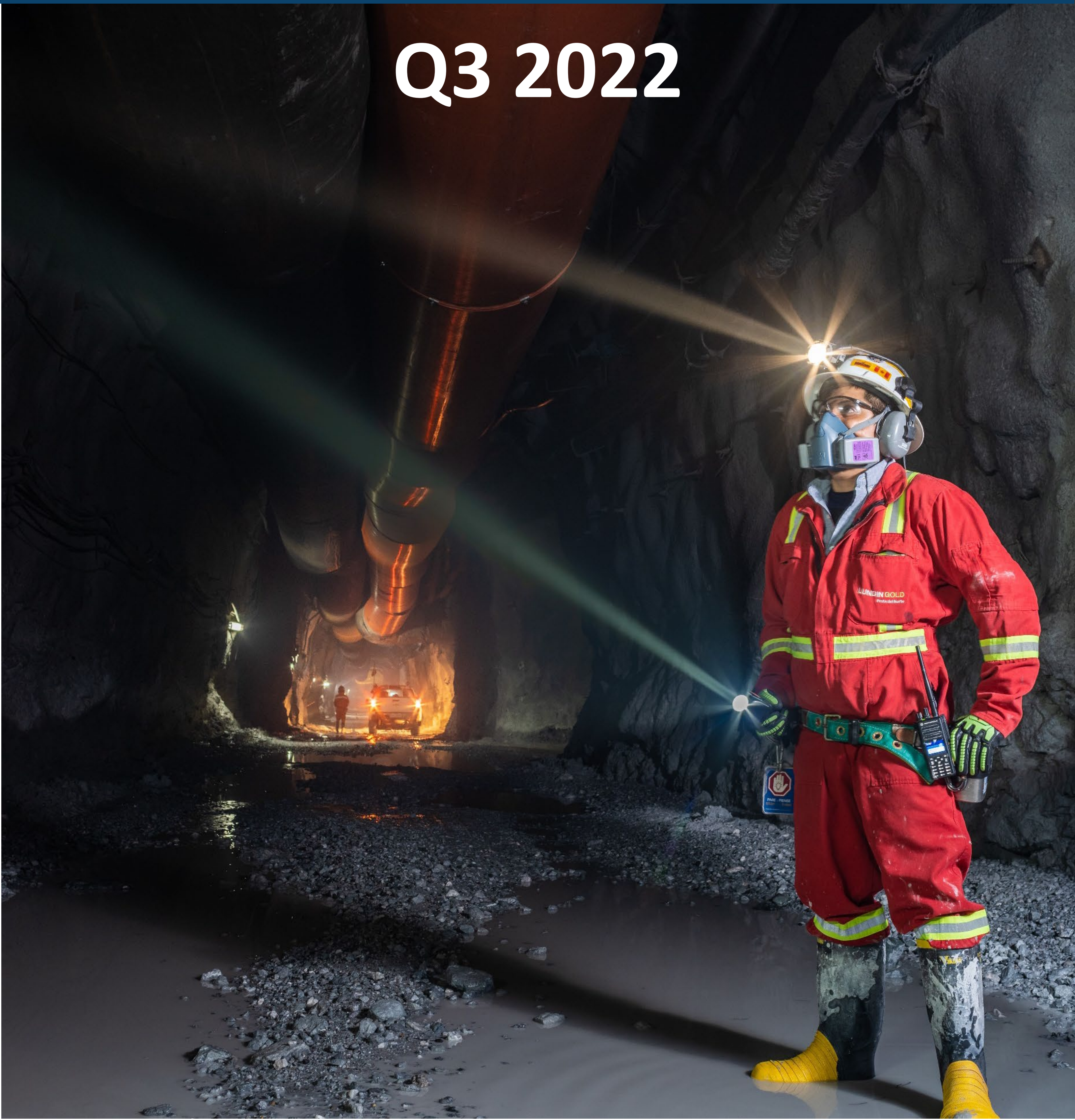
LUNDIN GOLD

Building a leading Gold Company
through responsible mining



Q3 2022

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Lundin Gold Inc. and its subsidiary companies (collectively, "Lundin Gold" or the "Company") provides a detailed analysis of the Company's business and compares its financial results for the three and nine months ended September 30, 2022 with those of the same period from the previous year.

This MD&A is dated as of November 8, 2022 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes thereto for the three and nine months ended September 30, 2022, which are prepared in accordance with IAS 34: Interim Financial Statements, and the Company's audited annual consolidated financial statements and related notes thereto, which are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), and the MD&A for the fiscal year ended December 31, 2021. References to the "2022 Period" and "2021 Period" relate to the nine months ended September 30, 2022 and September 30, 2021, respectively.

Other continuous disclosure documents, including the Company's press releases, quarterly and annual reports and annual information form, are available through its filings with the securities regulatory authorities in Canada at www.sedar.com.

Lundin Gold, headquartered in Vancouver, Canada, owns 27 metallic mineral concessions and three construction material concessions covering an area of approximately 64,270 hectares in southeast Ecuador, including the Fruta del Norte gold mine ("Fruta del Norte" or "FDN"). Fruta del Norte is comprised of seven concessions covering an area of approximately 5,566 hectares and is located approximately 140 km east-northeast of the City of Loja. Fruta del Norte is one of the highest-grade gold mines in production in the world today.

The Company's board and management team have extensive expertise and are dedicated to operating Fruta del Norte responsibly and pursuing growth. 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 operations of Fruta del Norte will benefit its shareholders, the Government and the citizens of Ecuador.

THIRD QUARTER 2022 HIGHLIGHTS AND ACTIVITIES

Quarterly production exceeded 120,000 ounces ("oz") for the second time this year, confirming the continued strong operating performance of the FDN mine. The Company sold 134,640 oz of gold at a cash operating cost[1] of $656 per oz sold and all-in sustaining cost ("AISC")[1] of $807 per oz sold. From this, net revenues, adjusted earnings[1], and free cash flow[1] of $210 million, $20.4 million, and $65.2 million, respectively, were realized during the quarter resulting in a cash balance of $304 million at quarter end.

With operations at FDN generating sizeable free cash flow and considering the Company's existing cash balance, the Company paid an inaugural semi-annual dividend of $0.20 per share on September 13, 2022 (September 15 for shares trading on Nasdaq Stockholm) based on a record date of August 24, 2022. Under its recently established dividend policy, the Company anticipates continuing to pay dividends of at least $0.40 per share annually, equivalent to approximately $100 million, based on current gold prices, expected production levels, and on current issued and outstanding shares.

The Company's processing throughput was slightly below the design capacity of 4,200 tonnes per day ("tpd") for the quarter, with a SAG and ball mill re-lining completed in late September rather than October, as originally planned. Sustaining capital expenditures, a figure included in the AISC[1] calculation, accounted for $91 per oz sold and are expected to remain high for the remainder of the year. These include construction of the third tailings dam raise, the most significant cost in 2022, for which completion is anticipated shortly.

Activity on the last remaining original construction project, the South Ventilation Raise, continued with the slash and line of the raise completed right after quarter end. The commissioning of the fans was completed shortly thereafter, and the raise is now operational.

[1] Refer to "Non-IFRS Measures" section.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

Based on continuing strong operating results in 2022, the Company is confident that it will end the year at the high end of its production guidance of 430,000 to 460,000 oz and at the low end of or slightly below its AISC[1] guidance of $820 to $870 per oz sold.

The following two tables provide an overview of key operating and financial results achieved during 2022 compared to the same periods in 2021.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Tonnes ore mined	377,921	382,667	1,126,980	1,145,778
Tonnes ore milled	379,258	365,316	1,138,340	1,036,468
Average mill head grade (g/t)	11.0	10.3	10.9	10.9
Average recovery	90.3%	88.8%	89.4%	88.2%
Average mill throughput (tpd)	4,122	3,971	4,170	3,797
Gold ounces produced	121,635	107,663	355,190	320,599
Gold ounces sold	134,640	111,605	350,213	318,822

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Revenues ($'000)	210,425	190,753	604,705	546,889
Income from mining operations ($'000)	83,930	89,431	277,659	264,066
Earnings before interest, taxes, depreciation, and amortization ($'000)[1]	158,876	112,832	402,386	352,475
Adjusted earnings before interest, taxes, depreciation, and amortization ($'000)[1]	117,038	113,468	355,286	327,187
Net income ($'000)	62,673	56,673	141,817	192,637
Free cash flow ($'000)[1]	65,202	47,114	178,256	193,689
Average realized gold price ($/oz sold)[1]	1,618	1,769	1,781	1,770
Cash operating cost ($/oz sold)[1]	656	650	656	635
All-in sustaining costs ($/oz sold)[1]	807	804	785	778
Free cash flow per share ($)[1]	0.28	0.20	0.76	0.84
Adjusted net earnings ($'000)[1]	20,379	58,796	91,419	171,005
Adjusted net earnings per share ($)[1]	0.09	0.25	0.39	0.74

[1] Refer to "Non-IFRS Measures" section.

The difference between net income and adjusted earnings during the three months ended September 30, 2022 is due to non-cash derivative gains of $41.8 million (nine months ended September 30, 2022: $47.1 million) associated with fair value accounting for the gold prepay and stream facilities. These non-cash items are driven by numerous factors including expected production profile, anticipated forward gold prices, and yields. Non-cash derivative gains (or losses) associated with decreased (or increased) short-term production and anticipated decreasing (or increasing) forward gold prices are recorded in the statement of operations, while non-cash derivative gains (or losses) associated with increasing (or decreasing) yields are recorded in the statement of other comprehensive income.

These non-cash gains or losses are derived from complex valuation modelling and accounting treatment which are explained in more detail later in this MD&A. Revaluation of these obligations has and will continue to result in considerable period-to-period volatility in the Company's net income, comprehensive income, current and long-term liabilities and do not necessarily reflect the amounts that will actually be repaid when the obligations become due.

Operating Results During the Third Quarter of 2022

While quarterly revenues were affected by the declining gold price, they were positively impacted by the sale of additional ounces produced late in the second quarter but not shipped and sold until the third quarter. This was due to blockades on some of Ecuador's major highways during a national strike in the country, which ended on June 30th and resulted in a positive impact on revenues, income from mining operations, earnings, and cash flow in Q3 2022.

- Mine production was 377,921 tonnes of ore at an average grade of 12.4 grams per tonne. Consistent with the previous quarter, efforts are underway to reduce the ore stockpile in order to minimize future potential oxidization of ore as it affects mill recoveries.
- The mill processed 379,258 tonnes of ore at an average throughput rate of 4,122 tpd, slightly below design capacity due to an earlier than planned SAG and ball mill re-lining completed in late September.
- The average grade of ore milled was 11.0 grams per tonne with average recovery at 90.3%. Recoveries in the third quarter were positively impacted by the higher grade and improved blending strategies put in place to reduce the impact of oxidized ore.
- Gold production was 121,635 oz, comprised of 81,607 oz of concentrate and 40,028 oz of doré. The Company sold a total of 134,640 oz of gold, consisting of 88,083 oz of concentrate and 46,557 oz of doré at an average realized gold price[1] of $1,618 per oz for total gross revenues from gold sales of $218 million. Net of treatment and refining charges, revenues were $210 million. As a result of the recent decline in the gold price, revenues from concentrate sales reflect a gold price adjustment of $10.8 million for sales whose provisional gold price is settled after quarter end. This adjustment is estimated using the forward gold price at quarter end for the expected month of settlement of each individual sale.
- Cash operating costs[1] and AISC[1] were $656 and $807 per oz of gold sold, respectively. Sustaining capital is expected to remain high in the last quarter of the year due to the ongoing construction of the third tailings dam raise and other site infrastructure projects.
- Income from mining operations was $83.9 million. The Company generated cash flow of $105 million from operations and ended the quarter with a cash balance of $304 million. Free cash flow[1] for the quarter was $65.2 million or $0.28 per share.
- Earnings before interest, taxes, depreciation, and amortization[1] ("EBITDA") and adjusted EBITDA[1] were $159 million and $117 million, respectively. The difference is the derivative gain of $41.8 million in the quarter.
- Net income was $62.7 million including a derivative gain of $41.8 million, and net of corporate, exploration, finance costs, and associated taxes on earnings. Adjusted earnings[1], which exclude derivative gains, were $20.4 million, or $0.09 per share. Net income was positively impacted by the recording of gold sales from the delay of shipments of gold concentrate from the second quarter, offset by the lower gold price realized on sales in Q3 2022.

