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# LUNDIN GOLD INC.

Management's Discussion and Analysis

Three Months Ended March 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)

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## INTRODUCTION

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This Management's Discussion and Analysis ("MD&A") of Lundin Gold Inc. and its subsidiaries (collectively, "Lundin Gold" or the "Company") provides a detailed analysis of the Company's business and compares its financial results for the three months ended March 31, 2025 with those of the same period from the previous year.

This MD&A is dated as of May 8, 2025 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes thereto for the three months ended March 31, 2025, which are prepared in accordance with IAS 34: Interim Financial Statements, and the Company's audited annual consolidated financial statements and related notes thereto, which are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), and the MD&A for the fiscal year ended December 31, 2024.

Other continuous disclosure documents, including the Company's press releases, quarterly and annual reports, and annual information form, are available through its filings with the securities regulatory authorities in Canada at [www.sedarplus.ca](http://www.sedarplus.ca).

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

## FIRST QUARTER 2025 HIGHLIGHTS AND ACTIVITIES

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Performance during the first quarter of 2025 was highlighted by the completion of the process plant expansion project in late February. Following this, plant throughput during March averaged 5,076 tonnes per day ("tpd") and recoveries averaged 90.0% with more potential expected to be unlocked through optimization. For the quarter, gold production of 117,313 ounces ("oz") and gold sales of 117,641 oz were achieved. From this, cash operating costs<sup>1</sup> and all-in sustaining costs ("AISC")<sup>1</sup> of \$792 and \$909 per oz sold, respectively, were realized. While record high gold prices have bolstered the Company's financial performance, they have also increased royalties paid which affect cash operating costs<sup>1</sup> and AISC<sup>1</sup>. With these results, the Company is on track to meet its 2025 guidance on production ranging between 475,000 to 525,000 oz and AISC<sup>1</sup> ranging between \$935 to \$995 per oz sold.

With no debt on its balance sheet, the Company fully benefits from rising gold prices and generated free cash flow<sup>1</sup> of \$171 million during the quarter or \$0.71 per share. This strong cash generation has allowed the Company to introduce a new variable quarterly dividend (the "Variable Dividend") in addition to its fixed quarterly dividend of \$0.30 per share (the "Fixed Dividend"). Subject to the continued discretion of the Board of Directors, the quarterly Variable Dividend will be equal to an amount per share based on at least 50% of the Company's normalized free cash flow<sup>2</sup> during the preceding quarter, less the Fixed Dividend paid during such period. With this amendment to its dividend policy, the Company declared cash dividends totalling \$0.45 per share to be paid at the end of the second quarter. In addition, the Board of Directors has declared a special dividend of \$0.41 per share to be paid on June 9, 2025.

On the Company's exploration programs, results continue to demonstrate significant exploration potential and provide a growing pipeline of targets around FDN. High-grade intercepts from the conversion program at FDN South ("FDNS") have confirmed the deposit's continuity. At FDN East, further high-grade results continue to underscore the target's growth potential. At Trancaloma, results confirm the discovery of a copper-gold porphyry system at surface and highlight the potential for other porphyries near Trancaloma. At Bonza Sur, drilling indicates the potential for further extension. Following the programs' successes in the first quarter and a growing pipeline of targets, the 2025 exploration program is being expanded from an initial 80,000 metres to a minimum of 108,000 metres.

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<sup>1</sup> Refer to "Non-IFRS Measures" section.

<sup>2</sup> Normalized free cash flow means free cash flow<sup>1</sup> adjusted for significant non-recurring items such as annual income taxes and profit sharing which have historically been paid in the second quarter of each year.

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The following two tables provide an overview of key operating and financial results achieved during the first quarter of 2025 compared to the same period in 2024.

	Three months ended March 31,	
	2025	2024
Tonnes ore mined	403,221	419,758
Tonnes ore milled	398,159	413,596
Average mill throughput (tpd)	4,424	4,545
Average mill head grade (g/t)	10.4	9.5
Average recovery	88.5%	88.3%
Gold ounces produced	117,313	111,572
Gold ounces sold	117,641	108,916

