



Independent auditor's report

To the Shareholders of Lundin Gold Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Lundin Gold Inc. and its subsidiaries (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of income and comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>Refer to note 3 – Summary of material accounting policies to the consolidated financial statements.</p> <p>The Company recorded \$1.8 billion of revenue for doré and concentrate sales during the year ended December 31, 2025. Doré revenues are recorded at the time of physical delivery, which is also the date that title of the gold and silver passes to the customer. The sales price is fixed on the date of sale based on the spot price. Concentrate revenues are recorded when the concentrate is loaded on vessels for shipment to the customers, which is also the date that title passes to the customer. Sales prices are provisionally set at that time based on the then market prices. Subsequent determination of final gold prices can range from one to four months after shipment, depending on the customer.</p> <p>We considered this a key audit matter due to (i) the significance of the revenue balance and (ii) the high degree of audit effort in performing procedures related to the Company's revenue recognition.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Tested the revenue recognized for a sample of revenue transactions, which included the following:<ul style="list-style-type: none">– Agreed shipping and pricing terms to the sales contracts.– Inspected third party delivery or loading evidence.– Agreed doré sales price to third party evidence.– Recalculated concentrate sales price using market reference prices.– Confirmed a sample of outstanding customer invoice balances as of December 31, 2025 and, for confirmations not returned, obtained and inspected source documents such as invoices, delivery or loading evidence, and subsequent cash receipts.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the 2025 Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the 2025 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Eric Talbot.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia

February 19, 2026

LUNDIN GOLD INC.

Consolidated Statements of Financial Position
(Expressed in thousands of U.S. Dollars)

	Note	December 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents	19	\$ 630,181	\$ 349,200
Trade receivables and other current assets	4	260,101	233,555
Inventories	5	92,882	88,210
Advance royalty		-	3,494
		983,164	674,459
Non-current assets			
VAT recoverable	4	18,591	24,287
Property, plant and equipment	6	664,622	695,703
Mineral properties	7	110,144	133,032
Deferred income tax assets	18	10,637	-
		\$ 1,787,158	\$ 1,527,481
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	\$ 159,667	\$ 109,947
Income taxes payable	18	204,502	96,843
Other current liabilities	12	24,341	8,725
		388,510	215,515
Non-current liabilities			
Other non-current liabilities	12	25,893	3,457
Reclamation provisions	10	8,626	7,866
Deferred income tax liabilities	18	-	84,344
		423,029	311,182
EQUITY			
Share capital	11	1,057,225	1,035,399
Equity-settled share-based payment reserve	12	6,621	9,059
Accumulated other comprehensive loss		(40,658)	(40,747)
Retained earnings		340,941	212,588
		1,364,129	1,216,299
		\$ 1,787,158	\$ 1,527,481

Commitments (Note 24)

Approved by the Board of Directors

/s/ James A. Beck
James A. Beck

/s/ Ian W. Gibbs
Ian W. Gibbs

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

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LUNDIN GOLD INC.

Consolidated Statements of Income and Comprehensive Income
(Expressed in thousands of U.S. Dollars, except share and per share amounts)

	Note	Years Ended December 31,	
		2025	2024
Revenues	13	\$ 1,782,940	\$ 1,193,050
Cost of goods sold			
Operating expenses	14	318,743	283,527
Royalty expenses		102,819	69,158
Depletion and depreciation		135,041	136,979
		556,603	489,664
Income from mining operations		1,226,337	703,386
Other expenses (income)			
Exploration	15	59,523	41,168
Corporate administration	16	64,417	34,531
Finance expense	17	-	266,542
Finance income		(22,863)	(16,289)
Other expense (income)		1,718	(12,946)
Derivative gain	9	-	(243,737)
		102,795	69,269
Net income before tax		1,123,542	634,117
Income tax expense			
Current income tax expense	18	426,372	192,107
Deferred income tax (recovery) expense	18	(94,981)	15,960
		331,391	208,067
Net income for the year		\$ 792,151	\$ 426,050
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to net income			
Currency translation adjustment		-	(11,984)
Derivative loss related to the Company's own credit risk	9	-	(37,332)
Deferred income tax on accumulated other comprehensive income	18	-	6,339
Other		89	275
Comprehensive income for the year		\$ 792,240	\$ 383,348
Income per common share			
Basic	11	\$ 3.29	\$ 1.78
Diluted	11	3.27	1.76
Weighted-average number of common shares outstanding			
Basic		241,033,793	239,312,029
Diluted		242,510,385	241,426,325

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

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LUNDIN GOLD INC.

Consolidated Statements of Changes in Equity
(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, 2024		237,860,048	\$ 1,008,932	\$ 14,535	\$ 1,955	\$ (69,616)	\$ 955,806
Exercise of stock options		1,454,753	12,424	(3,425)	-	-	8,999
Vesting of share units		75,757	901	(3,025)	-	-	(2,124)
Exercise of anti-dilution rights	11	804,340	13,142	-	-	-	13,142
Stock-based compensation	12	-	-	4,280	-	-	4,280
Reclassification of share units	12	-	-	(3,306)	-	-	(3,306)
Other comprehensive loss		-	-	-	(42,702)	-	(42,702)
Net income for the year		-	-	-	-	426,050	426,050
Dividends paid		-	-	-	-	(143,846)	(143,846)
Balance, December 31, 2024		240,194,898	\$ 1,035,399	\$ 9,059	\$ (40,747)	\$ 212,588	\$ 1,216,299
Exercise of stock options		963,425	10,351	(2,576)	-	-	7,775
Vesting of share units		21,635	315	(315)	-	-	-
Exercise of anti-dilution rights	11	252,592	11,160	-	-	-	11,160
Stock-based compensation	12	-	-	1,094	-	-	1,094
Reclassification of share units	12	-	-	(641)	-	-	(641)
Other comprehensive income		-	-	-	89	-	89
Net income for the year		-	-	-	-	792,151	792,151
Dividends paid		-	-	-	-	(663,798)	(663,798)
Balance, December 31, 2025		241,432,550	\$ 1,057,225	\$ 6,621	\$ (40,658)	\$ 340,941	\$ 1,364,129

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

LUNDINGOLD

LUNDIN GOLD INC.

Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. Dollars)

	Note	Years Ended December 31,	
		2025	2024
OPERATING ACTIVITIES			
Net income for the year		\$ 792,151	\$ 426,050
Items not affecting cash:			
Depletion and depreciation		135,131	137,003
Stock-based compensation	12	48,460	15,734
Derivative gain		-	(243,737)
Other expense (income)		1,302	(10,917)
Finance (income) expense		(22,863)	250,253
Deferred income tax (recovery) expense		(94,981)	15,960
		859,200	590,346
Changes in non-cash working capital items:			
Trade receivables and other current assets		(9,597)	(32,059)
Inventories		(4,278)	2,419
Advance royalty		3,494	13,000
Accounts payable and accrued liabilities		54,629	27,999
Income taxes payable		107,659	48,355
Interest received		22,863	16,289
Share units settled in cash	12	(10,941)	(3,959)
Net cash provided by operating activities		1,023,029	662,390
FINANCING ACTIVITIES			
Repayments of long-term debt	9	-	(101,106)
Interest paid	9	-	(3,688)
Finance charge paid	9	-	(260,990)
Proceeds from exercise of stock options		7,775	8,999
Proceeds from exercise of anti-dilution rights	11	11,160	13,142
Dividends paid		(663,798)	(143,846)
Net cash used for financing activities		(644,863)	(487,489)
INVESTING ACTIVITIES			
Acquisition and development of property, plant and equipment		(85,977)	(82,398)
VAT paid on investing activities		(11,253)	(11,106)
Net cash used for investing activities		(97,230)	(93,504)
Effect of foreign exchange rate differences on cash		45	(222)
Net increase in cash and cash equivalents		280,981	81,175
Cash and cash equivalents, beginning of year		349,200	268,025
Cash and cash equivalents, end of year		\$ 630,181	\$ 349,200

Supplemental cash information (Note 20)

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

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LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

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 an office in Quito, Ecuador.

2. Basis of preparation

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below and have been consistently applied to all the periods presented.

These consolidated financial statements were approved for issue by the Board of Directors on February 19, 2026.

The following entities are included in these consolidated financial statements:

	Country of incorporation	Ordinary shares held	
		December 31, 2025	December 31, 2024
Aurelian Resources Inc.	Canada	100%	100%
Aurelian Resources Corporation Ltd.	Canada	100%	100%
Aurelian Exploration Inc.	Canada	100%	100%
Condor Finance Corp.	Canada	100%	100%
Aurelian Ecuador S.A.	Ecuador	100%	100%
AurelianEcuador Holding S.A.	Ecuador	100%	100%
Ecoaurelian Agricola S.A.	Ecuador	100%	100%
Aurelianmenor S.A.	Ecuador	100%	100%
SurNorte S.A.	Ecuador	100%	100%
SurNorte Ventures Pte. Ltd.	Singapore	100%	100%
SurNorte Holdings I Pte. Ltd.	Singapore	100%	100%

The proportion of the voting rights held directly by the parent company does not differ from the proportion of ordinary shares held.

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

3. Summary of material accounting policies

The Company's material accounting policies are outlined below:

(a) *Basis of consolidation*

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial information of subsidiaries is included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

(b) *Foreign currency translation*

The presentation currency of these consolidated financial statements is U.S. dollars. The functional currency of the Company's significant subsidiary, Aurelian Ecuador S.A., and certain entities is U.S. dollars. Effective January 1, 2025, the functional currency of other entities with a functional currency different from the presentation currency was changed from Canadian dollars ("CAD") to U.S. dollars in order to reflect its financing structure.

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in the statement of income.

(c) *Critical accounting estimates and judgments*

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

3. Summary of material accounting policies (continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the event that the actual results differ from assumptions made, relate to, but are not limited to, the following:

Mineral reserves and resources – The Company estimates its mineral reserves and resources based on information compiled and reviewed by qualified persons as defined in accordance with NI 43-101 requirements. The estimation of mineral reserves and resources requires judgment to interpret geological data and metallurgical testing, design of appropriate mining methods, recovery methods and establishment of a life of mine production schedule. The estimation of recoverable reserves is also based on assumptions such as capital costs, operating costs and metal pricing. New geological data or changes in the above assumptions may change the economic viability of reserves and may, ultimately, result in the reserves being revised. Changes in the reserve or resource estimates may impact the valuation of property, plant and equipment and mineral properties, the depletion and depreciation of property, plant and equipment and mineral properties, utilization of tax losses and decommissioning and site restoration provisions.

Assessment of impairment indicators – Management applies significant judgement in assessing whether indicators of impairment exist for a cash generating unit which would necessitate impairment testing. Internal and external factors such as significant changes in the use of the asset, commodity prices, foreign exchange rates, capital and production forecasts, mineral reserve and resource quantities, and discount rates are used by management in determining whether there are any indicators. As at December 31, 2025, management did not identify any impairment indicators on the Company's mineral properties, property, plant, and equipment.

