INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Lundin Gold Inc. and its subsidiaries (collectively, "Lundin Gold" or the "Company") provides a detailed analysis of the Company's business and compares its financial results for the three months ended March 31, 2024 with those of the same period from the previous year.

This MD&A is dated as of May 8, 2024 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes thereto for the three months ended March 31, 2024, 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 Accounting Standards"), and the MD&A for the fiscal year ended December 31, 2023.

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.sedarplus.ca.

Lundin Gold, headquartered in Vancouver, Canada, is committed to positive and long-lasting impact on our host communities, while delivering significant value to stakeholders through operational excellence, cash flow generation and focused growth. Lundin Gold currently operates its 100% owned Fruta del Norte ("Fruta del Norte" or "FDN") gold mine in southeast Ecuador, which is one of the highest-grade gold mines in production in the world today. The Company also owns a portfolio of prospective exploration properties close to FDN.

FIRST QUARTER 2024 HIGHLIGHTS AND ACTIVITIES

Bolstered by strong operating performance, reduced debt servicing costs and record high gold prices, Fruta del Norte generated in excess of $100 million cash from operating activities, and free cash flow[1] of $82.3 million or $0.35 per share, during the first quarter of 2024. This resulted in a cash balance of $324 million as at March 31, 2024.

Operating performance remains consistent with recent quarters, with first quarter gold production of 111,572 ounces ("oz") at mill throughput of 4,545 tonnes per day ("tpd") and average mill head grade of 9.5 g/t. From this, gold sales of 108,916 oz resulted in gross revenues of $233 million at an average realized gold price[1] of $2,141 per oz. Cash operating costs[1] were $735 per oz sold and all-in sustaining costs ("AISC")[1] were $868 per oz sold for the quarter. With these results, the Company is on track to meet its 2024 guidance of production ranging between 450,000 to 500,000 oz and AISC[1] ranging between $820 to $890 per oz. sold.

Exploration activities at the near-mine program continue to yield positive results. After the end of the first quarter, the Company announced the discovery of a new high-grade zone, FDN East, as well as positive drilling intercepts achieved at Bonza Sur and FDN at depth following 12,331 metres of drilling across 26 holes. In addition, the Company increased its estimates of Mineral Reserves at FDN to 5.5 million oz through the results from the 2023 conversion drilling program, while also maintaining its estimates of total Mineral Resources year over year with successful exploration.

After the end of the first quarter, the Company announced that it had entered into an agreement with Newmont Corporation ("Newmont") to buy out 100% of the balance of the stream credit facility (the "Stream Facility") and offtake agreement (the "Offtake") for total consideration of $330 million (the "Transaction")[2]. The negotiated purchase price for the Stream Facility and the Offtake of $330 million is payable in cash, with the first tranche of $180 million due on closing of the transaction which is targeted on June 28, 2024 (the "Effective Date"). Payments and deliveries will continue in accordance with the terms of the Stream Facility and Offtake until the Effective Date. The final tranche of the purchase price of $150 million is due on or before the end of the third quarter of 2024.

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

[2] The Transaction constitutes a "related party transaction", as defined under Multilateral Instrument 61-101 ("MI 61-101"). The Transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the consideration paid pursuant to the Transaction does not exceed 25% of the Company's market capitalization.

(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)

The following two tables provide an overview of key operating and financial results achieved during the first quarter of 2024 compared to the same period in 2023.

	Three months ended March 31,	
	2024	**2023**
Tonnes ore mined	419,758	427,735
Tonnes ore milled	413,596	392,332
Average mill throughput (tpd)	4,545	4,359
Average mill head grade (g/t)	9.5	12.3
Average recovery	88.3%	90.6%
Gold ounces produced	111,572	140,021
Gold ounces sold	108,916	134,691

	Three months ended March 31,	
	2024	**2023**
Revenues ($'000)	226,741	256,728
Income from mining operations ($'000)	113,237	132,708
Earnings before interest, taxes, depreciation, and amortization ($'000)[1]	111,612	143,632
Adjusted earnings before interest, taxes, depreciation, and amortization ($'000)[1]	131,456	159,066
Net income ($'000)	41,897	51,465
Basic income per share ($)	0.18	0.22
Cash provided by operating activities ($'000)	107,914	144,439
Free cash flow ($'000)[1]	82,259	(11,653)
Free cash flow per share ($)[1]	0.35	(0.05)
Average realized gold price ($/oz sold)[1]	2,141	1,952
Cash operating cost ($/oz sold)[1]	735	644
All-in sustaining costs ($/oz sold)[1]	868	728
Adjusted earnings ($'000)[1]	57,796	67,014
Adjusted earnings per share ($)[1]	0.24	0.28
Dividends paid per share ($)	0.10	0.10

