

TSX: LUN
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Workshop Agepor - Setúbal
27 September, 2013

Lundin Mining Worldwide Operations

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Neves-Corvo Mine Background

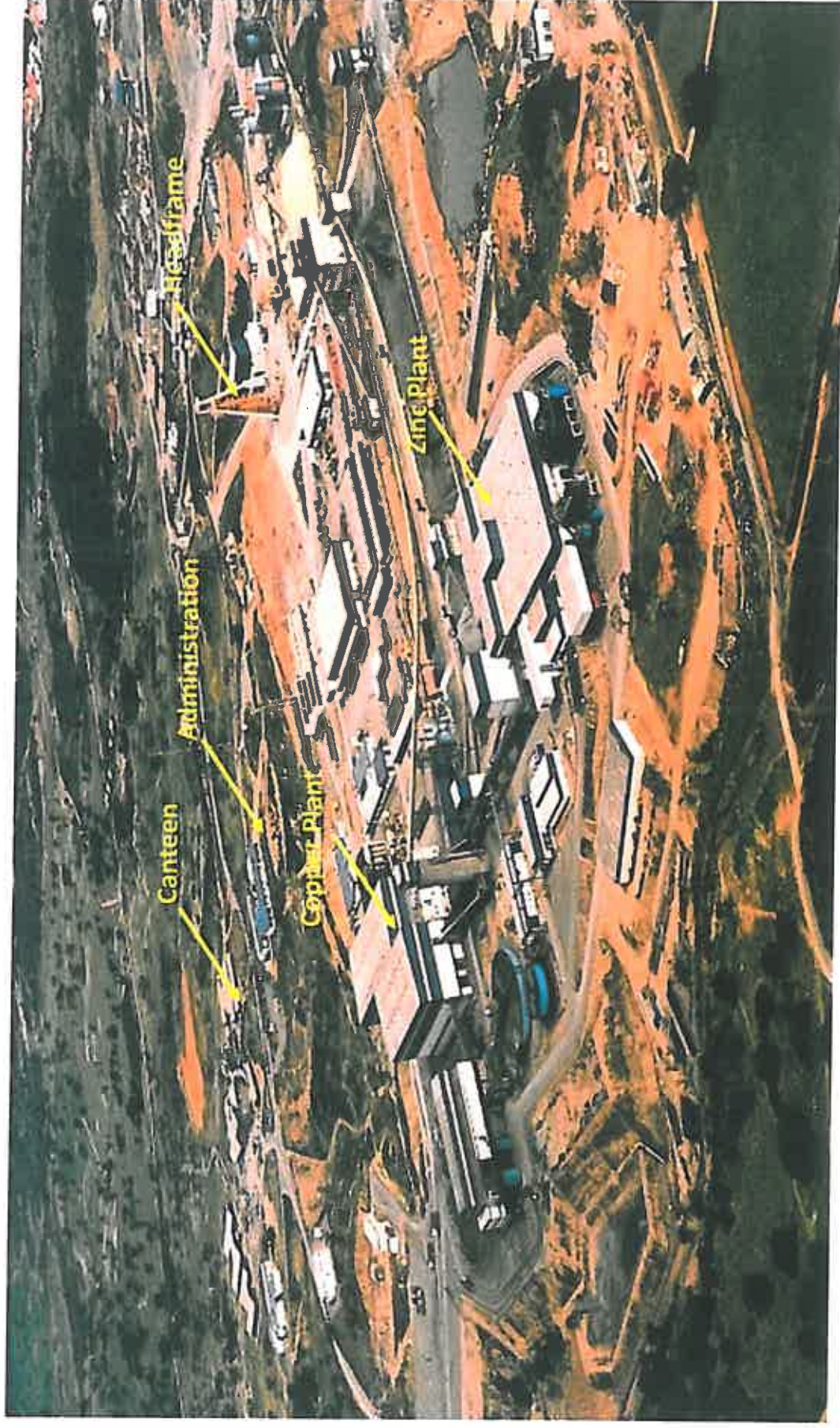
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- 1988 – Opened by Portuguese PM. Total capital costs of \$343 million.
- 2004 - Acquired by EuroZinc.
- 2006 - Acquired by Lundin Mining through merger with EuroZinc.
- Portugal – a mining-friendly EU country
- Excellent infrastructure (rail, port, hwy, power, airports).
- Close to European suppliers and customers.
- Storage and ship loading facility at Setubal Port.
- Skilled, stable work force.



