

## NEWS RELEASE

# LUNDIN MINING REPORTS 2015 MINERAL RESOURCE & RESERVE ESTIMATE UPDATE

**Toronto, August 31, 2015 (TSX: LUN; OMX: LUMI) Lundin Mining Corporation** (“Lundin” or the “Company”) today reported its Mineral Resource and Reserve estimates as at June 30, 2015.

On a consolidated basis, contained metal in the Proven and Probable Mineral Reserve category totaled 3,971kt of copper, representing a significant increase from the prior comparable statement, mainly due to an increase in Mineral Reserves at Candelaria. Details regarding Candelaria’s updated mine plan can be found in the Technical Report for the Candelaria Copper Mining Complex, which will be filed by the Company in September.

Commenting on the June 2015 Mineral Reserve and Resource estimates, Mr. Paul Conibear, President and CEO of Lundin Mining said “We are very pleased with the significant increase in the Candelaria Mineral Resources and Reserves which has added significant value to the asset and reflects our belief in the exploration potential in and around the current mines. At Neves-Corvo and Zinkgruvan, exploration has also been successful in more than replacing the depletion by mining of both copper and zinc mineralization, and we remain very excited about the future exploration potential at Eagle East.”

### Reserves and Resources Highlights

- Total Candelaria Measured and Indicated Mineral Resources have significantly increased to 643.6 Mt at 0.63% Cu (from 501.0 Mt at 0.54% Cu in the December 2013). The increase reflects the success of recent underground exploration campaigns, with the completion of eight new orebody block models including those on the Susana and Damiana orebodies, and the use of revised economic parameters.
- Also reflecting exploration success is the substantial increase in Candelaria’s Underground Inferred Mineral Resources, which now stand at 66.8 Mt at 1.1% Cu (from 3.7Mt at 1.1% Cu previously). The majority of these Inferred Mineral Resources lie in the Candelaria Norte mine and future infill drilling will target converting these to Measured and Indicated categories.
- Total Candelaria Proven and Probable Mineral Reserves have increased by approximately 20% to 455.2 Mt at 0.56% Cu (from 380.4 Mt at 0.54% Cu reported as of December 31, 2013), despite depletion by mining over the last 18 months. The increased open pit Proven and Probable Mineral Reserves (excluding stockpiles) of 314.6 Mt at 0.57% Cu reflect the use of revised economic parameters and the inclusion of mineralization from the Susana and Damiana orebodies.
- Total Candelaria underground Proven and Probable Mineral Reserves have increased by over 270% from December 2013 and now stand at 46.8 Mt at 0.97% Cu. All the underground mine lives have been significantly extended and this will displace the processing of lower grade open pit stockpile material.
- Total copper Measured and Indicated Mineral Resources at Neves-Corvo have increased to 69 Mt at 2.7% Cu with additions from infill and exploration drilling programs offsetting mining depletion. Exploration and infill drilling has resulted in contained zinc in Measured and Indicated Mineral Resources increasing by approximately 13%.
- Copper Proven and Probable Mineral Reserves at Neves-Corvo increased slightly to 25.9 Mt at 2.7% Cu despite mining depletion. Zinc Proven and Probable Mineral Reserves also increased to 25.3 Mt at 7.1% Zn following a re-evaluation of the Lombador south orebody.

- At Zinkgruvan, zinc in Measured and Indicated Mineral Resources and Proven and Probable Mineral Reserves have remained essentially unchanged from 2014 with exploration success offsetting mining depletion.
- Proven and Probable Mineral Reserves at Aguablanca have decreased to 3.4 Mt reflecting completion of the open pit. All of the remaining Mineral Reserves will require to be extracted by underground mining methods.
- At Eagle, the reduction in the total Proven and Probable Mineral Reserves is due to mining depletion with no significant additions through mine exploration to the Measured and Indicated Mineral Resources. Year to date exploration drilling has been focused near the Eagle Mine and has intersected a new zone of high-grade massive and semi-massive nickel-copper sulphide mineralization. The discovery is located approximately two kilometers east of the Eagle deposit, and is a consequence of the step-out drilling program focused on the Eagle East mineralization.
- At Tenke Fungurume, Measured and Indicated Mineral Resources, dated December 31, 2014, increased to 636.5 Mt at 2.5% Cu and 0.3% Co, inclusive of 38.0 Mt of stockpiled material. Contained copper and cobalt metal in these Resources increased by 4% and 5% respectively over the prior year and Lundin's attributable share now stands at 3.8 Mt of contained copper. Inferred Mineral Resources also increased to 392.2 Mt.
- Proven and Probable Mineral Reserves at Tenke Fungurume decreased slightly to 136.1 Mt at 2.7% Cu and 0.4% Co primarily as a result of depletion by mining of the higher grade oxide ore.

