

LUNDIN GOLD UPGRADES 2022 GUIDANCE ON THE BACK OF A STRONG SECOND QUARTER

Fruta del Norte achieves gold production of 233,555 oz and an AISC¹ of \$771/oz sold in the first half of 2022

Lundin Gold Inc. (TSX: LUG; Nasdaq Stockholm: LUG; OTCQX: LUGDF) ("Lundin Gold" or the "Company") today reports results for the second quarter and first half of 2022, highlighted by Q2 production of 111,890 ounces ("oz") of gold and sale of 96,291 oz at a cash operating cost¹ of \$702 per oz sold and all-in sustaining cost ("AISC")¹ of \$864 per oz sold. For the first half of 2022, Lundin Gold produced 233,555 oz and sold 215,573 of gold at an AISC of \$771 per oz. In the second quarter, the Company generated cash from operating activities of \$60.7 million and free cash flow¹ of \$21.2 million resulting in a cash balance of \$301 million at quarter end. Free cash flow was impacted by the payment in April of annual income taxes and profit sharing of \$60.7 million for 2021. All amounts are in U.S. dollars unless otherwise indicated.

Based on continuing strong operating results for the first half of 2022, the Company is increasing its production guidance from 405,000 to 445,000 oz to between 430,000 and 460,000 oz and decreasing its AISC¹ guidance from \$860 to \$930 per oz sold to between \$820 and \$870 per oz sold, calculated on a basis consistent with prior periods.

Ron Hochstein, President and CEO commented, "As a result of strong operating results in the first half of 2022 and confidence that our team can continue to deliver excellent performance, we are increasing production guidance and reducing AISC guidance. Fruta del Norte continues to generate significant operating cash flow, which allows us to expand our exploration programs, pay down our debt aggressively and declare our inaugural semi-annual dividend equivalent to an annual yield of approximately 5.6%². The Company is in a strong position, and I am excited to take this momentum into the second half of the year."

Second Quarter of 2022 Financial Overview

- The Company sold a total of 96,291 oz of gold, consisting of 68,598 oz of concentrate and 27,693 oz of doré at an average realized gold price¹ of \$1,907 per oz for total gross revenues from gold sales of \$184 million. Net of treatment and refining charges, revenues were \$178 million.
- Cash operating costs¹ and AISC¹ were \$702 and \$864 per oz of gold sold, respectively. Sustaining capital is expected to increase in the second half of the year due to the ongoing construction of the third tailings dam raise and ramp up of other activities.

¹ Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found on pages 13 to 16 of the Company's MD&A for the three and six months ended June 30, 2022 available on SEDAR

² Based on semi-annual dividends of \$0.20 per common share and today's closing price of the Company's common shares on the Toronto Stock Exchange of CAD\$9.16 and the CAD\$ to US\$ exchange rate of 1.2880 as provided by the Bank of Canada

- Income from mining operations was \$82.5 million. The Company generated cash flow of \$60.7 million from operations and ended the quarter with a cash balance of \$301 million. Free cash flow¹ for the quarter was \$21.2 million or \$0.09 per share. Cash flow in the second quarter is impacted by the payment of annual income taxes and profit sharing (\$29.2 million and \$31.5 million respectively), which were due in April.
- Net income was \$56.0 million including derivative gains of \$40.0 million, corporate, exploration, finance costs, and associated taxes on earnings. Adjusted earnings¹, which exclude derivative gains, were \$13.5 million, or \$0.06 per share. Net income was impacted by the deferral of gold sales because of a national strike in the second half of June.

While production was not affected by a national strike in Ecuador, which ended on June 30th, some gold shipments and sales, estimated at approximately 16,000 ozs, planned for June were impeded by blockades on some of Ecuador's major highways and delayed into July. This short lag resulted in the deferral of some revenues from Q2 to Q3 2022, thereby affecting the level of income from mining operations, earnings, and cash flow in Q2 2022.

