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NEWS RELEASE

Lundin Mining Exercises Option to Increase Ownership in Caserones to 70% and Receives Commitments to Increase the Term Loan by $350 Million

Vancouver, June 26, 2024 (TSX: LUN; Nasdaq Stockholm: LUMI) Lundin Mining Corporation ("Lundin Mining" or the "Company") is pleased to announce that the Company has provided notice to exercise its option to acquire an additional 19% interest in the issued and outstanding equity of SCM Minera Lumina Copper Chile ("Lumina Copper"), which owns the Caserones copper-molybdenum mine ("Caserones"') located in Chile, from JX Advanced Metals Corporation[1] ("JX") for consideration of $350 million (the "Call Option Exercise"). Closing of the additional interest in Lumina Copper is expected to occur on or around July 2, 2024.

Jack Lundin, President and CEO, commented "We are pleased to expand our ownership in a long-life operation characterized by robust cash flow generation, further enhancing Lundin Mining's presence in the region and strengthening our overall copper-dominant portfolio of high-quality base metal mines. Exercising our option early provides significant benefits to both parties: we secure additional copper production at an attractive acquisition price, while our partners receive an upfront payment and retain a meaningful 30% equity position in Caserones. This strategic move underscores our commitment to disciplined, scalable copper growth."

The consideration for the Call Option Exercise will be paid for in cash and will consist of a payment of $350 million for an additional 19% interest in Caserones, bringing the Company's ownership to 70%. In connection with the Call Option Exercise, Lundin Mining and JX have agreed to amend certain aspects of the original shareholders agreement, which will allow Lundin Mining to exercise the call option early and provide Lundin Mining the rights to 70% of the distributions retroactively from January 1, 2024. Upon closing of the call option, Lumina Copper will declare a distribution of cash estimated to be approximately $150 million of which 70% will be distributed to Lundin Mining and 30% to JX.

As part of the shareholders' agreement with JX, Lundin Mining is entitled to an annual operator fee in the form of a preferred dividend. With the Call Option Exercise the parties have agreed that the preferred dividend will increase from $21 million per annum to $28 million per annum, effective from the beginning of 2025.

The purchase price of $350 million will initially be funded from Lundin Mining's revolving credit facility with the intention to re-finance this amount by increasing the current $800 million Term Loan to $1.15 billion (the "Term Loan"). The Company has received commitments from new and existing lenders for a $350 million accordion under the same terms as the Term Loan announced on July 13, 2023 "Lundin Mining Announces Closing of $800 Million Term Loan with Additional $400 Million Accordion Available". The Term Loan is expected to be used to refinance the drawdown of the existing revolving credit facility. The commitments remain subject to the execution and delivery of definitive documentation in form and substance satisfactory to the Company and the Term Loan lenders.

Caserones' production guidance for 2024 is 120,000 - 130,000 tonnes of copper and 2,500 - 3,000 tonnes of molybdenum on a 100% basis. Annual production guidance for Caserones on a 100% basis for both 2025 and 2026 is 125,000 - 135,000 tonnes of copper. Cash cost[2] for 2024 is forecast to be $2.60/lb – $2.80/lb of copper, after by-product credits, assuming an average molybdenum price of $20/lb.

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[1] Previously named JX Metals Corporation.

[2] This is a non-GAAP measure. For equivalent historical non-GAAP financial measure comparatives see the Historical Non-GAAP Measure Comparatives section of this press release. Please also see the Management's Discussion and Analysis for the period ended March 31, 2024.

Capital expenditures for the year are forecast to total $205 million on a 100% basis, which is inline with last year's capital requirements. This includes approximately $80 million for capitalized waste stripping, $60 million for TSF and water management systems, and $12 million for mine and mobile equipment. Other sustaining capital requirements are estimated at $35 million.

Highlights:

- **Enhances copper production profile:** Increases Lundin Mining's 2024 attributable copper production. This will further solidify Lundin Mining's position as a meaningful copper producer globally.
- **Immediate free cash flow contribution:** Attractive acquisition price that is accretive to attributable production and financial metrics.
- **Optimization opportunities:** The Company is expected to realize significant additional operational improvements over the next six to eight months from optimization efforts currently underway.
- **Exploration potential:** Caserones comes with a highly prospective mineral property package. Lundin Mining believes significant exploration potential exists near the mine and regionally. Since the acquisition, the Company has added additional copper Proven and Probable Mineral Reserves at Caserones which will contribute to a longer mine life, as per the news release dated February 8, 2024 "Lundin Mining Announces 2023 Mineral Resource and Mineral Reserve Estimates".
- **Emerging Vicuña District:** Caserones is in the Vicuña District, an emerging world-class copper belt that also hosts the Josemaria development project, together this region represents a key growth opportunity for the Company.

About Lundin Mining

Lundin Mining is a diversified Canadian base metals mining company with operations and projects in Argentina, Brazil, Chile, Portugal, Sweden and the United States of America, primarily producing copper, zinc, gold and nickel.

The information in this release is subject to the disclosure requirements of Lundin Mining under the Swedish Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact persons set out below on June 26, 2024 at 2:00 Eastern Time.

For further information, please contact:
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Technical Information

The Qualified Person responsible for the scientific and technical information contained herein is Arman Barha, P.Eng., Vice President, Technical Services of the Company. Mr. Barha, who is a "qualified person" as defined under NI 43-101, has reviewed and approved the technical information in this news release.

