lundin mining

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NEWS RELEASE

Lundin Mining Fourth Quarter and Full Year 2022 Results

Toronto, February 22, 2023 (TSX: LUN; Nasdaq Stockholm: LUMI) Lundin Mining Corporation ("Lundin Mining" or the "Company") today reported net earnings attributable to Lundin Mining shareholders of $145.6 million ($0.19 per share) in the fourth quarter and $426.9 million ($0.56 per share) for the year ended December 31, 2022. Adjusted earnings[1] were $191.5 million ($0.25 per share) for the quarter and $482.8 million ($0.63 per share) for the year. Adjusted EBITDA[1] for the quarter and year were $353.7 million and $1,292.5 million, respectively.

"The Lundin Mining team delivered solid operating and financial results in 2022. Despite challenging site-specific and global inflationary conditions, production guidance was achieved for copper, nickel and gold, and we generated over $3.0 billion in revenue, nearly $1.0 billion of adjusted operating cash flow and $1.3 billion of adjusted EBITDA. We also returned over $330 million to our shareholders in dividends and share buybacks," commented Peter Rockandel, CEO.

Mr. Rockandel added, "In 2023, we are focused on delivering-to-plan at each of our operations while diligently advancing our significant growth projects. Our long-life cost-competitive mines and strong financial position, provide a solid base for us to create value and material growth beyond the ~400,000 tonnes of copper-equivalent production we delivered in 2022."

Summary Financial Results

	Three months ended December 31,		Year ended December 31,	
US$ Millions (except per share amounts)	**2022**	2021	**2022**	2021
Revenue	**811.4**	1,018.6	**3,041.2**	3,328.8
Gross profit	**155.2**	433.2	**762.6**	1,369.7
Attributable net earnings[2]	**145.6**	228.8	**426.9**	780.3
Net earnings	**145.3**	266.1	**463.5**	879.3
Adjusted earnings (loss) [1,2]	**191.5**	281.5	**482.8**	820.6
Adjusted EBITDA[1]	**353.7**	623.0	**1,292.5**	1,869.4
Basic and diluted earnings per share ("EPS")[2]	**0.19**	0.31	**0.56**	1.06
Adjusted EPS[1,2]	**0.25**	0.38	**0.63**	1.11
Cash flow from operations	**156.9**	384.2	**876.9**	1,485.0
Adjusted operating cash flow[1]	**289.1**	481.5	**992.9**	1,487.1
Adjusted operating cash flow per share[1]	**0.38**	0.65	**1.30**	2.02
Free cash flow from operations[1]	**(35.7)**	256.2	**381.4**	1,054.5
Free cash flow[1]	**(124.3)**	230.3	**34.1**	953.2
Cash and cash equivalents	**191.4**	594.1	**191.4**	594.1
Net (debt) cash[1]	**(10.9)**	563.1	**(10.9)**	563.1

[1] These are non-GAAP measures. Please refer to the Company's discussion of non-GAAP and other performance measures in its Management's Discussion and Analysis for the year ended December 31, 2022 and the Reconciliation of Non-GAAP Measures section at the end of this news release.
[2] Attributable to shareholders of Lundin Mining Corporation.

Highlights

For the year ended December 31, 2022, the Company generated revenue in excess of $3.0 billion (2021 - $3.3 billion). The Company achieved gross profit of $762.6 million (2021 - $1,369.7 million) and adjusted EBITDA of $1,292.5 million (2021 - $1,869.4 million). The Company remains in a strong balance sheet position maintaining low leverage with ample liquidity available.

Total copper and gold production substantially achieved the most recent guidance, with gold at the top end of the guidance range. Total zinc produced exceeded the prior year but was below the guidance range. Total nickel produced achieved guidance. Production costs and C1 costs were higher than the prior year primarily due to inflationary impacts on consumables, particularly diesel and electricity, as well as on contractor costs, partially offset by favourable foreign exchange.

