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# LUNDIN GOLD INC.

Management's Discussion and Analysis  
Nine Months Ended September 30, 2023

(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)

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## INTRODUCTION

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This Management's Discussion and Analysis ("MD&A") of Lundin Gold Inc. and its subsidiaries (collectively, "Lundin Gold" or the "Company") provides a detailed analysis of the Company's business and compares its financial results for the three and nine months ended September 30, 2023 with those of the same period from the previous year.

This MD&A is dated as of November 8, 2023 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, 2023, which are prepared in accordance with IAS 34: Interim Financial Statements, and the Company's audited annual consolidated financial statements and related notes thereto, which are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), and the MD&A for the fiscal year ended December 31, 2022. References to the "2023 Period" and "2022 Period" relate to the nine months ended September 30, 2023 and September 30, 2022, 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.sedarplus.ca](http://www.sedarplus.ca).

Lundin Gold, headquartered in Vancouver, Canada, owns 28 metallic mineral concessions and three construction material concessions covering an area of approximately 64,454 hectares in southeast Ecuador, including the Fruta del Norte gold mine ("Fruta del Norte" or "FDN"). Fruta del Norte is comprised of seven concessions covering an area of approximately 5,566 hectares and is located approximately 140 km east-northeast of the City of Loja. Fruta del Norte is one of the highest-grade gold mines in production in the world today.

The Company's board and management team have extensive expertise and are dedicated to operating Fruta del Norte responsibly and pursuing growth. The Company operates with transparency and in accordance with international best practices. Lundin Gold is committed to delivering value to its shareholders, while simultaneously providing economic and social benefits to impacted communities, fostering a healthy and safe workplace and minimizing the environmental impact. The Company believes that the value created through the operations of Fruta del Norte will continue to benefit its shareholders, the Government and the citizens of Ecuador.

## THIRD QUARTER 2023 HIGHLIGHTS AND ACTIVITIES

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Lundin Gold's track record of generating strong free cash flow<sup>1</sup> continued during the third quarter of 2023 with free cash flow<sup>1</sup> of \$80.9 million or \$0.34 per share achieved resulting in a cash balance of \$302 million at September 30, 2023. Given this robust cash balance at quarter end and forecasted cash requirements, the Company has elected to fully repay the remaining principal balance of \$70.5 million plus accrued interest under its senior debt facility (the "Senior Facility") on November 14, 2023, well in advance of the original maturity date of June 2026. Upon completion of this repayment, the Company will have extinguished two of its project finance facilities, being the gold prepay credit facility and Senior Facility, which had an original combined principal amount of \$500 million, after only three years of operations.

Mill throughput was consistent quarter over quarter at 4,523 tonnes per day ("tpd") resulting in gold production of 112,212 ounces ("oz") and sales of 112,711 oz at an average realized gold price<sup>1</sup> of \$1,931 per oz. Cash operating costs<sup>1</sup> were \$704 per oz sold and all-in sustaining costs ("AISC")<sup>1</sup> were \$907 per oz sold for the quarter, in line with expectations due to increased sustaining capital expenditures. Compared to previous periods, the strong mill throughput was offset by a decrease in average head grade and recoveries. Finely disseminated sulphide minerals in the ore continued to impact the flotation circuit during the quarter, resulting in average recoveries of 86.5%. Notwithstanding this, the Company is firmly on track to meet its revised AISC<sup>1</sup> guidance of \$820 to \$870 per oz sold and expects to be near the upper end of its revised production guidance of 450,000 to 485,000 oz.

Recovery improvement initiatives remain a focus for the Company with recently completed pilot flotation testing yielding positive results. This new equipment is anticipated to significantly improve recoveries and would be done in conjunction with the contemplated plant expansion to further increase mill throughput to 5,000 tpd. At quarter end, basic engineering for this expansion was completed and detailed engineering was underway.

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<sup>1</sup> Refer to "Non-IFRS Measures" section in this MD&A.

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Construction of the fourth tailings dam raise and other sustaining capital programs peaked during the third quarter resulting in increased sustaining capital expenditures, a figure included in the AISC<sup>1</sup> calculation. Completion of the fourth tailings dam raise near the end of the fourth quarter of 2023 remains on track. Other sustaining capital projects are expected to ramp up during the fourth quarter of 2023 with several projects carrying over to 2024.

The following two tables provide an overview of key operating and financial results achieved during the third quarter of 2023 compared to the same period in 2022.

	Three months ended September 30, 2023		September 30, 2022	
Tonnes ore mined	397,702	377,921	1,229,845	1,126,980
Tonnes ore milled	416,072	379,258	1,226,777	1,138,340
Average mill head grade (g/t)	9.7	11.0	10.9	10.9
Average recovery	86.5%	90.3%	88.5%	89.4%
Average mill throughput (tpd)	4,523	4,122	4,494	4,170
Gold ounces produced	112,212	121,635	381,964	355,190
Gold ounces sold	112,711	134,640	376,360	350,213

