

## NEWS RELEASE

### Lundin Mining Provides Operational Outlook & Update

**Toronto, November 28, 2018 (TSX: LUN; Nasdaq Stockholm: LUMI) Lundin Mining Corporation** (“Lundin Mining” or the “Company”) provides the following production guidance for the three-year period of 2019 through 2021, as well as cash costs, capital and exploration expenditure forecasts for 2019. Key highlights are as follows:

- Copper production guidance has increased from last year’s three-year guidance on refinement to Candelaria’s production profile, increasing the top end of its guidance range, as well as the expected early completion of Eagle East.
- Candelaria’s copper production profile has been improved and the mine life extended to 2040, increasing total production by approximately 740,000 tonnes (31%) incorporating the June 30, 2018 Mineral Reserve estimate update. Candelaria’s copper production is now forecast to average approximately 180,000 tonnes per annum over the ten-year period 2019 through 2028. An updated NI 43-101 Technical Report for the Candelaria Copper Mining Complex has been filed on SEDAR.
- Zinc production guidance incorporates the current Zinc Expansion Project (ZEP) schedule. Surface facilities are expected to commence commissioning in early 2020.
- Forecast 2019 and 2020 nickel production has increased with Eagle East ore expected to contribute to mill feed in the fourth quarter of 2019, ahead of original plan of early 2020.

### Production Outlook (tonnes of metal) 2019 - 2021<sup>1</sup>

	2019	2020	2021
<b>Copper</b>			
Candelaria (100% basis)	145,000 - 155,000	165,000 - 175,000	175,000 - 185,000
Eagle	12,000 - 15,000	19,000 - 22,000	14,000 - 17,000
Neves-Corvo	40,000 - 45,000	41,000 - 46,000	41,000 - 46,000
Zinkgruvan	2,000 - 3,000	2,000 - 3,000	2,000 - 3,000
<b>Total Copper</b>	<b>199,000 - 218,000</b>	<b>227,000 - 246,000</b>	<b>232,000 - 251,000</b>
<b>Zinc</b>			
Neves-Corvo	71,000 - 76,000	120,000 - 130,000	155,000 - 160,000
Zinkgruvan	76,000 - 81,000	75,000 - 80,000	76,000 - 81,000
<b>Total Zinc</b>	<b>147,000 - 157,000</b>	<b>195,000 - 210,000</b>	<b>231,000 - 241,000</b>
<b>Nickel</b>			
Eagle	12,000 - 15,000	16,000 - 19,000	13,000 - 16,000
<b>Total Nickel</b>	<b>12,000 - 15,000</b>	<b>16,000 - 19,000</b>	<b>13,000 - 16,000</b>

<sup>1</sup> Production Guidance is based on certain estimates and assumptions, including but not limited to: Mineral Resources and Mineral Reserves, geological formations, grade and continuity of deposits and metallurgical characteristics.

- **Candelaria:** As previously guided, copper production over the next three years is expected to increase from that of 2018, primarily on improving copper head grade as a greater portion of mill feed is to be sourced directly from the Candelaria open pit. Refinement to near-term operating plans have modestly increased 2019 and 2020 forecast copper production over the prior outlook. Copper production at the midpoint of the guidance range is now forecast to increase by approximately 15,000 tonnes (11%) year-over-year in 2019 and by approximately 45,000 tonnes (33%) in 2021 over 2018.

Candelaria's copper production profile has been improved and the mine life extended to 2040, from 2035, incorporating the previously announced June 30, 2018 Mineral Reserve estimate update. An updated NI 43-101 Technical Report has been filed on SEDAR concurrent with this release. Forecast copper production from 2019 through 2040 has increased by approximately 740,000 tonnes (31%) with focus on improvements in years 2024 and beyond. Copper production is now forecast to average approximately 180,000 tonnes per annum over the ten-year period 2019 through 2028.

The updated life-of-mine production plan includes refinements to the Candelaria open pit mine plan, extension of all underground mine lives, including Alcaparrosa and Santos mines, and the La Española open pit contributing mill feed starting in 2025. The life-of-mine plan also considers significantly reduced electricity prices secured in a new long-term contract.

