

## Third Quarter 2018 Results

October 25, 2018



Candelaria, Atacama Region, Chile

# Cautionary Statements

## Caution Regarding Forward-Looking Information and Non-GAAP Performance Measures

All statements, other than statements of historical fact, made and information contained or incorporated by reference in or made in giving this presentation and responses to questions is "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking statements are based on expectations, estimates, forecasts and projections as well as beliefs and assumptions made by management, as of the date of this presentation. Forward-looking statements include but are not limited to the Company's guidance and outlook on estimated annual metal production, cash costs, exploration expenditures, and capital expenditures; updates on the Company's various projects including but not limited to the Neves-Corvo Zinc Expansion Project (ZEP) and the Eagle East project, the Candelaria underground expansion and mill optimization projects; Mineral Resource and Mineral Reserve estimates; exploration; and mechanics, completion and settlement of the Company's Offer to Acquire Nevsun Resources Ltd. (the "Offer") and the ability of Lundin Mining to complete the transactions contemplated by the Offer, including the information on and presented with the corresponding slides regarding any of foregoing in this presentation. Forward-looking statements may be identified by terminology such as, without limitation, "anticipate", "assumption", "believe", "budget", "compelling", "development", "estimate", "exploration", "expectation", "forward", "flexibility", "focus", "forecast", "future", "growth", "guidance", "initiative", "intend", "on track", "opportunities", "optimization", "outlook", "plan", "positioned", "possibility", "potential", "priority", "probable", "program", "progressing", "project", "pursuing", "ramp-up", "risk", "schedule", "target", "trend", and "upside", similar such words and phrases or statements that certain actions, events or results may, can, could, would, should, might, indicates, or will be taken, and any similar expressions. Forward-looking statements are necessarily based upon a number of estimates, assumptions and expectations that, while considered reasonable by the Company as of the date of such statements, are inherently subject to known and unknown risks, uncertainties and contingencies. Such risks, uncertainties and contingencies could cause assumptions, estimates and expectations to be incorrect and actual results to differ materially from those projected in the forward-looking statement and, as such, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. These risks, uncertainties and contingencies include, without limitation, estimates of future production, and operating, cash and all-in sustaining costs; metal and commodity price fluctuations; foreign currency fluctuations; risks associated with mining operations including but not limited to environmental hazards, industrial accidents, ground control problems and flooding; geological risks including, but not limited to, unusual or unexpected geological formations and events (including but not limited to rock slides and falls of ground), estimation and modelling of grade, tonnes, metallurgy, continuity of mineral deposits, dilution and Mineral Resource and Mineral Reserve estimates, and actual ore mined and/or metal recoveries varying from such estimates; mine plans including but not limited to mine life or life-of-mine (or LOM) estimates; the possibility that future exploration, development or mining results will not be consistent with expectations; the potential for and effects of labour disputes, shortages, community or other civil protests or demonstrations, or other unanticipated difficulties with or interruptions to operations; potential for unexpected costs and expenses including, without limitation, for mine closure and reclamation at current and historical operations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain and/or maintain necessary governmental approvals and/or permits; regulatory investigations, enforcement, sanctions and/or related or other litigation including but not limited to securities class action litigation; the conditions to the Offer will not be satisfied on a timely basis or at all and the failure of the transaction to be consummated for any other reason, competitive responses to the announcement of the Offer, actions that may be taken by Nevsun Resources Ltd. or by its security holders in respect of the Offer, as well as additional risks disclosed in the Offer and take-over bid circular filed on July 26, 2018 ("Offer Documents") and other filings made by the Company with Canadian securities regulatory authorities, and other risks and uncertainties, including but not limited to those described in the "Cautionary Statement on Forward-Looking Information" in the Company's July 25, 2018 and July 26, 2018 news releases, the "Forward-Looking Statements" section of the Offer Documents, the "Risks and Uncertainties" section of the Company's most recently filed Annual Information Form and in the "Managing Risks" section of the Company's full-year 2017 and 2018 interim Management's Discussion and Analysis. There can be no assurance that forward-looking information will prove to be accurate or achieved, including no assurance that the Offer will be successful or that, if successful, that the combination of the operations of Lundin Mining and Nevsun Resources Ltd. will achieve the anticipated benefits. Accordingly, readers are advised not to place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

This presentation contains certain financial measures such as net cash, net debt, operating cash flow per share and cash costs which have no standardized meaning within generally accepted accounting principles under IFRS and therefore amounts presented may not be comparable to similar data presented by other mining companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures or performance prepared in accordance with IFRS.

Note: All dollar amounts are in US dollars unless otherwise denoted.

## Cautionary Statement Respecting the Offer

THE TAKE-OVER BID CIRCULAR CONTAINS IMPORTANT INFORMATION ABOUT THE OFFER AND SHOULD BE READ IN ITS ENTIRETY BY NEVSUN'S SHAREHOLDERS. NEVSUN'S SHAREHOLDERS MAY OBTAIN, AT NO CHARGE, A COPY OF THE TAKE-OVER BID CIRCULAR AND VARIOUS ASSOCIATED DOCUMENTS UNDER NEVSUN'S PROFILE ON THE SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR) AT [WWW.SEDAR.COM](http://WWW.SEDAR.COM) AND ON THE SECURITIES AND EXCHANGE COMMISSION (SEC) WEBSITE AT [WWW.SEC.GOV](http://WWW.SEC.GOV).

