Lundin Mining

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News Release

Lundin Mining's Chile Operations Impacted by Second Severe Winter Storm

Vancouver, August 18, 2026 (TSX: LUN; Nasdaq Stockholm: LUMI) Lundin Mining Corporation ("Lundin Mining" or the "Company") provides an update on operations at Caserones and Candelaria following a second winter storm in Chile's Atacama region, which began on August 13 and brought heavy rainfall at lower elevations, along with unusually heavy snowfall and high winds at higher altitudes.

Jack Lundin, President and CEO, commented "Northern Chile has experienced an unprecedented series of winter storms, with significant impacts on communities across the Atacama region and on our operations at Caserones. The safety of our people remains our highest priority, and I want to thank our employees, contractors, and emergency response teams for their dedication and resilience throughout this challenging period.

"Following the first storm, we expected the impact on production to remain within the lower end of our original guidance range. Unfortunately, a second severe storm disrupted recovery efforts and delayed our planned return to full operations, leading to additional unplanned downtime. As a result, we have revised our guidance to reflect the extended recovery period.

"Our teams continue to make strong progress restoring power, repairing infrastructure, and reopening access routes, and we remain focused on safely returning Caserones to full production as quickly as possible."

Subsequent to the initial power outage at Caserones from July 18 to July 30, a second outage occurred on August 14. Recent inspections determined severe winds and heavy snowfall re-damaged a transmission tower that had been affected by the previous storm. Repair crews have been mobilized, and work is underway to restore the damaged infrastructure. Full power restoration is expected by the end of the week, followed by a gradual and safe ramp-up of operations. In the meantime, backup generators continue to support critical site infrastructure.

The cumulative impact of these weather events has affected the Company's full-year outlook at Caserones. As a result, Caserones' 2026 copper production guidance has been revised from 130,000 – 140,000 tonnes to 120,000 – 130,000 tonnes, along with cash cost guidance from $2.05/lb – $2.25/lb to $2.15/lb – $2.35/lb of copper. The Company continues to expect Candelaria to meet its full-year production guidance. Consolidated copper production guidance for the Company is now 300,000 – 325,000 tonnes, with cash cost guidance of $1.95/lb to $2.15/lb of copper.

Updated 2026 Production and Cash Cost Guidance

		Guidance[a]		Revised Guidance	
(contained metal)		**Production**	**Cash Cost ($/lb)[b]**	**Production**	**Cash Cost ($/lb)[b,c]**
Copper (t)	Candelaria (100%)	135,000 – 145,000	2.05 – 2.25	135,000 – 145,000	2.05 – 2.25
	Caserones (100%)	130,000 – 140,000	2.05 – 2.25	**120,000 – 130,000**	**2.15 – 2.35**
	Chapada	45,000 – 50,000	0.75 – 0.95[d]	45,000 – 50,000	0.75 – 0.95[d]
	Total	310,000 – 335,000	1.90 – 2.10	**300,000 – 325,000**	**1.95 – 2.15**
Gold (koz)	Candelaria (100%)[e]	77 – 87		77 – 87	

Chapada	57 – 62	57 – 62
Total	134 – 149	134 – 149

a. Guidance as outlined in the Company's Management Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2026.
b. Cash cost and consolidated cash cost per pound are non-GAAP measures. For equivalent historical non-GAAP measure comparatives, see the Historical Non-GAAP Measure Comparatives section of this press release. Please also see the Management's Discussion and Analysis for the year ended December 31, 2025, and for the three and six months ended June 30, 2026. Unless otherwise stated, dollar amounts are presented in United States dollars.
c. 2026 revised cash cost guidance is based on various assumptions and estimates, including but not limited to: production volumes, commodity prices (Au: $4,000/oz, Ag: $70.00/oz), foreign exchange rates (USD/CLP:900, USD/BRL:5.00) and operating costs.
d. Chapada's cash cost is calculated on a by-product basis and does not include the effects of its copper stream agreements which are reflected in copper revenue.
e. 68% of Candelaria's total gold and silver production are subject to a streaming agreement. Cash costs are calculated based on receipt of approximately $437/oz gold and $4.36/oz silver on streamed ounces.

