

LUNDINGOLD

NOTICE OF MEETING &
MANAGEMENT INFORMATION CIRCULAR

**ANNUAL GENERAL MEETING
OF SHAREHOLDERS**
Friday, June 1, 2018

LUNDIN GOLD

Dear Lundin Gold Shareholder,

On behalf of the Board of Directors, I would like to invite you to attend Lundin Gold's Annual General Meeting of Shareholders on **Friday, June 1, 2018** at 10 a.m. at Suite 2600 – 595 Burrard Street, Vancouver, British Columbia.

It is important to vote your shares. The attached Management Information Circular contains important information about the meeting, how you can vote, who the nominated directors are, the governance of the Company and the compensation of the Company's executives and directors.

There are some exciting changes for our Board in 2018. We are pleased to have Craig Jones, Michael Nossal and Istvan Zollei standing for election to the Board of Directors this year. These nominees represent key strategic investors in Lundin Gold, whose support has been critical in ensuring that the development of Fruta del Norte Project could advance. Craig brings extensive technical and operating experience and knowledge to the Board. Mike has over 25 years in the resource industry in Australia and internationally and will be an asset to the Board in financial and transactional matters. Istvan has valuable finance and project development experience, ideal for Lundin Gold's stage of growth. Pablo Mir will be stepping down from the Board in June after five years of service. Pablo has been an important advisor to the Board on mining and government relations in South America and was critical to the execution of the Company's key mining agreements with the Government of Ecuador. We are grateful for his contribution to the Board and look forward to continuing to work with Pablo in the future.

Last year was a very successful year at Lundin Gold. We achieved critical objectives which have allowed the Project to continue to advance on budget and on schedule.

- The Company secured a critical financing package of \$300 million through a gold pre-payment and a stream facility and a commitment to \$100 to \$150 million in future equity participations with the Orion Mine Finance Group and Blackstone Tactical Opportunities. This cornerstone investment in the Project enabled the Project team to advance basic engineering, commence early works on site including the start of the underground mine development.
- The Fruta del Norte site was completely transformed last year. In the span of twelve months, we mobilized the mine development contractor and completed construction of the mine portals and soft tunneling. Before the end of the year, mine development transitioned from soft tunneling to hard rock in both declines.
- Long-lead time processing plant equipment was ordered during the year and detailed engineering contracts for key components of operations, like the process plant, tailings facility and water management, were awarded and engineering work in these areas was advancing by year end. The contract for the engineering, procurement and construction for the Project's power transmission line was awarded. The environmental license for the power line construction was awarded at the start of 2018.

Early in 2018 the Company announced that \$300 million in conventional project debt financing had been secured with a club of five international banks, and shortly thereafter the Company announced a \$400 million equity financing with Newcrest Mining, Orion Mine Finance and the Lundin Family Trust participating.

I look forward to telling you more about our success in 2017 and our plans for this year.

The Board of Directors and I thank you for your continued support and interest in Lundin Gold, and we look forward to seeing you at the meeting.

Sincerely,

/s/ "Ron F. Hochstein"

Ron F. Hochstein
President and Chief Executive Officer

April 20, 2018
Vancouver, British Columbia

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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are invited to Lundin Gold's Annual General Meeting of Shareholders.

When

Friday, June 1, 2018
9:30 a.m. Reception
10:00 a.m. Meeting

Where

Suite 2600 – 595 Burrard Street,
Vancouver, British Columbia
V7X 1L3

The purpose of the Meeting is:

1. To receive the audited consolidated financial statements and accompanying management discussion and analysis of Lundin Gold Inc. for the year ended December 31, 2017, along with the report of the auditors;
2. To reappoint the auditor for the upcoming year and to authorize the directors to fix the remuneration of the auditor;
3. To elect ten directors to the Board for the upcoming year; and
4. To transact such other business as may properly come before the Meeting.

Your vote is important. If you held shares in Lundin Gold Inc. on April 20, 2018, you are entitled to receive notice of and vote at this Meeting or any postponement or adjournment of it.

This Notice is accompanied by a Management Information Circular, a proxy form or voting instruction form and a financial statement request form. The Company's financial statements are available under the Company's profile on SEDAR at www.sedar.com or on the Company's website at www.lundingold.com.

If you are not able to attend the Meeting, please vote by using the proxy form or voting instruction form included with the Management Information Circular and return it according to the instructions provided before **10:00 a.m. (Pacific Time) on Wednesday, May 30, 2018.**

DATED at Vancouver, British Columbia the 20th of April 2018.

Yours truly,

/s/ "Ron F. Hochstein"

Ron F. Hochstein
President and Chief Executive Officer

VOTING INFORMATION

General Information

You have received this Management Information Circular (the “**Circular**”) because you owned common shares (the “**Shares**”) of Lundin Gold Inc. (“**Lundin Gold**” or the “**Company**”) on April 20, 2018 (the “**Record Date**”). As a holder of Shares (a “**Shareholder**”), you have the right to attend the Annual General Meeting of Shareholders to be held on June 1, 2018 at 10 a.m. (Pacific Time) at Suite 2600 – 595 Burrard Street, Vancouver, B.C., V7X 1L3 (the “**Meeting**”) and to vote your Shares in person or by proxy.

The board of directors of the Company (the “**Board**”) has approved the contents of this Circular and has directed management to make it available to you. The information in this Circular is given as of April 20, 2018 unless otherwise noted. **Unless otherwise specified, all dollar amounts referred to in this Circular are stated in United States dollars. References to “CAD\$” mean Canadian dollars.**

This Circular provides the information that you need to vote at the Meeting.

- If you are a registered holder of Shares, you have been sent a proxy form that you can use if you choose not to vote at the Meeting.
- If your Shares are held by a nominee, you may receive either a proxy form or voting instruction form and should follow the instructions included.

Management is soliciting your proxy for the 2018 Annual General Meeting of Shareholders. The solicitation of proxies is being made primarily by mail, at Lundin Gold’s expense. Proxies may also be solicited personally or by telephone by directors, officers and employees of the Company.

YOUR VOTE IS IMPORTANT. PLEASE READ THIS CIRCULAR CAREFULLY AND THEN VOTE YOUR SHARES, EITHER BY PROXY OR IN PERSON AT THE MEETING.

The persons named on the proxy form are officers of Lundin Gold. They will vote your Shares for you, unless you appoint someone else to be your proxyholder. You have the right to appoint another person or company to be your proxyholder. If you appoint another person or company, they must be present at the Meeting to vote your Shares.

Please follow the instructions below for voting. This Circular is being sent to both Registered and Non-Registered (or Beneficial) Shareholders. The Company does not send proxy-related materials directly to Non-Registered Shareholders and is not relying on the notice-and-access provisions of securities law for delivery to either Registered or Non-Registered Shareholders. The Company will deliver proxy-related materials to nominees, custodians and fiduciaries, and they will be asked to promptly forward them to Non-Registered Shareholders.

Registered Shareholder

You are a Registered Shareholder if your Shares are registered in your name and you have a share certificate.

Non-Registered (or Beneficial) Shareholder

You are a Non-Registered (also called a Beneficial) Shareholder if your broker, investment dealer, bank, trust company, trustee, nominee or other intermediary holds your Shares for you. Most shareholders are Non-Registered Shareholders.

If you are unsure if you are a Registered Shareholder or Non-Registered Shareholder, please contact Computershare at:

Computershare Investor Services Inc. 8th Floor,
100 University Avenue
Toronto, Ontario, M5J 2Y1
1-800-564-6253 (toll-free in Canada and U.S.)
1-514-982-7555 (international)
service@computershare.com

Matters to be Voted On

At the Meeting, Shareholders will be asked to vote on the matters described in BUSINESS OF THE MEETING on page 6 of this Circular.

How to Vote if you are a Registered Shareholder and Your Shares Trade on the TSX:

- | | |
|------------------------|--|
| In Person | You should identify yourself to the representative from Computershare before entering the Meeting to register your attendance at the Meeting. |
| By Mail | Complete, sign and date your proxy form and return it in the envelope provided. Please see below " <i>How to Use Your Proxy Form</i> " for more information. |
| By Telephone | Call 1-866-732-8683 (toll free in Canada and the United States) from a touch-tone telephone and follow the voting instructions. You will need your 15-digit control number which is noted on your proxy form. International holders wishing to vote by telephone can dial 312-588-4290 to place their vote. If you vote by telephone, you cannot appoint anyone other than the appointees named on the proxy form as your proxyholder. |
| On the Internet | Go to www.investorvote.com and follow the instructions on the screen. You will need your 15-digit control number which is noted on your proxy form. |
| By Fax | Complete, sign and date your proxy form and send it by fax to 1-866-249-7775 (toll free in Canada and the United States) or 1-416-263-9524. Please see below " <i>How to Use Your Proxy Form</i> " for more information. |

How to Use Your Proxy Form:

Complete your voting instructions, sign and date your proxy form and return it so that it is received before **10:00 a.m. (Pacific Time) on May 30, 2018** or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the adjourned or postponed Meeting. When you sign the proxy form (unless you appoint someone else, see below), you are authorizing the appointees, who are officers of Lundin Gold, to vote your Shares for you at the Meeting. The Shares represented by a proxy form will be voted in favour or withheld from voting or voted against, as applicable, in accordance with your instructions on any ballot that may be called for at the Meeting. If you return your proxy form and do not indicate how you want to vote your Shares, your vote will be cast:

1. FOR the appointment of PricewaterhouseCoopers LLP as auditor and authorizing the directors to fix its remuneration; and
2. FOR the election of each of the persons nominated for election as directors in this Circular.

Your proxyholder will also vote your Shares as he or she sees fit on any other matter, including amendments or variations of matters identified in this Circular or that may properly come before the Meeting and in respect of which you are entitled to vote. As at the date of this Circular, the Board and Management do not know of

any amendments or variations to the proposed items of business or any additional matters which may be presented for consideration at the Meeting.

If you are appointing someone else to vote your Shares at the Meeting, insert the name of the person you are appointing as your proxyholder in the space provided. Your proxyholder does not have to be a Shareholder. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting. At the Meeting, the person you appoint should register with the Computershare representative at the registration table.

If you are an individual Shareholder, you or your authorized attorney must sign the proxy form. If the Shareholder is a corporation or other legal entity, an authorized officer or attorney must sign the proxy form.

If you need help completing your proxy form, please contact Computershare at the contact information listed above.

How to Change or Revoke your Vote:

If you wish to change a vote you made by proxy:

- Complete a proxy form that is dated later than the proxy form you are changing and deposit it with Computershare so that it is received before 10:00 a.m. (Pacific Time) on May 30, 2018 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the adjourned or postponed Meeting; or
- Vote again by telephone or on the internet before 10:00 a.m. (Pacific Time) on May 30, 2018 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the adjourned or postponed Meeting.

If you have submitted a proxy form, you may revoke it at any time prior to the exercise of the proxy. If you wish to revoke a vote you made by proxy:

- Attend in person at the Meeting;
- Send a notice of revocation in writing from you or your authorized attorney to the registered office of the Company, at Suite 2600, Three Bentall Centre, P.O. Box 49314, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, so that it is received by the close of business (Pacific Time) on May 31, 2018 or, in the case of any adjournment or postponement of the Meeting, by the close of business on the last business day before the day of the adjourned or postponed Meeting;
- Give a notice of revocation in writing from you or your authorized attorney to the Chair of the Meeting or the Corporate Secretary on the day of, but prior to the commencement of the Meeting; or
- In any other manner permitted by law.

How to Vote if you are a Non-Registered Shareholder and Your Shares Trade on the TSX:

By proxy Your intermediary (your broker, investment dealer, bank, trust company, trustee, nominee or other intermediary) is required to ask for your voting instructions before the Meeting. Please contact your intermediary if you did not receive a voting instruction form together with this Circular. You may change your voting instructions given to an intermediary by notifying such intermediary in accordance with the intermediary's instructions.

In person Lundin Gold does not have access to the names or holdings of our Non-Registered Shareholders. This means you can only vote your Shares in person at the Meeting if you have previously appointed yourself as the proxyholder for your Shares by inserting your name in the space provided on the voting instruction form which you received from your intermediary and submitting it as directed on the form. Your voting instructions must be received in

sufficient time to allow your voting instruction form to be received by Computershare by **10:00 a.m. (Pacific Time) on May 30, 2018** or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the adjourned or postponed Meeting. You should identify yourself to the representative from Computershare before entering the Meeting to register your attendance at the Meeting.

How to Vote if Your Shares Trade on the Nasdaq Stockholm Exchange:

The information in this section is of significance to Shareholders who hold their Shares through Euroclear Sweden AB (“Euroclear Registered Securities”), which trade on the Nasdaq Stockholm Exchange. Shareholders who hold Euroclear Registered Securities are not registered holders of Shares for the purposes of voting at the Meeting. Instead, Euroclear Registered Securities are registered under CDS & Co., the registration name of the Canadian Depository for Securities. Holders of Euroclear Registered Securities will receive a voting instruction form (the “Swedish VIF”) by mail directly from Computershare AB (“Computershare Sweden”). The Swedish VIF cannot be used to vote securities directly at the Meeting. Instead, the Swedish VIF must be completed and returned to Computershare Sweden strictly in accordance with the instructions and deadlines that will be described in the instructions provided with the Swedish VIF.

Who is Entitled to Vote and How are Votes Counted:

The Shares are the only shares issued by the Company. On the Record Date, the Company had 213,163,980 Shares issued and outstanding. Each Shareholder is entitled to one vote for each Share held on the Record Date.

To the knowledge of the Company’s directors and executive officers, the only persons or companies who beneficially own or exercise control or direction over, directly or indirectly, more than 10% of the Shares on the Record Date were:

Name	Number of Shares	Percentage
Newcrest Canada Inc. ¹	57,736,721	27.1%
Lorito Holdings S.à.r.l. (“Lorito”) ²	8,473,370	4.0%
Zebra Holdings and Investments S.à.r.l.(“Zebra”) ²	38,994,582	18.3%
Orion Co-V Holdings Pte Ltd. ³	24,213,075	11.4%

Note:

1. An indirect wholly-owned subsidiary of Newcrest Mining Limited (“Newcrest”)
2. Lorito and Zebra, who report their security holdings as joint actors, are private corporations owned by a trust whose settlor was the late Adolf H. Lundin. Together, Lorito and Zebra hold a total of 47,467,952 Shares, which represents approximately 22.3% of the current outstanding Shares.
3. A corporation controlled by Orion Mine Finance Management II Limited (“Orion”).

This information was obtained from publicly disclosed information and has not been independently verified by the Company.

Computershare counts and tabulates the votes. It does this independently of Lundin Gold to make sure that the votes of individual Shareholders are confidential. Computershare refers proxy forms to Lundin Gold only when:

- it is clear that a Shareholder wants to communicate with management;
- the validity of the proxy is in question; or
- the law requires it.

BUSINESS OF THE MEETING

Purpose of the Meeting:

- to receive the Company's consolidated financial statements for the year ended December 31, 2017, along with the auditor's report on the statements (the "Annual Financial Statements");
- to reappoint the auditor for the upcoming year and to authorize the directors to fix the remuneration of the auditor;
- to elect ten directors to the Board for the upcoming year; and
- to transact such other business as may properly come before the Meeting.

Annual Financial Statements

The Company's Annual Financial Statements will be placed before the Meeting. These documents can also be found on the Company's website at www.lundingold.com and are available under the Company's profile on SEDAR at www.sedar.com. No vote by the Shareholders is required to be taken with respect to the Annual Financial Statements.

Appointment and Remuneration of Auditor

The Board recommends the re-appointment of PricewaterhouseCoopers LLP ("PwC") as auditor of the Company to hold office until the termination of the next annual meeting of Shareholders. As in past years, it is proposed that the remuneration to be paid to the auditor be determined by the Board.

