

LUNDIN GOLD INC.

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

	Note	September 30, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	17	\$ 225,728	\$ 268,025
Trade receivables and other current assets	3	173,522	163,456
Inventories	4	81,326	89,406
Advance royalty		3,494	13,000
		484,070	533,887
Non-current assets			
VAT recoverable		50,320	51,904
Advance royalty		-	3,494
Property, plant and equipment	5	689,567	718,896
Mineral properties	6	140,149	160,028
		\$ 1,364,106	\$ 1,468,209
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 68,941	\$ 74,824
Income taxes payable		57,719	48,488
Current portion of long-term debt	8	-	63,716
		126,660	187,028
Non-current liabilities			
Long-term debt	8	-	241,931
Reclamation provisions		9,338	8,722
Deferred income tax liabilities		82,632	74,722
		218,630	512,403
EQUITY			
Share capital	9	1,031,431	1,008,932
Equity-settled share-based payment reserve	10	11,537	14,535
Accumulated other comprehensive income (loss)		(28,972)	1,955
Retained earnings (deficit)		131,480	(69,616)
		1,145,476	955,806
		\$ 1,364,106	\$ 1,468,209

Commitments (Note 20)

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.

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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,		Nine months ended September 30,	
		2024	2023	2024	2023
Revenues	11	\$ 323,087	\$ 211,172	\$ 851,259	\$ 711,830
Cost of goods sold					
Operating expenses		67,512	66,994	210,946	207,804
Royalty expenses		18,243	12,359	48,687	41,400
Depletion and depreciation		34,148	32,199	103,448	105,497
		119,903	111,552	363,081	354,701
Income from mining operations		203,184	99,620	488,178	357,129
Other expenses (income)					
Exploration	12	10,578	6,234	27,367	15,273
Corporate administration	13	4,948	4,451	20,187	16,538
Finance expense	14	-	21,892	266,542	64,336
Finance income		(4,176)	(3,650)	(13,414)	(8,602)
Other expense (income)		1,345	(354)	(1,322)	705
Derivative loss (gain)	8	-	(11,678)	(243,737)	3,435
		12,695	16,895	55,623	91,685
Net income before tax		190,489	82,725	432,555	265,444
Income tax expense					
Current income tax expense	16	49,058	20,212	121,403	74,427
Deferred income tax expense	16	5,716	8,731	14,249	22,622
		54,774	28,943	135,652	97,049
Net income for the period		\$ 135,715	\$ 53,782	\$ 296,903	\$ 168,395
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that may be reclassified to net income					
Currency translation adjustment		2,260	(1,376)	66	183
Items that will not be reclassified to net income					
Derivative loss related to the Company's own credit risk		-	(6,709)	(37,332)	(17,497)
Deferred income tax on accumulated other comprehensive income		-	1,476	6,339	3,849
Comprehensive income		\$ 137,975	\$ 47,173	\$ 265,976	\$ 154,930
Income per common share					
Basic		\$ 0.57	\$ 0.23	\$ 1.24	\$ 0.71
Diluted		0.56	0.22	1.23	0.70
Weighted-average number of common shares					
Basic		239,737,300	237,411,813	239,046,940	236,810,866
Diluted		241,890,593	239,583,745	240,989,325	238,965,898

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

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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	Retained earnings (deficit)	Total
Balance, January 1, 2023		235,646,977	\$ 989,772	\$ 13,856	\$ 2,612	\$ (154,159)	\$ 852,081
Exercise of stock options		980,552	5,868	(2,033)	-	-	3,835
Vesting of share units		240,753	2,419	(1,212)	-	-	1,207
Exercise of anti-dilution rights	9	725,653	8,748	-	-	-	8,748
Stock-based compensation	10	-	-	3,286	-	-	3,286
Other comprehensive loss		-	-	-	(13,465)	-	(13,465)
Net income for the period		-	-	-	-	168,395	168,395
Dividends paid		-	-	-	-	(71,132)	(71,132)
Balance, September 30, 2023		237,593,935	\$ 1,006,807	\$ 13,897	\$ (10,853)	\$ (56,896)	\$ 952,955
Balance, January 1, 2024		237,860,048	\$ 1,008,932	\$ 14,535	\$ 1,955	\$ (69,616)	\$ 955,806
Exercise of stock options		1,443,259	12,306	(3,395)	-	-	8,911
Vesting of share units		75,757	900	(3,025)	-	-	(2,125)
Exercise of anti-dilution rights	9	638,004	9,293	-	-	-	9,293
Stock-based compensation	10	-	-	3,422	-	-	3,422
Other comprehensive loss		-	-	-	(30,927)	-	(30,927)
Net income for the period		-	-	-	-	296,903	296,903
Dividends paid		-	-	-	-	(95,807)	(95,807)
Balance, September 30, 2024		240,017,068	\$ 1,031,431	\$ 11,537	\$ (28,972)	\$ 131,480	\$ 1,145,476

