LUNDIN GOLD

Building a leading Gold Company
through responsible mining

2024 ANNUAL REPORT

Dear Fellow Shareholders,

Marked by record-breaking achievements that underscore the Tier 1 status of our Fruta del Norte (**FDN**) mine and our unwavering commitment to delivering value to our shareholders, 2024 was a truly exceptional year for Lundin Gold. We exceeded our production guidance, achieving a record 502,029 ounces of gold, a testament to the dedication and focus on operational excellence of our entire team.

This record production, coupled with disciplined cost management, resulted in an All-In Sustaining Cost[1] (**AISC**) of $875 per ounce sold, well within our guidance. The strength of our operations translated into record-high cash flow, with $662 million from operating activities and $540 million in adjusted free cash flow[1], or $2.26 per share. We generated $1.19 billion in revenues, selling 495,374 ounces of gold at an average realized price of $2,462 per ounce. Additionally, we achieved record adjusted EBITDA[1] of $780 million.

A significant milestone in 2024 was the complete repayment of our debt, including the buy out of the stream credit facility and offtake, further enhancing our financial flexibility and exposure to the strengthening gold price. We ended the year with a robust cash balance of $349 million. This financial strength allowed us to double our quarterly dividend from $0.10 to $0.20 per share over the year; we subsequently increased the dividend to $0.30 per share last month which translates to approximately $300 million annually, demonstrating our commitment to returning capital to our shareholders.

Adding to our operational success, I am thrilled to announce that our year-end 2024 Mineral Reserve and Resource estimates are the highest ever published at FDN. Our Proven and Probable Mineral Reserves have increased to 5.54 million ounces of gold, even after accounting for mining depletion. Notably, our Inferred Resources have seen a 59% increase, reaching 2.36 million ounces, driven primarily by the exceptional results at FDN South (FDNS). Our Measured and Indicated Mineral Resources have also grown to 7.06 million ounces. These results underscore the tremendous potential of FDN and the success of our ongoing exploration programs.

This remarkable expansion of our Mineral Reserves and Resources is a direct result of our focused and extensive drilling programs. In 2024, we completed 80,000 metres of drilling, and we are committed to maintaining this momentum with a minimum of 80,000 metres planned for 2025. This continued investment in exploration will support our goal to further expand our resource base and deliver an initial resource estimate for Bonza Sur later this year.

The process plant expansion project is complete, and we anticipate increased throughput and recovery in 2025, with a target of 5,000 tonnes per day ("tpd") increasing to 5,500 tpd in 2026. Our 2025 through 2027 production guidance has been set at 475,000 to 525,000 ounces of gold, reflecting our confidence in

[1] Please refer to pages 15 to 17 in the Company's MD&A for the year ended December 31, 2024 for an explanation of non-IFRS measures used.

continued operational improvements.

We are committed to maintaining our low-cost producer status and expect to generate significant free cash flow in excess of $500 million in 2025, based on a gold price of $2,500 per ounce. This strong financial position provides us with the flexibility to pursue further growth initiatives and enhance shareholder returns.

Our commitment to sustainability remains unwavering. Last year, we published our 2023 Sustainability Report, integrating our climate report, and continue to prioritize responsible mining practices and community development. Our initiatives, such as the mental health and well-being program in our local communities and the support for local businesses, demonstrate our dedication to creating lasting positive impacts.

Looking ahead, we are excited about the prospects for 2025. Our focus will remain on safety and operational excellence, continued exploration of our vast land package, and responsible capital allocation. We are confident that Lundin Gold is well-positioned to deliver sustained value to our shareholders and stakeholders.

Thank you for your continued support.

Yours truly,

Ron Hochstein President and Chief Executive Officer

April 15, 2025

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Lundin Gold Inc. and its subsidiary companies (collectively, "Lundin Gold" or the "Company") provides a detailed analysis of the Company's business and compares its financial results for the three months and year ended December 31, 2024 with those of the same period from the previous year.

This MD&A is dated as of February 20, 2025 and should be read in conjunction with the Company's audited consolidated financial statements and related notes thereto for the fiscal years ended December 31, 2024 and 2023. The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS"). References to the "2024 Year" and "2023 Year" relate to the years ended December 31, 2024 and December 31, 2023, respectively.

Other continuous disclosure documents, including the Company's news releases, quarterly and annual reports and annual information form, are available through its filings with the securities regulatory authorities in Canada at www.sedarplus.ca.

Lundin Gold, headquartered in Vancouver, Canada, is committed to positive and long-lasting impact on our host communities, while delivering significant value to stakeholders through operational excellence, cash flow generation, focused growth and returning capital to shareholders. Lundin Gold currently operates its 100% owned Fruta del Norte ("Fruta del Norte" or "FDN") gold mine in southeast Ecuador, which is one of the highest-grade gold mines in production in the world today. The Company also owns a portfolio of highly prospective exploration properties close to FDN.

HIGHLIGHTS

Record operating performance underpin an outstanding year for Lundin Gold in its fifth year of operations in Ecuador. Lundin Gold exceeded its 2024 production guidance with annual production of 502,029 ounces ("oz."). As a result, the Company achieved annual sales of 495,374 oz. and generated adjusted free cash flow[1] of $540 million highlighting Fruta del Norte's ability to generate significant free cash flow supported by low cash operating costs[1] and all-in sustaining costs ("AISC")[1] of $712 and $875 per oz sold, respectively, both in line with the Company's 2024 guidance.

Exploration success continued at the Company's highly prospective land package following completion of the largest annual drill program to date in the district since FDN's discovery, with 80,057 metres drilled across the conversion, near-mine, and regional programs.

- Results of the conversion program and exploration of the southern limit of the FDN deposit (FDNS) were incorporated in the geological and the mineral resource model and the updated estimate of Mineral Resources and Reserves for Fruta del Norte was announced on February 18, 2025.
- Exploration at the near-mine program was conducted both on surface and underground. Surface drilling concentrated along the extension of the East Fault, where the Bonza Sur discovery and other prospective sectors like FDN East are located, while underground drilling focused on expansion of the FDN deposit.
- The regional program continues to identify important indicators that point toward the presence of buried epithermal deposits in the southern basin.

The process plant expansion project was substantially complete at year-end with all major structural work completed and the first Jameson cell commissioned in late November. The remaining two Jameson cells are expected to be commissioned by the end of the first quarter of 2025.

Following completion of the buy out of the stream loan credit facility (the "Stream Facility") and offtake commitment (the "Offtake") on June 27, 2024, Lundin Gold has repaid in full all of its project finance debt only four years after achieving commercial production at FDN. Now debt free, Lundin Gold fully benefits from strong gold prices, resulting in increased amounts of free cash flow to support further growth and shareholder returns.

[1] Refer to "Non-IFRS Measures" section.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

The following two tables provide an overview of key operating and financial results achieved during 2024 compared to the same periods in 2023.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Tonnes ore mined	405,529	405,705	1,671,849	1,635,550
Tonnes ore milled	427,030	427,743	1,690,865	1,654,520
Average mill throughput (tpd)	4,642	4,649	4,620	4,533
Average mill head grade (g/t)	11.3	8.2	10.5	10.2
Average recovery	87.1%	88.1%	87.8%	88.4%
Gold ounces produced	135,241	99,310	502,029	481,274
Gold ounces sold	131,175	98,005	495,374	474,365

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Revenues ($'000)	341,791	190,688	1,193,050	902,518
Income from mining operations ($'000)	215,208	78,051	703,386	435,180
Earnings before interest, taxes, depreciation, and amortization ($'000)[1]	232,223	67,274	1,021,373	493,976
Adjusted earnings before interest, taxes, depreciation, and amortization ($'000)[1]	232,223	95,908	779,549	526,045
Net income ($'000)	129,147	11,062	426,050	179,457
Basic income per share ($)	0.54	0.05	1.78	0.76
Cash provided by operating activities ($'000)	192,021	92,574	662,390	519,395
Adjusted free cash flow ($'000)[1]	163,767	62,330	539,783	263,473
Adjusted free cash flow per share ($)[1]	0.68	0.26	2.26	1.11
Average realized gold price ($/oz sold)[1]	2,664	2,021	2,462	1,958
Cash operating cost ($/oz sold)[1]	709	832	712	697
All-in sustaining costs ($/oz sold)[1]	879	1,062	875	860
Adjusted earnings ($'000)[1]	129,147	33,236	421,596	204,310
Adjusted earnings per share ($)[1]	0.54	0.14	1.76	0.86
Dividends paid per share ($)	0.20	0.10	0.60	0.40

[1] Refer to "Non-IFRS Measures" section.

Year ended December 31, 2024

- FDN achieved record annual gold production of 502,029 oz, comprised of 320,240 oz in concentrate and 181,789 oz as doré, which exceeds the Company's 2024 guidance.
- A total of 1,671,849 and 1,690,865 tonnes of ore was mined and processed, respectively. Mill production was slightly higher than the previous year due to an increase in mill throughput.
- The average grade of ore milled was 10.5 grams per tonne (g/t) with average recovery at 87.8%. Recoveries were affected by finely disseminated sulphide minerals in the ore and improvements have been realized following commissioning of one of the three Jameson cells in late November.
- The Company sold a total of 495,374 oz of gold, consisting of 319,040 oz in concentrate and 176,334 oz as doré at an average realized gold price[1] of $2,462 per oz sold for total revenues from gold sales of $1.22 billion. Net of treatment and refining charges, revenues for 2024 were $1.19 billion.
- Cash operating costs[1] and AISC[1] for 2024 were $712 and $875 per oz of gold sold, respectively, which are in line with the Company's 2024 guidance.
- The Company generated cash from operating activities of $662 million and adjusted free cash flow[1] of $540 million or $2.26 per share resulting in a cash balance of $349 million at December 31, 2024.
- Earnings before interest, taxes, depreciation, and amortization[1] ("EBITDA") and adjusted EBITDA[1] were $1.02 billion and $780 million, respectively, with the difference resulting from derivative gains recognized from the buy out of the Stream Facility and Offtake and a one-time special government levy of $1.9 million.
- Net income was $426 million including a derivative gain of $244 million, and net of corporate, exploration, finance costs, and associated taxes. Adjusted earnings[1], which exclude the one-time finance expense relating to the buy out of the Stream Facility and Offtake, derivative gains, and related taxes were $422 million, or $1.76 per share.

Fourth quarter of 2024

- Gold production was 135,241 oz, comprised of 88,834 oz in concentrate and 46,407 oz as doré.
- During the fourth quarter, 405,529 tonnes of ore were mined while the mill processed 427,030 tonnes of ore at an average throughput of 4,642 tonnes per day ("tpd"). Due to the power shortages in Ecuador, mining and milling activities were modified in order to allocate available power from the national grid and self-generation to ensure process plant availability.
- The average ore grade milled was 11.3 grams per tonne with average recovery at 87.1%, both improvements from the third quarter of 2024.
- The Company sold a total of 131,175 oz of gold, consisting of 88,650 oz in concentrate and 42,525 oz as doré at an average realized gold price[1] of $2,664 per oz sold for total revenues from gold sales of $349 million. Net of treatment and refining charges, revenues for the quarter were $342 million.
- Cash operating costs[1] and AISC[1] were $709 and $879 per oz of gold sold, respectively. Both metrics were impacted by higher gold prices resulting in higher royalties and profit sharing for which the portion attributable to employees is recorded in operating costs as well as higher diesel consumption due to the operation of our existing power generation units to reduce our power consumption from the national grid.
- Income from mining operations was $215 million and the Company generated adjusted free cash flow[1] of $164 million from operations, or $0.68 per share.
- EBITDA[1] and net income were $232 million and $129 million, respectively. No adjustments were required following the buy out of the Stream Facility and Offtake at the end of the second quarter.
- The Company substantially completed the Plant Expansion Project which targets increased throughput to 5,000 tpd and an increase in average recovery of 3%. Subsequent to quarter end, throughput has averaged over 5,000 tpd. With one Jameson cell in operation, recoveries have been positively affected. The remaining two Jameson cells are expected to be commissioned in the first quarter.

[1] Refer to "Non-IFRS Measures" section in this MD&A.

Capital Expenditures

Sustaining Capital

- Total sustaining capital spent during the year was $51.2 million, of which $13.9 was spent during the fourth quarter. This total exceeds the top end of guidance of $45.0 million due to the purchase of four additional diesel-powered generators.
- Highlights of sustaining capital projects completed or substantially completed during 2024 include implementation of a mine dispatch system, the upgrade of the surface haul road, replacement of the concrete batch plant, primary crusher upgrade, camp refurbishment, and improvements to the sewage treatment plants.
- Significant progress was made on preliminary works for future tailings storage facility ("TSF") expansion.
- Four additional diesel-powered generators were purchased, and the units are expected to be commissioned by the end of the first quarter of 2025. In the event of a power disruption from the national grid, the additional generators are expected to allow the FDN process plant to operate slightly below capacity.
- The 2024 conversion drilling program was completed during the third quarter. The program focused on the northern-central sector of FDN deposit with approximately 13,755 metres drilled across 110 holes.
    - Most of the results confirmed the mineralization in drilled areas with positive intercepts associated with breccias and stockwork zones, similar to the mineralization found in the north sector of the current Mineral Reserve envelope.
    - All results were incorporated in the geological and the mineral resource model, and the Company updated its estimates of Mineral Resources and Reserves as at December 31, 2024 for Fruta del Norte deposit on February 18, 2025.

Process Plant Expansion Project

- All major structural work was completed during the fourth quarter and one Jameson cell commissioned. Remaining work during the first quarter of 2025 will be focussed on commissioning of the new concentrate filter and the two remaining Jameson cells.
- Plant throughput through the first month of 2025 was above 5,000 tpd.
- Recoveries were positively impacted after the first of three Jameson cells was commissioned in late November.
- During 2024, project expenditures of $38.8 million were incurred, of which $21.1 million was incurred during the fourth quarter.

Health, Safety and Community

Health and Safety

- During the fourth quarter there were four Lost Time Incidents ("LTIs") and two Medical Aid Incidents ("MAIs") and for the 2024 Year, the Company recorded ten LTIs and 13 MAIs.
- The Total Recordable Incident Rate across exploration and operations was 0.66 per 200,000 hours worked during 2024.

Community

Lundin Gold continued to support several community projects during the year. One of the Company's most significant programs, run by the non-governmental organization Educación para Compartir, focuses on mental health and well-being in our local communities. At year end, the program advanced into its second year, continuing to show increasing participation by local community members. From inception of the program in July 2023 to the end of the fourth quarter of 2024, over 3,500 counselling sessions occurred, and more than 400 youth were registered in regular extra-curricular activities, including English studies, basketball, soccer, dance, music, and boxing.

Engagement with the local governments of Yantzaza and Los Encuentros continued through support agreements for rural road maintenance, basic service infrastructure, community well-being and support for livestock and local farmers initiatives. During the quarter, the Company committed to several significant projects including the second phase of infrastructure maintenance for the local school in Los Encuentros (more than 1,300 students), construction of sidewalks, curbs and road safety infrastructure for El Pindal community, maintenance of the infrastructure of smaller local schools and the construction of two bridges in Río Blanco Community.

Local businesses continue to be supported by the Company in conjunction with the Lundin Foundation. The local companies that participate in the Lundin Foundation's local supplier development program continued to provide products and services to FDN, while also advancing growth strategies. The Lundin Foundation's Soy Emprendedora program, which supports women led businesses in the Province of Zamora Chinchipe, continued to show positive impacts and results. As part of the relationship with the Shuar Indigenous Peoples, Lundin Gold and the Lundin Foundation continue to work to implement several initiatives to promote the culture of and to develop economic opportunities for the Shuar People in Zamora Chinchipe.

Exploration

Near-Mine Program
During the year, the Company completed a total of 60,965 metres across 174 holes from surface and underground, of which approximately 15,640 metres across 42 holes were drilled in the fourth quarter. Underground drilling explored mainly FDNS while drilling from surface continued to test sectors located along the extensions of the controlling structures of FDN, such as Bonza Sur and FDN East.

At Bonza Sur, the drilling program extended and advanced the delineation of the deposit. Exploratory drilling was also completed in distinct sectors located to the east and south of the Bonza Sur deposit. At FDN East, drilling focused on follow up drilling from previous results.

- At Bonza Sur, located only one kilometre from FDN, 16 surface drill holes were completed and continue to record wide mineralized intercepts in distinct areas of the deposit. Along the south extension, the drilling program indicates the mineralization continuity for an additional 800 metres in this direction. In the central portion, the drilling program enabled the lateral extension of 150 metres in the east direction, while in the north portion of Bonza Sur, drill holes intercepted a higher-grade gold zone close to the surface surrounded by wide disseminated gold mineralization and confirmed the mineral envelope in this sector. The Bonza Sur mineralization has already been identified for more than 2.6 kilometres along the north-south strike and for at least 500 metres along the downdip and remains open mainly in the south and east directions.

- At FDN East, drilling continues to explore around the recently discovered buried epithermal mineralized system. Three drill holes were completed during the quarter and intercepted gold mineralization associated to zones of hydrothermal alteration with breccias and disseminated sulfides in the central and western part of the sector, suggesting areas for further follow up drilling.

- The exploratory drilling program aiming to explore new sectors advanced in distinct targets near the FDN deposit. At Aguas Mesas, exploratory drilling tested the south continuity of the Bonza Sur mineralized trend, and results are pending.

