

lundin mining

2020
SUSTAINABILITY
REPORT



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

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OUR COMMITMENT TO THE UN GLOBAL COMPACT

Lundin Mining Corporation joined the United Nations Global Compact in 2016, supports the Ten Principles on human rights, labour standards, environment and anti-corruption, and promotes the UNGC's 17 Sustainable Development Goals. The results of our 2020 activities are presented in our annual Communication on Progress, located in the Appendix section of this report.

Note: Some photographs in this report were taken before COVID-19 restrictions.

MESSAGE FROM THE PRESIDENT AND CEO

On a global scale, we collectively experienced many challenges throughout 2020. The COVID-19 pandemic has proven to be a complex situation that has continuously evolved and, in some way, affected each one of us. We adapted to the challenges and adopted new ways to accomplish our goals while doing our best to keep both our employees and host communities safe. As an industry, many of us pulled together our resources, shared learnings and provided assistance to those in need. I'm proud of our collective response and the team at Lundin Mining for their resilience and dedication throughout. With that, I present our 2020 Sustainability Report.



Acting on our *Values* of Safety, Integrity, Respect and Excellence, we at Lundin Mining worked throughout 2020 to deliver strong performance while continually focusing on the health, safety and wellbeing of our employees and host communities. Our corporate and site crisis management teams worked proactively, following our Pandemic Response Plan and the guidance of local health authorities and the World Health Organization, to monitor the evolving pandemic and put appropriate and protective measures in place. We also worked closely with our communities to identify needs and provide support.

In September, the death of a long-time colleague at our Neves-Corvo mine in Portugal was a loss that was felt by the entire organization. We held safety stand-downs at all of our operations globally to reflect on the loss of our colleague from this tragic accident and remind ourselves how we can keep each other safe. Additional safeguards have been implemented across the Company based on the findings from the investigation.

Though we have faced challenges, we also celebrated many successes, achieved new records and delivered strong performance. Our *Mission* at Lundin Mining is to **responsibly mine base metals vital to society, creating meaningful value for our stakeholders**, and I have no doubt that we will continue to be resilient, demonstrating strong business and sustainability performance across our operations.

In 2020, we continued our commitment to the United Nations Global Compact (UNGC) initiative, documenting our support of the Ten Principles on human rights, labour standards, environment and anti-corruption, and the 17 Sustainable Development Goals (SDGs), through an annual Communication on Progress (COP). I was proud to pledge our Company's support for the UNGC's "*Statement From Business Leaders For Renewed Global Cooperation*" seeking to highlight a sense of urgency for inclusive multilateralism, to demonstrate commitment from the global business community, and to call on governments to do their part.

We have demonstrated sustainable improvements in our safety, environmental, social and operating performance, and our overarching goal is to continue to strengthen our approach to sustainability. We will continue to implement key initiatives that support our sustainability performance. In 2020, we initiated planning for the next stage of our sustainability journey, a cross-functional and collaborative process, including the creation of a multi-disciplinary sustainability working group, an executive steering committee and a formal governance structure. Through this process, we will define, integrate and embed sustainability pillars, key themes, performance indicators and long-term targets.

In late-2020, Lundin Mining formally adopted the Global Industry Standard on Tailings Management (GISTM). The ultimate goal of GISTM is zero harm to people and the environment while aiming to prevent catastrophic failure of tailings facilities by providing operators with specified measures and approaches to safe tailings facility management, considering multiple stakeholder perspectives. Supported by our Responsible Mining Management System, our aim is to implement the Standard over the next 3 to 5 years, the action plans being prioritized as defined by GISTM classifications.

Embracing diversity and inclusion is representative of our core *Values*, particularly Respect. In 2020, we adopted our Diversity and Inclusion policy, amended in February 2021 to include a Company target for achieving and maintaining a Board composition in which women comprise at least 30% of all directors, and to sustain at least 30% of executive officer positions held by women, as relevant positions become vacant and appropriately skilled candidates are available. We carried out global diversity and inclusion training and created the Diversity, Inclusion, Anti Racism and Discrimination (DIARD) Committee, a multi-disciplinary volunteer working group established to further our diversity and inclusion agenda.

The protection and promotion of Human Rights is inherent in our core *Values* of Respect and Integrity, supported by our Code of Conduct, Ethical Values and Anti-Corruption Policy, Responsible Mining Policy and Diversity and Inclusion Policy. At Lundin Mining, we support the Universal Declaration of Human Rights and in 2020, we released our new Human Rights Standard. The standard was designed to complement and enhance our pre-existing commitment to Human Rights and will also serve as a guide in our efforts to continuously improve our understanding of how to identify, prevent, mitigate and report human rights risks and associated issues.

In recognition of the increasing importance of responsible sourcing and product stewardship, Lundin Mining has established a cross functional working group to develop a corporate strategy and design a strategic roadmap over the next two years. In 2021, a gap analysis will compare the strategy to international standards to ensure integration with corporate management systems, building on the integration of our Human Rights Standard and harnessing the broader sustainability strategy.

During 2020, we celebrated many production successes, with annual production of all metals meeting or exceeding the Company's annual production guidance, achieved despite a number of operational challenges, ranging from the suspension of the Zinc Expansion Project activities at Neves-Corvo from March due to COVID-19 concerns, the interruption of processing activities at Chapada mine due to damage caused to our mill motors during a power outage in late September and work stoppages during strike action at Candelaria in October. Candelaria and Chapada both returned to full production capacity in the fourth quarter of 2020, and ZEP activities resumed in January 2021. The integration of Chapada mine in Brazil progressed extremely well and we are happy to present the first full year's data collected since acquisition in this current report, while Eagle and Zinkgruvan continue to set new annual production records. I am happy we were able to continue to operate under new restrictions and were able to maintain

our workforce, enabling remote working arrangements and modified schedules to minimize layoffs and other economic impacts on our communities.

Safety is one of our core *Values* and our goal is Zero Harm. Lundin Mining achieved its best ever Total Recordable Injury Frequency (TRIF) rate in 2020 with a rate of 0.55 against a target of 0.60 per 200,000 person hours worked. While this achievement was overshadowed by the fatality at Neves-Corvo, the overall safety result was realized during a challenging year commanding significant changes to how we worked to ensure our workforce and local communities were protected from the spread of COVID-19.

Effective environmental management is integral to the success of our operations. We recognize the value of water as a shared resource and are committed to responsible water stewardship, to minimize any detrimental impact on water resources, other water users and receiving environments. In 2020, we revised our approach to public reporting on water to align with the updated GRI 303: *Water and Effluents 2018 Standard*, supplementing our data with additional disclosures around water quality and areas designated as water-stressed. We continued our comprehensive monitoring of environmental parameters to confirm the effectiveness of our protection measures and progressed technical studies where additional information was required to inform and enhance our environmental management practices. At Lundin Mining, environmental incidents are classified on a significance scale, and we are pleased to report that there were no Level 3 or above incidents in 2020 at any of our operations.

Lundin Mining acknowledges our role in the call for action to reduce GHG emissions, to commit to low-carbon alternatives, and to develop climate resilience. We annually disclose our governance, strategy, risk management, and metrics in the CDP climate change report, aligned with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations. We have steadily improved our disclosure scoring annually and received a B rating in 2020, which we consider to be a great

achievement. Our operations have continued to focus on addressing Scope 1 and Scope 2 GHG emissions by assessing initiatives to improve energy efficiency and energy conservation and to identify lower-carbon energy sources. Efforts to expand evaluation of Scope 3 emissions have also been successful.

Commitment to our core *Values* guides all aspects of our business, including community relations and social performance. The team has been working to assess our practices related to Human Rights and identify opportunities to enhance our commitment to the Universal Declaration of Human Rights. In 2020, sites adapted their community investment plans to respond to the COVID-19 pandemic, identifying the immediate needs of community members impacted by the public health crisis. As we prepare for what may be a sustained period of change, we will continue to support relief efforts while taking the measures necessary to ensure the health and wellbeing of our employees, contractors and communities.

Lundin Mining has been reporting on our sustainability performance in a comprehensive, standalone document since 2011. As we continue to work together to navigate the challenges presented by COVID-19, I am proud to introduce this report as President, CEO and Director. I am encouraged and impressed when I look across the business and see the level of commitment to our *Mission* and *Values* driving us forward toward achieving our sustainability goals for 2021. Our 2020 Sustainability Report provides a comprehensive disclosure of our past performance, commitments and strategy for the future.

Marie Inkster
President and CEO

ABOUT THIS REPORT

Lundin Mining Corporation has published an annual sustainability report since 2010, providing updates on the safety, environmental, social and economic issues that are of greatest interest to communities near our operations, our employees, our investors and other stakeholders. Detailed information regarding our nature of ownership, legal form and financial and operational results for the reporting period can be found in our *Annual Information Form (AIF)*, *2020 Annual Management's Discussion and Analysis*, *Financial Statements* and the *Management Information Circular* available on the Company's website and are accessible under the Company's profile on the *System for Electronic Document Analysis and Retrieval (SEDAR)*.

Certain information contained or incorporated by reference in this Sustainability Report, including any information as to our sustainability strategy and vision, projects, plans, or future financial or operating performance, constitutes "forward-looking statements". All such forward-looking statements made in this Sustainability Report are qualified by the Cautionary Statement found in the Appendix section of this report.

* Unless otherwise stated, all references to "\$" are United States dollars. "Lundin Mining" or "Company" refer to Lundin Mining Corporation and / or its subsidiaries. This report contains non-GAAP ("generally accepted accounting principles") measures. These performance measures have no meaning within GAAP under International Financial Reporting Standards as issued by the International Accounting Standards Board and, therefore amounts presented may not be comparable to similar data presented by other mining companies.

SUSTAINABILITY REPORTING FRAMEWORK AND CYCLE

 REPORTING PERIOD January 1, 2020 – December 31, 2020	 DATE OF LAST REPORT December 31, 2019
 GRI CONTENT INDEX Specifies each of the GRI Standards used and lists all disclosures included in the report, broadly mapped against the SASB reporting framework – Mining & Metals Standard (2018).	 REPORTING FRAMEWORK Global Reporting Initiative (GRI) Standards (plus the Mining & Metals Sector Supplement).
 IN ACCORDANCE OPTION This report has been prepared in accordance with the GRI Standards: Core option. Additional disclosures beyond the criteria for Core are reported to provide a more detailed and comprehensive report.	 MATERIAL TOPICS Subjects are prioritized for inclusion in the report based on significance to Lundin Mining's stakeholders and the mining and minerals sector in general, as approved by the HSEC Committee of the Board.
 INDEPENDENT ASSURANCE Apex Companies, LLC (Apex) provided independent assurance of Lundin Mining's 2020 Sustainability Report for selected indicators in accordance with the updated AccountAbility's AA1000AS v3. The moderate assurance level under AA1000AS 2008 is approximately equivalent to the limited assurance level under other standards, such as ISAE 3000 (Revised) Assurance Engagements, 2008: Type 2 to a moderate level of assurance. Apex's Letter of Assurance can be found in the Appendix section of this report and on our website.	 REVIEW This report has been reviewed and approved by Lundin Mining's Health, Safety, Environment and Community (HSEC) Committee of the Board and Lundin Mining senior management, including the CEO; COO; CFO; SVP Legal and General Counsel; SVP Human Resources; SVP Commercial; VP Environment and Social Performance; VP Health, Safety and Risk; and VP Technical Services.

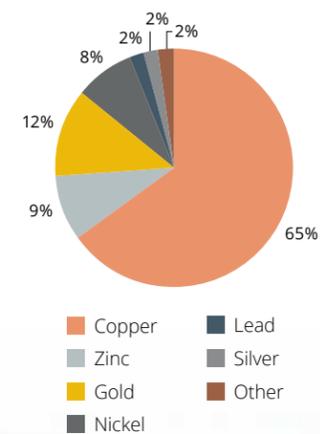
REPORT SCOPE

- Significant change to scope and material topic boundaries, compared to 2019 Sustainability Report:
 - > Inclusion of a full 12 months of data for the Chapada Mine, Brazil, acquired by Lundin Mining in July 2019.
- Key focus on operating mines, majority-owned and managed by Lundin Mining through its subsidiaries:
 - > Candelaria Complex, Chile (80% interest)
 - > Chapada Mine, Brazil
 - > Eagle Mine, USA
 - > Neves-Corvo Mine, Portugal
 - > Zinkgruvan Mine, Sweden
- Inclusion of selected health and safety, employment, energy and greenhouse gas data, for additional areas of our business:
 - > Corporate headquarters in Toronto, Canada
 - > Exploration projects in the vicinity of our operating mines
 - > Amauta exploration site in Peru (ceased February 2020)
- Exclusion of Freeport Cobalt business, Kokkola, Finland, operated by Freeport-McMoRan Inc. (Lundin Mining 24% non-operating equity interest)

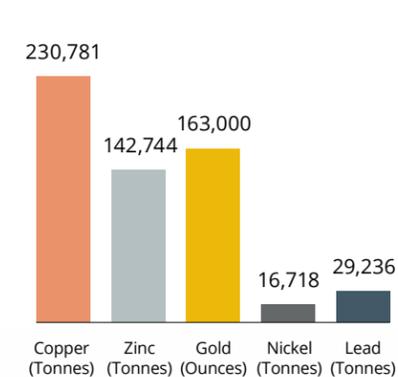
ABOUT LUNDIN MINING

Lundin Mining Corporation is a diversified Canadian base metals mining company with headquarters in Toronto, Canada and operations in Brazil, Chile, Portugal, Sweden and the United States of America. Greenfield exploration activities were conducted in Amauta Peru and ceased in February 2020. The Company's principal products and sources of sales are copper, zinc and nickel concentrates, with the copper concentrates from Candelaria and Chapada containing significant gold content.

Revenue Breakdown, by Metal 2020

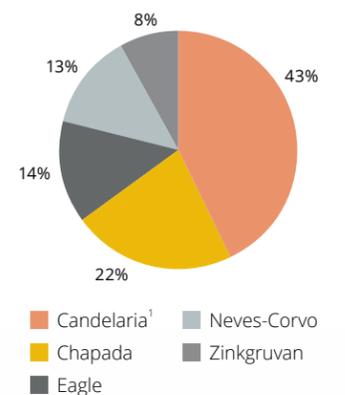


Metal¹ Production, by Contained Metal 2020



¹Candelaria's copper production has been reported on a 100% basis.

Revenue Breakdown, by Mine 2020



¹Candelaria's copper revenue has been reported on a 100% basis.



ABOUT LUNDIN MINING

OUR APPROACH TO RESPONSIBLE MINING AND SUSTAINABILITY

At Lundin Mining, our *Mission and Values* form the foundation of our sustainability approach. Our reputation as a good corporate citizen is central to our *Mission and Values* and vital to the long-term economic success and sustainability of our business.

OUR MISSION

We responsibly mine base metals vital to society, creating meaningful value for our stakeholders.

OUR VALUES



SAFETY

We hold health and safety as our top priority in everything we do.



RESPECT

We embrace diversity, inclusion, open dialogue and collaboration.



INTEGRITY

We do what is right and honour our commitments.



EXCELLENCE

We set high standards and challenge ourselves to deliver superior performance.

We seek to create and foster enduring relationships and meaningful shared value with our local communities and our stakeholders through our *Values* of Safety, Respect, Integrity and Excellence.

We are committed to operating in compliance with applicable laws and regulations in all jurisdictions where we operate, and we seek to continuously improve our sustainability performance. We strive to align our policies and procedures with international best practice and guidance for economic, safety, social and environmental performance and to meet our business objectives and targets.

Our *Responsible Mining Policy* (RMP) describes our specific management commitments to responsible mining. These commitments are further developed and supported by internal Company initiatives including:

- Our Responsible Mining Management System (RMMS) standard specifies our Company-wide requirements for the management of health, safety, environment and community (HSEC) aspects of our business and is aligned with the ISO 14001:2015 Environmental Management System standard and the OHSAS 18001 Occupational Health and Safety Management standard. The RMMS will be amended in 2021 to align to both ISO 45001:2018 Occupational Health and Safety Management Systems standard and the Mining Association of Canada's (MAC) Toward Sustainable Mining (TSM) standard; and
- Our HSEC technical standards form the basis for continual improvement and enhanced HSEC performance and compliance. They support the RMMS and establish the foundation for the continued development of the Company's Sustainability Strategy.

Lundin Mining's Board of Directors established an HSEC Committee to provide oversight of health, safety, environmental and community matters. Consisting of three standing members, the HSEC Committee meets at least quarterly. Informed by quarterly meetings and reports from key departments, the committee is responsible for reviewing the effectiveness of Company HSEC governance and has routinely evaluated our progress towards the 2019 RMMS audit program. In 2020, sites developed action plans to address findings and recommendations of the first third-party audit. Our verification cycle is bi-annual and performance will be assessed in 2021.

In 2016, Lundin Mining joined the United Nations Global Compact (UNGC), promoted as the world's largest corporate sustainability initiative to address the priority economic, social, environmental and governance challenges. Through this initiative, we joined the global business community in a commitment to sustainable business practices, aligning our strategies with the UNGC's Ten Principles on human rights, labour, the environment and anti-corruption, the UNGC Sustainable Development Goals (SDGs) and related 2030 SDG targets. Our CEO reinforced this commitment in 2020, signing

"*A Statement From Business Leaders For Renewed Global Cooperation*" that seeks to highlight a sense of urgency for inclusive multilateralism, to demonstrate commitment from the global business community, and to call on governments to do their part.

Our *Mission and Values* and Responsible Mining Policy align with the UNGC Principles and SDGs, and we have undertaken programs at site and Corporate levels to advance positive change in these priority areas. The results have been reported annually in our UNGC Communication on Progress (COP), the most recent of which can be found in the Appendix section of this report. We have also included a selection of case studies that further demonstrate our overall commitment to promote progress within the SDGs.

Company-wide focused SDG mapping and a materiality assessment will be conducted in 2021 to identify and prioritize the sustainability issues that matter most to Lundin Mining and its stakeholders, and these findings will be utilized on the journey to develop our broader Sustainability Strategy.

Lundin Mining has been building towards the development of its Sustainability Strategy incrementally since 2018. In 2020, while continuing to implement key initiatives that support our sustainability performance (described below), we initiated planning for the next stage of our sustainability journey, which we envision as a cross-functional and collaborative design process, including the creation of a multi-disciplinary sustainability working group, an executive steering committee and a formal governance structure. Through this process, we will define, integrate and embed sustainability pillars, key themes, performance indicators and long-term targets for Lundin Mining, and we will disclose our progress on the strategy in future reports.

Key initiatives in 2020:

- Human Rights Standard;
- Human Rights Risk and Impact Assessments;
- Diversity, Inclusion, Anti Racism and Discrimination Committee;
- Program to develop corporate strategy for responsible sourcing and product stewardship; and
- Commitment to the implementation of the Global Industry Standard on Tailings Management.

Progress on our 2020 initiatives is discussed in more detail throughout this report.



ABOUT LUNDIN MINING

OUR COVID-19 PANDEMIC RESPONSE PANDEMIC PLAN IMPLEMENTATION AND MONITORING

Through the implementation of Lundin Mining's Pandemic Response Plan, we were able to deliver a timely and effective response to protect the health and well-being of our workforce and contractors during the emergence and outbreak of the pandemic. The Company began actively monitoring the outbreak in mid-January 2020 and implemented formal controls and safeguards across the business in early-February.

All operations and offices implemented travel restrictions, as well as surveillance, monitoring and response plans, to reduce the risk of COVID-19 transmission. Response activities included:

- workforce awareness training;
- health screening of employees and contractors;
- use of additional personal protective equipment and masks;
- installation of barriers in select work places;
- testing and contact tracing;
- implementation of isolation and quarantine requirements in line with health authority requirements;
- prohibition of site visitors;
- increased sanitation regimens;
- shift modifications to support physical distancing;
- changes to personnel transportation protocols;
- modified work procedures;
- changes to lunch and meal breaks; and
- implementation of remote work for select administrative and technical staff.

More than 600 employees and contractors worked remotely from home during much of 2020. In addition, accommodations were made to allow at-risk members of the workforce to remain at home. Photos in this report reflect adherence to COVID-19 regulations in place at the time, with some representing the period prior to the pandemic.

While there were some minimal COVID-19-related disruptions to operations during the year, by having a well-established crisis management process and a Pandemic Response Plan, we were able to protect our workforce and successfully mount a flexible and adaptable response to the pandemic without sustaining a material impact to the Company's operations. More information on our COVID-19 readiness and response can be found on our [website](#).

COVID-19 PANDEMIC COMMUNITY RESPONSE

The COVID-19 pandemic has impacted communities around the world in different ways. Lundin Mining responded to the impacts of the pandemic to address the immediate and longer-term needs of our local communities. Our Corporate office made donations in the Greater Toronto Area to support charities helping vulnerable populations recover from the pandemic's impacts, including food banks, shelters, and mental health and addiction organizations. Campaigns also extended to support youth education programs and women's organizations. Our operations adapted their community-investment plans and diverted resources to support a variety of urgent initiatives, with a focus on four main areas: health, local businesses, humanitarian aid and education.

 HEALTH	<ul style="list-style-type: none"> • Medical supplies (e.g., equipment, masks, enhanced laboratory capacity, mobile health units and personal protective equipment) • Infrastructure and services (e.g., mental health support)
 HUMANITARIAN AID	<ul style="list-style-type: none"> • Monetary donations (e.g., donating to charities supporting vulnerable populations) • In-kind donations (e.g., food baskets)
 LOCAL BUSINESSES	<ul style="list-style-type: none"> • Entrepreneurship training (e.g., virtual courses on marketing) • Monetary and in-kind donations (e.g., gift cards as local economic stimulus)
 EDUCATION	<ul style="list-style-type: none"> • Training (e.g., youth entrepreneurship programs) • School supplies and infrastructure (e.g., laptops, school kits, playground)

While our COVID-19 response has helped with short-term recovery, we anticipate supporting longer-term resilience beginning in 2021 and will revisit our community-investment approaches to reflect this objective. Lundin Mining's COVID-19 support to communities totalled \$3.1 million in 2020, including corporate contributions. Additional pandemic response support was provided to our communities by our metal streaming partners Franco Nevada, Wheaton Precious Metals, Altius and Sandstorm.

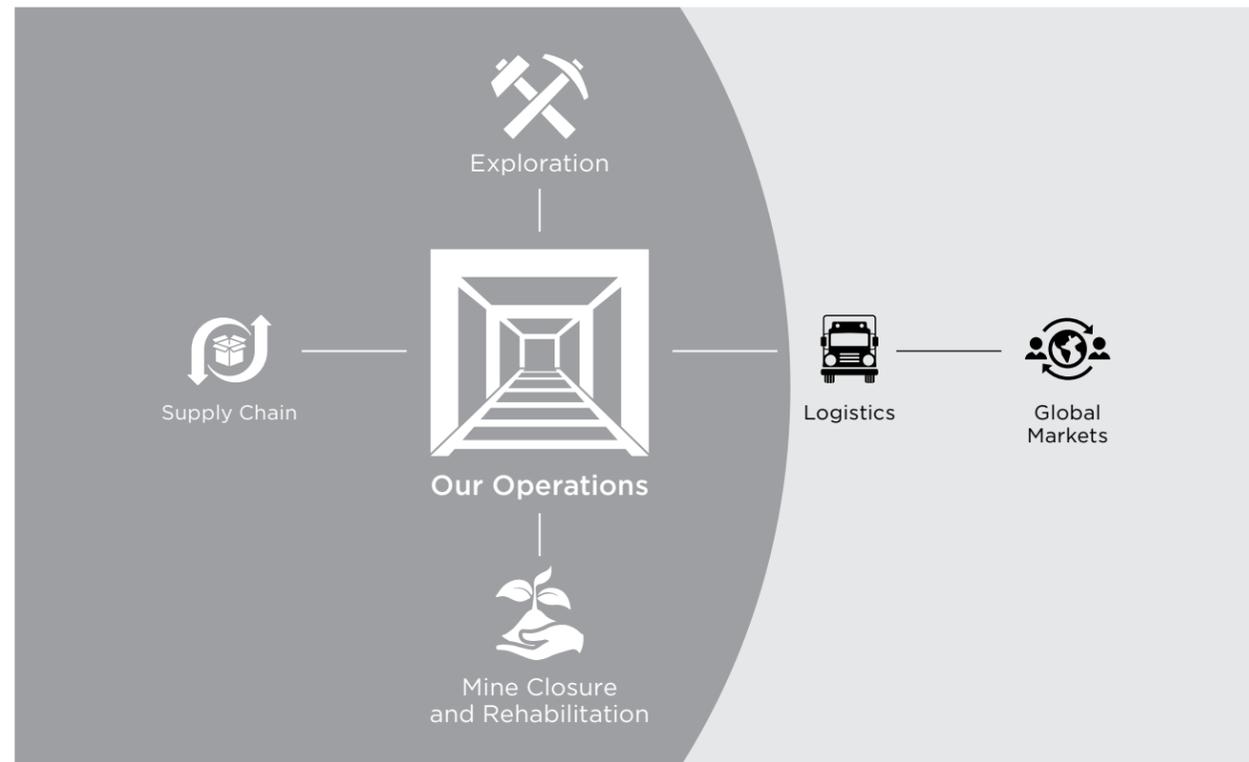
Highlights of responses to the COVID-19 pandemic in 2020 are provided in the table below.

Location	COVID-19 responses
Amauta	<ul style="list-style-type: none"> • Provided personal protective equipment to local health facilities, national police and the local municipality.
Candelaria	<ul style="list-style-type: none"> • In-kind donations of critical health equipment (\$2.1 million) that benefited the entire region by significantly enhancing the hospital's capacity to treat ICU patients affected by COVID-19, enhanced hospital COVID-19 testing capacity, as well as three community mobile health units to help facilitate home visits and the transfer of medical supplies to people in high-risk groups. • Mental Health Program including training and IT support with 120 remote consultations conducted to date.
Chapada	<ul style="list-style-type: none"> • Pledged approximately \$0.5 million to support public health and education infrastructure during the pandemic: <ul style="list-style-type: none"> > A mechanical respirator, digital x-ray machine and cardiac monitor have been purchased for the community with additional donations to be made in 2021. > Long Lasting Benefits agreements were made with municipalities including donations of services, equipment and goods, which will support health and education infrastructure.
Corporate	<ul style="list-style-type: none"> • Through our Matching Donations Program, personal employee donations and company matched contributions, the corporate office aided local charities and COVID-19 relief organizations in Toronto and surrounding neighbourhoods struggling with health, economic and social challenges, supporting food banks, mental health, women's shelters, homeless support and educational initiatives.
Eagle	<ul style="list-style-type: none"> • Eagle Emerging Entrepreneurs Fund allocated \$60,000 in partnership with the Lundin Foundation to fund loans for Marquette-based businesses to support economic recovery. • #StartUpSafe video campaign to raise awareness of COVID-19 safety measures, aired on local television showing actions taken by local schools. • Supported local economy and acknowledged employees by providing all employees with gift cards for local businesses.
Neves- Corvo	<ul style="list-style-type: none"> • Contributed to the development of an online e-platform to support local economic recovery. • Supported the Health Unit of Beja in the development of a robot utilizing UVC technology to disinfect hospitals and health centres. • Developed Project Julia, an initiative to provide IT supplies for local students, in addition to donations of school kits and masks to five neighbouring municipalities (Castro Verde, Almodóvar, Aljustrel, Ourique and Mértola). • Expanded the ongoing IT program for nursing homes to facilitate virtual visits. • Provided in-kind donations of laptops, computers and supported playground construction in five municipalities and villages in Castro Verde.
Zinkgruvan	<ul style="list-style-type: none"> • RE:THINK Entrepreneurship Program focused on supporting the recovery growth of small businesses in the Askersund region to recover from the economic impacts of the COVID-19 pandemic. • Supported local economy and acknowledged employees by providing all employees with gift cards for local businesses.

COVID-19 PANDEMIC SUPPLY CHAIN RESPONSE

Lundin Mining established a dedicated task force in February 2020 to evaluate supply chain risks associated with the pandemic and to establish direct contact with high-risk suppliers to develop contingency plans, mitigating any major impacts and ensuring the security of supply throughout the pandemic.

OUR VALUE CHAIN



GOVERNANCE	HEALTH AND SAFETY	ECONOMIC PERFORMANCE	OUR PEOPLE	SOCIAL PERFORMANCE	ENVIRONMENTAL
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OUR OPERATIONS CANDELARIA

The Candelaria Mining Complex comprises two adjacent copper mining companies, Candelaria and Ojos del Salado, in the community of Tierra Amarilla in the Atacama Region of Chile, as well as a port facility and desalination plant owned and operated by Lundin Mining at Punta Padrones, located in the town of Caldera. Candelaria operates an open pit and an underground mine providing copper / gold ore to an onsite processing plant. Ojos del Salado comprises two underground mines: Santos and Alcaparrosa. The Santos mine provides copper / gold ore to the nearby Pedro Aguirre Cerda processing plant, and the remainder of ore extracted from these two mines is processed at the Candelaria plant.

CHAPADA

In July 2019, Lundin Mining acquired the Chapada mine, which comprises three open pits providing copper / gold ore to an onsite processing plant, located in the northern Goiás State of Brazil. The port at Vitoria in Brazil is operated under contract by third parties, with oversight by Lundin Mining.

EAGLE MINE

Eagle Mine is an underground nickel and copper mine that was extended underground to the Eagle East deposit, from which the first ore was produced in 2019. Ore from the mine is transported by truck approximately 105 km to a processing plant at the Humboldt processing facility.

NEVES-CORVO

Neves-Corvo is located southeast of Lisbon, Portugal, in the western part of the Iberian Pyrite Belt and consists

of an underground mine and two onsite processing facilities for copper and zinc / lead. Development of the Zinc Expansion Project (ZEP), which at completion will double the zinc production, was restarted in early-2021 following a nine-month period of suspension due to COVID-19 in 2020. At Setúbal port in Portugal, Lundin Mining owns and operates the rail car unloading area, associated warehouses and laboratory, the conveyor belt and the ship loader.

ZINKGRUVAN

The Zinkgruvan mine consists of an underground operation that mines zinc, lead, silver and copper ores that are delivered to onsite processing facilities. The port at Otterbäck, Sweden is operated under contract by third parties, with oversight by Lundin Mining.

OUR OPERATIONS



Candelaria, Atacama, Chile

COPPER / GOLD / SILVER

Interest: 80%
Number of Employees: 1,484
Mine Type: Open pit and Underground
Current Mine Life: 24 years to 2044 (open pit and stockpiles)
Annual tonnage: 27.0 mtpa Candelaria, 1.3 mtpa PAC
Expansion project: Potential underground mine production expansion

Chapada, Goiás, Brazil

COPPER / GOLD

Interest: 100%
Number of Employees: 798
Mine Type: Open Pit
Current Mine Life: 32 years to 2052 (open pit and stockpiles)
Annual tonnage: 24.0 mtpa
Expansion project: Expansion scenarios under study

Eagle, Michigan, USA

NICKEL / COPPER

Interest: 100%
Number of Employees: 196
Mine Type: Underground
Current Mine Life: 5 years to 2025
Annual tonnage: 0.7 mtpa
Expansion project: N/A

Neves-Corvo, Alentejo, Portugal

COPPER / ZINC / LEAD / SILVER

Interest: 100%
Number of Employees: 1,263
Mine Type: Underground
Current Mine Life: over 10 years
Annual tonnage: 2.6 mtpa copper, 1.1 mtpa zinc
Expansion project: Zinc Expansion Project (ZEP)

Zinkgruvan, Örebro County, Sweden

ZINC / LEAD / COPPER / SILVER

Interest: 100%
Number of Employees: 450
Mine Type: Underground
Current Mine Life: over 10 years
Annual tonnage: 1.4 mtpa
Expansion project: Dalby orebody production

Exploration Activities

- Candelaria, Chile (Copper, Gold)
- Neves-Corvo, Portugal (Copper, Zinc)
- Zinkgruvan, Sweden (Zinc, Copper)
- Amauta, Peru (Copper)
- Chapada, Brazil (Copper)
- Number of Employees: 16

OUR VALUE CHAIN



Exploration at Zinkgruvan, Sweden*



Sampling at Zinkgruvan, Sweden

OUR EXPLORATION GROUP

The strategy of the exploration group is to support production growth, economic viability and sustainability of Lundin Mining by further developing and expanding Mineral Resource and Mineral Reserve potential at existing operations to extend mine life, and to seek new business and discovery potential from advanced-stage exploration projects. Our total exploration expense for 2020 was \$26 million, a decrease of approximately \$35 million from 2019 levels. Most of the exploration activity for 2020 was directed towards near-mine targets, which continued to be successful at Chapada, Candelaria and Zinkgruvan. The field exploration program at our Peru site was halted in February 2020.

