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## NEWS RELEASE

# LUNDIN MINING RELEASES 2008 FOURTH QUARTER RESULTS

Toronto, February 26, 2009 (TSX: LUN; OMX: LUMI; NYSE: LMC) Lundin Mining Corporation (“Lundin” or the “Company”) today reported a net loss, before discontinued operations and impairment charges, of \$131.9 million for the fourth quarter of 2008. Cash flow of \$46.5 million was generated from operations during the quarter. Fourth quarter earnings were affected by after-tax, non-cash impairment charges of \$576.0 million, a net loss from discontinued operations of \$20.6 million and negative pricing adjustments relating to prior quarters of \$94.3 million, a result of the sharp fall in metal prices. The net loss for the quarter was \$728.5 million, or \$1.77 per share.

US \$ millions, except earnings per share	October – December		January – December	
	2008	2007	2008	2007
Sales	43.5	253.1	835.3	1,059.7
Operating loss (earnings)	(65.8)	138.1	323.2	628.5
Net loss (earnings) excluding impairment	(77.0)	55.3	48.4	337.7
Net loss (earnings) including impairment	(728.5)	(436.6)	(957.1)	(154.2)
Basic and diluted (loss) per share:				
From continuing operations	(1.72)	(0.62)	(1.82)	0.00
From discontinuing operations	(0.05)	(0.50)	(0.60)	0.46
Total:	(1.77)	(1.11)	(2.41)	0.46
Cash provided by operations	46.5	80.3	215.0	373.4

Mr. Phil Wright, President and CEO commented, “The magnitude and speed of the fall in base metal prices since September resulted in a very difficult fourth quarter. Like all base metals miners, Lundin has been greatly affected by the low metal price environment. However, we have taken the necessary measures to re-align our operations and a clear focus has emerged that is centered on our three core assets: Neves-Corvo, Zinkgruvan and Tenke.

“Neves-Corvo and Zinkgruvan continue to deliver good operational results with steady, low-cost production. We have reduced capital and operating costs, taking care not to impair future production capacity, and expect Neves-Corvo, Zinkgruvan and Aguablanca to be free cash flow<sup>1</sup> positive at today’s prices.

“At the same time, Tenke is ramping up and will begin producing in the second quarter of 2009, generating cash from operations and only requiring limited capital contributions in 2009”.

Commenting on the Company’s financial position Mr. Wright said “We are in discussions with our banking syndicate to establish a suitable restructured credit facility and believe that once this is established, and with a clear focus on optimizing returns from our key assets, the Company will be well placed to weather the current conditions and respond when the inevitable upturn eventuates”.

<sup>1</sup> Free cash flow is a non-GAAP measure defined as cash flows from operations, less sustaining capital expenditures. All amounts are expressed in US dollars unless otherwise noted.

## Highlights

- All operations performed in line with or ahead of internal expectations and production guidance for 2008 was met. Neves-Corvo, Zinkgruvan and Aguablanca achieved record tonnage, mined and processed, and metal production exceeded 2007 levels.
- Sales during the quarter were heavily impacted by the decline in metal prices for all of the Company's products. Sales for the quarter were \$43.5 million, which included \$94.3 million of negative adjustments related to the settlement of provisional sales and mark-to-market adjustments on outstanding provisional sales of \$18.1 million.
- Cash flow from operations for the quarter was \$46.5 million, compared to \$80.3 million for the corresponding quarter in 2007.
- During the quarter, the Company satisfied its final obligations for Phase I capital funding of the Tenke copper/cobalt project.
- In November, the Company announced that it had entered into a plan of arrangement with HudBay Minerals Inc. (HudBay). In connection with the proposed business combination, HudBay subscribed for 96,997,492 common shares in the capital of Lundin through a private placement for proceeds of \$111.4 million. The shares represent approximately 19.9% of Lundin Mining's outstanding common shares after issuance.

On February 23, 2009, the Company announced that it has agreed to terminate the arrangement on agreed terms.

