

NEWS RELEASE**LUNDIN GOLD: ENGINEERING STUDIES UNDERWAY FOR THE DEVELOPMENT OF THE WORLD CLASS FRUTA DEL NORTE GOLD PROJECT**

February 4, 2015 (Vancouver, Canada)... Lundin Gold Inc. ("Lundin Gold" or the "Company") (TSX: "LUG", Nasdaq Stockholm: "LUG") is pleased to announce that it has assembled an integrated engineering team for the feasibility study of the Fruta del Norte gold project in Ecuador.

Along with the Company's project management and its team of engineers, Lundin Gold has retained a group of leading engineering firms with extensive gold experience, in particular within tropical climates, and some with previous experience on the Fruta del Norte project itself. The purpose of the study is to establish the best economic options for the development of Fruta del Norte into a large scale, low cost underground gold mining operation.

The team includes:

Amec Foster Wheeler Americas Limited. This firm has been assigned responsibility for process, project water management, infrastructure, report preparation and overall project management. The work is planned to be managed and extensively carried out by Amec's Santiago, Chile office.

NCL Engineering and Construction SpA. This firm has been assigned responsibility for reserve estimation, proposed underground mine design and associated surface facilities. It is also planned that this work will be carried out by NCL's Santiago office.

Patterson & Cooke Canada Inc. This firm has been assigned responsibility for the back fill design aspects, including both paste and or cemented rock fill for the proposed underground mine. This work is planned to be managed from Patterson & Cooke's Sudbury, Ontario office.

Klohn Crippen Berger S.A. This firm has been assigned responsibility for tailings design, plant site geotechnical and surface hydrology aspects and plans to carry out the work primarily from its Lima, Peru office.

SRK Consulting (Canada) Inc. This firm has been assigned responsibility for hydrogeology and geotechnical aspects of the mine and plant designs and plans to carry out work from its Vancouver, British Columbia office.

Metallurgical test work is expected to begin shortly, with the work being done by SGS in Lakefield, Ontario. Environmental permitting activities are currently being performed Lundin Gold staff, working with various consulting groups.

Caution Regarding Forward-Looking Information and Statements

Certain information contained in this news release constitutes "forward-looking information" or "forward-looking statements" within the meaning of Canadian securities laws. These statements pertain to the Company's plans produce a feasibility study using a team of engineers which it has assembled for that purpose, the proposed timing for completion of the study, the expected plan for development of underground mining operations and other proposed engineering work. This information is based upon a number of assumptions that, while considered reasonable by management, are subject to significant uncertainties and contingencies, such as the accuracy of the mineral resource estimates for the Fruta del Norte project, the timing and success of permitting, development, construction and operation of the Fruta del Norte project and the Company's future debt levels and sources of liquidity, cash flows and expected operating costs.

This forward-looking information also involves known and unknown risks, uncertainties, and other factors that may cause actual results and developments to differ materially from those expressed or implied. They include: the possibility that future exploration and development results will not be consistent with expectations, risks and uncertainties relating to the estimated cash costs and timing of exploration and development activities, cost estimates, foreign currency fluctuations and commodity price fluctuations, uncertain political and economic environments and the relationships with local communities and artisanal miners and risks related to foreign operations and the mining, tax and regulatory regime in Ecuador.

Please also see the Company's most recent management information circular available on SEDAR at www.sedar.com for other risks and assumptions relevant to the forward-looking information in this news release. The Company is providing this forward-looking information to help you understand management's views regarding its plans for the Fruta del Norte project, and it may not be appropriate for other purposes. Lundin Gold does not undertake any obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except to the extent legally required.

About the Company:

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.

The Company is a member of the Lundin Group of Companies (see www.thelundingroup.com). 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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