THIS PRESENTATION IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO PURCHASE, OTHERWISE ACQUIRE, SUBSCRIBE FOR, SELL, OTHERWISE DISPOSE OF OR ISSUE, OR ANY OTHER SOLICITATION OF ANY OFFER TO SELL, OTHERWISE DISPOSE OF, ISSUE, PURCHASE, OTHERWISE ACQUIRE OR SUBSCRIBE FOR ANY SECURITY. THE OFFER WAS NOT MADE IN, NOR WILL DEPOSITS OF SECURITIES BE ACCEPTED FROM A PERSON IN, ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. HOWEVER, LUNDIN MINING MAY, IN ITS SOLE DISCRETION, TAKE SUCH ACTION AS IT DEEMS NECESSARY TO EXTEND THE OFFER IN ANY SUCH JURISDICTION.

# Participants

<b>Marie Inkster</b>	President & Chief Executive Officer
<b>Jinhee Magie</b>	Senior Vice President & Chief Financial Officer
<b>Peter Richardson</b>	Senior Vice President & Chief Operating Officer



# Lundin Mining

## Our Strategy

Operate, upgrade and grow a base metal portfolio that provides leading returns for our shareholders throughout the cycle

- copper dominant
- competitive cost position
- low-risk mining jurisdictions, leverage current geographies
- pipeline of development and exploration projects
- maintain low leverage and flexible balance sheet

## Our Operations



1. Lundin Mining holds an indirect 24% equity stake in the Freeport Cobalt Oy business which includes a cobalt refinery located in Kokkola, Finland.  
2. Lundin Mining holds an 80% interest in Candelaria.

# Q3 2018 Summary Results



Candelaria Open Pit – Phase 10 Pushback

## Production

- 52,770 t of copper
- 36,062 t of zinc
- 4,697 t of nickel
- 7,039 t of lead

## Sales (payable)

- 51,530 t of copper
- 28,722 t of zinc
- 3,400 t of nickel
- 6,964 t of lead

## \$380M in Sales

- 70% copper
- 15% zinc
- 8% nickel
- 3% lead

# Financial Highlights

Realized Metal Prices <sup>1</sup>	Q3 2018	Q3 2017	Δ
Copper	\$2.57/lb	\$3.08/lb	-17%
Nickel	\$5.26/lb	\$5.06/lb	4%
Zinc	\$1.06/lb	\$1.43/lb	-26%

Summarized Financial Results <sup>2</sup>	Q3 2018	Q3 2017	Δ
Revenue	\$380M	\$602M	-37%
Gross Profit	\$60M	\$261M	-77%
Attributable Net Earnings from Continuing Operations	\$7M	\$132M	-95%
	\$0.01/sh	\$0.18/sh	(\$0.17/sh)
Cash Flow from Operations	\$141M	\$250M	-44%
Operating Cash Flow (before working capital)	\$84M	\$240M	-65%
	\$0.11/sh	\$0.33/sh	(\$0.22/sh)
Dividends Declared (Quarterly)	C\$0.03/sh	C\$0.03/sh	-