Deferred taxes – Deferred tax provisions are calculated by the Company while the actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. Judgment is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet, in interpreting applicable tax laws, and what tax rate is expected to be applied in the year when the related temporary differences reverse. Deferred tax liabilities arising from temporary differences are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future production and sales volumes, gold prices, reserves and resources, operating costs, decommissioning and restoration costs, capital expenditures, dividends and other capital management transactions. These estimates and judgments are subject to risk and uncertainty and could result in an adjustment to the deferred tax provision and a corresponding credit or charge to profit.

Decommissioning and site restoration provisions – The Company has obligations for site restoration and decommissioning related to Fruta del Norte. The future obligations for decommissioning and site restoration activities are estimated by the Company using mine closure plans or other similar studies which outline the requirements that will be carried out to meet the obligations. The provision for decommissioning and site restoration is remeasured at the end of each reporting period for changes in estimates or circumstances. Changes in estimates or circumstances include changes in legal or regulatory requirements, increased obligations arising from additional mining and exploration activities, changes to cost estimates, and changes to inflation and discount rates.

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

3. Summary of material accounting policies (continued)

(d) *Financial instruments*

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in the statement of income.

Financial assets

The Company classifies its financial assets according to the following measurement categories:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.

ii. Fair value through other comprehensive loss ("FVOCI")

Assets that are held for both collection of contractual cash flows and future potential sale, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive loss.

iii. Fair value through profit or loss ("FVPL")

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

3. Summary of material accounting policies (continued)

Financial liabilities

The Company classifies its financial liabilities according to the following measurement categories:

i. FVPL

Liabilities that are (i) held for trading or (ii) designated as FVPL, are measured at FVPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company may manage together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability that is not a financial liability held for trading may be designated as FVPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or liabilities or both, which is managed and its performance is evaluated on a fair value basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as FVPL.

The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income. The remaining amount of change in the fair value of liability is recognised in the statement of income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to the statement of income; instead, they are transferred to retained earnings upon derecognition of the financial liability.

ii. Amortized cost

Liabilities not measured at FVPL are measured subsequently at amortized cost using the effective interest method.

Financial liabilities are derecognized when, and only when, the Company's obligations are discharged, cancelled or have expired.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held with banks, which are readily convertible into known amounts of cash or mature within 90 days from the original dates of acquisition. Cash is classified as a financial asset that is subsequently measured at amortized cost.

(f) Inventories

Ore stockpiles, in-circuit and finished metal inventory are valued at the lower of weighted average production cost and net realizable value. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses and applicable depreciation and depletion of mineral properties, plant and equipment. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future production costs to convert the inventories into saleable form and estimated costs to sell.

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

3. Summary of material accounting policies (continued)

Ore stockpile inventory represents ore on the surface that has been extracted from the mine and is available for further processing. In-circuit inventory represents material in the mill circuit that is in the process of being converted into a saleable form. Finished metal inventory represents doré and concentrate located at the mine, in transit to and at port, and doré at refineries.

Materials and supplies inventories are valued at the lower of weighted average cost and net realizable value with a provision recorded for obsolete or slow-moving inventory. Replacement costs of materials and spare parts are generally used as the best estimate of net realizable value.

Any write-downs of inventory to net realizable value are recorded within cost of sales in the statement of income. If there is a subsequent increase in the value of inventory, the previous write-downs to net realizable value are reversed up to cost to the extent that the related inventory has not been sold.

(g) *Property, plant and equipment*

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. The cost of an asset consists of its purchase price, any directly attributable costs of bringing the asset to its present working condition and location for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation of a majority of asset classes is calculated using the straight-line method to allocate its cost less its residual value over its estimated useful life. Mine and plant facilities are depleted using a unit of production method over the total recoverable reserves. The estimated useful lives of property, plant and equipment are as follows:

Buildings	20 years
Machinery and equipment	5 to 10 years
Vehicles	5 years
Furniture and office equipment	3 to 10 years
Mine and plant facilities	based on total recoverable reserves on a unit of production basis

Depreciation methods and estimated useful lives and residual values are reviewed annually and when facts and circumstances require a re-estimate.

The Company reviews the estimated total recoverable reserves annually and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable reserves are accounted for prospectively.

Expenditures on major maintenance or repairs, including the cost of the replacement of parts of assets and overhaul costs or where an asset or part of an asset is replaced, is capitalized and the remaining carrying amount of the item repaired, overhauled or replaced is derecognized when it is probable that future economic benefits associated with the item will be available to the Company. All other costs are expensed as incurred.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any related gain or loss is determined as the difference between the net disposal proceeds or residual value, as applicable, and the carrying amount of the asset, and is recognized in the statement of income.

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

3. Summary of material accounting policies (continued)

(h) *Exploration and evaluation ("E&E") expenditures and mineral properties*

Exploration and evaluation expenditures are those costs required to find a mineral property and determine commercial viability. E&E costs include costs to establish an initial mineral resource and determine whether Inferred mineral resources can be upgraded to Measured and Indicated mineral resources and whether Measured and Indicated mineral resources can be converted to Proven and Probable reserves.

E&E costs consist of, but are not limited to:

- gathering exploration data through topographical and geological studies;
- exploratory drilling, trenching and sampling;
- determining the volume and grade of the resource;
- test work on geology, metallurgy, mining, geotechnical and environmental; and
- conducting engineering, marketing and financial studies.

Project costs in relation to these activities are expensed as incurred until such time that the project demonstrates technical feasibility and commercial viability. Technical feasibility and commercial viability generally coincides with the establishment of Proven and Probable mineral reserves. Upon demonstrating technical feasibility and commercial viability, and subject to an impairment analysis, any such future costs, including costs incurred to increase Proven and Probable reserves, are capitalized as development costs within mineral properties.

