
LUNDIN GOLD INC.

Management's Discussion and Analysis

Six Months Ended June 30, 2020

(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)

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 six months ended June 30, 2020 with those of the same period from the previous year.

This MD&A is dated as of August 11, 2020 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes thereto for the three and six months ended June 30, 2020, 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, 2019. References to the "2020 Period" and "2019 Period" relate to the six months ended June 30, 2020 and June 30, 2019, respectively.

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

Lundin Gold, headquartered in Vancouver, Canada, owns the Fruta del Norte gold mine ("Fruta del Norte" or the "Mine") in southeast Ecuador. Fruta del Norte is one of the highest-grade gold mines in production in the world today. The Company's board and management team have extensive expertise in mine operations and have advanced Fruta del Norte through its development, construction and to its first gold production in the fourth quarter of 2019 and commercial production in the first quarter of this year. Following three months of suspension of operations in response to the COVID-19 pandemic, the Company announced the re-start of operations in early July. Gold production for the second half of the year is forecasted in the range of 150,000 to 170,000 ounces ("oz").

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 operation of Fruta del Norte will benefit its shareholders, the Government and the citizens of Ecuador.

SECOND QUARTER 2020 HIGHLIGHTS AND ACTIVITIES

Following the achievement of commercial production during the first quarter of 2020 and the suspension of operations shortly thereafter in response to the COVID-19 pandemic, activities in the second quarter focused on the implementation of strict health and safety protocols and the planning of and preparation for a return to operations. Activities also included maintaining plant, equipment and infrastructure for an efficient re-start.

Temporary Suspension of Operations

Upon the temporary suspension of operations at Fruta del Norte on March 22, 2020, the Company reduced its site workforce to essential personnel. While the Company continued to pay all personnel on temporary suspension, a minimal number of staff remained at Fruta del Norte conducting care and maintenance and other activities in order to minimize the impacts of this temporary shutdown. These included continued operation of the water treatment plants, the relining of the SAG mill, maintenance of underground dewatering equipment and infrastructure and mill modifications to improve mill recoveries.

On May 15, 2020, Ecuador's national government issued COVID-19 protocols that set out health and safety guidelines for the mining industry in order to enable mining operations to restart. In addition, the government established logistics corridors that facilitate transportation for the mining industry. This allowed the Company to start moving reagents, spare parts and other supplies that had been accumulating at the port of Guayaquil to site and shipping gold concentrate and doré held at site since the end of the first quarter. In addition to moving supplies, personnel rotations to site started up again in June.

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The Company also finalized plans to re-establish operations and is forecasting gold production in the range of 150,000 to 170,000 oz at an All-in sustaining cost ("AISC") of between \$770 and \$850 per oz¹ of gold sold for the second half of the year.

Equity Financing

On June 11, 2020 the Company closed a bought deal equity offering (the "Offering") for gross proceeds of C\$57.5 million, by issuing a total of 4,772,500 common shares at a price of C\$12.05 per share. The net proceeds of the Offering are planned to be used to study the feasibility of increasing mine and mill throughput, to implement a plan to expand and upgrade existing mineral resources at Fruta del Norte through an underground drill program, to cover COVID-19 related costs and for general working capital purposes.

FRUTA DEL NORTE

Lundin Gold's properties in southeast Ecuador consist of 30 metallic mineral concessions and three materials concessions covering an area of approximately 64,786 hectares. From this, Fruta del Norte is comprised of seven concessions covering an area of approximately 5,566 hectares and is located approximately 140 km east-northeast of the City of Loja.

Site Activities during Suspension

- Strict COVID-19 protocols were implemented, which include off-site quarantine followed by a Polymerase Chain Reaction (PCR) test for all employees and contractors prior to access to Fruta del Norte, mandatory use of PPE, health monitoring, physical distancing, and enhanced disinfection and restricted access to common areas. As at July 31, 2020, there have been six cases of COVID-19 confirmed at Fruta del Norte all of whom have fully recovered.
- Limited mine development activities and stope drilling were carried out to facilitate the restart of mine production.
- Maintenance of mine infrastructure such as roads, power, ventilation and dewatering systems were carried out.
- Crushing plant maintenance.
- Relining of the SAG mill was completed.
- Some re-piping in the process plant was completed to send more material to the gravity circuit and to optimize flotation reagent additions.
- Maintenance of site access road and site infrastructure was carried out.