1. LUN average realized price, including impact of provisional price adjustments.

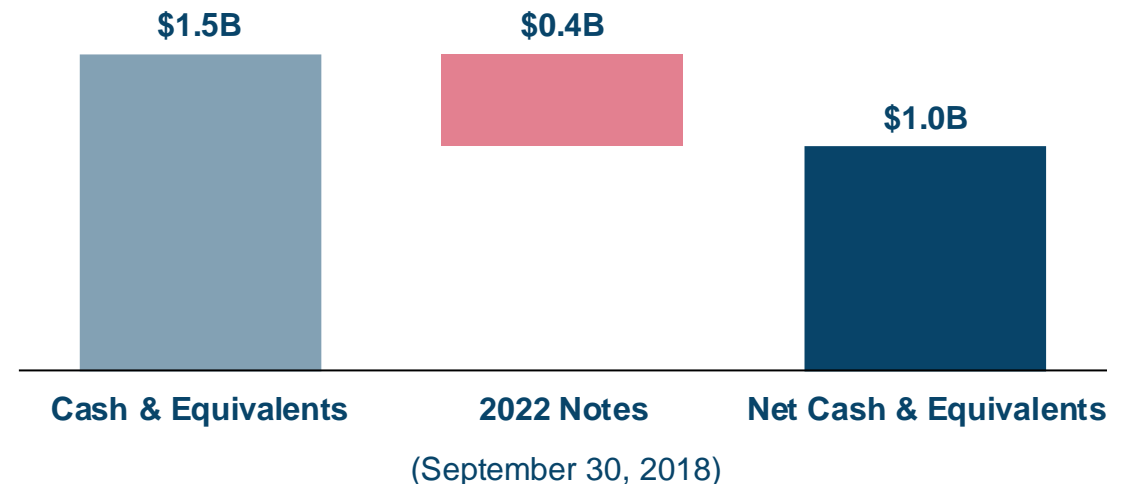
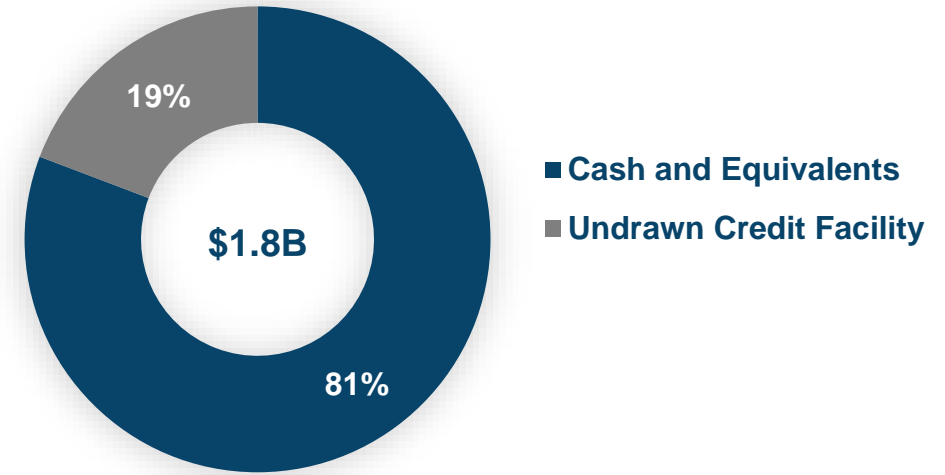
2. Operating Cash Flow is a non-GAAP measure. Please see Lundin Mining's MD&A for the quarter ended September 30, 2018 for discussion on non-GAAP measures.

# Financial Strength

## Capital Allocation Priorities

- invest in low-risk, high-return brownfield expansion projects and exploration
- maintain regular dividend
- prudent and accretive management of debt and cash positions
- keep a flexible balance sheet to move quickly on compelling growth opportunities
- consider other returns of capital to shareholders from time-to-time

Liquidity Position  
(September 30, 2018)





# Candelaria



Candelaria Mill – Copper / Gold / Silver – Atacama Region, Chile



# Candelaria

## On Track to Achieve Full-Year Guidance

- mill throughput and copper head grade modestly exceeded plan for the quarter
- open pit waste mining rates have increased with delivery of new equipment and ramp-up of contractor; waste movement on track

## Underground Development and Ramp-Up Advancing Well

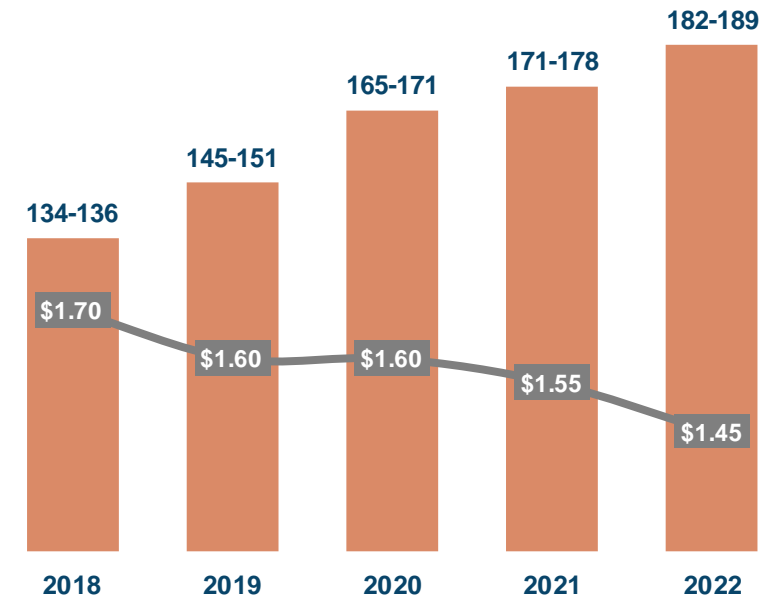
- Candelaria North Sector produced ~9,700 tpd on average
- South Sector on track for start-up in H2 2019