	Three months ended March 31,	
	2025	2024
Revenues (\$'000)	356,345	226,741
Income from mining operations (\$'000)	233,546	113,237
Earnings before interest, taxes, depreciation, and amortization (\$'000) <sup>1</sup>	241,502	111,612
Adjusted earnings before interest, taxes, depreciation, and amortization (\$'000) <sup>1</sup>	241,502	131,456
Net income (\$'000)	153,500	41,897
Basic income per share (\$)	0.64	0.18
Cash provided by operating activities (\$'000)	194,308	107,914
Free cash flow (\$'000) <sup>1</sup>	170,783	82,259
Free cash flow per share (\$) <sup>1</sup>	0.71	0.35
Average realized gold price (\$/oz sold) <sup>1</sup>	3,081	2,141
Cash operating cost (\$/oz sold) <sup>1</sup>	792	735
All-in sustaining costs (\$/oz sold) <sup>1</sup>	909	864
Adjusted earnings (\$'000) <sup>1</sup>	153,500	57,796
Adjusted earnings per share (\$) <sup>1</sup>	0.64	0.24
Dividends paid per share (\$)	0.30	0.10

Following the buy out of the stream loan credit facility (the "Stream Facility") and offtake agreement (the "Offtake") from Newmont Corporation at the end of the second quarter of 2024, there were no adjustments between net income and adjusted earnings<sup>1</sup> as well as earnings before interest, taxes, depreciation, and amortization ("EBITDA")<sup>1</sup> and adjusted EBITDA<sup>1</sup> during the first quarter of 2025.

<sup>1</sup> Refer to "Non-IFRS Measures" section.

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## Operating and Financial Results During the First Quarter of 2025

- Mine production was aligned with mill availability which resulted in 403,221 tonnes mined at an average grade of 9.5 g/t.
- The mill processed 398,159 tonnes at an average throughput rate of 4,424 tpd with performance affected by the proactive completion of the relining of the SAG mill and other maintenance activities. These activities, originally scheduled in the second quarter, were completed during planned downtime associated with equipment tie-ins for the process plant expansion project.
- The average grade of ore milled was 10.4 g/t with average recovery at 88.5%. Mined grades were lower than milled grades, mainly due to positive reconciliation.
- Gold production was 117,313 oz which was comprised of 75,494 oz in concentrate and 41,819 oz as doré.
- Gold sales totalled 117,641 oz, consisting of 78,552 oz in concentrate and 39,089 oz as doré, resulting in gross revenues of \$362 million at an average realized gold price<sup>1</sup> of \$3,081 per oz. Average realized gold price<sup>1</sup> was positively impacted by rising gold prices on provisionally priced gold sales which exceeded fair value estimates as at December 31, 2024. Net of treatment and refining charges, revenues for the quarter were \$356 million.
- Average realized gold price<sup>1</sup> includes \$2,926 per ounce of gross price received and a favourable impact of \$155 per ounce mark-to-market on provisionally priced sales.
- Cash operating costs<sup>1</sup> and AISC<sup>1</sup> were \$792 and \$909 per oz of gold sold, respectively. Sustaining capital expenditures<sup>1</sup> are expected to increase in future quarters with the initiation of the fifth tailings dam raise and other site infrastructure improvement projects.
- The Company generated cash from operating activities of \$194 million and free cash flow<sup>1</sup> of \$171 million, or \$0.71 per share, resulting in a cash balance of \$452 million at March 31, 2025 following the quarterly dividend payment of \$72.7 million.
- EBITDA<sup>1</sup> was \$242 million while income from mining operations was \$234 million which, after deducting corporate, exploration, and taxes, resulted in net income of \$154 million for the quarter or \$0.64 per share.

## Capital Expenditures

### *Sustaining Capital*

- Sustaining capital expenditures<sup>1</sup> during the first quarter was \$7.0 million.
- Preparations were underway for the fifth raise of the tailings dam with work starting late in the second quarter and expected to conclude during the first quarter of 2026.
- Other projects that advanced during the quarter included improvements to the industrial and potable water supply as well as enhancements to the South Portal.
- Commissioning of the four diesel-powered generators continued and is expected to be completed by the end of the second quarter.
- The 2025 conversion drilling program is focused on FDNS, located in the south portion of the FDN deposit. During the first quarter, the conversion drilling program completed approximately 2,762 metres across 17 holes with two rigs currently turning.
  - All drill holes confirmed the mineralization continuity and indicated higher grade zones within the vein system. Some conversion drill holes also intercepted mineralized zones outside of the existing geological model.
  - A complete table of the conversion drilling results received to date can be found in Lundin Gold's press release dated May 7, 2025.

