

LUNDIN GOLD INC.

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

	Note	June 30, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	17	\$ 237,680	\$ 268,025
Trade receivables and other current assets	3	183,129	163,456
Inventories	4	82,952	89,406
Advance royalty		9,994	13,000
		513,755	533,887
Non-current assets			
VAT recoverable		47,741	51,904
Advance royalty		-	3,494
Property, plant and equipment	5	688,693	718,896
Mineral properties	6	146,307	160,028
		\$ 1,396,496	\$ 1,468,209
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7, 8	\$ 229,356	\$ 74,824
Income taxes payable		30,812	48,488
Current portion of long-term debt	8	-	63,716
		260,168	187,028
Non-current liabilities			
Long-term debt	8	-	241,931
Reclamation provisions		9,132	8,722
Deferred income tax liabilities		76,916	74,722
		346,216	512,403
EQUITY			
Share capital	9	1,025,655	1,008,932
Equity-settled share-based payment reserve	10	12,116	14,535
Accumulated other comprehensive income (loss)		(31,232)	1,955
Retained earnings (deficit)		43,741	(69,616)
		1,050,280	955,806
		\$ 1,396,496	\$ 1,468,209

Commitments (Note 20)

Approved by the Board of Directors

/s/ Ron F. Hochstein
Ron F. Hochstein

/s/ Ian W. Gibbs
Ian W. Gibbs

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

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LUNDIN GOLD INC.

Condensed Consolidated Interim Statements of Income and Comprehensive Income
(Unaudited – Prepared by Management)
(Expressed in thousands of U.S. Dollars, except share and per share amounts)

	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
Revenues	11	\$ 301,431	\$ 243,930	\$ 528,172	\$ 500,658
Cost of goods sold					
Operating expenses		76,166	68,339	143,434	140,810
Royalty expenses		17,656	14,742	30,444	29,041
Depletion and depreciation		35,852	36,048	69,300	73,298
		129,674	119,129	243,178	243,149
Income from mining operations		171,757	124,801	284,994	257,509
Other expenses (income)					
Exploration	12	8,864	5,196	16,789	9,039
Corporate administration	13	4,852	4,482	15,239	12,087
Finance expense	14	254,449	19,573	266,542	42,444
Finance income		(4,784)	(3,138)	(9,238)	(4,952)
Other expense (income)		(1,503)	1,603	(2,667)	1,059
Derivative loss (gain)	8	(261,668)	(321)	(243,737)	15,113
		210	27,395	42,928	74,790
Net income before tax		171,547	97,406	242,066	182,719
Income tax expense					
Current income tax expense	16	48,850	28,055	72,345	54,215
Deferred income tax expense	16	3,406	6,203	8,533	13,891
		52,256	34,258	80,878	68,106
Net income for the period		\$ 119,291	\$ 63,148	\$ 161,188	\$ 114,613
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that may be reclassified to net income					
Currency translation adjustment		(820)	1,756	(2,194)	1,559
Items that will not be reclassified to net income					
Derivative loss related to the Company's own credit risk		(31,071)	(10,420)	(37,332)	(10,788)
Deferred income tax on accumulated other comprehensive income		4,962	2,258	6,339	2,373
Comprehensive income		\$ 92,362	\$ 56,742	\$ 128,001	\$ 107,757
Income per common share					
Basic		\$ 0.50	\$ 0.27	\$ 0.68	\$ 0.48
Diluted		0.49	0.26	0.67	0.48
Weighted-average number of common shares					
Basic		239,129,917	236,943,432	238,697,974	236,505,417
Diluted		241,031,608	239,190,085	240,540,041	238,654,967

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

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LUNDIN GOLD INC.

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited – Prepared by Management)

(Expressed in thousands of U.S. Dollars, except number of common shares)

