

NEWS RELEASE

Lundin Mining Announces 2019 Production Guidance Achieved at All Operations

Toronto, January 22, 2020 (TSX: LUN; Nasdaq Stockholm: LUMI) Lundin Mining Corporation ("Lundin Mining" or the "Company") announces production results for the three and twelve months ended December 31, 2019 and provides an update on operations and capital projects. The consolidated financial results for the year ended December 31, 2019 will be published on February 20, 2020.

Highlights

- 2019 annual production guidance was achieved for all metals at all operations.
- Candelaria copper production increased 9% year-on-year and is well positioned to deliver a further 16% increase in 2020. The Candelaria Mill Optimization Project remains on-track to be complete in the first quarter of 2020.
- Chapada copper and gold production exceeded and achieved guidance, respectively. Work continues on optimization of the production schedule while options for mine and plant expansion advance in parallel with a significant increase in exploration efforts.
- Eagle achieved nickel and copper production guidance. Nickel and copper production are forecast to increase 22% and 15%, respectively, at the midpoint of the 2020 guidance range as higher grade Eagle East ore contributes to the mill feed.
- Neves-Corvo achieved both copper and zinc production guidance. The Zinc Expansion Project (ZEP) continued to advance on schedule and budget for a phased start-up in 2020. Zinc production at the midpoint of the 2020 guidance range is forecast to increase 37% over that of 2019 as the ZEP ramps-up during 2020.
- Zinkgruvan zinc, lead and copper production all increased year-on-year in 2019. Increased zinc and lead production were primarily a result of sustained improvements in recovery and ore head grades.
- Year-end net debt position was approximately \$60 million, including \$100 million in funds received from Freeport Cobalt after the sale of the cobalt refinery in Finland and related cobalt cathode precursor business.

Marie Inkster, President and CEO commented, *"Our mines performed well in the fourth quarter, each achieving their annual production guidance. Particular recognition is owed to our Candelaria team which remained poised and focused on safe operations during a time of considerable unrest in the country."*

We began to realize the benefits of the significant investments made over the last few years in our operations during the second half of 2019. This positive momentum is expected to accelerate in 2020 with the Candelaria reinvestment initiatives and development of Eagle East essentially complete, and as the ZEP ramps-up. Our annual copper production is to increase over 20% this year, zinc production over 18% and nickel production over 22%. We are well positioned to deliver multiple years of strong production, decreasing cash costs and free cash flow generation."

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Summary of 2019 Production

	Q4 2019 Production	Full Year 2019 Production	2019 Production Guidance ¹	
Copper (t)				
Candelaria (100% basis)	39,221	146,330	145,000	- 155,000
Chapada ²	12,884	30,529	27,000	- 30,000
Eagle	3,626	14,297	13,000	- 15,000
Neves-Corvo	10,898	41,436	40,000	- 42,000
Zinkgruvan	502	2,906	2,000	- 3,000
Total Copper	67,131	235,498	227,000	- 245,000
Zinc (t)				
Neves-Corvo	17,946	73,202	73,000	- 76,000
Zinkgruvan	20,979	78,313	76,000	- 81,000
Total Zinc	38,925	151,515	149,000	- 157,000
Nickel (t)				
Eagle	2,651	13,494	12,000	- 14,000
Total Nickel	2,651	13,494	12,000	- 14,000

Chapada gold production was 54 koz for the period of Lundin Mining's ownership, compared to guidance of 50,000-55,000 oz for the same period. Chapada Q4 2019 gold production was 20 koz.

Operations and Capital Projects Update

- Safety Performance:** The 2019 Total Recordable Injury Frequency (TRIF) rate was 0.66 against a target of 0.60 per 200,000 person hours worked. While 2019 TRIF performance fell short of target, it represents a modest improvement over the 2018 TRIF of 0.67 (vs. target of 0.70). The 2019 safety performance incorporates the acquisition of the Chapada mine and was impacted by project activities associated with Candelaria, Neves-Corvo ZEP, Eagle East, and several significant planned maintenance downs. The 2020 Health and Safety Action Plan activities will focus on recordable injury prevention at each operation through the elimination of similar or repeat incidents, and by enhancing workplace hazard recognition and elimination processes.
- Candelaria:** Copper production guidance was achieved for the year. Full year copper production increased 9% year-on-year to 146,330 t in 2019. Fourth quarter production was impacted by below plan head grade, though was significantly above that of 2018 and the first half of 2019 as higher grade ore from the open pit contributed the majority of mill feed.

The Candelaria South Sector underground mine was successfully transferred to operations in the third quarter of 2019. Mine production from the Candelaria North and South Sector underground mines increased to approximately 13,500 tonnes per day (tpd) in the fourth quarter, approaching the 14,000 tpd permitted.

Candelaria copper production is forecast to increase to approximately 190,000 tonnes per annum by 2022 and remain above this level through 2025 as the benefits of reinvestment initiatives undertaken over the

¹ Guidance as disclosed in the Company's Management Discussion and Analysis for the three and nine months ended September 30, 2019.

² Production results and guidance are for the period of Lundin Mining's ownership.

last two years are realized. At the midpoint of the guidance range, copper production is forecast to increase by over 20,600 t (16%) year-over-year in 2020 to 165,000-175,000 t.

- **Chapada:** Copper and gold production exceeded and achieved guidance, respectively, for the period of Lundin Mining's ownership. As expected, fourth quarter production of copper and gold was less than that of the particularly strong third quarter on planned maintenance downtime and head grade variation. The Company is continuing to optimize the production schedule while advancing options for mine and plant expansion in parallel with a significant increase in exploration.

