

NEWS RELEASE

Lundin Mining Announces Updated Mine Plan at Candelaria

TORONTO, July 29, 2015 - Lundin Mining Corporation (TSX:LUN; OMX:LUMI) ("Lundin" or the "Company") is pleased to report that it has completed an updated mine plan and annual sustaining capital cost estimate for Candelaria. The new plan is expected to result in an improved production and operating cost profile over the next four year period, as compared to the mine plan that was summarized in the October 6, 2014 NI 43-101 Technical Report entitled Technical Report for the Compañía Minera Candelaria and Compañía Minera Ojos del Salado Copper Projects, Atacama Province, Region III, Chile ("Previous Mine Plan").

Key highlights of the updated mine plan (100% basis) include:

- Annual total copper production for 2016-2019 is now expected to average 154 kt (compared to an average of 122 kt in the Previous Mine Plan over the same period).
- The increased metal production is the result of optimisation of the phasing in the open pit and extended mine lives of all of the higher grade underground mines which replace lower grade Work-in-Progress stockpile material in the plant feed.
- Weighted average annual cash costs (after incorporating the precious metal stream and capitalized waste stripping) for the period 2016-2019 are now expected to average \$1.67/lb Cu, based on a Chilean Peso: US\$ exchange rate of 625 : 1.
- The new capital cost profile includes updated capital estimates for the Los Diques tailings management facility, as well as capitalized waste stripping forecasts.

Commenting on the updated Mine Plan, Mr. Paul Conibear, President and CEO of Lundin Mining stated, "We are very pleased with the results of the updated mine plan. These refinements have added significant value at Candelaria and we remain very excited about the prospect of continuing to create additional value through our ongoing exploration program and further optimization efforts."

A summary of the updated mine plan until 2019 is shown in Table 1 below.

Table 1: Candelaria 2016-2019 Updated Mine Plan (100%-basis)

		2016E	2017E	2018E	2019E
Ore Mined	M tonnes	28.8	20.9	21.9	22.5
Ore Milled	M tonnes	26.6	26.8	24.6	26.2
Copper Grade	% Cu	0.62%	0.63%	0.65%	0.67%
Copper Recovery	%	92.8%	93.1%	90.7%	91.1%
Copper Production	000s tonnes	154	156	144	161
Gold Production	000s ounces	90	89	93	99
Silver Production	000s ounces	1,824	1,767	1,661	1,872
Cash Costs (after precious metals stream)	\$/lb Cu	\$1.58	\$1.57	\$1.82	\$1.71
Capital & Other Costs:					
Total Capitalized Stripping ¹	\$ M	108	134	74	120
Los Diques Tailings Capex	\$ M	71	180	75	50
Other Sustaining Capex	\$ M	32	22	17	15
Total Capital Costs	\$ M	211	336	166	185
Total Exploration Costs	\$ M	32	32	25	25

¹ During the production phase, waste stripping costs which provide probable future economic benefits and improved access to the orebody are capitalized to mineral properties. The Company capitalizes waste costs when experienced strip ratios are above the average planned strip ratio for each open pit phase under development.

A National Instrument 43-101 ("NI 43-101") Technical Report for the updated mine plan will be filed within 45 days on SEDAR (www.sedar.com) and on the Company's website (www.lundinmining.com). The Company intends to publish updated Mineral Resources and Mineral Reserves for Candelaria in support of the new mine plan as part of the Company's Annual Mineral Resource & Reserve statement which is expected in September. The new mine plan and Mineral Reserve statement will be ratified by the Candelaria and Ojos management committees at the next meeting.

About Lundin Mining

Lundin Mining is a diversified base metals mining company with operations in Chile, Portugal, Sweden, Spain and the United States 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 located in Kokkola, Finland.

On Behalf of the Board,

Paul Conibear, CEO

Qualified Persons

Stephen Gatley, Vice President - Technical Services of Lundin Mining, who is a "qualified person" as defined under National Instrument 43-101, has reviewed and approved the technical information in this news release

The information in this release is subject to the disclosure requirements of Lundin Mining under the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was publicly communicated on July 29, 2015 at 5:00 p.m. Eastern Time.

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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.