After initial recognition, mineral properties are valued at cost less accumulated depletion and any impairment losses. Costs associated with acquiring a mineral property are capitalized as incurred. Upon commencement of commercial production, mineral properties are depleted based on total recoverable reserves on a unit of production basis.

The Company reviews the estimated total recoverable reserves annually and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable reserves are accounted for prospectively.

(i) *Impairment of non-financial assets*

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recorded immediately if the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Fair value is the price that would be received from selling an asset or cash generating unit in an orderly transaction between market participants at the measurement date. Costs to sell are incremental costs directly attributable to the disposal of an asset or cash generating unit. Fair value less costs to sell is measured by estimating future after tax cash flows using estimated future prices, mineral reserves and resources and operating and capital costs. All inputs used are those that an independent market participant would consider appropriate.

Value in use is determined as the present value of the future cash flows expected to be derived from continuing use of an asset or cash generating unit in its present form. These estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit for which estimates of future cash flows have not been adjusted.

Non-financial assets that have been impaired in prior periods are reviewed for possible reversal of the impairment at each reporting date. When identified, a reversal of an impairment loss is recognized in the statement of income immediately.

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3. Summary of material accounting policies (continued)

(j) Provisions

Asset retirement obligations

The Company recognizes a liability for an asset retirement obligation on long-lived assets when a present legal or constructive obligation exists, as a result of past events, and the amount of the liability is reasonably determinable. Asset retirement obligations are initially recognized and recorded as a liability based on estimated future cash flows discounted at a risk-free rate. This is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the risk-free discount rate. Corresponding amounts and adjustments are added to the carrying value of the related long-lived asset and depleted to operations over the life of the related asset.

(k) Current and deferred income tax

Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

i. Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted on the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(l) Share capital

Common shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

3. Summary of material accounting policies (continued)

(m) Stock-based compensation

The Company has a stock-based compensation plan, under which the entity receives services from employees and non-employees as consideration for equity instruments (options and share units) of the Company.

Stock options and share units granted to employees and non-employees are measured on the grant date. The fair value of the employee and non-employee services received in exchange for the grant of the options and share units are recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the stock options and share units granted and the vesting periods. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

As share units are expected to be settled in cash, the liability is remeasured at fair value at each reporting period and at the date of settlement, with changes in fair value recognized as stock-based compensation expense in the consolidated statements of income and comprehensive income in the period incurred.

The cash subscribed for the shares issued when the options are exercised is credited to share capital, net of any directly attributable transaction costs.

(n) Earnings per share

Basic earnings per share is computed by dividing the net income available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

(o) Comprehensive income

Comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as derivative gains (losses) related to the Company's own credit risk on designated financial liabilities measured at fair value through profit or loss. The Company's comprehensive income, components of other comprehensive income (loss) and cumulative translation adjustments are presented in the consolidated statements of income and comprehensive income and the statements of changes in equity.

(p) Revenue recognition

Revenues are presented based on the location where the sale originated and recognized when all of the following criteria are met:

- Control has been transferred to the customer;
- Neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- The amount of revenue can be reliably measured;
- It is probable that the economic benefits associated with the sale will flow to the Company; and
- The costs incurred or to be incurred in respect of the sale can be reliably measured.

These conditions are generally satisfied when title passes to the customer.

Doré sales

Revenues are recorded at the time of physical delivery, which is also the date that title of the gold and silver passes to the customer. The sales price is fixed on the date of sale based on the spot price.

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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)

3. Summary of material accounting policies (continued)

Concentrate sales

Based on the terms of concentrate sales contracts with independent smelting companies, revenues are recorded when the concentrate is loaded on vessels for shipment to the customers, which is also the date that title passes to the customer. Sales prices are provisionally set at that time based on the then market 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 year end, an estimate of the adjustment to revenues and 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.

(q) New IFRS accounting standards and amendments

The following standards and interpretations, which may be applicable to the Company, have been issued but are not yet effective as of December 31, 2025:

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at FVOCI.

The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted, and are not expected to have a material impact on our financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified.

The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard on our financial statements.

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

4. Trade receivables and other current assets

	December 31, 2025	December 31, 2024
Trade receivables (a)	\$ 199,227	\$ 155,948
VAT recoverable (b)	42,534	58,028
Prepaid expenses and others	18,340	19,579
	\$ 260,101	\$ 233,555

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

Concentrate sales are first recorded based on provisional prices. For sales that are provisionally priced as at December 31, 2025, an adjustment is estimated and recorded using the forward gold price at year 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 \$33.8 million in trade receivables as of December 31, 2025 (December 31, 2024 - \$5.1 million increase) reflecting rising gold prices during the period.

- (b) Subject to submission of VAT claims and their acceptance by the applicable tax authorities, VAT paid in Ecuador by the Company is being refunded or applied as a credit against 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 based on the Company's assessment of the estimated time for processing VAT claims during the next twelve months.

5. Inventories

	December 31, 2025	December 31, 2024
Ore stockpile	\$ 4,529	\$ 8,254
Gold in circuit	9,724	8,546
Doré and concentrate	20,416	18,687
Materials and supplies	58,213	52,723
	\$ 92,882	\$ 88,210

As at December 31, 2025, the Company maintained a provision of \$4.0 million (December 31, 2024 - \$4.0 million) associated with obsolete or slow-moving materials & supplies inventory.

