



# LUNDINGOLD

Building a leading Gold Company  
*through* responsible mining

## Second Quarter 2020 Results Conference Call

August 12, 2020



# **Ron F. Hochstein**

## **President and CEO**





# Caution Regarding Forward-Looking Information and Statements

All statements, other than statements of historical fact, made and information contained in this presentation and responses to questions constitute “forward-looking information” or “forward-looking statements” as those terms are defined under Canadian securities laws (“forward-looking statements”). Forward-looking statements may be identified by terminology 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).

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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 as a result of the factors discussed in the “Risk Factors” section Lundin Gold’s Annual Information Form dated March 24, 2020 and its short form prospectus dated June 8, 2020, which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Forward-looking information should not be unduly relied upon.

The technical information contained in this presentation relating to the Fruta Del Norte

Project is based on a Technical Report prepared for the Company entitled “Fruta del Norte Project, Ecuador, NI 43-101 Technical Report on Feasibility Study” dated June 15, 2016 with an effective date of April 30, 2016 (the “Technical Report”). Information of a scientific and technical nature in this presentation was reviewed and approved by Ron Hochstein, P.Eng., Lundin Gold’s President and Chief Executive Officer, who is a Qualified Persons within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”).

Unless otherwise indicated, all dollar values herein are in US dollars.

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# Building a Leading Gold Company

## Through responsible mining

Achieved commercial production in February – two months ahead of schedule and on budget

Suspended operations in late March due to COVID-19 pandemic

Reopened transportation corridors and started shipping concentrate and supplies in May

Resumed personnel rotations in June

Restarted operations in July

# COVID-19 in Ecuador

- COVID-19 case numbers relatively flat with the focus shifting from Guayaquil to Quito
- In Zamora Chinchipe number of new cases per day is still not increasing
- 7% of our workers are testing positive and cannot go to site
- Only 6 cases up to July 31<sup>st</sup> confirmed at Fruta del Norte, all of whom have fully recovered



# Supporting Local Communities during COVID-19



- Purchasing disinfection equipment for local police, army and governments
- Providing essential equipment to front-line medical and other government support workers
- Supporting the Neighbourhood Doctor program
  - Supplying transportation for medical professionals, allowing them to access families in rural areas
- Supporting food donation programs in local communities



# Strict Protocols Implemented

- All personnel entering site must go through a quarantine period followed by PCR test
- Employees are working from home to reduce personnel on site
- Rotations extended to minimize travel and logistics
- Additional transportation and on-site protocols include:
  - Physical distancing
  - Mandatory PPE including wearing masks onsite
  - Frequent disinfection of equipment and facilities







## Work Carried Out During Suspension

- Limited mine development activities and stope drilling
- Maintenance of mine infrastructure such as roads, power, ventilation and dewatering systems
- Crushing plant maintenance and relining of the SAG mill



# Alessandro Bitelli

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Executive Vice President and CFO





## Financial Highlights March 1 – June 30

**\$50 million in recognized revenues**

**30,906 ounces of gold sold**

**\$1,680 average realized gold price  
per oz**



# Cash Cost and All-In Sustaining Cost<sup>1</sup>

## Cash Cost

March 1 – June 30,  
2020

Operating Expenses	\$24,224
Royalty Expenses	\$2,836
Cash Operating Costs	\$27,060
Gold oz sold recognized in statement of income (loss)	30,906
Cash operating cost per oz sold	\$876

## All In Sustaining Costs

March 1 – June 30,  
2020

Cash operating cost	\$27,060
Corporate social responsibility	\$422
Treatment and refining charges	\$2,350
Accretion of restoration provision	\$20
Sustaining capital	-
Less: silver revenues	(\$417)
Total all-in sustaining cost	\$29,435
Gold oz sold	30,906
All-in sustaining cost per oz sold	\$952

# Income Statement for the Six Months Ended June 30, 2020

Revenues	\$50,002	Other expenses (income)	
Cost of goods sold		Corporate administration	\$12,923
Operating Expenses	\$24,224	Exploration	\$1,681
Royalty Expenses	\$2,836	Suspension of operations	\$29,304
Depletion and amortization	\$8,164	Finance expense (income)	\$17,748
	\$35,224	Other expense (income)	(\$1,474)
Income from mining operations	\$14,778	Derivative loss	\$28,301
			\$88,483
		Net loss for the period	(\$73,705)



# Suspension of Operations Costs

Six months ended  
June 30, 2020

Salaries and benefits	\$13,003
Maintenance	\$4,364
Fixed administrative costs	\$4,062
Site services	\$2,197
COVID-19 expenditures	\$1,455
Other costs	\$1,734
Depreciation and amortization	\$2,489
	<b>\$29,304</b>