OUR SUPPLY CHAIN OUR APPROACH

Lundin Mining relies on national and international networks of suppliers for the provision of products and services required to support business activities at our mines. We partner with the business to manage the supply of goods, services and information required to promote safe and responsible mining. Aligned with the RMMS, we focus on increased service levels to customers, optimizing working capital, and delivering on value-add initiatives to achieve success, while partnering with internal and external stakeholders to ensure Lundin Mining's ethical standards are upheld in its pursuit of operational excellence. Guided by our [Code of Conduct, Ethical Values and Anti-Corruption Policy](#), we expect all suppliers to hold the same standards. Due diligence measures are monitored through our vendor Onboarding and Certification program.

* Photograph taken before COVID-19 restrictions.

OUR PERFORMANCE

Lundin Mining implemented a global framework to deliver a strategic roadmap of process improvements and governance at all operations. Standards were implemented to govern best practices and ensure fair bidding processes, evaluations and awarding of contracts under competitive environments. We also established a Collaborative Sourcing Strategy focused on synergies and volume-level benefits across our operations to establish ongoing global framework agreements with strategic suppliers beneficial to multiple operations. Supplier numbers vary across our operations but reflect a strong focus on prioritizing local and national suppliers; most are in the countries in which we operate. There were no significant changes to our organization or supply chain in 2020.

Largest categories of suppliers across our operations in 2020

Cement	Explosives
Chemicals	Fuel
Construction	Maintenance
Electrical Energy	Mechanical
Engineering	Mining Contractors
Equipment and Parts	Transportation
Exploration Drilling	

Our corporate group has expanded to include a data management specialist to enhance and structure governance of our material data and improve the material requirements of our stakeholders. The business system improvements will establish solutions and embed an integrated e-commerce platform to adapt our current practices from tactical to strategic. Over three years, we will implement business system improvements within the procurement and inventory management functions by identifying and implementing system enablers that will streamline processes and increase deliverable efficiencies in our supply chain. In 2021, we will roll out our supplier business conduct expectations and enhanced due diligence reviews.

OUR CUSTOMERS AND MARKETS OUR APPROACH

Our stakeholders are interested in understanding how our concentrate products are handled and transported, the measures that we take to reduce any potential risks associated with these materials, and contingency plans in the event of an incident causing spillage. Additionally, consumers are expressing increased interest in responsibly sourced and managed goods. Lundin Mining's materials and product stewardship initiatives focus on being a preferred, responsible supplier through providing sustainably developed, quality products; technical and marketing support; and dependable, on-time delivery.

Our mineral concentrate products are transported in bulk by covered trucks or rail cars directly to local smelter facilities for further processing; or to outbound ports for shipping, where additional concentrate management control procedures include covered storage, truck washes and sweeper trucks to reduce the potential for offsite emission of dust. Concentrates are mainly sold under multi-year sales contracts to a variety of smelter customers in Europe, Asia and the Americas. The end-users of our products are global.

We routinely evaluate potential health and safety impacts associated with the production of concentrates and have developed comprehensive Safety Data Sheets (SDSs) in accordance with local, international and European Union regulations. Shipments are accompanied by appropriate and current documentation. For each shipment, SDSs with information on the health, safety and environmental hazards of our concentrates are provided to Lundin Mining's personnel, the shippers and handlers of our products, and our customers. We continually evaluate potential risks associated with the production and transportation of our concentrates and take steps to address and manage identified risks. Lundin Mining maintains a sharp focus on ensuring our contractors are appropriately equipped and trained, and that they follow robust procedures that allow them to deliver our concentrates safely.

Note: Some photographs in this report were taken before COVID-19 restrictions.



OUR VALUE CHAIN



Eagle Mine receives Lake Superior Community Partnership Distinguished Service Award

OUR PERFORMANCE

In 2020, we ensured updates were performed as needed to the current SDS documentation, and training continued at our operations to build knowledge and capacity for future SDS updates and to ensure accuracy. These activities were undertaken to stay current and compliant with constantly changing international regulatory requirements and as required by the Company's RMMS.

Transportable Moisture Limit certifications were renewed for material transported in bulk originating from Candelaria and Zinkgruvan in 2020. The testing for the Flow Moisture Point continued for all products transported in bulk in accordance with guidelines, providing continued confidence for safe transport.

In 2020, these operations were recognized for their performance in safety and sustainability in transportation by their peers:

- Eagle Mine received the Canadian Pacific (CP) Safe Handling award in 2020 for 2019, recognizing achievements in safe materials transport.

- Neves-Corvo mine was awarded the Sustainable Transport Certificate by Medway for their contribution to reducing CO₂ emissions using rail transportation.
- Our port facility in Chile, Punta Padrones, is preparing for certification that will recognize their process to calculate, monitor and control port terminal GHG emissions. Huella Program, a carbon-footprint initiative, is voluntary and supported by the Chilean Ministry of Environment.

In 2020, the Company formed a cross-functional working group to establish a corporate strategy for responsible sourcing and product stewardship aligned with corporate management systems and business strategy. In 2021, a gap analysis will compare the strategy to international standards to ensure integration with our RMMS at all sites.



Mill Control Room at Chapada, Brazil

OUR DATA PRIVACY AND CYBERSECURITY

Lundin Mining recognizes the increasing importance of data privacy and cybersecurity and in 2019 established a corporate cybersecurity function to safeguard against the increasing enterprise risk posed by cybersecurity threats and to ensure compliance with data protection regulations in the countries where we operate.

We have adopted a proactive approach to mitigate cybersecurity risks and to ensure the resilience of our operations with a business continuity plan and a disaster recovery plan for each of our operations. Our systems are subject to external and internal audits and are fully integrated into our Risk Management Framework.

Our Cybersecurity Strategic Plan, launched in 2020, provides a strategic roadmap to deploy process improvements and governance, at all operations, that are aligned with

best practices and global frameworks in addressing prevention, detection, response and recovery functions for our data security management, all of which enhance the Company's cybersecurity program.

Our multi-layered cybersecurity defense strategy has initiated and implemented projects to increase detection of and response to security risks; including additional security controls, user awareness programs, and improved monitoring; with a focus on the protection of the Company's operational technology networks. There were no major instances of data loss or other significant data compromise during 2020.

In 2020, we developed global IT and cyber security policies. We will continue to advance our Company-wide cybersecurity program throughout 2021 with the development of protocols and an executive cybersecurity dashboard.

DEFINING OUR REPORT CONTENT

Our 2020 Sustainability Report focuses on topics that are most material – of greatest interest – to our business and stakeholders. In our most recent materiality assessment (2017), we undertook an extensive internal and external stakeholder consultation process, aligned with the GRI Standards framework and EU regulations. This process identified material sustainability topics in terms of the potential economic, environmental and societal impacts of Lundin Mining’s activities, based on their importance to stakeholders, as well as for the minerals sector in general. We report on these material topics in significant detail. This report also contains information on topics that were not formally assessed to be material, to present a more comprehensive view of our operations and activities. Our material topics have not changed since the last reporting period. A planned update to our materiality assessment in 2020 was delayed due to the COVID-19 pandemic; this will now be conducted in 2021 with the full integration of our Chapada operation.

As we continue to advance our efforts to integrate the Sustainable Development Goals (SDGs) into our business strategy, day-to-day operations and organizational culture, we have prioritized the SDGs that are most relevant to our material topics and will commence mapping community investments to align more closely with the SDGs in 2021.

OUR MATERIAL TOPICS AND KEY FOCUS SDGS

HEALTH AND SAFETY



- Health and Safety**
- Workplace health and safety management and performance
 - Emergency and crisis preparedness



ECONOMIC PERFORMANCE



- Economic Performance**
- Economic value creation
 - Financial performance



- Local Economic Impact**
- Local procurement
 - Local employment



OUR PEOPLE



- Labour Relations**
- Freedom of association and labour relations
 - Child labour, forced labour
 - Employee engagement



SOCIAL PERFORMANCE



- Stakeholder Engagement**
- Community relations
 - Grievance mechanisms and feedback



- Indigenous Relations**
- Engagement
 - Free prior and informed consent
 - Use of traditional knowledge
 - Collaboration agreements



- Community Development**
- Community investment
 - Capacity building



ENVIRONMENT



- Tailings and Waste Rock Management**
- Tailings management
 - Waste rock management
 - Emergency and crisis preparedness



- Water Stewardship**
- Integrated watershed management and sharing of water
 - Water availability
 - Water withdrawal and recycling
 - Water quality (including discharges and unplanned releases)



- Climate Change**
- GHG emissions
 - GHG reductions
 - Adaptation



- Reclamation and Closure**
- Mine closure plans (including environmental and social elements)
 - Long-term water stewardship
 - Long-term land stewardship
 - Social framework for closure
 - Financial provisions



INDEPENDENT ASSURANCE OF OUR REPORT CONTENT

As a commitment to transparent sustainability reporting, certain material disclosures have been independently assured since 2014. Each year, our assurance process includes a representative site visit and an extensive data audit at one of our mines, as well as a detailed audit of selected GRI data from all our operations used in the development of this report. Due to the COVID-19 outbreak, the assurance visit planned for our Eagle Mine in the USA in March 2021 was conducted remotely based on site interviews, data review and virtual meetings with corporate staff.

The 2020 independent assurance process was conducted for the following performance indicators for all Lundin Mining operations, according to GRI Standards.

Performance indicators

- **Safety** – Total Recordable Injury Frequency rate (TRIF) and Lost Time Injury Frequency rate (LTIF);
- **Water** – Total amount of water withdrawn from all sources and total amount of water discharged;
- **Energy** – Total energy consumption within Lundin Mining’s operations, including electricity and liquid and gaseous fuel consumption;
- **Greenhouse Gas (GHG) Emissions** – Scope 1 and Scope 2 (location-based and market-based) emissions;
- **Stakeholder Engagement** – As it relates to the AA1000AS 2008 principles of inclusivity, materiality, responsiveness and impact; and
- **Grievance Mechanism** – Grievances filed during the year, including number, description, actions taken and outcome.

Independent Assurance Statement 2020 can be found in the Appendix section of this report.

2020 PERFORMANCE HIGHLIGHTS



THROUGH OUR CORPORATE AND SITE CRISIS MANAGEMENT TEAMS, we worked proactively, following our Pandemic Response Plan and the guidance of local health authorities and the World Health Organization, to monitor the evolving pandemic and put measures in place to ensure the safety of our employees, contractors, communities and the Company.



SUPPORT PROGRAMS AND POSITIVE FEEDBACK FROM COMMUNITIES ACROSS SITES DUE TO COVID-19 RESPONSE.



Formal adoption of the Global Industry Standard on Tailings Management.



Evaluated and selected a standard methodology for monitoring community perception at our sites.



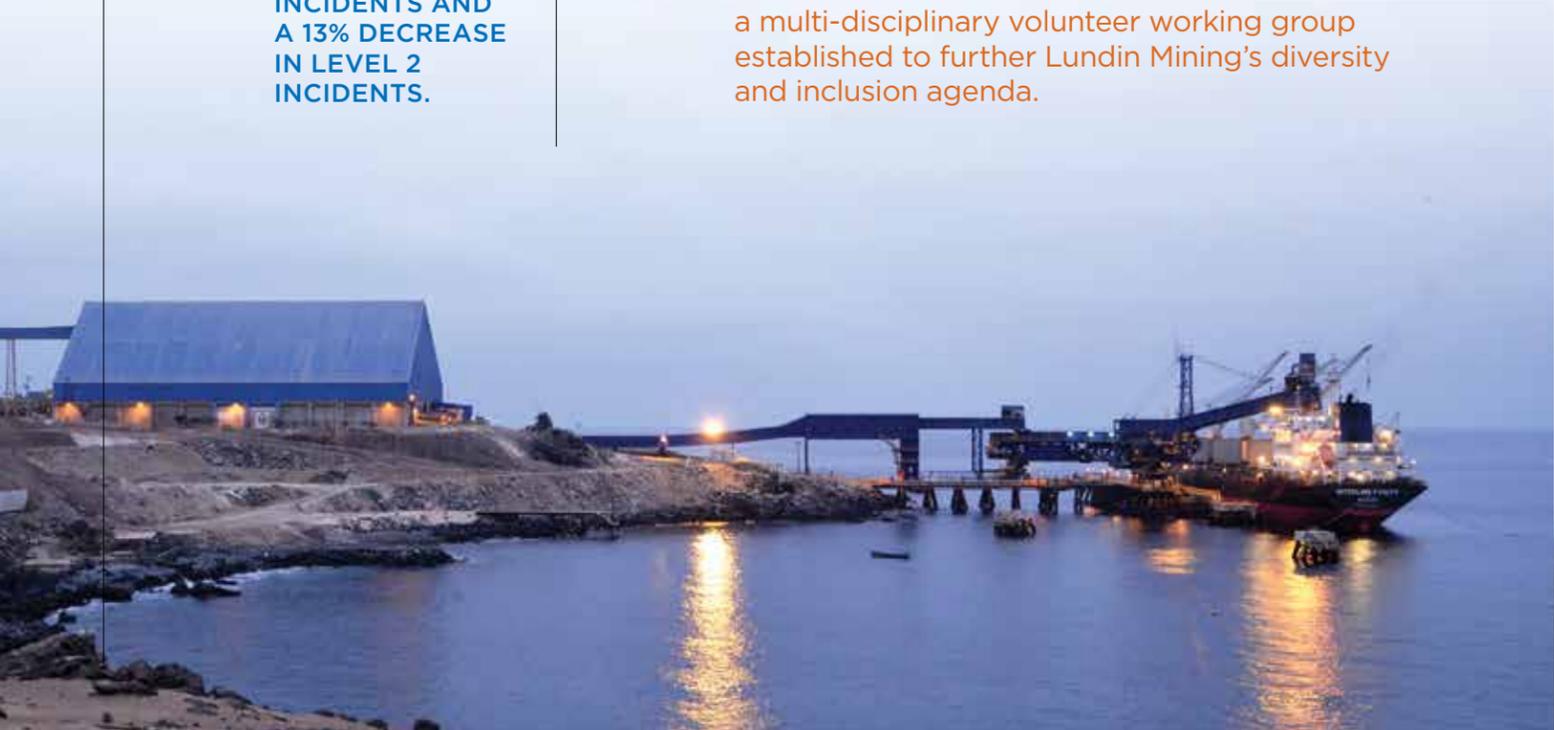
OUR HUMAN RIGHTS STANDARD WAS APPROVED IN 2020.



NO LEVEL 3 OR ABOVE ENVIRONMENTAL INCIDENTS AND A 13% DECREASE IN LEVEL 2 INCIDENTS.



We carried out global diversity and inclusion training and created the Diversity, Inclusion, Anti Racism and Discrimination Committee, a multi-disciplinary volunteer working group established to further Lundin Mining's diversity and inclusion agenda.



2021 SUSTAINABILITY GOALS

Our annual sustainability goals are aligned with our Responsible Mining Policy and support development and implementation of the corporate Sustainability Strategy.

GOVERNANCE	HEALTH AND SAFETY	ECONOMIC PERFORMANCE	OUR PEOPLE
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Continue Board renewal and maintain Board and executive officer positions comprising at least 30% women.

Develop an executive cybersecurity dashboard.

Develop gap assessment and site-level action plans to support the implementation of GISTM.

Zero fatalities.

Achieve a Total Recordable Injury Frequency (TRIF) rate of 0.55 or better.

Continue to manage the impacts of the COVID-19 pandemic through effective prevention and control measures.

Monitor and optimize shareholder returns while continuing to maintain balance sheet strength to act on compelling growth opportunities.

Continue to manage efficient, effective, operating expenditures ensuring more productive operations and achievement of financial returns.

Execute Neves-Corvo's ZEP Project as planned while continuing to optimize sustaining capital expenditures.

Continuous improvement of talent programs globally through the implementation of Success Factors.

Review diversity and inclusion action plans.

Increase female representation with a focus on site and Corporate leadership positions.

ENVIRONMENT	SOCIAL PERFORMANCE	OUR VALUE CHAIN
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Zero Level 3 or above environmental incidents.

Integrate climate-related risks and opportunities into our Company-wide Risk Management Framework.

Develop corporate water report internally, providing a holistic view of Company water stewardship.

Assess dust suppression technology, including thorough quantitative assessment and trial studies.

Develop a five-year corporate social performance strategy as part of the corporate Sustainability Strategy.

Implement the Social License to Operate Index at all sites to enhance our understanding of the level of trust and acceptance towards our operations.

Roll out the Human Rights Standard and train all Company leaders and key operational staff.

Development of Responsible Sourcing and Product Stewardship program.

Roll out supplier business conduct expectations and enhanced due diligence reviews.



OUR PERFORMANCE AGAINST 2020 GOALS

Our annual sustainability goals are aligned with our Responsible Mining Policy and help us achieve continuous performance improvement in priority areas. In establishing our goals, we consider the results of internal risk assessments, stakeholder feedback monitoring, and continuous improvement of existing processes and procedures.

2020 GOAL	RESULT	HIGHLIGHTS
GOVERNANCE		
Achieve approval of Human Rights Policy.	●	A Human Rights Standard was approved in 2020 and supplements the Company's pre-existing public commitment to support human rights as provided in our Code of Conduct.
Roll out the updated risk likelihood and impact definitions across the business as part of the quarterly risk review and analysis process.	●	This was completed as part of a refresh and roll-out the updated Risk Statement and Risk Management Framework in October 2020.
Continue to improve the quality of the risk management process and increase the focus on the effectiveness of risk mitigation measures.	●	This is part of a continual improvement process and included an increase to the quantity and quality of risk follow-up with site-based risk champions, operational managing directors, and functional risk owners.
HEALTH AND SAFETY		
Zero fatalities.	●	A fall of ground incident occurred underground at the Neves-Corvo mine in Portugal on September 25, 2020, resulting in an employee fatality.
Achieve a Total Recordable Injury Frequency (TRIF) rate of 0.60 or better.	●	Lundin Mining achieved a Company best-ever TRIF of 0.55.
ECONOMIC PERFORMANCE		
Continue to maintain balance sheet strength and flexibility to act on compelling growth opportunities.	●	Our strong balance sheet allowed us to repay a significant portion of our debt and invest \$431 million in capital expenditures at our operations. We generated operating cash flow of \$566 million and maintained financial flexibility to pursue further growth opportunities.
Manage efficient, effective operating expenditures ensuring more productive operations and achievement of financial returns.	●	Aided by higher by-product metal prices in the second half of the year, all operations met cash costs guidance. While the Company experienced production setbacks in the fourth quarter of 2020 at its Candelaria and Chapada operations, we responded decisively with clear action plans to overcome these challenges.
Execute Neves-Corvo's ZEP as planned while optimizing sustaining capital expenditures.	●	All operations met guidance for sustaining capital expenditures and Candelaria Mill Optimisation Project (CMOP) was completed during the year. Due to COVID-19-related delays, the execution of ZEP has been extended.

2020 GOAL	RESULT	HIGHLIGHTS
OUR PEOPLE		
Roll out a global awareness training program on diversity and inclusion.	●	Our first learning initiative on diversity and inclusion ("Fundamentals" and "Unconscious Bias") was launched in October 2020. The initiative was continued at our operations in early-2021.
Implement engagement survey action plans.	●	Engagement survey action plans were implemented.
Incorporate the competency model into assessment and development.	●	The competency model was fine-tuned in 2020 for its launch in early-2021, initially through individual development planning and subsequent expansion to other talent management processes.
Implement job architecture for corporate and applicable site positions.	●	Job architecture was implemented for Corporate, affecting compensation as well as succession planning purposes.
ENVIRONMENT		
Evaluate climate change risk to operations and communities and develop initiatives or action plan to address.	●	Lundin Mining provided training on climate vulnerability at all operations to assess climate adaptation and mitigation planning that will be used to assess risks and opportunities related to climate change adaptation and mitigation.
No Level 3 or above environmental incidents.	●	There were no Level 3 or above incidents in 2020.
Finalize a corporate Sustainability Strategy to supplement and align with long-term environmental strategy.	●	Development of the Sustainability Strategy was advanced. We established a program to define, integrate and embed sustainability pillars, key themes and performance indicators, and long-term targets for Lundin Mining.
SOCIAL PERFORMANCE		
Advance implementation of the site-level 5-year social performance plans and develop a 5-year strategic social performance plan for Chapada.	●	Chapada developed and adopted its plan in 2020. All sites advanced implementation of their plans in 2020, adapting their actions to respond to COVID-19 priorities, including diverting and focusing community investments and modifying engagement approaches to ensure the health and safety of employees and communities.
Implement our Human Rights Policy and act to address the opportunities for improvement from site-level HRRRIA findings.	●	Lundin Mining launched its Human Rights Standard in 2020. Eagle, Zinkgruvan and Neves-Corvo developed and began implementing human rights action plans to address the findings identified in their respective HRRRIAs.
Develop a corporate approach and methodology for the routine monitoring of community perception at each site.	●	Chapada continued consistent monitoring of community perceptions using the Social License to Operate Index (SLO Index) methodology. We selected this methodology to routinely monitor community perceptions, social acceptance and trust with our local communities at all sites.

● Achieved ● Partially Achieved ● Not Achieved



GOVERNANCE



le.
power the people.
And have good results.”

OUR APPROACH

Aligned with our *Mission and Values*, Lundin Mining is committed to maintaining high standards of accountability, corporate governance, ethics and honesty in all aspects of our business by enacting robust corporate governance processes and ensuring our employees understand, and consistently meet, the standards formalized in the Company's systems and policies. We foster an inclusive and diverse workplace that does not tolerate harassment or discrimination based on gender, age, race, national origin, marital status, sexual orientation, religious beliefs, disability or any other personal characteristics protected by applicable law. This commitment to all our employees contributes to making our Company a more successful business and an employer of choice.

Corporate Headquarters, Toronto, Canada celebrates International Women's Day (March 8, 2020)

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GOVERNANCE



OUR GOVERNANCE

The Board of Directors (the Board) is primarily responsible for the oversight of management, as well as Lundin Mining's strategy and business affairs. The Board ensures that appropriate governance mechanisms are in place to monitor the Company's development, and that relevant information and reporting are provided, including progress and continuous improvement efforts concerning its safety, environmental, social and economic performance. The Board has nine members (67% male and 33% female), eight of whom are independent, non-executive directors. The average age of the Board is 58 and the average tenure is eight years.

BUSINESS ETHICS

The Company, its subsidiaries and their respective directors, officers, employees, consultants and contractors are expected to conduct business activities ethically and transparently by following our [Code of Conduct](#), [Ethical Values and Anti-Corruption Policy \(the Code\)](#) and applicable laws. The Code, available in all our operational languages, articulates definitions and expectations related to ethical business conduct. Measures are in place to support key employee reviews of the Code annually and during on-hire induction.

The [Disclosure and Confidentiality Policy](#), revised and updated in 2020, establishes procedures that regulate the disclosure of information about Lundin Mining to the public and ensures that when information has not been publicly disclosed it remains confidential. Employees have certain responsibilities under the provincial securities laws of Canada and applicable securities laws and regulatory policies in Sweden regarding inside information and the trading of the Company's securities. Employees have an obligation to the Company with respect to material non-public information, and the [Blackout Period Policy](#) explains the obligations that employees have under the law and to the Company.

WHISTLEBLOWER POLICY

The Board, through the Audit Committee and the Corporate Governance and Nominating Committee (CGNC), has enacted a [Whistleblower Policy](#) to establish a protocol for the receipt, retention and treatment by the Company and its subsidiaries of concerns reported from its directors, officers, employees, consultants and contractors regarding any known or suspected accounting, financial or auditing irregularities or any other known or suspected violations of the Company's Code of Conduct. Individuals governed by the Whistleblower Policy are required to report such improper conduct on a confidential and, if preferred, anonymous basis that includes submitting a report via the Company's independently hosted online and telephone reporting service or by sending a letter to the applicable committee Chair. The Company has a strict non-retaliation policy to ensure that those who report in good faith are protected from reprisal.

OUR PERFORMANCE

DIVERSITY AND INCLUSION POLICY

Lundin Mining believes that its workforce should reflect the diversity of the countries and communities in which it operates. The Company believes that diversity promotes the inclusion of different perspectives and ideas, encourages independent thinking, and ensures that the Company benefits from all available talent. It also values the benefits that diversity can bring to the Board, members of senior management, and employees of the Company and its subsidiaries. The Company adopted and updated [Diversity and Inclusion Policy](#) in March 2020, which was amended in February 2021 to further those beliefs. The amended policy reflects the Company's ongoing commitment to promote diversity at the highest levels of Lundin Mining and set the "tone at the top," to demonstrate the Company's commitment to diversity at all levels within the organization, and to foster an inclusive culture based on merit, free of conscious or unconscious bias.

In June 2020, the Company formally established a Diversity, Inclusion, Anti Racism and Discrimination Committee (DIARD) at the Corporate office to further the Company's diversity and inclusion agenda that aims to create and foster a workplace that reflects and contributes to the diverse, global communities in which we do business, and to provide recommendations addressing institutional and systemic inequalities and biases that may exist. In collaboration with the Human Resources department, the DIARD Committee is tasked with promoting resources and forums that enable important and, at times, uncomfortable conversations and recommending concrete actions in support of its mandate, all within the framework of the Company's core corporate *Values* of Safety, Respect, Integrity and Excellence.

ANTI-CORRUPTION AND ANTI-BRIBERY

In 2020, there were no known incidents of corruption. In alignment with UNGC Principle Ten: Anti-Corruption, Lundin Mining has a zero-tolerance policy for bribery and corruption by directors, officers, employees, consultants and contractors of the Company, with even the appearance of impropriety deemed unacceptable. We conduct internal audits of all our business units and have robust internal financial controls and processes in place for monitoring and oversight concerning financial aspects of operations. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes.

RISK ASSESSMENT AND MANAGEMENT

Lundin Mining believes that an enterprise-wide approach to risk management allows the Company to successfully assess and mitigate risks. The Company maintains a framework that ensures effective and efficient identification, management and mitigation of risk in a manner that creates the greatest value and integrates consideration of risk into key decision-making processes. This system framework, based on the ISO 31000:2018 Risk Management standard, supports conformance to UNGC Principal Seven: Environment and includes the development, implementation and monitoring of key controls. It provides for periodic risk reporting and assurance to the executive team and relevant committees of the Board.



Governance at Lundin Mining*

In this respect, the Company has implemented a Risk Management Statement, Risk Management Framework, Responsible Mining Policy, and Responsible Mining Management System standard, establishing our approach and processes for risk governance, risk identification, risk management and responsible mining. The approach and related processes consider a broad spectrum of stakeholders and potential internal and external risk exposures and are used to identify and leverage potential up-side, risk-related opportunities. At the site and corporate levels, we conduct risk assessments to evaluate operational, health and safety, environmental, social, business, finance, and reputational risks and opportunities, among others. Quarterly reviews are conducted by functional risk owners, site-based risk champions, and senior leaders at the enterprise, functional and site levels.

* Photograph taken before COVID-19 restrictions.



GOVERNANCE



Training at Candelaria, Chile

Based on these reviews, a quarterly corporate risk report and listing of material enterprise risks are prepared under the guidance of the Vice President, Health, Safety and Risk, for review by an Executive Risk Committee (ERC) comprising members of the senior leadership team. A formal quarterly risk report is prepared on behalf of the ERC for submission and review by the HSEC and Audit Committee with follow-on reporting and discussion with the Board. The Board and its committees are responsible for overseeing enterprise-level effectiveness of the Company's risk management program, and for knowing and understanding the details of the principal risks of the business. As part of its oversight responsibility, the Board ensures that the Company maintains a proper balance between risks incurred and potential return to shareholders, ensures that risk management programs are in place and effective, including internal control frameworks and insurance and loss prevention efforts, and ensures implementation of policies and standards for monitoring and managing risks. A detailed enterprise risk review is also performed annually as part of the Board's approval of the Company's [Annual Information Form](#).

EXTERNAL COMMITMENTS

Lundin Mining's RMP and RMMS are aligned with the Government of Canada's Enhanced Corporate Social Responsibility Strategy and other voluntary national and international initiatives to which we commit, including the following:

- Organization for Economic Cooperation and Development Guidelines for Multi-National Enterprises;
- United Nations Guiding Principles on Business and Human Rights;
- United Nations Global Compact;
- Voluntary Principles on Security and Human Rights;
- International Finance Corporation Performance Standards on Social and Environmental Sustainability;
- Global Reporting Initiative;
- Prospectors and Developers Association of Canada e3 Plus;
- Global International Standard for Tailings Management;
- CDP Forests Program; and
- CDP Climate Change, which is aligned with the voluntary Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

MEMBERSHIPS AND ASSOCIATIONS

Involvement with memberships and industry associations enables Lundin Mining to stay current regarding matters of public policy, emerging sector and sustainability trends, regulatory updates, stakeholder interests, and the sharing of industry best practices. In 2020, Lundin Mining was a member of, or participant in, associations listed at <https://www.lundinmining.com/responsible-mining/lundin-memberships-and-associations/>

HUMAN RIGHTS OUR APPROACH

Respect for human rights is core to Lundin Mining. Our approach to human rights is supported by the conviction that our activities can and should have a positive impact on the lives, livelihoods and rights of individuals and communities. We acknowledge that our operations could potentially cause, contribute to, or be directly linked to negative human rights impacts. We seek to prevent and mitigate adverse impacts and to contribute to the promotion of broader societal respect for, and protection of, human rights.

Lundin Mining is committed to, and always strives to align our actions with, the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact, and the Organization for Economic Cooperation and Development Guidelines for Multi-National Enterprises. Our [Human Rights Standard](#) establishes principles and actions for how we identify, prevent, mitigate, track and report on human rights risks and issues associated with our projects and operations. We have integrated the Voluntary Principles on Security and Human Rights into our security-related policies and procedures.

OUR PERFORMANCE

Our [Human Rights Standard](#) was approved by our CEO in 2020 and includes our commitment and approach to human rights. The standard applies to all sites and will be rolled out across the Company as an important component of our RMMS in 2021. In 2019, we completed Human Rights Risk and Impact Assessments (HRRIs) at Eagle, Zinkgruvan, Neves-Corvo and our Amauta exploration property in Peru. The assessments, conducted by a team of independent experts, were broad in scope, covering areas that included impacted communities, environmental impacts, security arrangements, worker arrangements, procurement and supply chain management, and business relationships (e.g., business partners and host governments). Although reviewed sites met local requirements regarding human rights, several opportunities for improvements were identified when comparing local performance and stakeholder perception with international standards for systems and effective implementation.

In 2020, Eagle, Zinkgruvan and Neves-Corvo developed and began implementing human rights action plans to address the opportunities for improvement identified in their respective HRRIs.

 **37%**
Actions achieved in 2020

Chapada's assessment began in 2020 but was suspended due to the COVID-19 pandemic; it is expected to be finalized in 2021. Candelaria's assessment commenced in 2021 and is expected to be finalized in 2022. Actions relate to improved communications, altered procedures and HSEC-related

improvements. Sites have exhibited full commitment to implementing these action plans and completed over one-third of actions by the end of 2020.

Our HRRIs incorporate the frameworks of the United Nations Guiding Principles, Voluntary Principles on Security and Human Rights, United Nations Global Compact and our codes and standards reflecting international best practice. Findings included positive contributions to the enjoyment of human rights and related SDGs in the areas of engagement with local communities (right to information, consultation and participation), positive impacts on local employment (right to an adequate standard of living), and confirmation of health and safety as priorities for employees and contractors (right to safe and healthy working conditions), among others. Examples of salient issues included grievance mechanisms, non-discrimination, equal opportunities and fair treatment.