## Fleet Reinvestment and Mill Optimization Progressing

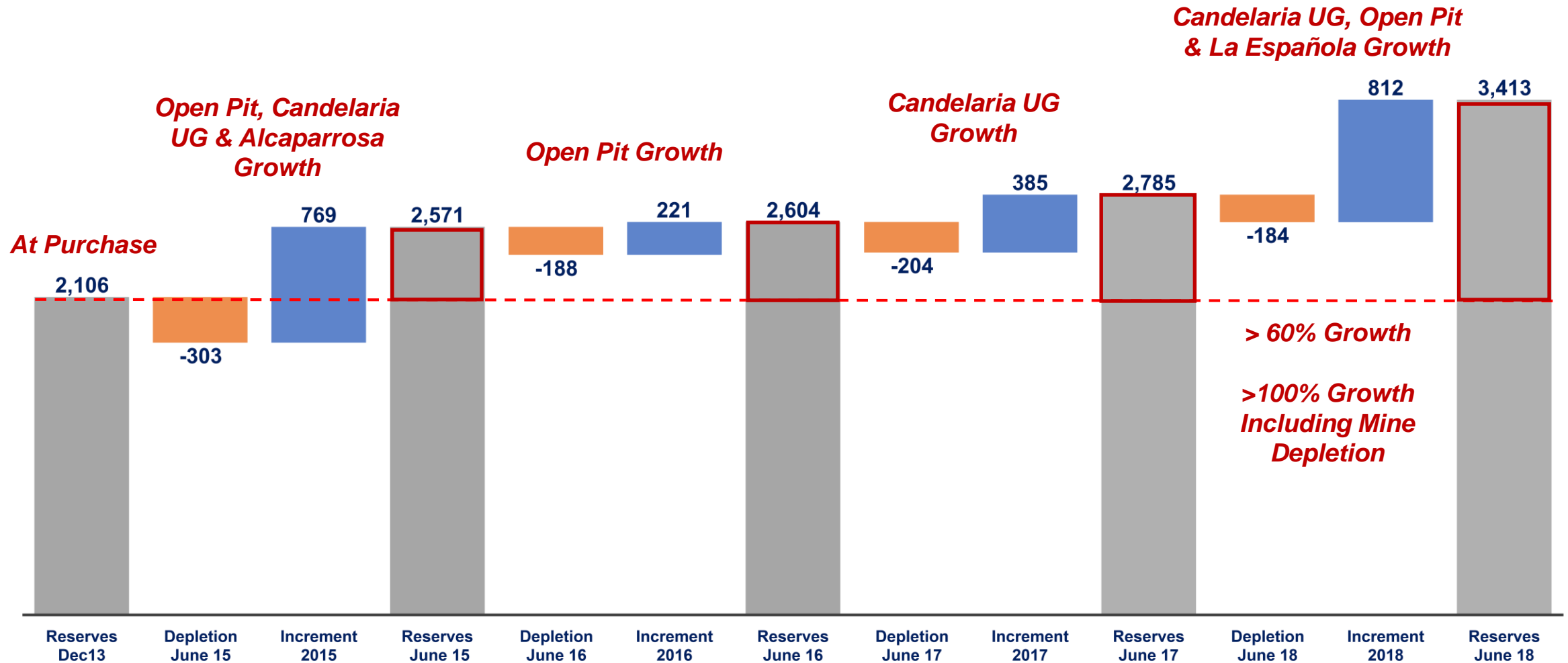
- 38 pieces of equipment now on site; delivery of additional 10 haul trucks, two shovels and other equipment in Q4 2018
- >95% of Mill Optimization Project equipment orders placed and construction >30% complete

## Copper Production & Cash Cost Outlook

(100% basis; kt & \$/lb Cu, net of by-product credits)



# Candelaria Mineral Reserves Growth<sup>1</sup> (contained copper 000 tonnes)



1. For more information please refer to the Company's Technical Report for the Candelaria Copper Mining Complex, November 30, 2017. Please also refer to the new release dated September 6, 2018 entitled "Lundin Mining Announces 2018 Mineral Resource and Mineral Reserve Estimates" on the Company's website ([www.lundinmining.com](http://www.lundinmining.com)). See also slide 22.

# Neves-Corvo



Copper / Zinc / Lead – Portugal



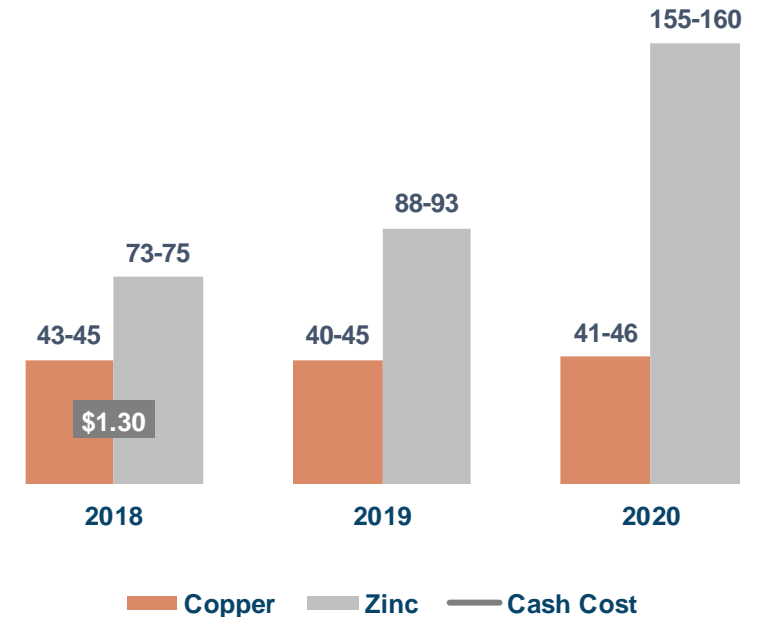
## Continued Excellent Mine and Mill Performance

