

**LUNDIN GOLD REPORTS EXCEPTIONAL RESULTS IN THE FIRST QUARTER OF 2022****Inaugural Dividend Anticipated Following Q2 Results under Recently Approved Policy**

Lundin Gold Inc. (TSX: LUG; Nasdaq Stockholm: LUG) ("Lundin Gold" or the "Company") today reports exceptional results for the first quarter of 2022, highlighted by the production and sale of 121,665 and 119,282 ounces of gold, respectively, at an All-in Sustaining Cost (AISC)<sup>1</sup> of \$696 per oz sold. The Company generated free cash flow<sup>1</sup> of \$91.8 million this quarter resulting in a cash balance of \$337 million at quarter end. Lundin Gold's exceptional performance in Q1 2022 provides a robust foundation for the rest of the year, and the Company's production guidance of 405,000 to 445,000 oz and AISC<sup>1</sup> of \$860 to \$930 for 2022 remain unchanged. All amounts are in U.S. dollars unless otherwise indicated.

As a result of the Company's significant cash flow generation throughout 2021 and continuing in Q1 2022, the Company's Board of Directors has approved implementation of a dividend policy. Under this newly established policy, the Company anticipates paying two cash dividends per calendar year, following the release of second quarter and year end results, respectively. Subject always to the board's discretion, the Company anticipates declaring and paying an inaugural semi-annual dividend of \$0.20 per share (equivalent to approximately \$100 million annually based on currently issued and outstanding shares) pursuant to the policy after the announcement of the Company's Q2 2022 financial results.

Ron Hochstein, President and CEO commented, *"I am delighted to announce that the strong operational and financial results achieved in 2021 have continued in Q1 2022. It is clear that Fruta del Norte is generating significant free cash flow providing Lundin Gold the opportunity to begin returning capital to shareholders. With continuing strong performance, Lundin Gold will be in the enviable position of being able to distribute a portion of its free cash flow directly to its shareholders by way of dividends, while still enabling the Company to accelerate debt repayments, carry out expanded exploration programs, potential future capital projects, and pursue growth opportunities. I believe Lundin Gold is poised to perform well this year and continue to create shareholder value."*

**First Quarter of 2022 Financial Overview**

- The Company sold a total of 119,282 oz of gold, consisting of 75,928 oz of concentrate and 43,354 oz of doré at an average realized gold price<sup>1</sup> of \$1,862 per oz for total gross revenues from gold sales of \$222.1 million. Net of treatment and refining charges, revenues were \$216.5 million.
- Cash operating costs<sup>1</sup> and AISC<sup>1</sup> were \$619 and \$696 per oz of gold sold, respectively, mainly due to continued improvements in recoveries and low sustaining capital during the quarter.

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<sup>1</sup> Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found on page 11 of the Company's MD&A for the three months ended March 31, 2022 available on SEDAR

- Income from mining operations was \$111 million. The Company generated cash flow of \$127.3 million from operations and ended the quarter with a cash balance of \$337 million. Free cash flow<sup>1</sup> for the quarter was \$91.8 million or \$0.39 per share.
- Earnings before interest, taxes, depreciation, and amortization<sup>1</sup> (“EBITDA”) and adjusted EBITDA<sup>1</sup> were \$98.8 million and \$133.5 million, respectively.
- Net income was \$23.2 million after deducting derivative losses, corporate, exploration, finance costs, and associated taxes on earnings. Adjusted earnings<sup>1</sup>, which exclude derivative losses, were \$57.6 million, or \$0.25 per share.

### First Quarter of 2022 Production Overview

- The mine maintained its strong operating performance during the quarter with 379,629 tonnes mined at an average grade of 8.7 grams per tonne.
- Underground mine development also continued as planned with a total of 2,253 metres completed. Development rates averaged 25.0 metres per day in the first quarter.
- The mill processed 373,407 tonnes of ore at an average throughput rate of 4,149 tpd, near design capacity, notwithstanding downtime for both SAG and ball mill relining.
- The average grade of ore milled was 11.2 grams per tonne with average recovery at 90.2%.
- Gold production was 121,665 oz, comprised of 78,601 oz of concentrate and 43,064 oz of doré.

### First Quarter of 2022 Operating and Financial Highlights

The following two tables provide an overview of key operating and financial results.

