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NEWS RELEASE

LUNDIN REPORTS 2012 RESERVE & RESOURCE ESTIMATE AND EXPLORATION UPDATE

Toronto, September 4, 2012 (TSX: LUN; OMX: LUMI) Lundin Mining Corporation ("Lundin" or the "Company") today reported its Mineral Resource and Reserve estimates as at June 30, 2012.

Reserves and Resources Highlights

- Exploration programs have been successful in replacing mined material with Mineral Resources at all key operations. Copper contained in Measured and Indicated Resources at Neves-Corvo and Zinkgruvan have increased by 8% and 12%, respectively. Zinc contained in Measured and Indicated Resources at both Neves-Corvo and Zinkgruvan stayed essentially the same as 2011 despite depletion from record production levels in Sweden.

- Surface exploration drilling at the Semblana deposit has increased the total Inferred Resource by 0.5 Mt to 7.1 Mt at 2.8% copper and 26 g/t silver. Further expansion of the Semblana resource will require exploration primarily from underground and an internal exploration ramp is advancing from existing underground workings to facilitate this with a high priority.

- At Tenke Fungurume, as per our previously filed (28 February 2012) press release, Measured and Indicated Resources increased by 3% for copper and 9% for cobalt. Proven and Probable Reserves increased by 6% for copper and 21% for cobalt above the prior year's estimates, for which Lundin's attributable share through equity ownership is 24%.

- The change at Neves-Corvo, between the ratio of Measured to Indicated Mineral Resources is the result of a review of the classification methodology to align with accepted practice. The new methodology is considered to better reflect the confidence in the geological modeling and grade estimation and results in no change to the Measured plus Indicated contained metal total. Historically, additional geological information gained from further infill drilling and actual stope development has confirmed and often exceeded initial Mineral Resource and Reserve estimates.

- Mineral Reserves at Neves-Corvo and Zinkgruvan have been reported using variable Net Smelter Return (NSR) values rather than the fixed cut off grades used in the past, for a more consistent assessment of profit margin potential from zone to zone throughout the mine.

The tables attached to this release summarize the Mineral Reserve and Resource estimates for each of the Company's mines as of June 30, 2012. Mineral Reserves and Resources for the Tenke Fungurume copper/cobalt mine, in which Lundin Mining has a 24% equity interest, are reported as at December 31, 2011.

Commenting on the June 2012 reserve and resource estimates, Mr. Paul Conibear, CEO of Lundin Mining said "We are pleased that the exploration programs at both Neves-Corvo and Zinkgruvan once again have more than replaced mineral resources mined during the past year at both locations. Now that our main access ramp into Neves-Corvo's Lombador South deposit has reached a critical depth that has allowed commencement of copper mining, we are able to advance important underground exploration drilling in this area, targeting further expansion of copper resources."

Exploration Update - Neves-Corvo

A significant scale deep drilling program is advancing at Neves-Corvo with six rigs progressively testing various targets within relatively close proximity to existing mining operations. The following provides a progress report on this drill program:

Semblana Copper-Silver Deposit

A total of 28,524 meters in 29 diamond drill holes, including 25 parent holes and 4 wedged holes, has now been completed at the Semblana Deposit, extending the zone of copper-silver mineralization that was first discovered in September 2010. An Inferred Resource for the Semblana Copper-Silver Deposit has been expanded to over 7.1 million tonnes at a grade of 2.8% copper and 26 g/t silver and is reported in accordance with the definitions in the Canadian National Instrument 43-101 (NI43-101).

Potential for further increases in this copper-silver resource is considered very good. It has been concluded that the higher grade copper mineralization cannot be completely delineated by the current surface drill rig program as deep drilling intercept spacing is not sufficiently close to conclusively define the extent of the resource. Therefore, a high priority underground exploration drift is advancing and when at sufficient depth, this will enable exploration drilling for further resource definition.