[1] Refer to "Non-IFRS Measures" section.

Capital Expenditures

South Ventilation Raise ("SVR")

- Work on the SVR continued with slash and lining of the raise which was completed just after quarter end. The commissioning of the fans has since also been completed bringing the last element of FDN's original construction project to its conclusion. As a result of the completion of the SVR, ventilation in the mine will increase from 180 m^3/s to 350 m^3/s resulting in improved efficiencies and enabling mining activities on all levels.

Sustaining Capital

- The third raise of the tailings dam, started during the second quarter, continued in Q3 and construction is anticipated to be completed in Q4.
- The conversion drilling program at Fruta del Norte is now complete for 2022 and final results were received during the quarter. The results of the 18,341 metre conversion drilling campaign will provide a significant improvement in the current deposit geological model by enabling better delineation of the distribution of and controls on higher grade mineralized zones within the known resource. A new resource model is underway, and the Company anticipates updating its estimates of Mineral Resources and Reserves at Fruta del Norte before the end of Q1 2023.
- Expenditures for other sustaining capital projects, such as construction of a new warehouse and improvements in the sewage treatment plants, will ramp up during the remainder of the year.

Health and Safety and Community

Health and Safety

- With the Company's success in facilitating the provision of COVID-19 vaccines to its workforce and sub-contractor personnel, including booster shots, COVID-19 protocols have been essentially eliminated. Through vaccination campaigns by Ecuador's Ministry of Public Health, 100% of the Company's employees and on-site contractors were vaccinated and, as at September 30, 2022, 97.8% had received at least one booster shot.
- During the quarter there was one Lost Time Incident and no Medical Aid Incidents.
- The Total Recordable Incident Rate was 0.33 per 200,000 hours worked during the 2022 Period.

Community

- Various community projects supported by the Company are under way, including sponsoring the establishment of micro businesses providing ancillary services to Fruta del Norte and the community, such as a textile manufacturer, fire extinguisher maintenance, and pest control. These are in addition to the ongoing projects such as road maintenance, education projects, and broader-based development, with a focus upon the agricultural sector and infrastructure challenges.
- The Company continues to implement a range of other initiatives. They include working with Shuar indigenous communities to promote improved agricultural practices, as well as the further development of a Shuar-owned company. Together with the NGO Junior Achievement Ecuador, efforts to prepare local students for the national high school exit exam (and thus access to post-secondary education) continue to show very strong results. Efforts to address social challenges in the local community have continued, for example through the ongoing implementation of after-school activities.

Exploration

Near Mine Exploration Program

The Company's 2022 near mine exploration started in Q3 2022 with two rigs testing potential targets both at depth and to the south of Fruta del Norte. During the third quarter of 2022, a total of 3,936 metres were drilled across eight holes.

- 1,953 metres were completed across five underground drill holes testing FDN's continuity at depth in the southern portion of the mine. All the holes intercepted similar hydrothermal alteration zones consistent with the Fruta del Norte deposit (silicification, chalcedony and marcasite, veins, and veinlets or breccias), with different intensities and thickness.
- 1,983 metres were completed across three surface drill holes to test the southern continuity of the main controlling structures of the Fruta del Norte deposit. Drilling intercepted a wide zone of intense hydrothermal alteration represented by silicification, chalcedony veins, pyrite and marcasite.

Results are pending. Drilling is continuing with a third rig now added to test the east structure of Fruta del Norte.

Regional Exploration Program
The Company's 2022 regional exploration continued on the Barbasco target and at new targets, Capullo and Barbasco Norte, with three drill rigs turning. During the third quarter of 2022, a total of 6,187 metres were drilled across nine holes, mainly at Barbasco and Capullo.

- Two drill holes were completed at Barbasco Norte for a total of 1,327 metres to test a continuous geochemical gold soil anomaly at the edge of the Suarez Basin. Drilling intercepted a narrow hydrothermal alteration zone with quartz veins and illite-smectite-carbonate alteration, similar to that found in epithermal systems like Fruta del Norte.
- At Barbasco, drilling continued to explore beneath the thick sequence of finely laminated silica on top of the volcanic rocks in the Santiago Formation, a proximal indicator of epithermal systems. Three drill holes were completed for a total of 2,700 metres with limited hydrothermal alteration intercepted.
- At Capullo, a total of 2,159 metres were drilled across four holes. Drilling tested a major geological fault, associated with anomalous geochemical values for gold and epithermal pathfinder elements in rock samples. The first hole intersected a hydrothermal alteration zone containing a one meter breccia zone with silica, carbonate veinlets, enveloped by a wider 15 metres silica alteration with disseminated sulfides. Other follow up drill holes intersected narrower zones.

Results are pending. Drilling is continuing with two drill rigs, one at Barbasco Norte and one to test other targets such as Capullo and Quebrada La Negra, before the end of the year.

Newcrest Earn-In Agreement
- Newcrest International Pty Ltd. ("Newcrest"), a wholly owned subsidiary of Newcrest Mining Limited, met the first expenditure requirement of $4.0 million under the Earn-In Agreement covering eight of Lundin Gold's early-stage concessions to the north and south of Fruta del Norte and exercised its option to proceed to the second stage of the earn-in in Q2 2022. Through completion of the second stage, which requires the expenditure of a further $6.0 million, Newcrest would earn an initial 25% interest in the eight concessions indirectly through a subsidiary of Lundin Gold. Newcrest is advancing the planning of a new program focused on drill testing priority copper-gold porphyry targets which to date detected low-level porphyry style copper mineralization. Drilling is anticipated to restart in late Q4 2022.

<u>Corporate</u>

- The Company paid an inaugural semi-annual dividend of $0.20 per share on September 13, 2022 (September 15 for shares trading on Nasdaq Stockholm) based on a record date of August 24, 2022, for a total of $47.0 million.
- Near the end of Q2 2022, the Company upgraded the trading of common shares in the U.S. to the OTCQX Market under the symbol LUGDF. In Q3 2022, its common shares also became eligible for electronic clearing and settlement in the U.S. through the Depository Trust Company simplifying the process of trading with the objective of enhancing the liquidity of Lundin Gold shares in the U.S.
- During the quarter and in line with the effective conclusion of the FDN construction and expansion projects, Mr. Dave Dicaire, the Company's Vice President Projects, departed Lundin Gold.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The Company's quarterly financial statements are reported under IFRS as applicable to interim financial reporting. The following table provides highlights from the Company's financial statements for the past eight quarters (unaudited).

	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Revenues	$ 210,425	$ 177,808	$ 216,472	$ 186,440
Income from mining operations	$ 83,930	$ 82,522	$ 111,207	$ 91,646
Derivative gain (loss) for the period	$ 41,838	$ 39,986	$ (34,724)	$ (36,001)
Net income for the period	$ 62,673	$ 55,962	$ 23,182	$ 28,789
Basic income per share	$ 0.27	$ 0.24	$ 0.10	$ 0.12
Diluted income per share	$ 0.26	$ 0.24	$ 0.10	$ 0.12
Weighted-average number of common shares outstanding				
Basic	235,165,784	234,933,975	233,809,773	233,211,843
Diluted	236,882,976	236,847,992	235,774,444	235,376,672
Additions to property, plant and equipment	$ 15,178	$ 14,532	$ 9,184	$ 5,266
Total assets	$ 1,634,590	$ 1,664,030	$ 1,735,223	$ 1,685,113
Long-term debt	$ 589,919	$ 645,724	$ 752,482	$ 739,977
Working capital	$ 253,673	$ 253,921	$ 273,680	$ 217,221

	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Revenues	$ 190,753	$ 216,145	$ 139,991	$ 189,250
Income from mining operations	$ 89,431	$ 110,604	$ 64,031	$ 94,857
Derivative gain (loss) for the period	$ (636)	$ (25,599)	$ 51,523	$ (90,673)
Net income (loss) for the period	$ 56,673	$ 49,984	$ 85,980	$ (1,233)
Basic income (loss) per share	$ 0.24	$ 0.22	$ 0.37	$ (0.01)
Diluted income (loss) per share	$ 0.24	$ 0.21	$ 0.37	$ (0.01)
Weighted-average number of common shares outstanding				
Basic	232,723,880	231,998,447	230,751,034	230,039,327
Diluted	235,017,999	234,508,000	233,634,540	230,039,327
Additions to property, plant and equipment	$ 20,101	$ 16,157	$ 12,240	$ 23,307
Total assets	$ 1,630,830	$ 1,590,849	$ 1,502,715	$ 1,505,360
Long-term debt	$ 748,856	$ 772,361	$ 776,881	$ 857,094
Working capital	$ 136,139	$ 109,010	$ 57,571	$ 56,603

Three months ended September 30, 2022 compared to the three months ended September 30, 2021

The Company generated net income of $62.7 million during the third quarter of 2022 compared to $56.7 million during the third quarter of 2021. Net income was generated from the recognition of revenues of $210 million and income from mining operations of $83.9 million as well as a derivative gain of $41.8 million and other income of $4.9 million, offset by finance expense of $22.2 million, income tax expense of $35.9 million, and other expenses totalling $9.9 million. During the third quarter of 2021, net income of $56.7 million was generated from the recognition of revenues of $191 million and income from mining operations of $89.4 million. This was offset by a derivative loss of $0.6 million, finance expense of $11.4 million, income tax expense of $16.0 million, and other expenses totalling $4.7 million.

Income from mining operations

Net income from mining operations decreased slightly compared to the same quarter in 2021 ($83.9 million versus $89.4 million), principally driven by the decline in the gold price, partially offset by higher ounces sold. Cost of goods sold of $126 million was comprised of operating expenses of $75.6 million; royalties of $12.8 million; and depletion and depreciation of $38.1 million. During the same period in 2021, cost of goods sold was $101 million.

Exploration

Exploration costs were $5.0 million in the quarter (2021: $2.5 million). Activities consisted of drilling on two programs, the regional program and the newly initiated near-mine program, both from underground and on surface. The Company is placing an increased focus on exploration consistent with its long-term objective to find new resources on its very prospective concessions within the basin that hosts FDN.

Corporate administration

The increase in third quarter corporate administration costs in 2022 compared to 2021 ($5.0 million versus $3.1 million) was due principally to an increase in travel following the relaxation of COVID related restrictions as well as final compensation for a departing executive.

Finance expense

Notwithstanding the progressive repayment of the Company's loans, finance expense was higher in the third quarter of 2022 compared to the same period in 2021 ($22.2 million versus $11.4 million). This higher expense is mainly due to the recording of Finance Charges under the gold prepay and stream credit facilities, which started in late 2021 and is expected to continue in future periods. Higher LIBOR rates also impacted this cost.

Other expense (income)

Other income of $4.9 million was recognized during the quarter compared to $0.9 million in the third quarter of 2021. This is mainly driven by foreign exchange gains which are derived from the quantum of U.S. dollar cash held by Canadian group entities and movements in the foreign exchange rate. As the functional currency of the Canadian entities is the Canadian dollar, a strengthening of the U.S. dollar against the Canadian dollar during the period generates an unrealized gain in terms of Canadian dollars.

Derivative gain or loss

A derivative gain of $41.8 million was recorded on the statement of operations during the third quarter of 2022 compared to a derivative loss of $0.6 million in the third quarter of 2021. This is largely the result of lower forward gold prices at the end of the relevant quarter compared to the beginning of the same quarter, which in turn causes the change in estimated fair values of the gold prepay, stream, and offtake facilities which are accounted for as financial liabilities measured at fair value and is more fully explained below.