The table attached to this release summarizes the Mineral Reserve and Resource estimates for each of the Company's mines as of June 30, 2015. Mineral Reserves and Resources for the Tenke Fungurume copper/cobalt mine, in which Lundin Mining has a 24% equity interest, are reported as at December 31, 2014.

### **About Lundin Mining**

Lundin Mining is a diversified base metals mining company with operations and projects in Chile, the USA, Portugal, Sweden, and Spain 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

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 August 31, 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.

### **Cautionary Notes to Investors – Mineral Resource and Reserve Estimates**

In accordance with applicable Canadian securities regulatory requirements, all Mineral Reserve and Mineral Resource estimates of the Company disclosed or incorporated by reference in this news release have been prepared in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”), classified in accordance with Canadian Institute of Mining Metallurgy and Petroleum’s “CIM Standards on Mineral Resources and Reserves Definitions and Guidelines” (the “CIM Guidelines”). The definitions of Mineral Reserves and Mineral Resources are set out in our disclosure of our Mineral Reserve and Mineral Resource estimates in our Annual Information Form.

The Company uses the terms “Mineral Resources”, “Measured Mineral Resources”, “Indicated Mineral Resources” and “Inferred Mineral Resources”. While those terms are recognized by Canadian securities regulatory authorities, they are not recognized by the United States Securities and Exchange Commission (the “SEC”) and the SEC does not permit U.S. companies to disclose resources in their filings with the SEC.

Pursuant to the CIM Guidelines, Mineral Resources have a higher degree of uncertainty than Mineral Reserves as to their existence as well as their economic and legal feasibility. Inferred Mineral Resources, when compared with Measured or Indicated Mineral Resources, have the least certainty as to their existence, and it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Pursuant to NI 43-101, Inferred Mineral Resources may not form the basis of any economic analysis, including any feasibility study. Accordingly, readers are cautioned not to assume that all or any part of a Mineral Resource exists, will ever be converted into a Mineral Reserve, or is or will ever be economically or legally mineable or recovered.

