LUNDIN GOLD

Building a leading Gold Company
through responsible mining

ANNUAL INFORMATION FORM

For the Financial Year Ended December 31, 2021

Dated March 21, 2022

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ABOUT THIS AIF

This annual information form (**AIF**) provides important information about Lundin Gold Inc. (**Lundin Gold** or the **Company**) and its business.

This AIF has been prepared in accordance with Canadian securities laws. It describes the Company's history and its business, its estimates of Mineral Reserves and resources, the regulatory environment in which it carries on business, the risks the Company faces, the market for its shares and its governance, among other things.

This AIF is dated March 21, 2022. Unless stated otherwise, all the information in this AIF is stated as at December 31, 2021.

This AIF incorporates by reference:

- Lundin Gold's management's discussion and analysis for the year ended December 31, 2021 (**2021 MD&A**), which is available under the Company's profile on the SEDAR website at www.sedar.com (**SEDAR**); and
- Lundin Gold's audited consolidated financial statements for the year ended December 31, 2021 (**2021 Financial Statements**), which are available on SEDAR.

FINANCIAL INFORMATION

Unless otherwise specified, all dollar amounts referred to in this AIF are stated in United States dollars. References to CAD$ mean Canadian dollars.

Financial information is presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (**IFRS**), unless otherwise stated.

NON-IFRS MEASURES

This AIF refers to specified financial measures, such as all-in sustaining cost (**AISC**), 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 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 14 of the 2021 MD&A available on SEDAR.

CAUTION ABOUT FORWARD-LOOKING INFORMATION

This AIF and the documents incorporated by reference include statements and information about management's expectations for the future. When discussing strategy, plans and future financial and operating performance or other things that have not yet taken place, management is making statements considered to be forward-looking information or forward-looking statements under Canadian securities laws. They are referred to in this AIF as forward-looking statements.

Forward-looking statements in this AIF:

- typically include words and phrases about the future, such as believe, estimate, anticipate, expect, plan, intend, predict, goal, target, forecast, project, scheduled, potential, strategy and proposed; and

- are based on opinions, assumptions, estimates and expectations of management as of the date such

statements are made, and they are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievement expressed or implied by such forward-looking statements.

Examples of Forward-Looking Statements

Examples of forward-looking statements included in this AIF are statements relating to:

- anticipated annual average production, grades and recoveries and expected mine life
- benefits to be derived from its updated mine plan
- estimates of operating costs and expenditures and requirements and economic returns
- estimates of capital expenditures and all-in sustaining costs
- estimates of Mineral Reserves and Resources
- completion of capital projects, including the south ventilation raise
- the Company's efforts to protect its workforce from the COVID-19 virus
- the benefits to be derived under the EA and the IPA (defined below)
- expectations relating to the receipt or renewals, as applicable, of regulatory approvals, permits and licenses under governmental and regulatory regimes
- the Company's liquidity and potential need and availability of future sources of financing
- the political and economic environments in Ecuador
- the timing and success of the Company's drill program at Fruta del Norte and its other exploration activities
- exploration plans and potential exploration and development expenditures
- reclamation and closure costs
- royalty and tax payments and rates
- cash flows and their uses

Statements relating to "Mineral Resources" are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the Mineral Resources described can be profitably produced in the future.

Material Risks

Lundin Gold's future actual results could differ materially from those anticipated. The Company has established a process for identifying, assessing and managing risks that could affect its operations and the value of the Company's common shares (the **Shares**). The following risk factors could cause actual results to differ materially from those projected in the forward-looking statements:

- risks associated with the Company's community relationships
- risks related to political and economic instability in Ecuador
- risk related to estimates of production, cash flows and costs
- risks relating to the impacts of a pandemic virus outbreak
- risks inherent to mining operations
- failure to maintain its obligations under the Prepay and Stream Loans (defined below) and the Senior Facility (defined below)
- 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
- 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 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
- conflicts of interest

Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. The risk factors listed above are discussed in more detail later in this AIF in the section entitled "*Risks Factors*".

The Company believes that the expectations reflected in this forward-looking information are reasonable as of the date of this AIF, but no assurance can be given that these expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements, and the Company disclaims any obligation to update or revise forward-looking statements if circumstances or management's beliefs, expectations, or opinions should change, except as required by law.

CAUTION ABOUT MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

Unless otherwise indicated, all Mineral Reserve and Mineral Resource estimates included in this AIF and the documents incorporated by reference herein have been prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, Companion Policy 43-101CP and Form 43-101F of the Canadian Securities Administrators (**NI 43-101**) and the Canadian Institute of Mining, Metallurgy and Petroleum (the **CIM**) – CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended (the **CIM Standards**). NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The terms "Mineral Reserve", "Proven Mineral Reserve" and "Probable Mineral Reserve" are Canadian mining terms as defined in accordance with NI 43-101 and the CIM Standards. In addition, the terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" are defined in accordance with NI 43-101 and the CIM Standards. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into Mineral Reserves. "Inferred Mineral Resources" have a lower level of confidence than that applying to an "Indicated Mineral Resource" and must not be converted to a "Mineral Reserve". It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral

Resources with continued exploration. Under Canadian rules, estimates of Inferred Mineral Resources must not be included in the economic analysis, production schedules, or estimate mine life in publicly disclosed pre-feasibility or feasibility studies, or in the life of mine plans and cash flow models of developed mines.

The Mineral Resource and Mineral Reserve figures referred to in this AIF and the documents incorporated herein by reference are estimates and no assurances can be given that the indicated levels of gold will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, Mineral Resource and Mineral Reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Any inaccuracy or future reduction in such estimates could have a material adverse impact on the Company.

ABOUT LUNDIN GOLD

Lundin Gold Inc. (the **Company**) is a Canadian mining company with its head office located in Vancouver, British Columbia. The Company owns the Fruta del Norte gold mine (**Fruta del Norte** or **FDN**) located in southeast Ecuador and a large exploration land package that hosts FDN 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 and creating shareholder value. 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 Fruta del Norte will benefit its shareholders, the Government and the people of Ecuador. Lundin Gold's website address is www.lundingold.com.

Corporate Headquarters

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THE COMPANY'S STRUCTURE

Lundin Gold conducts its business activities through various subsidiaries. The Operating Subsidiaries are those entities in Canada and Ecuador whose business purpose is related to Fruta del Norte. The Exploration Subsidiaries are related to Lundin Gold's exploration activities.

The **Operating Subsidiaries**:

- Aurelian Ecuador S.A. (**AESA**), which holds the concessions underlying Fruta del Norte in Ecuador, is the Company's major operating subsidiary. It is wholly owned by Lundin Gold through Aurelian Resources Inc. and Aurelian Resources Corporation Ltd., which are both Canadian subsidiaries.

- Condor Finance Corp. (**Condor**) is a Canadian wholly owned subsidiary of Lundin Gold. Condor's principal purpose is to provide lending, working capital and financial services to the Company's subsidiaries.

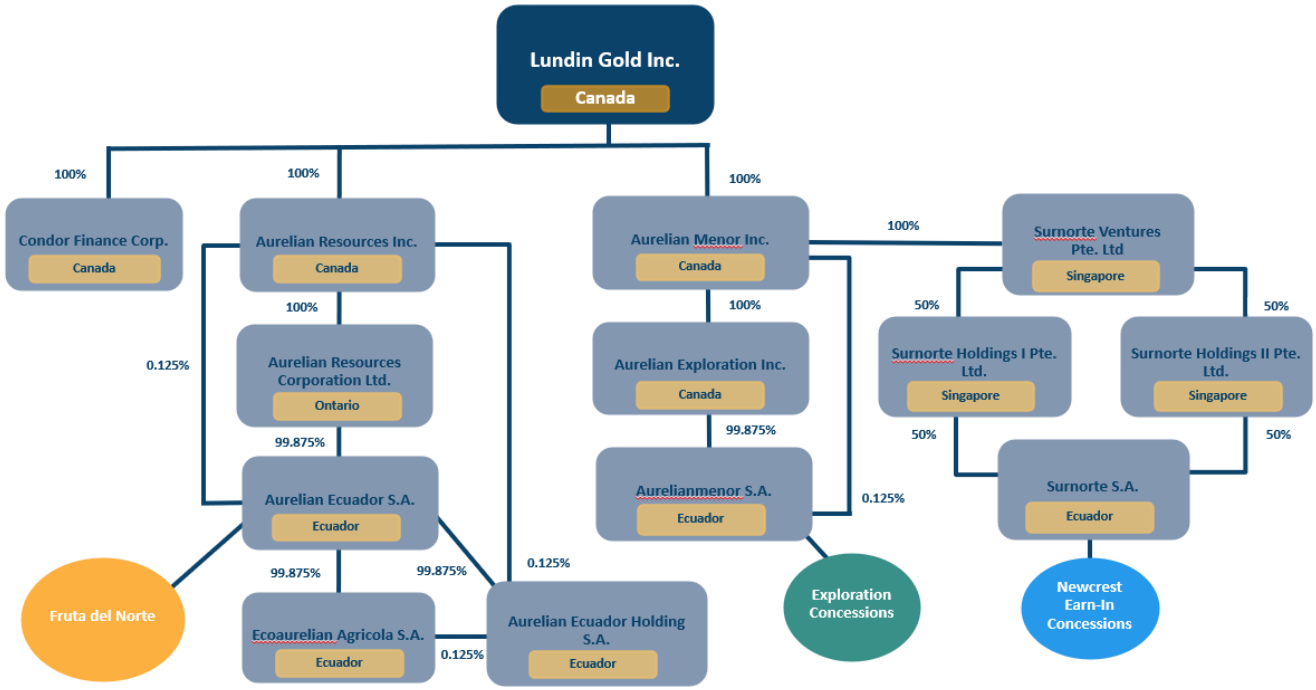
- Ecoaurelian Agricola S.A., which owns certain land rights related to Fruta del Norte, is a subsidiary of AurelianEcuador Holding S.A. and AESA.

The **Exploration Subsidiaries:**

- Aurelianmenor S.A. (**AMSA**) holds 15 of the Company's exploration concessions. It is wholly owned by Lundin Gold through Aurelian Exploration Inc. and Aurelian Menor Inc., which are both Canadian subsidiaries of the Company.

- Surnorte S.A. (**Surnorte**) was formed in 2019, and it holds eight exploration concessions. Surnorte is a subsidiary of two Singaporean holding companies, Surnorte Holdings I Pte. Ltd. and Surnorte Holdings II Pte. Ltd. These two holding companies are in turn owned by Surnorte Venture Pte. Ltd., a Singaporean joint venture company established under an earn-in agreement with Newcrest Mining Limited (**Newcrest**). Pursuant to the earn-in agreement dated November 5, 2018 (the **Newcrest Earn-In Agreement**), Newcrest can earn up to a 50% interest in Surnorte Ventures Pte. Ltd. See "*Mineral Exploration*".

The following diagram depicts the corporate structure of Lundin Gold and its subsidiaries as at December 31, 2021, including the name, jurisdiction of incorporation and proportion of ownership interest in each.



Lundin Gold is a reporting issuer in all of the provinces and territories of Canada other than Québec. The Shares are listed on the Toronto Stock Exchange (the **TSX**) and on NASDAQ Stockholm under the symbol "LUG". The Vancouver office of Computershare Investor Services Inc. acts as the registrar and transfer agent for the Shares. The address for Computershare is 510 Burrard Street, 3rd Floor, Vancouver, B.C. V6C 3B9, and the telephone number is 1-800-564-6253. The registered and records office of Lundin Gold is located at Blake, Cassels & Graydon LLP, Suite 2600, 595 Burrard Street, Vancouver, British Columbia V7X 1L3.

THE COMPANY'S DEVELOPMENT

The Company was incorporated in British Columbia as Fortress Resources Inc. in 1987 and in 2002 was continued under the *Canada Business Corporations Act*. In 2004, the Company changed its name to Fortress Minerals Corp., was then listed on the TSX Venture Exchange with the trading symbol "FST" and, until 2010, was engaged in precious and base-metal exploration, primarily in Russia, Mongolia and Nicaragua. By 2010, the Company had disposed of its exploration assets. In October 2012, the Company's listing was transferred to the NEX board of the TSX Venture Exchange (**NEX**), and the Shares commenced trading under the symbol "FST.H". The Company's focus was on finding a strategic opportunity.

In December 2014, the Company acquired Fruta del Norte, a major gold development project, from Kinross Gold Corporation (**Kinross**), along with Kinross's other concessions in Ecuador. The transaction entailed a name change to Lundin Gold Inc., an equity financing, a graduation from NEX to the TSX and a listing on NASDAQ Stockholm under the symbol "LUG".

In 2016, the Company announced the results of an independent feasibility study for the Fruta del Norte project (the **Project**) and filed a technical report prepared in accordance with NI 43-101 and entitled "*Fruta del Norte Project Ecuador NI 43-101 Technical Report on Feasibility Study*" dated June 15, 2016 with an effective date of April 30, 2016 (the **Technical Report**). The Technical Report was prepared by Amec Foster Wheeler Americas Limited (**Amec Foster Wheeler**), with the support of four other globally recognized, leading engineering firms. The Technical Report is discussed later in this AIF under the heading "*The FDN Technical Report Summary*".

In 2016, two significant milestones allowed the Company to commence development of FDN. First, the Government of Ecuador (**GOE**) approved the environmental impact assessment (the **EIA**) for Fruta del Norte and then granted the related environmental license (the **Environmental Licence**).

Second, the Company successfully negotiated and entered into two key agreements with the GOE, the Exploitation Agreement (the **EA**) and the Investment Protection Agreement (the **IPA**), which established the fiscal, operation and commercial terms and conditions for the development and operation of FDN. Both the EA and the IPA are publicly available on the Company's profile on SEDAR. The key terms of the EA and the IPA are summarized below in the section entitled "*Material Contracts*".

From 2017 to 2019, Company focused on the development of FDN, which included construction at the mine site and building the transmission line required to connect FDN to the national power grid. Over the same period, the Company secured the necessary financing, through both equity and debt, sufficient to fund the development of Fruta del Norte, as follows:

- In May 2017, Lundin Gold secured an initial project finance package (the **GPP Stream Financing**) with Orion Mine Finance Group (**Orion**) and Blackstone Tactical Opportunities (**Blackstone**), which was drawn by early 2018. The GPP Stream Financing was comprised of a gold prepay credit facility for $150 million (the **Prepay Loan**) and a stream loan credit facility of $150 million (the **Stream Loan**) and an offtake agreement for 50% of gold production from Fruta del Norte, up to a maximum of 2.5 million ounces (the **Offtake Agreement**). The GPP Stream Financing was purchased by an affiliate of Newcrest in 2020.

- In 2018, the Company completed a $400 million equity private placement financing (the **Private Placement**). Subscribers to the Private Placement included: (i) Newcrest Canada Inc., an affiliate of Newcrest; (ii) an affiliate of Orion; and (iii) Zebra Holdings and Investments S.à.r.l. (**Zebra**) and Lorito Holdings S.à.r.l. (**Lorito**), companies owned by a trust whose settlor was the late Adolf H. Lundin (the **Lundin Family Trust**). Upon closing of the

Private Placement, Newcrest owned 27.1% of the Company's outstanding Shares and the Lundin Family Trust owned 22.3%.

- In 2018, Lundin Gold also closed a senior secured project finance facility of $350 million to fund the balance of the development and construction of FDN (the **Senior Facility**) with a syndicate of lenders (the **Senior Lenders**).

The Senior Facility, the Prepay and Stream Loans are secured by way of a charge over the Operating Subsidiaries' assets, pledges of the shares of the Operating Subsidiaries and limited recourse guarantees of the Company and the Operating Subsidiaries.

By the end of 2019, the Company had met its objective of achieving first gold production at FDN and had commenced the export of both gold concentrate and doré.

THREE YEAR HISTORY

Over the three most recently completed financial years, the significant events below contributed to the development of the Company's business.

2019

Project Overview: Over the course of 2019, the construction of the Fruta del Norte Project continued on budget and on schedule. At the start of the year, the underground mine declines reached the orebody, and level development began. By June, the Company had begun mining its first production stope at FDN. In October, the Company's powerline to Fruta del Norte was energized, providing Fruta del Norte with energy from Ecuador's national power grid. By the end of 2019, the Company had met its objective of achieving first gold production and had successfully exported the first shipments of gold concentrate and doré bars from FDN.

On February 20, the Company entered into an agreement with a syndicate of underwriters, pursuant to which the underwriters agreed to purchase, on a bought deal basis, 7,500,000 Shares of the Company at a price of CAD$5.40 per Share, for aggregate gross proceeds of CAD$40,500,000 (the **2019 Equity Financing**). The Company also granted the underwriters a 15% over-allotment option. On March 1, the Company closed the 2019 Equity Financing by issuing 8,625,000 Shares of the Company for gross proceeds to the Company of CAD$46,575,000, which included the exercise in full of the over-allotment option of an additional 1,125,000 Shares.

At the start of April, the Company completed the first of three draws under the Senior Facility. At the same time, the Company entered into a $75 million Cost Overrun Facility (the **COF**), as required under the Senior Facility, with Nemesia S.à.r.l. (**Nemesia**), a company owned by the Lundin Family Trust. The Senior Facility was fully drawn by the end of 2019. In accordance with the terms of the COF, the Company issued Nemesia 300,000 Shares and 300,000 warrants (**Warrants**) in lieu of fees. As of the date of this AIF, Nemesia had exercised its Warrants resulting in the issuance of 300,000 Shares. See "Lundin Gold's Securities – Warrants".

On November 13, the Company received the Industrial Water Permit and Administrative Act from La Secretaría Nacional del Agua (**SENAGUA**) for FDN. These two permits were required in order to move Fruta del Norte into production.

In November, the Company, together with the Lundin Foundation, was recognized by the United Nations Global Compact Canada for its contributions to achieving the UN Sustainable Development Goals. This award highlighted the significant positive impacts of the education, training, and local procurement programs associated with FDN. Lundin Gold's local procurement programs resulted in the purchase of approximately $2.4 million per month in goods and services from the local communities during the year.

On December 5, Lundin Gold's two largest shareholders increased their interest in the Company through the acquisition of 19,370,216 Shares held by Kinross. Newcrest acquired 10,977,502 Shares, bringing its interest in the Company from approximately 27% to approximately 32%. Lorito and Zebra together acquired 8,392,714 Shares which, when combined with the holdings of Nemesia, resulted in an increase in Lundin Family Trust's interest in Lundin Gold from approximately 23% to approximately 27%.

2020

Operations Overview: By the end of February 2020, the construction of Fruta del Norte was largely completed and FDN achieved commercial production. Despite a temporary suspension of operations in 2020 due to the COVID-19 pandemic, the Company achieved annual gold production of 242,400 ounces from the Fruta del Norte gold mine. Only two construction projects remained at year end which were the Company's bridge over the Zamora River and the south ventilation raise, neither of them impacting operations.

On February 20, the Company announced that it had reached commercial production ahead of schedule. Shortly after achieving this milestone, the Company temporarily suspended operations at FDN on March 22 due to growing concerns regarding the spread of the global COVID-19 pandemic (**COVID-19**) in Ecuador and the impacts on operations of increasing efforts by the government at all levels to slow the spread of COVID-19.

On April 29, an affiliate of Newcrest acquired the GPP Stream Financing from Orion and Blackstone.

On May 26, the Company entered into an agreement with a syndicate of underwriters, pursuant to which the underwriters agreed to purchase, on a bought deal basis, 4,150,000 Shares, at a price of CAD$12.05 per Share for aggregate gross proceeds of approximately CAD$40.5 million (the **2020 Equity Financing**). The Company also granted the underwriters a 15% over-allotment option. On June 11, 2020, the Company closed the 2020 Equity Financing by issuing 4,772,500 Shares of the Company for gross proceeds of approximately CAD$57.5 million, which included the exercise in full of the underwriter's over-allotment option of an additional 622,500 Shares.

By June 1, plans for restart of operations at Fruta del Norte were underway, and by July 5 operations at Fruta del Norte had resumed. In connection with the re-start of activities, the Company implemented strict COVID-19 protocols to minimize risks to the health and safety of all personnel, contractors, and local communities.

On September 14, Lundin Gold received the exploration permit for the Emperador concession, which includes the Barbasco and Puente Princesa targets. While field exploration activities remained suspended during the year due to COVID-19, planning for a 2021 drilling program of these two high priority targets started in the fourth quarter. See "*Mineral Exploration*".

On October 17, a public bridge over the Zamora River, which connected local communities and was used in part for access to Fruta del Norte, collapsed with no reported injuries. Lundin Gold has been supporting the affected communities by assisting with transportation of people and supplies and agreed to fund the construction of a replacement public bridge, estimated at $3.0 million being constructed under the authority of the provincial government.

Following the collapse of the bridge, a group of local residents erected an illegal blockade on the public road used to access Fruta del Norte. A resolution was reached through the efforts of the Company and the national government, and the blockade was removed after 15 days. The blockade had little impact on site operations.

On December 8, the Company announced its updated life-of-mine plan (the **2020 LOMP**) and an update to its estimates of Probable Mineral Reserves for Fruta del Norte (**2020 Reserve**) to 5.41 million ounces (**oz**), an increase of approximately 594,000 oz of Probable Mineral Reserves compared to the Technical Report following changes in planned mining method. See "*Fruta del Norte Update*". The Company also announced its plan to expand the

throughput rate of the mill from 3,500 tonnes per day (**tpd**) to 4,200 tpd in 2021 (the **Expansion Project**). See "*Fruta del Norte Update*".

The Company commenced repaying amounts under the Senior Facility, the Prepay Loan and the Stream Loan during the year.

2021

Operations Overview: *With COVID-19 protocols in place, operations at Fruta del Norte exceeded expectations. The Company achieved annual gold production of 428,514 ounces and sales of 427,298 ounces. The Expansion Project was substantially completed on schedule and on budget, and mill throughput reached an average of 4,200 tpd by the end of the year. Resource expansion drilling at Fruta del Norte was carried out during the year, targeting infill drilling of gaps in the existing indicated resource and expansion of the inferred resource at the south end of the deposit. Construction of the Company's bridge over the Zamora River was completed in June. The only other construction project, being the south ventilation raise, experienced further delays during the year. A revised workplan was developed mid-year, and targeted completion was delayed to the second quarter of 2022.*

On March 24, Lundin Gold announced that its 9,000-metre regional exploration drill program had begun on the Barbasco target. The program was expanded later in the year to 11,000 metres and focus shifted to the Puente Princesa target.

On June 7, Lundin Gold reported the achievement of key milestones in its internet connectivity project which focused on bringing critical access to online education for students in rural communities close to its Fruta del Norte, who had been out of school since the onset of the COVID-19 pandemic.

On June 10, 2021, the Company inaugurated its bridge over the Zamora River and opened it for public use as well. This bridge allows for much reduced travel time to site and eliminates the transit of Company vehicles through several local communities.

At the Company's annual meeting of shareholders on June 24, the Board of Directors achieved its diversity target of 30% female directors by 2023 with the election of Dr. Gillian Davidson. Dr. Davidson replaced Mr. Istvan Zollei of Orion on the Board. Shareholders also overwhelmingly approved the repeal of the Company's old by-laws and the adoption of new By-Law No. 1A.

On November 9, the Company announced that the Expansion Project was substantially completed early in the quarter on time and on budget and that the mine operated at the higher 4,200 tpd for most of the quarter.

On December 14, the Company announced its 2022 guidance including estimated production between 405,000 to 445,000 oz and provided a three-year gold production outlook with an estimated average exceeding 400,000 oz annually.

On December 22, Lundin Gold achieved Project Completion, as defined under its Senior Facility, at Fruta del Norte at which time the COF, which was never drawn since it was entered into in 2019, was terminated.

Recent Developments

On February 17, the Company's Chairman, Mr. Lukas Lundin, announced his intention to retire as both Chairman and Non-Executive Director of the Board upon the completion of his term at the Company's 2022 annual meeting of shareholders.

On March 21, the Company announced the appointment of Mr. Andre Oliveira as Vice President, Exploration.

LUNDIN GOLD'S BUSINESS

General Description of the Business

Lundin Gold's properties in Southeast Ecuador consists of 27 metallic mineral concessions and three construction materials concessions covering an area of approximately 64,270 hectares. From this, Fruta del Norte is comprised of seven concessions covering an area of approximately 5,566 hectares and is located approximately 140 km east-northeast of the City of Loja in southeastern Ecuador.

Fruta del Norte is among the highest-grade gold mines in the world. For the purposes of NI 43-101, the Company considers Fruta del Norte to be its only material property.

Refer to the Company's 2021 MD&A available under the Company's profile on SEDAR for a detailed description of the Company's business, including each of its operating segments.

- **Principal Market and Distribution**

  The Company produces gold in the form of concentrate and doré bars, which require smelting or refining respectively, to become marketable metal. The Company uses the services of a refiner to refine gold doré. The refined gold is sold to Newcrest pursuant to the Offtake Agreement. See "*Material Contracts*". The Company has also entered into agreements with various smelters internationally for the sale of its gold concentrate. Under the Offtake Agreement and the agreements with its smelters, the Company's sales are based on market referenced gold prices in U.S. dollars per ounce during a defined period. Due to the availability of alternative refineries and smelters, the Company is not dependent on the services on any one refiner or smelter. Total revenues from gold sales in 2021 were approximately $733 million and in 2020, following the start of commercial production, approximately $358 million.

  The gold market is liquid and is traded on a worldwide basis. The primary demand for gold is jewelry fabrication, followed by investment and the technology industry and dentistry sectors. Demand for and the price of gold is volatile and affected by numerous factors beyond the Company's control. See "*Risk Factors*". The price of gold is generally quoted in US dollars.

- **Specialized Skill and Knowledge**

  All aspects of Lundin Gold's business require specialized skills and knowledge. The Company operates a mine in a remote area of Ecuador, which requires technical expertise in the areas of geology, drilling, Mineral Resource estimation, mine planning and Mineral Reserve estimation, engineering, metallurgical processing, mine operations and maintenance, environment compliance, construction, procurement, information technology, community and public relations, regulatory compliance, legal and accounting. In order to attract and retain

personnel with such skills and knowledge, the Company maintains competitive remuneration and compensation packages. See "*Risk Factors*".

- **Competitive Conditions**

The Company enjoys some competitive advantages over other gold companies in production. Fruta del Norte is one of the few multi-million-ounce high grade deposits in production in the world. In addition, Lundin Gold is in the lower quartile of cost for gold producers currently in production, based on estimated AISC. Lundin Gold also has an extensive exploration land package in Ecuador in proximity to Fruta del Norte and is currently conducting exploration activities.

Nonetheless, the precious metal mineral exploration and mining is competitive. The Company competes with numerous other companies, including many large established mining companies having substantial capabilities and greater financial and technical resources than Lundin Gold. See "*Risk Factors*".

- **Components**

Lundin Gold sources machinery, parts, reagents and services from large national in-country suppliers and multinational suppliers who are outside of Ecuador. It also sources services and supplies from local businesses wherever possible according to its local procurement program.

The Company's purchasing strategy for mine inventory items, mill components, consumables, and other items that are necessary for continued operation is to hold inventory quantities on hand to minimize the risk of shortages of materials and supplies when needed to avoid production delays. FDN is accessible by road from the Ports of Guayaquil and Bolivar. See "*Risk Factors*".

- **Environmental Protection and Permitting**

Lundin Gold is committed to responsible mining, which includes environmental stewardship. The Company's mining, exploration and development activities are subject to various laws and regulations relating to the protection of the environment in Ecuador, all of which is detailed in the Technical Report. See "*The FDN Technical Report Summary*".

After completing a comprehensive EIA for the Project, the Company received its Environmental License in the fourth quarter of 2016, which was a condition to commencing development of the Project. The Environmental Licence covers the planned activities for the construction and operations phases of Fruta del Norte and includes conceptual closure plans. The closure plan will be updated and approved two years prior to the commencement of mine closure. The Environmental Licence is not subject to renewal; its term runs until the end of FDN's life of mine.

In the course of developing FDN, the Company also completed comprehensive environmental impact assessments for its power line to FDN and its quarry. In this regard, the Company was issued an environmental license for its power transmission line to FDN, issued an environmental license for its Mountain Pass Quarry and entered an exploitation agreement with the Parish GAD (*Gobierno Autonomo Descentralizado*) of the Municipality of Yantzaza (the **Quarry Exploitation Agreement**). This agreement sets out the terms under which royalties relating to the quarry production of rock and aggregate required for FDN site construction and operations are payable.

To meet the requirements of its project financing, Lundin Gold also prepared an Environmental and Social Impact Assessment (the **ESIA**) compliant with the International Finance Corporation (**IFC**) Performance Standards for FDN. The ESIA outlines the potential environmental and social risks and impacts of FDN and related mitigations and offsets. The purpose of the ESIA is to provide a comprehensive summary of the processes and systems

developed by Lundin Gold to minimize project risks and ensure that environmental and social impacts are foreseen and addressed at an early stage to prevent negative environmental and social consequences from construction to end of mine life. A summary of the Company's ESIA is available at www.lundingold.com.

More information regarding Lundin Gold's commitment to protecting the environment from the impact of its activities is available in the Company's most recent Sustainability Report available at www.lundingold.com.

- **Social and Environmental Policies**

Lundin Gold is committed to carrying out its business according to three fundamental principles: working safely, environmental stewardship and respect in all its activities. Lundin Gold believes that transparent and sustainable practices and being a good corporate citizen are central to the long-term success of its business. The Company seeks to create enduring relationships with local communities and stakeholders and to address social challenges that are priorities both for communities and for the business through partnerships. This commitment is expressed in the Company's *Responsible Mining Policy*, which is available on the Company's website at www.lundingold.com.

This past year, the Company's commitment to its fundamental principles was evident in a variety of ways:

Safety

Lundin Gold continued to prioritize health and safety at Fruta del Norte during the year, as demonstrated by its total recordable incident rate of 0.46 per 200,000 hours worked versus the target of 0.65. The Company reached over 4 million hours worked at FDN without a Lost Time Incident by the end of the year.

The Company's health and safety management system (HSMS) is established in accordance with the resolutions issued by the Ecuadorian Agency for Regulation and Control of Energy and Non-Renewable Natural Resources (*Agencia de Regulación y Control de Energía y Recursos Naturales No Renovables - ARCERNNR*) and the international good practices. The Company actively engages its employees in prioritizing health and safety through innovative programs such as its visible leadership program and risk assessment and mitigation program (the *Go-No-Go Program*). In 2021, Lundin Gold ran a number of initiatives in critical risk areas of its operations, such as load lifting, mobile equipment operation and excavation activities. During the year, it conducted numerous surveys as part of its industrial hygiene program and, in particular, it has initiated surveys related to the monitoring of diesel particulate matter underground.