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

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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,		Nine months ended September 30,	
		2024	2023	2024	2023
OPERATING ACTIVITIES					
Net income for the period		\$ 135,715	\$ 53,782	\$ 296,903	\$ 168,395
Items not affecting cash:					
Depletion and depreciation		34,156	32,203	103,467	105,524
Stock-based compensation	10	1,063	1,199	5,260	3,274
Derivative loss (gain)	8	-	(11,678)	(243,737)	3,435
Other expense (income)		2,406	(291)	859	619
Finance expense (income)		(4,176)	18,069	253,128	54,896
Deferred income tax expense		5,716	8,731	14,249	22,622
		174,880	102,015	430,129	358,765
Changes in non-cash working capital items:					
Trade receivables and other current assets		9,640	(453)	(2,644)	7,765
Inventories		567	(938)	8,899	1,390
Advance royalty		6,500	5,209	13,000	11,709
Accounts payable and accrued liabilities		(4,384)	(7,029)	(1,660)	(9,920)
Income taxes payable		26,907	17,576	9,231	49,555
Other non-current liabilities		-	-	-	(1,045)
Interest received		4,176	3,650	13,414	8,602
Net cash provided by operating activities		218,286	120,030	470,369	426,821
FINANCING ACTIVITIES					
Repayments of long-term debt	8	-	(32,063)	(101,106)	(203,621)
Interest paid	8	-	(4,424)	(3,688)	(16,149)
Finance expense paid	8	-	(15,373)	(260,990)	(169,795)
Proceeds from exercise of stock options		2,961	618	8,911	3,835
Proceeds from exercise of anti-dilution rights	9	1,586	2,141	9,293	8,748
Share units settled in cash	10	(413)	-	(3,963)	-
Dividends paid		(47,976)	(23,759)	(95,807)	(71,132)
Change in non-cash working capital	8	(150,000)	-	-	-
Net cash used for financing activities		(193,842)	(72,860)	(447,350)	(448,114)
INVESTING ACTIVITIES					
Acquisition and development of property, plant and equipment		(34,065)	(17,550)	(59,392)	(36,045)
VAT paid on investing activities		(2,612)	(1,746)	(5,858)	(3,689)
Net cash used for investing activities		(36,677)	(19,296)	(65,250)	(39,734)
Effect of foreign exchange rate differences on cash		281	(377)	(66)	92
Net increase (decrease) in cash and cash equivalents		(11,952)	27,497	(42,297)	(60,935)
Cash and cash equivalents, beginning of period		237,680	274,968	268,025	363,400
Cash and cash equivalents, end of period		\$ 225,728	\$ 302,465	\$ 225,728	\$ 302,465

Supplemental cash flow information (Note 17)

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

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LUNDIN GOLD INC.

Notes to the condensed consolidated interim financial statements as at September 30, 2024

(Unaudited – Prepared by Management)

(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 2800, 1055 Dunsmuir 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 Accounting Standards”), 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, 2023.

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, 2023.

These financial statements were approved for issue by the Board of Directors on November 7, 2024.

Adoption of new IFRS pronouncements

Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Under existing requirements, a liability is current if an unconditional right to defer settlement of the liability for at least twelve months after the reporting period does not exist. With the introduction of the two amendments to IAS 1 in 2024, for a liability to be classified as non-current, a company must have the right to defer settlement of the liability for at least twelve months after the reporting period. The right must have substance and exist at the end of the reporting period, and the classification of the liability must be unaffected by the likelihood that the company will exercise that right. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted and have been applied with no impact on the Company’s financial statements in the current reporting period.