### *Process Plant Expansion Project*

- The process plant expansion project was completed during the quarter, including commissioning of the remaining two Jameson cells, new concentrate filter, and other ancillary upgrades.
- Downtime was required in the quarter to complete the remaining tie-ins and commissioning, with the relining of the SAG mill completed opportunistically.
- Plant throughput for the month of March averaged 5,076 tpd and recoveries averaged 90.0%. These figures demonstrate the early benefits of the expansion with more potential expected to be unlocked through optimization.

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<sup>1</sup> Refer to "Non-IFRS Measures" section.

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## Health and Safety and Community

### *Health and Safety*

- During the first quarter there were no Lost Time Incidents and two Medical Aid Incidents.
- The Total Recordable Incident Rate across the Company was 0.21 per 200,000 hours worked for the quarter.

### *Community*

Lundin Gold sponsored community projects continued to advance well in the first quarter of 2025. One of the Company's most impactful programs, run by the non-governmental organization Educación para Compartir, has focused on mental health and well-being in our local communities since its inception in November 2023. During the first quarter, approximately 775 counselling sessions were provided, with an intake of approximately 70 new patients. As of the end of March, over 550 youth were registered in extra-curricular activities through the program, including English studies, basketball, soccer, dance, music and boxing.

Engagement with the local governments of Yantzaza and Los Encuentros continued through support agreements for rural road maintenance, basic service infrastructure, community well-being and support for livestock and local farmers initiatives. During the quarter, the Company committed to several noteworthy projects, such as the renewal of internet connectivity to all 22 communities in FDN's area of influence, the Neighbourhood Doctor Project which helps Ecuador's Ministry of Health provide care in remote areas of the Yantzaza canton, and projects relating to road maintenance and water treatment. In addition, the Company supported Ecuador's Ministry of Transportation and Public Works to repair critical areas of the national road network.

Lundin Gold continued to participate in the community roundtable process. Six separate thematic roundtables were held in March. A total of 197 individuals participated in these sessions, including local vendors, local authorities, and Lundin Gold personnel.

Local businesses continue to be supported by the Company in conjunction with the Lundin Foundation. The local companies that participate in the Lundin Foundation's local supplier development program continued to provide products and services to FDN, while also advancing growth strategies. The Lundin Foundation's successful Soy Emprendedora program, which supports women led businesses in the Province of Zamora Chinchipe, continued to show positive impacts and results. As part of the relationship with the Shuar Indigenous Peoples, Lundin Gold and the Lundin Foundation continue to work together to implement the Nexo III local supplier development program. Several initiatives are underway to promote Shuar culture and develop economic opportunities for the Shuar people in Zamora Chinchipe.

## Exploration

### *Near-Mine Exploration Program*

During the first quarter of 2025, the Company completed a total of 16,105 metres across 43 holes from surface and underground.

The underground near mine drilling program focused on the FDNS deposit, which remains open for expansion in the north and along the south extension. Exploration of this deposit is currently underway using an underground rig at the recently reopened and rehabilitated South Portal. The underground drilling program also advanced at FDN East and is currently exploring the mineralization continuity in the central portion of this target. As at the date of this MD&A, two underground rigs are active in the near mine drilling program.

The surface near mine drilling program continues to advance the delineation of the Bonza Sur deposit, the definition of the FDN East target, and exploring new sectors like Trancaloma and Castillo. As at the date of this MD&A, 10 surface rigs are drilling, three of them at Bonza Sur, one at FDN East, three at Trancaloma, and three testing new sectors.

- At Bonza Sur, drill holes were completed mainly along the east and south extension of the deposit and confirmed the deposit's continuity. In the east extension, the drilling program defined the east limit, close to the contact with the Trancaloma porphyry. In the south end of the deposit recent drilling suggests further potential for expansion along this direction. The Bonza Sur mineralization has already been identified for more than 2.6 kilometres along the north-south strike and for at least 500 metres along the downdip and remains open to the south.

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- At FDN East, the surface drilling program advanced in conjunction with the underground program and confirmed the mineralization continuity in the central part of the target and indicated areas for further expansion potential toward the north and south direction.
- The near-mine exploration program continues to advance in unexplored areas close to FDN. A systematic exploration program employing geochemical and geophysical surveys and geological mapping advanced on potential targets, and the initial drilling results confirmed the occurrence of copper-gold porphyry mineralization in distinct sectors. At Trancaloma, located on the east border of Bonza Sur, the drilling program intercepted a wide copper-gold porphyry mineralization in the eastern portion of the target. At the porphyry target Castillo, located along the west border of Bonza Sur, the drilling program intercepted copper gold mineralization, potentially an outer hydrothermal alteration halo of another porphyry system, and covered by conglomerates of the Suarez Basin.