## Financial Position

- Net debt<sup>2</sup> at December 31, 2008 was \$145.5 million, down from a net debt of \$194.8 at September 30, 2008 and compared to a net cash position of \$35.8 million at December 31, 2007. The increase in net debt during the year was primarily attributable to the Company's funding obligations for the Tenke project. These cash outflows amounted to \$264.1 million. The outflows in respect of Tenke were partially offset by inflows of \$111.4 million from the private placement transaction with HudBay.
- As at December 31, 2008, the Company was not in compliance with the tangible net worth covenant under its \$575 million revolving line of credit facility, however, this requirement has been temporarily waived by the banking syndicate. The Company has obtained a waiver for a period up to June 5, 2009 during which it will work with the banking syndicate to establish a permanent and restructured facility. The intention is to complete this restructure well before June 5, 2009.
- The Company's intention is to restructure the revolving credit facility, in conjunction with whatever other measures are required, to ensure adequate liquidity in the event that the present market volatility and depressed demand continue for the next two years.
- The Company drew down on its credit facility by \$86.8 million in the fourth quarter bringing the total outstanding amount on the facility to \$266.7 million. A site-remediation guarantee of \$10.2 million brings the total committed under the facility to \$276.9 million.
- Cash on hand at December 31, 2008 was \$169.7 million.

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<sup>2</sup> Net debt/(surplus) is a non-GAAP measure defined as available unrestricted cash less financial debt, including capital leases and other debt related obligations.

## Outlook

(contained metal in tonnes)	Production Outlook 2009
Copper*	90,000
Zinc	98,000
Lead	40,000
Nickel	6,800

\* No tonnage included for Tenke

- Production for 2009 is expected to be lower than 2008 taking into account: Storliden and Galmoy (May 2009) mine closures; increased throughput at Zinkgruvan and slightly lower copper head-grade at Neves-Corvo.
- First copper production from Tenke copper/cobalt project is expected in the second quarter of 2009. Construction costs to complete Phase I of the project are expected to be below Freeport's previous capital cost estimate of \$1.75 billion.
- As a result of deferral of capital expenditure, the forecast for first copper ore production from the Zinkgruvan copper deposit of 2010 is under review and may be delayed.
- Capital expenditures are expected to be around \$130 million which includes: \$70 million of sustaining capital; \$20 million of new investment in existing operations relating to the Zinkgruvan copper project and the Neves-Corvo zinc expansion; and \$40 million for Tenke (covering pro rata working capital, exploration drilling, expansion studies and other minor costs).
- Exploration expenditure is expected to be less than \$20 million with around \$10 million of this directed to expansion of copper resources at Neves-Corvo.
- Market outlook remains uncertain with an estimated 80% of zinc and over 40% of copper producers losing money after taking into account sustaining capital expenditures. Metal prices are expected to stabilize during 2009 with some potential for minor increases. The longer-term outlook for metal prices remains strong and supply difficulties are expected once world growth resumes.
- Operating plans have been developed for Neves-Corvo, Zinkgruvan and Aguablanca that should see them free cash flow positive at today's prices. These will remain under active review during the year to adjust to changing circumstances.
- The Company's funding and capital structure is expected to be finalized during the second quarter 2009.

# Fourth Quarter 2008 Results

## Financial and Operational Highlights

(USD \$000s)	Three months ended December 31		Year ended December 31	
	2008	2007	2008	2007
<b>Sales</b>	<b>43.5</b>	253.1	<b>835.3</b>	1,059.7
<b>Earnings before undernoted</b>	<b>(65.8)</b>	138.1	<b>323.2</b>	628.5
General exploration	<b>(12.3)</b>	(10.9)	<b>(38.9)</b>	(35.4)
Depletion, depreciation & amortization	<b>(40.1)</b>	(59.1)	<b>(202.3)</b>	(175.7)
(Losses) gains on forward sales contracts	<b>(0.8)</b>	18.6	<b>(0.1)</b>	(18.0)
Foreign exchange gains (losses)	<b>(14.4)</b>	(2.6)	<b>(14.7)</b>	(18.9)
Interest and bank charges	<b>(4.6)</b>	(4.2)	<b>(14.7)</b>	(13.4)
Other income and expenses	<b>(1.6)</b>	5.8	<b>2.6</b>	24.7
Gain on sale of investments	-	0.1	<b>(1.3)</b>	74.3
<b>(Loss) earnings from continuing operations before discontinued operations, impairment and income taxes</b>	<b>(139.6)</b>	85.8	<b>53.8</b>	466.1
Income tax recovery/(expense) on above	<b>7.7</b>	22.0	<b>(4.8)</b>	(115.8)
<b>Net (loss) earnings after taxes before discontinued operations and impairment</b>	<b>(131.9)</b>	107.8	<b>49.0</b>	350.3
Net impairment	<b>(576.0)</b>	(350.0)	<b>(769.0)</b>	(350.0)
Net loss from discontinued operations **	<b>(20.6)</b>	(194.4)	<b>(237.1)</b>	(154.5)
<b>Net loss</b>	<b>(728.5)</b>	(436.6)	<b>(957.1)</b>	(154.2)
<b>Shareholders' Equity</b>	<b>2,603.7</b>	3,541.8	<b>2,603.7</b>	3,541.8
<b>Cash flow from operations</b>	<b>46.5</b>	80.3	<b>215.0</b>	373.4
<b>Capital expenditures</b>	<b>105.7</b>	99.8	<b>538.5</b>	250.3
<b>Net debt/(surplus)*</b>	<b>145.5</b>	(35.8)	<b>145.5</b>	(35.8)