3. Trade receivables and other current assets

	September 30, 2024	December 31, 2023
Trade receivables (a)	\$ 125,849	\$ 93,036
VAT recoverable (b)	27,394	23,409
Prepaid expenses and other (c)	20,279	47,011
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	\$ 173,522	\$ 163,456

LUNDIN GOLD INC.

Notes to the condensed consolidated interim financial statements as at September 30, 2024

(Unaudited – Prepared by Management)

(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)

- (a) Trade receivables mainly 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.

Concentrate sales are first recorded based on provisional prices. For sales that are provisionally priced as at September 30, 2024, an adjustment is estimated and recorded using the forward gold price at quarter end for the future month when the final gold price for each individual sale is expected to be determined. This adjustment resulted in an increase of \$17.4 million in trade receivables as of September 30, 2024 (December 31, 2023 - \$7.8 million increase) reflecting rising gold prices during the period.

- (b) Subject to submission of monthly claims and their acceptance by the applicable tax authorities, VAT paid in Ecuador by the Company are being refunded or applied as a credit against 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.
- (c) As at December 31, 2023, prepaid expenses and other included credit notes issued by the tax authorities in Ecuador relating to approved VAT claims. During the nine months ended September 30, 2024, these credit notes were fully utilized to offset taxes payable including statutory tax withholdings from payments to vendors and the newly instituted monthly income tax instalment payments in Ecuador.

4. Inventories

	September 30, 2024	December 31, 2023
Ore stockpile	\$ 8,747	\$ 6,922
Gold in circuit	5,941	7,849
Doré and concentrate	15,587	17,868
Materials and supplies	51,051	56,767
	\$ 81,326	\$ 89,406

As at September 30, 2024, the Company maintained a provision of \$5.5 million (December 31, 2023 - \$7.0 million) associated with obsolete or slow-moving materials and supplies inventory generally accumulated during the construction of Fruta del Norte.

LUNDIN GOLD INC.

Notes to the condensed consolidated interim financial statements as at September 30, 2024

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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, 2023	\$ -	\$ 947,124	\$ 54,913	\$ 24,594	\$ 3,418	\$ 1,030,049
Additions	7,009	39,320	649	1,076	1,110	49,164
Disposals and other	-	-	(5,971)	(1,230)	(1,995)	(9,196)
Cumulative translation adjustment	-	297	-	-	10	307
Balance, December 31, 2023	7,009	986,741	49,591	24,440	2,543	1,070,324
Additions	17,255	34,841	547	423	2,121	55,187
Disposals and other	-	-	(1,186)	(336)	-	(1,522)
Reclassifications	(6,128)	6,128	-	-	-	-
Cumulative translation adjustment	-	(262)	-	-	2	(260)
Balance, September 30, 2024	\$ 18,136	\$ 1,027,448	\$ 48,952	\$ 24,527	\$ 4,666	\$ 1,123,729
Accumulated depletion and depreciation	Construction-in-progress	Mine and plant facilities	Machinery and equipment	Vehicles	Furniture and office equipment	Total
Balance, January 1, 2023	\$ -	\$ 206,579	\$ 23,620	\$ 16,867	\$ 1,684	\$ 248,750
Depletion and depreciation	-	100,225	6,481	3,946	589	111,241
Disposals and other	-	-	(5,432)	(1,230)	(1,995)	(8,657)
Cumulative translation adjustment	-	92	-	-	2	94
Balance, December 31, 2023	-	306,896	24,669	19,583	280	351,428
Depletion and depreciation	-	76,844	4,890	1,484	602	83,820
Disposals and other	-	-	(672)	(336)	-	(1,008)
Cumulative translation adjustment	-	(78)	-	-	-	(78)
Balance, September 30, 2024	\$ -	\$ 383,662	\$ 28,887	\$ 20,731	\$ 882	\$ 434,162
Net book value						
As at December 31, 2023	\$ 7,009	\$ 679,845	\$ 24,922	\$ 4,857	\$ 2,263	\$ 718,896
As at September 30, 2024	\$ 18,136	\$ 643,786	\$ 20,065	\$ 3,796	\$ 3,784	\$ 689,567

LUNDIN GOLD INC.

