

NEWS RELEASE

Lundin Mining Third Quarter Results

Toronto, October 27, 2021 (TSX: LUN; Nasdaq Stockholm: LUMI) Lundin Mining Corporation

“Lundin Mining” or the “Company”) today reported cash flows of \$523.1 million generated from operations in its third quarter. Adjusted operating cash flow² was \$294.1 million (\$0.40 per share) and free cash flow² was \$407.0 million for the quarter ended September 30, 2021. Net earnings attributable to Lundin Mining shareholders for the quarter was \$173.7 million (\$0.24 per share). Adjusted earnings² were \$168.4 million (\$0.23 per share) and adjusted EBITDA² were \$411.3 million for the quarter.

Marie Inkster, President and CEO commented, “We continued to take advantage of the favourable base metal prices setting a second consecutive quarterly free cash flow record with generation of over \$400 million. This was underpinned by strong operational performance, most notably with quarter-over-quarter production increases and cash cost improvements at Chapada and Zinkgruvan. Importantly, the Zinc Expansion Project shaft upgrades and major maintenance at both at Neves-Corvo and Candelaria were successfully completed, positioning the fourth quarter to be the strongest of the year.”

Summary Financial Results

US\$ Millions (except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Revenue	756.4	600.7	2,310.2	1,512.0
Gross profit	303.9	199.3	936.6	318.8
Attributable net earnings ¹	173.7	122.4	551.6	49.6
Net earnings (loss)	190.6	133.6	613.2	68.3
Adjusted earnings ^{1,2}	168.4	106.4	539.1	120.0
Adjusted EBITDA ²	411.3	300.3	1,246.5	622.1
Basic and diluted net earnings per share ¹	0.24	0.17	0.75	0.07
Adjusted basic and diluted earnings per share ^{1,2}	0.23	0.14	0.73	0.16
Cash flow from operations	523.1	272.2	1,100.8	393.2
Adjusted operating cash flow ²	294.1	262.0	1,005.6	468.9
Adjusted operating cash flow per share ²	0.40	0.36	1.36	0.64
Free cash flow ²	407.0	194.5	762.0	120.4
Cash and cash equivalents	428.3	222.0	428.3	222.0
Net cash (debt) ²	390.7	(124.0)	390.7	(124.0)

¹ Attributable to shareholders of Lundin Mining Corporation.

² These are non-GAAP measures. Please refer to the Company's discussion of non-GAAP measures in its Management's Discussion and Analysis for the three and nine months ended September 30, 2021.

Highlights

Operational Performance

Total copper, zinc and gold production for the third quarter of 2021 were higher than the prior year quarter and previous quarter while nickel production declined as expected, due to lower grades. Chapada set a new record for throughput in the quarter, approximately 5% higher than the previous quarter and 34% higher than the third quarter of 2020. Production and cash costs¹ for the quarter for all sites are on track to meet annual guidance.

Candelaria (80% owned): Candelaria produced 35,929 tonnes of copper, and approximately 20,000 ounces of gold in concentrate on a 100% basis in the quarter. Copper and gold production was comparable to the prior year quarter. Copper cash costs of \$1.62/lb for the current quarter were higher than the prior year quarter largely owing to the impact of higher mining costs.

Chapada (100% owned): Chapada produced 16,050 tonnes of copper and approximately 26,000 ounces of gold in concentrate in the quarter. Copper and gold production increased compared to the prior year quarter and also over the previous quarter primarily due to record quarterly throughput. Copper cash costs of \$0.62/lb for the quarter were higher than the prior year quarter due mainly to higher mining costs resulting from inflationary pressures though were better than plan and the previous quarter.

Eagle (100% owned): Eagle produced 4,124 tonnes of nickel and 4,165 tonnes of copper during the quarter, which was lower than the prior year quarter due to lower throughput, grades and recoveries. By-product credits, aided by favourable copper prices, exceeded gross cash costs in the quarter resulting in nickel cash costs of negative \$0.80/lb.

Neves-Corvo (100% owned): Neves-Corvo produced 8,083 tonnes of copper for the quarter and 15,909 tonnes of zinc with production of both metals exceeding the prior year comparable period. Higher copper production resulted from higher head grades, while zinc production was higher primarily due to improved throughput and recoveries. Copper cash costs of \$2.05/lb for the quarter were higher than the prior year quarter primarily due to inflationary increases in consumables, as well as unfavourable foreign exchange.

