

LUNDIN GOLD PROVIDES 2026 GUIDANCE AND STRATEGIC THREE-YEAR OUTLOOK HIGHLIGHTING CONTINUED GROWTH AND EXPLORATION

Company expects continued dividend payments and evaluates expansion beyond 5,500 tpd supported by largest-ever drill program

Vancouver, BC, December 8, 2025 /CNW/ - Lundin Gold Inc. (TSX: LUG) (Nasdaq Stockholm: LUG) (OTCQX: LUGDF) ("Lundin Gold" or the "Company") is pleased to announce its 2026 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.

Jamie Beck, President and CEO commented, "2026 marks an important step forward for Lundin Gold as we continue to unlock the full potential of Fruta del Norte and its extensions. With increased throughput to 5,500 tonnes per day, sustained free cash flow generation, and the largest exploration program in our history, we are positioning the Company for long-term growth. Our investments in exploration to date are delivering tangible results, and these successes are driving future expansion opportunities, including a development decision on Fruta del Norte South ("FDNS") expected in H1 2026 and a mine to mill throughput expansion decision in H2 2026. At the same time, we remain committed to delivering strong returns to shareholders through our dividend policy. Our strategy combines operational excellence with an ambitious exploration, expansion, and development program, ensuring that Lundin Gold continues to create value well into the future."

2026 Guidance Highlights:

- Targeting between 475,000 to 525,000 ounces ("oz") of gold production.
- Maintaining competitive cost structure with cash operating costs¹ projected at \$900 to \$960 per oz and all-in sustaining cost ("AISC")¹ at \$1,110 to \$1,170 per oz of gold sold² respectively, at an assumed gold price of \$4,000 an oz.
- Investing \$75 to \$90 million in sustaining capital¹ to support long-term operational excellence.
- Investment decision expected in H1 2026 on the development of FDNS.
- Evaluating opportunities to expand the mine and mill capacity beyond 5,500 tonnes per day ("tpd") with an investment decision expected in H2 2026.
- Launching an \$85 million exploration campaign, the largest in Lundin Gold's history, with 133,000 metres of drilling planned to unlock new growth potential.
- Continuing to deliver shareholder returns through fixed quarterly dividends of \$0.30 per share and a variable dividend based on at least 50% of the Company's normalized free cash flow, after deducting the fixed quarterly dividend paid.

¹ See Non-GAAP Financial Measures section.

² Gold/silver price per oz assumptions for the three years are \$4,000/\$44.00, respectively.

The Company's guidance for the year 2026 is provided in the table below:

	2026
Gold Production (oz)	475,000 – 525,000
Mill Throughput (tpd)	5,500
Mill Head Grade (g/t Au)	8.3
Average Mill Recovery (%)	91%

Sustaining Capital ¹ (\$ million)	75 – 90
Cash operating cost ¹ (\$/oz sold) ²	900 – 960
AISC ¹ (\$/oz sold) ²	1,110 – 1,170
Exploration Program (\$ million)	85

2026 Guidance

Gold production at FDN for 2026 is estimated to be between 475,000 to 525,000 oz based on an average throughput rate of 5,500 tpd. Head grade is estimated to average 8.3 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 91%.

Cash operating costs¹ are estimated to range between \$900 and \$960 per oz of gold sold² in 2026. AISC¹ for 2026 is expected to range between \$1,110 and \$1,170 per oz of gold sold² and to fluctuate quarterly based on sustaining capital activities. Unit costs are anticipated to be higher compared to 2025 and are primarily attributable to increased royalties and statutory employee profit sharing resulting from the higher assumed gold price of \$4,000 per oz. This assumption adds approximately \$150 per oz to unit costs compared to our 2025 guidance which was based on a gold price of \$2,500 per oz.

Gold production and sales are expected to be back-end weighted in 2026 as mill head grade is expected to improve as the year progresses due to mine sequencing. This translates to lower anticipated unit costs in the second half of the year relative to the first half.

Total sustaining capital¹ for 2026 is projected to range between \$75 million and \$90 million. This investment will fund several key initiatives that support the long-term performance of the operation. A major component of this capital is the completion of the fifth raise of the tailings storage facility, which began in 2025, and commencement of the sixth raise including development of a new quarry. These raises are designed to provide additional storage capacity to accommodate higher throughput and extended mine life. Guidance also includes expenditures for infrastructure enhancements and mobile equipment overhauls or replacements.

Consistent with previous years, the Company expects its free cash flow¹ during the second quarter of 2026 to be lower than other quarters due to the payment of annual statutory profit sharing to the government and employees, along with remaining income taxes owed. This variation is expected to be more pronounced in 2026 due to the Company's strong operating and financial performance achieved to date in 2025.

