

lundin mining

TSX: LUN Nasdaq Stockholm: LUMI

Acquisition of a Majority Interest in the Caserones Copper Mine

March 28, 2023



Caution Regarding Forward-Looking Information and Non-IFRS Performance Measures

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; statements regarding the Company’s plans, prospects and business strategies; statements with respect to the intentions of the Company regarding the acquisition and other strategic growth opportunities, the anticipated timing and completion of the acquisition, the ability of Lundin Mining to complete the transactions contemplated by the acquisition, life of mine, delivery of shareholder returns and value added by projects; 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; risks associated with water rights, water supply restrictions, the availability and access to water and water management strategies; risks associated with environmental impact studies, audits, investigations and compliance with remediation plans; 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.

Non-IFRS Measures

Lundin Mining has included certain non-IFRS measures in this document such as adjusted earnings, adjusted EBITDA, adjusted operating cash flow, free cash flow, net cash (debt), cash cost, and expansionary capital expenditures. Please see the “non-GAAP and other Performance Measures” on page 20 to 23 of this presentation as well as the Management’s Discussion and Analysis (“MD&A”) for the year ended December 31, 2022, for discussion of non-GAAP measures and reconciliations, which information is incorporated by reference herein and which is available under the Company’s profile on SEDAR at www.sedar.com. Lundin Mining believes that these measures, in addition to conventional measures prepared in accordance with International Financial Reporting Standards (“IFRS”), provide investors an improved ability to evaluate the underlying performance of Lundin Mining. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

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

Acquisition of Majority Interest (51%) in the Caserones Copper Mine

Participants

Peter Rockandel
CEO

Teitur Poulsen
SVP & CFO

Juan Andres Morel
SVP & COO

Quinn Yong
VP, Corporate Development



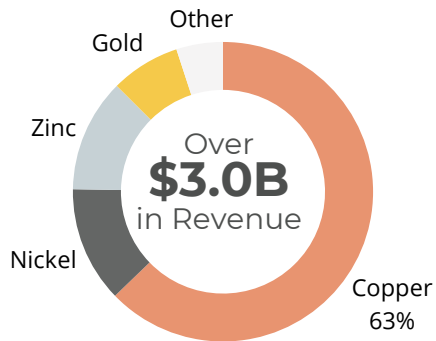
A Highly Complementary Acquisition

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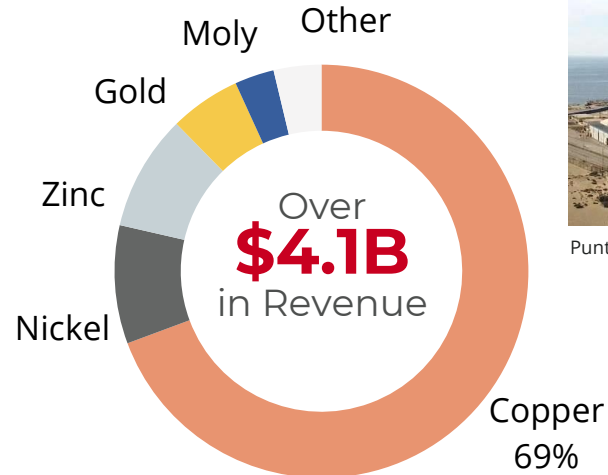
Acquisition of 51% of Caserones Copper Mine

PRO FORMA FY 2022 Metal Mix

Revenue by Metal^{1, 2}



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Punta Padrones Port and Desalination Plant, Caldera



1. Based on the Company's revenue analysis by metals for the year ended December 31, 2022, as disclosed in the Company's MD&A for the year ended December 31, 2022; Candelaria figures on a 100% basis.
 2. Caserones revenue based on actual FY 2022 figures and is on a 100% basis.

Caserones is a large-scale producer that provides copper growth while leveraging mutual synergies, infrastructure and efficiencies

- ~50% pro forma increase in 2022 copper output
- immediately accretive on key financial metrics
- significant untapped exploration potential
- post-acquisition debt leverage continues to remain low
- new partnership with JX Nippon Mining and Metals
- attractive call option to acquire more equity



Caserones site, Chile

Transaction Summary

Transaction	<p>Lundin Mining to acquire a 51% equity interest in SCM Minera Lumina Copper Chile (“Lumina Copper”)</p> <ul style="list-style-type: none">• Lumina Copper operates the Caserones copper-molybdenum mine in Chile
Purchase Price	<p>Upfront cash consideration of US\$800M paid at closing, subject to any adjustments from the effective locked box date of December 31, 2022, until closing</p> <p>US\$150M to be paid in five installments of US\$10M from 2024 – 2028 and US\$100M paid in 2029 subject to certain adjustments</p> <p>Call option available to acquire up to an additional 19% equity interest in Caserones through one or more transactions for an aggregate cash payment of US\$350M</p>
Offtake	<p>Entitled to a percentage of the copper output of the Caserones mine equal to Lundin’s pro rata ownership</p>
Funding	<p>Expected to be drawn from US\$1.75B revolving credit facility</p>
Conditions	<p>Typical closing conditions, including third-party and requisite regulatory approvals</p>
Closing	<p>Expected to close in the third or fourth quarter of 2023</p>

Ideal Operator of Caserones

We know the region and its true potential very well

Since Lundin Mining's 2014 Acquisition of Candelaria:

