

Lundin Gold Three Year Outlook Anticipates Sustained Strong Free Cash Flow Generation from Fruta Del Norte

2024 highlights include expansion to 5,000 tpd by year end and the largest exploration program ever conducted at Fruta del Norte

VANCOUVER, BC, Dec. 4, 2023 /CNW/ - Lundin Gold Inc. (TSX: LUG) (Nasdaq Stockholm: LUG) (OTCQX: LUGDF) ("Lundin Gold" or the "Company") is pleased to announce its 2024 guidance and three-year outlook for its 100% owned Fruta del Norte ("FDN") gold mine in southeast Ecuador. All amounts are in U.S. dollars unless otherwise indicated.

Highlights:

- 2024 production is estimated between 450,000 to 500,000 ounces ("oz").
- Cash operating costs¹ and all-in sustaining costs¹ ("AISC") for 2024 are expected to range between \$680 to \$740 and \$820 to \$890 per oz of gold sold, respectively.
- Total sustaining capital in 2024 is estimated at \$35 to \$45 million.
- 56,000 metres is planned to be drilled under the 2024 near-mine and regional exploration programs.

The Company's outlook for production, sustaining capital and AISC for the next three years is provided in the table below.

	2024	2025	2026
Gold Production (oz)	450,000 – 500,000	475,000 – 525,000	475,000 – 525,000
Sustaining Capital (\$ million)	35 – 45	65 – 80	40 – 55
Cash operating cost (\$/oz) ²	680 – 740	650 – 710	650 – 710
AISC (\$/oz) ²	820 – 890	840 – 910	780 – 850

Ron Hochstein, President and CEO commented, "2024 marks Lundin Gold's next step in our FDN expansion story by increasing plant throughput to 5,000 tonnes per day and installing new flotation technology to improve recoveries, which will be operational by Q4 next year. In parallel, the Company will carry out the largest exploration program ever conducted on the extensive and highly prospective land package that hosts Fruta del Norte. Based on forecasted performance, we look forward to continued generation of strong free cash flow for years to come."

¹ See Non-GAAP Financial Measures below

² Gold/silver price per oz assumptions for the three years are \$1,900/\$22.50, respectively

2024 Guidance and 2024-2026 Outlook

Gold production at FDN for 2024 is estimated to be between 450,000 to 500,000 oz based on an average throughput rate of 4,500 tonnes per day ("tpd"), with an increase to 5,000 tpd from the end of 2024 onwards. Head grade is estimated to average 9.9 g/t, with fluctuations expected during the year as different sections of the ore body are mined. Average mill recovery for the year is estimated at 89%.

Cash operating costs are estimated to range between \$680 and \$740 per oz of gold sold in 2024, with variability expected during the year. AISC for 2024 is expected to range between \$820 and \$890 per oz of gold sold, based on an assumed gold price of \$1,900/oz and silver price of \$22.50/oz. These cost estimates reflect "steady state" operations with slightly higher unit costs anticipated compared to 2023 mainly due to increased royalties resulting from the increase in assumed gold price.

Total sustaining capital in 2024 is estimated at \$35 to \$45 million and will include preliminary works for future TSF expansion, implementation of a mine dispatch system, replacement of mobile equipment and a few

projects that will be carried over from 2023, such as upgrades to the wastewater treatment plants.

Gold production is expected to increase over the outlook period principally due to an increase in throughput and recoveries. Except for variations in gold price, the other significant factor affecting AISC is fluctuations in sustaining capital over the three-year period.

Other 2024 Activities

The Company plans to spend approximately \$36 million to increase plant throughput to 5,000 tpd and improve metallurgical recoveries with the addition of three Jameson cells. With the installation of the Jameson technology in late 2024, the Company expects gold recoveries to improve by approximately 3%.

Based on the results of its 2023 conversion drilling program, the Company intends to release updated estimates of Mineral Reserves and Resources for FDN early in 2024.

