Lundin Mining Announces Sale of the Eagle Mine and Humboldt Mill to Talon Metals to Create a Pure Play American Nickel-Copper Company

VANCOUVER, BC, Dec. 18, 2025 /CNW/ - (TSX: LUN) (Nasdaq Stockholm: LUMI) **Lundin Mining Corporation** ("Lundin Mining" or the "Company") is pleased to announce that it has signed a definitive agreement (the "Share Purchase Agreement") to sell its subsidiary Lundin Mining US Ltd. ("Lundin Mining US") which indirectly holds the Eagle mine ("Eagle Mine" or "Eagle") and Humboldt Mill to Talon Metals Corp. ("Talon") in return for 275.2 million Talon shares, representing 18.4% of Talon's issued and outstanding shares upon completion of the transaction (the "Share Exchange" or "Transaction"). The implied valuation of the share consideration is approximately US$83.7 million, based on the five-day volume-weighted average trading price of the common shares of Talon on the Toronto Stock Exchange (the "TSX") up to December 18, 2025. Talon will continue to be publicly listed on the TSX under the symbol TLO following closing of the Transaction.

Following the completion of the Transaction, Lundin Mining will have increased its total holding in Talon to 19.99% of the total issued and outstanding common shares of Talon on a non-diluted basis. At closing, the Board of Directors of Talon will be reconstituted to be comprised of ten Directors with two nominees from Lundin Mining being Jack Lundin and Juan Andrés Morel. Additionally, Darby Stacey, the current Managing Director of the Eagle Mine and Humboldt Mill, will be appointed as CEO and Director of Talon. Mr. Stacey was part of the team that designed, constructed and commissioned the Eagle Mine and has been responsible for the overall operations for the last five years.

Jack Lundin, President and CEO, commented "The combination of Talon and Eagle will create a pure-play U.S. nickel company anchored by the Eagle Mine, the only primary nickel mine currently operating in the United States. This transaction unlocks meaningful synergies, including the opportunity to leverage the Humboldt Mill as a shared, centralized processing facility. We are pleased to see this consolidation come to fruition and believe that the combination of our complementary capabilities will drive long-term value for shareholders while supporting sustained economic growth in the local community.

"Lundin Mining acquired the Eagle Mine in 2013, and since the start of operations it has produced more than 194,000 tonnes of nickel and 185,000 tonnes of copper, generating over US$3.2 billion in revenue as of Q3 2025, while delivering significant economic benefits to the region. This track record reflects the dedication, professionalism, and strong safety culture of the Eagle team, and we extend our sincere thanks to everyone for their commitment and lasting contributions to the organization."

Strategic Rationale

The combination of assets immediately creates a new pure play American nickel-copper producer with significant exploration upside.

Aligned with Lundin Mining's strategy:

- Further streamlines Lundin Mining's portfolio to enable the Company to focus on delivering value at its larger scale primary copper mining operations in Brazil and Chile in addition to advancing the prolific Vicuña District.
- Creates additional value for Lundin Mining shareholders through potential mine life extension at Eagle from exploration opportunities at Talon.
- Lundin Mining will maintain a meaningful ownership (19.99%) and upside in Talon post Transaction.

New development opportunity:

- Significant upside through the development of Tamarack and further exploration opportunities at Boulderdash and the Tamarack Vault zone.
- The Transaction is expected to unlock value through shared infrastructure (Humboldt Mill) and additional Mineral Resources (Tamarack). Tamarack currently contains 8.6 million tonnes at 1.73% Ni in the indicated category and 8.5 million tonnes at 0.83% in the inferred category (see Talon press release dated October 19, 2022, LINK).
- Recent drilling at Tamarack has outlined a new high-grade zone (the "Vault Zone") below the existing Mineral Resource that has intercepted 47.33 metres of 11.01% Ni and 11.40% Cu along with other PGM's (see Talon press release dated June 5, 2025, LINK).
- Talon's large land package and exploration expertise adds further exploration potential to a combined set of assets.
- Complementary skill sets, combines the operational and construction expertise of the Eagle team and the exploration knowledge and talent of Talon.

Domestic supply and government support:

- Post Transaction Talon will have the potential to process critical minerals from multiple facilities, operating both the Humboldt Mill in Michigan and the future proposed Beulah minerals processing facility inNorth Dakota.
- Talon has received significant U.S. federal grant funding to support the expansion of domestic critical mineral resources. Following the closing of the Transaction, the team expects to continue to progress these projects to benefit domestic

supply demands.

Based on Lundin Mining's 3-year production guidance (see press release dated January 16, 2025 entitled "Lundin Mining Announces Record Production Results for 2024 and Provides 2025 Guidance"), Eagle's forecast copper production is currently guided to account for approximately 2% of the 2026 and 2027 consolidated copper production of the Company. Upon completion of the Transaction, Eagle's production will no longer be included in the Company's guidance.

Transaction Summary

Talon will acquire 100% of the outstanding shares of Lundin Mining US, a wholly-owned subsidiary of Lundin Mining which owns the Eagle Mine and Humboldt Mill, in exchange for 275,152,232 Talon shares that will result in Lundin Mining owning 19.99% of the outstanding shares of Talon on a post-closing non-diluted basis (inclusive of the shares of Talon that Lundin Mining currently owns). Lundin Mining expects to use the equity accounting method for its shareholding in Talon.

