Use at the bottom of the page in order to access the next page of the Section 85 Election Assistant.

3. *Introduction and the Section 85 Election filing deadline - time sensitive*

Eligible Holders should read the Introduction and ensure that they have all the information for the Section 85 Election prior to proceeding to the Preliminary Information section.

4. *Preliminary Information*

- a. *Type of Eligible Holder:* Indicate whether the Eligible Holder who owns the Josemaria Shares is an individual, partnership, corporation, or a trust. If the Josemaria Shares are owned by more than one entity, a separate election is required for each entity.

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

- b. *Taxation year of the Eligible Holder:* If the Eligible Holder is a corporation, partnership, or trust, provide the first day of the taxation year of the taxpayer that includes the Effective Date of April 28, 2022 and the last day of that taxation year. We note that, generally:
- i. Individuals are taxed on a calendar year basis, therefore are not required to enter a taxation year.
 - ii. *Inter vivos* trusts are taxed on a calendar year basis.
 - iii. Testamentary trusts may have a taxation year that ends at any time of the year.
 - iv. Corporations and partnerships may have a taxation year that ends at any time of the year.

Any Eligible Holder, who is not an individual, should consult their own tax advisors regarding the applicable taxation year in their particular circumstances.

- c. *Is the holder of the Josemaria Shares an Eligible Holder as defined in the Information Circular?* Indicate whether the holder of the Josemaria Shares is an Eligible Holder as defined in the Information Circular. Only Eligible Holders as defined in the Information Circular are entitled to make the Section 85 Election.
- d. *Is the Eligible Holder a resident of Canada for Canadian tax purposes?* Indicate whether the Eligible Holder is a resident of Canada for Canadian tax purposes. A Non-Resident Holder will generally not be subject to Canadian tax under the Tax Act on the disposition of the Josemaria Shares unless the Josemaria Shares constitute “taxable Canadian property” of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention, as further discussed in the Information Circular.
- e. *Does the Eligible Holder hold the Josemaria Shares as a capital property or inventory?* Josemaria Shareholders holding their shares a capital property should answer this question as “Yes”. Josemaria Shares generally will be considered capital property to an Eligible Holder for purposes of the Tax Act unless the Eligible Holder holds such securities in the course of carrying on a business of buying and selling securities or the Eligible Holder has acquired or holds such shares in a transaction or transactions considered to be an adventure or concern in the nature of trade. Eligible Holders are solely responsible for determining whether their Josemaria Shares were held as capital property for purposes of the Tax Act and are urged to consult with their own tax advisors to determine whether their Josemaria Shares qualify as capital property in their particular circumstances.

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

- f. *Is the Eligible Holder a resident of Quebec or required to file a Quebec provincial income tax return?* An Eligible Holder who is required to file a Quebec income tax return is also required to file the Quebec provincial equivalent of the federal Section 85 Election form in order to obtain a tax deferral for Quebec income tax purposes.

5. Consideration Received

- a. *Consideration Received:* As outlined in the Information Circular and the Letter of Transmittal, for each Josemaria Share owned by the Eligible Holder, the Eligible Holder was entitled to elect to receive Cash Consideration or Share Consideration plus Share Consideration Cash Payment, subject to proration based on maximum amounts of cash and share consideration. Indicate the type of consideration the Eligible Holder elected to receive, as outlined in the Information Circular and the Letter of Transmittal:
- i. Cash Consideration; or
 - ii. Share Consideration plus Share Consideration Cash Payment.

Note that if an Eligible Holder failed to make a proper election in the Letter of Transmittal prior to the April 19, 2022 deadline in accordance with the Arrangement, such shareholder will be deemed to have elected to receive the Share Consideration (together with the applicable Share Consideration Cash Payment). Note that if an Eligible Holder has elected to receive the Cash Consideration, it is possible that the election will be pro-rated and some amount of Lundin Mining Shares will be received. Likewise, if an Eligible Holder has elected, or has been deemed to elect, to receive Share Consideration (together with the applicable Share Consideration Cash Payment), such election or deemed election may be pro-rated and some amount of cash will be received. This is a result of the aggregation Consideration being subject to the Maximum Share Consideration and the Maximum Cash Consideration. See Appendix A and Appendix B for illustrative examples, respectively. The Share Consideration Cash Payment is not included in the determination of the Maximum Cash Consideration.