# Mineral Resources and Reserves - June 30, 2015

## Mineral Reserves

Category	000's Tonnes	Cu %	Zn %	Pb %	Au g/t	Ag g/t	Ni %	Co %	Contained Metal 000's (Ounces millions)								
									Cu t	Zn t	Pb t	Au Oz	Ag Oz	Ni t	Co t	Lundin Interest	
<b>Copper</b>																	
Candelaria	Proven	298,153	0.6		0.1	2.0				1,699		1.2	19		80%		
Open Pit	Proven (Stockpile)	93,849	0.4		0.1	1.5				335		0.3	4		80%		
	Probable	16,429	0.5		0.1	1.9				85		0.1	1		80%		
	<b>Total</b>	<b>408,431</b>	<b>0.5</b>		<b>0.1</b>	<b>1.9</b>				<b>2,119</b>		<b>1.6</b>	<b>25</b>		<b>80%</b>		
Candelaria	Proven	33,025	1.0		0.2	4.0				325		0.2	4		80%		
Underground	Probable	13,727	0.9		0.2	5.1				127		0.1	2		80%		
	<b>Total</b>	<b>46,753</b>	<b>1.0</b>		<b>0.2</b>	<b>4.4</b>				<b>452</b>		<b>0.3</b>	<b>7</b>		<b>80%</b>		
Neves-Corvo	Proven	6,292	3.9	1.1	0.2		39			243	70	13		8	100%		
	Probable	19,656	2.4	0.7	0.2		36			469	134	39		23	100%		
	<b>Total</b>	<b>25,948</b>	<b>2.7</b>	<b>0.8</b>	<b>0.2</b>		<b>37</b>			<b>711</b>	<b>204</b>	<b>52</b>		<b>31</b>	<b>100%</b>		
Zinkgruvan	Proven	3,475	2.5	0.4			35			87	14			4	100%		
	Probable									-	-			-	100%		
	<b>Total</b>	<b>3,475</b>	<b>2.5</b>	<b>0.4</b>			<b>35</b>			<b>87</b>	<b>14</b>			<b>4</b>	<b>100%</b>		
Tenke	Proven	46,721	3.6					0.4		1,662					199 24%		
Fungurume	Probable (Stockpile)	38,409	1.3					0.3		483					122 24%		
	Probable	50,990	3.0					0.3		1,536					173 24%		
	<b>Total</b>	<b>136,120</b>	<b>2.7</b>					<b>0.4</b>		<b>3,681</b>					<b>494 24%</b>		
<b>Zinc</b>																	
Neves-Corvo	Proven	11,479	0.3	8.4	2.0		72			38	959	225		26	100%		
	Probable	13,854	0.5	6.1	1.4		62			66	839	197		28	100%		
	<b>Total</b>	<b>25,333</b>	<b>0.4</b>	<b>7.1</b>	<b>1.7</b>		<b>66</b>			<b>105</b>	<b>1,798</b>	<b>422</b>		<b>54</b>	<b>100%</b>		
Zinkgruvan	Proven	8,057		8.8	3.6		80				709	290		21	100%		
	Probable	3,662		6.9	2.6		51				253	95		6	100%		
	<b>Total</b>	<b>11,719</b>		<b>8.2</b>	<b>3.3</b>		<b>71</b>				<b>962</b>	<b>385</b>		<b>27</b>	<b>100%</b>		
<b>Nickel</b>																	
Aguablanca	Proven	1,800	0.6					0.7		10				12	100%		
	Proven (Stockpile)	361	0.4					0.6		2				2	100%		
	Probable	1,289	0.5					0.6		7				7	100%		
	<b>Total</b>	<b>3,450</b>	<b>0.5</b>					<b>0.6</b>		<b>19</b>				<b>21</b>	<b>100%</b>		
Eagle	Proven	2,017	3.1					3.8	0.1	62				76	2 100%		
	Probable	2,472	1.9					2.2	0.1	47				54	1 100%		
	<b>Total</b>	<b>4,488</b>	<b>2.4</b>					<b>2.9</b>	<b>0.1</b>	<b>109</b>				<b>129</b>	<b>4 100%</b>		
Note: totals may not summate correctly due to rounding										<b>Lundin's share</b>	<b>3,971</b>	<b>2,978</b>	<b>860</b>	<b>1.5</b>	<b>140</b>	<b>151</b>	<b>122</b>