Notes to the condensed consolidated interim financial statements as at September 30, 2024

(Unaudited – Prepared by Management)

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

6. Mineral properties

<u>Cost</u>	<u>Fruta del Norte</u>
Balance, January 1, 2023	\$ 183,507
Adjustments to restoration asset	1,004
Depletion	(24,483)
Balance, December 31, 2023	160,028
Depletion	(19,879)
Balance, September 30, 2024	\$ 140,149

7. Accounts payable and accrued liabilities

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Accounts payable	\$ 16,140	\$ 16,750
Accrued liabilities	52,801	58,074
	\$ 68,941	\$ 74,824

8. Long-term debt

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Stream loan credit facility	\$ -	\$ 276,183
Offtake derivative liability	-	29,464
	\$ -	\$ 305,647
Less: current portion		
Stream loan credit facility	-	59,568
Offtake derivative liability	-	4,148
Long-term portion	\$ -	\$ 241,931

The stream loan credit facility (the “Stream Facility”) and the offtake derivative liability (the “Offtake”) were accounted for as financial liabilities at fair value through profit or loss until the closing of their buy out on June 27, 2024 (the “Closing Date”). The total buy out price of \$330 million was comprised of the remaining unamortized principal balance of \$94.4 million and finance expense of \$235.6 million.

The derivative adjustments in the Company’s condensed consolidated statements of income and comprehensive income during the nine months ended September 30, 2024 reflect the reversal of accumulated derivative adjustments recorded on the Stream Facility since its inception in 2017.

LUNDIN GOLD INC.

Notes to the condensed consolidated interim financial statements as at September 30, 2024

(Unaudited – Prepared by Management)

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

8. Long-term debt (continued)

Until the Closing Date, the Company made scheduled monthly payments under the Stream Facility totaling \$35.8 million (nine months ended September 30, 2023 – \$61.2 million) of which \$6.7 million (nine months ended September 30, 2023 – \$13.6 million) was paid on account of principal; \$3.7 million (nine months ended September 30, 2023 – \$6.3 million) for accrued interest; and the remaining \$25.4 million (nine months ended September 30, 2023 – \$41.3 million) as a finance expense.

9. 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, 2024, the Company issued 638,004 common shares to Newmont Corporation, indirectly through its subsidiary Newcrest Canada Inc. ("Newcrest") at a weighted average price of CAD\$19.89 per share for total proceeds of \$9.3 million.

During the year ended December 31, 2023, 800,840 common shares were issued to Newcrest at a weighted average price of CAD\$16.37 per share for total proceeds of \$9.6 million.

All issuances were completed in accordance with Newcrest's anti-dilution rights granted as part of its initial investment into the Company.

10. Stock-based compensation

i. Stock options

During the nine months ended September 30, 2024, 347,000 stock options were granted to employees, directors, and non-employees. These options have a weighted average exercise price of CAD\$15.92, an expiry date of five years and vest over a period of three or four years from date of grant. The total number of stock options outstanding at September 30, 2024 was 2,386,543.

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

	September 30, 2024
Risk-free interest rate	3.16%
Expected stock price volatility	33.28%
Expected life	3.7 years
Expected dividends (CAD)	\$0.54
Weighted-average fair value per option granted (CAD)	\$3.74

During the three months ended September 30, 2024, the Company recorded stock-based compensation expense of \$0.1 million (three months ended September 30, 2023 – \$0.4 million) related to stock options. During the nine months ended September 30, 2024, the Company recorded stock-based compensation expense of \$0.8 million (nine months ended September 30, 2023 – \$1.3 million) related to stock options.

LUNDIN GOLD INC.

Notes to the condensed consolidated interim financial statements as at September 30, 2024

(Unaudited – Prepared by Management)

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

10. Stock-based compensation (continued)

ii. Share units

The Company has issued and outstanding deferred share units (DSUs), restricted share units without performance criteria (RSUs), and restricted share units with performance criteria (PSUs) (collectively, "Share Units").

During the nine months ended September 30, 2024, the Company granted 400,458 Share Units that are settled in shares. In addition, in connection with dividends paid during the nine months ended September 30, 2024, 18,044 Share Units were granted as Dividend Equivalents. The total number of Share Units outstanding at September 30, 2024 was 707,670.

During the three months ended September 30, 2024, the Company recorded stock-based compensation expense of \$0.9 million (three months ended September 30, 2023 – \$0.7 million) related to Share Units. During the nine months ended September 30, 2024, the Company recorded stock-based compensation expense of \$4.4 million (nine months ended September 30, 2023 – \$1.9 million) related to Share Units, which \$1.8 million expense resulted from Share Units settled in cash as determined by the Company's board of directors.