In addition to the drilling programs, mine engineering work began on FDNS to evaluate geotechnical, mine design, metallurgical characteristics and infrastructure needs with the goal of integrating this Mineral Resource into FDN's 2026 updated long-term mine plan.

A table of first quarter 2025 near mine results for the FDNS, FDN East, Bonza Sur and Trancaloma targets received to date can be found in Lundin Gold's press release dated February 23 and May 7, 2025.

## *Regional Exploration Program*

The Company initiated its multi-year regional exploration program during the first quarter of 2025. The program is expected to cover approximately 54,000 hectares on 23 of the Company's concessions along the Zamora Copper Gold Belt, a high potential geological setting which hosts the Fruta del Norte mine and several large copper gold projects. The exploration program was initiated in the Gamora district, located 65 kilometres north of FDN and approximately four kilometres north of the Mirador copper gold mine. The Gamora district comprises multiple exploration sectors that exhibit geological features similar to those found in copper-gold porphyry systems. Geological mapping and geochemical sampling program were completed in distinct parts of the district during the quarter. Initial results identified new potential targets for further evaluation.

## Corporate

- The Company published its 2024 Sustainability Report in April which marks its second year of transition towards aligning with the European Sustainability Reporting Standards.
- The Company paid a quarterly dividend of \$0.30 per share on March 26, 2025 (March 31, 2025 for shares trading on Nasdaq Stockholm) based on a record date of March 11, 2025, for a total of \$72.7 million
- With the release of its first quarter 2025 results, the Company amended its dividend policy to pay, subject to the direction of its Board of Directors, quarterly dividends equal to:
  - The Fixed Dividend of at least \$0.30 per share; and
  - The Variable Dividend based on at least 50% of the Company's normalized free cash flow during the preceding quarter less the Fixed Dividend paid during such period. The Company will determine its normalized free cash flow each quarter by removing significant non-recurring items from its free cash flow<sup>1</sup> calculation such as annual income taxes and profit sharing which have historically been paid in the second quarter of each year. Further details on this calculation can be found in Lundin Gold's dividend declaration press release dated May 8, 2025.
- Pursuant to the amended dividend policy, the Company declared cash dividends of \$0.45 per share, comprised of the Fixed Dividend of \$0.30 per share and the Variable Dividend of \$0.15 per share. The dividends are payable on June 25, 2025 (June 30, 2025 for shares trading on Nasdaq Stockholm) to shareholders of record on June 10, 2025.
- As a result of the rapid and substantial increase in gold price, combined with a debt-free balance sheet, and robust performance of operations, the Company declared a special dividend of \$0.41 per share. The special dividend is payable on June 9, 2025 (June 12, 2025 for shares trading on Nasdaq Stockholm) to shareholders of record on May 22, 2025.

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<sup>1</sup> Refer to "Non-IFRS Measures" section.

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## SUMMARY OF QUARTERLY FINANCIAL RESULTS

