

NEWS RELEASE

LUNDIN REPORTS 2016 MINERAL RESOURCE & RESERVE ESTIMATE UPDATE

Toronto, September 1, 2016 (TSX: LUN; OMX: LUMI) Lundin Mining Corporation (“Lundin Mining” or the “Company”) today reported its Mineral Resource and Reserve estimates as at June 30, 2016.

On a consolidated and attributable basis, contained metal in the Proven and Probable Mineral Reserve category totaled 3,931 kt of copper, 2,737 kt of zinc and 95 kt of nickel.

Commenting on the June 2016 Mineral Reserve and Resource estimates, Mr. Paul Conibear, President and CEO of Lundin Mining said “We are pleased that our continued exploration at both Candelaria and Eagle have again resulted in success, with further increased Mineral Resources and Reserves at Candelaria and the exciting maiden Inferred Mineral Resource on Eagle East. Our significant investment in near mine targets continues to be successful in adding substantially to our Mineral Resource base.”

Conceptual level studies into growth opportunities at Candelaria continue to advance and are being supported by ongoing underground exploration success. Drilling continues at Eagle to define the limits of Eagle East and test for new targets. The June 2016 Mineral Resource and Reserve estimates at Neves Corvo and Zinkgruvan have largely replaced the depletion by mining despite reduced exploration spending.

Reserves and Resources Highlights

- Total Candelaria Measured and Indicated Mineral Resources have increased to 689.0 Mt at 0.64% Cu (from 643.6 Mt at 0.63% Cu in the July 2015). The increase reflects the success of ongoing underground exploration campaigns and conversion of underground Inferred Mineral Resources to Measured or Indicated.
- Total Candelaria Proven and Probable Mineral Reserves have increased by approximately 6% to 482.6 Mt at 0.54% Cu (from 455.2 Mt at 0.56% Cu reported as of June 30, 2015), despite depletion by mining over the last 12 months. The increased open pit Proven and Probable Mineral Reserves, excluding stockpiles, of 337.6 Mt at 0.54% Cu (from 314.6 Mt at 0.57% Cu in June 30, 2015) reflect further optimization of the open pit, exploration success and revised economic parameters.
- Total Candelaria underground Proven and Probable Mineral Reserves continue to show additions and now stand at 51.1 Mt at 0.90% Cu compared to the June 2015 total of 46.8 Mt at 0.97% Cu.
- At Eagle, an initial Eagle East Inferred Mineral Resource was reported on June 29, 2016 containing 1.2 Mt at 5.1% Ni and 4.3% Cu. Total Proven and Probable Mineral Reserves have reduced to 3.7 Mt at 2.5% Ni and 2.2% Cu due to mining depletion.
- Total copper Measured and Indicated Mineral Resources at Neves-Corvo have offset mining depletion to stand at 70.0 Mt with a grade of 2.7% Cu. A similar situation is evident with the zinc Measured and Indicated Mineral Resources, which remain at 106.8 Mt at 6.1% Zn.
- Copper Proven and Probable Mineral Reserves at Neves-Corvo increased to 26.1 Mt at 2.7% Cu from last year’s 25.9 Mt at 2.7% Cu despite mining depletion. Zinc Proven and Probable Mineral Reserves have decreased to 23.4 Mt at 7.2% Zn from 25.3 Mt at 7.1% Zn following an update to the cut-off grade.
- At Zinkgruvan, zinc in Measured and Indicated Mineral Resources and Proven and Probable Mineral Reserves have decreased slightly from 2015 due to mining depletion.
- As previously disclosed, Measured and Indicated Mineral Resources at Tenke Fungurume, dated December 31, 2015, increased to 680.3 Mt at 2.5% Cu and 0.3% Co, inclusive of 45.0 Mt of stockpiled

material, reflecting successful ongoing exploration activity. Contained copper and cobalt metal in these Mineral Resources increased by 7.0% and 4.3% respectively over the prior year. Inferred Mineral Resources increased to 531.7 Mt from 392.2 Mt, reflecting further exploration success and inclusion of the first estimate on the Dipeta syncline.

