TORONTO, ONTARIO--(Marketwired - Oct 28, 2015) - Lundin Mining Corporation ("Lundin Mining" or the "Company") (TSX:LUN) (OMX:LUMI) today reported a net loss of $35.3 million or a net loss attributable to Lundin shareholders (after deducting non-controlling interests) of $34.6 million ($0.05 per share) for the quarter ended September 30, 2015. Cash flows of $120.2 million were generated from operations in the quarter, not including the Company's attributable cash flows from Tenke Fungurume.

The Company continued to strengthen its balance sheet, generating free-cash flow and reducing net debt during the quarter by a further $43.4 million to $453.8 million, despite lower metal prices and negative price adjustments of $56.4 million related to the re-pricing of provisional sales from prior periods.

Mr. Paul Conibear, President and CEO commented, *"We are pleased that our operations continue to generate healthy cash flows despite the low commodity price environment. Our continued focus on cost efficiency and productivity enhancements has enabled us to maintain all mines producing at low cash costs with good margins, and we have been able to reduce our annual capital expenditure guidance by a further $40 million, while maintaining our production profile intact. The combination of our strong balance sheet and steady operations helps ensure that Lundin will remain in a favorable position to continue to generate excellent shareholder value moving forward."*

Summary financial results for the quarter and year-to-date:

	Three months ended September 30,		Nine months ended September 30,	
US$ Millions (except per share amounts)	2015	2014	2015	2014
Sales	353.2	166.6	1,386.0	508.3
Operating earnings[1]	94.1	42.9	611.1	160.3
Net (loss) / earnings	(35.3)	33.7	101.8	86.8
Net (loss) / earnings attributable to Lundin shareholders	(34.6)	33.7	83.7	86.8
Basic and diluted (loss) / earnings per share	(0.05)	0.06	0.12	0.15
Cash flow from operations	120.2	57.5	606.9	118.8
Ending net debt position[2]	453.8	214.7	453.8	214.7

[1] Operating earnings is a non-GAAP measure defined as sales, less operating costs (excluding depreciation) and general and administrative costs.

[2] Net debt is a non-GAAP measure defined as cash and cash equivalents, less long-term debt and finance leases, before deferred financing fees.

Highlights

Operational Performance

For the third quarter of 2015, production results were strong but financial results were impacted by a lower metal price environment. The Company remains on track to meet overall full year guidance.

Candelaria (80%): The Candelaria operations produced, on a 100% basis, 45,195 tonnes of copper, and approximately 434,000 ounces of silver and 25,400 ounces of gold in concentrate, with copper and gold production better than expectations as a result of higher throughput. Copper cash costs[1] of $1.44/lb for the quarter remain on track to meet full year guidance of $1.35/lb.

Eagle (100%): Eagle's operational results were generally in-line with expectations, with both nickel (6,438 tonnes) and copper (6,514 tonnes) production meeting projections for the quarter. Nickel cash costs of $2.38/lb for the quarter were higher than full year guidance of $2.00/lb largely as a result of lower copper by-product credits. Both production and nickel cash costs remain on track to meet full year guidance.

Neves-Corvo (100%): Neves-Corvo produced 13,917 tonnes of copper and 14,363 tonnes of zinc in the third quarter. Copper production exceeded the prior year comparable period by 28% due to higher head grades. Zinc production fell short of the prior year comparable period, resulting from lower mill feed grades and, in particular, below target metal recovery in the zinc plant. Copper cash costs of $1.83/lb for the quarter were higher than full year guidance ($1.55/lb) due primarily to lower by-product production and sales.

Zinkgruvan (100%): Zinc production in the third quarter of 2015 was 8% lower than the comparable period in 2014, while lead production for the third quarter of 2015 was higher than the 2014 comparable period. Production variances for both metals were due to normal variations of grades in the ore milled. Cash costs for zinc of $0.41/lb for the quarter were in-line with guidance ($0.40/lb).

Aguablanca (100%): Despite the suspension of underground mining operations during the quarter, Aguablanca met production expectations, though current quarter production of 1,708 tonnes of nickel and 1,658 tonnes of copper was lower than the prior year comparable period due to lower throughput, head grades, and recoveries from stockpiled ore. Cash costs of $5.23/lb of nickel for the quarter were higher than full year guidance ($3.75/lb).