Chapada is forecast to produce 51,000-56,000 t of copper and 90,000-95,000 oz of gold in 2020.

- **Eagle:** Full year nickel and copper production achieved guidance. First ore from Eagle East was mined in the third quarter of 2019. During the fourth quarter mine development to support Eagle East production continued, allowing for full access to the higher grade ores in 2020.

Eagle nickel production at the midpoint of the 2020 guidance range is forecast to increase more than 3,000 t (22%) over that of 2019, to 15,000-18,000 t, as higher grade Eagle East ore contributes to the mill feed. Copper production at the midpoint of the 2020 guidance range is forecast to increase more than 2,200 t (15%) over that of 2019 to 15,000-18,000 t.

- **Neves-Corvo:** Both copper and zinc production achieved guidance. Fourth quarter zinc production was lower year-on-year as an increased zinc concentrate grade was prioritized over total metal recovery to maximize return in a more demanding concentrate market.

The ZEP continued to advance on schedule and budget in the fourth quarter for phased start-up and production ramp-up in 2020. Installation of the 3.5 km of underground conveyor systems were well advanced and the jaw crusher is nearing completion. The first phase of the hoisting shaft upgrade was completed in December with installation of new higher-capacity skips and rope. Surface construction continued with primary focus on mechanical piping, electrical and instrumentation installation.

Neves-Corvo zinc production at the midpoint of the 2020 guidance range is forecast to increase nearly 26,800 t (37%) over that of 2019, to 95,000-105,000 t, as the ZEP is commissioned and ramped-up during the year. Copper production at the midpoint of the 2020 guidance range of 38,000-43,000 t is forecast to be consistent with 2019.

- **Zinkgruvan:** Full year zinc and copper production achieved guidance. Zinc, lead and copper production were higher year-on-year in 2019 as a result of sustained improvement in zinc ore head grades and recoveries following continuation of focused planning and execution efforts to improve dilution and ore loss.

Zinc production, at the midpoint of 77,000-82,000 t guidance, is expected to be at a similar level in 2020 as 2019. Copper production in 2020 is forecast to increase over that of 2019 to 3,000-4,000 t.



Fourth Quarter and Full Year 2019 Results Date

Results for the fourth quarter and full year ended December 31, 2019 will be published on Thursday February 20, 2020.

The Company will hold a telephone conference call and webcast at 08:00 ET, 14:00 CET on Friday February 21, 2020. Conference call details are provided below. Please call in 10 minutes before the conference starts.

Call-in number for the conference call (North America): +1 647 778 4922

Call-in number for the conference call (North America Toll Free): +1 877 223 4471

Call-in number for the conference call (Sweden): 02 079 4343

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

<https://onlinexperiences.com/Launch/QReg/ShowUUID=BA8ACABE-EBC2-41CF-A224-18651E48DCB0>

The presentation slideshow will also be available in PDF format on the Lundin Mining website www.lundinmining.com before the conference call.

A replay of the telephone conference will be available after the completion of the call until March 6, 2020.

Call-in numbers for the replay are (North America): +1 800 585 8367 or +1 416 621 4642

The passcode for the replay is: 6676687

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 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 EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below on January 22, 2020 at 17:00 Eastern Time.

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Cautionary Statement in 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 (such as the Chapada mine) 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 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: risks inherent in and/or associated with operating in foreign countries; uncertain political and economic environments; community activism, shareholder activism and risks related to negative publicity with respect to the Company or the mining industry in general; changes in laws, regulations or policies including but not limited to those related to permitting and approvals, environmental and tailings management, labour, trade relations, and transportation; delays or the inability to obtain necessary governmental approvals and/or permits; regulatory investigations, enforcement, sanctions and/or related or other litigation; risks associated with business arrangements and partners over which the Company does not have full control; risks associated with acquisitions and related integration efforts (including with respect to the Chapada mine), including the ability to achieve anticipated benefits, unanticipated difficulties or expenditures relating to integration and diversion of management time on integration; competition; development or mining results not being consistent with the Company's expectations; estimates of future production and operations; operating, cash and all-in sustaining cost estimates; allocation of resources and capital; litigation; uninsurable risks; volatility and fluctuations in metal and commodity prices; the estimation of asset carrying values; funding requirements and availability of financing; indebtedness; foreign currency fluctuations; interest rate volatility; changes in the Company's share price, and equity markets, in general; changing taxation regimes; counterparty and credit risks; health and safety risks; risks related to the environmental impact of the Company's operations and products and management thereof; unavailable or inaccessible infrastructure and risks related to ageing infrastructure; 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; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; ore processing efficiency; risks relating to attracting and retaining of highly skilled employees; ability to retain key personnel; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; the price and availability of energy and key operating supplies or services; the inherent uncertainty of exploration and development, and the potential for unexpected costs and expenses including, without limitation, for mine closure and reclamation at current and historical operations; 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; mine plans, and life of mine estimates; the possibility that future exploration, development or mining results will not be consistent with expectations; natural phenomena such as earthquakes, flooding, and unusually severe weather; 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; security at the Company's operations; breach or compromise of key information technology systems; materially increased or unanticipated reclamation obligations; risks related to mine closure activities; risks related to closed and historical sites; title risk and the potential of undetected encumbrances; risks associated with the structural stability of waste rock dumps or tailings storage facilities; and other risks and uncertainties, including but not limited to those described in the “Risk and Uncertainties” section of the Annual Information Form for the year ended December 31, 2018 and the “Managing Risks” section of the Company's MD&A for the year ended December 31, 2018, 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.