Reconciliation of Non-GAAP Measures

The Company uses certain performance measures in its analysis. These performance measures have no standardized meaning within generally accepted accounting principles under International Financial Reporting Standards and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. For additional details please refer to the Company's discussion of non-GAAP and other performance measures in its Management's Discussion and Analysis for the three months ended March 31, 2024 which is available on SEDAR+ at www.sedarplus.com.

Cash Cost per Pound and All-in Sustaining Costs per pound can be reconciled to Production Costs on the Company's Condensed Interim Consolidated Statement of Earnings as follows:

Three months ended March 31, 2024							
Operations	**Candelaria**	**Caserones**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal):							
Tonnes	33,536	35,211	8,742	2,163	5,886	15,825	
Pounds (000s)	73,934	77,627	19,273	4,769	12,976	34,888	
Production costs							567,134
Less: Royalties and other							(19,970)
							547,164
Deduct: By-product credits							(165,308)
Add: Treatment and refining charges							46,951
Cash cost	139,490	166,439	38,735	19,249	42,057	22,837	428,807
Cash cost per pound	**1.89**	**2.14**	**2.01**	**4.04**	**3.24**	**0.65**	
Add: Sustaining capital	99,532	42,754	29,199	4,078	22,413	14,341	
Royalties	2,968	8,814	1,617	2,678	735	—	
Reclamation and other closure	2,167	1,040	2,679	1,968	1,335	1,186	
Leases & other	3,033	15,381	765	1,236	64	78	
All-in sustaining cost	247,190	234,428	72,995	29,209	66,604	38,442	
AISC per pound ($/lb)	**3.34**	**3.02**	**3.79**	**6.12**	**5.13**	**1.10**	

Twelve months ended December 31, 2023							
Operations	**Candelaria**	**Caserones**[1]	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal):							
Tonnes	144,473	66,075	43,761	13,339	32,054	65,344	
Pounds (000s)	318,508	145,670	96,476	29,407	70,667	144,059	
Production costs							2,086,108
Less: Royalties and other							(66,237)
Inventory fair value adjustment							(39,945)
							1,979,926
Deduct: By-product credits							(699,915)
Add: Treatment and refining charges							183,328
Cash cost	660,160	290,553	219,278	63,457	167,424	62,467	1,463,339
Cash cost per pound	**2.07**	**1.99**	**2.27**	**2.16**	**2.37**	**0.43**	
Add: Sustaining capital	380,112	83,880	72,291	22,201	102,621	53,358	
Royalties	—	15,820	8,568	22,994	3,949	—	
Reclamation and other closure	9,258	2,560	7,836	11,331	5,387	3,744	
Leases & other	13,325	47,944	4,999	4,100	553	427	
All-in sustaining cost	1,062,855	440,757	312,972	124,083	279,934	119,996	
AISC per pound ($/lb)	**3.34**	**3.03**	**3.24**	**4.22**	**3.96**	**0.83**	

[1] *Caserones results are from July 13, 2023, to December 31, 2023*

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; the Company's integration of acquisitions and any anticipated benefits thereof; and expectations for other economic, business, and/or competitive factors. 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 labour; 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: global financial conditions, market volatility and inflation, including pricing and availability of key supplies and services; 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; volatility and fluctuations in metal and commodity demand and prices; significant reliance on assets in Chile; reputation risks related to negative publicity with respect to the Company or the mining industry in general; delays or the inability to obtain, retain or comply with permits; risks relating to the development of the Josemaria Project; health and safety laws and regulations; risks associated with climate change; risks relating to indebtedness; economic, political and social instability and mining regime changes in the Company's operating jurisdictions, including but not limited to those related to permitting and approvals, nationalization or expropriation without fair compensation, environmental and tailings management, labour, trade relations, and transportation; inability to attract and retain highly skilled employees; risks inherent in and/or associated with operating in foreign countries and emerging markets, including with respect to foreign exchange and capital controls; project financing risks, liquidity risks and limited financial resources; health and safety risks; compliance with environmental, unavailable or inaccessible infrastructure, infrastructure failures, and risks related to ageing infrastructure; changing taxation regimes; the inability to effectively compete in the industry; 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; risks related to mine closure activities, reclamation obligations, environmental liabilities and closed and historical sites; reliance on key personnel and reporting and oversight systems, as well as third parties and consultants in foreign jurisdictions; information technology and cybersecurity risks; 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; 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; ore processing efficiency; community and stakeholder opposition; regulatory investigations, enforcement, sanctions and/or related or other litigation; financial projections, including estimates of future expenditures and cash costs, and estimates of future production may not be reliable; enforcing legal rights in foreign jurisdictions; risks associated with the use of derivatives; risks relating to joint ventures and operations; environmental and regulatory risks associated with the structural stability of waste rock dumps or tailings storage facilities; exchange rate fluctuations; compliance with foreign laws; 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; risks relating to dilution; risks relating to payment of dividends; counterparty and customer concentration risks; activist shareholders and proxy solicitation matters; estimation of asset carrying values; relationships with employees and contractors, and the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; conflicts of interest; existence of significant shareholders; challenges or defects in title; internal controls; risks relating to minor elements contained in concentrate products; the threat associated with outbreaks of viruses and infectious diseases; and other risks and uncertainties, including but not limited to those described in the "Managing Risks" section of the Company's MD&A and the "Risks and Uncertainties" section of the Company's Annual Information Form for the year ended December 31, 2023, which are available on SEDAR+ at www.sedarplus.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.