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NEWS RELEASE

Lundin Mining Announces Agreement to Sell Interest in TF Holdings for \$1.136 Billion

Toronto, Ontario (November 15, 2016) - Lundin Mining Corporation (TSX:LUN) (OMX:LUMI) ("Lundin Mining" or the "Company") is pleased to announce that it has entered into a definitive agreement to sell its indirect interest in TF Holdings Limited ("TF Holdings") to an affiliate of BHR Partners, a Chinese private equity firm, for \$1.136 billion in cash and contingent consideration of up to \$51.4 million, consisting of \$25.7 million if the average copper price exceeds \$3.50 per pound and \$25.7 million if the average cobalt price exceeds \$20 per pound, both during a 24-month period beginning on January 1, 2018 (the "Transaction"). The consideration to be received by Lundin Mining is equal to the implied value of the Company's stake in TF Holdings based on the transaction between Freeport-McMoRan Inc. ("Freeport") and China Molybdenum Co., Ltd. ("CMOC") announced on May 9, 2016.

TF Holdings is a Bermuda holding company that owns an 80 percent interest in Tenke Fungurume Mining S.A. ("Tenke"). Lundin Mining has an indirect 30 percent interest in TF Holdings and therefore, an effective 24 percent interest in Tenke.

In connection with the Transaction, Lundin Mining has waived its right of first offer to acquire Freeport's indirect interest in TF Holdings. The Transaction is subject to the receipt of certain regulatory approvals, the completion of Freeport's sale of its interest in TF Holdings to CMOC and other customary closing conditions. A termination fee of \$100 million, which has been secured by a letter of credit that has been received by the Company, is payable to Lundin Mining in certain circumstances, including upon termination of the Transaction due to the failure to obtain necessary regulatory approvals.

Mr. Paul Conibear, President and CEO commented: *"The decision to sell our minority interest in Tenke has been arrived at following a careful and lengthy consideration of all options open to us. It was a difficult decision, respecting the 20 years of Lundin involvement in Tenke, and the special nature of this world class asset. The sale will enable Lundin Mining to advance its strategy to incrementally grow the company with projects and operations we control, while maintaining a strong balance sheet."*

We want to thank our long standing partners, Freeport and Gécamines, who have been instrumental in the development of Tenke into a world class operation to be proud of. We are confident that the new Tenke partners will continue to build on Tenke's highly successful record and realize the future development potential of the properties."

The Transaction is expected close in the first half of 2017.

BMO Capital Markets is acting as financial advisor to Lundin Mining. Paul, Weiss, Rifkind, Wharton & Garrison LLP and Cassels Brock & Blackwell LLP are acting as legal advisors to Lundin Mining.

About Lundin Mining

Lundin Mining is a diversified Canadian base metals mining company with operations in Chile, the USA, Portugal, and Sweden, primarily producing copper, nickel and zinc. In addition, Lundin Mining holds an indirect 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

The information in this release is subject to the disclosure requirements of Lundin Mining under the EU Market Abuse Regulation and/or the Swedish Securities Market Act. This information was publicly communicated on November 15, 2016 at 2:00 a.m. Eastern Time.

Forward Looking Statements

Certain of the statements made and information contained herein is “forward-looking information” within the meaning of the applicable Canadian securities legislation including, without limitation, with respect to the timing of closing of the Transaction, the circumstances in which the termination fee is payable, and the Corporation’s strategy to seek out high quality base metal growth globally. Forward-looking information includes, but is not limited to information with respect to the Company’s strategy, plans or future financial or operating performance. Forward-looking statements are characterized by words such as “plan,” “expect,” “budget,” “target,” “project,” “intend,” “believe,” “anticipate,” “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: receipt of certain regulatory approvals; the completion of Freeport’s sale of its interest in TF Holdings to China Molybdenum Co., Ltd.; the ability of the buyer to secure financing to fund the purchase price; the satisfaction of closing conditions; uncertain political and economic environments; 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; 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.

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