\*Net debt/(surplus) is defined as available unrestricted cash less financial debt, including capital leases and other debt related obligations.

\*\* The net impairment losses from Aljustrel are included in net loss from discontinued operations.

Key Financial Data (in US \$ except per share amounts)	Three months ended December 31		Year ended December 31	
	2008	2007	2008	2007
Shareholders' equity per share (i)	5.34	9.02	5.34	9.02
<i>Pre-impairment charges and related taxes</i>				
<i>Basic and diluted earnings per share</i>	<i>(0.32)</i>	<i>0.27</i>	<i>0.12</i>	<i>1.03</i>
<i>Post-impairment charges &amp; related taxes</i>				
Basic and diluted (loss) earnings per share	(1.77)	(1.11)	(2.41)	(0.46)
Dividends	Nil	Nil	Nil	Nil
Equity ratio (i)	70%	75%	70%	75%
Shares outstanding:				
Basic and diluted weighted average	412,476,706	392,443,360	396,416,414	338,643,242
End of period	487,433,771	392,489,131	487,433,771	392,489,131

(i) Non-GAAP measures – Shareholders' equity per share is defined as shareholders' equity divided by total number of shares outstanding at end of period. Equity ratio is defined as shareholders' equity divided by total assets at the end of period.

Production Summary (excluding Aljustrel)	Three months ended December 31			Year ended December 31		
	2008	2007	Change	2008	2007	Change
Copper (tonnes)	<b>25,093</b>	27,487	-8.7%	<b>97,944</b>	97,120	0.8%
Zinc (tonnes)	<b>32,406</b>	36,994	-12.4%	<b>151,157</b>	151,830	-0.4%
Lead (tonnes)	<b>9,917</b>	10,370	-4.4%	<b>44,799</b>	44,560	0.5%
Nickel (tonnes)	<b>2,179</b>	1,690	28.9%	<b>8,136</b>	3,269	148.9%

The complete 2008 annual financial statements, management's discussion and analysis and notes to the financial statements are available on Sedar ([www.sedar.com](http://www.sedar.com)) or the Company's website ([www.lundinmining.com](http://www.lundinmining.com)).

## **About Lundin Mining**

Lundin Mining Corporation is a diversified base metals mining company with operations in Portugal, Spain and Sweden, producing copper, nickel, lead and zinc. In addition, Lundin Mining holds a development project pipeline which includes the world class Tenke Fungurume copper/cobalt project in the Democratic Republic of Congo and holds an extensive exploration portfolio and interests in international mining and exploration ventures.

On Behalf of the Board,

Phil Wright  
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 or “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934 of the United States. 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 - Reserve and Resource 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 Annual Information Form 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 that are disclosed or incorporated by reference in this 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.