Income taxes

Income taxes of $35.9 million were accrued during the third quarter of 2022 (2021: $16.0 million) which is comprised of current and deferred income tax expenses of $14.6 million and $21.3 million, respectively. In addition to corporate income taxes in Ecuador which are levied at a rate of 22%, income tax expense includes a 5% Ecuadorean withholding tax on the anticipated portion of net income generated from FDN to be paid in the form of dividends, and an accrual for the portion of profit sharing payable to the Government of Ecuador which is calculated at the rate of 12% of the estimated net income for tax purposes for the quarter. The employee portion of profit sharing payable, calculated at the rate of 3% of net income for tax purposes is considered an employee benefit and is included in operating expenses.

Deferred income taxes are not comparable between the same periods in 2022 and 2021 as the 2021 amount was reduced by the recording of previously unrecognized deferred tax assets. Full recognition of the deferred tax assets occurred by the end of 2021.

Nine months ended September 30, 2022 compared to the nine months ended September 30, 2021

The Company generated net income of $142 million during the 2022 Period compared to $193 million during the 2021 Period. During the 2022 Period, the recognition of revenues of $605 million generated income from mining operations of $278 million. Derivative gains of $47.1 million and other income of $5.5 million were also recorded. This was offset by finance expense of $77.9 million, income tax expense of $85.4 million, and other expenses totalling $25.1 million. During the 2021 Period, net income of $193 million was generated, inclusive of derivative gains of $25.9 million, and net of finance expense of $23.7 million, income tax expense of $25.2 million and other expenses totalling $17.0 million. The most significant differences between 2022 and 2021 are the recognition of Finance Charges and deferred income tax expenses in 2022.

Income from mining operations

During the 2022 Period, the Company recognized income from mining operations of $278 million from revenues of $605 million. This is offset by cost of goods sold of $327 million which is comprised of operating expenses of $194 million; royalties of $35.5 million; and depletion and depreciation of $97.2 million. During the same period in 2021, revenues were lower for the 2021 Period at $547 million due mainly to fewer ounces of gold sold partially offset by slightly lower operating costs.

Exploration

Exploration drilling has become a focus of the Company's activities outside of FDN in 2022 and include both a regional program and a near mine drill program started in Q3. This explains the higher costs in the 2022 Period compared to the 2021 Period.

Corporate administration

Corporate administration costs of $14.6 million were incurred during the 2022 Period compared to $10.8 million during the 2021 Period. This difference is mainly attributable to increased travel following the relaxation of COVID related restrictions, higher regulatory and professional fees incurred on account of corporate matters and final compensation for a departing executive.

Finance expense

Finance expense of $77.9 million was incurred during the 2022 Period compared to $35.2 million during the 2021 Period. This higher expense is mainly due to the recording of Finance Charges under the gold prepay and stream credit facilities, which started in late 2021 and is expected to continue in future periods. Higher LIBOR rates also impacted this cost.

Other expense (income)

Other income, which is mainly made up of foreign exchange gains, of $5.5 million was recorded during the 2022 Period compared to other expense of $0.5 million during the 2021 Period. The foreign exchange gain is mainly driven by the quantum of U.S. dollar cash held by the Canadian group entities and movements in the foreign exchange rate.

Income taxes

Income taxes of $85.4 million were accrued during the 2022 Period compared to $44.1 million during the 2021 Period. Income tax expense is generated from net income for tax purposes in Ecuador relating to operations at Fruta del Norte. During the 2021 Period, previously unrecognized deferred income tax assets were realized which offset a portion of income tax expense. Remaining deferred income tax assets were recognized as at December 31, 2021. Therefore, this offset was not available during the 2022 Period.

Derivative gain or loss

Derivative gains and losses in the statement of operations and other comprehensive income are driven by the Company's gold prepay and stream facilities debt obligations that are classified as financial liabilities measured at fair value. During the 2022 Period, the Company made scheduled principal, interest and finance charge repayments totaling $56.4 million (2021: $51.6 million) under its gold prepay facility and $39.1 million (2021: $31.9 million) under its stream facility, based on gold and silver prices at the time of repayment. In addition, a non-cash decrease of these debt obligations of $57.6 million was recognized due to a change in their estimated fair values between December 31, 2021 and September 30, 2022 (2021: a decrease of $8.7 million between December 31, 2020 and September 30, 2021). This variation is recorded as derivative gains, or losses, in the statement of operations and other comprehensive income in the applicable period. The fair values calculated under the Company's accounting policies are based on numerous estimates noted below as of the balance sheet date and are, therefore, subject to further future variations until the debt obligations are repaid by the Company.

These debt balances are valued using Monte Carlo simulation valuation models. The key inputs used by the Monte Carlo simulation include gold and silver forward prices, the Company's expectation about long-term gold yields, gold and silver volatility, risk-free rate of return, risk-adjusted discount rate, and production expectations. Relatively small variations in some of these inputs can give rise to significant variations in the fair value of financial liabilities; hence, the large derivative gains and losses recorded in the accounts to date.

Key drivers of current fair values are forward gold and silver prices and the Company's risk adjusted discount rate. The combined net impact of these three factors is a net decrease in the fair value of the gold prepay and stream credit facilities as described more fully below, in addition to the decrease from the scheduled repayments during the period:

- The value of future repayments under the gold prepay and stream credit facilities are based on forward gold and silver price estimates at time of repayment. Spot gold prices at September 30, 2022 were lower compared to December 31, 2021 and as a result, forward prices have followed suit. This has resulted in a decrease in the estimated fair value of the debt obligations at the current balance sheet date and the recognition of derivative gains in the statement of operations for the 2022 Period. The same occurred in the 2021 Period. Fair values at a point in time do not necessarily reflect the amounts that will actually be repaid when the obligations become due in the future. While significant derivative gains or losses will continue to be recognized at each reporting period, the potentially more significant impact of the same change in forward gold and silver prices on the value of future production and revenue forecasts to be generated during the same periods when the debt obligations will be repaid cannot be recognized because of the inherent uncertainty and risks associated with actually realizing such production and sales.

- The discount rate used to determine the current fair value of future payments under the gold prepay and stream credit facilities is dependent not only on the Company's own weighted average cost of capital, but also on market conditions. These include inflation, interest rates, economic conditions, both local and industry specific, and other factors outside of the Company's control. The change in fair value due to a variation in credit risk must be recorded as a loss or gain in other comprehensive income ("OCI") rather than in the statement of operations. During the 2022 Period, yields increased resulting in a decrease in the fair value of the gold prepay and stream facilities and the recording of derivative gains in OCI. The tax impact of the derivative gains in other comprehensive income during the 2022 Period must also be recorded. This results in a deferred income tax expense in the statement of operations as an offset to the deferred income tax recovery in other comprehensive income.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2022, the Company had cash of $304 million and a working capital balance of $254 million compared to cash of $263 million and a working capital balance of $217 million at December 31, 2021. The change in cash during the 2022 Period was primarily due to cash generated from operating activities of $293 million and proceeds from the exercise of stock options, warrants, and anti-dilution rights of $9.4 million. This is offset by principal repayments, interest and finance charges, including associated taxes, under the gold prepay and stream credit facilities totalling $95.5 million, interest and principal repayments under the senior debt of $72.5 million, dividends of $47 million and cash outflows of $44.6 million for capital expenditures, which include costs for the SVR and sustaining capital.

Trade receivables

The majority of trade receivables represent the value of concentrate and doré sold as at period end for which the funds are not yet received. Trade receivables on September 30, 2022 are similar in quantum to the year ended December 31, 2021 as higher volumes of ounces sold are offset by the impact of the lower price of gold. Revenues and related trade receivables for concentrate sales are initially recorded at provisional gold prices. Subsequent determination of final gold prices can range from one to four months after shipment depending on the customer. For sales that are provisionally priced at quarter end, an estimate of the adjustment to the trade receivable is calculated based on the expected month when the final gold price is forecast to be determined and the related forward price of gold at the end of the reporting period. At September 30, 2022, this resulted in an estimated reduction of $10.8 million ($nil at December 31, 2021) to revenues and trade receivables.

Consistent with industry standards, concentrate sales have relatively long payment terms and are not fully settled until concentrate is received by the customer and related final assays confirmed, generally two to five months after the export sale occurs. There is no recorded allowance for credit losses. In determining the recoverability of trade receivables, the Company assesses the credit quality of the counterparty, with the concentration of the credit risk limited due to the nature of the counterparties involved and a history of no credit losses.

VAT receivables

Subject to the submission of monthly claims and their acceptance by the applicable authorities, VAT paid in Ecuador by the Company after January 1, 2018 are expected to be refunded or applied, based on the level of export sales in any given month, as a credit against other taxes payable. A portion of the VAT recoverable has been reclassified as current assets based on the Company's assessment of the estimated time for processing VAT claims during the next twelve months.

Advanced royalties

Advance royalties are deductible against future royalties on sales payable to the Government of Ecuador at a rate equal to the lesser of 50% of the actual future royalties payable in a six-month period or 10% of the total advance royalty payment. A portion of the advance royalty payment is classified as current assets based on expected utilization over the next twelve months.

Inventories

Gold inventory is recognized in the ore stockpiles and in production inventory, comprised principally of concentrate and doré at site or in transit to port or to the refinery, with a component of gold-in-circuit. The high value of material and supplies, comprised of consumables and spare parts, reflects the Company's assessment of the procurement cycles due to the remoteness of FDN and the increase in delivery times experienced. Inventories have increased from December 31, 2021 to September 30, 2022 primarily due to an increase in the value of doré and concentrate inventory and higher costs of materials and supplies on hand.

Investment activities

Investment activities during the 2022 Period are comprised principally of costs for the SVR and sustaining capital at FDN. Sustaining capital includes the costs of the TSF third raise, conversion drilling, construction of a new warehouse, improvements in a sewage treatment plant and other capital projects.

Liquidity and capital resources

The Company generated strong operating cash flow during the 2022 Period and expects to continue to do so for the remainder of the year based on its revised production and AISC guidance. At current gold prices, this strong operating cash flow will continue to support aggressive debt repayments, regional and near mine exploration, planned capital expenditures, growth initiatives and regular dividend payments under the dividend policy approved in the second quarter of this year.

Monthly payments under the stream facility will continue based on 7.75% and 100% of gold and silver ounces sold, respectively, calculated at the current gold and silver prices at the end of each month, less $400 and $4 per oz, respectively. Quarterly payments under the gold prepay facility are expected to be based on the current value of 9,775[1] oz of gold at the end of each quarter.

With the achievement of construction completion, as defined under the senior debt facilities, in December 2021, additional quarterly principal repayments based on 30% of Fruta del Norte's excess cash flow, also a defined term in the senior debt facilities, commenced in 2022 (the "Cash Sweep"). Accordingly, in addition to the scheduled variable quarterly repayments the Company has and will continue to accelerate the repayment of its senior debt based on this Cash Sweep. The current portion of long-term debt includes an estimate of the total quarterly principal repayments due in the twelve months following the reporting period, inclusive of the Cash Sweep.

FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, cash equivalents and certain receivables, which are categorized as financial assets at amortized cost, and accounts payable and accrued liabilities, which are categorized as financial liabilities at amortized cost. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. In addition, the gold prepay credit facility; stream loan credit facility; and offtake commitment have been classified as financial liabilities measured at fair value and the senior debt facility as a financial liability at amortized cost. Further, provisionally priced trade receivables of $82.7 million (December 31, 2021 - $75.7 million) are measured at fair value using quoted forward market prices.

The Company's financial instruments are exposed to a variety of financial risks by virtue of its activities.

Currency risk

Lundin Gold is a Canadian company, with foreign operations in Ecuador. Revenues generated and expenditures incurred in Ecuador are primarily denominated in U.S. dollars, as are its loan facilities. However, equity capital, if needed, is typically raised in Canadian dollars. As such, the Company is subject to risk due to fluctuations in the exchange rates of foreign currencies. Although the Company does not enter into derivative financial instruments to manage its exposure, the Company tries to manage this risk by maintaining most of its cash in U.S. dollars.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The majority of the Company's cash is held in large financial institutions with a high investment grade rating. The Company is also subject to credit risk associated with its trade receivables. The Company manages this risk by only selling to a small group of reputable customers with strong financial statements.

