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NEWS RELEASE

LUNDIN MINING PROVIDES OPERATING OUTLOOK FOR 2015-2017

Toronto, December 4, 2014 (TSX: LUN; Nasdaq Stockholm: LUMI) Lundin Mining Corporation (“Lundin Mining” or the “Company”), provides the following additional information to clarify the production guidance for the three-year period of 2015 through 2017.

In the footnote to the C1 cash cost for the Candelaria mine, the following clarification has been added:

C1 cash costs include capital expenditures for deferred stripping in the amount of approximately \$160 million in 2015. Excluding the impact of capitalized stripping, the C1 cash costs would approximate \$1.55/lb of copper.

All other information in the release remains unchanged.

Key highlights are as follows:

- Acquisition of Candelaria and Ojos operations (combined “Candelaria”) in late 2014 will add significantly to our copper production over the three year guidance period and beyond.
- Commissioning and production at Eagle in 2014 will add significantly to total nickel production in 2015.

Paul Conibear, President and CEO commented; “Rejuvenation of our asset base over the last two years has transformed the Company’s future production profile with diversified, low risk production both geographically and across copper, nickel and zinc, that we are confident will provide leading returns.”

Production Outlook 2015 - 2017¹:

	2015	2016	2017
	Tonnes	Tonnes	Tonnes
Copper:			
Neves-Corvo	50,000 – 55,000	50,000 – 55,000	50,000 – 55,000
Zinkgruvan	3,500 – 4,000	3,500 – 4,000	4,000 – 4,500
Aguablanca	4,500 – 5,000	4,000 – 4,500	4,500 – 5,000
Eagle	20,000 – 23,000	20,000 – 23,000	17,000 – 20,000
Wholly-owned operations	78,000 – 87,000	77,500 – 86,500	75,500 – 84,500
Candelaria (80%)	130,000 – 135,000	110,000 – 115,000	100,000 – 110,000
Tenke ² (24%)	~50,000	~50,000	~50,000
Total Attributable Copper	258,000 – 272,000	237,500 – 251,500	225,500 – 244,500
Zinc:			
Neves-Corvo	68,000 – 73,000	65,000 – 70,000	70,000 – 75,000
Zinkgruvan	78,000 – 82,000	78,000 – 81,000	80,000 – 83,000
Total Zinc	146,000 – 155,000	143,000 – 151,000	150,000 – 158,000
Lead:			
Neves-Corvo	4,000 – 5,000	5,000 – 6,000	7,000 – 8,000
Zinkgruvan	27,000 – 30,000	30,000 – 35,000	30,000 – 35,000
Total Lead	31,000 – 35,000	35,000 – 41,000	37,000 – 43,000
Nickel:			
Aguablanca	5,800 – 6,500	4,500 – 5,000	5,500 – 6,000
Eagle	25,000 – 28,000	22,000 – 25,000	17,000 – 20,000
Total Nickel	30,800 – 34,500	26,500 – 30,000	22,500 – 26,000

¹ Production guidance is based on certain estimates and assumptions, including but not limited to; mineral resources and reserves, geological formations, grade and continuity of deposits and metallurgical characteristics.

² Tenke guidance has not yet been provided by operator, Freeport McMoRan Inc. (“Freeport”). Lundin Mining anticipates production from Tenke in 2015 to be comparable to expected 2014 production.

- **Neves-Corvo:** Copper production is expected to be maintained above 50,000 tonnes per annum with a significant zinc by-product credit. Overall average mill feed copper grade and recovery have been reassessed to reflect recent performance and the ongoing effects of out of reserve material. Zinc production assumes plant capacity continues at current levels of 1.16 million tonnes per annum throughput with no additional debottlenecking or zinc expansion investments. Lead by-product increases as greater percentages of Lombador zinc ore is mined.
- **Zinkgruvan:** Zinc production over the outlook period is expected to remain between 78,000 - 82,000 tonnes of zinc per annum consistent with recent years. Lead production varies with head grade according to mine plan.
- **Aguablanca:** Open pit mining has been extended into early Q1 2015. Underground mining is expected to start significant production in the first quarter of 2015 and will continue until 2018. Underground life of mine extension is possible depending on metal prices and exploration success, with open mineralization below the current mine plan. First half 2015 production is predominantly from drawing down a 500,000 tonne stockpile accumulated from the last few months of open pit mining. Production is expected to dip in the second and third quarter of 2015 as the stockpile is consumed and underground mining ramps up.
- **Eagle:** Shipment of the first saleable concentrates of copper and nickel occurred in the fourth quarter of 2014 with ramp-up continuing thereafter. Commercial production was declared in November and full production rates of 2,000 tonnes/day mill feed are expected to be achieved in the first quarter of 2015.
- **Candelaria:** Attributable share of Candelaria production is expected to more than double our current copper production levels. The three year production profile presented in current guidance is tentative and may be updated as we advance medium term mine plan optimization during 2015.
- **Tenke Fungurume:** 2015 production guidance has not yet been provided by Freeport, the mine's operator. Lundin Mining anticipates production from Tenke in 2015 to be largely consistent with that of 2014. The three year outlook for Tenke does not reflect potential increases in copper production that could occur from Phase III expansion or other debottlenecking initiatives. The Lundin Mining estimate and comments do not represent the official guidance for the mine which will ultimately be provided by Freeport.