Protocols remained in place for all of 2021 to minimize the impact of COVID-19 on the workforce. During the year, the Company was recognized by the Ecuadorian Institute of Social Security, a branch of the national government, for its exemplary safety standards in compliance with legal requirements during the pandemic.

Environment

Lundin Gold follows leading environmental practices as defined by the national standards and IFC Performance Standards which apply to all aspect of the operations, from water management to mine closure plans. During the year, there were no reportable environmental incidents and no violations of environmental laws. Lundin Gold continues to implement initiatives to further its commitment to environment protection. For example, the Company has worked in partnership with Conservation International Ecuador to jointly develop and implement a biodiversity conservation program. During 2021, the Company progressed its plans to establish a protected area outside of FDN. This program strengthens the Company's biodiversity strategy by allowing Lundin Gold to promote conservation both within and beyond FDN's area of influence.

Respect

Lundin Gold recognizes that respect is critical in its internal and external relationship and in all of the Company's business activities. To foster positive relations in Ecuador, Lundin Gold has prioritized engagement with local and national stakeholders. Through a structured roundtable dialogue process, the Company has jointly identified local development priorities and has sought new partnerships to achieve these shared objectives. Lundin Gold is a member of the UN Global Compact and supports the UN Sustainable Development Goals. Lundin Gold is also a signatory to the Women's Empowerment Principles (WEPs) established by UN Global Compact and UN Women.

More information regarding Lundin Gold's commitment to responsible mining is available in the Company's most recent Sustainability Report available at www.lundingold.com.

- **Employees**

The table below sets out the number of employees of the Company by location at the end of 2021, including temporary construction related positions where indicated.

Financial Year	Ecuador Permanent Positions	Ecuador Temporary Positions	Canada	Total
2021	1,595	101	7	**1,703**

As of the date of this AIF, none of the Company's employees are unionized.

- **Foreign Operations**

Lundin Gold's only assets are in Ecuador. Any changes in regulations (or the application of regulations) or shifts in political attitudes in Ecuador are beyond the control of the Company and may adversely affect its business. Future development and operations may be affected in varying degrees by factors such as government regulations (or changes to such regulations or the application of regulations) with respect to the restrictions on production, export controls, income taxes, expropriation of property, restrictions on repatriation of profits, environmental legislation, land use, water use, operating activities, land claims of local people and mine safety. The impact of these factors cannot be accurately predicted. See "*Risk Factors*".

The political landscape changed as a result of the national elections in 2021. Ecuador elected a new president, Guillermo Lasso, from the conservative *Creando Opportunidades* (**CREO**) party by a narrow margin. However, his party, CREO, only holds a minority position in the National Assembly, which is dominated by left-of-centre parties and is unable to effectively implement its political agenda.

- **Information Systems and Cyber Security**

The Company's operations depend upon the availability, capacity, reliability, and security of its information technology (**IT**) infrastructure, and its ability to expand and update this infrastructure as required, to conduct daily operations. Lundin Gold has a dedicated IT department located in Ecuador, at the mine site and the Company office in Quito, and in Vancouver, Canada. The IT department reports to the Vice-President, Finance, who reports on IT matters to the Audit Committee of the Board of Directors at least annually.

Lundin Gold relies on various IT systems in all areas of its operations, including financial reporting, contract management, exploration and development data analysis, mining, processing and other operational activities, human resource management, regulatory compliance and communications with employees and third parties. These IT systems could be subject to network disruptions caused by a variety of sources. As such, Lundin Gold's IT department conducts regular maintenance, updates and replacement of networks, equipment, IT systems and software, as well as pre-emptive work and redundancies to mitigate the risks or magnitude of failures, if

any. In addition, Lundin Gold's IT systems and software are protected by various tools including, but not limited to, anti-virus systems, firewalls, password requirements including multi-factor authentication, and e-mail filtering solutions. From time to time, the Company undertakes vulnerability assessments or penetration tests. During the year ended December 31, 2021, Lundin Gold's information systems was assessed by a third party relative to the Critical Information Security Controls with the guidance of the National Institute of Standards and Technology (NIST).

The Company has adopted a companywide IT Acceptable Use Policy, and all employees are trained on the policy's requirements. The senior management team also completed focused training on information systems and cyber security during the year and, as of the date of this AIF, has continued this training with two additional sessions in 2022.

To date, the Company has not experienced any material losses relating to cyber-attacks or other information security breaches.

FRUTA DEL NORTE UPDATE

Since 2016, from time to time the Company has optimized FDN's mine plan and updated certain estimates and projections for Fruta del Norte (**Updated FDN Information**). The information below is a consolidation of the Updated FDN Information and represents management's current estimates and projections for FDN. The information must be read in conjunction with the Technical Report. None of these updates has resulted in material changes to estimates for Fruta del Norte, including the Mineral Reserve and Mineral Resource estimates contained in the Technical Report.

2020 Reserve and Life-of-Mine Plan Updates

During the second half of 2020, the Company updated its estimates of Probable Mineral Reserves for Fruta del Norte to 5.41 million oz, an increase of approximately 594,000 oz compared to the Technical Report. The increase in the 2020 Reserve was primarily due to the conversion of a significant portion of the sections of the ore body originally to be mined by drift and fill to long hole stoping, based on the good ground conditions experienced in the mine to date, which resulted in a slight increase in dilution and decrease in average grade. There was no adjustment to the estimates of Mineral Resources for Fruta del Norte.

2020 Reserve	
Mt	20.8
Au (g/t)	8.1
Au (Moz)	5.41
Ag (g/t)	11.8
Ag (Moz)	7.68

Notes:
(1) The 2020 Reserve was estimated in accordance with CIM Standards and NI 43-101. The 2020 Reserve was as at July 31, 2020.
(2) Additional information on Mineral Resource and Mineral Reserve estimates for Fruta del Norte is contained in the Technical Report which is available under the Company's profile on SEDAR. Except as set out below, the assumptions, parameters and risks associated with the Company's Mineral Resource and Mineral Reserve estimates set out herein are as set out in the Technical Report.
(3) All Mineral Reserves in this table are Probable Mineral Reserves. No Proven Mineral Reserves were estimated.
(4) Mineral Reserves were estimated using key inputs listed in the table below:

Key Input		Unit
Gold Price	1,400	$/oz
TS cost	47	$/t
D&F cost	69	$/t
Process, Surface Ops, G&A cost	57	$/t
Dilution Factor	8	percent
Concentrate Transport & Treatment	92	$/oz
Royalty	77	$/oz
Gold Metallurgical Recovery	91.7	percent

(5) Gold cut-off grades for the different mining methods are listed in the table below:

Gold Cut-off Grade		Unit
Transverse Stope	3.8	g/t
Drift and Fill	4.4	g/t

(6) Silver was not considered in the calculation of the cut-off grade.

(7) Tonnages are rounded to the nearest 1,000 t, gold grades are rounded to two decimal places, and silver grades are rounded to one decimal place. Tonnage and grade measurements are in metric units; contained gold and silver are reported as thousands of troy ounces.

(8) Rounding as required by reporting guidelines may result in summation differences.

The 2020 LOMP, which was based on the 2020 Reserve, provided for a total of 4.8 million oz of gold production over a 14-year mine life to 2034.

2021 Reconciliation of Estimates of Probable Mineral Reserves

The following table set out the Company's estimate of Probable Mineral Reserves at FDN as at December 31, 2021 based on the 2020 Reserve estimate, as adjusted by the updates to its LOMP made during the year and 2021 production.

For information with respect to the key assumptions, parameters and risks associated with the results of the Technical Report for Fruta del Norte, the Mineral Resource and Mineral Reserve estimates included therein and other technical information, please refer to the Technical Report filed on SEDAR.

Reconciliation of Probable Mineral Reserves[1][2][3][4][5][6][7] as at December 31, 2021				
	December 31, 2020[8]	**2021 LOMP Update**	**Processed in 2021**	**December 31, 2021**
Mt	20.3	(1.2)	(1.5)	17.6
Au (g/t)	8.0		10.8	8.7
Au (Moz)	5.24	0.20	(0.54)	4.92
Ag (g/t)	11.5		11.5	12.1
Ag (Moz)	7.46	(0.06)	(0.58)	6.85

Notes:

(1) Additional information on Mineral Resource and Mineral Reserve estimates for Fruta del Norte is contained in the Technical Report which is available under the Company's profile on SEDAR. Except as set out below, the assumptions, parameters and risks associated with the Company's Mineral Resource and Mineral Reserve estimates set out herein are as set out in the Technical Report.

(2) All Mineral Reserves in this table are Probable Mineral Reserves. No Proven Mineral Reserves were estimated.

(3) Mineral Reserves were estimated using key inputs listed in the table below:

Key Input	December 31, 2020	December 31, 2021	Unit
Gold Price	1,400	1,400	$/oz
TS	47	45	$/t
D&F	69	69	$/t
Process, Surface Ops, G&A	57	63	$/t
Dilution Factor	8	8	percent
Concentrate Transport & Treatment	92	130	$/oz
Royalty	77	77	$/oz
Gold Metallurgical Recovery	91.7	90.6	percent

(4) Gold cut-off grades for the different mining methods are listed in the table below:

Gold Cut-off Grade	December 31, 2020	December 31, 2021	Unit
Transverse Stope	3.8	3.8	g/t
Drift and Fill	4.4	4.5	g/t

(5) Silver was not considered in the calculation of the cut-off grade.

(6) Tonnages are rounded to the nearest 1,000 t, gold grades are rounded to two decimal places, and silver grades are rounded to one decimal place. Tonnage and grade measurements are in metric units; contained gold and silver are reported as thousands of troy ounces.

(7) Rounding as required by reporting guidelines may result in summation differences.

(8) Adjusted for mill feed from August 1, 2020 to December 31, 2020.

The 2021 LOMP provided for a total of 4.9 million oz of gold production over a 13-year mine life to 2034.

Ron F. Hochstein, P. Eng., Lundin Gold's President and Chief Executive Officer and Director, who is a "Qualified Person" within the meaning of this term in NI 43-101, is responsible for the Company's estimates of Mineral Reserves and Mineral Resources on the Company's mineral properties and all disclosure of scientific and technical information concerning Mineral Reserves and Mineral Resources in this AIF.

Taxes and Other Payments

Below is a summary of the payments and taxes applicable to production from Fruta del Norte under Ecuadorian law and legal and tax stability granted to the Company under the IPA.

Applicable Payment or Tax	Description
Income Tax	AESA is subject to 22% corporate income tax on its gross income less deductible costs, including operating expenses and certain investments and fiscal charges applicable to revenues and pre-tax profits (see below).
Profit Sharing Contributions	AESA must make a profit-sharing payment equal to 15% of its pre-tax income, less deductible costs. Of this amount, based on current legislation, 3% is distributed to AESA´s employees and 12% is paid to the GOE, to be used for social investment projects involving health, education and housing through local organizations in the area surrounding the Fruta del Norte Project. Profit sharing payments are a deductible expense for income tax purposes.
Value Added Tax	AESA must pay VAT on goods and services purchased within Ecuador or imported from abroad, subject to certain exclusions for items such as Ecuadorian payroll, fuel, power, food and medicines. The standard rate of VAT is 12%. Subject to submission of monthly claims and their acceptance by the applicable tax authorities, starting in 2021 VAT paid in Ecuador by the Company after January 1, 2018 is being refunded or applied as a credit against other taxes payable, based on the level of export sales in any given month. VAT paid on acquisitions of goods and services that has not been offset as a tax credit or refunded will be credited against the Sovereign Adjustment.

Applicable Payment or Tax	Description
Royalties	In addition to the royalties to third parties outlined in *The FDN Technical Report Summary* later in this AIF, AESA is subject to a 5% net smelter royalty to the GOE from production. In accordance with the EA, advance royalty payments totaling $65 million have been paid to the GOE as of the date of this AIF. The advance royalty payments are being deducted against royalties payable at a rate equal to the lesser of 50% of the actual future royalties payable in a six-month period or 10% of the total advance royalty payment. In addition, under the Quarry Exploitation Agreement, royalties are payable to the Yantzaza GAD at a rate of 10% calculated on production costs to operate the Mountain Pass Quarry. Production costs include all direct and indirect costs including depreciation and amortization.
Sovereign Adjustment	To the extent that the GOE's cumulative benefit falls below 50%, AESA will be required to pay an annual sovereign adjustment. Each year, the benefits to AESA will be calculated as the net present value of the actual cumulative free cash flows of Fruta del Norte from its inception. The GOE's benefit will be calculated as the present value of the cumulative sum of taxes paid including corporate income taxes, royalties, labour profit sharing paid to the State, non- recoverable value-added tax, and any previous sovereign adjustment payments.
Other Taxes	AESA is also subject to other taxes common to businesses operating in Ecuador including customs duties, capital outflow tax, municipal fees and property tax. Late in 2021, the Government of Ecuador required large companies to pay a one-time contribution to aid in funding the country's COVID-19 response, calculated based on a company's net equity at the end of 2020. The Company fully expensed $9.7 million on account of this special levy in 2021, and it is payable in two instalments in 2022 and 2023.

RISK FACTORS

There are a number of factors that could negatively affect Lundin Gold's business and the value of the Shares, including the factors listed below. The following information pertains to the outlook and conditions currently known to Lundin Gold that could have a material impact on the financial condition of the Company. Other factors may arise that are not currently foreseen by management of Lundin Gold that may present additional risks in the future. Current and prospective security holders of Lundin Gold should carefully consider these risk factors.

Community Relations

The Company's relationships with communities near where it operates and other stakeholders are critical to ensure the future success of Fruta del Norte and the exploration and development of the Company's other concessions. The Company's mineral concessions, including Fruta del Norte, are located near rural communities, some of which contain groups that have been opposed to mining activities from time to time in the past, which may affect the operations at Fruta del Norte and its exploration and development activities on its other concessions in the short and long term. Furthermore, local communities may be influenced by external entities, groups or organizations opposed to mining activities. In recent years, anti-mining nongovernmental organization (**NGO**) and indigenous group activities in Ecuador have increased. These communities, NGOs and indigenous groups have taken such actions as civil unrest, road closures, work stoppages and legal challenges. Such actions may have a material adverse effect on Lundin Gold's operations at Fruta del Norte and on its exploration activities and on its financial position, cash flow and results of operations. While the Company is committed to operating in a socially responsible manner, there can be no assurance that the Company's efforts in this respect will mitigate against this potential risk.

Instability in Ecuador

The Company is subject to certain risks and possible political and economic instability specific to Ecuador, arising from change of government, political unrest, labour disputes, invalidation of government orders, permits or property rights, legal proceedings and referendums seeking to suspend mining activities, unsupportive local and regional governments, risk of corruption, military repression, war, civil disturbances, criminal and terrorist acts, hostage taking, changes in laws, expropriation, nationalization, renegotiation or nullification of existing concessions, agreements, licenses or permits and changes to monetary or taxation policies. The occurrence of any of these risks may adversely affect the mining industry, mineral exploration and mining activities generally or the Company and could result in the impairment or loss of mineral concessions or other mineral rights.

Exploration, development or operations may also be affected to varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration, development and production, price controls, export controls, income taxes, labour and immigration, and by delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, high rates of inflation, increased financing costs and site safety. These factors may affect both Lundin Gold's ability to undertake exploration and development activities in respect of future properties in the manner contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date.

In 2021, Ecuador elected a new president, Guillermo Lasso, from the CREO party. CREO holds a minority position in the National Assembly, which is dominated by left-of-centre parties. As such, President Lasso has been unable to implement his political agenda. President Lasso's opponents, who have conflicting views on a number of policy areas which are critical to the Company's business, such as tax, labour and mining-related matters, are unlikely to support reforms and other initiatives that advance the Company's interests. In addition, recent decisions of the Constitutional Court of Ecuador have created significant uncertainty regarding ability to permit exploration activity near protected forests and the need to carry out consultation activities prior to the start of any activities.

Shifts in political attitudes or changes in laws that may result in, among other things, significant changes to mining laws or any laws, regulations or policies are beyond the control of Lundin Gold and may adversely affect its business. The Company faces the risk that governments or courts may adopt substantially different policies or interpretation of laws, which might extend to the expropriation of assets or increased government participation in the mining sector. In addition, changes in resource development or investment policies, increases in taxation rates, higher mining fees and royalty payments, revocation or cancellation of mining concession rights or shifts in political attitudes in Ecuador may adversely affect Lundin Gold's business.

Forecasts relating to production, cash flow and costs

Lundin Gold provides estimates of future production (including production rate, gold grade and milling recovery estimates), future cash flow (including free cash flow estimates) and future costs for Fruta del Norte, including AISC estimates. No assurance can be given that production-related and financial-related estimates will be achieved. Estimates are based on, among other things: the accuracy of Mineral Reserve and Mineral Resource estimates and related information, analyses and interpretations (including with respect to any updates or anticipated updates); the accuracy of assumptions, including assumptions about Lundin Gold's business and operations and that no significant event will occur outside of normal course of business and operations and assumptions about commodity prices (including the price of gold); ore grades and recovery rates, ground conditions, metallurgical characteristics; the accuracy of estimated rates and costs of mining and processing and mill availability; the completion of the south ventilation raise; the receipt and maintenance of permits; and estimates of capital expenditures.

Failure to achieve production, gold grade, cash flow and cost estimates could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition. The Company's economic performance forecasts, including cash flow forecasts, operating costs and AISC, may be impacted by the production outlook. Failure to meet these production targets will have an adverse effect on cash flows, earnings and the Company's overall financial condition. Actual production, production rate, gold grade, milling recovery, cash flow and costs may vary from estimates for a variety of reasons, including, among other things: actual ore mined varying from estimates of grade, tonnage, dilution, metallurgical and other characteristics; short-term operating factors relating to the Mineral Reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; changes in commodity prices (primarily the price of gold); mine or equipment failures, risk and hazards associated with mining; natural phenomena, such as extreme weather conditions, underground floods, earthquakes, ground control issues, rock bursts and cave-ins; encountering unusual or unexpected geological conditions; shortages of principal supplies needed for mining and milling operations, including explosives, fuels, chemical reagents, water, power, equipment parts and lubricants; plant and equipment failure; and other risks which impact operations and financial performance outlined in these "Risk Factors".

Pandemic Virus Outbreak

Disruptions caused by pandemics, epidemics or disease outbreaks, in locations in which Lundin Gold operates or globally, could materially adversely affect the Company's business, operations, financial results and forward-looking expectations.

Over the last two years, aspects of the Company's operations have been impacted by COVID-19 for a variety of reasons, such as government and other restrictions on transportation and the mobility of personnel and mandatory quarantine periods and border closures. The degree of restrictions imposed by governments and others in the future will depend upon the containment of the virus around the world. Possible impacts of the continuing or worsening spread of COVID-19, including new variants of the virus, may include mandated or voluntary closures of operations, illness among the Company's workforce, restricted mobility of personnel, interruptions in the Company's logistics and supply chain, delay at or closure of the Company's refining and smelting service providers and global travel restrictions, all of which could disrupt the Company's operations and negatively impact its financial performance of the value of its Shares. The ultimate economic viability of the Company's business is impacted by its ability to operate Fruta del Norte and/or to maintain adequate liquidity through potential sources of financing.

There can be no assurance that the Company's strategies to address potential disruptions will mitigate these risks or the adverse impacts to Lundin Gold's business, operations and financial results. In addition, disruptions related to COVID-19 have had, or could have, the effect of heightening many of the other risks described in this section.

Mining Operations

The Company's operations can be subject to risks and hazards that are inherent in the mining industry, including, but not limited to, unanticipated variations in grade and other geological problems, underground conditions, backfill quality or availability, metallurgy, ore hardness and other processing issues, critical equipment or process failure, the lack of availability of input materials and equipment, disruption to power supply, geotechnical incidents such as ground subsidence or landslides, accidents, labour force disruptions, supply chain/logistics disruptions, force majeure events, , unanticipated transportation disruptions or costs, consumable prices or availability and weather conditions, any of which can materially and adversely affect, among other things, the safety of personnel, production quantities and rates, costs and expenditures, contractual obligations and financial covenants.

Consequently, there is a risk that Fruta del Norte may encounter problems or be subject to delays or suspensions resulting from these operating risks which could occur and which may have material adverse consequences for Lundin Gold, including its operating results, cash flow and financial condition.

Ability to Maintain Obligations or Comply with Debt

Lundin Gold is subject to restrictive covenants under its debt financing agreements, including without limitation the Prepay and Stream Loans and the Senior Facility. The Company's project financing is secured by a first ranking charge over the assets of the Operating Subsidiaries, by a pledge of the shares of the Operating Subsidiaries, by limited recourse guaranty from Lundin Gold and guarantees of the Operating Subsidiaries. In addition, Lundin Gold may from time to time enter into other arrangements to borrow money to fund its operations at Fruta del Norte or the exploration and development activities on its other concessions, and such arrangements may include covenants that have similar obligations or that restrict its business in some way.

Events may occur in the future, including events out of Lundin Gold's control, that could cause Lundin Gold to fail to satisfy its obligations under the Prepay and Stream Loans, the Senior Facility or other debt instruments that may arise. In such circumstances, amounts drawn under Lundin Gold's debt agreements may become due and payable before the agreed maturity date, and Lundin Gold may not have the financial resources to repay such amounts when due. If Lundin Gold were to default on its obligations under either the Prepay and Stream Loans or the Senior Facility or other secured debt instruments in the future, the lender(s) under such debt instruments could enforce their security and seize Lundin Gold's assets.

Shortages of Critical Resources

Disruptions in the supply of products or services required for the Company's activities could adversely affect the Company's operations, financial condition and results of operations. This may be the result of industry-wide shortages of certain goods or services, interruption in supplier operations or in transportation methods of certain goods, interruptions in international logistics, the risk of failure of certain long-lead items or the failure to obtain necessary permits for the supply of regulated goods. The Company's costs may also be affected by the prices of commodities and other inputs it consumes or uses in its operations. The prices and availability of such commodities and inputs are influenced by supply and demand trends and logistics issues affecting the mining industry in general and other factors outside the Company's control. Increases in the price for materials consumed in the Company's mining and production activities could materially adversely affect the Company's results of operations and financial condition.

Control of Lundin Gold

As at the date hereof, Newcrest and the Lundin Family Trust are control persons of Lundin Gold. As long as these shareholders maintain their significant positions in Lundin Gold, they will have the ability to exercise influence with respect to the affairs of Lundin Gold and significantly affect the outcome of matters upon which shareholders are entitled to vote. In addition to being a control person of Lundin Gold, Newcrest is also a secured lender of the Company, having acquired the Prepay and Stream Loans in 2020. As such, Newcrest has additional influence over Lundin Gold's business.

As a result of the holdings in the Company of control persons, there is a risk that the Company's securities are less liquid and trade at a relative discount compared to circumstances where these persons did not have the ability to influence or determine matters affecting Lundin Gold. Additionally, there is a risk that their significant interests in Lundin Gold discourages transactions involving a change of control of Lundin Gold, including transactions in which an investor, as a holder of the Company's securities, would otherwise receive a premium for its Company's securities over the then-current market price.

Environmental Compliance

All of Lundin Gold's exploration, development and production activities are subject to extensive environmental regulation. These regulations address, among other things, the emissions into the air, discharges into water, management of waste, management of tailings, management and shipment of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations.

Some laws and regulations may impose penalties for environmental contamination, which could subject the Company to liability for the conduct of others or for its own actions that followed all applicable laws at the time such actions were taken. Environmental legislation is evolving in a manner that will result in stricter standards and enforcement, increased fines and penalties for non-compliance, potential for a temporary shutdown of a portion or all of the operations at Fruta del Norte until non-compliance is corrected, more stringent environmental assessments of proposed projects and mine closure plans and a heightened degree of responsibility for companies and their officers, directors and employees. Any future changes in environmental regulation could adversely affect the Company's ability to conduct its operations.

The Company may need to address contamination at Fruta del Norte or its exploration properties in the future, either for existing environmental conditions or for leaks or discharges that may arise from the Company's ongoing operations and activities or from those of third parties, such as contractors, artisanal miners or others accessing Lundin Gold's properties. Contamination from hazardous substances at any of Lundin Gold's properties may subject it to material liability for the investigation or remediation of contamination, as well as for claims seeking to recover for related property damage, personal injury or damage to natural resources.

Infrastructure

Mining operations, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, ports and power sources are important elements of infrastructure, which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay or otherwise adversely impact the Company's exploration, development or operating activities. If adequate infrastructure is not available in a timely manner, there is a risk that (i) the operations at Fruta del Norte will not achieve anticipated production, (ii) the operating costs associated with Fruta del Norte will be higher than anticipated, or (iii) the Company's exploration and development activities will be not carried out as anticipated, or at all. Furthermore, unusual or infrequent weather phenomena, sabotage, community uprisings, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect the operations at Fruta del Norte, cash flow and Lundin Gold's financial position.

Dependence on Single Mine

The only material property interest of the Company is Fruta del Norte. Unless the Company acquires additional property interests or advances its exploration properties, any adverse developments affecting Fruta del Norte could have a material adverse effect upon the Company and would materially and adversely affect the profitability, financial performance and results of operations of the Company. While the Company may seek to develop and acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that Lundin Gold will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Company or at all.

Exploration and Development Risks

The Company has the rights to 23 mineral concessions targeted for exploration outside of Fruta del Norte. The exploration for, and development of, new mineral deposits involves significant risks which, even with a combination of careful evaluation, experience and knowledge, may not be eliminated. Few exploration properties are ultimately developed into producing mines. Whether a mineral deposit will be commercially viable depends on a number of factors, including but not limited to: the particular attributes of the deposit, such as quantity and quality of the minerals, metallurgy and proximity to infrastructure and labour; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, legal proceedings and environmental protection. There is a risk that the exploration and development efforts and expenditures made by Lundin Gold will not result in any new discoveries of other mineral occurrences or new estimates of Mineral Resources or Mineral Reserves.

Government or Regulatory Approvals

Lundin Gold's exploration and development activities and its operations depend on its ability to obtain, maintain or renew various mineral rights, licenses, permits, authorizations and regulatory approvals (collectively, **Rights** and individually a **Right**) from various governmental and quasi-governmental authorities. Government work stoppages may also impact the Company's ability to obtain, maintain or renew certain Rights. Lundin Gold's ability to obtain, maintain or renew such Rights on acceptable terms and on a timely basis is subject to changes in regulations and policies and to the discretion of the applicable governmental and quasi-governmental bodies. Lundin Gold may not be able to obtain, maintain or renew its Rights or its Rights may not be obtainable on reasonable terms or on a timely basis. It is possible that previously issued Rights may become suspended or revoked for a variety of reasons, including through government or court action. A delay in obtaining any such Rights, the imposition of unfavourable terms or conditions on any Rights or the denial of any Right may have a material adverse effect on Lundin Gold's business, financial condition, results of operations and prospects and, in particular, the development and operations of Fruta del Norte.

Tax Regime in Ecuador

Tax regimes in Ecuador may be subject to differing interpretations and are subject to change without notice. The Company's interpretation of tax law as applied to its transactions and activities may not coincide with that of the tax authorities and may be disputed, notwithstanding the economic stability provided to Lundin Gold under its exploitation and investment protection agreements. As a result, the taxation applicable to transactions and operations may be challenged or revised by the tax authorities, which could result in significant additional taxes, penalties and/or interest.

There is a risk that restrictions on the repatriation of earnings from Ecuador to foreign entities will be imposed in the future and Lundin Gold has no control over withholding tax rates. In addition, there is a risk that laws and regulations in Ecuador may result in a capital gains tax on profits derived from the sale of shares, ownership interests and other rights, such as exploration rights, of companies with permanent establishments in the country. It is unknown at this time what, if any, liability the Company or its subsidiaries may be subject to as a result of the

application of this law. There is a risk that the Company's access to financing may be limited as a result of the indirect taxation.

The Company's operating subsidiary pays VAT on goods and services required for Fruta del Norte and is eligible to receive a credit against future VAT payable. There is a risk that the tax authority in Ecuador may deny the Company's VAT claims or unduly delay the processing of VAT refunds, which could have a material adverse effect on Lundin Gold's financial position or cash flow.

Availability of Workforce and Labour Relations

The Company's gold production and its exploration and development activities depend upon the efforts of Lundin Gold's employees and contractors. The Company competes with mining and other companies on a global basis to attract and retain employees at all levels with appropriate technical skills and operating experience necessary to operate its mines. The conduct of the Company's operations is dependent on access to skilled labour. Access to skilled labour may prove particularly challenging for Lundin Gold given the remote location of Fruta del Norte and local laws which impose thresholds for the representation of certain groups of people on Lundin Gold's workforce in Ecuador and the ability of foreign skilled labour to obtain visas to work in Ecuador. Shortages of suitably qualified personnel could have a material adverse effect on the Company's business and results of operations.

Lundin Gold's operations at Fruta del Norte depend upon the efforts of its employees, and the Company's operations would be adversely affected if it failed to maintain satisfactory labour relations. The Company's labour force is not unionized, and the introduction of a labour union could result in a disruption to production and/or higher costs and reduced flexibility. In addition, relations between the Company and its employees may be affected by changes in labour and employment laws. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

Gold Price

The Company's earnings, cash flow, ability to pay dividends and financial condition are subject to risk due to fluctuations in the market price of gold. Gold prices have historically fluctuated widely. The price of gold is affected by numerous factors beyond Lundin Gold's control, including levels of supply and demand, global or regional consumptive patterns, level of investment activity, purchases or sales by government central banks, increased production due to new mine developments and improved mining and production methods, speculative activities related to the sale of metals, availability and costs of investment substitutes, international economic and political conditions, interest rates, currency values and inflation.

A dramatic decline in the gold price could cause Fruta del Norte operations to be uneconomic. Depending on the price of gold, the Company's cash flow may be insufficient to meet its operating needs, debt obligations and capital expenditures, and as a result the Company could experience financial difficulties and may suspend some or all of mining activities or otherwise revise its mine plan and exploration and development plans. In addition, there is a time lag between the shipment of gold and final pricing, and changes in pricing can impact the Company's revenue and working capital position. Any of these factors could result in a material adverse effect on the Company's results of operations and financial condition.

The estimation of economically viable identified Mineral Reserves requires certain assumptions, including gold price. A revised estimate of identified Mineral Reserves due to a substantial decline in the gold price could result in the decrease in the estimates of the Company's Mineral Reserves, subsequent write downs and negative impact on mine life.

Information Systems and Cyber Security

The Company's operations depend on information technology (**IT**) systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in IT system failures, delays and/or increase in capital expenses. The failure of IT systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Title Matters and Surface Rights and Access

There is a risk that title to the mining concessions, the surface rights and access rights comprising Fruta del Norte and its related infrastructure or the concessions and access rights relating to Lundin Gold's exploration concessions may be deficient or subject to dispute. The procurement or enforcement of such rights can be costly and time consuming. In areas where there are local populations or landowners, it may be necessary, as a practical matter, to negotiate or enforce surface access. In addition, in circumstances where such access is denied, or no agreement can be reached, Lundin Gold may need to rely on the assistance of local officials or the courts in such jurisdictions, which may delay or impact exploration or mining activities as planned.