Operational Performance

Candelaria (80% owned): Candelaria produced, on a 100% basis, 152,042 tonnes of copper, approximately 86,000 ounces of gold and 1.6 million ounces of silver in concentrate during the year. Production of copper was higher than the prior year due to higher grades. Gold production was lower than the prior year due to throughput. Copper production was modestly below guidance but gold production was within the guidance range. Production costs were higher than the prior year due primarily to higher costs for energy and consumables. Copper cash cost[1] of $1.96/lb were higher than the annual guidance due primarily to bonuses paid resulting from early successful union negotiations, and higher than the prior year due to the impact of higher production costs, partially offset by a weaker CLP.

Chapada (100% owned): Chapada produced 45,739 tonnes of copper and approximately 68,000 ounces of gold, with both metals lower than the prior year due to mine sequencing impacting grades as a result of above average rainfall experienced in the first half of 2022. Copper production was within the guidance range and gold production exceeded guidance. Production costs were higher than the prior year due to higher costs for energy and other input costs. Full year copper cash cost of $2.08/lb was better than guidance.

Eagle (100% owned): Eagle's production of 17,475 tonnes of nickel and 15,895 tonnes of copper were both lower than the prior year due to planned lower grades. Both metals achieved annual guidance. Production costs were higher than the prior year due to higher energy and consumable costs. Nickel cash cost of $0.79/lb was higher than the prior year as a result of higher production costs and exceeded guidance due to by-product copper prices.

Neves-Corvo (100% owned): Neves-Corvo produced 31,906 tonnes of copper and 82,435 tonnes of zinc during the year. Copper production was lower than prior year due to lower grades and recoveries, while zinc production was higher than the prior year as a result of increased throughput from ZEP ("Zinc Expansion Project"). However, both metals were below guidance. Production costs were higher than the prior year due primarily to inflationary impacts on electricity, partially offset by a weaker Euro. Copper cash cost of $2.27/lb for the year was higher than the prior year due to increased production costs. Cash cost was higher than guidance due to higher production costs and lower zinc by-product volumes.

Zinkgruvan (100% owned): Zinc production of 76,503 tonnes was below the prior year and annual guidance due to grades. Lead production of 30,517 tonnes was higher than the prior year due to higher grades. Production costs were higher than the prior year, but on a per unit basis, zinc cash cost of $0.32/lb for the current year was better than guidance and prior year due to higher by-product credits.

Total Production

(Contained metal in concentrate)[a]	2022					2021				
	YTD	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper (t)[b]	**249,659**	56,552	63,930	64,096	65,081	262,884	76,996	65,077	63,457	57,354
Zinc (t)	**158,938**	44,308	40,327	41,912	32,391	143,797	36,830	38,769	34,833	33,365
Gold (koz)[b]	**154**	36	45	39	34	167	46	46	41	34
Nickel (t)	**17,475**	4,096	4,379	4,719	4,281	18,353	4,101	4,124	4,774	5,354

a. Tonnes (t) and thousands of ounces (koz)

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

[1] These are non-GAAP measures. Please refer to the Company's discussion of non-GAAP and other performance measures in its Management's Discussion and Analysis for the year ended December 31, 2022 and the Reconciliation of Non-GAAP Measures section at the end of this news release.