The Zinc Expansion Project ("ZEP") continues to progress on schedule and on budget. Upgrades to the shaft were completed during the annual maintenance shutdown which impacted production in the quarter as planned. Production ramp up to full production rates is scheduled for the first half of 2022.

Zinkgruvan (100% owned): Zinc production of 22,860 tonnes and lead production of 6,952 tonnes were both higher than the prior year comparable period as well as the previous quarter due to higher grades and recoveries. Zinc cash costs of \$0.32/lb were better than the prior year quarter largely due to higher sales volumes.

Total Production

(Contained metal in concentrate)	2021				2020				
	YTD	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper (t) ^a	185,888	65,077	63,457	57,354	230,781	41,885	61,444	65,285	62,167
Zinc (t)	106,967	38,769	34,833	33,365	142,744	41,428	32,787	31,582	36,947
Gold (koz) ^a	121	46	41	34	163	35	45	44	39
Nickel (t)	14,252	4,124	4,774	5,354	16,718	4,909	4,854	3,380	3,575

a - Candelaria's production is on a 100% basis.

¹ This is a non-GAAP measure. Please refer to the Company's discussion of non-GAAP measures in its Management's Discussion and Analysis for the three and nine months ended September 30, 2021.

Corporate Highlights

- On September 9, 2021, the Company announced that the Company's President and Chief Executive Officer, Ms. Marie Inkster, will be stepping down and that Mr. Peter Rockandel, currently Senior Vice President, Corporate Development and Investor Relations, will assume the role. The transition has progressed extremely well and the Board of Directors, management and Ms. Inkster have agreed the process will be successfully complete at the end of October. Mr. Rockandel will assume the role of President and Chief Executive Officer as of November 1, 2021. Ms. Inkster will remain as an employee of the Company and on the Board of Directors until December 31, 2021.
- On September 13, 2021, the Company reported its Mineral Resource and Mineral Reserve estimates as at June 30, 2021. On a consolidated and attributable basis, estimated contained metal in the Proven and Probable Mineral Reserve categories totalled 5,302 kt of copper, 2,813 kt of zinc, 77 kt of nickel, 913 kt of lead and 6.6 million ounces of gold.

Financial Performance

- Gross profit for the quarter ended September 30, 2021 was \$303.9 million, an increase of \$104.6 million compared to the prior year quarter. On a year-to-date basis, gross profit was \$936.6 million, an increase of \$617.8 million over the prior year comparative period. The increases were primarily due to higher realized metal prices net of price adjustments (Q3 - \$119.6 million, YTD - \$761.8 million), partially offset by higher production costs and, on a year-to-date basis, the unfavourable effects of foreign exchange (\$29.7 million). Total production costs were in line with expectations.
- Net earnings for the quarter ended September 30, 2021 were \$190.6 million, an increase of \$57.0 million compared to the prior year quarter. On a year-to-date basis, net earnings were \$613.2 million, an increase of \$544.9 million from the prior year comparative period. The increases were attributable to higher gross profit partially offset by higher income tax expense.
- Adjusted earnings for the quarter were \$168.4 million, an increase of \$62.0 million over the prior year quarter. On a year-to-date basis, adjusted earnings were \$539.1 million, \$419.1 million higher than the prior year. The increases were primarily due to higher gross profit partially offset by higher income taxes and higher net earnings attributable to non-controlling interests.

Financial Position and Financing

- Cash and cash equivalents of \$428.3 million as at September 30, 2021 represents an increase of \$133.4 million during the quarter. Cash flow from operations of \$523.1 million was used to invest in capital expenditures (\$133.8 million), pay shareholder dividends of \$104.7 million (including an inaugural performance dividend) and for distributions to non-controlling interests (\$20.0 million). The Company also repaid \$100.7 million in debt on a net basis.
- On a year-to-date basis, cash and cash equivalents increased by \$286.9 million. Cash flow from operations of \$1,100.8 million was used to invest in capital expenditure (\$378.2 million), to repay debt (\$162.0 million), pay shareholder dividends (\$175.9 million) and for distributions to non-controlling interests (\$36.0 million).
- Free cash flow for the three and the nine months ended September 30, 2021 has increased (Q3 - \$212.6 million, YTD - \$641.6 million) over the prior year comparative periods due to higher cash provided by operating activities.
- As at September 30, 2021, the Company had a net cash balance of \$390.7 million. As at October 27, 2021, the Company had a cash and net cash balance of approximately \$445.0 million and \$405.0 million, respectively.

Outlook

All operations' production guidance and full year cash cost guidance remains unchanged.

