

LUNDIN GOLD REPORTS SECOND QUARTER 2023 RESULTS AND UPDATES 2023 GUIDANCE**Fruta del Norte achieves record gold production of 269,752 oz and AISC¹ of \$765 per oz sold in the first half of 2023**

Lundin Gold Inc. (TSX: LUG; Nasdaq Stockholm: LUG; OTCQX: LUGDF) ("Lundin Gold" or the "Company") today reports results for the second quarter and first half of 2023, highlighted by Q2 production of 129,731 ounces ("oz") of gold and sales of 128,958 oz, at a cash operating cost¹ of \$644 per oz sold and all-in sustaining cost ("AISC")¹ of \$802 per oz sold. For the first half of 2023, Lundin Gold produced 269,752 oz and sold 263,649 of gold at an AISC of \$765 per oz. Lundin Gold generated \$132 million in free cash flow¹ over the three-month period, the highest quarterly free cash flow¹ achieved to date. All amounts are in U.S. dollars unless otherwise indicated.

Based on very strong performance during the first half of 2023, the Company has increased its 2023 production guidance to 450,000 to 485,000 oz. In addition, the Company has reduced its 2023 cash operating cost¹ guidance to \$650 to \$700 per oz sold and AISC¹ to \$820 to \$870 per oz sold. This is compared to previous production guidance of 425,000 to 475,000 oz, cash operating cost¹ guidance of \$700 to \$760 per oz sold and AISC¹ guidance of \$870 to \$940 per oz sold.

Ron Hochstein, President and CEO commented, *"As a result of strong operating results in the first half of 2023 and confidence that our team can continue to deliver excellent performance, we are increasing production guidance and reducing cash operating cost¹ and AISC¹ guidance. Specifically, we are pleased that the bottom of our original cost guidance range is now the top of our revised cost guidance range. We've said that Lundin Gold is a cash flow story for some time now, and our free cash flow generated during the second quarter highlights that. This free cash flow enables us to fund future highly prospective exploration programs, pay down our debt, pay dividends, and look at potential expansion opportunities. The Company is in a strong position, and I am excited to take this momentum into the second half of the year."*

¹ Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found on pages 13 to 16 of the Company's MD&A for the three and six months ended June 30, 2023 available on SEDAR

OPERATING AND FINANCIAL RESULTS SUMMARY

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

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Tonnes ore mined	404,408	369,430	832,143	749,059
Tonnes ore milled	418,373	385,675	810,705	759,082
Average head grade (g/t)	11.0	10.3	11.6	10.8
Average recovery	88.0%	87.6%	89.3%	88.9%
Average mill throughput (tpd)	4,598	4,238	4,479	4,194
Gold ounces produced	129,731	111,890	269,752	233,555
Gold ounces sold	128,958	96,291	263,649	215,573

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Net revenues (\$'000)	243,930	177,808	500,658	394,280
Income from mining operations (\$'000)	124,801	82,522	257,509	193,729
Earnings before interest, taxes, depreciation, and amortization (\$'000) ¹	149,900	144,704	293,532	243,526
Adjusted earnings before interest, taxes, depreciation, and amortization (\$'000) ¹	149,579	104,718	308,645	238,264
Net income (\$'000)	63,148	55,962	114,613	79,144
Basic income per share (\$)	0.27	0.24	0.48	0.34
Cash provided by operating activities (\$'000)	162,352	60,686	306,791	188,016
Free cash flow (\$'000) ¹	131,859	21,248	120,206	113,054
Free cash flow per share (\$) ¹	0.56	0.09	0.51	0.48
Average realized gold price (\$/oz sold) ¹	1,942	1,907	1,947	1,882
Cash operating cost (\$/oz sold) ¹	644	702	644	656
All-in sustaining costs (\$/oz sold) ¹	802	864	765	771
Adjusted net earnings (\$'000) ¹	59,387	13,490	126,401	71,040
Adjusted net earnings per share (\$) ¹	0.25	0.06	0.53	0.30
Dividends paid per share (\$)	0.10	-	0.20	-

