

# Lundin Gold Reports Second Quarter Of 2024 Results

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Record revenues and adjusted EBITDA achieved on the back of strong gold price

VANCOUVER, Aug. 8, 2024 - [Lundin Gold Inc.](#) (TSX: LUG) (Nasdaq Stockholm: LUG) (OTCQX: LUGDF) ("Lundin Gold" or "Company") is pleased to report results for the second quarter of 2024, highlighted by record quarterly revenues of \$300 million realized from the sale of 129,396 ounces ("oz") at an average realized gold price<sup>1</sup> of \$2,379 per oz. From this, record adjusted EBITDA<sup>1</sup> of \$195 million was achieved. The Company continues to generate significant cash flow with cash from operations of \$144 million and adjusted free cash flow<sup>1</sup> of \$112 million or \$0.47 per share, which excludes the one-time financial expense incurred upon buy out of the stream loan credit facility (the "Stream Facility") and offtake commitment (the "Offtake Commitment"). Cash operating costs<sup>1</sup> and all-in sustaining costs ("AISC")<sup>1</sup> this quarter were \$725 and \$875 per oz sold, respectively. In the second quarter, the Company continued to focus on operational excellence, and the underlying cost of operations was reduced as gold prices increased royalties, however, which impacted overall cash operating costs<sup>1</sup> and AISC<sup>1</sup>. All amounts are in US dollars unless otherwise indicated. PDF Version

The end of the second quarter marked the closing of the buy out of the Stream Facility and Offtake from [Newmont Corporation](#) and payment of the first tranche of the purchase price of \$180 million. The second and final tranche of \$150 million is due on September 30, 2024. As at June 30, 2024, Lundin Gold had a cash balance of \$238 million and is now debt free.

"I'm pleased to report another record quarter for Lundin Gold across a number of key metrics. The strong financial performance achieved was underpinned by strong grades, improvements in recoveries and a high average mill throughput." Ron Hooper, President and CEO commented, "Moving into the second half of 2024, we will continue to focus on operational excellence and advance our now increased near-mine exploration program. We are on track with our process plant expansion project and operations to be positively impacted once completed by the end of this year. Additionally, our debt free position following the buy out of the Stream Facility and Offtake has allowed us to double the amount of our quarterly dividend, from \$0.10 to \$0.20 per share, equivalent to approximately \$200 million annually."

## OPERATING AND FINANCIAL RESULTS SUMMARY

The following two tables provide an overview of key operating and financial results.

	Three months ended Six months ended			
	June 30,		June 30,	
	2024	2023	2024	2023
Tonnes ore mined	419,173	404,408	838,931	832,143
Tonnes ore milled	424,899	418,373	838,495	810,705
Average mill throughput (tpd)	4,669	4,598	4,607	4,479
Average head grade (g/t)	11.0	11.0	10.2	11.6
Average recovery	89.0 %	88.0 %	88.6 %	89.3 %
Gold ounces produced	133,062	129,731	244,634	269,752
Gold ounces sold	129,396	128,958	238,312	263,649

	Three months ended				Six months ended			
	June 30,		June 30,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Net revenues (\$'000)	301,431	243,930	528,172	500,658				
Income from mining operations (\$'000)	171,757	124,801	284,994	257,509				
Earnings before interest, taxes, depreciation, and amortization (\$'000) <sup>1</sup>	457,069	149,900	568,681	293,532				
Adjusted earnings before interest, taxes, depreciation, and amortization (\$'000) <sup>1</sup>	195,401	149,579	326,857	308,645				
Net income (\$'000)	119,291	63,148	161,188	114,613				
Basic income per share (\$)	0.50	0.27	0.68	0.48				
Cash provided by operating activities (\$'000)	144,169	162,352	252,083	306,791				
Adjusted free cash flow (\$'000) <sup>1</sup>	112,148	131,859	194,407	120,206				
Adjusted free cash flow per share (\$) <sup>1</sup>	0.47	0.56	0.81	0.51				
Average realized gold price (\$/oz sold) <sup>1</sup>	2,379	1,942	2,270	1,947				
Cash operating cost (\$/oz sold) <sup>1</sup>	725	644	730	644				
All-in sustaining costs (\$/oz sold) <sup>1</sup>	875	802	872	765				
Adjusted earnings (\$'000) <sup>1</sup>	98,938	59,387	156,734	126,401				
Adjusted earnings per share (\$) <sup>1</sup>	0.41	0.25	0.66	0.53				
Dividends paid per share (\$)	0.10	0.10	0.20	0.20				