	Three months ended	
	March 31	
	2022	2021
Tonnes ore mined	379,629	365,471
Tonnes ore milled	373,407	324,591
Average mill head grade (g/t)	11.2	11.4
Average recovery (%)	90.2%	87.8%
Average mill throughput (tpd)	4,149	3,607
Gold ounces produced	121,665	104,137
Gold ounces sold	119,282	81,805

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	Three months ended	
	March 31	
	2022	2021
Net revenues (\$'000)	216,474	139,991
Income from mining operations (\$'000)	111,207	64,031
Earnings before interest, taxes, depreciation, and amortization (\$'000) <sup>1</sup>	98,813	129,966
Adjusted earnings before interest, taxes, depreciation, and amortization (\$'000) <sup>1</sup>	133,537	78,443
Net income (\$'000)	23,182	85,980
Free cash flow (\$'000) <sup>1</sup>	91,806	43,580
Average realized gold price (\$/oz sold) <sup>1</sup>	1,862	1,765
Cash operating cost (\$/oz sold) <sup>1</sup>	619	672
All-in sustaining costs (\$/oz sold) <sup>1</sup>	696	830
Free cash flow per share (\$) <sup>1</sup>	0.39	0.19
Adjusted net earnings (\$'000) <sup>1</sup>	57,550	37,409
Adjusted net earnings per share (\$) <sup>1</sup>	0.25	0.16

## Liquidity and Capital Resources

At the end of the first quarter of 2022, the Company is in a strong financial position

<i>(in thousands of U.S. dollars)</i>	As at March 31, 2022	As at December 31, 2021
<b>Financial Position:</b>		
Cash	336,939	262,608
Working capital	273,680	217,221
Total assets	1,735,223	1,685,113
Long-term debt	752,482	739,977

The change in cash during Q1 2022 was primarily due to cash generated from operating activities of \$127.3 million and proceeds from the exercise of stock options, warrants, and anti-dilution rights of \$5.9 million. This is offset by principal, interest and finance charge repayments under the gold prepay and stream credit facilities totalling \$30.3 million, the first cash sweep payment under the senior debt of \$12.9 million and cash outflows of \$12.2 million for capital expenditures, which include costs for the SVR and sustaining capital.

The Company generated strong operating cash flow during the first quarter of 2022 and expects to continue to do so for the remainder of the year based on its production and AISC guidance. At current gold prices this strong operating cash flow will continue to support aggressive debt repayments, regional exploration and underground expansion drilling at FDN, planned capital expenditures, growth initiatives and now dividends under the recently approved dividend policy.

## Capital Expenditures

- **South Ventilation Raise:** The SVR progressed in accordance with the revised work plan defined in 2021, and completion is still expected to occur near the end of the second quarter of 2022. Following mobilization of equipment and personnel, the set up of the head frame was completed in March with the 5.1 metre slash and concrete lined shaft reaching 30 metres by the end of the quarter.

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- **Sustaining Capital:** Planning for the third raise of the tailings dam was carried out during the first quarter and construction has now commenced. Resource expansion drilling at Fruta del Norte continued to progress with 3,006 metres completed during the quarter continuing to focus on expansion of the inferred resource at the south end of the deposit. Expenditures for other sustaining capital projects will ramp up throughout the remainder of the year.

## 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 Ecuador's Ministry of Public Health, 100% of the Company's employees and on-site contractors were vaccinated and as at March 31, 2022, 71% have received a booster shot.

Two lost time incidents and two medical aid incidents were recorded during the first quarter of 2022. The Total Recordable Incident Rate during this period was 0.36 per 200,000 hours worked.

## Community

Various community projects supported by the Company are under way in 2022, including sponsoring the establishment of micro businesses providing ancillary services to Fruta del Norte and the community, such as a textile manufacturer and fire extinguisher maintenance provider. These are in addition to ongoing projects such as road maintenance, education projects and economic development. The public bridge over the Zamora River, for which Lundin Gold provided the funding, opened during Q1 2022.

## Exploration

The Company's 2022 regional exploration program continued on the Barbasco and Puente Princesa targets. Drilling is ongoing, with two rigs currently turning, and 3,100 metres completed during the first quarter of 2022. Results will be announced when available.

Mr. Andre Oliveira was announced as the Company's new Vice President, Exploration during the quarter with responsibility for regional exploration, near mine exploration and resource expansion programs.