**LUNDIN MINING CORPORATION**

## CONSOLIDATED BALANCE SHEETS

As at December 31, 2008 and 2007

(Unaudited - in thousands of US dollars)

	2008	2007
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 169,698	\$ 131,046
Accounts receivable	74,411	98,024
Inventories	40,081	46,791
Prepaid expenses	8,052	9,934
	<b>292,242</b>	285,795
Reclamation funds	58,385	59,174
Mineral properties, plant and equipment	1,351,584	2,203,811
Investments and other assets	1,643,730	1,531,944
Future income tax assets	52,102	60,193
Goodwill	242,519	503,925
Assets of discontinued operations	63,940	65,982
	<b>\$ 3,704,502</b>	<b>\$ 4,710,824</b>
<b>LIABILITIES</b>		
Current		
Accounts payable	\$ 151,087	\$ 78,338
Accrued liabilities	44,353	89,660
Income taxes payable	1,648	103,526
Current portion of long term debt and capital leases	306,973	5,779
Deferred revenue	3,465	7,243
Forward sales contracts	-	10,502
	<b>507,526</b>	295,048
Long-term debt and capital leases	8,243	89,496
Other long-term liabilities	16,252	5,701
Deferred revenue	75,665	91,098
Provision for pension obligations	14,359	17,074
Asset retirement obligations and other provisions	109,530	117,589
Future income tax liabilities	262,650	448,619
Liabilities of discontinued operations	106,553	104,393
	<b>1,100,778</b>	1,169,018
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	3,331,309	3,233,682
Contributed surplus	24,758	14,179
Accumulated other comprehensive income	182,074	271,301
(Deficit) Retained earnings	(934,417)	22,644
	<b>2,603,724</b>	3,541,806
	<b>\$ 3,704,502</b>	<b>\$ 4,710,824</b>

## LUNDIN MINING CORPORATION

### CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited - in thousands of US dollars, except for share and per share amounts)

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2008	2007	2008	2007
Sales	\$ 43,536	\$ 253,110	\$ 835,294	\$ 1,059,722
Operating costs	(84,804)	(96,165)	(436,633)	(379,295)
Accretion of asset retirement obligations and other provisions	(15,882)	(4,332)	(25,931)	(9,085)
Selling, general and administration	(7,465)	(11,933)	(39,556)	(30,785)
Stock-based compensation	(1,190)	(2,611)	(9,926)	(12,024)
(Loss) Income from continuing operations before undernoted	(65,805)	138,069	323,248	628,533
Depreciation, depletion and amortization	(40,067)	(59,119)	(202,317)	(175,692)
General exploration and project investigation	(12,318)	(10,875)	(38,876)	(35,370)
Goodwill and long-lived asset impairment	(540,065)	(349,998)	(760,188)	(349,998)
Impairment of available-for-sale ("AFS") securities	(144,077)	-	(144,077)	-
(Loss) gain on sale of investments	-	84	(1,320)	74,330
Interest and bank charges	(4,602)	(4,207)	(14,725)	(13,444)
Foreign exchange loss	(14,356)	(2,558)	(14,726)	(18,876)
(Loss) gain on forward sales contracts	(798)	18,571	(91)	(17,981)
Other income and expenses	(1,632)	5,814	2,625	24,687
(Loss) Income from continuing operations before income taxes	(823,720)	(264,219)	(850,447)	116,189
Current income tax recovery (expense)	22,027	(36,243)	(29,677)	(136,454)
Future income tax recovery	93,853	58,295	160,130	20,569
(Loss) Income from continuing operations	(707,840)	(242,167)	(719,994)	304
Loss from discontinued operations, net of income taxes	(20,615)	(194,438)	(237,067)	(154,461)
Net loss	\$ (728,455)	\$ (436,605)	\$ (957,061)	\$ (154,157)
Basic and diluted loss per share				
from continuing operations	\$ (1.72)	\$ (0.62)	\$ (1.82)	\$ 0.00
from discontinued operations	(0.05)	(0.50)	(0.60)	(0.46)
Basic and diluted loss per share	\$ (1.77)	\$ (1.11)	\$ (2.41)	\$ (0.46)
Weighted average number of shares outstanding				
Basic and diluted	412,476,706	392,443,360	396,416,414	338,643,242

**LUNDIN MINING CORPORATION****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(Unaudited - in thousands of US dollars)

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	<b>2008</b>	2007	<b>2008</b>	2007
Net loss	\$ (728,455)	\$ (436,605)	\$ (957,061)	\$ (154,157)
Other comprehensive loss				
Change in fair value of AFS securities, net of taxes	(28,702)	(34,102)	(128,793)	(43,986)
Recognized loss on AFS Securities disposed during the period, net of taxes	-	20,360	(263)	20,360
Impairment of AFS securities, net of taxes	143,222	-	143,222	-
Cumulative foreign currency translation adjustment	(46,404)	23,276	(103,393)	239,330
	<b>68,116</b>	9,534	<b>(89,227)</b>	215,704
Comprehensive (loss) income	\$ (660,339)	\$ (427,071)	\$ (1,046,288)	\$ 61,547



