

C A N A D A

PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

500-06-000901-187

(Class Action)  
S U P E R I O R C O U R T

YANDRICK PRÉVEREAU, a physical person domiciled and residing at 1482, Louise-Lemay Street, in the city and district of Val d'Or, Province of Quebec, J9P 6A8;

Petitioner

v.

LUNDIN MINING CORPORATION, a legal person established under the *Canada Business Corporations Act*, and having its principal place of business at 150 King Street West, Suite 1500, in the city and district of Toronto, Province of Ontario, M5H 1J9;

-and-

PAUL K. CONIBEAR, a physical person domiciled and residing at 756 South Borough Drive, in the city of West Vancouver, Province of British Columbia, V7S 1N2;

-and-

MARIE INKSTER, a physical person domiciled and residing at 140 Mona Drive, in the city of Toronto, Province of Ontario, M5N 2R6;

-and-

LUKAS H. LUNDIN, a physical person domiciled and residing at 1281 West Cordova Street, in the city of Vancouver, Province of British Columbia, V6C 3R5;

Defendants

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MOTION FOR AUTHORIZATION TO INSTITUTE A CLASS ACTION AND FOR AUTHORIZATION TO  
BRING AN ACTION PURSUANT TO THE *QUEBEC SECURITIES ACT*  
(articles 571 and following CCP)

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IN SUPPORT OF ITS MOTION FOR AUTHORIZATION, THE PETITIONER RESPECTFULLY SUBMITS AS FOLLOWS:

**A. OVERVIEW OF PROPOSED ACTION**

1. The Petitioner hereby seeks the authorization to institute a class action on behalf of the proposed class below as a result of the failure of the defendants to make timely disclosure of a material change in the business, operations or capital of **Lundin Mining** arising directly or indirectly from events at the **Candelaria Mine**, one of the company's most significant sources of revenue. Moreover, Petitioner also submits that the defendants made material misrepresentations by failing to advise investors about the events at the **Candelaria Mine**.
2. The defendants' conduct is contrary to *Regulation 51-102 respecting Continuous Disclosure, Quebec Securities Act* and *Equivalent Securities Acts*, TSX Policy and the Quebec civil law.
3. The Class Members seek solidarily compensatory and punitive damages from the defendants arising from the said faults, under the circumstances set forth below.

**B. DEFINITIONS**

4. The capitalized terms used in this motion have the meanings defined below:
  - a. "**Candelaria Mine**" means the open pit and underground mine located in Chile's Atacama Province, Region III, in which **Lundin Mining** has an 80% ownership interest;
  - b. "**Class**" and "**Class Members**", are comprised of the following, other than the Excluded Persons:

All of the physical and legal persons, who reside or are domiciled in the Province of Quebec and who purchased or otherwise acquired **Lundin Mining's** securities during the **Class Period** and held some or all of such securities as of the close of trading on 29 November 2017;
  - c. "**Class Period**" means the period from 25 October 2017 to 29 November 2017, inclusive;
  - d. "**Confounding Information**" means the corporate and financial information relating to **Lundin Mining's** business and operations that was released by **Lundin Mining** on 29 November 2017, other than the **Corrective Disclosure**, including an updated development plan for the **Candelaria Mine** which included significantly higher capital expenditures and operating expenses relative to previously disclosed expectations, communicated herewith as **Exhibit P-1**;
  - e. "**Conibear**" means Paul K. Conibear;

- f. “**Corrective Disclosure**” means the information released by **Lundin Mining** on 29 November 2017 relating to the **Material Change (Exhibit P-1)**;
- g. “**CCQ**” means the *Civil Code of Quebec*;
- h. “**CCP**” means the *Code of Civil Procedure*;
- i. “**Equivalent Securities Acts**” means, collectively, the *Securities Act*, RSA 2000, c S-4 as amended; the *Securities Act*, RSNL 1990, c S-13 as amended; the *Securities Act*, RSPEI 1988, c S-3.1 as amended; the *Securities Act*, RSNS 1989, c 418 as amended; the *Securities Act*, RSBC 1996, c 418 as amended; the *Securities Act*, SNU 2008, c 12 as amended; the *Securities Act*, SNWT 2008, c 10 as amended; the *Securities Act*, SY 2007, c 16 as amended; the *Securities Act*, SNB 2004, c S-5.5 as amended; *The Securities Act, 1988, SS 1988-89*, c S-42.2 as amended; *The Securities Act, CCSM* c S50 as amended; and *Securities Act, R.S.O.* 1990 c. S.5, as amended;
- j. “**Excluded Persons**” means **Lundin Mining’s** subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns, and any member of the **Individual Defendants’** families and any entity in which any of them has or had during the **Class Period** any legal or de facto controlling interest;
- k. “**Individual Defendants**” means **Conibear, Inkster and Lundin**;
- l. “**Inkster**” means **Marie Inkster**;
- m. “**Lundin**” means **Lukas H. Lundin**;
- n. “**Lundin Mining**” means **Lundin Minding Corporation** and includes, as the context may require, its subsidiaries and affiliates;
- o. “**Material Change**” means the detection on 25 October 2017 of movement and other changes in a previously developed wedge of waste material in the **Candelaria Mine** resulting in the immediate suspension of business and/or operations at and evacuation of personnel from the affected area and/or the rock slide that occurred on 31 October 2017 at the **Candelaria Mine**, as a result of the wedge failure, that caused between 600,000 and 700,000 tonnes of waste material to slide onto the pit floor, thereby necessitating the continued suspension of operations and evacuation of the mine, as well as the devotion of substantial time, resources and management attention to determining how to secure the site and revise operations to safely reopen the mine;
- p. “**Misrepresentation**” means the failure to disclose the events at the **Candelaria Mine**;
- q. “**November News Release**” means the news release issued by **Lundin Mining** on 29 November 2017 (**Exhibit P-1**);

