

NEWS RELEASE

LUNDIN GOLD INC. REPORTS FIRST QUARTER 2015 RESULTS

May 13, 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 months ended March 31, 2015. All amounts in this release are in U.S. dollars.

Highlights

- The Company assembled an integrated engineering team for the feasibility study of the Fruta del Norte gold project in Ecuador (the "Fruta del Norte Project").
- The Company bolstered its management team with the appointments of:
 - Carmel Daniele to the Board of Directors
 - Tony George as Vice President, Project Development
 - Nicholas Teasdale as Vice President, Exploration
 - Nathan Monash as Vice President, Business Sustainability
- A 13,000 metre drill program to support the feasibility study began late in the quarter. The program will focus on drilling for geotechnical, hydrogeology, metallurgical and civils geotechnical in the areas which are in proximity to the proposed plant and tailings facility.

Financial Results

<i>(in thousands, except per share amounts)</i>	Three months ended March 31,	
	2015	2014
Results of Operations:		
Operating expenses	\$ (8,265)	\$ (1,327)
Other income	3,203	79
Net loss for the period	(5,062)	(1,248)
Basic and diluted loss per share	(0.05)	(0.08)
	As at March 31, 2015	As at December 31, 2014
Financial Position:		
Cash	57,831	70,919
Working capital surplus	56,318	65,977
Property, plant and equipment	9,238	9,512
Mineral properties	236,874	236,874
Total assets	304,792	318,033
Long-term liabilities	811	793

The current quarter's net loss is higher compared to the first quarter of 2014 as a result of additional project evaluation expenditures of \$3.9 million incurred on the feasibility study and expenses at the Fruta del Norte Project and additional general and administrative expenditures of \$3.1 million. General and administrative expenses are higher during the quarter as the Company ramped up personnel and activities in Ecuador associated with the support of the Fruta del Norte Project. This expense is offset by other income which is mainly made up of a gain on account of foreign exchange of \$3.1 million from the strengthening of the U.S. dollar against the Canadian dollar.

Liquidity and Capital Resources

As at March 31, 2015, the Company had cash of \$57.8 million compared to cash of \$70.9 million at December 31, 2014. The decrease of \$13.1 million was due primarily to cash used in operating activities of \$6.9 million, cash used in financing activities of \$0.2 million and cash used in investing activities of \$3.6 million. In addition, weakness in the Canadian dollar relative to the U.S. dollar resulted in a negative foreign exchange impact of \$2.4 million in the condensed consolidated interim statement of cash flow.

Net cash used in operating activities of \$6.9 million during the three months ended March 31, 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 used by financing activities of \$0.2 million was due to 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 \$3.6 million was due to the settlement of accounts payable and accrued liabilities relating to the acquisition of Aurelian Resources Inc. in the fourth quarter of 2014 and other property, plant and equipment.

The Company anticipates that its current financial position will provide sufficient working capital to fund its planned expenditures in 2015. 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.

Corporate Update

The Company is also pleased to announce that Mr. Ashley Heppenstall was appointed to the Board of Directors effective May 13, 2015 and he will serve as Lead Director. Mr. Heppenstall is a seasoned resource industry executive within the Lundin Group of Companies, with particular experience in project financing. He will be a critical resource for the Board of Directors as the Company heads to a production decision at the Fruta del Norte Project in 2016.

Outlook

During the next 15 months, the Company plans to conduct engineering and technical studies and environmental permitting at the Fruta del Norte Project with the goal to complete a feasibility study and reach a production decision by mid-2016. In addition, the Company may carry out regional exploration on its extensive land position in Ecuador.

Additional Information

The Company's consolidated financial statements for the three months ended March 31, 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 May 13, 2015 at 5:00 p.m. Pacific Time.

About the Company:

In December 2014, the Company acquired 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 and is the Company's flagship project. The Company plans to advance FDN in order to realize the significant potential of this asset.

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

Lundin Gold Inc.
Ron F. Hochstein
President and CEO
593 2-299-6400
604-806-3589

Lundin Gold Inc.
Sophia Shane
Corporate Development
604-689-7842
604-689-4250 (FAX)
info@lundingold.com
www.lundingold.com

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 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.