PwC has served as auditor of the Company since January 5, 2015. For further information about the external auditor, including fees paid to the auditor in 2017 and 2016, see Lundin Gold's Annual Information Form dated March 20, 2018 on the Company's website at www.lundingold.com or under the Company's profile on SEDAR at www.sedar.com.

You may either vote for reappointing PwC as Lundin Gold's auditor to hold office until the end of the next annual meeting and authorizing the directors to fix the auditor's remuneration or you may withhold your vote. **Unless otherwise instructed, the named proxyholders will vote FOR reappointing PwC and authorizing the Board to fix PwC's remuneration.**

Election of Directors

At its meeting on April 18, 2018, the Board decided that ten directors are to be elected at the Meeting. The Company's articles provide that the Board consist of not less than three and not more than fifteen directors.

The Board is proposing that the ten persons discussed below be elected as directors of the Company (the "Nominees") to serve until the next annual meeting of the Company's Shareholders, unless he or she resigns or is otherwise removed from office earlier. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the Nominees.** If any Nominee is unable to serve as a director or withdraws his or her name, the named proxyholders reserve the right to nominate and vote for another individual in their discretion.

The Board adopted a policy on Majority Voting in February 2015. The policy provides that the Chair of the Board will ensure that the number of Shares voted in favour or withheld from voting for each Nominee is recorded and promptly made public after the Meeting. If any Nominee is not elected by at least a majority (50% + 1 vote) of the votes cast with regard to his or her election, the director must immediately tender his or her resignation to the Chair of the Board following the Meeting, to take effect upon acceptance by the Board. The Board shall accept the resignation absent exceptional circumstances. To assist the Board in making a determination with regard to exceptional circumstances, the Board will refer the resignation to the Corporate Governance and Nominating Committee who will expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept the resignation. Within 90 days of the Meeting, the Board will make a final decision concerning the acceptance of the director's resignation (and reasons for rejecting the resignation if applicable) and announce that decision by way of a news release. Any director who tenders his or her resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation. The Majority Voting Policy applies only to uncontested elections, where the number of Nominees is equal to the number of directors to be elected.

According to the Company's by-laws, the Company must receive advance notice of nominations of directors by Shareholders. The Company did not receive notice of any director nominations in connection with this year's Meeting within the time periods prescribed by the by-laws. Accordingly, at the Meeting the only persons eligible to be nominated for election to the Board are the below Nominees.

The following sets out information about each Nominee as of April 20, 2018, including his or her background and experience, main areas of expertise, other boards of which he or she is a member and his or her equity holdings in the Company. Each director has provided the information about the Shares that he or she owns or over which he or she exercises control or direction.

Carmel Daniele, London, UK



Independent
Director since January 2015
Shares: 10,660,000²

Ms. Daniele¹ is the founder and Chief Investment Officer of CD Capital, the fund manager of a number of private equity and mining funds, since 2006. Ms. Daniele has over 25 years of natural resources investment experience, 10 years of which were spent with Newmont Mining/Normandy Mining. As Senior Executive at Newmont, Ms. Daniele structured cross-border mergers and acquisitions including the \$24 billion three-way merger between Franco-Nevada, Newmont and Normandy Mining to create the largest gold company in the world. Post-merger, Ms. Daniele structured the divestment of various non-core mining assets around the world for the merchant banking arm of Newmont. Ms. Daniele started off her career at Deloitte Touche Tohmatsu where she spent eight years in various corporate finance roles including international taxation, audit, accounting & reconstructions. Prior to the founding of CD Capital, Ms. Daniele spent a year and a half as an investment advisor to a London based Special Situations Fund on sourcing and negotiating natural resource private equity investments. Ms. Daniele holds a Master of Laws (Corporate & Commercial) and Bachelor of Economics from the University of Adelaide, and she is a Fellow of the Institute of Chartered Accountants.

Lundin Gold Committees:

Member, Corporate Governance and Nominating

Other Directorships:

Prairie Mining Limited (ASX, LSE, WSE)

Ian W. Gibbs, British Columbia, Canada



Mr. Gibbs is a Canadian Chartered Accountant and a graduate of the University of Calgary where he obtained a Bachelor of Commerce degree. He has held a variety of prominent positions within the Lundin Group of Companies, and he currently serves as CFO of Africa Oil Corp., a TSX and Nasdaq Stockholm listed Canadian oil and gas company with assets in Kenya and Ethiopia. Previously, Mr. Gibbs was CFO of Tanganyika Oil where he played a pivotal role in the \$2 billion acquisition by Sinopec International Petroleum. Prior to Tanganyika Oil, Mr. Gibbs was CFO of Valkyries Petroleum, which was the subject of a \$750 million takeover. Mr. Gibbs has been a director of Lundin Gold since 2005.

Lundin Gold Committees:

Chair, Audit
Chair, Compensation
Member, Corporate Governance and Nominating

Independent
Director since April 2008
Shares: 12,500

Other Directorships:

Africa Energy Corp. (TSX-V)

Chantal Gosselin, Ontario, Canada



Ms. Gosselin is a Corporate Director who brings over 25 years of combined experience in the mining industry and capital markets. Until 2013, she served as Vice President and Portfolio Manager at Goodman Investment Counsel. Prior to that, she held the position of Senior Mining Analyst at Sun Valley Gold LLP and other analyst positions earlier in her career. Ms. Gosselin has held various mine-site management positions in Canada, Peru and Nicaragua, giving her first-hand experience in underground mine development and production. Ms. Gosselin has a Master of Business Administration (“MBA”) from Concordia University and a Bachelor of Science (Mining Engineering) from Laval University and has completed the Institute of Corporate Directors program.

Lundin Gold Committees:

Member, Audit
Member, Compensation
Member, Project Advisory

Independent
Director since March 2017
Shares: 8,000

Other Directorships:

Peregrine Diamonds Limited (TSX)
Wheaton Precious Metals Corp. (TSX, NYSE)

Craig Jones, Queensland, Australia



Mr. Jones³ currently serves as the Executive General Manager of the Wafi-Golpu project with Newcrest. Wafi-Golpu is an advanced exploration project located in the Morobe Province of Papua New Guinea in which Newcrest is a 50% joint venture partner with Harmony Gold. Since joining Newcrest in December 2008, Mr. Jones has held various senior management and executive roles, including General Manager Projects, General Manager Cadia Valley Operations, Executive General Manager Projects and Asset Management, Executive General Manager Australian and Indonesian Operations, Executive General Manager Australian Operations and Projects and Executive General Manager Cadia and Morobe Mining Joint Venture. Prior to joining Newcrest, Mr. Jones worked for Rio Tinto. Mr. Jones holds a Bachelor of Mechanical Engineering from the University of Newcastle, Australia.

Other Directorships:
SolGold plc (TSX, LSE)

Not Independent
Nominee for Election
Shares: Nil

Ashley Heppenstall, Hong Kong



Mr. Heppenstall is the Lead Director of the Board. In 2015, Mr. Heppenstall retired from his position as President and Chief Executive Officer of Lundin Petroleum AB. Early in his career, Mr. Heppenstall worked in the banking sector where he was involved in project financing of oil and resource sector businesses. Since 1993 Mr. Heppenstall has worked with public companies associated with the Lundin family. In 1998 he was appointed Finance Director of Lundin Oil AB. Following the acquisition of Lundin Oil by Talisman Energy in 2001, Lundin Petroleum was formed and Mr. Heppenstall was appointed President and Chief Executive Officer in 2002. Mr. Heppenstall obtained a degree in Mathematics from Durham University.

Lundin Gold Committees:
Chair, Corporate Governance and Nominating
Member, Audit
Member, Compensation

Lead Director

Independent
Director since May 2015
Shares: 150,000

Other Directorships:
Africa Energy Corp. (TSX-V)
Etrion Corp. (Chairman) (TSX, Nasdaq Stockholm)
Filo Mining Corp. (TSX-V, Nasdaq First North)
International Petroleum Corporation (TSX, Nasdaq First North)
Lundin Petroleum AB (Nasdaq Stockholm)
ShaMaran Petroleum Corp. (TSX-V, Nasdaq First North)

Ron F. Hochstein, British Columbia, Canada



President and
Chief Executive Officer

Not Independent
Director since June 2004
Shares: 52,500

Mr. Hochstein,⁴ P.Eng., has a wealth of experience in the mining industry. Mr. Hochstein has worked for the Lundin family directly and as a consultant for over 20 years. Prior to becoming President and CEO of Lundin Gold, Mr. Hochstein served as President and CEO of Denison Mines Corp. (“Denison”) (TSX, NYSE MKT) for seven years, having joined a predecessor company to Denison in 1999. Earlier in his career, Mr. Hochstein was a Project Manager with Simons Mining Group and worked at Noranda Minerals as a metallurgical engineer. Mr. Hochstein has a Bachelor of Science in metallurgical engineering and an MBA. Mr. Hochstein became President and Chief Executive Officer in 2014 and was instrumental in the acquisition of Fruta del Norte.

Lundin Gold Committees:

Member, Environment, Health and Safety
Member, Project Advisory

Other Directorships:

Denison (TSX, NYSE MKT)
Sprott Resources Holdings Inc. (TSX)⁵

Lukas H. Lundin, Geneva, Switzerland



Chairman of the Board

Independent
Director since May 2008
Shares: 307,084

Mr. Lundin⁴ is the Chairman of the Board, having been appointed in December 2014 following the Company’s acquisition of the Fruta del Norte Project. Prior to that, Mr. Lundin served as President and Chief Executive Officer of the Company. Mr. Lundin is known for recognizing value and superior global investment opportunities in the natural resource sector. His pursuit of highly prospective properties around the world has resulted in numerous large-scale developments and resource discoveries, including Bajo de l’Alumbrera, one of the world’s largest copper/gold projects and the multi-million ounce Veladero gold discovery. Mr. Lundin has also led several companies through highly profitable business acquisitions and mergers such as Lundin Mining Corporation’s CAD\$3.3 billion merger with EuroZinc Mining, the CAD\$2 billion sale of Tanganyika Oil Company Ltd. and the CAD\$9.2 billion sale of Red Back Mining Inc. Mr. Lundin is a graduate of the New Mexico Institute of Mining and Technology (Engineering).

Other Directorships:

Denison (Chairman) (TSX, NYSE MKT)
Filo Mining Corp. (Chairman) (TSX-V, Nasdaq First North)
International Petroleum Corporation (Chairman) (TSX, Nasdaq First North)
Lucara Diamond Corp. (Chairman) (TSX, Nasdaq Stockholm)
Lundin Mining Corporation (Chairman) (TSX, Nasdaq Stockholm)
Lundin Petroleum AB (Nasdaq Stockholm)
NGEx Resources Inc. (Chairman) (TSX, Nasdaq Stockholm)

Paul McRae, Algarve, Portugal



Independent
Director since December 2014
Shares: 1,375

Mr. McRae has a distinguished global reputation in project and construction management in the mining industry for both surface and underground projects of all scales and complexities. His career spans more than 40 years and includes a track record on time and on budget project management of major underground investments for INCO including McCreedy East, Garson and Birch Tree projects; serving as Project Manager on the highly successful De Beers Victor Project in Northern Canada; and leadership of numerous other projects from conceptual through construction phases in Australia, Canada, Spain, Portugal and South America. Mr. McRae served as a Project Manager at Amec Corp., a British multinational consultancy, engineering and project management company from 2009 to 2011. He is currently the Senior Vice-President of Lundin Mining Corporation, a diversified base metals mining company, a position he has held since 2012.

Lundin Gold Committees:

Chair, Environment, Health and Safety
Chair, Project Advisory

Other Directorships:

Filo Mining Corp. (TSX-V, Nasdaq First North)
Bluestone Resources Inc. (TSX-V)

Michael Nossal, Melbourne, Australia



Not Independent
Nominee for Election
Shares: Nil

Mr. Nossal³ has been the Chief Development Officer of Newcrest since July 2015. Prior to joining Newcrest, Mr. Nossal served as Executive General Manager, Business Development at MMG Limited and served as non-executive director of Nord Gold NV from October 2010 until May 2015. He served as the Chief Financial Officer at En+ Group Ltd. until January 2010. He has over 30 years of resource industry experience in Australia and internationally and has worked extensively in the gold sector and base metals with Macquarie Bank, WMC Resources, Normandy Mining and Kenmare Resources. Mr. Nossal holds a Bachelor of Science from Monash University (Australia) and an MBA from The Wharton School (University of Pennsylvania). Mr. Nossal has obtained a Diploma in Company Direction from the Institute of Directors in London, U.K.

Istvan Zollei, New York, United States



Mr. Zollei⁶ is a Portfolio Manager at Orion, a mining-focused investment business providing flexible capital investment solutions to mining companies in the base and precious metals sector. Prior to Orion, Mr. Zollei was an investment manager for the Red Kite Group's Mine Finance business. Previously, he worked at Barclays Capital's natural resources private equity investment group, as vice president responsible for executing and managing growth equity investments in the mining, oil/gas, and power sectors. He spent a year working as VP of Finance and Commercial Operations at one of the portfolio companies. Mr. Zollei started his career at Lehman Brothers' investment banking division. He earned his Bachelor of Arts from Harvard College in Economics and his MBA from The Wharton School (University of Pennsylvania) in Finance and Management.

Not Independent
Director since March 2018
Shares: Nil

Notes to Election of Directors:

1. Pursuant to its investment agreement with Lundin Gold, CD Capital Natural Resources Fund II (Master) ("**CD Capital**") has the right to nominate one director to the Board. Ms. Daniele has been nominated by CD Capital.
2. These Shares are held by CD Capital, a fund over which Ms. Daniele exercises control or direction. This information was obtained from publicly disclosed information and has not been independently verified by the Company.
3. Pursuant to its subscription agreement with Lundin Gold, Newcrest has the right to nominate two directors to the Board. Messrs. Jones and Nossal have been nominated by Newcrest.
4. Ron Hochstein and Lukas Lundin were directors of Sirocco Mining Inc. ("**Sirocco**"). Pursuant to a plan of arrangement completed on January 31, 2014, Canadian Lithium Corp. acquired Sirocco. Under the plan of arrangement, Canadian Lithium Corp. amalgamated with Sirocco to form RB Energy Inc. ("**RBI**"). In October 2014, RBI commenced proceedings under the *Companies' Creditors Arrangement Act* ("**CCAA**"). CCAA proceedings continued in 2015 and Duff & Phelps Canada Restructuring Inc., now KSV Advisory Inc., was appointed in May 2015 to administer and realize upon the assets of RBI. The TSX de-listed RBI's common shares in November 24, 2014 for failure to meet the continued listing requirements of the TSX. Since that time, RBI's common shares have been suspended from trading. Lukas Lundin was never a director, officer or insider of RBI. Lukas Lundin, however, was a director of Sirocco within the 12-month period prior to RBI filing under the CCAA. Ron Hochstein was a director of RBI from the time of the plan of arrangement with Canadian Lithium Corp. to October 3, 2014.
5. Ron Hochstein's term as a director of Sprott Resources Holdings Inc. ends on May 10, 2018, and he is not standing for re-election to that board.
6. Pursuant to its subscription agreement with Lundin Gold, Orion has the right to nominate one director to the Board. Mr. Zollei has been nominated by Orion.

2017 Attendance

The Company's Board believes that attendance at meetings encourages constructive participation and is a critical ingredient to an engaged and effective Board. The tables below show the number of Board meetings and committee meetings (including Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, Environment, Health and Safety Committee and Project Advisory Committee) each Nominee attended in 2017. Mr. Zollei, who was not a director during 2017, and Messrs. Jones and Nossal, who have been nominated for election to Lundin Gold's for the first time this year, are not included below.