Early in the second quarter, Newcrest International Pty Ltd. ("Newcrest"), a wholly owned subsidiary of Newcrest Mining Limited, met the first expenditure requirement under the Earn-In Agreement covering eight of Lundin Gold's early-stage concessions to the north and south of Fruta del Norte. The initial program is focused on testing priority copper-gold porphyry targets. Two core holes were completed during the quarter which detected low-level porphyry style copper mineralisation. Drilling is ongoing. Newcrest must exercise its option to proceed to the second stage of the earn-in by May 28, 2022. Through completion of the second stage, Newcrest would earn an initial indirect 25% interest in the eight concessions through a joint venture entity with Lundin Gold.

## Outlook

Lundin Gold's exceptional performance in Q1 2022 provides a robust foundation for the rest of the year, and the Company's production guidance of 405,000 to 445,000 oz and AISC<sup>1</sup> of \$860 to \$930 for 2022 remain unchanged.

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The SVR is the last remaining scope of work under the original FDN construction project. Completion of the SVR remains on track for the second quarter of 2022 with no anticipated impact on production in 2022.

Sustaining capital will ramp up substantially starting in Q2 2022 with construction of the third raise of the TSF beginning, and completion expected in Q4 2022. Our FDN drilling program for the conversion of inferred resources and definition of additional resources is ongoing. Several other capital projects are planned for 2022 and are expected to ramp up starting in Q2, contributing to an expected increase in sustaining capital costs during the balance of the year.

The 16,500 metre regional exploration drill program continues at Puente-Princesa and Barbasco. At Barbasco, the drilling program will continue exploring for a large geochemical anomalous area. In addition, prospecting continues throughout the Company's regional concessions to identify new areas for future drilling.

An exploration data review carried out during the first quarter has indicated several potential targets in areas immediately near the Fruta del Norte deposit. These targets, located in areas coincident with geochemical anomalies on surface, display similar geological characteristics to the Fruta del Norte deposit but have not been tested by drilling. Based on this review, an additional near mine exploration drill program has been developed with an expected cost of \$4 million to be incurred during the remainder of the year.

Following the approval of the dividend policy, the Company anticipates declaring and paying an inaugural \$0.20 per share dividend after the announcement of the Company's Q2 2022 financial results.

### **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 Andre Oliveira, P.Geo, Lundin Gold's V.P. Exploration, 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, May 4 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 / 78094940

A link to the webcast is available on the Company's website, [www.lundin角度.com](http://www.lundin角度.com). A replay of the conference call will be available two hours after the completion of the call until May 18, 2022.

Toll Free North America Replay Number:	+1 888-390-0541
International Replay Number:	+1 416-764-8677
Replay passcode:	094940 #

## **About Lundin Gold**

Lundin Gold, headquartered in Vancouver, Canada, owns the Fruta del Norte gold mine in southeast Ecuador and a large exploration land package that hosts the Fruta del Norte deposit at its northern edge. 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. Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found on page 11 of the Company's MD&A for the three months ended March 31, 2022 available on SEDAR.

## **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 May 3, 2022 at 5:30 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 the Company's 2022 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 Company's declaration and payment of dividends pursuant to its dividend policy; the timing and the success of its drill program at Fruta del Norte and its other exploration activities; and 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 21, 2022, which is available at [www.lundingold.com](http://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 associated with the Company's community relationships; risks related to political and economic instability in Ecuador; risks related to estimates of production, cash flows and costs; the impacts of a pandemic virus outbreak; risks inherent to mining operations; failure of the Company to maintain its obligations under its debt facilities; shortages of critical supplies; control of the Company's largest shareholders; risks related to Lundin Gold's compliance with environmental laws and liability for environmental contamination; the lack of availability of infrastructure; the Company's reliance on one mine; exploration and development risks; risks related to the Company's ability to obtain, maintain or renew regulatory approvals, permits and licenses; uncertainty with the tax regime in Ecuador; risks related to the Company's workforce and its labour relations; volatility in the price of gold; the reliance of the Company on its information systems and the risk of cyber-attacks on those systems; deficient or vulnerable title to concessions, easements and surface rights; inherent safety hazards and risk to the health and safety of the Company's employees and contractors; the imprecision of Mineral Reserve and Resource estimates; key talent recruitment and retention of key personnel; volatility in the market price of the Company's shares; measures to protect endangered species and critical habitats; social media and reputation; the cost of non-compliance and compliance costs; risks related to illegal mining; the adequacy of the Company's insurance; risks relating to the declaration of dividends; 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; limits of disclosure and internal controls; security risks to the Company, its assets and its personnel; the potential for litigation; and risks due to conflicts of interest.