Tenke (24%): Tenke operations continue to perform well. Lundin's attributable share of third quarter production included 11,761 tonnes of copper cathode and 954 tonnes of cobalt in hydroxide. The Company's attributable share of sales included 12,278 tonnes of copper at an average realized price of $2.32/lb and 1,022 tonnes of cobalt at an average realized price of $8.96/lb. Tenke operating cash costs for the third quarter of 2015 were $1.15/lb of copper sold, marginally higher than the latest guidance. Cash distributions received by Lundin Mining in the quarter from Tenke were $2.5 million. An additional $1.2 million was received from the Freeport Cobalt operations. Year-to-date cash distributions to the Company from Tenke and Freeport Cobalt totalled $20.6 million, in-line with expectations.

[1] Cash cost/lb of copper, zinc and nickel are non-GAAP measures defined as all cash costs directly attributable to mining operations, less royalties and by-product credits.

Total production, including attributable share of Candelaria (80%) and Tenke (24%):

	2015				2014				
(tonnes)	YTD	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper	220,792	70,481	73,565	76,746	137,636	55,374	26,360	28,631	27,271
Nickel	26,792	8,146	8,594	10,052	12,931	6,574	2,165	2,212	1,980
Zinc	105,837	32,821	37,259	35,757	145,091	36,464	37,958	37,202	33,467

Financial Performance

- Operating earnings for the quarter ended September 30, 2015 were $94.1 million, an increase of $51.2 million in comparison to the third quarter of the prior year ($42.9 million). The increase was primarily due to the inclusion of Candelaria's ($66.7 million) and Eagle's ($18.5 million) operating results. Operating earnings were also positively impacted by favourable foreign exchange rates ($19.1 million), partially offset by lower realized metal prices and price adjustments ($58.4 million) from our European operations.

  On a year-to-date basis, operating earnings were $611.1 million, an increase of $450.8 million in comparison to the first nine months of 2014 ($160.3 million). The increase was primarily due to the inclusion of Candelaria's ($371.8 million) and Eagle's ($114.9 million) operating results, and favourable foreign exchange rates ($60.5 million), partially offset by lower realized metal prices and price adjustments ($131.1 million) from our European operations.

- Sales for the quarter ended September 30, 2015 were $353.2 million, an increase of $186.6 million in comparison to the third quarter of the prior year ($166.6 million). The increase was mainly due to incremental sales from Candelaria and Eagle of $192.0 million and $60.0 million, respectively, partially offset by lower realized metal prices and price adjustments.

  On a year-to-date basis, sales were $1,386.0 million, an increase of $877.7 million in comparison to the first nine months of 2014 ($508.3 million). The increase was mainly due to incremental sales from Candelaria and Eagle of $740.7 million and $233.4 million, respectively, and higher net European sales volumes ($45.6 million), partially offset by lower realized metal prices and price adjustments.

- Average metal prices for copper, nickel and zinc for the quarter ended September 30, 2015 were lower (25%, 43%, and 20%, respectively) in comparison to the third quarter of the prior year.

  On a year-to-date basis, average metal prices for copper, nickel and zinc were lower (18%, 27%, and 5%, respectively) in comparison to the first nine months of 2014.

- Operating costs (excluding depreciation) for the quarter ended September 30, 2015 were $252.3 million, an increase of $134.7 million in comparison to the third quarter of the prior year ($117.6 million). The increase was largely due to incremental costs from Candelaria and Eagle of $125.2 million and $41.5 million, respectively, partially offset by favourable foreign exchange rates in the EUR and SEK ($19.1 million).

  On a year-to-date basis, operating costs (excluding depreciation) were $754.5 million, an increase of $425.7 million in comparison to the first nine months of 2014 ($328.8 million). The increase was largely due to incremental costs from Candelaria and Eagle of $368.9 million and $118.5 million, respectively, partially offset by favourable foreign exchange rates in the EUR and SEK ($60.5 million).

- Depreciation, depletion and amortization expense increased for the three and nine months ended September 30, 2015 when measured against the comparable period in 2014. The increase was attributable to the acquisition of Candelaria (Q3 2015 - $58.6 million; YTD - $224.4 million) and the start of commercial production at Eagle (Q3 2015 - $32.0 million; YTD - $102.7 million).

- Cash flow from operations for the quarter ended September 30, 2015 was $120.2 million, an increase of $62.7 million in comparison to the third quarter of the prior year ($57.5 million). The increase was primarily due to operating earnings from Candelaria ($66.7 million) and Eagle ($18.5 million), and changes in non-cash working capital and long-term inventory ($50.8 million), partially offset by lower operating earnings at our European operations ($33.7 million), primarily due to lower metal prices and higher net income taxes paid ($33.6 million).

  On a year-to-date basis, cash flow from operations was $606.9 million, an increase of $488.1 million in comparison to the first nine months of 2014 ($118.8 million). The increase was attributable to operating earnings from Candelaria ($371.8 million) and Eagle ($114.9 million), and changes in non-cash working capital and long-term inventory ($138.3 million), partially offset by higher net income taxes paid ($71.7 million) and lower operating earnings at our European operations ($33.8 million).