	Three months ended September 30, 2023		September 30, 2022	
Revenues (\$'000)	211,172	210,425	711,830	604,705
Income from mining operations (\$'000)	99,620	83,930	357,129	277,659
Earnings before interest, taxes, depreciation, and amortization (\$'000) <sup>1</sup>	133,170	158,877	426,702	402,403
Adjusted earnings before interest, taxes, depreciation, and amortization (\$'000) <sup>1</sup>	121,492	117,039	430,137	355,303
Net income (\$'000)	53,782	62,673	168,395	141,817
Basic income per share (\$)	0.23	0.27	0.71	0.60
Cash provided by operating activities (\$'000)	120,030	104,739	426,821	292,755
Free cash flow (\$'000) <sup>1</sup>	80,937	65,202	201,143	178,256
Free cash flow per share (\$) <sup>1</sup>	0.34	0.28	0.85	0.76
Average realized gold price (\$/oz sold) <sup>1</sup>	1,931	1,618	1,942	1,781
Cash operating cost (\$/oz sold) <sup>1</sup>	704	656	662	656
All-in sustaining costs (\$/oz sold) <sup>1</sup>	907	807	807	785
Adjusted earnings (\$'000) <sup>1</sup>	44,673	20,379	171,074	91,419
Adjusted earnings per share (\$) <sup>1</sup>	0.19	0.09	0.72	0.39
Dividends paid per share (\$)	0.10	0.20	0.30	0.20

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The difference between net income and adjusted earnings<sup>1</sup> during the third quarter of 2023 is due to non-cash derivative gains of \$11.7 million (nine months ended September 30, 2023: derivative loss of \$3.4 million) associated with fair value accounting of the stream facility. This non-cash item is driven by numerous factors including expected production profile, anticipated forward gold and silver prices, and yields. Non-cash derivative gains (or losses) associated with decreased (or increased) short-term production and anticipated decreasing (or increasing) forward gold and silver prices are recorded in the statement of operations, while non-cash derivative gains (or losses) associated with increasing (or decreasing) yields are recorded in the statement of other comprehensive income.

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

## Operating and Financial Results During the Third Quarter of 2023

- Mine ore production was 397,702 tonnes at an average grade of 9.3 grams per tonne, a reduction in production compared to previous periods which was planned in order to reduce the ore stockpiled on surface.
- The mill processed 416,072 tonnes of ore at an average throughput rate of 4,523 tpd which is consistent with the throughput rate achieved during the second quarter.
- The average grade of ore milled was 9.7 grams per tonne with average recovery at 86.5%. Recoveries were affected this quarter by processing of ore from sectors that contain higher levels of finely disseminated sulphide minerals which are impacting flotation recovery.
- Gold production was 112,212 oz which was comprised of 71,902 oz in concentrate and 40,310 oz as doré. Gold sales of 112,711 oz of gold, consisting of 70,981 oz in concentrate and 41,730 oz as doré, resulted in gross revenues of \$218 million at an average realized gold price<sup>1</sup> of \$1,931 per oz. Net of treatment and refining charges, revenues were \$211 million.
- Cash operating costs<sup>1</sup> and AISC<sup>1</sup> were \$704 and \$907 per oz of gold sold, respectively, which are both higher than previous periods albeit in line with expectations. Cash operating costs<sup>1</sup> per oz sold was impacted by lower gold production due to expected lower grade and recoveries partially offset by increased mill throughput, while the higher AISC<sup>1</sup> also reflects the increase in sustaining capital activities during the quarter.
- The Company generated cash from operating activities of \$120 million and free cash flow<sup>1</sup> of \$80.9 million or \$0.34 per share resulting in a cash balance of \$302 million at September 30, 2023.
- Earnings before interest, taxes, depreciation, and amortization<sup>1</sup> ("EBITDA") and adjusted EBITDA<sup>1</sup> were \$133 million and \$121 million, respectively, with the difference resulting from derivative gains recognized in the quarter.
- Net income was \$53.8 million including a derivative gain of \$11.7 million, and net of corporate, exploration, finance costs, and associated taxes. Adjusted earnings<sup>1</sup>, which exclude the derivative gain and related taxes, were \$44.7 million, or \$0.19 per share.

## Capital Expenditures

### *Sustaining Capital*

- Significant progress was made on the construction of the fourth raise of the tailings dam with completion expected in the latter half of the fourth quarter.
- Commissioning of the underground mine maintenance facility has commenced, which is expected to provide additional efficiencies and cost savings.
- Other sustaining capital projects such as extending two underground levels to the south for the 2024 conversion drill program, implementation of a mine dispatch system, upgrades to the sewage treatment plants, purchase of mobile equipment, and other efficiency improvement projects are expected to ramp up during the remainder of the year, with some projects carrying over to 2024.

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- The 2023 conversion drilling program continued to advance during the third quarter in distinct sectors of the FDN deposit. The program focused on the northern-central and southern extension with approximately 6,203 metres across 46 holes completed. During the nine months ended September 30, 2023, 10,814 metres across 74 holes have been completed.
  - In the southern sector, 27 drill holes were completed and mostly intercepted the mineralized zones associated with manganoan carbonate, chalcedony veins and sulphides.
  - In the north-central sector, 19 drill holes were completed and positive assay results are associated with zones of hydrothermal breccias along the downdip extension of FDN.

A complete table of results received to date can be found in Lundin Gold's press release dated November 1, 2023.

## Health and Safety and Community

### *Health and Safety*

- During the third quarter there were no Lost Time Incidents ("LTI") and no Medical Aid Incidents ("MAI").
- FDN operations has had more than 1 year without an LTI or MAI with over 6.3 million hours worked, since the last LTI, as of September 30, 2023
- The Total Recordable Incident Rate across exploration and operations was 0.0 per 200,000 hours worked for the quarter and 0.05 for the first nine months of 2023.

### *Community*

Various community projects supported by the Company progressed well in the third quarter, including initiatives focused on community health and education. Lundin Gold continued to support an innovative program which provides mental health services to local community members. Education programs sponsored by the Company which improve local student access to higher education continued to show success as a cohort of local students prepare to graduate from university in the coming months, a significant milestone for the Los Encuentros Parish.

