

NEWS RELEASE

Lundin Mining and BHP to Acquire Filo and Form a 50/50 Joint Venture to Progress the Filo del Sol and Josemaria Projects

Vancouver, July 29, 2024 (TSX: LUN; Nasdaq Stockholm: LUMI) Lundin Mining Corporation (“Lundin Mining” or the “Company”) and BHP have entered into a definitive agreement (the “Arrangement Agreement”) with Filo Corp. (TSX: FIL; Nasdaq First North Growth Market: FIL; OTCQX: FLMMF) (“Filo”) to jointly acquire 100% of Filo’s issued and outstanding common shares (each, a “Filo Share”) not already owned by Lundin Mining and BHP pursuant to a court-approved plan of arrangement (the “Filo Acquisition”). Under the terms of the Arrangement Agreement the offer implies a value of C\$33.00 per Filo Share, representing a premium of 32.2% to Filo’s unaffected 30-day volume weighted average price (“VWAP”) up to July 11, 2024.

Concurrently with the completion of the Filo Acquisition, Lundin Mining and BHP will form a 50/50 joint venture (the “Joint Venture”) to hold the Filo del Sol project (“FDS”) and Lundin Mining’s Josemaria project. BHP will pay Lundin Mining cash consideration of US\$690 million as consideration for Lundin Mining contributing the Josemaria project to the Joint Venture. The Joint Venture will create a long-term partnership between Lundin Mining and BHP to jointly develop an emerging copper district with world-class potential that could support a globally ranked mining complex.

Jack Lundin, Lundin Mining President and CEO, commented “This strategic transaction is the key to unlocking the enormous value that the Vicuña District represents. As we partner to acquire Filo del Sol, one of the world’s largest undeveloped copper-gold-silver deposits, with its true size yet to be defined, we are very excited about the future of the Company and our role in developing this region. Combined with our development-stage Josemaria project, we are now positioned to create a multi-generational mining district with significant synergies and cost savings on a scale that has the potential to become one of the world’s largest of its kind. Importantly, we gain a valued partner in BHP and together we aim to generate long-term value through combining complementary skills and experiences, foundational to our near-term goal of becoming a top-tier copper producer.”

Strategic Rationale

District Development Opportunity of the Filo del Sol and Josemaria Projects:

- **Facilitates development optionality at a district scale:** The proximity of the FDS and the Josemaria projects allows for the potential of infrastructure to be shared between the projects, with greater economies of scale and increased optionality for staged expansions, as well as the incorporation of future exploration as the district matures.
- **Accelerates development:** Leverages the advanced stage of engineering and permitting at the Josemaria project to progress and study a combined FDS and Josemaria projects on a phased development timeline that recognises improving investment conditions in Argentina and the copper demands of the global energy transition.

Alignment with Lundin Mining’s Strategy:

- **Secures an experienced partner for the development of the Vicuña district:** The partnership will benefit from BHP’s extensive global expertise in large-scale project development and integrated district-scale operations.

- **Maintains balance sheet strength:** The cash impact to Lundin Mining relating to the transaction is marginally positive with Lundin Mining paying aggregate cash consideration to the Filo shareholders of C\$859 million (US\$620 million) and receiving cash consideration of US\$690 million from BHP pursuant to the Josemaria Transaction (as defined below). Lundin Mining will continue to fund Josemaria on a 100% basis up to the end of the year, after which funding will be split 50/50 with BHP, subject to certain adjustment mechanisms.
- **Access to an emerging copper district with significant potential:** The large-scale, high-grade sulphide deposit at FDS is one of the most significant copper discoveries globally in recent decades.

The Benefits of the Filo Acquisition to Filo Shareholders Include:

- **Immediately crystallizes value at a compelling premium:** The Filo Acquisition provides Filo shareholders the opportunity to realize immediate value from the discovery of FDS at a compelling premium.
- **Continued exposure to the district:** The Filo Acquisition provides a path to develop FDS to its full potential, backed by two experienced copper miners. Filo shareholders will have the ability to retain exposure to the district through common shares of Lundin Mining (each, a “Lundin Share”).