Mine life

extended

and production profile improved¹

Nearly

160% 

in forecast copper production over the life-of-mine (2016-2046)¹

Over

175% 

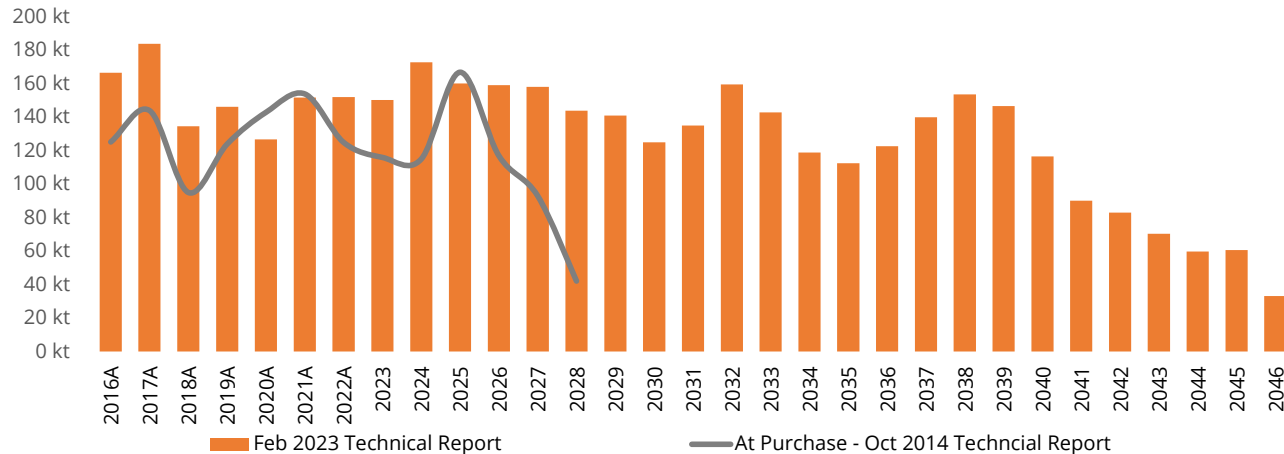
in M&I Mineral Resource^{1,2}

Over

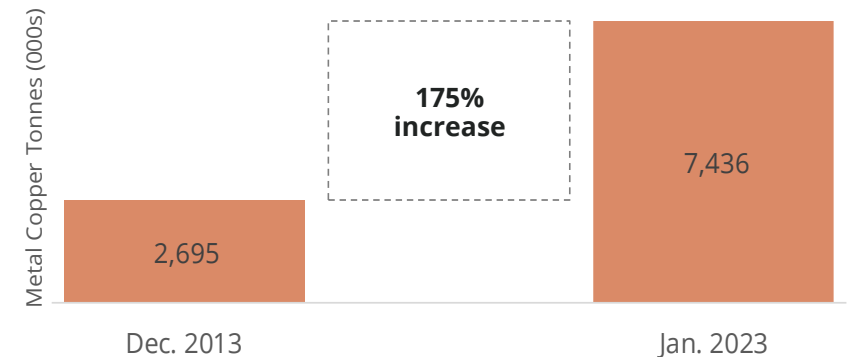
240% 

increase in M&I Mineral Resource when considering mining depletion^{1,2}

Candelaria Copper Production Profile³



Candelaria M&I Mineral Resource³



1. For more information, please refer to the NI 43-101 technical report entitled Technical Report for the Candelaria Copper Mining Complex, Atacama Region, Region III, Chile dated February 22, 2023, which is available on SEDAR under the Company's profile page.

2. For more information, please refer to the Company's news release dated February 8, 2023, entitled "Lundin Mining Announces 2022 Minerals Resource and Mineral Reserve Estimates" on the Company's website (www.lundinmining.com).

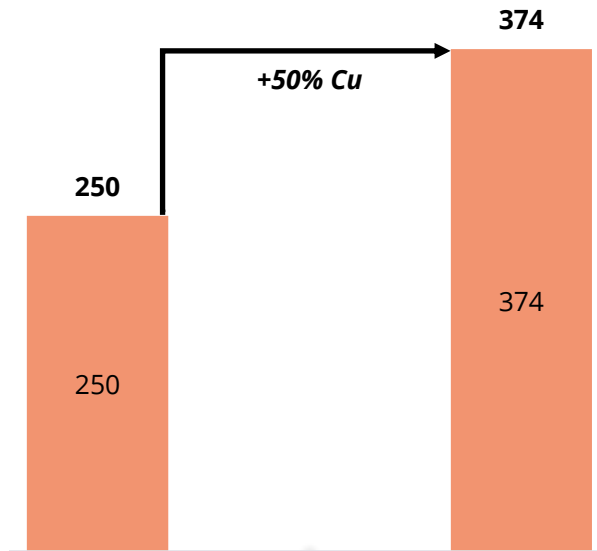
3. Production and M&I Mineral Resource shown on a 100% basis and is based on the NI 43-101 technical report entitled Technical Report for the Candelaria Copper Mining Complex, Atacama Region, Region III, Chile dated February 22, 2023, which is available on SEDAR under the Company's profile page.