• Net loss for the quarter ended September 30, 2015 was $35.3 million compared to net earnings of $33.7 million in the third quarter of the prior year. Net loss was impacted by:

- lower net earnings at our European operations, primarily the result of lower realized metal prices and price adjustments ($2 million); and
- interest expense associated with the senior secured notes ($20.2 million); and
- lower income from investment in Tenke ($19.3 million).

On a year-to-date basis, net earnings were $101.8 million, an increase of $15.0 million in comparison to the first nine months of 2014 ($86.8 million). Net earnings were impacted by:

- addition of Candelaria ($112.9 million) and Eagle's first three full quarters of operations ($19.9 million); partially offset by
- interest expense associated with the senior secured notes ($60.0 million); and
- lower income from investment in Tenke ($43.0 million); and
- lower net earnings at our European operations, primarily the result of lower realized metal prices and price adjustments ($18.3 million).

Corporate Highlights

- On July 23, 2015, the Company announced approval of the Environmental Impact Assessment ("EIA") for Candelaria 2030 - the project to install new tailings storage facilities and approvals for continued mine operation running to at least year 2030.
- On July 29, 2015, the Company announced the completion of an updated mine plan and annual sustaining capital cost estimate for Candelaria. The new plan is expected to result in an improved production and operating cost profile over the next four year period. Annual total copper production for 2016-2019 is now expected to average 154,000 tonnes (100% of production) with a weighted average annual copper cash cost of $1.67/lb. Refer to the news release entitled "Lundin Mining Announces Updated Mine Plan at Candelaria" on the Company's website (www.lundinmining.com).
- On August 31, 2015, the Company reported its Mineral Reserve and Resource estimates as at June 30, 2015 on SEDAR (www.sedar.com). On a consolidated basis, contained metal in the Proven and Probable Mineral Reserve category totaled 3,971,000 tonnes of copper, representing a significant increase from the prior comparable statement, mainly due to an increase in Mineral Reserves at Candelaria. The full press release can be found on the Company's website.

Financial Position and Financing

- Net debt position at September 30, 2015 was $453.8 million compared to $829.2 million at December 31, 2014 and $497.2 million at June 30, 2015.
- The $43.4 million decrease in net debt during the quarter was largely attributable to operating cash flows of $120.2 million, partially offset by investments in mineral properties, plant and equipment of $73.0 million.

  For the nine months ended September 30, 2015, net debt decreased by $375.4 million due primarily to operating cash flows of $606.9 million, partially offset by investments in mineral properties, plant and equipment of $215.7 million.

- The Company has a revolving credit facility available for borrowing up to $350 million. As at September 30, 2015, the Company had no amount drawn on the credit facility. A letter of credit in the amount of $19.3 million (SEK 162 million) is outstanding.
- Net debt at October 28, 2015 is approximately $448 million.

Outlook

2015 Production and Cost Guidance

- Production and cash cost guidance for 2015 has been updated from that disclosed in our Management Discussion and Analysis for the six months ended June 30, 2015, as noted below.
- Production guidance ranges for all sites have been narrowed to account for production results to date.
- Cash cost guidance at Neves-Corvo has been increased slightly ($0.05/lb) to reflect lower expected sales of by-products and lower metal prices.

- Cash cost and production guidance for the Aguablanca Mine reflects that all mining and milling activities are suspended at the Aguablanca nickel-copper mine in Spain. Underground production activities at the operation have been in suspension since late July of 2015. Since that time, the processing plant has been running exclusively on stockpiled material, which has now been exhausted. As the Company has not yet received the needed environmental approvals to recommence underground mining, a decision has been made to fully suspend the operations pending further notice. The full year guidance for cash costs and production are based on an estimate of October production and may change slightly upon finalization of assays and financial results.
- Guidance on Tenke's cash costs have been updated to reflect the most recent guidance provided by Freeport-McMoRan Inc. ("Freeport").