Assuming the Eligible Holder held its Josemaria Shares as capital property, the Elected Amount less the ACB of the Josemaria Shares, immediately before the exchange and any reasonable costs of disposition (if any) will be treated as a capital gain realized by the Eligible Holder. Eligible Holders are strongly encouraged to consult their own tax advisors regarding the determination of the Elected Amount in respect of their Josemaria Shares having regard to their particular circumstances.

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

6. Transaction Details: Share Consideration

Steps 6(a) – (f) will apply for an Eligible Holder who elected to receive Share Consideration plus Share Consideration Cash Payment.

A Microsoft Excel Section 85 Election calculator has been provided at the link labelled “Section 85 Election Calculator”. **The Microsoft Excel Section 85 Election Calculator has been provided solely as a reference tool for the Eligible Holder and it is to be used at the Eligible Holder’s discretion. Information entered in the Microsoft Excel Section 85 Election Calculator by the Eligible Holder will not be included in the Eligible Holder’s Section 85 Election. Eligible Holders will need to complete the entire transaction details section, as set out below, regardless of whether the Microsoft Excel Section 85 Election Calculator reference tool is used by the Eligible Holder.**

- a. Number of Share Election Shares:* Enter the number of Share Election Shares (being the number of Josemaria Shares for which the Eligible Holder made the Share Election).
- b. Total Adjusted cost base (“ACB”) of Share Election Shares:* Enter the total ACB of the Share Election Shares (being the number of Josemaria Shares for which the Eligible Holder made the Share Election) immediately before the exchange pursuant to the Arrangement. Eligible Holders should consult their own tax advisors with respect to the amount of the ACB of their Josemaria Shares. Neither Lundin Mining nor Josemaria will provide assistance in determining a specific Eligible Holder’s ACB or any other relevant amount to be entered in this section outside of the general information already provided through the Section 85 Election Assistant.
- c. Cash consideration received:* For the Share Election Shares exchanged (being the number of Josemaria Shares for which the Eligible Holder made the Share Election), enter the amount of cash received by the Eligible Holder including the Share Consideration Cash Payment received (C\$0.11 in cash for each whole Lundin Mining Share issued). Please refer to “**Appendix A: Example: Calculation of Consideration for Share Election Shares**” for an illustrative example. In any case where the aggregate amount of cash payable to a particular Josemaria Shareholder would include a fraction of a cent; the consideration payable is rounded up to the nearest whole cent.
- d. Number of Lundin Mining shares received:* For the Share Election Shares exchanged (being the number of Josemaria Shares for which the Eligible Holder made the Share

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

Election), enter the number of Lundin Mining Shares received by the Eligible Holder. The number of Lundin Mining Shares to be issued to Former Shareholders shall be rounded up to the nearest whole Lundin Mining Share, as applicable, in the event that a Former Shareholder is entitled to a fractional share of 0.5 or more of a Lundin Mining Share and shall be rounded down to the nearest whole Lundin Mining Share, as applicable, in the event that a Former Shareholder is entitled to a fractional share representing less than 0.5 of a Lundin Mining Share. Please refer to “**Appendix A: Example: Calculation of Consideration for Share Election Shares**” for an illustrative example.

- e. *FMV of Lundin Mining Shares received:* For the Share Election Shares exchanged (being the number of Josemaria Shares for which the Eligible Holder made the Share Election), enter the FMV of the Lundin Mining Shares received by the Eligible Holder. The FMV of the Lundin Mining Shares received by an Eligible Holder must be determined on a reasonable basis. There is no specific method prescribed by the CRA for determining the FMV of a share, nor is there any clear published guidance in this respect. Management of Lundin Mining recommends using a FMV of \$11.88 for each Lundin Mining Share received in exchange for the Josemaria Shares being the closing price of the Lundin Mining Shares on the TSX at the closing of the last day of trading before the Effective Date. Please refer to “**Appendix A: Example: Calculation of Consideration for Share Election Shares**” for an illustrative example.
- f. *Elected Amount:* Enter the Elected Amount as the Eligible Holder’s deemed proceeds of disposition of its Share Election Shares (being the number of Josemaria Shares for which the Eligible Holder made the Share Election). The Elected Amount would become the “proceeds of disposition” that the Eligible Holder is required to report in its Canadian income tax returns.