About Lundin Mining

Lundin Mining is a Canadian mining company headquartered in Vancouver, Canada with three operating mines in Brazil and Chile. We produce metals that underpin global development, supporting infrastructure, electrification, technological innovation, and economic resilience. Our strategic vision is to become a top ten global copper producer. To get there, we are executing a clear growth strategy, which includes advancing one of the world's largest copper, gold, and silver projects in the Vicuña District on the border of Argentina and Chile, where we hold a 50% interest. We also hold a 31% interest in the Los Helados project, located adjacent to our operating Caserones mine, providing longer term growth optionality. Lundin Mining has a proven track record of value creation through resource growth, operational excellence, and responsible development. The Company's shares trade on the Toronto Stock Exchange (LUN) and Nasdaq Stockholm (LUMI). Learn more at www.lundinmining.com.

The information in this release is subject to the disclosure requirements of Lundin Mining under the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below on August 18, 2026 at 23:00 Pacific Time.

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Historical Non-GAAP Measure Comparatives

Cash cost, cash cost per pound, and consolidated cash cost per pound are non-GAAP financial measures. These are not standardized financial measures under generally accepted accounting principles under IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These amounts 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. Please refer to the section titled "Non-GAAP and Other Performance Measures" in Lundin Mining's Management's Discussion and Analysis for the year ended December 31, 2025 and for the three and six months ended June 30, 2026, which are incorporated by reference herein and which are available on SEDAR+ at www.sedarplus.ca.

Cash Cost per Pound and Consolidated Cash Cost per Pound – Year Ended December 31, 2025

Operations ($ millions, unless otherwise noted)	Candelaria (Cu)	Caserones (Cu)	Chapada (Cu)	Consolidated (Cu)	Total Continuing Operations[1]
Sales volumes (payable metal)					
Tonnes	140,500	138,287	42,040	320,827	
Pounds (000s)	309,749	304,870	92,682	707,301	
Production costs	783.9	854.5	306.8	1,945.2	1,948.1
Less: Royalties and other	(18.6)	(52.4)	(22.3)	(93.3)	(96.2)
	765.3	802.1	284.5	1,851.9	1,851.9
Deduct: By-product	(193.1)	(149.8)	(220.4)	(563.3)	(563.3)
Add: Treatment and refining	22.9	8.3	5.0	36.2	36.2
Cash cost	595.1	660.6	69.1	1,324.8	1,324.9
Cash cost per pound ($/lb)	**1.92**	**2.17**	**0.75**	**1.87**	

[1] Includes immaterial amounts related to other segments

Cash Cost per Pound and Consolidated Cash Cost per Pound – Six Months Ended June 30, 2026

Operations ($ millions, unless otherwise noted)	Caserones (Cu)	Candelaria (Cu)	Chapada (Cu)	Consolidated (Cu)	Total Continuing Operations[1]
Sales volumes (payable metal):					
Tonnes	69,940	60,335	21,454	151,729	
Pounds (000s)	154,191	133,016	47,298	334,505	
Production costs	411.7	418.2	169.4	999.3	1,000.0
Less: Royalties and other	(30.4)	(12.3)	(13.6)	(56.3)	(57.0)
Add: Treatment and refining charges	0.3	0.7	0.3	1.3	1.3
Gross cost	**381.6**	**406.6**	**156.1**	**944.3**	**944.3**
Deduct: By-product	(96.5)	(89.6)	(130.7)	(316.8)	(316.8)
Cash cost	**285.1**	**317.0**	**25.4**	**627.5**	**627.6**
Gross cost per pound ($/lb)	2.47	3.06	3.30	2.82	
By-product per pound ($/lb)	(0.62)	(0.68)	(2.76)	(0.94)	
Cash cost per pound ($/lb)	**1.85**	**2.38**	**0.54**	**1.88**	