Financial Results during the 2020 Period

- The Company recognized revenues of \$50.0 million based on sales of 30,906 oz of gold at an average realized gold price of \$1,680 per oz sold¹.
- Sales were comprised of 10,727 oz of gold in doré and 20,179 oz of gold in concentrate which includes 2,430 oz in doré and 4,367 oz in concentrate produced in the first quarter prior to the onset of the temporary suspension and sold during the suspension.
- Cash operating costs¹ and AISC¹ were \$876 and \$952 per oz of gold sold, respectively.
- Suspension costs of \$29.3 million were comprised principally of wages, site activities as described above, COVID-19 related costs and ongoing indirect fixed costs such as insurance and property taxes.
- The Company made scheduled principal and interest payments of \$14.4 million under the stream facility and interest payments under the senior debt.

Corporate

- On July 31, 2020, Tamara Brown of Newcrest Mining Limited ("Newcrest") resigned from the board. On August 11, 2020, Bob Thiele was appointed to the board as Newcrest's nominee. Mr. Thiele has over 35 years of operational and corporate project and mining experience and currently serves as General Manager – Technical Services & Business Improvement for Newcrest.

¹ Refer to "Non-IFRS Measures" section.

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Mine Development and Construction

Mine Development

- As at June 30, 2020, a total of 14.7 kilometres of underground mine development had been completed, and development was well advanced in a high-grade area where long-hole stoping mining methods versus drift and fill are now planned.
- Work on the completion of the South Ventilation Raise ("SVR") resumed in June. The SVR has been filled with concrete due to a localized ground fall. The Company will grout the raise prior to the re-start of raise boring. Work on the SVR is anticipated to be completed by the end of the fourth quarter of 2020. The timing of this work does not impact planned production in 2020.
- The installation of the permanent ventilation fans underground was substantially completed.

Construction

- The paste plant commissioning and the construction of the Zamora River bridge are the only remaining significant project work areas to be completed. The paste plant is expected to be in operation in the latter part of the third quarter. Construction of the Zamora River bridge is anticipated to resume in the third quarter and be completed in the first half of 2021.

Health and Safety and Community

Health and Safety

- The Total Recordable Incident Rate for the 2020 Period was 0.41 per 200,000 hours worked.
- There were no recordable incidents during the quarter.

Community

- The Company continued to provide support to the Ministry of Health and local governments and authorities in their COVID-19 pandemic activities.

Exploration

- As a result of the COVID-19 pandemic, all exploration activities were suspended.

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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).

| | 2020 Q2 | 2020 Q1 | 2019 Q4 | 2019 Q3 |
|--|--------------|--------------|--------------|--------------|
| Revenues | \$ 13,146 | \$ 36,856 | \$ - | \$ - |
| Income from mining operations | \$ 4,442 | \$ 10,336 | \$ - | \$ - |
| Derivative loss for the period | \$ (25,732) | \$ (2,569) | \$ (35,120) | \$ (33,723) |
| Net loss for the period | \$ (64,374) | \$ (9,331) | \$ (40,765) | \$ (39,672) |
| Basic and diluted loss per share | \$ (0.29) | \$ (0.04) | \$ (0.18) | \$ (0.18) |
| Weighted-average number of common shares outstanding | 225,724,679 | 224,244,554 | 223,339,447 | 222,953,642 |
| Additions to property, plant and equipment | \$ 9,386 | \$ 5,347 | \$ 98,642 | \$ 109,996 |
| Total assets | \$ 1,407,231 | \$ 1,403,192 | \$ 1,408,961 | \$ 1,344,528 |
| Long-term debt | \$ 790,285 | \$ 808,251 | \$ 878,586 | \$ 772,526 |
| Working capital | \$ (7,205) | \$ 39,581 | \$ 32,800 | \$ 124,586 |
| | 2019 Q2 | 2019 Q1 | 2018 Q4 | 2018 Q3 |
| Derivative gain (loss) for the period | \$ (24,745) | \$ 468 | \$ (28,508) | \$ 17,924 |
| Net income (loss) for the period | \$ (30,797) | \$ (7,711) | \$ (23,491) | \$ 7,270 |
| Basic income (loss) per share | \$ (0.14) | \$ (0.04) | \$ (0.11) | \$ 0.03 |
| Diluted income (loss) per share | \$ (0.14) | \$ (0.04) | \$ (0.11) | \$ 0.03 |
| Weighted-average number of common shares outstanding | | | | |
| Basic | 222,535,083 | 216,061,503 | 213,163,980 | 213,163,980 |
| Diluted | 222,535,083 | 216,061,503 | 213,163,980 | 213,707,572 |
| Additions to property, plant and equipment | \$ 118,520 | \$ 124,069 | \$ 113,841 | \$ 84,765 |
| Total assets | \$ 1,343,799 | \$ 1,062,931 | \$ 1,012,461 | \$ 1,007,287 |
| Long-term debt | \$ 722,689 | \$ 388,106 | \$ 364,252 | \$ 351,591 |
| Working capital | \$ 222,056 | \$ 59,889 | \$ 153,186 | \$ 290,398 |