	Note	Number of common shares	Share capital	Equity-settled share-based payment reserve	Other reserves	Retained earnings (deficit)	Total
Balance, January 1, 2023		235,646,977	\$ 989,772	\$ 13,856	\$ 2,612	\$ (154,159)	\$ 852,081
Exercise of stock options		823,952	4,931	(1,714)	-	-	3,217
Vesting of share units		237,514	2,382	(1,175)	-	-	1,207
Exercise of anti-dilution rights	9	549,332	6,607	-	-	-	6,607
Stock-based compensation	10	-	-	2,086	-	-	2,086
Other comprehensive loss		-	-	-	(6,856)	-	(6,856)
Net income for the period		-	-	-	-	114,613	114,613
Dividends paid		-	-	-	-	(47,373)	(47,373)
Balance, June 30, 2023		237,257,775	\$ 1,003,692	\$ 13,053	\$ (4,244)	\$ (86,919)	\$ 925,582
Balance, January 1, 2024		237,860,048	\$ 1,008,932	\$ 14,535	\$ 1,955	\$ (69,616)	\$ 955,806
Exercise of stock options		1,108,198	8,385	(2,435)	-	-	5,950
Vesting of share units		57,205	631	(2,463)	-	-	(1,832)
Exercise of anti-dilution rights	9	542,515	7,707	-	-	-	7,707
Stock-based compensation	10	-	-	2,479	-	-	2,479
Other comprehensive loss		-	-	-	(33,187)	-	(33,187)
Net income for the period		-	-	-	-	161,188	161,188
Dividends paid		-	-	-	-	(47,831)	(47,831)
Balance, June 30, 2024		239,567,966	\$ 1,025,655	\$ 12,116	\$ (31,232)	\$ 43,741	\$ 1,050,280

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

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LUNDIN GOLD INC.

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

	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
OPERATING ACTIVITIES					
Net income for the period		\$ 119,291	\$ 63,148	\$ 161,188	\$ 114,613
Items not affecting cash:					
Depletion and depreciation		35,857	36,059	69,311	73,321
Stock-based compensation	10	1,427	1,148	4,197	2,075
Derivative loss (gain)	8	(261,668)	(321)	(243,737)	15,113
Other expense (income)		(502)	1,126	(1,547)	910
Finance expense		249,665	16,152	257,304	36,827
Deferred income tax expense		3,406	6,203	8,533	13,891
		147,476	123,515	255,249	256,750
Changes in non-cash working capital items:					
Trade receivables and other current assets		730	731	(12,284)	8,218
Inventories		8,361	623	8,332	2,328
Advance royalty		1,119	498	6,500	6,500
Accounts payable and accrued liabilities		7,192	5,361	2,724	(2,891)
Income taxes payable		(25,493)	28,486	(17,676)	31,979
Other non-current liabilities		-	-	-	(1,045)
Interest received		4,784	3,138	9,238	4,952
Net cash provided by operating activities		144,169	162,352	252,083	306,791
FINANCING ACTIVITIES					
Repayments of long-term debt	8	(97,985)	(49,108)	(101,106)	(171,558)
Interest paid	8	(1,812)	(5,357)	(3,688)	(11,725)
Finance expense paid	8	(250,847)	(11,870)	(260,990)	(154,422)
Proceeds from exercise of stock options		1,631	1,358	5,950	3,217
Proceeds from exercise of anti-dilution rights	9	7,707	4,417	7,707	6,607
Share units settled in cash	10	11	-	(3,550)	-
Dividends paid		(23,957)	(23,725)	(47,831)	(47,373)
Change in non-cash working capital	7,8	150,000	-	150,000	-
Net cash used for financing activities		(215,252)	(84,285)	(253,508)	(375,254)
INVESTING ACTIVITIES					
Acquisition and development of property, plant and equipment		(12,686)	(11,798)	(25,327)	(18,495)
VAT paid on investing activities		(2,251)	(1,468)	(3,246)	(1,943)
Net cash used for investing activities		(14,937)	(13,266)	(28,573)	(20,438)
Effect of foreign exchange rate differences on cash		(235)	453	(347)	469
Net increase (decrease) in cash and cash equivalents		(86,255)	65,254	(30,345)	(88,432)
Cash and cash equivalents, beginning of period		323,935	209,714	268,025	363,400
Cash and cash equivalents, end of period		\$ 237,680	\$ 274,968	\$ 237,680	\$ 274,968

Supplemental cash flow information (Note 17)

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

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LUNDIN GOLD INC.

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

(Unaudited – Prepared by Management)

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

1. Nature of operations

Lundin Gold Inc. together with its subsidiaries (collectively referred to as “Lundin Gold” or the “Company”) is focused on its Fruta del Norte gold operation and developing its portfolio of mineral concessions in Ecuador.

The common shares of the Company are listed for trading on the Toronto Stock Exchange (the “TSX”) and Nasdaq Stockholm under the symbol “LUG” and the OTCQX Best Market under the symbol “LUGDF”. The Company was originally incorporated in British Columbia and continued under the Canada Business Corporations Act in 2002.