- **Eagle:** First ore from Eagle East is now expected in the fourth quarter of 2019, ahead of original plan of early 2020. Forecast 2019 nickel production has increased modestly to 12,000 to 15,000 tonnes. Forecast 2019 copper production remains consistent with the prior outlook.

Forecast 2020 nickel production at the midpoint of guidance has increased by approximately 3,000 tonnes (21%) and copper production by approximately 7,000 tonnes (52%) with Eagle East ore expected to contribute to mill feed for the full year.

Eagle's mine life has been extended into 2024 incorporating the previously announced June 30, 2018 Mineral Reserve estimate update.

- **Neves-Corvo:** Forecast zinc and copper production incorporate the current Zinc Expansion Project (ZEP) schedule. Surface facilities are expected to be construction complete and commence commissioning in early 2020. Underground development is also forecast to complete in early 2020 with ore from this newly developed area of the mine contributing to mill feed in the first quarter of 2020.

Copper production guidance for 2019 remains consistent with the prior outlook while zinc production has been reduced to align with current ZEP schedule. Zinc production is expected to increase significantly in 2020 and ramp up to full processing rates in 2021.

- **Zinkgruvan:** Zinc production at the midpoint of guidance is expected to increase by approximately 2,000 tonnes (3%) year-over-year in 2019 from 2018 levels. The 2019 and 2020 zinc production guidance has been modestly reduced (3% and 4%, respectively) on stope resequencing which has deferred mining some higher-grade ore into 2021. Copper production for 2019 has been revised modestly higher with the outlook for 2020 remaining consistent with the prior outlook.

## 2019 Cash Cost Guidance<sup>2</sup>

- At Candelaria, C1 cash costs are expected to approximate \$1.60/lb<sup>3</sup> copper after by-product credits and consistent with the prior outlook. By-product credits have been adjusted for the terms of the streaming agreement but exclude any allocation of upfront cash received.
- Eagle's C1 cash costs are expected to approximate \$2.20/lb nickel after by-product credits, primarily copper, and are well positioned on the global nickel production cost curve.
- At Neves-Corvo, C1 cash costs for 2019 are expected to approximate \$1.70/lb copper after zinc and lead by-product credits.
- Zinkgruvan's C1 cash costs are expected to approximate \$0.40/lb zinc after copper and lead by-product credits.

C1 Cash Cost <sup>2</sup>	2019
<b>Copper</b>	
Candelaria	\$1.60/lb <sup>3</sup>
Neves-Corvo	\$1.70/lb
<b>Zinc</b>	
Zinkgruvan	\$0.40/lb
<b>Nickel</b>	
Eagle	\$2.20/lb

## 2019 Capital Expenditure Guidance

- Capital expenditures in 2019 are forecast to be \$745 million on a 100% basis, which includes:

Capital Expenditures (\$ millions) <sup>4</sup>	2019
<b>Candelaria (100% basis):</b>	
Capitalized Stripping	130
Los Diques TSF	10
New Mine Fleet Investment	75
Candelaria Mill Optimization Project	50
Candelaria Underground Development	40
Other Sustaining	70
<b>Candelaria Sustaining</b>	<b>375</b>
Eagle Sustaining	15
Neves-Corvo Sustaining	65
Zinkgruvan Sustaining	50
<b>Total Sustaining Capital</b>	<b>505</b>
Eagle East	30
ZEP (Neves-Corvo)	210
<b>Total Expansionary Capital</b>	<b>240</b>
<b>Total Capital Expenditures</b>	<b>745</b>

<sup>2</sup> C1 cash costs are based on various assumptions and estimates, including, but not limited to: production volumes, as noted above, commodity prices (2018 - Cu: \$2.80/lb, Zn: \$1.10/lb, Pb: \$0.95/lb, Ni: \$6.00/lb) foreign currency exchange rates (2018 - €/USD:1.20, USD/SEK:8.00, CLP/USD:620) and operating costs. All figures in are in US\$ unless otherwise noted.

