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## NEWS RELEASE

# LUNDIN MINING ANNOUNCES 2015 PRODUCTION RESULTS AND PROVIDES OPERATING AND CAPITAL GUIDANCE

Toronto, January 21, 2016 (TSX: LUN; OMX: LUMI) Lundin Mining Corporation (“Lundin Mining” or the “Company”), announces production results for the three and twelve months ended December 31, 2015. The Company also provides operating and capital guidance for 2016.

### 2015 Highlights:

- Exceeded the high-end of annual production guidance for copper and nickel while meeting overall targets for zinc.
- Candelaria outperformed the most recent copper production guidance due primarily to higher than expected mill throughput in Q4.
- At Candelaria as previously announced, the successful exploration and mine plan optimization efforts resulted in total Mineral Reserves increasing by approximately 20% and resulted in the extension of the mine lives of all of the higher grade underground mines as well as the open pit.
- Zinkgruvan achieved new annual records relating to tonnes of ore mined and milled. Annual zinc production also constituted a new record for the operation.
- As at year end 2015, the Company had a net debt balance of \$441 million, and did not have any amounts drawn on its \$350 million revolving credit facility.

A summary of the Company’s production results compared to the latest guidance is shown below and further details are provided in the tables at the end of the release.

(contained tonnes)		Q4 2015 Production Results	Full Year 2015 Production Results	2015 Production Guidance <sup>1</sup>
<b>Copper</b>	<i>Candelaria (80%)</i>	<b>31,875</b>	<b>144,832</b>	138,000 - 141,000
	<i>Eagle</i>	<b>5,996</b>	<b>24,331</b>	23,000 - 24,000
	<i>Neves-Corvo</i>	<b>11,078</b>	<b>55,831</b>	54,000 - 56,000
	<i>Zinkgruvan</i>	<b>5</b>	<b>2,044</b>	2,000
	<i>Aguablanca</i>	<b>466</b>	<b>6,221</b>	6,100
	<i>Wholly-owned</i>	<b>49,420</b>	<b>233,259</b>	223,100 - 229,100
	<i>Tenke (24%)<sup>2</sup></i>	<i>n/a</i>	<i>n/a</i>	50,600
	<i>Total attributable</i>	<i>n/a</i>	<i>n/a</i>	273,700 - 279,700
<b>Nickel</b>	<i>Eagle</i>	<b>7,074</b>	<b>27,167</b>	26,000 - 27,000
	<i>Aguablanca</i>	<b>514</b>	<b>7,213</b>	7,100
	<i>Total</i>	<b>7,588</b>	<b>34,380</b>	33,100 - 34,100
<b>Zinc</b>	<i>Neves-Corvo</i>	<b>14,196</b>	<b>61,921</b>	59,000 - 62,000
	<i>Zinkgruvan</i>	<b>25,339</b>	<b>83,451</b>	82,000 - 85,000
	<i>Total</i>	<b>39,535</b>	<b>145,372</b>	141,000 - 147,000

<sup>1</sup> Guidance as presented in the Company’s Management Discussion and Analysis for the three and nine months ended September 30, 2015.

<sup>2</sup> Production results for Tenke have not yet been released by operator Freeport-McMoRan Inc. (“Freeport”).

Mr. Paul Conibear, President and CEO commented: “The Company finished 2015 on a strong note and achieved or exceeded annual production guidance at each operation. In light of the current commodity price environment our operating and capital investment activities will continue to focus on financial flexibility and maximizing cash flows in order to preserve the Company’s strong balance sheet.”

## 2016 Production and Cost Guidance

- All production guidance estimates for 2016 have remained unchanged from the figures previously disclosed on December 2, 2015.
- The outlook below does not include guidance for the Aguablanca mine which remains under suspension pending further notice.
- Our 2016 cash cost guidance reflects the results of cost review and reduction plans undertaken at each operation in order to help offset the cash cost impact of lower expected by-product credit metal prices.