## SECOND QUARTER HIGHLIGHTS - STRONG FINANCIAL PERFORMANCE UNDERPINNED BY CONTINUED OPERATIONAL EXCELLENCE

### Financial Results

- Gold sales totalled 129,396 oz, consisting of 85,682 oz in concentrate and 43,714 oz as doré, resulting in gross revenues of \$308 million at an average realized gold price<sup>1</sup> of \$2,379 per oz.
- Net of treatment and refining charges, revenues for the quarter were \$301 million.
- Cash operating costs<sup>1</sup> and AISC<sup>1</sup> were \$725 and \$875 per oz of gold sold, respectively, which have trended toward the end of guidance due to the higher average realized gold price<sup>1</sup> resulting in higher royalties and profit sharing for a portion attributable to employees is recorded in operating costs.
- The Company generated cash from operating activities of \$144 million and adjusted free cash flow<sup>1</sup> of \$112 million, or \$0.47 per share, resulting in a cash balance of \$238 million at June 30, 2024.
- Earnings before interest, taxes, depreciation, and amortization<sup>1</sup> ("EBITDA") and adjusted EBITDA<sup>1</sup> were \$457 million and \$195 million, respectively, with the difference resulting from derivative gains recognized from the buy out of the Serravallo Facility and Offtake.
- Net income was \$119 million including a derivative gain of \$262 million, and net of corporate, exploration, finance and associated taxes. Adjusted earnings<sup>1</sup>, which exclude the one-time finance expense relating to the buy out of the Serravallo Facility and Offtake, derivative gains, and related taxes were \$98.9 million, or \$0.41 per share.

### Production Results

- Gold production was 133,062 oz which was comprised of 83,910 oz in concentrate and 49,152 oz as doré.
- The mine maintained its strong operating performance during the quarter with 419,173 tonnes mined at an average grade of 10.5 g/t.

- The mill processed 424,899 tonnes at an average throughput rate of 4,669 tpd which was achieved from continuous debottlenecking.
- The average grade of ore milled was 11.0 g/t with average recovery at 89.0%.

## Outlook

- First half performance puts the Company firmly on track to meet its production guidance of 450,000 to 500,000 oz.
- Record gold prices have also allowed the Company to realize significant revenues and adjusted earnings<sup>1</sup> to date. Turn have increased royalties and accrued profit sharing. These costs have an impact on the Company's cash operations and AISC<sup>1</sup> per oz sold which have trended toward the upper end of cost guidance that were set based on a gold price assumption of \$1,900 per oz.
- The process plant expansion project is still on track to increase throughput to 5,000 tpd and is expected to improve by approximately 3% by year end.
- Eleven rigs are currently turning across the conversion, near-mine and regional programs. The Company plans to complete the near-mine drilling program by 10,000 metres to a minimum of 56,000 metres to accelerate the definition of near-mine targets and the conversion drilling program from 9,815 metres to 14,000 metres. As a result, a minimum of 80,000 metres of drilling are now planned across the conversion, near-mine and regional drilling programs for 2024. This is expected to result in an estimated cost increase of \$2.0 million, which results in an estimated program cost of \$44.0 million on near-mine and regional exploration for the year.
- The near-mine drilling program will continue to explore Bonza Sur where the primary focus is to better understand mineralized zones as well as expanding the system to the south, east and at depth. Four rigs are currently turning on Bonza Sur.
- Given positive results to date, the Company expects to start a metallurgical testwork program on Bonza Sur before the end of 2024.
- At the new FDN East discovery, one rig will continue to focus on expanding the initial positive results achieved to gain a better understanding of the mineralized zones and main geological controls.
- The regional drilling program is expected to continue expanding the gold mineralization at the Robles target in the Robles Basin.
- With the Company now debt free combined with strong revenues and operating cash flow, the Company plans to pay quarterly dividends of at least \$0.20 per share going forward, which is equivalent to approximately \$200 million annually based on currently issued and outstanding shares.