<sup>3</sup> 68% of Candelaria's total gold and silver production are subject to a streaming agreement and as such C1 cash costs are calculated based on receipt of \$408/oz and \$4.08/oz, respectively, on gold and silver sales in the year.

<sup>4</sup> Forecast capital expenditures have been reported on a cash basis. Discrepancies may exist with other external reports which have been reported on an accrual basis.

- **Candelaria:** At Candelaria capital expenditures are expected to total \$375 million in 2019. These expenditures continue investment in the low-risk initiatives announced in 2017 focused on delivering the improved the life-of-mine production profile and increasing the value of the operation.

**Capitalized stripping** expenditures are estimated to be \$130 million in 2019. Short term use of the current mining contractor is planned to continue through the first half of 2019 to accelerate stripping rates in support of the updated mine plan.

Future lifts of the **Los Diques Tailings Storage Facility** have been initiated ahead of original schedule to benefit from synergies with the current project and readily available mine waste. Total forecast capital expenditures on the facility is \$10 million for 2019.

**New Mine Fleet Investment** is estimated to be \$75 million in 2019 to take delivery of the much of the remaining equipment. The remaining \$25 million is to be incurred over 2020 through 2022. Management believes further upside potential exists for additional productivity and maintenance gains which have not yet been reflected in the open pit plan.

The **Mill Optimization Investment** to increase metal production, reduce maintenance costs and improve safety and reliability remains on schedule to be complete by the end of 2019 and is being completed with scheduled mill downtime as to not impact current production. Capital expenditures remain on budget with approximately \$50 million to be spent in 2019.

Development of **Candelaria South Sector** continues on schedule and on budget to contribute to production in the second half of 2019. Approximately \$40 million of capital expenditures are forecast in 2019 on Candelaria underground development.

**Other Sustaining** capital funds are for horizontal and vertical development, ventilation and supporting infrastructure being invested to expand or extend the Candelaria, Alcaparrosa and Santos underground mines.

- **Eagle:** Capital expenditures at Eagle are estimated to total \$45 million in 2019, of which \$30 million is the remaining preproduction capital to complete Eagle East. The project is expected to complete ahead of schedule and for approximately \$10 million less than the Feasibility Study preproduction capital estimate of \$102 million.
- **Neves-Corvo:** At Neves-Corvo, capital costs are expected to total \$260 million in 2019, \$210 million of which is expansionary capital expenditure on the ZEP. Following third-party review of the total project capital cost is now estimated at €320 million (\$385 million). Through 2018 approximately €112 million (\$135 million) is expected to have been capitalized for the project.
- **Zinkgruvan:** At Zinkgruvan, sustaining capital expenditures are estimated to total \$50 million in 2019. Approximately half is for underground development and half for mine and plant improvement initiatives.

## 2019 Exploration Investment Guidance

Exploration expenditures are planned to be \$80 million in 2019. Approximately \$67 million will be spent on in-mine and near-mine targets (\$14 million at Candelaria, \$23 million at Eagle, \$23 million at Zinkgruvan and \$7 million at Neves-Corvo), with the remainder to advance activities on exploration stage projects, primarily in South America.

## Conference Call

The Company will hold a telephone conference call and webcast at 08:00am ET, 14:00 CET on Thursday, November 29, 2018 to answer analyst and investor questions. Conference call details are provided below:

**Please call in 10 minutes before the conference starts and stay on the line (an operator will be available to assist you).**

Call-in number for the conference call (North America): +1 617 826 1698

Call-in number for the conference call (North America Toll Free): +1 877 648 7976

Call-in number for the conference call (Sweden): +46 (0) 8 5661 9361

To view the live webcast presentation, please log on using this direct link:

<https://www.webcaster4.com/Webcast/Page/1266/28514>

The presentation slideshow will also be available in PDF format for download from the Lundin Mining website <http://www.lundinmining.com> before the conference call.

