

**NEWS RELEASE****LUNDIN GOLD COMMENTS ON RECENT ECUADORIAN  
TAX LAW DEVELOPMENTS**

**January 8, 2015 (Vancouver, Canada)... Lundin Gold Inc.** ("Lundin Gold" or the "Company") (TSX: "LUG", Nasdaq Stockholm: "LUG") reports that the National Assembly of Ecuador has enacted various amendments to Ecuador's income tax laws and regulations, including the introduction of the taxation of capital gains, under the law titled "Organic Law for Production Incentives and Prevention of Tax Fraud", which enactment became effective on December 29th, 2014.

The Organic Law for Production Incentives and Prevention of Tax Fraud includes provisions for a capital gains tax on the profits derived from the direct or indirect sale of shares, ownership interests, other rights to capital representation, or other rights, that allow for exploration, exploitation, concession or similar activities by companies either domiciled or with permanent establishments in Ecuador.

The Company is in the process of analyzing the potential impact of the application of the new law and its regulations on it and its shareholders. The Company and its advisors are also arranging meetings with senior members of Ecuador's Internal Revenue Service and senior Government officials to discuss the implications of this legislation on all stakeholders.

**Forward Looking Information**

This news release includes "forward-looking information," within the meaning of applicable Canadian securities laws (collectively referred to herein as "forward-looking statements" or "forward-looking information"). All statements other than statements of historical facts included in this news release, including, without limitation, statements regarding the potential application of the new legislation, may constitute forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different from anticipated results expressed or implied by such forward-looking information. Such factors include, among others, the details of the amendments to Ecuador's income tax code including further specifics regarding compliance and enforcement, and the application of the new legislation as it pertains to taxation of capital gains. The Company will not update these statements unless applicable securities laws require the Company to do so.

**About the Company:**

The Company is a Canadian mining company listed on the TSX and Nasdaq Stockholm under the symbol "LUG". In December, 2014 the Company acquired the Fruta del Norte gold project located in southeast Ecuador for US\$240 million. Fruta del Norte ("FDN") is one of the largest and highest grade undeveloped gold projects in the world and the Company plans to advance FDN in order to realize the significant potential of this asset, which is the Company's flagship project. The Company believes that the value created will not only greatly benefit shareholders, but also the Government and people of Ecuador who are the Company's most important partners in this project.

FDN has the potential to be a large scale, low cost, underground gold mining operation and has had over US\$275 million invested in it from its discovery in 2006 to 2014. The Company believes that FDN can move quickly through feasibility to a construction decision, leveraging the considerable amount of historical exploration, development, mine planning and permitting work that has already been completed to date. In addition, there is significant exploration potential both at FDN and in the more than 80,000 ha of surrounding concessions where multiple early and advanced exploration targets have already been identified.

The Company is a member of the Lundin Group of Companies (see [www.thelundingroup.com](http://www.thelundingroup.com)). The Lundin family, who have invested significantly in the Company, have an impressive track-record of acquiring world-class projects and generating industry leading returns. The Lundin Group views its commitment to corporate social responsibility as a strategic advantage that enables it both to access and effectively manage business opportunities in increasingly complex environments. The Lundin Group is committed to addressing the challenge of sustainability - delivering value to its shareholders, while simultaneously providing economic and social benefits to impacted communities and minimizing its environmental footprint (see [www.lundinfoundation.org](http://www.lundinfoundation.org)).

On behalf of the Board,

Ron F. Hochstein  
President and CEO

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