2015 Cash Costs¹

- At Neves-Corvo, estimated C1 cash costs for 2015 are expected to approximate \$1.80/lb Cu after zinc and lead by-product credits. Improvement on this estimated unit cost could occur if zinc prices are higher than internal assumptions.
- At Zinkgruvan, estimated C1 cash costs are expected to approximate \$0.38/lb Zn after copper and lead by-product credits. Zinkgruvan is expected to remain one of the lower cost zinc producers for the foreseeable future.
- At Aguablanca, estimated C1 cash costs for 2015 are expected to approximate \$5.00/lb Ni after by-product credits.
- At Eagle, estimated C1 cash costs are expected to approximate \$2.00/lb Ni after by-product credits.

¹ C1 cash costs are based on various assumptions and estimates, including, but not limited to; production volumes, as noted above, commodity prices (2015 - Cu: \$3.00, Zn: \$1.05, Pb: \$1.00, Ni: \$8.00) foreign currency exchange rates (2014 - €/USD:1.30, USD/SEK:7.00, CLP/USD:575) and operating costs. All figures in are in \$US unless otherwise noted.

- At Candelaria, estimated C1 cash costs are expected to approximate \$1.90/lb¹ Cu after by-product credits. By-product credits have been adjusted for the terms of the streaming agreement but exclude any allocation of upfront cash received.
- For Tenke, cash cost guidance will be provided by Freeport in due course.

2015 Capital Expenditure Guidance

Capital expenditures for 2015 for mines operated by the Company are expected to be \$470 million, which includes:

- **Sustaining capital:** \$455 million
 - Europe: \$140 million (vs. \$90 million in 2014), consisting of approximately \$80 million for Neves-Corvo, \$45 million for Zinkgruvan and \$15 million at Aguablanca. Neves-Corvo's capital spending program includes approximately \$30 million for underground development, \$15 million for equipment replacement and \$10 million for commencement of a water treatment plant, and the balance for miscellaneous other sustaining capital investment such as infill drilling and small projects. Zinkgruvan is expected to spend approximately \$20 million for underground development, \$5 million for expanded tailings storage, \$5 million for paste backfill and delivery improvements, and the balance for plant and infrastructure refurbishment projects. Aguablanca has allocated approximately \$10 million for underground development.
 - Americas: \$315 million (vs. \$5 million in 2014), consisting of approximately \$300 million for Candelaria, of which approximately \$160 million is for deferred stripping activities in the open pit, \$80 million for commencement of the expanded tailings storage facility project, \$15 million for replacement and rebuild of mobile equipment and \$15 million for Eagle which is predominantly for underground development.
- **New investment:** \$15 million (vs \$315 million in 2014) consisting of approximately \$15 million for Neves-Corvo (including \$5 million each for Lombador and the zinc expansion study work).
- **Tenke:** Capital expenditures for Tenke are not included above. All of the Tenke capital expenditures and exploration programs are expected to be self-funded by cash flow from Tenke operations. If current metal prices and operating conditions prevail, the Company believes it is reasonable to expect Lundin Mining's attributable cash distributions to range between \$50 to \$60 million in 2015, taking into account self-funding of the new acid plant project, and other expenditures such as exploration, small projects and routine sustaining capital.

2015 Exploration Investment

Exploration expenditures (not including Tenke) are expected to be in the range of \$75 million in 2015 (2014 - estimated at \$35 million). Approximately \$40 million is expected to be directed toward near mine targets at Candelaria, with the remainder to advance exploration activities at our existing mines and budgeted activities for South American and Eastern European exploration projects.

¹ 68% of Candelaria's total gold and silver production are subject to a streaming agreement and as such C1 cash costs are calculated based on receipt of \$400/oz and \$4/oz, respectively, on gold and silver sales in the year. No consideration has been made for the upfront payment received in the calculation of C1 cash costs. **C1 cash costs include capital expenditures for deferred stripping in the amount of approximately \$160 million in 2015. Excluding the impact of capitalized stripping, the C1 cash costs would approximate \$1.55/lb of copper.**

About Lundin Mining

Lundin Mining Corporation is a diversified Canadian base metals mining company with operations in Chile, Portugal, Sweden, Spain and the US, 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 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. This release includes, but is not limited to, forward looking statements with respect to the Company's estimated annual metal production, C1 cash costs and capital expenditures. These estimates and other forward-looking statements are based on a number of assumptions and 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 estimated operating and cash costs, foreign currency fluctuations; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; including 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 a 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; inability to successfully integrate the Candelaria operations or realize its anticipated benefits; 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.