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NEWS RELEASE

LUNDIN MINING ANNOUNCES CLOSING OF ACQUISITION OF EAGLE MINE AND CONSTRUCTION RAMP-UP

Toronto, July 17, 2013...Lundin Mining Corporation (TSX: LUN) (OMX: LUMI) ("Lundin Mining" or the "Company") is pleased to announce the closing of the acquisition of the high grade Eagle nickel/copper mine from Rio Tinto Nickel Company, a subsidiary of Rio Tinto plc ("Rio Tinto"), previously announced on June 12, 2013.

Total cash consideration paid at closing by the Company was approximately US\$315 million, consisting of a US\$250 million purchase amount plus project expenditures from January 1, 2013 until transaction closing of US\$65 million, subject to minor adjustments to reflect actual project expenses. The acquisition has been entirely funded from Lundin Mining's current net cash balance and its existing \$350 million revolving credit facility. The purchase price reflects project expenditures from Jan 1, 2013 to closing being lower than previously anticipated due to an earlier than expected closing date.

Paul Conibear, President and CEO, commented, *"We are very pleased to close the acquisition of this high-quality asset early, and especially pleased to see the high level of activity on site already as construction ramps up."*

Eagle Mine - Project Status Update

The Eagle Mine is located in Marquette County in the Upper Peninsula of Michigan. Project construction is more than 50% complete with initial production expected to commence in Q4 2014.

The Company is pleased to announce that project ramp-up is proceeding well with construction on the mill and mine sites. The following highlights summarize the latest project developments:

- Earthworks, concrete installation and steel erection are underway at the mill site. The contract for the mine site coarse ore storage has been awarded and the contractor mobilized.
- All vendors are mobilized and new delivery dates are being finalized. Most equipment has been ordered and is expected to be delivered to site prior to year end.
- Approximately 100 construction personnel are now on site, a peak of approximately 350 construction personnel is expected later this year.
- Eagle has approximately 70 people on staff and recruiting is underway to support the objective of ramping up to approximately 220 staff in Q3 2014.
- Opportunities for schedule acceleration are being explored.

As previously announced, the Company expects to file its National Instrument 43-101 compliant technical report by July 26, 2013.

About Lundin Mining

Lundin Mining Corporation is a diversified base metals mining company with operations and projects in Portugal, Sweden, Spain and the U.S.A 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 and in the Freeport Cobalt Oy business, which includes the cobalt refinery located in Kokkola, Finland.

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 the estimated cash costs, the timing and amount of production from the Eagle Mine, the cost estimates for the Eagle Mine, 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.