- improved mine productivity and mill throughput all contributing to significant performance increase

## Zinc Expansion Project Advancing

- all major surface and underground activities underway
- overall progress impacted by contractor performance
- slower than originally anticipated progress is expected to defer a portion of the 2019 zinc production
- transition of first facilities targeted for late 2019
- \$20M of 2018 capital expenditure deferred to 2019

**Copper, Zinc Production & Cash Cost Outlook**  
(kt & \$/lb Cu, net of by-product credits)



# Zinc Expansion Project (ZEP)



## Surface Activities

- mill and flotation buildings concrete work advancing
- building structural steel to commence this quarter
- mechanical and piping contracts awarded

## Underground Development

- conveyor erection and crushed ore silo development commenced
- crusher chamber concrete work initiated and mechanical installation to begin this quarter





Humboldt Mill – Nickel / Copper / PGMs – Michigan, U.S.A.



## Robust Mine and Mill Performance

- slightly above plan throughput and grade

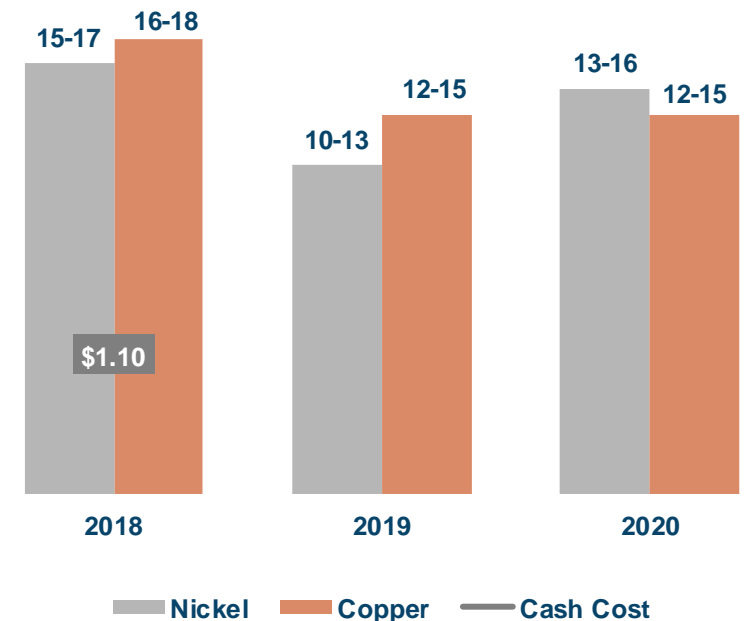
## Excellent Progress on Eagle East

- ramp development continues above planned rates
- received amendment permit for additional tailings at the Humboldt mill facility in October
- ahead of schedule and on budget for first ore early in 2020

