

NEWS RELEASE

Lundin Mining Completes Joint Acquisition of Filo with BHP and 50% Sale of Josemaria to Form Vicuña Corp.

Vancouver, January 15, 2025 (TSX: LUN; Nasdaq Stockholm: LUMI) Lundin Mining Corporation ("Lundin Mining" or the "Company") is pleased to announce the completion of the joint acquisition (the "Filo Acquisition") of Filo Corp. ("Filo") with BHP Investments Canada Inc. ("BHP").

Concurrently, Lundin Mining and BHP have formed a 50/50 joint arrangement, Vicuña Corp. (the "Joint Arrangement" or "Vicuña"), holding the Filo del Sol project ("FDS") and the Josemaria project. On completion, BHP paid Lundin Mining a cash consideration of US\$690 million for a 50% interest in the Josemaria project.

Vicuña will create a long-term strategic alliance between Lundin Mining and BHP to jointly develop an emerging copper district with the potential to support a globally ranked mining complex. The proximity of the FDS and Josemaria projects allows for greater economies of scale and increased optionality for staged expansions, as well as the incorporation of future exploration as the district matures.

Jack Lundin, Lundin Mining President and CEO, commented "Thanks to the strong collaboration between BHP and Lundin Mining, today we announce the formation of the newly formed Joint Arrangement, Vicuña Corp. and now enter an exciting new chapter of growth that has the potential to transform Lundin Mining into a top-tier copper producer. Vicuña's newly formed team, with support from its board that is comprised equally of both Lundin Mining and BHP representatives, will work towards several key milestones during the year.

"Vicuña is targeting a mineral resource estimate for both the Filo del Sol and Josemaria deposits within the first half of 2025. This resource estimate will form the basis of an integrated technical report which will outline the development plan for the phased construction of the district.

"The district represents an opportunity to deliver on the world's growing copper needs in a meaningful way, both in terms of scale and operational excellence. The Joint Arrangement is committed to applying international industry standards to each facet of the business, from innovation in technology to the commitment of sustainability and capacity building."

Filo Acquisition

The Filo Acquisition was approved by Filo shareholders on September 26, 2024 and the final court order for the plan of arrangement was subsequently obtained.

The total consideration for the Filo Acquisition was approximately C\$4.0 billion, excluding the Filo shares already held by Lundin Mining and BHP respectively.

Lundin Mining's share of the consideration for the Filo Acquisition was approximately C\$877.8 million in cash and 94.1 million Lundin Mining Shares to Filo shareholders, along with its existing 1.7% interest in Filo (prior to completion). The issuance of 94.1 million Lundin Mining shares to the Filo shareholders, represents a dilution to the existing shareholders of Lundin Mining of approximately 11% based on the issued and outstanding shares of the Company as of December 31, 2024.

BHP will pay a cash consideration for its interest in Filo of C\$2.0 billion at C\$33.00 per Filo share, along with its existing 7.0% interest in Filo (prior to completion).

Formation and Management of the Joint Arrangement

The Joint Arrangement is governed by a joint venture shareholders' agreement. Vicuña will be the operator, acting independently from Lundin Mining and BHP, and will be responsible for the development, operation and management of the projects.

Lundin Mining and BHP have equal voting rights on the Board of Vicuña that will govern the Joint Arrangement. The Board will be comprised of Jack Lundin (President & CEO Lundin Mining), Teitur Poulsen (EVP & CFO Lundin Mining), Brandon Craig (President Americas BHP), and Carlos Ramirez (VP Vicuña JV BHP). Carlos Ramirez has been appointed as Chair of the Board of Vicuña Corp.

Vicuña will be led by Dave Dicaire, the former Executive Vice President, Josemaria Project for Lundin Mining. The employees from the Josemaria project team and FDS project team are expected to transition over to maintain continuity and knowledge of the projects.

Dave Dicaire, General Manager Vicuña Corp.

Dave Dicaire has over 40 years of mining, engineering and construction experience gained on a variety of global projects leading both the Owners and Engineering, Procurement, and Construction Management (EPCM) teams and has led the Josemaria project as Executive Vice President since August of 2022. His experience covers all facets of project management across several types of mining projects ranging from managing pre-feasibility studies to large EPC/EPCM projects. Dave's previous roles include Vice President, Projects at Lundin Gold where he oversaw construction of the Fruta del Norte project in Ecuador and prior to that Project Director at Freeport-McMoRan for the highly successful multi-billion-dollar Cerro Verde Expansion Project in Peru. Before moving to Freeport McMoRan, he was the General Manager, Project Development for South America for Xstrata Copper based in Santiago, Chile.

2025 Budget, Work Program and Next Steps

The development of the Vicuña District envisions an integrated project plan, incorporating both the Filo del Sol and Josemaria projects through a phased development strategy.

Capital expenditures for the Joint Arrangement are forecast to total \$312 million on a 100% basis for 2025. The workplan will focus on FDS drilling, FDS mineral resource estimation, Josemaria mineral resource estimation update, mine planning, metallurgy, hydrology wells and studies, commencement of access road construction, and exploration at the Cumbre Verde target. In parallel, engineering studies and trade off analysis will be completed in preparation for future permitting and a technical report outlining an integrated project.

Drilling is currently underway at FDS and Cumbre Verde and will continue throughout the year. The drill program at FDS will focus on resource growth with multiple step-out targets in all directions from zones of known mineralization, including both the Bonita and Aurora Zones along with infill drilling to support an initial sulphide mineral resource estimate. Drilling at Cumbre Verde will follow up on the initial results from last year and target the same mineralized system and structures discovered to the north of the project.

The advancement of Vicuña aims to line up with the application window of the Incentive Regime for Large Investments ("RIGI") in Argentina. The incentive regime provides a clear fiscal stability framework for the overall operation during the initial construction period and future phased expansions.

About Lundin Mining

Lundin Mining is a diversified Canadian base metals mining company with operations or projects in Argentina, Brazil, Chile, and the United States of America, primarily producing copper, gold and nickel. In December 2024 the Company announced the sale of its European assets to Boliden. The transaction is expected to close in mid-2025 subject to customary conditions and regulatory approvals.

The information was submitted for publication, through the agency of the contact persons set out below on January 15, 2025 at 9:30 PDT.

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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 establishment and operation of a new joint arrangement with BHP; the realization of synergies and economies of scale in the Vicuña district; the estimated capital expenditures; the timing and expectations for studies and updated estimates; the Joint Arrangement's application under the RIGI regime and the approval and timing thereof; the completion of the sale of the Company's European assets and the timing thereof; the conditions to close the sale of the Company's European assets; 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; that the conditions to close the sale of the Company's European assets will be satisfied; the 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 arrangement with BHP and the realization of synergies and economies of scale in connection therewith; the prompt and effective integration of acquisitions; that the Joint Arrangement's RIGI regime application will be approved; 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: the failure to obtain required approvals for the sale of the Company's European assets; 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 Filo del Sol project and the Josemaria project by the Joint Arrangement; 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 and related integration efforts, including the joint acquisition of Filo with BHP; the joint arrangement 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 relating to the realization of benefits under the RIGI regime the impact on cost estimates and economic analysis related thereto; 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, joint arrangements 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 and nine months ended September 30, 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.