## Liquidity and Capital Resources

At the end of the second quarter of 2024, the Company is in a strong financial position:

(in thousands of U.S. dollars) As at June 30, As at December 31,

	2024	2023
Financial Position:		
Cash	237,680	268,025
Working capital	253,587	346,859
Total assets	1,396,496	1,468,209
Long-term debt	-	305,647

The change in cash during the six months ended June 30, 2024 was primarily due to cash generated from operating activities of \$252 million and proceeds from the exercise of stock options and anti-dilution rights totalling \$13.7 million. This is offset by scheduled principal, interest, and finance expense repayments under the Stream Facility totalling \$35.8 million; the first tranche of the buy out of the Stream Facility and Offtake of \$180 million; dividends of \$47.8 million; cash outflows of \$28.6 million relating to investing activities; and settlement of vested share units with cash of \$3.6 million.

The Company's working capital balance as at June 30, 2024 includes the second and final tranche of \$150 million for the buy out of the Stream Facility and Offtake which is due on September 30, 2024.

## Capital Expenditures

- Sustaining Capital:
  - Highlights of sustaining capital activities during the quarter were the significant progress made on the mine system implementation as well as upgrades to the main haul road connecting the mine to the primary crusher. Ongoing projects include the camp refurbishment/expansion, replacement of the concrete batch plant, as well as preliminary works for future TSF expansion.
  - The 2024 conversion program continues to advance in the north-central sector of FDN. In the second quarter, the program completed approximately 6,062 metres across 40 holes. Results continue to confirm mineralization with high-grade intercepts associated with breccias and stockwork zones, like the mineralization found in the northern part of the current Mineral Reserve envelope. Two rigs are currently turning under the conversion program.
- Process Plant Expansion Project
  - At the end of the second quarter, detailed engineering reached 90% completion and is expected to be completed by the end of the third quarter. In addition, nearly all items required for the expansion have been awarded to vendors.
  - Construction of the upgraded tailings and reclaim lines continued through the quarter. In addition, earthwork for the addition of three Jameson cells as well as an expansion of the concentrate filter building commenced.

## Health and Safety

During the second quarter there were three Lost Time Incidents and five Medical Aid Incidents. The Total Recordable Incident Rate across exploration and operations was 0.75 per 200,000 hours worked for the quarter. The majority of the incidents were hand injuries. The focus of the operations team is to improve awareness of the workforce with more leadership presence in the field, as well as a review of activities where the potential for hand injuries is high.

## Community

Lundin Gold continued to support several community projects in the second quarter of 2024, including initiatives focused on community health and education. The most significant program, focused on mental health and well-being, is run by Educación para Compartir and continues smoothly with a high level of engagement with local community residents. There were 531 beneficiaries registered in extra-curricular activities such as soccer, dance and boxing, among others. As part of this program, socio-emotional skills workshops were held in communities with over 340 children and youth participating.

The Company also works with the local governments of Yantzaza and Los Encuentros to support rural road maintenance, basic service infrastructure, and well-being programs. During the quarter, the Company committed to two significant infrastructure projects in Los Encuentros, including an urban regeneration project of approximately \$2.1 million and an improvement to street lighting of approximately \$0.5 million.

Two community dialogue roundtable sessions were held in the second quarter focused on six topics and with more than 450 participants.

Local businesses continue to be supported by the Company in conjunction with the Lundin Foundation. The well-established Soy Emprendadora program assists women led businesses through which three new local entrepreneurs received awards of technical assistance and non-reimbursable seed capital. Other local entrepreneurs which were supported through the Lundin Foundation include a textile manufacturer, fire extinguisher maintenance provider, and pest control and fumigation service company, all of which showed improved sales compared to the first quarter, with Lundin Gold as their major client. In addition, the Company and the Lundin Foundation continue to jointly support the development of other local suppliers through the Nexo program. The Company continues to work with the Shuar Federation of Zamora Chinchipe and the Lundin Foundation to promote the preservation of Shuar culture and to explore opportunities to integrate Shuar based businesses into the Company's supply chain.