The Company’s head office is located at Suite 2800, 1055 Dunsmuir Street, Vancouver, BC, and it has a corporate office in Quito, Ecuador.

2. Basis of preparation and consolidation

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board (“IFRS Accounting Standards”), applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting. As a result, they do not conform in all respects with the disclosure requirements for annual financial statements under IFRS and should be read in conjunction with the Company’s audited consolidated financial statements for the fiscal year ended December 31, 2023.

These unaudited condensed consolidated interim financial statements are presented in U.S. dollars.

In preparing these unaudited condensed consolidated interim financial statements, the Company applied the same accounting policies and key sources of estimation uncertainty as those that were applied to the Company’s audited consolidated financial statements for the fiscal year ended December 31, 2023.

These financial statements were approved for issue by the Board of Directors on August 8, 2024.

3. Trade receivables and other current assets

	June 30, 2024	December 31, 2023
Trade receivables (a)	\$ 129,041	\$ 93,036
VAT recoverable (b)	31,500	23,409
Prepaid expenses and other (c)	22,588	47,011
	<u>\$ 183,129</u>	<u>\$ 163,456</u>

- (a) Trade receivables mainly represent the value of concentrate sold as at period end for which the funds are not yet received. Consistent with industry standards, these sales generally have relatively long payment terms and are not settled until two to five months after export.

Concentrate sales are first recorded based on provisional prices. For sales that are provisionally priced as at June 30, 2024, an adjustment is estimated and recorded using the forward gold price at quarter end for the future month when the final gold price for each individual sale is expected to be determined. This adjustment resulted in an increase of \$10.9 million in trade receivables as of June 30, 2024 (December 31, 2023 - \$7.8 million increase) reflecting rising gold prices during the period.

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

(Unaudited – Prepared by Management)

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

3. Trade receivables and other current assets (continued)

- (b) Subject to submission of monthly claims and their acceptance by the applicable tax authorities, VAT paid in Ecuador by the Company are being refunded or applied as a credit against other taxes payable, based on the level of export sales in any given month. Therefore, a portion of the VAT recoverable has been reclassified as current assets.
- (c) As at December 31, 2023, prepaid expenses and other included credit notes issued by the tax authorities in Ecuador relating to approved VAT claims. During the six months ended June 30, 2024, these credit notes were fully utilized to offset taxes payable including statutory tax withholdings from payments to vendors and the newly instituted monthly income tax instalment payments in Ecuador.

4. Inventories

	June 30, 2024	December 31, 2023
Ore stockpile	\$ 9,192	\$ 6,922
Gold in circuit	4,805	7,849
Doré and concentrate	17,444	17,868
Materials and supplies	51,511	56,767
	\$ 82,952	\$ 89,406

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

5. Property, plant and equipment

Cost	Construction- in-progress	Mine and plant facilities	Machinery and equipment	Vehicles	Furniture and office equipment	Total
Balance, January 1, 2023	\$ -	\$ 947,124	\$ 54,913	\$ 24,594	\$ 3,418	\$ 1,030,049
Additions	7,009	39,320	649	1,076	1,110	49,164
Disposals and other	-	-	(5,971)	(1,230)	(1,995)	(9,196)
Cumulative translation adjustment	-	297	-	-	10	307
Balance, December 31, 2023	7,009	986,741	49,591	24,440	2,543	1,070,324
Additions	6,681	17,985	-	-	2,502	27,168
Disposals and other	-	-	-	(182)	-	(182)
Reclassifications	(6,128)	6,128	-	-	-	-
Cumulative translation adjustment	-	(441)	-	-	(5)	(446)
Balance, June 30, 2024	\$ 7,562	\$ 1,010,413	\$ 49,591	\$ 24,258	\$ 5,040	\$ 1,096,864

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

(Unaudited – Prepared by Management)