Infrastructure investment continues to be a priority for Lundin Gold. In addition to the Company's long-standing commitment to support road maintenance, Lundin Gold co-funded with the Ministry of Education the rehabilitation of the local school, which more than 1,300 children from the Los Encuentros Parish attend. Work on this project was nearing completion at the end of the quarter.

Lundin Gold continued to support local micro businesses in conjunction with the Lundin Foundation during the quarter, including women-led businesses through the program "Soy Emprendadora". Among the supported businesses, the local textile manufacturer, fire extinguisher maintenance company, and pest control/fumigation company all increased their business activity in the quarter with Lundin Gold as an anchor client. Efforts have continued to ensure that local farmers retain access to local, national, and international markets. The Company also continued to engage with local indigenous people, especially the Shuar Federation of Zamora Chinchipe, to jointly implement projects that promote economic opportunities and the Shuar culture.

Following the election of new local authorities, the round table dialogue process restarted during the third quarter, with high participation rates by local community members.

During the quarter, Lundin Gold was recognized for its sustainable business practices by CERES Ecuador, a non-profit organization committed to social responsibility in Ecuador.

## Exploration

### *Near Mine Exploration Program*

In the third quarter, the Company completed a total of 9,664 metres across 14 holes from surface and underground. Drilling from underground explored to the east, west and at depth of the FDN deposit, while drilling from surface tested along the extensions of the controlling structures of the FDN deposit.

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- The surface drilling program continues along the south extension of the East Fault, where Bonza Sur and the FDN South ("FDNS") targets were identified. During the third quarter, 10 surface drill holes were completed, mostly at Bonza Sur where the drilling program continues to indicate the continuity of the mineralization. Exploratory holes were also completed along the north and south extensions of the FDN deposit. Five surface rigs are currently drilling, two of them exploring Bonza Sur, two along the south and north extensions of FDN respectively, and one at FDN East.
  - At Bonza Sur, located only one kilometre from FDN, seven surface drill holes were completed and continue to expand the recently discovered epithermal system. Drilling continues to record multiple positive intersections which extend along strike and at depth. The mineralized zones are represented by veins/veinlets of quartz and minor chalcedony and manganese-carbonate associated with the occurrences of sulphides. This new epithermal system has already been identified for more than 700 metres along the north-south strike and for at least 500 metres along the downdip and remain open in all directions.
  - At FDNS, two surface drill holes were completed along the south extension and both intercepted narrow hydrothermal alteration zones with no significant results. This vein system remains open for expansion along the northeastern-southwestern direction and at depth.
  - As part of the exploratory program aiming to explore new sectors within the near mine area, one hole was completed along the north extension of the FDN deposit, which intercepted a narrow hydrothermal alteration zone. Results are pending.
- The underground drilling program continues to explore the continuity of the FDN deposit at depth and beyond the major east and west faults. Four drill holes were completed and all intercepted structures, zones of hydrothermal alteration, and gold mineralization beyond the current limits of the FDN resource boundary. At depth in the north part of FDN, one drill hole confirmed hydrothermal alteration zones related to breccias and veins, below the mineral envelope of FDN. In the central part, another drill hole intercepted hydrothermal alteration zones along the downdip extension. Furthermore, two drill holes completed at the FDN East target intercepted a new mineralized zone represented by breccias, veins and veinlets with sulphides hosted on porphyritic intrusive rocks or in volcanic rocks.

A complete table of results received to date can be found in Lundin Gold's press release dated November 1, 2023.

## *Regional Exploration Program*

The regional drilling program continues to advance in distinct sectors along the southeastern and southwestern borders of the Suarez basin and a total of 2,544 metres across four drill holes were completed in the third quarter. Regional drilling focused on the Crisbel target, where detailed geological interpretation of exploration data and additional surface works identified major structures and zones of hydrothermal alteration.

- At the Crisbel target, three drill holes were completed testing an unexplored geochemical soil anomaly (gold and epithermal pathfinder elements such as Sb, As) along the southwest contact between the Suarez Border and the volcanic sequence. All drill holes intercepted hydrothermal alteration zones with important quantities of sulphides hosted on brecciated volcanic rocks. One drill hole returned low grade values of gold. Results remain pending for the other drill holes.
- At Barbasco SE, one drill hole was completed and tested the extension of the FDN East Fault along the southeastern extension of the Suarez basin. No significant zone of hydrothermal alteration was intercepted. Results remain pending.

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## *Newcrest Earn-In Agreement*

On the concessions held by the Company's subsidiary, Surnorte S.A., a second phase of scout drilling has been completed at the Gamora Project, located in southeast Ecuador. This work is being conducted by a subsidiary of Newmont Corporation ("Newmont"), Newcrest Mining Limited ("Newcrest"), as the operator under an earn-in agreement with Lundin Gold pursuant to which Newcrest can earn up to a 50% interest in eight exploration concessions located to the north and south of Fruta del Norte. A total of 3,247 metres of diamond core drilling was completed. The program focused on testing priority copper-gold targets in the Mirador copper porphyry district. The results obtained did not return significant intercepts on any of the copper-gold or epithermal targets that were tested. Newcrest has met the expenditure requirement under the first option of the earn-in agreement and has until early December to exercise its option to acquire 25% of Surnorte S.A.