In general, subject to the detailed rules in section 85 of the Tax Act, an Eligible Holder who wishes to defer all of the capital gain realized on a disposition of its Share Election Shares would enter an Elected Amount equal to the Eligible Holder’s aggregate ACB of its Share Election Shares immediately before the exchange plus any reasonable costs of disposition. **However, the Elected Amount may not be:**

- less than the aggregate amount of the cash, if any, received by the Eligible Holder on the exchange of its Share Election Shares;
- less than the lesser of (i) the Eligible Holder’s ACB of the Share Election Shares immediately before the time of the exchange, and (ii) the FMV of the Share Election Shares at the time of the exchange; or

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

- greater than the fair market value of Share Election Shares at the time of the exchange.

Assuming the Eligible Holder held its Josemaria Shares as capital property, the Elected Amount less the ACB of the Share Election Shares, immediately before the exchange and any reasonable costs of disposition (if any) will be treated as a capital gain realized by the Eligible Holder. Eligible Holders are strongly encouraged to consult their own tax advisors regarding the determination of the Elected Amount in respect of their Josemaria Shares having regard to their particular circumstances.

7. Shareholder Identification

Enter the Eligible Holder's identification information. The identification information includes:

- a. *Full legal name*
- b. *Email address*
- c. *Daytime Telephone number*
- d. *Mailing address*
- e. *Postal code*
- f. *Tax Services Office:* Identify the particular tax services office ("**TSO**") of the Eligible Holder. There are numerous TSOs across Canada. A list of TSOs is available at: <https://www.canada.ca/en/revenue-agency/corporate/contact-information/office-locations.html>. If an Eligible Holder is unsure of their TSO, the Eligible Holder should consult with their own tax advisors or call the CRA at 1-800-959-8281 (individuals) or 1-800-959-5525 (corporations and trusts) to confirm the TSO applicable to that Eligible Holder.
- g. *Co-owner's information:* If the Eligible Holder owns the Josemaria Shares together with another person, the Eligible Holder must identify each co-owner and provide the same information as requested for the Eligible Holder. If there is more than one co-owner, you will be required to attach a listing of co-owners to the Section 85 Election form when filing the form with the CRA (and Revenue Quebec if applicable).

8. Review

The Eligible Holder should review the information provided and make any revisions as necessary. The Eligible Holder can use the "Back" button to review and revise information without losing the data filled out previously. Once the Eligible Holder is satisfied with the information, click "Submit". Once the Eligible Holder clicks the "Submit" box, no further changes to the Section 85 Election form can be made. If there are any mandatory fields remaining blank or incomplete, then the Section 85 Election Assistant would not be

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

submitted. The Eligible Holder may also print or pdf the responses they submitted before closing the page for their records.

The Section 85 Election Assistant does not save information that is partially complete, and the information cannot be retrieved by an Eligible Holder at a later time. Accordingly, Eligible Holders making the Section 85 Election cannot enter part of the information into the Section 85 Election Assistant, save a draft version thereof, and come back to it later.

9. Other Relevant Information

- a. Help Line:* A contact number for the Help is 1-833-414-3121. To speak with an agent, you will be required to provide your full legal name. The Help Line will be in operation from 9:00 AM to 5:00 PM (Eastern Time) Monday to Friday until July 27, 2022, other than statutory holidays. A voice mail box will be available to leave messages during busy times and when calling outside of the hours noted above.
- b. Completion of Form T2058 and/or any Applicable Provincial Section 85 Election Forms:* Eligible Holders completing Form T2058 and/or any applicable provincial forms (such as TP 518V or TP 529V for Quebec tax purposes) may refer to the instructions set out above, although the order of presentation of the information on the other forms may differ from that of Form T2057 and some of the required information may be different.

Step 2: Execution of the Section 85 Election Form(s) by Lundin Mining and Delivery of the Section 85 Election Form to Eligible Holders

After receiving the relevant information from the Eligible Holder through the Section 85 Election Assistant (i.e., after the Eligible Holder has completed Step 1), Lundin Mining will prepare a Section 85 Election form and any applicable provincial forms. Lundin Mining will, within ninety (90) days of the receipt of valid information through the Section 85 Election Assistant, execute the Section 85 Election form(s) and transmit a pdf copy as an attachment to an email to the Eligible Holder for filing with the CRA (and where applicable, the appropriate provincial tax authorities).