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

	2025 Q1	2024 Q4	2024 Q3	2024 Q2
Revenues	\$ 356,345	\$ 341,791	\$ 323,087	\$ 301,431
Income from mining operations	\$ 233,546	\$ 215,208	\$ 203,184	\$ 171,757
Derivative gain for the period	\$ -	\$ -	\$ -	\$ 261,668
Net income for the period	\$ 153,500	\$ 129,147	\$ 135,715	\$ 119,291
Basic income per share	\$ 0.64	\$ 0.54	\$ 0.57	\$ 0.50
Diluted income per share	\$ 0.63	\$ 0.53	\$ 0.56	\$ 0.49
Weighted-average number of common shares outstanding				
Basic	240,460,033	240,101,527	239,737,300	239,129,917
Diluted	241,992,389	242,320,782	241,890,593	241,031,608
Additions to property, plant and equipment	\$ 14,919	\$ 35,044	\$ 28,019	\$ 17,467
Total assets	\$ 1,613,365	\$ 1,527,481	\$ 1,364,106	\$ 1,396,496
Long-term debt	\$ -	\$ -	\$ -	\$ -
Working capital	\$ 551,032	\$ 458,944	\$ 357,410	\$ 253,587
	2024 Q1	2023 Q4	2023 Q3	2023 Q2
Revenues	\$ 226,741	\$ 190,688	\$ 211,172	\$ 243,930
Income from mining operations	\$ 113,237	\$ 78,051	\$ 99,620	\$ 124,801
Derivative gain (loss) for the period	\$ (17,931)	\$ (28,634)	\$ 11,678	\$ 321
Net income for the period	\$ 41,897	\$ 11,062	\$ 53,782	\$ 63,148
Basic income per share	\$ 0.18	\$ 0.05	\$ 0.23	\$ 0.27
Diluted income per share	\$ 0.17	\$ 0.05	\$ 0.22	\$ 0.26
Weighted-average number of common shares outstanding				
Basic	238,255,452	237,665,855	237,411,813	236,943,432
Diluted	239,968,974	239,745,358	239,583,745	239,190,085
Additions to property, plant and equipment	\$ 9,701	\$ 15,791	\$ 15,744	\$ 13,245
Total assets	\$ 1,508,987	\$ 1,468,209	\$ 1,516,866	\$ 1,508,831
Long-term debt	\$ 326,791	\$ 305,647	\$ 361,109	\$ 396,588
Working capital	\$ 413,528	\$ 346,859	\$ 313,794	\$ 268,095

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## Three months ended March 31, 2025 compared to the three months ended March 31, 2024

The Company generated net income of \$154 million during the first quarter of 2025 compared to \$41.9 million during the first quarter of 2024. Net income was generated from the recognition of revenues of \$356 million, which resulted in income from mining operations of \$234 million, as well as finance and other income of \$5.5 million. This is offset by exploration costs of \$10.4 million, corporate administration costs of \$12.1 million, and income tax expense of \$63.1 million. During the first quarter of 2024, net income was generated from the recognition of revenues of \$227 million, which resulted in income from mining operations of \$113 million, as well as finance and other income of \$5.6 million. This is offset by finance expense of \$12.1 million, a derivative loss of \$17.9 million, income tax expense of \$28.6 million, and other expenses totalling \$18.3 million.

### *Income from mining operations*

During the first quarter of 2025, the Company generated revenues of \$356 million from the sale of 117,641 oz of gold and income from mining operations of \$234 million compared to revenues of \$227 million from the sale of 108,916 oz of gold and income from mining operations of \$113 million during the first quarter of 2024. The increase is primarily attributable to an increase in oz sold at a higher average realized gold price<sup>1</sup>.

### *Exploration*

Exploration costs were \$10.4 million in the quarter compared to \$7.9 million during the same period in 2024. The increase is attributable to the continued expansion of the near-mine exploration program following positive results to date.

### *Corporate administration*

Corporate administration costs increased from \$10.4 million during the first quarter of 2024 to \$12.1 million during the first quarter of 2025. The increase is mainly attributable to the cash settlement of share units that vested during the quarter. Share units that settled or are expected to settle in cash are accounted for at fair value. Therefore, an increase in the Company's share price will result in an increase in stock-based compensation expense.

### *Finance expense*

No finance expense was incurred during the first quarter of 2025 following the buy out of the Stream Facility and Offtake at the end of the second quarter of 2024.

### *Finance income*

Finance income increased from \$4.5 million during the first quarter of 2024 to \$4.7 million during the first quarter of 2025 as the Company's increased cash balance offset a declining yield on the Company's treasury investments.

### *Other expense (income)*

Other income of \$0.8 million was recognized during the quarter compared to \$1.2 million in the first quarter of 2024 which is mainly driven by foreign exchange movements during the period and its impact on the Company's expenses that are denominated in Canadian dollars.

### *Derivative gain or loss*

With the Company in a debt free position, no derivative gains or losses are recognized. During the first quarter of 2024, a derivative loss of \$17.9 million was recognized relating to the change in fair value of the Stream Facility and Offtake.

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<sup>1</sup> Refer to "Non-IFRS Measures" section.

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## *Income taxes*

Income taxes of \$63.1 million were recorded during the first quarter of 2025 (three months ended March 31, 2024 – \$28.6 million) which is comprised of current income tax expenses of \$76.4 million offset by deferred income tax recovery of \$13.4 million. The change is mainly attributable to an increase in net income before tax resulting from a higher average realized gold price<sup>1</sup>. In addition to corporate income taxes in Ecuador which are levied at a rate of 22%, income tax expense includes a 5% Ecuadorean withholding tax on the anticipated portion of net income generated from FDN to be paid in the form of dividends, and an accrual for the portion of profit sharing payable to the Government of Ecuador which is calculated at the rate of 12% of the estimated net income for tax purposes for the quarter. The employee portion of profit sharing payable, calculated at the rate of 3% of net income for tax purposes is considered an employee benefit and is included in operating expenses.