- r. “Part 1 of R 51-102” means the section of R 51-102 that defines ‘material change’ as a change in the business, operations or capital of the reporting issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the reporting issue;
- s. “Part 7 of R 51-102” means the section of R 51-102 that requires a reporting issuer to immediately issue and file a news release authorized by an executive officer disclosing the nature and substance of a material change and to file a material change report as soon as practicable and, in any event, within ten days of the date of the material change;
- t. “QSA” means the *Quebec Securities Act*, CQLR c V-1.1 as amended;
- u. “R 51-102” means the Regulation 51-102 respecting Continuous Disclosure Obligation (v-1.1, r 24). It is also referred to elsewhere in Canada as National Instrument 51-102 Continuous Disclosure Obligation.
- v. “TSX” means the Toronto Stock Exchange; and
- w. “TSX Policy” means the Toronto Stock Exchange Policy Statement on Timely Disclosure dated August 2017 that requires listed companies to disclose material information about its business and affairs forthwith upon the information becoming known to management.

### C. THE PARTIES

- 5. The proposed Class is as defined at paragraph 1 b).
- 6. The Petitioner is a Mechanical, Mining and Civil technologist who resides in the city of Val d’Or, Province of Quebec. He acquired 300 shares of Lundin Mining during the Class Period and held some or all of those shares at the close of trading on the TSX on 29 November 2017, the whole as appears from the Transaction Confirmation Letter produced herewith as Exhibit P-2.
- 7. The Petitioner seeks the status of representative plaintiff for the proposed Class.
- 8. The Petitioner also seeks authorization pursuant to article 225.4 of the *QSA* and, if necessary, the concordant provisions of any *Equivalent Securities Acts*.
- 9. Lundin Mining is a diversified Canadian base metals mining company with operations in Chile, the United States of America, Portugal and Sweden, primarily producing copper, nickel and zinc. Lundin Mining has its corporate head office in Toronto, Ontario. Its securities trade on the TSX, over-the-counter exchanges and the Swedish stock exchange, the whole as appears from the Federal Corporation Information produced herewith as Exhibit P-3.
- 10. During the Class Period, the Individual Defendants were officers and/or directors of Lundin Mining within the meaning of the *QSA* and *Equivalent Securities Acts*, and were

involved in Lundin Mining's business and operations and the making of its disclosures. Specifically, at all material times:

- a. Conibear was the President, Chief Executive Officer and Director of Lundin Mining. Conibear resides in British Columbia, Canada (Exhibit P-3);
- b. Inkster was a Senior Vice President and the Chief Financial Officer of Lundin Mining. Inkster resides in Ontario, Canada; and
- c. Lundin was the Chairman and Director of Lundin Mining. Lundin resides in British Columbia, Canada (Exhibit P-3); and

#### **D. THE NATURE AND RIGHTS OF THE ACTION**

##### **1) Statutory right of action for misrepresentation**

11. On behalf of himself and all other members of the Class, the Petitioner asserts, against all defendants, the right of action found in section 225.11 of the QSA and, if necessary, the concordant provisions of any *Equivalent Securities Acts*;
12. Lundin mining is a reporting issuer in Quebec and is closely and significantly connected to Quebec for the purposes of Title VIII, Chapter II, Division II of the QSA;
13. The Petitioner alleges that during the Class Period the defendants failed to make timely disclosure of a material change in the business, operations or capital of Lundin Mining by failing to disclose that:
  - (a) the detection on 25 October 2017 of movement or other changes in a previously developed wedge of waste material in the Candelaria Mine indicating that there was a significant risk of wedge failure; and the immediate suspension on 25 October 2017 of operations at and evacuation of personnel from the affected area; and/or
  - (b) a rock slide that occurred on 31 October 2017 at the Candelaria Mine, as a result of the wedge failure, which caused between 600,000 and 700,000 tonnes of waste material to slide onto the pit floor, thereby causing further significant damage to Lundin's business and operations.
14. The facts set out in paragraphs 13 (a) and (b) above constituted a material change and/or material information as defined in R 51-102, the QSA, the *Equivalent Securities Acts* and the TSX Policy.
15. The defendants' failure to advise investors about the events at the Candelaria Mine constituted a misrepresentation within the meaning of the QSA.
16. On 29 November 2017, after the close of trading on the TSX, Lundin Mining disclosed the Material Change, together with the Confounding Information.

