

NEWS RELEASE**LUNDIN GOLD PROVIDES CORPORATE UPDATE**

June 28, 2016 (Vancouver, Canada)... **Lundin Gold Inc.** ("Lundin Gold" or the "Company") (TSX: "LUG", Nasdaq Stockholm: "LUG") is pleased to announce the appointment of Alessandro Bitelli as Executive Vice President, Chief Financial Officer with Chester See taking on the role of Vice President, Finance, effective July 1, 2016.

"I am very pleased to announce the appointment of Alessandro as our new Chief Financial Officer," said Lundin Gold President and Chief Executive Officer, Ron Hochstein. "Now that the feasibility study is complete and the project is moving into the next phase of construction, the demands on the finance team have increased. Project financing, in particular, has become a critical responsibility and will remain so over the next several years. Alessandro has extensive project financing experience and will bring depth in this field to our management team. Chester See's contribution over the last 18 months has been critical to the Company's success to-date, and I am pleased he will be continuing as a key member of the management team in the role of VP Finance. Alessandro and Chester together will make a formidable financial team."

Alessandro brings over 30 years of experience in the resource industry and in public accounting to Lundin Gold, having worked both in North America and Europe. A member of the senior management team at the Lundin Group of Companies until January 2016, most recently he was Chief Financial Officer of Orca Gold Inc. Prior to that, he served as Chief Financial Officer for Red Back Mining Inc., a gold mining company with two African operations that traded on the TSX until its \$8.9 billion takeover in 2010.

About the Company

Lundin Gold Inc. owns the Fruta del Norte ("FDN") gold project located in southeast Ecuador. FDN is one of the largest and highest grade undeveloped gold projects in the world. The Company is advancing FDN in order to realize the significant potential of this asset.

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 stakeholders in this project. Lundin Gold 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. Lundin Gold 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.

Additional Information

The information in this release is subject to the disclosure requirements of Lundin Gold under the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was publicly communicated on June 28, 2016 at 2:30 p.m. Pacific Time.

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