

LUNDIN GOLD REPORTS STRONG 2021 THIRD QUARTER RESULTS On Track to Meet Higher End of Production Guidance

Lundin Gold Inc. (TSX: LUG; Nasdaq Stockholm: LUG) ("Lundin Gold" or the "Company") today reports results for the third quarter of 2021. All amounts are in U.S. dollars unless otherwise indicated.

Ron Hochstein, President and CEO commented, "*Fruta del Norte has generated significant free cash flow¹ of \$194 million in the first nine months of 2021, and at current gold prices, will continue to do so for many years. Our throughput expansion program is substantially complete and we continue to push our resource expansion drilling program. We are also focused on our regional exploration program which, based on drilling to date, has been expanded from 9,000 to 11,000 metres for the year.*"

2021 Third Quarter Financial Overview

- The Company sold a total of 111,605 ounces ("oz") of gold, consisting of 78,251 oz of concentrate and 33,354 oz of doré at an average realized gold price¹ of \$1,769 per oz for total gross revenues from gold sales of \$197.4 million. Net of treatment and refining charges, revenues were \$190.8 million.
- Income from mining operations was \$89.4 million and the Company generated cash flow of \$92.7 million from operations and ended the quarter with a cash balance of \$221.8 million. Free cash flow¹ for the quarter was \$47.1 million or \$0.20 per share and for the nine month period was \$193.7 million or \$0.84 per share.
- Earnings before interest, taxes, depreciation, and amortization¹ ("EBITDA") and adjusted EBITDA¹ were \$112.8 million and \$113.5 million, respectively.
- Net income was \$56.7 million after deducting derivative losses, corporate, exploration, finance costs, and associated taxes on earnings. Adjusted earnings¹, which exclude derivative losses, were \$58.8 million, or \$0.25 per share.
- Cash operating costs¹ and all-in sustaining cost ("AISC")¹ for the quarter were \$650 and \$804 per oz of gold sold, respectively.

2021 Third Quarter Production Overview

- Gold production was 107,663 oz, comprised of 76,837 oz of concentrate and 30,826 oz of doré.
- The mine maintained its strong operating performance with 382,667 tonnes mined.
- Underground mine development also continued as planned with a total of 2,148 metres of development completed with development rates averaging 23.3 metres per day in the third quarter.

¹ Refer to "Non-IFRS Measures" section

- Ramp up of the mill continued with the mill processing 365,316 tonnes of ore at an average throughput of 3,971 tonnes per day (“tpd”).
- The average grade of ore milled was 10.3 grams per tonne with average recovery at 88.8%.

Based on results to date, by the end of 2021 the Company anticipates being near the upper end of its stated 2021 production guidance of 380,000 to 420,000 oz of gold produced and the lower end of the AISC³ guidance of between \$770 and \$830 per oz of gold sold, calculated on a basis consistent with prior periods.

Third Quarter of 2021 Operating and Financial Highlights

The following two tables provide an overview of key operating and financial results achieved during 2021 compared to the same periods in 2020.

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020 ¹
Tonnes mined (tonnes)	382,667	265,298	1,145,778	462,972
Tonnes milled (tonnes)	365,316	324,143	1,036,468	568,633
Average head grade (g/t)	10.3	10.4	10.9	9.4
Average recovery (%)	88.8%	86.8%	88.2%	84.8%
Average mill throughput (tpd)	3,971	3,340	3,797	3,306
Gold ounces produced	107,663	94,250	320,599	145,570
Gold ounces sold	111,605	62,160	318,822	128,274

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net revenues (\$'000)	190,753	118,904	546,889	168,906 ²
Income from mining operations (\$'000)	89,431	62,751	264,066	77,529 ²
Earnings before interest, taxes, depreciation, and amortization (\$'000) ³	112,832	58,030	352,475	13,652
Adjusted earnings before interest, taxes, depreciation, and amortization (\$'000) ³	113,468	76,040	327,187	59,963
Net income (loss) (\$'000)	56,673	27,780	192,637	(45,925)
Free cash flow (\$'000) ³	47,114	(4,295)	193,689	(51,546)
Average realized gold price (\$/oz sold)	1,769	1,986	1,770	1,884 ²
Cash operating cost (\$/oz sold) ³	650	632	635	713 ²
All-in sustaining costs (\$/oz sold) ³	804	728	778	803 ²
Free cash flow per share (\$) ³	0.20	(0.02)	0.84	(0.23)
Adjusted net earnings (\$'000) ³	58,796	45,790	171,005	29,690
Adjusted net earnings per share (\$) ³	0.25	0.20	0.74	0.13