Name	Board	
Carmel Daniele	10 of 11	90%
Ian Gibbs	11 of 11	100%
Chantal Gosselin ¹	8 of 8	100%
Ashley Heppenstall	10 of 11	90%
Ron Hochstein	11 of 11	100%
Lukas H. Lundin	11 of 11	100%
Paul McRae	9 of 11	82%

Name	Audit		Compensation		Corp Gov & Nom		EHS		Project Advisory	
Carmel Daniele ²	1 of 1	100%	-	-	3 of 3	100%	-	-	-	-
Ian Gibbs	4 of 4	100%	4 of 4	100%	3 of 3	100%	-	-	-	-
Chantal Gosselin ¹	3 of 3	100%	3 of 3	100%	-	-	-	-	8 of 8	100%
Ashley Heppenstall ³	4 of 4	100%	3 of 3	100%	3 of 3	100%	-	-	-	-
Ron Hochstein ⁴	-	-	-	-	-	-	4 of 4	100%	8 of 8	100%
Lukas H. Lundin	-	-	-	-	-	-	-	-	-	-
Paul McRae ^{3,4}	-	-	1 of 1	100%	-	-	4 of 4	100%	8 of 8	100%

Notes to 2017 Attendance:

1. Ms. Gosselin was appointed to the Board on March 16, 2017. She became a member of the Audit, Compensation and Project Advisory Committees on April 20, 2017.
2. Ms. Daniele resigned from the Audit Committee on April 20, 2017.
3. Mr. Heppenstall replaced Mr. McRae on the Compensation Committee on April 20, 2017.
4. Messrs. Hochstein and McRae were appointed to the Project Advisory Committee on April 20, 2017.

LUNDIN GOLD'S CORPORATE GOVERNANCE PRACTICES

Lundin Gold recognizes the importance of good corporate governance to the long term and successful management of the Company. The Company values accountability and honest and ethical behaviour. The Company's Board and Management have embedded mandates and practices into Lundin Gold's corporate governance framework thereby maintaining the best corporate governance standards for Lundin Gold.

This section of the Circular describes Lundin Gold's corporate governance practices with reference to the framework provided in National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (collectively, the "**Governance Guidelines**") of the Canadian Securities Administrators.

Lundin Gold is a reporting issuer across Canada (excluding Quebec). Lundin Gold's Shares trade on the TSX, and the Company has a secondary listing on the Nasdaq Stockholm Exchange. The Nasdaq Stockholm Exchange in Sweden has also established rules of corporate governance (the "**Swedish Code**"), but because the TSX is the Company's primary exchange, Lundin Gold's governance practices follow the Governance Guidelines. A summary of the differences between the governance regime in Sweden (including the Swedish Code requirements) and the Governance Guidelines is available on the Company's website at www.lundingold.com.

The Board of Directors

Corporate governance best practices focus on developing high performing boards that have integrity and are accountable, independent and experienced. Under the stewardship of the Corporate Governance and Nominating Committee, the Lundin Gold Board has focused on meeting or exceeding the Governance Guidelines.

Lundin Gold's Board is currently comprised of nine directors. The size and composition of the Board reflects a breadth of backgrounds and experience that is important for effective governance and oversight of an international corporation in the gold mining industry. It is proposed that ten directors be elected at the Meeting, a majority of whom are independent. Mr. Mir has decided not to stand for re-election.

The Board has determined that it is highly effective and well composed and that no appreciable benefit would be derived from the introduction of formal term or retirement age limits given the significant changes that have occurred on the Board since the acquisition of Fruta del Norte Project. Since 2014, the Board of Directors has welcomed six new members who have each enhanced the Board's skill, knowledge and depth of experience to support Lundin Gold as it advances the Fruta del Norte Project. Two of the Nominees, Messrs. Jones and Nossal, will be new members on the Board following their elections. More than two-thirds of the Nominees have under five years tenure on the Board.

Corporate Governance Highlights

- ✓ Majority of the Board is Independent
- ✓ Two-Thirds of the Nominees have Tenure under Five Years on the Board
- ✓ Women on the Board: 20%
- ✓ Diversity Policy Adopted
- ✓ Board Composition Guidelines include Gender Diversity
- ✓ 100% Independent Committees: Audit, Compensation and Corporate Governance and Nominating
- ✓ Regular Meetings of Independent Directors
- ✓ Board Performance Assessed Annually
- ✓ On-Going Director Education

In addition, the Board has implemented an assessment process, which includes regular evaluations of the Board, committees and directors, and it believes this provides a mechanism to promote Board renewal and to regularly assess directors' effectiveness and the needs of the Board.

The following sets out the current tenure as of the date of this Circular for the Nominees:

Number of Directors	Tenure (Years)
1	More than ten
2	Between five and ten
3	Between one and five
4	One or less

Diversity within Lundin Gold

Lundin Gold's Board recognizes that diversity and increased visibility of women on the Board, and at the senior level of the Company, enriches the decision-making process and is important to the Company's good governance. The Board formally adopted a Diversity Policy in May 2015, which clarifies the Company's commitment to considering women for its Board and in senior officer positions. Along with the adoption of the Diversity Policy, the guidelines by which the Corporate Governance and Nominating Committee considers the composition of the Board and evaluates candidates include gender representation as a factor to be considered. Similarly, as part of the hiring process of senior officers, management of the Company considers women having the necessary skills, knowledge and experience as potential candidates.

The Board believes that its current composition is highly effective and that the Board is well-composed. Given the changes already occurring within the leadership of the Company, the Corporate Governance and Nominating Committee determined it would not be in the best interest of the Company at this time to adopt firm targets with respect to gender representation on the Board or among executive officers at the Company or its major subsidiary in Ecuador, Aurelian Ecuador S.A. The Board has shown progress on gender diversity since 2014 without firm targets; since then, the Board has added two women to the Board. Assuming all the Nominees are elected by the Shareholders at the Meeting, the representation of women on the Board will be 20% in 2018.

The Corporate Governance and Nominating Committee has recorded Lundin Gold's gender representation over the last four years as follows:

Board Members

Year ¹	Women Members	Total Members	%
Expected 2018	2	10	20%
June 2017	2	8	25%
June 2016	1	8	12.5%
June 2015	1	9	11.1%

Executive Officers²

Date ³	Lundin Gold			Aurelian Ecuador S.A.		
	Women EOs at	Total EOs at	%	Women EOs at	Total EOs at	%
April 2018	2	7	29%	3	8	38%
April 2017	2	8	25%	3	9	33%
April 2016	1	6	17%	3	9	33%
April 2015	1	6	17%	3	9	33%

Note:

1. Measured at the annual meeting each year.

2. Executive Officer (an “EO”) means an individual who is: a chair, vice-chair or president; a chief executive officer or chief financial officer; or a vice-president in charge of a principal business unit, division or function including sales, finance or production; or performing a policy-making function.
3. Measured at the date of the Circular each year.

Significant Shareholder Rights

The development of the Fruta del Norte Project requires significant capital. In addition to project debt financing, Lundin Gold has been successful in attracting strategic investors to fund the Project. Most recently, Newcrest and Orion invested \$250 million and \$100 million, respectively, in Lundin Gold by way of an equity subscription. In 2014, CD Capital provided critical initial funding to the Project. In consideration of these investments, Newcrest, Orion and CD Capital have been granted certain representation and other rights, including those detailed below.

Newcrest’s Rights:

- As long as Newcrest continues to hold at least 20% of the Shares, Newcrest is entitled to nominate two directors to the Board.
- As long as Newcrest holds between 10% and 20% of the Shares, Newcrest is entitled to nominate one director to the Board.
- As long as Newcrest continues to hold at least 10% of the Shares, Newcrest is entitled to appoint a nominee to the Project Advisory Committee of the Board.
- Lundin Gold has agreed with Newcrest that size of the Board cannot be increased above 11 members without unanimous approval of the Board.

Orion’s Rights:

- As long as Orion continues to hold at least 10% of the Shares, Orion is entitled to nominate one director to the Board.
- Lundin Gold has agreed with Orion that size of the Board cannot be increased above 11 members without unanimous approval of the Board.

CD Capital’s Rights:

- As long as CD Capital continues to hold at least 5% of the Shares, CD Capital is entitled to nominate one director to the Board.

More information relating to Company’s relationship with Newcrest and Orion and their additional rights is described in its Annual Information Form dated March 20, 2018, which is available on Lundin Gold’s website at www.lundingold.com and on SEDAR under the Company’s profile at www.sedar.com.

Composition: Skills and Experience on the Board

The Company’s Board recognizes that the quality of its directors is an important factor in the overall success of the Company. Lundin Gold is committed to ensuring that its Board is composed of members who have the competencies, capabilities and diversity required to understand the Company’s business, along with the integrity and motivation required to properly discharge their fiduciary duties in the long term best interests of the Company and all its Shareholders.

When considering the Board as a whole and assessing directors’ candidacy for the Board, the Corporate Governance and Nominating Committee follows its established guidelines for the Board’s composition, including its Diversity Policy and its “*Guidelines for the Composition of Lundin Gold’s Board*”, and seeks directors that have some or all of the following attributes:

- Financial accreditation and/or financial literacy
- Sound business experience and expertise

- Corporate governance experience
- Industry specific experience and knowledge, such as mining, environment and safety and occupational health
- Experience in government relations, operations and regulatory issues
- Financing and merger/acquisition experience
- Strong reputation within the financial and business communities
- Strong board skills, such as integrity, networking abilities, interpersonal skills, ability to think strategically and act independently
- Independence, as such term is defined by the Canadian Securities Administrators

When determining Nominees for election, the Board also complies with the representation rights granted to certain Shareholders, including Newcrest, Orion and CD Capital. Ms. Daniele and Mr. Zollei have been nominated by CD Capital and Orion, respectively, and Messrs. Jones and Nossal have been nominated by Newcrest.

Prior to making its recommendation to the Board this year with respect to nominations for the Meeting, the Corporate Governance and Nominating Committee reviewed the qualifications of the Nominees against the “*Guidelines for the Composition of Lundin Gold’s Board*” and reported that the Board as proposed to be elected at the Meeting adequately satisfies the skills and experience identified, as follows:

	Daniele	Gibbs	Gosselin	Heppenstall	Hochstein	Jones	Lundin	McRae	Nossal	Zollei
Financial literacy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sound business experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Governance knowledge	✓	✓	✓	✓	✓	✓	✓		✓	✓
Mining Industry knowledge	✓		✓		✓	✓	✓	✓	✓	✓
Government relations	✓	✓		✓	✓	✓	✓		✓	
Operations Experience and Technical Skills			✓		✓	✓	✓	✓	✓	
Strong ties to financial communities	✓	✓	✓	✓	✓		✓		✓	✓
Financing and M&A	✓	✓	✓	✓	✓		✓		✓	✓
Strong board skills and experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Independence on the Board

Having independent directors on the Company’s Board allows for objective opinions, particularly in relation to the evaluation and performance of the Board and well-being of the Company. With the assistance of the Corporate Governance and Nominating Committee, the Board reviews each director’s independence annually and upon the appointment or nomination of a new director. This assessment is made in accordance with standards of the Canadian Securities Administrators in National Instrument 52-110 – *Audit Committees (“NI 52-110”)* and the Governance Guidelines.

The Board last considered this matter at its meeting on April 18, 2018. The following table sets out the Board's determination and reasoning with respect to each Nominee for election at the Meeting:

Name	Independent	Not Independent	Commentary on Independence
Carmel Daniele	×		
Ian Gibbs	×		
Chantal Gosselin	×		
Craig Jones		×	Newcrest is the Company's largest shareholder (27.1%) and has significant rights as a strategic investor in Lundin Gold; as an employee of Newcrest, Mr. Jones was found to have a direct material relationship with Lundin Gold and therefore not independent.
Ashley Heppenstall	×		
Ron F. Hochstein		×	As Chief Executive Officer, Mr. Hochstein cannot be regarded as independent under the Governance Guidelines.
Lukas Lundin	×		Prior to 2018, Mr. Lundin could not be independent pursuant to NI 52-110, since he had served as Chief Executive Officer of the Company in the last three years. This year, the Board has determined that Mr. Lundin has no direct or indirect relationship with the Company which could reasonably be expected to interfere with the exercise of his independent judgment.
Paul McRae	×		
Michael Nossal		×	Newcrest is the Company's largest shareholder (27.1%) and has significant rights as a strategic investor in Lundin Gold; as an employee of Newcrest, Mr. Nossal was found to have a direct material relationship with Lundin Gold and therefore not independent.
Istvan Zollei		×	Orion is a significant shareholder (11.4%) and secured lender to the Company; as an employee of Orion, Mr. Zollei was found to have a direct material relationship with Lundin Gold and therefore not independent.

The Board believes that adequate structures and processes are in place to facilitate the functioning of the Board independently of management for a number of reasons:

1. Independent Leadership of the Board: Lundin Gold's Chairman of the Board is an independent director. Lundin Gold also has a Lead Director. Together Messrs. Heppenstall and Lundin ensure that the Board is independent of management. When the Chairman could not be regarded independent, the Board appointed Mr. Heppenstall as the Lead Director to preside at the independent director sessions and to oversee the functioning of the Board and its meetings. Although the Chairman is now independent, the Board has determined that Mr. Heppenstall will continue to serve as Lead Director. In considering whether

the role was still necessary, the Board reasoned that preserving Mr. Heppenstall's role as Lead Director is a benefit to the Board. Mr. Heppenstall's continuing role as Lead Director provides continuity in corporate governance and acts as a succession plan for the leadership of the Board.

2. **Independence on Committees:** Except for the Environment, Health and Safety Committee and the Project Advisory Committee, the Board's standing committees are composed entirely of independent directors. The Board has considered the membership of Mr. Hochstein on both the Environment, Health and Safety Committee and the Project Advisory Committee and determined that his operational experience and knowledge of the Company is a benefit to these committees and that his lack of independence does not interfere with the committees' responsibilities or interfere with his judgment.
3. **Meetings without Management:** Directors have an opportunity to meet *in camera* without management at every Board and committee meeting. In addition, the Audit Committee holds an *in camera* session with PwC without management at every meeting.
4. **Independent Directors' Meetings:** At every Board meeting, independent directors have an opportunity to meet without the non-independent directors. Some of the independent directors' meetings are held in person during the year.
5. **Ability to Engage Advisors:** Individual directors may, in appropriate circumstances and with the authorization of either the applicable committee, the Lead Director or the Chairman, engage independent advisors at the expense of the Company.

Other Board Memberships of Lundin Gold's Directors

Lundin Gold is a member of the Lundin Group of Companies. As such, Lundin Gold has access to an exceptionally talented and experienced group of directors that may not otherwise be available to a company of Lundin Gold's size and stage of development. Several of these directors hold other board positions, and some of them sit on other boards together.

At this time, the Board has not adopted a policy limiting the number of positions on other boards that its directors may hold. Rather, the Board has determined that directors are in the best position to assess the demands of each board seat that they hold. The Chairman has articulated clear expectations regarding attendance at meetings, including mandatory in-person meetings during the year, and as such the Board has an excellent attendance record. In addition, the Board has implemented an assessment process, which includes regular evaluations of directors and the Board and its committees, and it believes that this process provides a mechanism to regularly assess directors' and the Board's effectiveness.

The following sets out interlocking board memberships of Lundin Gold's directors:

Company	Director	Committee Membership
Africa Energy Corp. (TSX-V)	Ian Gibbs	Audit, Compensation and Governance
	Ashley Heppenstall	Audit, Compensation and Reserves
Denison Mines Corp. (TSX, NYSE MKT)	Ron Hochstein	Environmental, Health and Safety
	Lukas Lundin	-
Lundin Petroleum AB (Nasdaq Stockholm)	Ashley Heppenstall	-
	Lukas Lundin	-
Filo Mining Corp. (TSX-V, Nasdaq First North)	Ashley Heppenstall	Audit, Compensation and Governance
	Lukas Lundin	Compensation
	Paul McRae	Audit, Compensation and Governance
International Petroleum Corporation (TSX, Nasdaq First North)	Ashley Heppenstall	Audit, Reserves and Governance
	Lukas Lundin	Compensation

The Role of the Board

The Board is responsible for overseeing the management of the business and affairs of Lundin Gold, with a view to the long-term best interests of the Company. The Board has adopted a formal mandate setting out the role and responsibilities of the Board (see Schedule A). In order to delineate the roles and responsibilities of the Chairman of the Board, the Lead Director and the President and Chief Executive Officer, the Board has also adopted written position descriptions for each of these positions.