If the information received by Lundin Mining in respect of the Section 85 Election is not in compliance with the Tax Act (or any applicable provincial legislation) or the Josemaria Shareholder is not eligible to file the Section 85 Election, Lundin Mining will not be responsible for preparing the Section 85 Election. **Lundin Mining will notify those Josemaria Shareholders via the email address provided by the Josemaria Shareholder through the Section 85 Election Assistant.**

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

Step 3: Filing of the Section 85 Election Form(s) by the Eligible Holder with the CRA (and any Applicable Provincial Tax Authority)

Each Eligible Holder will be solely responsible for ensuring that the Tax Election is completed correctly and sent to the CRA and any applicable provincial tax authorities by the applicable deadline. Please refer to “**Appendix B: Illustrative Section 85 Election Form**” for an illustration of a completed Section 85 Election form.

Prior to filing the Section 85 Election form, each Eligible Holder must provide on page 1 of the Section 85 Election form a social insurance number, trust account number, business number, partnership account number, Quebec Identification Number (ending in IC0001 or SP0001) and/or Quebec Enterprise Number (NEQ), as applicable.

Each Eligible Holder must sign in the last box as indicated on page 2 of the Section 85 Election form. For partnerships, all partners (or a person authorized in writing by all partners to sign for them – in this case, attach a copy of the authorizing agreement) are required to sign on page 4 of the Form T2058. For residents of Quebec, each Eligible Holder must also sign the Quebec forms where indicated on the form.

Lundin Mining will assume that any representative that signs the Section 85 Election on behalf of a corporation, trust or estate has been duly authorized to do so and will not take any action to verify the validity of any such authorization. Eligible Holders that are corporations, trusts or estates, or partnerships should consult their own legal advisors in determining whether such authorization has been properly given.

The Eligible Holder will be solely responsible and liable for any loss, damages, expenses or Taxes resulting from the failure by the Eligible Holder to properly complete or file a Section 85 Election form in the form and manner and within the time prescribed by the Tax Act (and any applicable provincial tax legislation). Although Lundin Mining is assisting the Eligible Holder in completing the Section 85 Election form, the responsibility for correctly completing the Section 85 Election form and filing with the CRA (and any applicable provincial tax authority) rests solely with the Eligible Holder and the Eligible Holder should review the Section 85 Election form in its entirety to ensure the Eligible Holder agrees with all information on the Section 85 Election form.

For the CRA (and where applicable the provincial tax authorities) to accept a Section 85 Election without a late filing penalty being paid by an Eligible Holder, the Section 85 Election form must be filed with such tax authorities on or before the day that is the earliest of the days on or before which either Lundin Mining or the Eligible Holder is required to file an income tax return for the taxation year in which the disposition occurs. Lundin Mining’ taxation year is scheduled to end on **December 31, 2022**, but it may end earlier in certain circumstances. Lundin Mining’ income tax return would be required to be filed within six

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

months after the end of its taxation year. Eligible Holders are urged to consult their own tax advisors as soon as possible respecting the deadlines applicable to their own particular circumstances.

Where to file the Section 85 Election Form with the CRA (and any applicable provincial tax authorities)

The federal Section 85 Election should be filed with the Eligible Holder's Tax Centre. The Tax Centre mailing addresses can be found by visiting the CRA website at <https://www.canada.ca/en/revenue-agency/corporate/contact-information/office-locations.html>. For greater certainty, federal Tax Elections should be filed by an Eligible Holder with their Tax Centre and **NOT** with their Tax Services Office. If an Eligible Holder is unsure of their Tax Centre, the Eligible Holder should consult with their own tax advisors or call the CRA at 1-800-959-8281 (individuals) or 1-800-959-5525 (corporations and trusts) to confirm the Tax Centre applicable to that Eligible Holder.

The Québec equivalent of the Section 85 Election form, together with a copy of the federal Section 85 Election form, should be filed with Revenu Québec at the following address:

Revenu Québec
3800, rue de Marly
C. P. 25555, succursale Terminus
Québec (Québec) G1A 1B9

Electing Eligible Holders filing in Québec should note that corporations established in Québec are required to file the French version of the Québec Section 85 Election; however, the copy of the federal Section 85 Election form can be the English version.

