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NEWS RELEASE

LUNDIN MINING ANNOUNCES FIRST ORE SHIPMENT AT EAGLE MINE

Toronto, July 16, 2014 - **Lundin Mining Corporation (TSX: LUN) (OMX: LUMI)** ("Lundin Mining" or the "Company") is pleased to provide an update on the final stages of construction and mine operations commencement of the high grade Eagle nickel-copper project, as well as an exploration update on the Eagle East nickel-copper deposit located in the Upper Peninsula of Michigan, USA.

The project reached a key milestone through the delivery of first ore from mine to mill for plant commissioning. With this achievement the project remains well on schedule for first concentrate production in early Q4/2014.

Paul Conibear, President and CEO commented, *"Through the hard work of the entire team at the Eagle Mine, along with great community support, we are very excited to be in a position to deliver the project on time and on budget. The Company's focus remains on ensuring that all remaining development activities continue to meet or exceed targets as we look forward to the Eagle Mine becoming a significant cash flow generator for the Company and a tangible contributor to the economy of the region prior to year end."*

Recent project highlights include:

- Mine surface facility construction is 100% complete, and underground development to facilitate production ramp-up is on track.
- The ore haulage route agreement through the City of Marquette was approved by the Marquette City Commission in May. Ore shipments to the mill commenced in early July as scheduled.
- Mill site construction is over 90% complete and commissioning with first feed is expected within the next 8 weeks.
- Commencement and ramp-up of concentrate production is expected by early Q4/14, with full commercial production expected during Q2/15.
- Negotiations for off-take of nickel and copper concentrates have resulted in sales agreements for a significant portion of the production with competitive terms.
- Total capital cost forecast remains at \$400 million, with final costs expected to come in on or slightly under budget.
- The number of employees and contractors onsite for construction and operations peaked at over 700 in the second quarter with over 75% local employee content.
- Operational readiness is on plan, with recruitment 100% complete.
- As of July 1st Eagle has worked over 700,000 hours since its last lost-time injury, achieving the best safety record across all company operations.

Exploration work continues from underground with in-fill and step out drilling on the Eagle Mine deposit and from surface on targets relatively close to the Eagle Mine. Initial surface drilling priority has been for step out drilling on the Eagle East deposit, an ultramafic intrusion which lies 1 kilometer east of the Eagle Mine. The accompanying map and long section show the location of Eagle East in relation to the Eagle deposit. Directional drilling was used to drill multiple down-plunge deviations from a single parent hole to trace the Eagle East feeder to depth.

The drilling intersected deep semi-massive sulphide and intrusive breccia interpreted to be the feeder dyke to Eagle East. A summary of the composite intervals from the first two down plunge holes drilled is shown below, along with preliminary sections showing location of the two holes. Highlights include:

- 34.58 meters at 1.33% nickel and 1.02% copper (DDH 08EA222C, 832.68 meters to 867.26 meters)
- 9.18 meters at 1.62% nickel, 1.32% copper (DDH 08EA222C, 867.26 meters to 876.44 meters)
- 23.79 meters at 1.44% nickel and 1.06% copper (DDH 08EA222D, 839.45 meters to 863.24 meters)
- 6.5 meters at 1.67% nickel and 1.89% copper (DDH 08EA222D, 932.21 meters to 938.71 meters)

Eagle East hosts disseminated mineralisation along the keel and margins of the intrusion. Grades are typically in the range of 0.3% to 1% nickel and 0.3% to 0.7% copper. Thin massive sulphide occurs along the base of the intrusion and ranges in thickness from centimeters to almost three meters. To date, no Mineral Resource has been defined at Eagle East.

The semi-massive sulphide breccia character and higher grade metal content in the new intercepts from Eagle East are similar to parts of the Eagle Mine deposit. They are evidence that with depth, Eagle East becomes more analogous to the Eagle deposit than the Company previously thought, which increases its potential for higher grade mineralization significantly. Higher grade mineralization has now been encountered in three deviation holes plunging more than 200 m down dip from the bottom of previously drilled mineral intercepts.

BHID	From (m)	To (m)	Interval (m) *	ROCK	Ni %	Cu %
08EA222C	832.68	867.26	34.58	Mineralized peridotite/Intrusive breccia	1.33	1.02
08EA222C	867.26	876.44	9.18	Intrusive breccia/ Semi-massive sulphide	1.62	1.32
08EA222C	876.44	905.00	28.56	Peridotite, disseminated sulphide	0.33	0.35
08EA222C	905.00	927.96	22.96	Intrusive breccia	0.82	0.94
08EA222D	828.95	883.63	54.68	Mineralized peridotite	1.24	0.93
Includes	839.45	863.24	23.79	Mineralized peridotite	1.44	1.06
Includes	875.46	883.63	8.17	Intrusive breccia	1.44	0.99
08EA222D	932.21	938.71	6.50	Semi-massive sulphide, net texture	1.67	1.89

Robert Mahin, CPG, NI 43-101 QP for Eagle Mine

*True width not known

Assay results from one other deviation hole are pending and deep directional drilling at Eagle East will continue into the third quarter.