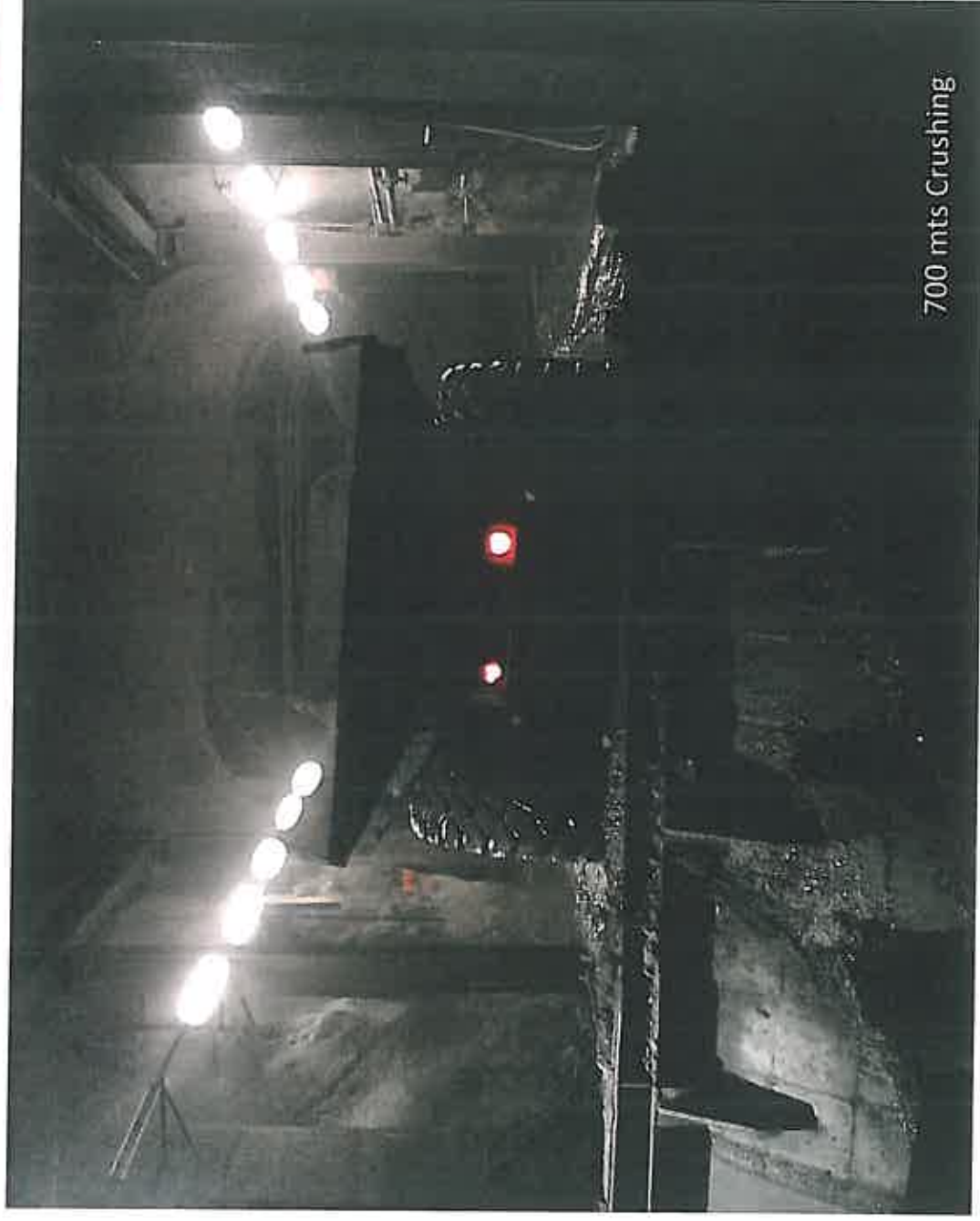
Neves-Corvo Surface Infrastructure

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Neves-Corvo Logistic Scheme

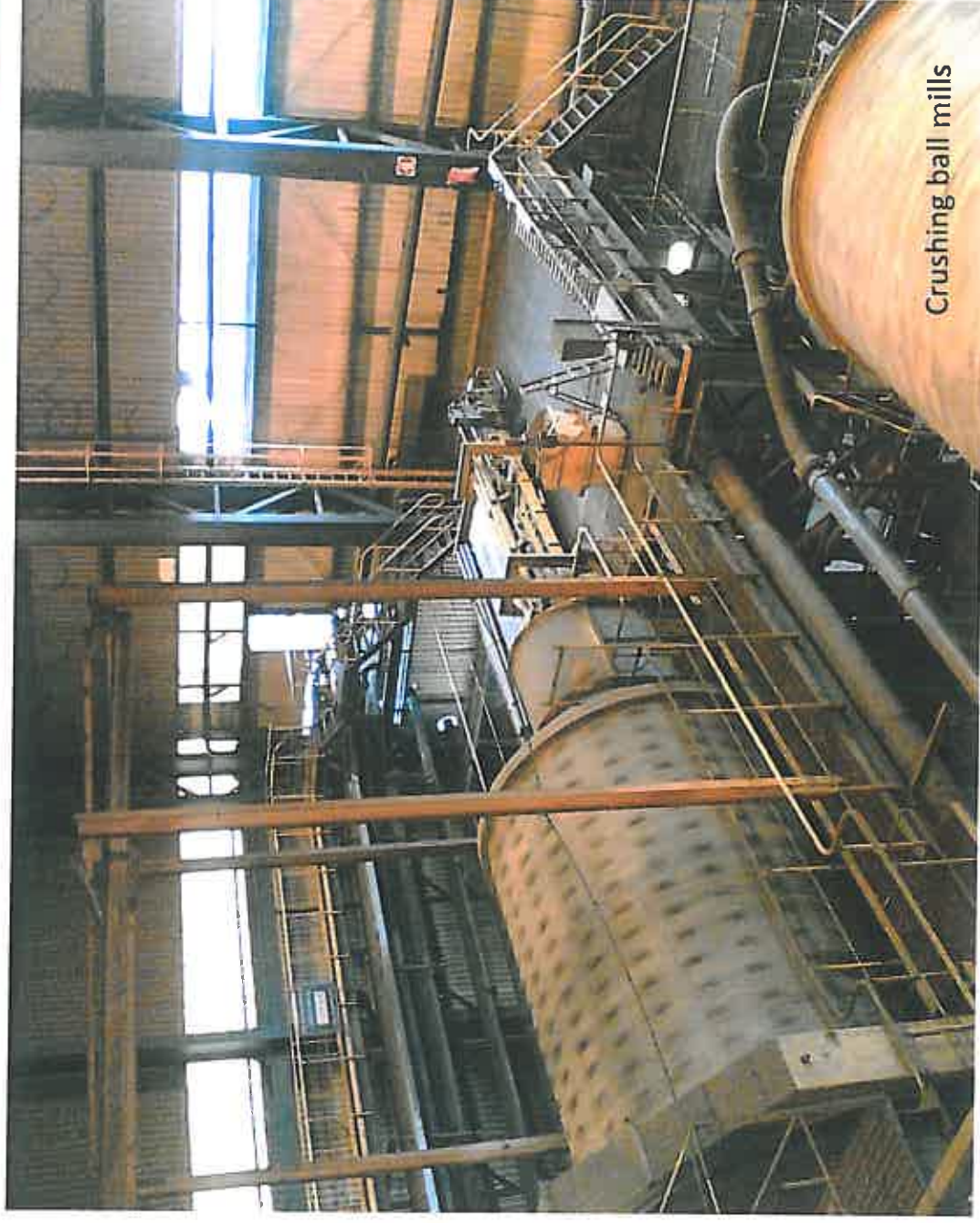
