

NEWS RELEASE

LUNDIN GOLD: CORPORATE UPDATE

April 12, 2016 (Vancouver, Canada)... Lundin Gold Inc. ("Lundin Gold" or the "Company") (TSX: "LUG", Nasdaq Stockholm: "LUG") is pleased to report that video excerpts from an address made by Ecuador President Rafael Correa, during the recent inaugural visit to the Fruta del Norte project, are now available on the Lundin Gold website (<http://www.lundingold.com/>). President Correa spoke to a large delegation of local community members and employees of the Company about the continued support of the Government of Ecuador for the mining industry and Lundin Gold.

The Company is also pleased to announce the hiring of Mr. David Dicaire as Project Director. David will be responsible for overseeing the proposed early works program, engineering and construction for the Fruta del Norte project. David has over 35 years of experience in the mining, engineering and construction industry on a variety of global projects leading both the Owners and EPCM teams. Most recently, David was employed by Freeport-McMoRan Inc. as the Project Director for the highly successful US\$4.6 billion Cerro Verde Expansion Project in Peru. Prior to moving to Freeport, David was the General Manager, Project Development for South America for Xstrata Copper (now Glencore plc) based in Santiago, Chile. David's experience covers all facets of project management for all types of mining projects ranging from running EPC/EPCM projects down to pre-feasibility studies.

Ron Hochstein, President and Chief Executive Officer, commented that "the visit from President Correa was a great opportunity to show the work done to date and reinforce the Government's support. The addition of David brings extensive project management skills to the team and will enable the Company to move from feasibility study to basic engineering and construction."

Work on the feasibility study is progressing well, and the release of the study is anticipated for the latter half of this quarter.

The information in this release is subject to the disclosure requirements of Lundin Gold under the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was publicly communicated on April 12, 2016 at 3:00 p.m. Pacific Time.

About the Company:

Lundin Gold Inc. owns the Fruta del Norte ("FDN") gold project located in southeast Ecuador. FDN is one of the largest and highest grade undeveloped gold projects in the world. The Company is advancing FDN in order to realize the significant potential of this asset and is currently working on the FDN feasibility study scheduled to be completed in Q2 2016.

The Company believes that the value created will not only greatly benefit shareholders, but also the Government and people of Ecuador who are the Company's most important stakeholders in this project. Lundin Gold views its commitment to corporate social responsibility as a strategic advantage that enables it both to access and effectively manage business opportunities in increasingly complex environments. Lundin Gold is committed to addressing the challenge of sustainability - delivering value to its shareholders, while simultaneously providing economic and social benefits to impacted communities and minimizing its environmental footprint.

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 MD&A contains forward-looking information in a number of places, such as in statements pertaining to: completion of the feasibility study for the Fruta del Norte Project, exploration and development expenditures and reclamation costs, the negotiation and signing of the investment protection agreement and signing of the exploitation agreement with the government, exploration plans, timing and success of permitting and regulatory approvals, future sources of liquidity, capital expenditures and requirements, expectations of market prices and costs, development, construction and operation of the Fruta del Norte Project, future tax payments and rates, cash flows and their uses and estimates of Mineral Resources.

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 14, 2016 available at www.sedar.com.

Lundin Gold's actual results could differ materially from those anticipated. Management has identified the following risk factors which could have a material impact on the Company or the trading price of its shares: the ability to arrange financing, the timely receipt of regulatory approvals, permits and licenses, risks related to carrying on business in an emerging market such as possible government instability and civil turmoil and economic instability, measures required to protect endangered species, deficient or vulnerable title to mining concessions and surface rights; the potential for litigation; volatility in the market price of the Company's shares; the risk to shareholders of dilution from future equity financings; the cost of compliance or failure to comply with applicable laws; difficulty complying with changing government regulations and policies, including without limitation, compliance with environment, health and safety regulations; illegal mining; uncertainty as to reclamation and decommissioning liabilities, unreliable infrastructure and local opposition to mining; the accuracy of the Mineral Resource estimates for the Fruta del Norte Project and the Company's reliance on one project; volatility in the price of gold; shortages of resources, such as labour, and the dependence on key personnel; the Company's lack of operating history in Ecuador and negative cash flow; the inadequacy of insurance; potential conflicts of interest for the Company's directors who are engaged in similar businesses; limitations of disclosure and internal controls; and the potential influence of the Company's largest shareholders.