Any form of discrimination in the workplace is deemed unacceptable by Lundin Mining. Human rights-related grievances were filed in 2020 through the Company's grievance mechanism or whistleblower reporting hotline. In each case, management investigated the matter and, where the claim was verified, appropriate management actions were taken.

In 2020, Candelaria engaged in extensive dialogue with the Chilean National Contact Point (NCP) regarding a 2019 complaint filed on behalf of a group of people living in the local area who alleged a breach of the OECD Guidelines on human rights and associated environmental damage. Factors cited largely relate to dust, blasting and impacts or potential impacts associated with waste rock piles. The Company operates in accordance with all permits and legal requirements and therefore disputes the allegations. Candelaria



Chapada, Brazil celebrates 1 year with Lundin Mining

values constructive dialogue, has actively engaged with the Chilean NCP to provide information and has advised that it will complement its existing public consultations in connection with the EIA 2040 with an enhanced, comprehensive, community and stakeholder engagement process with a specific focus on the affected community.

OUR NEXT STEPS

- Train Company leaders and key operational staff on the Human Rights Standard in 2021.
- Aim to complete 80% of identified HRRIA actions by the end of 2021.
- Aim to complete HRRIs at Chapada in 2021 and at Candelaria mid-2022.
- Develop associated human rights action plans in 2022.





HEALTH AND SAFETY

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MATERIALITY

Health and safety is a material topic for Lundin Mining and Safety is the first *Value* of the Company. We hold safety as our top priority in everything that we do, and our fundamental objective is Zero Harm – the protection of the health, safety and well-being of our employees and contractors. We also actively work to promote and positively influence the health, safety and well-being of our local communities, our vendors and suppliers, and other stakeholders.

OUR APPROACH

At Lundin Mining, we are committed to Zero Harm and to providing our workforce with a safe, healthy and productive work environment wherever we operate. The *Values* of Safety, Respect, Integrity and Excellence established the foundation for our approach to health and safety. We believe that every injury is preventable and, as part of our commitment to Zero Harm, our goal is to send everyone home healthy, safe and well each and every day.

HEALTH AND SAFETY



Roll-out of new uniforms at Chapada, Brazil



Chapada, Brazil celebrates 1 year at Lundin Mining

HEALTH AND SAFETY COMMITTEES

Each of our operations has an active health and safety committee with worker and management representation. The committees generally meet on a quarterly or monthly basis and provide a formal avenue for the workforce to address issues and concerns, and to make suggestions to improve the Company's health and safety program. Portions of our workforce are also represented by collective employee labour agreements that contain specific health and safety provisions and protections.

Even within the constraints of COVID-19, our workforce remained actively involved in health and safety throughout 2020 through participating in working groups, pandemic crisis management teams, special projects, business improvement initiatives, health and safety committees, and through engagement with designated employee health and safety representatives. Training is integral to our approach to managing health and safety. We continued to hold regular safety meetings to review key hazards, risks and required safeguards such as new-worker inductions, emergency response and evacuation drills, crisis management training, and basic hazard awareness and task familiarization continued, several other planned 2020 training initiatives requiring in-person training had to be deferred. We increased awareness, communications campaigns, and training for our employees and contractors to support COVID-19 education and prevention awareness, both on site and in our local communities.

By continually striving to improve the health and safety of our work practices, we can have a direct and positive effect on our stakeholders, including our employees, contractors, suppliers, and those who live and work in the communities where we operate. We work to set the example when it comes to health and safety, and we share safe work practices and any lessons learned with those impacted and all who are interested.

**ZERO HARM
SAFER
Every Day!**

HEALTH AND SAFETY MANAGEMENT SYSTEMS

Lundin Mining's RMP and RMMS set the context for the Company's health and safety management system and provide a foundation for meeting compliance, industry best practice, and voluntary requirements in all jurisdictions where we operate. RMMS requirements apply to employees and contractors working at all Lundin Mining operations. The RMMS standard is aligned to ISO 14001 and OHSAS 18001 and is being amended in 2021 to align to ISO 45001 and the Mining Association of Canada's TSM standard. Two operations, Candelaria and Chapada, are certified to OHSAS 18001 and will be recertified under ISO 45001 in 2021.

Key aspects of the management system include:

- workplace hazard identification;
- reporting and control requirements;
- qualitative and quantitative risk assessments;
- life-saving rules;
- fatality prevention requirements called High Consequence Protocols;
- leadership training;
- fatality prevention training;
- safe work procedures and permit systems;
- safety interactions;
- safe work observations;
- incident reporting and investigation;
- root cause analysis; and
- sharing of lessons learned during monthly and quarterly teleconference meetings.



MENTAL HEALTH AWARENESS

Building on the success of our Toronto office 2019 mental health awareness campaign, we expanded the scope of the Canadian Mental Health Association's Not Myself Today® program to our operations, effectively bringing the conversation about mental health to our global workforce. Throughout the months of May and June, we shared a variety of informational resources to help increase our workforce's knowledge and understanding of mental health and well-being and the importance of extending empathy towards those living with mental illness. As part of this effort, we also provided several tools that could be used to assist our employees and contractors with addressing stress, understanding, and working with emotions, talking openly to reduce stigma and mental health barriers, and building a positive work culture.

Our employees were also able to send digital "kindness cards" to each other via email expressing their gratitude and appreciation for their colleagues. To show solidarity and support to the broader workforce, our global leadership team actively pledged and demonstrated their support for mental health awareness. Lundin Mining is proud to be one of the more than 450 companies and organizations across Canada that have taken part in the Not Myself Today® campaign since 2013.



Canadian Mental Health Association
Association canadienne pour la santé mentale

HEALTH AND SAFETY



Safety measures at Candelaria, Chile

HEALTH AND SAFETY REPORTING

Health and safety performance results are reported to our corporate senior leadership team, are shared across our operations monthly, and are reviewed quarterly with the Board's HSEC Committee. Incidents that result in a reportable injury, and all high-potential, non-injury incidents, are reported, analyzed and shared across the Company weekly to emphasize key learnings to prevent recurrence. Consolidated health and safety performance data are frequently evaluated to identify trends and to develop focused incident and injury prevention strategies. Health and safety performance statistics, incident details, summary investigation findings, and lessons learned are accessible to employees, contractors and visitors through site postings, site television broadcasts, safety meetings or when requested.

OUR PERFORMANCE

While much of our 2020 health and safety effort was focused on COVID-19 prevention and response, we also worked to materially improve our hazard identification and elimination processes, enhance personal safety accountability across all levels of the organization, reduce long-term occupational health risk exposures, and improve our fatality prevention efforts.

We measure our health and safety performance using a combination of leading and lagging indicators and associated performance targets established during the annual business planning process. These are published in corporate and site annual health, safety and risk action plans that are shared across the business, including with contractors, and are posted on the Company's internal site. Select health and safety leading indicators are used to help identify strengths and weaknesses in our systems and to highlight areas where we need to address potential issues to reduce the risk of an incident, injury or illness.

Leading Indicators:
 **36,000+**
 Reported in 2020

Our primary lagging indicator for measuring health and safety performance and benchmarking against our peers is the Total Recordable Injury Frequency (TRIF) rate. Other lagging indicators used include All Injury Frequency (AIF) rate, Lost Time Injury Frequency (LTIF) rate, Medical Aid Frequency (MAF) rate and Lost Time Severity Rate (SR), with all rates calculated based on a 200,000-hour formula. We follow the US OSHA definition of medical treatment for classification of recordable injuries at all operations, and our reporting processes are aligned with the International Council on Mining & Metals (ICMM) Health and Safety Performance Indicators manual and GRI 2018 Standard disclosure requirements.

Despite our Zero Harm objective and our goal of zero workplace fatalities, a tragic workplace fatality occurred in an underground area of the Neves-Corvo mine in Portugal when a supervisory employee was struck by a fall of ground on September 25. The incident was investigated by Portuguese authorities, Lundin Mining, and an independent third-party investigator. Additional safeguards have been implemented across the Company based on the findings and lessons learned from the investigation. This was our first fatality since June 2015.

In 2020, there were 58 recordable injuries including the fatality at Neves-Corvo mine. We achieved several best-ever results, including a TRIF rate of 0.55 (against a target of 0.60) and a LTIF rate of 0.26. While these achievements were overshadowed by the underground fatality at Neves-Corvo, our overall safety result was realized during a very demanding year that included operational challenges, labour negotiations, major project activities at Candelaria and Neves-Corvo, and the significant and disruptive changes to work practices, workplaces and work schedules that were necessary to protect our workforce from the spread of COVID-19.

There were 27 lost-time injuries in 2020 with a resulting LTIF rate of 0.26. In line with industry practice, an assessment of 6,000 lost workdays was applied to the fatality incident, which resulted in a total of 7,247 lost workdays and a Severity Rate (SR) of 69 for 2020. There were 78 first-aid injuries across the Company in 2020, compared to 133 in 2019. Lundin Mining's AIF rate for 2020 was 1.30, compared to an objective of 1.90.

Work hours were down 8% in 2020 compared to 2019 due to COVID-19-related impacts, completion of project work at Candelaria, and the suspension of ZEP-related work at Neves-Corvo.

* More GRI data are provided for employees and contractors separately in Appendix A.

Safety Performance Comparison (Includes both employees and contractors)	2020	2019	2018
Total Recordable Injury Frequency rate (TRIF) ¹	0.55	0.66	0.67
Lundin Mining TRIF target	0.60	0.60	0.70
Lost Time Injury Frequency rate (LTIF) ²	0.26	0.40	0.35
Lost Workdays ³	7,247	1,612	1,094
Lost Time Severity Rate (SR) ⁴	69	14	12
Fatalities ⁵	1	0	0
Fatality Rate ⁶	0.01	0.00	0.00
Total hours worked	20,995,989	22,723,989	19,019,632

1. Total Recordable Injury Frequency rate (TRIF) is calculated as (total number of recordable injuries [including fatalities, lost-time injuries, restricted work and medical treatment injuries] x 200,000) / total hours worked.
2. Lost Time Injury Frequency rate (LTIF) is calculated as (total lost-time injuries x 200,000) / total hours worked.
3. 6,000 additional lost workdays assessed due to September 25, 2020 fatality at Neves-Corvo mine in Portugal.
4. Lost Time Severity Rate (SR) is calculated as (total lost workdays x 200,000) / total hours worked.
5. September 25, 2020 fatality underground at Neves-Corvo mine in Portugal.
6. Fatality Rate is calculated as (total number of fatalities x 200,000) / total hours worked.

Lundin Mining – TRIF / LTIF Rate Trends



2020 HEALTH AND SAFETY ACCOMPLISHMENTS

Lundin Mining best-ever TRIF of 0.55	Lundin Mining best-ever LTIF of 0.26	Lundin Mining total recordable injury reduction of 23%	Lundin Mining lost-time injury reduction of 41%	Eagle Mine best-ever TRIF of 0.48	Zinkgruvan best-ever TRIF of 1.29
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HEALTH AND SAFETY



Maintenance shutdown at Eagle Mine, Michigan, USA

2020 SAFETY AT A GLANCE

- 599** REPORTED NEAR MISSES
- 32,140** WORKPLACE SAFETY OBSERVATIONS
- 2,094** PLANNED WORKPLACE INSPECTIONS

KEY HEALTH AND SAFETY HAZARDS

Work related health and safety hazards are identified as part of Lundin Mining's risk management process. After a review of 2020 incident reporting experience, the top hazards identified during 2020 included:

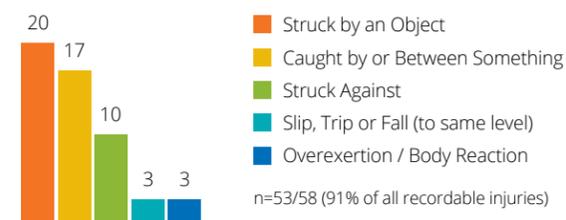
1. Ground control and falls of ground (underground)
2. Mobile equipment operation (including light vehicles)
3. Heavy maintenance work (fixed and mobile equipment)
4. Rotating machinery
5. Cranes, lifting and rigging
6. Slips, trips and falls to the same level
7. Energy isolation and lockout tagout
8. Fires (underground and surface)

WORKING TOGETHER (AND VIRTUALLY)

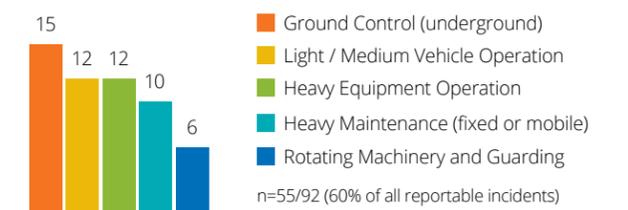
Teamwork, good leadership, employee involvement and a personal commitment to health and safety are critical to achieving Zero Harm. We continue to build on efforts first introduced in 2014 to establish and sustain an interdependent safety culture across Lundin Mining. While the COVID-19 outbreak delayed several planned health, safety and leadership initiatives during 2020, we will restart a few Visible Felt Leadership activities in 2021.



Top 5 Types of Incidents Resulting in Recordable Injuries



Top 5 Reportable Incidents by Hazard Type (Recordable Injuries + High Potential Non-Recordable Injury Incidents)



HEALTH AND SAFETY



Underground at Neves-Corvo, Portugal

INDUSTRIAL HYGIENE AND OCCUPATIONAL HEALTH OUR APPROACH

Occupational health and industrial hygiene (IH) are fundamental pillars in our overall health and safety program. While our safety efforts focus on hazards that can result in an immediate incident or acute injury, our occupational health efforts are focused on identifying, monitoring and mitigating exposures to potential workplace hazards, such as chemical, biological, physical or ergonomic agents, that can lead to acute illness or long-term chronic occupational disease.

Our operations maintain a risk-based industrial hygiene program with a focus on identifying and monitoring for potential exposures unique to their operating environment and applying exposure-reduction plans that target our most significant agents (contaminants) of concern. When potential exposures are identified, we analyze the relevant risks and develop exposure-reduction strategies with mitigative measures based on the hierarchy of controls to reduce the potential risk to human health.

We operate professionally staffed onsite occupational medical facilities at Neves-Corvo, Candelaria and Chapada. Zinkgruvan is supported by part-time medical professionals who conduct employee assessments and evaluations, while Eagle Mine and our Corporate offices utilize outside medical service providers and community clinics. All our employees have access to Employee and Family Assistance Programs and confidential counselling services.

OUR PERFORMANCE Industrial Hygiene

During 2020, we completed a multi-year lead assessment study at Zinkgruvan and Neves-Corvo where we measured occupational dust exposures and surface lead contamination. It included a review of biological monitoring results. Our objectives were to improve the airborne-lead monitoring approach and to enhance our exposure controls in order to reduce the risk of lead exposure, thus protecting the long-term health of the workforce through reduction of the measured lead in blood to levels below the industry best-practice consensus standards by 2022.

Industrial Hygiene Sampling Plan 2020

Planned Samples	Samples Taken Against Plan	Additional Samples Taken	Total Samples Taken
1,037	1,218	1,409	2,627

While COVID-19 restrictions impacted our ability to conduct personal sampling in some jurisdictions, 2020 saw a significant amount of workplace area sampling completed more than plan. Our IH sampling program and monitoring activities focused on 12 different workplace issues and agents of concern.

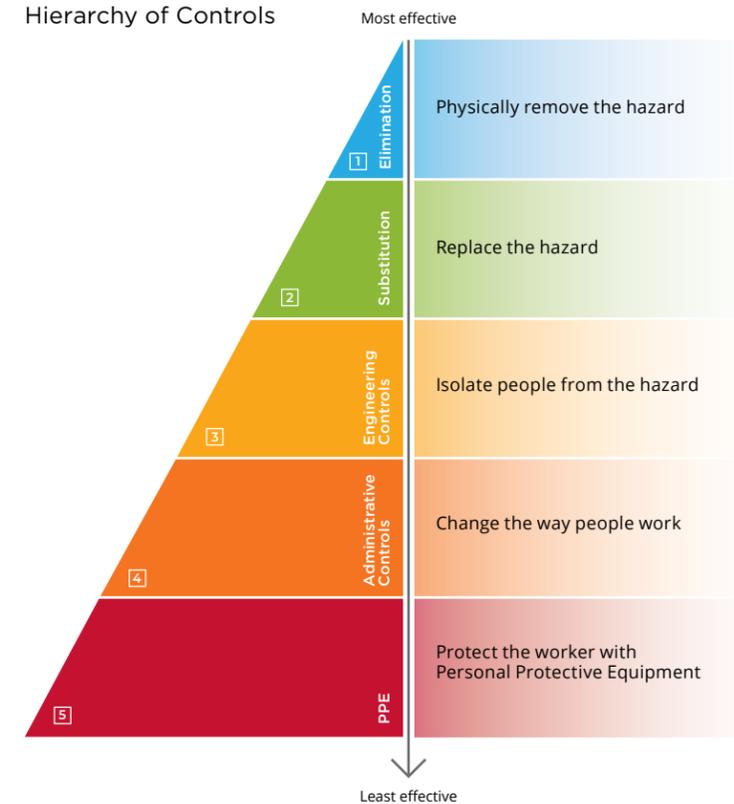
2020 Industrial Hygiene Sampling Plan - Issues and Agents of Concern

Diesel Particulate (DPM)	Relative Humidity
Oxides of Nitrogen	Ventilation
Vibration	Respirable Dust / Total Dust
Noise	Lead and Other Heavy Metals
Silica	Workplace Illumination
Radon	Welding Fumes

Occupational Health

During 2020, many of our occupational health professionals provided critical support in the development and implementation of awareness and prevention campaigns to stem the spread of COVID-19 in the workplace and played crucial roles to support COVID-19 testing, infectious disease vector identification, and contact tracing.

Hierarchy of Controls



Chapada, Brazil celebrates 1 year with Lundin Mining



Celebrating 1-year injury free at Eagle, Michigan, USA (November 2020)

CHAPADA

A focus for 2020 at Chapada was to implement a fatigue risk reduction program by establishing both technical and educational solutions to improve physical and mental well-being. Chapada conducted a fatigue study with a small group of haul truck operators and implemented learnings from the study across the operation in 2020 and early-2021.

6,937

Non-COVID-19 occupational health assessments and fitness-for-work examinations conducted in 2020

HEALTH AND SAFETY



Fire training with MATSA at Neves-Corvo, Portugal



Hazardous Materials Training at Eagle, Michigan, USA

CRISIS MANAGEMENT PLANNING AND EMERGENCY PREPAREDNESS

We work to maintain a high degree of emergency preparedness across each of our operations. As part of that process, we have crisis management plans (including our Pandemic Response Plan) and strategies for each of our operations and Corporate headquarters. To ensure our teams can implement these plans effectively, we conduct formal crisis management training and a mix of practice and desktop scenarios annually. In 2020, seven crisis management training sessions were conducted – one on site at Chapada and the remaining six virtually due to the pandemic. The crisis management plans are supplemented by site-specific emergency response plans catering to the unique aspects of each operation that maintain emergency response capabilities, a variety of firefighting and rescue equipment, and specialized PPE that is suited to each working environment and operational jurisdiction.

This level of preparation allowed us to strategically plan for and deliver a timely and effective response to the COVID-19 outbreak with the implementation of our Pandemic Response Plan in mid-January 2020. We were able to provide a flexible and adaptive response to the pandemic throughout the year with very little business disruption, while first and foremost ensuring that our workforce and local communities were protected and supported.

Our operations-based emergency responders and mine rescue teams receive regular training on equipment and emergency response techniques. Practice exercises, simulated emergency scenarios and external training are regularly provided to ensure that team skills are maintained. While the pandemic disrupted many planned training routines, exercises and drills in 2020, our emergency responders were able to utilize and practice their skills, with many playing a crucial role in support of the COVID-19 pandemic response effort.



Neves-Corvo, Portugal and MATSA fire fighter training

LUNDIN MINING'S CRISIS MANAGEMENT OBJECTIVES:

- Take immediate control and manage the crisis effectively and professionally.
- Provide appropriate support to people who may be adversely affected or at risk.
- Communicate effectively both internally and externally, including helping stakeholders and the media to focus on known facts and our actions to manage the situation.
- Provide necessary support to staff, contractors, suppliers, communities and our customers to minimize the impact of events on operations and the business.
- Maintain employee, community, public and shareholder confidence in management's ability to effectively manage the crisis.
- Continue to run the business effectively and efficiently during the crisis, while also developing and implementing an appropriate recovery plan.



* In 2020 Zinkgruvan Mine installed four MineArc stand-alone refuge chambers, their first installation of that type of refuge chamber. There are now 50 best-in-class MineArc refuge chambers in service across Lundin Mining's underground operations.

7
Facilitated Crisis Management Scenario Exercises
(Two at Chapada, one at each operation plus the Corporate office)

19
Underground Emergency Evacuation Drills

22
Surface Facility Emergency Evacuation Drills





ECONOMIC PERFORMANCE



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MATERIALITY

Economic performance is a material topic for Lundin Mining because the economic sustainability of our business is important to all our stakeholders. We strive to create meaningful value through the responsible acquisition, development, operation and closure of base metal mines, delivering shared value through effective partnerships and innovation while maintaining balance sheet strength and flexibility to act on compelling growth opportunities.

OUR APPROACH

At Lundin Mining, we continuously monitor our performance and objectives, conduct opportunity and risk assessments, and integrate these findings into our economic strategy. Financial information is presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations, which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the *CPA Canada Handbook – Accounting*.

ECONOMIC PERFORMANCE



Concentrate loading at Setúbal port, Neves-Corvo, Portugal

Economic performance updates regarding our financial and operational results for the reporting period are available in other publications and financial disclosures found in the [Annual Information Form](#), [2020 Annual MD&A and Financial Statements](#) and the [Management Information Circular](#).

Our economic strategy is focused on delivering strong production and cash flow generation, low cash costs, maintaining a strong and flexible balance sheet, and executing improvement and expansionary projects as planned. The Company is focused on improving productivity through operational excellence initiatives, value-added technologies and continuous improvement programs, and it will remain committed to optimizing sustaining capital expenditures. This strategy positions the Company to generate leading returns and take advantage of growth opportunities.

OUR PERFORMANCE

For the year ended December 31, 2020, the Company achieved most recent production guidance for all metals, and cash costs better than guidance, at all our operations and was able to generate cash flow from operations of \$566 million and net earnings attributable to shareholders of \$169 million. The CMOP was completed during the year, and the ZEP officially restarted in January 2021 after proactive COVID-19 temporary suspension in the first quarter of 2020. Eagle set an annual throughput record and was able to generate significant cash flow and margins, while Zinkgruvan set new annual records for both tonnes of ore hoisted and tonnes of ore milled. We were able to increase our regular cash dividend and advance exploration and expansion studies at Chapada.



Lundin Mining's operations contribute to economic development and prosperity in regions where we operate through wages and salaries paid to employees and contractors, local procurement, taxes, royalties and fees paid to governments, and community investments or initiatives that advance sustainable development. The Company contributed \$3.1 million in direct COVID-19 relief efforts, including education, healthcare support, local business development and humanitarian aid, during the year.

As defined by GRI, our Total Economic Value Generated in 2020 was approximately \$2.0 billion, and Total Economic Value Distributed was approximately \$1.3 billion, as detailed in the following table.

In US\$ 000s	2018*	2019	2020
Total Economic Value Generated	1,759,753	1,903,969	2,046,609
Total Economic Value Distributed	1,196,059	1,246,232	1,281,938
Total Economic Value Retained	563,694	657,737	764,671

* 2018 Economic Value Distributed and Retained figures have been restated to include dividends paid to Lundin Mining's shareholders.

Given our commitment to work with our stakeholders to advance socio-economic development in the regions where we operate, we also measure our economic performance in terms of our community-investment contributions. This information can be found in the Community Development section of this report.

OUR NEXT STEPS

- Anticipate significant growth in our zinc production for 2022 with the restart of the expansion project at Neves-Corvo in January 2021.
- Expect to benefit from a favourable metal price environment in 2021, taking advantage of the significant investments made in our operations over the last several years.
- Contribute to community investments and initiatives that advance regional sustainable development in regions where we operate and generate meaningful value for our stakeholders.



Exploration at Chapada, Brazil



Nickel flotation at Eagle, Michigan, USA

ECONOMIC PERFORMANCE



Underground at Neves-Corvo, Portugal

LOCAL PROCUREMENT

MATERIALITY

Local economic impact is a material topic for Lundin Mining because we recognize the importance of achieving meaningful economic benefits to the communities, businesses and governments of the localities and regions where we operate. Local procurement plays a significant role in terms of benefits to the local communities and their economies.

OUR APPROACH

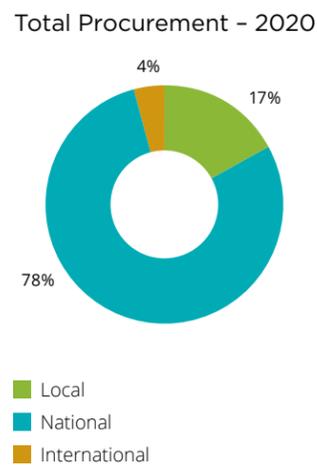
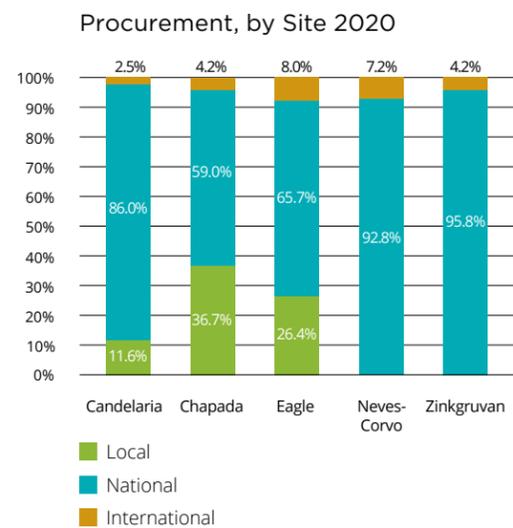
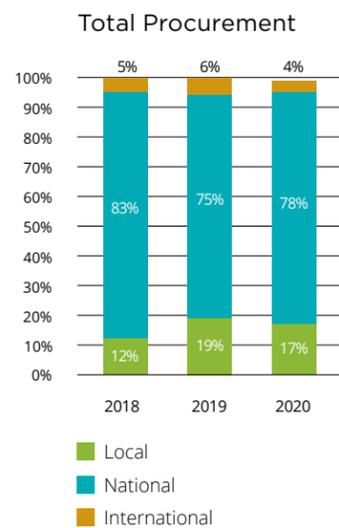
Lundin Mining's approach is based on local economic procurement decisions and processes that have significant and positive impacts on local economies, with associated benefits to businesses and communities in the regions of our sites.

OUR PERFORMANCE

In 2020, approximately \$1.73 billion of our goods and services were procured at the local or country level across the Company's operating sites in the United States, South America and Europe, increasing from \$1.63 billion in 2019 (or 96%, compared to 95% of total procurement in the previous year).



Mill shutdown at Eagle, Michigan, USA



Zinkgruvan and Neves-Corvo define local procurement to include all goods and services procured at the country level and their local procurement rates were 96% and 93%, respectively. Given the larger geographic scope of the United States, Chile and Brazil, these sites distinguish between local-level procurement (Michigan state-wide 26.4%, Copiapó province-wide (11.6%) and Goiás State procurement (36.7%) and country-level procurement (all other in-country procurement at a range of 59% to 86%).

In 2020, goods and services that largely could not be sourced locally included specialized or heavy equipment, chemicals, and certain types of specialized technical-consulting services. Rail and vessel shipping are also services that generally are procured outside of local areas.

CANDELARIA LOCAL PROCUREMENT

In 2020, following a three-year local supplier training program to support the growth and integration of local suppliers into Candelaria supply chain, 22 local suppliers continued to generate \$18 million in revenue through contracts with Candelaria, supporting 1,232 local jobs. The training program was coordinated with the Lundin Foundation.



OUR PEOPLE

OUR APPROACH

Lundin Mining is committed to its employees. We work hard to strengthen our culture of respect and transparency, and we practice a management style that both listens to employees and actively addresses any concerns. We believe that success depends on a skilled and motivated workforce, and that employee engagement is key to employee retention. To effectively foster a meaningful work experience, we believe it is important that our employees have knowledge of the Company's direction and priorities and understand how their efforts and successes contribute to overall goals.

We continuously seek ways to improve and expand our employee communication channels to ensure that employees are kept up to date and informed. Employee training protocols and focused training initiatives further contribute to motivation and workforce engagement. We aim to create safe work environments that promote dignity and respect, and in which diversity and the contributions of all employees are recognized and valued.

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OUR PEOPLE



Breast Cancer Awareness Month at Chapada, Brazil

The Company aligns its practices with the UNGC Principles on Labour and supports freedom of association and collective bargaining, the elimination of all forms of forced and compulsory labour, the effective abolition of child labour, and the elimination of employment / occupation-related discrimination.

OUR PERFORMANCE

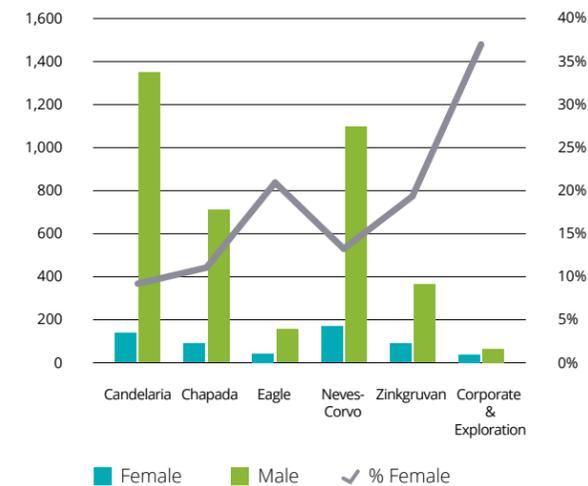
As of December 31, 2020, Lundin Mining globally employed 4,291 employees, compared to 4,170 in 2019; and 5,636 contract workers, versus 7,192 the previous year. Overall, there were 9,927 people across five operating mines and offices in Brazil, Chile, Portugal, Sweden and the United States; our exploration locations; and our Corporate office in Toronto, Canada. Contractors are primarily engaged in maintenance, mine development, mining and project activities; however, they also may

temporarily replace workers on leave or be assigned to specific short-term projects. All contractors are included in our safety performance statistics and, in compliance with RMMS, are held to the same HSEC standards as our employees. The turnover rate for Lundin Mining in 2020 was approximately 10.7%, an increase from 7.0% in 2019.

In 2020, Lundin Mining proactively recruited female applicants, promoted opportunities for women and made good progress in developing workplaces that address the needs of female workers. Traditionally, the attraction and retention of female employees are challenging, particularly for operational roles at industrial sites. Regardless, our female representation is improving gradually, and commitments were made to strive for continued growth in the number of women we employ across our organization.



Employees, by Gender 2020



Employee at Eagle, Michigan, USA

The percentage of female employees in senior executive positions and on the Board is publicly disclosed. Diversity and inclusion performance is communicated through our corporate website and in our annual Communication on Progress (COP) to UNGC.

LOCAL HIRING MATERIALITY

Local hiring is material as it contributes to the local economy and our local communities and is another aspect of Lundin Mining's local economic impact.

OUR APPROACH

At Lundin Mining, we make it a priority to draw our workforce from the local communities to ensure that the economic benefit of employment remains in our host communities.

Due to the developed regions where we operate, we have been fortunate to have the ability to source our workforce locally. However, it is occasionally necessary to source specific skills, levels of experience, or technical expertise from abroad.

OUR PERFORMANCE

In 2020, our operational site employees were almost exclusively from in-country, with expatriates accounting for only 0.80% of our employees across our organization. Contractors and suppliers are expected to have practices in place that support and parallel our policies and standards, such as our RMMS, and in this regard, we ask that our contractors and suppliers also adhere to a similar standard for prioritizing local hiring.



