

LUNDINGOLD

TSX, NASDAQ STOCKHOLM: LUG

SUSTAINABILITY REPORT

2021



BUILDING A LEADING GOLD COMPANY THROUGH RESPONSIBLE MINING





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Introduction

About This Report

Lundin Gold is proud to present our sixth annual Sustainability Report. This report has been prepared in accordance with select disclosures and guidance from the Global Reporting Initiative (GRI) Standards Core Option, including selected GRI G4 Mining and Metals Sector Disclosures, the Sustainability Standards Accounting Board (SASB) Metals and Mining Industry Standards, and in accordance with the Mining Local Procurement Reporting Mechanism (LPRM) Core Option. It also serves as our fifth Communication of Progress in implementing the Principles of the United Nations Global Compact (UNGC).

The primary focus of this report is Fruta del Norte, our principal asset. Data presented in this report includes the Fruta del Norte Mine and our exploration activities, unless otherwise noted. The reporting period covers the period from 1 January to 31 December 2021. The GRI, SASB, UNGC and LPRM Indices for this report are available on our website: www.lundingold.com.

This report has been reviewed and approved by Lundin Gold's Executive Management and the Health, Safety, Environment, and Sustainability Committee of Lundin Gold's Board. No external third-party assurance was sought for the contents of this report. A cautionary note about forward looking information and statements is presented at the end of this report. Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars.

We look forward to your feedback and invite you to email us at: ec.comunicaciones@lundingold.com.

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Lundin Gold is a participant of the UN Global Compact and supports the UN Sustainable Development Goals.



About Lundin Gold

Lundin Gold Inc. (Lundin Gold or the Company) is a Canadian mining company headquartered in Vancouver, Canada with a regional office in Quito and a community office in Los Encuentros, Ecuador.

The Company holds 27 metallic mineral concessions and three construction material concessions in the southeastern Province of Zamora Chinchipe in Ecuador, covering an area of approximately 64,270 hectares, through its major operating subsidiary Aurelian Ecuador S.A. (AESA) and its wholly owned exploration subsidiaries Aurelianmenor S.A. (AMSA) and Surnorte S.A. (Surnorte).

The Fruta del Norte mining operation (FDN) is in the La Zarza Concession, which is wholly owned by AESA, located in Los Encuentros Parish, Yantzaza Canton within the Zamora Chinchipe Province. FDN began operations in 2019 and has been in operation since that time, other than a three month suspension in 2020 (March to June) due to COVID-19 restrictions in the country. It is among the highest-grade operating gold mines in the world and is one of the top five gold producers in South America with a total gold production of 428,514 ounces in 2021.

The Company is listed on the Toronto Stock Exchange and Nasdaq Stockholm under the symbol "LUG".



The Lundin Foundation

Lundin Gold works collaboratively with the Lundin Foundation to develop and implement strategic community investment initiatives. These long-term programs focus on local supplier development for a more inclusive supply chain, economic diversification, and education and training programs that lead to lasting community benefits, and improved resource governance through capacity building.

The Lundin Foundation is a Canadian non-profit organization that works in partnership with the Lundin Group of Companies and local communities to improve the management of, and benefit streams from, resource development projects. The Foundation is connected to a global community committed to knowledge sharing and collaboration to elevate best practices across the Lundin Group of Companies. The Foundation contributes to a diverse pool of international expertise to address pressing environmental, social, and governance (ESG) topics, including climate change, sustainability reporting and disclosure, diversity, equity and inclusion, and small business development.



In Ecuador, the Foundation supports dairy, agriculture and entrepreneurship programs

Contributions of Gold Mining

Responsible gold mining makes a significant contribution to social and economic development through tax and royalty payments to governments, creation of local employment opportunities, infrastructure projects, and community development¹.

The gold mining industry also contributes across 15 of the 17 Sustainable Development Goals (SDGs) in areas ranging from social inclusion and economic development to global partnerships and responsible operations, energy, and the environment.