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700 mts Crushing

Neves-Corvo Logistic Scheme

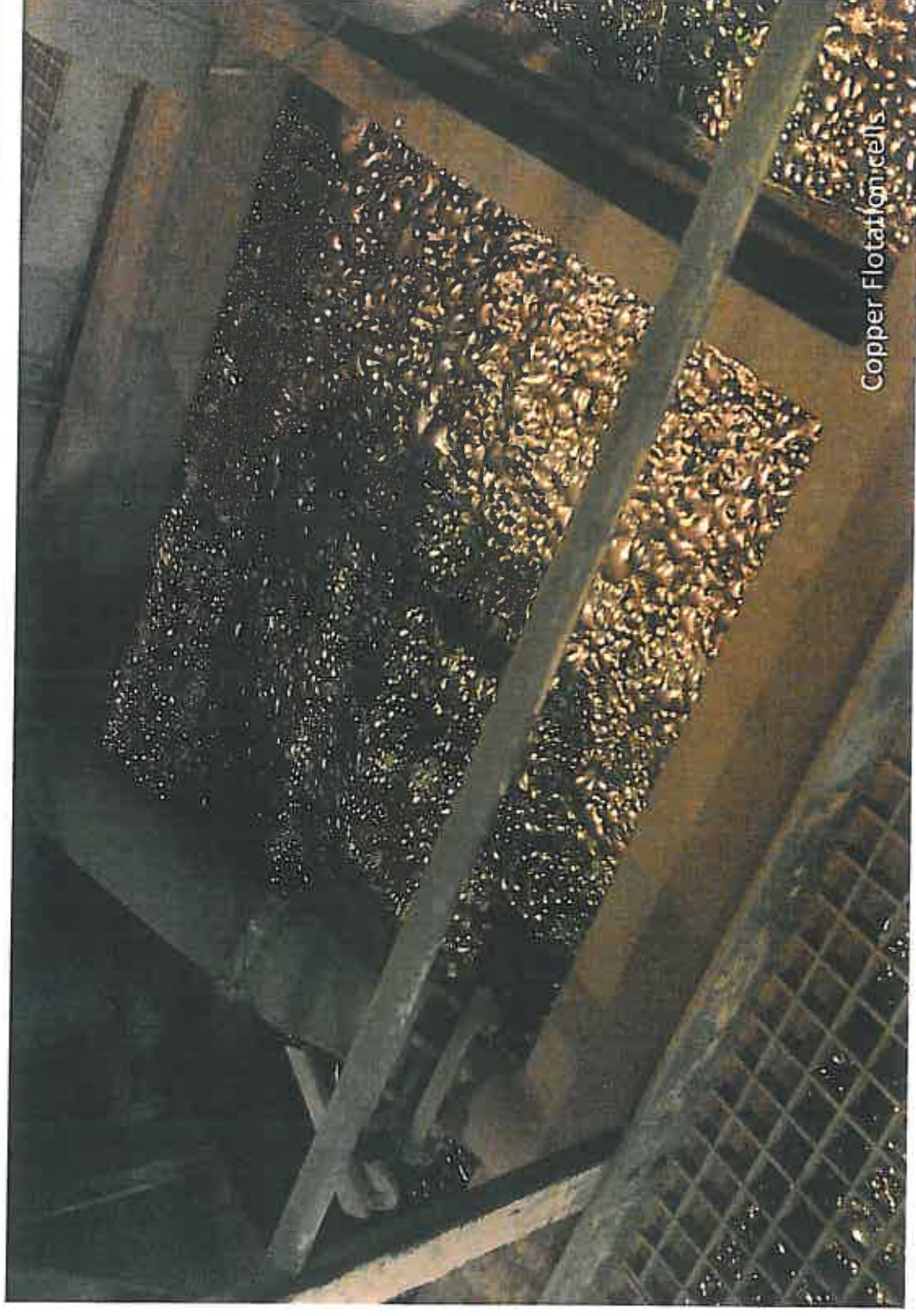
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Crushing ball mills

