

Lundin Gold Now Past One Kilometre of Underground Mine Development at Fruta Del Norte

VANCOUVER, British Columbia, April 16, 2018 (GLOBE NEWSWIRE) -- Lundin Gold Inc. ("Lundin Gold" or the "Company") (TSX:LUG) (Nasdaq Stockholm:LUG) is pleased to announce that it has reached major construction milestones and is now past one kilometre of underground mine development at its Fruta del Norte gold project ("Fruta del Norte" or the "Project") in Ecuador.

Construction Highlights:

- Process plant SAG and ball mill foundation bases have been poured
- Major earthworks continue with completion of River road, which significantly improves site logistics
- Completion of first major pond for site water management system
- Powerline contractor mobilizing to start construction later this quarter
- 1,000-person construction camp completed

"We continue to advance Fruta del Norte on budget and on schedule. Overall engineering is 26% complete and construction is 16% complete, and we are continuously looking for efficiencies as we move the Project forward," said Ron Hochstein, President and CEO of Lundin Gold.

Mine Development

As at March 31, 2018, a total of 1,193 metres ("m") of underground mine development has been achieved, with 531 m and 632 m in the Kuri and K'isa declines, respectively. The average advance rate for March was 5.95 m per decline per day, versus a target of 5.17 m per day based on ground type encountered. All underground development in March was classified as good ground type conditions.

As well, earlier this month the Company awarded the underground drill/bolt mining fleet to Epiroc Rock Drills AB. With this order, over 84% of the production fleet contracts have been placed. The outstanding mine equipment left to be ordered is the explosives delivery, shotcrete equipment and mine support equipment.

Process Plant Construction

Process plant excavation was 65% complete at the end of March. The ball mill and the SAG mill base concrete foundations were poured on March 10 and March 25 respectively. Excavation of the CIL plant area is progressing well. Over the next couple of months, the Company is planning on completing the mill foundations, and concrete work on the CIL plant area is expected to commence.

As part of the overall water management system, the first of several large lined collection ponds was completed.

Major Earthworks

With the completion of the River road connecting the camp to the Project site, site logistics have greatly improved. Travel time between camp and the Project site is now approximately 10-15 minutes, whereas it previously took up to 45 minutes using the Mountain Pass road. The North Access road is now an estimated 42% complete, and work is substantially complete on the road to the tailings storage facility.

Powerline

The powerline engineering, procurement and construction contractor is mobilizing and anticipated to begin construction later this quarter. Easement agreements have been reached with nearly all the affected landholders, and the remaining easements are expected to be obtained in the coming weeks.

Construction Camp

The new 1,000-person construction camp is complete, and all rooms are available for occupancy. Combined with the existing Las Peñas camp, over 1,700 people can be accommodated at site. Occupancy averaged 1,165 people in March, and total project employment now exceeds 2,200 people, including contractors. The new kitchen and dining room are expected to be finished by the end of the month.

About Lundin Gold

Lundin Gold, headquartered in Vancouver, Canada, is developing its wholly-owned Fruta del Norte gold project in southeast Ecuador. Fruta del Norte is one of the highest-grade and largest gold projects currently under

construction. The Company's board and management team have extensive expertise in mine construction and operations and are dedicated to advancing this project through to first gold production in 2019.

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 people of Ecuador.

This press release has been reviewed and approved by Ron Hochstein, P. Eng., a metallurgical engineer and the Company's President and CEO, who is a Qualified Person under Canadian National Instrument 43-101.

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 submitted for publication on April 16, 2018 at 3:00 am PT 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 the timing of first production and the progress of the development, construction and operation of the Project, improvements to site logistics and completion of camp infrastructure and the acquisition of land and surface rights. Factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to; the ability to arrange financing and the risk to shareholders of dilution from future equity financings; the ability to maintain its obligations under its current project financing and other debt; risks related to carrying on business in Ecuador; volatility in the price of gold; the timely receipt of regulatory approvals, permits and licenses; risks associated with the performance of the Company's contractors; risks inherent in the development of an underground mine; deficient or vulnerable title to mining concessions and surface rights; shortages of critical resources, labour and key executive personnel, such as input commodities, equipment and skilled labour, and the dependence on key personnel; risks associated with the Company's community relationships; unreliable infrastructure; volatility in the market price of the Company's shares; and the potential

influence of the Company's largest shareholders; uncertainty with the tax regime in Ecuador; measures required to protect endangered species; the cost of compliance or failure to comply with applicable laws; exploration and development risks; the accuracy of the Mineral Reserve and Resource estimates for the Fruta del Norte Project and the Company's reliance on one project; risks related to artisanal and illegal mining; uncertainty as to reclamation and decommissioning; risks associated with the Company's information systems; competition in the mining industry; the ability to obtain adequate insurance; risks of bribery or corruption; the potential for litigation; and limits of disclosure and internal controls.

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 20, 2018, which is available under the Company's profile at www.sedar.com.

Figure 1. Over 1 km of underground development has been achieved at Fruta del Norte

<http://resource.globenewswire.com/Resource/Download/3ed9f26c-4ab7-425c-973e-82d03f6e0d5d>

Figure 2. SAG and ball mill base concrete foundations

<http://resource.globenewswire.com/Resource/Download/b444babb-e5b8-423f-9b13-cdfbe0e48afc>

Figure 3. First major pond for site water management completed

<http://resource.globenewswire.com/Resource/Download/944dcc62-d78d-46ae-b42f-17dc64995a62>

Figure 4. New construction camp and original Las Peñas camp provide capacity for over 1,700 personnel

<http://resource.globenewswire.com/Resource/Download/2d9bbdae-1837-4593-a47f-5499af320f6c>

<https://lundingold.mediaroom.com/index.php?s=2429&item=122484>