Corporate Updates

- On February 17, 2022, the Company declared a semi-annual performance dividend of C$0.11 per share.
- On March 23, 2022, the Company announced the appointment of Ms. Juliana Lam to the Company's Board of Directors effective the same date. The Company also announced the retirement of Director Mr. Peter Jones effective as at the Company's 2022 annual shareholders meeting.
- On March 30, 2022, and September 30, 2022, the Company reported two independent fatalities at its Neves-Corvo mine in Portugal. Operations were voluntarily temporarily suspended following each incident and relevant authorities were notified. Mandatory regulatory investigations were commenced and the Company continues to cooperate fully with those investigations.
- On April 26, 2022, the Company executed a fourth amended and restated credit agreement that increased its revolving credit facility (the "Credit Facility" or the "Credit Agreement") to $1,750.0 million (previously $800.0 million with a $200.0 million accordion option), reduced the cost of borrowing, and extended the term to April 2027, from August 2023. The amended Credit Facility bears interest on drawn funds at rates of Term Secured Overnight Financing Rate ("Term SOFR") + Credit Spread Adjustment ("CSA") + 1.45% to Term SOFR+CSA+2.50% depending upon the Company's net leverage ratio, reduced from LIBOR+1.75% to LIBOR+2.75%, previously. The amendment and restatement provides the Company with more favourable covenants, reduced security on assets and included other customary revisions. On February 16, 2023, the Company received commitments from the lenders of the revolving Credit Facility to, upon completion and execution of the First Amendment to the Fourth Amended and Restated Credit Agreement, extend the term by one year to April 2028 and reduce the Credit Spread Adjustment.
- On April 28, 2022, the Company completed the plan of arrangement (the "Arrangement") to acquire all of the issued and outstanding shares of Josemaria Resources Inc. ("Josemaria Resources"). Under the terms of the Arrangement, Josemaria Resources shareholders were provided with the right to elect to receive (i) 0.1487 of a common share of Lundin Mining (each whole share, a "Lundin Mining Share") per Josemaria Resources common share ("Josemaria Resources Share") plus C$0.11 for each whole Lundin Mining Share issued to such shareholder; (ii) or C$1.60 in cash for each Josemaria Resources Share; (iii) or any combination thereof, subject to pro-ration of a total maximum number Lundin Mining Shares and cash consideration. Pursuant to the acquisition, the Company paid an aggregate of $144.4 million in cash and issued 40,031,936 Lundin Mining Shares to Josemaria Resources shareholders.
- On May 12, 2022, following the Company's annual shareholders meeting, the Company announced the appointment of Mr. Adam Lundin as the Chair of the Board of Directors following the retirement of Mr. Lukas H. Lundin.
- On July 19, 2022, the Company announced the publication of its 2021 Sustainability Report, which highlighted its new Focused on the Future long-term sustainability strategy which included a 35% reduction target in greenhouse gas emissions by 2030.
- On July 27, 2022, the Company announced the passing of the Company's founder and former Chairman, Mr. Lukas H. Lundin. The Company also announced the appointment of Ms. Natasha Vaz to the Company's Board of Directors, and the following executive leadership appointments: Mr. Juan Andres Morel, Senior Vice President and Chief Operating Officer; Mr. Teitur Poulsen, Senior Vice President and Chief Financial Officer; Mr. David Dicaire, Senior Vice President, Josemaria Project; and Ms. Kristen Mariuzza, Senior Vice President, Sustainability, Health and Safety.
- On July 30, 2022, a sinkhole was detected near the Company's Alcaparrosa mine in Chile. All personnel at the operation and in the community were safe and the appearance of the sinkhole did not result in any injuries. All mining operations at the Alcaparrosa underground mine remain suspended and the Company mobilized resources in support of the ongoing investigation.
- On October 12, 2022, the Company announced the passing of its Board member Ms. Karen Poniachik, who had served on the Board of Directors since February 2021.
- On December 5, 2022, the Company announced that it had renewed its Normal Course Issuer Bid ("NCIB") which allows the Company to purchase up to 65,313,173 common shares over a period of twelve months commencing on December 9, 2022 and expiring on December 8, 2023. As at February 22, 2023, the Company has not purchased any common shares under the renewed NCIB.
- On December 6, 2022, the Company announced the appointment of Mr. Jack Lundin as President. Concurrently, Mr. Jack Lundin has stepped down from the Company's Board of Directors.
- During the last quarter of 2022, the Company decided to relocate its corporate head office from Toronto to Vancouver, Canada, to be effective in the second half of 2023.
- On February 8, 2023, the Company reported (1) a maiden Mineral Resource for the Saúva deposit and (2) its Mineral Resource and Mineral Reserve estimates as at December 31, 2022 (or as otherwise specified therein).