SECOND QUARTER HIGHLIGHTS

Financial Results – Highest Ever Quarterly Free Cash Flow Generation

- The Company sold a total of 128,958 oz of gold, consisting of 84,679 oz of concentrate and 44,279 oz of doré at an average realized gold price¹ of \$1,942 per oz for total gross revenues from gold sales of \$250 million. Net of treatment and refining charges, revenues were \$244 million.
- Cash operating costs¹ and AISC¹ were \$644 and \$802 per oz of gold sold, respectively. While cash operating costs¹ per oz sold remained consistent with the previous quarter, the ramp up of sustaining capital activities resulted in a higher AISC¹ albeit still below expected levels for the quarter.
- The Company generated cash flow of \$162 million from operations and record free cash flow¹ of \$132 million or \$0.56 per share resulting in a cash balance of \$275 million at June 30, 2023.

¹ Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found on pages 13 to 16 of the Company's MD&A for the three and six months ended June 30, 2023 available on SEDAR

- Earnings before interest, taxes, depreciation, and amortization¹ (“EBITDA”) and adjusted EBITDA¹ were \$149.9 million and \$149.6 million, respectively with the difference resulting from derivative gains recognized in the quarter.
- Net income was \$63.1 million including a derivative gain of \$0.3 million, and net of corporate, exploration, finance costs, and associated taxes on earnings. Adjusted earnings¹, which exclude the derivative gain and related taxes, were \$59.4 million, or \$0.25 per share.

Production Results – Strong Grades and Throughput Offset Weaker Recoveries

- Mine production of 404,408 tonnes of ore at an average grade of 9.0 grams per tonne.
- The mill processed 418,373 tonnes of ore at an average throughput rate of 4,598 tpd. Inclusive of the relining of the SAG and ball mills during the first quarter, the mill has averaged a throughput rate of 4,479 tpd during the first half of 2023.
- The average grade of ore milled was 11.0 grams per tonne with average recovery at 88.0%. Recoveries were affected by processing of ore from sectors that contain higher levels of finely disseminated sulphide minerals which are impacting both gravity and flotation recovery.
- Gold production was 129,731 oz which was comprised of 85,395 oz in concentrate and 44,336 oz as doré.

Liquidity and Capital Resources

At the end of the second quarter of 2023, the Company is in a strong financial position.

<i>(in thousands of U.S. dollars)</i>	As at June 30, 2023	As at December 31, 2022
Financial Position:		
Cash	274,968	363,400
Working capital	268,095	194,804
Total assets	1,508,831	1,668,865
Long-term debt		
Senior debt facility	91,676	172,854
Fair value of stream credit facility and offtake	304,912	287,666
Fair value of gold prepay credit facility	-	207,446
Total long-term debt	396,588	667,966

The change in cash during the 2023 Period was primarily due to the full repayment of the gold prepay facility of \$208 million; principal repayments, interest and finance charges, including associated taxes, under the stream credit facility totaling \$39.0 million; interest and principal repayments under the senior debt of \$91.1 million; dividends of \$47.4 million; and cash outflows of \$20.4 million relating to sustaining capital expenditures. This is offset by cash generated from operating activities of \$307 million and proceeds from the exercise of stock options and anti-dilution rights totaling \$9.8 million.

Capital Expenditures

- **Sustaining Capital:**
 - Construction of the fourth raise of the tailings dam advanced during the second quarter with progress to date consistent with plan. Completion during the fourth quarter of 2023 remains as expected.
 - The new warehouse was completed during the second quarter and is now operational.

- The underground mine maintenance facility is expected to be completed during the third quarter which will provide additional efficiencies.
- Other sustaining capital projects such as sewage treatment plant upgrades, purchase of mobile equipment, and other efficiency improvement projects continue to ramp up during the remainder of the year.
- The 2023 conversion drilling program continues to advance in distinct sectors of the FDN resource. During the quarter, the program focused on the southern extension with approximately 3,211 metres across 20 drill holes completed. Most drill holes confirmed the continuity of mineralization in the drilled areas. Results have pointed to a vein type mineralization in this part of the deposit, with narrower higher-grade intervals. Some of the conversion drilling results for the southern extension remain pending. A complete table of results received to date can be found in Lundin Gold's press release dated August 3, 2023.