In discharging its stewardship over the Company, the Board has undertaken the following specific duties and responsibilities:

- satisfying itself as to the integrity of the Chief Executive Officer and other executive officers and as to a culture of integrity throughout the Company;
- approving, supervising and providing guidance to management on the Company's strategic planning process;
- identifying the principal risks of the Company's business and ensuring management's implementation and assessment of appropriate risk management systems;
- ensuring that the Company has highly qualified management and adequate and effective succession plans for senior management;
- overseeing the Company's communications policy with its Shareholders and with the public generally; and
- assessing directly and through its Audit Committee, the integrity of the Company's internal control and management information systems.

Generally, operations in the ordinary course or that are not in the ordinary course and do not exceed material levels of expenditures or commitment on the part of the Company have been delegated to management. Decisions relating to matters that are not in the ordinary course and that involve material expenditures or commitments on the part of the Company generally require prior approval of the Board. As the Board has plenary power, any responsibility which is not delegated to management or a committee remains with the Board.

The responsibilities of the Chairman of the Board or Lead Director include presiding over Board meetings, assuming principal responsibility for the Board's operation and functioning independent of management and ensuring that Board functions are effectively carried out. In practice, Lundin Gold's Lead Director oversees the functioning of the Board, whereas the Chairman is the leader of the Board and determines the Board's agenda.

The responsibilities and authorities of the Chair of each committee of the Board are set out in the mandate for each committee and in the Board's mandate. Generally, the Chair of a committee leads and oversees the activities of the committee to ensure that it fulfills its mandate and operates independently of management.

The Role of the CEO

Lundin Gold's Chief Executive Officer is appointed by the Board and, subject to the oversight of the Board, is responsible for the management of the Company's business, providing leadership and vision, developing and recommending significant corporate strategies and objectives for approval by the Board, and developing and recommending to the Board annual operating budgets.

The Board requires the Chief Executive Officer to develop annual objectives which are reviewed by the Compensation Committee and then recommended to the Board for approval. The Chief Executive Officer is accountable to the Board and its committees, and the Compensation Committee conducts a formal review of his performance each year. The Board has adopted a position description for the Chief Executive Officer.

Board Committees

To assist the Board with its responsibilities, the Board has established five standing committees: the Audit Committee, the Compensation Committee, the Environment, Health and Safety Committee, the Corporate Governance and Nominating Committee and the Project Advisory Committee. Each of the standing committees has a written mandate and reviews its mandate annually.

The Audit Committee

The Board recomposed the Audit Committee in the second quarter of 2017 to better allocate work load among directors and to bring more diversity to the composition of its standing committees. It is not proposed that the composition of the Audit Committee change in 2018. As of the date of this Circular, the Audit Committee has the following three members:

- Ian Gibbs (Chair)
- Chantal Gosselin
- Ashley Heppenstall

Members of the Audit Committee must be independent and financially literate for the purposes of NI 52-110. The table below demonstrates the compliance of each of the Audit Committee members with this requirement.

Member Name	Independent¹	Financially Literate²	Education & Experience relevant to performance of Audit Committee duties
Ian Gibbs	Yes	Yes	Mr. Gibbs has a Bachelor of Commerce degree from the University of Calgary and is a member of the Canadian Institute of Chartered Accountants. Mr. Gibbs has spent over 15 years working with public and private energy companies with international operations and has served as the Chief Financial Officer for several Canadian public oil companies since September 2004.
Chantal Gosselin	Yes	Yes	Ms. Gosselin has an MBA from Concordia University and a Chartered Investment Manager (CIM) designation from the Canadian Securities Institute. She has worked in the capital markets for more than 10 years as an analyst and portfolio manager. She also completed the Institute of Corporate Directors – Directors Education Program in 2016.

Member Name	Independent ¹	Financially Literate ²	Education & Experience relevant to performance of Audit Committee duties
Ashley Heppenstall	Yes	Yes	Mr. Heppenstall has extensive experience in the finance world. From 1984 to 1990, Mr. Heppenstall worked as a commercial bank executive where he was involved in project financing of oil and mining businesses. He served as Chief Financial Officer of Lundin Oil AB from 1997 until his appointment as CEO of Lundin Petroleum AB in 2001. Mr. Heppenstall has attended numerous credit and accounting courses and has a degree in Mathematics from Durham University.

Notes:

1. To be considered independent, a member of the Committee must not have any direct or indirect "material relationship" with Lundin Gold. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
2. To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Lundin Gold's financial statements.

The Audit Committee oversees the accounting and financial reporting processes of the Company and its subsidiaries and all audits and external reviews of the financial statements of the Company, on behalf of the Board, and has general responsibility for oversight of internal controls, and accounting and auditing activities of the Company and its subsidiaries. The Audit Committee reviews, on a continuous basis, any reports prepared by the Company's auditor relating to the Company's accounting policies and procedures, as well as internal control procedures and systems. The Audit Committee is also responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same.

All audit services and non-audit services to be provided to the Company by the Company's auditor are pre-approved by the Audit Committee, and the Audit Committee reviews the independence of the Company's external auditor. The Audit Committee also oversees the annual audit process, the quarterly review engagements, the Company's internal accounting controls, the Code of Business Conduct and Ethics, the Anti-Bribery Policy and the Whistleblower Policy. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the Shareholders.

The Audit Committee is required to meet *in camera* without management present at every Audit Committee meeting with the external auditor.

For information required by NI 52-110, please refer to the Company's Annual Information Form under the heading "Standing Committees – Audit Committee".

The Compensation Committee

The Board recomposed the Compensation Committee in the second quarter of 2017. It is not proposed that the composition of the Compensation Committee change in 2018. The Compensation Committee has three members:

- Ian Gibbs (Chair)
- Chantal Gosselin
- Ashley Heppenstall

Members of the Compensation Committee must be independent and have experience and skills relevant to executive compensation. The table below demonstrates the compliance of each of the Compensation Committee members with this requirement.

Member Name	Independent ¹	Compensation Literacy ²	Direct experience, skills and experience relevant to responsibilities in executive compensation
Ian Gibbs	Yes	Yes	Mr. Gibbs has gained compensation experience as Chief Financial Officer to a number of public companies over the last ten years, including Africa Oil Corp., Tanganyika Oil Company Ltd. and Valkyries Petroleum Corp. He has served as a compensation committee member of other public companies as well, including, Africa Energy Corp. and Petro Vista Energy Corp.
Chantal Gosselin	Yes	Yes	Ms. Gosselin has experience in compensation matters from her service as a member on the compensation committees of Capstone Mining Corp. and Wheaton Precious Metals Corp. She has also acquired compensation training through her completion of the Institute of Corporate Directors program and through on-going continuous education activities.
Ashley Heppenstall	Yes	Yes	Mr. Heppenstall has significant compensation experience from his position as President and Chief Executive Officer and a member of the Compensation Committee of the Board of Lundin Petroleum AB for over 13 years. He currently serves as a compensation committee member of other public companies as well, including, Africa Energy Corp., ShaMaran Petroleum Corp. and Etrion Corp.

Notes:

1. To be considered independent, a member of the Committee must not have any direct or indirect "material relationship" with Lundin Gold. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
2. To be considered as having compensation literacy, a member of the Committee should have direct experience relevant to his or her responsibilities in executive compensation. He or she should also bring skills and experience to the Committee to enable the Committee to make decisions on the suitability of the Company's compensation policies and practices.

The Compensation Committee is responsible for the Company's executive compensation policy. The Compensation Committee evaluates the Chief Executive Officer's performance and establishes both the elements and amounts of the Chief Executive Officer's compensation. The Compensation Committee, in conjunction with the Board, also reviews management's recommendations for, and approves the compensation of, the other officers of the Company and determines the general compensation structure, policies and programs of the Company, including the extent and level of participation in incentive programs. The Compensation Committee reviews and approves the executive compensation disclosure included in the Company's Circular each year.

The Compensation Committee is also responsible for overseeing compensation risk and talent and succession risk. The Board has adopted a Succession Policy for its executive officers to help Lundin Gold prepare for a change in leadership, either planned or unplanned, to ensure the stability and accountability of the Company. This policy is administered and periodically reviewed by the Compensation Committee.

The Compensation Committee has also been mandated to review the adequacy and form of the compensation of directors and to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director.

The Environment, Health and Safety Committee

The Environment, Health and Safety Committee currently has three members:

- Paul McRae (Chair)
- Ron Hochstein
- Pablo Mir

Mr. Mir has chosen not to stand for re-election at the Meeting.

The mining industry, by its very nature, can have an impact on the natural environment and can involve certain risks to employees. As a result, environmental planning and compliance and safety programs must play a very important part in the operations of any company engaged in these activities. The Company takes these issues seriously and has established the Environment, Health and Safety Committee to oversee the Company's efforts to act in a responsible and concerned manner with respect to matters affecting the environment, health and safety and its stakeholders.

Due to the nature of the Company's business, the Board determined that it was appropriate that a member of management sit on the Environment, Health and Safety Committee to ensure that technical expertise is properly brought before the Committee. The fact that a majority of the members are not independent is balanced by the fact that the key recommendations of the Committee are considered by the full Board.

The Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee has the following three members:

- Ashley Heppenstall (Chair)
- Ian Gibbs
- Carmel Daniele

Members of the Corporate Governance and Nominating Committee must be independent. It is not proposed that the composition of the Corporate, Governance and Nominating Committee change in 2018.

This Committee is responsible for Lundin Gold's approach to corporate governance, monitoring the regulatory environment, and recommending changes to the Company's practices when appropriate. The Corporate Governance and Nominating Committee also annually reviews and makes recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the independence of Board members; (iii) the composition of the committees of the Board; (iv) the effectiveness and contribution of the Board, its committees and individual directors, having reference to their respective mandates, charters and position descriptions; (v) compliance with and amendments to the Board mandates, policies and guidelines; and, (vi) the Board's compliance with the Canadian Corporate Governance Guidelines found in National Policy 58-201. The Corporate Governance and Nominating Committee also reviews the Company's disclosure of its corporate governance practices in the Company's Circular each year.

The Corporate Governance and Nominating Committee oversees the effective functioning of the Board and the relationship between the Board and management. The Corporate Governance and Nominating Committee ensures that the Board can function independently of management as required, makes recommendations with respect to the appointment of a Lead Director, identifies individuals qualified to become new Board members, maintains director candidacy questionnaires for the assessment of potential new Board members, and recommends to the Board the director nominees at each annual meeting of Shareholders and, with the assistance of the Board and where necessary, develops a comprehensive orientation and education program for new recruits to the Board.

In identifying possible nominees to the Board, the Corporate Governance and Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board and whether he or she is independent within the meaning of the Governance Guidelines.

The Project Advisory Committee

The Project Advisory Committee was established in the second quarter of 2017 and has the following three members:

- Chantal Gosselin
- Paul McRae (Chair)
- Ron Hochstein

As long as Newcrest continues to hold at least 10% of the Shares, Newcrest is entitled to appoint one director to the Project Advisory Committee. Following the Meeting, it is proposed that Mr. Jones will replace Mr. Hochstein on this committee.

The Project Advisory Committee is responsible for overseeing Lundin Gold's approach to develop the Project, monitoring the progress of the Project and recommending changes in the Project's management and plans. This Committee has established a practice of meeting monthly and reports quarterly to the Board on Project matters. The Committee acts as a liaison between the Board and the management team.

Due to the nature of the Project, the Board determined that it was appropriate that a member of management sit on the Project Advisory Committee to ensure that all critical Project information is properly brought before the Committee.

Board Assessments

At the beginning of each year, the Corporate Governance and Nominating Committee reviews and distributes a Board effectiveness assessment to the directors. This assessment questions members as to their level of satisfaction with the functioning of the Board, its interaction with management and the performance of the standing committees of the Board. Board members conduct peer reviews and a self-assessment regarding their effectiveness as a Board member. Through this assessment process, Board members are given the opportunity and time to reflect on the effectiveness and functioning of the Board, and evaluate the performance of their peer Board members, and the Board as a whole.

To ensure the assessment process is candid, the individual assessments are returned on a confidential basis to the Chair of the Corporate Governance and Nominating Committee. The Committee reviews and discusses the results of the Board effectiveness assessment and makes recommendations to the Board regarding any action that may be deemed necessary or advisable to ensure the Board continues to function effectively and adequately perform its mandate. The Board aims for a 100% compliance rate for completion of the assessment by directors, which was achieved this year. The peer reviews and self-assessments by Directors are considered as part of the director nomination process. Following the assessment process held in 2018, the directors concluded that the Board and the Board committees function very effectively.

Director Education and Orientation

The Board encourages directors and senior management to participate in appropriate professional and personal development activities, courses and programs, and supports management's commitment to the comprehensive training and development of all permanent employees.

With the assistance of the Corporate Governance and Nominating Committee, director education is tailored to the

development of individual directors, committees, and the Board as a whole; and is implemented in the following ways at Lundin Gold:

On-line Board Portal	<ul style="list-style-type: none">•In addition to meeting materials, Lundin Gold's board portal includes a reference manual with corporate information, industry information, regulatory and governance updates and corporate policies. As a hosted website dedicated to our Board, the portal is current and available to directors wherever they are.
Management Presentations	<ul style="list-style-type: none">•At each Board meeting, management prepares and presents relevant information to Board members. Similarly, the Company's legal counsel also provides directors and senior officers of the Company with summary updates of any developments relating to the duties and responsibilities of directors and officers and to any other corporate governance matters. Lundin Gold's Chief Financial Officer ensures that the Audit Committee is apprised of relevant developments and issues.
Third Party Presentations	<ul style="list-style-type: none">•From time to time, a leading national law firm provides topical presentations via webinar to the Board. In addition, the Company's external auditor and financial advisor provide education and materials when requested and warranted.
External Conferences	<ul style="list-style-type: none">•Directors are encouraged to attend external conferences, seminars or courses at Lundin Gold's expense. The Corporate Secretary notifies Board members of relevant educational opportunities from time to time.
Periodic Site Visits	<ul style="list-style-type: none">•In 2017, the Board visited the Fruta del Norte Project and the Company's office in Los Encuentros. Members of the Project Advisory Committee visit the Project more frequently. These visits provide important update on the Project's development. The Board is planning to visit the Project again in the Fall of 2018.
Updates and Subscriptions	<ul style="list-style-type: none">•Management distributes updates, newsletters and articles on industry, the Ecuadorian economy and regulatory information to the Board on a regular basis via email.

All directors are provided with a comprehensive Board orientation manual, reviewed and approved by the Corporate Governance and Nominating Committee. The Board orientation manual includes board and committee mandates,

corporate policies, corporate information, investor relations information, and information regarding director liability, and insider obligations.

Key Corporate Policies

As part of its commitment to best practices, the Board of Directors has implemented key policies as part of the Company's corporate governance framework. These key policies include: the Code of Business Conduct and Ethics, the Anti-Bribery Policy, the Whistleblower Policy, the Disclosure Policy and the Responsible Mining Policy.