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

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The difference between net income and adjusted earnings[1] during the first quarter of 2024 is due to a special one-time levy of $1.9 million, payable in two installments in 2024 and 2025, which was mandated by the Government of Ecuador to strengthen the country's security amid rising violence, and non-cash derivative losses of $17.9 million (three months ended March 31, 2023: derivative loss of $15.4 million) associated with fair value accounting of the Stream Facility. This non-cash item is driven by numerous factors including expected production profile, anticipated forward gold and silver prices, and yields. Non-cash derivative gains (or losses) associated with decreased (or increased) short-term production and anticipated decreasing (or increasing) forward gold and silver 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 until the buy out of the Stream Facility and Offtake on the Effective Date.

Operating and Financial Results During the First Quarter of 2024

- Gold production was 111,572 oz which was comprised of 73,964 oz in concentrate and 37,608 oz as doré.
- During the first quarter, 419,758 tonnes of ore were mined at an average grade of 10.5 grams per tonne.
- The mill processed 413,596 tonnes of ore at an average throughput rate of 4,545 tpd which is consistent with the throughput rate achieved during the previous year.
- The average grade of ore milled was 9.5 grams per tonne with average recovery at 88.3%.
- Gold sales totaled 108,916 oz, consisting of 71,676 oz in concentrate and 37,240 oz as doré, resulting in gross revenues of $233 million at an average realized gold price[1] of $2,141 per oz. Net of treatment and refining charges, revenues for the quarter were $227 million.
- Cash operating costs[1] and AISC[1] were $735 and $868 per oz of gold sold, respectively, which are both in line with expectations. Cash operating costs[1] per oz sold were at the upper end of guidance as a result of lower gold production resulting from expected lower grades and recoveries, while the lower level of sustaining capital activities than anticipated during the quarter reduced AISC[1].
- The Company generated cash from operating activities of $108 million and free cash flow[1] of $82.3 million, or $0.35 per share, resulting in a cash balance of $324 million at March 31, 2024.
- Earnings before interest, taxes, depreciation, and amortization[1] ("EBITDA") and adjusted EBITDA[1] were $112 million and $131 million, respectively, with the difference resulting from derivative losses recognized in the quarter and a one-time special government levy.
- Net income was $41.9 million including a derivative loss of $17.9 million, and net of corporate, exploration, finance costs, and associated taxes. Adjusted earnings[1], which exclude the one-time special government levy, derivative losses, and related taxes were $57.8 million, or $0.24 per share.

Update to Mineral Reserve and Mineral Resource Estimates

On March 27, 2024, the Company updated its estimates of Mineral Reserves and Mineral Resources as at December 31, 2023 for the Fruta del Norte mine. Since operations began in 2019, FDN has added Mineral Reserves of 2.6 million oz. before mining depletion. The tables of the updated estimates of Mineral Reserves and Resources can be found below.

Mineral Reserves, as at December 31, 2023

	Mineral Reserves (1)(2)(3)(4)(5)(6)(7)(8)(9)				
	Tonnage (M t)	**Grade (g/t Au)**	**Contained Metal (M oz Au)**	**Grade (g/t Ag)**	**Contained Metal (M oz Ag)**
Proven	7.56	9.42	2.29	10.5	2.55
Probable	14.14	7.06	3.21	11.7	5.34
Total	21.70	7.89	5.50	11.3	7.89

[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)

Notes:
1. *2014 CIM Definitions Standards on Mineral Resources and Reserves have been followed.*
2. *The Qualified Person for this estimate is Terry Smith P.Eng, Lundin Gold's Chief Operating Officer.*
3. *Mineral Reserves have an effective date of December 31, 2023.*
4. *Mineral Reserves were estimated using key inputs listed in the table below:*

Key Input	December 31, 2022	December 31, 2023	Unit
Gold Price	1,400	1,400	$/oz
Transverse Stoping Mining Cost	51	53	$/t
Drift & Fill Mining Cost	77	95	$/t
Process, Surface Ops, G&A Cost	64	72	$/t
Surface Royalties, Sustaining Capital, Closure Costs	15	8	$/t
Dilution Factor	8	8	Percent
Concentrate Transport & Treatment	80	50	$/oz
Royalty	76	79	$/oz
Gold Metallurgical Recovery	88.5	91.2	Percent