Enhances Production Profile

Pro Forma Impact to 2022 Actual Production¹

■ Copper
 ■ Nickel
 ■ Zinc
 ■ Gold
 ■ Silver
 ■ Lead
 ■ Molybdenum

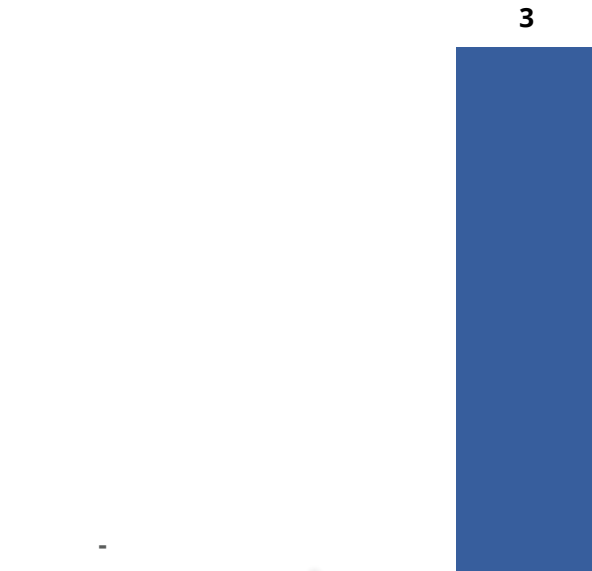
Copper kt Cu



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lundin mining + 

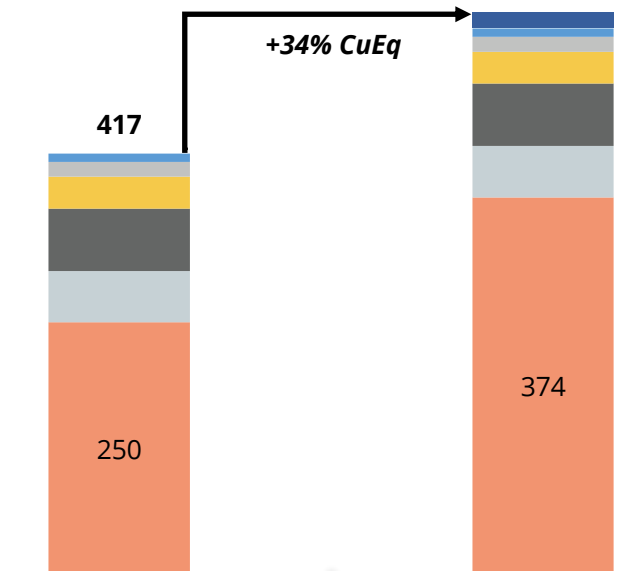
Molybdenum kt Mo



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Copper Equivalent kt CuEq²



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lundin mining + 

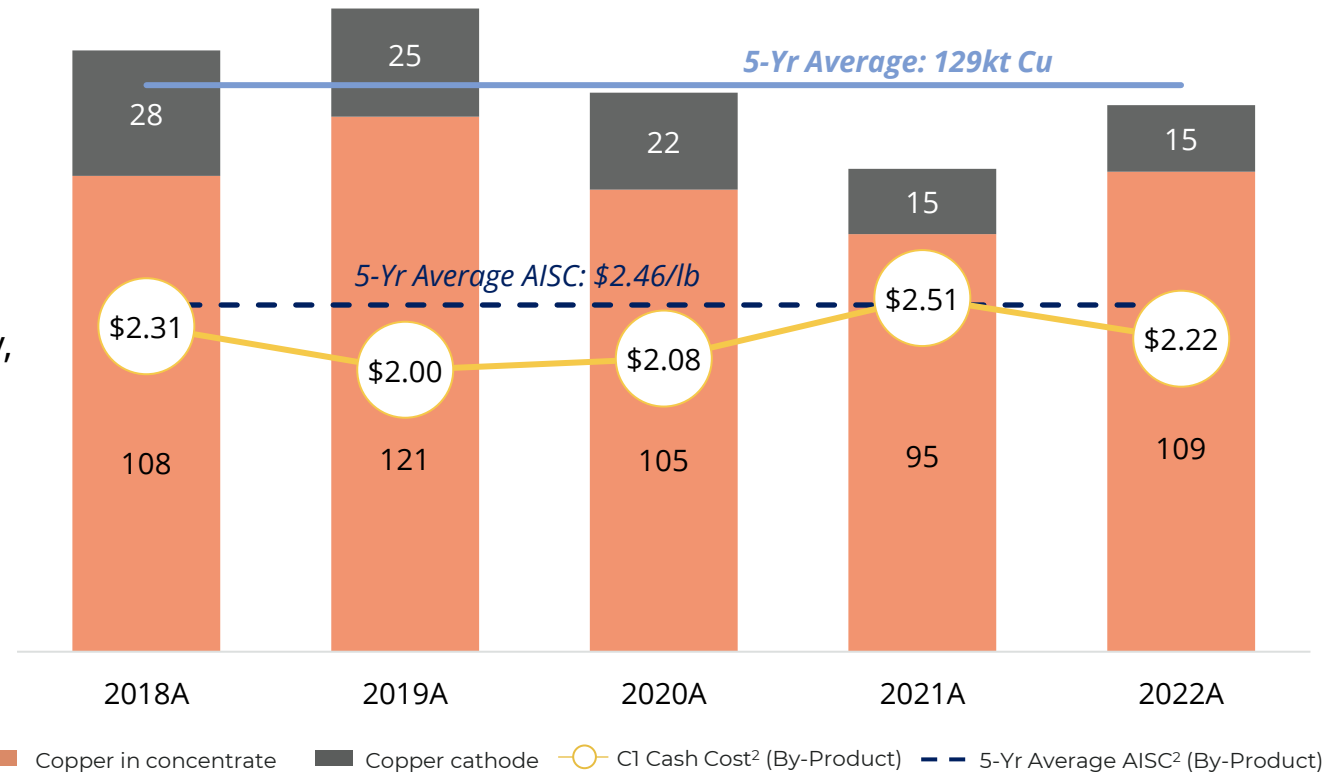
1. Production shown on a 100% basis for Candelaria and Caserones. Figures use actual production as reported by the Company and Caserones. Announced acquisition by the Company for an initial 51% interest in Caserones.
 2. Copper equivalent production converted based on 2022 average metal prices (Cu \$3.99/lb, Zn \$1.56/lb, Au \$1,802/oz, Ag \$21.79/oz, Pb \$0.97/lb, Ni \$11.62/lb, Mo \$19.80/lb).

Strategic Copper Asset in Chile

Asset Overview

- large-scale, open-pit mine located in the highly prospective Atacama region in Chile
 - ~800 km north of Santiago and ~160 km southeast from the Copiapó airport
- conventional flotation and leaching. First copper cathode was produced in 2013, followed by copper and molybdenum concentrates in 2014
- mineralization zones include primary sulphide, secondary, sulphide, oxide, and leach zone
- connected to well-established infrastructure
- only ~30% of prospective land area has been explored
- minimal capex requirements; AISC² of \$2.54/lb in 2022

Historical Copper Production & Cost Profile¹
kt Cu | US\$/lb

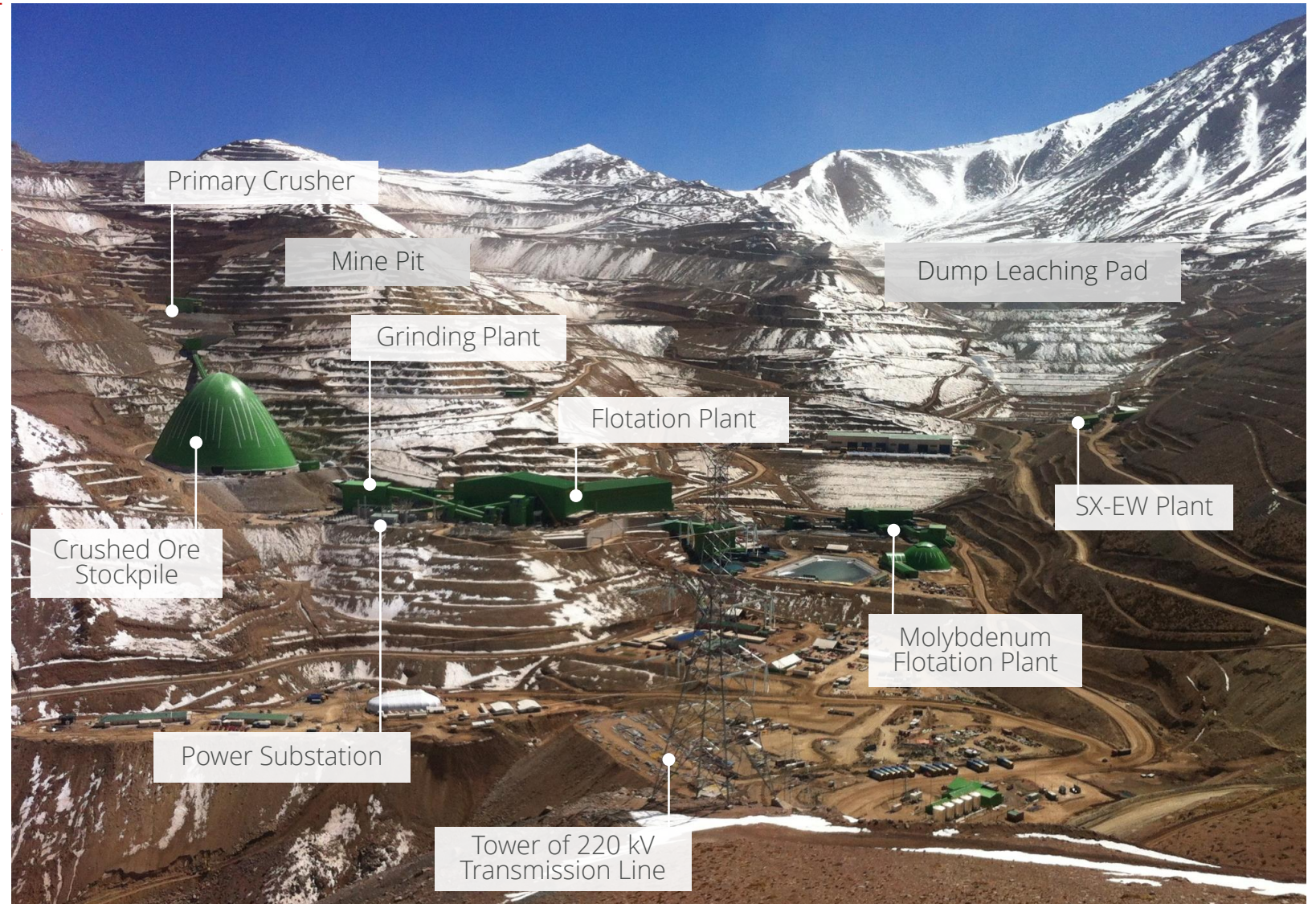


1. Shown on a 100% basis.

2. C1 Cash Cost and AISC are non-GAAP measures. Caserones C1 Cash Cost is calculated from total production costs as reported by Lumina Copper by removing the following costs: capitalized tailings, desalinated water, exploration, by-product credits (Mo & Ag), and exploration expenses and adding TC/RC to the resulting figure. Production costs are comprised of the following: tailings costs, non-tailings capitalized costs and other operating costs as reported by Lumina Copper. Total C1 Cash Costs (in US\$ millions) is divided by total payable copper to produce C1 Cash Costs per pound of copper (on a by-product basis). C1 Cash Costs (in US\$ millions) plus sustaining capital costs is divided by total copper production to produce AISC per pound of copper (on a by-product basis). Please refer to pages 20 to 23 for a reconciliation of non-GAAP measures for Caserones.