Sebastian Valenzuela, 6 years old participant in the "Leave your little mark" art competition at Candelaria, Chile

OUR PEOPLE



Employees at Eagle, Michigan, USA

LABOUR RELATIONS MATERIALITY

Labour relations is a material topic for Lundin Mining as we believe that fostering an engaged workforce is fundamental in our ability to successfully operate, and that consistent and effective operation of our mines is vital to meet the customer and market demand for our concentrate products. The topic is broad, being relevant to our workforce, our business as a whole, and our value chain.

OUR APPROACH

Lundin Mining strives to create a safe, fair and respectful working environment for our employees. Our Code of Conduct supports the unencumbered right to freedom of association and collective bargaining at all our operations. We monitor

whether our activities have any adverse impacts on the human rights of our employees to form or join trade unions and to bargain collectively, and whether these rights are at risk at any of our operations. This process will be strengthened further as we align our practices with our new Human Rights Standard, launched in late-2020. The relationships between the Company, its unions and employees are distinct at each of our mines; however, what is consistent is that our approach focuses on employee representation based on trust and transparency; respectful dialogue; and constructive, peaceful resolution of any concerns that arise. We engage with union leaders regularly on matters of local labour laws, business changes and the negotiation of contract terms and conditions.

We believe diversity among our Board, senior management and employees has tangible and intangible benefits that make Lundin Mining a more successful business and an employer of choice. The [Diversity and Inclusion Policy](#) commits the Company to create an inclusive and diverse work environment. In 2021, we will continue focusing on diversity and inclusion awareness training. We have defined targets across Lundin Mining for the next five years, aspiring to maintain a Board composition in which women comprise at least 30% of all directors, and aim to sustain at least 30% of executive officer positions held by women, as relevant positions become vacant and appropriately skilled candidates are available.

OUR PERFORMANCE

As of December 31, 2020, union-represented employees across our organization equalled 85%, similar to representation in 2019 (87%). The unionized workforce comprises non-managerial employees at the mine sites who are covered under collective bargaining agreements. Depending on our operations, notice periods provided to employees before the implementation of significant operational changes that could substantially affect them vary according to local legislative requirements and can be found in Appendix A. Employees at Eagle Mine are not unionized, nor are our Corporate office employees. The Company successfully renegotiated collective bargaining agreements with its unions in Brazil in 2020, and in Sweden in early-2021, without any significant labour disruption. With the exception of Candelaria, which was impacted for approximately 50 days by labour disruptions during collective

bargaining negotiations in late-2020, there were no strikes, lockouts or work stoppages of significance at our sites in 2020.

In 2020, in connection with the labour disruption at Candelaria, lawsuits were filed by two labour unions at Candelaria making various allegations of anti-union activity. In each case, management engaged with the notifying unions and appropriate steps were or are being taken to resolve the complaints. No operations have been identified as being at risk for incidents of child labour or having young workers exposed to hazardous work. Lundin Mining has strict proof-of-age requirements for its workforce upon hiring that prevent anyone under the legal industrial working age from obtaining employment at any of our operation or exploration sites. Similarly, our operations are not considered to be at risk for incidents of forced or compulsory labour.



Donation of medical equipment at Candelaria, Chile



SOCIAL PERFORMANCE



Zödrgröven Mining
re:think
 Sponsorerad av
 Skulptorsören
 Händeln i
 Kkersund
 15 000
 inkl moms
 Anordnat av
 Pernice, Johan & Erik

OUR APPROACH

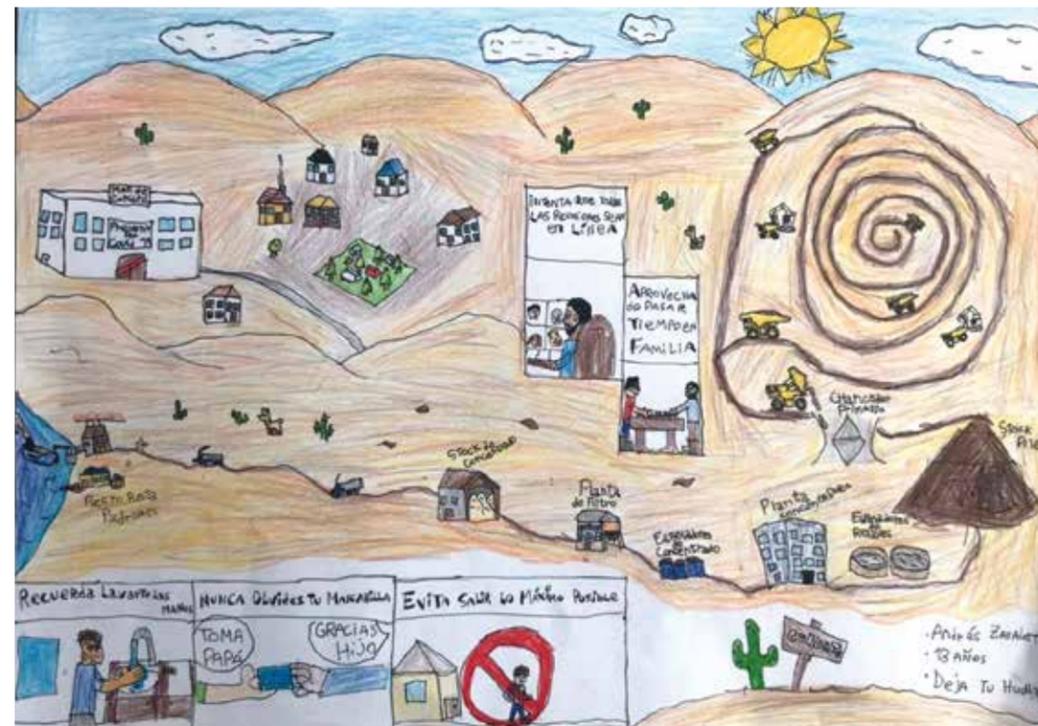
At Lundin Mining, social performance refers to the Company's interactions, activities and outcomes concerning its stakeholders at local, regional and national levels. Our approach to social performance is to build a trust-based environment that earns and maintains the Company's social license to operate while also contributing to the long-term viability and well-being of the regions where we operate.

We value the continuous input we receive from our communities and other stakeholders and consistently seek to reduce our social impacts and improve the societal benefits of our operations in alignment with Lundin Mining's RMMS. Our proactive and transparent engagement processes lead to genuine collaboration with our stakeholders and enable us to be responsive to their concerns and the net impacts we may cause. Understanding and proactively managing these benefits and impacts is integral to the success of our operations. When we excel in our social performance, we uphold the corporate *Values* and demonstrate our commitment to contribute to a sustainable future for the world, our communities and stakeholders, and our Company.

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SOCIAL PERFORMANCE



Andrés Zavaleta, 13 years old, winner of the "Leave your little mark" art competition at Candelaria, Chile

Informed by leading practices in the mining industry, partnered with the communities in which we work, and committed to continuous improvement across all areas of social performance, our approach is tailored to adapt to the different contexts of our operation and exploration sites in six different countries, each with its own unique cultures, languages and levels of economic development.

Each site has a five-year social performance plan to guide its work in this area, informed by site risk assessments governed by our Risk Management Framework and social impact assessments that consider human rights risks / impacts, the presence of Indigenous Peoples and vulnerable groups, and emerging issues and opportunities at each location. Within the framework of the five-year plan, sites develop and monitor the implementation of annual social

performance action plans that seek to progress and continually improve the quality and performance of our programs and management systems.

OUR PERFORMANCE

Lundin Mining continues to develop and refine its Social Performance Management Standards, which include social performance management, community investment, stakeholder engagement and human rights. We engaged sites through in-person and virtual workshops to discuss and refine the standards, and we had anticipated training and standard implementation at all sites during 2020; however, training was delayed due to the COVID-19 pandemic. Chapada developed and adopted its five-year social performance plan in 2020, and all sites advanced implementation of their plans, adapting their actions to respond to COVID-19 pandemic priorities, including diverting and focusing community investments

on pandemic response and modifying engagement approaches to ensure the health and safety of employees and communities.



OUR NEXT STEPS

- Develop a five-year corporate social performance strategy (2021 to 2026) as part of the corporate Sustainability Strategy.
- Use the corporate social performance strategy to bridge site-level social performance plans with the Sustainability Strategy.
- Roll out and implement the final Social Performance Standards to all sites in 2021.



STAKEHOLDER ENGAGEMENT

MATERIALITY

Stakeholder engagement, community relations and grievance mechanisms are material topics for Lundin Mining because mining operations can generate significant direct and indirect benefits and impacts to local communities and beyond. Understanding stakeholder concerns and actual or perceived impacts allows our sites to manage and continually improve their operations to reduce risk exposure and improve value creation.

OUR APPROACH

Lundin Mining's stakeholder engagement approach, based on clear communication, transparency and trust, helps us to understand the interests and concerns of our stakeholders, as well as the emerging issues and risks to our operations. Our Stakeholder Engagement Standard and accompanying Guidance help ensure a consistent approach to engaging with communities, employees and other stakeholders. Each of our sites uses a systematic and recurring stakeholder mapping process to identify and prioritize stakeholders from direct and indirect influence areas, as well as those interested in, or potentially affected by, the site's activities. Our stakeholder engagement process is externally verified annually, as detailed in our [external assurance statement](#). In addition, sites develop an annual stakeholder engagement plan to support their annual social performance action plan.

Throughout the mine cycle, the level of interest of different stakeholder groups and the nature of their interests and concerns can also change. Special consideration is given to identifying potentially vulnerable groups whose voices and perspectives may not otherwise be heard.

Stakeholder engagement activities in 2020 had to adjust to the new reality presented by the pandemic, with our operations adapting their engagement activities to respond to community needs. Planned engagement activities were cancelled, reduced and / or conducted virtually. Eagle Mine held a virtual community forum instead of its bi-annual in-person forums and Candelaria used social media platforms to stay engaged with the community throughout the year.

Stakeholder engagement activities across our sites in 2020 included formal engagement activities, including stakeholder perception surveys, grievance and suggestion mechanisms, and environmental monitoring programs; informal engagement activities, including virtual training sessions, social media outreach, and partnerships / agreements; and reporting, including our annual sustainability report and language-specific brochure, government-focused revenue transparency reports, financial statements, compliance statements and news releases.



Mobile health unit at Candelaria, Chile



Donation of medical supplies, Candelaria, Chile

SOCIAL PERFORMANCE



Covid-19 Community Response at Chapada, Brazil



Eagle Rockin' Local initiative, Michigan, USA

These approaches are used regularly to engage with stakeholders on an ad hoc, monthly, quarterly, bi-annual and / or annual basis. In 2021, we will update our materiality assessment, a process used to identify sustainability issues and topics of focus for our internal and external stakeholders. Engagement was not undertaken specifically as part of this report preparation process.

OUR PERFORMANCE

Chapada continued consistent monitoring of community perceptions using the Social License to Operate Index (SLO Index) methodology in 2020. Lundin Mining selected this methodology to routinely monitor community perceptions, social acceptance, and trust with our local communities at all sites. Our other sites have signed agreements to implement this approach for the future routine monitoring of community perception.

In 2020, we developed a plan to overhaul how we track and consolidate stakeholder engagement information at each of our operations. Lundin Mining selected and procured an information management system that will enable site teams to collect and use up-to-date information about relevant stakeholders and our interactions with them to guide our engagement and investment strategies. The system, which is equipped with capabilities to analyze the sentiment of interactions, will provide a single source for quantitative and qualitative data on stakeholder engagement.

CHAPADA COMMUNITY PERCEPTION SURVEY RESULTS

Community perception monitoring using the SLO Index continued at Chapada. The results of the survey indicate a high acceptance level of the Chapada mine, with an SLO score of 4.4 out of the possible 5.0, a sound level of acceptance with room to improve through enhancement of social performance plans and plan implementation (e.g., by improving relations with rural areas). In 2020, the survey included questions on the COVID-19 pandemic's impact and the Company's response. Results indicate that participants believe Chapada is committed to protecting the health and well-being of community members (91% of respondents).



The table below provides an overview of stakeholder groups with whom Lundin Mining engaged in 2020, the types and frequency of engagement, some examples of key interests and concerns raised in 2020, and how the Company responded to these concerns. Updates on stakeholder engagement are provided to management every month.

Primary Stakeholder Groups, Key Interests and Concerns, and Lundin Mining's Responses

Stakeholder Group	Frequency and Type of Engagement	Key Interests and Concerns Raised in 2020	Lundin Mining's Response in 2020
Local Communities <i>(* Priority group for all sites)</i>	<ul style="list-style-type: none"> Occasional virtual webinars, training and forums Scheduled virtual meetings Social media Newsletters Community perception surveys 	<ul style="list-style-type: none"> Health concerns regarding COVID-19 pandemic Economic impacts of COVID-19 pandemic Traffic, noise, dust, vibration issues, water use, and waste stockpiles 	<ul style="list-style-type: none"> Distributed medical supplies to employees and donated equipment and PPE to communities. Conducted COVID-19 safety awareness campaigns. Offered marketing, community training and business development webinars to aid economic recovery from pandemic impacts. Worked with an external consultant to collect social performance data from communities near Chapada, including community concerns about and Company response to the pandemic. Conducted dust baseline study at all sites to assess dust mitigation improvement measures.
Indigenous Peoples <i>(* Priority group for Eagle and Peru)</i>	<ul style="list-style-type: none"> Occasional engagement with local Indigenous community members within the context of identified concerns and opportunities for collaboration and partnership 	<ul style="list-style-type: none"> Protection of environmental and cultural resources 	<ul style="list-style-type: none"> Proactively provided information on operational activities and potential exploration areas. Involved in community environmental monitoring program at Eagle Mine. Monitored environmental and cultural resources in regional operation and exploration areas. Held engagement sessions to discuss issues of interest, concerns and investment initiatives.
Government <i>(* Priority group for all sites)</i>	<ul style="list-style-type: none"> Regular meetings or consultations Implementation of agreements (ongoing) Partnerships and donations (ongoing) 	<ul style="list-style-type: none"> Environmental compliance and monitoring Community health and safety regarding COVID-19 	<ul style="list-style-type: none"> Provided environmental compliance and monitoring information. Collaborated with municipalities to determine community needs and provided support accordingly.
Employees and Contractors <i>(* Priority group for all sites)</i>	<ul style="list-style-type: none"> Each site maintains a Joint Health and Safety Committee (JHSC) Annual Employee Survey Social media (e.g., videos) Regular updates (newsletter and e-mail campaigns) Training 	<ul style="list-style-type: none"> Training and capacity building Health and safety related to COVID-19 Mine closure planning and communications 	<ul style="list-style-type: none"> Developed management and action plans to address concerns and recommendations made by employees through surveys and regular meetings. Provided training and communication in changes to operations to ensure well-being and safety of workers during the pandemic.

SOCIAL PERFORMANCE

Stakeholder Group	Frequency and Type of Engagement	Key Interests and Concerns Raised in 2020	Lundin Mining's Response in 2020
Labour Unions	<ul style="list-style-type: none"> One-on-one and group meetings 	<ul style="list-style-type: none"> Health and safety, with a focus on the COVID-19 pandemic 	<ul style="list-style-type: none"> Distributed PPE supplies to employees and conducted COVID-19 safety awareness campaigns. Successfully renegotiated collective bargaining agreements at Chapada, Zinkgruvan and Candelaria. Collective bargaining was impacted at Candelaria for approximately 50 days by labour disruptions during negotiations in late-2020.
Non-Governmental Organizations	<ul style="list-style-type: none"> Community collaboration programs Virtual meetings planned throughout the year, as needed 	<ul style="list-style-type: none"> Environmental (including concerns regarding water, air and noise) Community health and development issues 	<ul style="list-style-type: none"> Maintained and created new partnerships with local non-governmental organizations to build capacity and enhance social and environmental performance across our sites (e.g., through entrepreneurship training, hosting forums, community environmental monitoring).
Industry Associations / Regional Business Associations	<ul style="list-style-type: none"> Ongoing membership for industry associations Participation in occasional virtual industry forums, conferences and committees 	<ul style="list-style-type: none"> Economic and regulatory performance 	<ul style="list-style-type: none"> Transparently and proactively communicated economic and regulatory performance. Participated in professional development opportunities to improve mine operations (e.g., Chapada attended an online seminar on community relations and local development).
Suppliers	<ul style="list-style-type: none"> Meetings with local contractors (where permitted due to the pandemic) Meetings with other suppliers, as required 	<ul style="list-style-type: none"> COVID-19 pandemic response Local economic impact 	<ul style="list-style-type: none"> Proactively worked with suppliers to identify solutions to challenges posed by the COVID-19 pandemic. Candelaria participated in the FOREDE "Reactivate, Innovate: The Challenge of Grow" a local virtual fair hosted by the Corporation for the Development of the Atacama Region.
Customers	<ul style="list-style-type: none"> Regular contact Environmental, social and governance (ESG) surveys to ensure accurate and updated information Timely response to information requests 	<ul style="list-style-type: none"> Health and safety, including COVID-19 pandemic response ESG performance Reliable supplies High-quality products Information on any hazards 	<ul style="list-style-type: none"> Continued to implement policies and systems to support ESG performance, including the Social Performance Standard, Code of Conduct, Ethical Values and Anti-Corruption Policy, Responsible Mining Policy, and RMMS. Update of commercial shipping documents standard and SDS datasheets.

Additional key stakeholder groups include shareholders, ESG analysts, investors, lenders and financial institutions. The Corporate office engages directly with these groups through regular reporting (e.g., financial statements, compliance statements, annual reports) and responses to information requests to ensure accurate and updated information.



OUR NEXT STEPS

- Implement the SLO Index methodology at all sites to enhance our understanding of the level of trust and acceptance towards our operations.
- Aim to deploy the stakeholder engagement information management system at Neves-Corvo, Candelaria, Chapada and Zinkgruvan by end of 2021.
- Harness insights from the management system to enhance and adapt engagement and community-investment programs to our communities and business needs post-COVID-19.



Elida, Peru

OUR APPROACH

Lundin Mining is committed to respecting and considering the rights, interests, concerns, traditional land uses and cultural activities of Indigenous Peoples within our sphere of influence, as articulated in our RMP. For operation sites, whose activities can directly or indirectly affect Indigenous Peoples, our RMMS standard requires the establishment of formal procedures and processes related to Indigenous community engagement, economic inclusion and cultural heritage conservation, while ensuring we meet applicable legislative requirements. Our Stakeholder Engagement Standard and Guidance guide our relationships with Indigenous communities by outlining specific requirements around engagement, communication, integration of community input, monitoring and review.

OUR PERFORMANCE

We currently have activities that take place in or near areas where Indigenous Peoples are located, as follows:

- Our Eagle Mine operations are located on ceded territory near the Keweenaw Bay Indian Community.
- Our exploration project Amauta in southern Peru, Arequipa Region, District of Acari is located on the border of the traditional land of the Indigenous community Comunidad Campesina de Sancos (Sancos), self-identified as a Quechua group with 1,100 registered members.
- Our Candelaria operations are in the Atacama Region of Chile where 3,000 people self-identify as Indigenous Colla community members.

Where Lundin Mining's sites are adjacent to Indigenous peoples' territories (Eagle Mine and Amauta), there are formal engagement processes and some agreements in place with Indigenous communities at those sites.

SOCIAL PERFORMANCE



COVID-19 support at Peru

Eagle Mine is committed to continuing constructive engagement with local tribes throughout the mine's operation. Through regular dialogue, we work with local tribes to identify common interests concerning land (e.g., closure activities), water (e.g., water-quality monitoring) and protection of cultural resources; to identify employment and economic development partnerships; and to identify opportunities for investment. In 2020, Eagle Mine initiated their revised Community Environmental Monitoring Program (CEMP) agreement, which was updated in 2019. Through this revised agreement, Eagle Mine participated in monthly meetings with the Keweenaw Bay Indian Community to meaningfully engage with local tribes regarding environmental monitoring and cultural access. Eagle Mine's team also discussed closure activities with the tribe and identified their questions and concerns.

Lundin Mining Peru S.A.C. (Lundin Peru), through its subsidiary Compañía Minera Mohicano S.A.C. (Mohicano), is currently in the middle of a seven-year agreement with communities for the Amauta exploration project in collaboration with the appointed leaders of the Indigenous community of Sancos. In 2020, the site engaged remotely with the Indigenous community and provided medical supplies, made donations of PPE and supported internet connectivity.

Candelaria engages with Indigenous community members, as part of its ongoing community programs and training plans, as well as for the site's expansion initiative (Candelaria 2040). Candelaria provided scholarships, COVID-19 support, offered community training programs and other engagements.

In 2020, there were no disputes relating to land use, customary rights of local communities and Indigenous Peoples, or incidents of violation of the rights of Indigenous Peoples and, as a result, grievance mechanisms were not used to resolve any issues related to Indigenous Peoples.

OUR NEXT STEPS

- Continue to engage and collaborate with the Keweenaw Bay Indian Community through the CEMP.
- Aim to achieve a cooperative approach to closure at Eagle while keeping in mind regulatory requirements.
- Continue engagement with the Sancos community.

MANAGING SOCIAL IMPACTS OUR APPROACH

Our operations are located immediately adjacent or nearby many communities. This proximity can result in a range of actual and potential impacts on local communities. Sites are guided by the RMMS and aligned with the Social Management Standards and accompanying Guidance.

OUR PERFORMANCE

All sites have a grievance mechanism in place to ensure that stakeholders can voice concerns about Company activities and impacts, and that these concerns are documented in a transparent, accountable manner and addressed in a timely fashion. Our grievance management is subject to external assurance for this report and verified annually. The total number of grievances across mine sites was 97 of which 96% have been resolved.

The table below lists the grievances filed at each operation in 2020 and includes figures for grievances under ongoing management and those that have been resolved.

Location	Total Number of Grievances 2020	Grievances With Ongoing Management	Grievances Resolved
Amauta Exploration	0	0	0
Candelaria	29	3	26
Chapada	50	0	50
Eagle	12	0	12
Neves-Corvo	1	0	1
Zinkgruvan	5	1	5 ¹

¹ One grievance was filed in 2019 and resolved in 2020.

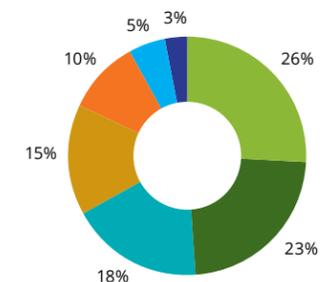
The higher number of grievances at Chapada and Candelaria, compared to other sites, is due to the proximity to local communities and the type of operations (open-pit mining), which contributes to noise, vibration and dust complaints by local community members. The most grievances were at Chapada. Like previous years,



Dust suppression measures at Candelaria, Chile

most grievances at Candelaria in 2020 were related to intermittent instability of the Wi-Fi connection (free Wi-Fi is provided to 85% of Tierra Amarilla residents by the mine; however, the mine does not control the system). The chart below presents all grievances at Lundin Mining by category.

Company-wide Grievances by Category 2020



- Community Commitment¹
- Other²
- Vibration
- Noise
- Traffic
- Water
- Dust

¹"Community commitment" and ²"Other" include that a site was not maintaining local roads and that a site did not clean up debris on a piece of land adjacent to a community, respectively.

SOCIAL PERFORMANCE

Social Impacts From Our Activities in 2020

The following table identifies the most significant social impacts for each location based on site-level assessment, grievances, and stakeholder perspectives from ongoing engagement efforts. Concerns about the spread of COVID-19 from mine operations were addressed at all sites through strong health and safety controls and community investments in health (e.g., providing PPE and masks, and donating specialized health equipment).

Site	Social Impacts from Our Activities and Grievances	Mitigation Measures
Candelaria	<ul style="list-style-type: none"> Operational activities, such as dust emissions, blasting and traffic, impacted local communities. Reported grievances in 2020 included dust, noise, vibrations, driving course certification issues, traffic levels and speed, water and the maintenance of Candelaria property adjacent to residents. More than 20 years of operation in an area of low economic development has created a dependency on the mine. 	<ul style="list-style-type: none"> Coordinated with municipalities and other partners to address grievances (e.g., land access, driver certification). Created a community WhatsApp with Nantoco neighbours to report blasting times. Formalized a roundtable with representatives of the sector. Supported programs or local entrepreneurs that focus on economic diversification, based on activities other than mining, identifying opportunities for regional development. Continued traffic mitigation measures, including scheduling mine-related buses and traffic to reduce traffic interaction and modifying haulage routes in Tierra Amarilla and avoid residential areas in Copiapó and Caldera.
Chapada	<ul style="list-style-type: none"> Local economy and government budget are dependent on the mine. Neighbouring farmers complained about the lack of access to mining benefits. Operations, including dust, vibration, noise and traffic, impacted communities, resulting in grievances. Proposed increased height of the tailings facility. 	<ul style="list-style-type: none"> Implemented the Rural Development Program to respond to farmers' concerns. Supported the construction of a bypass in Alto Horizonte municipality to divert heavy traffic outside the town (due for completion in 2021). Facilitated review of the tailing storage facility emergency plan; worked to develop strong relationships with newly elected authorities.
Eagle	<ul style="list-style-type: none"> Tribal concerns about closure planning. Impact on the local economy as mine closure approaches. Haul truck driving incidents led to most grievances; concerns about driving speed and safety were reported. 	<ul style="list-style-type: none"> Continued consultations with local tribes regarding closure planning. Reviewed Eagle's community-investment programs to measure impact, understand closure options and ensure the programs remain successful. Equipped trucks with vehicle monitoring systems and haul truck grievances were addressed on a case-by-case basis.



Site	Social Impacts from Our Activities and Grievances	Mitigation Measures
Neves-Corvo	<ul style="list-style-type: none"> More than 30 years of operation in an area of low economic development has created a dependency on the mine. Operations, including noise, impacted local communities. Dust emissions, occupation of agricultural land, road damage, and the conflict between exploration activities and hunting practices led to grievances. 	<ul style="list-style-type: none"> Supported programs that focus on economic diversification, based on activities other than mining, through identifying opportunities for regional development. Contributed to the development of an online e-platform to support local economic recovery. Provided support to promote entrepreneurship in local schools.
Zinkgruvan	<ul style="list-style-type: none"> Reliance on the mine for local jobs and economic growth has impacted economic development. Operations, including traffic, noise, odours, dust emissions and vibrations, impacted communities and led to grievances. Operations impacted water quality of surrounding community. Soil contamination concerns of surrounding community. 	<ul style="list-style-type: none"> Supported local entrepreneurship programs and economic growth initiatives, based on activities other than mining. Inspected perceived impacts of operations (e.g., alleged structural damage from vibration) and took action to address actual impacts (e.g., a sound barrier was built around an exploration rig to mitigate noise). Supported the municipality with the relocation of a groundwater well. Conducted studies on soil contamination levels and sources and continued to work with the Environmental Court and local county board to develop and implement short- and long-term measures.



Supporting Local Entrepreneurship at Caldera, Chile

OUR NEXT STEPS

- Conduct an annual assessment of social performance risks at each site.
- Re-evaluate and update five-year strategies and annual action plans at each operation, taking into consideration incident and grievance management.

SOCIAL PERFORMANCE

COMMUNITY DEVELOPMENT MATERIALITY

Community development, including community investment and capacity building, is a material topic for Lundin Mining because these initiatives are an integral component of our commitment to delivering on our social performance obligations. Supporting community development in partnership with communities creates meaningful and outcome-focused initiatives and supports the achievement of local priorities.

OUR APPROACH

Lundin Mining is committed to promoting regional sustainable development and economic diversification in its host communities, while promoting collaboration with communities to reduce dependency on mining and community-investment support over time. We work closely with our host communities to align with existing local development plans

and to identify community-investment opportunities that will be of most benefit. Site-level community investment is guided by community-investment strategies and annual action plans. Our community investments in 2020 reflect our response to the COVID-19 pandemic.

For certain programs, our community investments are implemented through the Lundin Foundation, a Canadian non-profit organization principally supported through contributions from the Lundin Group of Companies. The Foundation works with Lundin Mining and other Lundin Group corporate partners, host governments and local communities to improve the management of, and benefit streams from, natural resource development projects. Program staff work with our social performance teams at each site to address stakeholder priorities aligned with business needs or capacities. Foundation staff also work with Lundin Mining and other

stakeholders to plan, implement and resource long-term community-investment initiatives with a focus on market-based approaches.

OUR PERFORMANCE

In 2020, sites adapted their community-investment plans to respond to the COVID-19 pandemic. Our local teams collaborated with communities to identify the immediate needs of community members impacted by the public health crisis. The Company contributed \$3.1 million in direct COVID-19 relief efforts, including education, healthcare support, local business development and humanitarian aid during the year, as detailed in our COVID-19 response section. We also continued our emphasis on promoting economic diversification and advancing local entrepreneurship during 2020 that will support long-term resilience following the pandemic.

Aerial View, Zinkgruvan, Sweden



DIRECT LUNDIN MINING COMMUNITY INVESTMENTS

Total direct community-investment expenditures across our operations and Corporate headquarters in 2020 were approximately \$7.96 million, compared to \$4.77 million in 2019, which supported education, health, culture, community development, and small business economic stimulation. The increase in community investment compared to 2019 largely reflects the Company's response to the COVID-19 pandemic.

CONTRIBUTIONS TO THE LUNDIN FOUNDATION IN 2020 TO ADVANCE PROGRAMS

Lundin Mining also spent \$953,000 through the Lundin Foundation to support the development and implementation of social investment programs.

Lundin Mining Community Investments, 2020

Location	2020 Lundin Mining Community Investment Expenditures ^{1,2}
Amauta Exploration	20
Candelaria	5,772
Chapada	813
Corporate	502
Eagle	945
Neves-Corvo	593
Zinkgruvan	270
Total Community Investments, 2020 (in \$US 000s)	8,915

¹ Values are rounded to the nearest thousand dollars.

² Inclusive of program activity contribution to Lundin Foundation.



Supporting active lifestyle in the community at Neves-Corvo, Portugal

Lundin Mining Total Community Investments, 2018-2020^{1,2}

	2018	2019	2020
In \$US 000s	11,996	7,446	8,915

¹ The 2019 and 2020 community investments total include the Chapada mine, acquired in July 2019.

² Lundin Foundation totals: \$1.0M in 2020, \$2.7M in 2019, and \$2.2M in 2018.

The reduction in investments compared to 2018 reflects reduced contributions to the Lundin Foundation as well as the deferral of a large project supported by Candelaria; the housing project was postponed due to technical requirements for suitable land.

SOCIAL PERFORMANCE

The following tables highlight key community-investment initiatives at each of our sites and Corporate, many of which are implemented over several years. Several programs planned for 2020 were paused due to the pandemic, but new programs were developed to support local communities and businesses to mitigate the negative economic impacts of the pandemic.

Candelaria

Program	Purpose	Outcome
Agreements with Local Municipalities	To promote sustainable development in Tierra Amarilla, Copiapó and Caldera communities by supporting local economy, social innovation, education, and health and well-being projects.	During 2020, Candelaria co-financed several initiatives, including the construction of a dialysis centre in Caldera and the acquisition of a new ultrasound machine in Tierra Amarilla.
Community Collaboration and Training Program	To develop programs for communities and implement them in collaboration with local organizations.	In 2020, Candelaria developed an Educational Digital Kit to support e-learning during the pandemic as well as community training for food handling, warehouse operators, office management and security guards. In total, 164 organizations benefitted from this program; 111 projects received funding.
Punta Frodden Fish Processing Plant	To create jobs and improve income for fishermen in Caldera through processing and selling seafood products to an international sustainable seafood exporter. Provides certified training to potential employees of the Punta Frodden Plant.	<p>During 2020, the plant received its required certification and initiated registration to export to the European Union. Candelaria partnered with Atacama University to launch a study to identify possible long-term investments and define potential suppliers for the plant.</p> <p>The plant supported 69 jobs and secured 45 wholesale customers creating local economic impact through wages paid and seafood purchases from local fishermen.</p> <p>Complementary programs supported marine rehabilitation, restoration and replantation programs to ensure sustainable use and management of marine areas.</p>
Inventa: Inventor & Accelerator Program	To transform ideas of social and environmental innovation into prototypes by promoting community-led, commercially viable solutions to environmental and social issues in the region. A flagship program for Candelaria and the Lundin Foundation, in partnership with Universidad de Valparaiso.	The program supported 14 start-ups, 50% of which were led by women, through providing virtual training in 2020 for marketing, sales, business coaching and website development.