# Sufficient Liquidity

## Treasury adequate to fund restart of operations

- \$74.2 million in cash, including \$41.4 million from this year's equity financing, as at June 30
- Anticipate generating net sale receipts well in excess of obligations which will become due in the next 12 months based on current gold prices



# Operations Restarted in July

- Regular concentrate and doré shipments have re-started and occur weekly for concentrate
- Mill has processed ore at an average daily rate of 3,250 tonnes per day last month
- Mill recoveries higher than planned but optimization still needed to reach design levels
- Mine development going well and, as per our current mine plan, we are now extracting from one of the high-grade zones





# Second Half 2020 Outlook

Full year gold production estimated to be 200,000 – 220,000 ounces



*Gold production*

150,000 – 170,000 oz gold



*Average mill production*

3,200 tpd, including re-start  
ramp up period



*Average head grade*

10 g/t gold



*Average gold recovery*

85%



AISC per oz sold

\$770 – \$850



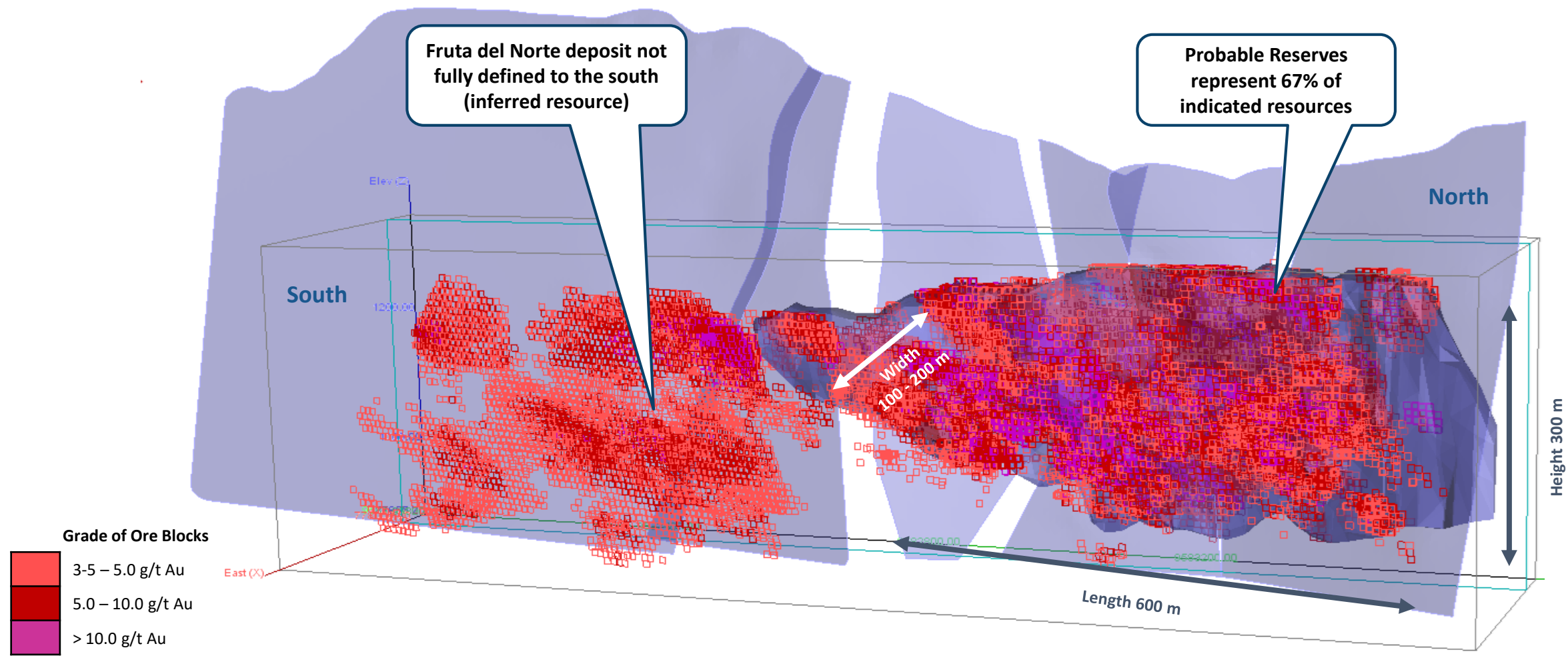
# Potential of Increasing Mine and Mill Throughput

- Studying the feasibility of increased production from the current capacity of 3,500 tonnes of ore per day
- Evaluating potential for increase in throughput as early as in 2021



# Planning Resource Expansion Drilling Program

Anticipated to start later this year





# New Board Member

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**Tamara Brown**



**Bob Thiele**






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## Questions

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Contact information:  
Sabina Srubiski  
Manager, Investor Relations  
[info@lundingold.com](mailto:info@lundingold.com)  
+1 604-689-7842  
[www.lundingold.com](http://www.lundingold.com)