## EXPLORATION

### Near-Mine Exploration Program

During the second quarter of 2024, the Company completed a total of 13,743 metres across 38 holes from surface and underground. Drilling from underground mainly explored the southern limit of the FDN deposit

while drilling from surface continued to test sectors located along the extensions of the controlling structures of the FDN deposit, such as Bonza Sur and FDN East.

- During the quarter, the surface drilling program continued along extensions of the East Fault, where the Bonza Sur and other prospective sectors like FDN East and Aguas Mesas are located.
  - At Bonza Sur, located one kilometre from FDN, thirteen surface drill holes were completed and continue to test a new epithermal system along the north extension. Recent results continue to confirm wide mineralized zones at depths associated mainly to vein/veinlet zones of quartz and minor chalcedony and manganoan-carbonate. Occurrences of disseminated levels of sulphides (mainly marcasite and minor sphalerite and galena). Gold has already been discovered for more than 1.6 kilometres along the north-south strike and for at least 500 metres at the downdip and remains open in all directions.
  - At FDN East, drilling continues in this recently discovered buried epithermal mineralized system. Seven drill holes completed during the second quarter and results showed low grade gold mineralization associated with narrow veinlet zones and sulfides. Some drill hole results remain pending.
  - During the second quarter, the program completed eight drill holes in new areas and identified additional potential targets. At Aguas Mesas, located along the south extension of the East Fault, drilling intercepted gold mineralization associated hydrothermal alteration zones represented by chalcedony veins and sulfides. In the north extension of the FDN deposit, exploratory holes intercepted zones of hydrothermal alteration represented by massive quartz veins and sulfides with no significant results.
- Underground exploration focused on the southern limit of the FDN deposit and tested the occurrence of a new high grade system. A total of ten drill holes were completed with all drill holes confirming gold mineralization associated to veinlet zones of chalcedony and manganoan-calcite with sulfides and visible gold.

#### Regional Exploration Program

The 2024 regional program continues to advance the identification of important indicators that point toward the presence of buried epithermal deposits in the southern basin. During the quarter, regional drilling focused on the Robles target, located in the southern border of the Suarez Basin where detailed geological interpretation of exploration data and additional surface works identified major structures and zones of hydrothermal alteration. A total of 1,122 metres across three holes were completed. The drilling program focused on a large geochemical soil anomaly and the completed holes intercepted wide disseminated gold mineralization.

#### Geophysical Program

During the quarter, the Company started a geophysical survey designed to provide high resolution resistivity and chargeability imaging of exploration targets. A total of 67 kilometres is expected to be surveyed which covers the entire near-mine area and parts of the regional district.

#### CORPORATE

Lundin Gold published its 2023 Sustainability Report, integrating its climate report, in May, highlighting its progress and performance against its 5-Year Sustainability Strategy.

The Company paid a quarterly dividend of \$0.10 per share on June 25, 2024 (June 28, 2024 for shares trading on Nasdaq Stockholm) based on a record date of June 10, 2024, for a total of \$24.0 million. With the release of its second quarter 2024 results, the Company updated its dividend policy and has declared a cash dividend of \$0.20 per share, which is payable on September 25, 2024 (September 30, 2024 for shares trading on Nasdaq Stockholm) to shareholders of record on September 10, 2024.

Subsequent to quarter end, the Company announced the departure of the Company's Chief Financial Officer, Mr. Christopher Kololian. The Board appointed Mr. Chester See as Chief Financial Officer on August 6, 2024.

#### Qualified Persons

The technical information relating to FDN contained in this News Release has been reviewed and approved by Terry Smith P. Eng, Lundin Gold's COO, who is a Qualified Person in accordance with the requirements of NI 43-101. The disclosure of exploration information contained in this press release was prepared by Andre Oliveira, P. Geo, Lundin Gold's V.P. Exploration, who is a Qualified Person in accordance with the requirements of NI 43-101.