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

Appendix A: Calculation of Consideration for Share Election Shares

Example: Calculation of Share Consideration and Cash Consideration			
Assumption: Eligible Holder elected to receive Share Consideration for 1,000 Josemaria Shares in its Letter of Transmittal			
	Cash per Josemaria Share	\$0.4674	<i>Pursuant to the Arrangement after pro-ration</i>
	Lundin Mining Share per Josemaria Share	0.1053	<i>Pursuant to the Arrangement after pro-ration</i>
	Cash per whole Lundin Mining Share	\$0.11	<i>Pursuant to the Arrangement after pro-ration</i>
<i>section 6(a)</i>	Number of Share Election Shares	1,000	<i>For illustrative purposes</i>
<i>Section 6(c)</i>	Cash consideration received	\$467.40	<i>= 1,000 Josemaria shares x \$0.4674 rounded up to the nearest whole cent</i>
<i>section 6(d)</i>	Number of Lundin Mining Shares received		
	Number of Lundin Mining Shares pre-rounding up or rounding down	105.2633	<i>= 1,000 x 0.1053 (rounded to four decimals)</i>
	Number of Lundin Mining Shares post-rounding up or rounding down	105.0000	<i>Rounded up to the nearest whole share</i>
<i>Section 6(c)</i>	Share Consideration Cash Payment received	\$11.55	<i>= 105.0000 x \$0.11</i>
<i>section 6(e)</i>	FMV of Lundin Mining Shares received	\$1,247.40	<i>= 105.0000 x \$11.88 (closing price of the Lundin Mining Shares on the TSX one day prior to the Effective Date)</i>
<i>section 6(c), 6(e)</i>	FMV of Josemaria Shares = FMV of Consideration Received under the Share Election	\$1,726.35	<i>= \$1,247.40 (FMV of Lundin Mining Shares) + \$467.40 (Cash consideration) + \$11.55 (Share Consideration Cash Payment)</i>

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

Appendix B: An illustration of a completed form T2057

The following is provided for illustrative purposes only. The following section illustrates, by way of an example, the information that would appear on the pdf copy of the federal Form T2057 (emailed by Lundin Mining to an Eligible Holder) based on the information entered by the Eligible Holder. This illustration assumes that the Eligible Holder:

- Is an individual resident in Canada
- Held Josemaria Shares as capital property
- Received Share Consideration pursuant to the Arrangement

Page 1 of Form T2057

Taxpayer's name (transferor) Paul Smith		Social insurance, trust account or business number	
Address ABC		Postal code 1A2 3B4	
Tax year of the taxpayer		Tax services office	
Start	Year Month Day 2 0 2 2 0 1 0 1	End	Year Month Day 2 0 2 2 1 2 3 1
		To be determined	

This section will provide the information relating to the Eligible Holder making the election: If the Josemaria Shares are held in co-ownership, the co-owner(s) box will have co-owner(s) information; otherwise, the box should remain blank.

Name of co-owner(s), if any (if more than one, attach schedule giving similar details)		Social insurance number	
Address		Postal code	Tax services office

Lundin Mining will complete the next section as follows:

Corporation's name (transferee) Lundin Mining Corporation		Business number XXXXXXXXXRC0001	
Address 150 King Street West, Suite 2200		Postal code M5H 1J9	
Tax year of the corporation		Tax services office	
Start	Year Month Day 2 0 2 2 0 1 0 1	End	Year Month Day 2 0 2 2 1 2 3 1
		Toront Centre TSO	

The section below will include the name and telephone number of the Eligible Holder as the contact person. Please note that neither Lundin Mining nor Josemaria Resources will act as the contact person for any Eligible Holder.

Name of the contact person Paul Smith		Telephone number XXX-XXX-XXXX	
---	--	---	--

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

The last section of page 1 of Form T2057 (*Penalty for late-filed and amended elections*) relates to late filed elections and applies to Eligible Holders whose elections will be filed late.