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

6. Property, plant and equipment

Cost	Construction-in-progress	Mine and plant facilities	Machinery and equipment	Vehicles	Furniture and office equipment	Total
Balance, January 1, 2024	\$ 7,009	\$ 986,741	\$ 49,591	\$ 24,440	\$ 2,543	\$ 1,070,324
Additions	38,363	47,629	1,086	423	2,730	90,231
Disposals and other	-	-	(1,465)	(1,561)	-	(3,026)
Reclassifications	(6,128)	6,128	-	-	-	-
Cumulative translation adjustment	-	(1,057)	-	-	(12)	(1,069)
Balance, December 31, 2024	39,244	1,039,441	49,212	23,302	5,261	1,156,460
Additions	49,238	23,338	4,261	2,706	1,614	81,157
Disposals and other	-	(290)	(271)	(2,165)	-	(2,726)
Reclassifications	(49,376)	49,376	-	-	-	-
Balance, December 31, 2025	\$ 39,106	\$ 1,111,865	\$ 53,202	\$ 23,843	\$ 6,875	\$ 1,234,891
Accumulated depletion and depreciation	Construction-in-progress	Mine and plant facilities	Machinery and equipment	Vehicles	Furniture and office equipment	Total
Balance, January 1, 2024	\$ -	\$ 306,896	\$ 24,669	\$ 19,583	\$ 280	\$ 351,428
Depletion and depreciation	-	102,883	6,530	1,884	831	112,128
Disposals and other	-	-	(866)	(1,561)	-	(2,427)
Cumulative translation adjustment	-	(371)	-	-	(1)	(372)
Balance, December 31, 2024	-	409,408	30,333	19,906	1,110	460,757
Depletion and depreciation	-	101,835	6,588	1,678	1,775	111,876
Disposals and other	-	(22)	(177)	(2,165)	-	(2,364)
Balance, December 31, 2025	\$ -	\$ 511,221	\$ 36,744	\$ 19,419	\$ 2,885	\$ 570,269
Net book value						
As at December 31, 2024	\$ 39,244	\$ 630,033	\$ 18,879	\$ 3,396	\$ 4,151	\$ 695,703
As at December 31, 2025	\$ 39,106	\$ 600,644	\$ 16,458	\$ 4,424	\$ 3,990	\$ 664,622

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

7. Mineral properties

Cost	Fruta del Norte
Balance, January 1, 2024	\$ 160,028
Adjustments to restoration asset	(1,677)
Depletion	(25,319)
Balance, December 31, 2024	133,032
Adjustments to restoration asset	-
Depletion	(22,888)
Balance, December 31, 2025	\$ 110,144

8. Accounts payable and accrued liabilities

	December 31, 2025	December 31, 2024
Accounts payable	\$ 15,201	\$ 18,261
Accrued liabilities	55,907	52,051
Accrued profit sharing to employees and royalties	88,559	39,635
	\$ 159,667	\$ 109,947

9. Long-term debt

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 from Newmont Corporation ("Newmont") 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 was paid on September 30, 2024. The total buy out price of \$330 million was comprised of the remaining unamortized principal balance of \$94.4 million and finance expense of \$235.6 million. The derivative adjustments during the year ended December 31, 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 of which \$6.7 million was paid on account of principal; \$3.7 million for accrued interest; and the remaining \$25.4 million as a finance expense. Following the buy out of the Stream Facility, the remaining balance of deferred transaction costs were recognized within finance expense.

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10. Reclamation provision

The Company's reclamation provision relates to the rehabilitation of Fruta del Norte. The reclamation provision has been calculated based on total estimated rehabilitation costs and discounted back to its present value. The pre-tax discount rate and inflation rate are adjusted annually and reflect current market assessments.

At December 31, 2025, the Company applied a pre-tax discount rate of 9.4% (2024 – 9.7%) and an inflation rate of 1.0% (2024 – 1.3%). The estimated total future liability for reclamation and remediation costs on an undiscounted basis and adjusted for an estimate of future inflation is approximately \$29.8 million (2024 – \$30.7 million).

	December 31, 2025	December 31, 2024
Balance, beginning of year	\$ 7,866	\$ 8,722
Change in discount rate, amount, and timing of cash flows	-	(1,677)
Accretion of liability component of obligations	760	821
Balance, end of year	\$ 8,626	\$ 7,866

11. Share capital

Authorized:

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

During the year ended December 31, 2025, the Company issued 252,592 common shares to Newmont Corporation ("Newmont"), indirectly through its subsidiary Newcrest Canada Inc. ("Newcrest"), at a weighted average price of CAD\$44.18 per share for total proceeds of \$11.2 million. During the year ended December 31, 2024, 804,340 common shares were issued to Newcrest at a weighted average price of CAD\$22.40 per share for total proceeds of \$13.1 million. These issuances were completed in accordance with anti-dilution rights granted from an initial investment into the Company by Newcrest, which was subsequently acquired by Newmont.

Income per common share

	December 31, 2025	December 31, 2024
Net income	\$ 792,151	\$ 426,050
Basic weighted average number of common shares outstanding	241,033,793	239,312,029
Dilutive stock options	1,476,592	1,414,639
Dilutive share units	-	699,657
Diluted weighted average number of common shares outstanding	242,510,385	241,426,325
Income per common share:		
Basic	\$ 3.29	\$ 1.78
Diluted	3.27	1.76

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Notes to the consolidated financial statements as at December 31, 2025

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12. Stock-based compensation

Under an omnibus incentive plan (the "Omnibus Plan") that allows for the reservation of a maximum 6% of the common shares issued and outstanding for issuance at any given time, the Company may grant stock options, restricted share units and deferred share units (collectively, the "Awards"). Subject to specific provisions under the Omnibus Plan, the eligibility, vesting period, term, and number of Awards are granted at the discretion of the Company's board of directors.

