

NEWS RELEASE

Lundin Mining Provides Operating Outlook

Toronto, Ontario (November 30, 2016) – Lundin Mining Corporation (“Lundin Mining” or the “Company”) (TSX: LUN)(OMX: LUMI) provides the following production guidance for the three-year period of 2017 through 2019, 2017 cash costs, capital and exploration expenditure guidance, as well as five-year guidance for our Candelaria operation. Key highlights are as follows:

- Attributable copper production guidance for 2017 and 2018 from mines operated by the Company has increased from last year’s three-year guidance on an improved production profile at Candelaria.
- Zinc production guidance for 2017 and 2018 has been improved from last year’s three-year guidance primarily on operational improvements at Neves-Corvo achieved in 2016. The zinc production profile assumes plant capacity continues at current levels and does not yet include potential additional zinc production from the Neves Corvo Zinc Expansion Project (ZEP) pending its formal approval.
- Cash costs are expected to be lower year-over-year in 2017 at Candelaria and Neves-Corvo, and unchanged at Zinkgruvan. Eagle cash costs will be higher than 2016 but remain low on the cost curve.
- Estimated costs to complete the Los Diques tailings facility at Candelaria have been further reduced by approximately \$25 million. Expenditures to complete are expected to amount to \$135 million in 2017 and \$30 million in 2018.

Paul Conibear, President and CEO commented, “As we head into 2017, we anticipate building on the strong operating performance achieved during 2016, including the copper production profile which has once again been improved at Candelaria. Each of our mines has a low capital intensity, low risk expansion project either under study, permitting or construction. We have reinvigorated our exploration programs, and between our project and operating initiatives, we believe we are well positioned for excellent cash flows for many years to come.”

Attributable Production Outlook 2017 - 2019¹

	2017		2018		2019	
	Tonnes		Tonnes		Tonnes	
Copper						
Candelaria (80%)	145,000	- 150,000	131,000	- 136,000	126,000	- 131,000
Eagle	15,000	- 18,000	14,000	- 17,000	14,000	- 17,000
Neves-Corvo	41,000	- 46,000	42,000	- 47,000	45,000	- 50,000
Zinkgruvan	1,000	- 2,000	2,000	- 3,000	3,000	- 4,000
Total Attributable Copper²	202,000	- 216,000	189,000	- 203,000	188,000	- 202,000
Zinc						
Neves-Corvo	72,000	- 77,000	70,000	- 75,000	66,000	- 71,000
Zinkgruvan	80,000	- 85,000	87,000	- 92,000	86,000	- 91,000
Total Zinc	152,000	- 162,000	157,000	- 167,000	152,000	- 162,000
Nickel						
Eagle	17,000	- 20,000	14,000	- 17,000	11,000	- 14,000
Total Nickel	17,000	- 20,000	14,000	- 17,000	11,000	- 14,000

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 Guidance does not include any amount for Tenke Fungurume. Guidance has not yet been provided by China Molybdenum Co., Ltd. the operation’s majority owner.

- **Candelaria:** The copper production profile for Candelaria has been improved over the three and five-year forecast periods compared with the prior three-year guidance from the Company and the September 2015 NI 43-101 Technical Report. Optimization of the open pit life-of-mine plan and inclusion of additional volumes of higher grade underground ore has led to improvement in the forecast mine and mill head grade profiles over the three and five-year periods. Our Candelaria attributable copper production guidance of 145,000 to 150,000 tonnes in 2017 is 25,000 tonnes greater (20%) than previous guidance and 17,500 tonnes greater (13%) than our expected 2016 production. Gold and silver production are expected to remain significant by-product credits.

Candelaria Five-Year Outlook

Candelaria (100% basis)	2017	2018	2019	2020	2021
Copper Production (tonnes) ¹	181,000 - 187,000	164,000 - 170,000	158,000 - 164,000	158,000 - 164,000	154,000 - 160,000
C1 Cash Cost ^{3,4}	\$1.20/lb	\$1.25/lb	\$1.55/lb	\$1.50/lb	\$1.40/lb
Capital Expenditures (\$ millions)					
Capitalized Stripping	105	95	30	35	70
Los Diques Tailings Capex	135	30	-	-	-
Other Sustaining Capex	25	45	35	70	25
Total Candelaria Capital Expenditures	265	170	65	105	95