While the Company has not experienced significant disruptions to production, shipments of concentrate, or its supply chain due to COVID-19, we continue to caution that a localized outbreak at the operations may require the need to implement increased isolation and containment measures which could impact production, delay maintenance activities or disrupt supply chains. Given the uncertainty of the duration and magnitude of the impact of COVID-19, production and cash cost estimates are subject to a higher than normal degree of uncertainty. The guidance below does not reflect any potential for additional suspensions or other significant disruption to operations due to COVID-19.

2021 Production and Cash Cost Guidance^a

		Production		Cash Costs ^b
Copper (t)	Candelaria (100%)	150,000	- 155,000	\$1.55/lb ^c
	Chapada	48,000	- 50,000	\$1.10/lb ^d
	Eagle	18,000	- 20,000	
	Neves-Corvo	36,000	- 38,000	\$2.10/lb ^c
	Zinkgruvan	3,000	- 4,000	
	Total	255,000	- 267,000	
Zinc (t)	Neves-Corvo	67,000	- 70,000	
	Zinkgruvan	73,000	- 76,000	\$0.65/lb ^c
	Total	140,000	- 146,000	
Gold (oz)	Candelaria (100%)	85,000	- 90,000	
	Chapada	73,000	- 76,000	
	Total	158,000	- 166,000	
Nickel (t)	Eagle	18,000	- 20,000	\$(1.00)/lb

a. Guidance as outlined in the Management's Discussion and Analysis for the three and six months ended June 30, 2021 in the Outlook section.

b. Cash costs are based on various assumptions and estimates, including but not limited to: production volumes, as noted above, commodity prices (Cu: \$4.30/lb, Zn: \$1.25/lb, Pb: \$0.95/lb, Au: \$1,800/oz), foreign exchange rates (€/USD:1.20, USD/SEK:8.50, USD/CLP:730, USD/BRL:5.10) and production costs for the remainder of 2021.

c. 68% of Candelaria's total gold and silver production are subject to a streaming agreement and silver production at Zinkgruvan and Neves-Corvo are also subject to streaming agreements. Cash costs are calculated based on receipt of approximately \$416/oz gold and \$4.16/oz to \$4.48/oz silver.

d. Chapada cash costs are calculated on a by-product basis and do not include the effects of its copper stream agreements. Effects of copper stream agreements are reflected in copper revenue and will impact realized revenue per pound.

2021 Capital Expenditure Guidance

Total capital expenditure guidance has been decreased by \$40.0 million after taking into account current spend to date.

(\$ millions)	Previous Guidance ^a	Revisions	Revised Guidance
Candelaria (100% basis)	345	(20)	325
Chapada	65	(10)	55
Eagle	20	-	20
Neves-Corvo	65	(5)	60
Zinkgruvan	50	(5)	45
Total Sustaining Capital	545	(40)	505
Zinc Expansion Project (Neves-Corvo)	70	-	70
Total Capital Expenditures	615	(40)	575

a. Guidance as outlined in the Management's Discussion and Analysis for the three and six months ended June 30, 2021.

2021 Exploration Investment Guidance

Total planned exploration expenditures are expected to be \$40.0 million in 2021, unchanged from previous guidance. Approximately \$36.0 million will be spent supporting significant in-mine and near-mine targets at our operations (\$16.0 million at Chapada, \$11.0 million at Candelaria, \$6.0 million at Zinkgruvan and \$3.0 million at Neves-Corvo). The remaining amount supports Corporate Exploration Initiatives and new business development projects.

About Lundin Mining

Lundin Mining is a diversified Canadian base metals mining company with operations in Brazil, Chile, Portugal, Sweden and the United States of America, primarily producing copper, zinc, gold and nickel.

The information in this release is subject to the disclosure requirements of Lundin Mining under the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below on October 27, 2021 at 18:00 Eastern Time.

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Cautionary Statement on Forward-Looking Information

Certain of the statements made and information contained herein is “forward-looking information” within the meaning of applicable Canadian securities laws. All statements other than statements of historical facts included in this document constitute forward-looking information, including but not limited to statements regarding the Company’s plans, prospects and business strategies; the Company’s guidance on the timing and amount of future production and its expectations regarding the results of operations; expected costs; permitting requirements and timelines; timing and possible outcome of pending litigation; the results of any Preliminary Economic Assessment, Feasibility Study, or Mineral Resource and Mineral Reserve estimations, life of mine estimates, and mine and mine closure plans; anticipated market prices of metals, currency exchange rates, and interest rates; the development and implementation of the Company’s Responsible Mining Management System; the Company’s ability to comply with contractual and permitting or other regulatory requirements; anticipated exploration and development activities at the Company’s projects; and the Company’s integration of acquisitions and any anticipated benefits thereof. Words such as “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “goal”, “aim”, “intend”, “continue”, “budget”, “estimate”, “may”, “will”, “can”, “could”, “should”, “schedule” and similar expressions identify forward-looking statements.

