
LUNDIN GOLD INC.

Management's Discussion and Analysis
Nine Months Ended September 30, 2024

(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 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, 2024 with those of the same period from the previous year.

This MD&A is dated as of November 7, 2024 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, 2024, which are prepared in accordance with IAS 34: Interim Financial Statements, and the Company's audited annual consolidated financial statements and related notes thereto, which are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), and the MD&A for the fiscal year ended December 31, 2023. References to the "2024 Period" and "2023 Period" relate to the nine months ended September 30, 2024 and September 30, 2023, 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.

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

THIRD QUARTER 2024 HIGHLIGHTS AND ACTIVITIES

Record cash generation and financial performance highlights the Company's results during the third quarter of 2024 with the achievement of \$182 million in adjusted free cash flow¹ or \$0.76 per share. With low cost of operations combined with strong gold prices, the Company recorded earnings before interest, taxes, depreciation, and amortization ("EBITDA")¹ and net income of \$220 million and \$136 million, respectively. In addition, the Company doubled its quarterly dividend from \$0.10 per share to \$0.20 per share.

Gold production of 122,154 oz was achieved with average mill throughput at 4,623 tonnes per day ("tpd"). Average mill head grade was 10.3 grams per tonne ("g/t") and recoveries were 86.8%. From this, cash operating costs¹ and all-in sustaining costs ("AISC")¹ of \$681 and \$877 per oz sold, respectively, were realized. Record high gold prices have bolstered the Company's financial performance while also increasing royalties which affect cash operating costs¹ and AISC¹.

The Company expects to achieve the high end of its production guidance of 450,000 to 500,000 oz. Despite the Company's effective cost saving measures, AISC¹ per oz sold is expected at the upper end of cost guidance of \$820 to \$890 per oz, due to increased sustaining capital. The process plant expansion project remains on track and the Company continues to expect to reach a plant throughput rate of 5,000 tpd and to see an improvement to metallurgical recoveries by year end.

On the near-mine exploration program, gold mineralization discovered at Bonza Sur now extends more than 1.8 kilometres along the north-south strike and for at least 500 metres along the downdip and remains open mainly to the south and to the east.

¹ Refer to "Non-IFRS Measures" section.

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

	Three months ended September 30, 2024		Nine months ended September 30, 2023	
Tonnes ore mined	427,389	397,702	1,266,320	1,229,845
Tonnes ore milled	425,340	416,072	1,263,835	1,226,777
Average mill throughput (tpd)	4,623	4,523	4,613	4,494
Average mill head grade (g/t)	10.3	9.7	10.3	10.9
Average recovery	86.8%	86.5%	88.0%	88.5%
Gold ounces produced	122,154	112,212	366,788	381,964
Gold ounces sold	125,887	112,711	364,199	376,360

	Three months ended September 30, 2024		Nine months ended September 30, 2023	
Revenues (\$'000)	323,087	211,172	851,259	711,830
Income from mining operations (\$'000)	203,184	99,620	488,178	357,129
Earnings before interest, taxes, depreciation, and amortization (\$'000) ¹	220,469	133,170	789,150	426,702
Adjusted earnings before interest, taxes, depreciation, and amortization (\$'000) ¹	220,469	121,492	547,326	430,137
Net income (\$'000)	135,715	53,782	296,903	168,395
Basic income per share (\$)	0.57	0.23	1.24	0.71
Cash provided by operating activities (\$'000)	218,286	120,030	470,369	426,821
Adjusted free cash flow (\$'000) ¹	181,609	80,937	376,016	201,143
Adjusted free cash flow per share (\$) ¹	0.76	0.34	1.57	0.85
Average realized gold price (\$/oz sold) ¹	2,615	1,931	2,390	1,942
Cash operating cost (\$/oz sold) ¹	681	704	713	662
All-in sustaining costs (\$/oz sold) ¹	877	907	874	807
Adjusted earnings (\$'000) ¹	135,715	44,673	292,449	171,074
Adjusted earnings per share (\$) ¹	0.57	0.19	1.22	0.72
Dividends paid per share (\$)	0.20	0.10	0.40	0.30

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Following the buy out of the stream loan credit facility (the "Stream Facility") and offtake agreement (the "Offtake") from Newmont Corporation at the end of the second quarter of 2024, there were no adjustments between net income and adjusted earnings¹ as well as EBITDA¹ and adjusted EBITDA¹ during the third quarter of 2024.