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The significant increase in net loss from \$30.8 million during the second quarter of 2019 to \$64.4 million during the second quarter of 2020 was mainly due to \$25.9 million of costs relating to the suspension of operations; derivative loss of \$25.7 million compared to \$24.7 million in the second quarter of 2019; and finance expense of \$13.1 million compared to finance income of \$0.4 million in the second quarter of 2019. Suspension costs were comprised principally of wages, maintenance of the mine and plant, ongoing site service and other fixed costs as well as COVID-19 costs, while the derivative loss is more fully explained below. The increase in finance expense is due to the achievement of commercial production in February 2020. As a result, interest expense associated with the Company's debt facilities are no longer being capitalized. These are offset by the recognition of revenues resulting in income from mining operations of \$4.4 million during the period.

The loss in the 2020 Period is higher by \$35.2 million compared to that of the 2019 Period mainly due to the same items noted above. During the 2020 Period, the Company incurred suspension costs of \$29.3 million and an increase in finance expense and derivative loss of \$19.0 million and \$4.0 million, respectively. These are offset by the recognition of income from mining operations of \$14.8 million during the 2020 Period.

Derivative gains or losses

The Company did not repay its gold prepay facility but made principal and interest repayments of \$3.8 million under the stream facility during the 2020 Period. The variation in the amount of these debt obligations is mainly due to a change in their estimated fair values during the 2020 Period as they are accounted for as financial liabilities measured at fair value. This variation is recorded as a derivative gain or loss in the applicable period. The fair values calculated under the Company's accounting policies are based on numerous estimates noted below as of the balance sheet date and are, therefore, subject to further future variations until the debt obligations will actually be repaid by the Company.

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

Two key drivers of current fair values are gold and silver prices and the Company's risk adjusted discount rate:

- Future repayments under the gold prepay and stream credit facilities are based on forward gold and silver price estimates at time of repayment. During periods of increasing gold and silver prices, their forecast forward prices will also generally increase. This, combined with a factor for volatility, results in a higher estimated fair value of the debt obligations at the current balance sheet date and the recognition of derivative losses, although it does not necessarily reflect the amounts that will actually be repaid when the obligations become due in the future. It should also be noted that the potentially more significant impact of the same change in forward gold and silver prices on the value of future production and revenues forecast to be generated during the same periods when the debt obligations will be repaid cannot be recognized because of the inherent uncertainty and risks associated with actually realizing such production and sales.
- The discount rate used to determine the current fair value of future payments under the gold prepay and stream credit facilities is dependent not only on the Company's own weighted average cost of capital, but also on market conditions. These include inflation, economic conditions, both local and industry specific, and other factors outside of the Company's control like the COVID-19 pandemic. The pandemic has negatively impacted global financial markets, and may continue to do so, causing an increase in yields and credit risk. Such an increase would generally cause a decrease in the fair value of financial instruments like the gold prepay and stream credit facilities.

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LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2020, the Company had cash of \$74.2 million and a working capital deficit of \$7.2 million compared to cash of \$75.7 million and a working capital balance of \$32.8 million at December 31, 2019. The change in cash was primarily due to costs incurred, net of sales generated, for the development of Fruta del Norte of \$21.7 million and cash flow used for operating activities of \$4.8 million. This is offset by net proceeds from the Offering of \$41.4 million; proceeds of \$3.0 million from stock option exercises and \$4.2 million from the issuance of shares to Newcrest Mining Limited under the anti-dilution rights related to its shareholding in the Company. The change in working capital balance is mainly due to the reclassification of long-term debt to current to reflect scheduled repayments over the next 12 months.