## Webcast and Conference Call

The Company will host a conference call and webcast to discuss its results on Friday, August 9 at 5:30 a.m. PT, 8:30 a.m. ET, 2:30 p.m. CET.

### Conference Call Dial-In Numbers:

Participant Dial-In North America: +1 416-764-8659

Toll-Free Participant Dial-In North America: +1 888-664-6392

Participant Dial-In Sweden: 0200899189

Conference ID: Lundin Gold / 40659474

A link to the webcast will be available on the Company's website, [www.lundingold.com](http://www.lundingold.com).

A replay of the conference call will be available two hours after the completion of the call until Friday, August 16, 2024.

Toll Free North America Replay Number: +1 888-390-0541

International Replay Number: +1 416-764-8677

Replay passcode: 659474 #

### About Lundin Gold

Lundin Gold, headquartered in Vancouver, Canada, is committed to positive and long-lasting impact on our host communities, while delivering significant value to stakeholders through operational excellence, cash flow generation and focused growth. Lundin Gold currently operates its 100% owned Fruta del Norte gold mine in southeast Ecuador, which is one of the highest-grade gold mines in production in the world today. The Company also owns a portfolio of prospective exploration properties close to FDN.

### Non-IFRS Measures

This news release refers to certain financial measures, such as average realized gold price per oz sold, EBITDA, adjusted EBITDA, cash operating cost per oz sold, all-in sustaining cost, adjusted free cash flow, adjusted free cash flow per share, and adjusted earnings, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies. These measures have been derived from the Company's financial statements because the Company believes that, with the achievement of commercial production, they are of assistance in the understanding of the results of operations and its financial position. Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found on page 15 of the Company's MD&A for the three and six months ended June 30, 2024 available on SEDAR+.

### 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 August 8, 2024 at 4:30 p.m. Pacific Time through the contact persons set out below.

### 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 several places, such as in statements relating to the Company's 2024 production outlook, including estimates of gold production, grades recoveries and AISC; operating plans; expected sales receipts, and cash flow forecasts, its estimated capital costs and sustaining capital; payment of the second and final tranche of the buy back of the Stream Facility and the Offtake; the recovery of VAT; timing of completion of the process plant expansion project and the anticipated benefits; benefits of the Company's community programs; the Company's declaration and payment of dividends pursuant to its dividend policy; the timing and the success of its drill program at Fruta del Norte and its other exploration activities; and estimates of Mineral Resources and Reserves at Fruta del Norte. 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 26, 2024, which is available at [www.lundingold.com](http://www.lundingold.com) or [www.sedarplus.ca](http://www.sedarplus.ca).

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: instability in Ecuador; community relations; forecasts relating to production and costs; mining operations; security; non-compliance with laws and regulations and compliance costs; tax changes in Ecuador; waste disposal and tailings; government or regulatory approvals; environmental compliance; gold price; infrastructure; dependence on a single mine; exploration and development; control of Lundin Gold; availability of workforce and labour relations; dividends; information systems and cyber security; Mineral Reserve and Mineral Resource estimates; title matters and surface rights and access; health and safety; human rights; employee misconduct; measures to protect biodiversity; endangered species and critical habitats; global economic conditions; shortages of critical resources; competition for new projects; key talent recruitment and retention; market price of the Company's shares; social media and reputation; insurance and uninsured risks; pandemics, epidemics or infectious disease outbreak; climate change; illegal mining; conflicts of interest; ability to maintain obligations or comply with debt; violation of anti-bribery and corruption laws; internal controls; claims and legal proceedings; and for information obligations. For more information, please contact: Ron F. Hochstein, President and CEO, Tel: +1-604-806-3589, [ron.hochstein@lundingold.com](mailto:ron.hochstein@lundingold.com); Finlay Heppenstall, Director, Investor Relations and Corporate Development, Tel: +1 604 806 3089, [finlay.heppenstall@lundingold.com](mailto:finlay.heppenstall@lundingold.com)

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Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found on pages 15 to 18 of the Company's MD&A for the second quarter ended June 30, 2024 available on SEDAR:

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