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, 2018 with those of the same period from the previous year.

This MD&A is dated as of November 8, 2018 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, 2018, 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, and the MD&A for the fiscal year ended December 31, 2017.

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, is developing its wholly-owned Fruta del Norte gold project ("Fruta del Norte Project" or the "Project") in southeast Ecuador. The Fruta del Norte Project is one of the highest-grade gold projects currently under construction in the world today. The Company's board and management team have extensive expertise in mine construction and operations and are dedicated to advancing this project through to first gold production in 2019.

The Company operates with transparency and in accordance with international best practices. Lundin Gold is committed to delivering value to its shareholders, while simultaneously providing economic and social benefits to impacted communities, fostering a healthy and safe workplace and minimizing the environmental impact. The Company believes that the value created through the development of Fruta del Norte will benefit its shareholders, the Government and the people of Ecuador.

THIRD QUARTER 2018 HIGHLIGHTS AND ACTIVITIES

Fruta del Norte Project

- Overall engineering was 63% complete and construction 34% complete.
- Cumulative advance in the K'isa and Kuri declines was 3.3 kilometres ("km").
- Process plant excavation is finished, and concrete is 40% complete.
- Grinding building steel erection is underway.
- North Access Road was substantially complete and being used by commercial vehicles.
- Powerline construction is ongoing on three separate work fronts.
- Updated mine plan and re-estimate of the Project's capital cost and operating cost were completed. It resulted in an increase in the Project's NPV 5% ($786 million from $717 million) and IRR (17.5% from 16.3%). The new capital cost estimate increased only marginally by $8.0 million to $692 million. At the same time, the estimated all-in sustaining cost dropped to $583 per oz. from $609 per oz.

Financing

- Closed a $350 million senior secured project finance debt facility (the "Facility") with a syndicate of seven lenders. The initial draw down of the Facility is not expected to occur until the first quarter of 2019. In addition, the Company executed a gold concentrate offtake agreement with Boliden.

Exploration

- The mapping, geochemical sampling and permitting required for future drilling continues on a number of epithermal gold-silver targets in the central and southern Suarez basin and the Gata Salvaje target area to the west of the basin.

THE FRUTA DEL NORTE PROJECT

Development of the Project remains on track and on budget to deliver first gold production in the fourth quarter of 2019 and achieve commercial production in the second quarter of 2020.

Lundin Gold's properties in Southeast Ecuador consists of 30 mining concessions covering an area of approximately 64,406 hectares. From this, the Fruta del Norte Project is comprised of six concessions covering an area of approximately 5,039 hectares and is located approximately 140 km east-northeast of the City of Loja, which is the fourth largest city in Ecuador.

Activities in the Third Quarter of 2018

Fruta del Norte Project

During the third quarter of 2018 progress continued on the Project, in all areas of engineering, procurement and construction. Overall engineering was 63% complete and construction was 34% complete as of the end of the quarter.

Mine Development

- As at September 30, a total of 3.3 km of underground mine development had been achieved, with 1,565 metres ("m") and 1,760 m in the Kuri and K'isa declines, respectively. Daily advance rates continued above target throughout the quarter with an average advance rate achieved of 6.2 m per day in Kuri and 7.0 m per day in K'isa in September, versus a target of 4.0 m per day and 3.8 m per day, respectively. The increase in advance rates are the result of better than anticipated ground conditions, less water than expected and higher contractor productivities.

Process Plant Construction

- Process plant foundations are well advanced.
- Structural steel erection started on the grinding building during the quarter.
- Fabrication of process plant equipment is on track. Flotation cells, mills, CIL tanks, and thickeners are expected to arrive in the fourth quarter of 2018.

Major Site Earthworks

- North Access Road was substantially complete and is being used by commercial vehicles.
- Tailings storage facility dam and basin clearing has started and construction coffer dams were completed.
- Polishing pond earthworks are almost finished and liner installation is underway. Work also started on the east diversion ditch.
- Paste plant access road and site preparation commenced.
- Ventilation shaft access road was completed.

Powerline

- Contractor started powerline construction in September and is working on three fronts.
- Negotiations for agreements on the Bomboiza substation connection to the national grid are underway.