Operating and Financial Results During the Third Quarter of 2024

- Mine productivity was near record levels during the quarter with 427,389 tonnes mined at an average grade of 9.9 g/t.
- The mill processed 425,340 tonnes at an average throughput rate of 4,623 tpd which was slightly less than the previous quarter due to a planned shutdown to complete tie-ins relating to the process plant expansion project and higher unscheduled mill downtime.
- The average grade of ore milled was 10.3 g/t with average recovery at 86.8%. Recoveries were affected by finely disseminated sulphide minerals in the ore. The plant expansion's addition of Jameson cells is expected to improve recoveries for gold associated with these sulphides.
- Gold production was 122,154 oz which was comprised of 73,532 oz in concentrate and 48,622 oz as doré.
- Gold sales totaled 125,887 oz, consisting of 73,032 oz in concentrate and 52,855 oz as doré, resulting in gross revenues of \$329 million at an average realized gold price¹ of \$2,615 per oz. Average realized gold price¹ was positively impacted by rising gold prices on provisionally priced gold sales which exceeded fair value estimates as at June 30, 2024. Net of treatment and refining charges, revenues for the quarter were \$323 million.
- Cash operating costs¹ and AISC¹ were \$681 and \$877 per oz of gold sold, respectively. AISC has trended toward the upper end of guidance due to higher sustaining capital expenditures. Operational excellence initiatives continued to reduce operating costs offsetting the impact of higher gold prices resulting in higher royalties and profit sharing for which the portion attributable to employees is recorded in operating costs as well as higher diesel consumption due to the operation of our existing power generation units to reduce our power consumption from the national grid.
- The Company generated cash from operating activities of \$218 million and adjusted free cash flow¹ of \$182 million, or \$0.76 per share, resulting in a cash balance of \$226 million at September 30, 2024.
- EBITDA¹ and adjusted EBITDA¹ were both \$220 million as no adjustments were required following the buy out of the Stream Facility and Offtake at the end of the second quarter.
- Income from mining operations was \$203 million which, after deducting corporate, exploration, and taxes, resulted in net income of \$136 million for the quarter or \$0.57 per share.

Capital Expenditures

Sustaining Capital

- Highlights of sustaining capital activities were the significant progress made on the camp refurbishment project, replacement of the concrete batch plant, as well as preliminary works for future TSF expansion.
- The mine dispatch system implementation was substantially completed by the end of the third quarter.
- Four additional diesel-powered generators were received during the third quarter and will be installed in the fourth quarter. The units are expected to be commissioned by the end of the first quarter of 2025. In the event of a power disruption from the national grid, the additional generators are expected to allow the FDN process plant to run slightly below capacity. Currently, the Company's existing generators are being used to reduce FDN's load on the national grid.

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- In the third quarter, the conversion drilling program completed approximately 3,983 metres across 40 holes.
 - Results continue to confirm mineralization at FDN with positive intercepts associated with breccias and stockwork zones, like the mineralization found in the north sector of the current Mineral Reserve envelope.
 - The 2024 conversion drilling program is now complete and the work to update the FDN Mineral Resource and Reserve statement is underway.

A complete table of the conversion drilling results received to date can be found in Lundin Gold's press release dated November 4, 2024.

Process Plant Expansion Project

- Detailed Engineering was completed early in the quarter, as well as procurement of all major items.
- Concrete work was completed during the quarter and structural steel erection is ongoing.
- Major pieces of equipment, such as the three Jameson cells and the concentrate filter have arrived at FDN.
- The new tailings line was successfully commissioned with completion of the reclaim line expected by the end of November.