Recipients of share units granted and outstanding on a dividend record date are entitled to receive an award of additional share units equal to the cash dividends declared and paid on the Company's common shares ("Dividend Equivalent"). Dividend Equivalents are calculated in accordance with the Omnibus Plan based on the number of share units held, the dividend per share and the weighted average trading price of the Company's shares on the TSX for the five days preceding the date the dividend was paid. These additional share units are subject to the same terms and conditions as the underlying share units.

(a) Stock options

Stock options granted and outstanding under the Omnibus Plan have an expiry date of five years and vest over a period of three or four years from date of grant. Stock options are exercisable into one common share of the Company at the price specified in the terms of the option agreement.

During the year ended December 31, 2025, 148,200 stock options were granted to employees under the Omnibus Plan. The fair value based method of accounting was applied to stock options on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	December 31, 2025	December 31, 2024
Risk-free interest rate	2.65%	3.16%
Expected stock price volatility	35.26%	33.29%
Expected life	4.0 years	3.7 years
Expected dividends (CAD)	\$1.23	\$0.55
Weighted-average fair value per option granted (CAD)	\$9.65	\$3.77

A continuity summary of the stock options granted and outstanding under the Omnibus Plan is presented below:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Number of stock options	Weighted average exercise price (CAD)	Number of stock options	Weighted average exercise price (CAD)
Balance, beginning of period	2,378,949	\$ 11.87	3,594,969	\$ 10.18
Granted	148,200	40.49	350,900	16.07
Forfeited	-	-	(112,167)	16.02
Exercised ⁽¹⁾	(963,425)	11.41	(1,454,753)	8.40
Balance outstanding, end of period	1,563,724	\$ 14.87	2,378,949	\$ 11.87
Balance exercisable, end of period	1,032,230	\$ 11.14	1,523,442	\$ 10.99

⁽¹⁾ The weighted average share price on the exercise date for the stock options exercised during the year ended December 31, 2025 was CAD\$55.08 (2024 - CAD\$19.65).

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Notes to the consolidated financial statements as at December 31, 2025

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12. Stock-based compensation (continued)

The following table summarizes outstanding options at December 31, 2025:

Range of exercise prices (CAD)	Number of options outstanding	Outstanding options	
		Weighted average remaining contractual life (years)	Weighted average exercise price (CAD)
\$ 9.79 to 10.72	723,762	0.73	\$ 10.05
\$ 10.73 to 29.53	689,149	2.44	14.36
\$ 29.54 to 98.65	150,813	4.17	40.30
	1,563,724	1.82	\$ 14.87

The equity-settled share-based payment reserve includes the fair value of employee options as measured at grant date and amortized over the period during which the employees become unconditionally entitled to the options. During the year ended December 31, 2025, the Company recorded stock-based compensation expense of \$1.0 million (2024 – \$1.2 million) related to options.

(b) Share units

Under the Omnibus Plan, the Company has granted restricted share units and deferred share units (collectively, "Share Units") to eligible employees and non-employee directors as presented below:

	Restricted share units with performance criteria	Restricted share units	Deferred share units
Balance at January 1, 2024	562,852	175,201	13,467
Granted	240,871	132,180	30,934
Granted – Dividend Equivalent	16,564	6,126	1,194
Forfeited	(56,876)	(15,823)	-
Settled	(266,949)	(122,704)	-
Balance at December 31, 2024	496,462	174,980	45,595
Granted	235,632	51,260	15,031
Granted – Dividend Equivalent	17,782	8,491	2,746
Forfeited	-	(793)	-
Settled	(371,097)	(54,328)	-
Balance at December 31, 2025	378,779	179,610	63,372

Share Units can be settled in common share or cash at the discretion of the Company's board of directors and were initially expected to be settled in shares. Starting December 31, 2024, to the extent permitted by the Company's omnibus incentive plan, Share Units are expected to generally settle in cash in future period and reclassified as financial liabilities measured at fair value. As at December 31, 2025, all Share Units are accounted for as cash-settled stock-based payments.

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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)

12. Stock-based compensation (continued)

Restricted share units with performance criteria ("PSUs")

PSUs are granted to eligible employees and vest three years from date of grant subject to continued employment and certain performance conditions being met. The number of PSUs that vest are adjusted using a multiplier that is based on total shareholder return by the Company's shares over the three-year period relative to a peer group as defined by the Company's board of directors. Each vested PSU entitles the recipient to a payment of one common share or cash at the discretion of the Company's board of directors.

The fair value of PSUs was measured at each reporting date using Monte Carlo simulation and resulted in a weighted-average fair value per unit of CAD\$182.50 as at December 31, 2025 (2024 – CAD\$32.09).

During the year ended December 31, 2025, the Company recorded stock-based compensation expense of \$34.8 million (2024 – \$10.1 million) relating to PSUs and a liability of \$36.1 million as at December 31, 2025 (2024 – \$10.7 million).

Restricted share units without performance criteria ("RSUs")

RSUs are granted to eligible employees and vest one to three years from date of grant subject to continued employment. Each vested RSU entitles the recipient to a payment of one common share or cash at the discretion of the Company's board of directors.

The fair value of RSUs was measured at each reporting period using the 5-day volume weighted average share price and resulted in a weighted-average fair value per unit of CAD\$116.45 as at December 31, 2025 (2024 – CAD\$31.09).