Health and Safety

During the second quarter there were no Lost Time Incidents (“LTIs”) and no Medical Aid Incident (“MAIs”). The Total Recordable Incident Rate across exploration and operations was 0.00 per 200,000 hours worked for the quarter and 0.07 for the first six months of 2023. In early July 2023, FDN operations surpassed 365 days without an LTI or MAI with over 5.1 million hours worked.

Community

Various community projects supported by the Company continued to progress in the second quarter including support for micro businesses established by local entrepreneurs in conjunction with the Lundin Foundation. The local textile manufacturer, fire extinguisher maintenance company, and pest control / fumigation company continue to work with the mine. Feasibility studies of potential new areas for local businesses continue. Efforts have continued to ensure that local farmers retain access to local, national, and international markets.

Longstanding projects such as road maintenance, educational support to promote access to higher education, efficiency improvements in the agricultural sector and addressing infrastructure challenges remain on track.

The Company continues to engage with local indigenous people, especially the Shuar Federation of Zamora Chinchipe, to jointly implement projects that promote economic opportunities and the Shuar culture. In the second quarter, the Shuar tourism company continued in its efforts to diversify its lines of business and to create additional employment opportunities.

Corporate

The Company paid a quarterly dividend of \$0.10 per share on June 27, 2023 (June 30 for shares trading on Nasdaq Stockholm) based on a record date of June 13, 2023, for a total of \$23.7 million. With the release of its second quarter 2023 results, the Company has declared a cash dividend of \$0.10 per share, which is payable on September 26, 2023 (September 29 for shares trading on Nasdaq Stockholm) to shareholders of record on September 11, 2023.

At the Company's annual shareholders' meeting on May 15, 2023, Ms. Angelina Mehta was elected as a director, replacing Ms. Chantal Gosselin who did not stand for re-election.

The Company's second TCFD-aligned climate change report and seventh annual sustainability report were published in May. Based on publicly available data from 152 gold mines that reported their Scopes 1 and 2 greenhouse gas emissions in 2021 and on Lundin Gold's 2022 emissions performance, the emissions intensity of Fruta del Norte is among the lowest in the industry. The Company has set a target to be carbon neutral by 2030 with respect to its Scopes 1 and 2 emissions based on its current life of mine plan.

EXPLORATION – CONTINUING TO MAKE PROGRESS

Near-Mine Exploration Program

The near mine drilling program continues to explore extensions of major controlling structures surrounding the FDN deposit. In the second quarter, a total of 8,609 metres across sixteen drill holes, from surface and underground, were completed at several targets near FDN.

- The surface drilling program continues along the south extension of the East Fault, where the FDN South (“FDNS”) and Bonza Sur targets were identified in the previous quarter. During the quarter, twelve surface drill holes were completed and indicated continuity of mineralization at Bonza Sur and FDNS. An exploratory hole was also completed along the north extension of the Fruta del Norte deposit. Four surface rigs are currently drilling with two rigs at Bonza Sur, one at FDNS, and the fourth testing new near mine sectors.
 - At FDNS, six surface drill holes were completed, confirming continuity of mineralization and defining a new geometry for the vein system in this sector. Drilling results indicate a series of subparallel epithermal veins in a northeastern-southwestern direction that remain open for expansion along strike and at depth.
 - At Bonza Sur, located one kilometre from FDN, five surface drill holes were completed and continue to confirm mineralization. Drilling results recorded multiple positive intersections and demonstrated the occurrence of three distinct mineralized zones represented by veins/veinlets of quartz and minor chalcedony and manganoan-carbonate associated to the occurrences of sulfides. Mineralization currently extends 500 metres along strike to the north-south and 300 metres along the downdip and remains open in all directions.
 - Drilling testing new near mine sectors was recently initiated. This drilling aims to explore the extensions of major structures at FDN with the first drill hole completed along the northern extension of FDN. Results are pending.
- The underground drill program continues to explore the continuity of the FDN deposit at depth and beyond the major faults. Four drill holes were completed and intercepted structures and hydrothermal alteration beyond the FDN limits. In the central part of FDN, two drill holes confirmed the hydrothermal alteration zones at depth with low-grade gold values. Two other drill holes intercepted zones of hydrothermal alteration with vein/veinlets hosted on volcanic rocks or intrusive rocks to the east of the FDN East Fault. Results are pending.

