

**NEWS RELEASE****LUNDIN GOLD UNDERGROUND MINE DEVELOPMENT REACHES  
THE OREBODY AT FRUTA DEL NORTE**

**January 14, 2019 (Vancouver, Canada) Lundin Gold Inc.** ("Lundin Gold" or the "Company") (TSX: LUG, Nasdaq Stockholm: LUG) is pleased to announce that the underground mine declines have reached the orebody, and level development has begun at its Fruta del Norte gold project ("Fruta del Norte" or the "Project") in Ecuador.

**Project Highlights as at December 31, 2018:**

- Total of 4.5 kilometre ("km") of underground mine development achieved.
- K'isa decline is complete and mine development crews now working on multiple production levels, advancing towards first stope in the second quarter of the year.
- Overall engineering 85% complete and Project construction 45% complete.
- Company has committed 70% of its capital expenditure.
- Majority of large process plant mechanical equipment now on site.
- Poweline 22% complete.
- Mountain Pass Quarry Exploitation Agreement signed.
- More than three million manhours without a lost time incident achieved.

"Our team has reached, and in some cases exceeded the Project's targets, all while maintaining excellent safety standards," said Ron Hochstein, Lundin Gold's President and CEO. "With 70% of our capital expenditure committed and detailed engineering nearly done, Fruta del Norte is on schedule to meet its target of producing first gold in the fourth quarter of this year."

*Mine Development*

As at December 31, 2018 a total of 4.5 km of underground mine development had been achieved.

The K'isa decline was completed on December 9, 2018, after 2.1 km of total development and transitioned to production level 1170. Production level 1195 began on December 7, 2018 and a total of 330 metres ("m") of level development on two levels has been completed. December average advance rates in K'isa were 9.0 m per day versus a target of 7.1 m per day.

The Kuri decline is at 2,070 m of total development and is progressing towards lower production levels in the mine. This decline was completed this month. December average advance rates in Kuri were 5.0 m per day versus a target of 4.2 m per day.

Overall, advance rates in both declines exceeded the plan by 11% due to better than expected ground conditions and lower than anticipated water inflows.

Lundin Gold is preparing the first stages of transition to owner operations and its mining fleet has started to arrive at Fruta del Norte. The first group of mining operator trainees began the final part of their training program, which takes place on site.

### *Process Plant*

Process plant concrete foundations are 62% complete and structural steel erection is progressing as planned. The remaining mechanical equipment is expected to be on site in the first quarter and installation of the carbon-in-leach circuit and grinding mills has started. Commissioning of the process plant is still on track to begin in third quarter of this year.

With process plant engineering substantially complete, engineering efforts are now focussed on the paste plant and water treatment plant facilities.

### *Mountain Pass Quarry and Tailings Storage Facility*

The Company successfully negotiated the Mountain Pass Quarry (the "Quarry") Exploitation Agreement with the local government in the fourth quarter of 2018, and extraction of aggregate materials began shortly after. Material from the Quarry was necessary to move forward with the construction of the tailings storage facility.

Tailings storage facility access roads and the polishing pond were completed in the fourth quarter, while construction advanced on the surface water perimeter diversion ditches around the tailings storage facility.

### *Powerline*

Construction continues on three fronts with 28 out of 107 towers, or 22% of powerline infrastructure, being complete.

### *Paste Plant*

Paste plant mass earthworks were complete in the fourth quarter of 2018 and concrete works have begun.

### *Other Infrastructure*

The Company continues to make significant progress on other key facilities and infrastructure including:

- Permanent mine maintenance shop is in operation.
- Mine dry/administration building is well advanced and the mine emergency power substation is scheduled to be completed this quarter.
- The main Fruta del Norte power substation concrete is complete and the two main transformers have arrived at site and are positioned on the foundations.

Several photos of the Project are appended to the end of this news release.

### **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 world's largest, highest-grade 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 the fourth quarter of this year.