Corporate income tax instalment payments are due monthly based on a percentage of monthly revenues with residual income taxes owed, if any, due in April of each year. In addition, the government and employee portion of profit sharing are payable annually in April.

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## LIQUIDITY AND CAPITAL RESOURCES

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As at March 31, 2025, the Company had cash of \$452 million and a working capital balance of \$551 million compared to cash of \$349 million and a working capital balance of \$459 million at December 31, 2024.

The change in cash during the first quarter of 2025 was primarily due to cash generated from operating activities of \$194 million and proceeds from the exercise of stock options and anti-dilution rights totalling \$4.5 million. This is offset by dividends paid of \$72.7 million and capital expenditures of \$23.5 million.

## *Trade receivables*

Trade receivables mainly represent the value of concentrate sold as at period end for which the funds are not yet received. Revenues and related trade receivables for concentrate sales are initially recorded at provisional gold prices. Subsequent determination of final gold prices can range from one to four months after shipment depending on the customer. For sales that are provisionally priced at period end, an estimate of the adjustment to trade receivables is calculated based on the expected month when the final gold price is forecast to be determined and the related forward price of gold at the end of the reporting period. At March 31, 2025, this resulted in an estimated increase of \$23.3 million (\$5.1 million at December 31, 2024) to trade receivables reflecting rising gold prices during the period.

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

## *VAT receivables*

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

## *Inventories*

Gold inventory is recognized in the ore stockpiles and in production inventory, comprised principally of concentrate and doré at site or in transit to port or to the refinery, with a component of gold-in-circuit. Ore stockpile inventory has increased primarily due to higher grade stockpiled compared to December 31, 2024 while variations in doré and concentrate are mainly the result of timing of shipments around period end. In addition, there has been a decrease in the value of materials and supplies due to the disposal of obsolete or slow-moving inventory generally accumulated during the construction of FDN.

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<sup>1</sup> Refer to "Non-IFRS Measures" section.

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## *Investment activities*

Investment activities during the first quarter of 2025 are comprised principally of major sustaining capital expenditures<sup>1</sup> including mine fleet overhaul, commissioning of diesel powered generators, and conversion drilling. In addition, costs were incurred relating to the process plant expansion project.

## *Liquidity and capital resources*

The Company generated strong operating cash flow during the first quarter of 2025 and expects to continue to do so for the remainder of the year based on its production and AISC<sup>1</sup> guidance. With no debt and strong gold prices, the Company expects to generate significant cash flow which will continue to support the exploration programs, planned capital expenditures, growth initiatives and regular dividend payments under the approved amended dividend policy.

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## TRANSACTIONS WITH RELATED PARTIES

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During the three months ended March 31, 2025, the Company incurred \$0.3 million (March 31, 2024 – \$0.8 million), primarily relating to office rental and related services provided by Namdo Management Services Ltd. ("Namdo"), a company associated with a director of the Company. In addition, the Company entered into transactions with its largest shareholder, Newmont Corporation, as presented in Note 16 in the Notes to the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2025.

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## FINANCIAL INSTRUMENTS

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The Company's financial instruments include cash, cash equivalents and certain receivables, which are categorized as financial assets at amortized cost, and accounts payable and accrued liabilities, which are categorized as financial liabilities at amortized cost. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. Further, provisionally priced trade receivables of \$165 million (December 31, 2024 – \$156 million) are measured at fair value using quoted forward market prices.

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

### *Credit risk*

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

### *Concentration of credit risk*

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

### *Liquidity risk*

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

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<sup>1</sup> Refer to "Non-IFRS Measures" section.

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## *Commodity price risk*

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

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## COMMITMENTS

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

	Capital Expenditures	Other
12 months ending March 31, 2026	\$ 23,547	543
April 1, 2026 onward	-	7,008
Total	\$ 23,547	7,551

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.

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## OFF-BALANCE SHEET ARRANGEMENTS

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During the three months ended March 31, 2025 and the year ended December 31, 2024, there were no off-balance sheet transactions. The Company has not entered into any specialized financial arrangements to minimize its currency risk.