5. *Gold cut-off grades for the different mining methods are listed in the table below:*

Gold Cut-off Grade	December 31, 2022	December 31, 2023	Unit
Transverse Stope	4.2	4.0	g/t
Drift and Fill	5.0	5.3	g/t

6. *Silver was not considered in the calculation of the cut-off grade but is recovered and contributes to the revenue stream.*
7. *Tonnages are rounded to the nearest 1,000 t, gold grades are rounded to two decimal places, silver grades are rounded to one decimal place, and costs are rounded to the nearest dollar. Tonnage and grade measurements are in metric units; contained gold and silver are reported as thousands of troy ounces.*
8. *Figures may not add due to rounding.*
9. *Additional information on Mineral Reserve estimates for Fruta del Norte is contained in the Annual Information Form dated March 26, 2024 (the "AIF") which is available under the Company's profile on SEDAR+ at www.sedarplus.ca.*

Mineral Resources, as at December 31, 2023

Mineral Resources(1)(2)(3)(4)(5)(6)(7)(8)					
Category	**Tonnage (M t)**	**Grade (g/t Au)**	**Contained Metal (M oz Au)**	**Grade (g/t Ag)**	**Contained Metal (M oz Ag)**
Measured	7.75	11.74	2.93	12.7	3.18
Indicated	15.78	8.00	4.06	12.5	6.32
Measured & Indicated	**23.53**	**9.24**	**6.99**	**12.6**	**9.50**
Inferred	**7.98**	**5.77**	**1.48**	**11.3**	**2.90**

Notes:
(1) *2014 CIM Definition Standards were followed for the classification of Mineral Resources.*
(2) *The Qualified Person for the estimate is Freddy Ildefonso, Msc, P.Geo, Mineral Superintendent of Fruta del Norte Mine.*
(3) *Measured and Indicated Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*
(4) *Inferred Mineral Resources are considered too speculative geologically to have economic considerations applied to them to enable them to be categorized as Mineral Reserves.*
(5) *Mineral Resources are reported at a cut-off grade of 3.4 g/t Au, which is calculated using a long-term gold price of US$1,600/oz and metallurgical recovery of 91.2%.*
(6) *Mineral Resources are reported net of mining to December 31, 2023, and uses drill hole data available as of October 31, 2023.*

(7) Figures may not add due to rounding.
(8) Additional information on Mineral Resource estimates for Fruta del Norte is contained in the AIF which is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

<u>Capital Expenditures</u>

Sustaining Capital

- Sustaining capital activities during the quarter focused on completing projects that began in 2023 including the implementation of a mine dispatch system and the upgrade of the surface haul road from the mine to the ore stockpile area.
- For the conversion drilling program, a total of 3,710 metres across 30 drill holes were completed in the north sector of the FDN deposit.
    - Conversion drilling continues to confirm mineralization at FDN with high-grade drilling intercepts associated with breccias and stockwork zones, like the mineralization found in the north sector of the Mineral Reserve envelope.
    - Two rigs are currently turning under the conversion program.

A complete table of the conversion drilling results received to date can be found in Lundin Gold's press release dated April 17, 2024.

Process Plant Expansion Project

- Detailed engineering advanced during the quarter, along with procurement activities of plant equipment for the expansion which is expected to improve throughput to 5,000 tonnes per day and improve recoveries by approximately 3%.
- Construction of the upgraded tailings and reclaim pipelines commenced late in the quarter.
- The project continues to track on schedule for completion in December of this year.

<u>Health and Safety and Community</u>

Health and Safety

- During the first quarter there were two Lost Time Incidents and three Medical Aid Incidents.
- The Total Recordable Incident Rate across exploration and operations was 0.63 per 200,000 hours worked for the quarter.

Community

Lundin Gold continued to support several community projects in the first quarter of 2024, including initiatives focused on community health and education. The mental health and well-being program run by *Educación para Compartir*, an international non-profit organization, continued with increased participation by local community members. The program has expanded to incorporate extra-curricular activities for young people and extended to rural communities close to Fruta del Norte. Company sponsored education programs, which aim to improve local student access to higher education, continued to show success. At quarter end, there were more than 200 students from the nearby town of Los Encuentros enrolled at public and private universities. A complementary program designed to improve the quality of local education, sponsored by Lundin Gold, is currently benefiting approximately 1,000 students between the ages of 3 and 18 years.