In addition to an expanded copper-silver resource, results from this year's surface exploration of Semblana has indicated the potential for developing a silver/gold-enriched polymetallic (Cu-Zn-Pb-Ag-Au) resource, within the Semblana South Extension Zone that has been the focus of surface drilling this year. This polymetallic mineralization is principally hosted by massive sulphides and is the same as previously reported sulphide mineralization located separately to the northwest of the current Semblana copper-silver resource. Within the Semblana South Extension area a continuous zone of locally very thick, silver/gold-enriched polymetallic sulphide mineralization has been delineated that extends a current minimum 267 meters in strike length (distance between PSP44 and PSS42A intercepts) as defined by the following drill intercepts:

Drillhole	From (m)	To (m)	Interval (m)	Cu (%)	Zn (%)	Pb (%)	Ag (gpt)	Au (ppm)
PSP44	847.90	915.00	67.10	0.26	2.62	0.69	**	**
incl.	888.00	904.00	16.00	0.27	4.05	0.40	66.13	**
incl.	910.00	915.00	5.00	0.13	6.04	0.93	52.00	0.14
PSQ42A	872.60	879.10	6.50	0.95	4.80	1.13	87.74	**
incl.	872.60	875.50	2.90	1.66	4.93	0.77	90.45	**
PSQ42	904.30	924.60	20.30	0.60	2.80	0.72	**	**
incl.	904.30	906.50	2.20	1.08	1.39	0.32	66.45	5.14
incl.	920.50	924.60	4.10	0.41	10.00	2.61	57.63	1.64
plus	928.50	931.80	3.30	2.90	0.47	0.17	64.85	0.99
plus	936.00	939.20	3.20	3.44	0.55	0.22	45.13	**
PSR42*	931.40	945.00	13.60	1.90	2.64	0.25	55.70	1.15
including	935.00	940.00	5.00	4.60	3.08	0.24	64.70	1.47
plus	948.00	952.00	4.00	2.30	0.44	0.15	22.40	0.10
PSS42A	902.25	908.85	6.60	0.55	8.33	2.31	117.20	**
incl.	902.25	904	1.75	0.64	3.70	0.36	90.14	1.64

* results as previously reported in news release of December 15, 2011

** total assays pending

True thicknesses are 95-100% of reported interval

Surface drilling with one rig is continuing to explore the potential for an economic polymetallic resource both within the

Semblana South Extension area and to the northwest of the current copper-silver resource.

Monte Branco Copper Discovery

As reported in the July 25 press release of this year, the focus of surface exploration drilling has shifted to the Monte Branco copper discovery area, located approximately 1.2 kilometers to the south of Semblana and just west of the tailings management facility ("TMF"). A total of 24,726 meters in 27 diamond drill holes, including 25 parent holes and 2 wedged holes, using four drill rigs has now been completed in the Monte Branco area. Exploration has focused on step-out drilling from discovery hole SCA26 which intercepted a 32.5 meter thick section of strong stockwork-type copper sulphides grading 2.2% Cu including a higher grade interval of 11.0 meters grading 3.9% Cu as first reported on December 15, 2011.

Monte Branco represents a completely new center of strong, concentrated sulphide mineralization, currently covering approximately 250 m x 200 m in area, including both massive and stockwork type sulphides. So far, significant copper sulphide mineralization has been restricted to stockwork type mineralization although minor copper sulphides are also common within the massive sulphides. These sulphides have been intercepted at approximate depths of between 540 m and 700 m below surface. The potential for developing new copper resources in this area is considered very good.

While many holes have not yet received complete assay results, initial highlights include the following*:

- Hole SCA26A intercepted 4.0 meters grading 7.28% Cu,
- Hole SBA26B intercepted 9.0 meters grading 2.51% Cu and 5.0 meters grading 2.23% Cu,
- Hole SDA26 intercepted 9.0 meters grading 2.26% Cu and 10.0 meters grading 1.98% Cu,
- Hole SBA26A intercepted 16.0 meters grading 2.26% Cu

* silver assays pending

Prior to the construction of the TMF, an exploration drill hole intercepted 6.6 meters of massive sulphides grading 5.3% zinc, below the current TMF location. Exploration drilling at Monte Branco and also immediately to the northeast of the TMF, in addition to preliminary results of a 3D seismic "undershoot" survey of the TMF area and the historic drilling, all indicate that the potential beneath the TMF for significant copper-zinc sulphide mineralization is excellent. A program for drilling beneath the TMF is being planned and is expected to commence in Q4 once interpretative results of the undershoot seismic survey have been received and drill rig access on the TMF has been organized.

