

NEWS RELEASE

LUNDIN GOLD CLOSES US\$350 MILLION SENIOR DEBT FACILITY AND ANNOUNCES OFFTAKE AGREEMENT

July 09, 2018 (Vancouver, Canada) Lundin Gold Inc. ("Lundin Gold" or the "Company") (TSX: LUG, Nasdaq Stockholm: LUG) is pleased to announce that it has closed its previously announced senior secured project finance debt facility of \$350 million (the "Facility") with a syndicate of seven senior lenders to fund the development and construction of the Fruta del Norte gold project in Ecuador ("Fruta del Norte" or the "Project"). The Company has also executed a gold concentrate offtake agreement (the "Offtake"). All amounts in this release are in U.S. dollars unless otherwise indicated.

"Fruta del Norte's development continues to be a catalyst for Ecuador's emerging mining sector," said Ron Hochstein, Lundin Gold's President and CEO. "The Facility and the Offtake are the first deals of their kind in the country and have also considerably de-risked the Project from a financial standpoint. Going forward we are pursuing our goal of first gold in the fourth quarter of next year."

Facility Highlights

- Tranche A: \$250 million senior commercial facility.
- Tranche B: \$100 million senior covered facility under a raw material guarantee provided by Finnvera plc.
- Term: eight years with a maturity date not exceeding June 2026 based on a scheduled amortization, starting at the end of 2020.
- Annual interest: three or six-month LIBOR plus an average margin of approximately 5.05% (Tranche A) and 2.50% (Tranche B) over the term. Tranche A and Tranche B are subject to risk mitigation and guarantee fees of 2.00% and 3.15%, respectively.
- No mandatory requirements for gold or other forms of hedging are associated with the Facility.

The lenders are ING Capital LLC, Societe Generale, Caterpillar Financial Services Limited (Cat Financial), The Bank of Nova Scotia, Natixis, KfW IPEX-Bank GmbH and Bank of Montreal. The borrower is Aurelian Ecuador SA, the holder of the Project and a wholly-owned subsidiary of Lundin Gold.

The initial draw down of the Facility is not expected to occur until the first quarter of 2019 and is subject to customary conditions precedent and establishing a cost overrun facility. Discussions for the provision of this facility are underway with selected potential parties.

Offtake Agreement

Under the Offtake, the Company will sell approximately half of its gold concentrate production over its first eight years of operations to Boliden, a high-tech metal company with a network of mines and smelters across Europe.

Advisors

Lundin Gold was advised by Endeavour Financial on this transaction. Norton Rose Fulbright Canada LLP acted as legal counsel to the Company with support from the Lexim Abogados law firm in Ecuador.

About Lundin Gold

Lundin Gold, headquartered in Vancouver, Canada, is developing its wholly-owned Fruta del Norte gold project in southeast Ecuador. Fruta del Norte is one of the world's largest, highest-grade gold projects currently under construction. The Company's board and management team have extensive expertise in mine construction and operations, and are dedicated to advancing this project through to first gold production in the fourth quarter of next year.

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 people of Ecuador.

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 submitted for publication July 9, 2018 at 5:00 a.m. PT 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 pertaining to: the anticipated timing of production, the timing of drawdowns and the ability of the Company to satisfy the conditions precedent to the Facility including the establishment of a cost overrun facility, the performance of the Offtake and the Company’s ability to secure additional sales contracts.

Lundin Gold’s actual results could differ materially from those anticipated. Management has identified the following risk factors which could have a material impact on the Company or the trading price of its shares: the ability to arrange financing and the risk to shareholders of dilution from future equity financings; risks related to carrying on business in an emerging market such as possible government instability and civil turmoil and economic instability; volatility in the price of gold; the timely receipt of regulatory approvals, permits and licenses; risks associated with the performance of the Company’s contractors; risks inherent in the development of an underground mine; deficient or vulnerable title to mining concessions and surface rights; shortages of resources, such as labour, and the dependence on key personnel; risks associated with the Company’s community relationships; unreliable infrastructure and local opposition to mining; volatility in the market price of the Company’s shares; uncertainty with the tax regime in Ecuador; measures required to protect endangered species; difficulty complying with changing government regulations and policies, including without limitation, compliance with environment, health and safety regulations, and the cost of compliance or failure to comply with applicable laws; exploration and development risks; the accuracy of the Mineral Reserve and Resource estimates for Fruta del Norte and the Company’s reliance on one project; liabilities; the Company’s lack of operating history in Ecuador; illegal mining; uncertainty as to reclamation and decommissioning; adverse global economic conditions; risks associated with the Company’s information systems; the inadequacy of insurance; risks of bribery or corruption; the potential for litigation; limits of disclosure and internal controls; and the potential influence of the Company’s largest shareholders.

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 20, 2018, which is available under the Company’s profile at www.sedar.com.