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## OUTSTANDING SHARE DATA

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As at the date of this MD&A, there were 240,851,709 common shares issued and outstanding. There were also stock options outstanding to purchase a total of 1,871,045 common shares, 362,544 restricted share units with a performance criteria, 187,963 restricted share units, and 48,606 deferred share units.

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## OUTLOOK

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With the process plant expansion project now complete, the Company is well-positioned to meet its production guidance of 475,000 to 525,000 oz and AISC<sup>1</sup> guidance of \$935 to \$995 per oz sold. Sustaining capital expenditures<sup>1</sup> are expected to increase over the remaining quarters of 2025 with construction of the fifth raise of the tailings dam starting in the second quarter as well as several other capital projects.

Increased rainfall in Ecuador since the start of 2025 has normalized power supply from the national grid. Commissioning of the four additional diesel generators purchased last year continues with completion expected by the end of the second quarter. These additional diesel generators are expected to allow the FDN process plant to run slightly below capacity in the event of recurrence of power disruption from the national grid.

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<sup>1</sup> Refer to "Non-IFRS Measures" section.

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The near-mine underground drilling program will continue to advance at FDNS where the primary focus is the conversion and expansion of this new system. The surface drilling program will continue to explore the extensions of Bonza Sur, FDN East, advance at Trancaloma, and explore for new sectors around FDN. Due to the proximity between Bonza Sur and the recently discovered Trancaloma porphyry system, the decision has been made to delay the initial Mineral Resource Estimate for Bonza Sur to better understand the geological environment. Fourteen rigs are currently turning across the conversion and near-mine exploration programs.

The regional exploration program will continue to focus on the unexplored large package of mineral concessions located on a highly prospective environment which hosts the Fruta del Norte deposit. This is the first year of a new three-year greenfield strategy to identify new areas for exploration drilling. The 2025 program includes a geophysical magnetic survey and a geochemical sampling program.

Based on the first quarter results, the Company expects to increase the near-mine drilling program by 18,000 metres to a minimum of 83,000 metres to accelerate the definition of near-mine targets and the conversion drilling program from 15,000 metres to approximately 25,000 metres. A minimum of 108,000 metres of drilling are planned across the conversion and near-mine drilling programs for 2025. The total estimated cost of the near-mine and regional program is \$47 million for the year. This represents the largest drill program ever completed on the land package that hosts the FDN deposit.

Under its amended dividend policy, the Company anticipates continuing to declare quarterly Fixed Dividends of \$0.30 per share, equivalent to approximately \$300 million annually based on currently issued and outstanding shares, plus a Variable Dividend equal to an amount based on at least 50% of the Company's normalized free cash flow less the Fixed Dividend.

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## NON-IFRS MEASURES

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

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## Average realized gold price per oz sold

Average realized gold price is a metric used to better understand the gold price realized during a period. This is calculated by disaggregating revenues for the period between gross gold sales before provisional pricing impact, mark-to-market on provisionally priced sales, and silver revenues less treatment and refining charges.

		Three months ended March 31,	
		2025	2024
Gross gold sales before provisional pricing impact	\$	344,278	\$ 227,590
Gain on provisionally priced trade receivables		18,200	5,600
Silver revenues		3,928	2,923
Less: Treatment and refining charges		(10,061)	(9,372)
Revenues	\$	356,345	\$ 226,741
Gold oz sold		117,641	108,916
<i>Average realized gold price (per oz sold)</i>			
Gross gold sales before provisional pricing impact	\$	2,926	\$ 2,090
Gain on provisionally priced trade receivables		155	51
Average realized gold price	\$	3,081	\$ 2,141
Silver revenues		33	27
Less: Treatment and refining charges		(86)	(86)
Revenues	\$	3,028	\$ 2,082

## EBITDA and Adjusted EBITDA

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

		Three months ended March 31,	
		2025	2024
Net income for the period	\$	153,500	\$ 41,897
Adjusted for:			
Finance expense		-	12,093
Finance income		(4,672)	(4,454)
Income tax expense		63,062	28,622
Depletion and depreciation		29,612	33,454
EBITDA	\$	241,502	\$ 111,612
Special government levy		-	1,913
Derivative loss		-	17,931
Adjusted EBITDA	\$	241,502	\$ 131,456

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## Adjusted earnings and adjusted basic earnings per share

Adjusted earnings and adjusted basic earnings per share can be used to measure and may assist in evaluating operating earning trends in comparison with results from prior periods by excluding specific items that are significant, but not reflective of the underlying operating activities of the Company. During the three months ended March 31, 2024 these included a special one-time government levy; derivative gains or losses from accounting for the Stream Facility at fair value; and related income tax effects. Adjusted basic earnings per share is calculated using the weighted average number of shares outstanding under the basic method of earnings per share as determined under IFRS Accounting Standards.