Neves-Corvo Near-Mine Exploration

In addition to the exploration and resource development work being carried out at Semblana and Monte Branco, a program of target development and drill-testing has been progressing. A seismic reflector target, Lapa, located immediately northeast of the TMF, is currently being drill-tested. Two holes have so far been completed with a narrow interval of strong copper stockwork mineralization intercepted in one hole. A second phase of 3D and 2D seismic surveying has been completed as extensions to the northwest and southeast of the 2011 survey area, and includes the undershoot survey of the TMF; preliminary interpretative results are pending. It is planned within the 2012 budget to test the highest priority targets developed from the seismic survey before year end.

A table of drill results and plan maps displaying drill hole locations, the Semblana resource outline, the Monte Branco discovery and exploration targets may be found on the Company's website www.lundinmining.com.

Sampling and Analytical Protocol

NQ sized drill core was logged, cut in half with a diamond saw and sampled by Company personnel at its facilities in Portugal at the Neves-Corvo mine. Prior to the 2011 campaign mineralized intervals are analyzed for a suite of elements including Zn, Cu, Pb and Sn at the Neves-Corvo laboratory using XRF methods. For the 2011 campaign mineralized intervals were analyzed for a multi-element suite using ICP methods at ALS Chemex Laboratory, Vancouver. For the 2012 campaign, sample analysis was conducted at the Neves-Corvo laboratory using XRF and ICP methods.

QA/QC

A standardised protocol of quality control sample insertion using certified reference material, blanks and duplicates are used to monitor the quality of the sampling process and assay results.

Qualified Persons
Jose Mario Castello Branco, EurGeol, General Manager of Exploration, Iberia, for Lundin Mining Exploration is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the technical information contained in this release regarding the near-mine resource exploration drilling, including the Semblana delineation drilling, at the Neves Corvo mine in southern Portugal.

About Lundin Mining

Lundin Mining Corporation is a diversified Canadian base metals mining company with operations in Portugal, Sweden, Spain and Ireland, producing copper, zinc, lead and nickel. In addition, Lundin Mining holds a development project pipeline which includes expansion project at Neves-Corvo mine along with its equity stake in the world class Tenke Fungurume copper/cobalt mine in the Democratic Republic of Congo.

On Behalf of the Board,

Paul Conibear, CEO

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Forward Looking Statements
Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; risks associated with the estimation of Mineral Resources and Reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described under Risk Factors Relating to the Company's Business in the Company's Annual Information Form and in each management discussion and analysis. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of copper, nickel, lead and zinc; 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, readers are advised not to place undue reliance on forward-looking statements.

Cautionary Notes to Investors - Reserve and Resource Estimates

In accordance with applicable Canadian securities regulatory requirements, all Mineral Reserve and Mineral resource estimates of the Company disclosed or incorporated by reference in this news release have been prepared in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), classified in accordance with Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves Definitions and Guidelines" (the "CIM Guidelines"). The definitions of Mineral Reserves and Mineral resources are set out in our disclosure of our Mineral Reserve and Mineral resource estimates in our Annual Information Form.

The Company uses the terms "Mineral resources", "measured Mineral resources", "indicated Mineral resources" and "inferred Mineral resources". While those terms are recognized by Canadian securities regulatory authorities, they are not recognized by the United States Securities and Exchange Commission the "SEC") and the SEC does not permit U.S. companies to disclose resources in their filings with the SEC.

Pursuant to the CIM Guidelines, Mineral resources have a higher degree of uncertainty than Mineral Reserves as to their existence as well as their economic and legal feasibility. Inferred Mineral resources, when compared with measured or indicated Mineral resources, have the least certainty as to their existence, and it cannot be assumed that all or any part of an inferred Mineral resource will be upgraded to an indicated or measured Mineral resource as a result of continued exploration. Pursuant to NI 43-101, inferred Mineral resources may not form the basis of any economic analysis, including any feasibility study. Accordingly, readers are cautioned not to assume that all or any part of a Mineral resource exists, will ever be converted into a Mineral Reserve, or is or will ever be economically or legally mineable or recovered.