**LUNDIN MINING CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited - in thousands of US dollars)

	Three months ended December 31,		Twelve months ended December 31,	
	2008	2007	2008	2007
<b>Cash provided by (used in)</b>				
<b>Operating activities</b>				
Net loss	\$ (728,455)	\$ (436,605)	\$ (957,061)	\$ (154,157)
Items not involving cash	-	-	-	-
Depreciation, depletion and amortization	40,067	59,119	202,317	175,692
Goodwill and long-lived asset impairment	589,626	543,101	970,660	543,101
Impairment of AFS securities	144,077	-	144,077	-
Recognition of deferred revenue	(1,223)	(2,119)	(6,447)	(4,473)
Stock-based compensation	1,190	2,611	9,926	12,024
Future income tax recovery	(121,996)	(58,758)	(134,122)	(71,793)
(Gain) loss on sale of investments and other assets	-	(1,145)	1,320	(79,035)
Accretion on asset retirement obligations and other provisions	21,195	8,373	25,931	8,373
Provision for pension obligations	(2,598)	894	2,715	1,046
Unrealized foreign exchange loss	24,555	1,727	17,815	5,982
Unrealized loss (gain) on forward sales contracts	13,406	(44,524)	-	(14,159)
Other	2,961	(12,106)	5,019	(1,604)
Reclamation payments	(696)	11,460	(3,811)	(2,018)
Reclamation contributions	(780)	(16,265)	(780)	(16,265)
Pension payments	(233)	(640)	(1,378)	(640)
Realized loss on derivative instruments	(10,503)	-	(10,503)	(9,759)
Changes in non-cash working capital items	75,859	25,219	(50,649)	(18,872)
	<b>46,452</b>	<b>80,342</b>	<b>215,029</b>	<b>373,443</b>
<b>Financing activities</b>				
Proceeds from loans	90,089	40,352	374,458	753,949
Common shares issued	111,361	7,874	111,980	7,874
Deferred income	-	-	-	42,500
Common share buyback	-	(8,094)	(17,974)	(726)
Debt repayments	(2,295)	(61,881)	(136,010)	(716,744)
	<b>199,155</b>	<b>(21,749)</b>	<b>332,454</b>	<b>86,853</b>
<b>Investing activities</b>				
Mineral property, plant and equipment expenditures	(59,696)	(65,255)	(274,446)	(189,413)
Investments in Tenke Fungurume	(46,000)	(34,504)	(264,100)	(60,900)
Investments in AFS securities	-	(60,988)	(4,675)	(298,675)
Proceeds from sale of investments and other assets	-	2,344	48,904	307,433
Acquisition of subsidiaries, net of cash	-	-	-	(763,259)
Proceeds from sale of subsidiary, net of cash	-	1,205	-	273,285
Other	11,717	(2,483)	10,024	(6,488)
	<b>(93,979)</b>	<b>(159,681)</b>	<b>(484,293)</b>	<b>(738,017)</b>
Effect of foreign exchange on cash and cash equivalents	(26,678)	14,218	(26,105)	8,758
Increase (decrease) in cash and cash equivalents during the period	124,950	(86,870)	37,085	(268,963)
Cash and cash equivalents, beginning of period	45,342	220,077	133,207	402,170
Cash and cash equivalents, discontinued operations	(594)	(2,161)	(594)	(2,161)
Cash and cash equivalents, end of period	\$ 169,698	\$ 131,046	\$ 169,698	\$ 131,046