There is also a risk that the Company's exploration, development and mining authorizations and surface rights may be challenged or impugned. Finally, there is a risk that developing laws and movements respecting the acquisition of lands and other rights of indigenous communities may alter the arrangements made by prior owners of the lands where Fruta del Norte is located. Future laws and actions could have a material adverse effect on Lundin Gold's operations at Fruta del Norte or on its financial position, cash flow and results of operations.

Health and Safety

Exploration and mining development and operating activities represent inherent safety hazards and maintaining the health and safety of the Company's employees and contractors is of paramount importance to the Company. Health and safety hazard assessments are carried out regularly throughout the lifecycle of the Company's activities, and robust policies, procedures and controls are in place. Notwithstanding continued efforts to adhere to the Company's "zero harm" policy, safety incidents may still occur. Significant potential risks include, but are not limited to, surface or underground fires, rock falls underground, blasting accidents, vehicle accidents, unsafe road conditions or events, fall from heights, contact with energized sources, and exposure to infectious or occupational disease. Employees involved in activities in remote areas may also be exposed to attacks by individuals or violent opposition by local communities that may place the employees at risk of harm. Any incident resulting in serious injury or death could result in litigation and/or regulatory action (including, but not limited to suspension of development activities and/or fines and penalties), or otherwise adversely affect the Company's reputation and ability to meet its objectives.

Mineral Reserve and Resource Estimates

Mineral Reserve and Mineral Resource figures are estimates, and there is a risk that any of the Mineral Resources and Mineral Reserves identified at Fruta del Norte to date will not be realized. Until a deposit is actually mined and processed, the quantity of Mineral Resources and Mineral Reserves and grades must be considered as estimates only. In addition, the quantity of Mineral Resources and Mineral Reserves may vary depending on, among other things, precious metal prices and operating costs. Any material change in quantity of Mineral Resources, Mineral Reserves or percent extraction of those Mineral Reserves recoverable by underground mining techniques may affect the economic viability of any project undertaken by Lundin Gold. In addition, there is a risk that metal recoveries during production do not reach anticipated rates.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability, and there is a risk that they will never be mined or processed profitably. Further, there is a risk that Inferred Mineral Resources may not ever be converted to Proven or Probable Mineral Reserves as a result of continued exploration.

Fluctuations in gold prices and operating costs, results of drilling, metallurgical testing and preparation and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of Mineral Reserves could have a material adverse effect on Lundin Gold's results of operations and financial condition.

Key Talent Recruitment and Retention

Recruiting and retaining qualified personnel is critical to Lundin Gold's success. Lundin Gold is dependent on the services of key executives, including its President and Chief Executive Officer, and other highly skilled and experienced executives and personnel focused on managing Lundin Gold's interests. The number of persons skilled in the financing, development, operations and management of mining properties is limited and competition for such persons is intense. The inability of Lundin Gold to successfully attract and retain highly skilled and experienced executives and personnel could have a material adverse effect on Lundin Gold's business, financial condition and results of operations.

Market Price of the Company's Shares

Securities of mineral companies have always experienced substantial volatility, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries or sectors. The price of the Company's Shares is also likely to be significantly affected by short-term changes in gold price, currency exchange fluctuations, or its financial condition, dividend policy or results of operations and exploration activities on its projects. Other factors unrelated to the performance of the Company that may have an effect on the price of the Company's Shares include: the extent of analyst coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Company's Shares may affect an investor's ability to trade significant numbers of Shares; the size of the Company's free float and whether it is included in market indices may limit the ability of some institutions to invest in the Company's Shares; and the evaluation of the Company's performance and practices by third party rating agencies on ESG matters, which may limit the ability of some institutions or other investors to invest in the Company's Shares. If an active market for the Shares does not continue, the liquidity of an investor's investment may be limited, and the price of the Company's Shares may decline. If an active market does not exist, investors may lose their entire investment in the Company. As a result of any of these factors, the market price of the Company's Shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Measures to Protect Endangered Species and Critical Habitats

Ecuador is a country with a diverse and fragile ecosystem and the national government, regional governments, indigenous groups and NGOs are vigilant in their protection of endangered species and critical habitats. The existence or discovery of an endangered species or critical habitats at Fruta del Norte or any of its exploration concessions may have a number of adverse consequences to the Company's plans and operations. For instance, the presence of an endangered species could require the Company to take additional measures to protect the species or to cease its activities at Fruta del Norte temporarily or permanently, which would impact production from Fruta del Norte and would have an adverse economic impact on the Company, which could be material. The existence or discovery of an endangered species or critical habitat at Fruta del Norte or the Company's exploration concessions could also ignite NGO and local community opposition to the Company's activities, which could impact its plans and operations and the Company's financial condition and global reputation.

Social Media and Reputation

As a result of the increased usage and the speed and global reach of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users and organization of opposition, companies today are at much greater risk of losing control over how they are perceived in the marketplace. Damage to reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity (for example, with respect to handling of environmental matters or Lundin Gold's dealings with community groups), whether true or not. The Company places a great emphasis on protecting its image and reputation but does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, maintaining a positive relationship with government authorities, decreased investor confidence and an impediment to the overall success of Fruta del Norte in Ecuador, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

Non-Compliance with Laws and Regulations and Compliance Costs

Lundin Gold, its subsidiaries, its business and its operations are subject to various laws and regulations. The costs associated with compliance with such laws and regulations may cause substantial delays and require significant cash and financial expenditure, which may have a material adverse effect on the Company or the operation of Fruta del Norte.

There is a risk that the Company may fail to comply with a legal or regulatory requirement, which may lead to the revocation of certain rights or to penalties or fees and in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. In addition, the Company may be required to compensate those suffering loss or damage arising from its non-compliant activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights could result in loss, reduction or expropriation of entitlements. Any of the foregoing may have a material adverse effect on the Company or the operation of Fruta del Norte.

Illegal Mining

Mining by illegal miners occurs on and near some of Lundin Gold's mineral concessions in Ecuador. While this activity is monitored by the Company and controlled by the government, the operations of artisanal and illegal miners could interfere with Lundin Gold's activities and could result in conflicts. These potential activities could cause damage to Fruta del Norte, including road blockages, pollution, environmental damage or personal injury or death, for which Lundin Gold could potentially be held responsible. The presence of illegal miners can lead to delays and disputes regarding the development or operation of gold deposits. Illegal mining can also result in mine stoppages,

environmental issues and could have a material adverse effect on Lundin Gold's results of operations or financial condition.

Insurance and Uninsured Risks

Exploration, development and production operations on mineral properties involve numerous risks including, but not limited to, unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, risks relating to the transportation of dangerous goods to site, risks relating to the storage and shipment of precious metal concentrates or doré bars, and political and social instability. Such occurrences could result in damage to mineral properties, damage to underground development, damage to production or infrastructure facilities, personal injury or death, environmental damage to Lundin Gold's properties or the properties of others, delays in the ability to undertake exploration and development, monetary losses and possible legal liability. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the Company's Shares.

Although Lundin Gold maintains insurance to protect against certain risks in such amounts as it considers reasonable and commercially available, its insurance policies do not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not always be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production may not be available to the Company on acceptable terms. Lundin Gold might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons.

Insurance limits currently in place may also not be sufficient to cover losses arising from insured events. Losses from any of the above events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Dividends

Any payments of dividends on the Shares will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company, restrictions under Prepay and Stream Loans and the Senior Facility, and other factors which the Board may consider appropriate in the circumstance.

Reclamation Obligations

Reclamation requirements are designed to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance land forms and vegetation. Lundin Gold is subject to such requirements in connection with its activities at Fruta del Norte and may be liable for actions and activities and disturbances caused by artisanal and illegal miners on the Company's property. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and could have a material adverse impact on Lundin Gold's financial resources. Furthermore, environmental hazards may exist on the properties in which Lundin Gold holds interests which are unknown to Lundin Gold at present and which have been caused by previous or existing owners or operators of the properties.

There can also be no assurance that closure estimates prove to be accurate. The amounts recorded for reclamation costs are estimates unique to a property based on estimates provided by independent consulting engineers and Lundin Gold's assessment of the anticipated timing of future reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred in future periods could differ from amounts estimated. Additionally, future changes to environmental laws and regulations could affect the extent of reclamation and remediation work required to be performed by Lundin Gold. Any such changes in future costs could materially impact the amounts charged to operations for reclamation and remediation. Finally, the timing of the funding of such

closure costs may be impacted by changes in laws and regulations and adversely affect the financial condition of the Company.

Violation of Anti-Bribery and Corruption Laws

The Company's operations are governed by, and involve interactions with, many levels of government in numerous countries. The Company is required to comply with anti-corruption and anti-bribery laws, including the Canadian and Ecuadorian *Criminal Codes*, the Canadian *Corruption of Foreign Public Officials Act* and the U.S. *Foreign Corrupt Practices Act*, as well as similar laws in Ecuador and other countries in which Lundin Gold conducts its business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations not only by its employees, but also by its contractors and third-party agents. Although Lundin Gold has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors and third-party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of its operations.

Climate Change

Changes in climate conditions could adversely affect Lundin Gold's business and operations through the impact of (i) more extreme temperatures, precipitation levels and other weather events; (ii) changes to laws and regulations related to climate change; and (iii) changes in the price or availability of goods and services required in its business.

Physical risks related to climate change may include more extreme temperatures, precipitation levels and other weather events. Extreme high or low temperatures could impact the operation of equipment and the safety of personnel at Fruta del Norte, which could result in damage to equipment, injury to personnel and production disruptions. Increased in precipitation levels or extreme weather events, such as severe storms or floods, which may be more probable and more extreme due to climate change, may damage critical infrastructure such as public roads, bridges and ports, negatively impact operations, disrupt production, lead to water management challenges, landslides or breach of containment facilities. Significant capital investment may be required to address these occurrences and to adapt to changes in average operating conditions caused by these changes to the climate.

Increased environmental regulation and/or the use of fiscal policy by regulators in response to concerns over climate change and other environmental impacts, such as additional taxes levied on activities deemed harmful to the environment, could have a material adverse effect on Lundin Gold's financial condition or results of operations.

The impacts of climate change may lead to changes in the price and availability of goods and services required for Fruta del Norte's operations, which depend on the regular supply of consumables such as diesel, electricity, sodium cyanide and other supplies to operate efficiently. The Company's operations also depend on service providers to transport these consumables and other goods to Fruta del Norte and to transport doré and concentrate produced by the Company to refiners and smelters, respectively. The effects of extreme weather described above and changes in legislation and regulation on the Company's suppliers and their industries may cause limited availability or higher price for these goods and services, which could result in higher costs or production disruptions.

The Company is working towards implementing the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), the purpose of which is to provide a framework to assess and disclose climate resilience. Even after completing this undertaking, the Company cannot be certain that it will have adequately assessed the risks of climate change on its business or that its efforts to mitigate the risks of climate change will be adequate or effective.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can only provide reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Security

The Company is exposed to various levels of safety and security risks which could result in injury or death, theft or damage to property, work stoppages, or blockades of its mining operations. Risks and uncertainties include, but are not limited to, terrorism, hostage taking, gang activities, military repression, labour unrest and war or civil unrest. Opposition to mining could arise and such opposition may be violent. Resistance or unrest in Ecuador could have a material adverse effect on our operations and profitability.

Claims and Legal Proceedings

Lundin Gold may be subject to claims or legal proceedings in multiple jurisdictions covering a wide range of matters that arise in the ordinary course of its current business or the Company's previous business activities which could materially adversely impact Lundin Gold.

Conflicts of Interest

Certain directors and officers of Lundin Gold are or may become associated with other mining and/or mineral exploration and development companies, which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

THE FDN TECHNICAL REPORT SUMMARY

On June 15, 2016, Lundin Gold released the results of a NI 43-101 Technical Report, prepared by Amec Foster Wheeler. The firms and consultants who are providing Qualified Persons (**QPs**) responsible for the content of the Technical Report, which is based on a feasibility study completed in 2016 (the **2016 FS**) and supporting documents prepared for the 2016 FS, are, in alphabetical order, Amec Foster Wheeler and Amec Foster Wheeler E&C Services Inc., Klohn Crippen Berger Ltd. (**KCB**), MM Consultores, NCL, and Roscoe Postle Associates Inc. (**RPA**). The QPs responsible for the Technical Report are as follows: Mr. Ignacy (Tony) Lipiec, P.Eng., Director, Process Engineering, Amec Foster Wheeler; Ms. Juleen Brown, MAusIMM CP, Mining Sector Lead - Environment, Amec Foster Wheeler; Mr. Simon Allard, P.Eng., Principal Consultant and Study Manager, Amec Foster Wheeler; Mr. Charles Masala, P.Eng., Associate Water Resources Engineer, Amec Foster Wheeler; Ms. Stella Searston, RM SME, Principal Geologist, Amec Foster Wheeler; Mr. Bryan D. Watts, P.Eng., Chairman and Principal, KCB; Mr. Alejandro Sepúlveda, RM CMC, Principal and Project Director, NCL; Mr. Anthony (Tony) R. Maycock, P.Eng., MM Consultores; and Mr. David A. Ross, P.Geo., Director, Resource Estimation, Principal Geologist, RPA. The Technical Report has been filed with Canadian securities regulatory authorities on SEDAR.

As outlined earlier in this AIF, the Company updated its estimates of Probable Mineral Reserves with the 2020 Reserve and provides year end reconciliations of its estimates of Probable Reserves based on updated mine plans and production. See “Fruta del Norte Update”. These updates have not resulted in material changes to estimates for Fruta del Norte, including the Mineral Reserve or Mineral Resource estimates contained in the Technical Report.

As of the date of this AIF, the development and construction of FDN is largely complete and Fruta del Norte is in operations. Except where noted, this summary of the Technical Report has not been modified to reflect this fact. Except as where stated otherwise, the information below is stated as of the Technical Report effective date. The information contained in this section has been derived from the Technical Report, is subject to certain assumptions, qualifications and procedures described in the Technical Report and is qualified in its entirety by the full text of the Technical Report. Reference should be made to the full text of the Technical Report under the Company’s profile on SEDAR.

PROJECT DESCRIPTION AND LOCATION

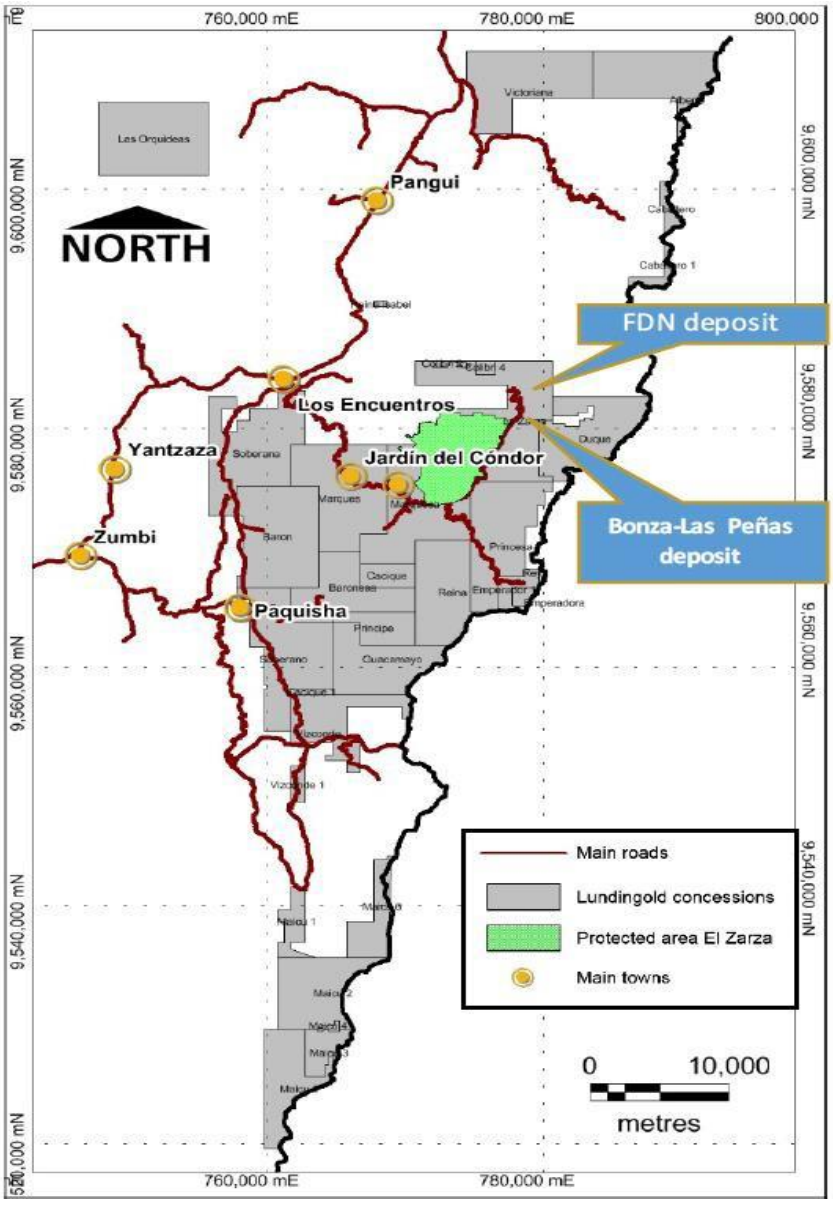
The Fruta del Norte deposit is located within a 150 km long copper–gold metallogenic sub-province located in the Cordillera del Cóndor region. The nearest city to Fruta del Norte is Loja, the fourth-largest city in Ecuador. Fruta del Norte is situated about 139 km east–northeast of Loja. Vehicular access from Loja to Fruta del Norte site is via a 150 km long paved highway to the town of Los Encuentros. At the time of the Technical Report, a 40 km long public gravel road connects Los Encuentros to the Fruta del Norte site.

MINERAL TENURE

At the Technical Report effective date, Lundin Gold's mineral tenure holdings comprised 31 mining concessions that cover an area of approximately 74,855 ha. At the time, all of Lundin Gold's concessions in Ecuador were held in the name of AESA.

As of the date of this AIF, Lundin Gold's properties in Ecuador consist of 27 metallic mining concessions and three construction material concessions, covering an area of approximately 64,270 hectares. These concessions are currently registered in the name of the Company's subsidiaries, AESA, AMSA and Surnorte.

The location of the La Zarza concession, which hosts the FDN deposit, is illustrated below.



In 2017, concessions not related to the Project were transferred to one of Lundin Gold's Exploration Subsidiaries, AMSA. Eight of those concessions were subsequently transferred in 2020 to Surnorte, a wholly owned subsidiary of Lundin Gold which was created in connection with the Newcrest Earn-In Agreement. See "*Mineral Exploration*". The concessions were originally issued under Ecuador's old mining laws with a 30-year term. With the reformation of the country's mining laws in 2009, Lundin Gold's concessions were registered in the Mining Registry and now have different expiry dates, ranging from 21–23 years from the date of registration. The majority of the concessions form a large contiguous block that extends from the Nangaritza River eastward to the international border with Peru.

Under the current mining law, medium and large mining concession terms are divided into two stages: exploration and exploitation. The exploration stage is further subdivided into shorter phases based on the achievement of stipulated milestones. Obligations that must be met to retain the concessions include payment of annual conservation fees, completion of annual reports on exploration completed, and proposed investment plans. Any failure to achieve these milestones and successfully advance to the next stage by the deadline can result in a forfeiture of the concession. In the final stage of exploration, referred to as the economic evaluation stage, an

application for exploitation can be made to the GOE. If successful, a concessionaire can then enter into an exploitation agreement with the GOE, and the concession term is the one negotiated under the agreement.

At the Technical Report effective date, four of Lundin Gold's metallic concessions, including Duque, Princesa, Emperador 1 and Emperadora, were required to advance to the economic evaluation stage or be surrendered by Lundin Gold. Subsequent to the date of the Technical Report, three of these (Princesa, Emperador 1, and Emperadora) were combined and renamed the Emperador Concession; this concession was then converted to a small mining concession, and therefore not subject to the requirement to advance to economic evaluation. The remaining 22 metallic concessions were converted to small-scale mining concessions in 2018. During 2021, the Company renounced and returned the Caballero and Caballero 1 concessions to the Ministry of Energy and Non-Renewable Natural Resources, and Soberano 3 was ceded to a third party. As of the date of this AIF, two concessions, Rey and Princesa 1, are currently in the renunciation process, although the Company has applied to stop the process with respect to Princesa 1.

Surface rights must be obtained to support mining project development either through the land acquisition or by an easement (agreed with the land titleholder or imposed by the Ministry of Mining). As of the Technical Report effective date, 61 public deeds for required surface rights had been signed, covering a collective area of approximately 4,145 ha. Since then, all surface rights required have been obtained.

At the Technical Report effective date, seven land easements were concluded; these cover areas including the access road and construction of surface infrastructure to support mining activities. The term granted is equivalent to the duration of the La Zarza concession term, or the term and extensions of the EA between AESA and the GOE. Since then and as of the date of this AIF, all of the land easements required for the operation have been obtained, including the easement rights required for the transmission line to provide power to FDN**.**

Lundin Gold concluded one concession easement agreement with Cóndor Gold S.A. (**Cóndor Gold**) in 2017, to support construction and operation of access roads. The easement agreement is valid for as long as the underlying mining concessions held by Cóndor Gold remain current. In addition, subsequent to the Technical Report effective date an easement agreement was concluded with the Ecuadorian military to support construction of the North Access Road.

At the Technical Report effective Date, Lundin Gold holds seven water rights under a number of water tenures that collectively allow for 97.25 L/s of extraction. Six rights were granted for exploration purposes, and one water right allows for human consumption. After the Technical Report effective date, in November 2019, the Company received two key water permits from SENAGUA, being the Industrial Water Permit and Administrative Act, allowing it to move Fruta del Norte into production.

Agreements and Encumbrances

A 1% net revenue royalty is payable in perpetuity on production from Lundin Gold's current mining concessions, including the La Zarza concession, under a royalty agreement dated November 16, 2007 among Lundin Gold's subsidiaries (Aurelian Resources Inc., Aurelian Resources Corporation Ltd., and AESA) and two individuals, being Keith M. Barron and Patrick F.N. Anderson (the **B&A Royalty**).

As of the date of this AIF, Mr. Barron's portion of the royalty (0.9 of 1%) has been assigned to Sandstorm Gold Ltd. and Mr. Anderson's portion of the royalty (0.1 of 1%) has been assigned to Osisko Gold Royalties Ltd. Subsequent to the Technical Report effective date, the royalties payable on production from Lundin Gold's concessions not related to FDN and held by AMSA and Surnorte were assigned to AMSA and Surnorte, respectively.

Since the Technical Report effective date, the Company has executed two additional royalty agreements:

- A 2% net smelter royalty is payable for any metallic minerals mined from the Rio Zarza and Valle del Inca 1 concessions acquired from Cóndor Gold, pursuant to a net smelter royalty agreement dated August 4, 2017.

- Under the Quarry Exploitation Agreement, royalties are payable to the Yantzaza GAD at a rate of 10% calculated on production costs to operate the Mountain Pass Quarry. Production costs include all direct and indirect costs including depreciation and amortization.

There are no other third-party royalties, back-in rights, payments, or other encumbrances on Lundin Gold's concessions in Ecuador.

Significant Factors That May Affect Access, Title, or the Ability to Work

During 2015, Lundin Gold, through AESA, and the GOE worked collaboratively to establish the fiscal terms and conditions for the development of Fruta del Norte. At the start of 2016, Lundin Gold announced that it had completed negotiations with the GOE and had settled the EA terms for Fruta del Norte.

Subsequent to the Technical Report effective date, the Company signed the EA with the GOE on December 14, 2016. The key terms of the EA have been summarized later in this AIF. Coincident with the signing of the EA, Lundin Gold entered into the IPA with the GOE, the objective of which is to provide legal and fiscal stability and protection to AESA for its investment in Fruta del Norte.

HISTORY

The Cordillera del Cóndor was first explored by Spanish conquistadors in the 1500s. There is evidence that pre-Columbians mined both hard rock and alluvial gold in the area. Spanish mining activity ceased about 1620, following conflict with local Indian tribes that had been enslaved to work in the mines. Artisanal alluvial miners began to prospect the Cordillera del Cóndor as early as 1935, both in Peruvian and Ecuadorian territory.

Companies involved prior to Lundin Gold's project interest included Minerales del Ecuador S.A., from 1986–1992; Amlatminas S.A. from 1996–2002; Minera Climax del Ecuador (**Climax**), a subsidiary of Climax Mining Ltd. of Australia from 1996–1998; Aurelian Resources Corporation Ltd. from 2003–2008; and Kinross from 2008–2014.

Completed activities have included stream sediment, rock chip, grab, soil and trench sampling, reconnaissance exploration, geological and structural mapping, ground and airborne geophysical surveys, genesis and modelling studies, core drilling, metallurgical testwork, project design studies, and preliminary marketing assessments. Kinross completed a pre-feasibility study in 2009 (**2009 Kinross PFS**), and a feasibility study in 2011 (**2011 Kinross FS**). Lundin Gold undertook the 2016 FS in 2015–2016, the results of which are documented in the Technical Report.

As of the date of the Technical Report, no commercial production had occurred from Fruta del Norte; however, there were periods of active artisanal mining within the Fruta del Norte Project boundaries.

REGIONAL, LOCAL AND PROPERTY GEOLOGY

The Fruta del Norte deposit is located in the Cordillera del Cóndor region. The deposit is hosted by andesites and feldspar porphyry intrusions. The Cordillera del Cóndor region consists of sub-Andean deformed and metamorphosed Palaeozoic and Mesozoic sedimentary and Mesozoic arc-related lithologies that formed between the eastern flank of the Cordillera Real, and west of the flat-lying strata of the Amazon basin. Intruding the sub-Andean rocks is a composite I-type batholith, the Zamora Batholith, which has an elongate north– northeast axis that parallels the Ecuadorian Andes for over 200 km, extending into northern Peru. The batholith is considered to be the plutonic expression of a Jurassic-aged, subduction-related, continental magmatic arc established on the western margin of the Amazon craton. In the area of the Fruta del Norte deposit, the batholith consists of phases of monzonite, diorite and granodiorites with local porphyritic and aplitic dikes and breccia zones.

The Fruta del Norte deposit is an intermediate sulphidation epithermal gold–silver deposit measuring approximately 1,670 m along strike, 700 m down dip and generally ranging between 150 m and 300 m wide. The top of the deposit is located beneath approximately 200 m of post-mineralization cover rocks. The eastern and western limits of the

deposit are defined by two faults that together form part of the Las Peñas fault system that is thought to control the gold–silver mineralization. The southern limit of the mineralization along the fault system has not been fully defined by exploration activities.

MINERALIZATION

Mineralization is characterized by intense, multi-phase quartz–sulphide ± carbonate stockwork veining and brecciation over broad widths, typically between 100–150 m wide in the coherent central and northern parts of the system where the gold and silver grades are highest. Mineralized shoots are typically present within dilatant zones developed along inflections of vein strike or dip where the geometry permits maximum opening at the time of mineralization.

The mineralogy of Fruta del Norte consists of chalcedonic to crystalline quartz, manganese-carbonates, calcite, adularia, barite, marcasite, and pyrite, as well as subordinate sphalerite, galena, and chalcopyrite, and traces of tetrahedrite and silver sulphosalts. The bulk of the gold is microscopic and associated with quartz, carbonates and sulphides. Much of the gold is free milling, but the mineralization is moderately refractory, with approximately 40% of the gold locked in sulphides. However, coarse visible gold is commonly observed. Individual gold grains range from discrete specks less than 0.1 mm in size to broccoli-like, arborescent crystals >10 mm across. Visible gold occurs in all mineralized zones, in quartz or carbonate, as well as within pyrite or silver sulphosalt clusters.

Exploration has delineated a number of additional epithermal-style targets and prospects.

In the opinion of the QPs, the knowledge of the deposit settings, lithologies, mineralization style and setting, ore controls, and structural and alteration controls on mineralization is sufficient to support Mineral Resource and Mineral Reserve estimation.

DEPOSIT TYPES

The setting, alteration mineralogy and mineralization characteristics of the Fruta del Norte deposit are consistent with an intermediate sulphidation epithermal system. Some deposits with mostly low-sulphidation characteristics with respect to their alteration mineral assemblages have sulphide ore mineral assemblages that represent a sulphidation state between that of high-sulphidation and low-sulphidation deposits. Such deposits tend to be more closely spatially associated with intrusions, it has been suggested that intermediate sulphidation may be used for these deposits.

Intermediate-style epithermal systems are typically hosted in arc-related andesitic and dacitic rocks. Mineralization is silver- and base metal-rich and associated with Mn-carbonates and barite. Sulphide assemblages in intermediate-style epithermal systems typically comprise tennantite, tetrahedrite, hematite–pyrite–magnetite, pyrite, chalcopyrite, and iron-poor sphalerite. Quartz can be massive or display comb textures. Sericite is common as an alteration mineral, but the adularia, more typical of low sulphidation systems, is rare to absent. Fluid inclusions range from 3–5% to 10–20% sodium chloride.

The Fruta del Norte deposit and many prospects that have been identified in close proximity to the deposit are classified as intermediate sulphidation-style epithermal systems on the basis of:

- The abundance of manganese-rich carbonate at Fruta del Norte and the elevated base metal content (typically as iron-poor sphalerite and subsidiary tetrahedrite and chalcopyrite) are consistent with an intermediate sulphidation state;
- The extensional tectonic setting of mineralizing fluid emplacement and the affiliation with intermediate magma types also complements the classification in terms of redox states;
- Multiphase quartz–sulphide ± carbonate stockwork veining and brecciation over broad widths. Veins typically exhibit classic space-filling epithermal textures including intricate crustiform–colloform banding, and cockade and bladed calcite textures;

- Mineralization comprises apparently free gold, refractory gold in sulphides, and is silver-rich;
- Alteration comprises silica–pyrite alteration that grades outward and downward to silica–illite–pyrite alteration, and then to a silica (quartz, chalcedony)–illite–pyrite (±marcasite), carbonate mineral assemblage; and
- Sulphide assemblages include hematite–pyrite–magnetite and pyrite. Arsenopyrite, chalcopyrite, sphalerite, and galena have been noted.

Exploration programs that have used epithermal-style deposits as the geological model target have shown success in the Fruta del Norte area, having discovered the Fruta del Norte deposit and a number of prospects.

