

Lundin Gold Closes Acquisition of Fruta Del Norte Gold Project

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Dec. 17, 2014) - Lundin Gold Inc., formerly Fortress Minerals Corp., (the "Company") (TSX VENTURE:FST.H) is pleased to announce the closing of the acquisition of a 100% interest in the Fruta del Norte gold project ("FDN") in Ecuador from Kinross Gold Corporation ("Kinross").

Total consideration paid at closing was US\$240 million comprising US\$150 million in cash and 26,156,250 common shares of the Company (the "Share Consideration"). The Share Consideration totaled US\$90 million based on an issue price of C\$4.00 per common share and the noon rate published by the Bank of Canada on December 16, 2014. Kinross has agreed to lock-up 50% of the Share Consideration for a period expiring May 17, 2015 and the remaining 50% for a period expiring December 17, 2015.

As previously announced, at a special meeting held on December 12, 2014, shareholders approved, among other things, the acquisition of FDN, the financing of the acquisition, the name change of the Company from Fortress Minerals Corp. to Lundin Gold Inc., and the election of two new directors, Paul McRae and Pablo Mir.

The brokered financing to fund the acquisition and development of FDN comprised the issuance of 50,128,250 subscription receipts of the Company at a price of C\$4.00 per subscription receipt for aggregate gross proceeds of approximately C\$200 million. Escrow release conditions having been satisfied, the funds were released to the Company to complete the acquisition and the subscription receipts have now been converted to common shares of the Company.

In addition, Aurelian Resources Inc. (a wholly-owned subsidiary of the Company which indirectly holds FDN) completed a private placement of convertible loan notes with an aggregate principal amount of C\$40.24 million to CD Capital Natural Resources Fund II (Master) L.P. ("CD Capital"), convertible into common shares of the Company at C\$4.00 per common share, bringing the total financing proceeds to approximately C\$240 million. In connection with the placement, CD Capital will participate in the technical aspects of the development of FDN, and the Company has agreed to grant CD Capital the right to appoint a nominee to the Board of Directors of the Company. The proceeds from the private placement of convertible loan notes will be used to upgrade, expand and develop the mineral resources of FDN. The convertible loan notes, and the common shares issuable upon the conversion thereof, will be subject to a four month hold period from the closing date of the private placement.

The Company expects that its common shares will commence trading on the TSX under its new name, Lundin Gold Inc., effective at the market open on December 19, 2014. The trading symbol will be "LUG" and the CUSIP is 550371108. The Company has also obtained approval of a secondary listing of its common shares on the NASDAQ OMX Stockholm ("Nasdaq Stockholm"), subject to the satisfaction of certain conditions. The Company's common shares are expected to commence trading on the Nasdaq Stockholm on December 22, 2014 also under the trading symbol "LUG".

The Company has also made changes to the structure of its executive team. Lukas Lundin, formerly President, Chief Executive Officer and Director, is now a Director and Chairman of the Company. Ron Hochstein, formerly Chairman and Director, is now a Director, President and CEO of the Company. The Board of Directors and Management of the Company now comprises:

Lukas Lundin, Director, Chairman

Ron Hochstein, Director, President and CEO

Paul McRae, Director

Adam Lundin, Director

James Cambon, Director

Ian Gibbs, Director

Pablo Mir, Lead Independent Director

Chester See, CFO

Ron Hochstein, President and CEO of the Company, commented, "I would like to thank everyone involved with bringing the acquisition of the world class Fruta del Norte project to a successful conclusion. We're very excited about advancing this project and we look forward to establishing an excellent reputation in Ecuador over many years to come. Fruta del Norte has the potential to be one of the largest and highest grade gold operations in the world delivering outstanding value to all stakeholders, including the Government and people of Ecuador, who are our most important partners in the project."

GMP Securities L.P. acted as exclusive financial advisor to the Company and its Board of Directors in connection

with the acquisition and Blake, Cassels & Graydon LLP acted as the Company's legal advisor.

This press release is not an offer of securities for sale in the United States or in any other jurisdiction. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act and may not be offered or sold absent an exemption from registration under the U.S. Securities Act.

On behalf of the Board of Directors,

Ron Hochstein, President and CEO

About the Company

The Company is a Canadian mining company with its common shares to be listed on the TSX under the symbol "LUG". In December, 2014 the Company acquired the Fruta del Norte gold project located in southeast Ecuador for US\$240 million. Fruta del Norte ("FDN") is one of the largest and highest grade undeveloped gold projects in the world and the Company plans to quickly advance FDN in order to realize the significant potential of this asset, which is the Company's flagship project. 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 partners in this project.

FDN has a large resource base with additional significant resource upside potential. FDN has the potential to be a large scale, low cost, underground gold mining operation and has had over US\$275 million invested in it from its discovery in 2006 to 2014. The Company believes that FDN can move quickly through feasibility to a construction decision, leveraging the considerable amount of historical exploration, development, mine planning and permitting work that has already been completed to date. In addition, there is significant exploration potential both at FDN and in the more than 80,000 ha of surrounding concessions where multiple early and advanced exploration targets have already been identified.

The Company is a member of the Lundin Group of Companies (see www.thelundingroup.com). The Lundin family, who have invested significantly in the Company, have an impressive track-record of acquiring world-class projects and generating industry leading returns. The Lundin Group 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. The Lundin Group 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 (see www.lundinfoundation.org).

Forward Looking Information

This news release includes "forward-looking information," within the meaning of applicable Canadian securities laws (collectively referred to herein as "forward-looking statements" or "forward-looking information"). All statements other than statements of historical facts included in this news release, including, without limitation, statements with respect to the listing of the Company's shares on the TSX and Nasdaq Stockholm, the merits of FDN, the Company's plans and expectations regarding FDN, the Company's business strategy and the name change of the Company may constitute forward-looking statements. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industries in which the Company operates as well as beliefs and assumptions made by the Company's management. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, these statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Such statements are also subject to assumptions concerning, among other things, the Company's anticipated business strategies and anticipated trends in the Company's business. The Company can give no assurance that these estimates and expectations will prove to have been correct.

Actual outcomes and results may, and often do, differ from what is expressed, implied or projected in such forward-looking statements, and such differences may be material. Some important factors that could cause actual results to differ materially from those expressed in these forward-looking statements include, but are not limited to: risks and uncertainties relating to the convertible note financing; the receipt of stock exchange or other approvals, risks and uncertainties relating to capital cost estimates, timing, foreign currency fluctuations, estimated future cash costs and amount of production; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the inherent uncertainty of production and cost estimates

and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental permits; and litigation risks. Forward-looking information may also be based on other various assumptions including, without limitation: the expectations and beliefs of management, the assumed long term price of gold or silver; and that the Company can access financing, appropriate equipment and sufficient labour and that the political environment where the Company operates will continue to support the development and operation of mining projects. Accordingly readers are cautioned that the above list of cautionary statements is not exhaustive. These and other factors could cause actual results to differ materially from the Company's expectations expressed in the forward-looking statements included in this news release, and further details and descriptions of these and other factors are disclosed in the Company's annual information form and other public filings which are available on SEDAR at www.sedar.com. The Company will not update these statements unless applicable securities laws require the Company to do so.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

<https://lundingold.mediaroom.com/index.php?s=2429&item=122571>