Interest rate risk

The Company is subject to interest rate risk with respect to the fair value of long-term debt which are accounted for at fair value through profit or loss and on the senior debt facilities for which interest payments are affected by movements to the LIBOR rate.

[1] This parameter increases to 11,500 oz and 13,225 if the gold price during the immediately preceding quarter is less than $1,436 and less than $1,062, respectively.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. Cash flow forecasting is performed regularly to monitor the Company's liquidity requirements to ensure it has sufficient cash to always meet its operational needs. In addition, management is actively involved in the review, planning and approval of significant expenditures and commitments.

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices of gold and silver. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of substitutes, inflation, and political and economic conditions. The Company has not hedged the price of any commodity at this time.

The fair value of a portion of the Company's trade receivables as well as its gold prepay and the stream credit facilities, which are accounted for at fair value through profit or loss, are impacted by fluctuations of commodity prices.

COMMITMENTS

Significant capital expenditures contracted as at September 30, 2022 but not recognized as liabilities are as follows:

		Capital expenditures
12 months ending September 30, 2023	$	11,679
October 1, 2023 onward		-
Total	$	11,679

OFF-BALANCE SHEET ARRANGEMENTS

During the 2022 Period and the year ended December 31, 2021, there were no off-balance sheet transactions. The Company has not entered into any specialized financial arrangements to minimize its currency risk.

OUTSTANDING SHARE DATA

As at the date of this MD&A, there were 235,173,284 common shares issued and outstanding. There were also stock options outstanding to purchase a total of 4,711,616 common shares, 529,304 restricted share units with a performance criteria, 160,871 restricted share units settled by issuance of shares, and 33,721 deferred share units.

OUTLOOK

Lundin Gold's strong performance in the first nine months of 2022 points to a strong overall result for the year. Management is confident that the Company's production will be at or near the high end of its guidance of 430,000 to 460,000 oz and at the low end of or slightly below its AISC[1] guidance of $820 to $870 per oz sold.

The SVR, the last remaining scope of work under the original FDN construction project was completed shortly after the end of the third quarter. As a result, ventilation in the mine will increase from 180 m^3/s to 350 m^3/s resulting in improved efficiencies and enabling mining activities on all levels.

[1] Refer to "Non-IFRS Measures" section.

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

Sustaining capital will continue to be high for the last quarter of 2022 with completion of construction of the third raise of the TSF and several other capital projects underway or planned for 2022.

The conversion drilling program at Fruta del Norte is now complete for 2022. All results were returned, and data review and the design of a new geological model is underway and is planned to be completed in the last quarter of 2022. The Company is working on an update to its estimates of Mineral Resources and Reserves and anticipates filing an updated technical report prepared in accordance with National Instrument 43-101 ("NI 43-101") for the Fruta del Norte deposit before the end of Q1 2023.

The regional and near mine exploration drill programs are continuing with a total of five rigs operating. Targets of interest on the regional program currently are Barbasco Norte, Capullo, Puma and Quebrada La Negra. Results are pending on drilling carried out during Q3 2022. Under the near mine drill program, one rig is operating underground to test extension of the deposit at depth and to the east and west of the current edges of the deposit. On surface, drilling is continuing to test potential mineralization along the structural trend to the south of FDN and a second surface rig will be moved from the regional program to test the east structure of Fruta del Norte.

NON-IFRS MEASURES

This MD&A refers to certain financial measures, such as average realized gold price per oz sold, EBITDA, adjusted EBITDA, cash operating cost per oz. sold, all-in sustaining cost, free cash flow, free cash flow per share, and adjusted earnings, which are not 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 derived from the Company's financial statements because the Company believes that they are of assistance in the understanding of the results of operations and its financial position.

Average realized gold price per oz sold

Average realized gold price is a metric used to better understand the gold price realized during a period. This is calculated as sales for the period plus treatment and refining charges less silver sales divided by gold oz sold.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Revenues	$ 210,425	$ 190,753	$ 604,705	$ 546,889
Treatment and refining charges	9,520	9,637	25,952	25,551
Less: silver revenues	(2,095)	(2,997)	(7,020)	(8,259)
Gold sales	$ 217,850	$ 197,396	$ 623,637	$ 564,181
Gold oz sold	134,640	111,605	350,213	318,822
Average realized gold price	$ 1,618	$ 1,769	$ 1,781	$ 1,770

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

EBITDA and Adjusted EBITDA

Earnings before interest, taxes, depreciation, and amortization ("EBITDA") is a metric used to better understand the financial performance of the Company by computing earnings from business operations without including the effects of capital structure, tax rates and depreciation. Adjusted EBITDA is EBITDA excluding items which are considered not indicative of underlying business operations.

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Net income for the period	$ 62,673	$ 56,673	$ 141,817	$ 192,637
Adjusted for:				
Finance expense	22,184	11,432	77,943	35,180
Income tax expense	35,909	15,950	85,389	44,116
Depletion and depreciation	38,110	28,777	97,237	80,542
EBITDA	$ 158,876	$ 112,832	$ 402,386	$ 352,475
Derivative loss (gain)	(41,838)	636	(47,100)	(25,288)
Adjusted EBITDA	$ 117,038	$ 113,468	$ 355,286	$ 327,187

Adjusted earnings and adjusted basic earnings per share

Adjusted earnings and adjusted basic earnings per share can be used to measure and may assist in evaluating operating earning trends in comparison with results from prior periods by excluding specific items that are significant, but not reflective of the underlying operating activities of the Company. Presently, these include derivative gains or losses, and related income tax effects, from accounting for the gold prepay and stream facilities at fair value. Adjusted basic earnings per share is calculated using the weighted average number of shares outstanding under the basic method of earnings per share as determined under IFRS.

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Net income for the period	$ 62,673	$ 56,673	$ 141,817	$ 192,637
Adjusted for:				
Derivative loss (gain)	(41,838)	636	(47,100)	(25,288)
Deferred income tax expense	(456)	1,487	(3,298)	3,656
Adjusted earnings	$ 20,379	$ 58,796	$ 91,419	$ 171,005
Basic weighted average shares outstanding	235,165,784	232,723,880	234,641,484	231,831,680
Adjusted basic earnings per share	$ 0.09	$ 0.25	$ 0.39	$ 0.74

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

Cash operating cost per oz

Cash operating cost per oz sold, combined with revenues, can be used to evaluate the Company's performance and ability to generate operating income and cash flow from operating activities. Cash operating costs include operating expenses and royalty expenses.

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Operating expenses	$ 75,598	$ 61,465	$ 194,355	$ 170,423
Royalty expenses	12,787	11,089	35,454	31,884
Cash operating costs	$ 88,385	$ 72,554	$ 229,809	$ 202,307
Gold oz sold	134,640	111,605	350,213	318,822
Cash operating cost per oz sold	$ 656	$ 650	$ 656	$ 635

All-in sustaining cost

AISC provides information on the total cost associated with producing gold and has been calculated on a basis consistent with historic news releases by the Company.

The Company calculates AISC as the sum of total cash operating costs (as described above), corporate social responsibility costs, treatment and refining charges, accretion of restoration provision, and sustaining capital, less silver revenue, all divided by the gold ounces sold to arrive at a per oz amount.

Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied.

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Cash operating costs	$ 88,385	$ 72,554	$ 229,809	$ 202,307
Corporate social responsibility	436	363	1,247	931
Treatment and refining charges	9,520	9,637	25,952	25,551
Accretion of restoration provision	152	27	458	80
Sustaining capital	12,237	10,146	24,410	27,332
Less: silver revenues	(2,095)	(2,997)	(7,020)	(8,259)
All-in sustaining cost	$ 108,635	$ 89,730	$ 274,856	$ 247,942
Gold oz sold	134,640	111,605	350,213	318,822
All-in sustaining cost per oz sold	$ 807	$ 804	$ 785	$ 778

(All dollar amounts are stated in U.S. dollars unless otherwise indicated. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

Free cash flow and free cash flow per share

Free cash flow is indicative of the Company's ability to generate cash from operations after consideration for required capital expenditures, including related VAT impact, necessary to maintain operations and interest and finance charge paid on its debt obligations. Free cash flow is defined as cash flow provided by operating activities, less cash used for investing activities and interest and finance charge paid.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net cash provided by operating activities	$ 104,739	$ 92,658	$ 292,755	$ 309,746
Net cash used for investing activities	(19,306)	(24,715)	(44,587)	(54,323)
Interest paid	(7,386)	(20,829)	(20,687)	(61,734)
Finance charge paid	(12,845)	-	(49,225)	-
Free cash flow	$ 65,202	$ 47,114	$ 178,256	$ 193,689
Basic weighted average shares outstanding	235,165,784	232,723,880	234,641,484	231,831,680
Free cash flow per share	$ 0.28	$ 0.20	$ 0.76	$ 0.84

CRITICAL ACCOUNTING ESTIMATES

The adoption of certain accounting policies requires the Company to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses. Some of these estimates require judgments about matters that are inherently uncertain. For a complete discussion of accounting estimates deemed most crucial by the Company, refer to the Company's annual 2021 Management's Discussion and Analysis.

RISKS AND UNCERTAINTIES

Natural resources exploration, development and operation involves a number of risks and uncertainties, many of which are beyond the Company's control, such as some of the risks relating to the impacts of the COVID-19 pandemic. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A and those set out in the Company's Annual Information Form dated March 21, 2022 (the "AIF"), which is available on SEDAR at www.sedar.com.

QUALIFIED PERSON

The technical information relating to Fruta del Norte contained in this MD&A has been reviewed and approved by Ron Hochstein P. Eng, Lundin Gold's President & CEO who is a Qualified Person under NI 43-101. The disclosure of exploration information contained in this MD&A was prepared by Andre Oliveira P.Geo, Vice President, Exploration of the Company, who is a Qualified Person in accordance with the requirements of NI 43-101.

FINANCIAL INFORMATION

The report for the year ended December 31, 2022 is expected to be published on or about February 23, 2023.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures

Management, including the Chief Executive Officer and the Chief Financial Officer, are responsible for the design of the Company's disclosure controls and procedures in order to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

Internal controls over financial reporting

Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required under Multilateral Instrument 52-109, management advises that there have been no changes in the Company's internal control over financial reporting that occurred during the most recent interim period, beginning January 1, 2022 and ending September 30, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

FORWARD LOOKING STATEMENTS

Certain of the information and statements in this MD&A 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 MD&A, and the Company will not necessarily update this information, unless required to do so by securities laws.

This MD&A contains forward-looking information in a number of places, such as in statements pertaining to the Company's 2022 production outlook, including estimates of gold production, grades recoveries and AISC; expected sales receipts, cash flow forecasts and financing obligations; its estimated capital costs, the benefits of increased ventilation in the mine, the recovery of VAT; the Company's declaration and payment of dividends pursuant to its dividend policy; the timing and the success of its drill program at Fruta del Norte and its other exploration activities; plans to update estimates of mineral resources and reserves at Fruta del Norte and file a related technical report; and the Company's efforts to protect its workforce from COVID-19.

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: risks associated with the Company's community relationships; risks related to political and economic instability in Ecuador; risks related to estimates of production, cash flows and costs; the impacts of a pandemic virus outbreak; risks inherent to mining operations; failure of the Company to maintain its obligations under its debt facilities; shortages of critical supplies; control of the Company's largest shareholders; 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; exploration and development risks; risks related to the Company's ability to obtain, maintain or renew regulatory approvals, permits and licenses; uncertainty with the tax regime in Ecuador; risks related to the Company's workforce and its labour relations; volatility in the price of gold; the reliance of the Company on its information systems and the risk of cyber-attacks on those systems; 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; the imprecision of Mineral Reserve and Resource estimates; 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 cost of non-compliance and compliance costs; risks related to illegal mining; 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; security risks to the Company, its assets and its personnel; the potential for litigation; and risks due to conflicts of interest.

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 under the heading "Risk Factors" in the AIF available at www.sedar.com.