The Company's treasury was sufficient to support the Company's reduced activities during the temporary suspension and to meet obligations under its existing loans. In addition, the Offering which closed in June 2020 has added further funds to the Company's treasury. Further, with the re-start of operations in early July, the Company expects to generate net sale receipts well in excess of its obligations due in the next twelve months. This notwithstanding, the continued operations at Fruta del Norte are dependent on the extent to which the pandemic is controlled, consequential actions by local, provincial and national governments, and the effectiveness of the international supply chain and personnel travel. Therefore, the Company cannot be certain that an escalation of the COVID-19 pandemic would not have an impact on operations or on the Company's financial position in the future. The Company's continuing operations and the underlying value and recoverability of the amount shown for the mineral interests and property, plant and equipment are ultimately dependent upon the ability of the Company operate the Mine without extended interruptions and on future profitable production.

TRANSACTIONS WITH RELATED PARTIES

During the 2020 Period, the Company paid \$0.1 million (2019 – \$0.1 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 in Vancouver 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 gold prepay credit facility, stream loan credit facility, and offtake commitment have been classified as financial liabilities measured at fair value. The senior debt facility has been classified as a financial liability at amortized cost.

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. The majority of its expenditures are incurred in Ecuador which are primarily denominated in U.S. dollars. These expenditures are funded by utilizations under the Company's long-term debt and sales proceeds which are in U.S. dollars. As such, the Company is not subject to significant risk due to fluctuations in exchange rates.

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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Interest rate risk

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

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 financial 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 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.

COMMITMENTS

Significant capital expenditures contracted as at June 30, 2020 but not recognized as liabilities are as follows:

| | Development costs | |
|--------------------------------|--------------------------|--------------|
| 12 months ending June 30, 2021 | \$ | 5,821 |
| July 1, 2021 onward | | - |
| Total | \$ | 5,821 |

OFF-BALANCE SHEET ARRANGEMENTS

During the 2020 Period and the year ended December 31, 2019 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 229,912,183 common shares issued and outstanding and outstanding warrants to purchase a total of 411,441 common shares. There were also stock options outstanding to purchase a total of 6,328,800 common shares, 148,000 restricted share units with a performance criteria, 31,500 restricted share units settled by issuance of shares, and 872 deferred share units.

OUTLOOK

The Company re-started operations at Fruta del Norte at the beginning of the third quarter, having re-established transportation of supplies and product and mobility of personnel with a focus on the health and safety of its personnel to minimize the risks of a breakout of COVID-19 at site and in the local communities.

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Gold production at Fruta del Norte for the second half of 2020 is estimated to be in the range of 150,000 to 170,000 ounces. Together with actual production achieved prior to the onset of the temporary suspension, total 2020 gold production is estimated to be between 200,000 and 220,000 ounces. Average mill production in the second half of 2020 is projected at 3,200 tonnes per day at an estimated average head grade of 10 grams per tonne. Average gold recovery is anticipated to be approximately 85% during this time and is targeted to reach design levels of 92% in late 2020.

AISC for the second half of 2020 is expected to range between \$770 and \$850 per ounce of gold sold. AISC for the second half of 2020 reflects additional COVID-19 costs and the ramping up of production originally anticipated to have occurred once commercial production was achieved in February 2020. AISC includes \$10.4 million in sustaining capital that includes costs for the tailings dam raise, the purchase of surface mobile equipment and other efficiency improvement projects.

The following capital project activities are also planned:

- Complete paste plant commissioning.
- Complete the Zamora River Bridge construction.
- Complete the South Ventilation Raise.

The initial technical results of the internal throughput expansion studies are expected to be completed late in the third quarter.

The reactivation of the exploration program is planned to occur after regulatory approvals are received.

NON-IFRS MEASURES

This MD&A refers to certain financial measures, such as average realized gold price, cash operating cost per oz. and all-in sustaining cost per oz, which are not recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies. These measures have been derived from the Company's financial statements because the Company believes that, with the achievement of commercial production, they are of assistance in the understanding of the results of operations and its financial position.

