

## NEWS RELEASE

# LUNDIN MINING PROVIDES OPERATING OUTLOOK FOR 2014-2016

Toronto, December 4, 2013 (TSX: LUN; OMX: LUMI) Lundin Mining Corporation ("Lundin Mining" or the "Company"), provides the following production guidance for the three-year period of 2014 through 2016. Key highlights are as follows:

- Commissioning and production at Eagle is expected to add significantly to total nickel and copper production, starting in late 2014.
- 2014 to 2016 annual attributable copper production is expected to increase more than 20% from the Company's wholly owned operations.
- Zinc production is expected to increase by 10% between 2014 to 2016, as Neves-Corvo zinc production continues to ramp-up owing to higher throughput levels and zinc grades from Lombador Phase I.
- Nickel production is expected to increase significantly as Eagle reaches full production levels in 2015. Additionally, mining at Aguablanca is now expected to continue until 2018 as the underground project has been approved for development owing to the favourable economics of the project.

"For 2014, we anticipate continuing our strong execution at the current operations and completing construction of the Eagle Mine on target. Our assets continue to offer attractive, low risk, near-term production growth with relatively modest levels of capital requirements, which ideally positions us to continue to add significant shareholder value over the next several years," said Mr. Paul Conibear, President & CEO.

### Production Outlook 2014 - 2016<sup>1</sup>:

	2014	2015	2016
<b>Copper:</b>	Tonnes	Tonnes	Tonnes
Neves-Corvo	50,000 – 55,000	50,000 – 55,000	50,000 – 55,000
Zinkgruvan	3,000 – 4,000	2,000 – 3,000	2,000 – 3,000
Aguablanca	5,000 – 6,000	3,000 – 4,000	4,000 – 5,000
Eagle	2,000 – 3,000	17,000 – 22,000	17,000 – 22,000
Copper wholly-owned operations	60,000 – 68,000	72,000 – 84,000	73,000 – 85,000
Tenke <sup>2</sup> (24%)	~50,000	~50,000	~50,000
<b>Total Attributable Copper</b>	<b>110,000 – 118,000</b>	<b>122,000 – 134,000</b>	<b>123,000 – 135,000</b>
<b>Zinc:</b>			
Neves-Corvo	60,000 – 65,000	75,000 - 80,000	75,000 – 80,000
Zinkgruvan	75,000 – 80,000	80,000 – 85,000	75,000 – 80,000
<b>Total Zinc</b>	<b>135,000 – 145,000</b>	<b>155,000 – 165,000</b>	<b>150,000 – 160,000</b>
<b>Lead:</b>			
Neves-Corvo	2,000 – 2,500	2,000 - 2,500	2,000 – 2,500
Zinkgruvan	27,000 – 30,000	30,000 – 34,000	30,000 – 34,000
<b>Total Lead</b>	<b>29,000 – 32,500</b>	<b>32,000 – 36,500</b>	<b>32,000 – 36,500</b>
<b>Nickel:</b>			
Aguablanca	6,000 – 7,000	4,000 – 5,000	4,000 – 5,000
Eagle	2,000 – 3,000	20,000 – 25,000	20,000 – 25,000
<b>Total Nickel</b>	<b>8,000 – 10,000</b>	<b>24,000 – 30,000</b>	<b>24,000 – 30,000</b>

<sup>1</sup> Production guidance is based on certain estimates and assumptions, including but not limited to; mineral resources and reserves, geological formations, grade and continuity of deposits and metallurgical characteristics.

<sup>2</sup> Tenke guidance has not yet been provided by operator, Freeport McMoRan Copper and Gold Inc. ("Freeport"). Lundin Mining anticipates production from Tenke in 2014 to be comparable to expected 2013 production.