- **Eagle:** Consistent with original expectations, year-over-year production levels of nickel and copper are expected to gradually decline as the highest grade ore is mined early in the mine plan, and prior to the potential development of the Eagle East deposit.
- **Neves-Corvo:** Zinc production assumes plant capacity continues at current levels of 1.2 million tonnes per annum throughput and does not yet incorporate the ZEP which should approximately double zinc production within 28 months of full project approval. Overall average mill feed copper grade and recovery have been reassessed. Annual copper production is expected to increase throughout the forecast period back towards 50,000 tonnes per annum while maintaining significant zinc and lead by-product credits.
- **Zinkgruvan:** Zinc production in 2017 is expected to be in line with 2016 guidance. The 1350 Zinc Expansion Project is expected to be commissioned mid-2017 and will increase zinc production by an additional 10%, providing between 85,000 - 92,000 tonnes per annum over the remainder of the outlook period.
- **Tenke Fungurume:** Lundin Mining anticipates production from Tenke in 2017 to be largely consistent with that of the rates achieved in 2016, with the Company's attributable portion this year of approximately 50,000 tonnes of copper cathode. 2017 production guidance has not yet been provided by China Molybdenum Co., Ltd. the operation's majority owner. Lundin Mining has announced a definitive agreement to sell its indirect interest in TF Holdings Limited to an affiliate of BHR Partners. The Transaction is expected close in the first half of 2017.

2017 Cash Costs³

- At Candelaria, estimated C1 cash costs are expected to approximate \$1.20/lb⁴ 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.
- At Eagle, estimated C1 cash costs are expected to approximate \$2.45/lb Ni after by-product credits.
- At Neves-Corvo, estimated C1 cash costs for 2017 are expected to approximate \$1.35/lb Cu after zinc and lead by-product credits.
- At Zinkgruvan, estimated C1 cash costs are expected to approximate \$0.40/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.

C1 Cash Cost ³	2017
Copper	
Candelaria (80%)	\$1.20/lb ⁴
Neves-Corvo	\$1.35/lb
Zinc	
Zinkgruvan	\$0.40/lb
Nickel	
Eagle	\$2.45/lb

2017 Capital Expenditure Guidance

- Capital expenditures for 2017 for mines operated by the Company are expected to be approximately \$405 million, which includes:

Capital Expenditures (\$ millions)	2017
Candelaria (100% basis):	
Total Capitalized Stripping	105
Los Diques Tailings	135
Other Sustaining	25
Candelaria Sustaining	265
Eagle Sustaining	10
Neves-Corvo Sustaining	50
Zinkgruvan Sustaining	40
Total Sustaining Capital	365
Eagle Expansionary	35
Zinkgruvan Expansionary	5
Total Expansionary Capital	40
Total Capital Expenditures	405

³ C1 cash costs are based on various assumptions and estimates, including, but not limited to; production volumes, as noted above, commodity prices (2017 - Cu: \$2.25/lb, Zn: \$1.00/lb, Pb: \$0.90/lb, Ni: \$5.00/lb) foreign currency exchange rates (2017 - €/USD:1.15, USD/SEK:8.40, CLP/USD:650) and operating costs. All figures in are in \$US unless otherwise noted.

⁴ 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.

- At Candelaria spending on the Los Diques tailings facility is expected to amount to \$135 million in 2017 and a further \$30 million in 2018. Originally budgeted at approximately \$400 million, total project costs are now estimated at approximately \$295 million as a result of design innovation, and productivity on self-performed civil works and synergies with Candelaria operations.
- Capitalized stripping expenditures at Candelaria are estimated to be \$105 million in 2017 as we aim to move more waste material in stripping to ensure production requirement and flexibility for future years.
- At Neves-Corvo capital costs are expected to total approximately \$50 million, excluding potential expenditures on the ZEP.
- At Zinkgruvan capital costs are estimated to total \$45 million which includes approximately \$5 million remaining to spent on the 1350 Expansion Project prior to commissioning in mid-2017.

2017 Exploration Investment

Exploration expenditures, not including Tenke, are expected to be approximately \$65 million in 2017. This is a near 40% increase over estimated 2016 expenditures reflecting focus on aggressive in-mine and near-mine exploration programs at Candelaria, Eagle, and rejuvenation of the programs at Zinkgruvan and Neves-Corvo. Approximately \$56 million is expected to be directed toward in and near-mine targets (\$32 million at Candelaria and \$16 million at Eagle), with the remainder to advance exploration activities at our existing mines and budgeted activities for new South American and Eastern European exploration projects.

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, until its announced sale has been concluded, 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 30, 2016 at 5:05 p.m. Eastern Time.

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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 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.