The underground exploration drilling program continues to focus on the southern limit of the FDN deposit, at the FDNS target, targeting the delineation of a new high grade vein system. During the quarter, four drill holes were completed with most drill holes confirming gold mineralization associated with vein and veinlet zones of chalcedony and manganoan-calcite with sulfides and visible gold. The program also advanced along the continuity of the FDN deposit at depth, where drill holes intercepted several zones of narrow veins of chalcedony-calcite, indicating the continuity of the mineralization in this sector.

Regional Program
The regional program continues to advance in the identification of important indicators that point toward the presence of buried epithermal deposits in the southern basin. The 2024 drilling program focused on distinct sectors along the southeastern and southwestern borders of the Suarez basin and a total of 1,889 metres across five drill holes were completed in the fourth quarter resulting in 5,337 metres completed under the 2024 program across 12 drill holes. During the fourth quarter of 2024, the regional drilling focused on the Puente Princesa target. At Puente Princesa, located along the west border of Suarez Basin, the drilling program tested a geochemical soil anomaly (gold and epithermal pathfinder elements like arsenic and mercury) located on the volcanic rocks of Santiago formation and intercepted narrow hydrothermal alteration represented by chalcedony veinlets and quartz calcite veins with limited sulfides occurrence. Results remain pending.

Geophysical Program
During the quarter, a 2D seismic survey was completed which was designed to provide detailed continuous images of the main controlling structures at FDN and the area of focus of the near mine exploration program.

Corporate

- Lundin Gold is debt free following the buy out of the Stream Facility and Offtake on June 27, 2024 for a purchase price of $330 million.
- In May, the Company published its 2023 Sustainability Report, integrating its climate report, highlighting its progress and performance against its 5-Year Sustainability Strategy.
- A number of changes to the Company's officers took place in 2024:
    - Mr. Chester See was appointed Chief Financial Officer in the third quarter.
    - Mr. Brendan Creaney was appointed Vice President, Corporate Development and Investor Relations in the fourth quarter.
- The Company amended its dividend policy by increasing its quarterly cash dividend from $0.10 to $0.20 per share on August 8, 2024, and paid out a total of $143.9 million in dividends during the year.
- With the release of its 2024 year-end results, the Company increased its cash dividend to $0.30 per share, equivalent to approximately $300 million annually, and has declared a dividend which is payable on March 26, 2025 (March 31, 2025 for shares trading on Nasdaq Stockholm) to shareholders of record on March 11, 2025. Concurrently, the Company announced a Normal Course Issuer Bid program which allows the Company to purchase up to 12,020,129 common shares over a twelve-month period.

SELECTED ANNUAL FINANCIAL INFORMATION

(Expressed in thousands of U.S. dollars, except share and per share amounts)		2024		2023		2022
Revenues	$	1,193,050	$	902,518	$	815,666
Income from mining operations		703,386		435,180		369,754
Derivative gain (loss) for the year		243,737		(32,069)		76,317
Net income for the year		426,050		179,457		73,558
Basic income per share	$	1.78	$	0.76	$	0.31
Diluted income per share		1.76		0.75		0.31
Weighted-average number of common shares outstanding						
Basic		239,312,029		237,026,367		234,815,536
Diluted		241,426,325		239,151,461		236,704,760
Total assets	$	1,527,481	$	1,468,209	$	1,668,865
Long-term debt (current and long-term)		-		305,647		667,966
Working capital		458,944		346,859		194,804

Year ended December 31, 2024 compared to the year ended December 31, 2023

During 2024, net income of $426 million was generated compared to net income of $179 million during 2023. The increase in net income is principally attributable to higher revenue generated from an increase in oz. sold and higher average realized gold price[1].

Income from mining operations

Income from mining operations increased to $703 million during 2024 compared to $435 million in 2023. This increase is primarily attributable to an increase in average realized gold price[1] from $1,958 to $2,464 per oz sold which increased revenues from $903 million to $1.19 billion, partially offset by a resulting increase in royalties.

Exploration

Exploration costs were $41.2 million during 2024 compared to $23.7 million during 2023 with the increase being driven by the expansion of the near-mine exploration program following positive results to date, and completion of the geophysical program.

Corporate administration

Corporate administration costs of $34.5 million were incurred during 2024 compared to $21.0 million during 2023. The increase is mainly due to the reclassification of restricted share units with and without a performance criteria to financial liabilities measured at fair value. With the Company in a debt-free position and generating significant free cash flow, these share units are expected to generally settle in cash in future periods subject to the continued discretion of the Company's board of directors. In conjunction with the Company's share price performance since the grant of these share units, this reclassification resulted in an additional stock-based compensation expense of $9.6 million. In addition, a one-time special levy was charged by the Government of Ecuador of $1.9 million, payable in two equal installments, to strengthen security amid rising violence in the country.

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[1] Refer to "Non-IFRS Measures" section in this MD&A.

Finance expense

Finance expense of $267 million was incurred during 2024 compared to $85.3 million during 2023. The increase is mainly due to the buy out of the Stream Facility and Offtake which resulted in a one-time finance expense of $236 million. Finance expense during 2023 includes interest incurred on the senior debt facility until the full repayment in November 2023.

Derivative gains or losses

Derivative gains and losses in the statement of operations and other comprehensive income are driven by the Company's debt obligations under the Stream Facility which are classified as financial liabilities at fair value. A derivative gain of $244 million was recorded on the statement of operations during 2024 which was mainly due to the buy out of the Stream Facility and Offtake. In contrast, a derivative loss of $32.1 million was recorded during 2023.

With the Company in a debt free position, no further derivative gains or losses are expected to be recognized in future periods.

Income taxes

Income tax expense of $208 million was recognized during 2024, which is comprised of current and deferred income tax expenses of $192 million and $16.0 million, respectively, compared to $106 million during 2023. In addition to corporate income taxes in Ecuador which are levied at a rate of 22%, income tax expense includes a 5% Ecuadorean withholding tax on the anticipated portion of net income generated from FDN to be paid in the form of dividends, and an accrual for the portion of profit sharing payable to the Government of Ecuador, which is calculated at a rate of 12% of the estimated net income for tax purposes for the year. The employee portion of profit sharing payable, calculated at a rate of 3% of net income for tax purposes, is considered an employee benefit and is included in operating expenses.

Corporate income taxes and profit sharing in Ecuador are due in April of each year. Effective January 1, 2024, the Government of Ecuador introduced monthly corporate income tax instalment payments which is based on a percentage of monthly revenues. Instalment amounts paid during the year ended December 31, 2024 will offset corporate income taxes due in April 2025.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The Company's quarterly financial statements are reported under IFRS Accounting Standards as applicable to interim financial reporting. The following table provides highlights from the Company's financial statements over the past eight quarters (unaudited).

	2024 Q4	2024 Q3	2024 Q2	2024 Q1
Revenues	$ 341,791	$ 323,087	$ 301,431	$ 226,741
Income from mining operations	$ 215,208	$ 203,184	$ 171,757	$ 113,237
Derivative gain (loss) for the period	$ -	$ -	$ 261,668	$ (17,931)
Net income for the period	$ 129,147	$ 135,715	$ 119,291	$ 41,897
Basic income per share	$ 0.54	$ 0.57	$ 0.50	$ 0.18
Diluted income per share	$ 0.53	$ 0.56	$ 0.49	$ 0.17
Weighted-average number of common shares outstanding				
Basic	240,101,527	239,737,300	239,129,917	238,255,452
Diluted	242,320,782	241,890,593	241,031,608	239,968,974
Additions to property, plant and equipment	$ 35,044	$ 28,019	$ 17,467	$ 9,701
Total assets	$ 1,527,481	$ 1,364,106	$ 1,396,496	$ 1,508,987
Long-term debt	$ -	$ -	$ -	$ 326,791
Working capital	$ 458,944	$ 357,410	$ 253,587	$ 413,528

	2023 Q4	2023 Q3	2023 Q2	2023 Q1
Revenues	$ 190,688	$ 211,172	$ 243,930	$ 256,728
Income from mining operations	$ 78,051	$ 99,620	$ 124,801	$ 132,708
Derivative gain (loss) for the period	$ (28,634)	$ 11,678	$ 321	$ (15,434)
Net income for the period	$ 11,062	$ 53,782	$ 63,148	$ 51,465
Basic income per share	$ 0.05	$ 0.23	$ 0.27	$ 0.22
Diluted income per share	$ 0.05	$ 0.22	$ 0.26	$ 0.22
Weighted-average number of common shares outstanding				
Basic	237,665,855	237,411,813	236,943,432	236,062,529
Diluted	239,745,358	239,583,745	239,190,085	238,123,015
Additions to property, plant and equipment	$ 15,791	$ 15,744	$ 13,245	$ 4,384
Total assets	$ 1,468,209	$ 1,516,866	$ 1,508,831	$ 1,467,040
Long-term debt	$ 305,647	$ 361,109	$ 396,588	$ 434,175
Working capital	$ 346,859	$ 313,794	$ 268,095	$ 256,853

Three months ended December 31, 2024 compared to the three months ended December 31, 2023

The Company generated net income of $129 million during the fourth quarter of 2024 compared to $11.1 million during the same quarter in 2023. Net income was generated from the recognition of revenues of $342 million which resulted in income from mining operations of $215 million as well as finance and other income of $14.5 million. This is offset by exploration costs of $13.8 million, stock-based compensation expense of $10.5 million, income tax expense of $72.4 million, and other expenses totalling $3.8 million.

During the fourth quarter of 2023, net income was generated from the recognition of revenues of $191 million which resulted in income from mining operations of $78.1 million as well as finance income of $4.4 million. This is offset by a derivative loss of $28.6 million, exploration costs of $8.5 million, finance expense of $20.9 million, income tax expense of $8.5 million, and other expenses totalling $4.8 million.

Income from mining operations

During the fourth quarter of 2024, the Company generated revenues of $342 million from the sale of 131,175 oz of gold and income from mining operations of $215 million. This compares to revenues of $191 million from the sale of 98,005 oz of gold and income from mining operations of $78.1 million in the same quarter in 2023. The increase is primarily attributable to an increase in oz sold at a higher average realized gold price[1].

Exploration expense

Exploration costs were $13.8 million in the fourth quarter of 2024 compared to $8.4 million during the same period in 2023. The increase is attributable to the continued expansion of the near-mine exploration program following positive results to date and the geophysical program to survey the exploration targets.

Corporate administration

Corporate administration costs increased from $4.5 million during the fourth quarter of 2023 to $14.3 million during the fourth quarter of 2024. The increase is mainly attributable to an increase corporate office rent and travel costs, as well as the reclassification of restricted share units with and without a performance criteria to financial liabilities measured at fair value as explained above.

Finance expense

No finance expense was incurred during the fourth quarter of 2024 following the buy out of the Stream Facility and Offtake at the end of the second quarter.

Finance income

Finance income decreased from $4.4 million during the fourth quarter of 2023 to $2.9 million during the fourth quarter of 2024 which is driven by decreased yield on short-term investments.

[1] Refer to "Non-IFRS Measures" section.

Other expense (income)

Other income of $11.6 million was recognized during the quarter compared to other expense of $0.3 million in the fourth quarter of 2023. This is mainly driven by foreign exchange gains or losses derived from the quantum of U.S. dollar cash held by Canadian group entities and movements in the foreign exchange rate. As the functional currency of the Canadian entities is the Canadian dollar, a strengthening of the U.S. dollar against the Canadian dollar during the period generates an unrealized gain in terms of Canadian dollars.

Derivative gain or loss

With the Company in a debt free position, no further derivative gains or losses are expected to be recognized in future periods. During the fourth quarter of 2023, a derivative loss of $28.6 million was recognized relating to the change in fair value of the Stream Facility and Offtake.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2024, the Company had cash of $349 million and a working capital balance of $459 million compared to cash of $268 million and a working capital balance of $347 million at December 31, 2023. The change in cash during 2024 was primarily due to cash generated from operating activities of $662 million and proceeds from the exercise of stock options and anti-dilution rights totalling $22.1 million. This is offset by scheduled principal, interest, and finance expense repayments under the Stream Facility totaling $35.8 million; the buy out of the Stream Facility and Offtake of $330 million; dividends of $144 million; and cash outflows of $93.5 million relating to investing activities.

Trade receivables

Trade receivables mainly represent the value of concentrate sold as at period end for which the funds are not yet received. Revenues and related trade receivables for concentrate sales are initially recorded at provisional gold prices. Subsequent determination of final gold prices can range from one to four months after shipment depending on the customer. For sales that are provisionally priced at period end, an estimate of the adjustment to trade receivables is calculated based on the expected month when the final gold price is forecast to be determined and the related forward price of gold at the end of the reporting period. At December 31, 2024, this resulted in an estimated increase of $5.1 million ($7.8 million at December 31, 2023) to trade receivables.

Consistent with industry standards, concentrate sales have relatively long payment terms and are not fully settled until concentrate is received by the customer and related final assays confirmed, generally two to five months after the export sale occurs.

VAT receivables

Subject to the submission of VAT claims and their acceptance by the applicable authorities, VAT paid in Ecuador by the Company after January 1, 2018 are being refunded or applied, based on the level of export sales in any given month, as a credit against taxes payable. A portion of the VAT recoverable has been reclassified as current assets based on the Company's assessment of the estimated time for processing VAT claims during the next twelve months.

Advanced royalties

Advance royalties are deductible against future royalties on sales payable to the Government of Ecuador at a rate equal to the lesser of 50% of the actual future royalties payable in a six-month period or 10% of the total advance royalty payment. The advance royalty payment is classified as current assets based on expected utilization over the next twelve months.

Inventories

Gold inventory is recognized in the ore stockpiles and in production inventory, comprised principally of concentrate and doré at site or in transit to port or to the refinery, with a component of gold-in-circuit. Ore stockpile inventory has increased primarily due to higher grade stockpiled compared to December 31, 2023 while variations in doré and concentrate are mainly the result of timing of shipments around period end. In addition, there has been a decrease in the value of materials and supplies due to the disposal of obsolete or slow-moving inventory generally accumulated during the construction of FDN.

Investment activities

Investment activities during 2024 are comprised principally of major sustaining capital expenditures including preliminary works for future TSF expansion, mine dispatch system implementation, procurement of four diesel powered generators, and camp refurbishment. In addition, costs were incurred relating to the process plant expansion project.

Liquidity and capital resources

The Company generated strong operating cash flow during 2024 and expects to continue to do so in 2025 and beyond based on its production and AISC[1] guidance. With no debt and increased exposure to rising gold prices following the buy out of the Stream Facility and Offtake, the Company expects to generate increased cash flow which will continue to support the exploration programs, planned capital expenditures, growth initiatives and regular dividend payments under the approved dividend policy.

TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2024, the Company incurred $1.3 million (2023 – $1.0 million), primarily relating to office rental, renovation costs, and related services provided by a company associated with a director of the Company. In addition, the Company entered into transactions with its largest shareholder, Newmont Corporation, as presented in Note 18 in the Notes to the audited consolidated financial statements for the year ended December 31, 2024.

FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, cash equivalents and certain receivables, which are categorized as financial assets at amortized cost, and accounts payable and accrued liabilities, which are categorized as financial liabilities at amortized cost. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. Further, provisionally priced trade receivables of $156 million (December 31, 2023 - $93.0 million) are measured at fair value using quoted forward market prices.

The Company's financial instruments are exposed to a variety of financial risks by virtue of its activities.

Currency risk

Lundin Gold is a Canadian company, with foreign operations in Ecuador. Revenues generated and expenditures incurred in Ecuador are primarily denominated in U.S. dollars. However, equity capital, if needed, is typically raised in Canadian dollars. As such, the Company is subject to risk due to fluctuations in the exchange rates of foreign currencies. Although the Company does not enter into derivative financial instruments to manage its exposure, the Company tries to manage this risk by maintaining most of its cash in U.S. dollars.

[1] Refer to "Non-IFRS Measures" section.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The majority of the Company's cash is held in large financial institutions with a high investment grade rating. The Company is also subject to credit risk associated with its trade receivables. The Company manages this risk by only selling to a small group of reputable customers with strong financial statements.

Concentration of credit risk

Cash and cash equivalents are held with high quality financial institutions. Substantially all of the Company's cash and cash equivalents held with financial institutions exceed government-insured limits. The Company has established a treasury policy that seeks to minimize its credit risk by entering into transactions with investment grade creditworthy and reputable financial institutions and by monitoring the credit standing of those financial institutions. The Company seeks to limit the amount of exposure with any one counterparty in accordance with its established treasury policy.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. Cash flow forecasting is performed regularly to monitor the Company's liquidity requirements to ensure it has sufficient cash to always meet its operational needs. In addition, management is actively involved in the review, planning and approval of significant expenditures and commitments.

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices of gold and silver. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of substitutes, inflation, and political and economic conditions. The Company has not hedged the price of any commodity at this time. The fair value of a portion of the Company's trade receivables are impacted by fluctuations of commodity prices.

COMMITMENTS

Significant capital and other expenditures contracted as at December 31, 2024 but not recognized as liabilities are as follows:

	Capital expenditures	Other
2025	$ 17,459	$ 509
2026	-	509
2027 onward	-	6,189
Total	$ 17,459	$ 7,207

The Company's sales are subject to a 5% net smelter royalty payable to the Government of Ecuador and a 1% net revenue royalty payable to third parties.