Neves-Corvo Logistic Scheme

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Copper Flotation cells

Neves-Corvo Logistic Scheme

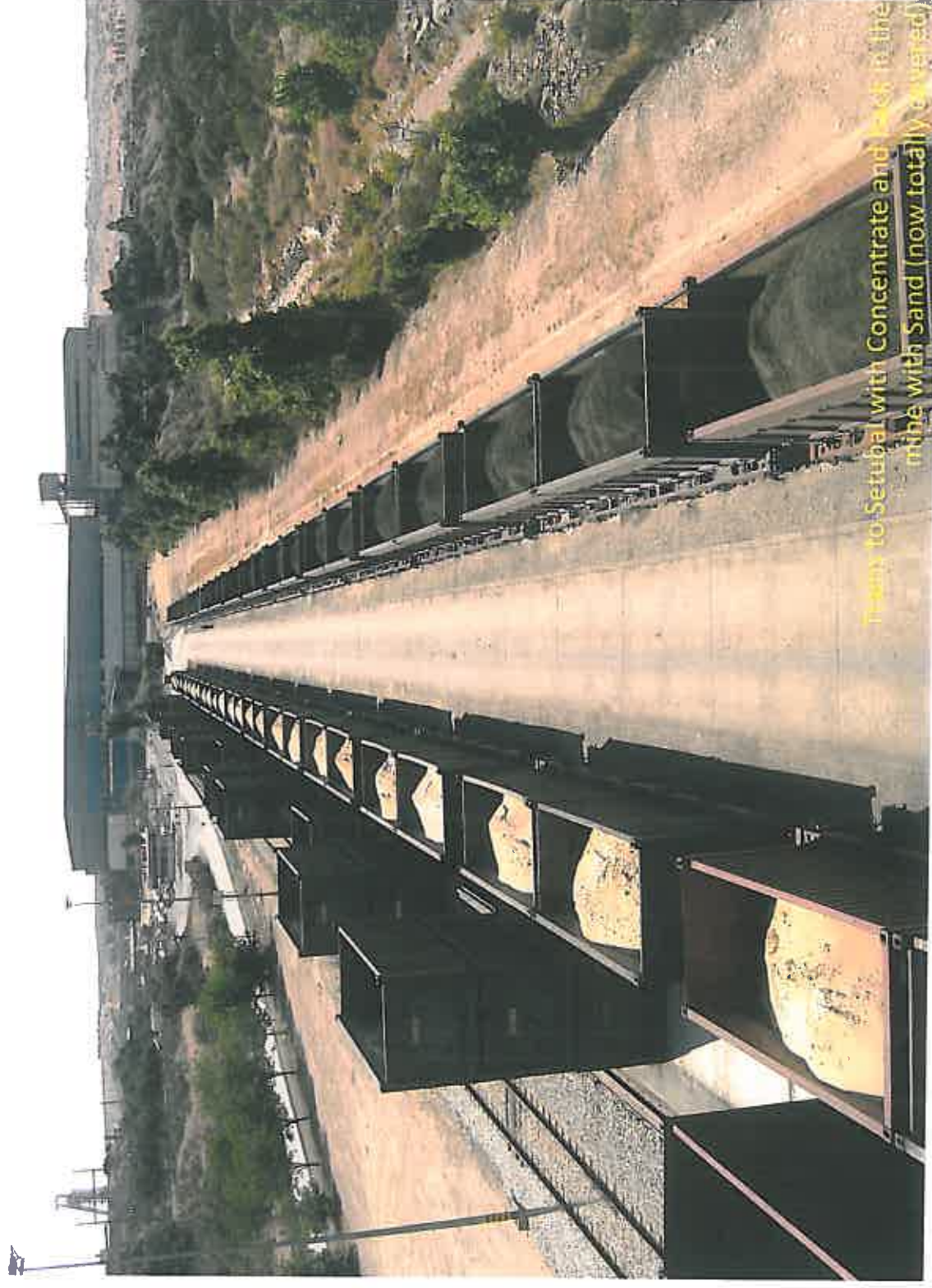
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Loading containers in mine site

