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NEWS RELEASE

LUNDIN MINING ANNOUNCES AMENDMENT TO CREDIT AGREEMENT TO INCREASE FACILITY TO US\$350 MILLION AND EXTEND TERM TO 2015

Toronto, December 20, 2012 (TSX: LUN; OMX: LUMI) Lundin Mining Corporation ("Lundin Mining") is pleased to announce that it has executed an amendment to its revolving credit agreement (the "Amended Credit Agreement") that increases the amount of its revolving credit facility (the "Facility") to US\$350 million from US\$300 million, reduces the costs of borrowing and extends the term of the Facility to December 2015.

Two new banks were added to the syndicate of lenders and one institution, which is no longer in the business of commercial lending, exited. The continuing banks, which are comprised of Scotiabank, the Sole Lead Arranger and Sole Bookrunner, ING Belgium NV/SA and Bank of Montreal, the Co-Syndication Agents, Export Development Canada, the Documentation Agent and Skandinaviska Enskilda Banken AB as lender, are joined by Bank of America Merrill Lynch and Royal Bank of Canada as lenders.

Ms. Marie Inkster, Senior Vice President and Chief Financial Officer, commented, "Under the terms of the amended Facility, the Company now has the option to raise funds through the issue of high yield notes or convertible debt. This provides the Company with the flexibility to access significant levels of debt financing under the current capital structure.

"We are thankful for the ongoing support of the continuing lenders and welcome our two new lenders," Ms. Inkster said.

The revolving Facility will bear interest on US dollar denominated drawn funds at rates of LIBOR+2.5% to LIBOR+3.25%, depending upon the Company's leverage ratio. The Company can also borrow in Canadian dollars or Euros at other varying rates.

No advances are currently outstanding under the Facility other than a letter of credit in the amount of US\$12 million (SEK80 million).

The Company's wholly-owned Portuguese subsidiary, Somincor, has also finalized a renewal of that company's domestic Portuguese Commercial Paper program. The program allows for the issuance of short term notes up to an amount of €30 million. The program has been used effectively in the past to manage working capital requirements and provides additional financial flexibility for capital management of operations and new investments at the Neves-Corvo mine. The program is underwritten by Santander Bank and drawn funds will bear interest at Euribor +3.6%. No advances are currently outstanding.

Lundin Mining has approximately US\$300 million of cash on hand.

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 projects at Neves-Corvo and Zinkgruvan mines 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
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.