Average realized gold price per oz sold

Average realized gold price is a metric used to better understand the gold price realized during a period. This is calculated as sales since March 1, 2020 plus treatment and refining charges less silver sales divided by gold oz sold.

| | Six months ended June 30, | |
|---|------------------------------|------|
| | 2020 | 2019 |
| Revenues | \$ 50,002 | \$ - |
| Treatment and refining charges | 2,350 | - |
| Less: silver sales | (417) | - |
| Gold sales | \$ 51,935 | \$ - |
| Gold oz sold | 30,906 | - |
| Average realized gold price per oz sold | \$ 1,680 | \$ - |

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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 from March 1, 2020 after the achievement of commercial production.

| | Six months ended June 30, | |
|---|------------------------------|------|
| | 2020 | 2019 |
| Operating expenses | \$ 24,224 | \$ - |
| Royalty expenses | 2,836 | - |
| Cash operating costs | \$ 27,060 | \$ - |
| Gold oz sold recognized in statement of income (loss) | 30,906 | - |
| Cash operating cost per oz sold | \$ 876 | \$ - |

All-in sustaining cost

AISC provides information on the total cost associated with producing gold since March 1, 2020 and has been calculated on a basis consistent with historic news releases by the Company.

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

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

| | Six months ended June 30, | |
|------------------------------------|------------------------------|------|
| | 2020 | 2019 |
| Cash operating costs | \$ 27,060 | \$ - |
| Corporate social responsibility | 422 | - |
| Treatment and refining charges | 2,350 | - |
| Accretion of restoration provision | 20 | - |
| Sustaining capital | - | - |
| Less: silver revenues | (417) | - |
| Total all-in sustaining cost | \$ 29,435 | \$ - |
| Gold oz sold | 30,906 | - |
| All-in sustaining cost per oz sold | \$ 952 | \$ - |

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 2019 Management's Discussion and Analysis.

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RISKS AND UNCERTAINTIES

Natural resources exploration, development and operation involves a number of risks and uncertainties, many of which are beyond the Company's control, such as some of the risks relating to the impacts of the COVID-19 pandemic virus outbreak. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A and those set out in the Company's Annual Information Form dated March 24, 2020 (the "AIF") and its short form prospectus dated June 8, 2020 (the "Prospectus"), which are 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 three and nine months ended September 30, 2020 is expected to be published on or about November 9, 2020.

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, 2020 and ending June 30, 2020, 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",

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"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 resumption of operations, its plans to ramp up mill and mining operations, its efforts to protect its workforce from COVID-19, its 2020 production outlook, including estimates of gold production, grades and recoveries and its expectations regarding all-in-sustaining costs, the expected timing of completion of capital projects including the SVR, the Company's continued support to community initiatives, the intended use of proceeds from the Offering and its plans to reactivate exploration activities and the receipt of permits.

Lundin Gold's actual results could differ materially from those anticipated. Management has identified the following risk factors which could have a material impact on the Company or the trading price of its shares: risks relating to the impacts of a pandemic virus outbreak; risks associated with the Company's community relationships; risks related to financing requirements; failure by the Company to maintain its obligations under its credit facilities; operating risks; risks associated with the ramp up of mining operations; risks related to political and economic instability in Ecuador; risks related to production estimates; risks related to Lundin Gold's compliance with environmental laws and liability for environmental contamination; volatility in the price of gold; shortages of critical supplies; lack of availability of infrastructure; deficient or vulnerable title to mining concessions; easements and surface rights; risks related to the Company's workforce and its labour relations; inherent safety hazards and risk to the health and safety of the Company's employees and contractors; risks related to the Company's ability to obtain, maintain or renew regulatory approvals, permits and licenses; the imprecision of mineral reserve and resource estimates; key talent recruitment and retention of key personnel; volatility in the market price of the Company's shares; the potential influence of the Company's largest shareholders; uncertainty with the tax regime in Ecuador; measures to protect endangered species and critical habitats; the cost of non-compliance and compliance costs; exploration and development risks; the Company's reliance on one project; risks related to illegal mining; the reliance of the Company on its information systems and the risk of cyber-attacks on those systems; the adequacy of the Company's insurance; uncertainty as to reclamation and decommissioning; the ability of Lundin Gold to ensure compliance with anti-bribery and anti-corruption laws; the uncertainty regarding risks posed by climate change; the potential for litigation; limits of disclosure and internal controls; security risks to the Company; its assets and its personnel; conflicts of interest; the risk that the Company will not declare dividends; and social media and the Company's reputation.

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 and the Prospectus available at www.sedar.com.