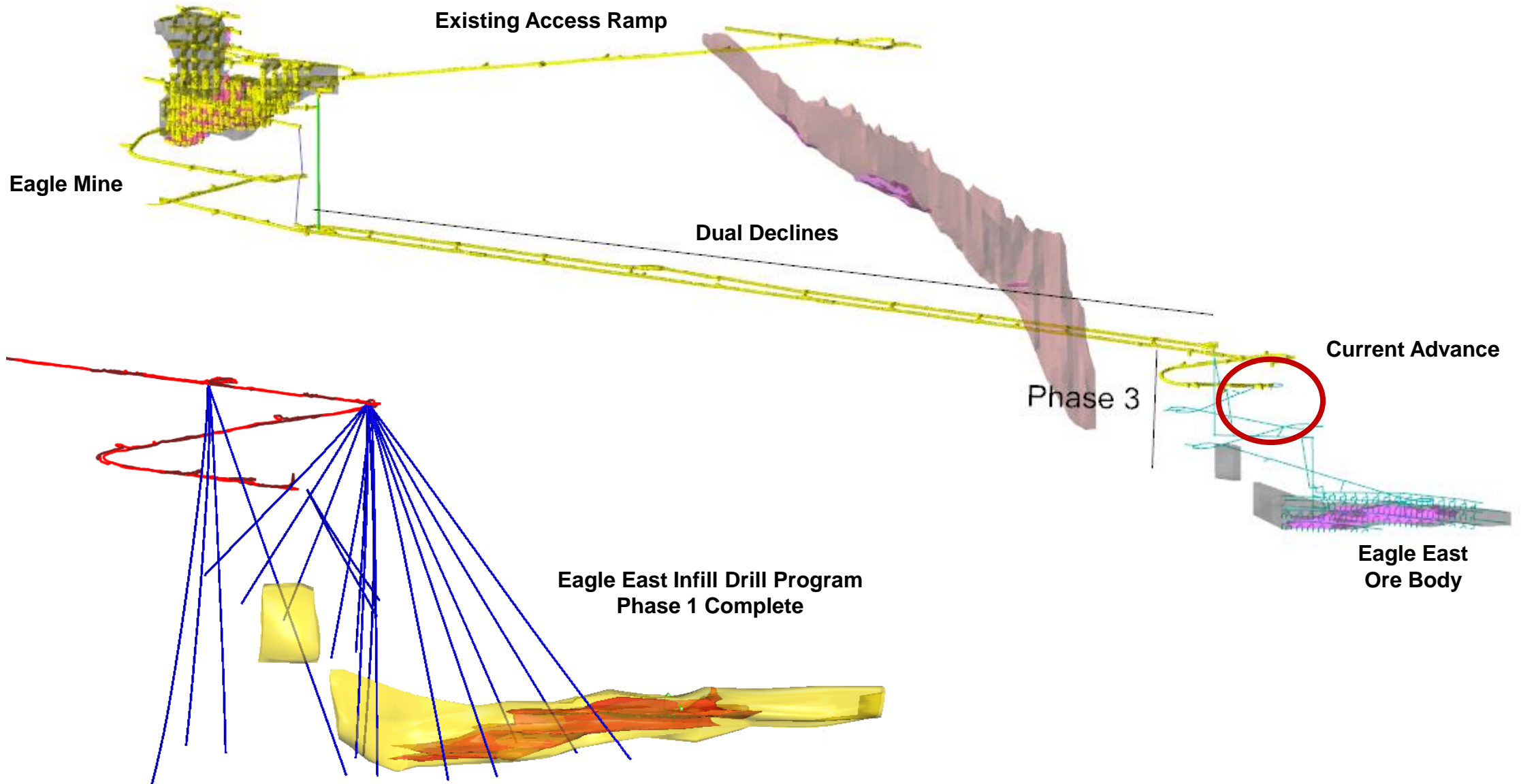
## Active Exploration Program

- over 11,200 m drilled from surface in the quarter testing near-mine targets
- seismic survey completed outside Eagle Mine area to guide future drilling targets

**Nickel, Copper Production & Cash Cost Outlook**  
(kt & \$/lb Ni, net of by-product credits)



# Eagle East





# Zinkgruvan



Zinc / Lead / Copper – Sweden



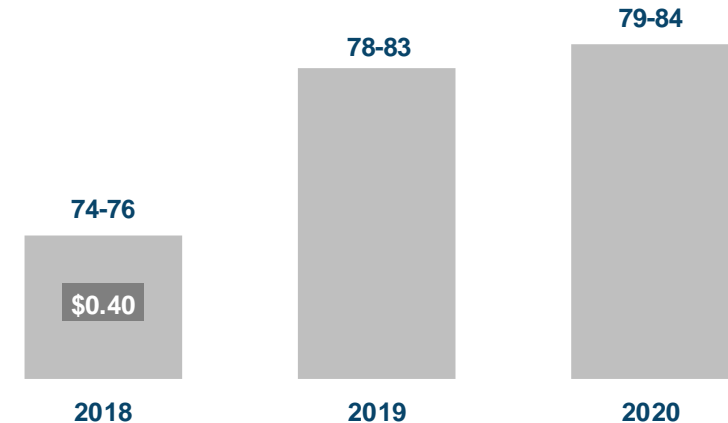
## Focus on Improving Head Grade

- zinc ore head grade hampered as a result of mine sequencing and greater than planned dilution
- site teams focusing on head grade improvements; grades returned to forecast in September

## Active Exploration Program

- over 8,800 meters drilled from surface and underground
- initial 5.9 Mt 8.7% zinc and 4.7% lead Inferred Mineral Resource announced for Dalby
- highest exploration priority to expand and upgrade the Mineral Resource estimate of the Dalby mineralization<sup>1</sup>

**Zinc Production & Cash Cost Outlook**  
(kt & \$/lb Zn, net of by-product credits)



1. Refer to news release “Lundin Mining Announces 2018 Mineral Resource and Mineral Reserve Estimates” dated September 6, 2018. See also slide 22.

# 2018 Capital Expenditure & Exploration Guidance

<b>Capital Expenditures<sup>1</sup> (US\$M)</b>	
Total Capitalized Stripping <sup>2</sup>	215
Los Diques Facility	60
New Mine Fleet Investment	120
Mill Optimization Investment	20
Candelaria UG South Development	15
Other Candelaria Sustaining	80
<b>Total Candelaria (100% basis)</b>	<b>510</b>
Eagle Sustaining	15
Neves-Corvo Sustaining	45
Zinkgruvan Sustaining	40
<b>Total Sustaining</b>	<b>610</b>
Eagle Expansionary	30
Zinc Expansion (Neves-Corvo)	110
<b>Total Expansionary</b>	<b>140</b>
<b>Total Capital Expenditures</b>	<b>\$750M</b>

## 2018 Capital Guidance Reduced by \$45M

- mainly on deferral and timing of expenditures

## Candelaria

- deferred \$10M of Mill Optimization expenditures

## Neves-Corvo

- \$10M sustaining into 2019 on timing of payment on delivery of mobile equipment
- \$20M ZEP deferral on construction progress