- Proven and Probable Mineral Reserves at Tenke Fungurume increased to 144.4 Mt at 2.6% Cu and 0.4% Co from 136.1 Mt at 2.7% Cu and 0.4% Co, as a result of exploration success and updated open pit optimizations.

The tables attached to this release summarize the Mineral Reserve and Resource estimates for each of the Company's mines as of June 30, 2016. Mineral Reserves and Resources for the Tenke Fungurume copper/cobalt mine, in which Lundin Mining has a 24% equity interest, are reported as at December 31, 2015.

About Lundin Mining

Lundin Mining is a diversified base metals mining company with operations and projects in Chile, the USA, Portugal, and Sweden 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, CEO

The information in this release is subject to the disclosure requirements of Lundin Mining under the EU Market Abuse Regulation and/or the Swedish Financial Instruments Trading Act. This information was publicly communicated on September 1, 2016 at 5:00 p.m. Eastern Time.

For further information, please contact:

Mark Turner
Director, Business Valuations & Investor Relations
+1-416-342-5565

Sonia Tercas
Senior Associate, Investor Relations
+1-416-342-5583

Robert Eriksson
Investor Relations, Sweden
+46 8 545 015 50

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.

Cautionary Notes to Investors – Mineral Resource and Reserve 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 news release 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 in our 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.

Mineral Resources and Reserves - June 30, 2016

Mineral Reserves

| Category | 000's Tonnes | Cu % | Zn % | Pb % | Au g/t | Ag g/t | Ni % | Co % | Contained Metal 000's (Ounces millions) | | | | | | | | | | |
|--|----------------------|----------------|------------|------------|------------|------------|-----------|------------|---|-----------------------|--------------|------------|--------------|--------------|-------------|--------------------|------------|-----------|------------|
| | | | | | | | | | Cu t | Zn t | Pb t | Au Oz | Ag Oz | Ni t | Co t | Lundin Interest | | | |
| Copper | | | | | | | | | | | | | | | | | | | |
| Candelaria | Proven | 320,997 | 0.5 | | 0.1 | 1.8 | | | | 1,746 | 1.3 | 18 | | 80% | | | | | |
| Open Pit | Proven (Stockpile) | 93,772 | 0.3 | | 0.1 | 1.4 | | | | 321 | 0.3 | 4 | | 80% | | | | | |
| | Probable | 16,634 | 0.5 | | 0.1 | 1.6 | | | | 76 | 0.1 | 1 | | 80% | | | | | |
| | Total | 431,404 | 0.5 | | 0.1 | 1.7 | | | | 2,143 | 1.6 | 24 | | 80% | | | | | |
| Candelaria | Proven | 31,309 | 0.9 | | 0.2 | 3.4 | | | | 295 | 0.2 | 3 | | 80% | | | | | |
| Underground | Probable | 19,821 | 0.8 | | 0.2 | 2.1 | | | | 166 | 0.1 | 1 | | 80% | | | | | |
| | Total | 51,131 | 0.9 | | 0.2 | 2.9 | | | | 461 | 0.3 | 5 | | 80% | | | | | |
| Neves-Corvo | Proven | 6,423 | 3.7 | 0.9 | 0.2 | | 35 | | | 239 | 55 | 12 | 7 | 100% | | | | | |
| | Probable | 19,716 | 2.3 | 0.7 | 0.2 | | 35 | | | 455 | 136 | 40 | 22 | 100% | | | | | |
| | Total | 26,139 | 2.7 | 0.7 | 0.2 | | 35 | | | 694 | 191 | 52 | 30 | 100% | | | | | |
| Zinkgruvan | Proven | 3,583 | 2.2 | 0.2 | | | 29 | | | 79 | 7 | | 3 | 100% | | | | | |
| | Probable | | | | | | | | | | | | | 100% | | | | | |
| | Total | 3,583 | 2.2 | 0.2 | | | 29 | | | 79 | 7 | | 3 | 100% | | | | | |
| Tenke | Proven | 57,096 | 3.4 | | | | | | | 1,968 | | | | 220 | 24% | | | | |
| Fungurume | Probable (Stockpile) | 45,075 | 1.3 | | | | | | | 590 | | | | 140 | 24% | | | | |
| | Probable | 42,191 | 2.8 | | | | | | | 1,201 | | | | 150 | 24% | | | | |
| | Total | 144,362 | 2.6 | | | | | | | 3,760 | | | | 510 | 24% | | | | |
| Zinc | | | | | | | | | | | | | | | | | | | |
| Neves-Corvo | Proven | 7,425 | 0.3 | 8.5 | 2.1 | | 75 | | | 26 | 631 | 155 | | 18 | 100% | | | | |
| | Probable | 16,024 | 0.4 | 6.5 | 1.4 | | 63 | | | 64 | 1,046 | 222 | | 32 | 100% | | | | |
| | Total | 23,449 | 0.4 | 7.2 | 1.6 | | 67 | | | 90 | 1,678 | 378 | | 50 | 100% | | | | |
| Zinkgruvan | Proven | 7,382 | | 8.5 | 3.6 | | 81 | | | | 627 | 266 | | 19 | 100% | | | | |
| | Probable | 3,388 | | 6.9 | 2.6 | | 51 | | | | 234 | 88 | | 6 | 100% | | | | |
| | Total | 10,770 | | 8.0 | 3.3 | | 72 | | | | 861 | 354 | | 25 | 100% | | | | |
| Nickel | | | | | | | | | | | | | | | | | | | |
| Eagle | Proven | 1,479 | 2.8 | | | | | 3.3 | 0.1 | 41 | | | | 49 | 1 | 100% | | | |
| | Probable | 2,238 | 1.8 | | | | | 2.0 | 0.1 | 41 | | | | 45 | 1 | 100% | | | |
| | Total | 3,717 | 2.2 | | | | | 2.5 | 0.1 | 82 | | | | 95 | 3 | 100% | | | |
| Note: totals may not summate correctly due to rounding | | | | | | | | | | Lundin's share | | | 3,931 | 2,737 | 783 | 2 | 131 | 95 | 125 |