Health and Safety and Community

Health and Safety

- During the third quarter there were no Lost Time Incidents and three Medical Aid Incidents.
- The Total Recordable Incident Rate across the Company was 0.33 per 200,000 hours worked for the quarter and 0.67 for the first nine months of 2024.
- The operations team continue to focus on safety through improved awareness of the workforce and contractors with more leadership presence in the field, as well as a review of activities where the potential for hand injuries is high.

Community

Lundin Gold continued to support several community projects in the third quarter of 2024. One of the Company's most significant programs, run by the non-governmental organization Educación para Compartir, focuses on mental health and well-being in our local communities. The program is now advancing into its second year and continues to show increasing participation by local community members. From inception of the program in July 2023 to the end of the third quarter of 2024, over 2,700 counselling sessions occurred, and more than 400 youth registered in regular extra-curricular activities, including English studies, basketball, soccer, dance, music, and boxing.

Engagement with the local governments of Yantzaza and Los Encuentros continues through support agreements for rural road maintenance, basic service infrastructure, and local communities' well-being programs. During the quarter, the Company committed to three significant projects including an electrification and public lighting project in El Pangui, which is approximately 40 kilometres from Fruta del Norte, a maintenance project for the Cultural Interpretation Centre of the Shuar Indigenous people, and an improvement and maintenance project for the local park in Los Encuentros.

Two community dialogue roundtable sessions were held in the third quarter which focused on six topics with 416 participants. Senior members of the Company's sustainability, community, environment, supply chain, IT, and human resources departments, along with representatives of the Lundin Foundation, participated in the sessions.

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Local businesses continue to be supported by the Company in conjunction with the Lundin Foundation. The local companies that participate in the Lundin Foundation's local supplier development program are continuing to provide products and services to FDN, while also advancing growth strategies. The Lundin Foundation's Soy Emprendadora program which supports women led businesses in the Province of Zamora Chinchipe continues to show positive impacts and results. Three businesses selected through the third cohort of the program received seed capital and technical assistance during the third quarter.

Exploration

Near-Mine Exploration Program

During the third quarter of 2024, the Company completed a total of 19,268 metres across 56 holes from surface and underground. Drilling from underground mainly explored the FDNS target located in the southern part of the FDN deposit, while drilling from surface continued to test sectors located along the extensions of the controlling structures of FDN, such as Bonza Sur and FDN East.

- During the quarter, the surface drilling program continued along the extension of the East Fault, where the Bonza Sur discovery and other prospective sectors like FDN East are located.
 - At Bonza Sur, located one kilometre from FDN, 28 surface drill holes were completed. In the central part of the deposit, drill holes intercepted wide mineralized zones at shallower depths associated mainly to vein/veinlet zones of quartz and minor chalcedony and manganoan-carbonate with occurrences of disseminated levels of sulphides. At depth, the drilling program showed the transition of the wider mineralized zone into a narrower veins/veinlets system. Furthermore, along the south and east extension of the deposit, the drilling program intercepted the same hydrothermal alteration as those found at Bonza Sur which indicate a potential for expansion along these directions. Gold mineralization has already been discovered for more than 1.8 kilometres along the north-south strike and for 500 metres along the downdip and remains open mainly to the south and to the east.
 - At FDN East, drilling continues to explore around the recently discovered buried epithermal mineralized system. Five drill holes were completed during the third quarter and zones of hydrothermal alteration with breccias and disseminated sulfides were intercepted in the south portion of the target. Results are pending.
- The underground exploration drilling program focused on FDNS targeting the delineation of a new high grade vein system. A total of 22 drill holes were completed with most drill holes confirming gold mineralization associated with vein and veinlet zones of chalcedony and manganoan-calcite with sulfides and visible gold.

A complete table of FDNS results received to date can be found in Lundin Gold's press release dated November 4, 2024. At Bonza Sur, several results remain pending which are expected later in the year.

