

NEWS RELEASE

LUNDIN GOLD SECURES CREDIT APPROVAL FOR US\$300 MILLION SENIOR DEBT FACILITY FOR FRUTA DEL NORTE

January 22, 2018 (Vancouver, Canada) Lundin Gold Inc. ("Lundin Gold" or the "Company") (TSX: LUG, Nasdaq Stockholm: LUG) is pleased to announce that it has received commitments from a syndicate of five senior lenders (the "Lenders") for a senior secured project finance facility (the "Facility") of \$300 million to fund the development and construction of its Fruta del Norte gold project in Ecuador ("Fruta del Norte" or the "Project"). All amounts in this release are in U.S. dollars unless otherwise indicated.

The Lenders are ING Capital LLC, Société Générale, Caterpillar Financial Services Corporation (Cat Financial), The Bank of Nova Scotia and KfW IPEX-Bank GmbH.

"Together with the project financing package from Orion Mine Finance Group and Blackstone Tactical Opportunities, this Facility further reflects a strong endorsement of the Project and confidence in the Lundin Gold team," said Ron Hochstein, President and CEO of Lundin Gold. "We look forward to working with this supportive group of lenders as we continue to develop Fruta del Norte. The Project remains on schedule and on budget to achieve first gold production by the end of 2019."

The Facility will include two tranches: Tranche A of \$100 million, to be guaranteed by an export credit agency ("ECA") satisfactory to the Lenders, and Tranche B of \$200 million. The term of the Facility will be eight and a half years. There are no mandatory requirements for gold hedging associated with the Facility.

The Facility is subject to completion of definitive documentation, which will include customary project finance terms, fees and conditions, a comprehensive intercreditor agreement and completion of ongoing due diligence.

The Company is being advised on the debt financing by Endeavour Financial. Norton Rose Fulbright Canada LLP is acting as legal counsel to the Company with support from the Lexim Abogados law firm in Ecuador.

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 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 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.

Additional Information

The information in this release is subject to the disclosure requirements of Lundin Gold under the EU Market Abuse Regulation and the Swedish Securities Markets Act. This information was publicly communicated at 5:00 am Pacific Time on January 22, 2018

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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 to: the anticipated timing of production, the negotiation and settlement of the Facility, the anticipated terms of the Facility, the ability of the Company to satisfy the conditions precedent to the Facility and the planned use of proceeds from the Facility.

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; risks related to carrying on business in an emerging market such as possible government instability and civil turmoil and economic instability; 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 resources, such as labour, and the dependence on key personnel; risks associated with the Company's community relationships; unreliable infrastructure and local opposition to mining; volatility in the market price of the Company's shares; uncertainty with the tax regime in Ecuador; measures required to protect endangered species; difficulty complying with changing government regulations and policies, including without limitation, compliance with environment, health and safety regulations, and 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 FDN and the Company's reliance on one project; liabilities; the Company's lack of operating history in Ecuador; illegal mining; uncertainty as to reclamation and decommissioning; adverse global economic conditions; risks associated with the Company's information systems; the inadequacy of insurance; risks of bribery or corruption; the potential for litigation; limits of disclosure and internal controls; and the potential influence of the Company's largest shareholders.

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 for the financial year ended December 2016 and the Prospectus dated December 21, 2017, both of which are available on SEDAR at www.sedar.com.