Lundin Mining and Lundin Mining US will also enter into a Production Payment Agreement for ore that is processed through the Humboldt Mill that was not mined or produced from the Eagle Mine. Lundin Mining US will make ore delivery payments of US$1.00 per metric tonne of non-Eagle ore processed through the Humboldt Mill to Lundin Mining until the aggregate ore delivery payments equal the capped amount of US$20 million.

In addition, Lundin Mining and Talon will enter into an Investor Rights Agreement pursuant to which Lundin Mining will be entitled to certain rights relating to: (i) director nomination; (ii) anti-dilution; and (iii) pro-rata participation in future equity financing activities of Talon. Lundin Mining will also enter into a Lock-Up Agreement pursuant to which the acquisition, sale or disposition of Talon shares by Lundin Mining will be restricted, subject to certain customary exceptions, for a period of up to 24 months.

Lundin Mining and Talon will also enter into a Transitional Services Agreement in relation to the provision of transitional services to be provided by Lundin Mining to Talon during a transitional period following closing.

Indicative Timeline

The Share Exchange and certain other transactions contemplated by the Share Purchase Agreement is not required to be approved by the shareholders of Talon. The transaction is expected to close in early January 2026, subject to receipt of the approval of the TSX and the satisfaction of other customary closing conditions.

About Lundin Mining

Lundin Mining is a Canadian mining company headquartered in Vancouver, Canada with four operating mines in Brazil, Chile and the USA. We produce commodities that support modern infrastructure and electrification. 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. 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 Swedish Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact persons set out below on December 18, 2025 at 17:00 Pacific Time.

Technical Information

The scientific and technical information in this press release has been prepared in accordance with the disclosure standards of National Instrument 43-101 ("NI 43-101") and has been reviewed by Hamilton Matias, Registered Member of SME, Director, Resource Geology, a "Qualified Person" within the meaning of NI 43-101. Mr. Matias has verified the data disclosed in this release and no limitations were imposed on his verification process.

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 and Talon's respective plans, prospects and business strategies; statements regarding the Transaction, including the completion and timing thereof; the implied estimated aggregate consideration payable to Lundin Mining pursuant to the Transaction and Lundin Mining's ownership interest in Talon following closing of the Transaction; the conditions to closing the Transaction, including the satisfaction and timing thereof; the expectation that Lundin Mining will enter into a Production Payment Agreement, Investor Rights Agreement, Lock-Up Agreement, Transition Services Agreement and other agreements ancillary to the Transaction, as

well as the expected terms thereof; the expected benefits of the Transaction for the Company and Talon, including the capacity and developmental opportunities, the potential to extend the mine life at Eagle and the anticipated synergies associated with the Transaction; funding opportunities and the ability to capitalize on such opportunities; the anticipated benefit of the Transaction to Lundin Mining's shareholders and the local economy; reconstitution of the Talon Board and changes to management; the Company's guidance on the timing and amount of future production and its expectations regarding the results of operations; the Company's accounting for the transaction; 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 respective conditions to closing of the Transaction will be satisfied in a timely manner and substantially on the terms set forth in the Share Purchase Agreement; that Talon's post-closing results of operations will be consistent with past performance and management expectations in relation thereto; the ability of Talon to achieve post-closing goals and identify and realize post-closing opportunities; that the political environment in which the Company and Talon operate will continue to support the development and operation of mining projects; that the Company can access financing, appropriate equipment and sufficient labour; assumed and future price of copper, gold, zinc, nickel and other metals; anticipated costs; currency exchange rates and interest rates; ability to achieve goals; the prompt and effective integration of acquisitions and the realization of synergies and economies of scale in connection therewith; 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; positive relations with local groups; the accuracy of Mineral Resource and Mineral Reserve estimates and related information, analyses and interpretations; and such other assumptions as set out herein 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, economic, political, regulatory 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, and to satisfy the other closing conditions to, the Transaction in a timely manner; the failure to realize the anticipated benefits of the Transaction; reputation risks related to negative publicity with respect to the Company, Talon or the mining industry in general; delays or the inability to obtain, retain or comply with permits; risks relating to the development of the Company's and Talon's respective projects; 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; 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 geotechnical incidents; 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, including Filo del Sol and Josemaria; 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; 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 disputes, litigation and administrative proceedings (including tax disputes) 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; uncertainties relating to inferred Mineral Resources being converted into Measured or Indicated Mineral Resources; 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; the Company's

common shares being subject to dilution; potential for the allegation of fraud and corruption involving the Company or Talon, their respective customers, suppliers or employees, or the allegation of improper or discriminatory employment practices, or human rights violations; 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 three and nine months ended September 30, 2025, the "Risks and Uncertainties" section of the Company's MD&A for the year ended December 31, 2024, and the "Risks and Uncertainties" section of the Company's Annual Information Form for the year ended December 31, 2024, which are available on SEDAR+ atwww.sedarplus.ca under the Company's profile.

All of the forward-looking information in this document is 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.

SOURCE Lundin Mining Corporation

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Additional assets available online: Documents (1)

https://lundinmining.mediaroom.com/2025-12-18-Lundin-Mining-Announces-Sale-of-the-Eagle-Mine-and-Humboldt-Mill-to-Talon-Metals-to-Create-a-Pure-Play-American-Nickel-Copper-Company