## Corporate

- The Company paid a quarterly dividend of \$0.10 per share on September 26, 2023 (September 29, 2023 for shares trading on Nasdaq Stockholm) based on a record date of September 11, 2023, for a total of \$23.8 million.
- With the release of its third quarter 2023 results, the Company has declared a cash dividend of \$0.10 per share, which is payable on December 22, 2023 (December 29, 2023 for shares trading on Nasdaq Stockholm) to shareholders of record on December 7, 2023.
- Near the end of the quarter, Mr. Nathan Monash, Vice President, Sustainability departed Lundin Gold. Ms. Sheila Colman has taken on the role and is now Vice President, Legal and Sustainability and Corporate Secretary.
- Upon the acquisition of the Company's largest shareholder, Newcrest, by Newmont, on November 6, 2023, the Company appointed two new directors to the Board as Newmont nominees: Ms. Melissa Harmon and Mr. Scott Langley. Ms. Harmon has a mine engineering degree and an MBA. She has been employed with Newmont for over 20 years in increasingly senior roles in operations and is currently Group Head, Non-Managed Operating Joint Ventures. Mr. Langley is currently Vice President, Corporate Development at Newmont and worked in investment banking for more than 15 years prior to joining Newmont. Mr. Craig Jones and Ms. Jill Terry, the former Newcrest nominees, resigned from the Board on the same day.

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## SUMMARY OF QUARTERLY FINANCIAL RESULTS

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

	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Revenues	\$ 211,172	\$ 243,930	\$ 256,728	\$ 210,961
Income from mining operations	\$ 99,620	\$ 124,801	\$ 132,708	\$ 92,095
Derivative gain (loss) for the period	\$ 11,678	\$ 321	\$ (15,434)	\$ 29,217
Net income (loss) for the period	\$ 53,782	\$ 63,148	\$ 51,465	\$ (68,259)
Basic income (loss) per share	\$ 0.23	\$ 0.27	\$ 0.22	\$ (0.29)
Diluted income (loss) per share	\$ 0.22	\$ 0.26	\$ 0.22	\$ (0.29)
Weighted-average number of common shares outstanding				
Basic	237,411,813	236,943,432	236,062,529	235,332,039
Diluted	239,583,745	239,190,085	238,123,015	235,332,039
Additions to property, plant and equipment	\$ 15,744	\$ 13,245	\$ 4,384	\$ 15,253
Total assets	\$ 1,516,866	\$ 1,508,831	\$ 1,467,040	\$ 1,668,865
Long-term debt	\$ 361,109	\$ 396,588	\$ 434,175	\$ 667,966
Working capital	\$ 313,794	\$ 268,095	\$ 256,853	\$ 194,804
	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Revenues	\$ 210,425	\$ 177,808	\$ 216,472	\$ 186,440
Income from mining operations	\$ 83,930	\$ 82,522	\$ 111,207	\$ 91,646
Derivative gain (loss) for the period	\$ 41,838	\$ 39,986	\$ (34,724)	\$ (36,001)
Net income for the period	\$ 62,673	\$ 55,962	\$ 23,182	\$ 28,789
Basic income per share	\$ 0.27	\$ 0.24	\$ 0.10	\$ 0.12
Diluted income per share	\$ 0.26	\$ 0.24	\$ 0.10	\$ 0.12
Weighted-average number of common shares outstanding				
Basic	235,165,784	234,933,975	233,809,773	233,211,843
Diluted	236,882,976	236,847,992	235,774,444	235,376,672
Additions to property, plant and equipment	\$ 15,178	\$ 14,532	\$ 9,184	\$ 5,266
Total assets	\$ 1,634,590	\$ 1,664,030	\$ 1,735,223	\$ 1,685,113
Long-term debt	\$ 589,919	\$ 645,724	\$ 752,482	\$ 739,977
Working capital	\$ 253,673	\$ 253,921	\$ 273,680	\$ 217,221

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## Three months ended September 30, 2023 compared to the three months ended September 30, 2022

The Company generated net income of \$53.8 million during the third quarter of 2023 compared to \$62.7 million during the third quarter of 2022. Net income was generated from the recognition of revenues of \$211 million and income from mining operations of \$99.6 million as well as a derivative gain of \$11.7 million and other income of \$0.4 million. This is offset by finance expense of \$18.2 million, income tax expense of \$28.9 million, and other expenses totalling \$10.7 million. During the third quarter of 2022, net income was generated from the recognition of revenues of \$210 million and income from mining operations of \$83.9 million as well as a derivative gain of \$41.8 million and other income of \$4.9 million, offset by finance expense of \$22.2 million, income tax expense of \$35.9 million, and other expenses totalling \$9.9 million.

### *Income from mining operations*

Revenues during the third quarter of 2023 and third quarter of 2022 are similar as the decrease in oz sold from 134,640 oz in 2022 to 112,711 oz in 2023 was offset by a higher average realized gold price per oz sold<sup>1</sup>. Gold sold during the third quarter of 2022 was positively impacted by the sale of additional oz produced late in the second quarter of 2022 but not shipped and sold until after national strikes in Ecuador ended.

Cost of goods sold of \$112 million was comprised of operating expenses of \$67.0 million; royalties of \$12.4 million; and depletion and depreciation of \$32.2 million. During the same period in 2022, cost of goods sold was \$126 million. The decrease in cost of goods sold was primarily driven by the decrease in oz sold which was partially offset by the impact of higher average realized gold price per oz sold<sup>1</sup> on royalties.

Net income from mining operations increased to \$99.6 million compared to \$83.9 million during the same quarter in 2022 which was primarily driven by the decrease in cost of goods sold as explained above.

### *Exploration*

Exploration costs were \$6.2 million in the quarter compared to \$5.0 million during the same period in 2022. Following positive results to date, the near mine exploration program has continued to expand since its commencement during the third quarter of 2022 resulting in increased exploration expenditures.