Regional Exploration Program

The 2024 regional program continues to advance the identification of important indicators that point toward the presence of buried epithermal deposits in the southern basin. During the quarter, regional drilling focused on the Robles and Crisbel targets, both located in the southern border of the Suarez Basin, where detailed geological interpretation of exploration data and additional surface works identified major structures and zones of hydrothermal alteration. A total of 2,323 metres across four holes were completed. At Robles, the drilling program aimed to step out the wide disseminated gold mineralization zone intercepted in prior drilling. Results are pending. At Crisbel, one drill hole tested the presence of the Suarez Basin west fault in this sector and showed limited hydrothermal alteration with no significant results.

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Geophysical Program

During the quarter, the geophysical survey designed to provide high resolution resistivity and chargeability imaging of exploration targets significantly advanced in the entire near-mine area and parts of the regional district.

Corporate

- Payment of \$150 million, representing the second and final tranche of the buy out of the Stream Facility and Offtake, was made at the end of the third quarter.
- The Company doubled its quarterly dividend and subsequently paid a quarterly dividend of \$0.20 per share on September 25, 2024 (September 30, 2024 for shares trading on Nasdaq Stockholm) based on a record date of September 10, 2024, for a total of \$48.0 million.
- With the release of its third quarter 2024 results, the Company declared a cash dividend of \$0.20 per share, which is payable on December 20, 2024 (December 30, 2024 for shares trading on Nasdaq Stockholm) to shareholders of record on December 5, 2024.
- Mr. Chester See assumed the role of Chief Financial Officer at the start of the quarter following Mr. Christopher Kololian's departure.
- Subsequent to quarter end, the Company announced the appointment of Mr. Brendan Creaney as Vice President, Corporate Development and Investor Relations.

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SUMMARY OF QUARTERLY FINANCIAL RESULTS

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

	2024 Q3	2024 Q2	2024 Q1	2023 Q4
Revenues	\$ 323,087	\$ 301,431	\$ 226,741	\$ 190,688
Income from mining operations	\$ 203,184	\$ 171,757	\$ 113,237	\$ 78,051
Derivative gain (loss) for the period	\$ -	\$ 261,668	\$ (17,931)	\$ (28,634)
Net income for the period	\$ 135,715	\$ 119,291	\$ 41,897	\$ 11,062
Basic income per share	\$ 0.57	\$ 0.50	\$ 0.18	\$ 0.05
Diluted income per share	\$ 0.56	\$ 0.49	\$ 0.17	\$ 0.05
Weighted-average number of common shares outstanding				
Basic	239,737,300	239,129,917	238,255,452	237,665,855
Diluted	241,890,593	241,031,608	239,968,974	239,745,358
Additions to property, plant and equipment	\$ 28,019	\$ 17,467	\$ 9,701	\$ 15,791
Total assets	\$ 1,364,106	\$ 1,396,496	\$ 1,508,987	\$ 1,468,209
Long-term debt	\$ -	\$ -	\$ 326,791	\$ 305,647
Working capital	\$ 357,410	\$ 253,587	\$ 413,528	\$ 346,859
	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

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Three months ended September 30, 2024 compared to the three months ended September 30, 2023

The Company generated net income of \$136 million during the third quarter of 2024 compared to \$53.8 million during the third quarter of 2023. Net income was generated from the recognition of revenues of \$323 million and income from mining operations of \$203 million as well as finance income of \$4.2 million. This is offset by exploration costs of \$10.6 million, income tax expense of \$54.8 million, and other expenses totalling \$6.2 million. During the third quarter of 2023, 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, finance income of \$3.7 million, and other income of \$0.4 million. This is offset by finance expense of \$21.9 million, income tax expense of \$28.9 million, and other expenses totalling \$10.8 million.

Income from mining operations

During the third quarter of 2024, the Company generated revenues of \$323 million from the sale of 125,887 oz of gold and income from mining operations of \$203 million compared to revenues of \$211 million from the sale of 112,711 oz of gold and income from mining operations of \$99.6 million during the third quarter of 2023. The increase is primarily attributable to an increase in oz sold at a higher average realized gold price¹.

Exploration

Exploration costs were \$10.6 million in the quarter compared to \$6.2 million during the same period in 2023. The increase is attributable to the continued expansion of the near-mine exploration program following positive results to date.