LUNDIN GOLD INC.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in thousands of U.S. Dollars)

	Note		September 30, 2022		December 31, 2021
ASSETS					
Current assets					
Cash and cash equivalents	7	$	303,639	$	262,608
Trade receivables and other current assets	3		172,803		167,683
Inventories	4		93,182		84,946
Advance royalty			10,842		13,000
			580,466		528,237
Non-current assets					
VAT recoverable			49,302		54,052
Advance royalty			19,828		29,494
Property, plant and equipment	5		796,424		835,074
Mineral properties	6		188,570		207,146
Deferred income tax asset			-		31,110
		$	1,634,590	$	1,685,113
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	63,084	$	67,968
Income taxes payable			46,485		54,847
Other current liabilities	9		1,214		-
Current portion of long-term debt	7		216,010		188,201
			326,793		311,016
Non-current liabilities					
Long-term debt	7		373,909		551,776
Other non-current liabilities	9		-		1,406
Reclamation provisions			6,896		6,438
Deferred income tax liabilities			5,821		-
			713,419		870,636
EQUITY					
Share capital	8		986,851		974,740
Equity-settled share-based payment reserve	9		13,891		13,570
Accumulated other comprehensive income			6,329		6,851
Deficit			(85,900)		(180,684)
			921,171		814,477
		$	1,634,590	$	1,685,113

Commitments (Note 17)

Approved by the Board of Directors

/s/ Ron F. Hochstein
Ron F. Hochstein

/s/ Ian W. Gibbs
Ian W. Gibbs

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

LUNDIN GOLD INC.

Condensed Consolidated Interim Statements of Income and Comprehensive Income
(Unaudited – Prepared by Management)
(Expressed in thousands of U.S. Dollars, except share and per share amounts)

	Note	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Revenues		$ 210,425	$ 190,753	$ 604,705	$ 546,889
Cost of goods sold					
Operating expenses		75,598	61,465	194,355	170,423
Royalty expenses		12,787	11,089	35,454	31,884
Depletion and depreciation		38,110	28,768	97,237	80,516
		126,495	101,322	327,046	282,823
Income from mining operations		83,930	89,431	277,659	264,066
Other expenses (income)					
Corporate administration	10	4,958	3,112	14,553	10,844
Exploration		4,969	2,473	10,595	6,073
Finance expense	11	22,184	11,432	77,943	35,180
Other expense (income)		(4,925)	(845)	(5,538)	504
Derivative loss (gain)	7	(41,838)	636	(47,100)	(25,288)
		(14,652)	16,808	50,453	27,313
Net income before tax		**98,582**	**72,623**	**227,206**	**236,753**
Income tax expense					
Current income tax expense	13	14,614	14,463	51,757	40,460
Deferred income tax expense	13	21,295	1,487	33,632	3,656
		35,909	15,950	85,389	44,116
Net income for the period		**$ 62,673**	**$ 56,673**	**$ 141,817**	**$ 192,637**
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that may be reclassified to net loss					
Currency translation adjustment		(6,706)	(1,731)	(7,742)	(265)
Items that will not be reclassified to net loss					
Derivative gain (loss) related to the Company's own credit risk	7	1,454	(6,755)	10,518	(16,617)
Deferred income tax on accumulated other comprehensive income	13	(456)	1,487	(3,298)	3,656
Comprehensive income		$ 56,965	$ 49,674	$ 141,295	$ 179,411
Income per common share					
Basic		$ 0.27	$ 0.24	$ 0.60	$ 0.83
Diluted		0.26	0.24	0.60	0.82
Weighted-average number of common shares					
Basic		235,165,784	232,723,880	234,641,484	231,831,680
Diluted		236,882,976	235,017,999	236,509,402	234,314,678

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

LUNDIN GOLD INC.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – Prepared by Management)
(Expressed in thousands of U.S. Dollars, except number of common shares)

	Note	Number of common shares		Share capital		Equity-settled share-based payment reserve		Other reserves		Deficit		Total
Balance, January 1, 2021		230,088,337	$	951,725	$	14,732	$	22,511	$	(402,110)	$	586,858
Exercise of stock options		2,097,387		11,639		(3,760)		-		-		7,879
Vesting of share units		40,769		404		(404)		-		-		-
Exercise of anti-dilution rights	8	833,299		8,217		-		-		-		8,217
Stock-based compensation	9	-		-		2,372		-		-		2,372
Other comprehensive loss		-		-		-		(13,226)		-		(13,226)
Net income for the period		-		-		-		-		192,637		192,637
Balance, September 30, 2021		233,059,792	$	971,985	$	12,940	$	9,285	$	(209,473)	$	784,737
Balance, January 1, 2022		233,361,883	$	974,740	$	13,570	$	6,851	$	(180,684)	$	814,477
Exercise of stock options		874,200		5,342		(1,787)		-		-		3,555
Vesting of share units	9	41,000		406		(406)		-		-		-
Exercise of anti-dilution rights	8	477,260		3,918		-		-		-		3,918
Exercise of warrants	9	411,441		2,445		(511)		-		-		1,934
Stock-based compensation	9	-		-		3,025		-		-		3,025
Other comprehensive loss		-		-		-		(522)		-		(522)
Net income for the period		-		-		-		-		141,817		141,817
Dividends paid		-		-		-		-		(47,033)		(47,033)
Balance, September 30, 2022		235,165,784	$	986,851	$	13,891	$	6,329	$	(85,900)	$	921,171

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

LUNDIN GOLD INC.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in thousands of U.S. Dollars)

	Note	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
OPERATING ACTIVITIES					
Net income for the period		$ 62,673	$ 56,673	$ 141,817	$ 192,637
Items not affecting cash:					
Depletion and depreciation		38,111	28,777	97,254	80,542
Stock-based compensation	9	1,099	723	2,932	2,076
Derivative loss (gain)	16(b)	(41,838)	636	(47,100)	(25,288)
Other expense (income)		(5,036)	(987)	(5,597)	50
Finance expense		21,730	10,618	76,340	32,663
Deferred income tax expense		21,295	1,487	33,632	3,656
		98,034	97,927	299,278	286,336
Changes in non-cash working capital items:					
Trade receivables and other current assets		(13,966)	(21,550)	1,208	(12,539)
Inventories		2,016	(1,037)	(8,200)	(10,798)
Advance royalty		5,324	4,646	11,824	10,113
Accounts payable and accrued liabilities		(594)	(1,883)	(5,219)	810
Income taxes payable		12,449	14,463	(8,362)	35,586
Interest received		1,476	92	2,226	238
Net cash provided by operating activities		104,739	92,658	292,755	309,746
FINANCING ACTIVITIES					
Repayments of long-term debt	7	(14,429)	(19,635)	(98,133)	(67,239)
Interest paid	7	(7,386)	(20,829)	(20,687)	(61,734)
Finance charge paid	7	(12,845)	-	(49,225)	-
Proceeds from exercise of stock options		-	1,830	3,555	7,879
Proceeds from exercise of anti-dilution rights		-	785	3,918	8,217
Proceeds from exercise of warrants		-	-	1,934	-
Dividends paid		(47,033)	-	(47,033)	-
Net cash used for financing activities		(81,693)	(37,849)	(205,671)	(112,877)
INVESTING ACTIVITIES					
Acquisition and development of property, plant and equipment		(17,427)	(22,472)	(40,023)	(48,848)
VAT paid on investing activities		(1,879)	(2,243)	(4,564)	(5,475)
Net cash used for investing activities		(19,306)	(24,715)	(44,587)	(54,323)
Effect of foreign exchange rate differences on cash		(1,133)	(466)	(1,466)	(310)
Net increase in cash and cash equivalents		2,607	29,628	41,031	142,236
Cash and cash equivalents, beginning of period		301,032	192,200	262,608	79,592
Cash and cash equivalents, end of period		$ 303,639	$ 221,828	$ 303,639	$ 221,828

Supplemental cash flow information (Note 14)

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

1. Nature of operations

Lundin Gold Inc. together with its subsidiaries (collectively referred to as "Lundin Gold" or the "Company") is focused on its Fruta del Norte gold operation and developing its portfolio of mineral concessions in Ecuador.

The common shares of the Company are listed for trading on the Toronto Stock Exchange (the "TSX") and Nasdaq Stockholm under the symbol "LUG" and the OTCQX Best Market under the symbol "LUGDF". The Company was originally incorporated in British Columbia and continued under the Canada Business Corporations Act in 2002.

The Company's head office is located at Suite 2000, 885 W. Georgia Street, Vancouver, BC, and it has a corporate office in Quito, Ecuador.

2. Basis of preparation and consolidation

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board ("IFRS"), applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting. As a result, they do not conform in all respects with the disclosure requirements for annual financial statements under IFRS and should be read in conjunction with the Company's audited consolidated financial statements for the fiscal year ended December 31, 2021.

These unaudited condensed consolidated interim financial statements are presented in U.S. dollars.

In preparing these unaudited condensed consolidated interim financial statements, the Company applied the same accounting policies and key sources of estimation uncertainty as those that were applied to the Company's audited consolidated financial statements for the fiscal year ended December 31, 2021.

These financial statements were approved for issue by the Board of Directors on November 8, 2022.

3. Trade receivables and other current assets

		September 30, 2022		December 31, 2021
Trade receivables (a)	$	94,367	$	96,471
VAT recoverable (b)		61,650		51,838
Prepaid expenses and deposits		16,786		19,374
	$	172,803	$	167,683

(a) Trade receivables represent the value of concentrate sold as at period end for which the funds are not yet received. Consistent with industry standards, these sales generally have relatively long payment terms and are not settled until two to five months after export. There is no recorded allowance for credit losses. In determining the recoverability of trade receivables, the Company considers any change in the credit quality of the counterparty, with the concentration of the credit risk limited due to the nature of the counterparties involved and a history of no credit losses.

Concentrate sales are first recorded based on provisional prices. For sales that are provisionally priced as at September 30, 2022, an adjustment is estimated and recorded using the forward gold price at quarter end for the expected month to be used to determine final gold price for each individual sale. This adjustment resulted in a decrease of $10.8 million in trade receivables and revenues as of September 30, 2022 (December 31, 2021- nil).

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

3. Trade receivables and other current assets (continued)

(b) Subject to submission of monthly claims and their acceptance by the applicable tax authorities, VAT paid in Ecuador by the Company after January 1, 2018 will be refunded or applied as a credit against other taxes payable, based on the level of export sales in any given month. Therefore, a portion of the VAT recoverable has been reclassified as current assets.