17. As a result of this Corrective Disclosure, the price of Lundin Mining's shares declined by 16 percent on 30 November. By the close of the tenth day of trading following the Corrective Disclosure, the price of Lundin Mining's shares had declined by a further three percent and hundreds of millions of dollars of Lundin Mining's market capitalization had evaporated.
18. By releasing the Confounding Information at the same time as the Corrective Disclosure, the defendants have attempted to limit the Class' recovery in this action.
19. The Individual Defendants were officers and/or directors of Lundin Mining at the time of the failure to make timely disclosure of a material change and/or were officers of Valeant at those times and they authorized, permitted or acquiesced in Lundin Mining's non-compliance with the requirements of the law.
20. In the light of the foregoing, the Petitioner seeks compensatory damages for himself and the other Class Members incurred as a result of acquiring and holding Lundin Mining securities during the Class Period.

## 2) Article 1457 of the *Civil Code of Quebec*

21. On behalf of himself and all other members of Class, the Petitioner pleads a fault against the defendants in violation of the general private law duty of diligence and/or care that defendants owed to the Class members;
22. The defendants failed to abide by the rules of conduct incumbent on them in the circumstances of their relationships with Class members at law and as reasonably required from them;
23. The defendants' duties, which they breached, are particularized herein;
24. As a result, the defendants committed a fault and therefore caused damages to the Class members in terms of causing them significant monetary damages and losses, and are bound to compensate the Class Members for those losses;
25. The Courts of the province of Quebec have jurisdiction to rule upon the present class action, inter alia, for the following reasons: :
  - a. Lundin Mining is a reporting issuer in Quebec;
  - b. Lundin Mining is closely and significantly connected to Quebec for the purposes of Title VIII, Chapter II, Division II of the *QSA*;
  - c. The Petitioner and Class Member reside or are domiciled in Quebec and have suffered loss or damage in Quebec; and
  - d. The defendants' failure to make proper disclosures to the Class Members, as well as their material misrepresentations, are faults that were committed in Québec.

## E. THE CANDELARIA MINING COMPLEX

26. The Candelaria Mine is located in Chile's Atacama Province, Region III. It consists of an open pit mine and an underground mine that provide copper ore to an on-site concentrator with a capacity of 75,000 tonnes per day.
27. In November 2014 Lundin Mining acquired an 80% ownership stake in the Candelaria Mine. The Candelaria Mine accounts for more than 50% of Lundin Mining's revenue, making it the company's most important asset, contributing more to Lundin Mining's overall earnings than any of its other assets. Any material change at the Candelaria Mine is a material change to Lundin Mining.
28. In or around 2012, a localized failure began to occur in the Candelaria Mine when two intersecting structures created a wedge of waste material in an area where mining operations were taking place. Lundin Mining was aware of the localised failure and continued to mine this unstable area.
29. On or around 25 October 2017, Lundin's technicians detected movement in the affected area of the Candelaria Mine which indicated that there could be a "wedge failure" at the mine site. At that time, all personnel were evacuated from the area and operations at the Candelaria Mine were suspended. Lundin Mining made no disclosure of these developments, which were material, at that time.
30. On 31 October 2017, the wedge failure occurred, resulting in a rock slide in the open pit section of the Candelaria Mine which caused between 600,000 and 700,000 tonnes of waste material to slide into the pit floor, which was material, at the time.
31. Since that date, Lundin Mining has been required to devote significant time and resources to clearing out the significant amounts of waste material in the affected area and to ensuring the stability of that section of the mine. As a result, Lundin Mining will ship lower grade stockpile ore into the mill feed, having a material effect on its overall business and operations.
32. The facts and Material Change set out in paragraphs 29 to 31 above were not disclosed by the defendants in accordance with their continuous disclosure obligations under R 51-102, the QSA, the *Equivalent Securities Acts* and the TSX Policy.

## F. THE CORRECTIVE DISCLOSURE

33. On 29 November 2017, after the close of trading on the TSX, Lundin Mining released the November News Release, announcing, *inter alia*, that recent instability in a localized area of the Candelaria Mine and a rock slide occurring on 31 October 2017 was going to impact 2018 and 2019 production forecasts for the Candelaria Mine. Lundin Mining also announced the Confounding Information, which included an updated development plan for the Candelaria Mine which included significantly higher capital expenditures and operating expenses relative to previously disclosed expectations.

34. In the November News Release, Lundin Mining disclosed for the first time that:
- a. the latest open pit plan addresses, among other things, recent instability in a localized area of the pit's east wall and a slide which occurred on 31 October 2017;
  - b. the instability in the east wall and October slide impacted both 2018 and 2019 production forecasts for the Candelaria Mine; and
  - c. as a result of the slide, the near-term plans in respect of the Candelaria Mine have been altered to focus on waste pushbacks in the affected area where the slide occurred.
35. On 30 November 2017, the price of Lundin Mining's common shares closed at \$7.52, a decline of 16 percent from the closing price of \$8.96 on 29 November 2017. On 12 December 2017, the tenth day following the corrective disclosure, the price of Lundin Mining's common shares closed at \$7.26, a decline of 19 percent from the closing price on 29 November 2017.
36. On 1 December 2017 Lundin Mining held an operational outlook update call with analysts during which the company provided more details about the October 31 rock slide, as appears from a copy of the Transcript of the Operational Outlook Update Call produced herewith as **Exhibit P-4**.
37. During the call, Lundin Mining revealed, among other things, that:
- a. In 2012, two intersecting structures created a wedge of waste material in a localized area of the Candelaria Mine. As mining operations continued in this unstable area, Lundin Mining discovered an unmapped structure which indicated that there could be a "wedge failure" at the mine site;
  - b. At least five days prior to the October 31 rock slide, on or about 25 October 2017, Lundin Mining became aware that the wedge would release;
  - c. On 31 October 2017, as a result of the "wedge failure", a rock slide occurred causing a tail slope of approximately 600,000 to 700,000 tonnes of waste material to slide down to the pit floor;
  - d. The October 31 rock slide resulted in a delay to the production of 19,000 tonnes of copper initially scheduled to be produced in 2018 to 2020 and 2021;
  - e. As a result of the rock slide, Lundin Mining will be required to rephase its production and to devote time and resources to clearing out the significant amounts of waste material in the pit floor, during which time it will ship lower grade material into the mill;