Infrastructure investment continued to be a priority for Lundin Gold in the quarter. In line with the Company's long-standing commitment to support road maintenance, Lundin Gold reached an agreement with local authorities to participate in a road paving initiative, which when completed will benefit more than 200 residents.

The Company continued to support local businesses in conjunction with the Lundin Foundation, including women-led businesses through the third edition of the "Soy Emprendadora" program. Among the supported local businesses, a textile manufacturer, fire extinguisher maintenance provider and pest control and fumigation service company all expanded their sales in the quarter with Lundin Gold as an anchor client. The Company and Lundin Foundation continued to jointly support the development of local suppliers through the Nexo III program. An area of focus has been ensuring that local farmers obtain and retain access to local, national, and international markets. The Company also continued to engage with local indigenous people, especially the Shuar Federation of Zamora Chinchipe, to jointly implement projects that promote economic opportunities and the Shuar culture.

During the first quarter of 2024, two series of dialogue round tables occurred, with high participation rates by local community members.

Exploration

Near Mine Exploration Program
During the first quarter of 2024, the Company completed a total of 12,331 metres across 26 holes from surface and underground. Drilling from underground explored mainly the FDN deposit at depth while drilling from surface continued to test sectors located along the extensions of the controlling structures of the FDN deposit, such as Bonza Sur and FDN East.

- During the quarter, the surface drilling program continued along the extensions of the East Fault, where the Bonza Sur discovery and other prospective sectors like FDN East, FDN North and Alejandro are located.
  - At Bonza Sur, located one kilometre from FDN, eight surface drill holes were completed and continue to expand this new epithermal system. Recent results confirm higher-grade intercepts at shallower depths associated mainly to vein/veinlet zones of quartz and minor chalcedony and manganoan-carbonate with occurrences of disseminated to semi-massive levels of sulphides (mainly sphalerite and galena). Mineralization has already been identified for more than 1.3 kilometres along the north-south strike and for at least 500 metres along the downdip and remains open in all directions.
  - At FDN East, a new buried epithermal mineralized system was discovered only 100 metres east from FDN. The target is hosted in similar volcanic and intrusive rocks as those found at the FDN deposit and is buried by sedimentary cover. Four drill holes were completed during the first quarter and intercepted gold mineralization associated with significant levels of hydrothermal alteration represented by veins and/or veinlets of chalcedony, sulfides (mainly pyrite) and visible gold.
  - The near-mine exploration program advanced in unexplored areas close to FDN. During the first quarter, a systematic exploratory drilling program was initiated and tested new areas with the identification of additional potential targets. A total of ten drill holes were completed. In the north extension of the FDN deposit, exploratory holes intercepted large zones of hydrothermal alteration represented by chalcedony veins and sulfides with low grade gold mineralization. At Alejandro, located along the south extension of the East Fault, two drill holes were completed and results are pending.
- Underground exploration drilling at FDN continues to explore extensions of the mineral envelope at depth and four drill holes have been completed year-to-date. Of note, drill hole UGE-DD-24-089 indicates gold mineralization associated with zones of hydrothermal alteration of a similar composition to that found at shallower levels of the mine and underscores the potential to expand FDN's current mineral envelope at depth.

A complete table of results received to date can be found in Lundin Gold's press release dated April 17, 2024.

Regional Exploration Program
The 2024 regional program continues to advance the identification of important indicators that point toward the presence of buried epithermal deposits in the southern basin. New sectors have been identified along the south border of the Suarez basin. A total of 10,000 metres of drilling is planned to be completed in 2024.

During the quarter, exploration fieldwork activities were completed on the Robles and Lupita targets, located to the south of the Suarez Basin. Detailed geological interpretation of exploration data and additional fieldwork were completed and aimed at identifying major structures and zones of hydrothermal alteration. The regional drilling program commenced at the Robles target in April.

Corporate

- The Company paid a quarterly dividend of $0.10 per share on March 25, 2024 (March 28, 2024 for shares trading on Nasdaq Stockholm) based on a record date of March 8, 2024, for a total of $23.9 million.
- With the release of its first quarter 2024 results, the Company has declared a cash dividend of $0.10 per share, which is payable on June 25, 2024 (June 28, 2024 for shares trading on Nasdaq Stockholm) to shareholders of record on June 10, 2024.