Gold Mining's Contribution to the UN Sustainable Development Goals²

Theme	Relevant SDGs
Global Partnerships	<ul style="list-style-type: none"> • SDG 17: Partnerships for the Goals
Social Inclusion	<ul style="list-style-type: none"> • SDG 5: Gender Equality • SDG 10: Reduced Inequalities • SDG 16: Peace, Justice and Strong Institutions
Economic Development	<ul style="list-style-type: none"> • SDG 1: No Poverty • SDG 2: Zero Hunger • SDG 3: Good Health and Well-being • SDG 4: Quality Education • SDG 8: Decent Work and Economic Growth • SDG 9: Industry, Innovation and Infrastructure
Responsible Operations, Energy and the Environment	<ul style="list-style-type: none"> • SDG 6: Clean Water and Sanitation • SDG 7: Affordable and Clean Energy • SDG 12: Responsible Consumption and Production • SDG 13: Climate Action • SDG 15: Life on Land



Gold mining plays an important role in community health and resilience. Lundin Gold works with its partners to strengthen, upgrade, and supplement community infrastructure, healthcare facilities, educational programs, agricultural development, and entrepreneurship.

¹ World Gold Council, 2021, *The Social and Economic Contribution of Gold Mining*

² World Gold Council, 2020, *Gold Mining's Contribution to the Sustainable Development Goals*

Our Commitment to Responsible Mining

Our vision is to build a leading gold company through responsible mining and our commitment to sustainability underpins everything that we do. [Lundin Gold's Responsible Mining Policy](#) guides our strategic decision-making. Being a good corporate citizen and having transparent and sustainable practices are central to the long-term success of our business. We seek to create enduring relationships with local communities and stakeholders and to address social challenges that are priorities for local communities and businesses through our partnerships. By doing so, we help to create value for a range of stakeholders.

Lundin Gold and our subsidiaries are committed to operating our facilities in accordance with the following Fundamental Principles:



Working
Safety



Environmental
Stewardship



Respect in each
of our activities

In addition, Lundin Gold has adopted, endorsed, or follows these international principles, initiatives, and charters:

- Extractive Industries Transparency Initiative (EITI)
- Global Reporting Initiative (GRI) Standards for Sustainability Reporting
- International Financial Corporation (IFC) Performance Standards on Social and Environmental Sustainability
- Local Procurement Reporting Mechanism (LPRM)
- Reporting guidelines issued by the Taskforce on Climate-Related Financial Disclosure (TCFD)
- United Nations Global Compact (UNGC)
- United Nations Guiding Principles (UNGPs) on Business and Human Rights
- United Nations Sustainable Development Goals (SDGs)
- Women's Empowerment Principles (WEPs)



How we Create Value

Direct Economic Value Generated and Distributed in 2021¹ (in thousands)

	Fruta Del Norte
Revenues (Direct economic value generated)	\$733,329
Operating Costs	\$157,398
Employee Wage and Benefits	\$72,573
Payments to Providers of Capital	\$35,249
Payments to Government ²	\$145,090
Community Investments	\$2,513
Total Economic Value Distributed	\$412,823
Economic Value Retained: 'Direct Economic Value Generated' less 'Economic Value Distributed'	\$320,506



¹ Direct economic value generated and distributed for construction years of FDN (2017 to 2019) can be found on www.lundin角度.com in the Lundin Gold 2019 Sustainability Report.

² GRI definition referring to disclosure GRI 201-1 payments to governments: all the organization's taxes plus related penalties paid at the international, national, and local levels. It includes corporate, income, and property.

We believe that mining can be a catalyst for sustainable economic development. We have committed to delivering value to our shareholders and creating economic and social benefits for the communities in which we work, while minimizing our environmental footprint. Through the principles and values outlined in our Responsible Mining Policy, we create value for diverse stakeholder groups.

Value for Ecuador

Fruta del Norte is the first modern, large-scale underground mine operating in Ecuador. A key driver of foreign direct investment and a significant contributor to national exports, the mining industry already plays a pivotal role in the economic development of Ecuador. Responsible mining operations such as FDN contribute to the national economy through royalties, taxes, investments, exports, job creation, and procurement spending, along with exponential benefits created within other industries and local communities throughout our value chain (See Case Study in [Lasting Economic Opportunities](#) for more details). As demonstrated throughout 2020 and 2021, mining activity can also act as a buffer for the economy during times of reduced economic activity brought on by prolonged crises such as the COVID-19 pandemic.

Value for Local Communities

Lundin Gold strives to ensure that our activities bring healthy and sustainable benefits to local communities. Through participatory dialogue, strategic partnerships,

and initiatives focused on community infrastructure, community well-being, environmental stewardship, lasting economic opportunities, and responsible resource governance, we work directly with local communities, non-governmental organizations (NGOs), civil society organizations (CSOs), and local and regional institutions to strengthen communities by building capacity and resilience.