Second Quarter of 2022 Production Overview

- The mine maintained its strong operating performance during the quarter with 369,430 tonnes mined at an average grade of 11.4 grams per tonne. Mine production was reduced slightly near the end of the quarter to allow the mill to process more tonnes and reduce the run of mine stockpiles in order to manage the oxidation of the ore, which has been impacting mill recoveries.
- Underground mine development continued as planned with a total of 2,190 metres completed. Development rates averaged 24.0 metres per day in the second quarter.
- The mill processed 385,675 tonnes of ore at an average throughput rate of 4,238 tpd, just above design capacity.
- The average grade of ore milled was 10.3 grams per tonne with average recovery at 87.6%. Recoveries in the second quarter were impacted by the milling of oxidized ore.
- Gold production was 111,890 oz, comprised of 75,730 oz of concentrate and 36,160 oz of doré.

Second Quarter of 2022 Operating and Financial Highlights

The following two tables provide an overview of key operating and financial results during the second quarter and first half of 2022.

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Tonnes ore mined	369,430	397,640	749,059	763,111
Tonnes ore milled	385,675	346,561	759,082	671,152
Average head grade (g/t)	10.3	11.1	10.8	11.2
Average recovery	87.6%	88.2%	88.9%	88.0%
Average mill throughput (tpd)	4,238	3,808	4,194	3,708
Gold ounces produced	111,890	108,799	233,555	212,936
Gold ounces sold	96,291	125,412	215,573	207,217

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net revenues (\$'000)	177,808	216,145	394,280	356,136
Income from mining operations (\$'000)	82,522	110,604	193,729	174,635
Earnings before interest, taxes, depreciation, and amortization (\$'000) ¹	144,697	109,660	243,510	239,626
Adjusted earnings before interest, taxes, depreciation, and amortization (\$'000) ¹	104,711	135,259	238,248	213,702
Net income (\$'000)	55,962	49,984	79,144	135,964
Free cash flow (\$'000) ¹	21,248	102,995	113,054	146,575
Average realized gold price (\$/oz sold) ¹	1,907	1,773	1,882	1,770
Cash operating cost (\$/oz sold) ¹	702	596	656	626
All-in sustaining costs (\$/oz sold) ¹	864	720	771	764
Free cash flow per share (\$) ¹	0.09	0.44	0.48	0.63
Adjusted net earnings (\$'000) ¹	13,490	74,800	71,040	112,209
Adjusted net earnings per share (\$) ¹	0.06	0.32	0.30	0.48

Liquidity and Capital Resources

At the end of the second quarter of 2022, the Company is in a strong financial position.

<i>(in thousands of U.S. dollars)</i>	As at June 30, 2022	As at December 31, 2021
Financial Position:		
Cash	301,032	262,608
Working capital	253,921	217,221
Total assets	1,664,030	1,685,113
Long-term debt	645,724	739,977

As at June 30, 2022, the Company had cash of \$301 million and a working capital balance of \$254 million compared to cash of \$263 million and a working capital balance of \$217 million at December 31, 2021. The change in cash during the first half of 2022 was primarily due to cash generated from operating activities of \$188 million and proceeds from the exercise of stock options, warrants, and anti-dilution rights of \$9.4 million. This is offset by principal repayments, interest and finance charges, including associated taxes, under the gold prepay and stream credit facilities totalling \$67.6 million, interest and principal repayments under the senior debt of \$65.8 million, and cash outflows of \$25.3 million for capital expenditures, which include costs for the South Ventilation Raise ("SVR") and sustaining capital.

The Company's strong operating cash flow during the first half of 2022 is expected to continue for the remainder of the year based on its production and AISC guidance. This strong operating cash flow will continue to support aggressive debt repayments, regional and near mine exploration, underground expansion drilling at FDN, planned capital expenditures, growth initiatives and regular dividend payments under the dividend policy approved in the second quarter of this year.