The difference between net income and adjusted earnings during the third quarter and the 2021 Period is due to non-cash derivative losses of \$0.6 million and derivative gains of \$25.3 million, respectively, associated with fair value accounting for the gold prepay and stream facilities. These non-cash items are driven by numerous factors including anticipated forward gold prices and yields. Non-cash derivative gains (or losses) associated with anticipated decreasing (or increasing) forward gold prices are recorded in the statement of operations, while non-cash derivative gains (or losses) associated with increasing (or decreasing) yields are recorded in the

¹ The figures presented are for the nine months ended September 30, 2020 which include the two-month ramp up period before achieving commercial production.

² Amount relates to the period after achievement of commercial production.

³ Refer to “Non-IFRS Measures” section.

statement of other comprehensive income. These non-cash gains or losses are derived from complex valuation modelling and accounting treatment which are explained in more detail later in the MD&A. Revaluation of these obligations may result in considerable period-to-period volatility in the Company's net income, comprehensive income, current and long term liabilities and do not necessarily reflect the amounts that will actually be repaid when the obligations become due.

<i>(in thousands of U.S. dollars)</i>	As at September 30, 2021	As at December 31, 2020
Financial Position:		
Cash	221,828	79,592
Working capital	136,139	56,603
Total assets	1,630,830	1,505,360
Long-term debt	748,856	857,094

Liquidity and Capital Resources

As at September 30, 2021, the Company had cash of \$221.8 million and a working capital balance of \$136.1 million compared to cash of \$79.6 million and a working capital balance of \$56.6 million at December 31, 2020. The change in cash during the 2021 Period was primarily due to cash generated from operating activities of \$309.7 million and proceeds from the exercise of stock options and anti-dilution rights of \$16.1 million. This is offset by principal and interest repayments under the loan facilities totaling \$129.0 million and cash outflows of \$54.3 million for capital expenditures which include costs for remaining initial construction activities, the expansion project, and sustaining capital.

The Company has generated strong operating cash flow during 2021 and expects to continue to do so for the remainder of the year based on its production and AISC guidance. This strong operating cash flow will support debt repayments, regional exploration and underground expansion drilling at FDN, and planned capital expenditures.

Capital Expenditures

- South Ventilation Raise ("SVR"):** The SVR progressed in accordance with the revised work plan, and completion is still expected in the second quarter of 2022. Raise boring to a diameter of 2.1 metres was completed near the end of the third quarter and the 2.1 metre raise was shotcreted shortly after the end of the quarter. Contractor award and mobilization for the slash and line to a diameter of 5.1 metres is expected in the fourth quarter. There is no anticipated impact on production forecasts for the remainder of 2021 and 2022 as a result of the revised work plan.
- Expansion Project:** The mine operated at the higher 4,200 tpd for the quarter and the mill expansion advanced during the third quarter and was substantially completed early in the fourth quarter of 2021 as scheduled and on budget.
- Sustaining Capital:** Sustaining capital during the third quarter of 2021 mainly focused on the second raise of the Fruta del Norte tailings dam and the resource expansion drilling program. The second raise of the tailings dam was completed shortly after quarter end. Resource expansion drilling at Fruta del Norte continued to progress during the quarter, targeting conversion of a portion of the inferred resource at the south end of the deposit. Initial results of this program are expected in the fourth quarter of 2021.

Health and Safety

The health and safety of personnel at site is of paramount importance, and stringent procedures remain in place to minimize the impact of COVID-19 on the workforce. Through vaccination campaigns by the Ecuador's Ministry of Public Health, 99.7% of the Company's employees and on-site contractors were vaccinated as at September 30, 2021.

During the quarter there were zero Lost Time Incidents and one Medical Aid Incident. Fruta del Norte has reached over 3 million hours worked without a Lost Time Incident near the end of the third quarter. The Total Recordable Incident Rate was 0.16 per 200,000 hours worked during the third quarter of 2021 and 0.55 per 200,000 hours worked during the 2021 Period.