The impact of FDN on the economic growth and performance of the Province of Zamora Chinchipe, the Canton of Yantzaza, and the Parish of Los Encuentros has been remarkable. Economic studies undertaken in 2021 show that in 2020, despite the effects of the pandemic, the gross domestic products (GDP) of Zamora Chinchipe and Yantzaza increased by approximately three and six times respectively, a phenomenon largely attributed to the construction and operation of FDN. Fueled by direct and indirect contributions from local employment, local procurement, increased incomes, asset formation, tax collection, sales, and exports facilitated by FDN, the Canton of Yantzaza and the Province of Zamora Chinchipe have both been recognized by public authorities as among the most dynamic in Ecuador (*See the Case Study in [Lasting Economic Opportunities](#) for more details*).

Value for Indigenous Groups

Through respectful engagement and dialogue, Lundin Gold supports activities that protect and promote the preservation of the identity, cultural knowledge, customs, and traditions of the Shuar and Saraguro Indigenous Peoples who live in the region. Our partnership with the Shuar Federation of Zamora Chinchipe has helped to create ShuarNum, a local eco-tourism company with initiatives to promote sustainable tourism and education about Shuar culture. (*See the [Indigenous Peoples](#) section for more details*).

Value for Employees

Our employees are the cornerstone of our business and the reason we are able to achieve our goals. Lundin Gold provides a safe, healthy, inclusive, and supportive environment in which all employees can learn, grow, prosper, and contribute towards the success of the Company and the success of their families and communities.

Value for Shareholders

Fruta del Norte is one of the highest-grade gold mines in production in the world. We strive to create shareholder value through sustainable performance, operational excellence, healthy cash flow, and strategic growth.

Lundin Gold’s Board and Executive Management team have extensive expertise in mine operations, sustainability, and finance, and are dedicated to operating Fruta del Norte responsibly while creating shareholder value. We are committed to transparency and operate in accordance with international best practices.

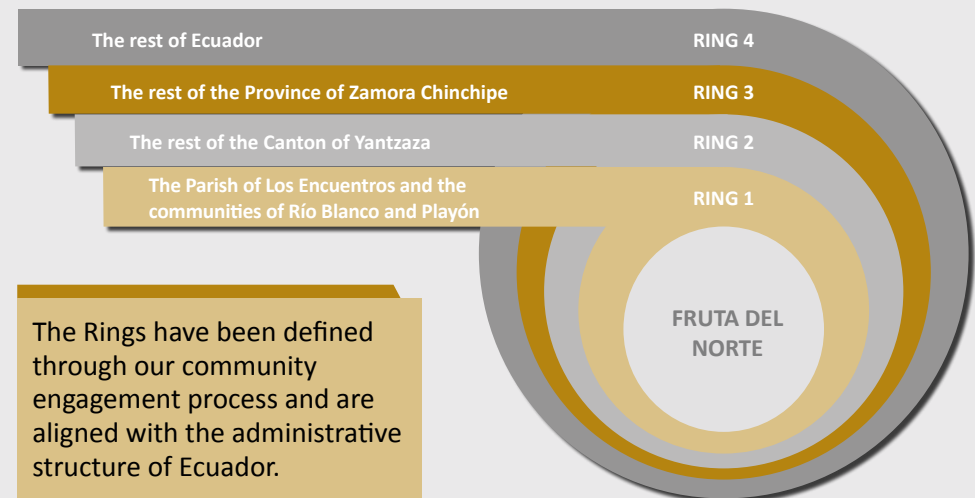
Value for the Industry

As pioneers of the large-scale underground mining industry in Ecuador, we seek to set strong precedents for responsible mining practices in Ecuador. Our innovative partnerships and the implementation of best practices at FDN demonstrate that the mining industry in Ecuador and other parts of the world can succeed while sharing benefits with the country and local communities. Putting into action Lundin Gold’s Fundamental Principles of Environmental Stewardship, Working Safely, and Respect in all our activities, we seek to demonstrate that responsible mining will be a pillar of the Ecuadorian economy for decades to come.



Our Definition of Local

To help understand and measure our impact in terms of local employment and procurement, we use concentric rings around Fruta del Norte to portray our definition of “local” regions, as conceptualized in the figure ‘Definition of Local’*.



The Rings have been defined through our community engagement process and are aligned with the administrative structure of Ecuador.

*Note: The Shuar are considered part of Ring 1.