	Three months ended March 31,	
	2025	2024
Net income for the period	\$ 153,500	\$ 41,897
Adjusted for:		
Special government levy	-	1,913
Derivative loss	-	17,931
Deferred income tax recovery	-	(3,945)
Adjusted earnings	\$ 153,500	\$ 57,796
Basic weighted average shares outstanding	240,460,033	238,255,452
Adjusted basic earnings per share	\$ 0.64	\$ 0.24

## Cash operating cost per oz

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

	Three months ended March 31,	
	2025	2024
Operating expenses	\$ 72,564	\$ 67,268
Royalty expenses	20,640	12,788
Cash operating costs	\$ 93,204	\$ 80,056
Gold oz sold	117,641	108,916
Cash operating cost per oz sold	\$ 792	\$ 735

## All-in sustaining cost and sustaining capital expenditures

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

The Company calculates AISC as the sum of total cash operating costs (as described above), corporate social responsibility costs, treatment and refining charges, accretion of restoration provision, and sustaining capital expenditures, less silver revenue, all divided by the gold oz sold to arrive at a per oz amount. Sustaining capital expenditures is defined as cash basis expenditures which maintain existing operations and sustain production levels.

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

	Three months ended March 31,	
	2025	2024
Cash operating costs	\$ 93,204	\$ 80,056
Corporate social responsibility	346	329
Treatment and refining charges	10,061	9,372
Accretion of restoration provision	190	205
Sustaining capital expenditures	7,014	7,110
Less: silver revenues	(3,928)	(2,923)
All-in sustaining cost	\$ 106,887	\$ 94,149
Gold oz sold	117,641	108,916
All-in sustaining cost per oz sold	\$ 909	\$ 864

### Free cash flow and free cash flow per share

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

	Three months ended March 31,	
	2025	2024
Net cash provided by operating activities	\$ 194,308	\$ 107,914
Net cash used for investing activities	(23,525)	(13,636)
Interest paid	-	(1,876)
Finance expense paid	-	(10,143)
Free cash flow	\$ 170,783	\$ 82,259
Basic weighted average shares outstanding	240,460,033	238,255,452
Free cash flow per share	\$ 0.71	\$ 0.35

### CRITICAL ACCOUNTING ESTIMATES

The adoption of certain accounting policies requires the Company to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses. Some of these estimates require judgments about matters that are inherently uncertain. For a complete discussion of accounting estimates deemed most crucial by the Company, refer to the Company's annual 2024 Management's Discussion and Analysis.

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## RISKS AND UNCERTAINTIES

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Natural resources exploration, development and operation involves a number of risks and uncertainties, many of which are beyond the Company's control. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A and those set out in the Company's Annual Information Form dated March 17, 2025 (the "AIF"), which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## QUALIFIED PERSON

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

## FINANCIAL INFORMATION

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The report for the six months ended June 30, 2025 is expected to be published on or about August 7, 2025.

## DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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### *Disclosure controls and procedures*

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

### *Internal controls over financial reporting*

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

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

As required under Multilateral Instrument 52-109, management advises that there have been no changes in the Company's internal control over financial reporting that occurred during the most recent interim period, beginning January 1, 2025 and ending March 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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## FORWARD LOOKING STATEMENTS

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

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

This MD&A contains forward-looking information in a number of places, such as in statements pertaining to the Company's 2025 production outlook, including estimates of gold production, grades recoveries and AISC; operating plans; expected sales receipts and cash flow forecasts, gold price, its estimated capital costs and sustaining capital; the Company's ability to mitigate the impacts on its operations of a power disruption from the national grid; the recovery of VAT, the anticipated benefits of the process plant expansion project; benefits of the Company's community programs; the Company's declaration and payment of dividends pursuant to its dividend policy; the timing and the success of its drill program at Fruta del Norte and its other exploration activities; and estimates of Mineral Resources and Reserves at Fruta del Norte.

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

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