2016 Production and Cost Guidance <sup>1</sup>		Tonnes	C1 Cost <sup>2</sup>
<b>Copper</b>	Candelaria (80%)	118,000 – 123,000	\$1.55/lb
	Eagle	20,000 – 23,000	
	Neves-Corvo	50,000 – 55,000	\$1.65/lb
	Zinkgruvan	3,500 – 4,000	
	Tenke (@24%) <sup>3</sup>	~50,000	n/a
	<b>Total attributable</b>	<b>241,500 – 255,000</b>	
<b>Nickel</b>	Eagle	21,000 – 24,000	\$2.25/lb
	<b>Total</b>	<b>21,000 – 24,000</b>	
<b>Zinc</b>	Neves-Corvo	65,000 – 70,000	
	Zinkgruvan	80,000 – 85,000	\$0.45/lb
	<b>Total</b>	<b>145,000 – 155,000</b>	

## 2016 Capital Expenditure and Exploration Guidance

Capital expenditures for 2016 for mines operated by the Company are expected to be \$220M, which includes:

- \$35M in capitalized stripping at Candelaria. This has significantly decreased from prior estimates due to a deferral of 30Mt of waste being mined from Phase 10, resulting in expected cost savings of approximately \$65M in 2016.
- At Candelaria spending on the Los Diques tailings facility is expected to amount to \$70M in 2016. The total capex budget for the project is expected to total \$325M between 2016 and 2018, in-line with prior estimates.
- At Eagle sustaining capital costs are expected to total \$10M in 2016, which represents a decrease of 50% compared to 2015 guidance levels.
- At Neves-Corvo capital costs in 2016 are expected to total approximately \$55M, in-line with guidance levels provided for 2015.
- At Zinkgruvan the guidance amount of \$35M for 2016 includes the spending of \$8M on an expansion project which is aimed at increasing the overall mill capacity by approximately 10% by the end of 2017.

<sup>1</sup> 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.

<sup>2</sup> Cash costs remain dependent upon exchange rates (forecast at €/USD: 1.10, USD/SEK: 8.50, USD/CLP: 700) and metal prices (forecast at Cu: \$2.05/lb, Ni: \$4.15/lb, Zn: \$0.70/lb, Pb: \$0.70/lb, Au: \$1,100/oz, Ag: \$15.00/oz, Co: \$13.00/lb).

<sup>3</sup> Tenke guidance has not yet been provided by operator, Freeport. Lundin Mining anticipates production from Tenke in 2016 to be comparable to expected 2015 production.

- Exploration expenditures in 2016 are expected to total \$40M, which represents a decrease of approximately \$20M from 2015 guidance levels due to the deferral or cancelation of most greenfields exploration work.
- The 2016 exploration budget comprises spending approximately \$18M on exploration at Eagle East and \$17M at Candelaria. All exploration activities remain discretionary and can be further reduced if necessary.

<b>Capital &amp; Other Costs (\$ millions)</b>	<b>2016</b>
<b>Candelaria (100% basis):</b>	
Total Capitalized Stripping <sup>1</sup>	35
Los Diques Tailings Capex <sup>2</sup>	70
Other Sustaining Capex	15
<b>Total Candelaria</b>	<b>120</b>
Total Eagle	10
Total Neves-Corvo	55
Total Zinkgruvan	35
<b>Total Capital Costs</b>	<b>220</b>

### **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, nickel and zinc. 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**

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 January 21, 2016 at 5:30 p.m. Eastern Time.

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<sup>1</sup> During the production phase, waste stripping costs which provide probable future economic benefits and improved access to the orebody are capitalized to mineral properties. The Company capitalizes waste costs when experienced strip ratios are above the average planned strip ratio for each open pit phase under development.

<sup>2</sup> The Los Diques project capex is based on project review estimates completed in 2015 which assumed an USD/CLP exchange rate of 625.

### **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 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, zinc and other metals; 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.