### *Corporate administration*

Corporate administration costs decreased from \$5.0 million during the third quarter of 2022 to \$4.5 million during the third quarter of 2023. This difference is mainly attributable to a decrease in salaries and benefits on account of final compensation paid to a departing executive during the third quarter of 2022.

### *Finance expense*

Finance expense decreased to \$18.2 million during the quarter compared to \$22.2 million during the same period in 2022. In addition to lower interest expense resulting from a declining balance under the Senior Facility, savings of interest and finance charges were realized after the full repayment of the gold prepay facility in January 2023.

### *Other income*

Other income of \$0.4 million was recognized during the quarter compared to \$4.9 million in the third quarter of 2022. This is mainly driven by foreign exchange gains which are derived from the quantum of U.S. dollar cash held by Canadian group entities and movements in the foreign exchange rate. As the functional currency of the Canadian entities is the Canadian dollar, a strengthening of the U.S. dollar against the Canadian dollar during the period generates an unrealized gain in terms of Canadian dollars.

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## *Derivative gain or loss*

A derivative gain of \$11.7 million was recorded on the statement of operations during the third quarter of 2023 compared to \$41.8 million in the third quarter of 2022. This is largely the result of variations in forward gold prices at the end of the relevant quarter compared to the beginning of the same quarter, which in turn causes the change in estimated fair values of the gold prepay, stream, and offtake facilities which are accounted for as financial liabilities measured at fair value and is more fully explained below.

## *Income taxes*

Income taxes of \$28.9 million were accrued during the third quarter of 2023 (three months ended September 30, 2022: \$35.9 million) which is comprised of current and deferred income tax expenses of \$20.2 million and \$8.7 million, respectively. In addition to corporate income taxes in Ecuador which are levied at a rate of 22%, income tax expense includes a 5% Ecuadorean withholding tax on the anticipated portion of net income generated from FDN to be paid in the form of dividends, and an accrual for the portion of profit sharing payable to the Government of Ecuador which is calculated at the rate of 12% of the estimated net income for tax purposes for the quarter. The employee portion of profit sharing payable, calculated at the rate of 3% of net income for tax purposes is considered an employee benefit and is included in operating expenses.

## Nine months ended September 30, 2023 compared to the nine months ended September 30, 2022

The Company generated net income of \$168 million during the 2023 Period compared to \$142 million during the 2022 Period. During the 2023 Period, revenues of \$712 million were recognized which generated income from mining operations of \$357 million. This was offset by derivative losses of \$3.4 million, finance expense of \$55.7 million, income tax expense of \$97.0 million, and other expenses totalling \$32.5 million.

Revenues and income from mining operations were lower for the 2022 Period at \$605 million and \$278 million, respectively. During the 2022 Period, derivative gains of \$47.1 million and other income of \$5.5 million were recorded, offset by finance expense of \$77.9 million, income tax expense of \$85.4 million and other expenses totalling \$25.1 million.

## *Income from mining operations*

During the 2023 Period, the Company recognized revenues of \$712 million from the sale of 376,360 oz of gold. This is offset by cost of goods sold of \$355 million which is comprised of operating expenses of \$208 million; royalties of \$41.4 million; and depletion and depreciation of \$105 million resulting in income from mining operations of \$357 million. During the same period in 2022, revenues of \$605 million were recognized from the sale of 350,213 oz of gold resulting in income from mining operations of \$278 million.

Gold oz. sold during the 2023 Period was higher than the 2022 Period mainly due to an increase in mill throughput which was partially offset by lower recoveries. In addition, higher average realized gold price per oz sold<sup>1</sup> during the 2023 Period compared to the 2022 Period contributed to the increase in revenues and income from mining operations.

## *Corporate administration*

Corporate administration costs of \$16.5 million were incurred during the 2023 Period compared to \$14.6 million during the 2022 Period. This increase is mainly driven by payments made to certain long-serving employees upon the end of their employment with the Company.

## *Exploration*

Exploration costs were \$15.3 million during the 2023 Period compared to \$10.6 million during the 2022 Period with the increase being driven by activities under the near-mine program which was only launched during the second half of 2022.

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## *Finance expense*

Finance expense of \$55.7 million was incurred during the 2023 Period compared to \$77.9 million during the 2022 Period. The full repayment of the gold prepay facility in January 2023 has resulted in a reduction in interest and finance charges combined with lower interest expense from the declining balance under the Senior Facility.

## *Derivative gain or loss*

Derivative gains and losses in the statement of operations and other comprehensive income are driven by the Company's debt obligations under the stream facility which are classified as financial liabilities at fair value. In 2022, derivative gains and losses were also impacted by the fair value accounting of the gold prepay facility. During the 2023 Period, the Company made scheduled principal, interest, and finance charge repayments totaling \$61.2 million (nine months ended September 30, 2022: \$39.1 million) under the stream facility, based on gold and silver prices at the time of repayment. This was offset by a non-cash increase of this debt obligation of \$20.9 million due to a change in its estimated fair value between December 31, 2022 and September 30, 2023 (2022: a decrease of \$57.6 million between December 31, 2021 and September 30, 2022). This variation is recorded as derivative gains or losses, in the statement of operations and other comprehensive income in the applicable period. The fair value calculated under the Company's accounting policies is based on numerous estimates noted below as of the balance sheet date and are, therefore, subject to further future variations until the debt obligation is repaid by the Company.

