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## NEWS RELEASE

# LUNDIN MINING ANNOUNCES PRICING OF US\$1.0 BILLION OF SENIOR SECURED NOTES

**Toronto, October 10, 2014 - Lundin Mining Corporation (TSX: LUN) (OMX: LUMI)** (“Lundin Mining” or the “Company”) is pleased to announce the pricing of its offering of US\$1.0 billion of senior secured notes in two tranches, US\$550 million of 7.5% Senior Secured Notes due 2020 (the “2020 Notes”) and US\$450 million of 7.875% Senior Secured Notes due 2022 (the “2022 Notes” and, together with the 2020 Notes, the “Notes”). The 2020 Notes will accrue interest at a rate of 7.5% per annum and will mature on November 1, 2020. The 2022 Notes will accrue interest at a rate of 7.875% per annum, and will mature on November 1, 2022. The offering of the Notes is expected to close on or about October 27, 2014, subject to the satisfaction of customary closing conditions.

The net proceeds from the offering of the Notes, together with proceeds from the previously announced subscription receipt financing and streaming purchase agreement, will be used to fund Lundin Mining’s pending acquisition (the “Acquisition”) of Freeport-McMoRan Inc.’s 80% ownership stake in the Candelaria/Ojos del Salado copper mining operations and supporting infrastructure (“Candelaria”), to repay in full all amounts outstanding under the Company’s existing term loan, to pay related fees and expenses and for general corporate purposes.

The Notes will be guaranteed on a senior secured basis by certain of the Company’s subsidiaries that are guarantors under its existing credit facility and certain of the Company’s subsidiaries that become guarantors under the streaming purchase agreement (“Streaming Subsidiaries”). The Notes and the guarantees will be secured on a first priority basis by a pledge of the shares of certain Streaming Subsidiaries and on a second priority basis by a pledge of the shares of certain of the Company’s subsidiaries that are also pledged to secure the Company’s existing credit facility.

The Company will deposit the gross proceeds of US\$1.0 billion from the sale of the Notes into a segregated escrow account until the satisfaction or waiver of certain conditions, including the consummation of the Acquisition (the “Escrow Conditions”). If the Escrow Conditions are not satisfied or waived on or prior to December 26, 2014, or such earlier date as Lundin Mining determines in its sole discretion that the Escrow Conditions cannot be satisfied, Lundin Mining will be required to redeem the Notes at a price equal to 100% of the gross proceeds of the Notes plus accrued interest from the issue date of the notes to, but not including, the redemption date. Escrowed funds would be released and applied to pay for any such redemption.

This press release is not an offer of securities for sale in the United States or in any other jurisdiction. The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state laws. The Notes have not been and will not be qualified for distribution or distribution to the public under applicable Canadian securities laws.

## About Lundin Mining

Lundin Mining is a diversified base metals mining company with operations and projects in Portugal, Sweden, Spain and the U.S.A. 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  
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.