Chapada

Program	Purpose	Outcome
Rural Development Program	To improve farming and ranching at neighbouring farms.	Formalized partnership agreements with neighbouring farmers to provide an annual in-kind donation per property. Phase II commenced in June 2020, with 45 projects implemented by November 2020.
Economic Diversification Program	To help address the high dependency on mining. In partnership with <u>Agenda Publica</u> , an NGO.	In early-2020, sessions were held for rural development, infrastructure and job creation. Community members and Chapada worked to co-develop action plans, with 18 projects registered that will be considered for support from the program. An online capacity-building course on project development was facilitated.

Eagle

Program	Purpose	Outcome
Marquette-Alger Technical Middle College	To create opportunities for high-school students to earn college credits and develop local talent in high-demand career areas, such as skilled trades and health sciences.	Provided an additional grant that maintained an essential student resource support staff position threatened by budget reductions. The development of a fundraising strategy is underway to create resilience in funding to support key positions integral to student success.
Big Bay Recreation and Economic Diversification Project	To support economic diversification in Big Bay by leveraging recreational and tourism assets to promote economic opportunities for local businesses.	Provided marketing support for local businesses that leveraged visitor traffic in winter months and provided strategic support and guidance on marketing content.
Accelerate UP!	To contribute to the long-term economic development of Marquette County by providing free business coaching to new and expanding businesses in the region.	Supported a program that offered mental health services to clients who otherwise would not have access. A consultant was secured to develop a fundraising strategy.

SOCIAL PERFORMANCE

Neves-Corvo

Program	Purpose	Outcome
Entrepreneurship Development Program	To provide business training, featuring one-on-one support to small businesses and entrepreneurs in the region, this year with a focus on coping with impacts of COVID-19. A collaboration by the Lundin Foundation and Lisbon University.	Four individuals participated in group mentoring and one-on-one tutoring for business training, with additional sessions held for finding alternative sources of funding and opportunities to access funds available for businesses to address COVID-19 impacts.
Socio-economic Impact Study	To assess the economic impact of social initiatives conducted in recent years.	Phase 1 of the Socio-economic Impact Study focussed on 2016 – 2018 and indicate for this period Neves-Corvo accounts for 8% of the GDP for the Baixo Alentejo region, and 42% of its exports. At the national level, SOMINCOR contributed with 0.6% of total Portuguese exports and 64% of ore exports. In terms of employment, the study found that for every direct job with Neves-Corvo, 3.7 new jobs are created in the local economy (indirect and inductive effects). The company will focus on supporting economic diversification initiatives in 2021.

Zinkgruvan

Program	Purpose	Outcome
RE:THINK	To support the growth of small businesses in and around Askersund Municipality, with a focus in 2020 on recovery from the economic impacts of the COVID-19 pandemic.	Ten entrepreneurs received individual coaching and training, resulting in the launch of two new businesses, the transition of three businesses to new markets, and two collaborations between program businesses to leverage new market opportunities.
Young Entrepreneurship Program	To provide high-school students the opportunity to start, operate, and close a business during the school year. A partnership with Young Enterprise (Ung Företagsamhet), a politically independent, non-profit, educational organization and part of Junior Achievement (JA Worldwide).	Continued to provide ongoing annual support to this initiative in 2020 and have renewed collaboration for 2021.
Support to the Local Women's Shelter	To address the increased need for support to women experiencing domestic violence during the COVID-19 pandemic.	Supported call centre helpline for women who experience violence to speak with trained counselors, as well as the construction of a storage unit for the local women's shelter.



Amauta Exploration

Program	Purpose	Outcome
Infrastructure Support	To improve the infrastructure of local communities.	Provided maintenance services for telephone signal repeater antennas in the towns of San Luis Alto, Cajas, and San Luis Bajo, which enabled five villages to be connected through improved communication and internet access.

Corporate

Program	Purpose	Outcome
Generation Chosen	To support Generation Chosen in enhancing the emotional intelligence of young adults from underserved communities in Ontario.	Supported 90 youth and young adults from marginalized areas with grocery gift cards and food boxes and access to 13 one-on-one therapy sessions with a racialized psychotherapist. Provided 14 young adults with resources start a business, money to pay tuition, and money to launch an environmental initiative to better serve the sustainability efforts of their respective community.



Generation Chosen, Toronto, Canada

OUR NEXT STEPS

- Implement the Community Investment Standard and develop a KPI Impact Management Framework in 2021 to continue to strengthen future community-investment programs.
- Commence mapping community investments to align more closely with the United Nations SDGs in 2021.



ENVIRONMENT

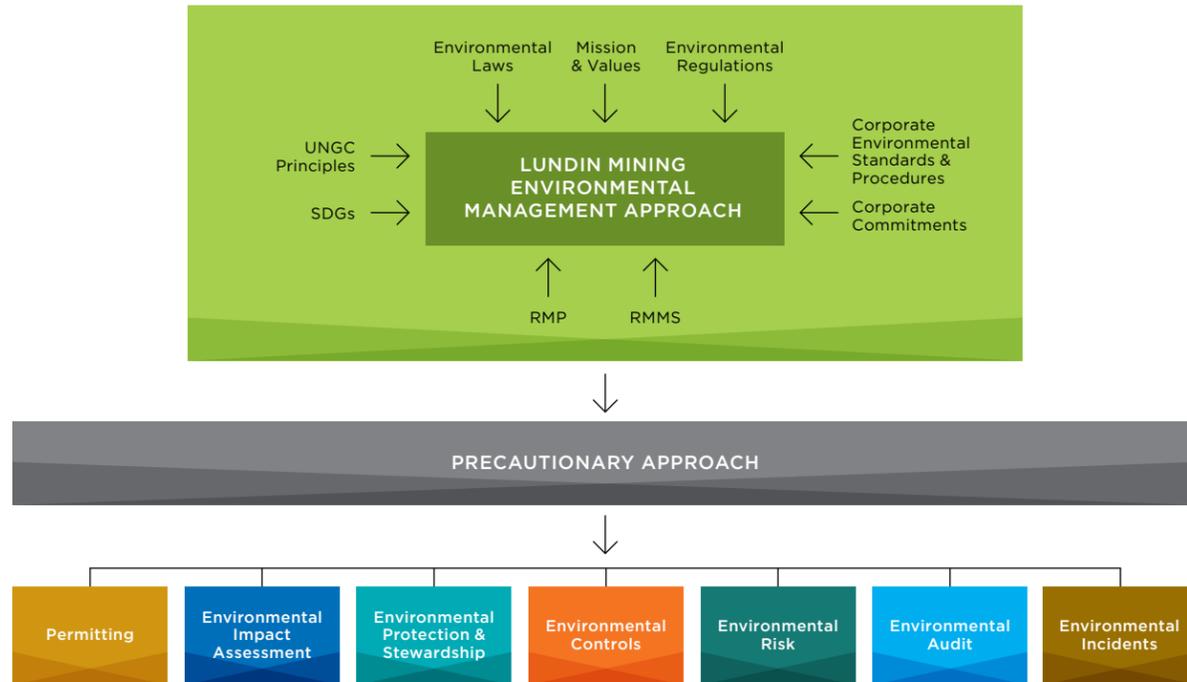
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OUR APPROACH

Effective environmental management is integral to the success of Lundin Mining's operations, from day-to-day activities on site to corporate strategic planning. Our approach is founded on a commitment to compliance with applicable laws and regulations along with numerous voluntary external commitments, including UNGC's Environment Principles Seven, Eight and Nine. Our RMMS standard, aligned with the ISO 14001 Environmental Management System standard, forms the foundation of our global environmental management approach. Our primary objective is to minimize potential environmental impacts throughout the life of our mines and post-closure through systematic assessment of risk; robust engineering, construction and operations; and the implementation of environmental management controls and procedures designed to meet the individual needs of our operations in their unique environmental and social settings.

ENVIRONMENT



Each of our sites operates in accordance with stringent environmental management controls and practices that have been designed to protect the environments and communities in which we operate. A series of Corporate Environmental Technical Standards, aligned with Towards Sustainable Mining (TSM) standards formalizes these requirements, in compliance with the RMMS. Candelaria, Ojos del Salado and Chapada operate in compliance with environmental management systems certified under the international standard ISO 14001:2015.

During 2020, we have continued:

- Making water stewardship gains, with a measurable reduction in withdrawal of freshwater from surface water bodies;
- Monitoring surface water, groundwater, soils and biodiversity to confirm the effectiveness of our environmental protection procedures and to enable timely identification of any issues that may arise;

- Assessing and implementing energy efficiency and greenhouse gas (GHG) emissions reduction initiatives;
- Monitoring noise, vibration and air emissions to confirm the effectiveness of our mitigating measures for the protection and well-being of the environment and local communities;
- Following strict protocols for storage, handling, labelling, and disposal of hazardous materials, including fuels, chemicals and wastes for the protection of our workforce and the environment; and
- Periodically conducting additional studies to improve our ability to manage risks to human health and the environment.

Environmental risk assessments and management are routinely conducted and governed by our comprehensive Risk Assessment and Management Framework.

ENVIRONMENTAL PERMITTING AND COMPLIANCE

The Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Permitting, approvals and compliance management are crucial for the effective regulation of mining-related activities to prevent possible adverse impacts on the natural environment as well as the interests and rights of local communities. Our mines operate under environmental approvals and licenses and routinely submit applications for new permits, when required, and submit compliance reports for existing permits to demonstrate conformity with current obligations. We track emerging environmental legislation in preparedness for potentially stricter standards and enforcement, more stringent environmental assessment requirements for proposed projects, and a heightened degree of responsibility for our operations.

Candelaria submitted an environmental permit application in early-2020 that reflects the continued growth in mineral reserve discoveries and further extension of its operating life to post-2040. Zinkgruvan continues to liaise with relevant authorities regarding the renewal of conditions attached to its environmental licence and anticipates submitting reports on its studies in late-2022, with final permit limits to be defined by mid-2026.

ENVIRONMENTAL INCIDENTS

The Lundin Mining environmental incidents reporting system requires classification on a severity scale of Level 1 (low) to Level 5 (high). The severity of an environmental incident is judged by one or more of the following:

- Impact on species, communities and habitats that comprise ecosystems of the natural environment;
- The degree of regulatory non-compliance; and
- The level of local community concern.

All incidents are reported to the Board of Directors, and those that are classified as Level 3 or above are reported in our annual disclosures. No Level 3 and above incidents were recorded in 2020.

COMPLIANCE WITH ENVIRONMENTAL LAWS

We strive to comply with relevant environmental laws and regulations in all aspects of our operations. Unfortunately, on occasion, sanctions or fines are issued by regulatory authorities. Fines of \$10,000 or above for infringement of environmental legislation or regulations are disclosed in our annual sustainability reports.

We are continuing to track the outcome of charges notified to our Candelaria mine in 2015 by the Chilean Environmental Superintendent (Superintendencia de Medio Ambiente, or SMA) associated with alleged



© European Bee-eater (Abelharuco) at Neves-Corvo, Portugal

infractions of its environmental approvals. The charges originate from two inspections carried out in 2013 and 2014 before Lundin Mining acquired the mine. The case has been ongoing for several years and in 2019, the Supreme Court ordered a re-hearing of the case, which occurred in 2020. The Second Environmental Court ruled in favour of Candelaria, overturning the previously administered fine and ordering the SMA to carry out a new investigation. The SMA appealed this decision and a hearing before the Supreme Court is expected to occur in 2021.

In 2018, claims on behalf of a group of Caldera fishermen were consolidated into a single proceeding filed against Candelaria in the Copiapó Court of Appeals. The claim alleged that contamination of marine habitat due to vessel loading activities at the Candelaria port operations has caused harm to fishermen and local communities, including impact on health and livelihood. In 2019, a ruling was issued dismissing all claims. The plaintiff Caldera fishermen filed an

appeal that was heard in February 2021 and dismissed by the Court in a written decision delivered in April 2021.

In July 2019, the State Defense Council (Consejo de Defensa del Estado) filed a lawsuit against Candelaria before the First Environmental Court alleging environmental damage due to extraction of groundwater beyond Candelaria's permitted limits. The action was settled in January 2021 with no admission of environmental damage having occurred.

In 2018, the Lisbon and Tagus Valley Regional Coordination and Development Commission alleged that our Neves-Corvo operation had failed to notify all stakeholders of work undertaken at our Setúbal port facilities. The matter was still pending resolution at the close of 2020.

Further details on certain of these legal disclosures can be found in our [AIF](#).

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Waste Rock Stockpile at Chapada, Brazil



Aerial view of water treatment facilities at Neves-Corvo, Portugal

TAILINGS AND WASTE ROCK MANAGEMENT MATERIALITY

Tailings and waste rock management is a material topic for Lundin Mining because mining and mineral processing produce a significant amount of these mineral wastes. When they are not properly managed, they have the potential to impact local people and the natural environment during operations and post-closure.

OUR APPROACH

Lundin Mining's operations generate mineral waste in the form of waste rock and process tailings. Through efficient mining and mineral processing practices, along with underground disposal and reuse of these wastes where practicable, we can minimize the overall quantity stored on the surface. Our operations employ comprehensive mineral waste management practices that allow us to minimize associated environmental and social risks and ensure adequate protection of our local resources.

Lundin Mining's RMMS includes a specific tailings management technical standard that requires our operations to ensure tailings facilities and major water-retention dams are planned, designed, constructed, operated, decommissioned and closed in such a manner that all structures are stable. It also ensures that all aspects comply with regulatory requirements, applicable internal standards and policies, and accepted international practice. We are open and transparent about our overall tailings management approach and more detailed information can be found in the Tailings Management Information Sheet located on our [website](#).

In late-2020, Lundin Mining publicly committed to the implementation of the [Global Industry Standard on Tailings Management \(GISTM\)](#), the first global standard on tailings management, released August 2020. Developed in collaboration with ICMM, UNEP and PRI, the ultimate goal is zero harm to people and the environment while aiming to prevent catastrophic failure of tailings facilities by providing operators with specified measures and approaches for safe tailings facility management, taking into account multiple stakeholder perspectives. Supported by the RMMS, our goal is for tailings facilities classified as having "Extreme" or "Very high" potential consequences of failure, as defined by GISTM, to be in conformance with the standard within three years of August 5, 2020, and all other facilities within five years.

The engineering design of the waste rock depositories at all Lundin Mining sites is based on geological and geotechnical characterization studies, including seismic stability parameters. Construction supervision, inspection and monitoring are undertaken to minimize any stability risk. Equally important is an assessment of all environmental and social aspects to understand and resolve any potential impacts.

An important environmental consideration for all our mineral wastes is the potential for the generation of acidic water, known as acid rock drainage (ARD), that can be formed when sulphide minerals in waste rock and / or tailings are exposed to moisture and air. The release of ARD can adversely affect the quality of waterways or groundwater by introducing undesirable levels of acidity and dissolved metals. Appropriate geochemical characterization programs allow us to understand and minimize this risk at our operations.



Tailings facility at Eagle, Michigan, USA

OUR PERFORMANCE

The mineral waste quantities generated by our operations in 2020 are shown in the chart. Approximately 48% of the waste rock mined underground and some 30-40% of tailings from processing ore from underground mines were reused in backfill for mine stabilization. Additional waste rock that was brought to the surface for operational scheduling reasons was subsequently returned underground as rockfill.

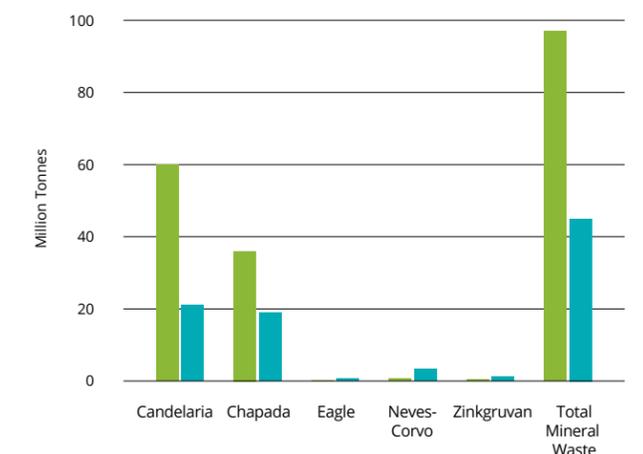
Tailings Management

Surface tailings facilities represent a significant environmental risk for the mining industry. Lundin Mining takes considerable care to ensure our tailings facilities are well designed, constructed and operated in accordance with leading industry practices and standards. To assure that they are well-maintained, the facilities are routinely inspected, carefully monitored and independently reviewed.

Lundin Mining operates five mines with five active tailings facilities and uses two widely accepted methods of tailings disposal:

- Underground disposal involves combining tailings with products such as sand or cement, followed by disposal as a paste backfill or hydraulic backfill in previously mined areas of underground mines; and
- Surface disposal involves placement in engineered surface impoundments or, in the case of Eagle, in a previously mined open pit.

Waste Rock Mined and Tailings Generated 2020



Waste Rock	60	36	0.1	0.7	0.4	97
Tailings	21	19	0.6	3.3	1.2	45

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Humboldt Tailings Disposal Facility at Eagle Mine, Michigan, USA

All active tailings facilities with retention structures use various construction techniques for the main and secondary (or perimeter) dams, but none of these dams use the upstream construction method. Of the five Lundin Mining operations, Eagle Mine is the only operation that does not have a constructed tailings impoundment with dams. Lundin Mining also maintains and monitors six inactive or closed tailings facilities. More detailed information is regularly updated in our [Tailings Management Information Sheet](#) found on our [website](#).

Monitoring and Surveillance:

All sites employ monitoring and surveillance systems, which may include surface prisms, piezometers, inclinometers, accelerometers, remote sensing and other technologies to monitor tailings dams and water levels.

Site-based Responsible Person:

Sites are required to identify a Responsible Person to ensure ownership and proper management of the tailings facility.

Engineer of Record: Each tailings facility has an appropriately qualified, licensed and experienced third-party geotechnical engineer to act as an external Designer or Engineer of Record.

Dam Safety Inspections:

Formal dam safety inspections are conducted at least annually by the Designer / Engineer of Record, and reports are issued to the Responsible Person for action on recommendations.

Independent Reviews: Annual independent third-party tailings reviews are focused on impoundment stability and integrity and provide an expert, independent opinion as to whether the tailings facility design and performance meet accepted international practices. Results from the third-party reviews are carefully tracked, and progress updates are reported to the Board-appointed HSEC Committee each quarter.

Planned annual independent review site visits in 2020 were postponed due to COVID-19 travel restrictions. In their absence, online progress workshops with the independent reviewers and Designer / Engineer of Record were performed to closely track progress made on outstanding recommendations.

WASTE ROCK MANAGEMENT

In 2020, we performed a waste management benchmarking exercise in preparation for the development of a new corporate waste management standard that will formalize Lundin Mining's core elements for the management of waste rock Company-wide.

In line with expectations, 98% of waste rock was mined at Candelaria and Chapada open-pit operations. Management of waste rock and identified risks and controls are summarized for our operations as follows.

Operation	Waste Rock Footprint ¹	Management and Performance
Candelaria	891 ha	<ul style="list-style-type: none"> Permanent surface storage in terraced depositories on site Designed and constructed for seismic stability and to reduce "shadow effect" on the neighbouring Tierra Amarilla community No ARD controls required
Chapada	686 ha	<ul style="list-style-type: none"> Permanent surface storage in terraced rock piles on site Compacted low-permeability soils base layer, segregation and "paddock" dumping for ARD control Review and evaluation of risks or impacts arising from waste rock piles; development of ARD Management Plan Participation in the Mining Hub initiative assessing alternative uses for waste rock; project to continue in 2021
Eagle	3 ha	<ul style="list-style-type: none"> Temporary surface storage incorporating ARD controls All waste rock mined retained underground in 2020 No waste rock will remain at surface on mine closure
Neves-Corvo	9 ha	<ul style="list-style-type: none"> Temporary surface storage incorporating ARD controls prior to use in internal areas of tailings facility Almost half of waste rock mined retained underground in 2020
Zinkgruvan	0 ha	<ul style="list-style-type: none"> No surface storage Used as a construction material for the tailings facility embankments and internal roads, with collection of runoff 60% of waste rock mined retained underground in 2020

¹ Approximate footprint area. A previous error in Candelaria's footprint area has been corrected (reported as 2,130 ha in 2019) and Chapada's footprint area has been revised due to improved data collection methods. This restatement does not result in any material effect.



OUR NEXT STEPS

- Align existing Lundin Mining tailings-related policies and standards with the GISTM requirements.
- Conduct gap analysis and implementation support workshops for GISTM site-level implementation action plans in 2021.
- Approve Waste Management Standard and associated Geochemical Waste Characterization Procedure, with the corporate rollout in 2021 for subsequent adoption by all operations.

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WATER STEWARDSHIP MATERIALITY

Responsible use and stewardship of water is a material topic for Lundin Mining because a significant quantity of this shared resource is required for our mining and mineral processing operations, and much of that water is returned to the natural environment. Potential impacts that can occur at the source, point-of-use or downstream are related to water availability, recreational use, ecosystem health or community needs.

OUR APPROACH

Clean water is vital for maintaining healthy natural ecosystems, and access to this resource is a basic human right. Given that water is essential for our business, we strive to sustainably manage this resource through the balancing of our operational requirements with the needs of the surrounding communities and environment where we operate. In our RMP, we commit to assessing the risks and impacts of our activities and integrating these considerations into our planning, operating and business decisions. We recognize the value of water as a shared resource and are committed to responsible water stewardship, implementing a comprehensive water management planning process that is designed to minimize any detrimental impact on water resources, water users and receiving environments.

Our corporate Water Management Standard represents a holistic risk-based approach to effective management of water throughout the life cycle of our operations from exploration through mining and mineral processing to post-closure. Lundin Mining's sites are in diverse climatic zones and natural environments with varying proximity to local populations. In recent years we have worked to ensure that local and regional context underpins our approach to water stewardship. Evaluation of our management approach forms part of the RMMS audit process conducted at each operation. Audit findings are discussed with the site teams, required adjustments are actioned, and updates are reported to the HSEC Committee to ensure a pathway to continuous improvement.

In 2020, we revised our approach to public reporting on water to align with the updated [GRI 303: Water and Effluents 2018 Standard](#), which applies standardized metric definitions widely used in the mining and metals sector. This will create a new baseline for our data; therefore, we are not reporting annual trends for water metrics this year. However, these will be reported in the future as our database increases. We report our interactions with water for our operational sites, desalination facility and ports, including diversions where we manage water that passes directly from a withdrawal source to the receiving environment without entering operational systems. Non-contact diversion volumes and water that we supply for the benefit of local communities are excluded from our water accounting and reported separately.

Punta Padrones at Caldera, Chile



Our water-related risk assessments are founded on the understanding that continued access to water is dependent on a successful balance between each operation's requirements and its individual regulatory, social and environmental context. The views of our stakeholders, obtained through routine engagement and formal grievance mechanisms, are valued and integrated into our assessment of risk as appropriate. A systematic assessment of water-related risks enables our operations to track current and emerging risks and prioritize controls required to reduce risks to an acceptable level, with elevation to our corporate risk register for quarterly review by the Executive Risk Committee.

We report the quality of our water withdrawals and discharges, aligned with the GRI water and effluents standard in terms of Total Dissolved Solids (TDS) content, as *Freshwater* ($\leq 1,000$ mg/L TDS) and *Other water* ($>1,000$ mg/L TDS). Priority substances of concern in our discharges are primarily defined by site-specific permits and national legislation applicable to receiving environments. Where a permit is required, conditions are typically defined by regulatory authorities during the permitting process, supported by baseline monitoring data and risk assessments of impact on the receiving environment. At Chapada, monitoring is conducted both on site and in the Rio dos Bois, which receives surface runoff and seepage from the site. These results are referenced against Brazilian surface water quality standards to confirm that runoff is not adversely impacting the river.

For our operations with regulated discharges, an integrated system of water treatment processes and procedures is designed and in place. With this system, our operations strive to comply with their water discharge license requirements. We recognize the importance of meeting these requirements, not only for regulatory purposes but also for protection of the environment and downstream users. Non-compliances are reported to the Board HSEC Committee and our sites implement corrective action plans to address the underlying conditions for non-compliance, with the aim of improvement in the future.

Comprehensive water-quality monitoring is routinely undertaken by all our operations for timely detection of any changes to the water environment that may be attributable to our activities. When further investigation is required, these routine assessments are supplemented by focused studies and modelling. Assessment of cumulative impact is a requirement of our updated Water Management Standard and impacts on other water users are monitored through stakeholder engagement mechanisms and a co-operative working relationship with relevant government departments and third-party suppliers.



Dust monitoring at Zinkgruvan, Sweden



Setúbal Port, Portugal

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Water monitoring at Zinkgruvan, Sweden



© Booted eagle (Águia-calçada) at Neves-Corvo, Portugal

OUR PERFORMANCE Strategy and procedure

In 2020, several initiatives were implemented to advance corporate strategic planning for water management. Our corporate Water Management Standard was refined, and a program of training and support was provided to each operation to facilitate site alignment. In addition, projects to further support the integration of water management into the risk profile were initiated. We developed an internal corporate KPI for a reduction in water-consumption intensity at each operation over three years, and our operations set internal, site-specific, water-related goals appropriate to their individual circumstances.

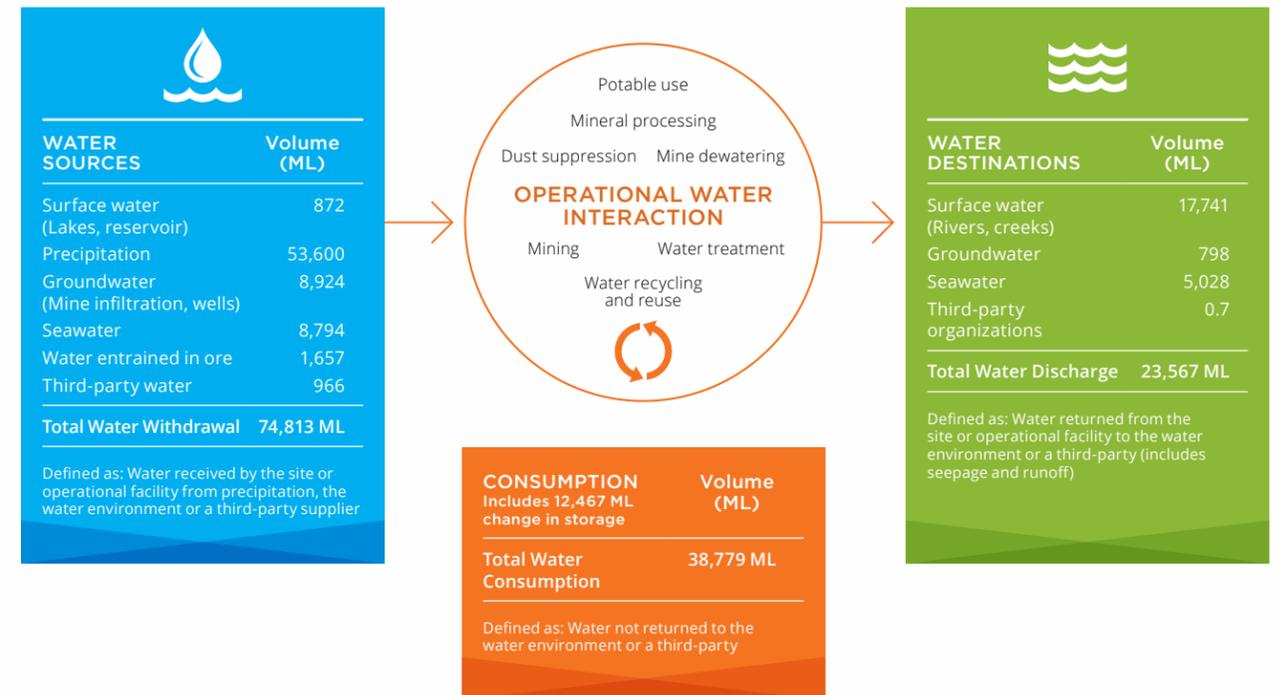
The potential impacts of changing weather patterns, including more frequent and more intense weather events, in changing climatic environments are widely acknowledged in the mining sector. In 2020, we launched a Company-wide commitment to integrate climate-related risks into our broader risk framework and approach to water management planning. A climate change vulnerability assessment was conducted for each of our operations that incorporated issues such as resilience of site water management infrastructure, processes and procedures, essential transportation networks, and security of water resources.

Late in 2020, a corporate initiative for an improved and holistic reporting of water stewardship was launched internally. The aim is to develop a comprehensive Company-wide water management tracking system to improve our understanding of key water management challenges and to assess our overall water risk profile. Coupled with our Water Management Standard, this will better-position the Company to plan its water stewardship efforts.

Interactions with water as a shared resource

Our mines rely on a range of sources of water for operational and potable needs. Annual precipitation patterns strongly influence the quantities of water that our operations manage. Some manage an excess of water due to higher precipitation levels, others are subject to strong seasonal variations or arid conditions. The nature of our sites is such that not all our withdrawal is intended for use by our operational facilities. A significant proportion of rainfall and snowmelt received by our sites is necessarily managed, but not used. Operational water for Candelaria is sourced from the sea via the operation's desalination facility. In recognition of the importance of responsible water use at our mines, our water sources are significantly supplemented by process water reclaimed from our tailings facilities and water treatment plants for reuse by our operations.

OUR INTERACTIONS WITH WATER 2020



Diversions	Volume (ML)
Water management to maintain environmental flows / quality (Eagle, Zinkgruvan)	1,488
Aquifer dewatering with direct release to surface water (Chapada)	14

Defined as: Water that is diverted away from or actively managed by a site but not used for any operational purposes

Community Water	Volume (ML)
Potable and agricultural water supplied to communities	368

Notes:

Primary withdrawals and discharges are metered, while some other flow rates are derived from manual readings. Some flow rates are determined by water balance calculation based on metered flows and using probabilistic models. Precipitation is determined based on annual precipitation data, surface catchment areas and runoff coefficients to account for natural infiltration. Entrained water is the volume of water in the ore which necessarily enters the mineral processing plant, calculated based on average ore moisture content and tonnes milled. Third-party volumes are derived from invoices for metered or trucked water. Consumption losses include evaporation, water used for dust control and drilling, water retained in tailings and waste rock deposits, stored water and moisture in shipped concentrate. Change in water storage is integrated into consumption calculations for a consistent consumption calculation approach across all operations.

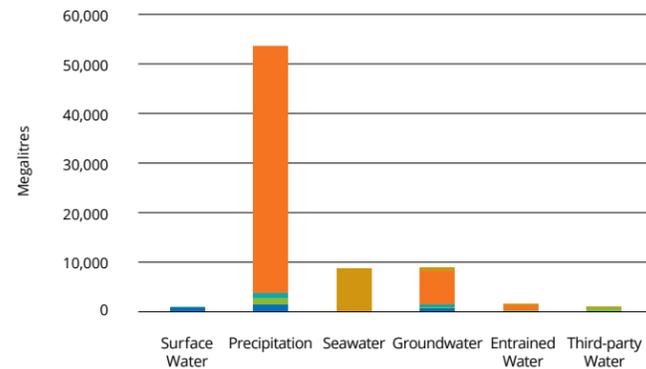


ENVIRONMENT

Our Company-wide water withdrawal for 2020 is presented on an operational, source and water quality basis in the following charts.