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SUMMARY OF QUARTERLY FINANCIAL RESULTS

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

	2024 Q1	2023 Q4	2023 Q3	2023 Q2
Revenues	$ 226,741	$ 190,688	$ 211,172	$ 243,930
Income from mining operations	$ 113,237	$ 78,051	$ 99,620	$ 124,801
Derivative gain (loss) for the period	$ (17,931)	$ (28,634)	$ 11,678	$ 321
Net income for the period	$ 41,897	$ 11,062	$ 53,782	$ 63,148
Basic income per share	$ 0.18	$ 0.05	$ 0.23	$ 0.27
Diluted income per share	$ 0.17	$ 0.05	$ 0.22	$ 0.26
Weighted-average number of common shares outstanding				
Basic	238,255,452	237,665,855	237,411,813	236,943,432
Diluted	239,968,974	239,745,358	239,583,745	239,190,085
Additions to property, plant and equipment	$ 9,701	$ 15,791	$ 15,744	$ 13,245
Total assets	$ 1,508,987	$ 1,468,209	$ 1,516,866	$ 1,508,831
Long-term debt	$ 326,791	$ 305,647	$ 361,109	$ 396,588
Working capital	$ 413,528	$ 346,859	$ 313,794	$ 268,095

	2023 Q1	2022 Q4	2022 Q3	2022 Q2
Revenues	$ 256,728	$ 210,961	$ 210,425	$ 177,808
Income from mining operations	$ 132,708	$ 92,095	$ 83,930	$ 82,522
Derivative gain (loss) for the period	$ (15,434)	$ 29,217	$ 41,838	$ 39,986
Net income (loss) for the period	$ 51,465	$ (68,259)	$ 62,673	$ 55,962
Basic income (loss) per share	$ 0.22	$ (0.29)	$ 0.27	$ 0.24
Diluted income (loss) per share	$ 0.22	$ (0.29)	$ 0.26	$ 0.24
Weighted-average number of common shares outstanding				
Basic	236,062,529	235,332,039	235,165,784	234,933,975
Diluted	238,123,015	235,332,039	236,882,976	236,847,992
Additions to property, plant and equipment	$ 4,384	$ 15,253	$ 15,178	$ 14,532
Total assets	$ 1,467,040	$ 1,668,865	$ 1,634,590	$ 1,664,030
Long-term debt	$ 434,175	$ 667,966	$ 589,919	$ 645,724
Working capital	$ 256,853	$ 194,804	$ 253,673	$ 253,921

Three months ended March 31, 2024 compared to the three months ended March 31, 2023

The Company generated net income of $41.9 million during the first quarter of 2024 compared to $51.5 million during the first quarter of 2023. Net income was generated from the recognition of revenues of $227 million and income from mining operations of $113 million as well as finance income of $4.5 million and other income of $1.2 million. This is offset by a derivative loss of $17.9 million, finance expense of $12.1 million, income tax expense of $28.6 million, and other expenses totalling $18.3 million. During the first quarter of 2023, net income was generated from the recognition of revenues of $257 million and income from mining operations of $133 million as well as other income of $0.5 million, offset by a derivative loss of $15.4 million, finance expense of $21.1 million, income tax expense of $33.8 million, and other expenses totalling $11.4 million.

Income from mining operations

During the first quarter of 2024, the Company generated revenues of $227 million from the sale of 108,916 oz of gold and income from mining operations of $113 million compared to revenues of $257 million from the sale of 134,691 oz of gold and income from mining operations of $144 million during the first quarter of 2023. The decrease is primarily attributable to a decrease in oz produced and sold as the increase in mill throughput was offset by a decrease in grade and recoveries.

Exploration

Exploration costs were $7.9 million in the quarter compared to $3.8 million during the same period in 2023. The increase is attributable to the continued expansion of the near-mine exploration program following positive results to date.

Corporate administration

Corporate administration costs increased from $7.6 million during the first quarter of 2023 to $10.4 million during the first quarter of 2024. This difference is mainly attributable to costs associated with the move of the Vancouver office along with the other Lundin Group companies, a one-time special levy of $1.9 million by the Government of Ecuador, payable in two equal installments, to strengthen security amid rising violence in the country, as well as an increase in stock-based compensation due to the cash settlement of vested share units as determined by the Company's board of directors.