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 January 14, 2019 at 5:00 a.m. PT through the contact persons set out below.

#### ***For more information, please contact***

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

Lundin Gold Inc.  
Sabina Srubiski  
Manager, Investor Relations  
+1-604-806-3089  
[info@lundingold.com](mailto:info@lundingold.com)  
[www.lundingold.com](http://www.lundingold.com)

[Follow Lundin Gold on Twitter](#)

#### ***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.

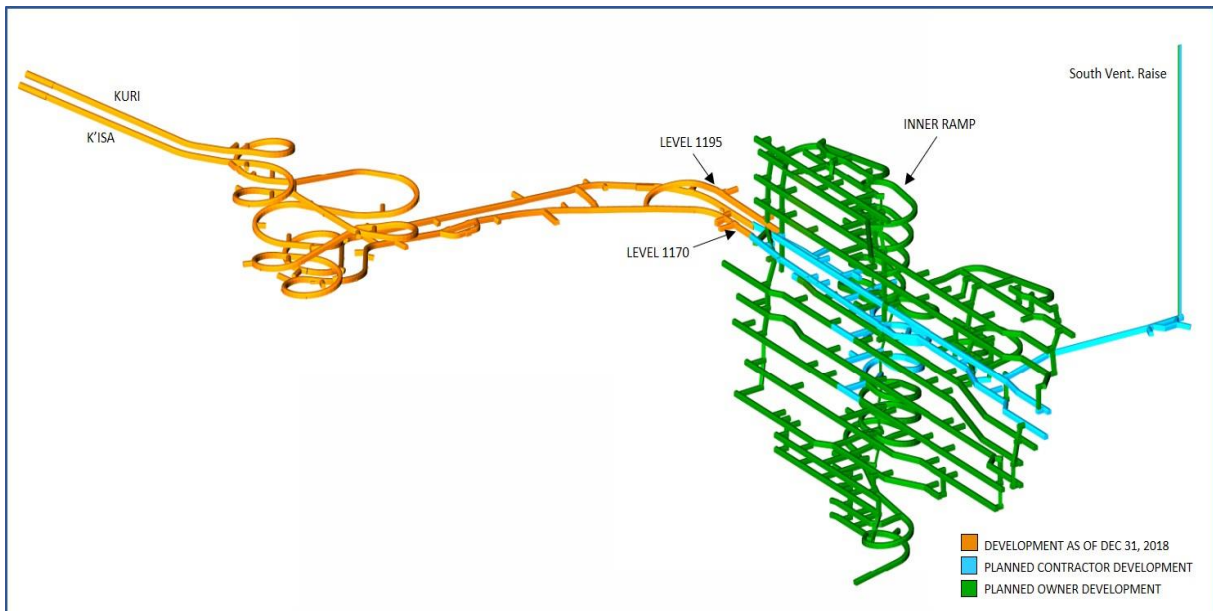
This press release contains forward-looking information in a number of places, such as in statements pertaining to: the anticipated timing of production and the progress of the development, construction and operation of the Project, improvements to site logistics and completion of site and powerline infrastructure and the acquisition of land and surface rights, the success of the Company's exploration plans and activities, exploration and development expenditures and reclamation costs, timing and

success of permitting and regulatory approvals, project financing and future sources of liquidity, capital expenditures and requirements, future tax payments and rates, cash flows and their uses.

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 ability to arrange financing and the risk to shareholders of dilution from future equity financings; the ability to maintain its obligations under the gold prepay and stream credit facilities, the senior debt facility 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; 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; 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](http://www.sedar.com).

**Figure 1. Underground mine declines have reached the orebody and begun level development**



**Figure 2. Aerial view of the process plant**





***Figure 3. Carbon-in-leach circuit installation***



***Figure 4. Mine dry/administration building well advanced***



**Figure 5. Main Fruta del Norte substation concrete is complete and large transformers are positioned on their foundations**