11. Revenues

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Doré sales	\$ 131,504	\$ 79,878	\$ 309,457	\$ 259,905
Concentrate sales	185,083	135,194	532,202	457,825
Gain (loss) on provisionally priced trade receivables	6,500	(3,900)	9,600	(5,900)
	\$ 323,087	\$ 211,172	\$ 851,259	\$ 711,830

12. Exploration

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Catering and camp expenses	\$ 878	\$ 238	\$ 2,126	\$ 539
Concessions and land	73	29	648	468
Development	359	-	772	-
Drilling	5,248	3,289	12,427	7,315
Environmental	439	213	935	584
Geophysics	171	118	411	159
Salaries and benefits	1,618	1,052	4,959	3,063
Sampling and supplies	1,536	1,161	4,503	2,743
Others	256	134	586	402
	\$ 10,578	\$ 6,234	\$ 27,367	\$ 15,273

LUNDIN GOLD INC.

Notes to the condensed consolidated interim financial statements as at September 30, 2024

(Unaudited – Prepared by Management)

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

13. Administration

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Corporate social responsibility	\$ 484	\$ 542	\$ 1,649	\$ 1,688
Investor relations	61	108	199	297
Office and general	844	755	2,683	2,270
Professional fees	430	375	1,737	1,593
Regulatory and transfer	51	50	411	390
Salaries and benefits	1,706	1,260	5,664	6,607
Special government levy (a)	-	-	1,913	-
Stock-based compensation	1,063	1,199	5,260	3,274
Travel	309	162	671	419
	\$ 4,948	\$ 4,451	\$ 20,187	\$ 16,538

(a) In March 2024, the Government of Ecuador introduced a special one-time temporary security contribution to strengthen security amid rising violence in the country. Half of this contribution was paid during the nine months ended September 30, 2024 while the other half will be paid in 2025.

14. Finance expense

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Interest expense	\$ -	\$ 4,107	\$ 3,693	\$ 14,928
Finance expense	-	15,373	25,415	41,296
Finance expense on buy out of stream and offtake (Note 8)	-	-	235,575	-
Other finance costs	-	540	-	2,559
Accretion of transaction costs	-	1,872	1,859	5,553
	\$ -	\$ 21,892	\$ 266,542	\$ 64,336

15. Related party transactions

i. Key management compensation

Key management includes executive officers and directors of the Company. The compensation paid or payable to key management for employee services, including amounts paid to certain executive officers following the end of their employment, during the nine months ended September 30 is shown below.

	September 30, 2024	September 30, 2023
Salaries, bonuses and benefits	\$ 4,606	\$ 5,921
Stock-based compensation	3,486	2,592
	\$ 8,092	\$ 8,513

LUNDIN GOLD INC.

Notes to the condensed consolidated interim financial statements as at September 30, 2024

(Unaudited – Prepared by Management)

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

15. Related party transactions (continued)

ii. Other related party transactions

During the nine months ended September 30, 2024, the Company incurred \$1.2 million (nine months ended September 30, 2023 – \$0.5 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.

16. 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.

Corporate income taxes and profit sharing 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. In addition, audits by the tax authorities in Ecuador may result in additional taxes owed from time to time due to differing interpretations of tax law which may impact the Company's financial results.

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Net income before tax	\$ 190,489	\$ 82,725	\$ 432,555	\$ 265,444
Canadian federal and provincial income tax rates	27%	27%	27%	27%
Income tax expense based on the above rates	51,432	22,336	116,790	71,670
Increase (decrease) due to:				
Differences in foreign tax rates	(22,193)	2,834	(10,929)	13,049
Non-deductible costs	11,028	1,304	11,927	4,020
Withholding taxes (current and deferred)	15,243	2,134	17,743	5,925
Losses and temporary differences for which an income tax asset has not been recognized	(736)	335	121	2,385
Income tax expense	\$ 54,774	\$ 28,943	\$ 135,652	\$ 97,049

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17. Supplemental cash flow information

Cash and cash equivalents are comprised of the following:

	September 30, 2024		December 31, 2023	
Cash	\$	128,140	\$	70,670
Short-term investments		97,588		197,355
	\$	225,728	\$	268,025

Other supplemental cash information:

	Three months ended September 30, 2024		September 30, 2023		Nine months ended September 30, 2024		September 30, 2023	
Income tax paid	\$	38,671	\$	-	\$	96,643	\$	21,017
Change in accounts payable and accrued liabilities related to:								
Acquisition of property, plant and equipment	\$	(6,046)	\$	(1,806)	\$	(4,205)	\$	(2,672)

18. 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 where all revenues originate. 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.