A complete table of results received to date can be found in Lundin Gold's press release dated August 3, 2023.

Regional Exploration Program

The regional drilling program continues to advance in distinct sectors along the southwestern border of the Suarez basin and a total of 2,264 metres across three drill holes were completed in the second quarter. The program focused on the Quebrada La Negra and the newly defined Crisbel targets, where detailed geological interpretation of exploration data and additional surface works identified major structures and zones of hydrothermal alteration.

- At Quebrada La Negra, two drill holes were completed which intercepted wide zones of hydrothermal alteration with breccias and/or veins and disseminated sulfides. Drill results returned low values of gold associated with epithermal pathfinder elements, such as zinc and lead, and a recent interpretation point to new areas for further detailing farther north.
- At Crisbel, one drill hole was completed testing an unexplored geochemical soil anomaly (gold and epithermal pathfinder elements such as antimony and arsenic) disposed along the contact between the Suarez Border and the volcanic sequence. The drill hole intercepted hydrothermal alteration zones with important quantities of sulfides hosted in brecciated volcanic rocks. Results are pending.

Newcrest Earn-In Agreement

On the concessions held by the Company's subsidiary, SurNorte S.A., a second phase of scout drilling commenced at the Gamora Project, located in southeast Ecuador. This work is being conducted by Newcrest Mining Limited ("Newcrest") as the operator under an earn-in agreement with Lundin Gold pursuant to which Newcrest can earn up to a 50% interest in eight exploration concessions located to the north and south of Fruta del Norte. A second phase of scout drilling was completed in the quarter at the Gamora Project, which was focused on testing priority copper-gold targets in the Mirador copper porphyry district.

OUTLOOK – GUIDANCE INCREASED FOLLOWING STRONG FIRST HALF

Achievements during the first half of 2023 provide the Company with a positive outlook for the remainder of the year and as a result, production guidance is increased to 450,000 to 485,000 oz while cost guidance is decreased for both cash operating cost and AISC to \$650 to \$700 per oz sold and \$820 to \$870 per oz sold, respectively. Production for the second half of 2023 is expected to decrease relative to the first half of the year driven by a combination of lower grades and lower recoveries due to processing of ore from certain sectors of the mine with less favourable geology.

In addition, AISC¹ is expected to increase with continued ramp up of sustaining capital activities and lower expected gold production levels. Sustaining capital is expected to increase substantially during the second half driven by construction of the fourth raise of the tailings dam as well as several other capital projects. In addition, the conversion drilling program, aiming to convert Inferred to Indicated Mineral Resources, is planned to continue with results expected to be incorporated into the geological model and in the new resource estimate in the first quarter of 2024.

The near mine drilling program plans to continue to delineate the FDNS and Bonza Sur targets, where systems of epithermal veins/veinlets have been identified and remain open. Three rigs are dedicated to the detailing and expansion of the mineralized zones at depth and along strike. Another surface rig and underground rig continue to explore for major discoveries in the near mine district targeting the extension of major controlling structures at FDN in new sectors. The near mine program is expected to comprise a total of 23,000 metres of drilling for 2023.

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The regional drilling program continues to focus on the southern Suarez Basin, advancing along the eastern and western borders of the Basin. A second rig is expected to be added to advance numerous target areas identified during the previous quarters. The regional drilling program continues to be expected to comprise a total of 12,500 metres for the year, with two rigs currently operating. The combined near mine and regional exploration budget for 2023 remains at \$24.6 million.

The Company anticipates declaring quarterly dividends of \$0.10 per share, equivalent to approximately \$100 million annually, based on currently issued and outstanding shares.

Qualified Persons

The technical information relating to FDN contained in this News Release has been reviewed and approved by Ron Hochstein P. Eng, Lundin Gold's President and CEO who is a Qualified Person under NI 43-101. The disclosure of exploration information contained in this press release was prepared by Andre Oliveira, P. Geo, Lundin Gold's V.P. Exploration, who is a Qualified Person in accordance with the requirements of NI 43-101.

Webcast and Conference Call

The Company will host a conference call and webcast to discuss its results on Thursday, August 10 at 7:00 a.m. PT, 10:00 a.m. ET, 4:00 p.m. CET.