2015 Guidance		Guidance[a]		Revised Guidance	
(contained tonnes)		Tonnes	C1 Cost	Tonnes	C1 Cost[b]
Copper	Candelaria (80%)	*135,000 - 140,000*	*$1.35/lb*	*138,000 - 141,000*	*$1.35/lb*
	Eagle	*20,000 - 23,000*		*23,000 - 24,000*	
	Neves-Corvo	*50,000 - 55,000*	*$1.55/lb*	*54,000 - 56,000*	*$1.60/lb*
	Zinkgruvan	*2,000 - 3,000*		*2,000*	
	Aguablanca	*5,500 - 6,000*		*6,100*	
	Tenke (24%)[c]	*50,000*	*$1.12/lb*	*50,600*	*$1.16/lb*
	Total attributable	*262,500 - 277,000*		*273,700 - 279,700*	
Nickel	Eagle	*25,000 - 28,000*	*$2.00/lb*	*26,000 - 27,000*	*$2.00/lb*
	Aguablanca	*7,000 - 7,500*	*$3.75/lb*	*7,100*	*$2.60/lb*
	Total	*32,000 - 35,500*		*33,100 - 34,100*	
Zinc	Neves-Corvo	*60,000 - 65,000*		*59,000 - 62,000*	
	Zinkgruvan	*80,000 - 85,000*	*$0.40/lb*	*82,000 - 85,000*	*$0.40/lb*
	Total	*140,000 - 150,000*		*141,000 - 147,000*	
Lead	Neves-Corvo	*4,000 - 5,000*		*3,000 - 3,500*	
	Zinkgruvan	*30,000 - 33,000*		*31,000 - 33,000*	
	Total	*34,000 - 38,000*		*34,000 - 36,500*	

1. Guidance as outlined in our Management's Discussion and Analysis for the quarter ended June 30, 2015.
2. Cash costs remain dependent upon exchange rates (forecast at EUR/USD:1.15, USD/SEK:8.25, USD/CLP:680) and metal prices (forecast at Cu: $2.50/lb, Ni: $5.00/lb, Zn: $0.85/lb, Pb: $0.80/lb, Au: $1,100/oz, Ag: $15.00/oz, Co: $13.00/lb). Prior guidance forecast USD/CLP at 625, Cu at $2.70/lb, Ni at $6.25/lb and Zn at $0.95/lb.
3. Freeport has provided 2015 sales and cash costs guidance. Tenke's 2015 production is assumed to approximate sales guidance.

2015 Capital Expenditure and Exploration Guidance

Capital expenditures for 2015 are expected to be $310 million (excluding Tenke), $40 million less than previous guidance. The Company expects to spend $20 million less on sustaining capital expenditures at our Candelaria and Neves-Corvo operations as part of on-going efforts to defer or reduce non-essential spending during the current metal price environment.

Revised Capital Expenditure Guidance			
($ millions)	Prior Guidance[a]	Revisions	Revised Guidance
by Mine			
Candelaria	$ 205	$ (20)	$ 185
Eagle	15	5	20
Neves-Corvo	75	(20)	55
Zinkgruvan	40	(5)	35
Aguablanca	15	-	15
	$ 350	$ (40)	$ 310

1. Guidance as outlined in our Management's Discussion and Analysis for the quarter ended June 30, 2015.

The Company estimates its share of expansion related initiatives and sustaining capital funding for 2015 at Tenke to be $80 million, unchanged from previous guidance. All of the capital expenditures are expected to be self-funded by cash flow from Tenke operations. The Company expects to receive cash distributions from Tenke in 2015 of approximately $20 million, at the lower end of previous guidance of $20 - $30 million.

The total exploration expense is expected to be $60 million, unchanged from previous guidance.

About Lundin Mining

Lundin Mining Corp. ("Lundin", "Lundin Mining" or the "Company") is a diversified Canadian base metals mining company with operations in Chile, the USA, Portugal, Sweden, and Spain, primarily producing copper, nickel and zinc. In addition, Lundin Mining holds a 24% equity stake in the world-class Tenke Fungurume ("Tenke") copper/cobalt mine in the Democratic Republic of Congo ("DRC") and in the Freeport Cobalt Oy business ("Freeport Cobalt"), which includes a cobalt refinery located in Kokkola, Finland.

On Behalf of the Board,

Paul Conibear, President and CEO

The information in this release is subject to the disclosure requirements of Lundin Mining under the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was publicly communicated on October 28, 2015 at 5:30 p.m. Eastern Time.

Cautionary Statement on Forward-Looking Information

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of applicable Canadian securities legislation. This report includes, but is not limited to, forward looking statements with respect to the Company's estimated annual metal production, cash costs, exploration expenditures, capital expenditures and dividends, as noted in the Outlook section and elsewhere in this document. These estimates and other forward-looking statements are based on a number of assumptions and are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to estimated operating and cash costs, foreign currency fluctuations; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; including risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses, and commodity price fluctuations; the inability to successfully integrate the Candelaria operations or realize its anticipated benefits; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described under Risk Factors Relating to the Company's Business in the Company's Annual Information Form. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of copper, nickel, zinc and other metals; that the Company can access financing, appropriate equipment and sufficient labour and that the political environment where the Company operates will continue to support the development and operation of mining projects. 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 statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

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