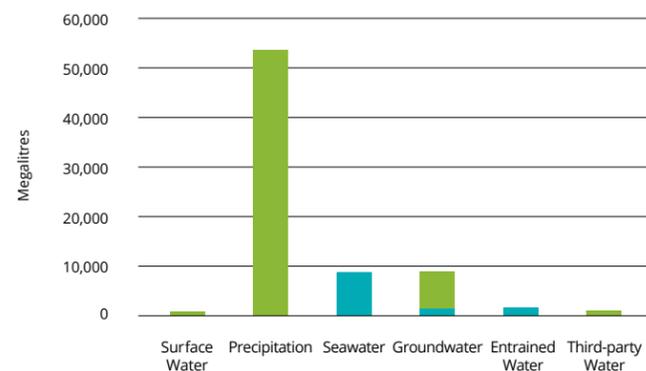
Our 2020 water withdrawal was dominated by precipitation and natural groundwater infiltration into the open pits at Chapada and by seawater abstraction at Candelaria's desalination facility. We seek to minimize our withdrawals, in particular our freshwater withdrawals, although some volumes that we manage, such as precipitation and natural infiltration into our mines, are beyond our full control. Probabilistic models were developed (Chapada) and refined (Eagle Mill and Neves-Corvo) in 2020 to provide a greater depth of understanding of overall site water balances and enable opportunities to be evaluated for continuous improvement in operational efficiency, water reuse and recycling. Candelaria and Zinkgruvan have also continued to track their water balances in detail, with Zinkgruvan achieving a 34% reduction in withdrawal from freshwater lakes and Candelaria seawater intake being reduced by approximately half compared to the previous year.

Water Withdrawal by Operation and Source 2020



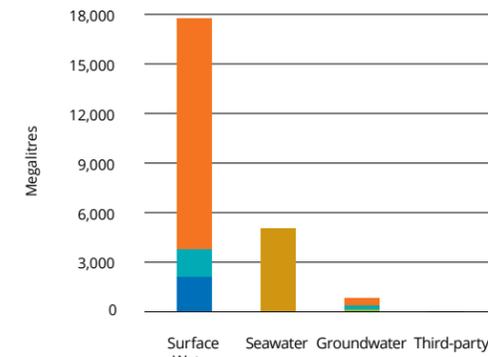
Candelaria	0	0	8,794	847	512	165
Chapada	0	49,943	0	6,665	990	0
Eagle	0	869	0	565	8	0.1
Neves-Corvo	0	1,338	0	214	111	779
Zinkgruvan	872	1,450	0	632	36	22

Water Withdrawal by Source and Quality 2020



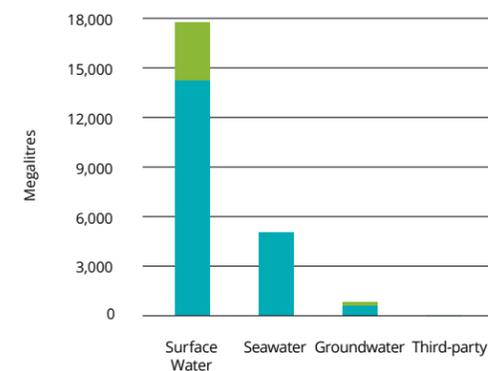
Freshwater	872	53,600	0	7,437	0	966
Other Water	0	0	8,794	1,487	1,657	0

Water Discharge¹ by Operation and Destination 2020



Candelaria	0	5,028	0	0
Chapada	13,989	0	471	0
Eagle	1,678	0	188	0.7
Neves-Corvo	0	0	139	0
Zinkgruvan	2,073	0	0	0

Water Discharge¹ by Destination and Quality 2020



Freshwater	3,527	0	188	0
Other Water	14,213	5,028	610	0.7



Humboldt Tailings Disposal Facility at Eagle, Michigan, USA

Our Company-wide water discharge for 2020 is presented on an operation, destination and water quality basis in the accompanying charts.

Our 2020 discharge was dominated by the release of runoff and seepage that was not used at Chapada and by the return to sea of 57% of the seawater that was withdrawn into Candelaria's desalination facility, the balance being pumped to the mine for operational use. Eagle discharged treated water to the local surface water course at the mill site and through infiltration beds to groundwater at the mine site, under licence. Zinkgruvan's effluent passes through a primary treatment pond prior to discharge to the local creek.

Compliance

There were five isolated incidents of non-compliance with specified limits for certain parameters in our Eagle operation's discharges and three related to environmental groundwater monitoring in 2020. Eagle notified authorities on each occasion and adjusted its practises to minimize the potential for recurrence. Zinkgruvan manages its operational discharge with reference to provisional guidelines that are currently under review in consultation with authorities. Challenges experienced by the Company during 2020 resulted in prolonged periods when some metal concentrations exceeded the guideline levels. While Zinkgruvan is making efforts to improve the quality of its discharge in the short term where practicable, these issues are expected to continue to some extent while investigations and pilot-scale testing are being conducted to ensure development of an appropriate water treatment solution.

¹ Water returned from the site or operational facility to the water environment or a third-party (includes seepage and runoff).



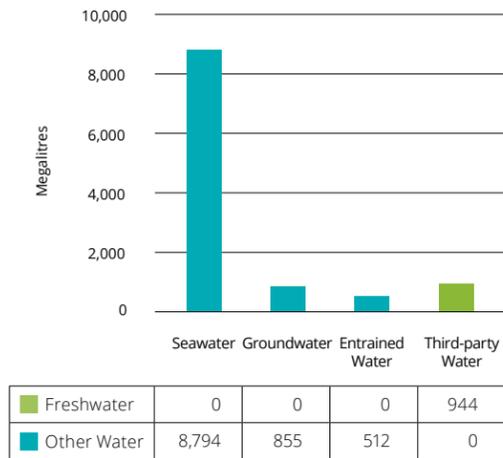
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Risks and opportunities

In 2020, to enhance our assessment of water-related risks, we introduced systematic catchment baseline water stress profiling of our withdrawal source areas and discharge destinations. Based on the [Water Resources Institute \(WRI\) Aqueduct Water Risk Atlas](#), Candelaria and its desalination facility / port operations at Punta Padrones are located in the North Chile, Pacific Coast Basin, which is designated as an area of "arid & low water use." Our Neves-Corvo mine is not located in an area of water stress; however, it receives operational water from the Santa Clara reservoir, a third-party resource located in the Portugal, Atlantic Coast Basin, which is designated as an area of "extremely high" water stress. The operation also receives third-party potable water and withdraws water from a well at the Setúbal port facility, located in this same water-stressed area.

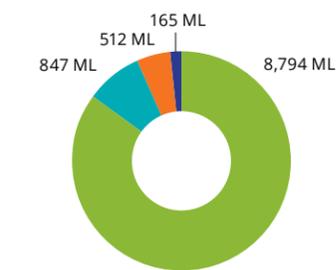
Including seawater drawn into Candelaria's desalination facility, we withdrew 11,105 Megalitres (ML) of water in areas with water stress. If the seawater withdrawal is excluded, this sum reduces to 2,311 ML or 3% of our total Company-wide water withdrawal. The sources and quality of water withdrawn from water-stressed areas are in the accompanying chart. We did not directly withdraw precipitation from water-stressed areas.

Water Withdrawn from Water-Stressed Areas by Source and Quality 2020



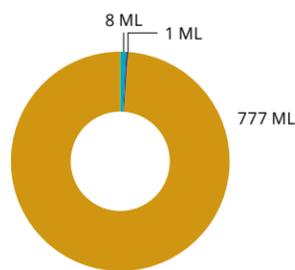
The breakdown of water withdrawal in areas of water stress according to operation is as follows:

Candelaria Withdrawal in Water-Stressed Area 2020 (10,319 ML)



- Seawater
- Groundwater (mine infiltration)
- Ore Entrained Water
- Third-party Water (groundwater source)

Neves-Corvo Withdrawal in Water-Stressed Area 2020 (786 ML)



- Groundwater (port well)
- Third-party Water (groundwater source)
- Third-party Water (surface water source)

Due to the arid climate in this region and the need for local authorities to ensure the continued availability of sufficient potable water for the community, competition for potable water has been identified as a risk for our Candelaria operation. The Company minimizes its effect on the local groundwater aquifer by meeting operational water requirements entirely through supply from its desalination facility. Currently, potable water for mine personnel is supplied by local third-party organizations, sourced from the groundwater aquifer. The operation continues to plan for its commitment to meet its total water demand, including potable supplies, from the desalination facility by July 2025. In the meantime, Candelaria collaborates with local authorities and the supplier to ensure pressure on this important community resource is minimized. Groundwater that infiltrates naturally into the underground Alcaparrosa mine must be removed for operational reasons and the Company mitigates for this by no longer routinely abstracting water from its groundwater well, in accordance with permitting requirements. Withdrawal of the moisture which is naturally present in the ore when it enters the mills for processing (entrained water) is unavoidable.

The potential for impact on the marine environment, on community relations and legal challenges associated with the seawater intake and discharge at the desalination facility have also been identified as risks. Candelaria's only water discharge arises from the commitment to use seawater as opposed to the local aquifer resource for operational purposes; as for the original seawater withdrawal, this regulated discharge from the desalination facility to sea is classified as *Other water* in terms of quality. The Company manages these risks by undertaking routine marine monitoring programs to enable early detection of any changes to aquatic populations and regularly engaging with community and industry groups.



Biodiversity expert José Godinho at Neves-Corvo, Portugal

In 2020, due to drought-like conditions, the Santa Clara reservoir recorded water levels much lower than historical averages and experienced increased drawdown from the surrounding communities. Neves-Corvo has prioritized action in recent years to reduce reliance on this freshwater resource through a comprehensive upgrade of water management infrastructure and procedures, improving water reuse and recycling at the site. In 2020, a study was initiated to investigate an additional treatment option to enable freshwater to be replaced by treated water in some operational areas. The Company was also investigating alternatives to the Santa Clara resource, both for potable water and the balance of operational water. Neves-Corvo does not discharge to any water-stressed area.

Our total water consumption (water withdrawn and not returned to the environment or a third-party) from areas with water stress is given in the table:

Water Consumption	Megalitres
Candelaria	5,291 (71% was seawater)
Neves-Corvo	787
Total	6,078

Our remaining operations are not located in water-stressed areas; nevertheless, there remains a strong focus on minimizing any risks associated with adverse impact on water resources, other water users, and receiving environments.

A primary water-related risk at Chapada is associated with the management of contact water from waste rock storages that contain material classified as potentially acid-generating. The Company is addressing the risk of potential contamination of surface and / or groundwater resources by developing an ARD management strategy based on a site-wide water balance model, ongoing geochemical characterization of all materials, water monitoring, and improvement of waste management practices. This process was ongoing through 2020, in consultation with relevant authorities, and will form the basis of an ARD management plan aligned with Lundin Mining's environmental standards and policies.

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Illustrations © José Godinho, biodiversity expert at Neves-Corvo, Portugal

The precipitation levels at Chapada result in a need to manage excess water at the site. The Company has developed a strategy for addressing the risk associated with excess water that has resulted in the installation of high-capacity evaporators and the installation and commissioning of dewatering wells to reduce the volumes of groundwater infiltrating naturally to the South Pit, thereby reducing the amount of contact water that needs to be managed. In consultation with regulatory authorities, Chapada has also initiated a process for assessing options for water discharge to Rio dos Bois.

Our Eagle operation uses a technique known as subaqueous deposition for its tailings, whereby a depth of water is maintained over the tailings to control the generation of ARD at the tailings storage facility. The operation's water-related risks are principally associated with managing the mill's water balance such that outputs are

controlled and treated to achieve regulatory compliance and protection of the local water environment. This risk is managed through the team's technical and operational expertise founded on the site probabilistic water balance model, which has been reviewed and further refined in 2020.

Water-related risks being managed by Neves-Corvo include the acid-generating potential of the ore and waste rocks, the proximity of the Oeiras River to the mine site, and the presence of an area groundwater system that is part of a significant aquifer connecting to local water supplies and the Oeiras River. To support effective management of these risks, Neves-Corvo progressed various environmental studies during 2020, including a site-wide hydrogeological investigation.

Due to higher-than-normal rainfall and operational changes that limited the site's forced evaporation capacity, the volume of water stored at the

Neves-Corvo mine site increased rapidly towards the end of the year, increasing the risk of unplanned discharge to the Oeiras River. Investigations were in process at the end of 2020 to evaluate options to reduce the volumes stored, including initiating the purchase of high-efficiency evaporators.

For Zinkgruvan, the most significant water-related risk is the potential to impact local community water supplies and ecosystems due to effluent discharges to a local stream. The Zinkgruvan mineral deposit has been continuously mined for over 160 years and, typical of many historical mining areas, water quality and aquatic health impacts have been observed locally. The focus is to manage current operations such that the potential for adverse environmental or social impact is minimized. Technical studies aimed at fully understanding this risk are ongoing and discussed on the following page.

We recognize that the diversity of natural environments in which our operations are located presents unique opportunities as well as challenges. Currently, some of our operations are able to utilize their water management infrastructure to provide water to local communities. Neves-Corvo supplies both potable water and water for agricultural use to several local communities, and in 2020 Candelaria, in accordance with permitting requirements, started supplying water from its desalination facility for agricultural use in Copiapó Valley (Sector 5). Our Eagle and Zinkgruvan operations manage water for environmental outcomes in accordance with their permits.

Our operations regularly collaborate and develop partnership opportunities to further research and scientific understanding of their local aquatic habitats. Neves-Corvo partners with several Portuguese universities, and Candelaria commissions marine monitoring. Opportunities for meaningful engagement with communities on water-related matters are also valued by our operations, examples being community monitoring programs at Eagle, our exploration site in Peru, and engagement with fishing communities in the Punta Padrones region.

Impacts

We report our principal identified material water impacts and how they are addressed. Neves-Corvo has continued to monitor a localized biodiversity impact in the Oeiras River arising from the Company's permitted water discharge to the river. To reduce the potential for impacts, the operation suspends the discharge when there is no flow in the river. In 2020 Neves-Corvo conducted a screening level Site Specific Risk Assessment associated with discharge to the Oeiras River, which will be further developed in 2021. This remains a particularly high priority for the mine because the river is in the Guadiana Delta Basin where both the tributary system and the Guadiana Valley Natural Park have protected status. No site discharge-related impacts have been identified in the Guadiana River.

Zinkgruvan has continued to work with relevant authorities after detecting an increasing trend in groundwater sulphate concentrations in the vicinity of the mine. Although the levels were below the Swedish EPA trigger values, we recognize the importance of understanding and minimizing any Company-related impact on the Forsaåsen Aquifer. Current data indicate that mitigation works conducted in the past two years have had a beneficial effect on the aquifer water quality, and sulphate concentrations in a new municipal well have been at consistently acceptable levels. Understanding any relationship between the Ekershyttebäcken Creek, which receives the mine's permitted discharge, and the



COVID-19 measures at Caldera Port, Chile

local groundwater systems is important. Evaluations are progressing, guided by the Environmental Court-approved schedule that allows for systematic studies, assessment of seasonal influences on the data, and pilot-scale testing. The Company anticipates submitting its plans for an appropriate solution to authorities in late-2022, with final discharge permit limits being defined by mid-2026. Zinkgruvan hosts quarterly meetings with local residents and other stakeholders for sharing of information and concerns, with a subsequent compilation of action plans, as required.

OUR NEXT STEPS

- Develop an action plan at each site for its most significant water-related risks as identified through its climate change vulnerability assessment.
- Ensure these risks are captured in the broader Risk Management Framework.
- Conduct RMMS audits of corporate Water Management Standard implementation at all sites.
- Develop a comprehensive internal water management tracking system to allow the Company to plan its water stewardship efforts.
- Integrate water stewardship into the Sustainability Strategy and develop corporate goals.

ENVIRONMENT



© Otter (Lontra) at Neves-Corvo, Portugal



© Partridges (Perdiz) at Neves-Corvo, Portugal

CLIMATE CHANGE, ENERGY AND GHG EMISSIONS

MATERIALITY

Climate change and greenhouse gas (GHG) emissions are material topics for Lundin Mining due to the energy-intensive nature of our extractive industry sector, associated carbon footprint, and adaptation and mitigation planning considerations. The Company acknowledges climate change as an international concern, and that our climate-related disclosures are of increasing interest to our stakeholders.

OUR APPROACH

Lundin Mining acknowledges our role in the call for action to reduce GHG emissions, to commit to low-carbon alternatives, and to develop climate resilience, as communicated in the 2015 Paris Agreement on Climate Change and the United Nations' SDGs, among others. With the submission in 2020 by individual countries and the European Union of updated plans for climate action, known as nationally determined contributions (NDCs), we anticipate that tighter regulation will follow. We aim to demonstrate a responsible approach to energy consumption and GHG emissions, along with preparedness for regulatory and physical changes associated with climate change and the transition to the low-carbon economy. Comprehensive

disclosure on our climate-related practices, risks and opportunities is provided in our annual climate change response to CDP, which is aligned with the [Task Force on Climate-related Financial Disclosures](#) (TCFD).

CDP Score 2020: Disclosure / risk & opportunity awareness and management / leadership

Lundin Mining: B

North America Regional Average: C

Metallic Mineral Mining Sector Average: C

While acknowledging our responsibility to manage our operational footprint, we also recognize the importance of our role in sustainably providing raw materials to support the global transition to a low-carbon future. Decarbonization will shift demand for key minerals, and the commodities we mine are critically important in emerging technologies and innovations. Furthermore, our commodities are widely recycled globally, significantly contributing to the circular economy.



We recognize the growing expectations of our stakeholders in understanding our view of how climate change impacts our business model and strategy, and how our activities can affect the climate, over the short, medium and long terms. As an energy-intensive sector, and with our current reliance on non-renewable energy sources, we acknowledge our contribution and publicly disclose our GHG emissions, also aiming to mitigate the impact of our emissions through initiatives to increase energy efficiency and reduce our carbon footprint. Equally, we recognize that physical and transition risks associated with climate change can have an adverse impact on our business and the communities where we operate. Understanding our Company-wide climate-related risks and opportunities is becoming increasingly important for our corporate strategic planning and risk management. We continue to embed systems to drive the integration of climate-related risks and opportunities into our Company-wide Risk Management Framework.

Our RMMS standard is aligned to ISO 14001 and will be amended in 2021 to align with the Mining Association of Canada's (MAC) TSM standard. Our corporate environmental technical standards form the basis for continual improvement and enhanced HSEC performance. How our operations manage energy, GHG emissions and interactions with water are governed by these standards, including within the context of changing climatic conditions in the short, medium and long terms. Our updated Water Management Standard includes detailed requirements for climate change risk assessments, mitigation and adaptation specifically to ensure these topics are included in current and future water management

strategies at our sites. The updated Energy and GHG Emissions Standard, in review at the close of 2020, will also include detailed requirements to set a framework for climate action across our operations.

Our climate strategy is currently in development and will form part of the corporate Sustainability Strategy, on which a Company-wide transition plan will be founded to ensure resilience across our business and adaptation in the face of climate change. While our operations are subject to significant changes in the energy-input requirements associated with their expansion projects and advancing mine age, we maintain a strong focus on operational efficiencies that will support our corporate GHG emissions reduction target. We have developed an internal corporate KPI for a reduction in energy intensity at each operation over five years. In addition, our operations set internal, site-specific, energy-consumption and intensity goals appropriate to their individual circumstances. We plan to define headline KPIs as part of the development of the Sustainability Strategy to support target-setting in 2022.

In 2020, initiatives were in development to enhance climate awareness across our organization, beginning with a roll out to the senior leadership team and the Board in 2021. The aims will be to provide a foundation for increased understanding of climate change science and to reflect the growing interest from investors, insurers, lenders, regulators and policymakers, employees and customers. An improved understanding of risk in the context of climate will inform our strategy and approach to climate action.



ENVIRONMENT



Shiploading at Punta Padrones, Chile

Climate-related Risks and Opportunities

An increasing number of jurisdictions have introduced regulatory changes in response to the potential impacts of climate change. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation; however, transitional risks can result in increased costs at some of our operations. Other identified risks include regulatory changes placing restrictions on access to certain water resources. Global initiatives related to climate change may result in new restrictions affecting key supply chain partners, such as the shipping industry and mobile fleet. To mitigate impacts to our business, our Corporate office and operations continue to closely track regulatory developments in their respective jurisdictions. We developed climate-related scenario analysis to identify cost scenarios for carbon taxes, including emissions projections and a financial stress test. This will be updated to integrate Chapada and reflect recent regulatory changes.

In addition, the physical risks of climate change associated with changing weather patterns may have an adverse effect at some of the Company's operations. Our operational sites are in a range of climatic zones with varying vulnerabilities to both acute and chronic physical risks, including extreme weather events; natural disasters; resource shortages; changes in the patterns and intensity of rainfall and storms; water shortages; changing sea levels; and changing temperatures. Due to the dependency of our operations on supplies of suitable water, the risk for regions already exposed to shortages can be considered more severe because of the effects of climate change. Potential for competition with local communities or increased operating costs may result. Where this has been identified as a credible risk, our mines are assessing mitigation initiatives aimed at seeking alternative freshwater sources or altering existing water management and treatment facilities. Conversely, extraordinary storm events may result in localized flooding impacting mine personnel and operations.

Our risk control procedures require that our highest-ranking risks are to be elevated for further analysis. An example is the development of climate change mitigation and adaptation toolkits in 2019, and the subsequent completion of assessment of vulnerability to acute and chronic physical risks for all our operations, which is to be followed in 2021 by the development of action plans to address the most significant risks identified.

Our operations have also identified climate-related opportunities for the support of local communities. In recent years, some of our operations have assisted local government departments, emergency services and communities during flood and wildfire events. Some operations may be in a position in the future to assist with temporary provision of water in the event of shortages. Similarly, potential opportunities could be identified for maintaining environmental flows in water courses and lakes with associated ecosystem benefits.

Opportunities associated with emerging low-carbon and more energy-efficient technologies are also being tracked by our operations and integrated into our business strategies. Opportunities include fuel-switching, negotiation of contracts to increase the use of renewable and lower-carbon energy sources, and improving energy efficiency.

Energy and GHG Emissions Our Approach

Managing energy consumption and GHG emissions is a high priority for Lundin Mining as we continue to focus on our climate-related risks and opportunities and transition to the low-carbon economy. Our structured and transparent approach to energy consumption and GHG emissions reporting is founded on effective energy-consumption tracking by our operations for a robust corporate Greenhouse Gas Emissions Inventory. Details are provided in Appendix B.

In 2020, Candelaria was working towards gaining certification of its newly developed Energy Management System under the ISO 50001 Energy Management System standard. Eagle Mine's operations team has continued to identify opportunities for more efficient energy usage, where possible, across its sites. In Europe, both our Neves-Corvo and Zinkgruvan operations comply with regulatory requirements, completing periodic energy audits and submitting formal plans for energy efficiency to national authorities. During 2020, Neves-Corvo continued the development of its Plano Verde (Green Plan) intending to provide a framework for strategic planning in alignment with national and European commitments to the environment, including the roadmap to carbon neutrality and "green growth." GHG emissions are one of the aspects addressed in the plan, which is on track for internal approval in 2021.

Typical of the global mining sector, our operations are energy intensive, consuming significant quantities of fuel and electricity for mining and mineral processing. COVID-19-related production disruptions have been minimal at our operations during 2020, resulting in minimal impact on our energy consumption and associated GHG emissions performance. Inclusion of the first full year of operating data for Chapada post-acquisition influences



Aerial view of Candelaria, Chile

our data, although Company-wide, the effect was offset to a degree by several other factors, as follows:

Candelaria: Throughput was lower due to ore hardness in the first half of the year and union strike work stoppages in October and November.

Chapada: Mill operations were interrupted in September, resumed at a reduced capacity in early-October and returned to full production in December.

Neves-Corvo: Major ZEP construction activities were suspended by Neves-Corvo from March 2020 onward.

When analyzing our energy consumption and GHG emissions data, we acknowledge that key factors result in variations between sites and within sites from year to year, including:

- relative scale of each operation;
- quantity of ore milled;

- electrical power requirements underground for ventilation, lighting, hoisting, conveyors, pumps and other equipment;
- fuel requirements at our open-pit mines for haulage of waste rock and ore; and
- changing operating conditions over time; such as ore characteristics (ore grade, hardness, depth and accessibility); expansion projects (mining and hauling non-mineralized rock and extending into new mine areas); construction projects to increase ore processing capacity; haulage distances for ore and waste rock; and onsite construction projects (new tailings facilities, tailings facility embankment raises, drainage and water-storage projects).

ENVIRONMENT

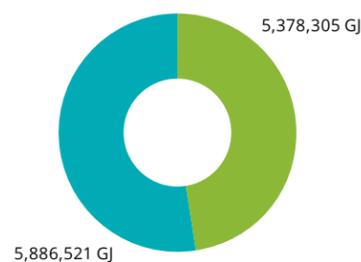


Neves-Corvo mine, Portugal

Energy Consumption

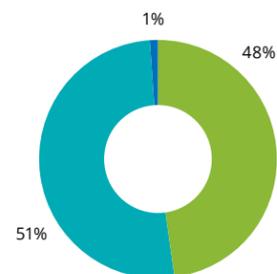
Total fuel and electrical energy consumption within Lundin Mining in 2020 was 11,264,826 Gigajoules (GJ), representing an increase of 5% compared to 2019. The increase was driven by the inclusion of Chapada for 12 months rather than 6 months as reported in 2019. Across the Company, we consumed slightly more fuel energy than electrical energy in 2020. Most of our fuel energy consumption was from diesel, with relatively minor amounts from propane / LPG, gas oil, gasoline, biodiesel and natural gas.

Energy Consumption 2020



- Energy From Electricity
- Energy From Fuel

Percentage of Energy Consumption by Source 2020



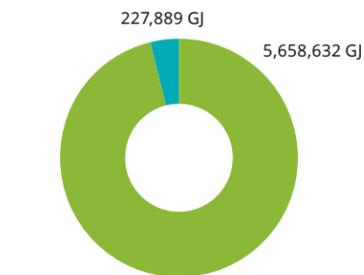
- Electricity
- Diesel
- Other Fuels



Operational Excellence at Chapada, Brazil

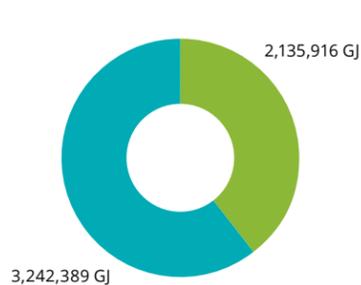
According to available data from our suppliers, we estimate that approximately 60% of our electrical energy consumption and 4% of our fuel consumption were from renewable sources.

Renewable Content of Fuel Consumed 2020



- Non-Renewable
- Renewable

Renewable Content of Electricity Consumed 2020

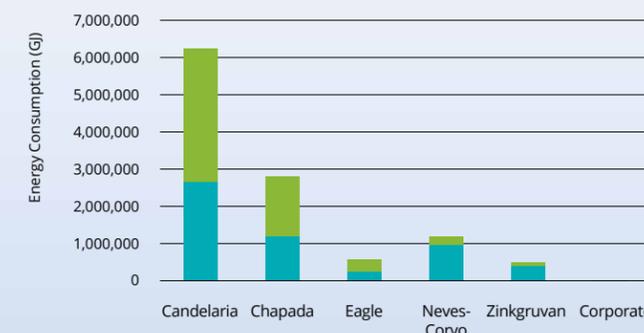


- Non-Renewable
- Renewable

The Candelaria Complex, across its mines, processing plants, desalination facility and port site, is our largest energy consumer. Lundin Mining's total energy consumption was strongly influenced by the scale of Candelaria, as 61% of our total fuel energy and 49% of our total electrical energy were consumed by the complex in 2020. A 10% reduction in energy consumption at Candelaria compared to 2019, along with reductions or consistent consumption at our other mines, has almost offset the additional six months of data reported for Chapada this year.

Our consumption of energy from fuel was most influenced by our open-pit operations, where ore and waste haulage resulted in energy consumption from fuel exceeding that from electricity. Eagle Mine's fuel consumption reflected the approximate 105 km ore haulage distance from the mine to the mill. Following the acquisition of Chapada,

Energy Consumption by Operation 2020



	Candelaria	Chapada	Eagle	Neves-Corvo	Zinkgruvan	Corporate
Energy from Fuel Within Lundin Mining	3,595,658	1,638,514	319,046	230,440	102,001	862
Energy from Electricity Within Lundin Mining	2,647,600	1,169,841	236,807	943,292	380,135	629

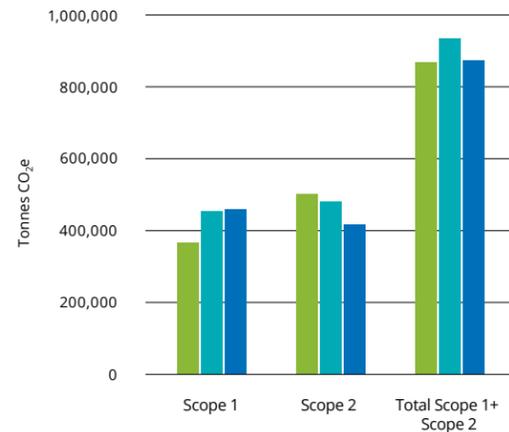
Neves-Corvo became our third-largest energy consumer with its consumption reflecting its production levels, followed by our two smaller operations, Eagle and Zinkgruvan. As expected, Corporate headquarters' energy use was very low in comparison to our operational sites, reducing further in 2020 due to COVID-19-related closures.

Aerial view of Punta Padrones, Chile



ENVIRONMENT

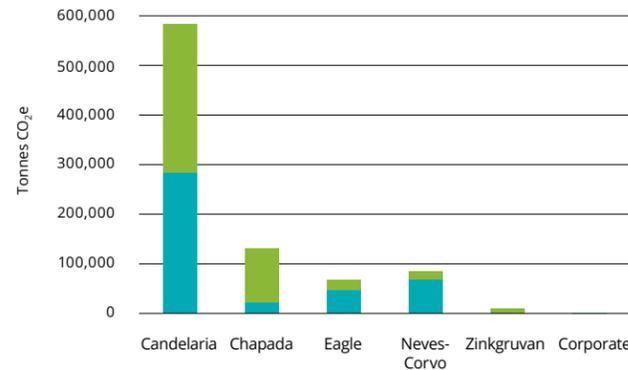
Total GHG Emissions: 2018 to 2020¹



Year	Scope 1	Scope 2	Total Scope 1+2
2018	366,653	500,999	867,652
2019	452,848	480,858	933,706
2020	458,186	415,341	873,527

¹ Chapada data included from July 2019.

Scope 1 and Scope 2 GHG Emissions, by Operation 2020



Operation	Scope 1	Scope 2
Candelaria	300,122	283,220
Chapada	110,624	20,147
Eagle	21,717	44,883
Neves-Corvo	17,746	67,086
Zinkgruvan	7,934	0
Corporate	44	5

Scope 1 and Scope 2 GHG Emissions

We have altered our approach this year and now use Scope 2 GHG emissions calculated using the market-based methodology in our comparisons.

2020 GHG Emissions	Tonnes CO ₂ e
Scope 1	458,186
Scope 2 (location-based)	427,476
Scope 2 (market-based)	415,341

Lundin Mining’s GHG emissions broadly correlate with our energy-consumption trends because Scope 1 reflects emissions from consumption of fuel while Scope 2 reflects emissions from consumption of electricity.

In 2020, our Scope 1 GHG emissions decreased across all operations except for Chapada, with the inclusion of an additional six months of data compared to 2019 for that operation, largely attributed to interruptions to normal operations already described. Our Scope 2 GHG emissions also reflect interruptions to milling operations at Candelaria and Chapada and reduced throughput at Neves-Corvo. Biogenic CO₂ emissions in 2020 are not included in our Scope 1 accounting following GHG Protocol requirements and are reported separately at 16,724 tonnes CO₂, reflecting an increasing trend in renewable content in fuels in Europe and Brazil. Fugitive-GHG emissions from refrigeration and air-conditioning equipment at our operations are estimated to form a very small portion (less than 1%) of our total Scope 1 emissions.

Candelaria is the largest source of our GHG emissions due to the scale of the operations, with the contribution from our other mines reflecting their relative scale. Candelaria and Chapada contribute most of our Scope 1 emissions, reflecting the open-pit nature of these operations and their reliance on diesel for ore and waste rock haulage. Our Scope 2 emissions continue to benefit from Zinkgruvan’s investment in a 100% renewable electricity supply supported by a Guarantee of Origin. In the future, we will also realize the positive effect of Candelaria’s contractual agreement with its supplier for an increase in renewables to a minimum of 80% in the energy mix, prioritizing wind and solar energy, commencing in 2023. Chapada’s Scope 2 emissions benefit from the significant percentage of renewable energy sources in the supply. Electricity consumption is the greatest source of GHG emissions at our remaining underground operations.