OFF-BALANCE SHEET ARRANGEMENTS

During the years ended December 31, 2024 and December 31, 2023 there were no off-balance sheet transactions. The Company has not entered into any specialized financial arrangements to minimize its currency risk.

OUTSTANDING SHARE DATA

As at the date of this MD&A, there were 240,441,786 common shares issued and outstanding. There were also stock options outstanding to purchase a total of 2,132,061 common shares, 496,462 restricted share units with a performance criteria, 174,980 restricted share units, and 45,595 deferred share units.

OUTLOOK

The Company maintains its 2025 guidance with gold production at FDN estimated between 475,000 to 525,000 oz based on an average throughput rate of 5,000 tpd. Head grade is estimated to average 9.2 g/t while average mill recovery is estimated at 90%. Cash operating costs[1] are estimated to range between $730 and $790 per oz of gold sold in 2025. AISC[1] for 2025 is expected to range between $935 and $995 per oz of gold sold and to fluctuate quarterly based on sustaining capital activities. Unit costs are anticipated to be higher compared to 2024 and are primarily attributable to increased royalties and employee profit sharing resulting from the increase in the assumed gold price from $1,900 per oz to $2,500 per oz, an increase in power tariffs, and an increase in sustaining capital expenditures.

The process plant expansion project is expected to be fully completed by the end of the first quarter of 2025 following commissioning of the concentrate filter and the two remaining Jameson cells. As a result, mill throughput is anticipated to increase over the year and gold recoveries to improve. In addition, mill head grade is also expected to improve as the year progresses based on mine sequencing. This combined with the plant expansion translates to lower anticipated unit costs in the second half of the year relative to the first half.

Total sustaining capital in 2025 is estimated at $75 to $85 million and includes costs related to the fifth raise of the tailings storage facility, improvements to industrial and potable water supply and distribution, the next phase of upgrades to the waste water treatment plants, power generation expansion, mobile equipment rebuilds or replacement and underground development and improvements of the South Portal. In addition, included in estimated sustaining capital in 2025 is a total of 15,000 metres of resource conversion drilling.

Following increased rainfall in Ecuador since the start of 2025, power supply from the national grid has normalized. Notwithstanding this, the Company expects to complete the commissioning of four additional diesel generators purchased in 2024 by the end of the first quarter of 2025 which will allow the FDN process plant to run slightly below capacity in the event of recurrence of power disruption from the national grid.

Consistent with previous years, the Company expects its free cash flow[1] during the second quarter of 2025 to be lower than other quarters due to the payment of annual profit sharing to the government and employees along with remaining income taxes owed. This variation is expected to be more pronounced in 2025 due to the Company's strong operating performance achieved in 2024 which has been further bolstered by high gold prices.

As part of the 2025 near-mine program a total of 65,000 metres of drilling is planned from surface and underground using 13 rigs at an estimated cost of $32 million. The program will focus on extending the mine life of FDN by exploring several advanced targets within and around the FDN mine. Underground drilling will continue exploring the extension of the FDNS sector, while surface drilling in 2025 will primarily focus on Bonza Sur and FDN East targets, as well as explore for new sectors around FDN. The Company is currently drilling and evaluating the Bonza Sur deposit and anticipates publishing an initial resource by the middle of 2025.

The regional exploration program will focus on the unexplored large package of mineral concessions located on a highly prospective environment which hosts the Fruta del Norte deposit. This will be the first year of a new three-year greenfield strategy to identify new areas for exploration drilling. The 2025 program includes an airborne geophysical magnetic survey, geochemical sampling programs and extensive field work and is estimated to cost $8 million.

In accordance with the Company's updated dividend policy, Lundin Gold anticipates paying quarterly dividends of $0.30 per share, which is equivalent to approximately $300 million annually, subject to the approval of the Board of Directors.

[1] Refer to "Non-IFRS Measures" section in this MD&A.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

NON-IFRS MEASURES

This MD&A refers to certain financial measures, such as average realized gold price per oz sold, EBITDA, adjusted EBITDA, cash operating cost per oz sold, all-in sustaining cost, adjusted free cash flow, adjusted free cash flow per share, and adjusted earnings, which are not recognized under IFRS Accounting Standards and do not have a standardized meaning prescribed by IFRS Accounting Standards. 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 they are of assistance in the understanding of the results of operations and its financial position.

Average realized gold price per oz sold

Average realized gold price is a metric used to better understand the gold price realized during a period. This is calculated as sales for the period plus treatment and refining charges less silver sales divided by gold oz sold.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Revenues	$ 341,791	$ 190,688	$ 1,193,050	$ 902,518
Treatment and refining charges	11,613	10,101	41,532	39,206
Less: silver revenues	(3,927)	(2,722)	(14,825)	(12,755)
Gold sales	$ 349,477	$ 198,067	$ 1,219,757	$ 928,969
Gold oz sold	131,175	98,005	495,374	474,365
Average realized gold price	$ 2,664	$ 2,021	$ 2,462	$ 1,958

EBITDA and Adjusted EBITDA

Earnings before interest, taxes, depreciation, and amortization ("EBITDA") is a metric used to better understand the financial performance of the Company by computing earnings from business operations without including the effects of capital structure, tax rates and depreciation. Adjusted EBITDA is EBITDA excluding items which are considered not indicative of underlying business operations.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net income for the period	$ 129,147	$ 11,062	$ 426,050	$ 179,457
Adjusted for:				
Finance expense	-	20,933	266,542	85,269
Finance income	(2,875)	(4,362)	(16,289)	(12,964)
Income tax expense	72,415	8,532	208,067	105,581
Depletion and depreciation	33,536	31,109	137,003	136,633
EBITDA	$ 232,223	$ 67,274	$ 1,021,373	$ 493,976
Special government levy	-	-	1,913	-
Derivative loss (gain)	-	28,634	(243,737)	32,069
Adjusted EBITDA	$ 232,223	$ 95,908	$ 779,549	$ 526,045

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

Adjusted Earnings and adjusted basic earning per share

Adjusted earnings and adjusted basic earnings per share can be used to measure and may assist in evaluating operating earning trends in comparison with results from prior periods by excluding specific items that are significant, but not reflective of the underlying operating activities of the Company. Presently, these include a special one-time government levy; derivative gains or losses from accounting for the Stream Facility at fair value; one-time finance expense incurred on buy out of the Stream Facility and Offtake; and related income tax effects. Adjusted basic earnings per share is calculated using the weighted average number of shares outstanding under the basic method of earnings per share as determined under IFRS Accounting Standards.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net income for the period	$ 129,147	$ 11,062	$ 426,050	$ 179,457
Adjusted for:				
Finance expense on buy out of Stream Facility and Offtake	-	-	235,575	-
Special government levy	-	-	1,913	-
Derivative loss (gain)	-	28,634	(243,737)	32,069
Deferred income tax expense (recovery)	-	(6,460)	1,795	(7,216)
Adjusted earnings	$ 129,147	$ 33,236	$ 421,596	$ 204,310
Basic weighted average shares outstanding	240,101,527	237,665,855	239,312,029	237,026,367
Adjusted basic earnings per share	$ 0.54	$ 0.14	$ 1.76	$ 0.86

Cash operating cost per oz

Cash operating cost per oz sold, combined with revenues, can be used to evaluate the Company's performance and ability to generate operating income and cash flow from operating activities. Cash operating costs include operating expenses and royalty expenses.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Operating expenses	$ 72,581	$ 70,998	$ 283,527	$ 278,802
Royalty expenses	20,471	10,534	69,158	51,934
Cash operating costs	$ 93,052	$ 81,532	$ 352,685	$ 330,736
Gold oz sold	131,175	98,005	495,374	474,365
Cash operating cost per oz sold	$ 709	$ 832	$ 712	$ 697

All-in sustaining cost and sustaining capital

AISC provides information on the total cost associated with producing gold and has been calculated on a basis consistent with historic news releases by the Company.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

The Company calculates AISC as the sum of total cash operating costs (as described above), corporate social responsibility costs, treatment and refining charges, accretion of restoration provision, and sustaining capital, less silver revenue, all divided by gold oz sold to arrive at a per oz amount. Sustaining capital is defined as cash basis expenditures which maintain existing operations and sustain production levels.

Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Cash operating costs	$ 93,052	$ 81,532	$ 352,685	$ 330,736
Corporate social responsibility	470	572	2,119	2,260
Treatment and refining charges	11,613	10,101	41,532	39,206
Accretion of restoration provision	205	167	821	669
Sustaining capital	13,937	14,449	51,215	47,822
Less: silver revenues	(3,927)	(2,722)	(14,825)	(12,755)
All-in sustaining cost	$ 115,350	$ 104,099	$ 433,547	$ 407,938
Gold oz sold	131,175	98,005	495,374	474,365
All-in sustaining cost per oz sold	$ 879	$ 1,062	$ 875	$ 860

Adjusted free cash flow and adjusted free cash flow per share

Adjusted free cash flow is indicative of the Company's ability to generate cash from operations after consideration for required capital expenditures, including related VAT impact, necessary to maintain operations and interest and finance expense paid on its debt obligations. Adjusted free cash flow is defined as cash flow provided by operating activities, less cash used for investing activities and interest and finance expense paid excluding the finance expense incurred upon buy out of the Stream Facility and Offtake.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net cash provided by operating activities	$ 192,021	$ 92,574	$ 662,390	$ 519,395
Net cash used for investing activities	(28,254)	(13,749)	(93,504)	(53,483)
Interest paid	-	(3,694)	(3,688)	(19,843)
Finance charge paid	-	(12,801)	(260,990)	(182,596)
Finance expense on buy out of Stream Facility and Offtake	-	-	235,575	-
Adjusted free cash flow	$ 163,767	$ 62,330	$ 539,783	$ 263,473
Basic weighted average shares outstanding	240,101,527	237,665,855	239,312,029	237,026,367
Adjusted free cash flow per share	$ 0.68	$ 0.26	$ 2.26	$ 1.11

CRITICAL ACCOUNTING ESTIMATES

The Company's material accounting policies are presented in Note 3 in the Notes to the audited consolidated financial statements for the year ended December 31, 2024.

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the event that the actual results differ from assumptions made, relate to, but are not limited to, the following:

Mineral reserves and resources

The Company estimates its mineral reserves and resources based on information compiled and reviewed by qualified persons as defined in accordance with NI 43-101 requirements. The estimation of mineral reserves and resources requires judgment to interpret geological data and metallurgical testing, design of appropriate mining methods, recovery methods and establishment of a life of mine production schedule. The estimation of recoverable reserves is also based on assumptions such as capital costs, operating costs and metal pricing. New geological data or changes in the above assumptions may change the economic viability of reserves and may, ultimately, result in the reserves being revised. Changes in the reserve or resource estimates may impact the fair value of financial instruments, the valuation of property, plant and equipment and mineral properties, the depletion and depreciation of property, plant and equipment and mineral properties, utilization of tax losses and decommissioning and site restoration provisions.

Assessment of impairment indicators

Management applies significant judgement in assessing whether indicators of impairment exist for a cash generating unit which would necessitate impairment testing. Internal and external factors such as significant changes in the use of the asset, commodity prices, foreign exchange rates, capital and production forecasts, mineral reserve and resource quantities, and discount rates are used by management in determining whether there are any indicators. As at December 31, 2024, management did not identify any impairment indicators on the Company's mineral properties, property, plant and equipment.

Deferred taxes

Deferred tax provisions are calculated by the Company while the actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. Judgment is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet, in interpreting applicable tax laws, and what tax rate is expected to be applied in the year when the related temporary differences reverse. Deferred tax liabilities arising from temporary differences are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future production and sales volumes, gold prices, reserves and resources, operating costs, decommissioning and restoration costs, capital expenditures, dividends and other capital management transactions. These estimates and judgments are subject to risk and uncertainty and could result in an adjustment to the deferred tax provision and a corresponding credit or charge to profit.

Decommissioning and site restoration provisions

The Company has obligations for site restoration and decommissioning related to Fruta del Norte. The future obligations for decommissioning and site restoration activities are estimated by the Company using mine closure plans or other similar studies which outline the requirements that will be carried out to meet the obligations. The provision for decommissioning and site restoration is remeasured at the end of each reporting period for changes in estimates or circumstances. Changes in estimates or circumstances include changes in legal or regulatory requirements, increased obligations arising from additional mining and exploration activities, changes to cost estimates, and changes to risk-free interest rates.

QUALIFIED PERSON

The technical information relating to Fruta del Norte contained in this MD&A has been reviewed and approved by Terry Smith P. Eng, Lundin Gold's COO, who is a Qualified Person in accordance with the requirements of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). The disclosure of exploration information contained in this MD&A was prepared by Andre Oliveira P.Geo, Vice President, Exploration of the Company, who is a Qualified Person in accordance with the requirements of NI 43-101.

FINANCIAL INFORMATION

The report for the three months ended March 31, 2025 is expected to be published on or about May 8, 2025.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. As of December 31, 2024, the Chief Executive Officer and Chief Financial Officer have each concluded that the Company's disclosure controls and procedures, as defined in NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed.

Internal controls over financial reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS Accounting Standards. Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

The Company's internal controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS Accounting Standards and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting. As of December 31, 2024, the Chief Executive Officer and Chief Financial Officer have each concluded that the Company's internal controls over financial reporting, as defined in NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed.

Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

RISK FACTORS

There are a number of factors that could negatively affect Lundin Gold's business and the value of its common shares, including the factors listed below. The following information pertains to the outlook and conditions currently known to Lundin Gold that could have a material impact on the financial condition of the Company. Other factors may arise that are not currently foreseen by management of Lundin Gold that may present additional risks in the future. Current and prospective security holders of Lundin Gold should carefully consider these risk factors.

Instability in Ecuador

The Company is subject to certain risks and possible political and economic instability specific to Ecuador, arising from change of government, political unrest, labour disputes, invalidation of government orders, permits or property rights, legal proceedings and referendums seeking to suspend mining activities, unsupportive local and regional governments, risk of corruption, military repression, war, civil disturbances, criminal and terrorist acts, hostage taking, changes in laws, expropriation, nationalization, renegotiation or nullification of existing concessions, agreements, licences or permits and changes to monetary or taxation policies. The occurrence of any of these risks may adversely affect the mining industry, mineral exploration and mining activities generally or the Company specifically and could result in the impairment or loss of mineral concessions or other mineral rights.

Shifts in political attitudes or changes in laws that may result in, among other things, significant changes to mining laws or any laws, regulations or policies are beyond the control of Lundin Gold and may adversely affect its business. The Company faces the risk that governments or courts may adopt substantially different policies or interpretation of laws, which might extend to the expropriation of assets or increased government participation in the mining sector. In addition, changes in resource development or investment policies, increases in taxation rates or changes to tax regulations, higher mining fees and royalty payments, revocation or cancellation of mining concession rights or shifts in political attitudes in Ecuador may adversely affect Lundin Gold's business.

Ecuador is experiencing a period of political uncertainty. Ecuador's presidential election on February 9, 2025 resulted in an inconclusive outcome leading to a run-off election scheduled for April 13, 2025. Candidates in the run-off election are the incumbent president Daniel Noboa, from the National Democratic Action party, and Luisa González, from the Citizen Revolution party. It is uncertain whether either candidate will bring political stability to the country given a variety of challenges including, but not limited to, lack of a clear majority in the National Assembly, the significant national debt, the security situation, the inadequacy of power supply, and the condition of the economy. The instability in Ecuador, and overall risks associated with foreign operations, may impact the Company's operations and financial results. In addition, this instability could impact the Company's ability to obtain financing in the future or to obtain such financing on terms favourable to the Company. This may, in turn, impact the Company's ability to execute on further acquisitions, developments or exploration if financing is required.

Exploration, development or operations may also be affected to varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration, development and production, price controls, export controls, income taxes, labour and immigration, and by delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, high rates of inflation, increased financing costs and site safety. In addition, the legislative uncertainty regarding the consultation process for environmental licences may pose a risk for future permitting of exploration activity near protected forests and the need to carry out consultation with impacted communities and Indigenous Peoples prior to the start of any activities. These factors may affect both Lundin Gold's ability to undertake exploration and development activities in respect of future properties in the manner contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date.

Community Relations

The Company's relationships with communities near where it operates and other stakeholders are critical to ensure the future success of Fruta del Norte and the exploration and development of the Company's other concessions. The Company's mineral concessions, including Fruta del Norte, are located near rural and communities of Indigenous Peoples, some of which contain groups that have been opposed to mining activities from time to time in the past, which may affect the operations at Fruta del Norte and its exploration and development activities on its other concessions in the short and long term. The Company prioritizes sourcing goods and services locally, where possible. The Company's local procurement activities and employment, however, may not meet the expectations of local communities which may negatively impact community relations. Furthermore, local communities may be influenced by external entities, groups or organizations opposed to mining activities. In recent years, anti-mining nongovernmental organization ("NGO") and Indigenous Peoples activities in Ecuador have increased. These communities, NGOs and Indigenous Peoples have taken such actions as civil unrest, road closures, work stoppages and legal challenges. Such actions may have a material adverse effect on Lundin Gold's operations at Fruta del Norte and on its exploration activities and on its financial position, cash flow and results of operations. While the Company is committed to operating in a socially responsible manner, there can be no assurance that the Company's efforts in this respect will mitigate this potential risk.