Neves-Corvo Logistic Scheme

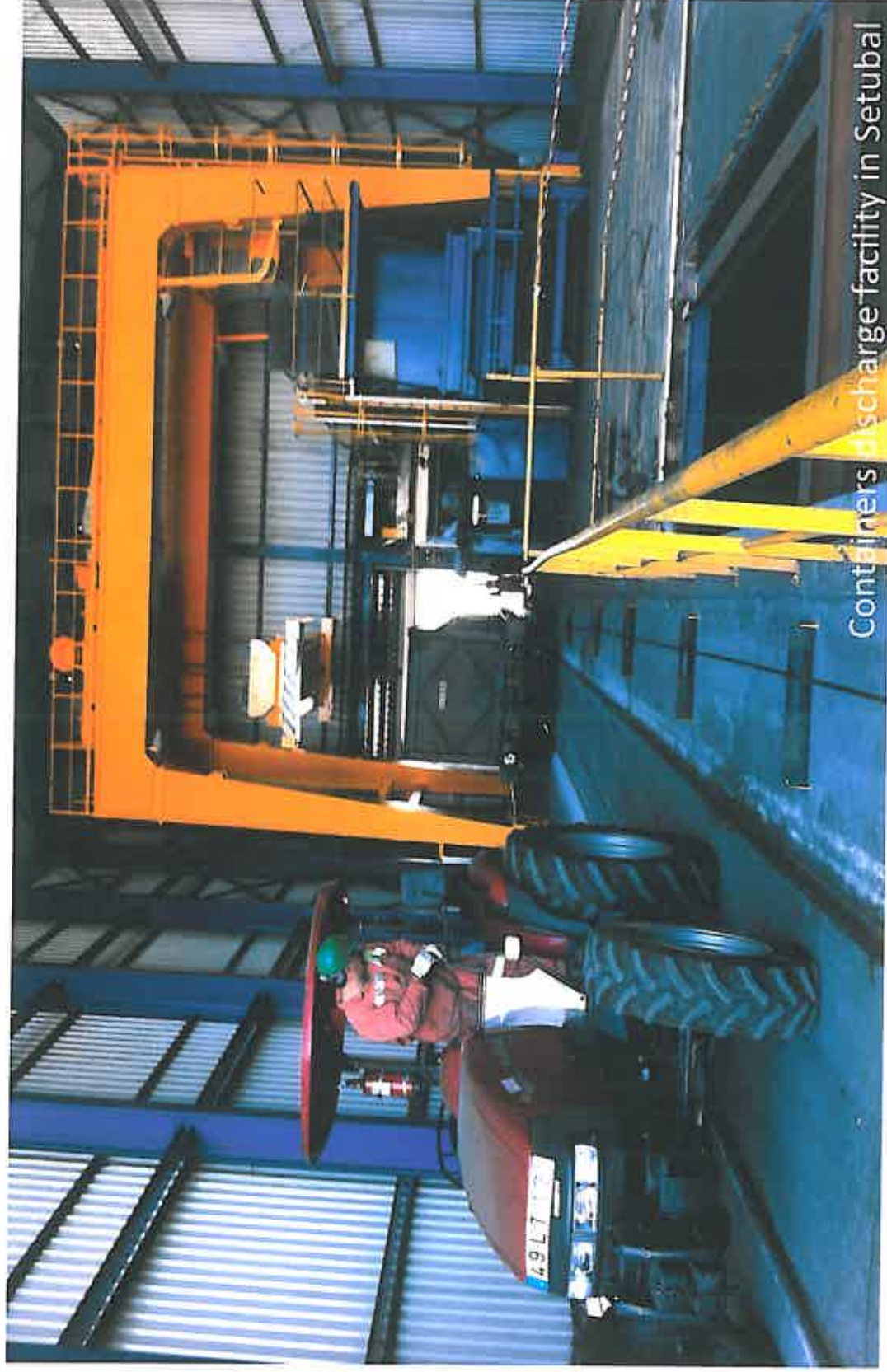
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Tramway to Setúbal with Concentrate and back to the mine with Sand (now totally delivered)

Neves-Corvo Logistic Scheme

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Neves-Corvo Logistic Scheme

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Covered Conveyor belt system in Setubal Intainers discharge facility in Setubal

