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NEWS RELEASE

LUNDIN MINING, TOGETHER WITH TENKE PARTNERS, TO ACQUIRE KOKKOLA COBALT OPERATIONS IN FINLAND

Toronto, January 21, 2013 - **Lundin Mining Corporation (TSX: LUN; OMX: LUMI)** ("Lundin Mining" or the "Company") is pleased to announce that it has through a newly formed joint venture entity entered into a definitive agreement with OM Group, Inc. (NYSE: OMG) to acquire a large scale cobalt chemical refinery located in Kokkola, Finland, and the related sales and marketing business (collectively "Kokkola"). The acquisition will provide direct end-market access for the cobalt hydroxide production from Tenke Fungurume copper/cobalt mine ("Tenke"). Lundin Mining will hold an effective 24 percent ownership interest in the joint venture, with Freeport-McMoran Copper & Gold Inc. ("Freeport") (NYSE: FCX) holding an effective 56 percent ownership interest and acting as operator of the joint venture, and La Générale des Carrières et des Mines (Gécamines), the Congolese state mining company, holding a 20 percent interest. Under the terms of the agreement, initial consideration of US\$325 million, on a 100% basis, (subject to customary working capital adjustments) will be paid at closing, with the potential for additional consideration of up to US\$110 million payable over a period of three years, contingent upon the achievement of revenue-based performance targets. The acquisition is subject to customary closing conditions, including required regulatory approvals, and is expected to close in the second quarter of 2013.

Lundin Mining and Freeport will together fund the initial acquisition costs on a 30/70% basis, which amounts will be repaid in full prior to any distributions. Accordingly, the Company will pay US\$97.5 million (subject to customary working capital adjustments) towards the initial purchase consideration and up to US\$33 million over a three year period in contingent payments to satisfy its 30% share of the total purchase consideration.

Commenting on the transaction, Mr. Paul Conibear, President and CEO of Lundin Mining said, "The acquisition of Kokkola will enable immediate entry and vertical value-added integration to the refined cobalt market and will ensure that all of the cobalt product from Tenke can be processed and sold in a competitive market. We are fortunate to be acquiring a market leader in the cobalt chemical business with a fully operating and staffed refining operation in Finland and significant global sales presence. We are pleased to be extending our partnership with Freeport and Gécamines further into the cobalt market."

About Kokkola

Kokkola, located on the Baltic Sea in Kokkola, Finland, processes unrefined cobalt and related metals and manufactures advanced inorganic products for use in a variety of applications in fast-growing end use markets. Kokkola is the world's largest supplier of cobalt chemicals and powders for use in:

- batteries: cobalt raw materials and precursors for rechargeable batteries
- chemicals & ceramics: cobalt inorganic materials for a variety of chemical, catalyst, blue pigment and other applications
- powder metallurgy: cobalt fine powders for the hard metal and diamond tooling industries

Kokkola has been in operation since 1968 and comes with an experienced management team, over 400 employees, and a global sales and marketing footprint that services approximately 500 customers in over 50 countries in Asia, Europe and the Americas. Kokkola has strong growth prospects and a track-record of strong revenue and cash flow generation despite commodity price volatility.

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 24% equity stake in the world-class Tenke Fungurume copper/cobalt mine in the Democratic Republic of Congo.

On Behalf of the Board,

Paul Conibear
President and 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.