Power Supply

FDN operations and future development of exploration properties are highly dependent on the availability, reliability, and cost of electrical power. Inadequate power supply due to drought conditions, extreme weather events, infrastructure issues, or government intervention may lead to a variety of impacts, such as operational delays, reduced production, or increased costs. Ecuador's national power grid generates the majority of its electricity from hydropower. Due to recent drought conditions, the country has suffered from rolling blackouts resulting from inadequate power supply. Without investment in new energy infrastructure and diversification of energy sources, the country's power generation capacity is challenged by drought conditions and the increasing power demand in the country. While Lundin Gold has taken steps to mitigate the impacts of inadequate power supply through the use of diesel-powered generators, this strategy may have negative impacts on its financial performance due to increased operating costs and the Company's ability to reach green house gas emission targets due to increased Scope 1 emissions. FDN is unable to operate at full capacity when relying fully on its diesel power generators. Moreover, diesel generators are susceptible to operational issues and maintenance down time, which could disrupt power to FDN.

Tax Changes in Ecuador

Tax regimes in Ecuador may be subject to differing interpretations and are subject to change without notice. Increasingly, the fiscal condition of the country is driving the Government to focus on tax reforms. The Company's interpretation of tax law as applied to its transactions and activities may differ with that of the tax authorities, including the introduction of new or modified taxes, and may be disputed, notwithstanding the economic stability provided to Lundin Gold under the Exploitation Agreement and the Investment Protection Agreement. As a result, the taxation applicable to transactions and operations may be challenged or revised by the tax authorities, which could result in significant additional taxes, penalties and/or interest and could impact the Company's cash flow forecasts, operating costs and AISC.

There is a risk that restrictions on the repatriation of earnings from Ecuador to foreign entities will be imposed in the future and Lundin Gold has no control over withholding tax rates. In addition, there is a risk that laws and regulations in Ecuador may result in a capital gains tax on profits derived from the sale of shares, ownership interests and other rights, such as exploration rights, of companies with permanent establishments in the country. It is unknown at this time what, if any, liability the Company or its subsidiaries may be subject to as a result of the application of this law. There is a risk that the Company's access to financing may be limited as a result of indirect taxation.

The Company's operating subsidiary pays VAT on goods and services required for Fruta del Norte and is eligible to receive a credit against future VAT payable. There is a risk that the tax authority in Ecuador may deny the Company's VAT claims or unduly delay the processing of VAT refunds, which could have a material adverse effect on Lundin Gold's financial position or cash flow.

Security

The Company is exposed to various levels of safety and security risks which could result in injury or death, theft or damage to property, work stoppages, or blockades of its mining operations. Recently, Ecuador has experienced periods of heightened security risk, due in part to the increase of organized crime and illegal mining in the country. Risks and uncertainties include, but are not limited to, terrorism, hostage taking, extortion, gang activities, military repression, labour unrest and war or civil unrest. Opposition to mining could arise and such opposition may be violent. Resistance or unrest in Ecuador could have a material adverse effect on the Company's operations, including supply chains and logistics, and profitability.

Availability of Workforce and Labour Relations

The Company's gold production and its exploration and development activities depend upon the efforts of Lundin Gold's employees and contractors. The Company competes with mining and other companies on a global basis to attract and retain employees at all levels with appropriate technical skills and operating experience necessary to operate its mines. The conduct of the Company's operations is dependent on access to skilled labour. Access to skilled labour may prove particularly challenging for Lundin Gold given the remote location of Fruta del Norte and local laws which impose thresholds for the representation of certain groups of people on Lundin Gold's workforce in Ecuador and the ability of foreign skilled labour to obtain visas to work in Ecuador. Shortages of suitably qualified personnel could have a material adverse effect on the Company's business and results of operations.

Lundin Gold's operations at Fruta del Norte depend upon the efforts of its employees, and the Company's operations would be adversely affected if it failed to maintain satisfactory labour relations. The Company's labour force is not unionized, and the introduction of a labour union could result in a disruption to production and/or higher costs and reduced flexibility. In addition, relations between the Company and its employees may be affected by changes in labour and employment laws. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

Mining Operations

The Company's operations can be subject to risks and hazards that are inherent in the mining industry, including, but not limited to, unanticipated variations in grade and other geological problems, underground conditions, backfill quality or availability, metallurgy, variability of ore types and other processing issues, critical equipment or process failure, the lack of availability of input materials and equipment, disruption to power supply, geotechnical incidents such as falls of ground underground, subsidence or landslides, accidents, labour force disruptions, supply chain/logistics disruptions, force majeure events, unanticipated transportation disruptions or costs, consumable prices or availability and weather conditions, any of which can materially and adversely affect, among other things, the safety of personnel, production quantities and rates, costs and expenditures, and contractual obligations.

Consequently, there is a risk that Fruta del Norte may encounter problems or be subject to delays or suspensions resulting from these operating risks which could occur and may have material adverse consequences for Lundin Gold, including its operating results, cash flow and financial condition.

Waste Disposal/Tailings

The Company recognizes that tailings management is one of the most material environmental issues for mining companies globally. Mining operations generate residual materials from mining and processing in the form of tailings containing chemicals and metals. The tailings are stored in an engineered TSF and maintaining the integrity of the TSF requires appropriate engineering design, quality construction, quality control, ongoing operating discipline with respect to maintenance and monitoring, in addition to effective governance processes. The TSF may be subject to ground movements, deteriorating ground conditions, or extraordinary weather events.

Although the Company conducts extensive maintenance and monitoring, engages external consultants and incurs significant costs to maintain the TSF, unanticipated failures or damage as well as changes to laws and regulations may occur that could cause injuries, production loss, environmental damage which may affect nearby communities, a loss event in excess of insurance coverage, reputational damage, potential for a temporary shutdown of a portion or all of the operations at Fruta del Norte, or other materially adverse effects on the Company's operations and financial condition resulting in significant monetary losses, restrictions on operations and/or legal liability.

In order to meet production estimates, the Company must complete successive raises of the TSF to meet tailings capacity requirements, which may not occur according to schedule. Additionally, in the future, a new tailings location may be required. The Company's ability to establish a new tailings location relies on a number of factors, which will include permitting, and identifying an appropriate location. The Company's inability to do so may make potential expansion of FDN not possible or not economically viable.

Environmental Compliance

All of Lundin Gold's exploration, development and production activities are subject to extensive environmental regulation. These regulations address, among other things, the emissions into the air, discharges into water, management of waste, management of tailings, management and shipment of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations.

Some laws and regulations may impose penalties for environmental contamination, which could subject the Company to liability for the conduct of others or for its own actions that followed all applicable laws at the time such actions were taken. Environmental legislation is evolving in a manner that will result in stricter standards and enforcement, increased fines and penalties for non-compliance, potential for a temporary shutdown of a portion or all of the operations at Fruta del Norte until non-compliance is corrected, more stringent environmental assessments of proposed projects and mine closure plans and a heightened degree of responsibility for companies and their officers, directors and employees. Any future changes in environmental regulation could adversely affect the Company's ability to conduct its operations.

The Company may need to address contamination at Fruta del Norte or its exploration properties in the future, either for existing environmental conditions or for leaks or discharges that may arise from the Company's ongoing operations and activities or from those of third parties, such as contractors, artisanal miners or others accessing Lundin Gold's properties. Contamination from hazardous substances at any of Lundin Gold's properties may subject it to material liability for the investigation or remediation of contamination, as well as for claims seeking to recover for related property damage, personal injury or damage to natural resources.

Illegal Mining

Mining by illegal miners occurs on and near some of Lundin Gold's mineral concessions in Ecuador. While the Company monitors illegal mining activity and is required to report it when discovered, it relies on the various levels of government to control and police illegal operations. Illegal mining activity has increased in Ecuador recently due to a variety of factors, including a rise in poverty and unemployment, an increase in organized crime and the lack of effective government action. The operations of illegal miners could interfere with Lundin Gold's activities, which may result in disputes and conflicts. These potential activities could cause damage and disruption to Fruta del Norte or the Company's other concessions, including road blockages, pollution, environmental damage or personal injury or death, for which Lundin Gold could potentially be held responsible. In addition, the Company's monitoring and reporting activities may strain relations with local communities, some of the members of which engage in illegal mining. Illegal mining can also result in a suspension of operations and could have a material adverse effect on Lundin Gold's results of operations or financial condition.

Mineral Reserves and Resources

Mineral Reserve and Mineral Resource figures are estimates, and there is a risk that any of the Mineral Resources and Mineral Reserves identified at Fruta del Norte to date will not be realized. Until a deposit is actually mined and processed, the quantity of Mineral Resources and Mineral Reserves and grades must be considered as estimates only. In addition, the quantity of Mineral Resources and Mineral Reserves may vary depending on, among other things, precious metal prices and operating costs. Any material change in quantity of Mineral Resources, Mineral Reserves or percent extraction of those Mineral Reserves recoverable by underground mining techniques may affect the economic viability of any project undertaken by Lundin Gold. In addition, there is a risk that metal recoveries during production do not reach anticipated rates.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability, and there is a risk that they will never be mined or processed profitably. Further, there is a risk that Inferred Mineral Resources may not ever be converted to Proven or Probable Mineral Reserves as a result of continued exploration.

Fluctuations in gold prices and operating costs, results of drilling, metallurgical testing and preparation and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of Mineral Reserves could have a material adverse effect on Lundin Gold's results of operations and financial condition.

Furthermore, Mineral Reserves must be replaced to maintain production levels over the long-term. Mineral Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves and to construct mining and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful or that new commercial mining operations will be developed. Depletion of Mineral Reserves may not be offset by discoveries or acquisitions and could lead to a lower Mineral Reserve base.

Infrastructure

Mining operations, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, ports and power sources are important elements of infrastructure, which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay or otherwise adversely impact the Company's exploration, development or operating activities. If adequate infrastructure is not available in a timely manner, there is a risk that (i) the operations at Fruta del Norte will not achieve anticipated production, (ii) the operating and capital costs associated with Fruta del Norte will be higher than anticipated, or (iii) the Company's exploration and development activities will not be carried out as anticipated, or at all. Furthermore, unusual or infrequent weather phenomena, including those caused by climate change, sabotage, community uprisings, NGO activities, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect the operations at Fruta del Norte, cash flow and Lundin Gold's financial position.

Regulatory Risk

Lundin Gold, its subsidiaries, its business and its operations are subject to various laws and regulations. The costs associated with compliance with such laws and regulations may require significant cash and financial expenditure and could pose operational challenges, which may have a material adverse effect on the Company or the operation of Fruta del Norte.

There is a risk that the Company may fail to comply with a legal or regulatory requirement or interpretation, which may, lead to the revocation of certain rights or to penalties or fees and in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. In addition, the Company may be required to compensate those suffering loss or damage arising from its non-compliant activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights could result in loss, reduction or expropriation of entitlements. Any of the foregoing may have a material adverse effect on the Company or the operation of Fruta del Norte.

Government or Regulatory Approvals

Lundin Gold's exploration and development activities and its operations depend on its ability to obtain, maintain or renew various mineral rights, licences, permits, authorizations and regulatory approvals (collectively, Rights and individually a Right) from various governmental and quasi-governmental authorities. Government work stoppages may also impact the Company's ability to obtain, maintain or renew certain Rights. Lundin Gold's ability to obtain, maintain or renew such Rights on acceptable terms and on a timely basis is subject to changes in regulations and policies and to the discretion of the applicable governmental and quasi-governmental bodies. Lundin Gold may not be able to obtain, maintain or renew its Rights or its Rights may not be obtainable on reasonable terms or on a timely basis. It is possible that previously issued Rights may become suspended or revoked for a variety of reasons, including through government or court action. A delay in obtaining any such Rights, the imposition of unfavourable terms or conditions on any Rights or the denial of any Right may have a material adverse effect on Lundin Gold's business, financial condition, results of operations and prospects and, in particular, the development and operations of Fruta del Norte.

Forecasts Relating to Production and Costs

Lundin Gold provides estimates of future production (including production rate, gold grade and milling recovery estimates) and future costs for Fruta del Norte, including cash operating cost, AISC and capital cost estimates. No assurance can be given that production-related and financial-related estimates will be achieved. Estimates are based on, among other things: the accuracy of Mineral Reserve and Mineral Resource estimates and related information, analyses and interpretations (including with respect to any updates or anticipated updates); the accuracy of assumptions, including assumptions about Lundin Gold's business and operations and that no significant event will occur outside of normal course of business and operations and assumptions about commodity prices (including the price of gold); ore grades and recovery rates, ground conditions, metallurgical characteristics; the accuracy of estimated rates and costs of mining and processing and mill availability; the completion of the mill expansion; and, the receipt and maintenance of permits.

Failure to achieve production, gold grade, cash flow and capital and operating cost estimates could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition. The Company's economic performance forecasts, including cash flow forecasts and costs, may be impacted by the production outlook. Failure to meet production targets will have an adverse effect on cash flows, earnings and the Company's overall financial condition. Actual production rate, gold grade, milling recovery, cash flow and costs may vary from estimates for a variety of reasons, including, among other things: varying estimates of grade, tonnage, dilution, metallurgical and other characteristics; short-term operating factors relating to the Mineral Reserves, such as the need for sequential development of ore bodies and the processing of new or different ore types or grades; changes in commodity prices (primarily the price of gold); mine or equipment failures, risk and hazards associated with mining; natural phenomena, such as extreme weather conditions, underground floods, earthquakes, ground control issues, rock bursts and cave-ins; encountering unusual or unexpected geological conditions; shortages of principal supplies needed for mining and milling operations, including explosives, fuels, chemical reagents, water, power, equipment parts and lubricants; plant and equipment failure; and other risks which impact operations and financial performance outlined in these "Risk Factors".

Gold Price

The Company's earnings, cash flow, ability to pay dividends and financial condition are subject to risk due to fluctuations in the market price of gold. Gold prices have historically fluctuated widely and in recent years the volatility of the gold price has increased. The price of gold is affected by numerous factors beyond Lundin Gold's control, including levels of supply and demand, global or regional consumptive patterns, level of investment activity, purchases or sales by government central banks, increased production due to new mine developments and improved mining and production methods, speculative activities related to the sale of metals, availability and costs of investment substitutes, international economic and political conditions, interest rates, currency values and inflation.

A dramatic decline in the gold price could cause Fruta del Norte's operations to be uneconomic. Depending on the price of gold, the Company's cash flow may be insufficient to meet its operating needs and capital expenditures, and as a result the Company could experience financial difficulties and may decrease or suspend payment of dividends and some or all of mining activities or otherwise revise its mine plan and exploration and development plans. In addition, there is a time lag between the shipment of gold and final pricing, and changes in pricing can impact the Company's revenue and working capital position. Any of these factors could result in a material adverse effect on the Company's results of operations and financial condition.

The estimation of economically viable identified Mineral Reserves requires certain assumptions, including gold price. A revised estimate of identified Mineral Reserves due to a substantial decline in the gold price could result in the decrease in the estimates of the Company's Mineral Reserves, subsequent write downs and negative impact on mine life.

Dependence on Single Mine

The only material property interest of the Company is Fruta del Norte. Unless the Company acquires additional projects, property interests or advances its exploration properties, any adverse developments affecting Fruta del Norte could have a material adverse effect upon the Company and would materially and adversely affect the profitability, financial performance and results of operations of the Company. While the Company may seek to acquire and develop additional projects and mineral properties that are consistent with its business objectives, there can be no assurance that Lundin Gold will be able to identify or develop suitable additional projects or mineral properties or, if it does identify suitable opportunities, that it will have sufficient financial resources to acquire and develop such projects or properties or that such projects or properties will be available on terms acceptable to the Company or at all.

Shortages of Critical Resources

Disruptions in the supply of products or services required for the Company's activities could adversely affect the Company's operations, financial condition and results of operations. This may be the result of industry-wide shortages of certain goods or services, interruption in supplier operations or in transportation methods of certain goods, interruptions in international logistics, the risk of failure of certain long-lead items or the failure to obtain necessary permits for the supply of regulated goods. The Company's costs may also be affected by the prices of commodities and other inputs it consumes or uses in its operations. The prices and availability of such commodities and inputs are influenced by supply and demand trends and logistics issues affecting the mining industry in general and other factors outside the Company's control. Increases in the price of materials consumed in the Company's mining and production activities could materially adversely affect the Company's results of operations and financial condition.

Climate Change

Changes in climate conditions could adversely affect Lundin Gold's business and operations through the impact of (i) more extreme temperatures, precipitation levels and other weather events; (ii) changes to laws and regulations related to climate change; and (iii) changes in the price or availability of goods and services required in its business.

Physical risks related to climate change may include more extreme temperatures, precipitation levels and other weather events. Extreme high or low temperatures could impact the operation of equipment and the safety of personnel at Fruta del Norte, which could result in damage to equipment, injury to personnel and production disruptions. Increases or decreases in precipitation levels or extreme weather events, such as severe storms or floods or drought, which may be more probable and more extreme due to climate change, may damage critical infrastructure such as public roads, bridges and ports, lead to a decline in power availability, negatively impact operations, disrupt production, lead to water management challenges, landslides or breach of containment facilities. Significant capital investment may be required to address these occurrences and to adapt to changes in average operating conditions caused by these changes to the climate.