The Code of Business Conduct and Ethics

The Company is committed to conducting its business in compliance with the law and the highest ethical standards. The Company has adopted a written Code of Business Conduct and Ethics (the "**Code**") which applies to all directors, officers and employees of the Company. The Code sets out principles and standards for honest and ethical behavior at Lundin Gold and covers the following key areas:

- compliance with applicable laws
- restrictions on engaging in hedging activities with respect to the Shares
- conflicts of interest
- insider trading
- quality of disclosure and accountability
- fostering of a safe, secure and healthy workplace for all of Lundin Gold's employees
- compliance with anti-bribery and corruption laws in Canada and other jurisdictions
- confidentiality and corporate opportunity
- the integrity financial reporting and records
- reporting illegal or unethical behavior

Directors, officers or employees who have concerns about violations of laws, rules or regulations or of the Code are to report them to the Chief Executive Officer, the Chair of the Audit Committee or the Corporate Secretary. Following receipt of any complaints, the Corporate Secretary of the Company or Chair of the Audit Committee, as the case may be, will investigate each matter so reported and report to the Audit Committee. The Audit Committee has primary authority and responsibility for monitoring compliance with and enforcement of the Code, subject to the supervision of the Board.

The Code is available on the Company's website at www.lundingold.com or on SEDAR under the Company's profile at www.sedar.com.

The Anti-Bribery Policy

The Company has also adopted an Anti-Bribery Policy, the purpose of which is to reiterate Lundin Gold's commitment to compliance with the Canada's Corruption of Foreign Public Officials Act ("**CFPOA**"), the U.S. Foreign Corrupt Practices Act ("**FCPA**") and Ecuadorian anti-bribery laws. This policy applies to all directors, officers, employees and agents of the Company and supplements the Code and all applicable laws. The policy provides guidelines for compliance with the CFPOA, the FCPA and the Company's policies applicable to Lundin Gold's operations worldwide. Lundin Gold CEO's is responsible for administering and interpreting the policy under the oversight of the Audit Committee.

The Anti-Bribery Policy is available on the Company's website at www.lundingold.com.

The Whistleblower Policy

The Audit Committee has established a policy and procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters (the "**Whistleblower Policy**"), to encourage employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a

confidential basis free from discrimination, retaliation or harassment.

The Whistleblower Policy is available on the Company's website at www.lundingold.com.

The Disclosure Policy

Lundin Gold has adopted a Disclosure Policy as part of its ongoing commitment to full and fair financial disclosure and best practices in corporate reporting and governance. This policy outlines the internal control structures that Lundin Gold has established to effectively manage the dissemination of material information to the public and remain compliant with all applicable legal and business requirements. This policy also sets out the Company's procedures relating to trading policies and blackout periods.

The Disclosure Policy is available on the Company's website at www.lundingold.com.

The Responsible Mining Policy

Lundin Gold has adopted a Responsible Mining Policy to articulate the Company's commitment to conducting all of its operations and activities in accordance with its core principles including working safely, environmental stewardship and respect in all of its activities. In this policy, Lundin Gold sets out its commitments with respect to transparent and sustainable practices and good corporate citizenship. The Policy also reiterates Lundin Gold's commitment to treating people with dignity and respecting all internationally-recognized human rights. This Policy is reviewed and affirmed by the Board annually and circulated to all employees to reinforce the Company's commitment to and expectations regarding responsible mining.

The Responsible Mining Policy is available on the Company's website at www.lundingold.com.

Shareholder Communications

The Board has put structures in place to ensure effective communication between the Company, its Shareholders and the public. The Company has established an investor relations procedure whereby most Shareholder concerns are dealt with on an individual basis, usually by providing requested information. Significant Shareholder concerns are brought to the attention of management or the Board. Shareholders are informed of developments in the Company by the issuance of timely press releases, which are concurrently posted to the Company's website and filed on SEDAR.

The Board monitors the policies and procedures that are in place to provide for effective communication by the Company with its Shareholders and with the public generally, including effective means to enable Shareholders to communicate with senior management and the Board. The Board also monitors the policies and procedures that are in place to ensure a strong, cohesive, sustained and positive image of the Company with Shareholders, governments and the public generally.

Shareholders, employees or other interested parties may communicate directly with the Chairman of the Board, the Lead Director and other independent directors by writing to them at Lundin Gold's Vancouver office, at the following address:

Lundin Gold Inc.
Suite 2000, 885 West Georgia Street
Vancouver, BC
V6C 3E8
info@lundingold.com

Correspondence should be marked "Confidential" and to the attention of the appropriate party.

COMPENSATION DISCUSSION & ANALYSIS

Since the acquisition of the Fruta del Norte Project, Lundin Gold has been a company in transition. In the last four years, the Company has changed from a relatively inactive company, without a full-time executive team, to an active company on path to production. Over this time, the Board has been responsible for overseeing the expansion of both the management team and the Board to manage and supervise this growth. Consequently, the Compensation Committee has worked since the start of 2015 to implement a compensation program for Lundin Gold which is sufficiently attractive to recruit, retain and motivate high performance executives and directors and align the interests of the Lundin Gold team with those of its Shareholders.

The Compensation Committee has engaged the assistance of a compensation consultant throughout this transition. At the start of 2015, the Compensation Committee retained Global Governance Advisors (“GGA”), a North American independent compensation and governance advisory firm, to assist the Compensation Committee in designing an equitable compensation program for Lundin Gold’s directors and executives. This included developing a compensation philosophy for the Company, recommending both director and officer compensation and designing the executive annual bonus plan.

Given the progress made by the Company and the necessary changes to both the management team and the Board, the Compensation Committee engaged GGA at the end of 2016 to review Lundin Gold’s compensation program for both directors and officers. As at December 31, 2016, GGA billed Lundin Gold an aggregate of CAD\$16,500 plus taxes for these services. This work continued into 2017, and GGA billed Lundin Gold an aggregate of CAD\$52,135 plus taxes for these services.

Year	Compensation Consulting Fees (CAD \$)	All Other Fees
2017	52,135	Nil
2016	16,500	Nil

No other consulting services were provided by a compensation consultant to Lundin Gold, the Board or a committee of the Board in 2016 or 2017.

Director Compensation

Lundin Gold recognizes the contribution that its directors make to the Company and seeks to compensate them accordingly. The Compensation Committee is responsible for making recommendations regarding director compensation for the Board’s consideration and ultimate approval.

The Compensation Committee has set the following objectives for Lundin Gold’s director compensation:

- i. Board compensation should be competitive to attract talent.** Compensation is set at a level that will attract experienced and skilled candidates and retain current directors. Lundin Gold recognizes that there is a lot of competition for qualified directors and that directors must select their directorships wisely due to board limit restrictions being imposed by institutional shareholders.
- ii. Board compensation should award directors appropriately.** Lundin Gold recognizes that directors need to be compensated fairly for their time and efforts required of directors.

- iii. **Board compensation should align the interests of directors with those of the Shareholders.** Lundin Gold’s compensation package, including fees and options, should align directors’ interests with those of its Shareholders.
- iv. **Board compensation should be fair and reasonable.** Lundin Gold seeks to reward its directors reasonably, reflecting the complexities, risks, skill set and value associated with being on the Board. Compensation should be reviewed regularly to ensure that it remains appropriately aligned with the market.

Benchmarking Directors Pay

When first engaged by the Committee in 2015, GGA established a compensation peer group (the “**2015 Comparator Group**”) to define the market which Lundin Gold should use to guide director compensation design and pay levels. The 2015 Comparator Group matrix was developed to include mining companies similarly sized at a similar stage of growth and development, where possible in an emerging market and listed on the TSX.

GGA performed benchmarking within the 2015 Comparator Group and compared results to current trends and emerging practices in the global mining industry, along with the other companies within the Lundin Group. Based on this review, it was determined that the compensation program for Lundin Gold’s directors be structured as follows:

- Annual Cash Compensation: Lundin Gold has chosen an annual fixed board retainer for the non-employee board directors as the competitive foundation of its director compensation program. The Company targets cash compensation for directors at the 50th percentile of its comparator group. The Chairman and Lead Director are paid higher retainers, along with committee members and committee chairs, which serves as additional compensation for the time and expertise required with these additional roles.
- Deferred Compensation: An annual equity grant in the form of options is made to non-employee board members to attract and retain top talent and to motivate high quality performance by directors aligned with Shareholder interests.

Based on the above, Lundin Gold adopted cash compensation for non-employee directors, as follows:

Non-Employee Director Cash Compensation	
Role	CAD(\$)
Chairman	60,000
Lead Director	60,000
Board Member	40,000
Audit Committee Chair	15,000
Other Committee Chairs	10,000
Audit Committee Member	7,500
Other Committee Members	5,000

Based on GGA’s recommendation, Lundin Gold has chosen to use stock options granted pursuant to Lundin Gold’s Stock Option Plan to provide non-employee directors with the balance of their compensation and believes in meaningful option grants at least equal to the cash retainer on an annual basis. The Board believes that option grants help to align directors’ interests with those of Shareholders and provide additional incentive to directors for corporate performance. The Stock Option Plan is described on page 46 of this Circular.

As part of its compensation program review in 2017, GGA updated Lundin Gold’s compensation peer group (the “**2017 Comparator Group**”). The 2017 Comparator Group again includes mining companies similarly sized at a similar stage of growth and development and listed on the TSX. The 2017 Comparator Group includes:

Fortuna Silver Mines Inc.	Klondex Mines Ltd.
Continental Gold Inc.	Premier Gold Mines Ltd.
Trevali Mining Corp.	Mag Silver Corp.
Mandalay Resources Corp.	Roxgold Inc.
Guyana Goldfields Inc.	Lucara Diamond Corp.
Seabridge Gold Inc.	Denison Mines Corp.
Osisko Mining Inc.	Endeavour Silver Corp.

A review of the 2017 Comparator Group compensation practices confirmed that both the structure and the level of Lundin Gold’s director compensation fall within the targeted percentile and are generally consistent with the 2017 Comparator Group.

Lundin Gold also reimburses directors for any reasonable travel and out-of-pocket expenses relating to their duties as directors.

2017 Director Compensation

The table below sets out what Lundin Gold paid to non-employee directors in cash and equity in 2017. Mr. Hochstein did not receive any compensation for serving as a director in 2017, since he was compensated as an officer of the Company.

In 2017, Lundin Gold determined that option grants for non-employee directors should equate to a target value to ensure that overall compensation to directors remains competitive and in line with guidance provided by GGA. The Board, therefore, determined that grants to non-employee directors, the Lead Director and the Chairman should be based on a fixed value of CAD\$100,000, CAD\$130,000 and CAD\$150,000 respectively, to be valued using Black-Scholes methodology, and being priced in accordance with the Company’s Disclosure Policy on the closing price of the Company’s Shares on the TSX on the day before grant.

	Total Fees (\$)¹	Option-based awards (\$)²	Total (\$)
James Cambon ³	14,037	76,883	90,920
Carmel Daniele ⁴	36,097	-	36,097
Ian Gibbs	53,904	76,883	130,787
Chantal Gosselin ³	33,874	88,542	122,416
Ashley Heppenstall	62,366	101,819	164,185
Lukas Lundin	46,204	116,364	162,568
Paul McRae	46,013	76,883	122,896
Pablo Mir ⁵	34,653	76,883	111,536

Notes to 2017 Director Compensation:

1. Compensation was paid in CAD\$ and translated into US\$ using an average annual exchange rate of 1.2986 for 2017 as provided by the Bank of Canada.
2. The Company used the Black-Scholes option pricing model for determining the fair value of stock options issued at grant date. These amounts do not represent actual amounts received by the directors as any gain, if any, will depend on the market value of the Shares on the date that the option is exercised. See Note 2 of the Summary Compensation Table for the assumptions underlying the Black-Scholes option pricing model.
3. Mr. Cambon did not stand for re-election at the 2017 annual general and special meeting of shareholders. Ms. Gosselin was appointed to the Board in March 2017.
4. Ms. Daniele directed the Company to pay cash compensation owing to her as a director to CD Capital, the Shareholder who she represents on the Board. Ms. Daniele is not permitted to receive options from Lundin Gold due to internal restrictions at CD Capital.
5. In 2017, the Company incurred legal fees of \$56,000 to a law firm of which Mr. Mir is a partner. This amount has not been included in Total above, as these amounts are not payable to Mr. Mir and do not relate to his directorship.

Directors' Outstanding Option-Based Awards

The table below sets out for each non-employee director all option-based awards outstanding at the end of 2017. As at December 31, 2017, a portion of these option-based awards has vested. Mr. Hochstein's option grant is discussed under his executive compensation below. See "Executive Compensation" on page 34.

Name	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date	Value of unexercised in-the-money options ¹ (CAD\$)
James Cambon ²	37,000	5.15	February 27, 2022	Nil
	60,000	4.13	February 23, 2021	24,000
	60,000	4.00	February 23, 2020	31,800
	80,000	3.75	May 26, 2019	62,400
Carmel Daniele ³	Nil			N/A
Ian W. Gibbs	37,000	5.15	February 27, 2022	Nil
	60,000	4.13	February 23, 2021	24,000
	60,000	4.00	February 23, 2020	31,800
	80,000	3.75	May 26, 2019	62,400
Chantal Gosselin	37,000	5.94	March 16, 2022	Nil
Ashley Heppenstall	49,000	5.15	February 27, 2022	Nil
	100,000	4.13	February 23, 2021	40,000
	80,000	3.75	May 14, 2020	62,400
Lukas Lundin	56,000	5.15	February 27, 2022	Nil
	60,000	4.13	February 23, 2021	24,000
	60,000	4.00	February 23, 2020	31,800
	120,000	3.75	May 26, 2019	93,600
Paul McRae	37,000	5.15	February 27, 2022	Nil
	100,000	4.13	February 23, 2021	40,000
	120,000	4.00	February 23, 2020	63,600
Pablo J. Mir	37,000	5.15	February 27, 2022	Nil
	100,000	4.13	February 23, 2021	40,000
	100,000	4.00	February 23, 2020	53,000

Notes:

1. Calculated using the closing price of the Shares on the TSX on December 31, 2017 of CAD\$4.53 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise.
2. In recognition of Mr. Cambon's long service to the Board and in accordance with their authority to do so under the Stock Option Plan, the Board varied the termination of Mr. Cambon's outstanding options upon his resignation so that Mr. Cambon's options continue until their original expiry date.
3. Ms. Daniele is not permitted to receive options from Lundin Gold due to internal restrictions at CD Capital.

Value Vested or Earned During 2017

The following table sets out for each non-employee director the value of the Company's option-based equity plan compensation vested or earned during the financial year ended December 31, 2017. The Company does not have non-equity incentive plan compensation for directors.

Name	Option-based awards Value vested during the year ¹ (CAD\$)
James Cambon ²	23,100
Carmel Daniele ³	-
Ian Gibbs	23,100
Chantal Gosselin	Nil
Ashley Heppenstall	43,200
Lukas Lundin	23,100
Paul McRae	43,800
Pablo Mir	38,500

Notes:

1. Calculated using the closing price of the Shares on the TSX on December 31, 2017 of CAD\$4.53 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise.
2. In recognition of Mr. Cambon's long service to the Board and in accordance with their authority to do so under the Stock Option Plan, the Board varied the termination of Mr. Cambon's outstanding options upon his resignation so that Mr. Cambon's options continue until their original expiry date.
3. Ms. Daniele is not permitted to receive options from Lundin Gold due to internal restrictions at CD Capital.

Executive Compensation

This section of the Circular discusses Lundin Gold’s executive compensation program and the pay decisions affecting its Named Executive Officers (“NEOs”). The Company had five NEOs in 2017, as set out on the table below.

Lundin Gold’s NEOs for 2017

NEO	Position during 2015	Basis
Ron F. Hochstein	President and Chief Executive Officer	The Chief Executive Officer qualifies as an NEO under Canadian securities laws.
Alessandro Bitelli	Executive Vice President and Chief Financial Officer	The Chief Financial Officer qualifies as an NEO under Canadian securities laws.
David Dicaire	Vice President, Projects	Mr. Dicaire was one of the three most highly compensated executive officers, excluding the CEO and the CFO, at the end of the year.
Nathan Monash	Vice President, Business Sustainability	Mr. Monash was one of the three most highly compensated executive officers, excluding the CEO and the CFO, at the end of the year.
Iliana Rodriguez	Vice President, Human Resources	Ms. Rodriguez was one of the three most highly compensated executive officers, excluding the CEO and the CFO, at the end of the year.