FDNS Development and Mine to Mill Expansion Study

With the anticipated inclusion of the FDNS deposit into the long term mine plan, a development decision is expected in the first half of 2026. Combined with strong near-mine exploration success achieved to date, the operation is positioned to potentially increase its processing capacity beyond the current 5,500 tpd. To support this opportunity, a mine to mill expansion study is underway to evaluate the technical and economic parameters of increasing throughput beyond 5,500 tpd. The results of this study will inform an investment decision, which is expected to be made in the second half of 2026.

Details on non-sustaining capital for both the potential development of FDNS and the plant expansion will be provided once these potential opportunities are further studied and finalized.

2026 Exploration Programs

Next year is set to be a landmark year for Lundin Gold, featuring the largest exploration program in the Company's history with 133,000 metres of drilling planned. The near-mine exploration program will account for approximately 100,000 metres, combining surface and underground drilling aimed at extending the mine life of FDN. This investment will target high-grade epithermal gold deposits and advance exploration of the promising porphyry corridor, building on the strong results achieved to date.

In addition to near-mine efforts, the regional program will focus on Lundin Gold's extensive and highly prospective land package surrounding FDN. Following reconnaissance work completed in 2025, drilling of 8,000 metres is planned on advanced targets identified within this underexplored district, marking an important step in unlocking new growth opportunities.

Separately, 25,000 metres of resource conversion drilling is anticipated in 2026 to support updated Mineral Reserve and Resource estimates. The total investment in our 2026 exploration program is estimated at \$85 million, underscoring Lundin Gold's commitment to growth through exploration.

2026 – 2028 Outlook

The Company's outlook for production, sustaining capital¹ and AISC¹ for the next three years is provided in the table below:

	2026	2027	2028
Gold Production (oz)	475,000 - 525,000	475,000 - 525,000	475,000 - 525,000
Sustaining Capital ¹ (\$ million)	75 - 90	80 - 95	50 - 85
Cash operating cost (\$/oz sold) ^{1, 2}	900 - 960	900 - 960	905 - 965
AISC (\$/oz sold) ^{1, 2}	1,110 - 1,170	1,110 - 1,180	1,060 - 1,170

The Company's outlook reflects its current growth strategy, including the potential mine to mill expansion beyond 5,500 tpd. Production levels for 2028 may vary depending on the outcome of the expansion study and its investment decision.

Dividend

Consistent with the Company's dividend policy and subject to the approval of the Board of Directors, Lundin Gold anticipates continuing to pay a fixed quarterly dividend of \$0.30 per share and a variable quarterly dividend based on at least 50% of the Company's normalized free cash flow, after deducting the fixed quarterly dividend paid during the preceding quarter.

Non-GAAP Financial Measures

This news release refers to certain financial measures, such as cash operating costs, AISC, sustaining capital, non-sustaining capital, and free cash flow, 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.sedarplus.ca, pages 13 to 16, for the third quarter of 2025 for an explanation of non-IFRS measures used.

¹ See Non-GAAP Financial Measures section.

² Gold/silver price per oz assumptions for the three years are \$4,000/\$44.00, respectively.

Qualified Persons

The technical information relating to FDN contained in this News Release has been reviewed and approved by Terry Smith P. Eng, Lundin Gold's COO, who is a Qualified Person in accordance with the requirements of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). The disclosure of exploration information contained in this press release was prepared by Andre Oliveira, P.Geo, Lundin Gold's V.P. Exploration, who is a Qualified Person in accordance with the requirements of NI 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 8, 2025 at 2:30 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 2026 guidance and 2026-2028 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, FDNS development and mine to mill expansion 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 17, 2025, which is available at www.lundinalgold.com or www.sedarplus.ca. 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: instability in Ecuador; community relations; reliability of power supply; tax changes in Ecuador; security; availability of workforce and labour relations; mining operations; waste disposal and tailings; environmental compliance; illegal mining; Mineral Reserve and Mineral Resource estimates; infrastructure; regulatory risk; government or regulatory approvals; forecasts relating to production and costs; gold price; dependence on a single mine; shortages of critical resources; climate change; exploration and development; control of Lundin Gold; dividends; information systems and cyber security; title matters and surface rights and access; health and safety; human rights; employee misconduct; measures to protect biodiversity, endangered species and critical habitats; global economic conditions; competition for new projects; key talent recruitment and retention; market price of the Company's shares; social media and reputation; insurance and uninsured risks; pandemics, epidemics or infectious disease outbreak; conflicts of interest; violation of anti-bribery and corruption laws; internal controls; claims and legal proceedings; and reclamation obligations.

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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 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 through operational excellence and growth, while simultaneously providing economic and social benefits to impacted communities, fostering a healthy and safe workplace and minimizing the environmental impact. Furthermore, Lundin Gold is focused on continued exploration on its extensive and highly prospective land package to identify and develop new resource opportunities to ensure long-term sustainability and growth for the Company and its stakeholders.