EXPLORATION

Kinross Exploration Grid

The Kinross exploration grid consisted of a north–south cut baseline with 100 m spaced east–west cut lines. The grid is based on UTM coordinates. The datum used in the survey network was originally the PSAD56 (Provisional South American) system applied to Zone 17S. Most data have been subsequently projected to UTM Zone 17S WGS84 using the using the EGM96 geoid to reference elevation. As part of the 2009 Kinross PFS 159 of the then total of 165 drill hole collars were re-surveyed. In addition, Leiva Engineering of Quito (**Leiva**) duplicated the northings and eastings of 25 road monuments and some of the old drill hole collars that had been surveyed by Kinross. It was found that the Kinross surveys corrected to an ellipsoid surface as opposed to EGM96 mean sea level; this resulted in the Leiva surveys having a 20 m difference from those of Kinross. As the 2009 Kinross PFS modelling efforts had begun using the ellipsoidal-corrected elevations, new infill-hole Z-coordinates used a 20 m constant addition to stay consistent with the original database. All initial collar coordinates have been recalculated in the EGM96 system. Leiva also established additional regional geodetic points in the Colibrí and Emperador concessions.

Ground Control Points

A ground control point at Las Peñas camp was established, guaranteeing a fixed “zero point” designated as GCP-01 (**Ground Control Point-01**). An Instituto Geográfico Militar (**IGM**) tie-in was set up on IGM point Los Encuentros-1 located 17.59 km west–northwest of Las Peñas, established (by the IGM) at Escuela Gabriela Mistral, in the village of Los Encuentros, Zamora. The Los Encuentros-1 data were purchased from the IGM in Quito. A tie-in to the International GPS System was performed by the AUSPOS processing engine of the University of New South Wales, Australia.

LiDAR Surveys

In February 2008, AESA contracted Network Mapping UK to conduct a light detection and ranging (LiDAR)/orthophotographic survey of a priority area in the Fruta del Norte Project covering 402 km². An integral part of the LiDAR survey was the establishment of an independent survey network using long (>1 hour) static observation sessions using a dual frequency differential receiver.

A digital terrain model survey set was acquired from IGM in 2005 that covers an area of 79.8 km². LiDAR data were acquired in February 2008 from a helicopter-mounted scanner. In 2010, Kinross commissioned Walsh Consultants (**Walsh**) to reprocess the LiDAR data with the purpose of reconstituting contours with corrected elevations. The LiDAR topography, orthophotos, Kinross survey and Leiva surveys have good agreement in northings and eastings; however, Walsh used the ellipsoidal-corrected elevations as a base reference.

Database Re-projection

The 2010 exploration grid was based on UTM Zone 17S coordinates using the PSAD56 datum. All data has since been re-projected to UTM Zone 17S using the EGM96 geoid to reference elevation. In 2010, Kinross retained Tetra Tech Wardrop (**Wardrop**) to assess the impact of implementing a new datum on collar coordinates, and on the subsequent translation of the geological interpretation (wireframes) to the new datum. Wardrop’s assessment included various

comparisons of re-surveyed holes and a visual verification of the corrected database with the LiDAR produced surface. No significant offsets were noted between the corrected data set and the LiDAR surface. Geological wireframe translation was based on the average offset from the drill hole coordinates.

Geological Mapping

Geological and structural mapping have been completed from regional (1:25,000 scale) to prospect scale (1:2,000). Mapping results were used to identify areas of quartz veining, silicification and sulphide outcrop that warranted additional work. Data from remote sensing, geophysics, geological mapping and drilling were integrated to prepare an interpretation of the regional fault configurations. Analysis of Radarsat data showed that major topographic lineaments and regional geological contacts commonly trend north to south and northeast to southwest. The gaps in Cretaceous cover depicted from Radarsat are interpreted to coincide with pre- and/or post-Cretaceous fault zones. Geophysical data also defined a north–south-oriented fabric in proximity to Fruta del Norte. A more complex picture of lineament configurations was revealed from high-resolution Ikonos images where drainage patterns, in particular, showed systematically corrugated traces that may reflect localized offsets of the regional fault/lineament fabric.

Geochemical Sampling

Approximately 27,489 surface samples had been taken over the entire project area to the end of April 2016. Surface sampling was used as a first-pass exploration tool to identify areas of geochemical anomalies; some of these anomalies remain to be followed up.

Soil (6,252 samples), stream sediment (3,266 samples) and channel, adit, panel, pit, grab and rock sampling (3,015 samples) were collected between 1997 and 2007 by AESA and its predecessor companies to evaluate mineralization potential and generate targets for core drilling.

The soil geochemical surveys are very effective in outlining new areas of interest, while rock samples (boulders and outcrop) help to evaluate the potential of these areas and define targets for future drilling.

Geophysics

Ground geophysical programs completed to date within the Fruta del Norte area include gradient array, pole–dipole array IP resistivity and chargeability surveys. These have been effective in identifying intrusive rocks, faults, basin fill materials, zones of silicification, and pyrite-rich zones at depth. These methods are particularly effective at the regional level to help define geological and structural context in areas of interest. Because of the thick tropical vegetation and the very limited outcrop exposure in the Fruta del Norte area, IP has been very useful in defining the local geological context in order to help to better understand target areas. In addition, IP surveys are mainly used to identify zones of resistivity, which can be related to hydrothermal alteration (silicification), and zones of chargeability, which can be related to the presence of sulphides. Airborne geophysical programs completed include a high-sensitivity airborne aeromagnetic and radiometric survey, and (in 2017) a ZTEM (Z-tipper axis Electromagnetic) survey. Both magnetic and radiometric data are useful at the regional scale to identify areas of interest, major boundaries which can be related to faults, or define geological domains, and large scale targets. Zones of anomalously low magnetic signature can be associated with hydrothermal alteration when hydrothermal fluids destroy magnetic minerals in the rocks. Zones of anomalously high radiometric values (gamma-rays) may be related to potassic alteration (clays). The ZTEM survey detects variations in the earth's natural magnetic field that relate to the rocks ability to transmit electrical current. This survey has been useful in delineating deep, large scale structures, alteration patterns and rock types.

Pits and Trenches

Trenching was performed by Climax in 1996–1997 to evaluate areas of artisanal mine workings in the Castillo and Bonza–Las Peñas areas. These trenches were later re-opened by AESA All trenches were geologically mapped and

channel sampled.

PETROLOGY, MINERALOGY, AND RESEARCH STUDIES

Kinross and Aurelian Studies

Preliminary microprobe studies were completed to support gold fineness assessments. Mineralogical studies were commissioned during 2007 to verify minerals associated with veining, in particular to determine the presence of adularia. Samples of hydrothermal minerals (molybdenite, marcasite and adularia) and igneous units were selected and submitted to the Colorado State University for radiometric isotope dating by rhenium/osmium ratios and to the University of British Columbia for dating by argon-argon and uranium/lead methods (Ar40/Ar39, U/Pb). Extensive mineralogical and mineral deportment studies were also completed as part of the 2009 Kinross PFS and the 2011 Kinross FS.

SRK Alteration Study

SRK conducted an alteration study and associated modelling exercise during 2015 to:

- Characterize the extent of the degradation zones within the Suárez Formation conglomerate; postulate causes;
- Characterize zones of hydrothermal sericite and clay minerals within and surrounding the gold mineralization; extrapolate for exploration vectoring in other concession areas; and
- Quantify total clay contents within the gold mineralization using a suite of X-ray mineral liberation clay quantification analyses.

SRK conducted a degradation survey involving graphic logging of the Suárez Formation conglomerate intercepts and collection of associated infrared spectra. Data was collected at a spacing of one spectrum per box for the entire length of 83 historical drill holes. Graphic logging data were compiled into a digital database, and a comparison of current and historical core box photographs was completed in PowerPoint format for 58 of the 83 drill holes examined during the degradation survey.

An inspection of drill core indicates that degradation within the Suárez Formation conglomerate is inhomogeneous and does not involve significant volume increase through the production of swelling clays. Degradation is strongest in intervals that are observed or interpreted as containing disseminated pyrite. It is interpreted that the pyrite breakdown upon exposure to air or water leads to the generation of sulphuric acid, which promotes acid attack and further breakdown of pyrite and clay minerals.

The products of core degradation include the residual (i.e. pre-existing) clay minerals paragonite, illite, and minor smectite, and an enhanced concentration of fine-grained silica. The fine-grained silica is interpreted to be amorphous silica that becomes concentrated upon destruction of the smectite. Silicification in the lower parts of the Suárez conglomerate prevents degradation.

The speed of reactions that lead to degradation of the Suárez Formation conglomerate is uncertain. Systematic monitoring and collection of photographs and infrared spectra from the Suárez Formation conglomerate sections of 2015 MET1 holes is necessary in order to determine the speed of degradation.

Exploration Potential

Exploration along the Las Peñas fault zone and within the Suarez basin remains the first priority in the region, since the discovery of the Fruta del Norte gold–silver deposit. Exploration in 2011 continued to focus on the Las Peñas fault zone, more specifically in the La Zarza, Princesa, Sachavaca and Colibrí concessions where epithermal (and possibly mesothermal) systems were targeted.

Since acquiring AESA from Kinross in 2014 to the Technical Report effective date, Lundin Gold exploration work

mainly focused on concessions outside of La Zarza and included prospecting, geological mapping, trenching, rock sampling and associated geochemistry, as well as a geophysical survey of key exploration targets. Among epithermal targets selected for further exploration within the La Zarza concession are the FDN SW, Alejandro and Fruta del Norte East targets, all of which have received some previous work.

Additionally, although historically not a principal commodity focus for AESA, stand-alone, porphyry-hosted deposits, both associated with and proximal to the Las Peñas fault zone, provided secondary tier objectives for future exploration programs. Porphyry-related targets include the Tranca-Loma, Sandia and Papaya targets.

Since the Technical Report effective date, expanded geochemical sampling, geological mapping and geophysical surveys continue to identify a number of anomalies, a portion of which have been drill tested. The focus being on the southern Suarez basin for buried epithermal gold-silver systems similar to Fruta del Norte, with the Barbasco, Puente-Princesa, La Negra, and El Puma target areas being the highest priority. Outside of the Suarez basin two additional epithermal gold-silver epithermal targets are Emperador and Gata Salvaje.

Exploration programs conducted are appropriate to the work phase conducted at the time. The methods used were adequate for the models used of epithermal- and porphyry-style deposits, and the results were instrumental in properly outlining the extent of the mineralization and defining the Fruta del Norte deposit and other prospects. There is considerable remaining exploration potential within the Fruta del Norte area.

DRILLING

At the Technical Report effective date, drilling completed within the Fruta del Norte area to 1 December 2015 totaled 479 core holes (171,831 m). Within these programs, the drill campaigns completed on the La Zarza concession between 1997 and 1 December 2015 consisted of 438 holes (162,200 m) completed at the Fruta del Norte deposit, on areas with potential to host infrastructure, and on a number of exploration prospects within the La Zarza concession. A total of 284 holes (126,708 m) were completed at the Fruta del Norte deposit. No drilling occurred on Fruta del Norte between 1 December 2015 and 25 April 2016.

Drilling has been by core methods. Core sizes drilled include HQ (63.5 mm core diameter) and NQ-sized core (47.6 mm) for exploration purposes, and lesser diameter HQ3–NQ3 (for geotechnical purposes), NTW (56 mm) and BTW (42 mm) core sizes.

Following arrival at camp, the core was photographed, recovery was measured, and the core was geotechnically logged. Lithological logging followed with the geologist recording a detailed description of the lithology, texture, alteration, mineral assemblage and intensity and level of oxidation/weathering. A graphic log column with a sketch of the geology was also included.

Drill recoveries were acceptable. Lower recoveries during the 2015 drilling (with respect to previous programs) may in part be due to the number of the 2015 drill holes drilled to the west of the Fruta del Norte deposit, and others drilled outside the Fruta del Norte deposit to better define known fault zones where lower core recovery and drill hole problems could be expected.

During the 2005 to 2007 drill programs, professional Ecuadorian surveyors using a Total Station survey instrument located drill hole collars. During the same programs, the existing Climax drill collars were surveyed, where they could be located. Drill holes completed since 2009 were surveyed by AESA–Kinross or Lundin Gold personnel using Total Station survey instruments. As part of the quality assurance and quality control (**QA/QC**) process, at the end of the Lundin Gold drill program the local engineering firm Leiva was contracted to survey the drill collars using differential double frequency GPS equipment.

Core holes from the Climax programs were surveyed by either acid tests or Tropari tests. The initial AESA–Kinross programs used a Sperry Sun or Tropari single shot survey instrument taking a measurement every 50 m, or a Flexit digital multi-shot survey instrument with a reading every 30 m down the drill hole. Later programs used Flexit and

Reflex digital multi-shot survey instruments. For the 2015 Lundin Gold drilling program, a Reflex EZ-TRAC digital down hole survey instrument was used.

The deposit was systematically drilled out on 50 m to 100 m sections between lines 2500N and 3900N. The grade and mineralization intensity characteristics clearly delineated zones of high grade and high tonnage mineralization in the north versus more disperse, albeit locally high grade mineralization, in the south. Infill drilling on 50 m centres was focused over 300 m of strike between 3300N and 3600N. The drilling tactic typically involved fan drilling from the pad collar to facilitate between 50 m and 25 m infill drilling before stepping out across strike to define the up or down dip geometry. Even though the majority of AESA core holes were drilled with an easterly (approximately 090°) azimuth and the dominant dip of the mineralized system is west, no single method or percentage adequately describes the complex relationship between down hole (core) length and the true width of the intersected mineralized zones. Drill hole inclinations vary significantly (from -45° to -84°) and the mineralized zones have variable dips from moderate to steep westerly to steep easterly dips. Therefore, most drill holes intersect the mineralized zones at an angle, and the drill hole intercept widths reported for the Fruta del Norte Project are greater than true widths.

The density determination methodology consisted of the water-displacement method. Measurements were made from every hole at an interval rate of approximately 50 m in unmineralized rock and every 20 m in the mineralized system. Rock density is relatively constant within specific lithologies and shows only minimal variation between different lithological groups.

During the Climax drill program, core was sawn in half and sampled at 2 m intervals, regardless of geology. Each sample consisted of 2 m composites of half core, with the exception of the first and last intervals in each hole. AESA–Kinross and Lundin Gold core was sampled using the following criteria:

- Maximum sample length of 2 m in un-mineralized lithologies;
- Maximum sample length of 1 m in mineralized lithologies;
- Smaller samples may be selected around high-grade, visible gold-bearing veins; and
- Minimum sample length of 20 cm.

Drill core was split along the long axis using core saws. Areas of very soft rock were cut using a machete and sections of very broken core were sampled using spoons. The right hand side of the core was always sampled.

SAMPLING, QUALITY CONTROL MEASURES AND DATA VERIFICATION PROCEDURES

Sample Preparation Methods and Quality Control Measures Employed Before Dispatch

A number of independent laboratories were used during the core drilling exploration and delineation phases. Sample preparation facilities included ALS Quito, Inspectorate Quito, and SGS Santiago; analytical facilities included ALS Vancouver, ALS Lima, Inspectorate Lima, SGS Toronto, and SGS Antofagasta. Sample preparation included drying the sample, crushing to initially >70% passing 2 mm, and later changed to 90% passing, then pulverizing to better than 85% (90%) passing 75 µm in the initial programs, which changed to pulverizing to better than 90% passing 100 µm.

The quality control (**QC**) program implemented has varied considerably over time in terms of the frequency of insertion and the source of the certified reference materials (**CRMs**) or standard reference materials (**SRMs**). Programs typically included submission of blank samples, CRMs/SRMs, field and reject duplicates and pulp check assaying. Ongoing monitoring of the program was performed by the operators, with spurious results being investigated and changes implemented when required.

The quantity and quality of the lithological, geotechnical, collar and downhole survey data collected in the exploration and infill drill programs conducted by AESA–Kinross and Lundin Gold are sufficient to support Mineral Resource and Mineral Reserve estimation. Sample collection, sample preparation, analytical methods and sample security for all AESA–Kinross and Lundin Gold drill programs are in line with industry-standard methods for epithermal gold–silver deposits and can support Mineral Resource and Mineral Reserve estimates.

During the Lundin Gold programs, drill core was delivered to the camp where it was labelled, photographed, logged and sampled under the supervision of staff geologists.

After the geologist marked out the sample intervals, drill core was split. The following standard sampling procedures were employed:

- After cutting, half the core was placed in a new plastic sample bag and half was returned to the core box;
- Samples were clearly and securely bagged and tagged and QC samples inserted into the sequence; and
- Batches of core samples were bagged, tagged, and packed in plastic buckets for shipment.

Sample Shipment and Security

Once ready for shipment, a list of sample batches and included samples were sent via electronic mail to camp administration and logistics, to the sample preparation laboratory, and to camp security, before the sample batches left camp. The Las Peñas camp has 24-hour security, which includes monitoring of the core shed area. Drilling samples were then transported from camp overland by a transport company truck directly to Quito where the custody of the samples was transferred to laboratory personnel. During transport camp security maintained communication with the transport company driver in order to track the progress and safety of the transport truck.

No AESA, Kinross or Lundin Gold personnel conducted any sample preparation. Preparation and analysis of the Fruta del Norte samples were completed at independent laboratories.

Assaying and Analytical Procedures

Pulp reject samples were submitted to Inspectorate in Lima and SGS in Toronto from 2006 to 2008, and to Inspectorate in Lima during 2015. Check assays prior to 2015 were not supported through the inclusion of blank and CRM samples with sample submissions. As of 2015, CRM samples were included in the check assay sample batches.

The results of the secondary and tertiary laboratory testing were analyzed using basic statistics, scatter, quantile-quantile, and percent relative difference plots, separately for each primary laboratory, and considering the method type employed, for both gold and silver.

The results of the check assay review demonstrate overall good correlation of the ALS Vancouver laboratory with results from both Inspectorate Lima and SGS Toronto. A slight high bias is observed between the primary laboratory and SGS Toronto at grades above approximately 5 g/t Au and Inspectorate Lima above approximately 18 g/t Au. The Inspectorate Lima data set is less scattered than SGS Toronto.

The original ALS Lima gold results were compared with the results from the secondary and tertiary laboratories, considering the analytical method employed at the primary laboratory. The results indicate an improvement in correlation with the adoption of method code AU-AA24 (fire assay with atomic absorption spectroscopy finish) from method code ICP22 (fire assay with inductively-coupled plasma – atomic emission spectroscopy or “ICP-AES” finish) by ALS Lima; however, both methods compare well, particularly below 10 g/t Au. The slight positive bias observed in the ALS Vancouver laboratory remains present in the ALS Lima laboratory, where assays were finished using ICP-AES. Following the ALS Lima method code switch to AU-AA24, the bias is no longer present.

Comparative statistics of the silver assay results demonstrated mixed results, depending on the assay method employed. During 2006, a small number of pulp reject samples were submitted to Inspectorate Lima for four-acid digestion and to SGS Toronto using method code FA-ICP-OES, in addition to the standard method codes. The SGS Toronto FA-ICP-OES results are particularly poor; however, the laboratory utilizes a separate analytical technique that differs from the standard technique. Good correlation exists between ALS Vancouver with both Inspectorate Lima and SGS Toronto, although ALS Vancouver results assay slightly higher than Inspectorate Lima. This bias was reduced to a negligible amount following the 2007 switch to ALS Lima as the primary assaying facility.

Quality Assurance and Quality Control

The quantity and quality of the lithological, geotechnical, collar and downhole survey data collected in the exploration and infill drill programs conducted by AESA–Kinross and Lundin Gold are sufficient to support Mineral Resource and Mineral Reserve estimation. Sample collection, sample preparation, analytical methods and sample security for all AESA–Kinross and Lundin Gold drill programs are in line with industry-standard methods for epithermal gold–silver deposits and can support Mineral Resource and Mineral Reserve estimates.

At the end of the 2009 and 2010 infill programs, AESA–Kinross site personnel compiled and checked all certificates against the database for all elements. The comparison showed no errors. Kinross also did a manual 5% check of the 2010 drill assay data on site in June 2010. No errors were identified.

RPA performed database audits in support of Mineral Resource estimates in 2009, 2014, 2015, and 2016, and in support of compilation of a technical report in 2014. Data verification activities included detailed reviews of the standard operating protocols, drill hole spacings, core diameters used, how the final collar coordinates were determined, down hole surveying procedures, drill core logging protocols, core recovery, collection of bulk density data, sample layout, sample preparation and sample security procedures, and QA/QC protocols. During site visits in 2009, 2014, and 2016, RPA reviewed drill core from numerous drill holes and compared observations with assay results and descriptive log records made by AESA–Kinross geologists. In addition to reviewing core, RPA examined outcrops, drill rigs, sampling procedures and other general exploration protocols. RPA is of the opinion that database verification procedures for Fruta del Norte deposit comply with industry standards and are adequate for the purposes of Mineral Resource and Mineral Reserve estimation.

MINERAL PROCESSING AND METALLURGICAL TESTING

Metallurgical testwork commenced in 2006. Initial testwork and project design by AESA–Kinross focused on a pressure oxidation (**POX**) flowsheet. Prior to the 2015–2016 metallurgical programs, Kinross conducted a metallurgical program to assess the potential of a flowsheet to produce a saleable concentrate in conjunction with the production of doré from cyanidation of a gravity concentrate and flotation tailings. This work assessed the differences between a gravity, flotation, leach (**GFL**) versus a gravity, leach, flotation (**GLF**) flowsheet. The outcome of the testwork indicated that the GFL flowsheet was the preferred option due to improved metal recoveries and lower capital and operating costs. Amec Foster Wheeler reviewed the Kinross data and, due to the capital costs associated with a POX plant, concurred with the GFL flowsheet approach. As a result, much of the initial POX-related testwork is not relevant to the current design.

During the 2016 FS, the Early MET, Fruta del Norte MET1 (**MET1**) and Fruta del Norte MET4 (**MET4**) testwork programs were carried out under the supervision of Amec Foster Wheeler. Metallurgical testwork programs were completed at SGS Minerals S.A. in Santiago, Chile for Met1 and at SGS Lakefield in Ontario, Canada, for Early MET and MET4 programs. The results of each testwork program were independently reported by each SGS laboratory. While the Early MET program provided early confirmation of the GFL flowsheet, the MET1 and MET4 programs provide the basis of the new FS design.

Physical characterization testwork was carried out on selected drill core intervals for both the MET1 and MET4 programs. The characterization work included semi-autogenous grind (**SAG**) comminution (**SMC**) testing and Bond

ball mill work indices. In total, 24 MET1 and 14 MET4 samples were submitted for SMC testing and representative samples of each MET1 composite were submitted for Bond ball mill work indices. Based on the individual SMC results, the orebody can be classified as moderately hard in comparison to the Julius Kruttschnitt Mineral Research Centre database. These results remain consistent with the previous testwork programs and historical data on the deposit.

Both MET1 (composite and variability) and MET4 samples were submitted to gravity concentration using laboratory scale Knelson concentrators. The Knelson concentrator feed size was approximately 150 µm for both MET1 and MET4 programs. The amount of gold that potentially can be recovered by gravity in this deposit is considered high, as supported by the global recovery results of the gravity testwork and automated scanning electron microscopy of the head feed. Of note is the additional recovery of silver, suggesting that a large proportion of free gold is in the form of electrum. Leaching characteristics of the gravity concentrates were also investigated. Gold extraction rates were found to be consistent with industry norms. MET1 and MET4 composite samples tested achieved between 94% and 98% leached gold recovery from the gravity concentrates produced.

A sulphide flotation test program was developed for the production of a gold- and silver-rich concentrate, knowing that flotation tailings would be subsequently cyanide leached. The objective of the flotation circuit was to recover fine free gold and gold associated sulphides to produce a saleable concentrate. During the MET1 program each variability sample was subjected to an open circuit flotation test to determine the optimal flotation conditions. Subsequently, the MET1 composite sample and MET4 sample were submitted to locked cycle test at the optimal conditions, using the same flowsheet. All samples tested reported only moderate gold recoveries. The overall flotation process requires lengthy residence time and relatively high reagent dosage as a result of the middlings gold being a combination of sulphide and quartz associations. Analysis of the flotation tailings indicates fine free gold, gold associated sulphide and gold associated quartz occlusions, which cannot be recovered by conventional sulphide flotation. Final concentrates showed reasonable gold and silver grades, with mid-level impurities. Overall, the concentrates produced are considered suitable for sale to a smelter for further processing.

Bottle roll leaching tests were performed on each variability and composite sample (including MET4). During the MET1 composite testing, kinetic studies were carried out using air and oxygen injection methods. In addition, a pre-oxidation stage was tested to determine the optimal leaching conditions. Kinetic testing of each composite showed negligible difference between using air, oxygen and pre-oxidation. Ultimate leach recoveries between 51.3% and 64.4% were obtained after 24 hours of leaching. The MET4 program leaching results confirmed the ultimate recoveries obtained in the MET1 program. Cyanide consumption during the leach tests was low due to the recovery of sulphides to the concentrate during the flotation stage.

Additional testwork in support of the plant and process design included cyanide detoxification testing, using the Inco SO2/air process, and settling testwork on detoxified MET1 tailings composite samples to determine the optimal flocculant dosage and corresponding settling rate.

The metallurgical testwork completed to-date is based on samples which adequately represent the variability of the proposed mine plan.

Gold recovery relationships were developed for the flotation circuit (grade/recovery curves) and for the total number of gold units reporting as doré (via gravity recovery and flotation tailings carbon-in-leach (CIL)). All recovery relationships are bounded by the condition of the Au–S ratio of the flotation feed ≤10 g/t Au:% S. The boundary was checked against the monthly reported grades and resulting Au–S ratios of the feasibility study mine plan. All monthly values reported in the mine plan were found to fit within this boundary.

As at the Technical Report effective date, recovery estimates are based on the MET program testwork results. The LOM plan average gold metallurgical recovery is set at 91.7%. Actual gold recoveries are expected to range between 91.4–92.1%.

The two products of the plant, gold concentrate and doré, are considered saleable without major penalties. The levels of arsenic lead and mercury in the flotation concentrate are expected to be able to be maintained at acceptable levels.

MINERAL RESOURCE ESTIMATES

Quantity and Quality of Minerals in Resource Estimate

A total of 246 drill holes support the estimate. There was no drilling on the Fruta del Norte Project in the years 2013 to 2014 inclusive. Assay results from the 2015 drilling were not available at the time of the resource estimate update. Therefore, the most recent drill holes used to estimate Mineral Resources were drilled in 2012, and the effective date of the current Mineral Resource model is December 1, 2015.

Forty-nine holes totaling 12,529 m were drilled in 2015 for various purposes including geotechnical, metallurgical, and structural geology. Assay data for these holes were not available at the time of resource grade interpolation and therefore were not included in the estimates. Subsequent to the completed estimate, RPA has tested these new data against the block model and has confirmed that these holes have no significant effect on the Mineral Resource estimate results.

Mineral Resources are summarized in Table 1 and have been classified using the 2014 Canadian Institute of Mining and Metallurgy Definition Standards for Mineral Resources and Mineral Reserves (the **2014 CIM Definition Standards**).

Mineral Resources are reported inclusive of Mineral Reserves at a block cut-off grade of 3.5 g/t Au, assuming underground mining methods. Silver was not included in the cut-off grade calculation due to its relatively low grade and small contribution to the value of the mineralization.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Table 1 - Summary of Mineral Resources

Category	Tonnage (M t)	Grade (g/t Au)	Contained Metal (M oz Au)	Grade (g/t Ag)	Contained Metal (M oz Ag)
Indicated	23.8	9.61	7.35	12.9	9.89
Inferred	11.6	5.69	2.13	10.8	4.05

Notes:

(1) The QP for the estimate is Mr. David Ross, P.Geo., an employee of RPA. The estimate has an effective date of 31 December 2015.
(2) Mineral Resources are reported inclusive of Mineral Reserves; Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
(3) Mineral Resources are reported at a cut-off grade of 3.5 g/t Au; which was calculated using a long-term gold price of $1,500/oz.
(4) Mineral Resources are constrained within underground mineable shapes that assume a minimum thickness of 2 m; metallurgical recovery of 94%; total operating costs of $145/t milled (mining cost of $60/t milled; process costs of $35/t milled; G&A costs of $15/t milled; surface infrastructure costs of $28/t milled; concentrate transport and treatment costs of $7/t milled); royalties of $71/oz and selling costs of $65/oz.
(5) Numbers may not sum due to rounding.

Key Assumptions, Parameters and Methods Used to Estimate

Factors which may affect the Mineral Resource estimates include: metal price and exchange rate assumptions, changes to the assumptions used to generate the cut-off grade value, changes in local interpretations of mineralization geometry and continuity of mineralization zones, density and domain assignments, changes to design parameter assumptions that pertain to stope designs, changes to geotechnical, mining and metallurgical recovery assumptions, assumptions as to the continued ability to access the site, retain mineral and surface rights titles, obtain environmental and other regulatory permits, and obtain the social license to operate.

Logged rock types were grouped into one of 13 lithological units. These units were then divided into four main geological domains based on lithology, alteration and grade criteria. Each domain is distinctive in mineralogical, textural and geochemical character as well as in gold distribution.

The four zones are believed to represent distinct hydrothermal events starting with the Xp_Ip domain, which is associated with late porphyry events. This was followed by the silica–(arsenopyrite)–marcasite alteration associated with hydrothermal brecciation (Xh) in the up-flow zone centred on section 3400N and "mushrooming" out below the Suárez Formation unconformity. The later-stage quartz–carbonate phase (Vn) appears to have formed in the northern section of the deposit, wrapping partially around a flexure in the feldspar porphyry contact. Xh and Vn were grouped together for resource domaining purposes.

Leapfrog and GEMS software were used to build the wireframe models representing the domains. Given the selected block size of 4 m by 10 m by 10 m, a 2 m composite was selected for grade interpolation purposes.

The Fruta del Norte metal capping review consisted of disintegration analysis of the composite values in conjunction with histogram, log probability, and mean variance plots. In order to preserve the grades within the high-grade zones with intense veining of domain Xh_Vn, composites were left uncapped, and instead a restricted search for gold values greater than 60.0 g/t was applied. A capping value was applied to the silver grades for this domain.

The resource database includes 3,511 density measurements. Density data were reviewed by lithology and alteration type. The average values were assigned to the block model to convert volumes to tonnes.

Variography was carried out within a 450 m long segment of the deposit with closely-spaced drilling, between northings 9,583,300N and 9,583,750N.

Grade interpolations for gold and silver were performed using the ordinary kriging algorithm and using search strategies individually adapted to each domain. The search ellipses generally have the same orientations, striking north–northeast, dipping west, and plunging north–northeast. A two-pass approach was used, with the first pass search ranges approximately equivalent to the variogram ranges at 80% of the sill. The first pass used a minimum of two drill holes. The second pass used a larger search with a one drill hole minimum. Both hard and soft boundaries were used, based on various contact analyses and the geological interpretation. Pass 1 applied a hard boundary between domains. Pass 2 used a soft boundary between domains. The interpolation parameters for silver were similar to those for gold.