Mineral Resources - inclusive of Mineral Reserves

| Category | 000's Tonnes | Cu % | Zn % | Pb % | Au g/t | Ag g/t | Ni % | Co % | Contained Metal 000's (Ounces millions) | | | | | | | | | | |
|--|-----------------------|---------|---------|---------|-----------|-----------|---------|---------|---|----------------------------------|---------|----------|--------------|--------------|--------------|--------------------|------------|------------|------------|
| | | | | | | | | | Cu t | Zn t | Pb t | Au Oz | Ag Oz | Ni t | Co t | Lundin Interest | | | |
| Copper | | | | | | | | | | | | | | | | | | | |
| Candelaria | Measured | 412,265 | 0.6 | | 0.1 | 2 | | | | 2,281 | 1.7 | 25 | | 80% | | | | | |
| Open Pit | Measured (Stockpile) | 93,805 | 0.3 | | 0.1 | 1 | | | | 321 | 0.3 | 4 | | 80% | | | | | |
| | Indicated | 30,787 | 0.5 | | 0.1 | 2 | | | | 146 | 0.1 | 2 | | 80% | | | | | |
| | Inferred | 11,254 | 0.3 | | 0.1 | 1 | | | | 38 | - | - | | 80% | | | | | |
| Underground | Measured | 84,270 | 1.1 | | 0.3 | 3 | | | | 948 | 0.7 | 9 | | 80% | | | | | |
| | Indicated | 67,860 | 1.1 | | 0.2 | 2 | | | | 732 | 0.5 | 5 | | 80% | | | | | |
| | Inferred | 50,336 | 1.0 | | 0.2 | 2 | | | | 503 | 0.4 | 4 | | 80% | | | | | |
| Neves-Corvo | Measured | 14,732 | 4.2 | 0.9 | 0.3 | | 44 | | | 625 | 137 | 38 | 21 | 100% | | | | | |
| | Indicated | 55,254 | 2.2 | 1.1 | 0.4 | | 45 | | | 1,232 | 580 | 199 | 80 | 100% | | | | | |
| | Inferred | 12,758 | 1.7 | 1.2 | 0.4 | | 37 | | | 222 | 152 | 45 | 15 | 100% | | | | | |
| Semblana | Inferred | 7,807 | 2.9 | | | | 25 | | | 223 | | | 6 | 100% | | | | | |
| Zinkgruvan | Measured | 4,719 | 2.3 | 0.3 | | | 33 | | | 109 | 14 | | 5 | 100% | | | | | |
| | Indicated | 619 | 2.1 | 0.4 | | | 36 | | | 13 | 2 | | 1 | 100% | | | | | |
| | Inferred | 193 | 2.3 | 0.3 | | | 25 | | | 4 | 1 | | - | 100% | | | | | |
| Tenke | Measured | 211,589 | 2.9 | | | | | | | 6,070 | | | | 630 | 24% | | | | |
| Fungurume | Indicated | 423,677 | 2.4 | | | | | | | 10,197 | | | | 1,062 | 24% | | | | |
| | Indicated (Stockpile) | 45,075 | 1.3 | | | | | | | 590 | | | | 140 | 24% | | | | |
| | Inferred | 531,651 | 2.2 | | | | | | | 11,594 | | | | 1,291 | 24% | | | | |
| Zinc | | | | | | | | | | | | | | | | | | | |