Conference Call Dial-In Numbers:

Participant Dial-In North America:	+1 416-764-8659
Toll-Free Participant Dial-In North America:	+1 888-664-6392
Participant Dial-In Sweden:	0200899189
Conference ID:	Lundin Gold / 61558460

A link to the webcast will be available on the Company's website, www.lundin角度.com.

A replay of the conference call will be available two hours after the completion of the call until August 24, 2023.

Toll Free North America Replay Number:	+1 888-390-0541
International Replay Number:	+1 416-764-8677
Replay passcode:	558460 #

About Lundin Gold

Lundin Gold, headquartered in Vancouver, Canada, owns the Fruta del Norte gold mine in southeast Ecuador and a large exploration land package that hosts the Fruta del Norte deposit at its northern edge. Fruta del Norte is among the highest-grade operating gold mines in the world.

The Company's board and management team have extensive expertise in mine operations and are dedicated to operating Fruta del Norte responsibly. The Company operates with transparency and in accordance with international best practices. Lundin Gold is committed to delivering value to its shareholders, while simultaneously providing economic and social benefits to impacted communities, fostering a healthy and safe

workplace and minimizing the environmental impact. The Company believes that the value created through the development of Fruta del Norte will benefit its shareholders, the Government and the citizens of Ecuador.

Non-IFRS Measures

This news release refers to certain financial measures, such as average realized gold price per oz sold, EBITDA, adjusted EBITDA, cash operating cost per oz sold, all-in sustaining cost, free cash flow, free cash flow per share, and adjusted earnings, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies. These measures have been derived from the Company's financial statements because the Company believes that, with the achievement of commercial production, they are of assistance in the understanding of the results of operations and its financial position. Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found on page 13 of the Company's MD&A for the three and six months ended June 30, 2023 available on SEDAR.

Additional Information

The information in this release is subject to the disclosure requirements of Lundin Gold under the EU Market Abuse Regulation. This information was publicly communicated on August 9, 2023 at 5:00 p.m. Pacific Time through the contact persons set out below.

For more information, please contact

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Caution Regarding Forward-Looking Information and Statements

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

This press release contains forward-looking information in several places, such as in statements relating to the Company's 2023 production outlook, including estimates of gold production, grades recoveries and AISC; operating plans; expected sales receipts, cash flow forecasts and financing obligations; its estimated capital costs; benefits of the Company's community programs; the Company's declaration and payment of dividends pursuant to its dividend policy; the timing and the success of its drill program at Fruta del Norte and its other exploration activities; and estimates of Mineral Resources and Reserves at Fruta del Norte. There can be no assurance that such statements will prove to be accurate, as Lundin Gold's actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed in the "Risk Factors" section in Lundin Gold's Annual Information Form dated March 31, 2023, which is available at www.lundingold.com or on SEDAR.

Lundin Gold's actual results could differ materially from those anticipated. Factors that could cause actual results to differ materially from any forward-looking statement or that could have a material impact on the Company or the trading price of its shares include: risks related to political and economic instability in Ecuador; risks associated with the Company's community relationships; risks related to estimates of production, cash flows and costs; risks inherent to mining operations; shortages of critical supplies; the cost of non-compliance and compliance costs; control of the Company's largest shareholders; volatility in the price of gold; failure of the Company to maintain its obligations under its debt facilities; risks related to Lundin Gold's compliance with environmental laws and liability for environmental contamination; the lack of availability of infrastructure; the Company's reliance on one mine; security risks to the Company, its assets and its personnel; risks related to illegal mining; exploration and development risks; the impacts of a pandemic virus outbreak; risks related to the Company's ability to obtain, maintain or renew regulatory approvals, permits and licenses; uncertainty with and changes to the tax regime in Ecuador; the reliance of the Company on its information systems and the risk of cyber-attacks on those systems; the imprecision of Mineral Reserve and Resource estimates; 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; risks related to the Company's workforce and its labour relations; key talent recruitment and retention of key personnel; volatility in the market price of the Company's shares; measures to protect endangered species and critical habitats; social media and reputation; the 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; the potential for litigation; and risks due to conflicts of interest.