During the year ended December 31, 2025, the Company recorded stock-based compensation expense of \$8.0 million (2024 – \$2.3 million) relating to RSUs and a liability of \$8.7 million as at December 31, 2025 (2024 – \$1.5 million)

Deferred share units ("DSUs")

DSUs are granted to non-employee directors and do not vest until the end of service as a director of the Company. Each vested DSU entitles the recipient to a payment of one common share or cash at the discretion of the Company's board of directors. Given DSUs are expected to generally settle in cash in future periods, outstanding DSUs were reclassified as financial liabilities measured at fair value starting June 30, 2025.

Using the 5-day volume weighted average share price, fair value of DSUs was measured as at the December 31, 2025 with a weighted-average fair value per unit of CAD\$116.45. For the year ended December 31, 2024, the fair value of DSUs was measured on the date of grant with a weighted-average fair value per unit of CAD\$18.86.

During the year ended December 31, 2025, the Company recorded stock-based compensation expense of \$4.7 million (2024 – \$0.5 million) relating to DSUs. The total liability of DSUs as at December 31, 2025 was \$5.4 million (2024 - \$nil).

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

13. Revenues

	December 31, 2025	December 31, 2024
Doré sales ⁽¹⁾	\$ 597,836	\$ 423,550
Concentrate sales	1,100,448	772,200
Gain (loss) on provisionally priced trade receivables	84,656	(2,700)
	\$ 1,782,940	\$ 1,193,050

⁽¹⁾ During the year ended December 31, 2024, \$177.9 million of doré sales were sold under the Offtake to Newmont until the Closing Date of the Stream Facility and Offtake buy out.

14. Operating expenses

	December 31, 2025	December 31, 2024
Direct production costs	\$ 250,254	\$ 244,373
Transportation	27,762	21,372
Direct sales costs, including employee portion of profit sharing	39,514	19,408
Change in inventories	1,213	(1,626)
	\$ 318,743	\$ 283,527

15. Exploration

	December 31, 2025	December 31, 2024
Catering and camp expenses	\$ 3,720	\$ 2,891
Concessions and land	1,103	699
Mining supervision & control fees ⁽¹⁾	3,231	-
Development	871	1,954
Drilling	24,659	17,667
Environmental	1,798	1,477
Geophysics	1,775	2,006
Salaries and benefits	8,031	6,204
Sampling and supplies	11,450	7,027
Study and evaluation	1,290	-
Others	1,595	1,243
	\$ 59,523	\$ 41,168

⁽¹⁾ Effective June 2025, the Government of Ecuador introduced the new mining supervision and control fee which is intended to fund oversight activities carried out by the Mining Regulation and Control Agency.

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

(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)

16. Administration

	December 31, 2025	December 31, 2024
Corporate social responsibility	\$ 2,063	\$ 2,119
Investor relations	456	285
Office and general	4,162	3,896
Professional fees	2,370	2,284
Regulatory and transfer agent	740	469
Salaries and benefits	5,163	6,739
Special government levy ⁽¹⁾	-	1,913
Stock-based compensation	48,460	15,734
Travel	1,003	1,092
	\$ 64,417	\$ 34,531

⁽¹⁾ In March 2024, the Government of Ecuador introduced a special one-time temporary security contribution to strengthen security amid rising violence in the country.

17. Related party transactions

(a) Key management compensation

Key management includes executive officers and directors of the Company. The compensation paid or payable to key management for employee services, including amounts paid to certain executive officers following the end of their employment, during the year ended December 31 is shown below.

	December 31, 2025	December 31, 2024
Salaries, bonuses and benefits	\$ 5,240	\$ 5,226
Stock-based compensation	33,971	4,076
	\$ 39,211	\$ 9,302

(b) Other related party transactions

During the year ended December 31, 2025, the Company incurred \$0.9 million (2024 – \$1.3 million), primarily relating to office rental and related services provided by a company associated with a director of the Company. In addition, the Company entered into transactions with its largest shareholder, Newmont, during the years ended December 31, 2025 and December 31, 2024 as disclosed in Note 9, Note 11, and Note 13.

18. Income taxes

(a) Income tax expense

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 a rate of 12% of net income for tax purposes. The employee portion of profit sharing, calculated at a rate of 3% of net income for tax purposes, is considered an employment benefit and included in operating costs.

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Notes to the consolidated financial statements as at December 31, 2025

(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)

18. 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:

	December 31,	
	2025	2024
Net income before tax	\$ 1,123,542	\$ 634,117
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax expense based on the above rates	303,356	171,212
Increase (decrease) due to:		
Differences in foreign tax rates	(49,339)	(4,731)
Non-deductible costs	19,286	7,130
Withholding taxes (current and deferred)	38,930	31,681
Losses and temporary differences for which an income tax asset has not been recognized	14,945	3,951
Non-taxable portion of capital gains	-	(1,176)
Global minimum top-up tax	4,213	-
Income tax expense	\$ 331,391	\$ 208,067

(b) Deferred income taxes

Deferred tax assets (liabilities) have been recognized on the statement of financial position as follows:

	December 31,	
	2025	2024
Inventories	\$ (5,646)	\$ (3,697)
Mineral properties and property, plant and equipment	(99,789)	(137,070)
Long-term debt	105,444	65,018
Trade receivables and other current assets	18,211	10,475
Accounts payable and accrued liabilities	3,017	2,430
Other	(10,600)	(21,500)
	\$ 10,637	\$ (84,344)

Deductible temporary differences for which no deferred taxes assets have been recognized are as follows:

	December 31,	
	2025	2024
Non-capital losses - Canada	\$ 27,760	\$ 24,205
Net-capital losses - Canada	-	5,192
Mineral properties and property, plant and equipment	66,860	66,866
Other	61,008	13,045
	\$ 155,628	\$ 109,308