Forward-looking information is necessarily based upon various estimates and assumptions including, without limitation, the expectations and beliefs of management, including that the Company can access financing, appropriate equipment and sufficient labor; assumed and future price of copper, nickel, zinc, gold and other metals; anticipated costs; ability to achieve goals; the prompt and effective integration of acquisitions; that the political environment in which the Company operates will continue to support the development and operation of mining projects; and assumptions related to the factors set forth below. While these factors and assumptions are considered reasonable by Lundin Mining as at the date of this document in light of management’s experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and undue reliance should not be placed on such statements and information. Such factors include, but are not limited to: risks inherent in mining including but not limited to risks to the environment, industrial accidents, catastrophic equipment failures, unusual or unexpected geological formations or unstable ground conditions, and natural phenomena such as earthquakes, flooding or unusually severe weather; uninsurable risks; global financial conditions and inflation; changes in the Company’s share price, and volatility in the equity markets in general; volatility and fluctuations in metal and commodity prices; the threat associated with outbreaks of viruses and infectious diseases, including the COVID-19 virus; changing taxation regimes; reliance on a single asset; delays or the inability to obtain, retain or comply with permits; risks related to negative publicity with respect to the Company or the mining industry in general; health and safety risks; exploration, development or mining results not being consistent with the Company’s expectations; unavailable or inaccessible infrastructure and risks related to ageing infrastructure; actual ore mined and/or metal recoveries varying from Mineral Resource and Mineral Reserve estimates, estimates of grade, tonnage, dilution, mine plans and metallurgical and other characteristics; risks associated with the estimation of Mineral Resources and Mineral Reserves and the geology, grade and continuity of mineral deposits including but not limited to models relating thereto; ore processing efficiency; community and stakeholder opposition; information technology and cybersecurity risks; potential for the allegation of fraud and corruption involving the Company, its customers, suppliers or employees, or the allegation of improper or discriminatory employment practices, or human rights violations; regulatory investigations, enforcement, sanctions and/or related or other litigation; uncertain political and economic environments, including in Brazil and Chile; risks associated with the structural stability of waste rock dumps or tailings storage facilities; estimates of future production and operations; estimates of operating, cash and all-in sustaining cost estimates; civil disruption in Chile; the potential for and effects of labor disputes or other unanticipated difficulties with or shortages of labor or interruptions in production; risks related to the environmental regulation and environmental impact of the Company’s operations and products and management thereof; exchange rate fluctuations; reliance on third parties and consultants in foreign jurisdictions; climate change; risks relating to attracting and retaining of highly skilled employees; compliance with environmental, health and safety laws; counterparty and credit risks and customer concentration; litigation; risks inherent in and/or associated with operating in foreign countries and emerging markets; risks related to mine closure activities and closed and historical sites; changes in laws, regulations or policies including but not limited to those related to mining regimes, permitting and approvals, environmental and tailings management, labor, trade relations, and transportation; internal controls; challenges or defects in title; the estimation of asset carrying values; historical environmental liabilities and ongoing reclamation obligations; the price and availability of key operating supplies or services; competition; indebtedness; compliance with foreign laws; existence of significant shareholders; liquidity risks and limited financial resources; funding requirements and availability of financing; enforcing legal rights in foreign jurisdictions; dilution; risks relating to dividends; risks associated with acquisitions and related integration efforts, including the ability to achieve anticipated benefits, unanticipated difficulties or expenditures relating to integration and diversion of management time on integration; activist shareholders and proxy solicitation matters; and other risks and uncertainties, including but not limited to those described in the “Risk and Uncertainties” section of the Annual Information Form and the “Managing Risks” section of the Company’s MD&A for the year ended December 31, 2020, which are available on SEDAR at www.sedar.com under the Company’s profile. All of the forward-looking statements made in this document are qualified by these cautionary statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, forecast or intended and readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. 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 information. Accordingly, there can be no assurance that forward-looking information will prove to be accurate and forward-looking information is not a guarantee of future performance. Readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this document. The Company disclaims any intention or obligation to update or revise forward-looking information or to explain any material difference between such and subsequent actual events, except as required by applicable law.