Neves-Corvo Logistic Scheme

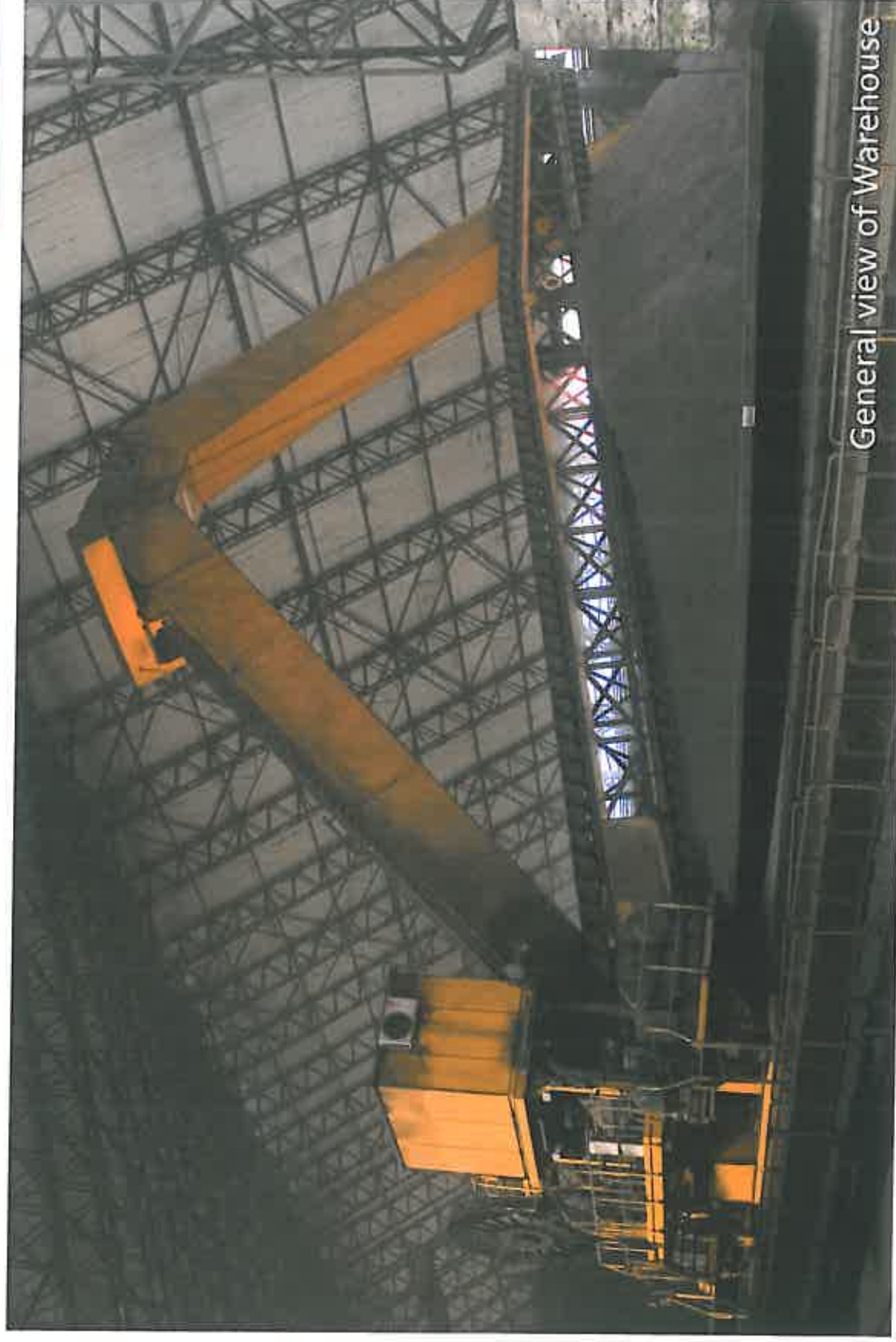
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General view of Setubal / TPPS Warehouse

Neves-Corvo Logistic Scheme

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General view of Warehouse

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Sample preparation in Setubal Laboratory