Increased environmental regulation and/or the use of fiscal policy by regulators in response to concerns over climate change and other environmental impacts, such as additional taxes levied on activities deemed harmful to the environment, could have a material adverse effect on Lundin Gold's financial condition or results of operations.

The impacts of climate change may lead to changes in the price and availability of goods and services required for Fruta del Norte's operations, which depend on the regular supply of electricity, consumables such as diesel, and other supplies to operate efficiently. The Company's operations also depend on service providers to transport these consumables and other goods to Fruta del Norte and to transport doré and concentrate produced by the Company to refiners and smelters, respectively. The effects of extreme weather described above and changes in legislation and regulation on the Company's suppliers and their industries may cause limited availability or higher price for these goods and services, which could result in higher costs or production disruptions.

The Company recently committed to carbon neutrality with respect to its Scopes 1 and 2 emissions by 2030 based on its then current life of mine plan. While the Company is actively engaged in implementing decarbonization initiatives and exploring offset opportunities, it is uncertain whether Lundin Gold will be able to achieve its goal of carbon neutrality.

As a result of heightened scrutiny from investors on climate change action, the inability of the Company to show progress against this target could damage Lundin Gold's emissions profile and its reputation, which may lead to decreased investor confidence, devaluation of Lundin Gold as a potential target or counter party in corporate transactions and be act an impediment to the Company's overall ability to access financing in the future.

The Company regularly considers the potential risks of climate change to its operations. Despite these efforts, the Company cannot be certain that it will have adequately assessed the risks of climate change on its business or that its efforts to mitigate the risks of climate change will be adequate or effective.

Exploration and Development Risks

The Company has the rights to mineral concessions targeted for exploration in Ecuador, outside of Fruta del Norte. The exploration for, and development of, new mineral deposits involves significant risks which, even with a combination of careful evaluation, experience and knowledge, may not be eliminated. Few exploration properties are ultimately developed into producing mines. Whether a mineral deposit will be commercially viable depends on a number of factors, including but not limited to: the particular attributes of the deposit, such as quantity and quality of the minerals, metallurgy and proximity to infrastructure and labour; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, legal proceedings, community acceptance and environmental protection. There is a risk that the exploration and development expenditures made by Lundin Gold will not result in any new discoveries of other mineral occurrences or new estimates of Mineral Resources or Mineral Reserves.

Control of Lundin Gold

As at the date hereof, Newmont Corporation and the Lundin Family Trust are control persons of Lundin Gold. As long as these shareholders maintain their significant positions in Lundin Gold, they will have the ability to exercise influence with respect to the affairs of Lundin Gold and significantly affect the outcome of matters upon which shareholders are entitled to vote.

As a result of the holdings in the Company of control persons, there is a risk that the Company's securities are less liquid and trade at a relative discount compared to circumstances where these persons did not have the ability to influence or determine matters affecting Lundin Gold. Additionally, there is a risk that their significant interests in Lundin Gold discourages transactions involving acquisition of another property or entity or involving a change of control of Lundin Gold, including transactions in which an investor, as a holder of the Company's securities, would otherwise receive a premium for its Company's securities over the then-current market price.

Dividends

The Company commenced paying dividends on its Shares in 2022. Any payments of dividends on the Shares will depend upon the financial requirements of the Company to finance future growth, the financial condition of the Company, and other factors which the Board may consider appropriate in the circumstance. There can be no assurance that Lundin Gold will continue to pay dividends in the future.

Information Systems and Cyber Security

The Company depends upon information systems and other digital technologies for controlling operations, processing transactions and summarizing and reporting results of operations ("IT systems"). The secure processing, maintenance and transmission of information is critical to the Company's operations. These IT systems or those of Lundin Gold's suppliers could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches, defective software updates and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in IT system failures, delays and/or increase in capital expenses. The failure of IT systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Cybersecurity risks have increased in recent years as a result of the proliferation of new technologies and the increased sophistication of cyber-attacks and data security breaches, as well as due to international and domestic political factors including geopolitical tensions, armed hostilities, war, civil unrest, sabotage and terrorism. Human error can also contribute to a cyber incident, and cyber-attacks can be internal as well as external and occur at any point in the Company's supply chain. Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Title Matters and Surface Rights and Access

There is a risk that title to the mining concessions, the surface rights and access rights comprising Fruta del Norte and its related infrastructure or the concessions and access rights relating to Lundin Gold's exploration concessions may be deficient or subject to dispute. The procurement or enforcement of such rights can be costly and time consuming. In areas where there are local populations or landowners, it may be necessary, as a practical matter, to negotiate or enforce surface access. In addition, in circumstances where such access is denied, or no agreement can be reached, Lundin Gold may need to rely on the assistance of local officials or the courts in such jurisdictions, which may delay or impact exploration or mining activities as planned.

There is also a risk that the Company's exploration, development and mining authorizations and surface rights may be challenged or impugned. Finally, there is a risk that developing laws and movements respecting the acquisition of lands and other rights of Indigenous Peoples may alter the arrangements made by prior owners of the lands where Fruta del Norte is located. Future laws and actions could have a material adverse effect on Lundin Gold's operations at Fruta del Norte or on its financial position, cash flow and results of operations.
Inherent Health and Safety Risk

Exploration and mining development and operating activities represent inherent safety hazards and maintaining the health and safety of the Company's employees and contractors is of paramount importance to the Company. Health and safety hazard assessments are carried out regularly throughout the lifecycle of the Company's activities, and robust policies, procedures and controls are in place. Notwithstanding continued efforts to adhere to the Company's "zero harm" policy, safety incidents may still occur. Significant potential risks include, but are not limited to, surface or underground fires, rock falls underground, geotechnical incidents, blasting accidents, vehicle accidents, unsafe road conditions or events, fall from heights, working with helicopters, working at remote sites, contact with energized sources, and exposure to infectious or occupational disease. Employees involved in activities in remote areas may also be exposed to attacks by individuals or violent opposition by local communities that may place the employees at risk of harm. Any incident resulting in serious injury or death could result in litigation and/or regulatory action (including, but not limited to suspension of exploration or development activities and/or fines and penalties), or otherwise adversely affect the Company's reputation and ability to meet its objectives.

Human Rights

The Company is committed to upholding and respecting the United Nations ("UN") Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and to honouring our commitment as a signatory of the UN Global Compact. Notwithstanding the Company's efforts to conduct its activities in a manner consistent with those principles, Lundin Gold may not be able to identify and assess all potential human rights impacts of its business. Any potential human right violations either internally or externally, such as through third party business relationships, corruption, unequal treatment of ethnic minorities, gender discrimination, use of child labour, land use rights, supply chain sourcing, could have a material adverse impact on the Company's reputation, as well as present legal and financial risks arising from failing to respect and/or reinforce human rights.

Employee Misconduct

The Company is reliant on the good character of its employees and is subject to the risk that employee misconduct could occur. Although the Company takes precautions to prevent and detect employee misconduct, these precautions may not be effective, and the Company could be exposed to unknown and unmanaged risks or losses. The existence of our Code of Business Conduct and Ethics, among other governance and compliance policies and processes and training, may not prevent incidents of theft, dishonesty or other fraudulent behaviour nor can Lundin Gold guarantee compliance with legal and regulatory requirements. Such misconduct could result in unknown and unmanaged damage or losses, including regulatory sanctions and serious harm to the Company's reputation. If material employee misconduct occurs, Lundin Gold's business, results of operations, financial condition and the value of its Shares could be adversely affected.

Measures to Protect Biodiversity, Endangered Species and Critical Habitats

Ecuador is a country with a diverse and fragile ecosystem and the national government, regional governments, Indigenous Peoples and NGOs are vigilant in their protection of endangered species and critical habitats. The existence or discovery of an endangered species or critical habitats at Fruta del Norte or any of its exploration concessions may have a number of adverse consequences to the Company's plans and operations. The existence or discovery of an endangered species or critical habitat at Fruta del Norte or the Company's exploration concessions could also ignite NGO and local community opposition to the Company's activities, which could impact its plans and operations and the Company's financial condition and global reputation.

Furthermore, despite the measures taken by the Company to preserve biodiversity which may be impacted by its activities, there remains a risk that Lundin Gold may, directly or indirectly, harm the biodiversity in the areas that the Company operates or within the vicinity of the operations. As a result of heightened scrutiny, any of these events could result in liability for the Company and a loss of reputation which may lead to increased challenges in developing and maintaining government and community relations, decreased investor confidence, and act as an impediment to the Company's overall ability to advance its projects, or to access financing in the future.

Global Economic Conditions

Global financial markets are experiencing extreme volatility as a result of a number of factors including geopolitical instability, inflation, increased interest rates and unprecedented government debts, including in Ecuador. Events in global financial markets, and the volatility of global financial conditions, will continue to have an impact on the global economy. Many industries, including the mining sector, are impacted by market conditions. Some of the key impacts of financial market turmoil include devaluations and high volatility in global equity, commodity price volatility, foreign exchange risk and a lack of market liquidity. Financial institutions, including institutions where the Company's cash and cash equivalents are held, may be forced into bankruptcy or need to be rescued by government authorities. The Company's access to financing or its own cash balance may also be negatively impacted by liquidity crises. These factors may impact the Company's ability to obtain equity or debt financing and, where available, to obtain such financing on terms favourable to the Company.

Increased levels of volatility and market turmoil could have an adverse impact on the Company's operations, planned growth, profitability and the trading price of the Company's Shares.

Competition for New Projects

The mining industry is very competitive, particularly with respect to properties that produce, or are capable of producing, gold, and in particular of a quality and concentration comparable to Fruta del Norte. As the Company faces significant and increasing competition from a number of large established companies, some of which have greater financial and technical resources than the Company, for a limited number of suitable acquisition opportunities, the Company may be unable to acquire such mining properties which it desires on terms it considers acceptable. As a result, there can be no assurance that the Company's growth strategy will be successful in acquiring new Mineral Reserves to replace or expand current Mineral Reserves or that the Company will be able to maintain production levels in the future.

Key Talent Recruitment and Retention

Recruiting and retaining qualified personnel is critical to Lundin Gold's success. Lundin Gold is dependent on the services of key executives, including its President and Chief Executive Officer, and other highly skilled and experienced executives and personnel focused on managing Lundin Gold's interests. The number of persons skilled in the financing, development, operations and management of mining properties is limited and competition for such persons is intense. The inability of Lundin Gold to successfully attract and retain highly skilled and experienced executives and personnel could have a material adverse effect on Lundin Gold's business, financial condition and results of operations.

Market Price of the Company's Common Shares

Securities of mineral companies have always experienced substantial volatility, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries or sectors. The price of the Company's common shares is also likely to be significantly affected by short-term changes in gold price, currency exchange fluctuations, or its financial condition, dividend policy or results of operations and exploration activities on its projects. Other factors unrelated to the performance of the Company that may have an effect on the price of the Company's common shares include: the extent of analyst coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Company's Shares may affect an investor's ability to trade significant numbers of Shares; the size of the Company's free float and whether it is included in market indices may limit the ability of some institutions to invest in the Company's common shares; and the evaluation of the Company's performance and practices by third party rating agencies on environmental, social, and governance matters, which may limit the ability of some institutions or other investors to invest in the Company's Shares. If an active market for the Shares does not continue, the liquidity of an investor's investment may be limited, and the price of the Company's Shares may decline. If an active market does not exist, investors may lose their entire investment in the Company. As a result of any of these factors, the market price of the Company's Shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Social Media and Reputation

As a result of the increased usage and the speed and global reach of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users and organization of opposition, companies today are at much greater risk of losing control over how they are perceived in the marketplace. Damage to reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity (for example, with respect to handling of environmental matters or Lundin Gold's dealings with community groups), whether true or not. The Company places a great emphasis on protecting its image and reputation but does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, maintaining a positive relationship with government authorities, decreased investor confidence and an impediment to the overall success of Fruta del Norte in Ecuador, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

Insurance and Uninsured Risks

Exploration, development and production operations on mineral properties involve numerous risks including, but not limited to, unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, risks relating to the transportation of employees or dangerous goods to site, risks relating to the storage and shipment of precious metal concentrates or doré bars, and political and social instability. Such occurrences could result in damage to mineral properties, damage to underground development, damage to production or infrastructure facilities, personal injury or death, environmental damage to Lundin Gold's properties or the properties of others, delays in operations or the ability to undertake exploration and development, monetary losses and possible legal liability. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the Company's Shares.

Although Lundin Gold maintains insurance to protect against certain risks in such amounts as it considers reasonable and commercially available, its insurance policies do not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not always be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production may not be available to the Company on acceptable terms. Lundin Gold might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons.

Insurance limits currently in place may also not be sufficient to cover losses arising from insured events. Losses from any of the above events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Pandemics, Epidemics or Infectious Disease Outbreak

Disruptions caused by pandemics, epidemics or infectious disease outbreaks in locations where Lundin Gold operates or globally could materially adversely affect the Company's business, operations, financial results and forward-looking expectations. Possible impacts of pandemics, epidemics or infectious disease outbreaks may include mandated or voluntary closures of operations, illness among the Company's workforce, restricted mobility of personnel, interruptions in the Company's logistics and supply chain, delay at or closure of the Company's refining and smelting service providers and global travel restrictions, all of which could disrupt the Company's operations and negatively impact its financial performance of the value of its Shares. The ultimate economic viability of the Company's business is impacted by its ability to operate Fruta del Norte and/or to maintain adequate liquidity through potential sources of financing.

Disruptions related to pandemics, epidemics or infectious disease outbreaks could have the effect of heightening many of the other risks outlined in these "Risk Factors".

Conflicts of Interest

Certain directors and officers of Lundin Gold are or may become associated with other mining and/or mineral exploration and development companies, which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Violation of Anti-Bribery and Corruption Laws

The Company's operations are governed by, and involve interactions with, many levels of government in numerous countries. The Company is required to comply with anti-corruption and anti-bribery laws, including the Canadian and Ecuadorian Criminal Codes, the Canadian Corruption of Foreign Public Officials Act and the U.S. Foreign Corrupt Practices Act, as well as similar laws in Ecuador and other countries in which Lundin Gold conducts its business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations not only by its employees, but also by its contractors and third-party agents. Although Lundin Gold has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors and third-party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of its operations.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can only provide reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Claims and Legal Proceedings

Lundin Gold may be subject to claims or legal proceedings in multiple jurisdictions covering a wide range of matters that arise in the ordinary course of its current business or the Company's previous business activities which could materially adversely impact Lundin Gold.

Reclamation Obligations

Reclamation requirements are designed to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance landforms and vegetation. Lundin Gold is subject to such requirements in connection with its activities at Fruta del Norte and may be liable for actions and activities and disturbances caused by artisanal and illegal miners on the Company's property. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and could have a material adverse impact on Lundin Gold's financial resources. Furthermore, environmental hazards may exist on the properties in which Lundin Gold holds interests which are unknown to Lundin Gold at present and which have been caused by previous or existing owners or operators of the properties.

There can also be no assurance that closure estimates prove to be accurate. The amounts recorded for reclamation costs are estimates unique to a property based on estimates provided by independent consulting engineers and Lundin Gold's assessment of the anticipated timing of future reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred in future periods could differ from amounts estimated. Additionally, future changes to environmental laws and regulations could affect the extent of reclamation and remediation work required to be performed by Lundin Gold. Any such changes in future costs could materially impact the amounts charged to operations for reclamation and remediation. Finally, the timing of the funding of such closure costs may be impacted by changes in laws and regulations and adversely affect the financial condition of the Company.

FORWARD LOOKING STATEMENTS

Certain of the information and statements in this MD&A 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 MD&A, and the Company will not necessarily update this information, unless required to do so by securities laws.

This MD&A contains forward-looking information in a number of places, such as in statements pertaining to the Company's 2025 production outlook, including estimates of gold production, grades recoveries and AISC; operating plans; expected sales receipts and cash flow forecasts, its estimated capital costs and sustaining capital; the

Company's efforts to mitigate the impacts of the energy crisis in Ecuador on its operations; the recovery of VAT; timing of completion of the process plant expansion project and the anticipated benefits; benefits of the Company's community programs; 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 estimates of Mineral Resources and Reserves at Fruta del Norte.

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: instability in Ecuador; community relations; reliability of power supply; tax changes in Ecuador; security; availability of workforce and labour relations; mining operations; waste disposal and tailings; environmental compliance; illegal mining; Mineral Reserve and Mineral Resource estimates; infrastructure; regulatory risk; government or regulatory approvals; forecasts relating to production and costs; gold price; dependence on a single mine; shortages of critical resources; climate change; exploration and development; control of Lundin Gold; dividends; information systems and cyber security; title matters and surface rights and access; health and safety; human rights; employee misconduct; measures to protect biodiversity, endangered species and critical habitats; global economic conditions; competition for new projects; key talent recruitment and retention; market price of the Company's shares; social media and reputation; insurance and uninsured risks; pandemics, epidemics or infectious disease outbreak; conflicts of interest; violation of anti-bribery and corruption laws; internal controls; claims and legal proceedings; and reclamation obligations.