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Notes to the consolidated financial statements as at December 31, 2025

(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)

18. Income taxes (continued)

As at December 31, 2025, the Company has the following tax losses which may be used to reduce future taxable income:

Year of expiry	Canada
2026	\$ -
2027	-
2028	-
2029	-
2030 and onwards	27,760
Total	\$ 27,760

(c) OECD Pillar Two

Effective January 1, 2025, the Company became subject to the OECD Pillar Two model rules as two out of the last four year's revenues exceeded €750 million. Pillar Two legislation was enacted in Canada effective January 1, 2024 and Singapore effective January 1, 2025. Under the legislation, the Company is liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. The Company has effective tax rates that exceed 15% in all jurisdictions in which it operates, except for one jurisdiction. The Company has performed an analysis of the country-by-country reporting safe harbour test and concluded the safe harbour does not apply in 2025.

19. Supplemental cash information

Cash and cash equivalents are comprised of the following:

	December 31, 2025	December 31, 2024
Cash	\$ 410,068	\$ 224,783
Short-term investments	220,113	124,417
	\$ 630,181	\$ 349,200

Other supplemental cash information:

	December 31, 2025	December 31, 2024
Income taxes paid ⁽¹⁾	\$ 312,637	\$ 136,913
Change in accounts payable and accrued liabilities related to:		
Acquisition of property, plant and equipment	(4,820)	7,833

⁽¹⁾ Effective January 1, 2024, the Company is subject to monthly income tax instalment payments in Ecuador using a rate published by the tax authorities in Ecuador based on the previous year's tax return. During the year ended December 31, 2025, in addition to monthly corporate income tax instalment payments, the Company remitted \$70.6 million to the Government of Ecuador as a partial payment against its annual income taxes due in April 2026.

LUNDIN GOLD INC.

Notes to the consolidated financial statements as at December 31, 2025

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20. 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 where all revenues originate. 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 income from mining operations:

	Fruta del Norte	Exploration activities	Corporate and other	Total
As at December 31, 2025				
Current assets	\$ 640,673	\$ 585	\$ 341,906	\$ 983,164
Non-current assets	803,373	90	531	803,994
Total assets	1,444,046	675	342,437	1,787,158
Current liabilities	354,265	4,798	29,447	388,510
Non-current liabilities	8,626	-	25,893	34,519
Total liabilities	362,891	4,798	55,340	423,029
For the year ended December 31, 2025				
Revenues	1,782,940	-	-	1,782,940
Operating expenses	(318,743)	-	-	(318,743)
Royalty expenses	(102,819)	-	-	(102,819)
Depletion and depreciation	(135,041)	-	-	(135,041)
Income from mining operations	1,226,337	-	-	1,226,337
As at December 31, 2024				
Current assets	\$ 446,585	\$ 166	\$ 227,708	\$ 674,459
Non-current assets	852,348	78	596	853,022
Total assets	1,298,933	244	228,304	1,527,481
Current liabilities	204,667	1,478	9,370	215,515
Non-current liabilities	70,710	-	24,957	95,667
Total liabilities	275,377	1,478	34,327	311,182
For the year ended December 31, 2024				
Revenues	1,193,050	-	-	1,193,050
Operating expenses	(283,527)	-	-	(283,527)
Royalty expenses	(69,158)	-	-	(69,158)
Depletion and depreciation	(136,979)	-	-	(136,979)
Income from mining operations	703,386	-	-	703,386

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Notes to the consolidated financial statements as at December 31, 2025

(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)

20. Segmented information (continued)

The Company generated 76% of its revenue from four major customers during the year ended December 31, 2025 (2024 – 69% from four major customers). However, the Company is not economically dependent on these customers as gold and silver can be sold to smelters and through numerous banks and commodity market traders worldwide.

21. Financial instruments and risk management

(a) Fair value of 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 \$199.2 million (December 31, 2024 - \$156.0 million) are measured at fair value using quoted forward market prices (Fair value hierarchy level 2).

Fair value measurements and hierarchy

IFRS Accounting Standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lower priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Inputs that are both significant to the fair value measurement and unobservable.

(b) Financial risk management

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

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. Based on this exposure, a 2% change in the U.S. dollar exchange rate would give rise to an increase or decrease of approximately \$1.0 million in net income for the year.

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 reputable customers with strong financial statements.

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Notes to the consolidated financial statements as at December 31, 2025

(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)

21. Financial instruments and risk management (continued)

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.

The maturities of the Company's current liabilities are due to be settled within one year, and other non-current liabilities are due to be settled within two to three years. As at December 31, 2025, the Company's cash and cash equivalent balances exceeded the total liabilities.

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. Based on this exposure, an increase or decrease of 5% in gold and silver prices would increase or decrease the fair value of the Company's trade receivables by \$8.9 million.

22. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and operate Fruta del Norte and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk while continuing to provide a return to shareholders through dividends.

In the management of capital, the Company considers items included in shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's assets. In order to maintain or adjust the capital structure, the Company may choose to attempt to issue new shares or debt instruments, acquire or dispose of assets, or to bring in joint venture partners.

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

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23. Commitments

Significant capital and other expenditures contracted as at December 31, 2025 but not recognized as liabilities are as follows:

	Capital expenditures		Other	
2026	\$	25,785	\$	476
2027		-		476
2028 onward		-		5,319
Total	\$	25,785	\$	6,271

The Company's sales are subject to a 5% net smelter royalty payable to the Government of Ecuador and a 1% net revenue royalty payable to third parties.