Letter to Stakeholders from the CEO



Ron Hochstein, President and Chief Executive Officer (CEO)

At Lundin Gold, sustainability is part of our culture; it is what drives us. We create shareholder value through sustainability alongside our pursuit of operational excellence, enhanced cash flow, and strategic growth. Sustainability is our foundation and propelled many of the successes we celebrated in 2021.

2021 represented our first full year of operation at Fruta del Norte. It was a year of notable accomplishments despite a global pandemic that presented many new personal and professional pressures for our workforce, forced multiple local lockdowns and interrupted global supply chains. Over the course of the year, we maintained most of our COVID-19 protocols and support programs (such as extended shifts and a mental health program for employees) while modifying other processes to adapt to the changing pandemic. Our commitment, diligence, and agility enabled us to keep our case counts low and prevented any loss of our workforce due to the coronavirus. In addition, Fruta del Norte exceeded our production targets and had exceptional health and safety performance.

In 2021, Lundin Gold implemented multiple initiatives that further supported local communities around FDN impacted by the pandemic. One of our major contributions was the opening of the intensive care unit (ICU) at Yantzaza hospital in partnership with Newcrest Mining Limited and SolGold Plc. With the opening of the ICU, critical healthcare is now accessible to local people.

It was evident early in the pandemic that education would suffer. In response, Lundin Gold created the *Estamos Conectados* program to provide reliable internet infrastructure to the local Parish of Los Encuentros and two communities within the Canton of Paquisha. This program allowed local citizens, particularly teachers and school children, to access internet and attend virtual classes during lockdown and quarantine periods. Recognizing that infrastructure is only useful if it is accessible, Lundin Gold distributed 1,545 tablets to every student in these communities and facilitated training for teachers. As a result, children continued learning and stayed connected to their teachers and their classmates. The impact of our contributions struck me personally when, at a community event, I watched a young child proudly demonstrate how she learned the alphabet on her tablet. Although our initial focus was upon education and preventing students from dropping out of school during the pandemic, we anticipate the impact of this digital infrastructure will also greatly benefit local businesses and entrepreneurs, social networks, community care, and will facilitate outreach.

The collapse of the public bridge over the Zamora River in October 2020, which became a political and logistical challenge that our team managed gracefully and diplomatically, came to resolution with the completion of two new bridges. In 2021, Lundin Gold completed the construction of a two-lane suspension bridge that uses Canadian technology and is the first of its kind in Ecuador. While this bridge is privately owned, it is fully open to the public. In early 2022, a second bridge was completed in the town of Los Encuentros. While constructed by the provincial government, this second bridge was fully financed by Lundin Gold. These bridges were successfully completed despite the challenges posed by the pandemic, while also minimizing disruptions to local people and to FDN. I am very proud to highlight that both bridges were constructed with no lost time injuries. Today, traffic flow across the river is vastly improved.

Our community development and environmental programs that were established prior to the pandemic, such as ECOLAC and our partnerships with organizations such as Conservation International Ecuador, continued to thrive throughout 2021. This is extremely encouraging as it indicates that these programs are sustainable in the longer term.

One of our key accomplishments in 2021 was the finalization of our Lundin Gold 5-Year Sustainability Strategy. Through executive participation and board involvement, this document captures our ongoing work in sustainability, articulates new targets, and aligns the business along eight Strategic Pillars and four Enablers for Success to make measurable, positive impacts in local communities, the environment, and Ecuador more broadly. This strategy is a roadmap with tangible goals; we expect that implementing our strategy will allow us to continue to be a pioneer in the extractive industries in Ecuador.

Climate change is one of our eight pillars, and thus is a priority for Lundin Gold. Consistent with this stated priority, the Board added climate change strategy as one of the explicit responsibilities of the CEO to ensure it garners the highest level of accountability in the Company. We continue to monitor and navigate the short-term and long-term effects on our operation and on local communities. Given that FDN is an underground mining operation, most of our energy source is hydroelectric, and our ore body is high-grade, our operations have a low greenhouse gas (GHG) emissions intensity. To better understand and communicate our understanding and management of climate change, we are applying the Task Force for Climate-Related Financial Disclosures (TCFD) framework. While this framework is noted in this report, we have also produced a stand-alone TCFD report, which will be available on our website. Adaptability is key to addressing the climate risks we face.

An additional area of focus for Lundin Gold in 2021 was to progress our diversity, equity and inclusion strategy. We have met our target regarding Board composition, have successfully integrated persons with disabilities into the workforce, and continued to implement actions associated with the Women's Empowerment Principles.