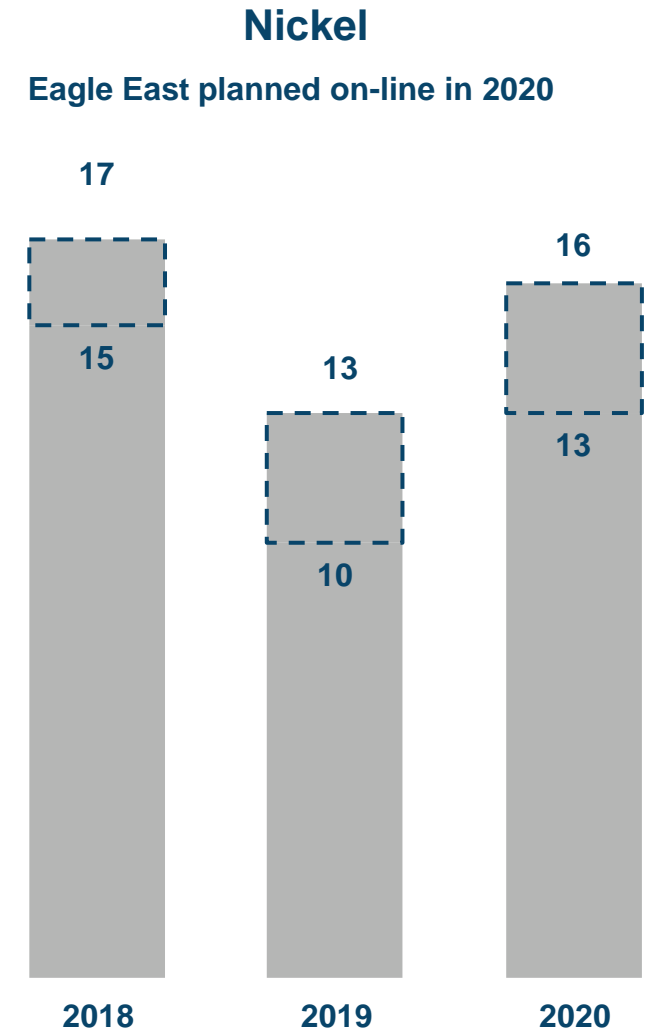
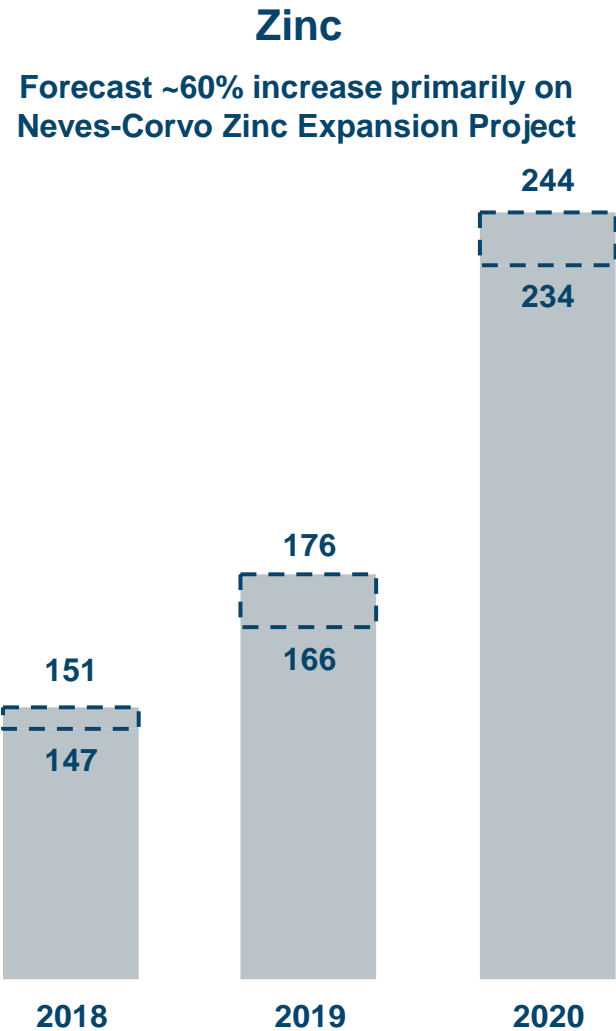
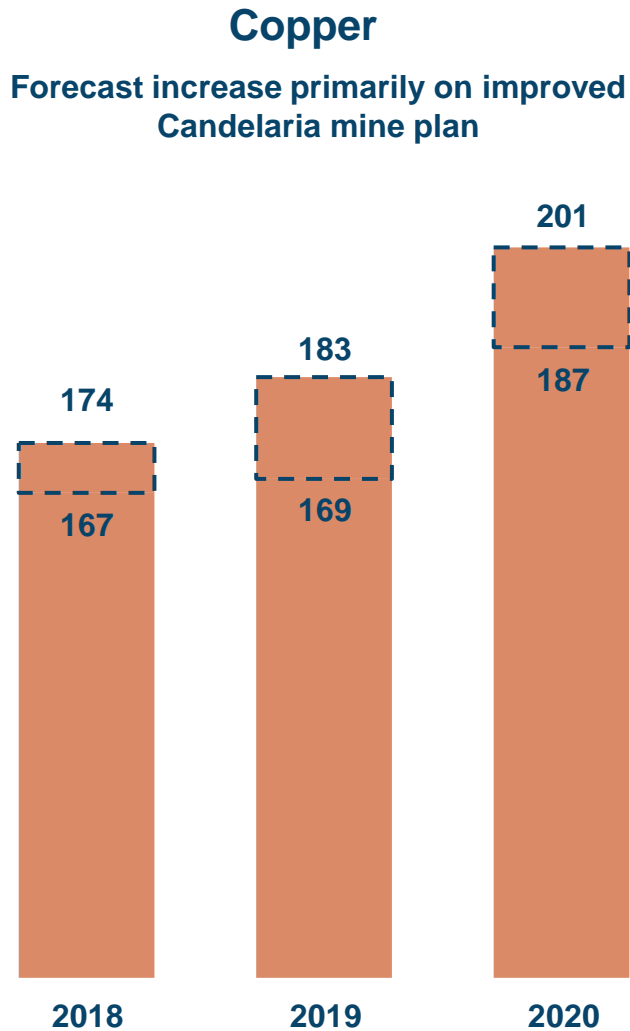
## Exploration Budget Lowered to \$75M