Page 2 of Form T2057 – Information required

Lundin Mining will complete the answers to the first five questions as follows:

- | | | |
|--|---|--|
| 1. Is there a written agreement relating to this transfer? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 2. Does a price adjustment clause apply to any of the properties? (See the Income Tax Folio S4 F3 C1 for details) | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 3. Do any persons other than the taxpayer own or control directly or indirectly any shares of any class of the transferee? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 4. Does a non-arm's length rollover exist between 2 or more corporations? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| a) Have all or substantially all (90% or more) of all the properties of the corporation(s) been transferred to the transferee corporation? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

The answer to question 5 will be based on the particular circumstances that apply to an Eligible Holder:

- | | | |
|--|------------------------------|-----------------------------|
| 5. Is the taxpayer a non-resident of Canada? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
|--|------------------------------|-----------------------------|

In general, a response to question 6 is "yes", unless the Eligible Holder held the Josemaria Shares in the course of carrying on a business of buying and selling securities or the Eligible Holder has acquired or holds such shares in a transaction or transaction considered to be an adventure or concern in the nature of trade. Question 6(a) will be answered "no" since Josemaria Resources was incorporated after V-day (December 31, 1971). Question 6(b) will be based on the particular circumstances that apply to an Eligible Holder. Question 6(c) will be answered "no".

- | | | |
|---|---|--|
| 6. Are any of the properties transferred capital properties? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| If Yes to question 6: | | |
| a) have they been owned continuously since Valuation Day (V-Day)? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| b) have they been acquired after V Day in a transaction considered not to be at arm's length? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| c) since V-Day, has the partnership or any person from whom shares were acquired in a non-arm's length transaction received any subsection 83(1) dividends for transferred shares (if yes , attach a schedule and provide details of amounts and dates received) | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

Questions 7 will be answered “no” and 7(a) is not applicable since Josemaria Resources was incorporated after V-day at December 31, 1971.

7. Is the agreed amount of any of the transferred properties based on an estimate of fair market value on V-Day? Yes No
- a) If yes, does a formal documented V-Day value report exist? Yes No

Question 8 will be answered “No”.

8. Has an election under subsection 26(7) of the Income Tax Application Rules (form T2076) been filed by or on behalf of the transferor? Yes No

The next section is not applicable and therefore Lundin Mining will complete the next section as follows:

Where shares of the capital stock of a private corporation are included in the property disposed of, provide the following:	
Corporation's Name N/A	
Business Number N/A	Paid-up capital of shares transferred N/A

This section will indicate the number of Lundin Mining Shares received by the Eligible Holder in exchange for their Josemaria Shares. Lundin Mining will complete the sections as follows.

Number of shares transferor received	Class of Shares	Redemption value per share	Paid-up capital under the ITA	Voting or Non-Voting	Are Shares Retractable?
[●]	common shares	N/A	Per subsection 85(2.1)	Voting	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

Page 3 of Form T2057

Lundin Mining will complete this section as follows:

Date of sale or transfer of all properties listed below:	Year	Month	Day
	2022	04	28

TAX INSTRUCTION LETTER

For Eligible Holders of Josemaria Shares

Lundin Mining will complete the information in this section according to the information provided by the Eligible Holder through the Section 85 Election Assistant and in a manner that is consistent with the more detailed instructions set out above.

Property Disposed of			Elected Amount Limits	B	Amount to be reported B-A if greater than zero	Consideration Received		
Description		Fair Market Value				A	Agreed amount (cannot be less than zero)	Amount to be reported B-A if greater than zero
Note	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(Brief Legal)							
Capital Property Excluding Depreciable Property	[●] Common shares of Josemaria Resources disposed of under the Share Election	\$(●)	\$(●)	\$(●)	\$(●)	Cash	[●] common shares of Lundin Mining	\$(●)

- 1) Lundin Mining will complete based on the Eligible Holder's responses in the Section 85 Election Assistant, see 6(a) of *Transaction Details*, as described above.
- 2) Lundin Mining will complete based on the Eligible Holder's responses in the Section 85 Election Assistant, see 6(c) and 6(e) of *Transaction Details*, as described above.
- 3) Lundin Mining will complete based on the Eligible Holder's responses in the Section 85 Election Assistant, see 6(b) of *Transaction Details*, as described above.
- 4) Lundin Mining will complete based on the Eligible Holder's responses in the Section 85 Election Assistant, see 6(f) of *Transaction Details* described above.
- 5) Lundin Mining will complete based on the Eligible Holder's inputs in 3) and 4) above.
- 6) Lundin Mining will complete based on the Eligible Holder's responses in the Section 85 Election Assistant, see 6(c) of *Transaction Details* described above.
- 7) Lundin Mining will complete based on the Eligible Holder's responses in the Section 85 Election Assistant, see 6(d) of *Transaction Details* described above.
- 8) Lundin Mining will complete based on the Eligible Holder's responses in the Section 85 Election Assistant, see 6(c) and 6(e) of *Transaction Details* described above.