Mineral Reserves And Resources - 30 June 2012

Mineral Reserves

									Contained Metal 000's (Ounces millions)						
	Category	000's Tonnes	Cu %	Zn %	Pb %	Ag g/t	Ni %	Co %	Cu T	Zn T	Pb T	Ag Oz	Ni T	Co T	Lundin Interest
Copper															
Neves-Corvo	Proven	6,059	4.7	1.1	0.2	40			282	68	14	8			*100%*
	Probable	18,049	2.6	0.8	0.2	40			475	153	41	23			*100%*
	Total	**24,108**	**3.1**	**0.9**	**0.2**	**40**			**758**	**222**	**54**	**31**			***100%***
Zinkgruvan	Proven	3,931	2.2	0.4		32			86	16		4			*100%*
	Probable	77	2.0	0.5		34			2	-		-			*100%*
	Total	**4,008**	**2.2**	**0.4**		**32**			**88**	**16**		**4**			***100%***
Tenke	Proven	54,142	3.3					0.4	1,763					193	*24%*
Fungurume	Proven WIP	14,480	1.1					0.4	160					58	*24%*
	Probable	87,038	2.8					0.3	2,471					257	*24%*
	Total	**155,660**	**2.8**					**0.3**	**4,393**					**509**	***24%***
Zinc															
Neves-Corvo	Proven	11,525	0.3	8.2	1.9	72			35	941	218	27			*100%*
	Probable	11,153	0.4	6.7	1.6	67			43	743	175	24			*100%*
	Total	**22,678**	**0.3**	**7.4**	**1.7**	**70**			**78**	**1,684**	**393**	**51**			***100%***
Zinkgruvan	Proven	8,443		9.2	4.4	95				777	371	26			*100%*
	Probable	2,421		8.4	2.7	54				203	65	4			*100%*
	Total	**10,864**		**9.0**	**4.0**	**86**				**980**	**437**	**30**			***100%***
Galmoy	Proven	39		11.6	1.8	12				5	1	0			*100%*
	Probable	2		11.6	1.3	14				-	-	-			*100%*
	Total	**41**		**11.6**	**1.8**	**12**				**5**	**1**	**0**			***100%***
Nickel															
Aguablanca	Proven	5,701	0.5				0.6		26				35		*100%*
	Probable	294	0.2				0.3		1				1		*100%*
	Total	**5,994**	**0.5**				**0.6**		**27**				**36**		***100%***
Note: totals may not summate correctly due to rounding							**Lundin's share**		**2,005**	**2,907**	**885**	**116**	**36**	**122**	

Mineral Resources - inclusive of reserves

									Contained Metal 000's (Ounces millions)						
	Category	000's Tonnes	Cu %	Zn %	Pb %	Ag g/t	Ni %	Co %	Cu T	Zn T	Pb T	Ag Oz	Ni T	Co T	Lundin Interest
Copper															
Neves-Corvo	Measured	9,852	4.9	1.0	0.3	45			483	98	25	14			*100%*
	Indicated	40,348	2.5	1.0	0.3	47			998	419	140	61			*100%*
	Inferred	25,423	1.7	1.2	0.4	47			439	302	112	39			*100%*
Semblana	Inferred	7,125	2.8			26			201			6			*100%*
Zinkgruvan	Measured	5,292	2.3	0.4		30			122	21		5			*100%*
	Indicated	587	2.3	0.3		34			14	2		1			*100%*
	Inferred	622	1.7	0.4		31			11	2		1			*100%*
Tenke	Measured	117,974	3.0					0.3	3,496					370	*24%*
Fungurume	Indicated	378,457	2.5					0.2	9,393					927	*24%*
	Inferred	246,599	2.0					0.2	4,809					594	*24%*
Zinc															
Neves-Corvo	Measured	24,037	0.3	7.5	1.8	67			75	1,801	435	52			*100%*
	Indicated	62,280	0.3	5.5	1.3	58			203	3,430	802	116			*100%*
	Inferred	22,060	0.3	4.5	0.9	51			74	1,000	204	36			*100%*
Zinkgruvan	Measured	8,682		10.5	5.0	107				912	434	30			*100%*
	Indicated	5,876		9.7	4.9	101				570	288	19			*100%*
	Inferred	4,553		8.9	3.3	78				405	150	11			*100%*
Galmoy	Measured	520		14.2	1.5	11				74	8	0			*100%*
	Indicated	130		10.5	0.8	7				14	1	-			*100%*
	Inferred	7		9.2	0.4	8				1	-	-			*100%*
Nickel															
Aguablanca	Measured	7,474	0.5				0.7		40				52		*100%*
	Indicated	368	0.2				0.4		1				1		*100%*
	Inferred	10	0.2				0.6		-				-		*100%*
							Lundin's share not including Inferred Resources		**5,029**	**7,340**	**2,132**	**299**	**53**	**311**	

Notes on Mineral Reserves and Resources Table

Mineral Reserves and Resources are shown on a 100 percent basis for each mine. Mineral Resources for all operations are inclusive of Reserves. All estimates, with the exception of Tenke Fungurume, are prepared as at June 30, 2012. The Tenke Fungurume estimate is dated December 31, 2011.