Corporate administration

Corporate administration costs increased from \$4.5 million during the third quarter of 2023 to \$4.9 million during the third quarter of 2024. The increase is mainly attributable to final compensation paid to a departing executive.

Finance expense

No finance expense was incurred during the third quarter of 2024 following the buy out of the Stream Facility and Offtake at the end of the second quarter.

Finance income

Finance income increased from \$3.7 million during the third quarter of 2023 to \$4.2 million during the third quarter of 2024 which is driven by increased yield on short-term investments.

Other expense (income)

Other expense of \$1.3 million was recognized during the quarter compared to other income of \$0.4 million in the third quarter of 2023. This is mainly driven by foreign exchange gains or losses 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 weakening of the U.S. dollar against the Canadian dollar during the period generates an unrealized loss in terms of Canadian dollars.

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Derivative gain or loss

With the Company in a debt free position, no further derivative gains or losses are expected to be recognized in future periods. During the third quarter of 2023, a derivative gain of \$11.7 million was recognized relating to the change in fair value of the Stream Facility and Offtake.

Income taxes

Income taxes of \$54.8 million were accrued during the third quarter of 2024 (three months ended September 30, 2023: \$28.9 million) which is comprised of current and deferred income tax expenses of \$49.1 million and \$5.7 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.

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

Nine months ended September 30, 2024 compared to the nine months ended September 30, 2023

The Company generated net income of \$297 million during the 2024 Period compared to \$168 million during the 2023 Period. During the 2024 Period, revenues of \$851 million were recognized which generated income from mining operations of \$488 million. In addition, derivative gains of \$244 million and finance income of \$13.4 million were recorded which were offset by finance expense of \$267 million, income tax expense of \$136 million, and other expenses totalling \$46.2 million.

Revenues and income from mining operations were lower for the 2023 Period at \$712 million and \$357 million, respectively, due mainly to lower realized gold prices partially offset by more oz sold. This was further offset by derivative losses of \$3.4 million, finance expense of \$64.3 million, income tax expense of \$97.0 million, and other expenses totaling \$23.9 million.

Income from mining operations

During the 2024 Period, the Company recognized revenues of \$851 million from the sale of 364,199 oz of gold. This is offset by cost of goods sold of \$363 million which is comprised of operating expenses of \$211 million; royalties of \$48.7 million; and depletion and depreciation of \$103.4 million resulting in income from mining operations of \$488 million. During the same period in 2023, revenues of \$712 million were recognized from the sale of 376,360 oz of gold resulting in income from mining operations of \$357 million.

Exploration

Exploration costs were \$27.4 million during the 2024 Period compared to \$15.3 million during the 2023 Period with the increase being driven by increased activities under the near-mine exploration program following positive results to date.

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Corporate administration

Corporate administration costs of \$20.2 million were incurred during the 2024 Period compared to \$16.5 million during the 2023 Period. The increase is mainly due to a one-time special levy by the Government of Ecuador of \$1.9 million, payable in two equal installments, to strengthen security amid rising violence in the country, as well as an increase in stock-based compensation due to the cash settlement of vested share units.

Finance expense

Finance expense of \$267 million was incurred during the 2024 Period compared to \$64.3 million during the 2023 Period. The increase is mainly due to the buy out of the Stream Facility and Offtake which resulted in a one-time finance expense of \$236 million.

Derivative gain or loss

A derivative gain of \$244 million was recorded on the statement of operations during the 2024 Period which was mainly due to the buy out of the Stream Facility and Offtake. In contrast, a derivative loss of \$3.4 million was recorded during the 2023 Period.

With the Company in a debt free position, no further derivative gains or losses are expected to be recognized in future periods.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2024, the Company had cash of \$226 million and a working capital balance of \$357 million compared to cash of \$268 million and a working capital balance of \$347 million at December 31, 2023.