# LUNDIN MINING CORPORATION

## Segmented Information - Operational

For three months ended December 31, 2008

	Tenke						Total
	Neves Corvo	Zinkgruvan	Aguablanca	Galmoy	Fungurume	Other	
Sales	\$ 15,498	\$ 11,065	\$ 8,919	\$ 7,938	\$ -	\$ 116	\$ 43,536
Loss before undernoted	(19,655)	(2,136)	(13,616)	(20,347)	-	(10,051)	(65,805)
Depreciation, depletion and amortization	(24,061)	(4,936)	(9,039)	(1,658)	-	(373)	(40,067)
General exploration and project investigation	(5,558)	-	(5,875)	(503)	-	(382)	(12,318)
Goodwill and long-lived asset impairment	(81,844)	-	(303,142)	(51,302)	-	(103,777)	(540,065)
Impairment of AFS securities	(5,045)	-	(63,885)	-	-	(75,147)	(144,077)
Interest and bank charges	(805)	(19)	(418)	-	-	(3,360)	(4,602)
Foreign exchange gain (loss)	3,642	2,037	(2,457)	184	-	(17,762)	(14,356)
Gain (loss) on forward sales contracts	27	(477)	-	-	-	(348)	(798)
Other income and expenses	1,679	729	(1,365)	421	(2,171)	(925)	(1,632)
Income tax (expense) recovery	(30,515)	9,305	69,842	1,517	-	65,731	115,880
(Loss) income from continuing operations	\$ (162,135)	\$ 4,503	\$ (329,955)	\$ (71,688)	\$ (2,171)	\$ (146,394)	\$ (707,840)
Loss from discontinued operations	(20,615)	-	-	-	-	-	(20,615)
Net (loss) income	\$ (182,750)	\$ 4,503	\$ (329,955)	\$ (71,688)	\$ (2,171)	\$ (146,394)	\$ (728,455)
Capital assets	\$ 1,110,874	\$ 158,177	\$ 127,985	\$ 7,327	\$ 1,576,743	\$ 2,380	\$ 2,983,486
Total segment assets	\$ 1,420,353	\$ 280,953	\$ 235,431	\$ 39,568	\$ 1,576,743	\$ 151,454	\$ 3,704,502
Capital expenditures	\$ 29,920	\$ 13,555	\$ 1,869	\$ 739	\$ 46,000	\$ 10,898	\$ 102,981

For three months ended December 31, 2007

	Tenke						Total
	Neves Corvo	Zinkgruvan	Aguablanca	Galmoy	Fungurume	Other	
Sales	\$ 146,573	\$ 46,119	\$ 34,495	\$ 17,806	\$ -	\$ 8,117	\$ 253,110
Income (loss) before undernoted	97,687	30,935	19,602	3,220	-	(13,375)	138,069
Depreciation, depletion and amortization	(31,218)	(5,050)	(14,264)	(7,325)	-	(1,262)	(59,119)
General exploration and project investigation	(7,664)	(1,293)	(839)	(1,504)	-	425	(10,875)
Goodwill and long-lived asset impairment	(327,662)	-	(22,336)	-	-	-	(349,998)
Gain (loss) on sale of investments	3,644	-	-	-	-	(3,560)	84
Interest and bank charges	441	(509)	(575)	-	-	(3,564)	(4,207)
Foreign exchange (loss) gain	(581)	744	(4,623)	(126)	-	2,028	(2,558)
Loss on forward sales contracts	5,102	-	5,236	-	-	8,233	18,571
Other income and expenses	3,406	103	(795)	435	(315)	2,980	5,814
Income tax (expense) recovery	28,768	29,210	2,149	895	-	(38,970)	22,052
Net (loss) income from continuing operations	\$ (228,077)	\$ 54,140	\$ (16,445)	\$ (4,405)	\$ (315)	\$ (47,065)	\$ (242,167)
Loss from discontinued operations	(194,438)	-	-	-	-	-	(194,438)
Net (loss) income	\$ (422,515)	\$ 54,140	\$ (16,445)	\$ (4,405)	\$ (315)	\$ (47,065)	\$ (436,605)
Capital assets	\$ 1,241,820	\$ 166,613	\$ 556,786	\$ 107,001	\$ 1,314,819	\$ 160,806	\$ 3,547,845
Total segment assets	\$ 2,242,497	\$ 455,618	\$ 840,175	\$ 169,547	\$ 1,314,819	\$ (311,832)	\$ 4,710,824
Capital expenditures	\$ 53,910	\$ 9,758	\$ 1,149	\$ 2,115	\$ 34,504	\$ (1,677)	\$ 99,759