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

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

- The value of future repayments under the stream credit facility is based on forward gold and silver price estimates at time of repayment. Spot gold prices at September 30, 2023 were higher compared to December 31, 2022 and as a result, forward prices have followed suit. This has resulted in an increase in the estimated fair value of the debt obligation at the current balance sheet date and the recognition of derivative losses in the statement of operations during the 2023 Period. The opposite occurred during the 2022 Period. Fair values at a point in time do not necessarily reflect the amounts that will actually be repaid when the obligation becomes due in the future. While significant derivative gains or losses will continue to be recognized at each reporting period, the potentially more significant impact of the same change in forward gold and silver prices on the value of future production and revenue forecasts to be generated during the same periods when the debt obligation 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 stream credit facility is dependent not only on the Company's own weighted average cost of capital, but also on market conditions. These include inflation, interest rates, economic conditions, both local and industry specific, and other factors outside of the Company's control. The change in fair value due to a variation in the Company's credit risk must be recorded as a loss or gain in other comprehensive income ("OCI") rather than in the statement of operations.

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# LUNDIN GOLD INC.

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Nine Months Ended September 30, 2023

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## LIQUIDITY AND CAPITAL RESOURCES

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As at September 30, 2023, the Company had cash of \$302 million and a working capital balance of \$314 million compared to cash of \$363 million and a working capital balance of \$195 million at December 31, 2022. The change in cash during the 2023 Period was primarily due to the full repayment of the gold prepay credit facility of \$208 million; principal repayments, interest and finance charges, including associated taxes, under the stream credit facility totalling \$61.2 million; interest and principal repayments under the Senior Facility of \$121 million; dividends of \$71.1 million; and cash outflows of \$39.7 million relating to sustaining capital expenditures. This is offset by cash generated from operating activities of \$427 million and proceeds from the exercise of stock options and anti-dilution rights totaling \$12.6 million.

The Senior Facility had a principal balance of \$70.5 million and accrued interest of \$0.9 million as at September 30, 2023. With the strong liquidity position of Lundin Gold, the Company has exercised its right to fully repay this remaining balance on November 14, 2023 leaving the stream credit facility as the last remaining debt on its balance sheet. The Company has the option to repay (i) 50% of the stream facility outstanding on June 30, 2024 for \$150 million and / or (ii) the other 50% outstanding on June 30, 2026 for \$225 million.

### *Trade receivables*

The majority of trade receivables represent the value of concentrate and doré sold as at period end for which the funds are not yet received. Revenues and related trade receivables for concentrate sales are initially recorded at provisional gold prices. Subsequent determination of final gold prices can range from one to four months after shipment depending on the customer. For sales that are provisionally priced at period end, an estimate of the adjustment to the trade receivable is calculated based on the expected month when the final gold price is forecast to be determined and the related forward price of gold at the end of the reporting period. At September 30, 2023, this resulted in an estimated increase of \$0.2 million (\$6.1 million at December 31, 2022) to trade receivables.

Consistent with industry standards, concentrate sales have relatively long payment terms and are not fully settled until concentrate is received by the customer and related final assays confirmed, generally two to five months after the export sale occurs.

### *VAT receivables*

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

### *Advanced royalties*

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

### *Inventories*

Gold inventory is recognized in the ore stockpiles and in production inventory, comprised principally of concentrate and doré at site or in transit to port or to the refinery, with a component of gold-in-circuit. Ore stockpile inventory has decreased primarily due to lower grade stockpiled compared to December 31, 2022. The variations in doré and concentrate are mainly the result of timing of shipments around period end. The high value of material and supplies, comprised of consumables and spare parts, reflects the Company's assessment of the procurement cycles due to the remoteness of FDN and higher costs of materials and supplies on hand.

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## *Investment activities*

Investment activities during the 2023 Period are comprised principally of sustaining capital expenditures for the fourth raise of the tailings dam and other capital projects.

## *Liquidity and capital resources*

The Company generated strong operating cash flow during the 2023 Period and expects to continue to do so for the remainder of the year based on its production and AISC guidance. At current gold prices, this strong operating cash flow will continue to support near mine and regional exploration, planned capital expenditures, further plant expansion, growth initiatives and regular dividend payments under the approved dividend policy.

Monthly payments under the stream facility are based on 7.75% and 100% of gold and silver oz sold, respectively, calculated at the current gold and silver prices at the end of each month, less \$404 and \$4.04 per oz (the "Base Prices"), respectively. The Base Prices increase by 1% annually in February of each year. The increase in repayments under the stream during the 2023 Period compared to the 2022 Period is driven by the increase in oz. sold and higher spot prices of gold at time of repayment.

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## FINANCIAL INSTRUMENTS

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The Company's financial instruments include cash, cash equivalents and certain receivables, which are categorized as financial assets at amortized cost, and accounts payable and accrued liabilities, which are categorized as financial liabilities at amortized cost. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. In addition, the stream loan credit facility and offtake commitment have been classified as financial liabilities at fair value and the Senior Facility as a financial liability at amortized cost. Further, provisionally priced trade receivables of \$98.6 million (December 31, 2022 - \$86.4 million) are measured at fair value using quoted forward market prices.

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

### *Currency risk*

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

### *Credit risk*

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

### *Concentration of credit risk*

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

### *Interest rate risk*

The Company is subject to interest rate risk with respect to the fair value of long-term debt which are accounted for at fair value through profit or loss.

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## *Liquidity risk*

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

## *Commodity price risk*

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

The fair value of a portion of the Company's trade receivables as well as the stream credit facility are impacted by fluctuations of commodity prices.