## Mineral Resources - inclusive of Mineral Reserves

Category	000's Tonnes	Cu %	Zn %	Pb %	Au g/t	Ag g/t	Ni %	Co %	Contained Metal 000's (Ounces millions)								
									Cu t	Zn t	Pb t	Au Oz	Ag Oz	Ni t	Co t	Lundin Interest	
<b>Copper</b>																	
Candelaria	Measured	400,600	0.6		0.1	2				2,225		1.6	25		80%		
Open Pit	Measured (Stockpile)	93,849	0.4		0.1	1				335		0.3	4		80%		
	Indicated	31,889	0.5		0.1	2				154		0.1	2		80%		
	Inferred	15,862	0.4		0.1	1.3				57		0.1	1		80%		
Underground	Measured	65,968	1.1		0.3	5				745		0.5	10		80%		
	Indicated	51,306	1.1		0.3	5				574		0.4	9		80%		
	Inferred	66,815	1.1		0.3	7				752		0.5	15		80%		
Neves-Corvo	Measured	14,219	4.3	1.0	0.3		47			608	147	40		21	100%		
	Indicated	55,133	2.3	1.1	0.4		45			1,256	579	194		80	100%		
	Inferred	13,375	1.7	1.2	0.4		37			233	159	47		16	100%		
Semblana	Inferred	7,807	2.9				25			223				6	100%		
Zinkgruvan	Measured	4,695	2.8	0.4			33			131	19			5	100%		
	Indicated	594	2.6	0.3			49			15	2			1	100%		
	Inferred	190	2.9	0.3			39			6	1			-	100%		
Tenke	Measured	170,209	2.9						0.3	4,966					548 24%		
Fungurume	Indicated	427,936	2.4						0.3	10,298					1,088 24%		
	Indicated (Stockpile)	38,409	1.3						0.3	483					122 24%		
	Inferred	392,750	2.0						0.2	8,004					916 24%		
<b>Zinc</b>																	
Neves-Corvo	Measured	22,135	0.3	7.4	1.5		64			68	1,635	343		46	100%		
	Indicated	84,650	0.3	5.8	1.2		57			272	4,884	1,048		155	100%		
	Inferred	12,626	0.3	4.5	1.1		55			43	569	135		22	100%		
Zinkgruvan	Measured	8,590		10.4	4.1		90				893	352		25	100%		
	Indicated	8,357		8.7	3.7		82				727	309		22	100%		
	Inferred	7,270		8.4	3.5		83				611	254		19	100%		
<b>Nickel</b>																	
Aguablanca	Measured	3,903	0.6					0.6		22				25	100%		
	Measured (Stockpile)	361	0.4					0.6		2				2	100%		
	Indicated	1,527	0.5					0.6		8				9	100%		
	Inferred	43	0.2					0.4		-				-	100%		
Eagle	Measured	1,947	3.6					4.5	0.1	70				87	2 100%		
	Indicated	2,314	2.3					2.7	0.1	53				62	2 100%		
	Inferred	51	1.1					1.1	0.0	1				1	- 100%		
Note: totals may not summate correctly due to rounding										<b>Lundin's share</b>	<b>9,510</b>	<b>8,888</b>	<b>2,286</b>	<b>2.4</b>	<b>394</b>	<b>185</b>	<b>426</b>
											not including Inferred Resources						

## Notes on Mineral Resource and Reserve Table

Mineral Resources and Reserves are shown on a 100 percent basis for each mine. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Mineral Reserves. All estimates, with the exception of Tenke Fungurume, are prepared as at June 30, 2015. The Tenke Fungurume estimate is dated December 31, 2014.

Estimates for all majority owned operations are prepared by or under the supervision of a Qualified Person as defined in National Instrument 43-101, or have been audited by independent Qualified Persons on behalf of Lundin Mining. Tenke Proven and Probable Mineral Reserves are estimated by the operator Freeport-McMoRan Copper & Gold Inc. ("Freeport"), and are prepared to SEC standards and are reviewed by Lundin Mining's independent Qualified Persons.

Except as noted below, Mineral Reserves have been calculated using metal prices of US\$2.75/lb copper, US\$1.00/lb zinc, US\$1.00/lb lead, US\$8.50/lb nickel, US\$1,000/oz gold and exchange rates of EUR/US\$ 1.25, US\$/SEK 7.50 and Chilean Peso/US\$ 550.

### **Candelaria Copper Mining Complex**

Open pit Mineral Resources are reported within a conceptual pit shell based on metal prices of US\$3.16/lb copper and US\$1,000/oz gold and are reported at a cut-off grade of 0.2% copper. Underground Mineral Resources are reported at a cut-off grade of 0.6% copper. Mineral Reserves for the open pit and underground for the Candelaria property are reported at cut-off grades of 0.23% and 0.70% copper, respectively. Underground Mineral Reserves for the Ojos property (Santos and Alcaparrosa mines) are reported at cut-off grades of 0.76% and 0.73% copper, respectively. Mineral Resources and Reserves for Candelaria and Ojos were estimated by mine technical staff supervised by Erick Lagos, Manager Technical Services and audited by SRK Consulting (Canada) Inc. and Nilsson Mine Services Ltd. Qualified Persons are Jean-Francois Couture, P.Geol., Glen Cole, P.Geol., and Gary Poxleitner, P.Eng., from SRK Consulting (Canada) Inc. and John Nilsson, P.Eng., from Nilsson Mine Services Ltd.