# LUNDIN MINING CORPORATION

## Segmented Information - Geographical

For three months ended December 31, 2008

	Portugal	Spain	Sweden	Ireland	DRC	Other	Total
Sales	\$ 15,498	\$ 8,919	\$ 11,181	\$ 7,848	\$ -	\$ -	\$ 43,446
Loss before undernoted	(19,655)	(14,012)	(3,666)	(20,347)	-	(8,125)	(65,805)
Depreciation and amortization	(24,179)	(9,039)	(5,001)	(1,658)	-	(190)	(40,067)
General exploration and project investigation	(3,973)	(6,236)	(1,386)	(503)	-	(220)	(12,318)
Goodwill and long-lived asset impairment	(81,844)	(303,142)	-	(51,302)	-	(103,777)	(540,065)
Impairment of AFS securities	(5,045)	(63,885)	-	-	-	(75,147)	(144,077)
Interest and bank charges	(848)	(436)	(806)	-	-	(2,512)	(4,602)
Foreign exchange gain (loss)	2,483	(2,440)	(2,440)	184	-	(12,143)	(14,356)
Gain (loss) on forward sales contracts	27	-	(825)	-	-	-	(798)
Other income and expenses	2,191	(1,251)	2,714	421	(2,171)	(3,536)	(1,632)
Income tax (expense) recovery	(31,226)	69,845	43,051	1,517	-	32,693	115,880
Net loss (income) from continuing operations	\$ (162,069)	\$ (330,596)	\$ 31,641	\$ (71,688)	\$ (2,171)	\$ (172,957)	\$ (707,840)
Loss from discontinued operations	(20,615)	-	-	-	-	-	(20,615)
Net loss	\$ (182,684)	\$ (330,596)	\$ 31,641	\$ (71,688)	\$ (2,171)	\$ (172,957)	\$ (728,455)
Capital assets	\$ 1,111,280	\$ 127,985	\$ 158,556	\$ 7,327	\$ 1,576,743	\$ 1,595	\$ 2,983,486
Total segment assets	\$ 1,421,332	\$ 235,906	\$ 301,582	\$ 39,568	\$ 1,576,743	\$ 129,371	\$ 3,704,502
Capital expenditures	\$ 29,890	\$ 1,869	\$ 13,555	\$ 739	\$ 46,000	\$ 10,928	\$ 102,981

For three months ended December 31, 2007

	Portugal	Spain	Sweden	Ireland	DRC	Other	Total
Sales	\$ 146,573	\$ 34,495	\$ 54,220	\$ 17,806	\$ -	\$ 16	\$ 253,110
Income (loss) before undernoted	97,687	19,599	25,511	3,220	-	(7,948)	138,069
Depreciation and amortization	(31,326)	(14,264)	(5,398)	(7,325)	-	(806)	(59,119)
General exploration and project investigation	(6,524)	(1,406)	(1,496)	(1,504)	-	55	(10,875)
Goodwill and long-lived asset impairment	(327,662)	(22,336)	-	-	-	-	(349,998)
Gain (loss) on sale of investments	3,626	-	-	-	-	(3,542)	84
Interest and bank charges	131	(324)	(2,860)	1	-	(1,155)	(4,207)
Foreign exchange (loss) gain	(455)	(3,051)	803	(202)	-	347	(2,558)
Loss on forward sales contracts	5,102	5,236	8,233	-	-	-	18,571
Other income and expenses	3,877	(795)	(2,468)	271	(315)	5,244	5,814
Income tax (expense) recovery	31,867	2,149	3,372	895	-	(16,231)	22,052
Net (loss) income from continuing operations	\$ (223,677)	\$ (15,192)	\$ 25,697	\$ (4,644)	\$ (315)	\$ (24,036)	\$ (242,167)
Loss from discontinued operations	(194,438)	-	-	-	-	-	(194,438)
Net (loss) income	\$ (418,115)	\$ (15,192)	\$ 25,697	\$ (4,644)	\$ (315)	\$ (24,036)	\$ (436,605)
Capital assets	\$ 1,213,285	\$ 556,786	\$ 168,966	\$ 107,001	\$ 1,314,819	\$ 186,988	\$ 3,547,845
Total segment assets	\$ 1,790,764	\$ 840,260	\$ 208,917	\$ 169,547	\$ 1,314,819	\$ 386,517	\$ 4,710,824
Capital expenditures	\$ 53,910	\$ 1,149	\$ 10,580	\$ 2,115	\$ 34,504	\$ (2,499)	\$ 99,759

