

NEWS RELEASE

LUNDIN GOLD ANNOUNCES \$40.5M BOUGHT DEAL FINANCING

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DISSEMINATION TO UNITED STATES***

February 20, 2019 (Vancouver, Canada) Lundin Gold Inc. (“Lundin Gold” or the “Company”) (TSX: “LUG”, Nasdaq Stockholm: “LUG”) announces that it has entered into an agreement with GMP Securities L.P. and BMO Capital Markets, acting as co-lead underwriters and joint bookrunners, on behalf of a syndicate of underwriters (the “Underwriters”), whereby the Underwriters have agreed to purchase, on a bought deal basis, 7,500,000 common shares (the “Shares”) of the Company at a price of C\$5.40 per Share, for aggregate gross proceeds of C\$40,500,000. The Company has agreed to grant the Underwriters an over-allotment option, exercisable in whole or in part, on or following the closing of the offering and for a period of 30 days thereafter, to purchase up to an additional 1,125,000 Shares, representing 15% of the number of Shares sold under the Offering, to cover over-allotments, if any, and for market stabilization purposes. In the event that the over-allotment option is exercised in its entirety, the aggregate gross proceeds to the Company from the offering will be C\$46,575,000.

The Company expects that Newcrest Mining Limited, which currently holds approximately 27% of the Company’s issued and outstanding shares through a wholly-owned subsidiary, will exercise their pre-emptive participation rights, and that Zebra Holdings and Investments S.à.r.l, Lorito Holdings S.à.r.l and/or Nemesia S.à.r.l (the “Lundin Family Trusts”), which collectively hold approximately 23% of the Company’s issued and outstanding shares, will participate to their collective *pro-rata* shareholdings in the financing.

The Company intends to use the net proceeds of the offering for exploration on its portfolio of mineral concessions in Ecuador, including the Suarez pull-apart basin, the structure that hosts the Fruta del Norte Gold deposit, and for general corporate purposes.

The Shares will be offered by way of a prospectus supplement in all provinces and territories of Canada, except Québec pursuant to National Instrument 44-102 – *Shelf Distributions*. The Shares will also be offered and sold in the United States on a private placement basis pursuant to an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended (the “U.S. Securities Act”) and other jurisdictions outside of Canada on an exempt basis.

The closing of the Offering is expected to occur on March 1, 2019 (the “Closing Date”), or such other date as may be agreed by the Underwriters and the Company, acting reasonably. The closing is subject to certain other conditions including, but not limited to, the receipt of all necessary regulatory approvals including the approval of the Toronto Stock Exchange, the Nasdaq Stockholm, and the applicable securities regulatory authorities.

This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein in the United States or in any other jurisdiction. 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 without registration under the U.S. Securities Act and all applicable state securities laws or compliance with the requirements of an exemption from such registration.

Additional Information

The Company's consolidated financial statements for the year ended December 31, 2018 and related management's discussion and analysis are available on the Company's website at www.lundingold.com or under its profile on SEDAR at www.sedar.com.

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 February 20, 2019 at 1:45 p.m. PT through the contact persons set out below.

About Lundin Gold

Lundin Gold, headquartered in Vancouver, Canada, is developing its wholly-owned Fruta del Norte gold project in southeast Ecuador which is 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.

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.

For more information, please contact

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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: use of proceeds from the Offering, closing of the Offering and the ability to obtain the necessary regulatory authority and approvals. 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 Management Discussion and Analysis dated February 19, 2019, which is available under the Company's profile at www.sedar.com.

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: receipt of regulatory approvals, risks associated with the Company's community relationships; risks and hazards inherent in mining and processing; lack of availability of or interference with infrastructure; risks related to Lundin Gold's compliance with increasingly strict environmental laws and liability for environmental contamination; risks related political and economic instability in Ecuador; deficient or vulnerable title to mining concessions and surface rights; risk to shareholders of dilution from future equity financings; failure to maintain its obligations under its debt facilities; shortages of critical resources, such as skilled labour and supplies, consumables and equipment; inherent safety hazards and risk to the health and safety of the Company's employees and contractors; volatility in the price of gold; the cost of compliance or failure to comply with applicable laws; the timely receipt of regulatory approvals, permits and licenses; risks associated with the performance of the Company's contractors; the imprecision of Mineral Reserve and Resource estimates; dependence on key personnel; 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; exploration and development risks; the Company's reliance on one project risks related to artisanal and illegal mining; the reliance of the Company on its information systems and the risk of cyber-attacks on those systems; the ability to obtain adequate insurance; uncertainty as to reclamation and decommissioning; the uncertainty regarding risks posed by climate change; the ability of Lundin Gold to ensure compliance with anti-bribery and anti-corruption laws; the potential for litigation; and limits of disclosure and internal controls.