f. The rock slide also affected Lundin Mining's C1 cash cost<sup>1</sup> which increased to \$1.70/lb for 2018 from \$1.20/lb for 2017.

38. Additionally, Conibear stated on the December 1 call that Lundin Mining had not communicated the events relating to the rock slide at the Candelaria Mine well enough and apologized for not communicating more clearly.

## G. DISCLOSURE OBLIGATIONS OF LUNDIN MINING

39. Parts 1 and 7 of R 51-102 and QSA require Lundin Mining immediately to issue and file a news release disclosing the nature and substance of a material change in its business, operations or capital that would reasonably be expected to have a significant effect on the market price or value of any of its securities.

40. This requirement is substantively the same as the material change reporting requirements under the *Equivalent Securities Acts* and the TSX Policy.

41. Additionally, the TSX Policy requires Lundin Mining to disclose material facts or changes relating to its business and affairs that results in or would reasonably be expected to result in a significant change in the market price or value of any of the company's listed securities forthwith upon the information becoming known to management.

42. Further, it is an express or implied disclosure obligation that disclosure of material changes must be clear and not contain any material misrepresentations. This obligation is most often satisfied by a news release that only deals with the material change. Lundin Mining deliberately chose to add the Confounding Information to its release and to thereby mislead investors as to the real significance of the Material Change and its impact on Lundin Mining's business and operations.

43. It was an implied term of the purchase of Lundin Mining's shares that the defendants would comply with all of its internal policies and procedures at the company, including its Disclosure and Confidentiality Policy, which states that:

Immediately upon it becoming apparent that information concerning the Corporation's business and affairs is material, the Corporation will publicly disclose such Material Information except in restricted circumstances, as discussed further in Section E - Confidentiality below (...)

In breach of the company's Disclosure and Confidentiality Policy, the defendants failed to disclose the Material Change in a timely manner, as appears from a copy of the Disclosure and Confidentiality Policy produced herewith as Exhibit P-5.

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<sup>1</sup>C1 cash costs are a standard metric used in copper mining as a reference point to denote the basic direct cash costs of running a mining operation to allow a comparison across the industry. Costs are reported in dollars per pound of copper produced. For Lundin Mining, C1 cash costs means the costs of mining, milling and concentrating, onsite administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of the by-product credit.

44. The Material Change would reasonably be expected to have a significant effect on the price of Lundin Mining's shares.

#### H. FAILURE TO COMPLY WITH CONTINUOUS DISCLOSURE OBLIGATIONS

45. The defendants failed to comply with their continuous disclosure obligations as required by law, notably:

- a) Failed to issue and file a news release disclosing the Material Change;
- b) Failed to file one or more material change report in respect of the Material Change;
- c) Failed to disclose the Material Change forthwith upon the information becoming known to management as required by the TSX Policy.

46. The Individual Defendants authorized, permitted or acquiesced in Lundin Mining's non-compliance with the provisions of the R-51-102, *QSA*, the *Equivalent Securities Acts* and the TSX Policy and are deemed not to have complied with securities law.

47. The defendants' failure to advise investors about the events at the Candelaria Mine constituted a misrepresentation within the meaning of the *QSA*.

#### I. NEGLIGENT MISREPRESENTATION OF LUNDIN MINING AND THE INDIVIDUAL DEFENDANTS

48. As a result of the defendants' failure to comply with their continuous disclosure obligations, the Petitioner respectfully submits that the defendants breached Québec civil law and committed faults.

49. The defendants made the Misrepresentation negligently.

50. Each of the defendants owed a duty of care to the Petitioner and the other Class Members because they were in a relationship of proximity and it was reasonably foreseeable that the Petitioner and the other Class Members would rely upon the Misrepresentation and would suffer damages as a result.

51. The Misrepresentation was misleading because the defendants failed to disclose the detection of an anticipated wedge failure and the suspension of operations at and the fact that all personnel from the affected area of the Candelaria Mine had been evacuated and the rock slide.

52. By virtue of their positions at the company, each of the Individual Defendants were immediately aware of the events on October 25 and October 31. Therefore, the Individual Defendants authorized, permitted or acquiesced in the making of the Misrepresentation.

53. The defendants breached the standard of conduct required in the circumstances by their acts and omissions as particularized herein. The defendants knew or ought to have known that the making of the Misrepresentation would artificially inflate the price of Lundin Mining's securities.
54. The Petitioner and the other Class Members were entitled to, and did, reasonably rely on the Misrepresentation. The Petitioner and the other Class Members would not have purchased shares of Lundin Mining, or would have purchased the shares of Lundin Mining at a significantly reduced price, had the defendants been truthful about the status of the Candelaria Mine.
55. The Petitioner and the other Class Members suffered damages and loss as a result of the defendants' conduct in the making of the Misrepresentation.

