Resource Company Report: Lundin Mining Corporation

Report Date	August 17, 2026	**Company Type**	Mid-Tier Copper Producer (Gold by-product)
Company Name	Lundin Mining Corporation	**Stock Symbol**	LUNMF (OTC) / LUN (TSX) / LUMI (Nasdaq Stockholm)
Key Assets	Candelaria & Caserones (Chile); Chapada (Brazil); Vicuña district growth (Argentina/Chile)	**Market Cap (approx.)**	Multi-billion (typically CAD$10B+ range; confirm current)
2026 Copper Guidance	310,000 – 335,000 tonnes; Cash cost $1.90 – $2.10/lb	**2026 Gold Guidance**	134,000 – 149,000 oz
Q2 2026 Production	~76.9 kt Cu; ~33.4 koz Au; Revenue ~$1.2B; Adj. EBITDA $658M	**H1 Copper**	~157 kt (on track for guidance)
Stage	Producing mid-tier with growth pipeline (Vicuña / Josemaria)	**CEO**	Jack Lundin

1. Company Overview & Investment Thesis

Lundin Mining Corporation (TSX: LUN; OTC: LUNMF; Nasdaq Stockholm: LUMI) is a mid-tier base-metals producer focused on copper, with meaningful gold by-product credits. The company's principal operations are Candelaria and Caserones in Chile and Chapada in Brazil. 2026 guidance is 310,000–335,000 tonnes of copper at a consolidated cash cost of US$1.90–2.10 per pound and 134,000–149,000 ounces of gold. Second-quarter 2026 production was approximately 76,900 tonnes of copper and 33,400 ounces of gold, generating near-record revenue of approximately US$1.2 billion and adjusted EBITDA of US$658 million. First-half copper production of approximately 157,000 tonnes keeps the company on track for annual guidance. Caserones was temporarily impacted by severe winter weather (operations suspended ~13 days); the company expects Caserones production to finish in the lower half of its 130–140 kt range but maintains overall consolidated guidance. The growth pipeline is centered on the Vicuña district (including Josemaria) with a strategic goal of becoming a top-ten global copper producer. Net cash was positive at quarter-end. CEO is Jack Lundin.

Investment Thesis: Lundin Mining offers leveraged exposure to copper (with gold by-product) through a portfolio of operating mines in Chile and Brazil and a significant growth pipeline in the Vicuña district. Near-record Q2 revenue and EBITDA, maintained 2026 guidance, and a clear long-term copper growth ambition underpin the investment case. Key risks include copper-price cyclicality, operational and weather-related disruptions (as seen at Caserones), cost inflation, Chilean and Brazilian jurisdictional factors, and the capital intensity and timeline of the Vicuña development. Relative to pure explorers or single-asset developers, LUNMF ranks substantially lower risk as a multi-mine producer with positive free cash flow; residual commodity and development risks remain material.

2. Mining and Development Projects

Lundin Mining's production and growth are driven by three operating copper assets in South America and a major development pipeline in the Vicuña district.

2.1 Operating Mines (Candelaria, Caserones, Chapada)

Location / Ownership	Candelaria (Chile, 80% owned) – open-pit and underground copper-gold; Caserones (Chile, 100%) – open-pit copper-molybdenum; Chapada (Brazil) – open-pit copper-gold
Metals / Interest	Copper (primary) with gold and molybdenum by-products
Status	Producing. 2026 guidance: Candelaria 135–145 kt Cu / 77–87 koz Au; Caserones 130–140 kt Cu (now expected lower half after winter storm); Chapada 45–50 kt Cu / 57–62 koz Au. Q2 consolidated ~76.9 kt Cu / ~33.4 koz Au. Consolidated cash cost guidance $1.90–$2.10/lb (Chapada cash cost guidance reduced on higher gold prices)
Key Metrics / Work	Candelaria production is second-half weighted as higher-grade phases come online. Caserones restart underway after ~13-day weather-related suspension. Chapada benefits from improved recoveries and by-product credits. Sustaining capital guidance ~$550M
Notes	Core cash-flow engine supporting shareholder returns and funding of the Vicuña growth pipeline
Outlook / Catalysts	Delivery of 2026 consolidated guidance; Caserones recovery; Candelaria grade/throughput improvement in H2; cost performance within guided ranges

2.2 Vicuña District Growth Pipeline

Location / Ownership	Vicuña district (Argentina/Chile) – includes Josemaria and related copper-gold assets; 50% basis capital guidance referenced for Vicuña
Metals / Interest	Copper and gold – large-scale development potential
Status	Development stage. Strategic vision to reach >500 ktpa copper and >550 koz gold annually. Vicuña remains on track for a potential Stage 1 sanctioning decision before end-2026; Stage 2/3 PFS expected H2 2027. Expansionary capital includes Vicuña spend
Key Metrics / Work	The Vicuña district is the primary long-term growth driver and the foundation of the company's ambition to become a top-ten global copper producer. Capital allocation remains disciplined alongside a stable shareholder distribution program
Notes	Transformational growth optionality beyond the current operating base
Outlook / Catalysts	Stage 1 sanctioning decision; PFS advancement; continued exploration and engineering progress in the Vicuña district

The three operating mines currently generate the bulk of revenue, EBITDA and free cash flow. The Vicuña district provides the multi-year growth pathway that underpins the company's longer-term copper production ambition.

3. Exploration & Development Activity

Near-term priorities are delivery of 2026 production and cost guidance, recovery of Caserones operations after the winter storm, operational optimization at Candelaria and Chapada (including the Chapada ball mill expansion), and advancement of the Vicuña district toward a Stage 1 sanctioning decision. Success metrics are on-guidance copper and gold production, cash costs within the guided range, free-cash-flow generation, and measurable progress on Vicuña engineering and permitting milestones.