The Objectives of the Company’s Compensation Program

Since the acquisition of the Fruta del Norte Project at the end of 2014, Lundin Gold has been growing rapidly, and the demands of the Project have increased.

Over the last three years, the management team has achieved significant milestones to ensure that the Project could be developed according to the established timelines. During this time, Lundin Gold has executed key mining conventions with the Government of Ecuador, completed a feasibility study for the Project, moved the Project to exploitation under Ecuadorian mining laws, obtained key permits including environmental licenses for the Project itself and for the construction of the power transmission line and made significant strides towards completion of the Project’s financing. Activity at the Project has increased dramatically over the last three years as well. In 2017, Lundin Gold commenced mine development in earnest and hit the key milestone of blasting into hard rock in both declines before the end of the year.

Being fully cognizant of the demands of this Project, the Compensation Committee has set three objectives for the Company’s compensation program:

1. Align the interests of its executive officers with the long-term interests of the Company and its Shareholders.
2. Link compensation to the performance of both Lundin Gold and the executive.
3. Compensate executive officers at a level and in a manner that ensures that Lundin Gold can attract and retain talented executives.

Managing Risk

When determining an executive’s compensation package, the Compensation Committee seeks to balance annual performance incentives, which are awarded based on success against pre-established short-term corporate and individual goals, with long-term incentive payments, including stock option grants under Lundin Gold’s Stock Option Plan, to drive longer term performance. In doing so, the Compensation Committee considers the implications of each of the various components of the Company’s compensation policies and practices to ensure that executive officers are not inappropriately motivated towards shorter-term results or excessive risk taking or illegal behaviour.

When Lundin Gold’s compensation program was designed and implemented with the assistance of GGA, GGA conducted testing to determine whether the compensation program incents excessive risk-taking and concluded

that it does not encourage excessive risk taking due to the strategies employed by the Compensation Committee, including:

1. Reviewing and approving annual individual objectives of executives and then assessing performance against these objectives when awarding the individual performance component of the annual bonus;
2. Capping payments under the annual incentive plan (the “**Bonus Plan**”) as a multiple of an executive’s base salary;
3. Considering the Company’s performance relative to its peers when reviewing the corporate performance component of the NEO’s annual bonus;
4. Setting standard vesting terms on stock option grants which align optionees’ interests with longer term growth of the Company, using 6-month, 12-month and 24-month vesting provisions and five-year option terms;
5. Implementing double-trigger termination clauses in the event of a change of control in executives’ employment agreements;
6. Acknowledging the Board’s role in overseeing compensation policies and practices and exercising discretion to adjust payouts up or down; and
7. Prohibiting Lundin Gold’s directors and officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Shares.

In 2017, the Board adopted the Executive Compensation Recovery Policy, known as the Claw Back Policy, which gives Lundin Gold the right to recover financial performance based compensation (including both cash and equity) from the Chief Executive Officer and the Chief Financial Officer or any other officer as determined by the independent directors on the Board in the event of a material restatement of previously issued financial statements, due to misconduct as defined in the Policy, or in the event of fraud, theft, embezzlement or serious misconduct.

Compensation Decision-Making

The Compensation Committee reviews all of Lundin Gold’s policies and programs relating to executive compensation and makes recommendations to the Board. This process involves:

Benchmarking

When first setting the Company’s compensation, the Committee undertook an extensive review of the compensation practices of the 2015 Comparator Group and trends and emerging practices in the global mining industry and the other companies within the Lundin Group, with the counsel of the GGA. The Compensation Committee is required to review the Company’s compensation package annually, to determine if any modifications are required and to conduct further benchmarking as and when necessary. The Compensation Committee reviewed its practices in February 2017 against the 2017 Comparator Group. Based on this benchmarking, Lundin Gold compensation falls within the median of the 2017 Comparator Group.

Establishing objectives to measure performance

The objectives of the CEO are reviewed by the Compensation Committee and recommended to the Board for ultimate approval. The Compensation Committee reviews and approves the annual objectives of the other NEOs, as set forward by the CEO.

Evaluating performance

The performance of the CEO is reviewed by the Compensation Committee and reported to the Board. The performance of the other NEOs is reviewed by the CEO and reported to the Compensation Committee.

Determining compensation packages

The CEO's base salary and bonus rewards are determined by the Compensation Committee and recommended to the Board for ultimate approval. The base salaries and bonuses of the other NEOs are reviewed and approved by the Compensation Committee. The Board approves all stock option grants.

Compensation Framework

The Company uses three key compensation components to achieve the executive compensation program's objectives: base salary, the short-term Bonus Plan and long-term incentives.

Base Salary

Base salary is a fixed component of pay that compensates executives for fulfilling their roles and responsibilities and aids in attracting and retaining the qualified executives. Base salaries are reviewed annually to ensure that they reflect how an individual fulfills his responsibilities and to ensure that Lundin Gold's compensation stays competitive.

In 2015, Lundin Gold also implemented an ex-patriate compensation policy (the "Ex-Pat Policy") which is designed to compensate the Company's employees who have agreed to relocate to Ecuador as a term of their employment. Under the Ex-Pat Policy, eligible employees are entitled to a moving allowance, an accommodation allowance, health care coverage, club benefits, an education amount for each child in their family and allowance for travel home on an annual basis. Messrs. Dicaire, Hochstein and Monash receive benefits under the Ex-Pat Policy.

Annual Performance Incentives: The Bonus Plan

Lundin Gold's annual performance incentive is a short-term variable element of compensation in the form of a cash bonus. The Board has approved the Bonus Plan for Lundin Gold's CEO, CFO and Vice-Presidents.

Depending on an executive's position within the Company, his or her bonus represents a varying percentage of his or her target total compensation as shown below.

Position	Target Incentive % of Base Salary
CEO	50%
CFO	45%
Vice-Presidents	40%

Improving Shareholder value through corporate performance is a key objective for the Company. Linking corporate and personal performance to support this goal, Lundin Gold has incorporated two performance measures into its bonus calculations:

- Corporate performance
- Individual performance

Under the Bonus Plan, corporate performance metrics are identical for all participants. Individual performance metrics are specific to each participant based on their role.

Due to the fiscal demands of the Project, management recommended to the Compensation Committee in 2016 that no bonuses be paid under the Bonus Plan for that fiscal year. The Compensation Committee decided that performance would be measured over 2016 and 2017 (the “Two-Year Plan”) and assessed for pay-out by the Committee in 2018. In 2018, the Bonus Plan would revert to a one-year plan.

The Two-Year Plan (2016 and 2017)

Corporate Performance Measures: Lundin Gold measures corporate performance based on three factors: Total Shareholder Return (“TSR”), Project Execution and Financing. Under the Two-Year Plan, the weighting of the factors within the Corporate Performance metrics varies between the CEO, the CFO and VPs.

TSR is measured using recognized and objective measurements for Shareholders intended to capture the performance of an investment in Lundin Gold Shares against a comparable investment. TSR measures, on the last day of the year, how well management has enhanced Lundin Gold’s Share price.

$\text{Total Shareholder Return} = \frac{[\text{Ending Share Price} - \text{Starting Share Price} + \text{Dividends}]}{\text{Starting Share Price}}$
--

Shareholder Return Relative to Industry measures the return of Lundin Gold’s Shareholders’ relative to the S&P/TSX Global Gold Index as follows:

Threshold Performance	Target Performance	Breakthrough Performance
Index Return – 500 bps	Match Index Return	Index Return + 500 bps

The actual Corporate Performance Measures are determined at the end of the fiscal year and measure performance for that year.

Under the Two-Year Plan, NEO performance under Project Execution was to be measured against four important objectives, including: completion of the feasibility study; attainment of the Project environment licence; completion and issuance of the results of the Project update (the “PPR”); and, maintaining the Project schedule.

Individual Performance Measures: This category is comprised of both quantitative and qualitative performance metrics and measures the performance of individual plan participants against specified business objectives based on the participant’s role and responsibilities.

The Individual Performance measures are a mixture of easily calculated measures and more subjective measures which require judgment and cannot be strictly measured. Each year, the CEO meets with the executives to develop a set of Individual Performance Measures and to set objectives for the year, which are then presented to and approved by the Compensation Committee. The CEO also presents his Individual Performance Measures to the Compensation Committee for recommendation to the Board for approval.

Impact of the HSE Factor

Lundin Gold is committed to responsible mining, which entails conducting its affairs in a manner that respects health, safety and the environment. Consistent with this commitment, Lundin Gold has applied an HSE factor to bonus calculations so that the Compensation Committee can determine how well the Company accounted for and managed its environmental impact and protected against health and safety issues over the period. This

determination is then applied to increase payouts by up to 10% or decrease payouts by up to 25% based on a consideration of the following factors:

Total recordable injuries	Environmental incident rate
Lost time injury frequency	Fatalities
Receipt of safety awards	Project delays imposed by regulators
Equipment damage	

The HSE Factor is calculated as follows:

Threshold Performance	Target Performance	Breakthrough Performance
No project delays imposed by regulators	Threshold performance plus no lost time accidents	Target performance plus safety and environmental awards
No material fines imposed	100% environmental compliance	No equipment damage
Lost time injury frequency <2.0	Incident rate <2.0	No medical aids

The incident rate is based on lost time and medical aid incidents. In the event of a fatality, the HSE factor is automatically set to 75% for all Bonus Plan participants.

Incentive Calculation Methodology

The following table below provides information about the performance measure categories and their weight for each executive.

	Corporate (%)	Individual (%)
CEO	75	25
CFO	65	35
VP	50	50

Quantitative performance is calculated as against the performance levels determined at the beginning of the performance period as follows:

Performance Assessment	Payout Multiplier
Breakthrough Performance	200%
Above Target Performance	Linear interpolation
Target Performance	100%
Above Threshold Performance	Linear interpolation
Threshold Performance	50%
Below Threshold Performance	0%

Long-Term Incentives

Stock option grants to executives play an important role in helping Lundin Gold meet the objectives of its compensation program. Stock options reward long-term growth and an appreciation in Share price thus creating Shareholder value.

Lundin Gold's Stock Option Plan is described in detail on page 46 of this Circular. Stock option grants are made annually following the release of year end results and are priced in accordance with the Stock Option Plan and the Company's Disclosure Policy. Except in the case of options granted to Project staff, vesting is uniform, with 20% of the options granted vesting on the sixth month anniversary of the grant, 30% on the first anniversary of the grant and the remainder vesting on the second anniversary of the grant. All options granted have a five-year term. In the case of Project staff, all options granted vest on December 31, 2019 as an incentive to these critical employees to stay with the Project through to anticipated first production.

The magnitude of a grant for an employee is based on an employee's level of responsibility and ability to impact the Company's results.

2017 NEO Compensation Results

Base Salaries

With the assistance of GGA, the Compensation Committee conducted its annual review of salaries in February 2017 against the 2017 Comparator Group. GGA also reviewed Lundin Gold's compensation philosophy with the Committee and did not recommend any changes to that philosophy in 2017.

Out of this review, the Compensation Committee concluded that, except for the CEO's compensation, the Company's executive base salaries are competitive and above the median quartile in the marketplace. Mr. Hochstein's compensation, however, fell within the lower end of the 2017 Comparator Group. Accordingly, the CEO's salary was increased from CAD\$400,000 to CAD\$465,000 effective January 1, 2017. No other adjustments were made to NEO base salaries in 2017.

Bonus Payments under the Two-Year Plan

Bonus payments are intended to be made during the first quarter of the succeeding year, coincident with the announcement of year end results. Due to the fiscal demands of the Project, management recommended to the Compensation Committee in 2016 that no bonuses be paid under the Bonus Plan for that fiscal year. Instead, 2016 and 2017 performance was measured pursuant to the Two-Year Plan and assessed by the Committee in 2018. Because of the timing of the Company's equity financing in the first quarter of 2018, bonus entitlements were not calculated until after the release of the 2017 year-end results. Accordingly, bonuses paid under the Two-Year Plan have been recorded as income to the NEOs in 2018.

Calculation of Corporate Performance Metrics under the Two-Year Plan:

The Compensation Committee made the following decisions:

- The TSR component of Corporate Performance was set at below Threshold for 2016 and 2017, based on Lundin Gold Shareholder return in 2016 (36.6%) and 2017 (-13.8%) compared to S&P/TSX Global Gold returns (44.6%) for 2015 and (0.6%) in 2017.
- Under Project Execution, the Compensation Committee determined that performance against the feasibility study objective rated Target Level. The feasibility study was completed on schedule. The Environmental License for the Project was received early in the fourth quarter thereby rating an assessment between Threshold and Target. Performance against the PPR and Project Schedule objectives were rated at Target level. The results of the PPR were issued with more than a 5% increase in project NPV compared to the feasibility study. Commencement of portal construction started according to schedule in May 2017.
- The Compensation Committee determined that the Financing Component of Corporate Performance rated between Target and Breakthrough given the significant progress made over the two years. The Committee noted the successful completion of the project lending package with Orion, the signing of commitment letters with a group of senior banks, and negotiations with potential strategic investors, which culminated in the investments in Lundin Gold by Newcrest, Orion, Zebra and Lorito early in 2018.

Calculation of Individual Performance Metrics under the Two-Year Plan:

In 2016, the Board approved individual objectives for Mr. Hochstein under the Two-Year Plan. The Board assessed Mr. Hochstein's performance over 2016 and 2017 against these objectives in March 2018 to calculate his entitlement under the Two-Year Bonus Plan.

The Board determined that Mr. Hochstein's performance exceeded expectations on all his key objectives.

Two-Year Bonus Plan Objective	Assessment
Assemble and build a strong project team to develop Fruta del Norte.	✓ A strong team has been assembled, with all key positions filled as needed and appropriate levels of expertise where required. The Project is advancing according to schedule and is on budget.
Continue and enhance government relations as Ecuador transitions following 2017 elections.	✓ Lundin Gold's relations with the Government of Ecuador remained positive over 2016 and 2017, and the Company has established good relations with the new government established by Alianza País and President Moreno following the 2017 election. The Company continues to work well with and receives good support from all levels of government in the country.
Maintain the Company's social licence and support from local communities and the Catholic Church in Ecuador.	✓ There is strong community support for the development of Fruta del Norte. This support is maintained through active ongoing engagement with a wide range of stakeholders. In addition, the Company has made local employment and procurement a priority. Lundin Gold also runs an active community investment program which focuses on infrastructure development and strengthening local economic activity.
Maintain positive and constructive culture.	✓ The work environment at Lundin Gold is positive, and there is a strong commitment to the Company's fundamental principles of working safely, environmental stewardship and respect. Lundin Gold is a desirable employer for whom to work in Ecuador as is evidenced by the Company's ability to recruit top executive talent and significant numbers of employees in a short period of time. Employee attrition is low.

The Compensation Committee assessed the performance of Lundin Gold's other NEOs against their objectives under the Two-Year Bonus Plan. The results of this assessments are summarized below.

- **Bitelli:** Mr. Bitelli's individual objectives were all tied to the Company's critical project financing. He was responsible for the structuring of the debt, ensuring that the Project did not experience a cash shortfall on the transition from Early Works to Project development and advancing PRI insurance or an alternate cover from ECA-type parties. Given Lundin Gold's closing of the Orion financing package, significant progress on its lending package from Mr. Bitelli's appointment as CFO in mid-2016 to the end of 2017, the Compensation Committee determined that Mr. Bitelli achieved Breakthrough performance on each of his objectives.
- **Dicaire:** Mr. Dicaire's individual objectives all related to project execution. Mr. Dicaire's performance on his objectives rated between Target and Breakthrough. Mr. Dicaire has overall responsibility for the Project and, as such, is responsible for the performance of the Project Team and contractors. Overall, the Project is proceeding well, and the tasks are largely being completed according to schedule. The Compensation Committee concluded that the Project Team was well assembled and functioning well. In addition, it noted that the Project's safety record was good over the two-year assessment window. Early Works were completed under budget and according to the Project's critical path.