- **Neves-Corvo:** Copper production is expected to be maintained above 50,000 tonnes per annum with an increasing zinc by-product credit. The zinc plant operated at full capacity in 2013, processing approximately 1.0 million tonnes per annum ("Mtpa") of ore and is expected to reach 125% of nameplate capacity in 2015 with minor investments in plant debottlenecking, taking advantage of higher grade Lombador feed and expected improvements in zinc price. The production forecasts assume that the zinc plant will be used exclusively to process zinc ore over the next three years, though the plant has already proven to have the flexibility to process either zinc or copper ores.
- **Zinkgruvan:** Zinc production over the outlook period is expected to remain relatively steady, as plans to increase throughput by investment in an ore dressing plant have been deferred indefinitely. In 2015, production is expected to increase modestly due to higher zinc grades as per the mine plan. Thereafter production is expected to remain relatively steady between 75,000 - 80,000 tonnes of zinc.
- **Aguablanca:** The Company's Board of Directors has approved the development of the underground project which is expected to result in production continuing until 2018. Total capital expenditures for the project are expected to be approximately \$30 million spread over the period 2014 - 2017. Economics of the underground project are expected to be very attractive with a rapid payback period, even at current depressed nickel prices.
- **Eagle:** The project remains on schedule and budget. Shipment of the first saleable concentrates of copper and nickel are expected to occur prior to the end of 2014. Following an initial ramp up period, ore is expected to be processed at a rate of 2,000 tonnes/day by mid-2015. The Company is also pleased to announce that Mr. Michael Welch has joined Lundin Mining as General Manager Eagle Mine effective in early January, 2014. Mr. Welch has more than 20 years of combined operations and project management experience, and holds a Bachelor of Science Honors Degree in Geology as well as a Master of Science Degree in Geology. Mr. Welch was most recently responsible for Glencore Xstrata's Raglan nickel operations in Quebec, and previously served as project director on the successful construction and start up of the Nickel Rim South project in Sudbury, Ontario.
- **Tenke Fungurume:** 2014 production guidance has not yet been provided by Freeport, the mine's operator. Lundin Mining anticipates production from Tenke in 2014 to be largely consistent with that of 2013. The three year outlook for Tenke does not reflect potential increases in copper production that could occur from Phase III expansion initiatives which could entail further plant debottlenecking and heap leach investment to fully utilize the 270,000 tpa copper electro-winning capacity that has been installed as part of the Phase II project. The Lundin Mining estimate and comments do not represent the official guidance for the mine which will ultimately be provided by Freeport.

## 2014 Cash Costs<sup>1</sup>

- At Neves-Corvo, estimated C1 cash costs for 2014 are expected to approximate \$1.90/lb Cu after zinc by-product credits. Improvement on this estimated unit cost could occur if zinc prices are higher than internal assumptions.
- At Zinkgruvan, estimated C1 cash costs are expected to approximate \$0.35/lb Zn after copper and lead by-product credits. Zinkgruvan is expected to remain one of the lower cost zinc producers for the foreseeable future.

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<sup>1</sup> Cash Costs and C1 cash costs are based on various assumptions and estimates, including, but not limited to; production volumes, as noted above, commodity prices (2014 - Cu: \$3.15, Zn: \$0.87, Pb: \$1.00, Ni: \$6.50) foreign currency exchange rates (2014 - €/USD:1.30, USD/SEK:6.50) and operating costs.

- At Aguablanca, estimated C1 cash costs for 2014 are expected to approximate \$4.50/lb Ni after by-product credits.
- For Tenke, cash cost guidance will be provided by Freeport in due course.

## 2014 Capital Expenditure Guidance

Capital expenditures for 2014 are expected to be \$460 million including Eagle and excluding Tenke (compared to an estimated \$255 million in 2013, on the same basis) which includes:

- **Sustaining capital** in European operations: \$100 million (vs. \$100 million in 2013), consisting of approximately \$55 million for Neves-Corvo, \$40 million for Zinkgruvan and \$5 million across other sites.
- **New investment** capital expenditures in European operations: \$60 million (vs. \$45 million in 2013), consisting of approximately \$50 million for Neves-Corvo (including \$38 million for Lombador Phase I, \$6 million for Lombador Phase II and underground drilling, and \$5 million for zinc plant expansion and shaft upgrade project studies), and \$10 million in support of the underground mining project at Aguablanca.
- **Eagle:** \$300 million to complete construction of the Humboldt mill and Eagle mine.
- **Tenke:** All of the capital expenditures are expected to be self-funded by cash flow from Tenke operations. If current metal prices and operating conditions prevail and construction of future phases of expansion are not commenced in 2014, the Company believes it is reasonable to expect Lundin's attributable cash distributions to range between \$130 to \$150 million in 2014.

## 2014 Exploration Investment

Exploration expenditures are expected to be in the range of \$40 million in 2014 (2013 - estimated at \$33 million). These expenditures are expected to be directed primarily towards Neves-Corvo, Zinkgruvan and Eagle, where drilling programs will advance exploration on various in and near mine targets. A portion of 2014 exploration budgets are allocated to South American and Eastern European exploration work.

### About Lundin Mining

Lundin Mining Corporation is a diversified Canadian base metals mining company with operations in Portugal, Sweden, Spain and the US, 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 a cobalt refinery 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. This release includes, but is not limited to, forward looking statements with respect to the Company's estimated annual metal production, C1 cash costs and capital expenditures. These estimates 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 from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to estimated operating and cash costs, timing and quantities of production from the Eagle Project, cost estimates for the Eagle Project, 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.