Finance expense

Finance expense decreased to $12.1 million during the quarter compared to $21.1 million during the same period in 2023. The decrease is due to the full repayment of the senior debt facility during the fourth quarter of 2023 as well as reduced repayments under the Stream Facility due to a reduction in oz. sold as noted above.

Finance income

Finance income increased from $1.8 million during the first quarter of 2023 to $4.5 million during the first quarter of 2024 which is driven by a higher cash balance and increased yield on short-term investments.

Other income

Other income of $1.2 million was recognized during the quarter compared to $0.5 million in the first quarter of 2023. 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

Derivative gains and losses in the statement of operations and other comprehensive income are driven by the Company's debt obligations under the Stream Facility which are classified as financial liabilities at fair value. During the first quarter of 2024, the Company made scheduled principal, interest, and finance charge repayments totaling $15.1 million (three months ended March 31, 2023: $21.0 million) under the Stream Facility, based on gold and silver prices at the time of repayment. This was offset by a non-cash increase of this debt obligation of $24.8 million due to a change in its estimated fair value between December 31, 2023 and March 31, 2024 (2023: an increase of $14.6 million between December 31, 2022 and March 31, 2023). This variation is recorded as derivative gains or losses, in the statement of operations and other comprehensive income in the applicable period. The fair value calculated under the Company's accounting policies is based on numerous estimates noted below as of the balance sheet date and are, therefore, subject to further future variations until the debt obligation is repaid by the Company.

Fair value is determined using Monte Carlo simulation models. The key inputs used by the Monte Carlo simulation include gold and silver forward prices, the Company's expectation about the gold and silver forward curves, 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 to date.

Key drivers of current fair value are forward gold and silver prices and the Company's risk adjusted discount rate. The combined net impact of these factors is a net increase in the fair value of the Stream Facility as described more fully below, offset by the decrease from scheduled repayments during the period:

- The value of future repayments under the Stream Facility is based on forward gold and silver price estimates at time of repayment. Spot gold prices at March 31, 2024 were higher compared to December 31, 2023 and as a result, forward prices have followed suit. This has resulted in an increase in the estimated fair value of the debt obligation at the current balance sheet date and the recognition of derivative losses in the statement of operations during the three months ended March 31, 2024. Fair values at a point in time do not necessarily reflect the amounts that will actually be repaid when the obligation becomes due in the future.

- The discount rate used to determine the current fair value of future payments under the Stream Facility 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 the Company's credit risk must be recorded as a loss or gain in other comprehensive income ("OCI") rather than in the statement of operations.

Income taxes

Income taxes of $28.6 million were accrued during the first quarter of 2024 (three months ended March 31, 2023: $33.8 million) which is comprised of current and deferred income tax expenses of $23.5 million and $5.1 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.

Corporate income taxes in Ecuador are due in April of each year. Effective January 1, 2024, the Government of Ecuador introduced monthly corporate income tax instalment payments which is based on a percentage of monthly revenues. Instalment amounts paid during the year ended December 31, 2024 will offset corporate income taxes due in April 2025.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2024, the Company had cash of $324 million and a working capital balance of $414 million compared to cash of $268 million and a working capital balance of $347 million at December 31, 2023.

The change in cash during the first quarter was primarily due to cash generated from operating activities of $108 million and proceeds from the exercise of stock options totalling $4.3 million. This is offset by principal repayments, interest and finance charges, including associated taxes, under the Stream Facility totalling $15.1 million; dividends of $23.9 million; cash outflows of $13.6 million relating to investing activities; and settlement of vested share units with cash of $3.6 million.

The Stream Facility was the last remaining debt on the Company's balance sheet following the full repayment of both the gold prepay credit facility and senior debt facility during 2023. On April 25, 2024, the Company announced that it had entered into an agreement with Newmont to buy 100% of the balance of the Stream Facility and Offtake for total consideration of $330 million.

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. 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 period 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 March 31, 2024, this resulted in an estimated increase of $13.4 million ($7.8 million at December 31, 2023) to trade receivables reflecting rising gold prices during the period.

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.

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 being 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.

Advance 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. Ore stockpile inventory has increased primarily due to higher grade stockpiled compared to December 31, 2023. The variations in doré and concentrate are mainly the result of timing of shipments around period end. 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 higher costs of materials and supplies on hand.

Investment activities

Investment activities during the first quarter of 2024 are comprised principally of sustaining capital expenditures for the mine dispatch system and other capital projects. In addition, costs were incurred relating to the plant upgrade project.