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

5. Property, plant and equipment (continued)

Accumulated depletion and depreciation	Construction-in-progress	Mine and plant facilities	Machinery and equipment	Vehicles	Furniture and office equipment	Total
Balance, January 1, 2023	\$ -	\$ 206,579	\$ 23,620	\$ 16,867	\$ 1,684	\$ 248,750
Depletion and depreciation	-	100,225	6,481	3,946	589	111,241
Disposals and other	-	-	(5,432)	(1,230)	(1,995)	(8,657)
Cumulative translation adjustment	-	92	-	-	2	94
Balance, December 31, 2023	-	306,896	24,669	19,583	280	351,428
Depletion and depreciation	-	52,359	3,258	1,072	377	57,066
Disposals and other	-	-	-	(182)	-	(182)
Cumulative translation adjustment	-	(141)	-	-	-	(141)
Balance, June 30, 2024	\$ -	\$ 359,114	\$ 27,927	\$ 20,473	\$ 657	\$ 408,171
Net book value						
As at December 31, 2023	\$ 7,009	\$ 679,845	\$ 24,922	\$ 4,857	\$ 2,263	\$ 718,896
As at June 30, 2024	\$ 7,562	\$ 651,299	\$ 21,664	\$ 3,785	\$ 4,383	\$ 688,693

6. Mineral properties

Cost	Fruta del Norte
Balance, January 1, 2023	\$ 183,507
Adjustments to restoration asset	1,004
Depletion	(24,483)
Balance, December 31, 2023	160,028
Depletion	(13,721)
Balance, June 30, 2024	\$ 146,307

LUNDIN GOLD INC.

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

(Unaudited – Prepared by Management)

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

7. Accounts payable and accrued liabilities

	June 30, 2024	December 31, 2023
Accounts payable	\$ 15,472	\$ 16,750
Accrued liabilities	63,884	58,074
Final tranche of stream and offtake buy out (Note 8)	150,000	-
	\$ 229,356	\$ 74,824

8. Long-term debt

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

The stream loan credit facility (the “Stream Facility”) and the offtake derivative liability (the “Offtake”) were accounted for as financial liabilities at fair value through profit or loss until the closing of their buy out on June 27, 2024 (the “Closing Date”) following payment of the first tranche of the purchase price of \$180 million. The second and final tranche of \$150 million is due on September 30, 2024. The total purchase price of \$330 million is comprised of the remaining unamortized principal balance of \$94.4 million and finance expense of \$235.6 million.

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

Until the Closing Date, the Company made scheduled monthly payments under the Stream Facility totaling \$35.8 million (six months ended June 30, 2023 – \$39.0 million) of which \$6.7 million (six months ended June 30, 2023 – \$8.8 million) was paid on account of principal; \$3.7 million (six months ended June 30, 2023 – \$4.3 million) for accrued interest; and the remaining \$25.4 million (six months ended June 30, 2023 – \$25.9 million) as a finance expense.

LUNDIN GOLD INC.

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

(Unaudited – Prepared by Management)

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

9. Share capital

Authorized:

- Unlimited number of common shares without par value
- Unlimited number of preference shares without par value

During the six months ended June 30, 2024, the Company issued 542,515 common shares to Newmont Corporation, indirectly through its subsidiary Newcrest Canada Inc. (“Newcrest”) at a weighted average price of CAD\$19.37 per share for total proceeds of \$7.7 million. This issuance includes the portion that was deferred during the three months ended March 31, 2024 as a result of certain restrictions that were in place at that time.

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

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

10. Stock-based compensation

i. Stock options

During the six months ended June 30, 2024, 347,000 stock options were granted to employees, including directors, and non-employees. These options have a weighted average exercise price of \$15.92 CAD, an expiry date of five years and vest over a period of three or four years from date of grant. The total number of stock options outstanding at June 30, 2024 was 2,833,771.

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

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

During the six months ended June 30, 2024, the Company recorded stock-based compensation expense of \$0.7 million (six months ended June 30, 2023 – \$0.9 million) related to stock options.

ii. Share units

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

During the six months ended June 30, 2024, the Company granted 400,458 share units that are settled in shares. In addition, in connection with dividends paid during the six months ended June 30, 2024, 11,117 Units were granted as Dividend Equivalents. The total number of share units outstanding at June 30, 2024 was 813,339.

During the six months ended June 30, 2024, the Company recorded stock-based compensation expense of \$3.5 million (six months ended June 30, 2023 – \$1.2 million) related to share units, which \$1.8 million expense resulted from share units settled in cash as determined by the Company’s board of directors.

LUNDIN GOLD INC.