Community

Progress continued during the third quarter of 2021 on the internet connectivity project for 21 local communities surrounding Fruta del Norte, culminating in its completion in October 2021. Teachers now have high speed internet connection in the school, students in local communities are equipped with a tablet, and internet speed has been upgraded using fibre optic infrastructure. This project addresses the challenges that local schools continue to face due to the COVID-19 pandemic.

Furthermore, construction of the public bridge over the Zamora River advanced under the authority of the provincial government to replace the bridge that collapsed during the fourth quarter of 2020. Lundin Gold has provided the funding for this work to date. Lundin Gold has also been supporting the affected communities by assisting with transportation of people and supplies.

Exploration

The Company's 9,000 metre regional exploration program, which has now been expanded to 11,000 metres, continued during the third quarter and is focused on the Puente Princesa target, with two drill holes completed and two in progress. Results from the Puente Princesa drilling are expected in the first quarter of 2022.

Drilling at the Barbasco target ended during the third quarter. Six diamond drill holes totalling 5,387 metres were completed at Barbasco with all of the assays received. Initial interpretation of the results is as follows:

- The holes intersected the late Fruta del Norte andesites, Suarez basin fill sediments and the Santiago Formation andesites and sediments (the host rock for Fruta del Norte).
- Zones of epithermal related alteration were intersected in all three rock types and multiple narrow (generally 2 metres or less), widely spaced epithermal quartz-carbonate-sulphide veins and some broader intervals of epithermal crackle brecciation were also intersected. Most of the veins are mildly anomalous in gold, silver and the epithermal pathfinder elements arsenic and antimony.
- The frequency of the veining and the intensity of the epithermal alteration increases to the south into an area completely covered by post-mineralization rocks. It is interpreted that the narrow veins and associated epithermal alteration have a component of lateral flow from further south along the eastern edge of the basin.
- Drilling is planned to continue in 2022 on the more remote and steep southern area of the Barbasco target once new access tracks are constructed.

Qualified Persons

The technical information relating to Fruta del Norte contained in this press release has been reviewed and approved by Ron Hochstein P. Eng, Lundin Gold's President & CEO who is a Qualified Person under NI 43-101. The disclosure of exploration information contained in this press release was prepared by Stephen Leary, MAusIMM CP(Geo), a consultant to the Company, who is a Qualified Person in accordance with the requirements of NI 43-101.

Webcast and Conference Call

The Company will host a conference call and webcast to discuss its results on Wednesday, November 10 at 8:00 a.m. PT, 11:00 a.m. ET, 5:00 p.m. CET.

Conference Call Dial-In Numbers:

Participant Dial-In North America:	+1 416-764-8659
Toll-Free Participant Dial-In North America:	+1 888-664-6392
Participant Dial-In Sweden:	0200899189
Conference ID:	Lundin Gold / 47892841

A link to the webcast is available on the Company's website, www.lundingold.com. A replay of the conference call will be available two hours after the completion of the call until November 24, 2021.

Toll Free North America Replay Number:	+1 888-390-0541
International Replay Number:	+1 -416-764-8677
Replay passcode:	892841 #

About Lundin Gold

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

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

Non-IFRS Measures

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

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

Additional Information

The information in this release is subject to the disclosure requirements of Lundin Gold under the EU Market Abuse Regulation. This information was publicly communicated on November 9, 2021 at 4:30 p.m. Pacific Time through the contact persons set out below.

For more information, please contact

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Caution Regarding Forward-Looking Information and Statements

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

This press release contains forward-looking information in a number of places, such as in statements relating to 2021 production outlook, including estimates of gold production, grades recoveries and AISC; expected sales receipts, cash flow forecasts and financing obligations; its estimated capital costs and the expected timing and impact of completion of capital projects including the south ventilation raise; the timing of achieving construction completion; the timing and the success of its drill program at Fruta del Norte and its other exploration activities; and the Company's efforts to protect its workforce from COVID-19. There can be no assurance that such statements will prove to be accurate, as Lundin Gold's actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed in the "Risk Factors" section in Lundin Gold's Annual Information Form dated March 2, 2021, which is available at www.lundingold.com or on SEDAR.

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