Capital Expenditures

- **South Ventilation Raise:** Work on the SVR continues with completion now expected to occur in early Q4. Progress on the SVR during the quarter was affected by difficulties stemming from a blockage, which has now been cleared, that had stopped slash and lining activities. There is no expected impact on production because of this change in timing.

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- **Sustaining Capital:** The third raise of the tailings dam started during the second quarter and construction is anticipated to be completed in Q4. Resource expansion/conversion drilling at Fruta del Norte continued to progress with 4,096 metres completed during the quarter focusing on expansion or conversion of the Inferred Resource at the south end of the deposit. Expenditures for other sustaining capital projects will ramp up throughout the remainder of the year.

Health and Safety

Stringent health and safety procedures remain in place to protect our personnel, including minimizing the impact of COVID-19 on the workforce. Through vaccination campaigns by Ecuador's Ministry of Public Health, 100% of the Company's employees and on-site contractors were vaccinated and, as at June 30, 2022, 84% had received at least one booster shot.

During the quarter there was one Lost Time Incident and four Medical Aid Incidents. The Total Recordable Incident Rate was 0.57 per 200,000 hours worked during the 2022 Period.

Sustainability

The inaugural Climate Change (the "TCFD Report") and the 2021 Sustainability Reports were published. The TCFD Report details Lundin Gold's governance, climate strategy around climate change risks and opportunities, risk management and metrics and how the Company is working towards establishing targets. The 2021 Sustainability Report highlights accomplishments and progress achieved by the Company on several initiatives and programs during its first full year of operations.

Various community business projects supported by the Company are under way, including sponsoring the establishment of micro businesses providing ancillary services to Fruta del Norte and the community, such as a textile manufacturer and fire extinguisher maintenance provider. These are in addition to the ongoing projects such as road maintenance, education projects, and economic development.

The Company has also continued or restarted many community initiatives. They include working with Shuar indigenous communities to promote improved agricultural practices and with Junior Achievement Ecuador to prepare local students graduating from high school for the national exit exam (and thus access to post-secondary education), as well as support of after-school activities in the local town of Los Encuentros such as music, soccer, boxing, and English programs.

Exploration

A recent exploration data review demonstrated a much wider mineralization footprint nearby the FDN deposit. Several targets of interest are essentially untested, with similar geological conditions to those at FDN, and present significant new exploration opportunities. Shortly after quarter end, the Company's announced the start of a near mine program focused on targets within and around the existing FDN operation and exploring sectors in the continuities of the FDN deposit and along the extension of major structures. The program, which is expected to cost \$4 million in 2022, is planned to include over 6,000 metres of drilling from both underground and surface, new geophysical surveys, geological mapping, and geochemical sampling.

The Company's 2022 regional exploration program continued on the Barbasco and Puente Princesa targets. Drilling is ongoing with two rigs turning and a third rig now added. During the first half of 2022, 7,240 metres

were drilled across nine holes, mainly at Puente-Princesa and Barbasco. A summary of results from drilling to date can be found in the news release dated August 4, 2022.

Early in the second quarter, Newcrest International Pty Ltd. (“Newcrest”), a wholly owned subsidiary of Newcrest Mining Limited, met the first expenditure requirement of \$4.0 million under the Earn-In Agreement covering eight of Lundin Gold’s early-stage concessions to the north and south of Fruta del Norte. Newcrest exercised its option to proceed to the second stage of the earn-in on May 28, 2022. Through completion of the second stage, an exploration commitment of a further \$6 million, Newcrest would earn an initial 25% interest in the eight concessions indirectly through a subsidiary of Lundin Gold. The current program is focused on drill testing priority copper-gold porphyry targets which to date detected low-level porphyry style copper mineralization. Drilling is ongoing.