### **Neves-Corvo**

The Mineral Resources are reported above cut-off grades of 1.0% for copper and 3.0% for zinc. The copper and zinc Mineral Reserves have been calculated using variable Net Smelter Return (NSR) values based on area and mining method. The NSR is calculated on a recovered payable basis taking in to account copper, lead, zinc and silver grades, metallurgical recoveries, prices and realization costs. The copper Mineral Reserves are reported above a site average cut-off grade equivalent to 1.5%. For zinc Mineral Reserves an average cut-off grade equivalent to 5.1% is used. Mineral Reserves and Resources for Neves-Corvo were estimated by the mine's geology and mine engineering departments under the guidance of Nelson Pacheco, Chief Geologist and Fernando Cartaxo, Chief Mine Planning Engineer. Qualified Persons are Nelson Pacheco and David Allison, Group Mining Engineer, Lundin Mining.

### **Semblana**

The Mineral Resources are reported above a cut-off grade of 1.0% copper. The Mineral Resource estimate was prepared by Graham Greenway, Group Resource Geologist, Lundin Mining.

### **Zinkgruvan**

The zinc Mineral Resources and Reserves are reported above a site average cut-off grade of 3.73% zinc equivalent. The copper Mineral Resources and Reserves are reported above cut-off grades of 1.0% and 1.5% respectively. The Mineral Reserves have been calculated using variable NSR values based on area and mining method. The NSR is calculated on a recovered payable basis taking in to account copper, lead, zinc and silver grades, metallurgical recoveries, prices and realization costs. The Zinkgruvan Mineral Resource and Reserve estimates are prepared by the mine's geology and mine engineering department under the guidance of Lars Malmström, Resource Manager, employed by Zinkgruvan mine. Qualified Persons are Graham Greenway and David Allison, Lundin Mining.

### **Aguablanca**

The underground Mineral Resources are reported above a 0.35% nickel cut-off. Mineral Reserves for the underground mine were estimated from designed sub-level caving and sub-level open stoping mining panels beneath the open pit using a 0.5% nickel cut-off, with appropriate allowances made for mining dilution and recovery. Mineral Resources and Reserves for Aguablanca were estimated by the mine's geology and mine engineering departments under the guidance of César Martinez, Chief Geologist, and Carlos Moreira, Mine Manager. Qualified Persons are Graham Greenway and David Allison.

### **Eagle**

The Mineral Resources and Reserves are reported above a fixed NSR cut-off of US\$141/t. The NSR is calculated on a

recovered payable basis taking in to account nickel, copper, cobalt, gold and PGM grades, metallurgical recoveries, prices and realization costs. The Qualified Persons responsible for the Eagle Mineral Resource and Reserve estimates are Robert Mahin, Chief Geologist and Colin Connors, Mine Manager, respectively, both of whom are employees of Eagle mine.

### **Tenke Fungurume**

The Mineral Resources are an estimate of what is mineralized material in the ground based on a cut-off of 1.3% copper equivalent and a cobalt to copper factor of 4.0 without assigning economic probability. The 2014 Mineral Reserves are based on smoothed pit designs for Measured and Indicated Mineral Resources using metal prices of US\$2.00/lb copper and US\$10.00/lb cobalt which result in a cut-off grade of approximately 1.31% copper equivalent. The Mineral Resource (not reported by Tenke operator Freeport) and Reserve estimates (reported under United States SEC guidelines) for Tenke have been prepared by Freeport staff and reviewed by independent consultants and Qualified Persons John Nilsson, P.Eng. of Nilsson Mine Services Ltd and Ron Simpson P.Geo. of GeoSim Services Inc., on behalf of Lundin Mining.