| Neves-Corvo | Measured | 15,464 | 0.3 | 7.7 | 1.7 | | 67 | | | 48 | 1,183 | 266 | | 33 | 100% | | | | |
| | Indicated | 91,355 | 0.3 | 5.9 | 1.2 | | 56 | | | 283 | 5,344 | 1,115 | | 164 | 100% | | | | |
| | Inferred | 11,386 | 0.3 | 4.4 | 1.0 | | 52 | | | 39 | 499 | 118 | | 19 | 100% | | | | |
| Zinkgruvan | Measured | 7,938 | | 10.0 | 4.1 | | 91 | | | | 794 | 325 | | 23 | 100% | | | | |
| | Indicated | 8,152 | | 8.8 | 3.7 | | 86 | | | | 717 | 302 | | 23 | 100% | | | | |
| | Inferred | 7,862 | | 8.3 | 3.6 | | 83 | | | | 653 | 283 | | 21 | 100% | | | | |
| Nickel | | | | | | | | | | | | | | | | | | | |
| Eagle | Measured | 1,445 | 3.4 | | | | | 4.2 | 0.1 | 49 | | | | 61 | 2 | 100% | | | |
| | Indicated | 2,226 | 2.2 | | | | | 2.6 | 0.1 | 50 | | | | 58 | 2 | 100% | | | |
| | Inferred | 44 | 1.1 | | | | | 1.1 | 0.0 | - | | | | - | - | 100% | | | |
| | Inferred Eagle East | 1,180 | 4.3 | | 0.5 | 15.8 | | 5.1 | 0.1 | 51 | | | | 61 | 1 | 100% | | | |
| Note: totals may not summate correctly due to rounding | | | | | | | | | | Lundin's share | | | 9,997 | 8,772 | 2,245 | 3 | 386 | 119 | 443 |
| | | | | | | | | | | not including Inferred Resources | | | | | | | | | |

Notes on Mineral Resource and Reserve Table

Mineral Resources and Reserves are shown on a 100 percent basis for each mine. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Mineral Reserves. All estimates, with the exception of Tenke Fungurume, are prepared as at June 30, 2016. The Tenke Fungurume estimate is dated December 31, 2015.

Estimates for all majority owned operations are prepared by or under the supervision of a Qualified Person as defined in National Instrument 43-101, or have been audited by independent Qualified Persons on behalf of Lundin Mining. Tenke Proven and Probable Mineral Reserves are estimated by the operator Freeport-McMoRan Copper & Gold Inc. ("Freeport"), and are prepared to SEC standards and are reviewed by Lundin Mining's independent Qualified Persons.

Except as noted below, Mineral Reserves have been calculated using metal prices of US\$2.75/lb copper, US\$1.00/lb zinc, US\$1.00/lb lead, US\$8.50/lb nickel, US\$1,000/oz gold and exchange rates of EUR/US\$ 1.25, US\$/SEK 7.00 and Chilean Peso/US\$ 550.