Financial Performance

- Gross profit for the year ended December 31, 2022 was $762.6 million, which was $607.1 million lower than the prior year due to lower metal prices, higher operating costs impacted by inflation partially offset by favourable foreign exchange impacts.
- Adjusted EBITDA of $1,292.5 million for the year ended December 31, 2022 was 31% lower than the prior year due to lower gross profit before depreciation.
- For the year ended December 31, 2022 net earnings of $463.5 million were 47% lower than the prior year due to lower gross profit and higher project development costs partially offset by lower income taxes, higher foreign exchange and trading gain on equity investment as well as unrealized gain on revaluation of hedges.
- Adjusted earnings of $482.8 million for the year ended December 31, 2022 were 41% lower than the prior year due to lower net earnings.

Financial Position and Financing

- During the year ended December 31, 2022 cash and cash equivalents decreased by $402.7 million. Cash flow from operations of $876.9 million was used to fund investing activities of $1,013.4 million, which includes the Josemaria Resources acquisition. Cash used for financing activities were $251.6 million which includes the payment of shareholder dividends of $275.4 million, share repurchase of $59.4 million and distributions to non-controlling interests partially offset by net proceeds from debt.
- As at December 31, 2022, the Company had a net debt balance of $10.9 million. Excluding the impact of finance leases the Company would be in a net cash position. Net debt changed from a net cash position during the year due to the activities described above for cash and cash equivalents.
- As at February 22, 2023, the Company had cash and net debt balances of approximately $220.0 million and $15.0 million, respectively.

Outlook

Guidance for 2023 remains unchanged from that provided on January 12, 2023 (see news release "Lundin Mining Announces 2022 Production Results & Provides 2023 Guidance").

2023 Production and Cash Cost Guidance

		Guidance[a]			
		Production			Cash Costs (lb)[b]
Copper (t)	Candelaria (100%)	145,000	-	155,000	1.80 - 1.95[c]
	Chapada	43,000	-	48,000	2.55 - 2.75[d]
	Eagle	12,000	-	15,000	
	Neves-Corvo	33,000	-	38,000	2.10 - 2.30[c]
	Zinkgruvan	3,000	-	4,000	
	Total	**236,000**	**-**	**260,000**	
Zinc (t)	Neves-Corvo	100,000	-	110,000	
	Zinkgruvan	80,000	-	85,000	0.60 - 0.65[c]
	Total	**180,000**	**-**	**195,000**	
Gold (koz)	Candelaria (100%)	85	-	90	
	Chapada	55	-	60	
	Total	**140**	**-**	**150**	
Nickel (t)	**Eagle**	**13,000**	**-**	**16,000**	1.50 - 1.65

a. Guidance as outlined in the news release "Lundin Mining Announces 2022 Production and Provides 2023 Guidance), dated January 12, 2023.
b. Cash costs are based on various assumptions and estimates, including but not limited to: production volumes, as noted above, commodity prices (Cu: $3.75/lb, Zn: $1.30/lb, Pb: $0.90/lb, Au: $1,750/oz), foreign exchange rates (€/USD:1.00, USD/SEK:10.50, USD/CLP:850, USD/BRL:5.00) and production costs.
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 $425/oz gold and $4.25/oz to $4.57/oz silver.
d. Chapada cash cost is calculated on a by-product basis and does not include the effects of its copper stream agreements. Effects of the copper stream agreements are reflected in copper revenue and will impact realized price per pound.

2023 Capital Expenditure Guidance[a,b]

	($ millions)
Candelaria (100% basis)	400
Chapada	70
Eagle	20
Neves-Corvo	130
Zinkgruvan	70
Other	10
Total Sustaining Capital	**700**
Josemaria	400
Total Capital Expenditures	**1,100**

a. Guidance as outlined in the news release dated January 12, 2023.
b. Sustaining capital expenditure is a supplementary financial measure and expansionary capital expenditure is a non-GAAP measure – see Section "Non-GAAP and Other Performance Measures" of this MD&A for discussion.

2023 Exploration Investment Guidance

Exploration expenditures are planned to be $45.0 million in 2023 primarily for in-mine and near-mine targets. The largest portion of the planned expenditures are to be at Candelaria and Chapada with the remaining operations and new business development activities comprising the balance.

