

NEWS RELEASE

LUNDIN GOLD APPOINTS CARMEL DANIELE TO BOARD OF DIRECTORS

January 8, 2015 (Vancouver, Canada)... Lundin Gold Inc. ("Lundin Gold" or the "Company") (TSX: "LUG", Nasdaq Stockholm: "LUG") is pleased to announce the appointment of Carmel Daniele to the Board of Directors of the Company.

Ms. Daniele is Founder and Chief Investment Officer of CD Capital (an established recognized and authorized UK fund manager) which manages, amongst other funds, the CD Capital Natural Resources Fund II (the CD Capital Fund). The CD Capital Fund has invested C\$40 million in Aurelian Resources Inc, a wholly-owned subsidiary of Lundin Gold which holds the Fruta del Norte gold project. These funds will be applied to upgrade, expand and develop the mineral resource of Fruta del Norte. With its investment, CD Capital acquired the right to appoint a nominee to the Board of Directors of Lundin Gold.

Carmel has over 25 years of natural resources investment experience, 10 of which were spent with Newmont Mining/Normandy Mining and, in her various roles, was involved in the acquisition of various companies including LaSource SAS (a joint venture between BRGM and Normandy Mining). As Senior Executive (Corporate Advisory) at Newmont she structured cross-border mergers and acquisitions including the US\$24 billion three-way merger between Franco-Nevada, Newmont and Normandy Mining to create the largest gold company in the world. Prior to founding CD Capital in September 2006, Carmel was a senior investment advisor for a London based mining Special Situations Fund on sourcing and negotiating natural resources private equity investments. Carmel holds a Master of Laws (Corporate & Commercial) and Bachelor of Economics from the University of Adelaide and is a Fellow of the Institute of Chartered Accountants.

Ron Hochstein, President and CEO, commented, "Carmel has significant mining industry, management, and corporate finance expertise, and we are delighted that she is joining Lundin Gold's Board of Directors. Her achievements and insights in the industry will bring an important new dimension to our Board."

About the Company:

The Company is a Canadian mining company listed on the TSX and Nasdaq Stockholm under the symbol "LUG". In December, 2014 the Company acquired the Fruta del Norte gold project located in southeast Ecuador for US\$240 million. Fruta del Norte ("FDN") is one of the largest and highest grade undeveloped gold projects in the world and the Company plans to advance FDN in order to realize the significant potential of this asset, which is the Company's flagship project. The Company believes that the value created will not only greatly benefit shareholders, but also the Government and people of Ecuador who are the Company's most important partners in this project.

FDN has the potential to be a large scale, low cost, underground gold mining operation and has had over US\$275 million invested in it from its discovery in 2006 to 2014. The Company believes that FDN can move quickly through feasibility to a construction decision, leveraging the considerable amount of historical exploration, development, mine planning and permitting work that has already been completed to date. In addition, there is significant exploration potential both at FDN and in the more than 80,000 ha of surrounding concessions where multiple early and advanced exploration targets have already been identified.

The Company is a member of the Lundin Group of Companies (see www.thelundingroup.com). The Lundin family, which has invested significantly in the Company and has an impressive track-record of acquiring world-class projects and generating industry leading returns. The Lundin Group views its commitment to corporate social responsibility as a strategic advantage that enables it both to access and effectively manage business opportunities in increasingly complex environments. The Lundin Group is committed to addressing the challenge of sustainability - delivering value to its shareholders, while simultaneously providing economic and social benefits to impacted communities and minimizing its environmental footprint (see www.lundinfoundation.org).

On behalf of the Board,

Ron F. Hochstein
President and CEO

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