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# LUNDINGROUP

EXPLORERS  
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OIL & GAS  
RENEWABLES

## MESSAGE FROM ADAM, JACK, HARRY AND WILLIAM LUNDIN

Welcome to the first annual Lundin Group letter which highlights some of 2022's most notable achievements, and provides you a larger context of our origins, values and how we operate as featured in our newly published [Lundin Group 2022 Overview](#)

As you are receiving this letter, you may be a shareholder of one or more of Lundin Group companies. If so, thank you for your support.

The Lundin Group comprises a portfolio of eleven companies in the mining or energy sectors. Our portfolio's commodity exposure is diverse, but all Lundin Group companies share a singular purpose: creating meaningful value for shareholders and communities. There is no finish line to our purpose. It is an ongoing journey driven by the passion, accountability and entrepreneurial spirit that underpins the culture of our companies' leadership teams.

We are explorers, builders and operators. However, we also see ourselves as catalysts for creating legacies. And when we talk about legacy, it starts with our father, Lukas H. Lundin.

Lukas passed away in July from glioblastoma, a form of brain cancer. Lukas showed incredible strength of character during his two-year ordeal. Cancer took its toll on him physically but his mind, focus and passion for our business were

resolute. He continued to dictate his own course until the very end, surrounded by family and friends, planning and strategizing for the future. His passion for the industries to which he devoted his life was unparalleled. Lukas saw people as the key to success and spent decades building some of the strongest management teams in our industries. He always empowered those working with him and continuously pushed us to aim higher. His leadership style created loyalty: most have been with our group for many years.

Our father relied on the support and guidance of our management teams. Together with Lukas and our Lundin Group companies' leadership, we have planned for succession and transition over the last two years to continue our father and grandfather Adolf's legacy. We are now the third generation leading the Lundin Group, but as our father before us we will continue to work closely with our management teams to continually improve operations, seize new opportunities and create meaningful value.

2022 was a tremendously successful year for the Lundin Group as a whole in delivering on our purpose. Here are some significant highlights not only among our mining and energy companies, but in creating positive legacies.

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## Mining

- **[Lundin Mining](#) (TSX: LUN, Nasdaq Stockholm: LUMI) acquired the world-class Josemaria copper-gold porphyry project in Argentina, one of three Lundin Group assets underpinning the emerging Vicuna giant copper-gold-silver district ([2022 Vicuna presentation](#)). The Vicuna district also includes the Lundin Group's Filo del Sol (Filo Mining) and Los Helados (NGEx Minerals) deposits. Commercial production at Josemaria is expected in the next few years. Josemaria features a superior mine development site, low strip and good water supply. During the year, Adam Lundin and Jack Lundin were appointed Chair and President, respectively. Lundin Mining paid \$0.36 per share regular dividend and \$0.22 per share performance dividend. Lundin**

Mining's full-year 2022 production (100% basis):

- Copper (t): 249,659
- Zinc (t): 158,938
- Gold (oz): 154,000
- Nickel (t): 17,475

- **[Lundin Gold](#) (TSX: LUG, Nasdaq Stockholm: LUG, OTCQX: LUGDF) delivered record production growth from its Fruta del Norte gold mine in Ecuador.** In 2022, the company produced 476,329 ounces of gold, exceeding the high end of the Company's 2022 guidance of 460,000 ounces. The company paid an inaugural semi-annual dividend of US\$0.20 per share. The company was also awarded PDAC's Viola R. MacMillan Award for demonstrating leadership in mine development and financing. Lundin Gold anticipates continuing to pay dividends of at least \$0.40 per share annually, equivalent to approximately \$100 million, based on current gold prices, expected production levels, and current issued and outstanding shares.
- **[Filo Mining](#) (TSX: FIL, Nasdaq First North: FIL, OTCQX: FLMMF) closed a \$100M non-brokered private placement by BHP to significantly ramp up exploration efforts at Filo del Sol.** The past year saw continued growth through drilling at the copper-gold-silver project including broad intervals such as 1,338m at 1.33% copper equivalent (0.66% copper, 0.54 g/t gold and 31.5 g/t silver). Filo extended continuous mineralization to over 5km strike, 1km east-west, and almost 1.5km deep; and discovered a new porphyry centre approximately 2km northeast of Breccia 41.
- **We made strategic investments in the critical minerals space.** Along with Murray Edwards and Pierre Lassonde, we participated in a \$20M private placement with [Faraday Copper](#) (TSX: FDY, OTCQX: CPPKF), now collectively owning approximately 24% of the issued and outstanding shares. Faraday is advancing the Copper Creek project in Arizona, one of North America's largest undeveloped copper projects. Arndt Brettschneider, VP Operations and Projects for Filo, was appointed

director. We also participated in a \$35.1M private placement in [Fireweed Metals](#) (TSX: FWZ, OTCQB: FWEDF), becoming the largest shareholder (17.85%) in a company which owns 100% of the district-scale 940 km<sup>2</sup> Macmillan Pass zinc-lead-silver project in Yukon, Canada; and has a binding Letter of Intent to acquire 100% of the Mactung deposit, one of the world's largest high-grade undeveloped tungsten deposits. Peter Hemstead, CEO of Lundin Group's [Bluestone Resources](#) (TSXV: BSR, OTCQB: BBSRF), is a director.