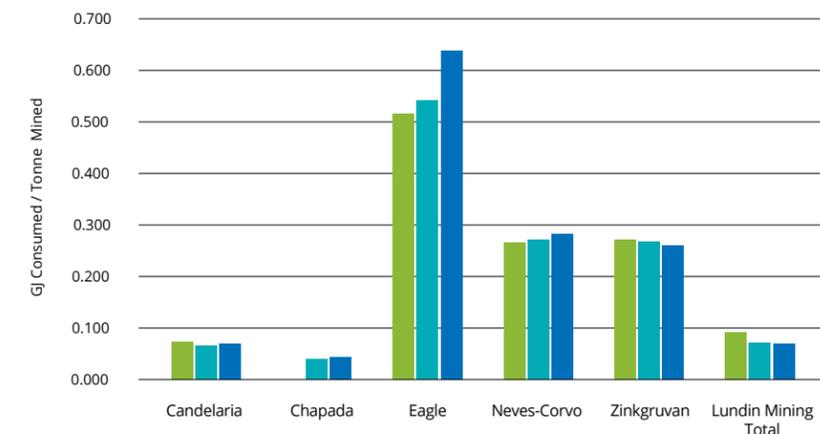
© Wild boar (Javali) at Neves-Corvo, Portugal

Energy and GHG Emissions Intensity

Intensity ratios allow the analysis of energy consumption and GHG emissions data in the context of an organization-specific metric. All metrics can be impacted by factors that do not necessarily relate to operational efficiencies, such as type of mine, haulage distances and ore grade or hardness; consequently, interpretation of intensity data requires careful consideration of context and comparisons over time are more meaningful than between operations. At Lundin Mining, we select the “per tonne mined” intensity

metric, as it enables us to analyze our data in the context of activity at our sites. For 2020, we are also reporting the Company-wide production-related metric “per tonne of copper equivalent” (t CO₂e / t Cu eq) to facilitate benchmarking across the mining and metals sector.

Energy Intensity: 2018 to 2020¹



Operation	2018	2019	2020
Candelaria	0.074	0.065	0.069
Chapada	NA	0.040	0.043
Eagle	0.516	0.541	0.638
Neves-Corvo	0.266	0.272	0.283
Zinkgruvan	0.272	0.268	0.260
Lundin Mining Total	0.092	0.071	0.069

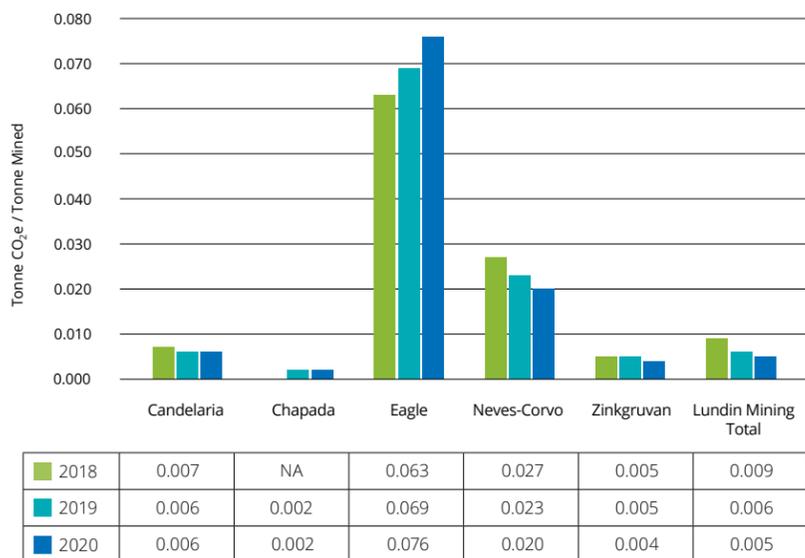
¹ Chapada data included from July 2019.

ENVIRONMENT



Mill site substation at Eagle, Michigan, USA

GHG Emissions Intensity: 2018 to 2020¹



¹ Chapada data included from July 2019.

A decreasing trend in our Company-wide energy intensity has continued in 2020, benefitting from the addition of Chapada to our mining portfolio. Chapada has a low intensity level arising from the movement of significant quantities of material over relatively short distances. Candelaria's intensity levels also reflect the large tonnage of ore and waste rock excavated, although the haulage distances are greater. Our underground operations do not benefit from such efficiencies of scale, especially those located in colder climates, which require additional energy for heating. Eagle's energy intensity using this metric reflects the fact that over 60% of its energy in 2020 was consumed for heating and hauling ore. The mine's increased energy intensity reflects the mining of smaller quantities of waste rock in 2020 and the increased proportion of ore sourced from the deeper Eagle East resource. Energy intensity increased at all our operations except for Zinkgruvan in 2020, attributed to operational interruptions resulting in reduced activity that was not proportionately reflected in reduced energy consumption.

The decreasing energy intensity trend for Lundin Mining overall is also observed for GHG emissions intensity, again with a relatively low GHG emissions intensity at Chapada and Candelaria reflecting large-scale movement of rock and the relatively high intensity at Eagle reflecting emissions associated with heating and ore haulage. Renewable energy content of electricity grids also influences these data, as does Zinkgruvan's continued commitment to invest in a carbon-free electrical energy source. Our 2020 Company-wide product-related GHG emissions intensity value is 2.22 tonne CO₂e/tonne copper equivalent.

GHG Emission Reduction and Energy Conservation Measures

During 2020, approximately 40 initiatives were assessed and / or implemented Company-wide, aimed at reducing both Scope 1 and Scope 2 emissions at our operations. We worked with the Coalition for Eco-Efficient Comminution (CEEC) to develop energy curves for all our operations as a diagnostic tool for optimization of comminutions, as part of a drive to pursue process improvements in milling across the Company's operational profile to reduce Scope 2 emissions. Additional initiatives being assessed include modifications in our mills; switching to solar power for certain aspects of our activities; and operating equipment on demand, such as pumps, ventilation and lighting. Fuel projects undergoing assessment included optimization of truck fuel consumption; building-heat conservation and heat recovery from mine

water to heat mine-ventilation air; switching to diesel fuels with higher renewable contents; using electric vehicles for certain aspects of operations; and moving from fossil fuel to biofuel for heating. Our Zinkgruvan operation renewed its contract for a 100% renewable energy source for electricity supply, maintained since 2017.

Our Corporate office continued to participate in *ForeverGreen*, a tenant-engagement program that includes energy efficiency and carbon emission reduction as core components, and we continue our sponsorship agreement with CEEC for the promotion of industry uptake of energy-efficient, lower-footprint mining. Operational systems to enhance data collection on these initiatives require further development, as currently, the benefits of several implemented initiatives are not quantified.

Energy Consumption Outside Lundin Mining and Scope 3 GHG Emissions

As a step towards tracking selected Scope 3 GHG emissions associated with our value chain, we calculate energy consumption and GHG emissions associated with some transport activities that take place beyond our project boundaries to support our operations. Full-year reporting for Chapada, as opposed to six months in 2019, and improved tracking of fuel used by contractors for these activities have resulted in elevated Scope 3 emissions compared to 2019. In 2021, we will formulate a strategy for expanding our evaluation of Scope 3 GHG emissions to be implemented in 2022.

Energy Consumption Outside Lundin Mining and Scope 3 GHG Emissions 2020

Scope 3 Category ¹	Description	Energy Consumed	Scope 3 GHG Emissions
Category 4: Upstream Transportation and Distribution	Transport of concentrate and some of our most significant imported raw materials.	527,442 GJ	36,138 t CO ₂ e
Category 7: Employee Commuting	Transport by bus of some personnel.	35,069 GJ	2,511 t CO ₂ e

¹ Categories defined in the [GHG Protocol Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#).

OUR NEXT STEPS

- Articulate our approach to climate strategy within the context of our developing Sustainability Strategy.
- Continue to acquire data and knowledge relevant to the development of meaningful targets as part of the Sustainability Strategy.
- Participation of corporate senior management team and Board members in a climate awareness workshop in 2021.
- Conduct investigation to assess potential pathway towards net zero carbon emissions.
- Formulate a strategy for expanding evaluation of Scope 3 GHG emissions for implementation in 2022.
- Achieve certification of Candelaria's Energy Management System under ISO 50001.
- Approval and implementation of Neves-Corvo's Plano Verde in 2021.
- Develop an action plan at each operation for its most significant risks as identified in the climate vulnerability assessments.

ENVIRONMENT



© Lizard (Sardão) at Neves-Corvo, Portugal

RECLAMATION AND CLOSURE

MATERIALITY
Reclamation and closure are material topics for Lundin Mining due to the nature and scale of potential environmental and social impacts that can occur if the decommissioning, closure and post-closure monitoring and maintenance of mine sites are not performed reliably. Potential impacts can occur at, close to, or downstream / downwind of the mine site and can affect communities, soils, water, air quality and ecosystem value.

OUR APPROACH

Closure planning is progressed at sites and financial provisions updated accordingly. Lundin Mining plans for closure from the earliest stages in the life of our mines, ensuring allocation of adequate resources for closure activities to be properly implemented, managed and monitored throughout the active-closure and post-closure phases. We take an integrated approach to mine closure planning with the aim of designing, developing and operating our mines to minimize environmental and social impact upon their eventual closure. Lundin Mining's operational and closed sites have mine closure plans.

Our closure plans are required to address legal obligations and corporate commitments, financial provisions, community interests, the environment and employees' expectations once the mine is closed. Lundin Mining has implemented financial provisions for mine closure following legal requirements and the respective Company policies.

The closure-related financial provisioning and accrual details are provided in Lundin Mining's most recent AIF. Our Mine Closure Planning Standard, updated in 2019, requires the use of a risk-based approach to closure planning and the definition of site-specific closure objectives and completion criteria for each operation. The document requires that closure plans be developed to a level of detail that reflects the stage of each mine's life cycle, and they are updated in accordance with the Standard or when required due to operational changes. The Standard includes objectives relating to long-term water and land stewardship, requiring the definition of post-closure land uses, employee and public safety, chemical and geotechnical stability, post-closure monitoring and aftercare, post-closure land ownership and tenure, temporary closure and unplanned premature closure. Stakeholder participation is integral to our closure planning process. During 2020, Lundin Mining initiated a program to conduct third-party reviews of closure plans at all our operations. Zinkgruvan and Neves-Corvo closure plans were reviewed in 2020. We will complete the program, conducting reviews at Candelaria, Chapada and Eagle Mine, in 2021.

Lundin Mining actively manages the former Storliden mine in northern Sweden, which was closed in 2008. We are currently in the process of finalizing human health and ecological site-specific risk assessment of the closed site.

Social Aspects of Mine Closure Planning

Mine closure plans that incorporate both physical rehabilitation and socio-economic considerations are an integral part of the mine life cycle. Mines should be designed so that future public health and safety are not compromised, after-use of the site is beneficial to affected communities, and adverse socio-economic impacts are minimized while socio-economic benefits are maximized. In 2020, Eagle continuously engaged in closure planning with stakeholders, such as regulators, authorities, local business owners, school representatives, and the Keweenaw Bay Indian Community, despite the challenges presented by COVID-19. As a result of this engagement, Eagle has identified viable changes to its closure objectives to reflect better outcomes for stakeholders.



OUR NEXT STEPS

- Continue to actively plan for closure of Eagle Mine in 2025 as scheduled in the most recent Life of Mine Plan.
- Update Eagle Mine social closure plan to outline more detailed programs to support revised closure objectives.

NON-MATERIAL TOPICS

Several sustainability topics which we recognize can be relevant to the mining sector were not identified as material during our materiality assessment process. Since these may be of particular interest or concern to local communities and other stakeholders, we include some information concerning these subject areas in our report.

AIR EMISSIONS, NOISE AND VIBRATION OUR APPROACH

Lundin Mining's objective is to minimize disturbance to our neighbouring communities and the surrounding environment from emissions of air pollutants, noise and vibration. Management of oxides of nitrogen and sulphur (NO_x and SO_x) and particulate emissions (dust) by mining operations is important for employees and contractors, the surrounding communities and the environment.

Our operations have controls and procedures in place to manage emission of particulates within and beyond our site boundaries, as well as associated monitoring to allow the effectiveness of controls to be routinely assessed and adjusted if required. Controls include the application of water and binding agents, sprinkler systems, wheel washes and sweepers, covering of concentrate and other materials for transport, and dust capture systems and air filters in indoor areas. Documented procedures and associated training of personnel as to the circumstances under which action is required are critical to the

effectiveness of these measures. Emissions of NO_x and SO_x are regulated under national laws or regulations, including those listed on environmental permits, at our Chapada, Eagle and Neves-Corvo operations. Emissions are controlled using appropriate technologies, mitigation measures and associated monitoring.

Lundin Mining continues to manage noise and vibration emissions from our sites, employing noise-mitigation works where required, restricting activities with greater noise emissions to daytime hours wherever possible, and informing local communities of blasting times in advance.

OUR PERFORMANCE

Although Chapada, Eagle and Neves-Corvo have regulated NO_x and SO_x air emissions, Chapada was the only operation required to undertake compliance monitoring in 2020, and full compliance was achieved. In 2020, all our operations were in full compliance with regulated limits for particulate emissions. Candelaria monitors particulates at official Community Status monitoring stations in the communities of Tierra Amarilla, Caldera and the suburb Nantoco. Since the data collected represent the cumulative effect of a range of sources of particulates in the region, including from other mines and a smelter, authorities do not consider exceedances of limits recorded at these monitoring stations to be non-compliances for Candelaria. In addition to compliance monitoring required at some of our sites, particulate matter is routinely measured to assess impacts from our Neves-Corvo operation in the neighbouring villages of Graça, Corvo and Neves.



Candelaria mine site, Chile

ENVIRONMENT

Candelaria is in an arid area with limited natural vegetation and which hosts several other industrial and agricultural operations, resulting in considerable latent particulate matter in the air. Candelaria employs processes and technology to monitor and manage air quality impacts and regularly reviews and updates them. In 2019, Candelaria became aware that the Ministry of the Environment had commenced a technical review of the air quality of the Copiapó and Tierra Amarilla areas to determine if they might be declared a saturated zone for purposes of Chilean law. In response, local industry and government agreed to work together to voluntarily develop and propose mitigation measures that would remove the need to formally declare the area as a saturated zone.

Corporate Noise and Vibration Guidance was developed for internal review in 2020 to form a broad strategy for the mitigation of impacts. Noise-mitigation initiatives undertaken in recent years at Neves-Corvo and Zinkgruvan have continued to improve compliance. Provisional guidance values for vibration from blasting were exceeded at a single location on one occasion at Zinkgruvan in 2020. Following an internal investigation, the incident was deemed a one-time event. Future blasting in the area in question will be fully reviewed to assess the need for any adjustments. A single night-time noise measurement at Zinkgruvan also exceeded the provisional guideline level at one monitoring location. Zinkgruvan's noise and vibration studies, along with recommended final permit limits, were submitted to the local county board (ÖCAB) for approval in 2020.

Our Zinkgruvan operation is in an area with a long history of mining, and recent fugitive-dust investigations suggest there is a potential human health exposure risk from some heavy metals on some garden produce. The findings were reported to ÖCAB and confirmed by local health authorities (AMM) in March 2020. Zinkgruvan management informed impacted residents in early-April, information pamphlets prepared with ÖCAB were distributed to residents, and mitigation measures were published on the AMM website. Fugitive-dust evaluations continue per the Environment Court-approved schedule to allow for systematic studies that will form the basis of an appropriate long-term dust management plan. The Company anticipates submitting this plan in late-2022, with final permit limits to be defined by mid-2026. Additional dust mitigation measures on site, such as the establishment of green barriers and water suppression in summertime, have been approved by ÖCAB and implemented.

In 2020, Lundin Mining reviewed dust programs at all operations to assess current methodologies, evaluate gaps and opportunities, establish a global baseline, and determine best practice across the Company. The study concluded that no single solution is suited to all sites, and tailored integrated management systems have greatest potential. In 2021, work will focus on assessing dust suppression technology, including thorough quantitative assessment and trial studies.



Underground at Neves-Corvo, Portugal

Photo credit: © PWC Lisboa Portugal



© Fox (Raposa) at Neves-Corvo, Portugal

BIODIVERSITY AND LAND OUR APPROACH

We recognize the importance of our role in biodiversity stewardship – contributing to the proper assessment of biodiversity conditions, minimizing habitat degradation, and planning for habitat restoration during the life of mine cycle.

Our objectives for biodiversity management include considering biodiversity-related information and management systems during due diligence assessment programs, undertaking baseline studies to document conditions before the development of new mines or significant expansion beyond a mine's current footprint, and monitoring the effects of our biodiversity management programs. We aim to promote sustainable management of living natural resources through partnerships that seek to integrate conservation needs and development priorities, including community-based knowledge in our planned activities, where available.

OUR PERFORMANCE

Our operational sites prepare and update their biodiversity action plans on an annual basis, identifying biodiversity risks and opportunities and informing the development of operational plans at each site in alignment with the Company standard. Our operations conduct routine flora, fauna and aquatic surveys, as appropriate, to identify species of interest and to monitor habitat health, biodiversity and any changes that could potentially be attributable to our operations. Supplementary surveys are undertaken periodically to support new permit applications for extensions of a mine site footprint, with relocation programs for selected species where required.

At Candelaria's port operations, complementary programs support marine rehabilitation, restoration and replantation programs to ensure sustainable use and management of marine areas.

ENVIRONMENT

Chapada is located within a *cerrado aberto baixo*, or low, open, savannah region of Brazil. There are no protected areas within the property boundaries or in the region surrounding the operation. Prior to the development of the mine, the land was zoned as a legal reserve. When the zoning was changed to permit mining, the legal reserve was relocated approximately 23 km north of the site; this 1,650 hectare forest reserve is managed by Chapada, along with an environmental education centre. A plant survey and carbon-capture program commenced at the site's reserve in 2019 was not progressed in 2020 due to COVID-19 restrictions.

Neves-Corvo's lands lie adjacent to the Oeiras River, an area of high biodiversity value where both the tributary system and the Guadiana Valley Natural Park have protected status as part of the European Natura 2000 network. Conservation

of the Oeiras River and downstream catchment habitat is one of the highest environmental priorities for Neves-Corvo as it continues its long-standing partnerships with Portuguese universities, national conservation organizations and natural park authorities to support river health and assist in the protection of endangered and vulnerable species.

In Sweden, part of our Zinkgruvan operational area lies within the Knalla Nature Reserve, a popular spot for hiking. A minor part of Lake Viksjön lies within this reserve and our Zinkgruvan operation plays an important role in managing the water level of the lake while maintaining the flow rate of a nearby creek within a valley of high natural value. There are no protected or high biodiversity value areas within or adjacent to our Candelaria or Eagle sites.

Species of Interest

Habitats hosting three critically endangered and thirteen endangered species, as defined by the International Union for Conservation of Nature (IUCN) Red List and national conservation lists, can be found in regions where we have operations. The monitoring and protection of all Red List species are addressed in the relevant biodiversity management plans developed and implemented by each site.

Land Management

At the beginning of 2020, Lundin Mining was managing 8,762 hectares of land that we own or lease and occupy with our mining and processing activities and associated infrastructure, increasing to 8,961 hectares at the close of the year. Most of the land managed by Lundin Mining is located at our Candelaria Complex and Chapada.



Lynx (Lince) at Neves-Corvo, Portugal

NON-MINERAL WASTE

We recognize that responsible waste management is important for the mining sector; management of non-mineral waste at our operations is formalized through jurisdictional requirements and the implementation of comprehensive waste management plans. These plans specify how the different types of waste produced by our activities are to be managed, including identification of opportunities for waste minimization, recycling and re-use.

All waste generated by the Company's operations in 2020 was stored and disposed of following applicable waste regulations and site waste management plans; approximately 50% of hazardous and 90% of non-hazardous materials were either reused, recycled or composted. During 2020, approximately 37,600 tonnes of non-mineral waste were generated by Lundin Mining, of which 91% were classified as non-hazardous waste. Our waste-generation levels have remained broadly consistent over recent years.

APPENDIX A: Key Performance Data

HEALTH & SAFETY STATISTICS 2020

	Employees		Contractors		
	Male and Female		Male and Female		Total
Candelaria	3,340,093 Employee Hours		8,012,888 Contractor Hours		11,352,981 Hours Worked
Total Recordable Injuries	4		11		15
Injury Rate (TRIF)	0.24		0.27		0.26
Occupational Diseases	13		0		13
Occupational Disease Rate	0.78		0		0.23
Lost Workdays	101		440		541
Lost Day Severity Rate (SR)	6		11		10
Work Related Fatalities	0		0		0
Chapada	1,237,033 Employee Hours		2,605,103 Contractor Hours		3,842,136 Hours Worked
Total Recordable Injuries	6		6		12
Injury Rate (TRIF)	0.97		0.46		0.62
Occupational Diseases	0		0		0
Occupational Disease Rate	0		0		0
Lost Workdays	69		106		175
Lost Day Severity Rate (SR)	11		8		9
Work Related Fatalities	0		0		0
Eagle	377,786 Employee Hours		454,779 Contractor Hours		832,565 Hours Worked
Total Recordable Injuries	1		1		2
Injury Rate (TRIF)	0.53		0.44		0.48
Occupational Diseases	0		0		0
Occupational Disease Rate	0		0		0
Lost Workdays	0		0		0
Lost Day Severity Rate (SR)	0		0		0
Work Related Fatalities	0		0		0
Neves-Corvo	2,086,164 Employee Hours		1,752,413 Contractor Hours		3,838,577 Hours Worked
Total Recordable Injuries	11		11		22
Injury Rate (TRIF)	1.05		1.26		1.15
Occupational Diseases	14		0		14
Occupational Disease Rate	1.34		0		0.73
Lost Workdays (w/o fatality)	124		346		470
Lost Day Severity Rate (SR)	12		39		24
Work Related Fatalities	1		0		1
Fatality Rate	0.10		0		0.05
Lost Workdays (w/fatality*)	6,124		346		6,470
Lost Day Severity Rate (w/fatality*)	587		39		337

APPENDIX A:

Key Performance Data

HEALTH & SAFETY STATISTICS 2020

	Employees		Contractors		
	Male and Female		Male and Female		Total
Zinkgruvan	686,507 Employee Hours		244,089 Contractor Hours		930,596 Hours Worked
Total Recordable Injuries	3		3		6
Injury Rate (TRIF)	0.87		2.46		1.29
Occupational Diseases	4		0		4
Occupational Disease Rate	1.17		0		0.86
Lost Workdays	41		20		61
Lost Day Severity Rate (SR)	12		16		13
Work Related Fatalities	0		0		0
Exploration	31,396 Employee Hours		2,345 Contractor Hours		33,741 Hours Worked
Total Recordable Injuries	0		1		1
Injury Rate (TRIF)	0		85.29		5.93
Occupational Diseases	0		0		0
Occupational Disease Rate	0		0		0
Lost Workdays	0		0		0
Lost Day Severity Rate (SR)	0		0		0
Work Related Fatalities	0		0		0
Corporate Offices	164,711 Employee Hours		682 Contractor Hours		165,393 Hours Worked
Total Recordable Injuries	0		0		0
Injury Rate (TRIF)	0		0		0
Occupational Diseases	0		0		0
Occupational Disease Rate	0		0		0
Lost Workdays	0		0		0
Lost Day Severity Rate (SR)	0		0		0
Work Related Fatalities	0		0		0
Lundin Mining Total	7,923,690 Employee Hours		13,072,299 Contractor Hours		20,995,989 Hours Worked
Total Recordable Injuries	25		33		58
Injury Rate (TRIF)	0.63		0.50		0.55
Occupational Diseases	31		0		31
Occupational Disease Rate	0.78		0		0.30
Lost Workdays (w/o fatality)	335		912		1,247
Lost Day Severity Rate (SR)	8		14		12
Work Related Fatalities	1		0		1
Fatality Rate	0.03		0		0.01
Lost Workdays (w/fatality*)	6,335		912		7,247
Lost Day Severity Rate (w/fatality*)	160		14		69

Explanation of how data is compiled

Employee Hours and Contractor Hours include female and male hours combined.

For the purpose of this report, the 'Injury Rate' is based on total recordable injuries.

Total Recordable Injuries = Medical Treatment Cases + Restricted Duty Cases + Lost Time Cases. First aid injuries are not included.

Lost Day Severity Rate (SR) = Based on workdays lost after the first day. SR calculation: '(lost workdays x 200,000) / hours worked'.

* Lost Day Severity Rate (w/fatality) includes an additional 6,000 loss of life penalty days in the calculation.

High-consequence work-related injuries: based on end-of-year site self-reporting and excluding the Neves-Corvo fatality, there were eight (8) high-consequence work-related injuries in 2020, four (4) involving employees and four (4) involving contractors. The employee and contractor high-consequence work-related injury rates for 2020 were 0.10 and 0.06 respectively, and the overall Lundin Mining high-consequence work-related injury rate for 2020 was 0.08.

STAFFING SUMMARY 2020

		Number of Employees	Permanent Employees	Temporary Employees	Full-Time Employees	Part-Time Employees	Other Workers	Non-National / Expatriates	Employee Turnover (%)	Non-Managerial Workforce covered by collective bargaining agreements (%)
Candelaria	Male	1,348	1,210	138	1,348	0	68	1	14.2	
	Female	136	134	2	136	0	39	0	9.6	
	Total	1,484	1,344	140	1,484	0	107	1	12.5	78
Chapada	Male	710	710	0	710	0	0	0	9.3	
	Female	88	88	0	88	0	0	0	12.5	
	Total	798	798	0	798	0	0	0	9.6	100
Eagle	Male	155	155	0	155	0	187	3	10.3	
	Female	41	41	0	41	0	17	0	9.8	
	Total	196	196	0	196	0	204	3	10.2	0
Neves-Corvo	Male	1,096	876	220	1,096	0	0	21	8.9	
	Female	167	113	54	167	0	0	4	11.4	
	Total	1,263	989	274	1,263	0	0	25	9.3	99
Zinkgruvan	Male	363	338	25	362	1	0	2	8	
	Female	87	84	3	82	5	0	0	8.3	
	Total	450	422	28	444	6	0	2	8.1	100
Exploration	Male	12	12	0	12	0	2	0	58.3	
	Female	4	4	0	4	0	0	0	50	
	Total	16	16	0	16	0	2	0	56.3	0
Corporate	Male	51	49	2	51	0	0	2	17.6	
	Female	33	29	4	33	0	0	1	18.2	
	Total	84	78	6	84	0	0	3	17.9	0

Minimum notice periods regarding operational changes

Candelaria: Before the expiration of the collective agreements, notice period (60 days) is given at the start of the collective bargaining process. Labour relations hold formal meetings based on medium- and long-term schedules. Additional notice (24 weeks) is given before a significant change for planned, non-confidential changes.

Chapada: Notice periods are not defined in the collective agreement; however, in the event of significant operational changes, employees are notified individually and / or through internal communication channels. The local union is notified and provides input.

Eagle: No collective bargaining agreement. Minimum notice period (60 calendar days) required by the Worker Adjustment and Retraining Notification Act.

Neves-Corvo: There is no Company-specific collective bargaining agreement, notice periods are defined on a case by case basis.

Zinkgruvan: Collective agreement does not specify notice periods. Planned operational changes are shared with the local unions and, if required, are agreed upon through negotiation. If the Company decides to change a shift roster system for a specific group, the minimum notice period is three weeks.

APPENDIX B:

Basis for Energy and Greenhouse Gas Reporting

Basis for Lundin Mining Energy Reporting 2020

- Energy Within Lundin Mining includes fuel and electricity consumed in our corporate office and onsite by Lundin Mining and contractors for core business activities.
- Energy Outside Lundin includes fuel consumed by contractors for the transport of concentrate, some imported raw materials and personnel in buses.
- Data sources include Lundin Mining's internal purchase records and fuel-consumption records reported to Lundin Mining by contractors.
- Factors to convert quantities of fuel consumed to energy units sourced in-country from product data sheets and national publications.
- Electricity-consumption data obtained from suppliers and onsite meters.

Basis for Lundin Mining GHG Reporting 2020

- GHG emissions calculation approach aligned with the GHG Protocol methodologies.
 - > Consolidation approach based on operational control.
 - > Latest Global Warming Potentials, given in the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report were used, as recommended by the GHG Protocol and CDP.
 - > Calculations include carbon dioxide, methane and nitrous oxide, reported as carbon dioxide equivalents (CO₂e).
 - > 2015 defined as base year for GHG emissions reporting (data were externally assured and both location-based and market-based Scope 2 data were reported). Base year Scope 1 and Scope 2 emissions were recalculated in 2019 using pro-rata option, to account for the acquisition of Chapada Mine in July 2019. Full recalculation was completed for the 2020 reporting year.

2015 Base Year Emissions (recalculated March 2021)	• Scope 1: 351,251 tonnes CO ₂ e
	• Scope 2 (Location-based): 495,872 tonnes CO ₂ e
	• Scope 2 (Market-based): 483,257 tonnes CO ₂ e

- Scope 1 emissions accounting based on fuel, blasting agents, and fugitive emissions from refrigeration and air-conditioning equipment at our operations.
 - > Where available, fuel emission factors sourced in-country, from national publications; otherwise, default fuel emission factors were sourced from 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
 - > Fugitive emissions calculated in alignment with the GHG Protocol's Screening Method (WS3 Emission Factor-Based Approach to Estimate HFC and PFC Emissions from Refrigeration/AC, 2015).
- Scope 2 emissions accounting based on electricity consumption onsite and in corporate offices.
 - > "Location-based" and "Market-based" Scope 2 emissions calculated in accordance with GHG Protocol Scope 2 Guidance, published in 2015.
 - > Emission factors for location-based emissions calculations were regional or national data obtained in-country, where available, and otherwise were sourced from the International Energy Agency (IEA (2020), Emission Factors).
 - > Emission factors for market-based calculations were sourced from a contractual arrangement between our Swedish operation and its electricity supplier; European Residual Mix (AIB, 2020) for Portugal; and, since residual mix data are not currently available for Brazil, Chile and the U.S., regional grid average data were applied.
- Scope 3 emissions from some fuel combustion (transportation only) based upon fuel-consumption data supplied by contractors.

INDEPENDENT ASSURANCE STATEMENT



To: The Stakeholders of Lundin Mining Corporation

INTRODUCTION AND OBJECTIVES OF WORK

Apex Companies, LLC (Apex) was engaged by Lundin Mining Corporation (LMC) to conduct an independent third-party assurance of select sustainability information presented in its 2020 Sustainability Report (the Report) for the calendar year ending in December 2020. This assurance statement applies to the related information included within the scope of work described below. The intended users of the assurance statement are LMC's management and stakeholders of LMC. The overall objective of the assurance process was to provide assurance on the accuracy, reliability, and objectivity of LMC's Report for the specific subject matter/key performance indicators (KPIs) covered by the scope of work (below).

The information that was assured and its presentation in the Report are the sole responsibility of the management of LMC. Apex was not involved in the calculation of the data or drafting of the Report. Our sole responsibility was to provide independent assurance on the selected Key Performance Indicators (KPIs).

ASSURANCE STANDARDS APPLIED

The assurance engagement was performed in accordance with AccountAbility's AA1000 Assurance Standard (AS) v3 standard and was conducted to meet the AA1000AS Type 2 moderate level of assurance requirements for most metrics.

Greenhouse gas emissions were verified to a *reasonable* level in accordance with ISO 14064-3: Second edition 2019-04: Greenhouse gases -- Part 3: Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements.

SCOPE OF WORK

LMC requested Apex to include independent assurance of the following KPIs for the calendar year 2020 reporting period:

- Safety – total recordable injury frequency rate (TRIF) and lost time injury frequency rate (LTIF);
- Total amount of water withdrawn from all sources;
- Total amount of water discharged;
- Energy consumption within LMC's operations including electricity, liquid fuels and gaseous fuels;
- Greenhouse gas emissions – Scope 1, Scope 2 (location and market based);
- Stakeholder grievances filed during the year;
- Stakeholder engagement as it relates to AccountAbility's AA1000AS v3 (2020)¹ principles of inclusivity, materiality, responsiveness, and impact.

