

NEWS RELEASE

LUNDIN GOLD INC. REPORTS THIRD QUARTER 2015 RESULTS

November 12, 2015 (Vancouver, Canada)... Lundin Gold Inc. ("Lundin Gold" or the "Company") (TSX: "LUG", Nasdaq Stockholm: "LUG") is pleased to announce its results for the three and nine months ended September 30, 2015. All amounts in this release are in U.S. dollars.

Highlights

- Discussions began with the Government of Ecuador on the Exploitation Agreement with the common goal of settling the key terms and conditions by the end of 2015. The Company and the Government of Ecuador also initiated discussions on the Investment Protection Agreement, and are focused on finalizing the key terms and conditions of this agreement early in 2016.
- The feasibility study for the Fruta del Norte Project is progressing well, with completion planned in the second quarter of 2016. All aspects of the field work, data analysis and engineering are advancing according to schedule. The metallurgical testwork is progressing well, and results to-date support a Gravity, Float, Leach (GFL) flowsheet design. The metallurgical testwork and mine engineering and design are on schedule for completion during the fourth quarter of 2015.
- Environmental baseline studies, project site fieldwork and document preparation in support of the feasibility study and the submission of the EIA's and numerous permits are proceeding according to schedule.

"With the Government of Ecuador's continued support to increase investment in the mining industry, we have made significant progress this year in our key contract negotiations, in mine planning and design and in licensing and permitting and are confident we will meet our objective of submitting the Exploitation Application by June 2016," said Lundin Gold President and CEO Ron Hochstein.

Financial Results

<i>(in thousands, except per share amounts)</i>	Three months ended September 30		Nine months ended September 30,	
	2015	2014	2015	2014
Results of Operations:				
Operating expenses	\$ (13,685)	\$ (1,013)	\$ (37,374)	\$ (3,492)
Other income (loss)	2,082	195	4,811	300
Net loss for the period	(11,603)	(818)	(32,563)	(3,192)
Basic and diluted loss per share	(0.11)	(0.06)	(0.32)	(0.22)

Financial Results (cont'd)

<i>(in thousands)</i>	As at September 30, 2015	As at December 31, 2014
Financial Position:		
Cash	31,583	70,919
Working capital surplus	29,173	65,977
Property, plant and equipment	8,820	9,512
Mineral properties	236,874	236,874
Total assets	277,941	318,033
Long-term liabilities	848	793

The current quarter's net loss is higher compared to the third quarter of 2014 as a result of project evaluation expenditures of \$9.8 million incurred on the feasibility study and at the Fruta del Norte Project. The Company also incurred general and administrative expenditures of \$3.5 million which includes \$1.0 million in professional fees regarding the negotiations with the Government of Ecuador and the implementation of an enterprise resource planning system. Exploration expenditures of \$0.5 million were also incurred during the third quarter of 2015 as the Company initiated geophysical (IP) programs and regional exploration programs.

The loss for the nine months ended September 30, 2015 is higher compared to that of the nine months ended September 30, 2014 as a result of project evaluation expenditures of \$24.9 million incurred on the feasibility study and at the Fruta del Norte Project and general and administrative expenditures of \$12.0 million. General and administrative expenses are higher as the Company ramped up personnel and activities in Ecuador associated with the support of the Fruta del Norte Project. In addition, during the second quarter of 2015, the Company donated \$2.0 million to the Lundin Foundation, a registered Canadian non-profit organization, which will carry out economic development, training and small business development programs in Ecuador in conjunction with the Company. These expenses are offset by a gain on account of foreign exchange of \$4.7 million. The gain is generated by the substantial holdings of U.S. dollars at the parent company level. As the functional currency of the parent company is the Canadian dollar, a strengthening of the U.S. dollar against the Canadian dollar during the nine months ended September 30, 2015 generates a gain in terms of Canadian dollars.