About Lundin Mining

Lundin Mining is a diversified Canadian base metals mining company with projects and operations in Argentina, 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 February 22, 2023 at 19:15 Eastern Time.

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Technical Information

The scientific and technical information in this press release has been prepared in accordance with the disclosure standards of National Instrument 43-101 (“NI 43-101”) and has been reviewed by Arman Barha, P.Eng., Vice President, Technical Services of the Company, a "Qualified Person" under NI 43-101. Mr. Barha has verified the data disclosed in this release and no limitations were imposed on his verification process.

Reconciliation of Non-GAAP Measures

The Company uses certain performance measures in its analysis. These performance measures have no standardized meaning within generally accepted accounting principles under International Financial Reporting Standards and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. For additional details please refer to the Company’s discussion of non-GAAP and other performance measures in its Management’s Discussion and Analysis for the year ended December 31, 2022 which is available on SEDAR at www.sedar.com.

Adjusted EBITDA can be reconciled to the Company's Consolidated Statement of Earnings as follows:

	Three months ended December 31,		Year ended December 31,	
($thousands)	**2022**	2021	**2022**	2021
Net earnings	**145,295**	266,070	**463,533**	879,301
Add back:				
Depreciation, depletion and amortization	**142,710**	145,367	**554,750**	522,764
Finance income and costs	**16,664**	11,070	**64,185**	41,387
Income taxes	**(2,347)**	127,495	**134,628**	365,686
	302,322	550,002	**1,217,096**	1,809,138
Unrealized foreign exchange	**(3,836)**	24,121	**21,164**	27,648
Unrealized (gain) loss of derivative asset and liability	**(59,681)**	4,581	**(58,691)**	3,836
Income from investment in associates	**—**	(2,661)	**(3,297)**	(24,895)
Gain on disposal of subsidiary	**—**	—	**(16,828)**	—
Sinkhole costs	**55,482**	—	**63,271**	—
Ore stockpile inventory write-down	**62,546**	65,025	**62,546**	65,025
Business interruption insurance settlement	**—**	(16,000)	**—**	(16,000)
Other	**(3,117)**	(2,114)	**7,245**	4,664
Total adjustments - EBITDA	**51,394**	72,952	**75,410**	60,278
Adjusted EBITDA	**353,716**	622,954	**1,292,506**	1,869,416

Adjusted earnings and adjusted earnings per share can be reconciled to the Company's Consolidated Statement of Earnings as follows:

	Three months ended December 31,		Year ended December 31,	
($thousands, except share and per share amounts)	**2022**	2021	**2022**	2021
Net earnings attributable to Lundin Mining shareholders	**145,562**	228,780	**426,851**	780,348
Add back:				
Total adjustments - EBITDA	**51,394**	72,952	**75,410**	60,278
Tax effect on adjustments	**8,214**	(19,088)	**(797)**	(21,817)
Deferred tax arising from foreign exchange translation	**(14,469)**	(1,481)	**(20,733)**	1,730
Other	**829**	368	**2,026**	64
Total	**45,967**	52,751	**55,906**	40,255
Adjusted earnings	**191,529**	281,531	**482,757**	820,603
Basic weighted average number of shares outstanding	**770,804,446**	735,233,287	**762,518,753**	736,789,666
Net earnings attributable to shareholders	**0.19**	0.31	**0.56**	**1.06**
Total adjustments	**0.06**	0.07	**0.07**	**0.05**
Adjusted earnings per share	**0.25**	0.38	**0.63**	**1.11**

Adjusted operating cash flow and adjusted operating cash flow per share can be reconciled to cash provided by operating activities as follows:

	Three months ended December 31,		Year ended December 31,	
($thousands, except share and per share amounts)	**2022**	2021	**2022**	2021
Cash provided by operating activities	**156,890**	384,177	**876,889**	1,484,954
Changes in non-cash working capital items	**132,167**	97,326	**116,056**	2,136
Adjusted operating cash flow	**289,057**	481,503	**992,945**	1,487,090
Basic weighted average number of shares outstanding	**770,804,446**	735,233,287	**762,518,753**	736,789,666
Adjusted operating cash flow per share	**$ 0.38**	0.65	**1.30**	**2.02**