Mineral Resources were classified into the Indicated or Inferred categories based on drill hole spacing and the apparent continuity of mineralization. Variography has suggested a range of 35 m at 75% of the total sill. Infill drilling in 2010 was designed at 35 m spacing. In general, areas of 35 m spacing or shorter were classified into the Indicated category. Other factors that were taken into consideration include the search distance to the nearest composite, estimation by the first pass search ellipse, visual examination and general considerations of drill fan spacings. Parts of the Xh_Vn and Xp_Ip domains were classified as Indicated Mineral Resources. All of the M_South domain was classified as Inferred Mineral Resources. Due to the lack of exposures of mineralization for inspection on the surface or underground, there are no Measured Mineral Resources.

Quantity and Quality of Minerals in Reserve Estimate

The resource block model was provided by RPA and consisted of density, grades, rock types (geometallurgical resource domains), resource category and other impurities.

The geotechnical block model was developed by SRK. It utilized assessments of lithology, alteration and structure to model three domains that encompassed Poor, Fair-Poor, and Good–Fair rock mass conditions. This model was built in Leapfrog.

The Mineral Reserve block model was prepared by combining the resource block model and the geotechnical block model.

The models were imported by NCL via ASCII files into DESWIK software. Validation was carried out with 99.9% of the original block model data for Indicated and Inferred Resources in terms of tonnes, gold ounces and silver ounces. The Inferred Mineral Resources grades were set to zero for the purposes of Mineral Reserves estimation.

The mining methods for Fruta del Norte will be long-hole transverse stoping (**TS**) with paste backfill in Fair to Good ground, and drift and fill (**D&F**) stoping with cemented rock fill in Poor ground. Dilution was applied following the geotechnical recommendations. The shape optimizer from DESWIK was used to determine practical mining shapes. The deposit was divided into horizons that were classified both vertically and by mining method.

The dilution material for the TS primary stopes was estimated using the resource block model; dilution material for lateral stopes was assumed to be zero grade on one side and the grade from the resource block model on the other side. The total maximum dilution reaches 16.9% (sill pillar starting stope); for scheduling and reporting purposes the waste dilution is applied (a maximum of 7.7% in sill pillar lateral stopes) so as not to duplicate tonnage because of the stope arrangement. The grade dilution factor applied for TS stopes is a factor by which grades are adjusted because of dilution; in this case the waste reduces the grades because it adds no content for the following elements: gold, silver, mercury, lead, sulphur and antimony. The D&F dilution estimate includes the primary, secondary and tertiary drifts. A grade dilution factor of 95.3% was used for D&F.

Overall, in primary TS stopes, the total mining losses are estimated to be 8.8%, resulting in a mining recovery factor of 91.2%. In secondary TS stopes, the total mining losses are estimated to be 11.9%, resulting in a mining recovery factor of 88.1%. Sill pillar recovery is assumed to be 50%, and for D&F, recovery was assumed to be 100%.

The final LOM plan weighted-average dilution applied in the estimation (including TS, D&F and development) is 5.63%. The final LOM plan P weighted-average mining recovery applied to the estimate is 90.9%.

Two different cut-off grades (**COG**) have been used, the breakeven COG (**BECOG**) and the mill COG (**MCOG**). The BECOG is one of the key parameters needed for mine and stope design. The estimate of BECOG considers mining, processing, royalties and overhead operating costs. The MCOG is applied after the stopes and the accesses are defined, because at this stage there could be some low-grade material that has to be mined and hauled to surface. A decision has to be made whether to send this material to the process plant or to the waste dump. If the material has sufficient grade to pay for processing and other surface costs, it is assumed to be sent to the process plant (the mining cost is considered a sunk cost). A BECOG of 4.7 g/t Au was used for TS and an elevated BECOG of 6.8 g/t Au was used for D&F. A MCOG value of 2.7 g/t Au, excluding the mining costs, was used where production development was already built.

Mineral Reserves have been classified using the 2014 CIM Definition Standards and are summarized in Table 2.

Table 2 - Probable Mineral Reserves Statement

Material Source	Tonnage (k t)	Au (g/t)	Au (koz)	Ag (g/t)	Ag (koz)
Long-Hole Stope	8,404	8.97	2,423	10.4	2,813
Drift & Fill	5,533	11.15	1,984	16.9	3,003
Development >4.7 g/t Au	1,158	9.70	361	11.6	434
Development >2.7 g/t Au	394	3.72	47	7.4	94
Total	15,490	9.67	4,816	12.7	6,344

Notes:

(1) The QP for the Mineral Reserve estimate is Mr. Alejandro Sepúlveda, RM CMC an NCL employee.
(2) Mineral Reserves have an effective date of 30 April 2016. All Mineral Reserves in this table are Probable Mineral Reserves. No Proven Mineral Reserves were estimated
(3) Mineral Reserves were estimated using a $1,250/oz gold price. Mining cost assumptions for TS $61.0/t; mining costs for D&F stoping $80/t. Other costs and factors common to both mining methods were process and other costs $75.80/t, dilution factor of 10%, concentrate transport and treatment charges of $6.70/t. A royalty of $71.10/oz/t Au and a gold metallurgical recovery of 93.9% was assumed.
(4) Gold cut-off grades were 4.7 g/t for TS and 5.3 g/t (elevated to 6.8 g/t) for the D&F.
(5) Silver was not used in the estimation of cut-off grades but is recovered and contributes to the revenue stream. The average silver metallurgical recovery is 81.6%. The silver price assumption was $20/oz.
(6) Tonnages are rounded to the nearest 1,000 t, gold grades are rounded to two decimal places, and silver grades are rounded to one decimal place. Tonnage and grade measurements are in metric units; contained gold and silver are reported as thousands of troy ounces.
(7) Rounding as required by reporting guidelines may result in summation differences.

Factors That May Affect the Mineral Reserve Estimate

Factors that may affect the Mineral Reserves include:

- Long-term commodity price assumptions;
- Long-term exchange rate assumptions; and
- Long-term consumables price assumptions.

Other factors that can affect the estimates include changes to the Mineral Resources input parameters, constraining stope designs, cut-off grade assumptions, geotechnical and hydrogeological factors, metallurgical and mining recovery assumptions, and the ability to control unplanned dilution.

MINING METHODS

The following key considerations influenced the mine design:

- The Fruta del Norte Project is located in an environmentally sensitive area. Although an open pit mining method or a caving method might be possible, the subsequent impacts were assessed not to be feasible. Hence, selective underground mining was considered for the 2016 FS;
- The host rock for the deposit appears competent but the resource zone is less competent with a small portion in Poor rock (less than 10%). Geomechanically, the rock mass quality varies from Poor to Fair (RMR range 40 to 55) with the intact rock strength averaging 60 MPa. The deposit is also relatively close to surface (within 140 m of surface in some locations);
- Given the variable conditions likely to be encountered, a range of methods and or support regimes was considered appropriate for the Fruta del Norte Project. The primary methods of extraction selected are TS in the better ground conditions and D&F in the more challenging areas;

- Incorporation of backfill to reduce the risk of geotechnical failure and maximize extraction; and
- Consideration of dewatering requirements and proximity of the Machinaza River.

Geotechnical Considerations

The faults present in the 2015–2016 structural model form a complex network of west–northwest- to northeast-trending, moderate dipping to sub-vertical faults that variably truncate and offset lithology and gold mineralization. Faults generate the widest zones of gouge and breccia where they cross the Suárez Formation. In comparison, faults have well defined margins where they cross the Misahuallí Formation. The West, Central, and portions of the East Fault are significant fault structures that represent a risk to the stability of an open stoping method and subsequently these areas are considered suitable only for a limited man-entry mining method such as D&F where conditions can be well controlled.

Degradation of Suárez Formation conglomerate results in difficult mining conditions that can be mitigated through extraordinary ground support (full shotcrete lining and invert), which will be a high mining cost with slow advance rates. The mine layout has been optimized to avoid intersecting the Suárez Formation.

Stress measurements are not currently available for the Fruta del Norte Project. In the absence of this information, a stress regime based on SRK's evaluation of the structural geological setting and the World Stress Map have been used to provide a range of estimates. The ground stress is relatively low based on the shallow depth, and rock damage due to higher mining induced stress concentrations is only anticipated in high extraction or sequence closure areas, and weaker rock mass areas. However, reduction in the mining stresses around excavations is likely to adversely affect the stability of large open span areas. Tensile failure and gravity induced unravelling are foreseen as the main failure mechanisms.

The Fruta del Norte deposit is in a structurally complex, clay-altered, porphyry environment, adjacent to a river. Rock mass conditions in the infrastructure and production areas vary from Poor to Fair quality (RMR 20 to 60) with the poorest conditions present within major structures that run longitudinally through and bound to the deposit. Outside of these fault areas, rock mass conditions are generally Fair (RMR 40 to 60; intact rock strength 50 to 70 MPa); however, localized zones of Poor ground potentially associated with secondary structures or locally elevated alteration intensity are present throughout the planned mining area.

Excavation stability assessments were completed using industry-accepted empirical relationships, with reference to analogue operational mines where possible. The rock mass conditions in the Poor to Fair and Good domains are considered suitable for open stoping mining methods. The ground conditions within the Poor domain (and crown pillar area) are considered suitable only for a limited man-entry method.

Ground support design considers industry-standard empirical guidelines and SRK's experience in variable ground conditions. Compromises have been made in the extraction sequence as a result of the need to balance grade and production profiles, extraction of wide orebody areas, and other geotechnical constraints. Ultimately several aspects of the sequence may not be geotechnically optimal, and additional design may be required.

Groundwater

Groundwater is expected to inflow into the underground mine from the fractured bedrock around the mine itself and from geological structures. The total groundwater inflow will not be large compared with many other mines around the world and could be dealt with by in-mine pumping, but the combination of the water with poor ground conditions and the mining methods could have an influence on mining productivity. Rock within the mining area is potentially acid-generating; hence, water that flows through the mine is assumed to need treatment before being discharged to the environment.

Groundwater inflow risks and potential effects will be managed in multiple ways, including cover and probe drilling,

localized grouting, dewatering wells, and underground drainage galleries. As mine development proceeds, the groundwater system will start to drain down, but since the geological units only have moderate hydraulic conductivity and flow will be fracture controlled, it is expected that drainage performance will be highly variable over different parts of the mine. The combination of dewatering wells and drainage galleries with drain holes provides flexibility and some degree of redundancy to reduce the risk of areas not being sufficiently dewatered prior to production mining.

Water Management

All the water flow generated in the mine (infiltrated, industrial and paste fill water) will be managed in a single dewatering system. The system assumes that water flows running on ramps, declines and drifts are collected by gravity in a sump on each production level. Where gravity flow is not possible, a sump pump will be used to conduct water to the sumps.

Mine Designs

SRK recommended TS where there is no Poor domain rock quality. The recommended dimensions for TS are 12 m wide x 20 m long x 25 m high.

For excavations within the Poor ground a D&F method is recommended. Dimensions for this method are 4.0 m wide x 4.0 m high.

The crown pillar will be from the 1240 L (south area of the mine) to the 1270L (north area of the mine). Because of instability risk associated mainly with the rock quality, the mining method for these areas will be D&F.

A sill pillar was included between the TS horizons 1080L and 1170L at 1155L, which allows for earlier production. The mining method for this sill pillar will be TS with a stope height of 15 m (instead of the 25 m to be used in the regular stopes).

The twin declines will use a spiral to gain depth to maximize the distance from the surface, so that a vertical distance of approximately 155 m below the Machinaza River can be obtained. The mine ramp will be located central to, and will be approximately 50 m offset from, the main workings to the east of the deposit. The ramp configuration will enable haulage trucks to achieve higher average haul speeds and maintain safety standards. The ramp will be developed nominally at a 15% gradient.

Stope cross-cuts are required to access sill development from the haulage drifts, as well as connecting sill development within a given stope line separated by waste. Development will be centrally located within a given stope. The top development in a stope will initially serve as the drill horizon for the stope below, and then as the mucking horizon for the stope above. The bottom development in a stope will serve as the mucking horizon for the stope above.

Mine Operating Assumptions

An experienced, qualified mining contractor is planned to develop the declines. Contract mining will continue until the critical underground infrastructure has been constructed. The contractor will then demobilize. There will be a transition period as Owner mining equipment is introduced when access to additional ventilation and the mineralized zone is reached. Owner mining will eventually operate both development and production equipment.

Ventilation

The ventilation system proposed is a mechanical exhaust ventilation system (pull) where fresh air will enter by suction. The mine ventilation system was proposed to consist of the FAR and RAR. The raises would have a diameter of 5 m; the RAR would have an overall length of 290 m, and the FAR would have an overall length of 345 m. The remaining sections of the mine ventilation system would consist of the two declines, the mine ramp and the internal raises connecting levels.

Production Plan

Criteria and assumptions used in preparing the production plan include:

- The production plan has been developed on a monthly basis from Year 2017 to Year 2022 and annually thereafter;
- The mine will operate 360 d/a with five days allowed for delays due to weather conditions;
- The plant is scheduled to operate 365 d/a;
- Production will be a combination of TS and D&F methods; and
- The process plant is designed to treat 3,500 t/d.

Backfill

The following backfill capacities and strength targets were set:

- The paste plant has been designed to cater for a nominal throughput of 70 m^3/h and will operate at an average utilization rate of approximately 60%;
-
- Main pour target strength of 300 kPa after 14 days with a plug pour target strength of 434 kPa after three days; and
- CRF target strength of 3 MPa to 5 MPa after seven days.

The paste plant will be a batch-type backfill plant. All tailings leaving the process plant will be thickened to about 55%m solids. When no paste fill is required underground, the entire tailings stream will be pumped to the TSF. When paste fill is scheduled for underground, approximately half of the tailings stream will be pumped 3.4 km to the paste plant for further dewatering. Excess process water will be pumped back from the paste plant to the process plant using a second pipeline.

Underground Infrastructure Facilities and Services

It is proposed to keep material handling as simple as possible, relying on mobile equipment for transport instead of permanent infrastructure and facilities. Minimal storage will be developed underground. Haul trucks will be repaired in a surface maintenance facility. Load–haul–dump vehicles (**LHDs**), drills, explosive carriers and scissor trucks will be repaired/maintained underground or driven/hauled to the surface shop for major work. Most of the mobile equipment, trucks and LHDs, and vehicles parked on surface will be fueled from the surface facility. The rest of the fleet will be fueled by the fuel/service vehicles or at the underground service facility. The radio communication system is based on laying leaky cable feeder antenna. A fibre-optic network will provide a communication highway for control systems and data management inside the mine. The air compressor system will consist of two compressors in operation and one on standby. Explosive and detonator magazines will be located on a selected level underground.

Mining Equipment

Mine operations will use the same equipment for development for TS and for D&F. Drilling, support, loading and hauling equipment are the same for both methods. Different equipment is required for loading for production because TS is 5 m wide x 5 m high and D&F is only 4 m wide x 4 m high. A maximum of four 10 yd^3 LHDs, four 12 yd^3 LHDs and nine 45 t trucks will be required for production and development. Additional equipment will include a

rammer-jammer, jumbos and explosive loaders. Support equipment will include a scissor lift, crew and rescue vehicles, shotcrete sprayer and transmixer, jacklegs, scaler, boom truck, telehandler, core drill, Kubota tractors, rock breaker, dozer, grader, fuel and lube truck, and a front-end loader.

Mine Waste Stockpile Design

As part of the underground development at the Fruta del Norte Project approximately 2.03 Mt of waste material will be generated. Of this, approximately 1.29 Mt (64%) will be returned underground as part of the backfill management strategy. The remaining 0.74 Mt of material will need to be permanently stored on surface. An area to the south of the process plant has been allocated to accommodate waste from the underground mine. Two different types of waste will be produced:

- Potentially acid rock drainage or potentially acid generating; and
- Non-potentially acid generating.

Ore and Low Grade Stockpiles

There are three types of stockpiled material based on grade:

- High grade (>7 g/t Au): almost never stockpiled;
- Medium grade (4.7 g/t Au to 7 g/t Au): maximum 30,000 t; and
- Low grade (2.7 g/t Au to 4.7 g/t Au): maximum 170,000 t late in the mine life (Year 2033).

The area allocated for these stockpiles is close to the crusher station at the process plant. Stockpiled material will be consumed by the time the mine closes.

PROCESSING AND RECOVERY OPERATIONS

Recovery Methods

The Fruta del Norte process plant feed will contain gold in the following forms:

- Fine free gold;
- Coarse free gold;
- Gold contained in sulphides (refractory); and
- Gold contained in other forms (e.g. silicates).

The GFL flowsheet was selected for Fruta del Norte because of the nature of the gold in the plant feed. The up-front gravity circuit is essential to recover the coarse free gold and small amounts of fine free gold. The gravity circuit will reduce spikes in coarse gold content in the feed, ensuring that the flotation feed grade stays relatively uniform. The flotation circuit is capable of recovering the gold associated in sulphides (pyrite). The flotation circuit will reduce spikes in sulphide gold grade and provide a consistent feed to the CIL circuit. Typically, CIL circuits function best on a uniform feed; this can be provided by the combined gravity and the flotation circuits.

Run-of-mine (**ROM**) ore will be transported to ROM stockpiles. Feed will be reclaimed from the pile, transferred to an apron feeder, processed through a jaw crusher and the product conveyed to the coarse ore stockpile. Ore will be recovered from the stockpile to feed the primary SAG mill. Oversize from the SAG mill discharge screen will be recycled back to the SAG feed. The SAG circuit product will be fed to a cyclone cluster which will be in closed circuit with the gravity concentrators and ball mill. Oversize from the gravity concentrator feed screen will be fed into the ball mill discharge which is pumped to the cyclone feed. Undersize will feed the gravity concentrators. Gravity concentrate will report to the intensive leach reactor and the gravity concentrator tailings will return to the cyclone feed.

The intensive leach reactor (**ILR**) will produce pregnant solution, which will be directed to electro-winning cells to produce a gold–silver precipitate. After washing, the barren slurry will report to the flotation regrind circuit.

The overflow from the grinding cyclones will report to the flotation circuit. The flotation circuit will consist of three stages of flotation and regrind. Rougher and scavenger concentrate combined with ILR barren slurry will be directed to a regrind mill in closed circuit with a cyclone cluster. Final concentrate from the third cleaning stage of the flotation circuit will be thickened, filtered and bagged as product. Overflow from the concentrate thickener will be recycled to the process water tank.

Flotation tailings will be thickened and then report to the leach circuit while the thickener overflow will be recycled to the process water tank. The thickener underflow slurry will continue through pH conditioning before reporting to a series of CIL tanks where the slurry is leached with cyanide. Discharge from the leach train will report to cyanide destruction.

The loaded carbon generated from the CIL tanks will be pumped to the carbon elution and regeneration circuit. Once gold has been eluted, the carbon will be sent to regeneration. After quenching and screening to remove small particles, the reactivated carbon will be reintroduced to the CIL circuit.

Gold eluate will be sent to electro-winning cells using stainless steel cathodes to produce a gold–silver sludge. This is combined with sludge from the separate ILR electro-winning cell, filtered and dried. It is then mixed with fluxes and smelted to produce gold-silver doré.

Slurry discharged from the CIL tanks will report to cyanide destruction. A two-stage Inco SO_2/air process will be employed with the addition of lime. Sulphur dioxide will be provided as sodium metabisulphite. Slurry discharged from cyanide destruction will report to the tailings thickener. Underflow from the thickener will be sent to the tailings storage facility (**TSF**) and/or the paste backfill plant. Overflow from the thickener will be recycled back to the process water tank.

The process control system (**PCS**) will have redundancy and will allow dependable, simple and effective control of the plant processes. The PCS will monitor and act over continuous analogue loops, on/off valves, motors, variable frequency drives and programmable logic controllers. The PCS will also signal alarms for abnormal conditions and store process data.

An in-house maintenance crew will maintain the surface operation areas. The maintenance team will be shared by the surface operations areas including the process plant, paste backfill plant, cemented rock fill plant, water treatment plants, tailings storage facility and operations buildings.

The concentrate production rate is expected to be about 140 t/d at a feed rate of 3,500 t/d. The actual concentrate quantity and quality could vary from month to month based on ore variability, mine planning and sequencing as well as the geometallurgy.

The total gold expected to be produced as doré varies from 90 koz to 145 koz per year during steady state and is 1,323 koz during the LOM. The doré is expected to contain above 98% precious metals with the remainder made up of base metals and impurities. The precious metals portion is expected to contain approximately 70% gold and 30% silver.

INFRASTRUCTURE, PERMITTING AND COMPLIANCE ACTIVITIES:

INFRASTRUCTURE AND LOGISTIC REQUIREMENTS FOR THE FRUTA DEL NORTE PROJECT

Access

The planned route to access the Fruta del Norte site is by the Troncal Amazonica road to Los Encuentros and from this point to the Fruta del Norte site by a new main access road (a section of public road near the El Pindal village,

and another section of road through the Ecuadorean jungle).

The main port for international cargo arrival will be Guayaquil.

On-site Infrastructure

On-site non-process services such as the maintenance shops, offices, warehouse, camp, greenhouse, sewage treatment plants and mobile equipment will support the operation. There will be fresh water, domestic water and process water systems and a fire detection and protection system. The utilities and services include compressed air supply and distribution, control systems, closed circuit television system, supervisory control and data acquisition system, waste management systems and fuel storage and distribution. Mobile equipment for maintenance, operations services and transportation includes tractors and loaders for stockpile rehandling, mobile cranes, buses and utility vehicles.

Camps and Accommodation

At the Technical Report effective date, the camp facilities were to be built along the Project access road. Since then, the Company determined that the camp facilities will be located close to the existing Las Peñas camp, at an altitude below 1,500 masl. The camp will have a peak accommodations capacity of approximately 1,000 persons. The existing Las Peñas exploration camp will be expanded to about a capacity of about 700 persons and will be used for both exploration and construction.

Aggregate Source

At the Technical Report effective date, it was proposed that Lundin Gold would exploit the Hollín Borrow Pit to provide aggregate materials for construction and mine backfill, from construction through to mine closure. Since then, the Company has undertaken a re-evaluation of the plan to mine materials from the Hollín Borrow Pit and has selected an alternative location closer to existing infrastructure. In addition, testwork of the new source of aggregate has shown that it will be of a higher quality. The source is called the Mountain Pass Quarry.

Tailings Storage Facility

The facility will be located in the uppermost portion of the valley, to minimize the catchment area and to maximize the separation distance from the Zarza River downstream. The tailings dam will be an earth-and-rock-fill structure constructed with a maximum dam height of 63 m measured at the dam centre line. The ultimate dam will have a crest width of 6 m and a length of 700 m at final grade. A starter dam will be initially constructed to store start-up water for the mill and create sufficient storage for the tailings in the first year of operation, and to safely contain the probable maximum flood (PMF). The TSF dam will be raised continuously throughout the service life until reaching the ultimate elevation. Each dam raise will be completed at least one year before the maximum tailings pond elevation required each year; currently dam raises are contemplated at Years 0, 2, 5, 10 and 14 (ultimate). A total of 12.15 Mt of GFL tailings will be pumped to the TSF at 55% solids over the mine life. Excess water will be reclaimed to the mill by a floating barge. The sludge produced from the treatment of contact water from the mine at the water treatment plant (WTP) will be delivered at a rate of 4 m^3/h and stored in the TSF. Sediments removed from ponds located in the mine infrastructure area will also be stored in the TSF and will be delivered at a rate of 8 m^3/h. The TSF design incorporates sufficient dam freeboard at all times during operations to accommodate the sloping tailings beach and to contain the PMF and any excess water volumes in the tailings basin without discharge. Diversions will be constructed on the east side of the TSF catchment to divert non-contact water. These channels will be lined to limit erosion and are designed to convey peak catchment runoff from the 1:100 year storm event.

Off-site Facilities

In order to reduce the impact of the Fruta del Norte footprint, some support facilities may be located off the main project site. Lundin Gold has also established an administration office in Quito and a community relations and

community office in Los Encuentros. These existing offices provide administrative support to the Fruta del Norte Project.

Power

The Ecuadorian electrical system is based on a high quality electricity service matrix, the distribution system is called the Sistema Nacional de Distribución (SND, National Distribution System). The SND is controlled by CELEC EP Transelectric, a government institution in charge of power transmission and distribution. The Fruta del Norte site is located within the supply concession area of the Empresa de Energia Regional del Sur (EERSA, Regional Electric Company of the South). Lundin Gold is participating in a public infrastructure investment to reinforce the SND matrix in the area and will be contributing financially to the installation costs of the transmission line between Taday and Bomboiza.

As of the date of this AIF, a 42.6 km single-circuit, 230 kV dedicated transmission line has been built from the Bomboiza substation to FDN. The transmission line connects to the new substation at the FDN site, near the process plant. This substation steps down the power to 13.8 kV and distributes power throughout the site at that voltage.

Communications

The communications system for Fruta del Norte will consist of a fibre-optic network infrastructure, telephony system, radio communications, mobile telephony, and satellite communications. The data management system will be connected to the communications systems.

ENVIRONMENTAL, PERMITTING AND SOCIAL CONSIDERATIONS

Baseline Studies

The physical (abiotic), biotic, social, economic, and cultural baseline has been characterized for Fruta del Norte using primary information gathered in the field, and secondary information from official sources such as Government records. Field studies and data gathering for the baseline studies were undertaken between 2008 and 2016.

Waste Management

The waste management centre (**WMC**) was sized to receive waste during operations and manage the waste temporarily until final disposal by an authorized contractor.

Water Management

Four main types of water will need to be managed during construction and operations:

- Non-contact water: Water (either runoff from precipitation or flowing in natural streams) whose quality is not impacted by Fruta del Norte infrastructure and activities;
- Unaffected contact water: Water that is likely to have had a sediment load increase but not subject to chemical/biological impact requiring treatment other than total suspended solids (**TSS**) removal in order to meet water quality regulations requires TSS removal only, prior to discharge to a natural water course; no water treatment plant is required;
- Affected contact water: Water that must be sent to a water management pond and a water treatment plant prior to being discharged to the environment; and
- Neutral water: Groundwater collected above the orebody at the underground mine requires TSS removal and/or primary treatment only (depending on the quality parameters) prior to being discharged.

Four water treatment plants are planned, and will include:

- Two domestic water treatment plants: one will be located at the camp site and the other at the process

plant;

- Sewage treatment plants will be located at the camp site and portals area facilities. Remote or unconnected facility sewage will be managed using septic tanks and trucked to treatment plants; and,
- A main effluent water treatment plant that will be located at the process plant site and will treat the affected contact water from the site;

Four water management work types are proposed:

- Diversion works: To divert non-contact storm water to prevent it from reaching the site during the construction and operations phases of the Fruta del Norte Project. These comprise riprap interception works, lined channels and creek riprap discharge works. They also include slope drainage systems for mass earthworks;
- Contact water works: To manage affected and unaffected water during the construction and operations phases. These comprise sumps, water management ponds, chutes (steep slope conduits), energy dissipaters, water treatment plants, pumping systems and emergency discharge works to natural water courses;
- Neutral water works: To deal with groundwater from the dewatering wells above the deposit. These comprise a pumping system, a water management pond and a discharge to the Machinaza River; and
- Secondary and minor drainage networks: To be located within the facilities for non-contact and contact water, including small sumps, downspouts, and minor collecting pipes. These works have not been designed at the feasibility level.

A water balance model and a water quality model were developed in support of a water management plan (**WMP**) for the site:

- The purpose of the site-wide water balance model was to simulate the water management plan for the mine site. The model tracks water from the sources, through collection and conveyance systems, usage, storage, treatment and discharge to the environment. The results of the water balance model demonstrate that the proposed water management plan at the site is feasible; and
- The purpose of the site-wide water quality model was to simulate the water quality elements of the project, identifying sources of loading, assessing the mixing of different inflows and estimating the resulting water quality concentrations in each flow. The water quality results determined which water flows met discharge requirements and which flows did not meet discharge requirements and will require water treatment. Water quality parameters requiring treatment in each flow component were identified. The water quality model focused on parameters of concern identified from the surface water quality assessment (aluminum, arsenic, copper, cobalt, cyanide, iron, magnesium, potassium, manganese, lead, selenium and zinc) as well as sulphate and total dissolved solids. The results of the water quality model demonstrate that the proposed WMP for the site is feasible and will meet regulatory requirements for discharge to the receiving water bodies.

The general purpose of the WMP was to outline an integrated water management strategy to be followed at the Fruta del Norte site during the design, construction, and operations phases, and to demonstrate a feasible, rational, sustainable, and environmentally-friendly plan to deal with both surface water and groundwater.

Closure Plan

Closure planning has been undertaken to a conceptual level and will be continually updated throughout the Fruta del Norte life. The conceptual Closure Plan has been developed in accordance with Article 125 of the Ecuadorian Environmental Regulations for Mining Activities (**RAAM**) and Title X of the Mining Safety Regulations. The closure activities will cover closure aspects related to environmental factors such as soil, air and water that are directly related to the community health and safety. Aspects related to economic and cultural dynamics of the communities have not been considered in the current conceptual plan. The definitive Closure Plan must be presented two years prior to cessation of operations. Under RAAM, mine closure monitoring should last for at least five years after the mining operations are complete. According to the Technical Report, the closure cost estimate in the conceptual

Closure Plan is $28.8 million. As of the date of this AIF, the estimated total future liability for reclamation and remediation costs on an undiscounted basis and adjusted for an estimate of future inflation is approximately $27.0 million.

Permitting

Permitting requirements were evaluated by project phase, including before construction (16 permits), the most important being the updated Environmental Licence, during construction (six permits), and before operations (three permits). The Environmental Design Criteria, updated through October 2015, are based on Ecuadorian law, quality criteria and regulations, as well as international standards such as those issued by the International Finance Corporation, the World Bank, the World Health Organization, the International Cyanide Management Code, the International Network on Acid Prevention, and the International Council of Mining and Metals.

Social Considerations

Fruta del Norte's indirect influence is expected to extend to some neighbouring communities, including the parish of Los Encuentros and two communities from neighbouring parishes. Los Encuentros is a rural parish located in Yantzaza county, characterized by the existence of one main population centre (the parish seat and home of the parish government) where the population has consolidated. There are also several scattered population centres, known as communities, neighborhoods and sectors. Some cultural sites have been recorded in the study area, but the Fruta del Norte Project is not expected to impact any cultural heritage, and strict archaeological protocols are in place in consultation with the National Cultural Patrimony Institute. Although perceptions of artisanal mining are low, the community is very supportive of Fruta del Norte, and the primary concern is access to employment. There is currently no large-scale mining in Ecuador. A community relations program has been defined based on the Community Development Support Program (**PADC**, Plan de Apoyo a Desarrollo de la Communidad) which seeks to implement corporate responsibility strategies, to maintain a social licence with the communities, and to comply with socio-environmental legislation applicable to AESA's operations. The PADC is based on the principles of community participation, sustainable development and human development.