Liquidity and Capital Resources

As at September 30, 2015, the Company had cash of \$31.6 million compared to cash of \$70.9 million at December 31, 2014. The decrease of \$39.3 million was due primarily to cash used in operating activities of \$33.1 million and cash used in investing activities of \$3.7 million. In addition, as a result of holding significant cash resources in Canadian dollars as at December 31, 2014 and subsequent to which the Canadian dollar declined relative to the U.S. dollar, a negative foreign exchange impact of \$2.5 million was recorded in the condensed consolidated interim statement of cash flows during the nine months ended September 30, 2015.

Net cash used in operating activities of \$33.1 million during the nine months ended September 30, 2015 was primarily driven by project evaluation expenses incurred relating to the feasibility study of the Fruta del Norte Project offset by changes in working capital items.

Net cash provided by financing activities was due to proceeds received from the exercise of stock options offset by the settlement of accounts payable and accrued liabilities relating to the private placement which was completed during the fourth quarter of 2014.

Net cash used in investing activities of \$3.7 million was due to the settlement of accounts payable and accrued liabilities relating to the acquisition of Aurelian Resources Inc. and other property, plant and equipment.

The Company anticipates that its current financial position will provide sufficient working capital to fund its planned expenditures, the majority of which are discretionary, for the next twelve months. As the Company does not have any sources of revenue, additional financing may be required in the future from external sources, which may include the issuance of equity, debt or a combination thereof. There can be no assurance that such financing will be available to the Company or, if available, that it will be offered on terms acceptable to Lundin Gold.

Outlook

During the fourth quarter of 2015 and into 2016, the Company plans to continue the engineering and technical studies and environmental permitting at the Fruta del Norte Project with the goal of completing the feasibility study by the second quarter of 2016, obtaining all the necessary environmental permits in the third quarter of 2016 and reaching a production decision late 2016. Based on the current production schedule, first production is anticipated by the end of 2019.

The Company also is continuing to work with the Government of Ecuador to finalize the Exploitation Agreement during the fourth quarter of 2015 with a view to settling its key terms and conditions by year end. Upon completion of the feasibility study, the Company expects that it will submit its Exploitation Application for the Fruta del Norte Project by mid-June 2016. With regards to the Investment Protection Agreement, the Company is focused on finalizing the key terms and conditions of this agreement early in 2016.

During 2016, the Company intends to work with its financial advisor and legal advisors to evaluate and put in place debt financing component for the development of the Fruta del Norte Project. The Company intends to have its financing in place coincident with its production decision.

Qualified Person

The technical information relating to the Fruta del Norte Project contained in this press release has been reviewed and approved by Anthony George P. Eng. Mr. George, a Mining Engineer, is the Company's Vice President, Project Development and a Qualified Person under NI 43-101.

Additional Information

The Company's consolidated financial statements for the three and nine months ended September 30, 2015 and related management's discussion and analysis are available on the Company's website at www.lundingold.com or under its profile on SEDAR at www.sedar.com.

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 November 12, 2015 at 2:30 p.m. Pacific Time.

About the Company:

Lundin Gold Inc. owns the Fruta del Norte gold project located in southeast Ecuador. Fruta del Norte ("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.

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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: capital expenditures, exploration and development expenditures and reclamation costs, expectations of market prices and costs, the receipt of regulatory approvals, permits and licenses under governmental and regulatory regimes, exploration plans, timing and success of permitting, development, construction and operation of the Fruta del Norte Project, the feasibility study to be prepared for the Fruta del Norte Project, future tax payments and rates, future sources of liquidity, 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 25, 2015 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 of the Company to successfully enter into exploitation and investment protection agreements, the timely receipt of regulatory approvals, permits and licenses and the cost of compliance with applicable laws; difficulty complying with changing government regulations and policy, including without limitation, compliance with environment, health and safety regulations; uncertainty as to reclamation and decommissioning liabilities, risks related to carrying on business in an emerging market such as possible government instability and civil turmoil, economic instability and uncertain tax environments, 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; vulnerability of title and surface rights and access; 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; the potential for litigation; potential conflicts of interest for the Company's directors who are engaged in similar businesses; limitations of disclosure and internal controls; the risk to shareholders of dilution from future equity financings; volatility in the market price of the Company's shares; and the potential influence of the Company's largest shareholders.