Transaction Highlights

Filo Acquisition

BHP and Lundin Mining have agreed to jointly acquire Filo for total consideration of approximately C\$4.1 billion, or C\$33.00 per Filo Share. This represents a premium of 32.2% to Filo’s unaffected 30-day volume weighted average price up to July 11, 2024, and a premium of 12.2% to Filo’s last closing price on the TSX on July 29, 2024.

Filo shareholders may choose to receive in exchange for each Filo Share: C\$33.00 in cash, 2.3578 Lundin Shares or any combination thereof, subject to an aggregate cap of C\$2,767 million in cash and 92.1 million Lundin Shares (the “Maximum Shares”). In the event that the aggregate amount of the cash consideration or share consideration elected by all Filo shareholders exceeds the respective limits, the consideration will be pro-rated and Filo shareholders will receive the other form of consideration for the balance of their Filo Shares. Any cash payments for Filo Shares traded on Nasdaq First North Growth Market will be paid in Swedish kronor in accordance with Euroclear Sweden principles. On closing of the Filo Acquisition, existing shareholders of Lundin Mining and Filo are expected to own approximately 89% and 11% of Lundin Mining, respectively.

Lundin Mining’s share of the consideration for the Filo Acquisition is approximately C\$2,148 million (US\$1,550 million), consisting of up to C\$859 million in cash and C\$1,289 million in Lundin Shares.

The Filo Acquisition will be implemented by a court-approved plan of arrangement under the Canada Business Corporations Act and will require approval by Filo shareholders in accordance with applicable Canadian corporate and securities laws.

Each of the directors and senior officers and certain other shareholders of Filo, representing in aggregate approximately 35% of the issued and outstanding Filo Shares, have entered into voting support agreements and have agreed to vote in favour of the Filo Acquisition unless the Arrangement Agreement is terminated.

In connection with the Filo Acquisition, BHP and Lundin Mining have each agreed to subscribe for 1,742,424 Filo Shares at a price of C\$33.00 per share for aggregate gross proceeds of up to approximately C\$115 million (the “Filo Share Placement”) to provide interim financing to Filo, funded equally by BHP and Lundin Mining. The Filo Share Placement is not contingent on the closing of the Filo Acquisition or the Josemaria Transaction (as defined below).

On closing of the Filo Acquisition, Lundin Mining and BHP will each own 50% of Filo and the FDS project.

Formation of the Joint Venture

BHP and Lundin Mining have agreed to form the Joint Venture concurrently with the closing of the Filo Acquisition. Each of BHP and Lundin Mining would hold a 50% interest in the Joint Venture. Under the Joint Venture, the projects will be

developed in accordance with sound mining principles consistent with international industry standards to deliver economic and social value.

BHP will pay US\$690 million in cash to Lundin Mining, subject to certain adjustments, as consideration for Lundin Mining contributing the Josemaria project to the Joint Venture (the "Josemaria Transaction").

Lundin Mining and BHP will each contribute their respective interests in Filo and Lundin Mining will contribute the Josemaria project to the Joint Venture.

Transaction details

The Filo Acquisition, Josemaria Transaction and formation of the Joint Venture are inter-conditional, whereby completion of each transaction is dependent on completion of each of the other transactions.

Filo Acquisition

BHP Investments Canada Inc., a wholly owned subsidiary of BHP Group Limited, and Lundin Mining have entered the Arrangement Agreement with Filo. The Arrangement Agreement includes customary deal-protection measures, including non-solicitation provisions that apply to Filo (subject to customary "fiduciary out" provisions), a right for BHP and Lundin Mining to match an unsolicited superior competing proposal to acquire Filo, a termination payment of C\$135 million payable by Filo (half payable to Lundin Mining and half payable to BHP) in certain circumstances and a reverse termination payment of C\$135 million payable by Lundin Mining and BHP to Filo in certain circumstances. In addition to the approval of Filo shareholders, the Filo Acquisition is also subject to the receipt of court approval, regulatory approvals including the approval by the TSX, and the admission to trading of the new Lundin Mining Shares and other customary closing conditions for transactions of this nature.

The Filo Acquisition, the Josemaria Transaction, the Filo Share Placement and the entering into of the Arrangement Agreement has been unanimously approved by the Board of Directors of Lundin Mining (excluding certain Directors who abstained from voting). A special committee of independent Directors of Lundin Mining unanimously recommended that the Board of Directors of Lundin Mining approve the Filo Acquisition, the Josemaria Transaction, the Filo Share Placement and the entering into of the Arrangement Agreement. Lundin Mining will prepare documentation as required under the EU Prospectus Regulation. Lundin Mining shareholder approval is not required for the Filo Acquisition, the Josemaria Transaction or the Filo Share Placement.