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

(Unaudited – Prepared by Management)

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

11. Revenues

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Doré sales	\$ 101,484	\$ 87,063	\$ 177,953	\$ 180,027
Concentrate sales	202,447	168,567	347,119	322,631
Gain (loss) on provisionally priced trade receivables	(2,500)	(11,700)	3,100	(2,000)
	\$ 301,431	\$ 243,930	\$ 528,172	\$ 500,658

12. Exploration

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Catering and camp expenses	\$ 665	\$ 197	\$ 1,248	\$ 301
Concessions and land	88	39	575	439
Development	413	-	413	-
Drilling	3,909	2,637	7,179	4,067
Environmental	260	225	496	371
Salaries and benefits	1,780	1,075	3,341	2,011
Sampling and supplies	1,343	844	2,967	1,582
Others	406	179	570	268
	\$ 8,864	\$ 5,196	\$ 16,789	\$ 9,039

13. Administration

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Corporate social responsibility	\$ 479	\$ 534	\$ 1,165	\$ 1,146
Investor relations	102	111	138	189
Office and general	778	810	1,839	1,515
Professional fees	750	811	1,307	1,218
Regulatory and transfer	106	95	360	340
Salaries and benefits	1,030	820	3,958	5,347
Special government levy (a)	-	-	1,913	-
Stock-based compensation	1,427	1,148	4,197	2,075
Travel	180	153	362	257
	\$ 4,852	\$ 4,482	\$ 15,239	\$ 12,087

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

LUNDIN GOLD INC.

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

(Unaudited – Prepared by Management)

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

14. Finance expense

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Interest expense	\$ 1,817	\$ 4,928	\$ 3,693	\$ 10,821
Finance expense	15,272	11,870	25,415	25,923
Finance expense on buy out of stream and offtake (Note 8)	235,575	-	235,575	-
Other finance costs	-	924	-	2,019
Accretion of transaction costs	1,785	1,851	1,859	3,681
	\$ 254,449	\$ 19,573	\$ 266,542	\$ 42,444

15. Related party transactions

i. Key management compensation

Key management includes executive officers and directors of the Company. The compensation paid or payable to key management for employee services during the six months ended June 30 is shown below.

	June 30,		June 30,	
	2024		2023	
Salaries, bonuses and benefits	\$ 3,165	\$ 4,850		
Stock-based compensation	2,811	1,669		
	\$ 5,976	\$ 6,519		

ii. Other related party transactions

During the six months ended June 30, 2024, the Company incurred \$1.0 million (June 30, 2023 – \$0.3 million), primarily relating to office rental, renovation costs, and related services provided by Namdo Management Services Ltd. ("Namdo"), a company associated with a director of the Company.

16. Income taxes

Current income tax expense is generated from net income for tax purposes in Ecuador relating to operations at Fruta del Norte. In addition to corporate income taxes in Ecuador which are levied at a rate of 22% and dividend withholding taxes levied at a rate of 5% related to the anticipated portion of net income distributed from Ecuador, included in current income tax expense is the portion of profit sharing payable to the Government of Ecuador which is calculated at the rate of 12% of net income for tax purposes. The employee portion of profit sharing, calculated at the rate of 3% of net income for tax purposes, is considered an employment benefit and included in operating costs.

Corporate income taxes 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.

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

(Unaudited – Prepared by Management)

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

16. Income taxes (continued)

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Net income before tax	\$ 171,547	\$ 97,406	\$ 242,066	\$ 182,719
Canadian federal and provincial income tax rates	27%	27%	27%	27%
Income tax expense based on the above rates	46,318	26,299	65,358	49,334
Increase due to:				
Differences in foreign tax rates	7,739	4,587	11,264	10,215
Non-deductible costs	(2,628)	600	899	2,716
Withholding taxes (current and deferred)	1,040	1,500	2,500	3,791
Losses and temporary differences for which an income tax asset has not been recognized	(213)	1,272	857	2,050
Income tax expense	\$ 52,256	\$ 34,258	\$ 80,878	\$ 68,106

17. Supplemental cash flow information

Cash and cash equivalents are comprised of the following:

	June 30, 2024	December 31, 2023
Cash	\$ 147,031	\$ 70,670
Short-term investments	90,649	197,355
	\$ 237,680	\$ 268,025

Other supplemental cash information:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Income tax paid	\$ 57,972	\$ 21,017	\$ 57,972	\$ 21,017
Change in accounts payable and accrued liabilities related to:				
Acquisition of property, plant and equipment	\$ 4,781	\$ 1,447	\$ 1,841	\$ (866)

LUNDIN GOLD INC.