¹ Published by AccountAbility: The Institute of Social and Ethical Accountability

A table listing the reported and assured data is attached to this statement.

Excluded from the scope of our work is any assurance of information relating to:

- Performance indicators and text in the report not indicated above; and
- Activities outside the defined assurance period of calendar year 2020.

METHODOLOGY

Apex undertook the following activities:

1. Interviews with relevant personnel of LMC and LMC's consultant;
2. Review of internal and external documentary evidence produced by LMC;
3. Audit of select KPI data presented in the Report including a detailed review of samples of data;
4. Review of LMC data and information systems for collection, aggregation, analysis and internal verification and review; and,
5. Review of the Report as it relates to the assured KPIs.

A site visit to the Eagle Mine located in Michigan, USA was planned, as was a visit to LMC's headquarters in Toronto, but both visits were cancelled due to Coronavirus travel restrictions. All data review and interviews with Lundin personnel and external stakeholders were performed remotely.

The work was planned and carried out to provide a AA1000 AS v3 Type 2 moderate level of assurance for most KPIs, and a reasonable level of assurance for GHG emissions (ISO 14064-3: Second edition 2019-04: Greenhouse gases -- Part 3: Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements), and we believe it provides a sound basis for our conclusions.

FINDINGS AND CONCLUSIONS

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data related to the KPIs identified in the scope of work that are included in the Report are accurate, reliable and free from significant error, material mistakes or misstatements.
- The Report provides a fair representation of LMC's activities as it relates to our scope of work over the reporting period.

INDEPENDENT ASSURANCE STATEMENT



- LMC has established appropriate systems for the collection, aggregation and analysis of relevant information, and has implemented underlying internal quality assurance and quality control practices that provide a reasonable degree of confidence that such information is complete and accurate.
- The Report adequately reflects the organization's alignment to, and implementation of the AA1000AS v3 (2020) principles of Inclusivity, Materiality, Responsiveness, and Impact in its operations (further detail is provided below).
- LMC has processes in place for consulting and engaging with its key stakeholders in a structured and systematic manner.
- LMC has processes in place for recording and managing grievances through to their resolution.

ADHERENCE TO THE PRINCIPLES OF AA1000AS V3

As required by the AA1000AS v3 (2020) standard, outlined below are our observations relating to LMC's adherence to the principles of inclusivity, materiality, responsiveness, and impact.

INCLUSIVITY

LMC's Responsible Mining Policy and Stakeholder Engagement Standard outlines the company's commitments regarding communities, stakeholders and external engagement. LMC's Stakeholder Engagement Standard and supporting Stakeholder Engagement Corporate Procedure (Stakeholder Engagement Guidance document) provides the minimum requirements for sites to identify and engage with groups and individuals who may be impacted by company activities. In prior years, when Apex visited the Candelaria Mine (2019), Zinkgruvan Mine (2018) and Eagle Mine (2017), and a remote/virtual visit to the Neves-Corvo Mine (2020), we observed implementation of external stakeholder engagement during our discussions with external stakeholders and/or LMC employees. In 2021, Apex interviewed external stakeholders of the Eagle Mine, LMC employees and reviewed documentation and reports to determine stakeholder engagement during the 2020 assurance period. LMC's approach to stakeholder engagement, stakeholder engagement activities in 2020, examples of primary stakeholder groups and the key interests and concerns of each stakeholder group are described in the Stakeholder Engagement section of the Report. Our observations, both in this assurance period and in previous years, indicate that LMC takes stakeholder concerns into consideration and has adequately addressed the inclusivity principle in its operations and the 2020 Report.

MATERIALITY

LMC commissioned a materiality assessment during 2017 that included identifying issues of importance for internal and external stakeholders. LMC conducted an internal review of material aspects identified in the 2017 materiality assessment to determine issues of importance to the company. LMC also identified additional issues that, while not deemed to be material to the business, were identified as issues of interest to some of their stakeholders. These additional issues were Governance, Human Rights, Biodiversity and Land, and Materials and Product Stewardship. The Report included a discussion of these identified issues and is organized to align with the issues determined to be material to LMC's business and stakeholders. Based on our in-person site visits to the Candelaria Mine (2019), Zinkgruvan Mine (2018) and Eagle Mine (2017), remote/virtual visits to the Neves-Corvo Mine (2020) and Eagle Mine in 2021, in-person external stakeholder interviews during previous years, telephone interviews with Eagle Mine external stakeholders in 2021, interviews with LMC employees, as well as our review of the Report, LMC has adequately addressed the materiality principle in its operations and the 2020 Report. The 2020 Report indicates that the materiality assessment will be updated in 2021.

RESPONSIVENESS

LMC has developed requirements and systems to respond to stakeholder issues such as grievances and complaints in their Stakeholder Engagement Standard and associated Stakeholder Engagement Procedure (Guidance). The Guidance documents require sites to have a Stakeholder Communication and Engagement Plan and a Grievance Mechanism in place to identify, track and respond to concerns raised by stakeholders both formally and informally. Apex observed the implementation of Stakeholder Engagement Guidance and the Grievance Mechanism through our discussions with external stakeholders and/or LMC employees during our visits to the Candelaria Mine (2019), Zinkgruvan Mine (2018) Eagle Mine (2017), and our remote/virtual visits to the Neves-Corvo Mine (2020) and Eagle Mine in 2021 and review of internal documents and reports. Responses to stakeholder concerns were found to be timely and complete based on observations made at the aforementioned mines, interviews with LMC employees and reviews of internal documents and reports. Based on our review, we conclude that LMC has adequately addressed the responsiveness principle in its operations and the 2020 Report.

IMPACT

LMC operates under appropriate processes to understand, measure, evaluate and manage the organization's impacts related to material topics. LMC ensures these processes are documented and integrated into the organization. LMC addresses identified impacts through management systems such as LMC's Responsible Mining Management System standard and internal and external reporting processes. The materiality assessment engaged a variety of internal and external stakeholders to identify and evaluate the key issues and impacts from LMC operations. LMC also measures impact through the company's contributions to overall economic development and prosperity in regions where they operate, including the measurement of local employment and local procurement with related training programs. The company also considers their environmental impacts by measuring and reporting energy consumption, greenhouse gas emissions, water consumption and trends in these metrics overtime. Based on our review, we conclude that LMC has adequately addressed the impact principle in its operations and the 2020 Report.

KEY OBSERVATIONS

- LMC's commitment to Stakeholder Engagement was evident during our previous in-person visits in 2017, 2018 and 2019 to the Eagle, Zinkgruvan and Candelaria Mines, respectively, and from our remote/virtual visits to Neves-Corvo Mine (2020) and Eagle Mine in 2021, and from data review and interviews with LMC personnel both previously and during the 2020/2021 assurance process.
- Internal data validation by corporate personnel was evident for all assured metrics, as well as for metrics not assured by Apex.
- Energy and environmental data tracking and reporting at Eagle Mine has improved since our last visit and data assurance process in 2017.



STATEMENT OF INDEPENDENCE, INTEGRITY AND COMPETENCE

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with Lundin Mining Corporation, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification and assurance of sustainability and environmental data.

Attestation:

David Reilly, Lead Verifier
Principal Consultant
Apex Companies, LLC
Santa Ana, California, USA

John Rohde, Technical Reviewer
Practice Line Lead
Apex Companies, LLC
Lakewood, Colorado, USA



INDEPENDENT ASSURANCE STATEMENT



LUNDIN MINING CORPORATION DATA AND INFORMATION SUBJECT TO ASSURANCE - 2020

Type	Unit	Results for 2020
Fuels and Energy		
Purchased Fuels (Scope 1)	Gigajoules	5,886,521
Purchased Electricity (Scope 2)	Gigajoules	5,378,305
Total Energy Consumption (Scope 1 and 2)	Gigajoules	11,264,826
Emissions		
Direct CO ₂ e Emissions (Scope 1)	Metric Tons CO ₂ e	458,186
Indirect (purchased electricity) CO ₂ e Emissions (Scope 2) (Location-based)	Metric Tons CO ₂ e	427,476
Total Scope 1 and Scope 2 CO ₂ e Emissions (Location-based)	Metric Tons CO ₂ e	885,662
Indirect (purchased electricity) CO ₂ e Emissions (Scope 2) (Market-based)	Metric Tons CO ₂ e	415,341
Total Scope 1 and Scope 2 CO ₂ e Emissions (Market based)	Metric Tons CO ₂ e	873,527
Water		
Total Water Withdrawal	Mega Liters	74,813
Total Water Discharged	Mega Liters	23,567
Safety		
Total Recordable Injury Frequency Rate (TRIF)	TRIF is calculated as (total number of recordable injuries (including fatalities, lost time injury, restricted work and medical treatment injury) x 200,000 hours)/ total hours worked	0.55
Lost Time Injury Frequency Rate (LTIF)	LTIF is calculated as (total lost time injuries x 200,000 hours)/ total hours worked	0.26
Stakeholder Engagement and Grievance Mechanism		
Stakeholder Engagement	NA	LMC was found to be effectively engaging with Stakeholders and considering stakeholder input in adherence to the AA1000 v3 principles of inclusivity, materiality, responsiveness, and impact.
Grievance Mechanism	NA	LMC has a functioning grievance mechanism in place and in use.
Grievances Filed	Number of grievances filed during 2020 company wide	97

GRI CONTENT INDEX

IN ACCORDANCE WITH THE 'CORE' OPTION

GRI Standard	Disclosures	Description	Broadly Mapped against SASB*	Page number(s) and / or URL(s)
GRI 102: General Disclosures 2016	ORGANIZATIONAL PROFILE			
	102-1	Name of the organization		5
	102-2	Activities, brands, products and services		5, 10-12
	102-3	Location of headquarters		5
	102-4	Location of operations		5, 10-11
	102-5	Ownership and legal form		4, AIF
	102-6	Markets served		13-14
	102-7	Scale of the organization		5, 10-12, 42-43, 48-49, AIF , 2020 Annual MD&A and Financial Statements , Management Information Circular
	102-8	Information on employees and other workers		11, 48-49, Appendix A
	102-9	Supply chain		12-13
	102-10	Significant changes to the organization and its supply chain		12
	102-11	Precautionary Principle or approach		25-26, 71-72
	102-12	External initiatives		26
102-13	Membership of associations		26, Memberships and Associations	
STRATEGY				
102-14	Statement from senior decision-maker		2-3	
102-15	Key impacts, risks and opportunities		2-3, 19-21	
ETHICS AND INTEGRITY				
102-16	Values, principles, standards and norms of behavior		6-7, 23-27, 47-51, Code of Conduct , Ethical Values and Anti-Corruption Policy	
102-17	Mechanisms for advice and concerns about ethics	EM-MM-510a.1.	24-25, Whistleblower Policy	
GOVERNANCE				
102-18	Governance structure		6-7, 24-27	
102-22	Composition of the highest governance body and its committees		24-26	
102-24	Nominating and selecting the highest governance body		Management Information Circular	
102-25	Conflicts of interest		24, Code of Conduct , Ethical Values and Anti-Corruption Policy	

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GRI CONTENT INDEX

GRI Standard	Disclosures	Description	Broadly Mapped against SASB*	Page number(s) and / or URL(s)	
GRI 102: General Disclosures 2016	GOVERNANCE				
	102-26	Role of highest governance body in setting purpose, values, and strategy		6-7, 24-26, Management Information Circular	
	102-31	Review of economic, environmental and social topics		6-7, 24-26	
	102-32	Highest governance body's role in sustainability reporting		4	
	102-33	Communicating critical concerns		Management Information Circular	
	102-35	Remuneration policies		Management Information Circular	
	102-36	Process for determining remuneration		Management Information Circular	
STAKEHOLDER ENGAGEMENT					
GRI 103: 2016	103-1, 103-2, 103-3	Management approach disclosures		6-7, 55-56	
GRI 102: General Disclosures 2016	102-40 ✓	List of stakeholder groups		57-58	
	102-41	Collective bargaining agreements	EM-MM-310a.1.	51	
	102-42 ✓	Identifying and selecting stakeholders		55-56	
	102-43 ✓	Approach to stakeholder engagement		55-58	
	102-44	Key topics and concerns raised		57-58	
	REPORTING PRACTICES				
	102-45	Entities included in the consolidated financial statements		4, Financial Statements	
	102-46	Defining report content and topic Boundaries		4, 6-7, 16-17, Individual materiality descriptions	
	102-47	List of material topics		16-17	
	102-48	Restatements of information		77	
	102-49	Changes in reporting		4, 16	
	102-50	Reporting period		4	
102-51	Date of most recent report		4		
102-52	Reporting cycle		4		

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GRI Standard	Disclosures	Description	Broadly Mapped against SASB*	Page number(s) and / or URL(s)
GRI 102: General Disclosures 2016	REPORTING PRACTICES			
	102-53	Contact point for questions regarding the report		Back Cover
	102-54	Claims of reporting in accordance with the GRI Standards		4
	102-55	GRI content index		111-118
	102-56	External assurance		4, 17, 107-110
HEALTH AND SAFETY TOPICS				
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1, 103-2, 103-3	Management approach disclosures		6-7, 29-31
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system		6-7, 31
	403-2	Hazard identification, risk assessment, and incident investigation		31-32, 34
	403-3	Occupational health services		36-37
	403-4	Worker participation, consultation, and communication on occupational health and safety		29-31, 34, 57
	403-5	Worker training on occupational health and safety		30-31
	403-6	Promotion of worker health		31, 36
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		13-14, 72
	403-8	Workers covered by an occupational health and safety management system		31
	403-9 ✓	Work-related injuries	EM-MM-320a.1.	32-35, Appendix A
	403-10	Work-related ill health		36-37, Appendix A
ECONOMIC TOPICS				
Economic Performance				
GRI 103: Management Approach 2016	103-1, 103-2, 103-3	Management approach disclosures		6-7, 41-42, Financial Statements
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed		42-43, 64-69
	201-2	Financial implications and other risks and opportunities due to climate change		88-90

GRI CONTENT INDEX

GRI Standard	Disclosures	Description	Broadly Mapped against SASB	Page number(s) and / or URL(s)
ECONOMIC TOPICS				
Indirect Economic Impacts				
GRI 103: Management Approach 2016	103-1, 103-2, 103-3	Management approach disclosures		6-7, 64
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported		64-69, Lundin Foundation
	203-2	Significant indirect economic impacts		64-69
Local Economic Impacts				
GRI 103: Management Approach 2016	103-1, 103-2, 103-3	Management approach disclosures		6-7, 44, 49
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers		44-45
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community		49
Anti-Corruption				
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	EM-MM-510a.1.	24-25, Code of Conduct, Ethical Values and Anti-Corruption Policy
	205-2	Communication and training about anti-corruption policies and procedures		24-25, Code of Conduct, Ethical Values and Anti-Corruption Policy
	205-3	Confirmed incidents of corruption and actions taken		25
SOCIAL TOPICS				
Employment				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover		48, Appendix A
Labor Relations				
GRI 402: Labor / Management Relations 2016	402-1	Minimum notice periods regarding operational changes		51, Appendix A
Diversity and Equal Opportunity				
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees		23-25, 47-49, Diversity & Inclusion Policy

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GRI Standard	Disclosures	Description	Broadly Mapped against SASB	Page number(s) and / or URL(s)
SOCIAL TOPICS				
Freedom of Association and Collective Bargaining				
GRI 103: Management Approach 2016	103-1, 103-2, 103-3	Management approach disclosures		6-7, 50
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		50-51
Mining and Metals Sector Disclosures 2013	MM4	Number of strikes and lock-outs exceeding one week's duration		51
Child Labor				
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		51
Forced or Compulsory Labor				
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		51
Rights of Indigenous Peoples				
GRI 103: Management Approach 2016	103-1, 103-2, 103-3	Management approach disclosures		6-7, 59
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples		60
Mining and Metals Sector Disclosures 2013	MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities	EM-MM-210a.2. EM-MM-210a.3.	59-60
	MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples	EM-MM-210b.1.	60
Mining and Metals Sector Disclosures 2013	MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples and the outcomes		60

GRI CONTENT INDEX

GRI Standard	Disclosures	Description	Broadly Mapped against SASB*	Page number(s) and / or URL(s)
SOCIAL TOPICS				
Human Rights				
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments		27
Local Communities				
GRI 103: Management Approach 2016	103-1, 103-2, 103-3	Management approach disclosures		6-7, 53-56, 64
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programs		55-57, 61, 64-69
	413-2	Operations with significant actual and potential negative impacts on local communities		62-63
Socioeconomic Compliance				
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area		14, 27, 73, <u>AIF</u>
ENVIRONMENTAL TOPICS				
Energy				
GRI 302: Energy 2016	302-1 ✓	Energy consumption within the organization	EM-MM-130a.1.	91-93, Appendix B
	302-2	Energy consumption outside of the organization		97
	302-3	Energy intensity		95-96
	302-4	Reduction of energy consumption		97
Water				
GRI 103: Management Approach 2016	103-1, 103-2, 103-3	Management approach disclosures		6-7, 71-72, 78-79
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource		78-87
	303-2	Management of water discharge-related impacts		79
	303-3 ✓	Water withdrawal	EM-MM-140a.1.	81-82, 84-85
	303-4 ✓	Water discharge	EM-MM-140a.2.	79, 81, 83, 85
	303-5	Water consumption		81, 85

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GRI Standard	Disclosures	Description	Broadly Mapped against SASB*	Page number(s) and / or URL(s)
ENVIRONMENTAL TOPICS				
Biodiversity				
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	EM-MM-160a.3.	101-102
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		102
Mining and Metals Sector Disclosures 2013	MM1	Amount of land (owned or leased and managed for production activities or extractive use) disturbed or rehabilitated		102
	MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria and the number (percentage) of those sites with plans in place		101
Emissions				
GRI 103: Management Approach 2016	103-1, 103-2, 103-3	Management approach disclosures		6-7, 71-72, 88-89, 91, Appendix B
GRI 305: Emissions 2016	305-1 ✓	Direct (Scope 1) GHG emissions	EM-MM-110a.1.	94-95
	305-2 ✓	Energy indirect (Scope 2) GHG emissions		94-95
	305-3	Other indirect (Scope 3) GHG emissions		97
	305-4	GHG emissions intensity		95-96
	305-5	Reduction of GHG emissions		97
	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant air emissions		99-100
Non-Mineral Waste				
GRI 306: Waste 2020	306-3	Waste generated		102
	306-4	Waste diverted from disposal		102
Environmental Compliance				
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations		72-73, <u>AIF</u>

GRI CONTENT INDEX

GRI Standard	Disclosures	Description	Broadly Mapped against SASB	Page number(s) and / or URL(s)
ENVIRONMENTAL TOPICS				
Tailings and Waste Rock Management				
GRI 103: Management Approach 2016	103-1, 103-2, 103-3	Management approach disclosures		6-7, 71-72, 74, Tailings Management Information Sheet
Mining and Metals Sector Disclosures 2013	MM3	Total amounts of overburden, rock, tailings and sludges and their associated risks	EM-MM-150a.1, EM-MM-160a.2	75-77
Reclamation and Closure				
GRI 103: Management Approach 2016	103-1, 103-2, 103-3	Management approach disclosures		6-7, 71-72, 98
Mining and Metals Sector Disclosures 2013	MM10	Number and percentage of operations with closure plans		98
MATERIALS AND PRODUCT STEWARDSHIP				
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling		13-14
	417-2	Incidents of non-compliance concerning product and service information and labeling		No concentrate-transport-related non-compliances were reported at Lundin Mining's operations.
	417-2	Incidents of non-compliance concerning marketing communications		No marketing communication non-compliances were reported at Lundin Mining's operations.
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		15

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UN GLOBAL COMPACT: COMMUNICATION ON PROGRESS

Lundin Mining joined the United Nations Global Compact (UNGC) in 2016 and has documented its support of the 10 Principles on human rights, labour standards, environment and anti-corruption, and the 17 Sustainable Development Goals (SDGs), through an annual Communication on Progress (COP). This COP presents a summary of our 2020 progress and actions related to the UNGC Principles and the SDGs, achieved through Company-wide activities and documented in more detail throughout our *2020 Sustainability Report*.



Principles	Progress	Related SDGs
Expectations	Human Rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights	Lundin Mining's Human Rights Standard was approved in 2020 and supplements the Company's pre-existing public commitment to support rights as provided in our Code of Conduct, Ethical Values, and Anti-Corruption ("Code of Conduct"), our Diversity and Inclusion Policy and our Responsible Mining Policy . In 2020, three of our five sites (Eagle, Zinkgruvan, and Neves-Corvo) developed and began implementing Human Rights Action Plans to address the opportunities for improvement identified in their respective Human Rights Risk and Impact Assessments, completed in 2019. The Company will continue with assessments at its Chapada and Candelaria sites in 2021 and 2022.	5, 8, 12, 16
2. Business should make sure that they are not complicit in human right abuses	The Company fosters a work environment free from discrimination against gender, age, race, national origin, marital status, sexual orientation, religious beliefs, disability, or any other personal characteristics protected by international human rights law. In 2020, several human rights-related grievances were filed through the Company's grievance mechanism and Whistleblower reporting hotline. In each case, management investigated the matter and, where the claim was verified, appropriate management actions were taken. In addition to the UNGC, Lundin Mining demonstrates its commitment to support human rights through consideration of the following international principles / standards: Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (MNEs), United Nations Guiding Principles on Business and Human Rights, and the Voluntary Principles on Security and Human Rights. Supplementary details on progress in these areas can be found in these sections of the <i>2020 Sustainability Report</i> : <ul style="list-style-type: none"> Governance – Human Rights Our People Social Performance – Our Approach Social Performance – Community Development 	
Expectations	Labour	
3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining	Lundin Mining is committed to achieving a safe, productive and healthy work environment across all operations. The Company supports freedom of association and collective bargaining, does not tolerate any form of harassment and fosters a work environment free from discrimination. We support the elimination of all forms of forced and compulsory labour, and child labour. Based on our internal assessment, none of our operations are at risk for incidents of child labour, or forced, or compulsory labour. Lundin Mining's position on labour is guided by the following policies, principles, standards and/or commitments: <ul style="list-style-type: none"> Code of Conduct, Ethical Values and Anti-Corruption Policy (updated 2020) Diversity and Inclusion Policy (updated February 2021) Human Rights Standard 	3, 5, 8, 10
4. The elimination of all forms of forced and compulsory labour	Lundin Mining provides oversight and governance for these Principles through the activities of the Human Resources / Compensation Committee of the Board. As well, the Company is a member of the United Nations Global Compact to advance the 10 Principles and 17 SDGs and considers the International Finance Corporation (IFC) Performance Standards on Social and Environmental Sustainability.	
5. The effective abolition of child labour	In 2020, the Company formed a cross-functional working group to establish a corporate strategy for responsible sourcing and product stewardship aligned with corporate management systems and business strategy. In 2021, a gap analysis will compare the strategy to international standards to ensure integration with our Responsible Mining Management System (RMMS) at all sites.	
6. The elimination of discrimination in respect of employment and occupation	More details on progress in these areas can be found in this report: <ul style="list-style-type: none"> Our Performance against 2020 Targets – Social Performance Our Customers and Markets Governance Our People. 	

UN GLOBAL COMPACT: COMMUNICATION ON PROGRESS

Principles	Progress	Related SDGs
Expectations	Environment	
7. Business should support a precautionary approach to environmental challenges	Lundin Mining supports the precautionary approach and continues advancing numerous programs and partnerships to improve and optimize environmental, biodiversity and sustainability performance. Our material environmental areas of focus include tailings and waste rock management, water, climate change and reclamation and closure. Our practices are guided by the following:	7, 9, 12, 13
8. Undertake initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> • Health, Safety, Environment and Community Committee • Code of Conduct, Ethical Values and Anti-Corruption Policy – including Environment and Community • RMMS and supporting technical standards • Responsible Mining Policy 	
9. Encourage the development and diffusion of environmentally friendly technologies	<ul style="list-style-type: none"> • Risk Management Framework and Executive Risk Committee • Participation in local, national, and international associations (memberships and associations) <p>In 2020, sites developed action plans to address findings and recommendations of the Company's first third-party RMMS audit, conducted in 2019 to assess HSEC performance and compliance at all sites except Chapada. The first Chapada RMMS audit is planned for 2021. The next audit and verification for remaining sites are also planned in 2021 and will continue bi-annually.</p> <p>In addition to the UNGC, Lundin Mining's environmental practices voluntarily align with the IFC's Performance Standards on Social and Environmental Sustainability, and the OECD Guidelines for MNEs. Lundin Mining is a member of the Mining Association of Canada (MAC) and considers the MAC Towards Sustainable Mining Framework as a best practice to enhance Company-wide environmental standards and practices.</p> <p>In 2020, Lundin Mining continued to assess and integrate innovative, sustainable technologies into its operations, including testing LTE/4G networks for underground mines and investigating opportunities for solar power for certain aspects of our activities. To support industry-wide change, the Company continued its sponsorship agreement with the Coalition for Energy Efficient Communitation to promote the diffusion of environmental technologies across the mining industry. Lundin Mining continued to participate in a zinc-focused life cycle assessment (LCA), led by the International Zinc Association. The purpose of the study is to create an updated global, "cradle-to-gate" life cycle inventory, aiming to identify improvement opportunities within the zinc industry and assess and benchmark participating companies' environmental footprint for zinc production and downstream use. Additionally, Lundin Mining supports community initiatives that encourage technology development and entrepreneurship.</p> <p>Details on progress in these areas, and partnerships to advance them, can be found in these sections of the <i>2020 Sustainability Report</i>:</p> <ul style="list-style-type: none"> • Our Performance Against 2020 Goals – Environment • Environment – Climate Change, Energy and Greenhouse Gas • Our Approach to Responsible Mining and Sustainability • Social Performance – Community Development 	
Expectations	Anti-Corruption	
10. Business should work against corruption in all its forms, including extortion and bribery	Lundin Mining has a zero-tolerance policy for bribery and corruption by employees, officers, directors, consultants, and contractors and suppliers of the Company. The Company is committed to meeting or exceeding legal requirements wherever we operate. In 2020, there were no known incidents of corruption. Lundin Mining's position on anti-corruption is guided by the following:	10, 12, 16
	<ul style="list-style-type: none"> • Code of Conduct, Ethical Values and Anti-Corruption Policy – including dealing with public officials, supplier and contractor relationships, political contributions and activities, gifts and entertainment, conflicts of interest and human rights; • Audit Committee of the Board <p>Lundin Mining monitors and evaluates anti-corruption best practices and performance through internal audits and its Whistleblower Policy (revised in 2019), which includes the Company's independent third-party ClearView Connects reporting system. Details on progress on these areas can be found in the following sections:</p> <ul style="list-style-type: none"> • Governance • Social Performance 	

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of applicable Canadian securities laws. All statements other than statements of historical facts included in this document constitute forward-looking information, including but not limited to statements regarding the Company's plans, prospects and business strategies; the Company's guidance on the timing and amount of future production and its expectations regarding the results of operations; expected costs; permitting requirements and timelines; timing and possible outcome of pending litigation; the results of any Preliminary Economic Assessment, Feasibility Study, or Mineral Resource and Mineral Reserve estimations, life of mine estimates, and mine and mine closure plans; anticipated market prices of metals, currency exchange rates, and interest rates; the development and implementation of the Company's Responsible Mining Management System; the Company's ability to comply with contractual and permitting or other regulatory requirements; anticipated exploration and development activities at the Company's projects; and the Company's integration of acquisitions and any anticipated benefits thereof. Words such as "believe", "expect", "anticipate", "contemplate", "target", "plan", "goal", "aim", "intend", "continue", "budget", "estimate", "may", "will", "can", "could", "should", "schedule" and similar expressions identify forward-looking statements.

Forward-looking information is necessarily based upon various estimates and assumptions including, without limitation, the expectations and beliefs of management, including that the Company can access financing, appropriate equipment and sufficient labor; assumed and future price of copper, nickel, zinc, gold and other metals; anticipated costs; ability to achieve goals; the prompt and effective integration of acquisitions; that the political environment in which the Company operates will continue to support the development and operation of mining projects; and assumptions related to the factors set forth below. While these factors and assumptions are considered reasonable by Lundin Mining as at the date of this document in light of management's experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and undue reliance should not be placed on such statements and information. Such factors include, but are not limited to: risks inherent in mining including but not limited to risks to the environment, industrial accidents, catastrophic equipment failures, unusual or unexpected geological formations or unstable ground conditions, and natural phenomena such as earthquakes, flooding or unusually severe weather; uninsurable risks; global financial conditions and inflation; changes in the Company's share price, and volatility in the equity markets in general; volatility and fluctuations in metal and commodity prices; the threat associated with outbreaks of viruses and infectious diseases, including the COVID-19 virus; changing taxation regimes; reliance on a single asset; delays or the inability to obtain, retain or comply with permits; risks related to negative publicity with respect to the Company or the mining industry in general; health and safety risks; exploration, development or mining results not being consistent with the Company's expectations; unavailable or inaccessible infrastructure and risks related to ageing infrastructure; actual ore mined and / or metal recoveries varying from Mineral Resource and Mineral Reserve estimates, estimates of grade, tonnage, dilution, mine plans and metallurgical and other characteristics; risks associated with the estimation of Mineral Resources and Mineral Reserves and the geology, grade and continuity of mineral deposits

including but not limited to models relating thereto; ore processing efficiency; community and stakeholder opposition; information technology and cybersecurity risks; potential for the allegation of fraud and corruption involving the Company, its customers, suppliers or employees, or the allegation of improper or discriminatory employment practices, or human rights violations; regulatory investigations, enforcement, sanctions and / or related or other litigation; uncertain political and economic environments, including in Brazil and Chile; risks associated with the structural stability of waste rock dumps or tailings storage facilities; estimates of future production and operations; estimates of operating, cash and all-in sustaining cost estimates; civil disruption in Chile; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; risks related to the environmental regulation and environmental impact of the Company's operations and products and management thereof; exchange rate fluctuations; reliance on third parties and consultants in foreign jurisdictions; climate change; risks relating to attracting and retaining of highly skilled employees; compliance with environmental, health and safety laws; counterparty and credit risks and customer concentration; litigation; risks inherent in and / or associated with operating in foreign countries and emerging markets; risks related to mine closure activities and closed and historical sites; changes in laws, regulations or policies including but not limited to those related to mining regimes, permitting and approvals, environmental and tailings management, labor, trade relations, and transportation; internal controls; challenges or defects in title; the estimation of asset carrying values; historical environmental liabilities and ongoing reclamation obligations; the price and availability of key operating supplies or services; competition; indebtedness; compliance with foreign laws; existence of significant shareholders; liquidity risks and limited financial resources; funding requirements and availability of financing; enforcing legal rights in foreign jurisdictions; dilution; risks relating to dividends; risks associated with acquisitions and related integration efforts, including the ability to achieve anticipated benefits, unanticipated difficulties or expenditures relating to integration and diversion of management time on integration; activist shareholders and proxy solicitation matters; and other risks and uncertainties, including but not limited to those described in the "Risk and Uncertainties" section of the Annual Information Form and the "Managing Risks" section of the Company's MD&A for the year ended December 31, 2020, which are available on SEDAR at www.sedar.com under the Company's profile. All of the forward-looking statements made in this document are qualified by these cautionary statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, forecast or intended and readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. 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 information. Accordingly, there can be no assurance that forward-looking information will prove to be accurate and forward-looking information is not a guarantee of future performance. Readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this document. The Company disclaims any intention or obligation to update or revise forward-looking information or to explain any material difference between such and subsequent actual events, except as required by applicable law.

lundin mining

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SUSTAINABILITY REPORT FEEDBACK

We welcome feedback from stakeholders regarding our *2020 Sustainability Report*.
For further information or comments, please contact:

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Site and Corporate Staff

Biodiversity Images and Drawings:

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Photos in this report reflect adherence to COVID-19 regulations in place at the time, with some representing the period prior to the pandemic.