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General view of Terminal

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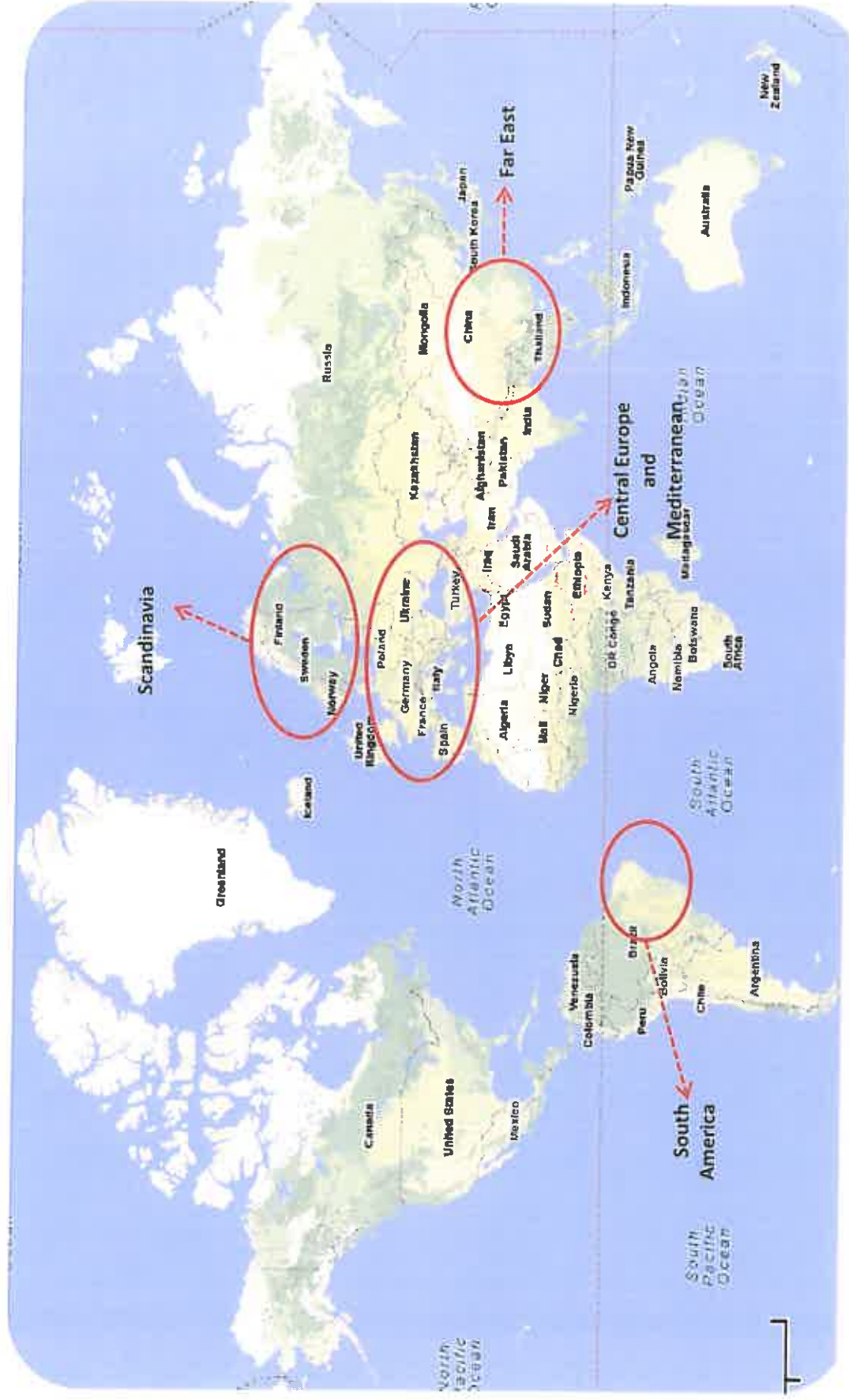
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TPPS Ship Loader

Lundin Mining Worldwide Clients

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Concentrates Customers



Lundin Mining – Shipping Procedures

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- Considering the yearly tonnage committed with the Group of Clients as per previous Slide, Lundin Mining has along the years decided to perform its Shipping Strategy by using COAs (Contracts of Afreightment), covering the needs for the Sales agreed periods.
- During a 3/5 Year period a List of possible Candidate Shipping Companies / Brokers / Agents / Stevedores / Surveyors, is under observation and constant evaluation allowing Commercial Management of Lundin Mining to develop a proposal of Official Vendors List.
 - This List is then presented for approval of the BOD of each LM operation and shall be valid during the period.
 - It is not a static List, as in any moment it may be updated after approval by the BOD and as proposal of any of the LM Operations.
 - It is based in the this Official Vendors List that LM Commercial launches all the invitations leading to fix all logistics Contracts.
- These Contracts are fixed after an International Tender, where reliable Ship Owners and Suppliers are invited to offer on basis of an approved “Invitation Form”.

LET US LOOK NOW AT THE
PROCESS ...

Lundin Mining – Shipping Procedures

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Any Invitation Form for a Tender should be as CLEARER as POSSIBLE

The Invitation form should always cover all Elements concerning the needs of the Contract, and should be sent to the List of selected Ship Owners in the same date and time.

In our case these are the Main Terms for the Invitations of Sea Transport Contracts:

- Name and address of the Charterer.
- Transport Contract.
- Description of the Commodity.
- Minimum and Maximum tonnage to be transported under the Contract.
- Time Period to be agreed.
- Size, type, maximum age of vessels to be used during Contract period.
- Load and Discharge Ports/Wharfs (with all available details and restrictions).
- Vessel nomination rules
- Laycan, destination Port and Cargo quantity information to Ship owner.
- Owners nomination.
- Charterers official acceptance.
- Load and Discharge Rates and according Rules to the Time Counting.
- Demurrage and Despatch rules, related with Sales Contracts (dem/hd).
- Ship Agents in both Load and Discharge Ports.
- Any other requirement due to the Charterer activity (for example Marpol Regulations).
- Date and Time when Owners offers have to be presented in Somincor, Commercial Dept. and the way to do it.

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Somincor Base Shipping Contract
Genco

From offers received “in time”, the best one in terms of:

- Price
- Performing Quality, (Pls remember that the Ship Owners List was chosen before).

Is the selected to start direct negotiation to improve Terms and start discussing minor C/P details.

Always remember when negotiating an offer to mention that you are countering on an Accept/Except basis. This will allow you just to discuss any terms that you are not in agreement with Owners.

Then in the next round you can cut items agreed before.

Shipping Contracts are like other Contracts no more than an agreement between two parties, so you can include in your "Rider Clauses" in the Contract any terms or conditions that you are able to agree with Owner.