#### **J. THE RELATIONSHIP BETWEEN LUNDIN MINING'S DISCLOSURES AND THE PRICE OF ITS SHARES**

56. Lundin Mining's shares trade on the TSX, which is an efficient and automated market. To the extent that Lundin Mining's shares trade on alternative trading systems where the price of Lundin Mining's shares was the same as the price of Lundin Mining's shares traded on the TSX, those alternative trading systems were efficient and automated markets. The price at which Lundin Mining shares traded incorporated all material information.
57. As a result of the defendants' failure to disclose the Material Change and their release of the Misrepresentation, the Petitioner and the other Class Members bought their shares at inflated prices and suffered a corresponding loss upon the release of the Corrective Disclosure.

#### **K. PUNITIVE DAMAGES**

58. The defendants intentionally failed to disclose the Material Change until the November News Release which also contained the Confounding Information.
59. The defendants' intentionally delayed disclosure of the Material Change in order to allow them to create a confounding event with the express purpose of reducing the company's legal exposure.
60. The defendants' conduct was deliberate, wilful and motivated solely by economic considerations with callous disregard for the law. The conduct renders the defendants liable to also pay punitive damages to the Petitioner and the other Class Members.

#### **L. THE CRITERIA OF ARTICLE 575 C.C.P.;**

- 1) the claims of the members raise identical, similar or related questions of law or fact

61. During the Class Period, the defendants had legal obligations of periodic and timely disclosure of material facts and changes, under R 51-102, *QSA* and the *Equivalent Securities Acts*. They violated those legal obligations.
62. Additionally, the defendants owed Lundin Mining's securities holders duties under article 1457 *CCQ*. These duties were informed by *QSA*, the *Equivalent Securities Acts*, R 51-102 and their related rules and policies.
63. During the Class Period, the defendants committed a fault in respect of the Class by failing to comply with their duties and responsibilities and by making the Misrepresentations pleaded herein.
64. The Individual Defendants oversaw the preparation and reporting of Lundin Mining's disclosures to the market and knew or should have known of the misleading statements and the omissions of material facts they contained.
65. The Individual Defendants authorized, permitted or acquiesced in Lundin Mining's non-compliance with the requirements of the law.
66. In addition to its direct liability, Lundin Mining is liable for the faults committed by the Individual Defendants and its other officers, directors, partners and/or employees.
67. As result of the Lundin Mining's conduct and their Misrepresentations in Lundin Mining's disclosure documents, Lundin Mining's securities traded at artificially inflated prices during the Class Period and the Class acquired those securities at prices that were inflated and did not reflect their true value. When the truth began to emerge, the market price or value of Lundin Mining's plummeted, causing significant losses and damages to the Petitioner and the Class.
68. In this context, the principle questions of fact and law to be dealt with collectively are the following:
  - a. Did the defendants fail to make timely disclosure of a material change in the business, operations or capital? If so, does it constitute a misrepresentation within the meaning of the *QSA* or, as applicable, within the meaning of *Equivalent Securities Act*, or under the general private law of Quebec?
  - b. Have the defendants made the misrepresentation negligently?
  - c. Are Lundin Mining vicariously liable for the acts/or omissions of the Individual Defendants and its other officers, directors, employees, agents and representatives?
  - d. Are any of the defendants liable to the proposed Class under Title VIII, Chapter II, Division II of the *QSA* or, as applicable, under the concordant provisions of the *Equivalent Securities Acts*? If so, what defendant is liable and to whom?
  - e. Did any of the defendants owe a duty of diligence or care to the Class, or any of the members of the Class, under the general private law of Quebec? If so, what defendant owed a duty of diligence or care and to whom?

f. If some or all of the defendants owed a duty of diligence or care to the Class, or any of the members of the Class, did any of the defendants violate such duty of diligence or care and commit a fault under article 1457 of the CCQ? If so, what defendant committed a fault and with respect to whom?

g. What damages are sustained by the Petitioner and the other members of the Class?

h. Are any of the defendants liable to the Petitioner and the Class, or any of them, for damages? If so, what Defendant is liable, to whom and in what amount?

i. Are any of the defendants liable to the Petitioner and the Class, or any of them, for punitive damages? If so, what defendant is liable, to whom and in what amount?

69. Consequently, Petitioner and the members of the Class seek for this Honorable Court to authorize the following conclusions to the proposed proceedings:

**GRANT** this class action on behalf of the Class;

**GRANT** the Petitioner's action against the defendants in respect of the rights of actions asserted under Title VIII, Chapter II, Divisions I and II of the QSA, and, if necessary, the concordant provisions of any *Equivalent Securities Acts*, and article 1457 of the CCQ;

**DECLARE** that throughout the Class Period, the defendants, or some of them, failed to disclose a change in the business, operations or capital of Lundin Mining relating to the Candelaria Mine which caused persons to believe that the mine was operating in the usual course of business;

**DECLARE** that the failure to disclose a change in the business, operations or capital of Lundin Mining relating to the Candelaria Mine constituted a misrepresentation within the meaning of the QSA, and if necessary, the concordant provisions of any *Equivalent Securities Act*, and under the general private law of Quebec;