Liquidity and capital resources

The Company generated strong operating cash flow during the three months ended March 31, 2024 and expects to continue to do so for the remainder of the year based on its production and AISC guidance. At current gold prices, this strong operating cash flow will continue to support the exploration programs, planned capital expenditures, further plant expansion, growth initiatives and regular dividend payments under the approved dividend policy.

Monthly payments under the Stream Facility are based on 7.75% and 100% of gold and silver oz sold, respectively, calculated at the current gold and silver prices at the end of each month, less $408 and $4.08 per oz (the "Base Prices"), respectively. The Base Prices increase by 1% annually in February of each year. The decrease in repayments under the Stream Facility during the first quarter of 2024 compared to the same period in 2023 is driven by the decrease in oz. sold partially offset by higher spot prices of gold at time of repayment.

TRANSACTIONS WITH RELATED PARTIES

During the three months ended March 31, 2024, the Company incurred $0.8 million (March 31, 2023 – $0.2 million), primarily relating to office rental, renovation costs, and related services provided by Namdo Management Services Ltd. ("Namdo"), a company associated with a director of the Company.

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 Stream Facility and Offtake have been classified as financial liabilities at fair value and the Senior Facility as a financial liability at amortized cost. Further, provisionally priced trade receivables of $122.4 million (December 31, 2023 - $93.0 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.

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Concentration of credit risk

Cash and cash equivalents are held with high quality financial institutions. Substantially all of the Company's cash and cash equivalents held with financial institutions exceed government-insured limits. The Company has established a treasury policy that seeks to minimize its credit risk by entering into transactions with investment grade creditworthy and reputable financial institutions and by monitoring the credit standing of those financial institutions. The Company seeks to limit the amount of exposure with any one counterparty in accordance with its established treasury policy.

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.

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 the Stream Facility are impacted by fluctuations of commodity prices.

COMMITMENTS

Significant capital expenditures contracted as at March 31, 2024 but not recognized as liabilities are as follows:

		Capital expenditures
12 months ending March 31, 2025	$	22,399
April 1, 2025 onward		-
Total	$	22,399

On January 1, 2024, the Company entered into a long-term rental agreement with Namdo which expires on February 28, 2039, and provides a guarantee of rental fees totaling $6.5 million for the duration of the contract.

OFF-BALANCE SHEET ARRANGEMENTS

During the three months ended March 31, 2024 and the year ended December 31, 2023, 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 238,896,751 common shares issued and outstanding. There were also stock options outstanding to purchase a total of 2,962,471 common shares, 539,080 restricted share units with a performance criteria, 204,379 restricted share units, and 14,185 deferred share units.

OUTLOOK

Lundin Gold's performance in the first quarter of 2024 provides a strong foundation for the rest of the year, and the Company's production guidance of 450,000 to 500,000 oz and AISC[1] guidance of $820 to $890 oz. sold remain unchanged. Production is expected to be higher during the second half of the year driven by planned increase in grades and recoveries. In addition, the level of sustaining capital activities is expected to increase in subsequent quarters with guidance for the year remaining between $35 to $45 million. The $36 million Process Plant Expansion Project to increase plant throughput to 5,000 tpd and improve metallurgical recoveries, with the addition of three Jameson cells, remains on track for completion by the end of 2024.

The near-mine drilling program will continue to explore Bonza Sur where the primary focus is to better understand the target's mineralized zones as well as expanding the system to the north and at depth. Three rigs are currently turning at Bonza Sur. At the new FDN East discovery, two rigs will focus on expanding the initial positive results achieved to gain a better understanding of the mineralized zones and the main geological controls. One underground rig is expected to continue to test the extension of the FDN mineral envelope at depth. The regional drilling program is planned to start during the second quarter with one surface rig testing the Robles and Lupita targets in the Southern Basin.

Ten rigs are currently turning across the conversion, near-mine and regional programs and a minimum of 65,000 metres of drilling continues to be planned in 2024. This represents the largest drill program ever completed at the land package that hosts the FDN deposit. The estimated exploration budget for 2024 remains $42 million.

The Company anticipates continuing to declare quarterly dividends of at least $0.10 per share, which is equivalent to approximately $100 million annually, based on currently issued and outstanding shares. With the Company becoming debt free combined with rising gold prices, the Company expects to review its dividend policy in the latter half of 2024.

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 Accounting Standards and do not have a standardized meaning prescribed by IFRS Accounting Standards. 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.