- *Monash*: As the Vice-President Business Sustainability, Mr. Monash's objectives under the Two-Year Plan related to maintaining and managing the Company's reputation and relationships in Ecuador. He performed at a Breakthrough level in relation to crisis and risk management systems and political engagement and monitoring. Mr. Monash's objectives focused on community engagement were similarly rated. The Company is active in community round tables, and community investment is being driven by roundtable results. Lundin Gold has also implemented a successful grievance mechanism for the communities, with the vast majority of grievances being managed according to internal procedures. Mr. Monash's objectives tied to external communications, including social media engagement in Ecuador and completion of an inaugural sustainability report last year, rated Target level performance.
- *Rodriguez*: Ms. Rodriguez' objectives over 2016 and 2017 were focussed on meeting the needs of Project to rapidly increase workforce, including recruitment, orientation and training. On these various objectives, Ms. Rodriguez' performance averaged at about Target level. Critical objectives for Project, Ms. Rodriguez scored at a Breakthrough level for labour approvals which allow for optimal work schedules and conditions for Project execution. Ms. Rodriguez also oversees the Company's internal communications and branding and scored at a Breakthrough level on objectives related to launching initiatives tied to increasing corporate awareness and internal communications in 2017.

The Committee reviewed the HSE factor to be applied to the Two-Year Bonus Plan. Based on the 2016 and 2017 environment, health and safety performance, a Target performance level, translating into an HSE Factor of 1.0 was set.

NEO scoring and bonus participation under the Two-Year Bonus Plan was as follows:

NEO	Corporate Performance	Individual Performance	Total Performance	HSE Factor	Two-Year Bonus \$
Ron Hochstein	51/150	37.5/50	88.5/200	1.0	CAD447,638
Alessandro Bitelli ¹	37.5/130	70/70	107.5/200	1.0	CAD313,031
David Dicaire ¹	31.9/100	75/100	106.9/200	1.0	234,990
Nathan Monash	33.75/100	66/100	99.75/200	1.0	196,930
Iliana Rodriguez ¹	33.75/100	70.8/100	104.6/200	1.0	135,328

Notes:

1. NEO eligibility was adjusted under Two-Year Plan due to appointment as an officer of Lundin Gold during 2016 as follow: (i) Bitelli, July 1, and (ii) Dicaire and Rodriguez, September 8.

2017 Long-Term Incentive Grants

Lundin Gold's NEOs each received annual stock grants in February 2017, as detailed in the Summary Compensation Table on page 43 of this Circular. There were no options held by the NEOs that were re-priced downward during the most recently completed financial year of the Company.

Compensation benefits upon termination for the NEOs are discussed in detail on page 45 of this Circular.

Performance Graph

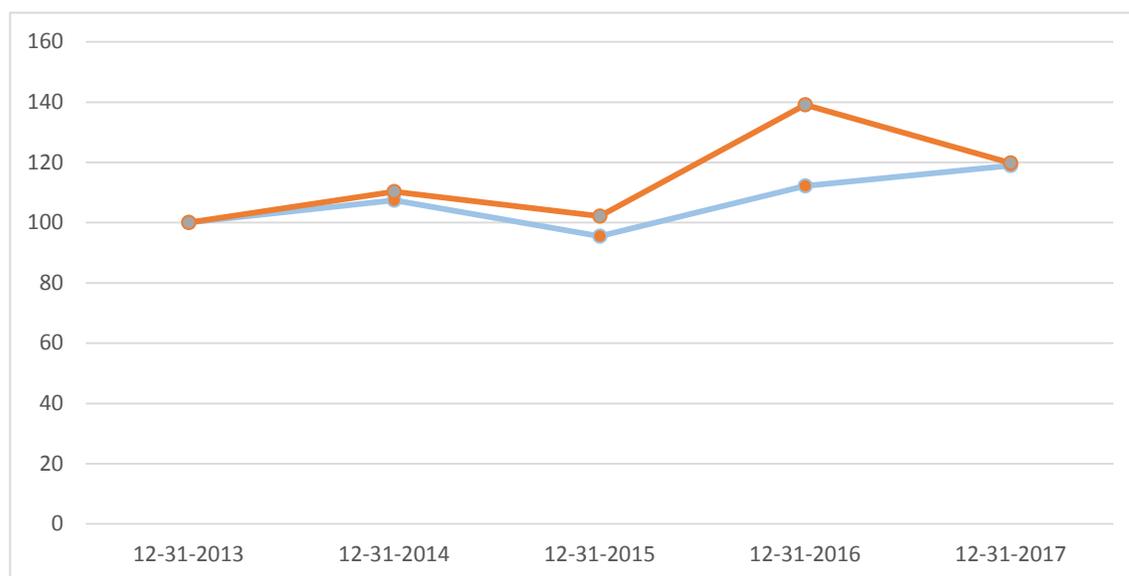
On December 19, 2014 the Shares commenced trading on the TSX under the trading symbol "LUG" and commenced trading on the Main Market of Nasdaq Stockholm under the trading symbol "LUG" on December 22, 2014. Prior to

that time, the Shares traded on the NEX board of the TSX Venture Exchange (“TSX-V”) under the trading symbol “FST.H”.

The following graph compares the cumulative total Shareholder return for CAD\$100 invested in the Shares for the Company’s five most recently completed financial years with the cumulative total Shareholder return of the TSX Index for the same period.

The Share performance as set out in the graph does not necessarily indicate future price performance. For illustrative purposes only, the reference to “LUG” below means the Shares traded on the TSX-V until December 18, 2014 and then the TSX for the remainder of the time.

Cumulative Value of \$100 Investment



	2013	2014	2015	2016	2017
TSX	\$100.00	107.42	95.51	112.23	\$119.00
LUG	\$100.00	110.32	102.17	139.15	119.84

Five-Year Trend in NEO Total Compensation Compared to Lundin Cumulative Value of \$100 Investment

Lundin Gold did not pay its executive officers any compensation until 2015, except for a small amount paid to Mr. Hochstein on an interim basis starting on December 17, 2014 when he was appointed President and Chief Executive Officer.

As reflected in the performance graph above, the market performance of the Company’s Shares has generally trended upwards over the last five years. Compensation paid to the Company’s senior executive officers since 2014 has remained constant, with the exception of an increase in base salary to Mr. Hochstein to bring it within the median range of the 2017 Comparator Group.

The Company does not directly tie increases or decreases in the level of executive compensation year over year, if any, to the increases or decreases in the market performance of the Shares. That being said, the value of any equity component of executive compensation from time to time will naturally fluctuate along with any fluctuation in the market performance of the Shares.

Summary Compensation Table

The table below is a summary of base salary, incentive-based awards and other compensation awarded to the NEOs in the last three financial years. None of the NEOs received any share-based awards or any non-equity awards under a long-term incentive plan. The Company does not have any defined benefit or actuarial plans for active employees.

Name and Principal Position	Year	Salary (\$)	Option-based awards ² (\$)	Non-equity	All other compensation ³ (\$)	Total compensation (\$)
				Annual Incentive Plans (\$)		
Ron F. Hochstein ⁴ President and CEO	2017	358,078	357,404	Nil	65,217	780,699
	2016	301,932	475,476	150,966	73,912	1,002,286
	2015	273,716	666,677	Nil	327,616	1,268,009
Alessandro Bitelli ^{1,4} Executive Vice President & Chief Financial Officer	2017	269,521	280,521	Nil	Nil	550,042
	2016	132,095	384,992	Nil	Nil	517,087
David Dicaire ¹ Vice President, Projects	2017	300,000	168,312	Nil	141,931	610,243
	2016	212,500	232,771	Nil	56,560	501,831
Nathan Monash ¹ Vice President, Business Sustainability	2017	235,000	130,910	Nil	106,040	471,950
	2016	235,000	194,945	72,333	103,571	605,849
	2015	174,385	150,632	Nil	178,134	503,151
Iliana Rodriguez, Vice President, Human Resources	2017	230,888	135,065	35,069	69,996	471,018
	2016	227,118	76,076	58,050	35,149	396,393
	2015	210,903	79,108	Nil	104,976	394,987

Notes to Summary Compensation Table:

- The respective dates of hire are as follows: Bitelli: July 1, 2016; Monash: April 6, 2015; Dicaire: April 15, 2016.
- The value of the stock option grants has been determined using the Black-Scholes models on the date of grant and is consistent with the determinations used for financial statement purposes. The Company selected the Black-Scholes model given its prevalence of use within North America. It should be recognized that the actual future value will be based on the difference between the market value at time of exercise and the exercise price. Therefore, the value attributed to the stock options under the Black-Scholes model does not necessarily correspond to the actual future value that will be realized. The Black-Scholes option pricing model incorporates the following assumptions:

	2015	2016	2017
Risk-free interest rate	0.60%	0.54%	1.10%
Expected stock price volatility	64.83%	60.85%	61.85%
Expected life	5 years	5 years	5 years
Expected dividend yield	-	-	-
Weighted-average fair value per option granted (CAD)	\$2.10	\$2.25	\$2.71

- Except as disclosed, perquisites have not been included as they do not reach the prescribed threshold of the lesser of CAD\$50,000 and 10% of total salary for the financial year. In 2016 and 2017, All Other Compensation includes amounts paid pursuant to the Company's Expat Compensation Policy (the "Expat Policy"). The Expat Policy provides compensation to employees who relocate to Ecuador to offset the impact of the relocation and compensate for a portion of the living expenses incurred in Ecuador. Benefits under the Policy include housing allowance, moving and relocation cost, health care, club membership and schooling. For Mr. Dicaire in 2017 and 2016, All Other Compensation also includes his signing bonus of \$50,000 and \$25,000, respectively. For Ms. Rodriguez in 2015, All Other Compensation includes her signing bonus of

\$69,660.

4. Compensation was paid in CAD\$ and translated into US\$ using average annual exchange rates of (i) 1.2986 for 2017, (ii) 1.3248 for 2016, and (ii) 1.2787 for 2015, as provided by the Bank of Canada.

Incentive Plan Awards

The Company employs two forms of incentive plans to award its employees for individual and Lundin Gold performance, namely option-based awards and non-equity based awards in the form of cash bonuses. The Company does not have a share-based incentive plan.

Outstanding Option-Based Awards

The following table sets out for each NEO the number and value of options outstanding on December 31, 2017.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (CAD\$)	Option Expiration Date	Value of Unexercised In-the-money Options (CAD\$) ¹
Ron F. Hochstein	172,000	5.15	February 27, 2022	Nil
	300,000	4.13	February 23, 2021	120,000
	400,000	4.00	February 23, 2020	212,000
	80,000	3.75	May 26, 2019	62,400
Alessandro Bitelli	135,000	5.15	February 27, 2022	Nil
	175,000	5.79	August 2, 2021	Nil
David Dicaire	81,000	5.15	February 27, 2022	Nil
	105,000	5.84	June 7, 2021	Nil
Nathan Monash	63,000	5.15	February 27, 2022	Nil
	123,000	4.13	February 23, 2021	49,200
	95,000	3.69	April 9, 2020	79,800
Iliana Rodriguez	65,000	5.15	February 27, 2022	Nil
	48,000	4.13	February 23, 2021	19,200
	50,000	3.75	May 14, 2020	39,000

Note:

1. Calculated using the closing price of the Shares on the TSX on December 31, 2017 of CAD 4.53 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise.

Value Vested or Earned in 2017

The table below sets out information concerning the value of incentive plan awards, including option-based and non-equity incentive plan compensation, vested or earned during the financial year ended December 31, 2017 for each NEO.

Name	Option-based awards – Value vested during the year ¹ (CAD\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Ron F. Hochstein	142,000	Nil
Alessandro Bitelli	Nil	Nil
David Dicaire	Nil	Nil
Nathan Monash	54,660	Nil
Iliana Rodriguez	25,260	Nil

Note:

1. Calculated using the closing price of the Shares on the TSX on December 31, 2017 of CAD 4.53 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise.

Termination and Change of Control Benefits

The NEOs all have executive employment agreements with the Company which provide protection to the employee in the event of termination without cause. The quantum of notice of termination or payment in lieu varies under each contract (the “**Notice Amount**”) as follows:

NEO	Notice Amount
Ron Hochstein	24 months’ base salary
Alessandro Bitelli	18 months’ base salary
David Dicaire	12 months’ base salary
Nathan Monash	12 months’ base salary
Iliana Rodriguez	12 months’ base salary

All of Lundin Gold’s NEOs are entitled to his or her Notice Amount under his or her respective contract in the event of a “Change of Control” which results in either his or her termination or resignation for “Good Reason” within six months of the Change of Control event. The Good Reason clause is intended to protect the NEOs from the terms of his or her employment being materially altered after a Change of Control event.

Messrs. Hochstein, Dicaire and Monash are also entitled to a repatriation allowance in the event of termination without cause to compensate them for the cost of relocating from Ecuador.

Under the Stock Option Plan, all options vest immediately following a “Change of Control”. A Change of Control is a defined term in the Stock Option Plan and covers a range of possible corporate transactions such as the acquisition of 40% or more of the then outstanding Shares or a sale by the Company of substantially all of its assets. In the event of termination without cause, options expire 30 days’ after the termination date. According to the NEOs’ contracts, this period is extended to 90 days.

The NEOs contracts provide that no Notice Amount is owed upon termination for just cause. But for Ms. Rodriguez’s employment, the NEO contracts provide that no Notice Amount is owed upon termination to permit employment with another entity associated directly or indirectly with the Lundin family. In this latter scenario, the NEOs outstanding stock options will not terminate as they normally would under the Stock Option Plan. Instead, the options will remain outstanding according to their original terms.

The table below is a summary of the compensation that would have been paid to the NEOs if any of them had been terminated without cause on December 31, 2017. The table also shows the value of their options in the event of a termination without cause in the event of a change of control.

Termination Payouts

NEO	Notice Amount	Value of Options ¹	Additional Amounts	Total
Ron Hochstein ²				
• Termination Without Cause	716,156	257,509	251,483	1,225,148
• Loss of Employment due to Change of Control.	716,156	303,712 ³	251,483	1,271,351
Alessandro Bitelli ²				
• Termination Without Cause	404,282	Nil	-	404,282
• Loss of Employment due to Change of Control.	404,282	Nil ³	-	404,282
David Dicaire				
• Termination Without Cause	300,000	Nil	37,063	337,063
• Loss of Employment due to Change of Control.	300,000	Nil ³	37,063	337,063
Nathan Monash				
• Termination Without Cause	235,000	80,394	53,964	369,358
• Loss of Employment due to Change of Control.	235,000	99,338 ³	53,964	388,302
Iliana Rodriguez				
• Termination Without Cause	230,888	37,425	-	268,313
• Loss of Employment due to Change of Control.	230,888	44,817 ³	-	275,705

Notes to Termination Payouts:

- Option values have been calculated assuming that the NEO exercises all vested options on December 31st and using the closing price of the Shares on the TSX on December 31, 2017 of CAD 4.53, less the applicable exercise price of the outstanding options. Amounts have been translated into US\$ using the average annual exchange rate of 1.2986 for 2017 for illustrative purposes.
- Amounts would be payable in CAD\$ and have been translated into US\$ using an average annual exchange rate of 1.2986 for 2017 for illustrative purposes.
- Under the Stock Option Plan, all options vest immediately in the event of a Change of Control. The value shown represents the incremental value of the NEOs' unvested options as at December 31, 2017 which vest on a change of control.