Environment and Permitting

- Mountain Pass Quarry Environmental Licence was issued, and an exploitation agreement with the local government concerning the rights to develop the quarry is in the final stages.
- Continued to advance several SENAGUA water permits.
- Submitted explosives storage magazines expansion permit.

Exploration

- Exploration has focused on mapping and sampling geochemical anomalies to develop them into drill targets. This activity has primarily been conducted on targets in the central and southern Suarez basin (the Puente-Princesa and La Negra target areas) for Fruta del Norte style epithermal gold-silver systems using similar geochemical pathfinder elements that led to the discovery of the Project: arsenic, antimony, mercury, gold and silver. The Suarez basin is a 16 km "pull-apart" structure that hosts the buried Fruta del Norte deposit at its northern end.
- Outside of the Suarez basin, mapping and sampling has also been conducted north of the Gata Salvaje diatreme epithermal gold-silver target. The target occurs approximately 1 km west of the southern basin and is defined by a 1km long coincident arsenic, antimony, mercury and gold soil anomaly.
- Drill permitting activities continue on the Barbasco epithermal gold-silver target on the eastern edge of the Suarez basin approximately 6km south of Fruta del Norte. The target is defined by a 2.5km long area of anomalous arsenic and antimony in soil samples within the Suarez basin sediments.

(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 issued by the IASB as applicable to interim financial reporting. The following table provides highlights from the Company's financial statements of quarterly results for the past eight quarters (unaudited).

	2018 Q3	2018 Q2	2018 Q1	2017 Q4
Derivative gain (loss) for the period	$ 17,924	$ 18,846	$ (23,993)	$ (14,135)
Net income (loss) for the period	$ 7,270	$ 19,741	$ (25,588)	$ (19,505)
Basic income (loss) per share	$ 0.03	$ 0.09	$ (0.20)	$ (0.16)
Diluted income (loss) per share	$ 0.03	$ 0.09	$ (0.20)	$ (0.16)
Weighted-average number of common shares outstanding				
Basic	213,163,980	213,163,980	124,861,126	119,666,840
Diluted	213,707,572	213,754,928	124,861,126	119,666,840
Additions to property, plant and equipment	$ 84,765	$ 77,278	$ 66,250	$ 55,543
Total assets	$ 1,007,287	$ 994,583	$ 988,889	$ 481,729
Long-term debt	$ 351,591	$ 349,032	$ 376,218	$ 217,940
Working capital	$ 290,398	$ 377,265	$ 460,329	$ 26,794

	2017 Q3	2017 Q2	2017 Q1	2016 Q4
Derivative gain (loss) for the period	$ (8,281)	$ 4,382	$ -	$ -
Net income (loss) for the period	$ (16,032)	$ 785	$ (6,387)	$ (23,889)
Basic income (loss) per share	$ (0.13)	$ 0.01	$ (0.05)	$ (0.20)
Diluted income (loss) per share	$ (0.13)	$ 0.01	$ (0.05)	$ (0.20)
Weighted-average number of common shares outstanding				
Basic	119,417,366	118,857,521	118,743,908	118,682,274
Diluted	119,417,366	119,880,477	118,743,908	118,682,274
Additions to property, plant and equipment	$ 38,635	$ 26,731	$ 15,003	$ 257
Total assets	$ 434,198	$ 460,838	$ 295,795	$ 278,906
Long-term debt	$ 163,591	$ 150,997	$ -	$ -
Working capital	$ 66,196	$ 107,024	$ (18,776)	$ 1,022

To date, the Company has not generated production revenue. The only income generated by the Company is interest income on its cash deposits.

The Company's net income in the third quarter of 2018 is mainly due to the revaluation of the Company's long-term debt as more fully explained below. This is offset by a foreign exchange loss of $5.0 million from its substantial holdings of U.S. dollar cash at its Canadian entities during the quarter compared to a foreign exchange gain of $7.1 million in the second quarter of 2018 and a foreign exchange loss of $0.8 million in the third quarter of 2017. As the functional currency of these Canadian entities is the Canadian dollar, a strengthening of the Canadian dollar against the U.S. dollar during the period generates an unrealized loss in terms of Canadian dollars.