The change in cash during the 2024 Period was primarily due to cash generated from operating activities of \$470 million and proceeds from the exercise of stock options and anti-dilution rights totalling \$18.2 million. This is offset by scheduled principal, interest, and finance expense repayments under the Stream Facility totalling \$35.8 million; the buy out of the Stream Facility and Offtake of \$330 million; dividends of \$95.8 million; cash outflows of \$65.3 million relating to investing activities; and settlement of vested share units with cash of \$4.0 million.

Trade receivables

Trade receivables mainly represent the value of concentrate 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 trade receivables 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, 2024, this resulted in an estimated increase of \$17.4 million (\$7.8 million at December 31, 2023) to trade receivables reflecting rising gold prices during the period.

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

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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 taxes payable. A portion of the VAT recoverable has been reclassified as current assets based on the Company's assessment of the estimated time for processing VAT claims during the next twelve months.

Advance royalties

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

Inventories

Gold inventory is recognized in the ore stockpiles and in production inventory, comprised principally of concentrate and doré at site or in transit to port or to the refinery, with a component of gold-in-circuit. Ore stockpile inventory has increased primarily due to higher grade stockpiled compared to December 31, 2023 while variations in doré and concentrate are mainly the result of timing of shipments around period end. In addition, there has been a decrease in the value of materials and supplies due to the disposal of obsolete or slow-moving inventory generally accumulated during the construction of FDN.

Investment activities

Investment activities during the 2024 Period are comprised principally of major sustaining capital expenditures including preliminary works for future TSF expansion, mine dispatch system implementation, procurement of four diesel powered generators, and camp refurbishment. In addition, costs were incurred relating to the process plant expansion project.

Liquidity and capital resources

The Company generated strong operating cash flow during the 2024 Period and expects to continue to do so for the remainder of the year based on its production and AISC¹ guidance. With no debt and increased exposure to rising gold prices following the buy out of the Stream Facility and Offtake, the Company expects to generate increased cash flow which will continue to support the exploration programs, planned capital expenditures, growth initiatives and regular dividend payments under the approved dividend policy.

TRANSACTIONS WITH RELATED PARTIES

During the 2024 Period, the Company incurred \$1.2 million (2023 Period – \$0.5 million), primarily relating to office rental, renovation costs, and related services provided by Namdo Management Services Ltd. ("Namdo"), a company associated with a director of the Company.

¹ Refer to "Non-IFRS Measures" section.

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FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, cash equivalents and certain receivables, which are categorized as financial assets at amortized cost, and accounts payable and accrued liabilities, which are categorized as financial liabilities at amortized cost. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. Further, provisionally priced trade receivables of \$126 million (December 31, 2023 - \$93.0 million) are measured at fair value using quoted forward market prices.

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. 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 seeks to minimize its credit risk by entering into transactions with investment grade creditworthy and reputable financial institutions and by monitoring the credit standing of those financial institutions. The Company seeks to limit the amount of exposure with any one counterparty in accordance with its established treasury policy.

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 are impacted by fluctuations of commodity prices.

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COMMITMENTS

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

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

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

OFF-BALANCE SHEET ARRANGEMENTS

During the 2024 Period and the year ended December 31, 2023, there were no off-balance sheet transactions. The Company has not entered into any specialized financial arrangements to minimize its currency risk.

OUTSTANDING SHARE DATA

As at the date of this MD&A, there were 240,028,562 common shares issued and outstanding. There were also stock options outstanding to purchase a total of 2,378,949 common shares, 492,043 restricted share units with a performance criteria, 173,436 restricted share units, and 44,691 deferred share units.

OUTLOOK

The Company expects to achieve the high end of its production guidance of 450,000 to 500,000 oz. In addition, the Company expects to continue to generate significant cash flow at current gold prices combined with its low cost of operations. Despite the Company's effective cost saving measures, AISC¹ per oz sold is expected at the upper end of cost guidance due to increased sustaining capital.

The process plant expansion project is still on track to increase throughput to 5,000 tonnes per day and improve recoveries by year end. Production during the fourth quarter of 2024 is expected to be affected by planned shutdowns for tie-ins to substantially complete the process plant expansion project.