Lundin Gold's Stock Option Plan

Lundin Gold has implemented a share option plan (the "**Stock Option Plan**" or the "**Plan**"), which was approved by the Shareholders in 2014 and amended in 2017. The purpose of the Stock Option Plan is to attract, retain and motivate the Company's directors, officers, key employees and consultants and to align their interests with those of the Company and its Shareholders. The Compensation Committee administers grants under the Stock Option Plan. All grants are subject to the approval of the Board.

The Stock Option Plan is a rolling stock option plan, reserving an aggregate of 10% of the issued and outstanding Shares of the Company for issuance upon the exercise of options.

Below are the key provisions of the Stock Option Plan:

- The Company's directors, officers, employees and consultants of the Company are eligible to participate under the Stock Option Plan.
- Subject to any permitted extension due to blackout, options cannot have a term of over ten years; however, the Board has adopted a practice of granting options with five-year terms, with 20% vesting on the six-month anniversary, 30% on the first anniversary and the remainder on the second anniversary from the

grant date. Under the terms of the Plan, any vesting schedule is within the discretion of the Board. The Compensation Committee considers previous grants when it considers new grants of options.

- Grants are typically done annually. The Board fixes the exercise price of an option at the time of the grant at the TSX closing price of Shares on the trading day immediately before the date of the grant, and the exercise price cannot be lower than this price.
- If a director, officer, employee or consultant leaves the Company, all of their options will expire 30 days after they cease to be a director or employee. In certain cases, individual employment agreements may vary expiry periods upon a Change of Control. If termination is for just cause, however, all options terminate immediately upon notice. See “Termination and Change of Control Benefit” starting on page 45 for more information.
- If a director, officer, employee or consultant dies, their legal representatives may exercise the options held by the participant, within a period after the date of the participant’s death as determined by the Board, provided that no option may remain outstanding for any period which exceeds the earlier of (i) the expiry date of such option; and (ii) 12 months following the date of death of the participant, but only to the extent the options were by their terms exercisable on the date of death.
- The Stock Option Plan provides that options granted to a consultant will terminate 30 days after the consultant agreement terminates.
- There are certain limits under the current Plan:
 - No more than 10% of total Shares issued and outstanding can be reserved for issuance to insiders at any one time under the Stock Option Plan and any other security-based compensation arrangement.
 - No more than 10% of total Shares issued and outstanding can be issued to all insiders in a one-year period under the Stock Option Plan and any other share compensation arrangement.
 - No more than 5% of total Shares issued and outstanding can be issued to any one insider (or an associate of such insider) in a one-year period under the Stock Option Plan.
 - No more than 5% of total Shares issued and outstanding can be reserved for issuance to any one person in a one-year period under the Stock Option Plan.
 - The number of Shares issuable under the Stock Option Plan to non-employee directors is capped at 1% of the Company’s issued and outstanding capital (non-diluted).
 - The award value of all equity-based compensation to any non-employee director is capped at CAD\$150,000 per year (and only CAD\$100,000 may be awarded in options).
- Grants under the Plan are subject to the Company’s Claw-Back Policy.
- Options cannot be transferred to another person.
- The following kinds of changes require Shareholder approval under the terms of the Stock Option Plan:
 - any change to the number of Shares that can be issued under the Plan

- any amendment to the insider participation limits in the Plan
 - any change that increases the number of categories of people who are eligible to receive options, if it could increase the participation of insiders
 - the addition of any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants
 - the addition of a cashless exercise feature which does not provide for a full deduction of the number of underlying Shares from the Plan reserve
 - the addition of a deferred or restricted share unit or any other provision which results in Shares being received while no consideration is received by Lundin Gold
 - any amendment to the amending provisions of the Plan
 - any amendment that would alter the transferability of options
 - any amendment which varies exercise prices if the price is reduced or permits an extension of options beyond the original expiry date of outstanding options
 - a discontinuance of the Plan
 - any other amendment that could lead to significant dilution in the Company's outstanding Shares or could provide a benefit to optionees, particularly insiders, at the expense of the Company or its existing Shareholders
- The Board has the power, subject to regulatory approval where required, to make a limited number of changes to the Stock Option Plan without shareholder approval, including amendments of a house keeping nature, changes to the vesting provisions of an option, a change to the termination provisions of an option provided that the extension does not go beyond the original expiry date of the option and add a cashless exercise feature that provides for a full deduction of Shares from the Plan reserve.

The table below sets out the number and price of Shares to be issued under the Stock Option Plan at the end of 2017.

Plan Category	Number of Shares to be Issued upon Exercise of Outstanding Options A	Weighted – Average Exercise Price of Outstanding Options B	Number of Shares Remaining Available for Future Issue Under Stock Option Plan (excluding Shares reflected in column A ¹) C
Equity compensation plans approved by security holders	4,625,500	CAD\$4.44	7,341,184
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	4,625,500¹	CAD\$4.44	7,341,184

Notes:

- Reference is made to the disclosure regarding the Stock Option Plan in Note 12 in the Annual Financial Statements which are available on SEDAR at www.sedar.com. This represents less than 4% of the Shares outstanding on December 31, 2017. Of the 4,625,500 options outstanding at December 31, 2017, 2,805,400 were exercisable and 1,820,100 were not.

Security Based Award Burn Rate for the Last Three Years

Pursuant to TSX rules, Lundin Gold is required to calculate and disclose the annual “burn rate” of its for the three most recently completed financial years. The annual burn rate is equal to the number of options granted in the applicable year, divided by the weighted average number of Shares outstanding in that year, expressed as a percentage. The Company’s average burn rate over the last three financial years is 1.6%.

As of December, 31	2017	2016	2015
Number of options issued	1,319,000	2,092,000	1,880,500
Weighted average number of Shares outstanding	119,174,612	108,675,136	101,219,763
Burn rate	1.1%	1.9%	1.9%

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company, nor any Nominee, nor any person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Shares, nor any associate or affiliate of any of them has since January 1, 2017 (being the commencement of the Company’s last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries, except as follows:

- In January 2017, Lundin Gold obtained a \$35 million short-term credit facility (the “**2017 Facility**”) from Zebra. The 2017 Facility was evidenced by a debenture, which was unsecured and was due on the earlier of the closing of a financing by the Company or May 31, 2017, then extended to July 31, 2017. An aggregate of 247,867 Shares were issued to Zebra pursuant to the debenture in lieu of fees and interest. All amounts outstanding under the 2017 Facility were repaid in full in July 2017.
- On March 26, 2018, Lundin Gold closed a \$400 million equity private placement financing (the “**Private Placement**”). Subscribers to the Private Placement included Newcrest, Orion, Zebra and Lorito. Pursuant to the Private Placement, Zebra acquired 8,083,141 Shares and Lorito acquired 3,464,203 Shares for an aggregate subscription price of \$50 million, at a price per Share of CAD\$5.50, and Newcrest acquired

57,736,721 Shares for an aggregate subscription price of \$250 million at a price per Share of CAD\$5.50. Orion acquired 24,213,075 Shares for an aggregate subscription price of \$100 million at a price per Share of CAD\$5.25. Upon completion of the Private Placement and as of the date of this Circular, Newcrest holds 57,736,721 Shares (27.1%), Zebra and Lorito hold a total of 47,467,952 Shares (22.3%) and Orion holds 24,213,075 Shares (11.4%).

MANAGEMENT CONTRACTS

Management functions of the Company and its subsidiaries are performed by directors, executive officers or senior officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on Lundin Gold's website at www.lundingold.com and on SEDAR under the Company's profile at www.sedar.com. Financial information related to Lundin Gold is contained in the Annual Financial Statements and accompanying management discussion and analysis.

You may request a printed copy of the following documents free of charge by writing to the Corporate Secretary of the Company at Suite 2000, 885 West Georgia Street, Vancouver, BC, V6C 3E8, info@lundingold.com:

- The Company's 2017 Annual Report, containing the Annual Financial Statements and accompanying management discussion and analysis;
- Any subsequently quarterly report;
- This Circular; or
- The Company's most recent Annual Information Form.

APPROVAL

The contents and the sending of this Circular to Shareholders, the directors and the auditor of the Company have been approved by the Board.

By Order of the Board of Directors,

/s/ "Ron F. Hochstein"

Ron F. Hochstein
President, Chief Executive Officer and Director

SCHEDULE "A"
LUNDINGOLD

MANDATE OF THE BOARD

The Board of Directors of Lundin Gold Inc. (the "Corporation") recognizes the importance of adopting a written mandate, which includes position descriptions for the Board, the Chair of the Board, the Lead Director (if applicable), the Chair of each Committee of the Board and the Chief Executive Officer ("CEO") and which sets out the Board's role and responsibilities and places limits on management's authority.

1. MANDATE AND POSITION DESCRIPTION FOR THE BOARD

- (a) The Board has adopted the following mandate in which it explicitly acknowledges responsibility for the stewardship of the Corporation and, as part of the overall stewardship responsibility, responsibility for the following matters:
- (i) to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
 - (ii) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business;
 - (iii) identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
 - (iv) overseeing succession planning, including appointing, training and monitoring senior management;
 - (v) adopting a communications policy for the Corporation; and
 - (vi) overseeing the Corporation's internal controls and management information systems.
- (b) The Board takes its responsibilities very seriously and expects that all directors will participate in Board and Committee meetings on a regular basis, to the extent reasonably practicable, and will review all meeting materials in advance of each meeting. Attendance of directors shall be taken at each Board meeting by the Corporate Secretary or Assistant Corporate Secretary.
- (c) At all times, a majority of the Board will satisfy the independence requirements set out by the Canadian Securities Administrators in Multilateral Instrument 52-110 and any other applicable laws and regulations as the same may be amended from time to time. The independent directors shall meet at least once per year to discuss the Corporation's matters.
- (d) The Corporation, together with its subsidiaries, is committed to conducting its business in compliance with the law and the highest ethical standards, and to the highest standards of openness, honesty and accountability that its various stakeholders are entitled to expect. The Audit Committee of the Board has established a *Policy and Procedures for the Receipt, Retention and Treatment of Complaints Regarding Accounting or Auditing Matters*, and the Corporation has established a *Code of Business Conduct and Ethics for Directors, Officers and Employees* and an *Anti-Bribery Policy*, all of which include procedures for directors, officers and employees to report any concerns or questions they may have about violations of the Code or any laws, rules or regulations. In addition, the Board will consider adopting other measures for receiving feedback

from stakeholders if at any time the Board or its independent directors consider the foregoing to be inadequate.

- (e) All new directors will receive a comprehensive orientation. This orientation may vary from director to director, depending on his or her expertise and past experience, but in each case will be sufficient to ensure that each director fully understands the role of the Board and its committees, the contribution individual directors are expected to make (including the commitment of time and resources that is expected) and an understanding of the nature and operation of the Corporation's business.
- (f) The Board will provide continuing education opportunities for all directors, where required, so that individual directors may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.
- (g) Prior to nominating or appointing individuals as directors, the Board will consider the advice and input of the Corporate Governance and Nominating Committee on all relevant matters, including:
 - (i) the appropriate size of the Board, with a view to facilitating effective decision making;
 - (ii) what competencies and skills the Board, as a whole, should possess; and
 - (iii) what competencies and skills each existing director possesses.

2. POSITION DESCRIPTIONS FOR THE CHAIR OF THE BOARD, THE LEAD DIRECTOR, THE CHAIRS OF COMMITTEES AND THE CEO

- (a) Where the Chair of the Board is not an independent director, in accordance with paragraph 1(c) of this Mandate and upon recommendation of the Corporate Governance and Nominating Committee, the Board will appoint from among the independent directors, a Lead Director to serve as such until the next meeting of shareholders where directors are elected, unless otherwise removed by resolution of the Board of Directors.
- (b) The Chair of the Board, if independent, or the Lead Director will:
 - (i) act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties what competencies and skills each existing director possesses;
 - (ii) provide leadership for the Board's independent directors;
 - (iii) organize the Board to function independently of management, and ensure that the responsibilities of the Board are well understood by both the Board and management and that the boundaries between the Board and management responsibilities are clearly understood and respected;
 - (iv) ensure that the Board has an opportunity to meet without members of management, regularly, and without non-independent directors at least once per year;
 - (v) determine, in consultation with the Board and management, the time and places of the meetings of the Board;
 - (vi) manage the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities and mandates, where appropriate, through its duly appointed committees, including:
 - ensuring that the Board works as a cohesive team and providing the leadership essential for this purpose;
 - ensuring that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;

- ensuring that a process is in place by which the effectiveness of the Board and its committees is assessed on a regular basis;
 - ensuring that a process is in place by which the contribution of individual directors to the effectiveness of the board and committees is assessed on a regular basis; and
 - ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board.
- (vii) ensure that the Board has a succession planning process is in place to appoint the Chief Executive Officer and other members of management when necessary;
- (viii) co-ordinate with management and the Corporate Secretary or Assistant Corporate Secretary to ensure that matters to be considered by the Board are properly presented and given the appropriate opportunity for discussion;
- (ix) preside as chair of each meeting of the Board;
- (x) communicate with all members of the Board to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Board; and
- (xi) act as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner, which will involve working with the Chief Executive Officer to ensure that the conduct of Board meetings provides adequate time for serious discussion of relevant issues and that the Corporation is building a healthy governance culture.

The Chair of the Board or the Lead Director may, as the case may be, delegate or share, where appropriate, certain of these responsibilities with any committee of the Board.

- (c) Any special responsibilities and authorities of the Chair of any committee of the Board will be set out in the Charter or Mandate (a "Mandate") for the Committee. In general, the Chair of a Committee shall lead and oversee the Committee to ensure that it fulfills its mandate as set out in the Mandate. In particular, the Chair shall:
- (i) organize the Committee to function independently of management, unless specifically provided otherwise in the Committee's Mandate;
 - (ii) ensure that the Committee has an opportunity to meet without members of management as necessary;
 - (iii) determine, in consultation with the Committee and management, the time and places of the meetings of the Committee;
 - (iv) manage the affairs of the Committee, including ensuring that the Committee is organized properly, functions effectively and meets its obligations and responsibilities;
 - (v) co-ordinate with management and the Secretary to the Committee to ensure that matters to be considered by the Committee are properly presented and given the appropriate opportunity for discussion;
 - (vi) provide advice and counsel to the CEO and other senior members of management in the areas covered by the Committee's mandate;
 - (vii) preside as chair of each meeting of the Committee; and
 - (viii) communicate with all members of the Committee to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Committee.

- (d) The CEO, subject to the authority of the Board, shall have general supervision of the business and affairs of the Corporation and such other powers and duties as the Board may specify, from time to time. These responsibilities shall include making recommendations to the Board regarding the implementation, performance and monitoring, as the case may be, of each of the items referred to in paragraphs 2(b)(iii) to (b)(viii) of this mandate and ensuring that procedures are in place and followed by the Corporation so that each of those items and any other requirement of the Board is implemented, performed and monitored in a prudent and responsible manner in accordance with the determinations of the Board. The Board will develop and approve periodically, as the Board considers necessary, the corporate goals and objectives that the CEO is responsible for meeting.

3. LIMITS ON THE CEO'S AUTHORITY

- (a) Unless specifically instructed otherwise by the Board, and except as set out in Section 115(3) of the *Business Corporations Act* (Canada) (the "CBCA"), the CEO of the Corporation has the responsibility and authority to transact any business or approve any matter:
 - (i) in the ordinary course of business of the Corporation; and
 - (ii) that is not in the ordinary course of business of the Corporation, but that is not likely to result in a material change, within the meaning of the *Securities Act*, with respect to the Corporation; and
- (b) In addition to those matters referred to in Section 115(3) of the CBCA, Board approval is required with respect to any business or matter that is not in the ordinary course of business of the Corporation and that is likely to result in a material change, within the meaning of the *Securities Act*, with respect to the Corporation.

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