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## COMMITMENTS

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Significant capital expenditures contracted as at September 30, 2023 but not recognized as liabilities are as follows:

	Capital expenditures	
12 months ending September 30, 2024	\$	13,024
October 1, 2024 onward		-
Total	\$	13,024

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## OFF-BALANCE SHEET ARRANGEMENTS

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During the 2023 Period and the year ended December 31, 2022, there were no off-balance sheet transactions. The Company has not entered into any specialized financial arrangements to minimize its currency risk.

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## OUTSTANDING SHARE DATA

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As at the date of this MD&A, there were 237,601,335 common shares issued and outstanding. There were also stock options outstanding to purchase a total of 3,763,569 common shares, 558,290 restricted share units with a performance criteria, 192,202 restricted share units, and 12,688 deferred share units.

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## OUTLOOK

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Operating performance during the 2023 Period puts the Company on track to achieve full year production near the upper end of its revised guidance of 450,000 to 485,000 oz and firmly on track to meet its revised AISC<sup>1</sup> guidance of \$820 to \$870 per oz sold. Solutions to improve mill recoveries continued to be evaluated. Some operational modifications are being made and detailed engineering is underway for the installation of new flotation technology to deal with the finely disseminated sulphide minerals. The modifications to the flotation circuit are anticipated to be completed within the next 12 months. The Company completed basic engineering at quarter end and is moving forward to detailed engineering for a possible expansion to further increase mill throughput to 5,000 tpd.

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<sup>1</sup> Refer to "Non-IFRS Measures" section in this MD&A.

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The near mine drilling program is expected to continue to delineate the Bonza Sur target, where the recently discovered epithermal system remains open. Two rigs are expected to continue to be dedicated to the detailing and expansion of the mineralized zones at depth and along strike at this target. The near mine drilling program will also continue to explore the extension of FDN mineralization along the south-southwestern and north directions. The underground drilling program is expected to continue to explore for new discoveries and extensions of the FDN resource envelope.

In light of continued success of the near mine program, the Company has expanded the program twice during the 2023 Period. The near mine program was originally planned for 15,500 metres and was most recently expanded in the third quarter to drill 30,000 metres in 2023. Six rigs (one underground and five on surface) are currently operating on the near-mine program.

The regional drilling program continues to focus on the southern Suarez Basin, advancing along the eastern and western borders of the Basin. A second rig was added to the program to advance on the follow up of numerous target areas identified during previous quarters. The regional drilling program is now expected to complete a minimum of 9,000 metres for the year, with two rigs currently operating.

A minimum of 50,000 metres of drilling is planned across the conversion, near-mine and regional programs in 2023. This represents the largest drill program in the district since FDN's discovery. As a result of improved productivities in the field, the expanded near-mine and regional drilling programs are expected to be completed within the revised total budget of \$24.6 million announced earlier this year.

The Company has elected to fully repay the remaining principal balance of \$70.5 million plus accrued interest under its Senior Facility on November 14, 2023. The extinguishment of the Senior Facility, which had an original principal amount of \$350 million and a maturity date of June 2026, is intended to provide Lundin Gold with improved free cash flow margins and increased capital allocation flexibility for the benefit of the Company and its shareholders.

The Company anticipates continuing to declare quarterly dividends of \$0.10 per share, equivalent to approximately \$100 million annually, based on currently issued and outstanding shares.

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## NON-IFRS MEASURES

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

# LUNDIN GOLD INC.

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## Average realized gold price per oz sold

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

	Three months ended September 30, 2023		September 30, 2022		Nine months ended September 30, 2023		September 30, 2022	
Revenues	\$	211,172	\$	210,425	\$	711,830	\$	604,705
Treatment and refining charges		9,577		9,520		29,105		25,952
Less: silver revenues		(3,142)		(2,095)		(10,033)		(7,020)
Gold sales	\$	217,607	\$	217,850	\$	730,902	\$	623,637
Gold oz sold		112,711		134,640		376,360		350,213
Average realized gold price	\$	1,931	\$	1,618	\$	1,942	\$	1,781

## EBITDA and Adjusted EBITDA

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

	Three months ended September 30, 2023		September 30, 2022		Nine months ended September 30, 2023		September 30, 2022	
Net income for the period	\$	53,782	\$	62,673	\$	168,395	\$	141,817
Adjusted for:								
Finance expense		18,242		22,184		55,734		77,943
Income tax expense		28,943		35,909		97,049		85,389
Depletion and depreciation		32,203		38,111		105,524		97,254
EBITDA	\$	133,170	\$	158,877	\$	426,702	\$	402,403
Derivative loss (gain)		(11,678)		(41,838)		3,435		(47,100)
Adjusted EBITDA	\$	121,492	\$	117,039	\$	430,137	\$	355,303

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## Adjusted earnings and adjusted basic earnings per share

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

	Three months ended September 30, 2023		September 30, 2022		Nine months ended September 30, 2023		September 30, 2022	
Net income for the period	\$	53,782	\$	62,673	\$	168,395	\$	141,817
Adjusted for:								
Derivative loss (gain)		(11,678)		(41,838)		3,435		(47,100)
Deferred income tax expense		2,569		(456)		(756)		(3,298)
Adjusted earnings	\$	44,673	\$	20,379	\$	171,074	\$	91,419
Basic weighted average shares outstanding		237,411,813		235,165,784		236,810,866		234,641,484
Adjusted basic earnings per share		0.19		0.09	\$	0.72	\$	0.39