Independent auditor's report

To the Shareholders of Lundin Gold Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Lundin Gold Inc. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of income and comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of mineral properties and property, plant and equipment *Refer to note 3 – Summary of material accounting policies, note 6 – Property, plant and equipment and note 7 – Mineral properties to the consolidated financial statements.* The Company had $133.0 million of mineral properties and $695.7 million of property, plant and equipment (PP&E) as at December 31, 2024. Assets that are subject to amortization are reviewed for impairment by management whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management applies significant judgment in assessing whether indicators of impairment exist for a cash generating unit which would necessitate impairment testing. Internal and external factors such as significant changes in the use of the assets, commodity prices, foreign exchange rates, capital and production forecasts, mineral reserve and resource quantities and discount rates are used by management in determining whether there are any indicators of impairment. No impairment indicators were identified by management as at December 31, 2024. We considered this a key audit matter due to (i) the significance of the mineral properties and PP&E balances and (ii) the significant audit effort and subjectivity in performing procedures to assess the internal and external factors evaluated by management in its assessment of impairment indicators, which required significant management judgment.	Our approach to addressing the matter included the following procedures, among others: • Evaluated management's assessment of indicators of impairment, which included the following: – Assessed the completeness of external or internal factors that could be considered as indicators of impairment of the Company's mineral properties and PP&E, including consideration of evidence obtained in other areas of the audit. – Assessed the changes in the use of the assets, commodity prices, foreign exchange rates, capital and production forecasts, mineral reserve and resource quantities and discount rates by considering external market data, current and past performance of the Company and evidence obtained in other areas of the audit, as applicable.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Eric Talbot.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
February 20, 2025

LUNDIN GOLD INC.
Consolidated Statements of Financial Position
(Expressed in thousands of U.S. Dollars)

	Note	December 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	20	$ 349,200	$ 268,025
Trade receivables and other current assets	4	233,555	163,456
Inventories	5	88,210	89,406
Advance royalty		3,494	13,000
		674,459	533,887
Non-current assets			
VAT recoverable	4	24,287	51,904
Advance royalty		-	3,494
Property, plant and equipment	6	695,703	718,896
Mineral properties	7	133,032	160,028
		$ 1,527,481	$ 1,468,209
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	$ 109,947	$ 74,824
Income taxes payable	19	96,843	48,488
Other current liabilities	12	8,725	-
Current portion of long-term debt	9	-	63,716
		215,515	187,028
Non-current liabilities			
Other non-current liabilities	12	3,457	-
Long-term debt	9	-	241,931
Reclamation provisions	10	7,866	8,722
Deferred income tax liabilities	19	84,344	74,722
		311,182	512,403
EQUITY			
Share capital	11	1,035,399	1,008,932
Equity-settled share-based payment reserve	12	9,059	14,535
Accumulated other comprehensive income (loss)		(40,747)	1,955
Retained earnings (deficit)		212,588	(69,616)
		1,216,299	955,806
		$ 1,527,481	$ 1,468,209

Commitments (Note 24)

Approved by the Board of Directors

/s/ Ron F. Hochstein
Ron F. Hochstein

/s/ Ian W. Gibbs
Ian W. Gibbs

LUNDIN GOLD INC.

Consolidated Statements of Income and Comprehensive Income
(Expressed in thousands of U.S. Dollars, except share and per share amounts)

	Note		Years Ended December 31, 2024		2023
Revenues	13	$	1,193,050	$	902,518
Cost of goods sold					
Operating expenses	14		283,527		278,802
Royalty expenses			69,158		51,934
Depletion and depreciation			136,979		136,602
			489,664		467,338
Income from mining operations			703,386		435,180
Other expenses					
Exploration	15		41,168		23,720
Corporate administration	16		34,531		21,032
Finance expense	17		266,542		85,269
Finance income			(16,289)		(12,964)
Other expense (income)			(12,946)		1,016
Derivative loss (gain)	9		(243,737)		32,069
			69,269		150,142
Net income before tax			**634,117**		**285,038**
Income tax expense					
Current income tax expense	19		192,107		76,934
Deferred income tax expense	19		15,960		28,647
			208,067		105,581
Net income for the year		**$**	**426,050**	**$**	**179,457**
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified to net income					
Currency translation adjustment			(11,984)		1,299
Derivative loss related to the Company's own credit risk	9		(37,332)		(3,241)
Deferred income tax on accumulated other comprehensive income	19		6,339		552
Other			275		733
Comprehensive income for the year		$	383,348	$	178,800
Income per common share					
Basic	11	$	1.78	$	0.76
Diluted	11		1.76		0.75
Weighted-average number of common shares outstanding					
Basic			239,312,029		237,026,367
Diluted			241,426,325		239,151,461

The accompanying notes are an integral part of these consolidated financial statements.

LUNDIN GOLD INC.

Consolidated Statements of Changes in Equity
(Expressed in thousands of U.S. Dollars, except number of common shares)

	Note	Number of common shares	Share capital	Equity-settled share-based payment reserve	Other reserves	Retained earnings (deficit)	Total
Balance, January 1, 2023		235,646,977	989,772	13,856	2,612	(154,159)	852,081
Exercise of stock options		1,156,552	6,930	(2,394)	-	-	4,536
Vesting of share units		255,679	2,613	(1,406)	-	-	1,207
Exercise of anti-dilution rights	11	800,840	9,617	-	-	-	9,617
Stock-based compensation	12	-	-	4,479	-	-	4,479
Other comprehensive loss		-	-	-	(657)	-	(657)
Net income for the year		-	-	-	-	179,457	179,457
Dividends paid		-	-	-	-	(94,914)	(94,914)
Balance, December 31, 2023		237,860,048	$ 1,008,932	$ 14,535	$ 1,955	$ (69,616)	$ 955,806
Exercise of stock options		1,454,753	12,424	(3,425)	-	-	8,999
Vesting of share units		75,757	901	(3,025)	-	-	(2,124)
Exercise of anti-dilution rights	11	804,340	13,142	-	-	-	13,142
Stock-based compensation	12	-	-	4,280	-	-	4,280
Reclassification of share units	12	-	-	(3,306)	-	-	(3,306)
Other comprehensive loss		-	-	-	(42,702)	-	(42,702)
Net income for the year		-	-	-	-	426,050	426,050
Dividends paid		-	-	-	-	(143,846)	(143,846)
Balance, December 31, 2024		240,194,898	$ 1,035,399	$ 9,059	$ (40,747)	$ 212,588	$ 1,216,299

LUNDIN GOLD INC.

Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. Dollars)

	Note	Years Ended December 31, 2024	2023
OPERATING ACTIVITIES			
Net income for the year		$ 426,050	$ 179,457
Items not affecting cash:			
Depletion and depreciation		137,003	136,633
Stock-based compensation	12	15,734	4,468
Derivative loss (gain)		(243,737)	32,069
Other expense (income)		(10,917)	2,080
Finance expense		250,253	72,119
Deferred income tax expense		15,960	28,647
		590,346	455,473
Changes in non-cash working capital items:			
Trade receivables and other current assets		(32,059)	9,391
Inventories		2,419	133
Advance royalty		13,000	13,000
Accounts payable and accrued liabilities		27,999	2,436
Income taxes payable		48,355	27,043
Other non-current liabilities		-	(1,045)
Interest received		16,289	12,964
Share units settled in cash	12	(3,959)	-
Net cash provided by operating activities		662,390	519,395
FINANCING ACTIVITIES			
Repayments of long-term debt	9	(101,106)	(278,030)
Interest paid	9	(3,688)	(19,843)
Finance charge paid	9	(260,990)	(182,596)
Proceeds from exercise of stock options		8,999	4,536
Proceeds from exercise of anti-dilution rights	11	13,142	9,617
Dividends paid		(143,846)	(94,914)
Net cash used for financing activities		(487,489)	(561,230)
INVESTING ACTIVITIES			
Acquisition and development of property, plant and equipment		(82,398)	(48,235)
VAT paid on investing activities		(11,106)	(5,248)
Net cash used for investing activities		(93,504)	(53,483)
Effect of foreign exchange rate differences on cash		(222)	(57)
Net increase (decrease) in cash and cash equivalents		81,175	(95,375)
Cash and cash equivalents, beginning of year		268,025	363,400
Cash and cash equivalents, end of year		$ 349,200	$ 268,025

Supplemental cash information (Note 20)

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

1. Nature of operations

Lundin Gold Inc. together with its subsidiaries (collectively referred to as "Lundin Gold" or the "Company") is focused on its Fruta del Norte gold operation and developing its portfolio of mineral concessions in Ecuador.

The common shares of the Company are listed for trading on the Toronto Stock Exchange (the "TSX") and Nasdaq Stockholm under the symbol "LUG" and the OTCQX Best Market under the symbol "LUGDF". The Company was originally incorporated in British Columbia and continued under the Canada Business Corporations Act in 2002.

The Company's head office is located at Suite 2800, 1055 Dunsmuir Street, Vancouver, BC, and it has an office in Quito, Ecuador.

2. Basis of preparation

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below and have been consistently applied to all the periods presented.

These consolidated financial statements were approved for issue by the Board of Directors on February 20, 2025.

The following entities are included in these consolidated financial statements:

		Ordinary shares held	
	Country of incorporation	December 31, 2024	December 31, 2023
Aurelian Resources Inc.	Canada	100%	100%
Aurelian Resources Corporation Ltd.	Canada	100%	100%
Aurelian Exploration Inc.	Canada	100%	100%
Aurelian Menor Inc.	Canada	-	100%
Condor Finance Corp.	Canada	100%	100%
Aurelian Ecuador S.A.	Ecuador	100%	100%
AurelianEcuador Holding S.A.	Ecuador	100%	100%
Ecoaurelian Agricola S.A.	Ecuador	100%	100%
Aurelianmenor S.A.	Ecuador	100%	100%
SurNorte Ventures Pte. Ltd.	Singapore	100%	100%
SurNorte Holdings I Pte. Ltd.	Singapore	100%	100%
SurNorte Holdings II Pte. Ltd.	Singapore	-	100%
SurNorte S.A.	Ecuador	100%	100%

The proportion of the voting rights held directly by the parent company does not differ from the proportion of ordinary shares held. During the year ended December 31, 2024, the Company simplified its corporate structure resulting in the wind-up of Aurelian Menor Inc. and SurNorte Holdings II Pte. Ltd.

3. Summary of material accounting policies

The Company's principal accounting policies are outlined below:

(a) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial information of subsidiaries is included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

(b) Foreign currency translation

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in the statement of income.

Group companies

The functional currency of the significant subsidiary of the Company, Aurelian Ecuador S.A., and certain other entities is U.S. dollars. Other entities which have a functional currency different from the presentation currency, including Lundin Gold Inc. whose functional currency is Canadian dollars ("CAD"), are translated into the presentation currency as follows:

i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
ii. Income and expenses for each statement of income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
iii. All resulting exchange differences are recognized in other comprehensive loss as cumulative translation adjustments.

Effective January 1, 2025, the functional currency of Lundin Gold Inc. and certain other entities was changed from CAD to U.S. dollars in order to reflect its financing structure. The change in functional currency of these entities are not expected to have a material impact on the consolidated financial statements.

(c) Critical accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. Summary of material accounting policies (continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the event that the actual results differ from assumptions made, relate to, but are not limited to, the following:

Mineral reserves and resources – The Company estimates its mineral reserves and resources based on information compiled and reviewed by qualified persons as defined in accordance with NI 43-101 requirements. The estimation of mineral reserves and resources requires judgment to interpret geological data and metallurgical testing, design of appropriate mining methods, recovery methods and establishment of a life of mine production schedule. The estimation of recoverable reserves is also based on assumptions such as capital costs, operating costs and metal pricing. New geological data or changes in the above assumptions may change the economic viability of reserves and may, ultimately, result in the reserves being revised. Changes in the reserve or resource estimates may impact the fair value of financial instruments, the valuation of property, plant and equipment and mineral properties, the depletion and depreciation of property, plant and equipment and mineral properties, utilization of tax losses and decommissioning and site restoration provisions.

Assessment of impairment indicators – Management applies significant judgement in assessing whether indicators of impairment exist for a cash generating unit which would necessitate impairment testing. Internal and external factors such as significant changes in the use of the asset, commodity prices, foreign exchange rates, capital and production forecasts, mineral reserve and resource quantities, and discount rates are used by management in determining whether there are any indicators. As at December 31, 2024, management did not identify any impairment indicators on the Company's mineral properties, property, plant, and equipment.

Deferred taxes – Deferred tax provisions are calculated by the Company while the actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. Judgment is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet, in interpreting applicable tax laws, and what tax rate is expected to be applied in the year when the related temporary differences reverse. Deferred tax liabilities arising from temporary differences are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future production and sales volumes, gold prices, reserves and resources, operating costs, decommissioning and restoration costs, capital expenditures, dividends and other capital management transactions. These estimates and judgments are subject to risk and uncertainty and could result in an adjustment to the deferred tax provision and a corresponding credit or charge to profit.

Decommissioning and site restoration provisions – The Company has obligations for site restoration and decommissioning related to Fruta del Norte. The future obligations for decommissioning and site restoration activities are estimated by the Company using mine closure plans or other similar studies which outline the requirements that will be carried out to meet the obligations. The provision for decommissioning and site restoration is remeasured at the end of each reporting period for changes in estimates or circumstances. Changes in estimates or circumstances include changes in legal or regulatory requirements, increased obligations arising from additional mining and exploration activities, changes to cost estimates, and changes to inflation and discount rates.

3. Summary of material accounting policies (continued)

(d) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in the statement of income.

Financial assets

The Company classifies its financial assets according to the following measurement categories:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.

ii. Fair value through other comprehensive loss ("FVOCI")

Assets that are held for both collection of contractual cash flows and future potential sale, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive loss.

iii. Fair value through profit or loss ("FVPL")

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

3. Summary of material accounting policies (continued)

Financial liabilities

The Company classifies its financial liabilities according to the following measurement categories:

i. FVPL

Liabilities that are (i) held for trading or (ii) designated as FVPL, are measured at FVPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company may manage together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability that is not a financial liability held for trading may be designated as FVPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or liabilities or both, which is managed and its performance is evaluated on a fair value basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as FVPL.

The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income. The remaining amount of change in the fair value of liability is recognised in the statement of income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to the statement of income; instead, they are transferred to retained earnings upon derecognition of the financial liability.

ii. Amortized cost

Liabilities not measured at FVPL are measured subsequently at amortized cost using the effective interest method.

Financial liabilities are derecognized when, and only when, the Company's obligations are discharged, cancelled or have expired.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held with banks, which are readily convertible into known amounts of cash or mature within 90 days from the original dates of acquisition.

(f) Inventories

Ore stockpiles, in-circuit and finished metal inventory are valued at the lower of weighted average production cost and net realizable value. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses and applicable depreciation and depletion of mineral properties, plant and equipment. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future production costs to convert the inventories into saleable form and estimated costs to sell.

3. Summary of material accounting policies (continued)

Ore stockpile inventory represents ore on the surface that has been extracted from the mine and is available for further processing. In-circuit inventory represents material in the mill circuit that is in the process of being converted into a saleable form. Finished metal inventory represents doré and concentrate located at the mine, in transit to and at port, and doré at refineries.

Materials and supplies inventories are valued at the lower of weighted average cost and net realizable value with a provision recorded for obsolete or slow-moving inventory. Replacement costs of materials and spare parts are generally used as the best estimate of net realizable value.

Any write-downs of inventory to net realizable value are recorded within cost of sales in the statement of income. If there is a subsequent increase in the value of inventory, the previous write-downs to net realizable value are reversed up to cost to the extent that the related inventory has not been sold.

(g) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. The cost of an asset consists of its purchase price, any directly attributable costs of bringing the asset to its present working condition and location for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation of a majority of asset classes is calculated using the straight-line method to allocate its cost less its residual value over its estimated useful life. Mine and plant facilities are depleted using a unit of production method over the total recoverable reserves. The estimated useful lives of property, plant and equipment are as follows:

Buildings	20 years
Machinery and equipment	5 to 10 years
Vehicles	5 years
Furniture and office equipment	3 to 10 years
Mine and plant facilities	based on total recoverable reserves on a unit of production basis

Depreciation methods and estimated useful lives and residual values are reviewed annually and when facts and circumstances require a re-estimate.

The Company reviews the estimated total recoverable reserves annually and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable reserves are accounted for prospectively.

Expenditures on major maintenance or repairs, including the cost of the replacement of parts of assets and overhaul costs or where an asset or part of an asset is replaced, the expenditure is capitalized and the remaining carrying amount of the item repaired, overhauled or replaced is derecognized when it is probable that future economic benefits associated with the item will be available to the Company. All other costs are expensed as incurred.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any related gain or loss is determined as the difference between the net disposal proceeds or residual value, as applicable, and the carrying amount of the asset, and is recognized in the statement of income.

3. Summary of material accounting policies (continued)

(h) Exploration and evaluation ("E&E") expenditures and mineral properties

Exploration and evaluation expenditures are those costs required to find a mineral property and determine commercial viability. E&E costs include costs to establish an initial mineral resource and determine whether Inferred mineral resources can be upgraded to Measured and Indicated mineral resources and whether Measured and Indicated mineral resources can be converted to Proven and Probable reserves.

E&E costs consist of, but are not limited to:

- gathering exploration data through topographical and geological studies;
- exploratory drilling, trenching and sampling;
- determining the volume and grade of the resource;
- test work on geology, metallurgy, mining, geotechnical and environmental; and
- conducting engineering, marketing and financial studies.