CAPITAL AND OPERATING COSTS AS AT TECHNICAL REPORT EFFECTIVE DATE

CAPITAL COST ESTIMATES

The methodology used in the development of the capital cost estimate and the level of engineering definition result in the estimate having an accuracy of ±10% to ±15% including the contingency based on the 80% confidence level. The estimate combined inputs from Amec Foster Wheeler, KCB, Lundin Gold, NCL, and Paterson and Cooke (**P&C**). The cost estimate was divided into capital costs (direct, indirect and Owner's costs, and contingency) and sustaining and closure costs:

- Direct costs: costs for productive works and permanent infrastructure. Includes productive infrastructure, services and equipment required for the extractive process;
- Indirect costs: costs needed to support the construction of the facilities included in the direct costs. Includes EPCM services, EPCM temporary facilities (infrastructure) and construction management, construction camp and associated services, capital spare parts, freight and logistics;
- Owner's costs: costs associated with Lundin Gold's project administration, geological studies, support infrastructure, safety and environmental, community relations, administration and finance, human resources and others
- Contingency: includes variations in quantities, differences between estimated and actual equipment and material prices, labour costs and site-specific conditions. Also accounts for variation resulting from uncertainties that are clarified during detail engineering, when basic engineering designs and specifications are finalized,
- Capital expenditures after the start of operations include costs for the tailings dam wall growth, mine and other equipment replacement and the paste fill plant, plus closure costs. These costs are included in the financial analysis in the year in which they are incurred. The capital cost estimate includes construction

activity costs to Q1 2020. Costs after this are classified as sustaining capital; and

- Closure costs.

The initial Implementation Phase capital cost, as displayed in Table 3, is estimated to be $668.7 million. The sustaining capital is estimated to be $291.9 million.

Table - 3: Implementation Phase Capital Cost Summary by Area

Description	Amount ($ M)	% of Total
Underground mine	120.5	18.0
Ore handling	7.5	1.1
Process plant	74.3	11.1
Tailings/ reclaim water facilities	30.8	4.6
On-site infrastructure	121.4	18.2
Off-site infrastructure	71.2	10.6
Aggregate borrow pit	0.4	0.1
Indirect costs	126.1	18.9
Owners' costs	49.3	7.4
Contingency	67.3	10.1
Total Cost	*668.7*	*100.0*

Note:
(1) Totals may not sum due to rounding

As of the date of this AIF, the development and construction of FDN is complete except for construction of the south ventilation raise, with Fruta del Norte reaching commercial production approximately two months ahead of schedule and slightly under budget in the first quarter of 2020, after consideration of pre-commercial sales and operating costs.

OPERATING COST ESTIMATES

The operating cost estimate in the Technical Report was based on Q1 2016 assumptions. The estimate combined inputs from Amec Foster Wheeler, KCB, Lundin Gold, NCL, and P&C, and has an overall accuracy of ±10%. The operating cost estimate is inclusive of site costs during the operational period (commencing once the commissioning with load/performance testing certificates are signed) until site closure. Variable costs were based on a mine plan provided by NCL. The overall LOM operating cost estimate is $118/t, and includes base costs, non-recoverable taxes and leasing. Operating costs are estimated at $414/oz Au, including all site costs. Mining costs are the greatest contributors to the overall operating cost, followed, in order of contribution, by process, general and administrative (**G&A**) and surface infrastructure costs, as displayed in Table 4.

Table - 4: Operating Cost Summary

Area	LOM Total $ (million)	$/tonne	$/oz Au
Mining	934.4	60.30	211.50
Process	516.9	33.40	117.00
Surface Infra.	142.8	9.20	32.30
G&A	234.2	15.10	53.00

Total	*1,828.3*	*118.00*	*413.80*

Table - 5 Operating Statistics

	Units	Year 1	Year 2	Year 3	Avg. Y1–10	LOM
Metal Production						
Au recovered	koz	149	308	390	345	4,418
Ag recovered	koz	141	329	431	389	5,177
AISC Costs and Profit Margins per oz payable						
Au price	$/oz	1,250	1,250	1,250	1,250	1,250
Cash cost sub-total (operating cost)	$/oz	823.82	585.78	473.08	541.78	552.56
Sustaining and closure costs	$/oz	701.12	63.77	35.86	102.92	70.87
AISC costs/oz Au payable	$/oz	1,524.94	649.55	508.94	644.70	623.43
Operating Margin/oz Au payable	$/oz	-274.94	600.45	741.06	585.52	626.57

ECONOMIC ANALYSIS

As presented in the Technical Report, the Fruta del Norte Project has been evaluated using a discounted cash flow analysis. Cash inflows consist of annual revenue projections. Cash outflows include capital expenditures (including the three years of pre-production costs), operating costs, taxes, and royalties. These are subtracted from the inflows to arrive at the annual cash flow projections. Cash flows are taken to occur at the mid-point of each period.

To reflect the time value of money, annual net cash flow projections are discounted back to the Fruta del Norte Project valuation date using 5% to produce the base case. The discount rate appropriate to a specific project depends on many factors, including the type of commodity; and the level of project risks (e.g. market risk, technical risk and political risk). The discounted, present values of the cash flows are summed to arrive at the Fruta del Norte Project's net present value (**NPV**).

In addition to the NPV, the IRR and the payback period are also calculated. The IRR is defined as the discount rate that results in an NPV equal to zero. The payback period is calculated as the time required to achieve positive cumulative cash flow for the Fruta del Norte Project.

The financial model includes consideration of metal prices, transport costs, royalties and taxes, and working capital. An amount of $430 million of historical costs is considered in the financial model. These historical costs provide a shield against taxes and profit-sharing expenses.

The after-tax NPV at a 5% discount rate over the estimated mine life is $676 million. The after-tax IRR is 15.7%. The after-tax payback of the initial capital investment is estimated to occur 4.5 years after the start of production. A summary of the financial analysis is presented in Table 7, with the base case discount rate highlighted. The life of mine all-in sustaining cost (AISC) per ounce of gold is $623.

Table - 6: Key Outcomes

Project economics at a gold price of $1,250/oz and a silver price of $20/oz			
Item	**Units**	**Pre-tax**	**After-tax**
NPV_5	$ million	1,283	676
IRR	Percent	23.8	15.7
Capital payback after commencement of production	Years	3.7	4.5

Cashflow ($ million)					
	2020	**2021**	**2022**	**Average Years 1–10**	**Life-of-Mine**
Doré revenue	62	121	151	133	1,669
Concentrate revenue	117	247	314	280	3,631
Total revenue	179	368	465	414	5,301
Operating costs	107	151	149	147	1,961
Operating profit	72	216	316	267	3,339
Taxes and royalties	16	(6)	16	59	914
Capital cost estimate	139	16	11	28	975
Changes in working capital	46	8	11	6	—
Cash flow (after tax)	(129)	198	279	174	1,449

Table - 7: Financial Analysis Summary (base case is highlighted)

Indicator	**Units**	**LOM Value**
Pre Tax		
NPV 4%	$ million	1,452
NPV 5%	$ million	1,283
NPV 8%	$ million	879
NPV 10%	$ million	675
Payback period from start of production	Years	3.7
IRR	%	23.8
After Tax		
NPV 4%	$ million	791
NPV 5%	$ million	676
NPV 8%	$ million	402
NPV 10%	$ million	264
Payback period from start of production	Years	4.5
IRR	%	15.7

Sensitivity Analysis

A sensitivity analysis was performed on the base case NPV after taxes to examine the sensitivity to gold price, operating costs, capital costs and labour costs. In the pre-tax and after-tax evaluations, the Fruta del Norte Project

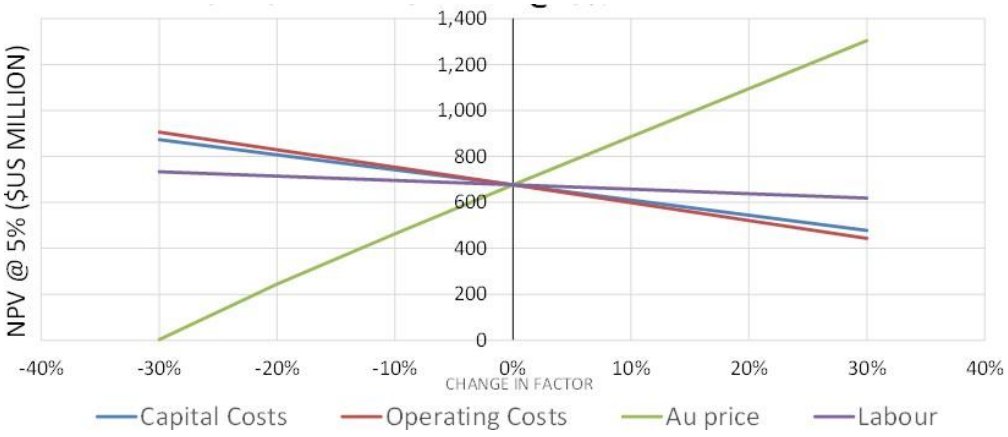
is most sensitive to changes in gold price, less sensitive to changes in operating costs, and least sensitive to capital cost and labour cost changes. Figure 1 shows the results of the after-tax analysis. The gold grade is not presented in the sensitivity graph because the impact of changes in the gold grade mirrors the impact of changes in the gold price.

Table - 8 Sensitivity Analysis

Sensitivity analysis ($100/oz variation from the base case gold price; silver held at $20/oz)

Item	Units	$1,150/oz Au	Base Case $1,250/oz Au	$1,350/oz Au
NPV_5	$ million	506	676	844
IRR	Percent	13.4	15.7	17.8
Payback	Years	5.0	4.5	4.2

Figure - 1: After-Tax Sensitivity Analysis (NPV 5%)



Note:
(1) Figure prepared by Amec Foster Wheeler, 2016.

Execution Plan as at Technical Report Effective Date

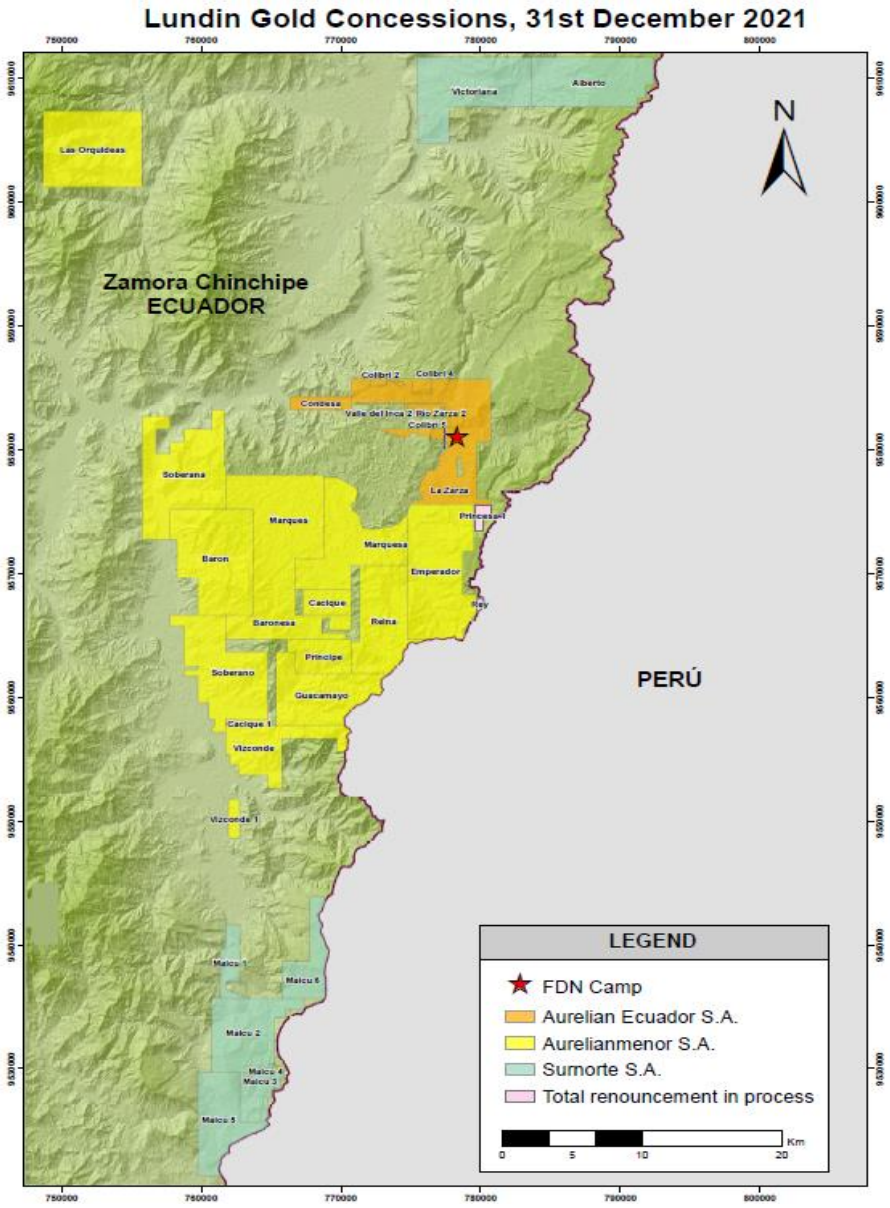
The Fruta del Norte Project schedule entails significant project activity durations, some of which may run concurrently, including a duration of 11 months for the engineering, procurement, contracting and preliminary construction of Early Works, 12 months for the construction of the access road and bridge over the Zamora River, 34 months for construction of the twin declines, six months to develop the aggregate borrow pit and plant, nine months for the mass earthworks and 20 months for the construction of the process plant and facilities.

The implementation strategy for the Fruta del Norte Project is dictated by the duration of the construction of the twin declines, which will provide access to the deposit; the estimated duration for this construction is 34 months. It is possible to build all the surface facilities including the process plant and associated infrastructure during this period. Therefore, the construction of the mine access is the critical path and the Early Works to expedite the construction of the access are also critical. The objective of the Early Works is to build access and platforms for the start of construction of the portals and declines, and to provide support facilities. The Early Works have been given special attention in the execution plan because they will need to start very soon after approval of the 2016 FS, if the proposed project schedule is to be met.

MINERAL EXPLORATION

As of the date of this AIF, Lundin Gold's properties in Ecuador consist of 27 metallic mining concessions and three construction material concessions. At year end, the Company had two concessions in the process of renouncement. The Company's total current metallic mining concession area covers approximately 64,002 hectares, excluding concessions in the process of renouncement. These concessions are currently registered in the name of the Company's subsidiaries; AESA holds those concessions related to the development of FDN, including La Zarza, Colibri 2, Colibri 4, Colibri 5, Rio La Zarza 1, Valle del Inca 2 and Condesa covering an area of approximately 5,566 hectares. The remaining concessions are held by AMSA (15) and Surnorte (8).

The map below shows the Company's holdings as at the end of the last financial year.



AMSA'S CONCESSIONS

AMSA holds an aggregate of 15 metallic mining concessions (excluding those in the process of renouncement) as the large block surrounding the Fruta del Norte deposit. AMSA's Concessions are subject to the B&A Royalty.

Significant drilling has been undertaken in the FDN region pre and post FDN discovery in 2006. The Las Peñas structural corridor and the Suarez basin have been the primary focus for exploration with several targets drilled in the La Zarza concession dating as far back as 1996.

Following the discovery of FDN, exploration continued to focus in the Las Peñas structural belt, more specifically in the La Zarza, Princesa (now called Emperador), Sachavaca (now renounced) and Colibrí concessions where epithermal and possibly mesothermal systems were targeted. Additionally, although historically not a principal commodity focus of Kinross or Aurelian, stand-alone, porphyry-hosted deposits, both associated with and proximal to the Las Peñas belt, provide secondary tier objectives for future exploration programs.

Since acquiring Aurelian in 2014, Lundin Gold has focused its exploration efforts almost entirely on key exploration targets outside of the La Zarza concession. Lundin Gold exploration activities in 2015 included prioritizing exploration targets, geophysical surveys (IP, heli-mag and ZTEM), detailed prospecting and mapping of known targets, and initial exploration of concessions with favourable geology but little data. The principal objective was to better rank and define key targets and prepare these for drilling in 2016. The most prospective epithermal targets outside of the La Zarza concession were considered to be the Emperador, Robles, Chanchito, El Arco, and Rio Blanco targets.

Geophysical IP surveys conducted in 2015 (Gradient Array and Pole – Dipole) over previously defined soil geochemical anomalies greatly helped in defining structural context of individual targets as well as identifying resistivity and chargeability anomalies coincident with surface geochemistry. Additional geological mapping and prospecting combined with the previous IP surveys provided key information to optimize future drilling campaigns and improve confidence in the targets. Siliceous sinter (much like the one at FDN) was found in outcrop over the Emperador target indicating its location in the upper-most levels of an epithermal system.

In 2016, Lundin Gold continued exploration activities on some of its higher priority concessions, including mapping, geochemical sampling and ground geophysical (IP) surveys. Drilling was conducted on five key targets located 10 to 15 km south of the Fruta del Norte Project, with 28 holes drilled on the Rio Blanco (El Puma), Emperador, Robles, El Arco and Chanchito targets for a total of 8,519m.

Although intersected mineralization did not return high grades over significant intersections, the styles of alteration and mineralization confirms important epithermal systems at four of the five targets tested, which justified future follow-up work.

The Rio Blanco target (now named El Puma) was highly anomalous in arsenic, moly, and antimony, while the Chanchito target was highly anomalous in silica, mercury and moly. The Robles and Emperador targets were rich in all the previous elements as well as anomalous in gold and silver. Illite alteration was the dominant alteration associated with the mineralized zones. These represent the full suite of trace pathfinder elements and hydrothermal alteration which characterize the Fruta del Norte Project like many other low to intermediate sulphidation epithermal deposits.

A detailed review of the Rio Blanco drill holes, and follow-up mapping of the area showed that the Suarez Pull-Apart Basin (hosting FDN) extends much further south than previously believed. The length of the basin has now been extended to 16km (double the previous) with excellent targets, including favorable geochemistry, occurring at numerous targets along its margins. These FDN-like targets include Alejandro, El Copal, La Negra, Puente-Princesa, Barbasco and El Puma (Rio Blanco).

Other field programs continued including Geophysical Induced Polarity (completed in December 2016), soil geochemical surveys, detailed mapping and prospecting on new areas of interest to define high priority targets for drilling. So far three new significant targets have been found outside of the pull-apart basin area including Gata Salvaje, Oso Manso, and Las Nubes in the RGM Block (Reina, Guacamayo, and Marquesa concessions). These include Epithermal Au-Ag, Au-Skarn, and potential Porphyry Cu-Au systems, strengthening our firm belief in the exploration potential of our extensive land package.

In 2017, the Company's exploration activities were focused on advancing targets to the scout drill testing stage. The El Puma, Barbasco and Fruta del Norte SW Epithermal gold-silver targets within the Suarez pull-apart basin were better defined; while outside of the basin, the Gata Salvaje, Las Nubes, and El Quimi targets were also advanced. Diamond drilling began on the El Puma target in late 2017, located approximately 12 kilometers south of FDN, and continuing into 2018. Soil sampling and two drill holes completed during the Company's 2016 exploration drilling campaign indicated that El Puma has a similar epithermal geochemical signature to the Fruta del Norte Project deposit.

A helicopter ZTEM (Z-Tipper Axis Electromagnetic) resistivity geophysical survey of the Suarez pull-apart basin and surrounding terrain was completed in December 2017. This system utilizes the Earth's natural electromagnetic fields and can be used to map large, deeply buried targets and structures. The results have aided the interpretation of the basin structure and depths as well as potentially identifying epithermal and/or porphyry alteration within and below the basin sediments.

Drilling was completed at the El Puma target in early 2018, with a total of 6,245m in six drill holes. A buried vein, breccia and shear hosted epithermal quartz-carbonate-sulfide system was intersected along the interpreted western edge of the basin. Assays received from the drilling are variably anomalous in the epithermal pathfinder elements silver, arsenic, antimony, lead and zinc but not significantly anomalous in gold.

From 2018 to 2021, the Company, continued to advance key targets to drill readiness stage through mapping and geochemical sampling. Exploration at the Barbasco target located on the eastern edge of the Suarez basin approximately 6km south of Fruta del Norte has defined an extensive area of anomalous epithermal pathfinder elements (arsenic and antimony) in soil samples. An outcrop containing an epithermal quartz vein (20cm true width) has been located in the andesites along the edge of this target and has assayed up to 10.4 g/t Au. A number of other small (cm scale) veins have also been identified and are interpreted to be a very late mineralization phase that postdates the basin sediment and late (Fruta) andesites. The target is for a buried FDN-type epithermal gold-silver mineralized system that may occur below the basin sediments.

Drilling began at the Barbasco target in early 2021 with six holes completed for 5,387m. See Tables 1 and 2 below for Barbasco drilling information. Thick sequences of basin cover rocks (Fruta andesite and Suarez sediments) were intersected above the Santiago Formation andesites and sediments (the host rock for Fruta del Norte). Zones of epithermal related alteration and multiple narrow (generally 2 meters or less), widely spaced epithermal quartz-carbonate-sulphide veins were intersected. Most of the veins are weakly to 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 a remote area completely covered by post-mineralization rocks. Due to the steep terrain and the distance from the road the rigs were moved to the Puente-Princesa target later in 2021 while access tracks and a field camp were constructed with the goal of drilling the southern Barbasco area in 2022.

At the Puente-Princesa target six holes were completed for 5,749m in 2021. See Tables 1 and 3 below for Puente Princesa drilling information. The drilling was spread over three sections approximately 1km apart and designed to test for buried Fruta del Norte type epithermal systems along the western Suarez basin margin. The drilling encountered significant thicknesses of cover rocks, including the late Fruta andesites and Suarez basin fill sediments before intersecting the andesites and marine sediments of the Santiago Formation. Broad zones of hydrothermal alteration were intersected and some narrow epithermal quartz-carbonate-sulphide epithermal stockwork veining and brecciation. Broad zones are anomalous in the key epithermal pathfinder elements arsenic and antimony, but gold intervals are generally narrow and low grade, with a best intercept of 10m @ 0.46g/t Au.

Table 1: Collar Locations of Drill Holes

Hole ID	Prospect	Easting	Northing	Elevation	Azimuth	Dip	EOH (m)
BAR-2021-001	Barbasco	777420	9574023	1670	90	-45	1031.7
BAR-2021-002	Barbasco	777742	9574002	1699	90	-45	1007
BAR-2021-003	Barbasco	777899	9573603	1803	90	-45	983
BAR-2021-004	Barbasco	778131	9573497	1908	90	-45	854
BAR-2021-005	Barbasco	778140	9573298	1947	90	-45	743
BAR-2021-006	Barbasco	778243	9573100	1980	90	45	768
PCS-2021-007	Puente-Princesa	775400	9573744	1536	270	-60	596.9
PCS-2021-008	Puente-Princesa	775808	9573772	1540	270	-60	687
PCS-2021-009	Puente-Princesa	776191	9573480	1570	270	-70	1031
PCS-2021-010	Puente-Princesa	776497	9572456	1603	270	-75	1291
PCS-2021-011	Puente-Princesa	776497	9572456	1603	270	-50	1271
PCS-2021-012	Puente-Princesa	775685	9574661	1540	270	-45	872

Table 2: Barbasco Drill Results (>0.1 g/t Au)

				Grade		
Hole ID	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**	**As (ppm)**	**Sb (ppm)**
BAR-2021-001	449.00	451.00	2.00	0.17	9	0.6
	716.00	718.00	2.00	0.19	26	1.1
BAR-2021-002	772.20	774.00	1.80	0.18	63	0.8
	867.00	872.00	5.00	0.24	34	0.9
BAR-2021-003	110.70	112.50	1.80	0.24	27	0.5
	140.00	142.00	2.00	0.11	187	1.2
	166.00	168.00	2.00	0.15	90	0.6
	261.00	263.00	2.00	0.11	150	1.5
	279.40	280.00	0.60	1.59	127	1.4
	532.00	534.00	2.00	0.24	27	1.5
	743.00	744.55	1.55	0.11	74	1.2
	886.20	887.00	0.80	0.14	69	2.2
	940.50	941.50	1.00	0.17	78	3.3
BAR-2021-004	147.00	149.00	2.00	0.10	759	33.8
	191.00	193.00	2.00	0.12	27	4.3
	195.00	197.00	2.00	0.10	45	5.4
	203.00	205.00	2.00	0.15	101	6.8
	324.25	327.25	3.00	0.12	187	3.1
	329.25	331.25	2.00	0.23	350	6.5
	477.00	478.00	1.00	0.28	81	1.5
	522.00	523.00	1.00	0.10	139	2.2
	580.50	581.50	1.00	0.10	125	0.8
	589.40	591.25	1.85	0.12	95	1.1
	636.00	637.00	1.00	0.11	86	1.7
	664.50	665.50	1.00	0.14	28	0.7
	676.50	678.50	2.00	0.12	122	0.5
	684.50	685.70	1.20	0.17	88	1.3
	698.00	702.00	4.00	0.23	46	0.5
	713.00	714.50	1.50	0.12	90	0.7
	733.35	735.00	1.65	0.13	54	0.5
	741.10	742.00	0.90	0.13	88	1.8
	758.00	760.15	2.15	0.14	61	0.7
	802.00	804.70	2.70	0.31	14	0.6
BAR-2021-005	98.00	100.00	2.00	0.10	54	2.1

	136.00	138.00	2.00	0.14	181	3.3
	404.00	406.00	2.00	0.10	78	4.5
	443.00	445.00	2.00	0.10	4	0.8
	476.00	478.00	2.00	0.16	119	1.4
	493.00	495.00	2.00	0.10	125	1.0
	498.50	501.50	3.00	0.14	14	0.6
	533.35	534.40	1.05	0.20	178	1.0
	550.50	551.50	1.00	0.14	4	0.5
	566.45	568.00	1.55	0.39	45	2.0
	577.00	579.00	2.00	0.23	7	0.5
	587.18	587.65	0.47	0.74	118	2.6
	590.50	592.50	2.00	0.12	15	0.7
	629.20	632.00	2.80	0.14	29	1.1
	634.00	636.00	2.00	0.12	15	0.4
	639.00	641.00	2.00	0.49	11	0.7
	650.00	652.00	2.00	0.27	8	0.6
	664.00	666.00	2.00	1.11	16	0.4
	674.00	676.00	2.00	0.38	13	0.8
	694.00	695.30	1.30	0.15	85	0.9
	741.00	743.00	2.00	0.10	23	0.7
BAR-2021-006	139.50	141.00	1.50	0.36	33	1.7
	320.00	322.00	2.00	0.15	66	4.7
	350.00	353.00	3.00	0.13	63	3.6
	361.00	363.00	2.00	0.83	4	1.2
	367.00	369.00	2.00	0.10	2	0.5
	371.30	375.00	3.70	0.16	15	0.5
	381.00	383.00	2.00	0.11	19	1.1
	399.00	401.00	4.00	0.23	31	0.6
	493.25	493.48	0.23	0.10	54	0.6
	592.10	593.10	1.00	0.12	42	0.3
	702.00	703.00	1.00	0.15	65	2.1
	708.00	709.00	1.00	0.11	88	3.2

Intervals are calculated using a 0.1 g/t Au lower cut-off.

Table 3: Puente Princesa Drill Results (>0.1 g/t Au)

					Grade	
Hole ID	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**	**As (ppm)**	**Sb (ppm)**
PCS-2021-007	28.00	30.00	2.00	0.11	4	0.3
	56.00	62.00	6.00	0.43	7	0.8
	254.00	260.00	6.00	0.15	29	0.8
PCS-2021-008	280.00	281.00	1.00	0.12	16	0.4
PCS-2021-009	631.00	643.00	12.00	0.15	78	15.2
	665.00	667.00	2.00	0.14	23	2.6
	671.00	681.00	10.00	0.46	51	4.4
	882.00	884.00	2.00	0.10	97	3.7
	888.00	890.00	2.00	0.24	9	1.5
	973.00	977.00	4.00	0.14	154	1.3
	1000.00	1001.00	1.00	0.36	63	1.4
PCS-2021-010	532.00	534.00	2.00	0.10	116	2.4
	691.50	692.50	1.00	0.76	40	2.2
	1047.00	1049.00	2.00	0.22	630	3.0
	1207.50	1209.50	2.00	0.17	960	3.3
PCS-2021-011	1042.00	1043.00	1.00	0.22	374	6.2
	1045.00	1046.00	1.00	0.23	285	2.7
	1047.00	1048.00	1.00	0.25	740	7.6

	1110.00	1112.00	2.00	0.57	70	1.0
	1249.40	1250.80	1.40	0.10	342	1.5
PCS-2021-012	169.00	172.00	3.00	0.20	173	1.0
	247.50	248.50	1.00	0.13	73	1.5
	266.44	269.50	3.06	0.17	302	2.7
	382.00	384.00	2.00	0.10	8	0.3

Intervals are calculated using a 0.1 g/t Au lower cut-off.

All of the Company's exploration technical information is obtained, verified and compiled under a formal QA/QC program in Ecuador. The following details the protocols used by Lundin Gold's staff and consultants, which largely follows procedures and processes previously implemented by Aurelian and Kinross for the FDN deposit. These have been updated to include recommendations by third party consultants over the years and to meet standard industry best-practices. They apply most importantly to drilling but also as described to samples for surface geochemistry and prospecting.

Sampling Method and Approach

Drill core boxes are marked with hole number and depth at the drill site, then delivered to the Las Peñas camp in closed core boxes where the core is labelled, photographed, logged and sampled under the supervision of FDN staff geologists. Data is recorded directly into the database using iPads and includes rock quality designation (RQD), recovery, hardness estimate, structure, lithology, texture, alteration, mineral assemblage, visual estimate of visible gold abundance and intensity, and level of oxidation/weathering. Log sheets are also used to record basic drill hole data including collar coordinates, core size and depth, drilling dates and sample number series. Occurrences of visible gold is marked on the core using wax crayons. Down hole survey data is recorded digitally and downloaded directly to the database.

After the geologists mark out the sample intervals, drill core is split along the long axis using an electrically-powered bench saw. Occasionally, when necessary, areas of very soft rock (clay) are cut using a machete and sections of very broken core are sampled using spoons. The following standard sampling procedures are employed:

- Normal core intervals are 1m in mineralized intervals (+/-0.1m) and 2m in non-mineralized intervals (+/-0.1m), although these can be modified by geologist to cut intervals at lithological or mineralization contacts. Sample intervals are a minimum of 0.2m in length.
- Sample numbers are marked by geologist on the core as well as on the core boxes.
- The right-hand side of the core is always sampled.
- After cutting, half the core is placed in a new plastic sample bag and half is returned to the core box.
- Between each sample, the core saw and sampling table areas are washed to ensure there is no contamination between samples.
- After cutting samples containing visible gold, a piece of quartz sandstone is partially cut to clean the diamond blade.
- Samples are clearly and securely bagged and tagged and quality control (QC) samples inserted into the sequence.
- Batches of approximately ten samples are packed in plastic buckets (drill core samples) or in poly-weave sacks (surface samples) for ground shipment to ALS, Quito for eventual sample preparation.
- Sample shipment batches are grouped together where possible in groups of 75 samples including

QA/QC samples, reflecting the number of client samples that can go into the fire assay oven in one batch.