Site Overview

Site Access	access to paved roads <ul style="list-style-type: none">• linked to Copiapó via ~160 km asphalt/gravel road• easy access to ports from Copiapó
Power	reliable power supply <ul style="list-style-type: none">• 220 kV highly-reinforced power line connected to the national grid• utilizes renewable energy sources
Water	sourcing 20 wells for freshwater <ul style="list-style-type: none">• 835 L/s in water rights; maximum authorized consumption of 518 L/s• about 85% of used water is recycled water



Caserones and Lundin Share ESG Values

1

Tailings



- Committed to the highest standards of tailings management, including the Global Industry Standard on Tailings Management (GISTM)

2

Environmental



- Strategy to achieve ambitious environmental goals in place
- Established procedures to decrease environmental impact
- Lundin Mining's Candelaria operation has been awarded The Copper Mark



3

Health & Safety



- Health and safety is a core corporate value
- Goal of zero incidents, injuries and occupational illnesses

4

Community Engagement



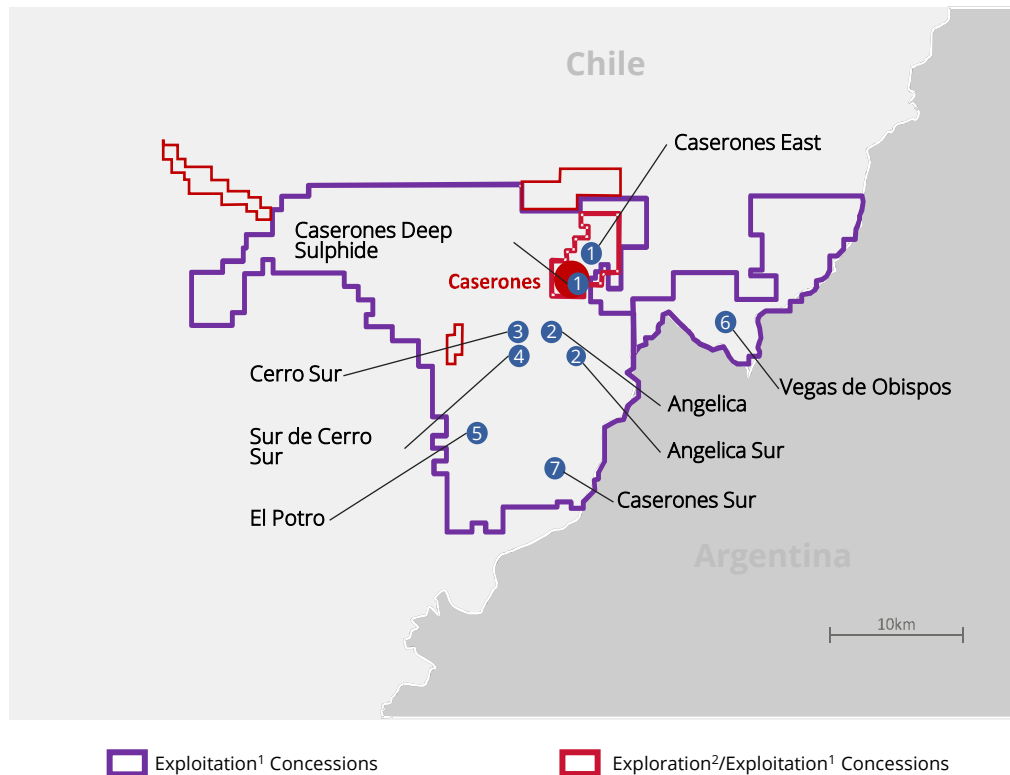
- Committed to giving back to the communities
- Open and constant dialogue with local stakeholders

Land Package Remains Highly Prospective

Lundin Mining will aim to achieve exploration success similar to Candelaria

The acquired land package is within a well-known and highly prospective area: 58,525 hectares of total land area covered by granted and applied for mining concessions

Map of Mining Concessions and Surface Land Ownership



- 1 Caserones Deposit Extension (0-1 km)**

 - Caserones Deep Sulphide: additional primary sulphide copper potential (>0.3% CuT) beneath the current mining pit
 - Caserones East: oxide and secondary sulphide copper potential to northeast
- 2 Angelica / Angelica Sur (3 km)**

 - oxide zone
 - potential secondary sulphide resource & potential lower secondary and primary sulphide resource
- 3 Cerro Sur (4 km)**

 - porphyry type Cu-Au mineralization, Strong QS alteration at surface (1 km x 1.5 km)
- 4 Sur de Cerro Sur (6 km)**

 - porphyry type mineralization with a Cu anomaly zone which extends over 2km x 1km at surface
 - oxide copper and chalcopryrite associated with vein/fracture are observed at surface; major alteration is potassic
- 5 El Potro (12 km)**

 - porphyry Cu-Mo mineralization with similar geological setting to Caserones (Dacite Porphyry and Breccia) and Mo geochemical anomalies at surface
- 6 Vegas del Obispos (14 km)**

 - porphyry Cu-Au mineralization
 - QS and potassic alteration extends over 1.5 km x 0.7 km at surface
 - Cu-Au geochemical anomalies at surface
- 7 Caserones Sur (15 km)**

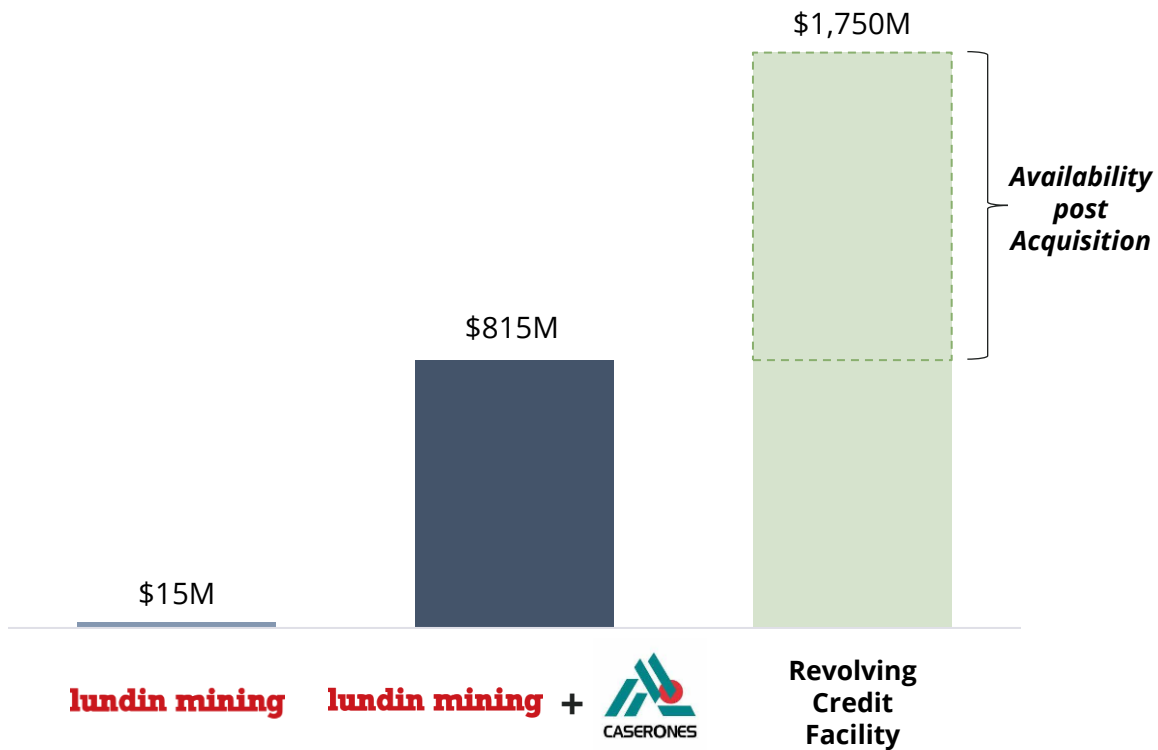
 - similar geology and mineralization to Caserones with Cu-Mo geochemical anomalies at surface
 - potential copper resource tonnage by the breccia and dacite porphyry size at surface

