

**NEWS RELEASE****LUNDIN GOLD'S FRUTA DEL NORTE PRODUCED 28,678 OUNCES OF GOLD IN 2019*****Ramp up to commercial production on schedule***

**January 9, 2020 (Vancouver, Canada) Lundin Gold Inc.** ("Lundin Gold" or the "Company") (TSX: LUG, Nasdaq Stockholm: LUG) is pleased to report that ramp up to commercial production is on schedule and on budget at its Fruta del Norte gold project ("Fruta del Norte"). A total of 28,678 ounces ("oz") of gold was produced by the end of 2019.

Of the total gold production, 3,411 oz were produced in the form of doré and 25,267 oz produced as concentrate. A total of 3,400 tonnes of concentrate was produced of which 2,676 tonnes was shipped to a smelter in Finland by year end. Ramp up of operations continues according to plan in both the mine and the process plant.

"I am proud to announce that our team ended 2019 by achieving a major milestone. We produced first gold on schedule and on budget and exported our first shipments of concentrate and doré in the fourth quarter of last year," said Ron Hochstein, President and CEO of Lundin Gold. "Ramp up is progressing well, and Lundin Gold expects to reach commercial production on schedule in the second quarter of 2020."

***Mine Development and Production***

Development continues to be in line with planned rates and, as at December 31, 2019, a total of 13 kilometres ("km") of underground mine development was completed versus a target of 11.9 km. Raise boring of the south ventilation raise is ongoing and is expected to be completed in the first quarter of 2020.

As at year end there were approximately 153,000 tonnes of ore stockpiled.

***Construction***

Construction progress was 99.2% complete as at year end. Only the paste plant and the Zamora River bridge remain to be completed, which are anticipated to occur in the second and third quarters of 2020, respectively. Construction of the water treatment plant was completed by year end and is currently being commissioned.

***Updated Life of Mine ("LOM") and All-In Sustaining Cost Estimate ("AISC")***

The Company has updated the Fruta del Norte's LOM plan from the Updated Project Estimate ("UPE"), previously disclosed in September 2018. Forecasted LOM AISC increased slightly from the UPE estimate of \$583/oz to \$621/oz of gold, representing a 6.5% or \$38 increase. Approximately \$26/oz, or 68% of this increase, is due to revised price assumptions for gold (\$1,400/oz from \$1,250/oz) and silver (\$15/oz from \$20/oz), which increased estimates of royalties and production taxes and decreased estimates of by-product credits, respectively. In addition, estimates of operating costs and concentrate transport charges are marginally

higher, partially offset by lower estimated sustaining capital costs. All amounts are in U.S. dollars unless otherwise indicated.

**Table 1. Life of Mine AISC (\$/oz gold)**

<b>Area</b>	<b>UPE AISC</b>	<b>Updated AISC</b>
On site operating cost	408	420
Transport, treatment and refining charges	78	83
Royalties and production taxes	74	94
By-product silver credit	(23)	(17)
Cash Cost	537	580
Sustaining capital and closure costs	46	41
AISC \$ per oz Au	583	621

Note: Numbers may not add due to rounding

### **Additional Technical Information**

The technical information relating to the Fruta del Norte Project contained in this Press 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.

### **About Lundin Gold**

Lundin Gold, headquartered in Vancouver, Canada, owns the Fruta del Norte gold project in southeast Ecuador. The Company's board and management team have extensive expertise in mine operations and are dedicated to advancing Fruta del Norte to commercial production in the second quarter of 2020.

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.

### **Additional Information**

The information in this release is subject to the disclosure requirements of Lundin Gold under the Swedish Financial Instruments Trading Act. This information was publicly communicated on January 9, 2020 at 2:30 p.m. Pacific Time through the contact persons set out below.

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### ***Caution Regarding Forward-Looking Information and Statements***

Certain of the information and statements in this press release are considered "forward-looking information" or "forward-looking statements" as those terms are defined under Canadian securities laws (collectively referred to as "forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "believes", "anticipates", "expects", "is expected", "scheduled", "estimates", "pending", "intends", "plans", "forecasts", "targets", or "hopes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "will", "should" "might", "will be taken", or "occur" and similar expressions) are not statements of historical fact and may be forward-looking statements.

By their nature, forward-looking statements and information involve assumptions, inherent risks and uncertainties, many of which are difficult to predict, and are usually beyond the control of management, that could cause actual results to be materially different from those expressed by these forward-looking statements and information. Lundin Gold believes that the expectations reflected in this forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. This information speaks only as of the date of this press release, and the Company will not necessarily update this information, unless required to do so by securities laws.

This press release contains forward-looking information in a number of places, such as in statements pertaining to the timing of commercial production, scheduling and the completion of commissioning, gold and silver price assumptions, cash flow forecasts, projected capital and operating costs, mine life and production rates, the Company's potential plans and operating performance, changes to the mine plan and construction and infrastructure development.

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 27, 2019, which is available at [www.lundingold.com](http://www.lundingold.com) or on SEDAR.

Lundin Gold's actual results could differ materially from those anticipated. Factors that could cause actual results to differ materially from any forward-looking statement or that could have a material impact on the Company or the trading price of its shares, include: receipt of regulatory approvals, risks associated with the Company's community relationships; risks and hazards inherent in mining and processing; lack of availability of or interference with infrastructure; risks related to Lundin Gold's compliance with increasingly strict environmental laws and liability for environmental contamination; risks related political and economic instability in Ecuador; deficient or vulnerable title to mining concessions and surface rights; risk to shareholders of dilution from future equity financings; failure to maintain its obligations under its debt facilities; shortages of critical resources, such as skilled labour and supplies, consumables and equipment; inherent safety hazards and risk to the health and safety of the Company's employees and contractors; volatility in the price of gold; the cost of compliance or failure to comply with applicable laws; the timely receipt of regulatory approvals, permits and licenses; risks associated with the performance of the Company's contractors; the imprecision of Mineral Reserve and Resource estimates; dependence on key personnel; volatility in the market price of the Company's shares; the potential influence of the Company's largest shareholders; uncertainty with the tax regime in Ecuador; measures required to protect endangered species; exploration and development risks; the Company's reliance on one project risks related to artisanal and illegal mining; the reliance of the

Company on its information systems and the risk of cyber-attacks on those systems; the ability to obtain adequate insurance; uncertainty as to reclamation and decommissioning; the uncertainty regarding risks posed by climate change; the ability of Lundin Gold to ensure compliance with anti-bribery and anti-corruption laws; the potential for litigation; and limits of disclosure and internal controls.