Also the Rider Clauses can be the right place to clarify all those rules and small details that may turn your Contract from a quarrelsome document to a friendly agreement between the two parties involved.

Lundin Mining – Shipping Procedures

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Somincor Base Shipping Contract Gencon

Last but not least some important references:

- Mention the period of time that each Counter is valid
- Always remember that you have a Boss, and all you have negotiated may be Subject to your "boss approval and reconfirmation", by dd.mm.yyyy and hr.
- Keep in your records all emails, faxes and formal correspondence, for future reference.
- If you have in your Organization a Lawyer that may review the finalized agreement before concluding and passing agreements to a formal Contract, please ask for this advise.
- Ask the Owner to provide you a Working Copy of the final version of yr Contract before Official Version is issued for both Companies signature.
- Always have two Original documents duly signed by authorized Managers of each Company and kept in both ends.

Part I	
1. Shipowner	RECOMMENDED THE BALTIME AND INTERNATIONAL MARITIME COUNCIL UNIFORM GENERAL CHARTER (AS REVISED 1922, 1978 and 1984) CROSS TIME-CHARTER
3. Owners/Place of business (Cl. 1)	4. Charterers/Place of business (Cl. 1)
5. Vessel's name (Cl. 1)	6. START (Cl. 1)
7. DWT all told on delivery (Cl. 1)	8. Period of time (Cl. 1)
9. Expected ready to load (RTL) (Cl. 1)	11. Discharging port or place (Cl. 1)
10. Loading port or place (Cl. 1)	12. Cargo (also state quantity and weight in Owners' option if agreed; if full and complete cargo not agreed state "net cargo") (Cl. 1)
13. Freight rate (also state whether freight prepaid or payable on delivery) (Cl. 4)	14. Freight payment (also currency and method of payment; also beneficiary and bank account) (Cl. 4)
15. State if vessel's cargo handling gear shall not be used (Cl. 9)	16. Laytime (if separate laytime for load and discharge, laytime shall be agreed in (a) and (b); if total laytime for load and discharge, laytime shall be agreed in (c) only) (Cl. 9)
17. Discharge/Place of business (Cl. 9)	18. Laytime for loading
18. Laytime (loading) (Cl. 9)	19. Laytime for discharging
19. Laytime (discharging) (Cl. 9)	20. Laytime for unloading
21. Demurrage rate and owner payable (loading and discharging) (Cl. 7)	22. General Average to be adjusted at (Cl. 12)
22. Freight rate (also if for the Owner's account) (Cl. 13 (a))	23. Demurrage contribution and in whose payable (Cl. 10)
23. Lay and Arbitration (also 19 (a), 19 (b) or 19 (c) of Cl. 10 if (a) agreed also state Place of Arbitration) (if not listed in (a) (b) (c) apply) (Cl. 16)	24. Additional claims covering special provisions, if agreed
(a) State maximum amount for small claims/claims arbitration (Cl. 16)	

It is mutually agreed that the Contract shall be performed subject to the conditions contained in the Charter Party which shall include Part I as well as Part II in the event of a conflict of conditions, the provisions of Part I shall prevail over those of Part II to the extent of such conflict.

Signature (Owner)

Signature (Charterer)

Lundin Mining – Shipping Procedures

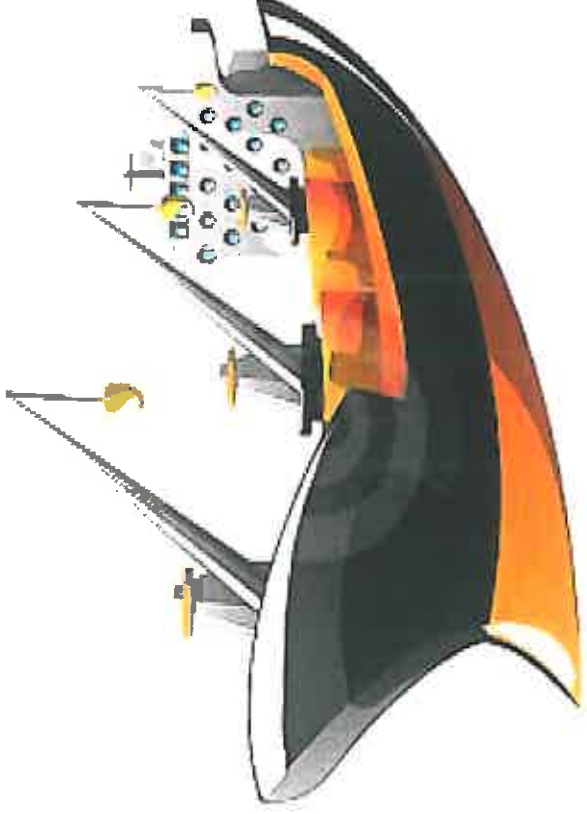
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Having agreed all Terms; Conditions and minor details ...

It is time to start Shipping your cargos.

And please remember that your Job is :

To deliver **“in time”** at the **“lowest price”** and in the **“best conditions”** all Commodities Produced in your Organization and your Client is expecting to keep his production running.



Thank you for your attention