**DECLARE** that defendant Lundin Mining Corporation is vicariously liable for the acts and/or omissions of the Individual Defendants and its other officers, directors, employees, agents and representatives;

**DECLARE** that the defendants made the misrepresentation negligently;

**CONDEMN** the defendants solidarily to pay the amount of \$175 million in compensatory damages to the Petitioner and the class as defined above, *sauf à parfaire*, the whole bearing interest at the legal rate and the additional indemnity from the date of filing of the present proceedings;

**CONDEMN** the defendants solidarily to pay the amount of \$10 million in punitives damages to the Petitioner and the class as defined above, *sauf à parfaire*, the whole bearing interest at the legal rate and the additional indemnity from the date of filing of the present proceedings;

**ORDER** the collective recovery of these amounts in accordance with articles 595 to 598 of the *Code of Civil Procedure*;

**THE WHOLE** with interest and additional indemnity provided for in the *Civil Code of Quebec* and with full costs and expenses, including expert fees, notice fees and fees relating to administering the plan of distribution of the recovery in this action;

**2) the facts alleged appear to justify the conclusions sought**

70. As particularized herein, the defendants violated their legal obligations and their duties and responsibilities to the Class, and made misrepresentations to the Class within the meaning of the *QSA* and *Equivalent Securities Acts* and Quebec civil law, supporting the Petitioner and the Class's claims.

**3) the composition of the class makes it difficult or impracticable apply the rules for mandates to take part in judicial proceedings on behalf of others or for consolidation of proceedings**

71. Lundin mining is a multinational company having issued thousands of shares.

72. Although there are likely hundreds or thousands of Class Members, their identity and whereabouts are unknown to the Petitioner.

73. In this context, it would be impracticable for each member of the class to bring a separate action.

**4) the class member appointed as representative plaintiff is in a position properly represent the class members**

74. Petitioner understands the requirements of time and dedication required of his role and is prepared to devote the required resources to carry forward this proposed class action on behalf of the Class.

75. Petitioner purchased Lundin Mining's shares during the Class Period and endured a financial loss.

76. The Petitioner has no conflict of interest with other members of the Class and is represented by counsels that are experienced at litigating in class actions.

**M. PLACE OF TRIAL**

77. The Petitioner proposes that this action be tried in the City of Montreal, in the Province of Quebec.

**FOR THESE REASONS, MAY IT PLEASE THE COURT TO:**

**AUTHORIZE** these class action proceedings under section 225.4 of the Quebec Securities Act;

**AUTHORIZE** the Petitioner to pursue the present proceeding on behalf of the proposed class in the judicial district of Montreal;

**NAME** Mr. Yandrick Prévèreau as the representative plaintiff for the Class;

**CERTIFY** the class as proposed below:

All of the physical and legal persons, other than the Excluded Persons, who reside or are domiciled in the province of Quebec and who purchased or otherwise acquired Lundin Mining's securities during the Class Period and held some or all of such securities as of the close of trading on 29 November 2017;

"Excluded Persons" means Lundin Mining's subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns, and any member of the Individual Defendants' families and any entity in which any of them has or had during the Class Period any legal or de facto controlling interest;

**IDENTIFY** as follows the collective questions:

- a. Did the defendants fail to make timely disclosure of a material change in the business, operations or capital? If so, does it constitute a misrepresentation within the meaning of the *QSA* or, as applicable, within the meaning of any *Equivalent Securities Acts*, or under the general private law of Quebec?
- b. Have the defendants made the misrepresentation negligently?
- c. Are Lundin Mining vicariously liable for the acts/or omissions of the Individual Defendants and its other officers, directors, employees, agents and representatives?
- d. Are any of the defendants liable to the proposed Class under Title VIII, Chapter II, Division II of the *QSA* or, as applicable, under the concordant provisions of the *Equivalent Securities Acts*? If so, what defendant is liable and to whom?
- e. Did any of the defendants owe a duty of diligence or care to the Class, or any of the members of the Class, under the general private law of Quebec? If so, what defendant owed a duty of diligence or care and to whom?
- f. If some or all of the defendants owed a duty of diligence or care to the Class, or any of the members of the Class, did any of the defendants violate such duty of diligence or care and commit a fault under article 1457 of the *CCQ*? If so, what defendant committed a fault and with respect to whom?
- g. What damages are sustained by the Petitioner and the other members of the Class?

h. Are any of the defendants liable to the Petitioner and the Class, or any of them, for damages? If so, what defendant is liable, to whom and in what amount?

i. Are any of the defendants liable to the Petitioner and the Class, or any of them, for punitive damages? If so, what defendant is liable, to whom and in what amount?