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## Energy

- **We completed the \$14 billion Lundin Energy transaction with AkerBP, creating enormous value to shareholders.** As a result of this transaction, the Lundin family is one of the largest shareholders in AkerBP, holding approximately 15% of the shares outstanding. We are long-term committed shareholders of AkerBP and are aligned with their viewpoint on the oil industry, as well as their value creation and carbon reduction strategies. Ashley Heppenstall, a senior advisor of the Lundin Group, is on the AkerBP board. We are committed to both sides of the energy ledger – oil & gas and renewables – in the transition to a lower carbon future.
- **We launched [Orron Energy](#) (Nasdaq Stockholm: ORRON), a pure-play renewables company spun out after the sale of Lundin Energy.** The company's hydro and wind power assets comprise power generation of over 1.1 TWh, delivering long-term, free cash flow. We completed the acquisition of Slitevind AB, adding operating assets and experienced team, and several further acquisitions making Orron one of the largest listed pure-play renewables companies in Sweden.
- **[International Petroleum](#) (TSX: IPCO, Nasdaq Stockholm: IPCO) delivered record production growth and cashflow from its portfolio**

**of assets in Canada, France and Malaysia.** In 2022, the company produced 48,600 barrels of oil equivalent per day, exceeding the high end of the company's 2022 guidance of 48 kboepd. The company cancelled out approximately 11% of its outstanding shares through share buy backs in 2022.

- **[ShaMaran Petroleum](#) (TSXV: SNM, Nasdaq First North Stockholm: SNM) completed a transformational acquisition by assuming TotalEnergies' participating interest in the Sarsang asset.** The transaction is expected to double ShaMaran's net production and 2P reserves. The company is in a strong position to deleverage and currently owns 10% of its own bonds.

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## Building legacies

- **PDAC announced the [Lundin Foundation](#) as the 2023 winner of the Sustainability Award.** The award honours an organization demonstrating outstanding initiative, leadership and accomplishment in protecting and preserving the natural environment and/or in establishing good community relations during an exploration program or operation of a mine. Our Lundin Foundation is recognized for creating an organization funded by mining revenue with the sole purpose of providing lasting benefits for communities surrounding Lundin Group companies' operations. The foundation supports impactful initiatives that improve the well-being of host communities where Lundin Group companies operate, including education and skills training, local procurement, economic diversification, and social and environmental innovation.
- **We launched the [Lundin Family Brain Tumour Research Centre](#).** Even in his difficult final chapter with glioblastoma, Lukas saw opportunity. Knowing how aggressive this form of cancer is and the lack of awareness and funding for brain cancer research in general, Lukas created a brain cancer research centre at CHUV, the University Hospital

at Lausanne where he was treated. Ranked as one of the top 10 hospitals in the world, CHUV is a leader in brain cancer research and treatment innovation. Any advancements in research will be shared with hospitals worldwide allowing exponential growth of those benefits to so many more and ultimately allowing for more widely available and effective treatment options. To bring publicity to this cause, Jack and William Lundin will be climbing Mount Everest this spring guided by Nirmal Purja. The climb will be filmed and made into a documentary about Lukas's inspiring life. The working title for the film is "No Limit" ([See trailer](#))

- **We are helping to develop future generations of mining talent.** In 2022, the Lundin family announced their funding and support for an ambitious new expansion program through the formation of the [School of Mining and Mineral Resources at the University of Arizona](#). The University of Arizona has long been recognized as having one of the top mining engineering programs in the world. The Lundin family gift will help the university attract the brightest faculty to enhance and teach mineral resource education course work, upgrade facilities, provide financial support to students and work toward an interdisciplinary school of mining and mineral resources. The program seeks to encourage and prepare a new generation of professionals to enter the mining industry from different educational disciplines and specialties including finance, law, computer science, environment and social sciences. Jack Lundin is on the board of the Lowell Institute for Mineral Resources at the University of Arizona.

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2022 was an excellent year of value creation and building legacies. As the world transitions to a lower carbon future and mandates high-quality and responsible operators, the Lundin Group portfolio of companies is strongly positioned for 2023 and beyond.

All the best for a happy, healthy and prosperous New Year.

*Adam, Jack, Harry and William Lundin*

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