4. Inventories

	September 30, 2022	December 31, 2021
Ore stockpile	$ 18,449	$ 19,750
Gold in circuit	4,582	3,057
Doré and concentrate	14,607	11,203
Materials and supplies	55,544	50,936
	$ 93,182	$ 84,946

5. Property, plant and equipment

Cost	Construction-in-progress	Mine and plant facilities	Machinery and equipment	Vehicles	Furniture and office equipment	Total
Balance, January 1, 2021	$ 6,099	$ 846,018	$ 54,881	$ 22,018	$ 2,641	$ 931,657
Additions	49,591	1,129	1,009	1,917	118	53,764
Disposals and other	-	(1,260)	(25)	(857)	(74)	(2,216)
Reclassifications	(28,154)	28,154	-	-	-	-
Cumulative translation adjustment	-	57	-	-	-	57
Balance, December 31, 2021	27,536	874,098	55,865	23,078	2,685	983,262
Additions	16,333	20,602	708	1,717	1,099	40,459
Reclassifications	(15,843)	15,843	-	-	-	-
Cumulative translation adjustment	-	(1,046)	-	-	(6)	(1,052)
Balance, September 30, 2022	$ 28,026	$ 909,497	$ 56,573	$ 24,795	$ 3,778	$ 1,022,669

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

5. Property, plant and equipment (continued)

Accumulated depletion and depreciation	**Construction-in-progress**	**Mine and plant facilities**	**Machinery and equipment**	**Vehicles**	**Furniture and office equipment**	**Total**
Balance, January 1, 2021	$ -	$ 36,713	$ 11,775	$ 9,349	$ 1,672	$ 59,509
Depletion and depreciation	-	77,753	6,718	4,348	439	89,258
Disposals and other		-	-	(508)	(74)	(582)
Cumulative translation adjustment	-	3	-	-	-	3
Balance, December 31, 2021	-	114,469	18,493	13,189	2,037	148,188
Depletion and depreciation	-	69,697	5,028	3,335	204	78,264
Cumulative translation adjustment	-	(201)	-	-	(6)	(207)
Balance, September 30, 2022	$ -	$ 183,965	$ 23,521	$ 16,524	$ 2,235	$ 226,245
Net book value						
As at December 31, 2021	$ 27,536	$ 759,629	$ 37,372	$ 9,889	$ 648	$ 835,074
As at September 30, 2022	$ 28,026	$ 725,532	$ 33,052	$ 8,271	$ 1,543	$ 796,424

6. Mineral properties

Cost	**Fruta del Norte**
Balance, January 1, 2021	$ 231,097
Adjustments to restoration asset	376
Depletion	(24,327)
Balance, December 31, 2021	207,146
Depletion	(18,576)
Balance, September 30, 2022	$ 188,570

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

7. Long-term debt

		September 30, 2022		December 31, 2021
Gold prepay credit facility (a)	$	147,680	$	197,780
Stream loan credit facility (b)		225,067		263,614
Offtake derivative liability (c)		25,481		27,038
Senior debt facility (d)		191,691		251,545
	$	589,919	$	739,977
Less: current portion				
Gold prepay credit facility		59,871		65,030
Stream loan credit facility		41,299		49,087
Offtake derivative liability		4,202		3,539
Senior debt facility		110,638		70,545
Long-term portion	$	373,909	$	551,776

The gold prepay credit facility (the “Prepay Loan”), stream loan credit facility (the “Stream Loan”), and the offtake derivative liability are accounted for as financial liabilities at fair value through profit or loss and are comprised of the following as at September 30, 2022.

		Gold prepay credit facility		**Stream loan credit facility**		**Offtake derivative liability**		**Total**
Principal	$	86,842	$	123,058	$	-	$	209,900
Transaction costs		(1,689)		(2,124)		-		(3,813)
Derivative fair value adjustments		62,527		104,133		25,481		192,141
Total	$	147,680	$	225,067	$	25,481	$	398,228

Derivative fair value adjustments reflect the revaluation of the financial instruments at fair value as at September 30, 2022. The derivative gain or loss related to the Company’s own credit risk recorded in other comprehensive income (loss) includes the impact of the difference between the Company’s own credit risk at the time of entering into the long-term debt and the statement of financial position date (see also Note 16).

(a) Gold prepay credit facility

The Prepay Loan is a secured loan facility with a stated interest rate of 7.5% per annum with interest accruing based upon the outstanding balance.

The Prepay Loan is amortized quarterly and matures in June 2025. Quarterly payments are equivalent to the value of 9,775 oz. of gold based on the gold spot price at the time of the payment date. The excess of the quarterly repayments over the principal due quarterly and the balance of interest accrued to that date, if any, is a variable additional charge (the “Finance Charge”). If the average gold price in the fiscal quarter prior to repayment date is less than $1,436 per oz. or less than $1,062 per oz., repayments will be based on 11,500 oz. or 13,225 oz. of gold, respectively.

During the nine months ended September 30, 2022, the Company made payments under the Prepay Loan totaling $56.4 million (nine months ended September 30, 2021 – $51.6 million) of which $23.7 million (nine months ended September 30, 2021 – $23.7 million) was paid on account of principal; $5.8 million (nine months ended September 30, 2021 – $27.9 million) for accrued interest; and $26.9 million (nine months ended September 30, 2021 – nil) for the Finance Charge (see Note 16).

7. Long-term debt (continued)

The Company has elected to measure the Prepay Loan as a financial liability measured at fair value through profit or loss.

(b) Stream loan credit facility

The Stream Loan is a secured loan facility with a stated interest rate of 7.5% per annum with interest accruing based upon the outstanding balance.

The Stream Loan is repayable in variable monthly instalments equivalent to the value of 7.75% of gold production less $400 per oz. (the “Gold Base Price”) and 100% of the silver production less $4 per oz. (the “Silver Base Price”) upon the start of commercial production at Fruta del Norte, up to a maximum of 350,000 oz. of gold and six million oz. of silver. The Gold Base Price and Silver Base Price will increase by 1% per annum starting on the third anniversary of the commercial production date. The excess of the monthly repayments over the principal due monthly and the balance of interest accrued to that date, if any, is considered a Finance Charge.

During the nine months ended September 30, 2022, the Company made payments under the Stream Loan totaling $39.1 million (nine months ended September 30, 2021 – $32.0 million) of which $9.5 million (nine months ended September 30, 2021 – $8.6 million) was paid on account of principal; $7.2 million (nine months ended September 30, 2021 – $23.4 million) for accrued interest; and $22.4 million (nine months ended September 30, 2021 – nil) for the Finance Charge (see Note 16). As at September 30, 2022, based on the projected life of mine production and other significant assumptions (see Note 16), the estimated fair value equivalent to 287,135 oz. of gold and 5,051,037 oz. of silver remains outstanding under the Stream Loan.

The Company has the option to repay (i) 50% of the remaining Stream Loan on June 30, 2024 for $150 million and / or (ii) the other 50% of the remaining Stream Loan on June 30, 2026 for $225 million.

The Company has elected to measure the Stream Loan as a financial liability measured at fair value through profit or loss.

(c) Offtake commitment

The lender of the Prepay Loan and Stream Loan has been granted the right to purchase 50% of Fruta del Norte gold production, up to a maximum of 2.5 million oz., at a price determined based on monthly delivery dates and a defined quotational period. This obligation is satisfied first through the sale of doré and then, if required, financial settlement.

The Company has determined that the Offtake represents a derivative financial liability. Accordingly, the Offtake, which is primarily a function of the gold price option feature, is measured at fair value at each statement of financial position date, with changes in the derivative fair value being recorded in profit or loss.

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

7. **Long-term debt** (continued)

(d) Senior debt facility (the “Facility”)

As at September 30, 2022		Tranche A		Tranche B		Total
Principal	$	144,873	$	57,949	$	202,822
Accrued interest		1,169		301		1,470
Transaction costs, net of amortization		(9,386)		(3,215)		(12,601)
Total	$	136,656	$	55,035	$	191,691

The Facility is a senior secured loan comprised of two tranches: a senior commercial facility (“Tranche A”) and a senior covered facility under a raw material guarantee (“Tranche B”). The annual interest rate is the three or six-month LIBOR plus an average margin of approximately 5.05% for Tranche A and 2.50% for Tranche B. Tranche A and Tranche B are subject to risk mitigation and guarantee fees of 2.00% and 3.15%, respectively. The Facility is repayable in variable quarterly instalments and matures in June 2026. In addition, accelerated quarterly principal repayments based on 30% of Fruta del Norte’s excess cash flow (the “Cash Sweep”) apply starting in 2022 for which an estimate is included in the current portion of long-term debt.

During the nine months ended September 30, 2022, the Company paid $64.9 million of principal (nine months ended September 30, 2021 – $35.0 million) and $7.6 million (nine months ended September 30, 2021 – $10.4 million) of interest relating to the Facility. The principal repaid during the nine months ended September 30, 2022 includes $35.2 million (nine months ended September 30, 2021 – nil) paid on account of the Cash Sweep.

Under the long-term debt, the Company, together with its subsidiaries related to Fruta del Norte (collectively, the “FDN Subsidiaries”), are subject to a number of covenants while amounts remain outstanding including maintaining a minimum cash balance of $40 million in its operating subsidiary as its debt service reserve balance. The long-term debt is secured by a charge over the FDN Subsidiaries’ assets, pledges of the shares of the FDN Subsidiaries and guarantees of the Company and the FDN Subsidiaries.

8. Share capital

Authorized:
- Unlimited number of common shares without par value
- Unlimited number of preference shares without par value

During the nine months ended September 30, 2022, the Company issued 477,260 common shares to Newcrest Mining Limited ("Newcrest") at a weighted average price of CAD$10.50 per share for total proceeds of $3.9 million. During the year ended December 31, 2021, 1,036,027 common shares were issued to Newcrest at a weighted average price of CAD$11.97 per share for total proceeds of $10.1 million. Both issuances were completed in accordance with Newcrest's anti-dilution rights granted as part of its initial investment into the Company.

9. Stock-based compensation and share purchase warrants

(a) Stock-based compensation

Under an omnibus incentive plan (the "Omnibus Plan") that allows for the reservation of a maximum 6% of the common shares issued and outstanding for issuance at any given time, the Company may grant stock options, restricted share units and deferred share units (collectively, the "Awards"). Subject to specific provisions under the Omnibus Plan, the eligibility, vesting period, term, and number of Awards are granted at the discretion of the Company's board of directors.

Restricted share units entitle the recipient, upon settlement, to receive common shares or, subject to provisions under the Plan, the cash equivalent or a combination thereof. The Company's board of directors may also grant restricted share units that include performance criteria which vest based on a multiplier ("PSUs").

Deferred share units may only be granted to non-employee directors and are payable after termination of the recipient's service with the Company. Upon settlement, the recipient may receive common shares or, subject to provisions under the Plan, the cash equivalent or a combination thereof.

Recipients of share units granted and outstanding on a dividend record date are entitled to receive an award of additional share units equal to the cash dividends declared and paid on the Company's common shares ("Dividend Equivalent"). Dividend Equivalents are calculated in accordance with the Omnibus Plan based on the number of share units held, the dividend per share and the weighted average trading price of the Company's shares on the TSX for the five days preceding the date the dividend was paid. These additional share units are subject to the same terms and conditions as the underlying share units.

i. Stock options

Stock options granted and outstanding under the Omnibus Plan and a pre-existing stock option plan (the "Option Plan") have an expiry date of five years and vest over a period of two or three years from date of grant. No additional stock options can be granted under the Option Plan.

During the nine months ended September 30, 2022, 772,800 stock options were granted under the Omnibus Plan which have an expiry date of five years and vest over a period of three years from date of grant.

Stock options are exercisable into one common share of the Company at the price specified in the terms of the option agreement.

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

9. Stock-based compensation and share purchase warrants (continued)

A continuity summary of the stock options granted and outstanding under the Omnibus Plan and Option Plan is presented below:

	Nine months ended September 30, 2022		Year ended December 31, 2021	
	Number of stock options	Weighted average exercise price (CAD)	Number of stock options	Weighted average exercise price (CAD)
Balance, beginning of period	4,863,400	$ 7.26	6,226,450	$ 6.00
Granted	772,800	9.86	893,700	10.55
Forfeited	-	-	(67,500)	12.05
Exercised[(1)]	(874,200)	5.18	(2,189,250)	4.88
Balance outstanding, end of period	4,762,000	$ 8.06	4,863,400	$ 7.26
Balance exercisable, end of period	3,174,263	$ 6.83	3,531,122	$ 5.74

[(1)] The weighted average share price on the exercise date for the stock options exercised during the nine months ended September 30, 2022 and year ended December 31, 2021 were CAD$10.45 and CAD$10.43, respectively.

The following table summarizes information concerning outstanding and exercisable options at September 30, 2022:

	Outstanding options			Exercisable options		
Range of exercise prices (CAD)	Number of options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price (CAD)	Number of options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price (CAD)
$ 4.90 to 5.30	1,135,900	0.66	$ 5.15	1,135,900	0.66	$ 5.15
$ 5.31 to 10.00	2,009,400	2.48	6.97	1,285,600	1.39	5.38
$ 10.01 to 12.60	1,616,700	3.03	11.47	752,763	2.81	11.83
	4,762,000	2.23	$ 8.06	3,174,263	1.47	$ 6.83

The fair value based method of accounting was applied to stock options granted to employees, including directors, and non-employees on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	September 30, 2022	December 31, 2021
Risk-free interest rate	1.62%	0.39%
Expected stock price volatility	36.51%	36.13%
Expected life	5 years	5 years
Expected dividend yield	-	-
Weighted-average fair value per option granted (CAD)	$3.40	$3.38

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

9. Stock-based compensation and share purchase warrants (continued)

The equity-settled share-based payment reserve includes the fair value of employee options as measured at grant date and amortized over the period during which the employees become unconditionally entitled to the options.

