

NEWS RELEASE**LUNDIN GOLD CLOSSES US\$400 MILLION PRIVATE PLACEMENT**

March 26, 2018 (Vancouver, Canada) Lundin Gold Inc. ("Lundin Gold" or the "Company") (TSX: LUG, Nasdaq Stockholm: LUG) is pleased to announce that it has closed its previously announced US\$400 million equity private placement financing (the "Private Placement"). Upon closing, the Company issued 93,497,140 common shares and now has 213,163,980 common shares outstanding.

With the closing of the Private Placement, Newcrest Mining Limited ("Newcrest") now owns 27.1% of the Company's outstanding shares; Zebra Holdings and Investments S.à.r.l. and Lorito Holdings S.à.r.l. (the Lundin Family Trusts) collectively own 22.3%; and Orion Mine Finance Group ("Orion") owns 11.4%.

Both Newcrest and Orion have Board representation rights tied to their ownership position. The Board of Directors has appointed Orion's nominee, Istvan Zollei, as a director effective today. Mr. Zollei is a portfolio manager with Orion and previously was an investment manager with another mine finance group. Prior to this, he worked at Barclay Capital's natural resource private equity investment group, with responsibility for investments in the mining, oil/gas and power sectors. He started his career at Lehman Brothers' investment banking division. Mr. Zollei earned his B.A. from Harvard College in Economics and his MBA from the Wharton School (University of Pennsylvania) in Finance and Management. The Company expects to appoint Newcrest's two additional directors shortly after closing.

"The completion of this Private Placement is a turning point for Lundin Gold. This investment significantly reduces risks around the funding of the Project and represents a strong endorsement for Fruta del Norte and our management team. Our focus is currently on underground mine development and construction at site, which are both progressing as planned," said Ron Hochstein, President and CEO of Lundin Gold. "I would also like to welcome Istvan to the Board. His experience in the mining sector and international finance will be an asset to the Board as we continue to develop the Project and grow the Company into a mid-tier gold producer."

About Lundin Gold

Lundin Gold, headquartered in Vancouver, Canada, is developing its wholly-owned Fruta del Norte gold project in southeast Ecuador. Fruta del Norte is one of the highest-grade and largest gold projects currently under construction. The Company's board and management team have extensive expertise in mine construction and operations, and are dedicated to advancing this project through to first gold production in 2019.

The Company operates with transparency and in accordance with international best practices. Lundin Gold is committed to delivering value to its shareholders, while simultaneously providing economic and social benefits to impacted communities, fostering a healthy and safe workplace and minimizing the environmental impact. The Company believes that the value created through the development of Fruta del Norte will benefit its shareholders, the Government and the people of Ecuador.

Additional Information

The information in this release is subject to the disclosure requirements of Lundin Gold under the EU Market Abuse Regulation. This information was submitted for publication on March 26, 2018 at 8:15 am PT through the contact persons set out below.

For more information, please contact:

Lundin Gold Inc.
Ron F. Hochstein
President and CEO
+593-2-299-6400
+1-604-806-3589

Lundin Gold Inc.
Sabina Srubiski
Manager, Investor Relations
+1-604-806-3089
info@lundingold.com
www.lundingold.com

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Caution Regarding Forward-Looking Information and Statements

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

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

This press release contains forward-looking information in a number of places, such as in statements pertaining the timing of first production and the progress of the development, construction and operation of the Project. Factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to; the ability to arrange financing and the risk to shareholders of dilution from future equity financings; the ability to maintain its obligations under its current project financing and other debt; risks related to carrying on business in Ecuador; volatility in the price of gold; the timely receipt of regulatory approvals, permits and licenses; risks associated with the performance of the Company's contractors; risks inherent in the development of an underground mine; deficient or vulnerable title to mining concessions and surface rights; shortages of critical resources, labour and key executive personnel, such as input commodities, equipment and skilled labour, and the dependence on key personnel; risks associated with the Company's community relationships; unreliable infrastructure; volatility in the market price of the Company's shares; and the potential influence of the Company's

largest shareholders; uncertainty with the tax regime in Ecuador; measures required to protect endangered species; the cost of compliance or failure to comply with applicable laws; exploration and development risks; the accuracy of the Mineral Reserve and Resource estimates for the Fruta del Norte Project and the Company's reliance on one project; risks related to artisanal and illegal mining; uncertainty as to reclamation and decommissioning; risks associated with the Company's information systems; competition in the mining industry; the ability to obtain adequate insurance; risks of bribery or corruption; the potential for litigation; and limits of disclosure and internal controls.

There can be no assurance that such statements will prove to be accurate, as Lundin Gold's actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed in the "Risk Factors" section in Lundin Gold's Annual Information Form dated March 20, 2018, which is available under the Company's profile at www.sedar.com.