Candelaria and Ojos

Open pit Mineral Resources are reported within a conceptual pit shell based on metal prices of US\$3.16/lb copper and US\$1,000/oz gold and are reported at a cut-off grade of 0.2% copper. Underground Mineral Resources are reported at a cut-off grade of 0.6% copper. Mineral Reserves for the open pit and underground for the Candelaria property are reported at cut-off grades of 0.28% and 0.64% copper, respectively. Underground Mineral Reserves for the Ojos del Salado property (Santos and Alcaparrosa mines) are reported at cut-off grades of 0.73% and 0.66% copper, respectively. Mineral Resources and Reserves for Candelaria and Ojos del Salado were estimated by mine technical staff supervised by Qualified Persons Patricio Calderón, Superintendent Resource Estimation, and Erick Lagos, Manager Technical Services.

Neves-Corvo

The Mineral Resources are reported above cut-off grades of 1.0% for copper and 3.0% for zinc. The copper and zinc Mineral Reserves have been calculated using variable Net Smelter Return (NSR) values based on area and mining method. The NSR is calculated on a recovered payable basis taking in to account copper, lead, zinc and silver grades, metallurgical recoveries, prices and realization costs. The copper Mineral Reserves are reported above a site average cut-off grade equivalent to 1.3%. For zinc Mineral Reserves an average cut-off grade equivalent to 5.2% is used. Mineral Reserves and Resources for Neves-Corvo were estimated by the mine's geology and mine engineering departments under the guidance of Nelson Pacheco, Chief Geologist and Fernando Cartaxo, Chief Mine Planning Engineer. Qualified Persons are Nelson Pacheco and Antonio Salvador, Group Mining Engineer, Lundin Mining.

Semblana

The Mineral Resources are reported above a cut-off grade of 1.0% copper. The Mineral Resource estimate was prepared by Graham Greenway, Group Resource Geologist, Lundin Mining.

Zinkgruvan

The zinc Mineral Resources and Reserves are reported above a site average cut-off grade of 3.9% zinc equivalent. The copper Mineral Resources and Reserves are reported above cut-off grades of 1.0% and 1.5% respectively. The zinc Mineral Reserves have been calculated using variable NSR values based on area and mining method. The NSR is calculated on a recovered payable basis taking in to account copper, lead, zinc and silver grades, metallurgical recoveries, prices and realization costs. The Zinkgruvan Mineral Resource and Reserve estimates are prepared by the mine's geology and mine engineering department under the guidance of Anja Hagerud, Resource Manager, employed by Zinkgruvan mine. Qualified Persons are Graham Greenway and Antonio Salvador.

Eagle and Eagle East

The Eagle and Eagle East Mineral Resources and Reserves are reported above a fixed NSR cut-off of US\$142/t. The NSR is calculated on a recovered payable basis taking in to account nickel, copper, cobalt, gold and PGM grades, metallurgical recoveries, prices and realization costs. The Eagle Mineral Resource and Reserve estimates are prepared by the mine's geology and mine engineering department under the guidance of Robert Mahin, Chief Geologist and Colin Connors, Eagle East Project Mining Lead, respectively, both of whom are employees of Eagle mine. The Eagle East Mineral Resource estimate was prepared by Graham Greenway, Group Resource Geologist, Lundin Mining. The Eagle and Eagle East Mineral Resource and the Eagle Mineral Reserve estimates were audited by Roscoe Postle Associates Inc. Qualified Persons are David Rennie, P.Eng., Associate Principal Geologist and Normand Lecuyer, P.Eng., Principal Mining Engineer, respectively, both of Roscoe Postle Associates Inc.

Tenke Fungurume

The Mineral Resources are reported above a cut-off of 1.3% copper equivalent and a cobalt to copper factor of 4.0 without assigning economic probability. The 2015 Mineral Reserves are based on smoothed pit designs for Measured

and Indicated Mineral Resources using metal prices of US\$2.00/lb copper and US\$10.00/lb cobalt which result in a cut-off grade of approximately 1.37% copper equivalent. The Mineral Resource (not reported by Tenke operator Freeport) and Reserve estimates (reported under United States SEC guidelines) for Tenke have been prepared by Freeport staff and reviewed by independent consultants and Qualified Persons John Nilsson, P.Eng. of Nilsson Mine Services Ltd and Ron Simpson P.Geo. of GeoSim Services Inc., on behalf of Lundin Mining.