During the nine months ended September 30, 2022, the Company recorded stock-based compensation expense of $1.6 million (nine months ended September 30, 2021 – $1.3 million).

ii. Share units

Under the Omnibus Plan, the Company has granted restricted share units and deferred share units to eligible employees and non-employee directors as presented below.

	Restricted share units with performance criteria		Restricted share units		Deferred share units
	Settled in cash	Settled in shares	Settled in cash	Settled in shares	
Balance at January 1, 2021	148,000	-	26,700	34,600	1,639
Granted	-	187,300	-	118,300	32,738
Cancelled	-	-	(2,100)	(4,900)	-
Settled	-	-	-	(37,200)	(11,069)
Balance at December 31, 2021	148,000	187,300	24,600	110,800	23,308
Granted	-	196,500	-	86,800	9,552
Granted - Dividend Equivalent	4,052	10,506	670	4,271	861
Settled	-	-	-	(41,000)	-
Balance at September 30, 2022	152,052	394,306	25,270	160,871	33,721

Restricted share units with performance criteria ("PSUs")

During the nine months ended September 30, 2022, the Company granted 196,500 PSUs that are settled in shares ("Share PSUs"). In addition, in connection with the Company's inaugural dividend in the third quarter, 10,506 Share PSUs and 4,052 PSUs that are settled in cash ("Cash PSUs") were granted as Dividend Equivalents. During the year ended December 31, 2021, the Company granted 187,300 Share PSUs. Share PSUs and Cash PSUs were granted to eligible employees and vest three years from date of grant subject to continued employment and certain performance conditions being met. The number of Share PSUs and Cash PSUs that vest will be adjusted using a multiplier that is based on total shareholder return by the Company's shares over the three-year period relative to a peer group as defined by the Company's board of directors. Each vested Share PSU entitles the recipient to a payment of one common share while each vested Cash PSU entitles the recipient to a payment of one common share or cash with an equivalent market value, at the recipient's option. If the recipient elects a cash payout, the market value is determined as the volume weighted average trading price of the Company's shares on the TSX for the five trading days immediately preceding the vesting date.

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

9. Stock-based compensation and share purchase warrants (continued)

Using Monte Carlo simulation, the fair value of Share PSUs was measured on the date of grant while the fair value of Cash PSUs was measured as at September 30, 2022 and December 31, 2021 with the following weighted-average assumptions:

	September 30, 2022		December 31, 2021	
	Share PSUs	Cash PSUs	Share PSUs	Cash PSUs
Risk-free interest rate	2.20%	1.17%	0.89%	1.17%
Average expected volatility of the Company and its peer group	50.54%	43.15%	57.53%	43.15%
Expected life	3 years	0.40 years	3 years	1.40 years
Expected dividend yield	-	-	-	-
Weighted-average fair value per unit (CAD)	$9.33	$9.34	$11.19	$10.14

The fair value of Share PSUs measured at grant date are being amortized over the period during which the employees become unconditionally entitled to the Share PSUs. During the nine months ended September 30, 2022, the Company recorded stock-based compensation expense of $0.7 million (nine months ended September 30, 2021 – $0.3 million) relating to Share PSUs and has recorded a liability of $1.0 million to recognize the estimated fair value of the Cash PSUs as at September 30, 2022 (as at December 31, 2021 – $1.2 million).

Restricted share units without performance criteria ("RSUs")

During the nine months ended September 30, 2022, the Company granted 86,800 RSUs that are settled in shares ("Share RSUs"). In addition, in connection with the Company's inaugural dividend in the third quarter, 4,271 Share RSUs and 670 RSUs that are settled in cash ("Cash RSUs") were granted as Dividend Equivalents. During the year ended December 31, 2021, the Company granted 118,300 Share RSUs. The Share RSUs and Cash RSUs were granted to eligible employees and vest one to three years from date of grant subject to continued employment. Each vested Share RSU entitles the recipient to a payment in shares upon vesting while each vested Cash RSU entitles the recipient to a payment in cash based on the market value of one common share at the end of the three-year period. The market value is determined as the volume weighted average trading price of the Company's shares on the TSX for the five trading days immediately preceding the vesting date.

Using the Black-Scholes option pricing model, the fair value of the Share RSUs was measured on the date of grant while the fair value of the Cash RSUs was measured as at September 30, 2022 and December 31, 2021 with the following weighted-average assumptions:

	September 30, 2022		December 31, 2021	
	Share RSUs	Cash RSUs	Share RSUs	Cash RSUs
Risk-free interest rate	1.22%	2.48%	0.22%	1.04%
Expected stock price volatility	44.54%	35.21%	53.30%	37.71%
Expected life	1.99 years	0.40 years	1.70 years	1.15 years
Expected dividend yield	-	-	-	-
Weighted-average fair value per unit (CAD)	$12.42	$9.61	$12.87	$11.44

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

9. Stock-based compensation and share purchase warrants (continued)

The fair value of Share RSUs measured at grant date are being amortized over the period during which the employees become unconditionally entitled to the Share RSUs. During the nine months ended September 30, 2022, the Company recorded stock-based compensation expense of $0.7 million (nine months ended September 30, 2021 – $0.5 million) relating to Share RSUs and has recorded a liability of $0.2 million to recognize the estimated fair value of the Cash RSUs as at September 30, 2022 (as at December 31, 2021 – $0.2 million).

Deferred share units ("DSUs")

During the nine months ended September 30, 2022 and year ended December 31, 2021, the Company granted 9,552 DSUs and 32,738 DSUs, respectively, to non-employee directors of which 11,069 DSUs vested and were settled in 2021. In addition, in connection with the Company's inaugural dividend in the third quarter, 861 DSUs were granted as Dividend Equivalents. The DSUs do not vest until the end of service as a director of the Company. Each vested DSU entitles the recipient to a payment in shares.

During the nine months ended September 30, 2022, the Company recorded stock-based compensation expense of $0.1 million (nine months ended September 30, 2021 – $0.2 million) relating to DSUs.

(b) Share Purchase Warrants

As at December 31, 2021, there were 411,441 warrants issued and outstanding. During the nine months ended September 30, 2022, all outstanding warrants were exercised.

10. Administration

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Corporate social responsibility	$ 436	$ 363	$ 1,247	$ 931
Investor relations	135	55	305	135
Office and general	913	500	2,576	1,560
Professional fees	568	605	1,547	1,179
Regulatory and transfer agent	36	49	370	346
Salaries and benefits	1,771	817	5,576	4,617
Stock-based compensation	1,099	723	2,932	2,076
	$ 4,958	$ 3,112	$ 14,553	$ 10,844

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

11. Finance expense

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Interest expense	$ 7,279	$ 8,457	$ 22,158	$ 26,109
Finance charge	12,845	-	49,225	-
Other finance costs	1,513	1,957	4,563	6,012
Accretion of transaction costs	2,023	1,110	4,223	3,297
Interest income	(1,476)	(92)	(2,226)	(238)
	$ 22,184	$ 11,432	$ 77,943	$ 35,180

12. Related party transactions

Key management compensation

Key management includes executive officers and directors of the Company. The compensation paid or payable to key management for employee services during the nine months ended September 30 is shown below.

	September 30, 2022	September 30, 2021
Salaries, bonuses and benefits	$ 4,927	$ 4,361
Stock-based compensation	2,168	1,837
	$ 7,095	$ 6,198

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

13. Income taxes

Current income tax expense is generated from net income for tax purposes in Ecuador relating to operations at Fruta del Norte. In addition to corporate income taxes in Ecuador which are levied at a rate of 22% and dividend withholding taxes levied at a rate of 5% related to the anticipated portion of net income distributed from Ecuador, included in current income tax expense is the portion of profit sharing payable to the Government of Ecuador which is calculated at the rate of 12% of net income for tax purposes. The employee portion of profit sharing, calculated at the rate of 3% of net income for tax purposes, is considered an employment benefit and included in operating costs.

The rates used in Ecuador differ from the amount that would result from applying the Canadian federal and provincial income tax rates to net loss before tax. These differences result from the following items:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Net income before tax	$ 98,582	$ 72,623	$ 227,206	$ 236,753
Canadian federal and provincial income tax rates	27.00%	27.00%	27.00%	27.00%
Income tax expense based on the above rates	26,617	19,608	61,346	63,923
Increase (decrease) due to:				
Differences in foreign tax rates	3,696	5,767	13,019	18,505
Non-deductible costs	476	2,361	2,382	5,818
Withholding taxes (current and deferred)	6,109	-	9,270	-
Losses and temporary differences for which an income tax asset has not been recognized	(989)	(698)	(628)	(235)
Benefits of previously unrecognized deferred income tax assets	-	(11,088)	-	(43,895)
Income tax expense	$ 35,909	$ 15,950	$ 85,389	$ 44,116

14. Supplemental cash flow information

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Income taxes paid	$ -	$ -	$ 54,376	$ -
Increase (decrease) in accounts payable and accrued liabilities related to:				
Acquisition of property, plant and equipment	(684)	(2,371)	436	(350)

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

15. Segmented information

Operating segments are components of an entity that engage in business activities from which they incur expenses and whose operating results are regularly reviewed by a chief operating decision maker to make resource allocation decisions and to assess performance. The Chief Executive Officer is responsible for allocating resources and reviewing operating results of each operating segment on a periodic basis.

The Company's primary business activity is the Fruta del Norte operating mine in Ecuador. Materially all of the Company's non-current assets and non-current liabilities relate to Fruta del Norte. In addition, the Company conducts exploration activities and maintains a number of concessions in Ecuador outside of Fruta del Norte.

The following are summaries of the Company's current and non-current assets, current and non-current liabilities, and net income (loss) by segment:

	Fruta del Norte	Exploration activities	Corporate and other	Total
As at September 30, 2022				
Current assets	$ 484,163	$ 8,345	$ 87,958	$ 580,466
Non-current assets	1,054,124	-	-	1,054,124
Total assets	1,538,287	8,345	87,958	1,634,590
Current liabilities	317,843	1,762	7,188	326,793
Non-current liabilities	382,626	-	4,000	386,626
Total liabilities	700,469	1,762	11,188	713,419
For the three months ended September 30, 2022				
Revenues	210,425	-	-	210,425
Income from mining operations	83,930	-	-	83,930
Corporate administration	(1,452)	(17)	(3,489)	(4,958)
Exploration expenditures	-	(4,969)	-	(4,969)
Finance income (expense)	(22,495)	-	311	(22,184)
Other income (expense)	(192)	-	5,117	4,925
Derivative gain	41,838	-	-	41,838
Income tax expense	(31,451)	-	(4,458)	(35,909)
Net income (loss) for the period	70,178	(4,986)	(2,519)	62,673
For the nine months ended September 30, 2022				
Revenues	604,705	-	-	604,705
Income from mining operations	277,659	-	-	277,659
Corporate administration	(3,679)	(66)	(10,808)	(14,553)
Exploration expenditures	-	(10,595)	-	(10,595)
Finance income (expense)	(78,453)	-	510	(77,943)
Other income (expense)	(190)	-	5,728	5,538
Derivative gain	47,100	-	-	47,100
Income tax expense	(76,119)	-	(9,270)	(85,389)
Net income (loss) for the period	166,318	(10,661)	(13,840)	141,817

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

15. Segmented information (continued)

	Fruta del Norte	Exploration activities	Corporate and other	Total
As at September 30, 2021				
Current assets	$ 405,374	$ 1,525	$ 51,004	$ 457,903
Non-current assets	1,172,927	-	-	1,172,927
Total assets	1,578,301	1,525	51,004	1,630,830
Current liabilities	320,067	1,177	520	321,764
Non-current liabilities	522,990	-	1,339	524,329
Total liabilities	843,057	1,177	1,859	846,093
For the three months ended September 30, 2021				
Revenues	190,753	-	-	190,753
Income from mining operations	89,431	-	-	89,431
Corporate administration	(1,042)	(8)	(2,062)	(3,112)
Exploration expenditures	-	(2,473)	-	(2,473)
Finance income (expense)	(11,463)	-	31	(11,432)
Other income (expense)	(271)	20	1,096	845
Derivative loss	(636)	-	-	(636)
Income tax expense	(15,950)	-	-	(15,950)
Net income (loss) for the period	60,069	(2,461)	(935)	56,673
For the nine months ended September 30, 2021				
Revenues	546,889	-	-	546,889
Income from mining operations	264,066	-	-	264,066
Corporate administration	(2,432)	(50)	(8,362)	(10,844)
Exploration expenditures	-	(6,073)	-	(6,073)
Finance income (expense)	(35,277)	-	97	(35,180)
Other income (expense)	(462)	20	(62)	(504)
Derivative gain	25,288	-	-	25,288
Income tax expense	(44,116)	-	-	(44,116)
Net income (loss) for the period	207,067	(6,103)	(8,327)	192,637

16. Financial instruments

The Company's financial instruments include cash, cash equivalents and certain receivables, which are categorized as financial assets at amortized cost, and accounts payable and accrued liabilities, which are categorized as financial liabilities at amortized cost. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. In addition, the Gold Prepay Loan; Stream Loan; and offtake commitment have been classified as financial liabilities measured at fair value and the senior debt facility as a financial liability at amortized cost. Further, provisionally priced trade receivables of $82.7 million (December 31, 2021 - $75.7 million) are measured at fair value using quoted forward market prices (level 2).