Rothschild & Co has provided a fairness opinion to the Board of Directors of Lundin Mining and Morgan Stanley Canada Ltd. has provided a fairness opinion to the Lundin Mining special committee, each stating that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated in such opinion, (i) the consideration to be paid by Lundin Mining for its effective interest in the Filo Shares pursuant to the Filo Acquisition is fair, from a financial point of view, to Lundin Mining; (ii) the consideration to be received by Lundin Mining pursuant to the Josemaria Transaction is fair, from a financial point of view, to Lundin Mining; and (iii) in the aggregate, the consideration to be paid by Lundin Mining for its effective interest in the Filo Shares pursuant to the Filo Acquisition and the consideration to be received by Lundin Mining pursuant to the Josemaria Transaction is fair, from a financial point of view, to Lundin Mining.

BMO Capital Markets has provided a fairness opinion to the Board of Directors of Filo and National Bank Financial has provided a fairness opinion to the Filo special committee, each stating that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated in such opinion, that the consideration to be received by Filo shareholders pursuant to the Filo Acquisition is fair, from a financial point of view, to Filo shareholders.

None of the securities to be issued pursuant to the Transaction have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and any securities issuable in the Filo Acquisition are anticipated to be issued in reliance upon the available exemption from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Filo Share Placement

The Filo Share Placement will be funded equally by BHP (approximately C\$57.5 million) and Lundin Mining (approximately C\$57.5 million). On closing of the Filo Share Placement, BHP and Lundin Mining will own approximately 7.1% and 1.7%, respectively, of the issued and outstanding Filo Shares.

The Filo Share Placement is not conditional on completion of the Filo Acquisition and is expected to complete on or before August 12, 2024.

Filo intends to use the proceeds from the Filo Share Placement to fund ongoing exploration and general working capital expenses.

Joint Venture and Josemaria Transaction

The Josemaria Transaction is subject to the receipt of regulatory approvals and other customary closing conditions for transactions of this nature.

BHP and Lundin Mining have executed a term sheet which will form the basis for negotiation of the definitive Joint Venture agreement. BHP and Lundin Mining expect to enter into the Joint Venture agreement by completion of the Filo Acquisition.

Indicative timetable

Closing is expected to occur in the first quarter of 2025 subject to satisfaction of the conditions to closing.

Advisors and Counsel

In connection with the Filo Acquisition and the Josemaria Transaction, Lundin Mining has retained Rothschild & Co as financial advisor, Cassels Brock & Blackwell LLP and Sullivan & Cromwell LLP as legal counsel. Morgan Stanley Canada Limited is acting as financial advisor and Fasken Martineau DuMoulin LLP is acting as legal counsel to the special committee of the Lundin Mining Board of Directors.

In connection with the Filo Acquisition and the Josemaria Transaction, BHP has retained TD Securities as financial advisor and Stikeman Elliot LLP as legal counsel.

In connection with the Filo Acquisition, Filo has retained BMO Capital Markets as financial advisor and Blake, Cassels & Graydon LLP as legal counsel. National Bank Financial is providing a fixed fee fairness opinion to the Filo special committee and the Filo Board of Directors.

Filo del Sol and Josemaria Project Highlights

Filo owns 100% of the FDS deposit, which is an advanced-stage copper exploration project located along the border of the San Juan Province in Argentina and the Atacama Region of Chile. Filo has continued to expand FDS, extending the strike length of mineralisation to over 5 kilometres, with multiple reported high grade copper drill intercepts.

Lundin Mining owns 100% of the Josemaria project, which is an advanced stage copper project, located approximately 10 kilometres from FDS in San Juan Province, Argentina. A feasibility study for the Josemaria project was completed in November 2020 and an Environmental Social Impact Assessment was approved by the Mining Authority of San Juan, Argentina in April 2022. The Josemaria project features favourable topography for the placement of infrastructure for the district, with expansion potential.