1. Excludes capitalized interest. Amounts forecast above are on a cash basis and may vary from accrual based estimates.

2. During the production phase, waste stripping costs which provide probable future economic benefits and improved access to the orebody are capitalized to mineral properties. The Company capitalizes waste costs when experienced strip ratios are above the average planned strip ratio for each open pit phase under development.



# Three-Year Production Outlook<sup>1</sup> (kt attributable)



 Production Guidance Range

1. Production guidance is based on certain estimates and assumptions, including but not limited to; Mineral Resource and Mineral Reserve estimates (see slide 22), geological formations, grade and continuity of deposits and metallurgical characteristics. This guidance was originally announced by news release on November 29, 2017 and revised in our news release on October 24, 2018.

# Lundin Mining



## High Quality Competitive Mines

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- strong margins at all operations
- demonstrated operational excellence and culture of continuous improvement
- low-risk mining jurisdictions



## Meaningful Scale Growth Oriented

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- exploration upside and high value expansion projects underway
- advancing external acquisition initiatives with disciplined criteria



## Financial Strength

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- proven track record for rigorous investment approach, focused on value creation
- substantial balance sheet strength and flexibility to respond to opportunities



# NI 43-101 Compliance

Unless otherwise indicated, Lundin Mining Corporation (the “Company”) has prepared the technical information in this presentation including Mineral Reserve and Mineral Resource estimates (“Technical Information”) based on information contained in the technical reports and news releases (collectively the “Disclosure Documents”) available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Each Disclosure Document was prepared by or under the supervision of a qualified person (“Qualified Person”) as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators (“NI 43-101”). For readers to fully understand the information in this presentation, they should read the technical reports identified below in their entirety, including all qualifications, assumptions and exclusions that relate to the information set out in this presentation which qualifies the Technical Information. Readers are advised that Mineral Resource estimates that are not Mineral Reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

The Technical Information in this presentation has been prepared in accordance NI 43-101 and has been reviewed and approved by Stephen Gatley, BSc (Eng), C.Eng. Vice President - Technical Services of the Company, a "Qualified Person" under NI 43-101. Mr. Gatley has verified the data disclosed in this presentation and no limitations were imposed on his verification process.

Mineral Reserve and Mineral Resource estimates are shown on a 100 percent basis for each mine. The Measured and Indicated Mineral Resource estimates are inclusive of those Mineral Resources estimates modified to produce the Mineral Reserve estimates. All estimates are prepared as at June 30, 2018. Estimates for all majority owned operations are prepared by or under the supervision of a Qualified Person as defined in NI 43-101, or have been audited by independent Qualified Persons on behalf of the Company. Unless indicated otherwise in the “Notes on Mineral Resource and Reserve Table” in the Company’s news release on September 6, 2018, Mineral Reserve estimates have been calculated using metal prices of US\$2.75/lb copper, US\$1.00/lb zinc, US\$1.00/lb lead, US\$8.00/lb nickel, US\$1,000/oz gold and exchange rates of EUR/US\$ 1.25, US\$/SEK 7.00 and Chilean Peso/US\$ 550.

Refer to the new release dated September 6, 2018 entitled “Lundin Mining Announces 2018 Mineral Resource and Mineral Reserve Estimates” on the Company’s website ([www.lundinmining.com](http://www.lundinmining.com)).

For further Technical Information on the Company’s material properties, refer to the following technical reports, each of which is available on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com):

Candelaria: technical report entitled Technical Report for the Candelaria Copper Mining Complex, Atacama Region, Region III, Chile dated November 30, 2017.

Neves-Corvo: technical report entitled NI 43-101 Technical Report for the Neves-Corvo Mine, Portugal dated June 23, 2017.

Zinkgruvan: technical report entitled NI 43-101 Technical Report for the Zinkgruvan Mine, Central Sweden dated November 30, 2017.

Eagle Mine: technical report entitled Technical Report on the Eagle Mine, Michigan, U.S.A. dated April 26, 2017.

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