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

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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 March 31, 2024	2023
Revenues	$ 226,741	$ 256,728
Treatment and refining charges	9,372	9,410
Less: silver revenues	(2,923)	(3,232)
Gold sales	$ 233,190	$ 262,906
Gold oz sold	108,916	134,691
Average realized gold price	$ 2,141	$ 1,952

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 March 31, 2024	2023
Net income for the period	$ 41,897	$ 51,465
Adjusted for:		
Finance expense	12,093	22,871
Finance income	(4,454)	(1,814)
Income tax expense	28,622	33,848
Depletion and depreciation	33,454	37,262
EBITDA	$ 111,612	$ 143,632
Special government levy	1,913	-
Derivative loss	17,931	15,434
Adjusted EBITDA	$ 131,456	$ 159,066

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 a special one-time government levy, derivative gains or losses, and related income tax effects, from accounting for the Stream Facility 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 Accounting Standards.

(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)

	Three months ended March 31, 2024	2023
Net income for the period	$ 41,897	$ 51,465
Adjusted for:		
Special government levy	1,913	-
Derivative loss	17,931	15,434
Deferred income tax expense	(3,945)	115
Adjusted earnings	$ 57,796	$ 67,014
Basic weighted average shares outstanding	238,255,452	236,062,529
Adjusted basic earnings per share	$ 0.24	$ 0.28

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 March 31, 2024	2023
Operating expenses	$ 67,268	$ 72,471
Royalty expenses	12,788	14,299
Cash operating costs	$ 80,056	$ 86,770
Gold oz sold	108,916	134,691
Cash operating cost per oz sold	$ 735	$ 644

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 oz 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.

(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)

	Three months ended March 31, 2024	Three months ended March 31, 2023
Cash operating costs	$ 80,056	$ 86,770
Corporate social responsibility	686	612
Treatment and refining charges	9,372	9,410
Accretion of restoration provision	205	167
Sustaining capital	7,110	4,384
Less: silver revenues	(2,923)	(3,232)
All-in sustaining cost	$ 94,506	$ 98,111
Gold oz sold	108,916	134,691
All-in sustaining cost per oz sold	$ 868	$ 728

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 March 31, 2024	Three months ended March 31, 2023
Net cash provided by operating activities	$ 107,914	$ 144,439
Net cash used for investing activities	(13,636)	(7,172)
Interest paid	(1,876)	(6,368)
Finance charge paid	(10,143)	(142,552)
Free cash flow	$ 82,259	$ (11,653)
Basic weighted average shares outstanding	238,255,452	236,062,529
Free cash flow per share	$ 0.35	$ (0.05)

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 2023 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. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A and those set out in the Company's AIF, which is available on SEDAR+ at www.sedarplus.ca.

QUALIFIED PERSON

The technical information relating to Fruta del Norte contained in this MD&A has been reviewed and approved by Terry Smith P. Eng, Lundin Gold's COO 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 six months ended June 30, 2024 is expected to be published on or about August 8, 2024.

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 Accounting Standards.

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, 2024 and ending March 31, 2024, 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 2024 production outlook, including estimates of gold production, grades recoveries and AISC; operating plans; expected sales receipts, completion of the buy back of the Stream Facility and the Offtake; its estimated capital costs; the recovery of VAT; timing of completion of the Process Plant Expansion Project and the anticipated benefits; benefits of the Company's community programs; 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; and estimates of Mineral Resources and Reserves at Fruta del Norte.

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: instability in Ecuador; community relations; forecasts relating to production and costs; mining operations; security; non-compliance with laws and regulations and compliance costs; tax changes in Ecuador; waste disposal and tailings; government or regulatory approvals; environmental compliance; gold price; infrastructure; dependence on a single mine; exploration and development; control of Lundin Gold; availability of workforce and labour relations; dividends; information systems and cyber security; Mineral Reserve and Mineral Resource estimates; title matters and surface rights and access; health and safety; human rights; employee misconduct; measures to protect biodiversity; endangered species and critical habitats; global economic conditions; shortages of critical resources; competition for new projects; key talent recruitment and retention; market price of the Company's shares; social media and reputation; insurance and uninsured risks; pandemics, epidemics or infectious disease outbreak; climate change; illegal mining; conflicts of interest; ability to maintain obligations or comply with debt; violation of anti-bribery and corruption laws; internal controls; claims and legal proceedings; and reclamation obligations.

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.sedarplus.ca.