Sampling and Analytical Protocol:

NQ sized drill core was logged, cut in half with a diamond saw and sampled by Company personnel at its facilities in Negaunee. Mineralized intervals are analyzed for a multi-element suite using industry standard ICP methods at ALS Chemex Laboratory, Vancouver.

QA/QC

A standardised protocol of quality control sample insertion using certified reference material, blanks and duplicates are used to monitor the quality of the sampling process and assay results.

Qualified Person

Robert Mahin, AIPG Certified Professional Geologist, Exploration Manager for Eagle Mine, is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the technical information contained in this release regarding the Eagle East exploration drilling.

About Lundin Mining

Lundin Mining Corporation is a diversified base metals mining company with operations in 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 Kokkola cobalt refinery located in Finland.

On Behalf of the Board,

Paul Conibear
President and CEO

For further information, please contact:

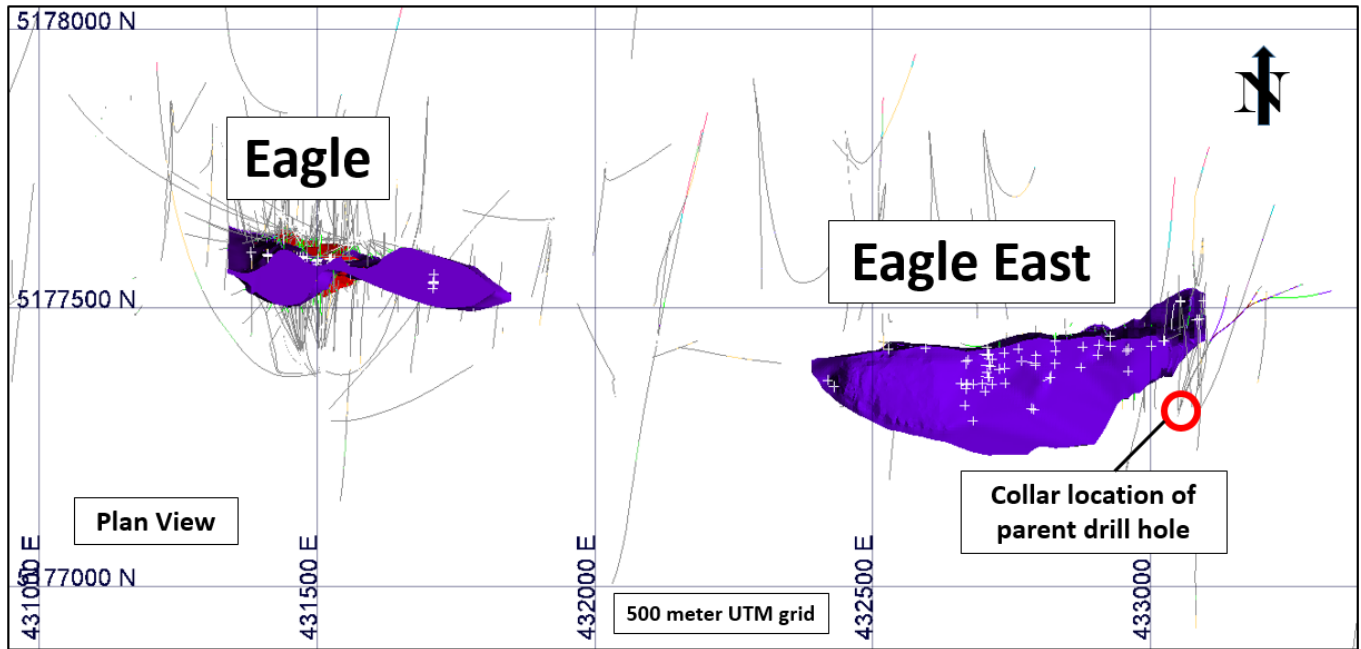
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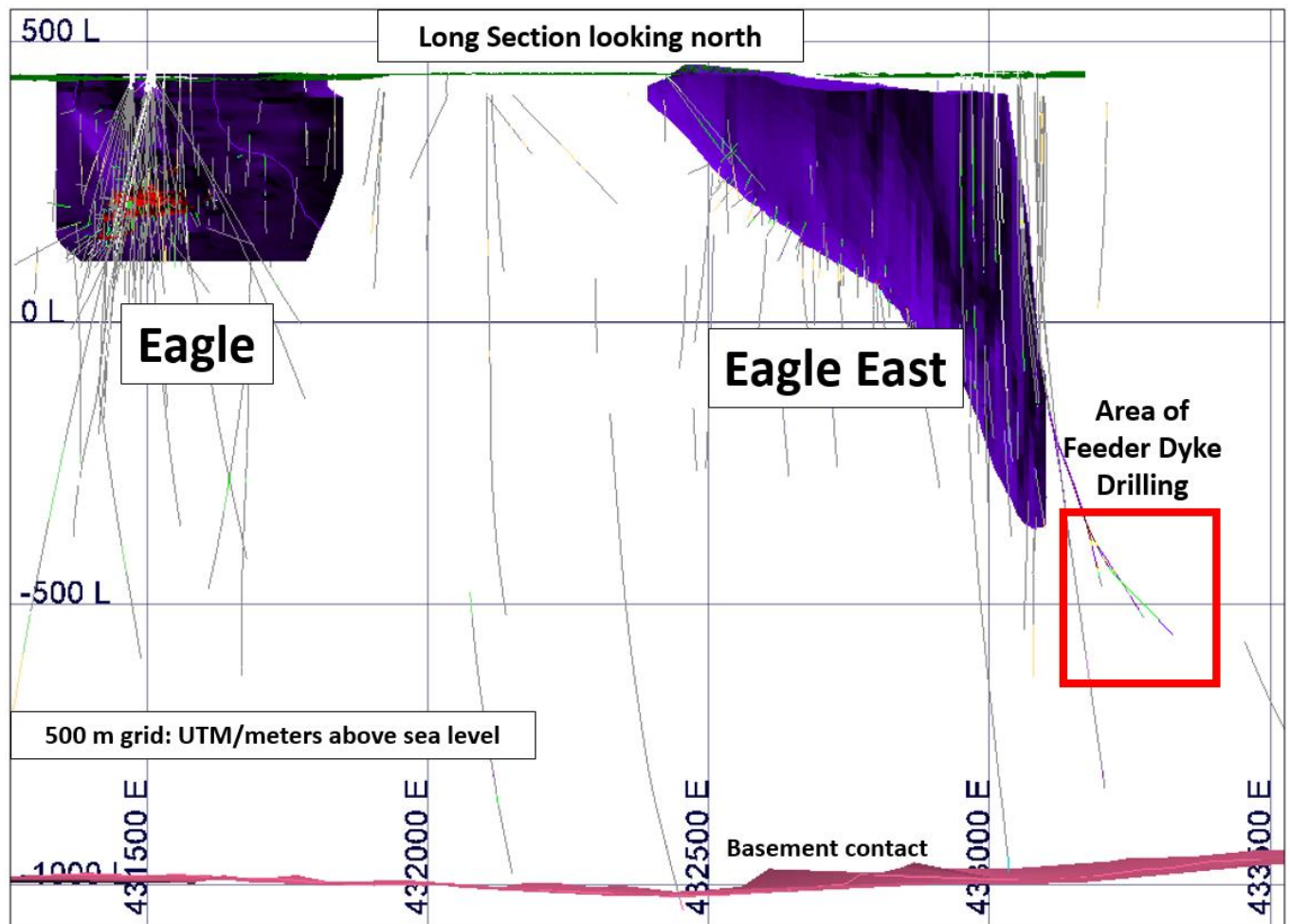
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Forward Looking Statements