Lundin Gold also expects to continue its near-mine and regional exploration programs with a planned 56,000 metres of drilling in 2024 utilizing a minimum of nine rigs as compared to approximately 42,000 metres in 2023.

The near-mine program will focus on underground and surface drilling at or near FDN. Drilling in 2023 indicates significant potential for the extension of FDN resources at depth as well as to the east, west and south of the current resource envelope. The 2024 near-mine program is estimated to cost \$30 million and intends to drill 46,000 metres. Underground drilling will continue exploring below the current FDN resource envelope, while surface drilling in 2024 will primarily focus on the FDNS and Bonza Sur targets, as well as other targets to the north and east of FDN.

The regional program will focus on several exploration targets located in the 16 kilometre long Suarez Basin, with the objective of identifying new epithermal systems. The 2024 regional program is estimated to cost \$12 million and will drill 10,000 metres.

Consistent with the Company's dividend policy, Lundin Gold anticipates declaring quarterly dividends of at least \$0.10 per share, subject to the approval of the Board of Directors. The Company expects to review its dividend policy in the latter half of 2024.

Non-GAAP Financial Measures

This news release refers to certain financial measures, such as cash operating costs and AISC, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies. These measures have been calculated on a basis consistent with historical periods. Please refer to the Company's MD&A filed on SEDAR+ under the Company's profile at www.sedar.com, pages 14 to 17, for the third quarter of 2023 for an explanation of non-IFRS measures used.

Qualified Persons

The technical information relating to Fruta del Norte contained in this News Release has been reviewed and approved by Ron Hochstein P. Eng, Lundin Gold's President and CEO who is a Qualified Person under 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 publicly communicated on December 4, 2023 at 2:00 p.m. Pacific Time through the contact persons set out below.

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 several places, such as in statements relating to the Company's 2024 guidance and 2024-2026 outlook, including estimates of gold production, grades, recoveries and its expectations regarding ASIC, cash operating costs, sustaining costs, free cash flow and capital costs, plans to declare and pay dividends, the timing of updates to Mineral Reserve and Resource estimates and the Company's exploration plans and success. 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 31, 2023, which is available at www.lundinalgold.com or on SEDAR. 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: risks related to political and economic instability in Ecuador; risks associated with the Company's community relationships; risks related to estimates of production, cash flows and costs; risks inherent to mining operations; shortages of critical supplies; the cost of non-compliance and compliance costs; control of the Company's largest shareholders; volatility in the price of gold; failure of the Company to maintain its obligations under its debt facilities; risks related to Lundin Gold's compliance with environmental laws and liability for environmental contamination; the lack of availability of infrastructure; the Company's reliance on one mine; security risks to the Company, its assets and its personnel; risks related to illegal mining; exploration and development risks; the impacts of a pandemic virus outbreak; risks related to the Company's ability to obtain, maintain or renew regulatory approvals, permits and licenses; uncertainty with and changes to the tax regime in Ecuador; the reliance of the Company on its information systems and the risk of cyber-attacks on those systems; the imprecision of Mineral Reserve and Resource estimates; deficient or vulnerable title to concessions, easements and surface rights; inherent safety hazards and risk to the health and safety of the Company's employees and contractors; risks related to the Company's workforce and its labour relations; key talent recruitment and retention of key personnel; volatility in the market price of the Company's shares; measures to protect endangered species and critical habitats; social media and reputation; the adequacy of the Company's insurance; risks relating to the declaration of dividends; uncertainty as to reclamation and decommissioning; the ability of Lundin Gold to ensure compliance with anti-bribery and anti-corruption laws; the uncertainty regarding risks posed by climate change; limits of disclosure and internal controls; the potential for litigation; and risks due to conflicts of interest.

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For more information, please contact

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About Lundin Gold

Lundin Gold, headquartered in Vancouver, Canada, owns the Fruta del Norte gold mine in southeast Ecuador. Fruta del Norte is among the highest-grade operating gold mines in the world.

The Company's board and management team have extensive expertise in mine operations and are dedicated to operating Fruta del Norte responsibly. 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 citizens of Ecuador.