The Company generated net income of $1.4 million in the 2018 Period compared to a loss of $21.6 million in the 2017 Period. This is mainly due to the revaluation of the Company's long-term debt and recognition of a substantial foreign exchange gain on its cash balance as explained above. Partially offsetting these gains were higher salaries and benefits in the 2018 Period due to the performance incentive plan payment to the Company's employees.

Derivative gains or losses

The Company did not repay or increase its long-term debt during the third quarter of 2018; however, the Company's long-term debt balance is comprised of financial liabilities measured at fair value on a quarterly basis. This balance is valued using Monte Carlo simulation valuation models. The key inputs used by the Monte Carlo simulation include: the gold and silver forward curve based on Comex futures, 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 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.

During the third quarter of 2018, the Company recorded a derivative gain from the fair value revaluation of its long-term debt of $17.9 million compared to a derivative loss of $8.3 million recognized in the third quarter of 2017. For the 2018 Period, the Company has recorded a derivative gain of $12.8 million compared to a derivative loss of $3.9 million in the 2017 Period.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2018, the Company had cash of $291.6 million and a working capital of $290.4 million compared to cash of $35.0 million and a working capital balance of $26.8 million at December 31, 2017. The change in cash was primarily due to net proceeds from the private placement in March 2018 of $396.5 million and the final drawdown of $110 million under the gold prepay and stream credit facilities. This is offset by costs incurred for the development of the Fruta del Norte Project of $193.3 million, general and administration costs of $14.3 million and exploration expenditures of $5.0 million.

The Company has successfully financed the Fruta del Norte Project with a project financing package of $300 million in May 2017 comprising of the gold prepay and stream credit facilities, a $400 million private placement in March 2018, and the Facility of $350 million secured in July 2018. The initial draw down of the Facility is not expected to occur until the first quarter of 2019 and is subject to customary conditions precedent and establishing a cost overrun facility (the "COF") for which terms have been substantially agreed and is now subject to acceptance by the Company's lenders and final documentation.

The Company currently has no sources of revenues. Its continuing operations and the underlying value and recoverability of the amount shown for the mineral interests are dependent upon the ability of the Company to complete the development of the Fruta del Norte Project and on future profitable production.

TRANSACTIONS WITH RELATED PARTIES

During the 2018 Period, the Company paid $0.2 million (2017 – $0.3 million) to Namdo Management Services Ltd. ("Namdo"), a private corporation associated with an officer of the Company. The Company occupies office space in the Namdo offices for the Company's management, investor relations personnel and support staff. Namdo charges a service fee and recovers out of pocket expenses related to the Company.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, cash equivalents and 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 Company has long-term debt all of which have been classified as financial liabilities measured at fair value.

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 and its capital is typically raised in Canadian dollars, with foreign operations in Ecuador. Expenditures in Ecuador are primarily denominated in U.S. 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.

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 Facility.

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 meet its operational needs at all times. 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 for 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 metal substitutes, inflation and political and economic conditions. The Company has not hedged the price of any commodity at this time.

The fair value of long-term debt which is accounted for at fair value through profit or loss is impacted by fluctuations of commodity prices.

OFF-BALANCE SHEET ARRANGEMENTS

During the 2018 Period and the year ended December 31, 2017 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 213,163,980 common shares issued and outstanding and stock options outstanding to purchase a total of 5,902,900 common shares for a total of 219,066,880 common shares outstanding on a fully-diluted basis.

OUTLOOK

The Company is focused on advancing the Project on schedule through to first gold production in the fourth quarter of 2019. The following activities are planned over the next twelve months:

- Completing detailed engineering.
- Completing process plant construction and starting commissioning.
- Advancing mine development towards completion of the ventilation system.
- Commence mine operations and mining ore to stockpiles.
- Completing construction of the site infrastructure buildings such as the laboratory, reagent storage, mine dry and administration.
- Completing the construction of the power transmission line and connecting to the national grid at the Bomboiza substation.
- Signing the Mountain Pass Quarry exploitation agreement and developing the quarry.
- Completing construction of the tailing storage facility.
- Completing the design and supply of the paste plant and commencing construction.
- Obtaining permits and starting construction for the Zamora River bridge in El Pindal.