1. Grants the title holder the right to perform mining operations and to extract ore.
 2. Grants the title holder the right to explore exclusively a determined area for a specified amount of time.

Balance Sheet Remains Solid with Low Leverage

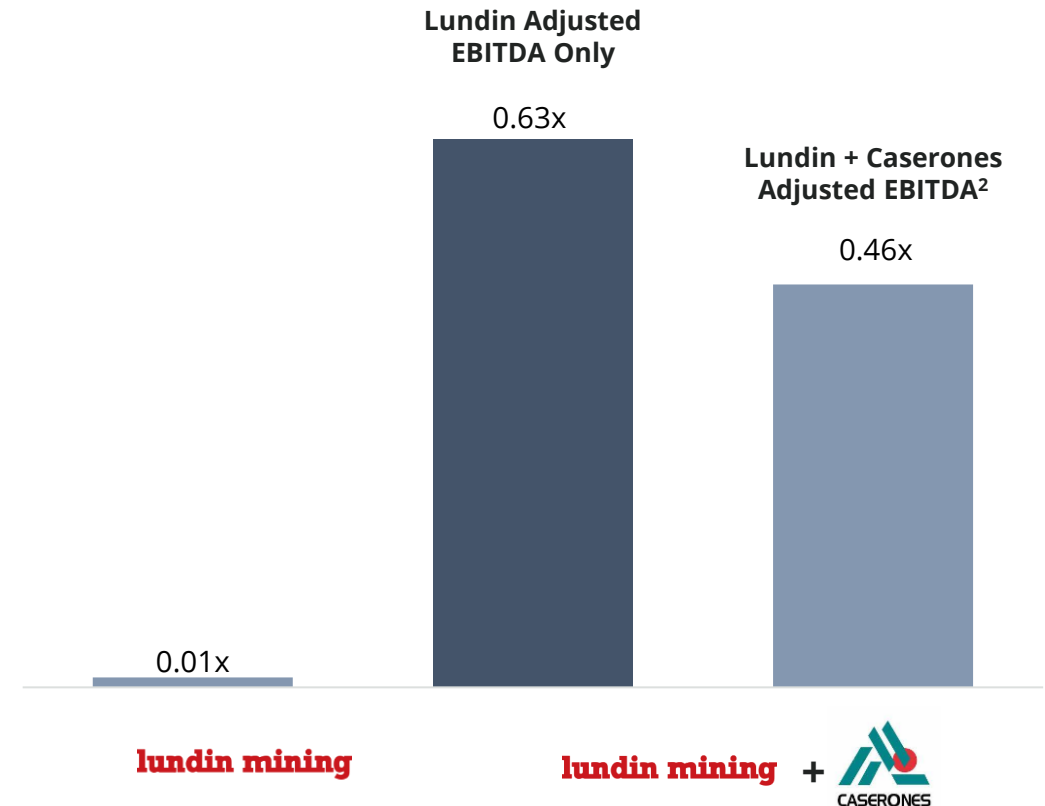
Net Debt¹

US\$15M as of February 22, 2023



Net Leverage

Net Debt to 2022A EBITDA^{1,2}



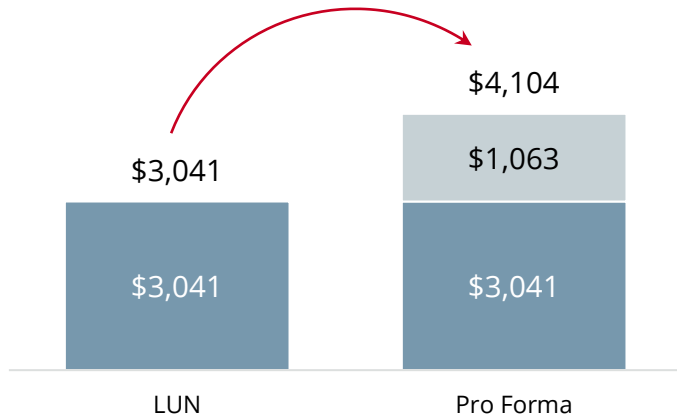
Note: Assumes a US\$800M incremental debt amount for the upfront cash consideration.

1. These are non-GAAP measures. Please see the Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2022, for discussion of non-GAAP measures and reconciliations, which information is incorporated by reference herein and which is available under the Company's profile on SEDAR at www.sedar.com. Please refer to pages 20 to 23 for a reconciliation of non-GAAP measures for Caserones.

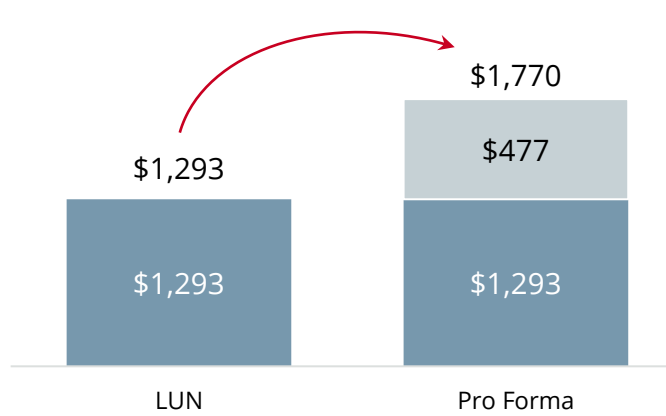
2. Caserones EBITDA included on a 100% basis.