Free cash flow from operations can be reconciled to cash provided by operating activities as follows:

	Three months ended December 31,		Year ended December 31,	
($thousands)	**2022**	2021	**2022**	2021
Cash provided by operating activities	**156,890**	384,177	876,889	1,484,954
Sustaining capital expenditures	**(204,686)**	(136,560)	(639,831)	(475,373)
General exploration and business development	**12,094**	8,628	144,353	44,938
Free cash flow from operations	**(35,702)**	256,245	381,411	1,054,519
General exploration and business development	**(12,094)**	(8,628)	(144,353)	(44,938)
Expansionary capital expenditures	**(76,485)**	(17,358)	(202,993)	(56,388)
Free cash flow	**(124,281)**	230,259	34,065	953,193

Net (debt) cash can be reconciled as follows:

($thousands)	**December 31, 2022**	December 31, 2021
Cash and cash equivalents	**191,387**	594,069
Current portion of total debt and lease liabilities	**(170,149)**	(14,617)
Debt and lease liabilities	**(27,179)**	(16,386)
	(197,328)	(31,003)
Deferred financing fees (netted in above)	**(4,926)**	—
	(202,254)	(31,003)
Net (debt) cash	**(10,867)**	563,066

Cash Cost and All-in Sustaining Costs can be reconciled to the Company's operating costs as follows:

Three months ended December 31, 2022						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	33,561	12,037	3,239	6,351	17,635	
Pounds (000s)	73,990	26,537	7,141	14,001	38,878	
Production costs						450,927
Less: Royalties and other						(15,664)
						435,263
Deduct: By-product credits						(168,620)
Add: Treatment and refining						33,897
Cash cost	186,628	51,782	17,169	32,462	12,499	300,540
Cash cost per pound ($/lb)	**2.52**	**1.95**	**2.40**	**2.32**	**0.32**	
Add: Sustaining capital	117,174	41,299	5,968	22,086	16,607	
Royalties	—	3,137	9,152	3,185	—	
Reclamation and other closure accretion and depreciation	1,999	1,855	4,403	481	902	
Leases & other	4,360	932	638	835	118	
All-in sustaining cost	310,161	99,005	37,330	59,049	30,126	
AISC per pound ($/lb)	**4.19**	**3.73**	**5.23**	**4.22**	**0.77**	

Three months ended December 31, 2021						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	43,417	13,628	3,390	10,668	18,005	
Pounds (000s)	95,718	30,044	7,474	23,519	39,694	
Production costs						375,007
Less: Royalties and other						(15,192)
						359,815
Deduct: By-product credits						(180,394)
Add: Treatment and refining						35,963
Cash cost	125,630	32,255	(1,623)	36,065	23,057	215,384
Cash cost per pound ($/lb)	**1.31**	**1.07**	**(0.22)**	**1.53**	**0.58**	
Add: Sustaining capital	85,747	14,419	3,865	19,204	13,013	
Royalties	—	4,061	6,307	4,280	—	
Reclamation and other closure accretion and depreciation	1,961	859	1,841	528	993	
Leases & other	1,867	980	304	734	275	
All-in sustaining cost	215,205	52,574	10,694	60,811	37,338	
AISC per pound ($/lb)	**2.25**	**1.75**	**1.43**	**2.59**	**0.94**	

Year ended December 31, 2022						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	147,251	45,563	14,427	31,592	65,684	
Pounds (000s)	324,633	100,449	31,806	69,648	144,808	
Production costs						1,661,358
Less: Royalties and other						(53,785)
						1,607,573
Deduct: By-product credits						(656,534)
Add: Treatment and refining						124,841
Cash cost	637,486	209,238	25,168	158,351	45,637	1,075,880
Cash cost per pound ($/lb)	**1.96**	**2.08**	**0.79**	**2.27**	**0.32**	
Add: Sustaining capital	389,731	104,711	16,413	71,222	48,144	
Royalties	—	12,298	33,281	4,169	—	
Reclamation and other closure accretion and depreciation	8,001	7,388	18,512	1,562	3,937	
Leases & other	11,313	3,988	2,404	1,404	665	
All-in sustaining cost	1,046,531	337,623	95,778	236,708	98,383	
AISC per pound ($/lb)	**3.22**	**3.36**	**3.01**	**3.40**	**0.68**	
($000s, unless otherwise noted)			**2023 Guidance**			
Cash cost	599,800	263,500	46,100	180,400	90,100	
Cash cost per pound($/lb)	**1.80 - 1.95**	**2.55 - 2.75**	**1.50 - 1.65**	**2.10 - 2.30**	**0.60 - 0.65**	