- No sample preparation (crushing or pulverization) or sample analysis is conducted by Lundin Gold staff.

- A detailed procedure (Protocolo de Aseguriameinto y Control de Calidad) regarding sampling and QAQC for drilling has been prepared by Lundin Gold and has been implemented on-site.

Previously, most data were originally recorded as hard copy. Since late 2015 geological data is directly entered into the database using iPads. Technicians later enter the following information into the database: sample number, sequence, interval, QA/QC data and other geological information such as collar information, depth of drill size reduction, date, and drill company details. Basic database checks are also carried out by the database administrator as well as the implemented system to assure the integrity of the database.

Sample Preparation

ALS – Quito, Ecuador

ALS Quito is accredited to ISO 9001:2008 for its quality management system. This laboratory is used for preparation of samples for:

- Exploration Drilling

- Geochemical Sampling (Rocks, Soils, & Streams Sediments) Procedure:

- Oven dry the sample on steel trays (<80^{o}C)

- Crush entire sample to better than 70% passing -2 mm or 10 mesh

- Clean Crusher with air gun between all samples and with quartz flush between every 10 samples as a minimum. This frequency can be increased for specific intervals if high grades are expected.

- Riffle split 300 g

- Pulverize split to better than 85% passing -75 microns or 200 mesh

- Clean pulverizers with an air gun between samples

- 150 g pulps sent in kraft bags by prep lab to analytical labs in Lima for analysis

Sample Analysis

ALS – Lima, Peru

ALS Lima is accredited to ISO 9001:2008 for their quality management systems and to ISO/IEC 17025:2005 for their competence of laboratory testing. This laboratory is used as a primary analytical laboratory for:

- Exploration Drilling

- Geochemical Sampling (Rocks, Soils, & Streams Sediments)

Procedure:

- Gold determined by 50 g fire assay with an AAS finish for drill samples[1] (method code AU-AA24), and with ICP-AES[2] finish for field rock samples (method code AU-ICP22). Minimum detection limit for AAS finish procedure is 0.005 g/t Au and for ICP is 0.001 g/t Au. Maximum detection limit in both cases is 10 g/t Au.

- If gold assays greater than 10 g/t is detected for either drill or field samples then over-limit re-assays are completed using a 50 g fire assay with a gravimetric finish, method code AU-GRA22. The detection range for this procedure is 0.05 g/t Au to 1,000 g/t Au.
- Multi-element analysis is performed on all samples using method code ME-MS41, consisting in an aqua regia digestion and ICP-AES[2] and ICP-MS[3] finish. 51 Elements are analyzed, including gold and silver. The silver detection range for this procedure is 0.01 ppm to 100 ppm.

- If silver assays greater than 100 ppm then over-limit re-assays are completed with aqua regia digestion and AAS finish (AG-AA46, detection limit 1-1,500ppm). When Cu, Pb, or Zn assays exceed 10,000 ppm re-assays are completed (Cu-AA46, 0.001-50%; Pb-AA46, 0.001-30%; Zn-AA46, 0.001- 60%).

Notes:

1. AAS: Atomic absorption spectroscopy
2. ICP-AES: Inductively-coupled plasma - atomic emission spectroscopy
3. ICP-MS: Inductively-coupled plasma – mass spectrometry

Inspectorate - Lima, Peru

Inspectorate Lima is accredited to ISO 9001:2008 for its quality management system and to ISO/IEC 17025:2005 for its competence of laboratory testing. Currently this laboratory is used for QAQC check assays for gold only from pulp duplicates related to:

- Exploration Drilling

- Geochemical Sampling (Rocks)

Procedure:

- Gold determined by 50 g fire assay with an AAS[1] finish for drill samples using method code FA450-Au, which has a detection range from 0.005 g/t Au to 10 g/t Au. For surface samples fire assays are done with ICP-AES[2] finish using method code FA350-Au 50g, which has a detection range from 0.002 g/t Au to 10 g/t Au.

- If gold assays greater than 10 g/t were detected using the above technique, then over-limit re-assay using a 50 g fire assay with a gravimetric finish (method code FA550-Au). The detection range for this procedure is 0.9 g/t Au to 1,000 g/t Au.

Notes:

1. AAS: Atomic absorption spectroscopy
2. ICP-AES: Inductively-coupled plasma – atomic emission spectroscopy

<u>Chain of Custody and Security</u>

Once sealed, core boxes are transported from the drill site to the Las Peñas exploration camp. At the camp, core is checked by geologists and stored in the core shed during the logging and sampling process. Samples are sealed in plastic bags using single-use plastic cable-ties; the sealed sample bags are placed in plastic buckets and then stored

in a locked shed until shipment. Lundin Gold personnel do not participate in any sample preparation activities beyond cutting core samples.

Once ready for shipment, a list of sample batches and included samples is sent via electronic mail to camp administration and logistics, to the sample preparation laboratory, and to camp security, before the sample batches leave camp. The Las Peñas camp has 24-hour security, which includes monitoring activities in the core shed area. Drilling samples are then transported from camp overland by a transport company truck directly to Quito where the custody of the samples is transferred to laboratory personnel. During transport camp security maintains communication with the transport company driver in order to track the progress and safety of the transport truck.

In the case of surface exploration samples (rocks and soils), these are sealed in plastic bags with single use cable-ties, packed in rice bags, and these are delivered by light truck to a transport company in the city of Loja for transport to Quito. The samples are then picked up from the transport company's terminal in Quito by Lundin Gold personnel and delivered to the preparation laboratory.

Signatures for responsible parties are required at every step of the process and records are archived at the Las Peñas camp. When samples are received at the sample preparation laboratory, the samples are laid out on the laboratory floor and reviewed by laboratory personnel. If the samples are received in good order and consistent with the sample list of the work order, the laboratory sends by electronic mail confirmation of sample reception. If laboratory personnel observe any variations with respect to the list of samples or if there were any problems with sample integrity, Lundin Gold is advised by the laboratory by electronic mail before any further action is taken.

Once prepared the 150g pulp samples are packaged by the sample preparation laboratory for shipment to their analytical facility in Lima. Before shipment, Lundin Gold personnel inserted certified reference material (CRMs), in the sample batch at the sample preparation laboratory. In the case of pulp duplicates for outside check assays, previously these sample batches were picked up by Lundin Gold personnel and delivered to the Inspectorate sample preparation laboratory in Quito for shipment to their Lima analytical laboratory. Lundin now tasks ALS to insert the CRMs in the check assay batches and deliver these directly to Inspectorate (without any Lundin Gold intervention).

Digital laboratory assay data is distributed by electronic mail to project managers and to the resource database administrator via electronic mail. The laboratory assay data is received in 2 separate files. The first file is an electronic certificate of the sample assays in PDF format while the second is an Excel table for uploading into the database. That assay data is manually uploaded to the database where it is automatically merged with the appropriate sample data. The resource database system requires users to be logged on to the system. Each user is assigned privileges that are dependent on their duties.

Bulk Density Measurements

After core is sampled, intervals of solid core (10 cm to 20 cm in length) are selected for bulk density determinations. Measurements are made from every hole at an interval rate of approximately 50 m in un-mineralized intervals and every 20 m in mineralized intervals. The procedure used is the Marcy Method, where the sample is dried, weighed, waxed and then weighed in water.

Quality Assurance and Quality Control

Quality assurance (QA) provides evidence to demonstrate that the assay data has precision and accuracy within generally accepted limits for the sampling and analytical method(s) used in order to have confidence in a resource estimate. Quality control (QC) consists of procedures used to ensure that an adequate level of quality is maintained in the process of collecting, preparing and assaying the exploration drilling samples.

In general, QA/QC programs are designed to prevent or detect contamination and allow assaying (analytical), precision (repeatability) and accuracy to be quantified. In addition, a QA/QC program can disclose the overall sampling-assaying variability of the sampling method itself.

Lundin Gold has implemented a thorough QA/QC program, largely following previous practices by Kinross and Aurelian, which included the regular insertion of blank samples, CRMs, field and reject duplicates and check assaying from pulp duplicates. The operators perform ongoing monitoring of the program, with spurious results being investigated and changes implemented when required. Insertion rates and procedures employed by Lundin Gold are shown in the following table.

CRM	1 of 25
Blanks - Coarse Rock	1 in 20
Field Duplicate	1 in 50 (both halves sent)
Coarse Reject Duplicate	1 in 50 samples submitted to ALS Lima
Check Assay (Pulp Duplicates)	1 in 10 samples submitted to ALS Lima are also assayed at Inspectorate Lima

Certified Reference Material (CRM)

Results of the regular submission of certified and uncertified reference material (standards) are used to identify problems with specific sample batches and long-term biases associated with the primary assay laboratory. The FDN project site sourced certified reference material (CRM) from Rocklabs in New Zealand. New CRM materials may be sourced in the future from Rocklabs or from other recognized providers.

CRM material is included in the sample stream at a rate of 1 in 25.

CRMs submitted for a project validate the precision and accuracy of results within the grade range of interest by approximating the cut-off grade, the average grades and the high grades for the project. For FDN the gold grades of interest are approximately 3 g/t (cut-off grade), 9 g/t (average grade) and over 20 g/t (high grade). Silver grades of interest, although supplemental to gold, are from 10 g/t to 20 g/t. The ranges of expected values of the submitted CRMs for gold is from 0.819 g/t Au to 30.14 g/t Au and for silver is from 11.02 g/t to 58.38 g/t.

Control charts are prepared for each of the CRMs used on the project, and reviewed for individual laboratory bias, precision and accuracy, as well as changes and drift of assayed grades over short and long-time spans. Failure rates are defined as a gold value reporting more than three standard deviations from the expected value, or two consecutive gold values reporting more than two standard deviations from the expected values.

Blank Material

The regular submission of blank material is used to assess contamination during sample preparation and to identify sample numbering errors. Blank material is sourced from Hollin Formation sandstone.

Anomalous results are usually interpreted as contamination or a sample switch. Site operators consistently monitor the results of blank samples and follow up spurious results with respective investigations. Assay values of greater than 0.05 g/t Au for blank material are considered failures or 10 times detection limit.

Blank material is included in the sample stream at a rate of 1 in 20 (minimum) and may be increased where visible gold is observed, or very high grades are expected.

Control Sample Failures

When a control sample (CRM or Blank) fails to return the expected value an entry is made into the table of failures, the control sample as well as 10 samples previous to, and 10 samples afterward are immediately re-assayed from pulp and rejects duplicates. Based on a review of the failure and the re-assays, a description of the failure analysis is

documented into the table of failures together with the actions taken (signed off by Exploration Manager), which may include substituting the initial results with re-assays. If samples adjacent to the failed control sample are non-mineralized, decision may be taken to take no further actions with approval of the Exploration Manager. When assays of duplicate samples exceed 30% variation with respect to the original sample (for samples with significant grade, the same failure methodology is followed.

Duplicates

Duplicate samples help to monitor preparation and assay precision and grade variability as a function of sample homogeneity and laboratory error.

Since 2016, field duplicate samples are collected as both halves of core samples. For every 50-field/core sample, a minimum of one field duplicate is inserted in the batch. As our batches are based of 75 samples (including QC samples) 2 field duplicates are included in every full batch.

Coarse reject samples are collected as an additional split from the crushed reject material (better than 70% passing -2 mm or 10 mesh). As for field duplicates, a minimum of one field duplicate is inserted in for every 50-field/core samples.

Check Assays

Pulp duplicates are sent for check assays to Inspectorate Laboratory in Lima with a frequency of one pulp duplicate for every 10-field/core samples. The 150g pulp duplicate samples are split from the 300g of pulverized rock (85% passing -75 microns or 200 mesh) prepared by ALS Quito as previously described. Lundin Gold inserts a minimum of one CRM for every 25 pulp duplicates and the samples are normally sent in batches of 75 samples. Lundin Gold previously delivered these to Inspectorate offices in Quito who take responsibility of sending the samples to their Lima laboratory, but now tasks ALS to insert the CRMs in the check assay batches and deliver these directly to Inspectorate (without any Lundin Gold intervention).

THE NEWCREST EARN-IN: SURNORTE CONCESSIONS

In 2018, the Company entered into the Newcrest Earn-In Agreement which provides for the creation of a joint venture company to explore eight early-stage concessions currently held by Lundin Gold's subsidiary, Surnorte including: Alberto, Maicus 1 to 6 and Victoriana (the **JV Concessions**). The JV concessions are to the north and south of and a distance from Fruta del Norte and AMSA's block of concessions surrounding the Fruta del Norte deposit (the **Central Concessions**). Under the Earn-In Agreement, Newcrest is operator and can earn up to a 50% interest in the joint venture company by spending $20 million over a five-year period.

Under the Newcrest earn-in period, the parties have also agreed to a customary area of interest restriction within five kms of the perimeter of the JV Concessions and the Central Concessions. Under the Newcrest Earn-In Agreement the parties have also agreed that, so long as Newcrest holds 10% or more of the issued and outstanding Shares of Lundin Gold, Lundin Gold cannot dispose of any interest in the Central Concessions without first providing Newcrest with the right to acquire such interest in the Central Concessions.

In 2019, Newcrest conducted additional mapping, sampling and validation work on the Garmora project which comprises the northern concessions (Alberto and Victoriana). The project is exploring for porphyry copper-gold mineralization and occurs in proximity to Ecuacorriente's Mirador and Mirador Norte porphyry copper-gold deposits. Permits for the drilling program were obtained in 2019. Exploration and associated field activities were suspended for part of 2020 and 2021 due to the COVID-19 pandemic. During this time, Newcrest focussed on refining drill hole targeting, advancing program planning and supporting the local community through Newcrest's COVID relief fund. Drilling began at the Gamora in late 2021 with two holes completed for 794m by the end of the year.

The JV Concessions are subject to the B&A Royalty.

LUNDIN GOLD'S SECURITIES

THE SHARES

The Company is authorized to issue an unlimited number of Shares. As of December 31, 2021, Lundin Gold had an aggregate of 233,361,883 Shares issued and outstanding. As of the date of this AIF, Lundin Gold had an aggregate of 234,735,282 Shares issued and outstanding.

All of the Company's Shares rank equally as to voting rights. Shareholders are entitled to receive notice of, and to one vote per Share at, every meeting of shareholders, to receive such dividends as the Board declares and to share equally in the assets of Lundin Gold remaining upon the liquidation, dissolution or winding up of Lundin Gold after the creditors of Lundin Gold have been satisfied and after the payment of the aggregate liquidation preference of any Preference Shares (as defined herein) then outstanding. The Shares do not carry any pre-emptive, subscription, redemption of conversion rights, nor do they contain any sinking or purchase fund provisions.

Shareholders are entitled to receive dividends if, as and when declared by the Board. The directors have adopted a policy of dedicating cash flow to reinvestment in the business of the Company. Accordingly, no dividends have been declared to date.

PREFERENCE SHARES

The Company is also authorized to issue, from time to time in one or more series, an unlimited number of preferred shares (the **Preference Shares**). As of December 31, 2021, and the date of this AIF, no Preference Shares have been issued.

The Preference Shares may be issued from time to time in one or more series, each consisting of a number of Preference Shares as determined by the Board which also may fix, subject to the restrictions set out below, the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of Preference Shares. The Preference Shares of each series shall, with respect to payment of dividends and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding-up of Lundin Gold rank on parity with the Preference Shares of every other series and shall be entitled to preference over the Shares and the shares of any other class ranking junior to the Preference Shares.

The Preference Shares of any series may be purchased for cancellation or made subject to redemption as determined by the Board. The holders of Preference Shares shall be entitled to notice of meetings called for the purpose of authorizing the dissolution of Lundin Gold or the sale, lease or exchange of substantially all of its assets but shall not be entitled to vote thereat, except as provided by applicable law.

WARRANTS

At year end, the Company had an aggregate of 411,441 Warrants outstanding, of which Nemesia held 300,000 Warrants issued in connection with the COF in lieu of fees and Newcrest held 111,441 Warrants issued in connection with its anti-dilution rights. As of the date of this AIF, all the Warrants had been exercised and no other Warrants were outstanding.

PRICE RANGE AND TRADING VOLUME

Lundin Gold's primary listing of the Shares is on the TSX, where they trade under the symbol "LUG". The following table sets forth, for the periods indicated, the reported intra-day high and low sales prices and aggregate volume of

trading of the Shares on the TSX in 2021.

Month	High (CAD$)	Low (CAD$)	Volume
2021	**TSX**	**TSX**	
January	11.94	9.64	12,566,767
February	10.98	9.54	7,477,493
March	10.52	9.11	12,192,228
April	12.31	9.93	4,449,653
May	12.69	11.53	4,273,161
June	12.93	10.30	5,348,262
July	11.34	9.79	2,967,496
August	11.75	10.43	2,846,026
September	11.66	9.25	2,687,002
October	11.98	9.43	2,843,084
November	12.73	9.91	5,495,696
December	10.52	8.90	5,237,510

Source: TMX Datalinx

PRIOR SALES

Equity Compensation Grants

The Company has adopted an Omnibus Incentive Plan (the **Omnibus Plan**), which was approved by the Company's shareholders in 2019. The Omnibus Plan replaces the Company's Amended and Restated Stock Option Plan which was approved on December 12, 2014 and subsequently amended on June 1, 2017 (the **Legacy Plan**). Options granted under the Legacy Plan remain outstanding and are governed by the terms of the Legacy Plan; after the Omnibus Plan's approval in June 2019, no new options could be granted under the Legacy Plan.

A summary of the key provisions of the Omnibus Plan is available in the Management Information Circular dated April 24, 2019 which is available under the Company's profile on SEDAR.

In 2021, the Company granted the following awards under the Omnibus Plan:

Stock Options:

Date of Issuance	Options Issued (#)	Exercise Price (CAD$)
February 26, 2021	752,200	10.42
June 24, 2021	41,500	10.90
August 13, 2021	100,000	11.35
TOTAL	**893,700**	

Share Units:

Date of Issuance	Restricted Share Units Issued (#)	Preferred Share Units Issued (#)	Deferred Share Units Issued (#)
February 26, 2021	82,200	179,400	13,200
March 31, 2021			4,842
June 30, 2021		7,900	9,179
September 30, 2021			2,770
August 13, 2021	36,100		
December 31, 2021			2,747
TOTAL	**118,300**	**187,300**	**32,738**

LUNDIN GOLD'S MANAGEMENT

THE BOARD OF DIRECTORS

The following table sets out the names and the provinces or states and countries of residence of each of the directors of Lundin Gold as of the date hereof, their respective positions and offices held with Lundin Gold and their principal occupations during the five preceding years. The following table also identifies the members of each committee of the Board.

Name and Province and Country of Residence	Principal Occupation and Employment for Past Five Years	Director Since[1]
CARMEL DANIELE[2] London, UK	Founder and Chief Investment Officer of CD Capital Management Group Ltd., the fund manager of a number of private equity and mining funds, since 2006.	2015
GILLIAN DAVIDSON[9] Edinburgh, UK	Independent sustainability advisor since March 2017. Prior, Head of Mining & Metals at the World Economic Forum from 2014 to 2017; Head of Social Responsibility at Teck Resources Limited, a TSX and NYSE mining company, from 2008 to 2014.	2021
IAN W. GIBBS[2,7] British Columbia, Canada	Chief Financial Officer of Josemaria Resources Inc., a TSX and NASDAQ Stockholm listed Canadian company which owns a copper-gold project in Argentina, since 2019; prior, Chief Financial Officer of Africa Oil Corp., a TSX and NASDAQ Stockholm listed Canadian oil and gas company with assets in Africa from 2009 to 2019.	2005
CHANTAL GOSSELIN[3,4,5,6] Ontario, Canada	Corporate Director; prior, Vice President and Portfolio Manager at Goodman Investment Counsel, from 2011 - 2013.	2017
ASHLEY HEPPENSTALL[3,4,8] London, UK	Lead Director of the Board since 2015; prior, CEO of Fijaro Limited, a consulting company from 2016-2018; President, CEO and Finance Director of Lundin Petroleum AB, an oil and gas exploration and production company with core assets in Norway and South East Asia, from 2002-2015.	2015
RON F. HOCHSTEIN British Columbia, Canada	President and Chief Executive Officer of the Company since 2014; Chairman of the Company from 2008-2014; prior, Executive Chairman of Denison Mines Corp. (**Denison**) in 2015; President and Chief Executive Officer of Denison from 2009-2014; Director of Denison since 2000.	2004
CRAIG JONES[5,6] Queensland, Australia	Chief Operating Officer Americas with Newcrest, from 2021; prior, Chief Operating Officer (Papua New Guinea) from 2019-2021; Executive General Manager of the Wafi- Golpu Project with Newcrest since 2008.	2018
LUKAS H. LUNDIN Geneva, Switzerland	Chairman of the Board since 2014; prior, President and Chief Executive Officer of the Company from 2008-2014; Mining Executive.	2008

Name and Province and Country of Residence	Principal Occupation and Employment for Past Five Years	Director Since[1]
PAUL MCRAE[10] Algarve, Portugal	Corporate Director; prior, Senior Vice-President, Projects of Lundin Mining Corporation, a diversified base metals mining company, from 2012-2018.	2014
BOB THIELE New South Wales, Australia	Acting Chief Sustainability Officer at Newcrest, from 2021; prior Program Director – Net Zero Emissions, General Manager, Technical Services and Business Improvement at Newcrest from 2017 to 2021; Operations Manager, Mining at Calibre Global, an Australian provider of engineering services to the resource sector from 2011 to 2016; General Manager, Business Improvement at Barrick Gold Corporation, a Canadian gold and copper producer, from 2009-2011.	2020

Notes:

(1) The term of office of each of the directors will expire at the 2022 Annual General Meeting of the Shareholders.
(2) Member, Corporate Governance and Nominating Committee
(3) Member, Audit Committee
(4) Member, Compensation Committee
(5) Member, Technical Committee
(6) Member, Health, Safety, Environment and Sustainability Committee
(7) Chair, Audit Committee and Chair, Compensation Committee
(8) Chair, Corporate Governance and Nominating Committee
(9) Chair, Health, Safety, Environment and Sustainability Committee
(10) Chair, Technical Committee

LUNDIN GOLD'S EXECUTIVE OFFICERS

The following table sets out the names and the provinces or states and countries of residence of each of the executive officers of Lundin Gold as of the date hereof, their respective positions and offices held with Lundin Gold and their principal occupations during the five preceding years. Mr. Hochstein, the President and Chief Executive Officer of the Company, is discussed under "Directors" above.

Name and Province and Country of Residence	Position with Lundin Gold and Employment for Past Five Years
ALESSANDRO BITELLI British Columbia, Canada	Executive Vice President and Chief Financial Officer since 2016; prior: Chief Financial Officer of Orca Gold Inc. from 2013-2016; Chief Financial Officer of RB Energy Inc. from 2011-2014.
SHEILA COLMAN British Columbia, Canada	Vice President, Legal and Corporate Secretary since 2015; prior: General Counsel and Corporate Secretary, Denison from 2004-2015.
DAVID DICAIRE British Columbia, Canada	Vice President, Projects since 2016; prior: Project Director for Freeport-McMoRan Inc. from 2013-2016.
NATHAN MONASH Quito, Ecuador	Vice President, Business Sustainability since 2015; prior: Vice President, Sustainability, Americas, AngloGold Ashanti from 2011-2014.
ANDRE OLIVEIRA Sao Paulo, Brazil	Vice President, Exploration since 2022; prior: South America, Senior Director, Yamana Gold from 2019-2022; various management positions with Yamana since 2004.

Name and Province and Country of Residence	Position with Lundin Gold and Employment for Past Five Years
ILIANA RODRIGUEZ Quito, Ecuador	Vice President, Human Resources since 2016; prior: Human Resources Director for the Company from 2015-2016; various management positions with Kinross from 2011-2014.
CHESTER SEE British Columbia, Canada	Vice President, Finance since 2016; prior: Chief Financial Officer of the Company 2013-2016; Chief Financial Officer for NGEx Resources Inc., from 2013-2016.

The directors and executive officers of Lundin Gold, as a group, beneficially own, or control or direct, directly or indirectly, 12,998,804 Shares, representing approximately 5.5% of the outstanding Shares as of the date of this AIF. This information was obtained from publicly disclosed information and has not been independently verified by Lundin Gold.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Other than as referred to below, no director or officer of the Company:

(a) is, as at the date of this AIF, or has, within the previous ten-year period, been a director, chief executive officer, or chief financial officer of any company (including Lundin Gold) that:

(i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued (A) while that person was acting in such capacity or (B) after that person ceased to act in such capacity but which resulted from an event that occurred while that person was acting in that capacity; or

(ii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets (A) while that person was acting in such capacity or (B) within a year of that person ceasing to act in such capacity, or

(b) has, within the previous ten-year period, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets; or

(c) is, or has been, subject to any penalties or sanctions (i) imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in making an investment decision.

Ron Hochstein and Lukas Lundin were directors and Alessandro Bitelli was Chief Financial Officer of Sirocco Mining Inc. (**Sirocco**). Pursuant to a plan of arrangement completed on January 31, 2014, Canadian Lithium Corp. (**CLC**) acquired Sirocco. Under the plan of arrangement, CLC amalgamated with Sirocco to form RB Energy Inc. (**RBI**). In October 2014, RBI commenced proceedings under the *Companies' Creditors Arrangement Act* (**CCAA**). CCAA proceedings continued in 2015 and a receiver was appointed in May 2015. The TSX de-listed RBI's common shares in November 24, 2014 for failure to meet the continued listing requirements of the TSX.

Lukas Lundin was never a director, officer or insider of RBI. Lukas Lundin, however, was a director of Sirocco within the 12-month period prior to RBI filing under the CCAA. Ron Hochstein was a director of RBI from the time of the plan of arrangement with CLC to October 3, 2014. Alessandro Bitelli was the Chief Financial Officer of RBI from the time of the plan of arrangement with CLC until May 8, 2015.

Gillian Davidson was a director of Lydian International Limited (**Lydian**) until March 2020. Lydian and certain of its subsidiaries were granted protection under the CCAA on December 23, 2019 and entered into a plan of arrangement with its secured creditors on June 15, 2020. The plan was implemented on July 6, 2020 pursuant to a sanction and interim order. The Ontario Securities Commission issued a cease trade order against Lydian on June 9, 2020 for failing to file its periodic disclosure for the period ending March 31, 2020. The cease trade order remains in effect and will remain in effect until the dissolution and wind up of Lydian is completed.

CONFLICTS OF INTEREST

Some of Lundin Gold's directors are also directors and officers of other natural resource companies and, consequently, there exists the possibility for such directors and officers to be in a position of conflict relating to any transactions or relationships between the Company or common third parties. Any decisions made by any of such directors and officers involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies and their obligations to act in the best interests of Lundin Gold's shareholders. In addition, each of the directors of the Company discloses and refrains from voting on any matter in which such director may have a conflict of interest.

None of the present directors or senior officers of the Company, and no associate or affiliate of any of them, has any material interest in any transaction of the Company or in any proposed transaction which has materially affected or will materially affect the Company except as described herein.

Two of Lundin Gold's directors, Messrs. Jones and Thiele (the **Newcrest Nominees**), are appointed to the Board by Newcrest and are Newcrest employees. Newcrest is a control person and strategic investor of the Company, currently owning approximately 32% of the Shares. Pursuant to the subscription agreement dated February 24, 2018 between Lundin Gold and Newcrest (the **Newcrest Subscription Agreement**), Newcrest has certain rights over the direction of the Company. See "*Material Contracts*'' for more information about Newcrest's rights under the Newcrest Subscription Agreement. In addition, Lundin Gold and Newcrest have entered into the Earn-In Agreement on certain Lundin Gold exploration concessions. In April 2020, Newcrest acquired the GPP Stream Financing from Orion and Blackstone and Newcrest Resources Inc., a subsidiary of Newcrest, became a secured lender and commercial counterparty to the Company.

While the Company is not aware of a pending or existing conflict of interest with the Newcrest Nominees as of the date of this AIF, the interests of Newcrest as a control person and secured lender of the Company and its commercial relationship with Lundin Gold may place the Newcrest Nominees in a position of conflict as directors of the Company in the future.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this AIF, no director or executive officer of Lundin Gold, no person or company that beneficially owns, controls or directs, indirectly or directly, more than 10% of the Shares, and no associate or affiliate of any of them, has or has had, within the three most recently completed financial years or during the current financial year, any material interest, direct or indirect, in any transaction which materially affects or is reasonably expected to materially affect Lundin Gold, except as disclosed below.

On March 29, 2019, AESA entered into the COF pursuant to which Nemesia agreed to provide the Project with a $75 million cost overrun facility. AESA never drew any amount under the COF, and it was terminated on December 23, 2021. In accordance with the terms of the COF, the Company issued Nemesia 300,000 Shares and 300,000 Warrants in lieu of fees. As of the date of this AIF, Nemesia had exercised its Warrants resulting in the issuance of 300,000 Shares.

STANDING COMMITTEES OF THE BOARD

THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors oversees the accounting and financial reporting processes of the Company and all external audits and interim reviews of the financial statements of the Company, on behalf of the Board, and has general responsibility for oversight of internal controls, and accounting and auditing activities of the Company. All auditing services and non-audit services to be provided to the Company by the Company's auditors are pre-approved by the Audit Committee.

The Audit Committee reviews, on a regular basis, any reports prepared by the Company's external auditors relating to the Company's accounting policies and procedures, as well as internal control procedures and systems. The Audit Committee is also responsible for reviewing all financial information, including annual and quarterly financial statements, MD&A and press releases regarding financial results, and recommending approval thereof to the Board, prior to public dissemination or delivery of the same.

The Audit Committee also oversees the work of the external auditor on the annual audit process, the quarterly review engagements, the Company's internal accounting controls, the resolution of issues identified by the Corporation's external auditors. The Audit Committee recommends to the Board annually the firm of independent auditors to be nominated for appointment by the shareholders at the annual general meeting of shareholders and approves the compensation of the external auditor.

The Audit Committee is responsible for the receipt and handling of reports under the Company's Whistleblower Policy and for enforcing the Lundin Gold's Code Company's Code of Business Conduct and Ethics and Anti-Bribery Policy. The Audit Committee is also responsible for reviewing and monitoring all related party transactions which may be entered into by Lundin Gold and reviewing with management the Corporation's privacy and cyber security risk exposure and related policies, procedures and mitigation plans.