Corporate

On July 26, 2022, Lundin Gold’s founder and former Chairman, Mr. Lukas H. Lundin, passed away in Geneva, Switzerland at the age of 64, following a 2-year battle with brain cancer. In his role as Chairman, Lukas oversaw the development of Lundin Gold’s Fruta del Norte gold mine in Ecuador and the successful establishment of the Company as a significant gold producer with strong cash flows and a focus on responsible mining. Through Lukas’ vision and perseverance, the construction and operation of Fruta del Norte has changed thousands of lives in Zamora Chinchipe and changed Ecuador to be a new frontier for the responsible mining sector.

Outlook

Lundin Gold’s strong performance in the 2022 Period provides a robust foundation for the rest of the year, and as a result, the Company is increasing its production guidance to between 430,000 and 460,000 from 405,000 to 445,000 oz and decreasing its AISC¹ guidance to between \$820 and \$870 from \$860 to \$930.

The SVR is the last remaining scope of work under the original FDN construction project. Completion of the SVR is anticipated early in the fourth quarter of 2022 with no anticipated impact on production in 2022.

Sustaining capital will ramp up substantially in Q3 2022 with construction of the third raise of the TSF anticipated to be completed in Q4 2022. The drilling program at FDN for the conversion of Inferred Resources and definition of additional resources is ongoing. Several other capital projects are underway and planned for 2022, contributing to an expected increase in sustaining capital costs during the balance of the year.

The 16,500-metre regional exploration drill program is continuing with four additional targets of interest identified: Barbasco Norte, Capullo, Puma and Quebrada La Negra. A third rig has been added in order to expand the program with one hole already completed at Barbasco Norte. Results are pending and additional drilling at this target is underway. At Capullo, a first hole was recently started. Drill programs at Puma and Quebrada La Negra are expected to be initiated in the third quarter and fourth quarter, respectively.

Exploration data review carried out during the first quarter has indicated several potential targets in areas immediately near the Fruta del Norte deposit. These targets, located in areas coincident with geochemical anomalies on surface, display similar geological characteristics to the Fruta del Norte deposit but have not been tested by drilling. Based on this review, an additional near mine exploration program was planned in the second quarter and has recently started with a combined anticipated 6,000 metres of drilling both underground and

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from surface with an expected cost of \$4 million to be incurred during the remainder of the year. As of the date of the press release, two rigs are turning, one underground and one on surface.

Qualified Persons

The technical information relating to Fruta del Norte contained in this News Release has been reviewed and approved by Ron Hochstein P. Eng, Lundin Gold's President and CEO who is a Qualified Person under National Instrument 43-101. The disclosure of exploration information contained in this press release was prepared by Andre Oliveira, P.Geol, Lundin Gold's V.P. Exploration, who is a Qualified Person in accordance with the requirements of NI 43-101.

Webcast and Conference Call

The Company will host a conference call and webcast to discuss its results on Thursday, August 10, 2022 at 7:00 a.m. PT, 10:00 a.m. ET, 4:00 p.m. CET.

Conference Call Dial-In Numbers:

Participant Dial-In North America:	+1 416-764-8659
Toll-Free Participant Dial-In North America:	+1 888-664-6392
Participant Dial-In Sweden:	0200899189
Conference ID:	Lundin Gold / 88801963

A link to the webcast is available on the Company's website, www.lundin角度.com. A replay of the conference call will be available two hours after the completion of the call until August 24, 2022.

Toll Free North America Replay Number:	+1 888-390-0541
International Replay Number:	+1 -416-764-8677
Replay passcode:	801963 #

About Lundin Gold

Lundin Gold, headquartered in Vancouver, Canada, owns the Fruta del Norte gold mine in southeast Ecuador. Fruta del Norte is among the highest-grade operating gold mines in the world.

The Company's board and management team have extensive expertise in mine operations and are dedicated to operating Fruta del Norte responsibly. The Company operates with transparency and in accordance with international best practices. Lundin Gold is committed to delivering value to its shareholders, while simultaneously providing economic and social benefits to impacted communities, fostering a healthy and safe workplace and minimizing the environmental impact. The Company believes that the value created through the development of Fruta del Norte will benefit its shareholders, the Government and the citizens of Ecuador.