## SUPPLEMENTARY INFORMATION

### **Significant differences between Canadian Generally Accepted Accounting Principles (“Canadian GAAP”) and International Financial Reporting Standards (“IFRS”) - International Accounting Standards (“IAS”).**

The shares of Lundin Mining trade on the Toronto Stock Exchange and the New York Stock Exchange, and Lundin Mining’s Swedish Depository Receipts trade on the OMX Nordic Exchange (“OMX”) in Stockholm. Most companies that trade on the OMX are required to report according to IFRS/IAS. However, as a Canadian company, Lundin Mining is required to report according to Canadian GAAP. The Company has reviewed the differences between Canadian GAAP and IFRS/IAS and has identified the following items which would or may have a significant impact on the financial statements of Lundin Mining.

Under IFRS 3, future costs such as restructuring charges, which are expected to occur subsequent to an acquisition, should not be provided for in the purchase price allocation. Instead, these costs should be realized in the income statement when the costs actually occur. However, under Canadian GAAP, restructuring costs that are expected to occur as a result of an acquisition should be provided for in the purchase price allocation. Restructuring costs that arose during 2007, as a result of the acquisition of Rio Narcea, in the amount of \$3 million, were provided for in the purchase price allocation.

According to Canadian GAAP, impairment test of assets should be carried out by comparing the future cash flows of the assets to their carrying values. Future cash flows are dependent on a number of assumptions, including, among other things, future metal prices, exchange rates and discount rates.

Under Canadian GAAP, when an asset is acquired other than in a business combination and the tax value is less than cost, the related future income tax liability is recognized on acquisition and added to the asset carrying value. Accordingly, under Canadian GAAP, the Company recognized future income tax liabilities of \$33 million and \$5 million on the Ozernoe and Tenke acquisitions. Under IAS 12, temporary tax differences on an asset purchase are not recognized.

Under Canadian GAAP, a two step process is used to determine impairment. The first step, using undiscounted cash flows, is undertaken to determine if impairment exists. If the carrying values exceed the undiscounted cash flows, the second step measures the impairment using discounted cash flows. Under IAS 36, the test for impairment is not a two step process and impairment tests are undertaken using discounted cash flows only. This analysis may result in differing outcomes. The Company recorded impairment charges of \$904.3 million and \$350.0 million for the years ended December 31, 2008 and 2007 respectively.

## OTHER SUPPLEMENTARY INFORMATION

### 1. List of directors and officers at February 28, 2009:

#### (a) Directors:

Lukas H. Lundin, *Chairman*  
William A. Rand, *Lead Director*  
Philip J. Wright  
Colin K. Benner  
Brian D. Edgar  
Dale C. Peniuk  
David F. Mullen  
Donald K. Charter  
John H. Craig  
Tony O'Reilly Jnr.

#### (b) Officers:

Lukas H. Lundin, *Chairman*  
Philip Wright, *President and Chief Executive Officer*  
Ted Mayers, *Chief Financial Officer*  
João Carrêlo, *Executive Vice President and Chief Operating Officer*  
Neil O'Brien, *Senior Vice President of Exploration and Business Development*  
Paul Conibear, *Senior Vice President Projects*  
Peter Nicoll, *Vice President Health, Safety, Environment and Community*  
Mikael Schauman, *Vice President Marketing*  
Wojtek Wodzicki, *Vice President of Strategic Partnerships*  
Marie Inkster, *Vice President Finance*  
Kevin Hisko, *Corporate Secretary*

### 2. Annual General Meeting

The date of the Annual General Meeting will be announced at the end of March.

The report for the first quarter 2009 will be published on or before May 15, 2009.

### 3. Other information

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Canada  
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70 Oathall Road  
West Sussex  
RH16 3EL  
United Kingdom  
Telephone: +44 1 444 411 900  
Fax: +44 1 444 456 901

Website: [www.lundinmining.com](http://www.lundinmining.com).

The corporate number of the Company is 306723-8.

#### **For further information, please contact:**

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Sophia Shane, Investor Relations, North America, +1-604-689-7842, [sophias@namdo.com](mailto:sophias@namdo.com)