Project costs in relation to these activities are expensed as incurred until such time that the project demonstrates technical feasibility and commercial viability. Technical feasibility and commercial viability generally coincides with the establishment of Proven and Probable mineral reserves. Upon demonstrating technical feasibility and commercial viability, and subject to an impairment analysis, any such future costs, including costs incurred to increase Proven and Probable reserves, are capitalized as development costs within mineral properties.

After initial recognition, mineral properties are valued at cost less accumulated depletion and any impairment losses. Costs associated with acquiring a mineral property are capitalized as incurred. Upon commencement of commercial production, mineral properties are depleted based on total recoverable reserves on a unit of production basis.

The Company reviews the estimated total recoverable reserves annually and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable reserves are accounted for prospectively.

(i) Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recorded immediately if the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Fair value is the price that would be received from selling an asset or cash generating unit in an orderly transaction between market participants at the measurement date. Costs to sell are incremental costs directly attributable to the disposal of an asset or cash generating unit. Fair value less costs to sell is measured by estimating future after tax cash flows using estimated future prices, mineral reserves and resources and operating and capital costs. All inputs used are those that an independent market participant would consider appropriate.

Value in use is determined as the present value of the future cash flows expected to be derived from continuing use of an asset or cash generating unit in its present form. These estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit for which estimates of future cash flows have not been adjusted.

Non-financial assets that have been impaired in prior periods are reviewed for possible reversal of the impairment at each reporting date. When identified, a reversal of an impairment loss is recognized in the statement of income immediately.

3. Summary of material accounting policies (continued)

(j) Provisions

Asset retirement obligations

The Company recognizes a liability for an asset retirement obligation on long-lived assets when a present legal or constructive obligation exists, as a result of past events, and the amount of the liability is reasonably determinable. Asset retirement obligations are initially recognized and recorded as a liability based on estimated future cash flows discounted at a risk-free rate. This is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the risk-free discount rate. Corresponding amounts and adjustments are added to the carrying value of the related long-lived asset and depleted to operations over the life of the related asset.

(k) Current and deferred income tax

Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

i. Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted on the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(l) Share capital

Common shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

3. Summary of material accounting policies (continued)

(m) Stock-based compensation

The Company has a stock-based compensation plan, under which the entity receives services from employees and non-employees as consideration for equity instruments (options and share units) of the Company.

Stock options and share units granted to employees and non-employees are measured on the grant date. The fair value of the employee and non-employee services received in exchange for the grant of the options and share units are recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the stock options and share units granted and the vesting periods. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The cash subscribed for the shares issued when the options are exercised is credited to share capital, net of any directly attributable transaction costs.

(n) Earnings per share

Basic earnings per share is computed by dividing the net income available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

(o) Comprehensive income

Comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as derivative gains (losses) related to the Company's own credit risk on designated financial liabilities measured at fair value through profit or loss. The Company's comprehensive income, components of other comprehensive income (loss) and cumulative translation adjustments are presented in the consolidated statements of income and comprehensive income and the statements of changes in equity.

(p) Revenue recognition

Revenues are presented based on the location where the sale originated and recognized when all of the following criteria are met:

- Control has been transferred to the customer;
- Neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- The amount of revenue can be reliably measured;
- It is probable that the economic benefits associated with the sale will flow to the Company; and
- The costs incurred or to be incurred in respect of the sale can be reliably measured.

These conditions are generally satisfied when title passes to the customer.

Doré sales

Revenues are recorded at the time of physical delivery, which is also the date that title of the gold and silver passes to the customer. The sales price is fixed on the date of sale based on the spot price.

3. Summary of material accounting policies (continued)

Concentrate sales

Based on the terms of concentrate sales contracts with independent smelting companies, revenues are recorded when the concentrate is loaded on vessels for shipment to the customers, which is also the date that title passes to the customer. Sales prices are provisionally set at that time based on the then market prices. Subsequent determination of final gold prices can range from one to four months after shipment depending on the customer. For sales that are provisionally priced at year end, an estimate of the adjustment to revenues and trade receivables is calculated based on the expected month when the final gold price is forecast to be determined and the related forward price of gold at the end of the reporting period.

(q) IFRS pronouncements

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at FVOCI.

The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company is currently assessing the effect of these amendments on our financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified.

The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard on our financial statements.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

4. Trade receivables and other current assets

	December 31, 2024	December 31, 2023
Trade receivables (a)	$ 155,948	$ 93,036
VAT recoverable (b)	58,028	23,409
Prepaid expenses and others (c)	19,579	47,011
	$ 233,555	$ 163,456

(a) Trade receivables represent the value of concentrate and doré sold as at period end for which the funds are not yet received. Consistent with industry standards, concentrate sales generally have relatively long payment terms and are not settled in full until two to five months after export.

Concentrate sales are first recorded based on provisional prices. For sales that are provisionally priced as at December 31, 2024, an adjustment is estimated and recorded using the forward gold price at year end for the future month when the final gold price for each individual sale is expected to be determined. This adjustment resulted in an increase of $5.1 million in trade receivables as of December 31, 2024 (December 31, 2023 - $7.8 million).

(b) Subject to submission of VAT claims and their acceptance by the applicable tax authorities, VAT paid in Ecuador by the Company is being refunded or applied as a credit against taxes payable, based on the level of export sales in any given month. Therefore, a portion of the VAT recoverable has been reclassified as current assets based on the Company's assessment of the estimated time for processing VAT claims during the next twelve months.

(c) As at December 31, 2023, prepaid expenses and other included $27.4 million of credit notes issued by the tax authorities in Ecuador relating to approved VAT claims. During the year ended December 31, 2024, these credit notes were fully utilized to offset taxes payable including statutory tax withholdings from payments to vendors and the newly instituted monthly income tax instalment payments in Ecuador.

5. Inventories

	December 31, 2024	December 31, 2023
Ore stockpile	$ 8,254	$ 6,922
Gold in circuit	8,546	7,849
Doré and concentrate	18,687	17,868
Materials and supplies	52,723	56,767
	$ 88,210	$ 89,406

As at December 31, 2024, the Company maintained a provision of $4.0 million (December 31, 2023 - $7.0 million) associated with obsolete or slow-moving materials & supplies inventory.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

6. Property, plant and equipment

Cost	Construction-in-progress	Mine and plant facilities	Machinery and equipment	Vehicles	Furniture and office equipment	Total
Balance, January 1, 2023	$ -	$ 947,124	$ 54,913	$ 24,594	$ 3,418	$ 1,030,049
Additions	7,009	39,320	649	1,076	1,110	49,164
Disposals and other	-	-	(5,971)	(1,230)	(1,995)	(9,196)
Cumulative translation adjustment	-	297	-	-	10	307
Balance, December 31, 2023	7,009	986,741	49,591	24,440	2,543	1,070,324
Additions	38,363	47,629	1,086	423	2,730	90,231
Disposals and other	-	-	(1,465)	(1,561)	-	(3,026)
Reclassifications	(6,128)	6,128	-	-	-	-
Cumulative translation adjustment	-	(1,057)	-	-	(12)	(1,069)
Balance, December 31, 2024	$ 39,244	$ 1,039,441	$ 49,212	$ 23,302	$ 5,261	$ 1,156,460

Accumulated depletion and depreciation	Construction-in-progress	Mine and plant facilities	Machinery and equipment	Vehicles	Furniture and office equipment	Total
Balance, January 1, 2023	$ -	$ 206,579	$ 23,620	$ 16,867	$ 1,684	$ 248,750
Depletion and depreciation	-	100,225	6,481	3,946	589	111,241
Disposals and other		-	(5,432)	(1,230)	(1,995)	(8,657)
Cumulative translation adjustment	-	92	-	-	2	94
Balance, December 31, 2023	-	306,896	24,669	19,583	280	351,428
Depletion and depreciation	-	102,883	6,530	1,884	831	112,128
Disposals and other	-	-	(866)	(1,561)	-	(2,427)
Cumulative translation adjustment	-	(371)	-	-	(1)	(372)
Balance, December 31, 2024	$ -	$ 409,408	$ 30,333	$ 19,906	$ 1,110	$ 460,757
Net book value						
As at December 31, 2023	$ 7,009	$ 679,845	$ 24,922	$ 4,857	$ 2,263	$ 718,896
As at December 31, 2024	$ 39,244	$ 630,033	$ 18,879	$ 3,396	$ 4,151	$ 695,703

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

7. Mineral properties

Cost		Fruta del Norte
Balance, January 1, 2023	$	183,507
Adjustments to restoration asset		1,004
Depletion		(24,483)
Balance, December 31, 2023		160,028
Adjustments to restoration asset		(1,677)
Depletion		(25,319)
Balance, December 31, 2024	$	133,032

8. Accounts payable and accrued liabilities

		December 31, 2024		December 31, 2023
Accounts payable	$	18,261	$	16,750
Accrued liabilities		52,051		38,792
Accrued profit sharing to employees and royalties		39,635		19,282
	$	109,947	$	74,824

9. Long-term debt

		December 31, 2024		December 31, 2023
Stream loan credit facility	$	-	$	276,183
Offtake derivative liability		-		29,464
	$	-	$	305,647
Less: current portion				
Stream loan credit facility		-		59,568
Offtake derivative liability		-		4,148
Long-term portion	$	-	$	241,931

The stream loan credit facility (the “Stream Facility”) and the offtake derivative liability (the “Offtake”) were accounted for as financial liabilities at fair value through profit or loss until the closing of their buy out on June 27, 2024 (the “Closing Date”). The total buy out price of $330 million was comprised of the remaining unamortized principal balance of $94.4 million and finance expense of $235.6 million. The derivative adjustments in the Company’s 2024 consolidated statements of income and comprehensive income reflect the reversal of accumulated derivative adjustments recorded on the Stream Facility since its inception in 2017.

Until the Closing Date, the Company made scheduled monthly payments under the Stream Facility totaling $35.8 million (2023 – $79.9 million) of which $6.7 million (2024 – $17.5 million) was paid on account of principal; $3.7 million (2023 – $8.3 million) for accrued interest; and the remaining $25.4 million (2024 – $54.1 million) as a finance expense. Following the buy out of the Stream Facility, the remaining balance of deferred transaction costs were recognized within finance expense.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

10. Reclamation provision

The Company's reclamation provision relates to the rehabilitation of Fruta del Norte. The reclamation provision has been calculated based on total estimated rehabilitation costs and discounted back to its present value. The pre-tax discount rate and inflation rate are adjusted annually and reflect current market assessments.

At December 31, 2024, the Company applied a pre-tax discount rate of 9.7% (2023 – 9.4%) and an inflation rate of 1.3% (2023 – 1.4%). The estimated total future liability for reclamation and remediation costs on an undiscounted basis and adjusted for an estimate of future inflation is approximately $30.7 million (2023 – $30.2 million).

	December 31, 2024	December 31, 2023
Balance, beginning of year	$ 8,722	$ 7,049
Change in discount rate, amount, and timing of cash flows	(1,677)	1,004
Accretion of liability component of obligations	821	669
Balance, end of year	$ 7,866	$ 8,722

11. Share capital

Authorized:

- Unlimited number of common shares without par value
- Unlimited number of preference shares without par value

During the year ended December 31, 2024, the Company issued 804,340 common shares to Newmont Corporation ("Newmont"), indirectly through its subsidiary Newcrest Canada Inc. ("Newcrest"), at a weighted average price of CAD$22.40 per share for total proceeds of $13.1 million. During the year ended December 31, 2023, 800,840 common shares were issued to Newcrest at a weighted average price of CAD$16.37 per share for total proceeds of $9.6 million. These issuances were completed in accordance with anti-dilution rights granted from an initial investment into the Company by Newcrest, which was subsequently acquired by Newmont.

Income per common share

	December 31, 2024	December 31, 2023
Net income	$ 426,050	$ 179,457
Basic weighted average number of common shares outstanding	239,312,029	237,026,367
Dilutive stock options	1,414,639	1,461,520
Dilutive share units	699,657	663,574
Diluted weighted average number of common shares outstanding	241,426,325	239,151,461
Income per common share:		
Basic	$ 1.78	$ 0.76
Diluted	1.76	0.75

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

12. Stock-based compensation

Under an omnibus incentive plan (the "Omnibus Plan") that allows for the reservation of a maximum 6% of the common shares issued and outstanding for issuance at any given time, the Company may grant stock options, restricted share units and deferred share units (collectively, the "Awards"). Subject to specific provisions under the Omnibus Plan, the eligibility, vesting period, term, and number of Awards are granted at the discretion of the Company's board of directors.

Recipients of share units granted and outstanding on a dividend record date are entitled to receive an award of additional share units equal to the cash dividends declared and paid on the Company's common shares ("Dividend Equivalent"). Dividend Equivalents are calculated in accordance with the Omnibus Plan based on the number of share units held, the dividend per share and the weighted average trading price of the Company's shares on the TSX for the five days preceding the date the dividend was paid. These additional share units are subject to the same terms and conditions as the underlying share units.

i. Stock options

Stock options granted and outstanding under the Omnibus Plan and a pre-existing stock option plan (the "Option Plan") have an expiry date of five years and vest over a period of three or four years from date of grant. No additional stock options can be granted under the Option Plan.

During the year ended December 31, 2024, 350,900 stock options were granted under the Omnibus Plan. Stock options are exercisable into one common share of the Company at the price specified in the terms of the option agreement.

A continuity summary of the stock options granted and outstanding under the Omnibus Plan and Option Plan is presented below:

	Year ended December 31, 2024			Year ended December 31, 2023		
	Number of stock options		Weighted average exercise price (CAD)	Number of stock options		Weighted average exercise price (CAD)
Balance, beginning of period	3,594,969	$	10.18	4,237,923	$	8.35
Granted	350,900		16.07	530,600		14.13
Forfeited	(112,167)		16.02	(17,002)		10.00
Exercised[(1)]	(1,454,753)		8.40	(1,156,552)		5.28
Balance outstanding, end of period	2,378,949	$	11.87	3,594,969	$	10.18
Balance exercisable, end of period	1,523,442	$	10.99	2,299,121	$	9.30

[(1)] The weighted average share price on the exercise date for the stock options exercised during the year ended December 31, 2024 was CAD$19.65 (2023 - CAD$16.11).
[(2)] No stock options granted under the Option Plan were outstanding as at December 31, 2024 (2023 – 801,300 stock options).

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

12. Stock-based compensation (continued)

The following table summarizes information concerning outstanding options at December 31, 2024:

		Outstanding options			
	Range of exercise prices (CAD)	Number of options outstanding	Weighted average remaining contractual life (years)		Weighted average exercise price (CAD)
$	9.79 to 10.72	1,254,889	1.68	$	10.08
$	10.73 to 13.87	459,160	0.77		12.43
$	13.88 to 29.54	664,900	3.60		14.86
		2,378,949	2.04	$	11.87

The fair value based method of accounting was applied to stock options granted to employees, including directors, and non-employees on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	December 31, 2024	December 31, 2023
Risk-free interest rate	3.16%	3.17%
Expected stock price volatility	33.29%	38.43%
Expected life	3.7 years	5 years
Expected dividends (CAD)	$0.55	$0.26
Weighted-average fair value per option granted (CAD)	$3.77	$4.57

The equity-settled share-based payment reserve includes the fair value of employee options as measured at grant date and amortized over the period during which the employees become unconditionally entitled to the options.

During the year ended December 31, 2024, the Company recorded stock-based compensation expense of $1.2 million (2023 – $1.8 million) related to options.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

12. Stock-based compensation (continued)

ii. Share units

Under the Omnibus Plan, the Company has granted restricted share units and deferred share units to eligible employees and non-employee directors as presented below.

	Restricted share units with performance criteria		Restricted share units		
	Settlement at Unitholder's Option	Settlement at Board's Option	Settlement at Unitholder's Option	Settlement at Board's Option	Deferred share units
Balance at January 1, 2023	152,052	377,252	25,270	160,871	34,678
Granted	-	167,300	-	134,884	9,007
Granted – Dividend Equivalent	-	18,300	-	5,744	607
Forfeited	-	-	(5,752)	(24,652)	-
Settled	(152,052)	-	(19,518)	(101,646)	(30,825)
Balance at December 31, 2023	-	562,852	-	175,201	13,467
Granted	-	240,871	-	132,180	30,934
Granted – Dividend Equivalent	-	16,564	-	6,126	1,194
Forfeited	-	(56,876)	-	(15,823)	-
Settled	-	(266,949)	-	(122,704)	-
Balance at December 31, 2024	-	496,462	-	174,980	45,595

Restricted share units with performance criteria ("PSUs")

During the year ended December 31, 2024, the Company granted 240,871 PSUs that are settled in shares. In addition, in connection with dividends paid during the year ended December 31, 2024, 16,564 PSUs were granted as Dividend Equivalents. During the year ended December 31, 2023, the Company granted 167,300 PSUs as well as 18,300 PSUs as Dividend Equivalents.

All PSUs that are settled in cash or common shares, at the unitholder's option, were settled through a combination of payment of cash or issuance of shares during the year ended December 31, 2023. PSUs that are settled in shares that vested during the year ended December 31, 2024 were settled in cash as determined by the Company's board of directors resulting in additional stock-based compensation of $1.6 million.