Estimates for all 100% owned operations are prepared by or under the supervision of a Qualified Person as defined in National Instrument 43-101. Tenke Proven and Probable Mineral Reserves are estimated by the operator Freeport-McMoRan Copper & Gold Inc. ("Freeport"), and are prepared to SEC standards and are reviewed by Lundin Mining's independent Qualified Persons.

Except as noted below, Mineral Reserves have been calculated using long-term average metal prices of US$2.50/lb copper, US$1.00/lb zinc, US$0.95/lb lead, US$8.50/lb nickel and exchange rates of EUR/USD 1.25 and USD/SEK 7.00.

Neves-Corvo

The Mineral Resources are reported above cut-off grades of 1.0% for copper and 3.0% for zinc. The copper and zinc Mineral Reserves have been calculated using variable Net Smelter Return (NSR) values based on area and mining method. The NSR is calculated on a recovered payable basis taking in to account copper, lead, zinc and silver grades, metallurgical recoveries, prices and realization costs. The copper Mineral Reserves are reported above a site average cut-off grade equivalent to 1.5%. For zinc Mineral Reserves an average cut-off grade equivalent of 5.2% is used for ore-bodies other than Lombador and for Lombador Phase 1 a zinc cut-off of 6.0% was applied. Mineral Reserves and Resources for Neves-Corvo were estimated by the mine's geology and mine engineering departments under the guidance of Nelson Pacheco, Chief Geologist and Fernando Cartaxo, Chief Mine Planning Engineer. Qualified Persons are Nelson Pacheco and Stephen Gatley, Vice President Technical Services, Lundin Mining.

Semblana

The Mineral Resources are reported above a cut-off grade of 1.0% copper. The Mineral Resource estimate was prepared by Graham Greenway, Group Resource Geologist, Lundin Mining.

Zinkgruvan

The zinc Mineral Resources and Reserves are reported above a site average cut-off grade of 3.8% zinc equivalent for zinc. The copper Mineral Resources and Reserves are reported above cut-off grades of 1.0% and 1.5% respectively. The Mineral Reserves have been calculated using variable Net Smelter Return (NSR) values based on area and mining method. The NSR is calculated on a recovered payable basis taking in to account copper, lead, zinc and silver grades, metallurgical recoveries, prices and realization costs. The Zinkgruvan Mineral Resource and Reserve estimates are prepared by the mine's geology and mine engineering department under the guidance of Lars Malmström, Resource Manager, employed by Zinkgruvan mine. Qualified Persons are Graham Greenway and Stephen Gatley.

Aguablanca

The Mineral Resources and Reserves within the open pit are reported above a 0.18% nickel cut off, whereas the underground Mineral Resources are reported above a 0.5% nickel cut off. Mineral Resources and Reserves for Aguablanca were estimated by the mine's geology and mine engineering departments under the guidance of César Martinez and Jorge Llidó. Qualified Persons are Graham Greenway and Stephen Gatley.

Galmoy

The Mineral Resources are reported above a cut-off of 4.5% zinc equivalent. The Mineral Reserves are those tonnes above a 6.0% zinc equivalent cut off that are amenable to mining and treatment at an adjacent mine. The Qualified Person responsible for the Galmoy Mineral Resource and Reserve estimate is Paul McDermott, Technical Services Superintendent, an employee of Galmoy mine.

Tenke Fungurume

The Mineral Resources are an estimate of what is mineralized material in the ground based on a cut-off of 1.3% copper equivalent and a cobalt to copper factor of 4.0 without assigning economic probability. The 2011 Mineral Reserves are based on smoothed pit designs for measured and indicated resources using metal prices of US$2.00/lb Cu and US$10.00/lb Co. The Mineral Resource (not reported under United States SEC guidelines) and Reserve estimates (reported under United States SEC guidelines) for Tenke have been prepared by Freeport staff and reviewed by independent consultants and Qualified Persons John Nilsson, P.Eng. of Nilsson Mine Services Ltd and Ron Simpson P.Geo. of GeoSim Services Inc., on behalf of Lundin Mining. Messrs Simpson and Nilsson consent to the inclusion in this release of the Mineral Resource and Mineral Reserve information in the form and context in which it appears.