[1] Includes immaterial amounts related to other segments

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 impacts from the severe winter storms and inclement weather in Chile, including impacts on the Company's operations and supporting infrastructure and their anticipated severity and duration; the expected timing for the Company to resume operations at Caserones; the Company's guidance on the timing and amount of future production and its expectations regarding the results of operations; the Company's financial guidance and expected financial performance and potential impacts thereto. 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 those related to the severity, duration and impacts of winter storms and any subsequent inclement weather events; that the Company can access financing, appropriate equipment and supplies, and sufficient labour, including those required for necessary infrastructure repairs and to restart operations at Caserones; assumed and future price of copper, gold, zinc, nickel and other metals; anticipated costs; ability to achieve goals; that the political, economic, permitting and legal environment in which the Company operates will continue to support the development and operation of mining projects; timing and receipt of governmental, regulatory and third party approvals, consents, licenses and permits and their renewals; the geopolitical, economic, permitting and legal climate that the Company operates in; legal and regulatory requirements; positive relations with local groups; operating conditions, capital and operating cost estimates; production and processing estimates; that no significant event will occur outside of the Company's normal course of business and operations (other than as set out herein); and such other assumptions as set out herein and in other applicable public disclosure documents of the Company, as well as those 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, such information is inherently subject to significant business, social, economic, political, regulatory, competitive and other risks, uncertainties and contingencies that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. The Company cautions that the foregoing list of assumptions is not exhaustive. 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: uncertainty around the severity and extent of the impacts on the Company's operations and supporting infrastructure as a result of the winter storms in Chile, and uncertainty around the timing of repairs and for the Company to resume operations at Caserones; risks associated with additional winter storms and inclement weather events; dependence on international market prices and demand for the metals that the Company produces; political, economic, and regulatory uncertainty in 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; risks relating to mine closure and reclamation obligations; health and safety hazards; inherent risks of mining, not all of which related risk events are insurable; risks relating to tailings and waste management facilities; risks relating to the Company's indebtedness; challenges and conflicts that may arise in partnerships and joint operations; risks relating to development projects; risks that revenue may be significantly impacted in the event of any production stoppages or reputational damage in Chile; the impact of global financial conditions, market volatility and inflation; business interruptions caused by critical infrastructure failures or damage; challenges of effective water management; exposure to greater foreign exchange and capital controls, as well as political, social and economic risks as a result of the Company's operation in emerging markets; risks relating to stakeholder opposition to continued operation, further development, or new development of the Company's projects and mines; any breach or failure information systems; risks relating to reliance on estimates of future production; risks relating to litigation and administrative proceedings which the Company may be subject to from time to time; risks relating to acquisitions or business arrangements; risks relating to competition in the industry; failure to comply with existing or new laws or changes in laws; challenges or defects in title or termination of mining or exploitation concessions; the exclusive jurisdiction of foreign courts; the outbreak of infectious diseases or viruses; risks relating to taxation changes; receipt of and ability to maintain all permits that are required for operation; minor elements contained in concentrate products; changes in the relationship with its employees and contractors; the Company's Mineral Reserves and Mineral Resources which are estimates only; risks that metallurgical testing, recoveries or process assumptions may differ from expectations; risks associated with climate change and inclement weather events; physical climate risks, including drought, flooding, extreme weather and water scarcity, and transition risks associated with evolving climate-related laws, regulations, emissions standards and stakeholder expectations; equipment delivery delays and supply chain disruptions; risks related to water availability, water rights, desalination infrastructure, groundwater permitting and changing water-use regulations; risks relating to community relations, indigenous consultation and participation processes, social license to operate and the ability to obtain and maintain community support; payment of dividends in the future; compliance with environmental, health and safety laws and regulations, including changes to such laws or regulations; interests of significant shareholders of the Company; asset values being subject to impairment charges; potential for conflicts of interest and public association with other Lundin Group companies or entities; activist shareholders and proxy solicitation firms; risks associated with climate change and inclement weather events; the Company's common shares being subject to dilution; ability to attract and retain highly skilled employees; reliance on key personnel and reporting and oversight systems; risks relating to the Company's internal controls; counterparty and customer concentration risk; risks associated with the use of derivatives; exchange rate fluctuations; the terms of the contingent payments in respect of the completion of the sale of the Company's European assets and expectations related thereto; 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 year ended December 31, 2025 and for the three and six months ended June 30, 2026 and the "Risks and Uncertainties" sections of the Company's Annual Information Form for the year ended December 31, 2025, which are available on SEDAR+ at www.sedarplus.ca 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.