FY2022 Key Financial Metrics

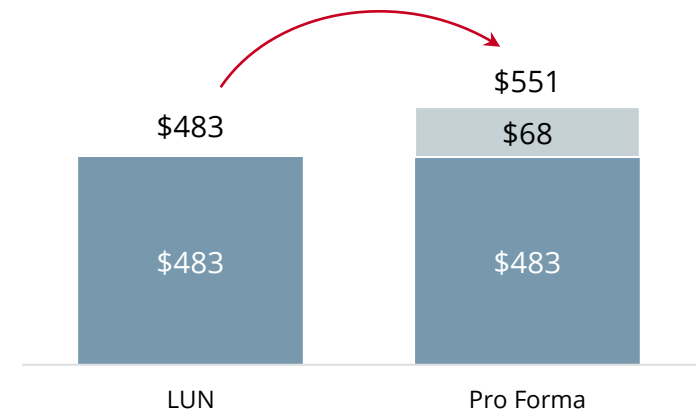
Revenue^{1,2}
of over \$4.1B



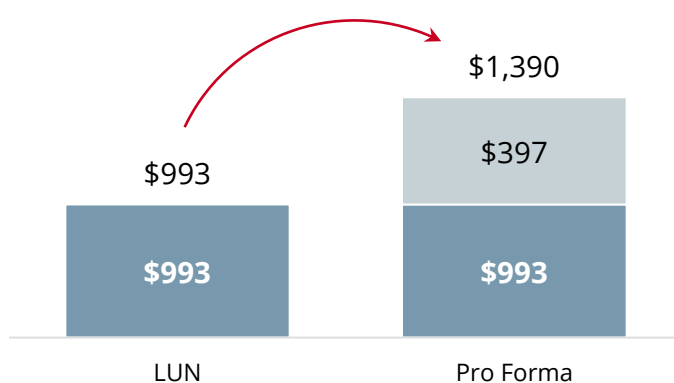
Adjusted EBITDA^{1,2}
of nearly \$1.8B



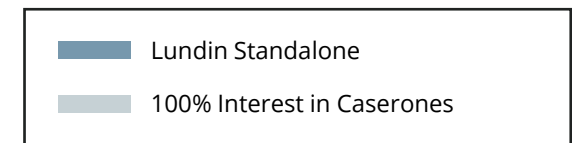
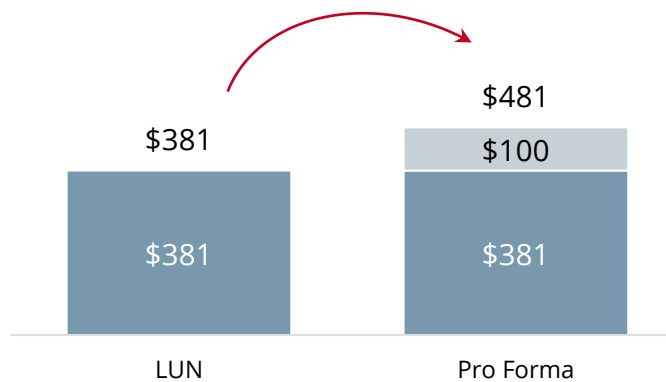
Adjusted Earnings^{1,2}
of over \$550M



Adjusted Operating Cash Flow^{1,2}
of nearly \$1.4B

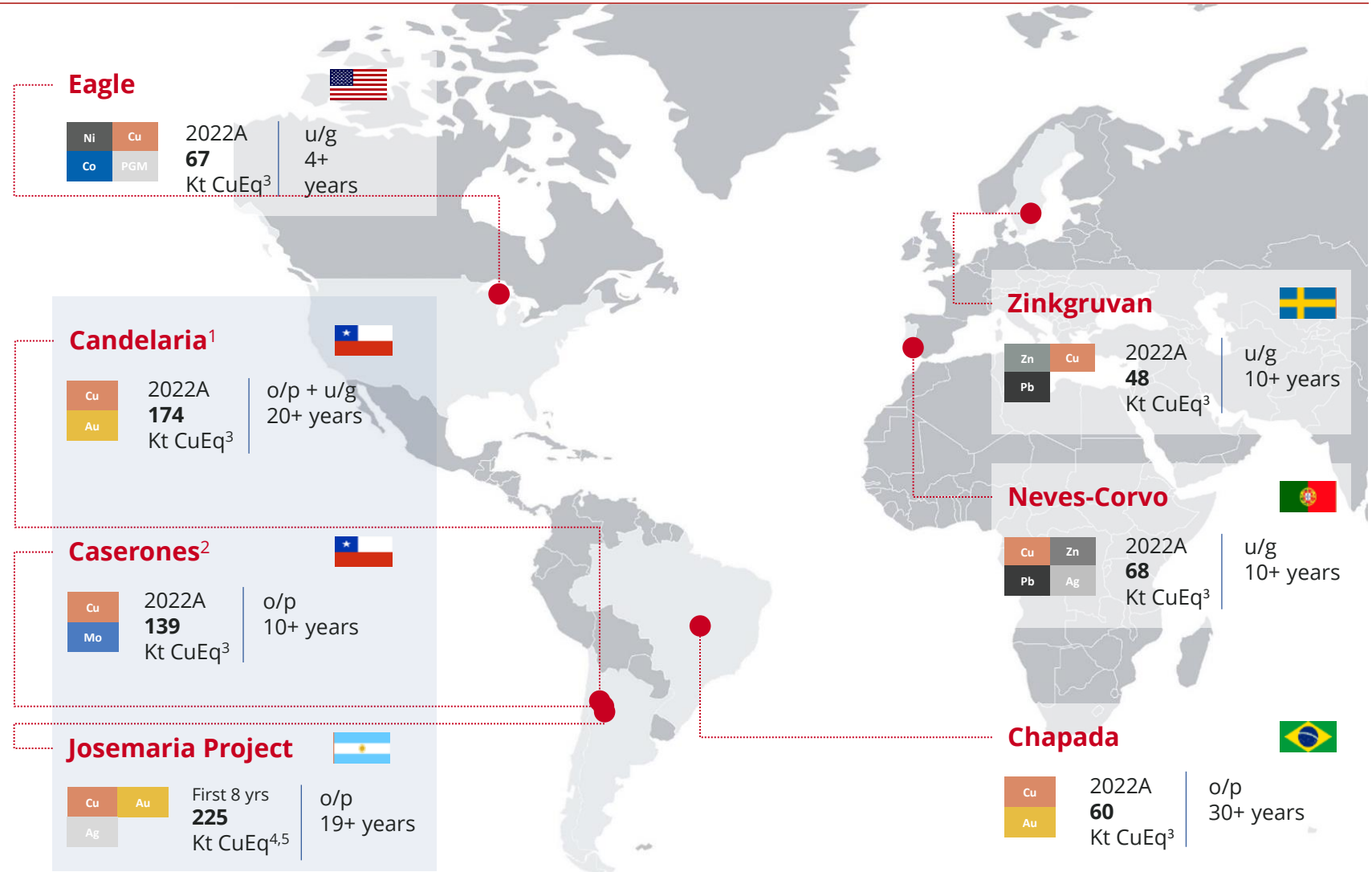


Free Cash Flow from Operations^{1,2}
of over \$480M



1. These are non-GAAP measures. Please see the Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2022, for discussion of non-GAAP measures and reconciliations, which information is incorporated by reference herein and which is available under the Company's profile on SEDAR at www.sedar.com. Please refer to pages 20 to 23 for a reconciliation of non-GAAP measures for Caserones.
2. Caserones based on actual FY 2022 figures and is on a 100% basis. Announced acquisition by the Company for an initial 51% interest in Caserones.

Copper growth to supply our world's transition



1. Lundin Mining holds an 80% interest in Candelaria.

2. Announced acquisition for initial 51% interest in Caserones. Please refer to press release of March 27, 2023, entitled "Lundin Mining to Acquire a Majority Interest in the Caserones Copper Mine in Chile".