**DECLARE** that barring exclusion, the members of the class will be bound by any judgment to intervene in the class action in the manner provided by law;

**AUTHORIZE** the class action proceedings to seek the following conclusions

**GRANT** this class action on behalf of the Class;

**GRANT** the Petitioner's action against the defendants in respect of the rights of actions asserted under Title VIII, Chapter II, Divisions I and II of the *QSA*, and, if necessary, the concordant provisions of any *Equivalent Securities Acts*, and article 1457 of the *CCQ*;

**DECLARE** that throughout the Class Period, the defendants, or some of them, failed to disclose a change in the business, operations or capital of Lundin Mining relating to the Candelaria Mine which caused persons to believe that the mine was operating in the usual course of business;

**DECLARE** that the failure to disclose a change in the business, operations or capital of Lundin Mining relating to the Candelaria Mine constituted a misrepresentation within the meaning of the *QSA*, and if necessary, the concordant provisions of any *Equivalent Securities Act*, and under the general private law of Quebec;

**DECLARE** that defendant Lundin Mining Corporation is vicariously liable for the acts and/or omissions of the Individual Defendants and its other officers, directors, employees, agents and representatives;

**DECLARE** that the defendants made the misrepresentation negligently;

**CONDEMN** the defendants solidarily to pay the amount of \$175 million in compensatory damages to the Petitioner and the class as defined above, *sauf à parfaire*, the whole bearing interest at the legal rate and the additional indemnity from the date of filing of the present proceedings;

**CONDEMN** the defendants solidarily to pay the amount of \$10 million in punitives damages to the Petitioner and the class as defined above, *sauf à parfaire*, the whole bearing interest at the legal rate and the additional indemnity from the date of filing of the present proceedings;

**ORDER** the collective recovery of these amounts in accordance with articles 595 to 598 of the *Code of Civil Procedure*;

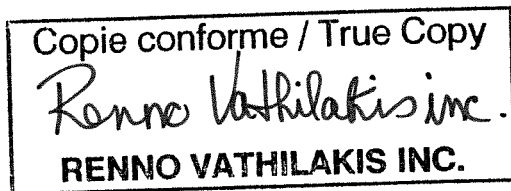
**THE WHOLE** with interest and additional indemnity provided for in the *Civil Code of Quebec* and with full costs and expenses, including expert fees, notice fees and fees relating to administering the plan of distribution of the recovery in this action;



**ORDER** the publication of the notice to the members of the Class in a wording and by means appropriate for the present proceedings no later than thirty (30) days after the date of the judgment authorizing the class proceedings;

**ORDER** that the deadline for a member of the Class to exclude themselves from the class action proceedings shall be sixty (60) days from the publication of the notice to the members of the Class, at the expiry of which all of the members of the class who will not have sought exclusion will be bound by any judgment to intervene herein;

**THE WHOLE** with judicial fees.



MONTREAL, the 17th day of January, 2018

*(S) Renno Vathilakis inc.*

---

RENNO VATHILAKIS INC.

M<sup>e</sup> Michael Vathilakis

M<sup>e</sup> Karim Renno

M<sup>e</sup> Chloé Lépine

1621 Sherbrooke Street West

Montreal, Quebec, H3H 1E2

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krenno@renvath.com

clepine@renvath.com

Attorneys for the Petitioner YANDRICK PRÉVEREAU

Our file: 1225.01

**SUMMONS**  
(articles 145 and following C.C.P.)

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**TAKE NOTICE** that the Petitioner has filed this Motion for Authorization to Institute a Class Action and for Authorization to bring an Action pursuant the *Quebec Securities Act* in the office of the Superior Court in the judicial district of Montreal.

You must answer the application in writing, personally or through a lawyer, at the courthouse of Montreal situated at 1 Notre-Dame Street East, H2Y 1B6, within 15 days of service of the application or, if you have no domicile, residence or establishment in Québec, within 30 days. The answer must be notified to the plaintiff's lawyer or, if the plaintiff is not represented, to the plaintiff.

If you fail to answer within the time limit of 15 or 30 days, as applicable, a default judgement may be rendered against you without further notice and you may, according to the circumstances, be required to pay the legal costs.

In your answer, you must state your intention to:

- negotiate a settlement;
- propose mediation to resolve the dispute;
- defend the application and, in the cases required by the Code, cooperate with the Petitioner in preparing the case protocol that is to govern the conduct of the proceeding. The protocol must be filed with the court office in the district specified above within 45 days after service of the summons or, in family matters or if you have no domicile, residence or establishment in Québec, within 3 months after service;
- propose a settlement conference.

The answer to the summons must include your contact information and, if you are represented by a lawyer, the lawyer's name and contact information.

You may ask the court to refer the originating application to the district of your domicile or residence, or of your elected domicile or the district designated by an agreement with the plaintiff.

If the application pertains to an employment contract, consumer contract or insurance contract, or to the exercise of a hypothecary right on an immovable serving as your main residence, and if you are the employee, consumer, insured person, beneficiary of the insurance contract or hypothecary debtor, you may ask for a referral to the district of your domicile or residence or the district where the immovable is situated or the loss occurred. The request must be filed with the special clerk of the district of territorial jurisdiction after it has been notified to the other parties and to the office of the court already seized of the originating application.

If you qualify to act as a plaintiff under the rules governing the recovery of small claims, you may also contact the clerk of the court to request that the application be processed according to those rules. If you make this request, the plaintiff's legal costs will not exceed those prescribed for the recovery of small claims.

Within 20 days after the case protocol mentioned above is filed, the court may call you to a case management conference to ensure the orderly progress of the proceeding. Failing this, the protocol is presumed to be accepted.