PSUs are granted to eligible employees and vest three years from date of grant subject to continued employment and certain performance conditions being met. The number of PSUs that vest are adjusted using a multiplier that is based on total shareholder return by the Company's shares over the three-year period relative to a peer group as defined by the Company's board of directors. Each vested PSU entitles the recipient to a payment of one common share or cash at the discretion of the Company's board of directors.

In accordance with the Omnibus Plan and subject to the continued discretion of the Company's board of directors, PSUs are expected to generally settle in cash in future periods. As a result, outstanding PSUs have been reclassified as financial liabilities measured at fair value as at December 31, 2024.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

12. Stock-based compensation (continued)

Using Monte Carlo simulation, the fair value of PSUs was measured as at the December 31, 2024 and on the date of grant during the year ended December 31, 2023 with the following weighted-average assumptions:

	December 31, 2024	December 31, 2023
Risk-free interest rate	2.75%	4.22%
Average expected volatility of the Company and its peer group	37.66%	45.64%
Expected life	1 year	3 years
Expected dividends (CAD)	$1.13	$0.26l
Weighted-average fair value per unit (CAD)	$32.09	$12.38

The fair value of PSUs measured at grant date are being amortized over the period during which the employees become unconditionally entitled to the PSUs. During the year ended December 31, 2024, excluding PSUs that were settled in cash, the Company recorded stock-based compensation expense of $10.1 million (2023 – $1.4 million) relating to PSUs.

Restricted share units without performance criteria ("RSUs")

During the year ended December 31, 2024, the Company granted 132,180 RSUs that are settled in shares. In addition, in connection with dividends paid during year ended December 31, 2024, 6,126 RSUs were granted as Dividend Equivalents. During the year ended December 31, 2023, the Company granted 134,884 RSUs as well as 5,744 RSUs as Dividend Equivalents.

All RSUs that are settled in cash or common shares, at the unitholder's option, were settled through a payment of cash during the year ended December 31, 2023. RSUs that vested during the year ended December 31, 2024 were settled through a combination of payment of cash or issuance of shares as determined by the Company's board of directors. This resulted in additional stock-based compensation of $0.2 million.

RSUs are granted to eligible employees and vest one to three years from date of grant subject to continued employment. Each vested RSU entitles the recipient to a payment of one common share or cash at the discretion of the Company's board of directors.

In accordance with the Omnibus Plan and subject to the continued discretion of the Company's board of directors, RSUs issued to employees are expected to generally settle in cash in future periods. As a result, these RSUs have been reclassified as financial liabilities measured at fair value as at December 31, 2024.

The fair value of RSUs was measured using the 5-day volume weighted average share price as at December 31, 2024 and using the Black-Scholes option pricing model on the date of grant during the year ended December 31, 2023 with the following weighted-average assumptions:

	December 31, 2024	December 31, 2023
Risk-free interest rate	2.91%	3.88%
Expected stock price volatility	41.60%	39.36%
Expected life	2 years	2 years
Expected dividends (CAD)	$1.13	$0.26
Weighted-average fair value per unit (CAD)	$31.09	$17.33

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

12. Stock-based compensation (continued)

The fair value of RSUs measured at grant date are being amortized over the period during which the employees become unconditionally entitled to the RSUs. During the year ended December 31, 2024, excluding RSUs that were settled in cash, the Company recorded stock-based compensation expense of $2.1 million (2023 – $1.1 million) relating to RSUs.

Deferred share units ("DSUs")

During the year ended December 31, 2024 and year ended December 31, 2023, the Company granted 30,934 DSUs and 9,007 DSUs, respectively, to non-employee directors. In addition, in connection with dividends paid by the Company during the year ended December 31, 2024, 1,194 DSUs were granted as Dividend Equivalents (2023 - 607 DSUs). The DSUs do not vest until the end of service as a director of the Company. Each vested DSU entitles the recipient to a payment in shares.

During the year ended December 31, 2024, the Company recorded stock-based compensation expense of $0.5 million (2023 – $0.2 million) relating to DSUs.

13. Revenues

	December 31, 2024	December 31, 2023
Doré sales [1]	$ 423,550	$ 324,792
Concentrate sales	772,200	576,026
Gain (loss) on provisionally priced trade receivables	(2,700)	1,700
	$ 1,193,050	$ 902,518

[1] During the year ended December 31, 2024, $177.9 million (2023 - $324.8 million) of doré sales were sold under the Offtake to Newmont until the Closing Date of the Stream Facility and Offtake buy out.

14. Operating expenses

	December 31, 2024	December 31, 2023
Direct production costs	$ 244,373	$ 242,412
Transportation	21,372	25,617
Direct sales costs, including employee portion of profit sharing	19,408	9,571
Change in inventories	(1,626)	1,201
	$ 283,527	$ 278,802

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

15. Exploration

	December 31, 2024	December 31, 2023
Catering and camp expenses	$ 2,891	$ 842
Concessions and land	699	492
Development	1,954	-
Drilling	17,667	11,336
Environmental	1,477	1,116
Geophysics	2,006	159
Salaries and benefits	6,204	4,667
Sampling and supplies	7,027	4,146
Others	1,243	962
	$ 41,168	$ 23,720

16. Administration

	December 31, 2024	December 31, 2023
Corporate social responsibility	$ 2,119	$ 2,260
Investor relations	285	386
Office and general	3,896	3,243
Professional fees	2,284	2,130
Regulatory and transfer agent	469	433
Salaries and benefits	6,739	7,409
Special government levy (a)	1,913	-
Stock-based compensation	15,734	4,468
Travel	1,092	703
	$ 34,531	$ 21,032

(a) In March 2024, the Government of Ecuador introduced a special one-time temporary security contribution to strengthen security amid rising violence in the country. Half of this contribution was paid during 2024 while the other half will be paid in 2025.

17. Finance expense

	December 31, 2024	December 31, 2023
Interest expense	$ 3,693	$ 17,746
Finance charge	25,415	54,097
Finance expense on buy out of stream and offtake (Note 9)	235,575	-
Other finance costs	-	2,429
Accretion of transaction costs	1,859	10,997
	$ 266,542	$ 85,269

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

18. Related party transactions

i. Key management compensation

Key management includes executive officers and directors of the Company. The compensation paid or payable to key management for employee services, including amounts paid to certain executive officers following the end of their employment, during the year ended December 31 is shown below.

	December 31, 2024	December 31, 2023
Salaries, bonuses and benefits	$ 5,226	$ 6,611
Stock-based compensation	4,076	3,471
	$ 9,302	$ 10,082

ii. Other related party transactions

During the year ended December 31, 2024, the Company incurred $1.3 million (2023 – $1.0 million), primarily relating to office rental, renovation costs, and related services provided by a company associated with a director of the Company. In addition, the Company entered into transactions with its largest shareholder, Newmont, during the year ended December 31, 2024 as disclosed in Note 9, Note 11, and Note 13.

19. Income taxes

(a) Income tax expense

Current income tax expense is generated from net income for tax purposes in Ecuador relating to operations at Fruta del Norte. In addition to corporate income taxes in Ecuador which are levied at a rate of 22% and dividend withholding taxes levied at a rate of 5% related to the anticipated portion of net income distributed from Ecuador, included in current income tax expense is the portion of profit sharing payable to the Government of Ecuador which is calculated at a rate of 12% of net income for tax purposes. The employee portion of profit sharing, calculated at a rate of 3% of net income for tax purposes, is considered an employment benefit and included in operating costs.

The rates used in Ecuador differ from the amount that would result from applying the Canadian federal and provincial income tax rates to net income before tax. These differences result from the following items:

	December 31, 2024	December 31, 2023
Net income before tax	$ 634,117	$ 285,038
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax expense based on the above rates	171,212	76,960
Increase (decrease) due to:		
Differences in foreign tax rates	(4,731)	12,954
Non-deductible costs	7,130	5,889
Losses and temporary differences for which an income tax asset has not been recognized	3,951	4,087
Non-taxable portion of capital gains	(1,176)	(235)
Withholding taxes (current and deferred)	31,681	5,926
Income tax expense	$ 208,067	$ 105,581

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

19. Income taxes (continued)

(b) Deferred income taxes

Deferred tax liabilities have been recognized on the statement of financial position as follows:

	December 31, 2024	December 31, 2023
Inventories	$ 3,697	$ 2,383
Mineral properties and property, plant and equipment	137,070	115,599
Long-term debt	(65,018)	(45,408)
Trade receivables and other current assets	(10,475)	(3,209)
Accounts payable and accrued liabilities	(2,430)	(3,143)
Other	21,500	8,500
	$ 84,344	$ 74,722

Deductible temporary differences for which no deferred taxes assets have been recognized are as follows:

	December 31, 2024	December 31, 2023
Non-capital losses - Canada	$ 24,205	$ 28,864
Net-capital losses - Canada	5,192	7,910
Mineral properties and property, plant and equipment	66,866	55,617
Share issuance costs	-	207
Other	13,045	8,722
	$ 109,308	$ 101,320

As at December 31, 2024, the Company has the following tax losses which may be used to reduce future taxable income:

Year of expiry	**Canada**
2025	$ -
2026	-
2027	-
2028	-
2029 and onwards	24,205
Total	$ 24,205

(c) OECD Pillar Two

Effective January 1, 2025, the Company will be within the scope of OECD Pillar Two model rules. Pillar Two legislation was enacted in Canada effective January 1, 2024 and Singapore effective January 1, 2025. Under the legislation, the Company is liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. The Company expects its effective tax rate in all jurisdictions to exceed 15% and therefore, does not expect any material impact from exposure to Pillar Two legislation.

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20. Supplemental cash information

Cash and cash equivalents are comprised of the following:

		December 31, 2024		December 31, 2023
Cash	$	224,783	$	70,670
Short-term investments		124,417		197,355
	$	349,200	$	268,025

Other supplemental cash information:

		December 31, 2024		December 31, 2023
Income taxes paid [1]	$	136,913	$	53,026
Change in accounts payable and accrued liabilities related to:				
Acquisition of property, plant and equipment		7,833		929

[1] Effective January 1, 2024, the Company is subject to monthly income tax instalment payments in Ecuador using a rate published by the tax authorities in Ecuador based on the previous year's tax return.

21. Segmented information

Operating segments are components of an entity that engage in business activities from which they incur expenses and whose operating results are regularly reviewed by a chief operating decision maker to make resource allocation decisions and to assess performance. The Chief Executive Officer is responsible for allocating resources and reviewing operating results of each operating segment on a periodic basis.

The Company's primary business activity is the Fruta del Norte operating mine in Ecuador where all revenues originate. Materially all of the Company's non-current assets and non-current liabilities relate to Fruta del Norte. In addition, the Company conducts exploration activities and maintains a number of concessions in Ecuador outside of Fruta del Norte.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

21. Segmented information (continued)

The following are summaries of the Company's current and non-current assets, current and non-current liabilities, and net income (loss):

	Fruta del Norte	Exploration activities	Corporate and other	Total
As at December 31, 2024				
Current assets	$ 446,585	$ 166	$ 227,708	$ 674,459
Non-current assets	852,348	78	596	853,022
Total assets	1,298,933	244	228,304	1,527,481
Current liabilities	204,667	1,478	9,370	215,515
Non-current liabilities	70,710	-	24,957	95,667
Total liabilities	275,377	1,478	34,327	311,182
For the year ended December 31, 2024				
Revenues	1,193,050	-	-	1,193,050
Operating expenses	(283,527)	-	-	(283,527)
Royalty expenses	(69,158)	-	-	(69,158)
Depletion and depreciation	(136,979)	-	-	(136,979)
Income from mining operations	703,386	-	-	703,386
As at December 31, 2023				
Current assets	$ 477,929	$ 941	$ 55,017	$ 533,887
Non-current assets	933,830	102	390	934,322
Total assets	1,411,759	1,043	55,407	1,468,209
Current liabilities	184,802	1,476	750	187,028
Non-current liabilities	316,875	-	8,500	325,375
Total liabilities	501,677	1,476	9,250	512,403
For the year ended December 31, 2023				
Revenues	902,518	-	-	902,518
Operating expenses	(278,802)	-	-	(278,802)
Royalty expenses	(51,934)	-	-	(51,934)
Depletion and depreciation	(136,602)	-	-	(136,602)
Income from mining operations	435,180	-	-	435,180

The Company generated 69% of its revenue from four major customers during the year ended December 31, 2024 (2023 – 77% from three major customers). However, the Company is not economically dependent on these customers as gold and silver can be sold to and through numerous banks and commodity market traders worldwide.

22. Financial instruments and risk management

(a) Fair value of financial instruments

The Company's financial instruments include cash, cash equivalents and certain receivables, which are categorized as financial assets at amortized cost, and accounts payable and accrued liabilities, which are categorized as financial liabilities at amortized cost. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. Further, provisionally priced trade receivables of $156.0 million (December 31, 2023 - $93.0 million) are measured at fair value using quoted forward market prices (Fair value hierarchy level 2).

Fair value measurements and hierarchy

IFRS Accounting Standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lower priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Inputs that are both significant to the fair value measurement and unobservable.

(b) Financial risk management

The Company's financial instruments are exposed to a variety of financial risks by virtue of its activities or by their nature.

Currency risk

Lundin Gold is a Canadian company, with foreign operations in Ecuador. Revenues generated and expenditures incurred in Ecuador are primarily denominated in U.S. dollars. However, equity capital, if needed, is typically raised in Canadian dollars. As such, the Company is subject to risk due to fluctuations in the exchange rates of foreign currencies. Although the Company does not enter into derivative financial instruments to manage its exposure, the Company tries to manage this risk by maintaining most of its cash in U.S. dollars. Based on this exposure, a 2% change in the U.S. dollar exchange rate would give rise to an increase or decrease of approximately $3.7 million in net income for the year.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The majority of the Company's cash is held in large financial institutions with a high investment grade rating. The Company is also subject to credit risk associated with its trade receivables. The Company manages this risk by only selling to a small group of reputable customers with strong financial statements.

Concentration of credit risk

Cash and cash equivalents are held with high quality financial institutions. Substantially all of the Company's cash and cash equivalents held with financial institutions exceed government-insured limits. The Company has established a treasury policy that seeks to minimize its credit risk by entering into transactions with investment grade creditworthy and reputable financial institutions and by monitoring the credit standing of those financial institutions. The Company seeks to limit the amount of exposure with any one counterparty in accordance with its established treasury policy.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

22. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. Cash flow forecasting is performed regularly to monitor the Company's liquidity requirements to ensure it has sufficient cash to always meet its operational needs. In addition, management is actively involved in the review, planning and approval of significant expenditures and commitments.

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices of gold and silver. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of substitutes, inflation, and political and economic conditions. The Company has not hedged the price of any commodity at this time.

The fair value of a portion of the Company's trade receivables are impacted by fluctuations of commodity prices. Based on this exposure, an increase or decrease of 5% in gold and silver prices would increase or decrease the fair value of the Company's trade receivables by $8.9 million.

23. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and operate Fruta del Norte and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk while continuing to provide a return to shareholders through dividends.

In the management of capital, the Company considers items included in shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's assets. In order to maintain or adjust the capital structure, the Company may choose to attempt to issue new shares or debt instruments, acquire or dispose of assets, or to bring in joint venture partners.

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

24. Commitments

Significant capital and other expenditures contracted as at December 31, 2024 but not recognized as liabilities are as follows:

	Capital expenditures	Other
2025	$ 17,459	$ 509
2026	-	509
2027 onward	-	6,189
Total	$ 17,459	$ 7,207

The Company's sales are subject to a 5% net smelter royalty payable to the Government of Ecuador and a 1% net revenue royalty payable to third parties.

Corporate Information

BOARD OF DIRECTORS

Jack Lundin, Chairman
Vancouver, Canada
Carmel Daniele
London, United Kingdom
Gillian Davidson
Edinburgh, United Kingdom
Ian Gibbs
Vancouver, Canada
Melissa Harmon
Denver, USA
Ashley Heppenstall
London, United Kingdom
Ron F. Hochstein
Vancouver, Canada
Scott Langley
Toronto, Canada
Angelina Mehta
Montreal, Canada

OFFICERS

Ron F. Hochstein
President & Chief Executive Officer
Chester See
Chief Financial Officer
Terry Smith
Chief Operating Officer
Sheila Colman
Vice President, Legal and Sustainability & Corporate Secretary
Andre Oliveira
Vice President, Exploration
Brendan Creaney
Vice President, Corporate Development and Investor Relations

OFFICES

CORPORATE HEAD OFFICE

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Toll Free: 1-888-689-7842
Facsimile: 604-689-4250

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a subsidiary of Lundin Gold Inc.
Av. Amazonas N37-29 y UNP Edificio Eurocenter, Piso 5
Quito, Pichincha
Ecuador
Telephone: 593-2-299-6400

COMMUNITY OFFICE

Calle 1ro de Mayo y 12 de Febrero, esquina
Los Encuentros, Zamora-Chinchipe, Ecuador

STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange
Trading Symbol: LUG
Nasdaq Stockholm
Trading Symbol: LUG

SHARE REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc.
510 Burrard Street, 3rd Floor
Vancouver, BC V6C 3B9
Telephone: 1-800-564-6253

AUDITOR

PricewaterhouseCoopers LLP
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ADDITIONAL INFORMATION

Further information about Lundin Gold is available by contacting:
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