The Company has substantially agreed to the terms of the COF with a provider. Completion of the COF is a condition precedent to the initial draw down of the Facility, expected to occur in the first quarter of 2019, and is now subject to acceptance by the Company's lenders and final documentation.

Exploration continues to focus on developing drilling targets through mapping and geochemical sampling at the Suarez basin and Gata Salvaje targets. Drill permitting continues for a number of epithermal gold-silver target areas around the Suarez basin.

ADOPTION OF NEW ACCOUNTING STANDARDS

During the nine months ended September 30, 2018, the Company adopted the following new accounting standards:

i. *IFRS 15, Revenue from Contracts with Customers*

The IASB issued a new standard for the recognition of revenue. This replaced IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

This new standard did not affect the Company's financial statements as the Company has yet to generate any revenues.

ii. *IFRS 9, Financial Instruments*

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 *Financial Instruments: Disclosures*.

The Company's long-term debt is and under IFRS 9, continues to be classified as financial liabilities at fair value. Upon adoption of IFRS 9, the component of fair value changes relating to the Company's own credit risk is recognised in Other Comprehensive Loss. Amounts recorded in Other Comprehensive Loss related to credit risk are not subject to recycling in profit or loss, but are transferred to retained earnings when realized. Fair value changes relating to market risk are recognised in profit or loss.

The adoption of IFRS 9 has resulted in adjustments to the amounts recognised in the unaudited condensed consolidated interim financial statements. Refer to the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2018 for further details.

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 2017 Management's Discussion and Analysis.

RISKS AND UNCERTAINTIES

Acquisition, exploration and development of mineral properties involves a high degree of financial risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of an ore body may result in substantial rewards, few exploration properties are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling, constructing mining and process facilities at a site, developing metallurgical processes and extracting base and precious metals from ore.

The risk factors which should be taken into account in assessing the Company's activities, include, but are not necessarily limited to, those set out in the Company's Annual Information Form dated March 20, 2018 (the "AIF") which is available on SEDAR at www.sedar.com.

QUALIFIED PERSON

The technical information relating to the Fruta del Norte Project 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 Stephen Leary, MAusIMM CP(Geo), a consultant to 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, 2018 is expected to be published on or about February 19, 2018.

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, 2018 and ending September 30, 2018, 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 timing of first production and the progress of the development, construction and operation of the Project, improvements to site logistics and completion of site and powerline infrastructure and the acquisition of land and surface rights, the success of the Company's exploration plans and activities, exploration and development expenditures and reclamation costs, timing and success of permitting and regulatory approvals, project financing and future sources of liquidity, capital expenditures and requirements, future tax payments and rates, cash flows and their uses.

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: the ability to arrange financing and the risk to shareholders of dilution from future equity financings; the ability to maintain its obligations under the gold prepay and stream credit facilities, the Facility and other debt; risks related to carrying on business in Ecuador; volatility in the price of gold; the timely receipt of regulatory approvals, permits and licenses; risks associated with the performance of the Company's contractors; risks inherent in the development of an underground mine; deficient or vulnerable title to mining concessions and surface rights; shortages of critical resources, labour and key executive personnel, such as input commodities, equipment and skilled labour, and the dependence on key personnel; risks associated with the Company's community relationships; unreliable infrastructure; volatility in the market price of the Company's shares; the potential influence of the Company's largest shareholders; uncertainty with the tax regime in Ecuador; measures required to protect endangered species; the cost of compliance or failure to comply with applicable laws; exploration and development risks; the accuracy of the Mineral Reserve and Resource estimates for the Fruta del Norte Project; the Company's reliance on one project; risks related to artisanal and illegal mining; uncertainty as to reclamation and decommissioning; risks associated with the Company's information systems; competition in the mining industry; the ability to obtain adequate insurance; risks of bribery or corruption; the potential for litigation; and limits of disclosure and internal controls.

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.