Year ended December 31, 2021						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	148,213	47,123	15,012	36,618	64,056	
Pounds (000s)	326,753	103,888	33,096	80,729	141,219	
Production costs						1,371,253
Less: Royalties and other						(57,887)
						1,313,366
Deduct: By-product credits						(646,950)
Add: Treatment and refining						122,330
Cash cost	494,213	108,782	(40,883)	152,416	74,218	788,746
Cash cost per pound ($/lb)	**1.51**	**1.05**	**(1.24)**	**1.89**	**0.53**	
Add: Sustaining capital	312,388	52,275	16,279	52,552	41,325	
Royalties	—	13,858	28,241	9,856	—	
Reclamation and other closure accretion and depreciation	8,552	3,443	8,138	1,434	4,200	
Leases & other	6,753	3,456	1,772	4,049	1,370	
All-in sustaining cost	821,906	181,814	13,547	220,307	121,113	
AISC per pound ($/lb)	**2.52**	**1.75**	**0.41**	**2.73**	**0.86**	

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; the Company's integration of acquisitions and any anticipated benefits thereof; and expectations for other economic, business, and/or competitive factors. 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 labour; 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: global financial conditions, market volatility and inflation, including pricing and availability of key supplies and services; 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; project financing risks, liquidity risks and limited financial resources; volatility and fluctuations in metal and commodity demand and prices; delays or the inability to obtain, retain or comply with permits; significant reliance on a single asset; reputation risks related to negative publicity with respect to the Company or the mining industry in general; health and safety risks; risks relating to the development of the Josemaria Project; inability to attract and retain highly skilled employees; risks associated with climate change; compliance with environmental, health and safety laws and regulations; unavailable or inaccessible infrastructure, infrastructure failures, and risks related to ageing infrastructure; risks inherent in and/or associated with operating in foreign countries and emerging markets, including with respect to foreign exchange and capital controls; economic, political and social instability and mining regime changes in the Company's operating jurisdictions, including but not limited to those related to permitting and approvals, environmental and tailings management, labour, trade relations, and transportation; risks relating to indebtedness; the inability to effectively compete in the industry; 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; changing taxation regimes; risks related to mine closure activities, reclamation obligations, environmental liabilities and closed and historical sites; reliance on key personnel and reporting and oversight systems, as well as third parties and consultants in foreign jurisdictions; information technology and cybersecurity risks; 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; 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; ore processing efficiency; community and stakeholder opposition; financial projections, including estimates of future expenditures and cash costs, and estimates of future production may not be reliable; enforcing legal rights in foreign jurisdictions; environmental and regulatory risks associated with the structural stability of waste rock dumps or tailings storage facilities; activist shareholders and proxy solicitation matters; risks relating to dilution; regulatory investigations, enforcement, sanctions and/or related or other litigation; risks relating to payment of dividends; counterparty and customer concentration risks; the estimation of asset carrying values; risks associated with the use of derivatives; relationships with employees and contractors, and the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; conflicts of interest; existence of a significant shareholder; exchange rate fluctuations; challenges or defects in title; internal controls; compliance with foreign laws; 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; the threat associated with outbreaks of viruses and infectious diseases; risks relating to minor elements contained in concentrate products; and other risks and uncertainties, including but not limited to those described in the "Risk and Uncertainties" section of the Company's Annual Information Form and the "Managing Risks" section of the Company's MD&A for the year ended December 31, 2022, 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.