Lundin Gold Restarts Operations at Fruta Del Norte and Provides 2020 Outlook

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VANCOUVER, July 5, 2020 - Lundin Gold Inc. ("Lundin Gold" or the "Company") (TSX: LUG) (Nasdaq Stockholm: LUG) is pleased to announce that operations at its Fruta del Norte gold mine in Ecuador ("Fruta del Norte") have restarted. The Company anticipates resuming regular shipping of concentrate to the port within the next few days. View PDF Version.

The mill is currently processing ore from stockpile and the mine at a rate of approximately 2,800 tonnes per day and is expected to ramp up to 3,500 tonnes per day over the next two months. The mine has resumed producing ore, and production is planned to ramp up over the next three months. The Company's activities include strict COVID-19 protocols intended to minimize risks to the health and safety of all personnel, contractors, and local communities.

"I want to thank all of our staff for their efforts and dedication during these challenging times, especially the team who has been at site since operations were suspended in March," said Ron Hochstein, President and CEO of Lundin Gold. "Their work and dedication, which included the planning and implementation of new COVID-19 protocols and changes in procedures at site, were critical to ensuring a safe restart of operations."

Work on the completion of the South Ventilation Raise ("SVR") is also well advanced. The SVR has been filled with concrete due to localized ground fall. Once the concrete cures, the Company will grout the raise prior to the start of raise boring. Work on the SVR is anticipated to be completed in Q4 2020. The timing of this work does not impact planned production in 2020.

2020 Production Outlook

Gold production at Fruta del Norte for the second half of 2020 is estimated to be in the range of 150,000 to 170,000 ounces. Together with actual production achieved prior to the onset of the temporary suspension, total 2020 gold production is estimated to be between 200,000 and 220,000 ounces. Average mill production in the second half of 2020 is projected at 3,200 tonnes per day at an estimated average head grade of 10 grams per tonne. Average gold recovery is anticipated to be approximately 85% during this time and is expected to reach design levels of 92% in late Q4 2020.

All-in-Sustaining-Costs ("AISC")[1,2] for the second half of 2020 is expected to range between $770 and $850 per ounce of gold sold. AISC for the second half of 2020 reflects additional COVID-19 costs and the ramping up of production originally anticipated to have occurred once commercial production was achieved in February 2020. AISC includes $10.4 million in sustaining capital that includes costs for the tailings dam raise, the purchase of surface mobile equipment and other efficiency improvement projects.

[1] Refer to the "Non-IFRS Financial Performance Measures" section at the end of this news release for reconciliation.

[2] All amounts are in U.S. dollars unless otherwise indicated.

About Lundin Gold

Lundin Gold, headquartered in Vancouver, Canada, owns the Fruta del Norte gold mine in southeast Ecuador. Fruta del Norte is among the largest and highest-grade gold projects in the world currently in production.

The Company's board and management team have extensive expertise in mine operations and are

dedicated to advancing 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.

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 July 5, 2020 at 5:00 p.m. Pacific Time through the contact persons set out below.

Non-IFRS Financial Performance Measures

The Company has included certain non-IFRS measures in this new release. Refer to the Company's Q1 2020 MD&A for an explanation, discussion and reconciliation of non-IFRS measures. The Company believes that these measures, in addition to measures prepared in accordance with International Financial Reporting Standards ("IFRS"), provide readers with an improved ability to evaluate the underlying performance of the Company and to compare it to information reported by other companies. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures presented by other issuers.

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 relating to the restart of operations, its plans to ramp up mill and mining operations and ship concentrate, its efforts to protect its workforce from COVID-19, its 2020 production outlook, including estimates of gold production, grades and recoveries and its expectations regarding all-in-sustaining costs, and the expected timing of completion of the SVR. 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" sections in Lundin Gold's Annual Information Form dated March 24, 2020 and its short form prospectus dated June 8, 2020, which are 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 relating to the impacts of a pandemic virus outbreak;

risks associated with the Company's community relationships; risks related to financing requirements; failure by the Company to maintain its obligations under its credit facilities; operating risks; risks associated with the ramp up of mining operations; risks related to political and economic instability in Ecuador; risks related to production estimates; risks related to Lundin Gold's compliance with environmental laws and liability for environmental contamination; volatility in the price of gold; shortages of critical supplies; lack of availability of infrastructure; deficient or vulnerable title to mining concessions; easements and surface rights; risks related to the Company's workforce and its labour relations; inherent safety hazards and risk to the health and safety of the Company's employees and contractors; risks related to the Company's ability to obtain, maintain or renew regulatory approvals, permits and licenses; the imprecision of mineral reserve and resource estimates; key talent recruitment and retention of 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 to protect endangered species and critical habitats; the cost of non-compliance and compliance costs; exploration and development risks; the Company's reliance on one project; risks related to illegal mining; the reliance of the Company on its information systems and the risk of cyber-attacks on those systems; the adequacy of the Company's insurance; 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; the potential for litigation; limits of disclosure and internal controls; security risks to the Company; its assets and its personnel; conflicts of interest; the risk that the Company will not declare dividends; and social media and the Company's reputation.

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