About Lundin Mining

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

The information in this news release is information that Lundin Mining is required to make public under the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below on July 29, 2024 at 16:00 PDT.

Analyst and Investor Webcast and Conference Call:

The Company will hold a telephone conference call and webcast at [06:00 PDT, 9:00 EDT, 15:00 CET] on Tuesday, July 30, 2024 to discuss the highlights of the transaction. Conference call details are provided below. Please dial in 15 minutes prior to the call start to ensure placement into the conference on time.

- Call-in number for the conference call (North America): [+1 289 514 5100]
- Call-in number for the conference call (North America Toll Free): [+1 800 717 1738]
- Call-in number for the conference call (UK): [+44 203 428 1383]
- Call-in number for the conference call (UK): [+61 2 8017 1385]

To view the live webcast presentation, please log on using this direct link:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=06B69F41-AAB0-44CF-A9E5-C6B8778E1A84&LangLocaleID=1033>

The presentation slideshow will also be available in PDF format on the Lundin Mining website www.lundinmining.com before the conference call. A replay of the telephone conference will be available after the completion of the call.

Call-in numbers for the replay are (North America): [+1 888 660 6264]. The passcode for the replay is: [64144]

A replay of the webcast will be available by clicking on the [\[direct link\]](#) above.

For further information, please contact:

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Cautionary Statement on Forward-Looking Information

Certain of the statements made and information contained herein are “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 completion of the acquisition of Filo and the timing thereof; the establishment and operation of a new joint venture with BHP; the realization of synergies in the Vicuña district; the identification of additional value creation opportunities; 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; the results of any Preliminary Economic Assessment, Pre-Feasibility Study, Feasibility Study, or Mineral Resource and Mineral Reserve estimations, the Company's ability to comply with contractual and permitting or other regulatory requirements; anticipated exploration and development activities at the Company's projects; expansion projects and the realization of additional value; the Company's integration of acquisitions and expansions and any anticipated benefits thereof; the Company's ability to become a top tier copper producer; 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 information.

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, zinc, nickel, gold and other metals; anticipated costs; ability to achieve goals and identify and realize opportunities; the prompt and effective integration of acquisitions, including the completion of each of the acquisition of Filo, the establishment of the joint venture with BHP and the realization of synergies and economies of scale in connection therewith; 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 information and undue reliance should not be placed on such 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; volatility and fluctuations in metal and commodity demand and prices; significant reliance on assets in Chile; reputation risks related to negative publicity with respect to the Company or the mining industry in general; delays or the inability to obtain, retain or comply with permits; risks relating to the development of the Josemaria Project; health and safety laws and regulations; risks associated with climate change; risks relating to indebtedness; 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, nationalization or expropriation without fair compensation, environmental and tailings management, labour, trade relations, and transportation; inability to attract and retain highly skilled employees; risks inherent in and/or associated with operating in foreign countries and emerging markets, including with respect to foreign exchange and capital controls; project financing risks, liquidity risks and limited financial resources; health and safety risks; compliance with environmental, unavailable or inaccessible infrastructure, infrastructure failures, and risks related to ageing infrastructure; changing taxation regimes; the inability to effectively compete in the industry; risks associated with acquisitions partnerships, including the completion of each of the acquisition of Filo and the establishment of the joint venture with BHP; expansions 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; 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; regulatory investigations, enforcement, sanctions and/or related or other litigation; 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; risks associated with the use of derivatives; risks relating to joint ventures and operations; environmental and regulatory risks associated with the structural stability of waste rock dumps or tailings storage facilities; exchange rate fluctuations; 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; risks relating to dilution; risks relating to payment of dividends; counterparty and customer concentration risks; activist shareholders and proxy solicitation matters; estimation of asset carrying values; 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 significant shareholders; challenges or defects in title; internal controls; risks relating to minor elements contained in concentrate products; the threat associated with outbreaks of viruses and infectious diseases; mining rates and rehabilitation projects; mill shut downs; and other risks and uncertainties, including but not limited to those described in the “Risks and Uncertainties” section of the Company's MD&A for the three months ended March 31, 2024 and the “Risks and Uncertainties” section of the Company's Annual Information Form for the year ended December 31, 2023, which are available on SEDAR+ at www.sedarplus.com under the Company's profile.

All of the forward-looking information 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, forecasted 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.