A replay of the telephone conference will be available after the completion of the conference call through December 9, 2018.

Replay numbers:

North America: +1 855 859 2056 or +1 404 537 3406

The passcode for the replay is: 7734338

A replay of the webcast will be available by clicking on the [direct link](#) above.

## About Lundin Mining

Lundin Mining is a diversified Canadian base metals mining company with operations in Chile, the United States of America, Portugal and Sweden, primarily producing copper, nickel and zinc. In addition, Lundin Mining holds an indirect 24% equity stake in the Freeport Cobalt Oy business, which includes a cobalt refinery located in Kokkola, Finland.

The information in this release is subject to the disclosure requirements of Lundin Mining under the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below on November 28, 2018 at 5:30 p.m. Eastern Time.

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### **Cautionary Statement in Forward-Looking Information**

Certain of the statements made and information contained herein or incorporated by reference is “forward-looking information” within the meaning of applicable Canadian securities laws. All statements other than statements of historical facts in this news release constitute forward-looking information based on current expectations, estimates, forecasts and projections as well as beliefs and assumptions made by the Company’s management. Such forward-looking statements include but are not limited to those regarding the Company’s outlook and guidance on estimated metal production and production profile, costs, and exploration and capital expenditures; the Zinc Expansion Project at Neves-Corvo and the Eagle East project ; Mineral Reserves, Mineral Resources, life-of-mine (or mine life); all of which are estimates (and the parameters, expectations and assumptions underlying, and realization of, such estimates including, but not limited to metal price assumptions, and permitting and development expectations. Words such “aim”, “anticipate”, “assumption”, “believe”, “budget”, “commitment”, “estimate”, “expansive”, “expect”, “exploration”, “flexibility”, “focus”, “forecast”, “foreseeable”, “forward”, “future”, “growth”, “guidance”, “initiative”, “on-track”, “outlook”, “plan”, “positioning”, “potential”, “priority”, “profile”, “project”, “ramp-up”, “risk”, “schedule”, “study”, “target” or “view” , or variations of or similar such terms, or statements that certain actions, events or results could, may, might or will be taken or occur or be achieved,, or variations of these terms or similar terminology or statements that certain actions, events or results could , may, might or will be taken or occur or be achieved are intended to identify such forward-looking information. These estimates, expectations and other forward-looking statements are based on a number of assumptions and are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements. Such risks and uncertainties include, without limitation, risks and uncertainties inherent in and/or relating to: estimates of future production and operations, cash and all-in sustaining costs; metal and commodity price fluctuations; foreign currency fluctuations; mining operations including but not limited to environmental hazards, industrial accidents, ground control problems and flooding; geology including, but not limited to, unusual or unexpected geological formations, estimation and modelling of grade, tonnes, metallurgy continuity of mineral deposits, dilution, and Mineral Resources and Mineral Reserves, and actual ore mined and/or metal recoveries varying from such estimates; mine plans, and life of mine estimates; the possibility that future exploration, development or mining results will not be consistent with expectations; the potential for and effects of labour disputes or shortages, or other unanticipated difficulties with or interruptions in production; potential for unexpected costs and expenses including, without limitation, for mine closure and reclamation at current and historical operations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental approvals and/or permits, including but not limited to the Alcaparrosa underground mine operating license, the Punta Padrones process operating license and the Ojos del Salado mill tailings line permit at Candelaria which are required by the end of the year; regulatory investigations, enforcement, sanctions and/or related or other litigation; and other risks and uncertainties, including but not limited to those described in the “Managing Risks” section of the Company’s Management’s Discussion and Analysis for the financial period ending December 31, 2017 and completed financial quarters in 2018, and the “Risks and Uncertainties” section of our most recently filed Annual Information Form. In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management; assumed prices of copper, nickel, zinc and other metals; that the Company can access financing, appropriate equipment and sufficient labour; and that the political environment where the Company operates will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, there can be no assurance that forward-looking information will prove to be accurate, and readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise forward-looking statements or to explain any material difference between such and subsequent actual events, except as required by applicable law.