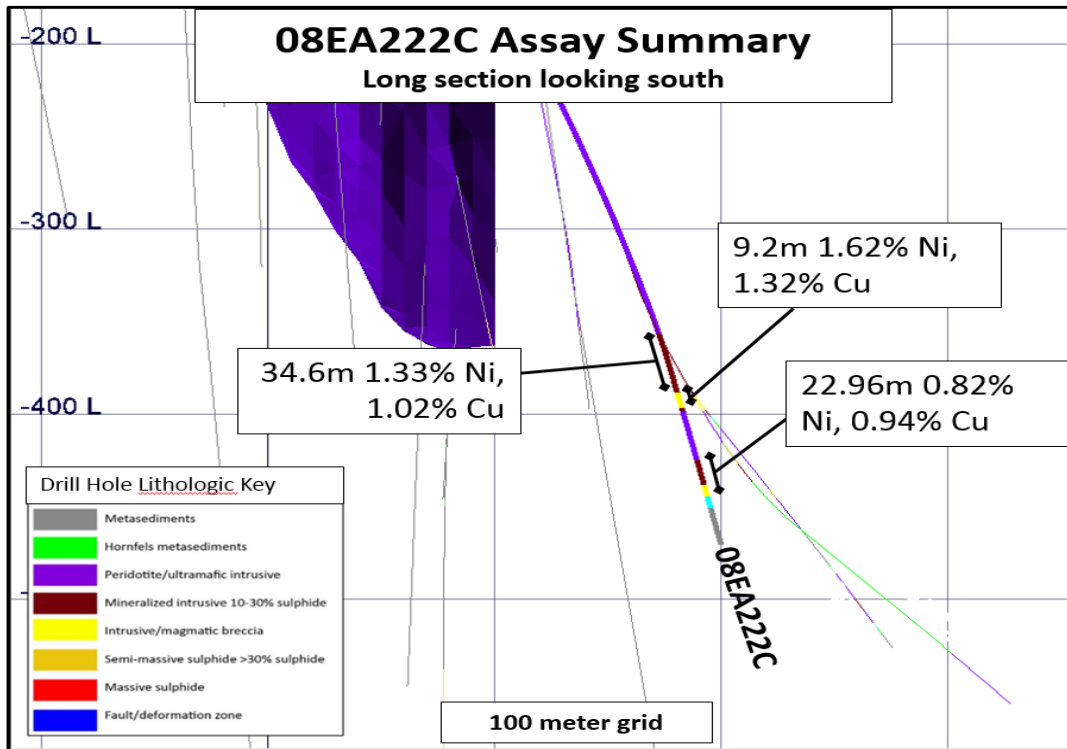
Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in 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.



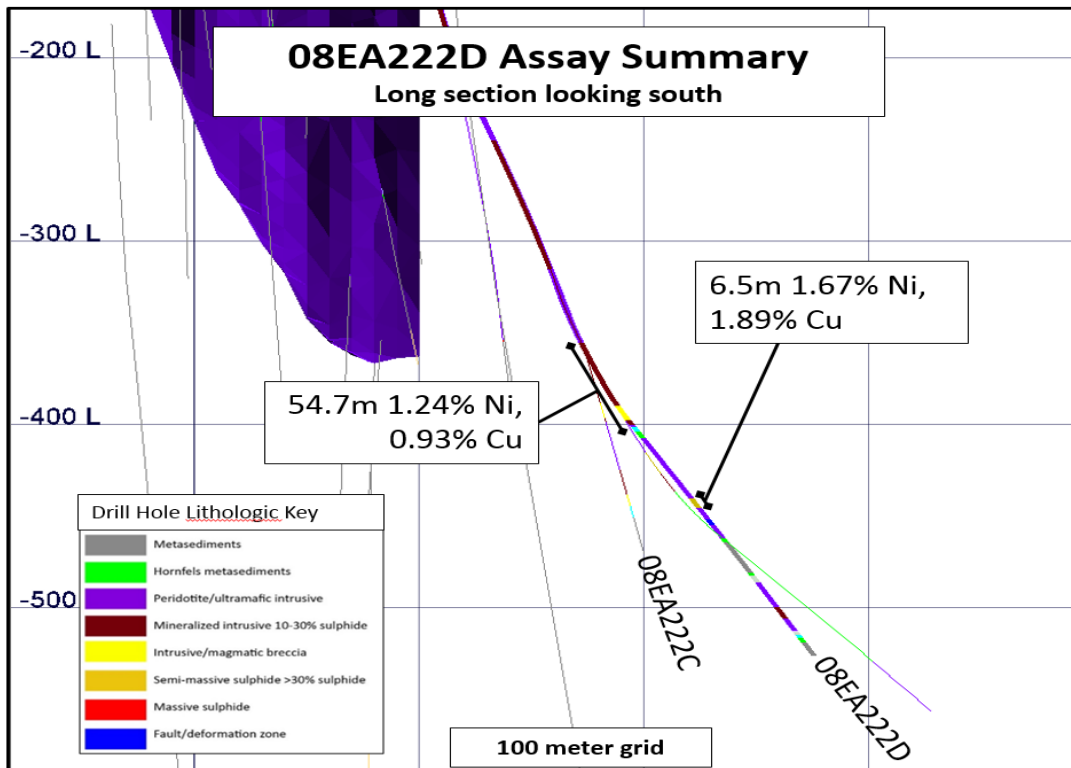
Plan view of Eagle and Eagle East modeled ultramafic intrusions (purple).



Long section of Eagle and Eagle East modeled ultramafic intrusions (purple). Red square is the area of deep step out drilling.



Long section detail and assay intervals for drill hole 08EA222C.



Long section detail and assay intervals for drill hole 08EA222D.