Non-IFRS Measures

This news release refers to certain financial measures, such as average realized gold price per oz sold, cash operating cost per oz sold, all-in sustaining cost, operating cash flow per share, and adjusted net earnings, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies. These measures have been derived from the Company's financial statements because the Company believes that, with the achievement of commercial production, they are of

assistance in the understanding of the results of operations and its financial position. Please refer to the Company's MD&A for the second quarter of 2021 for an explanation of non-IFRS measures used.

Additional Information

The information in this release is subject to the disclosure requirements of Lundin Gold under the EU Market Abuse Regulation. This information was publicly communicated on August 9, 2022 at 4:30 p.m. Pacific Time through the contact persons set out below.

For more information, please contact

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Caution Regarding Forward-Looking Information and Statements

Certain of the information and statements in this press release are considered "forward-looking information" or "forward-looking statements" as those terms are defined under Canadian securities laws (collectively referred to as "forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "believes", "anticipates", "expects", "is expected", "scheduled", "estimates", "pending", "intends", "plans", "forecasts", "targets", or "hopes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "will", "should" "might", "will be taken", or "occur" and similar expressions) are not statements of historical fact and may be forward-looking statements. By their nature, forward-looking statements and information involve assumptions, inherent risks and uncertainties, many of which are difficult to predict, and are usually beyond the control of management, that could cause actual results to be materially different from those expressed by these forward-looking statements and information. Lundin Gold believes that the expectations reflected in this forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. This information speaks only as of the date of this press release, and the Company will not necessarily update this information, unless required to do so by securities laws.

This press release contains forward-looking information in a number of places, such as in statements relating to Company's 2022 production outlook, including estimates of gold production, grades recoveries and AISC; expected sales receipts, cash flow forecasts and financing obligations; its estimated capital costs and the expected timing and impact of completion of capital projects including the south ventilation raise; the recovery of VAT; the Company's declaration and payment of dividends pursuant to its dividend policy; the timing and the success of its drill program at Fruta del Norte and its other exploration activities; and the Company's efforts to protect its workforce from COVID-19. There can be no assurance that such statements will prove to be accurate, as Lundin Gold's actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed in the "Risk Factors" section in Lundin Gold's Annual Information Form dated March 21, 2022, which is available at www.lundingold.com or on SEDAR.

Lundin Gold's actual results could differ materially from those anticipated. Factors that could cause actual results to differ materially from any forward-looking statement or that could have a material impact on the Company or the trading price of its shares include: risks relating to the impacts of a pandemic virus outbreak, political and economic instability in Ecuador, production estimates, mining operations, the Company's community relationships, ability to maintain obligations or comply with debt, financing requirements, volatility in the price of gold, shortages of critical supplies, compliance with environmental laws and liability for environmental contamination, lack of availability of infrastructure, the Company's reliance on one mine, deficient or vulnerable title to concessions, easements and surface rights, uncertainty with the tax regime in Ecuador, the Company's workforce and its labour relations, inherent safety hazards and risks to the health and safety of the Company's employees and contractors, the Company's ability to obtain, maintain or renew regulatory approvals, permits and licenses, the imprecision of mineral reserve and resource estimates, key talent recruitment and retention of key personnel, volatility in the market price of the shares, the potential influence of the Company's largest shareholders, measures to protect endangered species and critical habitats, the reliance of the Company on its information systems and the risk of cyber-attacks on those systems, the cost of non-compliance and compliance costs, exploration and development risks, risks related to illegal mining, the adequacy of the Company's insurance, uncertainty as to reclamation and decommissioning, the ability of Lundin Gold to ensure compliance with anti-bribery and anti-corruption laws, the uncertainty regarding risks posed by climate change, the potential for litigation, limits of disclosure and internal controls, security risks to the Company, its assets and its personnel, conflicts of interest, risks that the Company will not declare dividends and social media and reputation.