In support of the Motion for Authorization to Institute a Class Action and for Authorization to bring an Action pursuant to the *Quebec Securities Act*, the Petitioner intends to use the following exhibits:

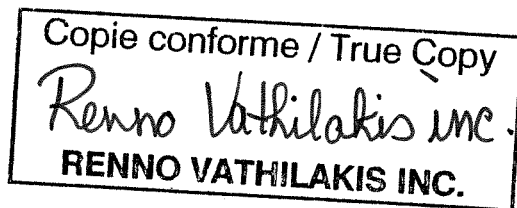
- EXHIBIT P-1: Copy of the November 29, 2017 News Release, including Confounding Information and Corrective Information;
- EXHIBIT P-2: Copy of the Transaction Confirmation Letter;
- EXHIBIT P-3: Copy of the Federal Corporation Information of Lundin Mining;
- EXHIBIT P-4: Copy of the Transcript of the operational outlook update call held on December 1<sup>st</sup>, 2017;
- EXHIBIT P-5: Copy of the Disclosure and Confidentiality Policy.

These exhibits are available on request.

If the application is an application in the course of a proceeding or an application under Book III, V, excepting an application in family matters mentioned in article 409, or VI of the Code, the establishment of a case protocol is not required; however, the application must be accompanied by a notice stating the date and time it is to be presented.

MONTREAL, this 17<sup>th</sup> day of January, 2018

(S) *Renno Vathilakis inc.*



---

RENNO VATHILAKIS INC.  
M<sup>e</sup> Michael Vathilakis  
M<sup>e</sup> Karim Renno  
M<sup>e</sup> Chloé Lépine  
1621 Sherbrooke Street West  
Montréal (Québec) H3H 1E2  
Phone: 514 937-1221  
Fax: 514 221-4714  
Emails: mvathilakis@renvath.com;  
krenno@renvath.com  
clepine@renvath.com

Attorneys for the Petitioner  
Yandrick Prévereau - Our file: 1225.1

**NOTICE OF PRESENTATION**  
(articles 146 and 574 al. 2 C.C.P.)

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To: **LUNDIN MINING CORPORATION**  
150 King Street, suite 1500  
Toronto, Ontario, M5H 1J9  
Defendant

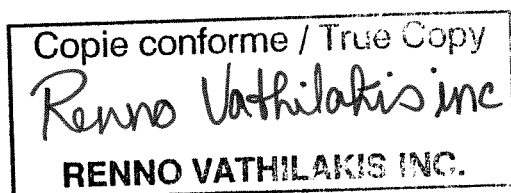
**MARIE INSKTER**  
140 Mona Drive  
Toronto, Ontario, M5N 2R6  
Defendant

**PAUL K. CONIBEAR**  
756 South Borough Drive  
West Vancouver, BC, V7S 1N2  
Defendant

**LUKAS H. LUNDIN**  
1281 West Cordova Street  
Vancouver, BC, V6C 3R5  
Defendant

**TAKE NOTICE** that the Petitioner's Motion for Authorization to Institute a Class Action and for Authorization to bring an Action pursuant the *Quebec Securities Act* will be presented before the Superior Court at 1 Rue Notre-Dame Est, Montréal, Québec, H2Y 1B6, **on the date set by the coordinator of the Class Action chamber.**

**GOVERN YOURSELVES ACCORDINGLY**



MONTREAL, this 17th day of January, 2018

*(S) Renno Vathilakis inc.*

---

**RENNO VATHILAKIS INC.**  
M<sup>e</sup> Michael Vathilakis  
M<sup>e</sup> Karim Renno  
M<sup>e</sup> Chloé Lépine  
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krenno@renvath.com  
clepine@renvath.com

Attorneys for the Petitioner  
Yandrick Prévereau  
Our file: 1225.1

SUPERIOR COURT  
DISTRICT OF MONTREAL  
PROVINCE OF QUEBEC

**YANDRICK PRÉVEREAU**, a physical person domiciled and residing at 1482, Louise-Lemay Street, in the city and district of Val d'Or, Province of Quebec, J9P 6A8;

Petitioner

v.  
**LUNDIN MINING CORPORATION**, a legal person established under the *Canada Business Corporations Act*, and having its principal place of business at 150 King Street West, Suite 1500, in the city and district of Toronto, Province of Ontario, M5H 1J9;

-and-  
**PAUL K. CONIBEAR**, a physical person domiciled and residing at 756 South Borough Drive, in the city of West Vancouver, Province of British Columbia, V7S 1N2;

-and-  
**MARIE INKSTER**, a physical person domiciled and residing at 140 Mona Drive, in the city of Toronto, Province of Ontario, M5N 2R6;

-and-  
**LUKAS H. LUNDIN**, a physical person domiciled and residing at 1281 West Cordova Street, in the city of Vancouver, Province of British Columbia, V6C 3R5;

Defendants

**MOTION FOR AUTHORIZATION TO INSTITUTE A CLASS ACTION AND FOR AUTHORIZATION TO BRING AN ACTION PURSUANT TO THE QUEBEC SECURITIES ACT (articles 571 and following CCP)**

**COPY FOR THE COURT**

RENNO VATHLAKIS INC.  
1621, rue Sherbrooke Ouest  
Montréal (Québec) H3H 1E2  
☎ 514 937-1221 📠 514 221-4714

BV0910

M<sup>e</sup> Karim Renno ☎ 1226.1  
Krenno@renvath.com  
☎ 514 937-1221

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for Mrs Aubin

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AUDIO  
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18 JAN. 2018