4. Management and Board of Directors

Management

Name	Title	Notes	Experience / Focus
Jack Lundin	President & CEO	Leadership	Overall strategy, operations, Vicuña growth and capital allocation
Operations / technical team	Mine operations & projects	Technical	Candelaria, Caserones, Chapada performance and Vicuña development
Corporate team	Finance & administration	Support	Treasury, shareholder returns and reporting

Board of Directors

Name / Group	Role	Key Background
Board (collective)	Governance	Oversight of multi-asset operations, growth pipeline, capital allocation and risk
Independent directors	Oversight	Mining, finance and capital-markets experience

5. Financial Information

Lundin Mining is a cash-flowing mid-tier copper producer. Second-quarter 2026 revenue reached approximately US$1.2 billion (near-record) with adjusted EBITDA of US$658 million. Consolidated cash cost in the quarter was approximately US$2.11/lb. The company remains on track for full-year copper production of 310–335 kt and gold of 134–149 koz at a consolidated cash cost of US$1.90–2.10/lb. Net cash was positive (~US$75–79 million range around quarter-end). Sustaining capital guidance is approximately US$550 million; expansionary capital includes Vicuña and Chapada ball-mill spend. Exact current cash, debt and liquidity metrics should be confirmed from the latest financial statements. Capital allocation balances sustaining and growth investment with a stable shareholder distribution program.

Project / Corporate Summary

Line Item	Amount / Notes
Market capitalization (approx.)	Multi-billion (confirm current market data)
2026 Copper Production Guidance	310,000 – 335,000 tonnes
2026 Gold Production Guidance	134,000 – 149,000 oz
2026 Consolidated Cash Cost	$1.90 – $2.10 /lb Cu
Q2 2026 Cu / Au / Revenue / Adj. EBITDA	~76.9 kt / ~33.4 koz / ~$1.2B / $658M
Net Cash (approx. mid-2026)	Positive (~$75–79M range)

Corporate Summary

Item	Value / Notes
Primary listings	TSX (LUN) / OTC (LUNMF) / Nasdaq Stockholm (LUMI)
CEO	Jack Lundin
Strategy	Optimize operating assets; advance Vicuña toward top-ten copper producer ambition; disciplined capital returns

6. Company Valuation

Lundin Mining trades as a mid-tier copper producer with a multi-billion-dollar market capitalization. Valuation is supported by the cash-flowing operating portfolio (Candelaria, Caserones, Chapada), 2026 guidance of 310–335 kt copper at US$1.90–2.10/lb cash cost, near-record quarterly revenue and EBITDA, a positive net cash position, and the long-term optionality of the Vicuña district. Relative valuation should consider peer mid-tier copper producers and the prevailing copper and gold price environment.

Discounted NPV discussion: A practical framework values the free-cash-flow streams from the three operating mines at risk-adjusted discount rates based on guided production and costs, then adds risk-adjusted values for the Vicuña/Josemaria development pipeline (probability-weighted for sanctioning, financing and construction), and adjusts for net cash/debt. Key sensitivities are the copper price, operational performance and weather/geopolitical factors in Chile and Brazil, cost inflation, and the timeline and capital requirements of Vicuña. Delivery of 2026 guidance and progress toward Vicuña Stage 1 sanctioning are the primary near-term valuation catalysts.

Merger & Acquisition Activity

Lundin Mining has historically grown through a combination of organic development and selective acquisitions (including the interests that built the current Chilean and Brazilian portfolio). The current strategic focus is on optimizing the operating assets and advancing the Vicuña district. No formal public takeover offer for the company has been announced. As a mid-tier copper producer with a clear growth pipeline in a strategic district, the company could attract interest from larger diversified miners, while management continues to execute the independent growth and capital-return strategy.

7. Risks

- Copper (and gold) price cyclicality.
- Operational and weather-related disruption risk (as demonstrated by the Caserones winter storm).
- Cost inflation (diesel, labour, consumables) and cash-cost performance.
- Chilean and Brazilian jurisdictional, regulatory and community risk.
- Capital intensity and timeline risk on the Vicuña district development.
- Geopolitical and permitting risk for large-scale South American copper projects.
- Foreign-exchange and inflation risk in operating jurisdictions.
- General mining, environmental, social and safety risks across a multi-asset portfolio.

8. Comparative Risk Analysis

On a relative-risk scale of 1 to 7 (1 = lowest risk, 7 = highest risk) versus other junior and intermediate mining companies, Lundin Mining is ranked **3**. The ranking reflects moderate relative risk: a multi-mine mid-tier copper producer with 2026 guidance of 310–335 kt copper at US$1.90–2.10/lb cash cost, near-record quarterly revenue and EBITDA, a positive net cash position, and a significant growth pipeline in the Vicuña district, offset by residual copper-price sensitivity, operational and weather risk (illustrated by the Caserones suspension), and the capital and timeline risk associated with large-scale South American copper development. Positive factors include diversified operating cash flow from three mines, gold by-product credits, maintained consolidated guidance despite weather impacts, and a clear long-term copper growth ambition. Offsetting factors are concentration in Chile and Brazil, cost-inflation exposure, and the multi-year nature of the Vicuña project. Relative to pure explorers or single-asset developers, LUNMF ranks substantially lower risk; relative to the largest diversified senior copper producers with deeper geographic diversification, it ranks modestly higher risk. The net result is a risk ranking of 3.

Sources: Company Q2 2026 results and MD&A;, 2026 production and cost guidance, Vicuña/Capital Markets Day materials, and market data as of mid-August 2026.

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