## 2015 Operating Statistics

Details of operating statistics by mine, by quarter and for the year are summarized below:

### Candelaria

(100% Basis)	Total	2015			
		Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	<b>33,922</b>	8,012	8,240	9,022	8,648
Ore milled (000s tonnes)	<b>29,694</b>	7,504	7,933	7,327	6,930
Grade					
Copper (%)	<b>0.64</b>	0.53	0.61	0.68	0.78
Recovery					
Copper (%)	<b>92.7</b>	92.2	92.4	94.0	92.6
Production (contained metal)					
Copper (tonnes)	<b>181,040</b>	39,844	45,195	46,651	49,350
Gold (000 oz)	<b>102</b>	23	25	27	28
Silver (000 oz)	<b>1,874</b>	394	433	464	583

### Eagle

	Total	2015			
		Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	<b>740</b>	190	191	175	184
Ore milled (000s tonnes)	<b>746</b>	183	193	184	186
Grade					
Nickel (%)	<b>4.3</b>	4.3	3.9	4.2	4.7
Copper (%)	<b>3.4</b>	3.4	3.5	3.1	3.6
Recovery					
Nickel (%)	<b>84.2</b>	83.8	85.0	84.4	83.5
Copper (%)	<b>97.0</b>	97.9	97.3	96.4	96.4
Production (contained metal)					
Nickel (tonnes)	<b>27,167</b>	7,074	6,438	6,349	7,306
Copper (tonnes)	<b>24,331</b>	5,996	6,514	5,403	6,418

### Neves-Corvo

	Total	2015			
		Q4	Q3	Q2	Q1
Ore mined, copper (000 tonnes)	<b>2,501</b>	583	614	673	631
Ore mined, zinc (000 tonnes)	<b>1,000</b>	241	255	254	250
Ore milled, copper (000 tonnes)	<b>2,542</b>	584	619	699	640
Ore milled, zinc (000 tonnes)	<b>1,014</b>	240	257	258	259
Grade					
Copper (%)	<b>2.7</b>	2.4	2.8	2.7	2.9
Zinc (%)	<b>8.0</b>	7.5	8.1	7.9	8.5
Recovery					
Copper (%)	<b>80.6</b>	79.6	79.1	81.1	82.4
Zinc (%)	<b>71.8</b>	75.6	63.3	73.6	74.9
Production (contained metal)					
Copper (tonnes)	<b>55,831</b>	11,078	13,917	15,348	15,488
Zinc (tonnes)	<b>61,921</b>	14,196	14,363	16,022	17,340
Lead (tonnes)	<b>3,077</b>	311	366	1,080	1,320
Silver (000 oz)	<b>1,329</b>	270	310	359	390

## Zinkgruvan

	Total	2015			
		Q4	Q3	Q2	Q1
Ore mined, zinc (000 tonnes)	<b>1,126</b>	313	257	289	267
Ore mined, copper (000 tonnes)	<b>137</b>	nil	40	52	45
Ore milled, zinc (000 tonnes)	<b>1,096</b>	307	260	267	262
Ore milled, copper (000 tonnes)	<b>139</b>	nil	52	43	44
Grade					
Zinc (%)	<b>8.3</b>	9.0	7.7	8.6	7.6
Lead (%)	<b>3.8</b>	4.2	4.0	3.4	3.4
Copper (%)	<b>1.7</b>	nil	1.1	2.4	1.5
Recovery					
Zinc (%)	<b>92.1</b>	91.5	91.5	92.8	92.6
Lead (%)	<b>82.9</b>	83.0	83.7	82.4	82.6
Copper (%)	<b>88.1</b>	nil	80.1	91.9	89.0
Production (contained metal)					
Zinc (tonnes)	<b>83,451</b>	25,339	18,458	21,237	18,417
Lead (tonnes)	<b>34,120</b>	10,733	8,609	7,379	7,399
Copper (tonnes)	<b>2,044</b>	5	475	974	590
Silver (000 oz)	<b>2,542</b>	729	627	622	564

## Aguablanca

	Total	2015			
		Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	<b>616</b>	nil	51	187	378
Ore milled (000s tonnes)	<b>1,292</b>	100	376	392	424
Grade					
Nickel (%)	<b>0.68</b>	0.65	0.58	0.70	0.77
Copper (%)	<b>0.52</b>	0.50	0.48	0.54	0.54
Recovery					
Nickel (%)	<b>81.1</b>	77.0	78.4	82.0	83.7
Copper (%)	<b>93.1</b>	90.6	93.0	93.4	93.4
Production (contained metal)					
Nickel (tonnes)	<b>7,213</b>	514	1,708	2,245	2,746
Copper (tonnes)	<b>6,221</b>	466	1,658	1,975	2,122