The Board has adopted an Audit Committee Mandate, which sets out the Audit Committee's mandate, organization, powers and responsibilities. This Mandate is attached as Schedule A to this AIF.

Below are the details of each Audit Committee member, including his or her name, whether she or he is independent and financially literate as such terms are defined under National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators (**NI 52-110**) and his or her education and experience as it relates to the performance of his or her duties as an Audit Committee member. All three audit committee members are financially literate under NI 52-110. The qualifications and independence of each member is discussed below.

Name	Independent[1]	Financially Literate[2]	Education & Experience relevant to performance of audit committee duties
IAN W. GIBBS, Chair	Yes	Yes	Mr. Gibbs has a Bachelor of Commerce degree from the University of Calgary and is a member of the Canadian Institute of Chartered Professional Accountants. Mr. Gibbs has spent over 20 years working with public and private energy companies with international operations and has served as the Chief Financial Officer for several Canadian public companies since September 2004.
CHANTAL GOSSELIN	Yes	Yes	Ms. Gosselin has a Master of Business Administration from Concordia University and a Chartered Investment Manager (CIM) designation from the Canadian Securities Institute. She has worked in the capital markets for more than 10 years as an analyst and portfolio manager and, during that time, conducted financial analysis on issuers. She also completed the Institute of Corporate Directors – Directors Education Program in 2016.

Name	Independent[1]	Financially Literate[2]	Education & Experience relevant to performance of audit committee duties
ASHLEY HEPPENSTALL	Yes	Yes	Mr. Heppenstall has extensive experience in finance. From 1984 to 1990, Mr. Heppenstall worked as a commercial bank executive where he was involved in project financing of oil and mining businesses. He served as Chief Financial Officer of Lundin Oil AB from 1997 until his appointment as CEO of Lundin Petroleum AB in 2001. Mr. Heppenstall has attended numerous credit and accounting courses and has a degree in Mathematics from Durham University

Notes:

(1) To be considered independent, a member of the committee must not have any direct or indirect "material relationship" with Lundin Gold. A material relationship is a relationship which could, in the view of the Lundin Gold Board, reasonably interfere with the exercise of a member's independent judgment.

(2) To be considered financially literate, a member of the committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Lundin Gold's financial statements.

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an internal auditor which was not adopted by the Board.

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Section 4 of the Mandate.

The following table discloses the fees billed to the Company by its auditor, PwC, during the last two fiscal years. Services were billed and paid in Canadian dollars and have been translated into U.S. dollars using an average annual exchange rate of: $0.7454 for 2020 and $0.7978 for 2021.

Financial Year Ending	Audit Fees[1]	Audit-Related Fees[2]	Tax Fees[3]	All Other Fees[4]
December 31, 2020	190,061	37,895	-	20,937
December 31, 2021	254,055	45,711	1,165	-

Notes:

(1) The aggregate fees billed for audit services of the Company's consolidated financial statements. Audit Fees include an aggregate of $107,450 and $143,062 billed by PwC's office in Ecuador in 2020 and 2021, respectively.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the Audit Fees column. Fees relate to reviews of interim consolidated financial statements and specified audit procedures not included as part of the audit of the consolidated financial statements.

(3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.

(4) The aggregate fees billed for professional services other than those listed in the other three columns. For 2020, "All Other Fees" relates to fees billed for specified audit procedures relating to the 2020 Equity Financing.

OTHER BOARD COMMITTEES

The Board currently has four other standing committees in addition to the Audit Committee, as follows:

Committee	Overview of Responsibility
Corporate Governance and Nominating Committee (**CGNC**)	The CGNC is responsible for developing and monitoring the Company's overall approach to corporate governance issues and, subject to approval by the Board, implementing and administering a system of corporate governance for the Board. The CGNC is responsible for nominating directors for election to the Board and, in so doing, considering the composition of the Board, its

Committee	Overview of Responsibility
	independence, the variety of skills, backgrounds and experiences of directors and also taking into consideration the diversity objectives of the Board, including the Board's target of having at least 30% female directors by 2023. The CGNC is also responsible for succession planning for the Chief Executive Officer, the other officers of the Company and key senior management roles of the Company.
Compensation Committee	The Compensation Committee has the primary responsibility for reviewing and approving the compensation of Lundin Gold's senior officers, except for that of CEO which the Committee recommends to the Board for approval. In addition, the Committee also oversees the Company's equity plans and makes recommendations to the Board regarding these plans. The Compensation Committee is also responsible for making recommendations to the Board with respect to director compensation matters.
Technical Committee	The Technical Committee is responsible for oversight responsibilities with respect to the operational performance and operating risks of the Company, particularly regarding those areas where technical understanding is required.
Health, Safety, Environment and Sustainability Committee (**HSESC**)	In February 2021, the Board reconstituted the Environment, Health and Safety Committee as the HSESC. The HSESC is responsible for oversight of relevant sustainability and corporate social responsibility policies, strategies and programs of the Company, relating to worker health and safety; environmental and permitting matters including water, waste, biodiversity and air quality management; emissions and climate change; engagement with communities and Indigenous Peoples; tailings facility management and emergency response plans; diversity and human rights and related matters.

Each standing committee of the Board operates according to its mandate, which is approved by the Board and sets out the committee's duties and responsibilities. A discussion of each committee and its composition can be found in the most recent management information circular prepared in connection with the Company's Shareholder meeting. Copies of each committee's mandate and the Board Mandate are available at www.lundingold.com.

CORPORATE GOVERNANCE

As a Canadian reporting issuer with its Shares listed on the TSX, Lundin Gold has in place a system of corporate governance practices which is responsive to applicable Canadian requirements, including National Policy 58-201 — *Corporate Governance Guidelines* of the Canadian Securities Administrators (the **Guidelines**). Reference is made to the Corporate Governance Practices section of the most recent management information circular prepared in connection with the Company's Shareholder meeting, which contains a description of the Company's system of corporate governance practices with reference to the Guidelines.

LEGAL AND REGULATORY PROCEEDINGS

To the Company's knowledge, the Company is not and was not, during the year ended December 31, 2021, a party to any legal proceedings which may be material to the Company, nor is any of its property, nor was any of its property during the year ended December 31, 2021, the subject of any such legal proceedings. As at the date hereof, no such legal proceedings are known to be contemplated.

There are no: (a) penalties or sanctions imposed against Lundin Gold by a court relating to securities legislation or

by a securities regulatory authority; (b) other penalties or sanctions imposed by a court or regulatory body against Lundin Gold that would likely be considered important to a reasonable investor in making an investment decision in Lundin Gold; or (c) settlement agreements Lundin Gold entered into before a court relating to securities legislation or with a securities regulatory authority.

MATERIAL CONTRACTS

Reference is made to the material contracts that have been filed by Lundin Gold with the Canadian securities regulatory authorities on SEDAR.

Below are the particulars of each contract, other than those entered into in the ordinary course of business, that is material to Lundin Gold and that was entered into during the financial year ended December 31, 2021 and up to date of this AIF or was entered into before those dates but is still in effect.

1. Exploitation Agreement between the GOE and AESA, with respect to the Development of Fruta del Norte dated December 14, 2016, as amended on July 10, 2017 and filed on SEDAR on September 6, 2017.

   The EA, combined with existing laws and regulations, establishes the fiscal, operational and commercial terms and conditions for the development of FDN. The key terms of the EA are as follows:

   - Through its wholly owned subsidiary in Ecuador, Lundin Gold has negotiated the right to develop and produce gold from Fruta del Norte for 25 years, which may be renewed.
   - The Company and the GOE agreed to an advance royalty payment of $65 million.
   - Lundin Gold agreed to pay the GOE a royalty equal to 5% of net smelter revenues from production. The advance royalty payment is deductible against royalties payable. It is deductible against the lesser of 50% of the actual future royalties payable in a six-month period or 10% of the total advance royalty payment.
   - The GOE's share of cumulative benefits derived from Fruta del Norte will not be less than 50% (the **Sovereign Adjustment**). To the extent that the GOE's cumulative benefit falls below 50%, the Company will be required to pay an annual sovereign adjustment. Each year, the benefits to the Company will be calculated as the net present value of the actual cumulative free cash flows of Fruta del Norte from its inception. The GOE's benefit will be calculated as the present value of cumulative sum of taxes paid including corporate income taxes, royalties, labour profit sharing paid to the State, non-recoverable VAT, and any previous sovereign adjustment payments.
   - A commitment from the GOE to take measures to compensate the Company in the event of economic imbalance resulting from changes in certain taxes, laws and regulations as prescribed under EA.
   - The EA also established a Windfall Tax; the Windfall Tax was, however, eliminated through tax reforms in 2018.

2. Investment Protection Agreement between the GOE and AESA, with respect to the Development of Fruta del Norte dated December 19, 2016.

   The IPA provides further legal and tax stability for the Company, in conjunction with the EA and existing laws in Ecuador. The key terms of the EA are as follows:
   - Income tax rate fixed at 22%.
   - Exemption from the capital outflow tax of 5% on payments of principal and interest to financial institutions outside of Ecuador.
   - The ability to obtain benefits granted by the GOE through future investment protection agreements with other investors in similar projects in Ecuador.
   - No restrictions to transfer or assign all or part of the investment, including the right to assign its rights to any financing parties.

- Other benefits granted to the Company include no restriction to:
  i. produce and sell minerals;
  ii. import and export goods; and
  iii. establish, maintain, control, or transfer funds abroad, provided statutory remittances and obligations have been met.

3. Gold Prepay Credit Agreement dated as of May 30, 2017, as amended December 4, 2017, March 26, 2018, July 6, 2018, December 23, 2019, March 30, 2020, May 29, 2020 and January 5, 2021 and assigned, among AESA, as borrower, Newcrest Resources Inc., in its capacity as administrative agent (the **Administrative Agent**) and the lenders party thereto from time to time, with respect to the provision of a secured loan facility in the amount of $150 million.

   Pursuant to the Prepay Loan, the lenders have made available to AESA a non-revolving term facility in the amount of $150 million to be used exclusively for Fruta del Norte Project costs. Under the Prepay Loan, AESA must repay quarterly the cash equivalent of 11,500 oz. of gold based on the gold spot price at the time of the payment date starting on December 30, 2020. If the average gold price in the fiscal quarter prior to repayment date is more than $1,436 per oz. or less than $1,062 per oz., repayments will be based on 9,775 oz. or 13,225 oz. of gold, respectively.

   Pursuant to the July 6, 2018 amendment to the Prepay Loan, AESA is permitted to avoid default by repaying amounts to the lenders with an issuance of Shares at prescribed discounts to then trading market price for up to three non-consecutive quarterly repayments. Re-borrowing repaid amounts is not permitted under the Prepay Loan.

   AESA has granted security over all of its property. The agreement contains customary representations and warranties of AESA as well as a suite of positive covenants, negative covenants, reporting requirements and events of default. Of note, AESA is restricted (except as expressly permitted) from (i) any direct or indirect change its ownership, (ii) disposing of its assets or Project property, (iii) paying royalty payments except as permitted, (iv) encumbering its property, or (v) taking actions that would make it impractical for AESA to deliver gold as required by the Offtake Agreement (discussed below).

   The Prepay Loan includes customary events of default. The occurrence and continuance of an event of default may (at the discretion of the majority lenders, being more than 50%) result in an acceleration of the debt and the enforcement of the secured collateral.

4. Stream Credit Facility Agreement dated as of May 30, 2017, as amended December 4, 2017, March 26, 2018, July 6, 2018, December 23, 2019, May 29, 2020, August 7, 2020, November 13, 2020, January 5, 2021, February 24, 2021, May 26, 2021 and August 19, 2021 and assigned, among AESA, as borrower, the Administrative Agent, and the lenders party thereto from time to time, with respect to the provision of a secured loan facility in the amount of $150 million.

   Pursuant to the Stream Loan, the lenders have made available to AESA a non-revolving term facility in the amount of $150 million, to be used exclusively for Fruta del Norte Project costs. The terms of the Stream Loan are substantially the same as the Prepay Loan, except for the repayment terms.

   The Stream Loan is repayable in variable monthly instalments equivalent to the value of 7.75% of gold production less $400 per oz. (the **Gold Base Price**) and 100% of the silver production less $4 per oz. (the **Silver Base Price**) upon the start of commercial production at the Fruta del Norte Project, up to a maximum of 350,000 oz. of gold and six million oz. of silver. The Gold Base Price and Silver Base Price will increase by 1% per annum starting on the third anniversary of the commercial production date. In addition, the Company has the option to repay (i) 50% of the remaining Stream Loan on June 30, 2024 for $150 million and / or (ii) the other 50% of the remaining Stream Loan on June 30, 2026 for $225 million.

5. Offtake Agreement dated as of May 30, 2017 as amended January 1, 2021 and assigned, among AESA and Newcrest Resources Inc. and the purchasers thereunder from time to time, whereby Newcrest Resources Inc. has been granted the right to purchase 50% of Fruta del Norte gold production, up to a maximum of 2,500,000 ounces.

   Pursuant to the Offtake Agreement, AESA agreed to sell to the purchasers, and the Purchasers have agreed to purchase from AESA, 50% of Refined Gold produced from FDN to a maximum of 2,500,000 ounces. Newcrest Resources Inc. agreed to purchase 50% of the Refined Gold produced from doré and take a cash payment from AESA as a settlement amount where there is a delivery shortfall, until an aggregate of 2,500,000 ounces of Refined Gold has been delivered or settled pursuant to the agreement.

6. Guaranty dated as of May 30, 2017, as amended on May 16, 2018, July 6, 2018, March 29, 2019 and May 29, 2020, among Lundin Gold Inc., AurelianEcuador Holding S.A., Ecoaurelian Agrícola S.A., Aurelian Resources Inc. and Aurelian Resources Corporation Ltd. (collectively, the **Guarantors**), and The Bank of Nova Scotia, in its capacity as Offshore Collateral Agent, and, as of March 29, 2019, Condor Finance Corp. as an additional Guarantor, with respect to the guarantee the obligations of AESA in connection with the Financing.

   Pursuant to the Guaranty, the Guarantors have guaranteed for the benefit of the lenders the obligations of AESA in connection with the Financing, including all obligations under the Prepay Loan and the Stream Loan, as well as the obligations of each other guarantor under the Guaranty. Any future direct or indirect subsidiaries of Lundin Gold with a direct or indirect interest in the Project is required to provide such guarantee.

   The Guaranty is joint and several and unlimited in recourse except in respect of Lundin Gold, against whom the Guaranty is limited in recourse. The other guarantors will remain as guarantors with full recourse until the guaranteed obligations have extinguished or the guarantors have been released.

   The Guaranty sets forth customary covenants. Each of the guarantors (other than Lundin Gold) under the Guaranty has provided security over all of their assets, and both Lundin Gold and Aurelian Resources Inc. have pledged their interests in the shareholdings of Aurelian Resources Inc. and Aurelian Resources Corporation Ltd. respectively.

7. Subscription Agreement between Lundin Gold and Newcrest dated February 24, 2018 and amended May 29, 2020 with respect to the Private Placement (the **Newcrest Subscription Agreement**).

   Pursuant to the Newcrest Subscription Agreement, Newcrest subscribed for 57,736,721 Shares at a price of $4.33 per share in cash for an aggregate subscription price of $250 million. Using an exchange rate of CAD$1.00=US$0.7868, this represents an aggregate subscription price of CAD$317.7 million (or CAD$5.50 per Share).

   Pursuant to, and subject to the terms and conditions of, the Newcrest Subscription Agreement, Newcrest has been granted certain rights by Lundin Gold including, but not limited to, the following:

   i. For so long as Newcrest continues to hold at least 20% of the issued and outstanding Shares, Newcrest will be entitled to nominate two directors to the Board and will be entitled to nominate one director to the Board for so long as Newcrest holds between 10% and 20% of the issued and outstanding Shares.
   ii. For so long as Newcrest continues to hold at least 10% of the issued and outstanding Shares, Newcrest will have certain anti-dilution rights and will also be entitled to exercise pre-emptive rights with respect to future equity financings and in respect of non-cash issuances of Shares (other than certain significant transactions) in order to permit Newcrest to maintain its percentage ownership interest in Lundin Gold.
   iii. For so long as Newcrest continues to hold at least 15% of the issued and outstanding Shares, Newcrest will have customary piggyback registration rights from and after December 31, 2021 (or earlier upon the occurrence of certain events).

iv. For so long as Newcrest continues to hold at least 15% of the issued and outstanding Shares, Lundin Gold will not be permitted to take certain actions without the prior approval of Newcrest, including with respect to:
    a. the issuance of any preferred shares, the creation of any new shares or the amendment to the terms of the Shares of Lundin Gold;
    b. share transfers or issuances by any of Lundin Gold's material subsidiaries; and
    c. joint ventures, co-ownership or similar arrangements in respect of Fruta del Norte;
    d. subject to certain exceptions, commodity-based financings with respect to Fruta del Norte.

v. Newcrest has agreed to certain restrictions on buying securities of the Company beyond a 32% ownership in Lundin Gold for a period of eight years. The standstill obligation falls away in certain situations including but not limited to: a takeover bid for Lundin Gold by a third party or Newcrest; a significant M&A transaction not supported by Newcrest; certain significant changes in ownership of the Lundin Family Trust in Lundin Gold; and Lundin Gold defaulting on its financing agreements.

8. Common Terms Agreement dated July 6, 2018 among AESA (as Borrower), arranged by the Bank of Nova Scotia, Caterpillar Financial Services Limited, ING Capital LLC, KFW IPEX-Bank GMBH, Natixis New York Branch, and SG Americas Securities LLC (as Mandated Lead Arrangers), ING Capital LLC, SG Americas Securities, LLC, the Bank of Nova Scotia, KFW IPEX-Bank GMBH (as Bookrunners) and the Bank of Nova Scotia (as Administrative Agent and Intercreditor Agent), as amended March 29, 2019, December 23, 2019, January 21, 2020,March 30, 2020 May 29, 2020, December 22, 2021 and February 23, 2022 with respect to the provision of a secured loan facility in the amount of $350 million.

   Under the Common Terms Agreement (the **CTA**), the Senior Lenders have agreed to make available to AESA two term loan facilities in the aggregate amount of $350 million. The CTA sets out those terms (including definitions, repayments and prepayments, interest and fees, tax matters, security provisions, covenants, conditions precedent, events of default, payment mechanics, and other common terms) applicable to the mechanics, administration and management of the senior financing arrangements which are common to each of the two facility agreements.

   AESA is required to make certain mandatory repayments and prepayments. Payments must be made in accordance with the two facility agreements, the CTA, a collateral agency, accounts and security agreement (**CAASA**) and the intercreditor agreement. Certain proceeds to AESA will also trigger the CTA's mandatory prepayment provisions. In addition, following Project Completion, AESA is also required to make regular cash sweeps from excess cash.

   Subject to certain conditions, the Borrower may voluntarily prepay all or a portion of the loans under either of the facility agreements. Reborrowing repaid amounts is not permitted.

   Interest is calculated and payable in accordance with each facility agreement. The CTA provides for the conditions which trigger the accrual and payment of default interest.

   The CTA sets forth the security arrangements required to be granted by the Borrower and guarantors. The scope of the security package is substantially the same as that granted in the GPP Stream Financing and includes security over all of the collateral of AESA and the guarantors (other than Lundin Gold): (i) a Canadian security package consisting of, among others, a general security agreement, pledges over certain shares of Aurelian Resources Inc. and Aurelian Resources Corporation Ltd., and blocked accounts agreements; (ii) an Ecuadorian security consisting of, among others, a commercial (i.e. intellectual property) pledge agreement, an industrial (i.e. equipment and other personal property) pledge agreement, a mortgage, certain guaranty trust agreements, and certain fiduciary mandates; (iii) the CAASA; and (iv) the intercreditor agreement, among others.

   The Senior Lenders will have priority over the pre-existing security package of Newcrest. In addition, the Senior Lenders will benefit from security over the debt service reserve accounts or other such arrangements.

The CTA sets forth customary affirmative covenants and negative covenants (including financial, Project, notification and reporting requirements).

The CTA sets forth customary events of default. Following the expiration of any cure or grace periods following such Event of Default, Senior Lenders are, subject to the terms of the intercreditor agreement, entitled to take enforcement action. Such enforcement action includes drawstop, the blocking of the project accounts, acceleration of the senior facilities and realization of the security arrangements.

NAMES AND INTERESTS OF EXPERTS

The Company's independent auditor is PricewaterhouseCoopers LLP (PwC), Chartered Professional Accountants, who have issued an independent auditor's report dated February 23, 2022, in respect of Lundin Gold's consolidated financial statements as at December 31, 2021 and 2020 and for the years then ended. PwC has advised that it is independent with respect to the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

Ron F. Hochstein, P. Eng., Lundin Gold's President and Chief Executive Officer and Director, is a "Qualified Person" within the meaning of this term in NI 43-101 and has reviewed and approved sections of this AIF that are of a scientific or technical nature pertaining to the Company's Fruta del Norte Project and has verified the data disclosed herein. To the knowledge of Lundin Gold, Ron Hochstein is the registered or beneficial owner, directly or indirectly, of less than one percent of the outstanding Shares.

Stephen Leary, MAusIMM CP(Geo), a consultant to the Company, is a "Qualified Person" within the meaning of this term in NI 43-101 and has prepared, reviewed and approved sections of this AIF that are of a scientific or technical nature and has verified the data disclosed therein. To the knowledge of Lundin Gold, Stephen Leary is the registered or beneficial owner, directly or indirectly, of less than one percent of the outstanding Shares.

The Technical Report was prepared by Amec Foster Wheeler. The firms and consultants who are providing QPs responsible for the content of the Technical Report, which is based on the 2016 FS and supporting documents prepared for the 2016 FS, are, in alphabetical order, Amec Foster Wheeler and Amec Foster Wheeler E&C Services Inc., Klohn Crippen Berger Ltd., MM Consultores, NCL, and Roscoe Postle Associates Inc. The QPs responsible for the Technical Report are as follows: Mr. Ignacy (Tony) Lipiec, P.Eng., Director, Process Engineering, Amec Foster Wheeler; Ms. Juleen Brown, MAusIMM CP, Mining Sector Lead - Environment, Amec Foster Wheeler; Mr. Simon Allard, P.Eng., Principal Consultant and Study Manager, Amec Foster Wheeler; Mr. Charles Masala, P.Eng., Associate Water Resources Engineer, Amec Foster Wheeler; Ms. Stella Searston, RM SME, Principal Geologist, Amec Foster Wheeler; Mr. Bryan D. Watts, P.Eng., Chairman and Principal, KCB; Mr. Alejandro Sepúlveda, RM CMC, Principal and Project Director, NCL; Mr. Anthony (Tony) R. Maycock, P.Eng., MM Consultores; and Mr. David A. Ross, P.Geo., Director, Resource Estimation, Principal Geologist, RPA. All of the authors of the technical report are independent of Lundin Gold. To the knowledge of Lundin Gold as of the date hereof, the partners, employees and consultants of Amec Foster Wheeler, KCB and RPA, who participated in the preparation of the Technical Report or who were in a position to influence the outcome of such report and Amec Foster Wheeler, KCB and RPA are the registered or beneficial owner, directly or indirectly, of less than one percent of the outstanding Shares.

ADDITIONAL INFORMATION

Additional information regarding the Company is available on SEDAR. Further information concerning the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, will be contained in the information circular for the Company's most recent annual meeting of shareholders that involves the election

of directors. Additional financial information is provided in the 2021 Financial Statements and the 2021 MD&A.

A copy of this AIF, as well as the Company's information circular and such other information and documentation that the Company makes available via SEDAR, can be found at www.sedar.com.

In addition, certain of this information will be distributed to shareholders in connection with Lundin Gold's Annual General Meeting of Shareholders. The Company will provide any of the foregoing documents subject to its rights to require people who are not security holders of the Company to pay a reasonable charge. Copies of these documents may be obtained by writing to the Corporate Secretary at:

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Vancouver, BC, Canada V6C 3E8
+1 604 689-7842 Main
+1 604 689-4250 Fax
Email: info@lundingold.com

SCHEDULE A

(the "Corporation")

AUDIT COMMITTEE MANDATE

1. Purpose of the Audit Committee

The Audit Committee oversees the accounting and financial reporting processes of the Corporation and its subsidiaries and all audits and external reviews of the financial statements of the Corporation on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Corporation and its subsidiaries.

2. Members of the Audit Committee

2.1 The Audit Committee shall be appointed annually by the Board and shall be composed of three members, each of whom must be a director of the Corporation.

2.2 Each member of the Audit Committee shall hold office as such until the next annual meeting of shareholders after his or her appointment, provided that any member of the Audit Committee may be removed or replaced at any time by the Board and shall at any time cease to be a member of the Audit Committee on ceasing to be a director.

2.3 From this date forward, every Audit Committee member must be independent, within the meaning of National Instrument 52-110 ("NI 52-110").

2.4 Every Audit Committee member must be financially literate, within the meaning of NI 52-110.

3. Meeting Requirements

3.1 The times of and the places where meetings of the Audit Committee will be held and the calling of and the procedure at those meetings shall be determined from time to time by the Audit Committee, but in any event, the Audit Committee will meet on a regular basis at least once every quarter; provided that notice of every such meeting shall be given to the Auditor (as defined below) of the Corporation and that meetings shall be convened whenever requested by the Auditor or any member of the Audit Committee in accordance with the *Canada Business Corporations Act*.

3.2 Two members of the Audit Committee shall constitute a quorum.

4. Duties and Responsibilities

Appointment, Oversight and Compensation of Auditor

4.1 The Audit Committee shall recommend to the Board:

a) the auditor (the "Auditor") to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
b) the compensation of the Auditor.

In making such recommendations, the Audit Committee shall evaluate the Auditor's performance and review the Auditor's fees for the preceding year. The Auditor shall report directly to the Audit Committee.

4.2 The Audit Committee shall be directly responsible for overseeing the work of the Auditor, including the resolution of disagreements between management and the Auditor regarding financial reporting.

4.3 The Audit Committee shall review information, including written statements from the Auditor, concerning any relationships between the Auditor and the Corporation or any other relationships that may adversely affect the independence of the Auditor and assess the independence of the Auditor.

Non-Audit Services

4.4 All auditing services and non-audit services provided to the Corporation or the Corporation's subsidiaries by the Auditor shall, to the extent and in the manner required by applicable law or regulation, be pre-approved by the Audit Committee. In no circumstances shall the Auditor provide any non-audit services to the Corporation that are prohibited by applicable law or regulation.

Review of Financial Statements etc.

4.5 The Audit Committee shall review the Corporation's:

a) interim and annual financial statements and Management's Discussion and Analysis, intended for circulation among shareholders; and
b) Annual Information Form only to the extent that it contains financial information or projections,

and shall report on them to the Board.

4.6 The Audit Committee shall satisfy itself that the audited financial statements and interim financial statements present fairly the financial position and results of operations in accordance with generally accepted accounting principles and that the Auditor has no reservations about such statements.

4.7 The Audit Committee shall review changes in the accounting policies of the Corporation and accounting and financial reporting proposals that are provided by the Auditor that may have a significant impact on the Corporation's financial reports, and report on them to the Board.

Review of Public Disclosure of Financial Information

4.8 The Audit Committee shall review the Corporation's annual and interim press releases relating to financial results and any earnings guidance provided by the Corporation before the Corporation publicly discloses this information.

4.9 The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection 4.8, and must periodically assess the adequacy of those procedures.

Review of Annual Audit

4.10 The Audit Committee shall review the nature and scope of the annual audit, and the results of the annual audit examination by the Auditor, including any reports of the Auditor prepared in connection with the annual audit.

4.11 The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect the audited financial statements.

4.12 The Audit Committee shall satisfy itself that, where there are unsettled issues that do not affect the audited financial statements (e.g. disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.

4.13 The Audit Committee shall satisfy itself that there is generally a good working relationship between management and the Auditor.

Review of Quarterly Review Engagements

4.14 The Audit Committee shall review the nature and scope of any review engagements for interim financial statements, and the results of such review engagements by the Auditor, including any reports of the Auditor prepared in connection with such review engagements.

4.15 The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect any interim financial statements.

4.16 The Audit Committee shall satisfy itself that, where there are unsettled issues that do not affect any interim financial statements (e.g., disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.

Internal Controls

4.17 The Audit Committee shall have responsibility for oversight of management reporting and internal control for the Corporation and its subsidiaries.

4.18 The Audit Committee shall satisfy itself that there are adequate procedures for review of interim statements and other financial information prior to distribution to shareholders.

Complaints and Concerns

4.19 The Audit Committee shall establish procedures for:

a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Hiring Practices

4.20 The Audit Committee shall review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and former Auditor of the Corporation.

Other Matters

4.21 The Audit Committee shall be responsible for oversight of the effectiveness of management’s interaction with and responsiveness to the Board.

4.22 The Audit Committee shall review and monitor all related party transactions which may be entered into by the Corporation.

4.23 The Audit Committee shall approve, or disapprove, material contracts where the Board determines it has a conflict.

4.24 The Audit Committee shall satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulations relating to insider trading, continuous disclosure and financial reporting.

4.25 The Audit Committee shall review with management the Corporation's privacy and cyber security risk exposure and the policies, procedures, and mitigation plans in place to protect the security and integrity of the Corporation's information systems and data at least annually.

4.26 The Audit Committee shall review with management the Corporation's policies and practices respecting insurance at least annually.

4.27 The Audit Committee shall oversee and annually review the Corporation's Code of Business Conduct and Ethics, and review and recommend to the Board of Directors the members of the Disclosure Committee from time to time and where a vacancy occurs at any time in the membership of the Disclosure Committee.

4.28 The Audit Committee shall periodically review the adequacy of this Mandate and recommend any changes to the Board.

4.29 The Board may refer to the Audit Committee such matters and questions relating to the financial position of the Corporation and its affiliates as the Board from time to time may see fit.

5. Rights and Authority of the Audit Committee and the Members Thereof

5.1 The Audit Committee has the authority to:

a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
b) set and require the Corporation to pay the compensation for any advisors employed by the Audit Committee; and
c) communicate directly with the Auditor and, if applicable, the Corporation's internal auditor.

5.2 The members of the Audit Committee shall have the right, for the purpose of performing their duties, to inspect all the books and records of the Corporation and its affiliates and to discuss those accounts and records and any matters relating to the financial position of the Corporation with the officers and Auditor of the Corporation and its affiliates, and any member of the Audit Committee may require the Auditor to attend any or every meeting of the Audit Committee.

6. Miscellaneous

Nothing contained in this Mandate is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Corporation or members of the Audit Committee. The purposes, responsibilities, duties and authorities outlined in this Mandate are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

Original Approval Date: November 12, 2014

Last Revised and Approved: February 24, 2021

Approved by: Board of Directors