The near-mine drilling program will continue to explore Bonza Sur where the primary focus is to expand the mineralized system and advance the initial geological model. Four rigs are currently turning along the extensions of Bonza Sur. At FDNS, two underground rigs are expected to continue to delineate this high-grade vein system. At FDN East, one rig will continue to focus on expanding the initial positive results achieved to gain a better understanding of the mineralized zones and main geological controls. The regional drilling program is expected to continue expanding the gold mineralization at the Robles target and test new sectors in the Southern Basin.

¹ Refer to "Non-IFRS Measures" section.

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Eleven rigs are currently turning across the near-mine and regional programs. The 2024 conversion program was completed in early Q4, and conversion drilling is expected to resume in 2025. The Company is on track to achieve a minimum of 80,000 metres of drilling during the year across the conversion, near-mine and regional drilling programs. The total cost is estimated to be \$44.0 million on near-mine and regional exploration which represents the largest drill program ever completed at the land package that hosts the FDN deposit.

The Company anticipates continuing to declare quarterly dividends of \$0.20 per share, equivalent to approximately \$200 million annually, based on currently issued and outstanding shares.

NON-IFRS MEASURES

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

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, 2024		September 30, 2023	
Revenues	\$ 323,087	\$ 211,172	\$ 851,259	\$ 711,830
Treatment and refining charges	10,255	9,577	29,919	29,105
Less: silver revenues	(4,104)	(3,142)	(10,898)	(10,033)
Gold sales	\$ 329,238	\$ 217,607	\$ 870,280	\$ 730,902
Gold oz sold	125,887	112,711	364,199	376,360
Average realized gold price	\$ 2,615	\$ 1,931	\$ 2,390	\$ 1,942

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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,		Nine months ended September 30,	
	2024	2023	2024	2023
Net income for the period	\$ 135,715	\$ 53,782	\$ 296,903	\$ 168,395
Adjusted for:				
Finance expense	-	21,892	266,542	64,336
Finance income	(4,176)	(3,650)	(13,414)	(8,602)
Income tax expense	54,774	28,943	135,652	97,049
Depletion and depreciation	34,156	32,203	103,467	105,524
EBITDA	\$ 220,469	\$ 133,170	\$ 789,150	\$ 426,702
Special government levy	-	-	1,913	-
Derivative loss (gain)	-	(11,678)	(243,737)	3,435
Adjusted EBITDA	\$ 220,469	\$ 121,492	\$ 547,326	\$ 430,137

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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 earning trends in comparison with results from prior periods by excluding specific items that are significant, but not reflective of the underlying operating activities of the Company. Presently, these include a special one-time government levy; derivative gains or losses from accounting for the Stream Facility at fair value; one-time finance expense incurred on buy out of the Stream Facility and Offtake; and related income tax effects. Adjusted basic earnings per share is calculated using the weighted average number of shares outstanding under the basic method of earnings per share as determined under IFRS Accounting Standards.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net income for the period	\$ 135,715	\$ 53,782	\$ 296,903	\$ 168,395
Adjusted for:				
Finance expense on buy out of Stream Facility and Offtake	-	-	235,575	-
Special government levy	-	-	1,913	-
Derivative loss (gain)	-	(11,678)	(243,737)	3,435
Deferred income tax expense (recovery)	-	2,569	1,795	(756)
Adjusted earnings	\$ 135,715	\$ 44,673	\$ 292,449	\$ 171,074
Basic weighted average shares outstanding	239,737,300	237,411,813	239,046,940	236,810,866
Adjusted basic earnings per share	\$ 0.57	\$ 0.19	\$ 1.22	\$ 0.72

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,		Nine months ended September 30,	
	2024	2023	2024	2023
Operating expenses	\$ 67,512	\$ 66,994	\$ 210,946	\$ 207,804
Royalty expenses	18,243	12,359	48,687	41,400
Cash operating costs	\$ 85,755	\$ 79,353	\$ 259,633	\$ 249,204
Gold oz sold	125,887	112,711	364,199	376,360
Cash operating cost per oz sold	\$ 681	\$ 704	\$ 713	\$ 662

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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.