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

16. Financial instruments (continued)

(a) Fair value measurements and hierarchy

IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lower priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Inputs that are both significant to the fair value measurement and unobservable.

(b) Fair value measurements using significant unobservable inputs (Level 3)

The following table sets forth the Company's financial liabilities measured at fair value on a recurring basis by level within the fair value hierarchy for the nine months ended September 30, 2022 and year ended December 31, 2021. Each of these financial instruments are classified as Level 3 as their valuation includes significant unobservable inputs.

	Gold prepay credit facility	Stream loan credit facility	Offtake derivative liability	Total
Balance, December 31, 2020	$ 248,828	$ 268,471	$ 32,308	$ 549,607
Principal paid	(31,579)	(12,654)	-	(44,233)
Interest paid	(37,056)	(34,437)	-	(71,493)
Interest accrued at stated rate of 7.5%	9,942	10,570	-	20,512
Accretion of transaction costs	614	191	-	805
Derivative fair value adjustments recognized in:				
Derivative gain (loss)	(3,225)	19,208	(5,270)	10,713
Other comprehensive income	10,256	12,265	-	22,521
Change in derivative fair values	7,031	31,473	(5,270)	33,234
Balance, December 31, 2021	$ 197,780	$ 263,614	$ 27,038	$ 488,432
Principal paid	(23,684)	(9,521)	-	(33,205)
Interest paid	(5,829)	(7,243)	-	(13,072)
Interest accrued at stated rate of 7.5%	5,829	7,243	-	13,072
Accretion of transaction costs	461	158	-	619
Derivative fair value adjustments recognized in:				
Derivative loss (gain)	(27,234)	(18,309)	(1,557)	(47,100)
Other comprehensive loss (income)	357	(10,875)	-	(10,518)
Change in derivative fair values	(26,877)	(29,184)	(1,557)	(57,618)
Balance, September 30, 2022	$ 147,680	$ 225,067	$ 25,481	$ 398,228

(Expressed in U.S. Dollars unless otherwise noted. Tables are expressed in thousands of U.S. dollars, except share and per share amounts)

16. Financial instruments (continued)

(c) Significant assumptions in valuation and relationship to fair value

The financial liabilities above were valued using Monte Carlo simulation valuation models. The significant assumptions used in the Monte Carlo valuation models include: the gold forward prices, gold price volatility, the risk-free rate of return, risk-adjusted discount rates, and the projected life of mine production schedule. In addition, in valuing the Stream Loan, the silver forward prices, silver price volatility, and the gold/silver price correlation were also used.

As the gold price and silver price volatilities and risk-adjusted discount rates are unobservable inputs, the financial liabilities above are classified within Level 3 of the fair value hierarchy. The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

		Fair value at September 30, 2022	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Long-term debt	$	398,228	Expected volatility	17% to 35%	An increase or decrease in expected volatility of 5% would increase or decrease fair value by $6.0 million or $6.8 million, respectively
			Risk-adjusted discount rate	14% to 16%	An increase or decrease in risk-adjusted discount rate of 1% would decrease or increase fair value by $10.6 million or $11.0 million, respectively

(d) Valuation processes

The valuation of financial instruments classified as Level 3 of the fair value hierarchy were prepared by an independent valuation specialist under the direct oversight of the Vice President, Finance ("VP Finance") of the Company. Discussions of valuation processes and results are held between the VP Finance, the Chief Financial Officer, and reported to the audit committee at least once every three months, in line with the Company's quarterly reporting periods.

17. Commitments

Significant capital expenditures contracted as at September 30, 2022 but not recognized as liabilities are as follows:

		Capital Expenditures
12 months ending September 30, 2023	$	11,679
October 1, 2023 onward		-
Total	$	11,679

Corporate Information

BOARD OF DIRECTORS
Jack Lundin, Chairman
Vancouver, Canada
Carmel Daniele
London, United Kingdom
Gillian Davidson
Edinburgh, United Kingdom
Ian Gibbs
Vancouver, Canada
Chantal Gosselin
Vancouver, Canada
Ashley Heppenstall
London, United Kingdom
Ron F. Hochstein
Vancouver, Canada
Craig Jones
Vancouver, Canada
Bob Thiele
New South Wales, Australia

OFFICERS
Ron F. Hochstein
President & Chief Executive Officer
Alessandro Bitelli
Executive Vice President &
Chief Financial Officer
Sheila Colman
Vice President, Legal
& Corporate Secretary
Nathan Monash
Vice President, Business
Sustainability
Andre Oliveira
Vice President, Exploration
Iliana Rodriguez
Vice President, Human Resources
Chester See
Vice President, Finance

OFFICES

CORPORATE HEAD OFFICE
Lundin Gold Inc.
885 West Georgia Street, Suite 2000
Vancouver, BC V6C 3E8
Telephone: 604-689-7842
Toll Free: 1-888-689-7842
Facsimile: 604-689-4250

REGIONAL HEAD OFFICE
Aurelian Ecuador S.A.,
a subsidiary of Lundin Gold Inc.
Av. Amazonas N37-29 y UNP Edificio
Eurocenter, Piso 5
Quito, Pichincha
Ecuador
Telephone: 593-2-299-6400

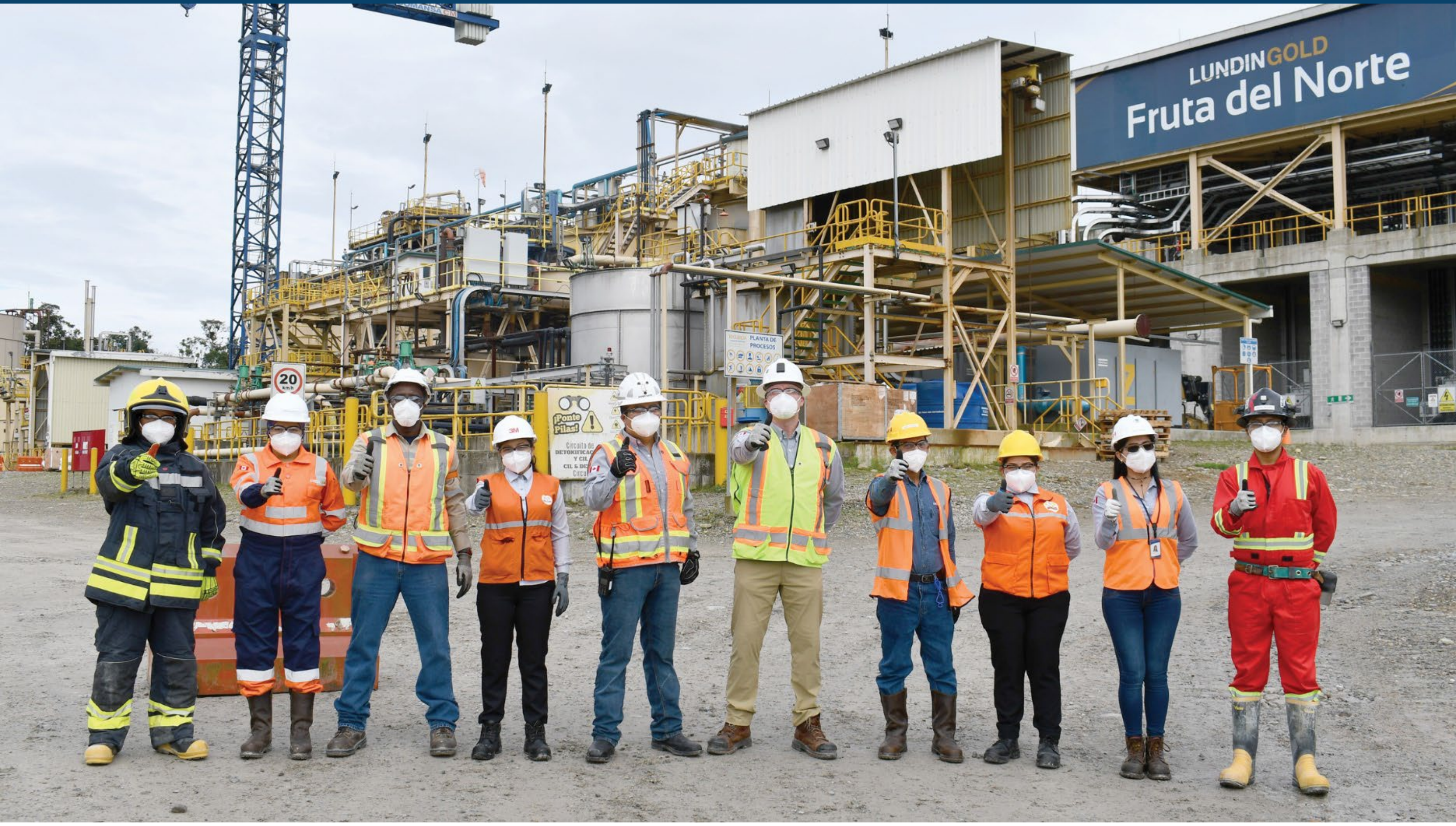
COMMUNITY OFFICE
Calle 1ro de Mayo y 12 de Febrero, esquina
Los Encuentros, Zamora-Chinchipe, Ecuador

STOCK EXCHANGE LISTINGS
The Toronto Stock Exchange
Trading Symbol: LUG
Nasdaq Stockholm
Trading Symbol: LUG

SHARE REGISTRAR AND TRANSFER AGENT
Computershare Investor Services Inc.
510 Burrard Street, 3rd Floor
Vancouver, BC V6C 3B9
Telephone: 1-800-564-6253

AUDITOR
PricewaterhouseCoopers LLP
250 Howe St, Suite700
Vancouver, BC V6C 3S7
Telephone: 604-806-7000

ADDITIONAL INFORMATION
Further information about Lundin Gold is available by contacting:
Finlay Heppenstall
Director, Investor Relations
Telephone: 604-689-7842
Toll Free: 1-888-689-7842
info@lundingold.com



LUNDINGOLD

885 West Georgia Street, Suite 2000
Vancouver, British Columbia, V6C 3E8
Canada

Telephone: 604-689-7842
Toll Free: 1-888-689-7842

info@lundingold.com

Av. Amazonas N37-29 y UNP Edificio
Eurocenter, Piso 5
Quito, Pichincha, Ecuador

Telephone: 593-2-299-6400

www.lundingold.com

@LundinGold | @LundinGoldEC | Lundin Gold | Lundin Gold | Lundin Gold Ecuador