## Cash operating cost per oz

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

	Three months ended September 30, 2023		September 30, 2022		Nine months ended September 30, 2023		September 30, 2022	
Operating expenses	\$	66,994	\$	75,598	\$	207,804	\$	194,355
Royalty expenses		12,359		12,787		41,400		35,454
Cash operating costs	\$	79,353	\$	88,385	\$	249,204	\$	229,809
Gold oz sold		112,711		134,640		376,360		350,213
Cash operating cost per oz sold	\$	704	\$	656	\$	662	\$	656

## All-in sustaining cost

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

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

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Cash operating costs	\$ 79,353	\$ 88,385	\$ 249,204	\$ 229,809
Corporate social responsibility	542	436	1,688	1,247
Treatment and refining charges	9,577	9,520	29,105	25,952
Accretion of restoration provision	167	152	502	458
Sustaining capital	15,744	12,237	33,373	24,410
Less: silver revenues	(3,142)	(2,095)	(10,033)	(7,020)
All-in sustaining cost	\$ 102,241	\$ 108,635	\$ 303,839	\$ 274,856
Gold oz sold	112,711	134,640	376,360	350,213
All-in sustaining cost per oz sold	\$ 907	\$ 807	\$ 807	\$ 785

## Free cash flow and free cash flow per share

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net cash provided by operating activities	\$ 120,030	\$ 104,739	\$ 426,821	\$ 292,755
Net cash used for investing activities	(19,296)	(19,306)	(39,734)	(44,587)
Interest paid	(4,424)	(7,386)	(16,149)	(20,687)
Finance charge paid	(15,373)	(12,845)	(169,795)	(49,225)
Free cash flow	\$ 80,937	\$ 65,202	\$ 201,143	\$ 178,256
Basic weighted average shares outstanding	237,411,813	235,165,784	236,810,866	234,641,484
Free cash flow per share	\$ 0.34	\$ 0.28	\$ 0.85	\$ 0.76

## 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 2022 Management's Discussion and Analysis.

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# LUNDIN GOLD INC.

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## RISKS AND UNCERTAINTIES

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Natural resources exploration, development and operation involves a number of risks and uncertainties, many of which are beyond the Company's control. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A and those set out in the Company's Annual Information Form dated March 31, 2023 (the "AIF"), which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## QUALIFIED PERSON

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

## FINANCIAL INFORMATION

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The report for the year ended December 31, 2023 is expected to be published on or about February 23, 2024.

## DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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### *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, 2023 and ending September 30, 2023, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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## FORWARD LOOKING STATEMENTS

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Certain of the information and statements in this MD&A are considered "forward-looking information" or "forward-looking statements" as those terms are defined under Canadian securities laws (collectively referred to as "forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "believes", "anticipates", "expects", "is expected", "scheduled", "estimates", "pending", "intends", "plans", "forecasts", "targets", or "hopes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "will", "should" "might", "will be taken", or "occur" and similar expressions) are not statements of historical fact and may be forward-looking statements.

By their nature, forward-looking statements and information involve assumptions, inherent risks and uncertainties, many of which are difficult to predict, and are usually beyond the control of management, that could cause actual results to be materially different from those expressed by these forward-looking statements and information. Lundin Gold believes that the expectations reflected in this forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. This information speaks only as of the date of this MD&A, and the Company will not necessarily update this information, unless required to do so by securities laws.

This MD&A contains forward-looking information in a number of places, such as in statements pertaining to the Company's 2023 production outlook, including estimates of gold production, grades recoveries and AISC; operating plans; expected sales receipts, cash flow forecasts and financing obligations; the benefits to be derived from the repayment of the Senior Facility; its estimated capital costs; expected management changes; the recovery of VAT; benefits of the Company's community programs; the Company's declaration and payment of dividends pursuant to its dividend policy; the timing and the success of its drill program at Fruta del Norte and its other exploration activities; and estimates of Mineral Resources and Reserves at Fruta del Norte.

Lundin Gold's actual results could differ materially from those anticipated. Management has identified the following risk factors which could have a material impact on the Company or the trading price of its shares: risks related to political and economic instability in Ecuador; risks associated with the Company's community relationships; risks related to estimates of production, cash flows and costs; risks inherent to mining operations; shortages of critical supplies; the cost of non-compliance and compliance costs; control of the Company's largest shareholders; volatility in the price of gold; failure of the Company to maintain its obligations under its debt facilities; risks related to Lundin Gold's compliance with environmental laws and liability for environmental contamination; the lack of availability of infrastructure; the Company's reliance on one mine; security risks to the Company, its assets and its personnel; risks related to illegal mining; exploration and development risks; the impacts of a pandemic virus outbreak; risks related to the Company's ability to obtain, maintain or renew regulatory approvals, permits and licenses; uncertainty with and changes to the tax regime in Ecuador; the reliance of the Company on its information systems and the risk of cyber-attacks on those systems; the imprecision of Mineral Reserve and Resource estimates; deficient or vulnerable title to concessions, easements and surface rights; inherent safety hazards and risk to the health and safety of the Company's employees and contractors; risks related to the Company's workforce and its labour relations; key talent recruitment and retention of key personnel; volatility in the market price of the Company's shares; measures to protect endangered species and critical habitats; social media and reputation; the adequacy of the Company's insurance; risks relating to the declaration of dividends; uncertainty as to reclamation and decommissioning; the ability of Lundin Gold to ensure compliance with anti-bribery and anti-corruption laws; the uncertainty regarding risks posed by climate change; limits of disclosure and internal controls; the potential for litigation; and risks due to conflicts of interest.

There can be no assurance that such statements will prove to be accurate, as Lundin Gold's actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed under the heading "Risk Factors" in the AIF available at [www.sedarplus.ca](http://www.sedarplus.ca).