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Cash operating costs	\$ 85,755	\$ 79,353	\$ 259,633	\$ 249,204
Corporate social responsibility	484	542	1,649	1,688
Treatment and refining charges	10,255	9,577	29,919	29,105
Accretion of restoration provision	206	167	616	502
Sustaining capital	17,866	15,744	37,278	33,373
Less: silver revenues	(4,104)	(3,142)	(10,898)	(10,033)
All-in sustaining cost	\$ 110,462	\$ 102,241	\$ 318,197	\$ 303,839
Gold oz sold	125,887	112,711	364,199	376,360
All-in sustaining cost per oz sold	\$ 877	\$ 907	\$ 874	\$ 807

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Adjusted free cash flow and adjusted free cash flow per share

Adjusted 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 expense paid on its debt obligations. Adjusted free cash flow is defined as cash flow provided by operating activities, less cash used for investing activities and interest and finance expense paid excluding the finance expense incurred upon buy out of the Stream Facility and Offtake.

	Three months ended September 30, 2024		September 30, 2023		Nine months ended September 30, 2024		September 30, 2023	
Net cash provided by operating activities	\$	218,286	\$	120,030	\$	470,369	\$	426,821
Net cash used for investing activities		(36,677)		(19,296)		(65,250)		(39,734)
Interest paid		-		(4,424)		(3,688)		(16,149)
Finance expense paid		-		(15,373)		(260,990)		(169,795)
Finance expense on buy out of Stream Facility and Offtake		-		-		235,575		-
Adjusted free cash flow	\$	181,609	\$	80,937	\$	376,016	\$	201,143
Basic weighted average shares outstanding		239,737,300		237,411,813		239,046,940		236,810,866
Adjusted free cash flow per share	\$	0.76	\$	0.34	\$	1.57	\$	0.85

CRITICAL ACCOUNTING ESTIMATES

The adoption of certain accounting policies requires the Company to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses. Some of these estimates require judgments about matters that are inherently uncertain. For a complete discussion of accounting estimates deemed most crucial by the Company, refer to the Company's annual 2023 Management's Discussion and Analysis.

RISKS AND UNCERTAINTIES

Natural resources exploration, development and operation involves a number of risks and uncertainties, many of which are beyond the Company's control. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A and those set out in the Company's Annual Information Form, which is available on SEDAR+ at www.sedarplus.ca.

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QUALIFIED PERSON

The technical information relating to Fruta del Norte contained in this MD&A has been reviewed and approved by Terry Smith P. Eng, Lundin Gold's COO, who is a Qualified Person in accordance with the requirements of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). The disclosure of exploration information contained in this MD&A was prepared by Andre Oliveira P. Geo, Vice President, Exploration of the Company, who is a Qualified Person in accordance with the requirements of NI 43-101.

FINANCIAL INFORMATION

The report for the year ended December 31, 2024 is expected to be published on or about February 20, 2025.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures

Management, including the Chief Executive Officer and the Chief Financial Officer, are responsible for the design of the Company's disclosure controls and procedures in order to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

Internal controls over financial reporting

Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required under Multilateral Instrument 52-109, management advises that there have been no changes in the Company's internal control over financial reporting that occurred during the most recent interim period, beginning January 1, 2024 and ending September 30, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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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)

FORWARD LOOKING STATEMENTS

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

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

This MD&A contains forward-looking information in a number of places, such as in statements pertaining to the Company's 2024 production outlook, including estimates of gold production, grades recoveries and AISC; operating plans; expected sales receipts and cash flow forecasts, its estimated capital costs and sustaining capital; the Company's efforts to mitigate the impacts of the energy crisis in Ecuador on its operations; the recovery of VAT; timing of completion of the process plant expansion project and the anticipated benefits; benefits of the Company's community programs; the Company's declaration and payment of dividends pursuant to its dividend policy; the timing and the success of its drill program at Fruta del Norte and its other exploration activities; and estimates of Mineral Resources and Reserves at Fruta del Norte.

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

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