3. 2022A copper equivalent production converted based on 2022 average metal prices (Cu \$3.99/lb, Zn \$1.56/lb, Au \$1,802/oz, Ag \$21.79/oz, Pb \$0.97/lb, Ni \$11.62/lb, Mo \$19.80/lb). Production shown on a 100% basis for Candelaria and Caserones.

4. Copper equivalent production converted based on LT consensus metal prices (Cu \$3.70/lb, Au \$1,680/oz, Ag \$22.30/oz).

5. Unless otherwise noted, all information (including scientific and technical information) relating to the Josemaria Project contained in this presentation has been derived from or is based on the "NI 43-101 Technical Report, Feasibility Study for the Josemaria Copper-Gold Project, San Juan Province, Argentina" dated November 5, 2020 (the "Josemaria Technical Report"), prepared by or under the supervision of SRK Consulting (Canada) Inc., and filed under Josemaria Resources' SEDAR profile at www.sedar.com.

lundin mining



**High Quality
Operations**



**Meaningful Scale &
Material Growth**



**Financial
Strength**



Caserones, Chile

Caserones Historical Estimates

Caserones Historical Estimates¹

<i>(As of April 2021)</i>	Tonnes <i>(Mt)</i>	<i>(% CuT)</i>	Grade	<i>(ppm Mo)</i>	<i>(CuT kt)</i>	Contained	<i>(Mo kt)</i>
Proven	419	0.35%		--	1,467		--
Probable	473	0.31%		--	1,466		--
2P Reserves	892	0.33%		--	2,933		--
Measured	486	0.34%		129	1,659		63
Indicated	1,109	0.26%		97	2,924		108
M&I	1,595	0.29%		107	4,583		171

The reported historical estimates above are based on the Caserones block model prepared by Golder Associates S.A. (Golder) during 2018. The resource model update followed the 2017 infill drilling campaign. The estimation of the grades was carried out by means of Ordinary Kriging and using GIL (Geological Information Limit).

The historical estimates do not use categories as defined in CIM Definition Standards. The SCM Annual Reports include an annual "reserve statement" with no accompanying qualifying attributes or supporting assumptions given. The most recent reserve statement is from SCM's 2020 Annual Report and does not provide the detailed assumptions for the estimation of its reported "reserves" but does state "ore reserves are estimates of the amount of ore that can be economically and legally extracted from the company's mining properties". As Caserones is an active mining operation with production history, the Company believes that the historical estimates are relevant in that they provide a general basis for establishing the mineralized material and historical production statements. However, the historical estimates should not be relied upon until verified by a qualified person. Compilation, review, and independent verification by qualified persons of geological, engineering, metallurgical, economic, and other data that support ongoing mining operations will be required before the historical estimate can be verified as current. This reserve statement predates the Company's acquisition of its interest in Caserones and is therefore considered to be an historical estimate. A qualified person has not done sufficient work to classify these historical estimates as current Mineral Resources or Mineral Reserves and Lundin Mining is not treating the historical estimate as current Mineral Resources or Mineral Reserves.

Lundin Mining is currently undertaking the work to prepare current estimates and expects to announce a current estimate and file a technical report for Caserones on its SEDAR profile in due course following this announcement. The technical report is expected to contain current Mineral Resource and Mineral Reserve estimates and other relevant information related to the Caserones mine.

1. Mineral Resources shown inclusive of Mineral Reserves.

The Technical Information in this presentation has been prepared in accordance with NI 43-101 and has been reviewed and approved by Jeremy Weyland, P.Eng., Director, Studies of the Company, a "Qualified Person" under NI 43-101. Mr. Weyland has verified the data disclosed in this presentation and no limitations were imposed on his verification process

Lundin Mining's Mineral Resource and Mineral Reserve estimates are shown on a 100% basis, and its share of Candelaria is reported reflecting an 80% ownership. The Measured and Indicated Mineral Resource estimates are inclusive of those Mineral Resource estimates modified to produce the Mineral Reserve estimates. The estimates for Candelaria are effective as at December 31, 2022. Estimates 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.

Mineral Reserves for all active mines including Candelaria have been estimated using metal prices of \$3.35/lb copper, \$1.15/lb zinc, \$0.90/lb lead, \$7.50/lb nickel and \$1,600/oz gold. Exchange rates used were EUR/USD 1.25, USD/SEK 7.50, USD/CLP 700 and USD/BRL 5.00 for Mineral Reserve and Mineral Resource estimates.

Candelaria and La Española open pit Mineral Resource estimates are reported within a conceptual pit shell based on metal prices of \$4.02/lb copper and \$1,600/oz gold with cut-off grades of 0.15% and 0.17% copper, respectively. Underground Mineral Resources are estimated at cut-off grades of 0.40% and 0.45% copper for Candelaria underground and Ojos del Salado, respectively. Mineral Reserves for the Candelaria open pit, Española open pit and underground for the Candelaria property are estimated at cut-off grades of 0.15%, 0.17% and 0.44% copper, respectively. Underground Mineral Reserves for the Santos mine at Ojos del Salado is estimated at a cut-off grade of 0.51% copper. Jose Bello Soto, Chief Geological and Resources Modeling, a Registered Member of Chilean Mining Commission, employed by the Candelaria Copper Mining Complex, reviewed and verified the Mineral Resource estimates for Candelaria and Ojos del Salado mines. Mr. Bello is a Qualified Person as defined under NI 43-101.

Refer to the Company's news release dated February 8, 2023, entitled "Lundin Mining Announces 2022 Mineral Resource and Mineral Reserve Estimates" on the Company's website at 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:

Candelaria: technical report entitled Technical Report for the Candelaria Copper Mining Complex, Atacama Region, Region III, Chile dated February 22, 2023.

Chapada: technical report entitled Technical Report on the Chapada Mine, Goiás State, Brazil dated October 10, 2019.

Eagle Mine: technical report entitled Technical Report on the Eagle Mine, Michigan, U.S.A. dated February 22, 2023.

Neves-Corvo: technical report entitled NI 43-101 Technical Report on the Neves-Corvo Mine, Portugal dated February 22, 2023.

Josemaria Project: technical report entitled NI 43-101 Technical Report, Feasibility Study for the Josemaria Copper-Gold Project, San Juan Province, Argentina, which is available on Josemaria Resources' SEDAR profile at www.sedar.com.

Non-GAAP and Other Performance Measures

Adjusted EBITDA, Adjusted Earnings

Adjusted earnings before interest, taxes, depreciation and amortization (“adjusted EBITDA”) and adjusted earnings are non-GAAP measures and are not a standardized financial measure under IFRS, the financial reporting framework used to prepare the financial statements by SCM MINERA LUMINA COPPER CHILE (“Lumina Copper”). These measures are presented to provide additional information to investors and other stakeholders on the Company’s underlying operational performance. The Company believes certain investors find this information useful to evaluate the Company’s ability to generate cash flow from the Company’s core operations. Certain items have been excluded from adjusted EBITDA and adjusted earnings such as unrealized foreign exchange and revaluation gains and losses, impairment charges and reversals, gain or loss on debt settlement, interest on tax refunds and assessments, litigations, settlements and other items that do not represent the Company’s current and on-going operations and are not necessarily indicative of future operating results.