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

18. Segmented information

Operating segments are components of an entity that engage in business activities from which they incur expenses and whose operating results are regularly reviewed by a chief operating decision maker to make resource allocation decisions and to assess performance. The Chief Executive Officer is responsible for allocating resources and reviewing operating results of each operating segment on a periodic basis.

The Company's primary business activity is the Fruta del Norte operating mine in Ecuador. Materially all of the Company's non-current assets and non-current liabilities relate to Fruta del Norte. In addition, the Company conducts exploration activities and maintains a number of concessions in Ecuador outside of Fruta del Norte.

The following are summaries of the Company's current and non-current assets, current and non-current liabilities, and net income (loss) by segment:

	Fruta del Norte	Exploration activities	Corporate and other	Total
As at June 30, 2024				
Current assets	\$ 450,534	\$ 540	\$ 62,681	\$ 513,755
Non-current assets	881,608	90	1,043	882,741
Total assets	1,332,142	630	63,724	1,396,496
Current liabilities	258,650	690	828	260,168
Non-current liabilities	77,498	-	8,550	86,048
Total liabilities	336,148	690	9,378	346,216
For the three months ended June 30, 2024				
Revenues	301,431	-	-	301,431
Income from mining operations	171,757	-	-	171,757
Corporate administration	(978)	(130)	(3,744)	(4,852)
Exploration expenditures	-	(8,864)	-	(8,864)
Finance income (expense)	(250,576)	-	911	(249,665)
Other income	842	-	661	1,503
Derivative gain	261,668	-	-	261,668
Income tax expense	(51,344)	-	(912)	(52,256)
Net income (loss) for the period	131,369	(8,994)	(3,084)	119,291
For the six months ended June 30, 2024				
Revenues	528,172	-	-	528,172
Income from mining operations	284,994	-	-	284,994
Corporate administration	(4,282)	(278)	(10,679)	(15,239)
Exploration expenditures	-	(16,789)	-	(16,789)
Finance income (expense)	(259,087)	-	1,783	(257,304)
Other income	1,037	-	1,630	2,667
Derivative gain	243,737	-	-	243,737
Income tax expense	(78,428)	-	(2,450)	(80,878)
Net income (loss) for the period	187,971	(17,067)	(9,716)	161,188

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18. Segmented information (continued)

	Fruta del Norte	Exploration activities	Corporate and other	Total
As at June 30, 2023				
Current assets	\$ 483,967	\$ 11,367	\$ 44,748	\$ 540,082
Non-current assets	968,749	-	-	968,749
Total assets	1,452,716	11,367	44,748	1,508,831
Current liabilities	269,528	741	1,718	271,987
Non-current liabilities	302,262	-	9,000	311,262
Total liabilities	571,790	741	10,718	583,249
For the three months ended June 30, 2023				
Revenues	243,930	-	-	243,930
Income from mining operations	124,801	-	-	124,801
Corporate administration	(1,429)	(71)	(2,982)	(4,482)
Exploration expenditures	-	(5,196)	-	(5,196)
Finance income (expense)	(17,739)	-	1,304	(16,435)
Other income	-	2	(1,605)	(1,603)
Derivative gain	321	-	-	321
Income tax expense	(32,758)	-	(1,500)	(34,258)
Net income (loss) for the period	73,196	(5,265)	(4,783)	63,148
For the six months ended June 30, 2023				
Revenues	500,658	-	-	500,658
Income from mining operations	257,509	-	-	257,509
Corporate administration	(2,661)	(87)	(9,339)	(12,087)
Exploration expenditures	-	(9,039)	-	(9,039)
Finance income (expense)	(39,534)	-	2,042	(37,492)
Other income (expense)	24	2	(1,085)	(1,059)
Derivative loss	(15,113)	-	-	(15,113)
Income tax expense	(64,315)	-	(3,791)	(68,106)
Net income (loss) for the period	135,910	(9,124)	(12,173)	114,613

19. Financial instruments

The Company's financial instruments include cash, cash equivalents and certain receivables, which are categorized as financial assets at amortized cost, and accounts payable and accrued liabilities, which are categorized as financial liabilities at amortized cost. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. Further, provisionally priced trade receivables of \$129.0 million (December 31, 2023 - \$93.0 million) are measured at fair value using quoted forward market prices (Fair value hierarchy level 2).

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20. Commitments

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

	Capital Expenditures	
12 months ending June 30, 2025	\$	38,019
July 1, 2025 onward		-
Total	\$	38,019

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 \$6.5 million for the duration of the contract.