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18. Segmented information (continued)

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, 2024				
Current assets	\$ 345,397	\$ 526	\$ 138,147	\$ 484,070
Non-current assets	879,316	84	636	880,036
Total assets	1,224,713	610	138,783	1,364,106
Current liabilities	125,055	707	898	126,660
Non-current liabilities	75,470	-	16,500	91,970
Total liabilities	200,525	707	17,398	218,630
For the three months ended September 30, 2024				
Revenues	323,087	-	-	323,087
Income from mining operations	203,184	-	-	203,184
Exploration expenditures	-	(10,578)	-	(10,578)
Corporate administration	(1,003)	(64)	(3,881)	(4,948)
Finance income	2,969	-	1,207	4,176
Other income (expense)	340	-	(1,685)	(1,345)
Derivative gain	-	-	-	-
Income tax expense	(41,168)	-	(13,606)	(54,774)
Net income (loss) for the period	164,322	(10,642)	(17,965)	135,715
For the nine months ended September 30, 2024				
Revenues	851,259	-	-	851,259
Income from mining operations	488,178	-	-	488,178
Exploration expenditures	-	(27,367)	-	(27,367)
Corporate administration	(5,285)	(342)	(14,560)	(20,187)
Finance income (expense)	(256,118)	-	2,990	(253,128)
Other income (expense)	1,377	-	(55)	1,322
Derivative gain	243,737	-	-	243,737
Income tax expense	(119,596)	-	(16,056)	(135,652)
Net income (loss) for the period	352,293	(27,709)	(27,681)	296,903

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18. Segmented information (continued)

	Fruta del Norte	Exploration activities	Corporate and other	Total
As at September 30, 2023				
Current assets	\$ 483,077	\$ 13,641	\$ 71,365	\$ 568,083
Non-current assets	948,783	-	-	948,783
Total assets	1,431,860	13,641	71,365	1,516,866
Current liabilities	252,702	702	885	254,289
Non-current liabilities	301,122	-	8,500	309,622
Total liabilities	553,824	702	9,385	563,911
For the three months ended September 30, 2023				
Revenues	211,172	-	-	211,172
Income from mining operations	99,620	-	-	99,620
Exploration expenditures	-	(6,234)	-	(6,234)
Corporate administration	(1,089)	(33)	(3,329)	(4,451)
Finance income (expense)	(19,060)	-	818	(18,242)
Other income	(528)	-	882	354
Derivative gain	11,678	-	-	11,678
Income tax expense	(26,809)	-	(2,134)	(28,943)
Net income (loss) for the period	63,812	(6,267)	(3,763)	53,782
For the nine months ended September 30, 2023				
Revenues	711,830	-	-	711,830
Income from mining operations	357,129	-	-	357,129
Exploration expenditures	-	(15,273)	-	(15,273)
Corporate administration	(3,750)	(120)	(12,668)	(16,538)
Finance income (expense)	(58,594)	-	2,860	(55,734)
Other income (expense)	(504)	2	(203)	(705)
Derivative loss	(3,435)	-	-	(3,435)
Income tax expense	(91,124)	-	(5,925)	(97,049)
Net income (loss) for the period	199,722	(15,391)	(15,936)	168,395

19. 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. Further, provisionally priced trade receivables of \$126 million (December 31, 2023 - \$93.0 million) are measured at fair value using quoted forward market prices (Fair value hierarchy level 2).

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20. Commitments

Significant capital expenditures contracted as at September 30, 2024 but not recognized as liabilities are as follows:

	Capital Expenditures	
12 months ending September 30, 2025	\$	40,179
October 1, 2025 onward		-
Total	\$	40,179

On January 1, 2024, the Company entered into a long-term master services agreement with Namdo which expires on February 28, 2039, and provides a guarantee of monthly fees totaling \$7.8 million for the remainder of the contract.