Adjusted EBITDA can be reconciled to Lumina Copper’s Statement of Earnings as follows:

For the Year Ended December 31, 2022 (figures in US\$ millions)

Income for the period	\$25
Add back:	
Depreciation and amortization	\$224
Finance income and costs	\$169
Income taxes	\$6
EBITDA	\$423
Net foreign exchange gains	\$17
Idle capacity ¹	\$30
Inventory obsolescence	\$5
Loss on disposal of fixed assets	\$1
Total EBITDA adjustments	\$53
Adjusted EBITDA	\$477

Adjusted Earnings (Loss) can be reconciled to Lumina Copper’s Statement of Earnings as follows:

For the Year Ended December 31, 2022 (figures in US\$ millions)

Income for the period	\$25
Add back:	
Net foreign exchange gains	\$17
Idle capacity ¹	\$30
Inventory obsolescence	\$5
Tax effect on adjustments	(\$10)
Loss on disposal of fixed assets	\$1
Adjusted Earnings	\$68

1. During the last days of June and the month of July 2022, the Company was affected by a heavy snowfall, causing operational problems to maintain its normal production level. The Company expensed all fixed costs of production for the period in which the Company could not operate normally.

Non-GAAP and Other Performance Measures cont.

Net (Debt) Cash and Net (Debt) Cash / Adjusted EBITDA

Net (debt) cash is a performance measure used by the Company to assess its financial position. Management believes that in addition to conventional performance measures prepared in accordance with IFRS, net (debt) cash is a useful indicator to some investors to evaluate the Company's financial position. Net (debt) cash is defined as cash and cash equivalents, less debt and lease liabilities, excluding deferred financing fees:

Pro forma Net (Debt) Cash and Leverage¹ are reconciled as follows:

Lundin net debt as of February 26th, 2023	\$15
Lundin adjusted EBITDA as of December 31, 2022	\$1,293
Lundin standalone net (debt) cash / adjusted EBITDA	0.01x
Pro forma net debt adjustments:	
Lumina Copper cash & equivalents upon closing	--
Lumina Copper debt upon closing	--
Incremental debt on a pro forma basis	\$800
Pro forma net debt	\$815
Pro forma net (debt) cash / Lundin standalone adjusted EBITDA	0.63x
Incremental Lumina Copper adjusted EBITDA (on a 100% basis)	\$477
Pro forma adjusted EBITDA as of December 31, 2022	\$1,769
Pro forma net (debt) cash / pro forma adjusted EBITDA	0.46x

1. Leverage is calculated as a ratio between the Net (Debt) Cash and adjusted EBITDA.

Non-GAAP and Other Performance Measures cont.

Adjusted Operating Cash Flow

Adjusted operating cash flow per share is a performance measure used by the Company to assess its ability to generate cash from its operations. Adjusted operating cash flow is defined as cash provided by operating activities, excluding changes in non-cash working capital items. The Company believes adjusted operating cash flow per share is a relevant measure to some investors, as it removes the impact of working capital, which can experience variability period-to-period.

Adjusted Operating Cash Flow can be reconciled to Lumina Copper's cash provided by operating activities as follows:

For the Year Ended December 31, 2022 (figures in US\$ millions)

Cash provided by operating activities	\$256
Changes in inventories	\$50
Changes in trade receivable	\$93
Changes in other receivables	\$12
Changes in trade and other payables	(\$15)
Adjusted Operating Cash Flow	\$397

Free Cash Flow from Operations

Free cash flow from operations is indicative of the Company's ability to generate cash from operations, after consideration of required sustaining capital expenditures necessary to maintain operations. Free cash flow is a relevant measure for some investors, as it is indicative of the Company's available cash generated. Free cash flow from operations is defined as cash flow provided by operating activities, excluding exploration and project investigation costs and less sustaining capital expenditures.

Free Cash Flow from Operations can be reconciled to Lumina Copper's cash provided by operating activities as follows:

For the Year Ended December 31, 2022 (figures in US\$ millions)

Cash provided by operating activities	\$256
Less:	
Expenditures on tangible and intangible assets	(\$87)
Capitalized to deferred stripping asset	(\$69)
Free Cash Flow from Operations	\$100

Non-GAAP and Other Performance Measures cont.

C1 Cash Cost

Copper, zinc and nickel cash costs per pound are key performance measures that management uses to monitor performance. Management uses these statistics to assess how well the Company's producing mines are performing and to assess overall efficiency and effectiveness of the mining operations. Cash cost is a non-GAAP measure and, although it is calculated according to accepted industry practice, the Company's disclosed cash costs may not be directly comparable to other base metal producers.

Credits for by-products sales are deducted from total cash costs directly attributable to mining operations. By-product revenue is adjusted for the terms of streaming agreements but excludes any deferred revenue from the allocation of upfront cash received. The net cash costs are divided by the sales volume of the primary metal to arrive at net cash cost per pound. The inclusion of by-product credits provides a broader economic measurement, incorporating the benefit of other metals extracted in the production of the primary metal.

Caserones C1 Cash Cost is calculated from total production costs as reported by Lumina Copper by removing the following costs: capitalized tailings, desalinated water, exploration, by-product credits (Mo & Ag), and exploration expenses and adding treatment and refining costs to the resulting figure. Total C1 Cash Costs (in US\$ millions) is divided by total payable copper to produce C1 Cash Costs per pound of copper (on a by-product basis).

All-in Sustaining Cost (AISC)

AISC per pound is an extension of the cash cost per pound measure discussed above and is also a key performance measure that management uses to monitor performance. Management uses this measure to analyze margins achieved on existing assets while sustaining and maintaining production at current levels. Expansionary capital and certain exploration costs are excluded from this definition as these are costs typically incurred to extend mine life or materially increase the productive capacity of existing assets, or for new operations. Corporate general and administrative expenses have also been excluded from the all-in sustaining cost measure, as any attribution of these costs to an operating site would not necessarily be reflective of costs directly attributable to the administration of the site.

Total C1 Cash Costs (in US\$ millions) plus capitalized tailings and sustaining capital costs is divided by total payable copper to produce AISC per pound of copper (on a by-product basis).

C1 Cash Cost and All-in Sustaining Cost can be reconciled to Lumina Copper's cost of sales as follows:

For the Year Ended December 31, 2022 (figures in US\$ 000s, unless otherwise noted)

Total payable copper (000 lbs)	267,409
Cost of sales	\$667,022
Add: Administrative expenses	\$113,497
Add: Selling and distribution expenses	\$30,296
Total	\$810,815
Less: Depreciation and other ¹	(\$15,514)
Production Costs	\$795,301
Less: Capitalized tailings	(\$40,760)
Less: Desalinated water	(\$34,600)
Less: Exploration	(\$3,958)
Add: Treatment and refining	\$36,482
Deduct: By-product credits	(\$157,494)
C1 Cash Cost	\$594,971
C1 Cash Cost Per Pound (US\$/lb)	\$2.22
Add: Capitalized tailings	\$40,760
Add: Sustaining capital	\$43,650
All-In Sustaining Cost	\$679,381
AISC Per Pound (US\$/lb)	\$2.54

1. Other includes IFRS16 adjustment, NSR cost, stripping, change of inventory, capitalization Muro, idle capacity cash (except depreciation), idle capacity total (reclass), reclass cost, insurance & freight, other reclass, and other expenses.