For 2021, much of our focus was on fully transitioning to being an operational mine while grappling with a second year of the pandemic. Now that we have succeeded and surpassed our own goals and expectations, I look forward to bringing renewed focus to several key internal initiatives. We can now return to fostering personnel development and further cultivate an operational mindset within Lundin Gold. This includes implementing a feedback framework with our employees and managers and identifying training and development opportunities. We also look forward to increasing exploration activities and progressing on our 5-Year Sustainability Strategy.

Personally, I am also looking forward to being more present in local communities in 2022 and further supporting community development through partnership. The opportunity to interact with local stakeholders and to hear their hopes, dreams, and concerns is key to my vision for the coming year. I remain committed to local development through responsible mining practices and know that this will continue to drive our success.

As we reflect upon 2021, we have much to be proud of and grateful for. I wish to thank our employees, contractors, local governments, and communities for the commitment and support they demonstrate each day. I applaud them for their dedication, patience, and persistence during our first full year of operations notwithstanding the COVID-19 pandemic, and I look forward to working together towards our common objectives for years to come.

I remain committed to our Fundamental Principles of Working Safely, Environmental Stewardship, and Respect in each of our activities. I invite you to read this report and learn how our people put these principles into practice every day, and how our community engagement and partnerships are helping Lundin Gold to set a precedent for responsible mining in Ecuador.

Sincerely,



Ron Hochstein
President and CEO

Performance and Highlights



Gold room at FDN

Key Business Sustainability Highlights

2021 marked the first continuous year of operation at Fruta del Norte. Despite the challenges posed by the pandemic, our comprehensive, careful, and adaptive planning allowed us to achieve several major milestones, including completing the plant expansion, exceeding our production guidance for the year, and expanding our exploration program.

In our first full year of operations, Fruta del Norte exceeded the Company's guidance of 380,000 to 420,000 ounces. Gold recoveries improved every quarter during 2021 and the plant expansion from 3,500 tonnes per day to 4,200 tonnes per day was completed on time and on budget.



Financial



Gold production: 428,514 ounces



All-in sustaining costs¹: \$762 per oz of gold sold



Revenues: \$733 million



Net income after tax: \$221 million



Net cash provided by operating activities: \$418 million

¹ Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found on page 14 of the Company's MD&A for the year ended December 31, 2021 available on SEDAR.

For information on Lundin Gold’s 2021 financial performance, please refer to the Company’s management’s discussion and analysis (MD&A) and audited consolidated financial statements for the fiscal year ended December 31, 2021, available at www.lundin角度.com.

“ I am extremely happy with our production of over 428,000 oz of gold in 2021, Fruta del Norte’s first full year of operations. This achievement would not have been possible without our team’s hard work that resulted in improving recoveries and completing the plant expansion on time and on budget to increase the average plant throughput from 3,500 tpd to 4,200 tpd. 2021 was a successful year for Lundin Gold, and I look forward to another strong year in 2022. ”

Ron Hochstein, President and CEO

Governance

- **Female Representation:** The Lundin Gold Board set a target of having 30% women as directors. As of December 31, 2021 the Board of Directors was 30% female.
- **Strategy:** Began implementation of Lundin Gold’s 5-Year Sustainability Strategy, built around eight strategic pillars and four enablers of success, as introduced in this Report.
- **Executive Compensation:** Incorporated Diversity, Equity, and Inclusion (DE&I) and climate change factors into the executive compensation program of the Company’s senior officers, as applicable.
- **No Overboarding:** No Board Director sat on more than four other public company boards.
- **Say on Pay:** Adopted the practice of holding an advisory vote on our approach to executive compensation.
- **Board Refreshment:** Implemented a Retirement Policy for directors and has had turnover on the Board every year for the last five years.
- **Formal Succession Process:** Formalized a succession process and annual succession planning for the Board and CEO. The CEO reports annually on executive succession planning to the Board.

- **Sustainability:** Reorganized our Environment, Health, and Safety (EHS) Committee to form the new Health, Safety, Environment, and Sustainability Committee (HSES).
- **Climate Change:** Advanced progress on our Task Force for Climate-Related Financial Disclosures (TCFD) reporting and climate change governance, including the adoption of a HSES Committee mandate which explicitly addresses climate change risk oversight and reporting, and the modification of the CEO job description to expressly place ultimate responsibility for the management of climate-related risks, opportunities, and strategy in the hands of the CEO.



Diversity, Equity, and Inclusion

- **Women's Empowerment:** Became a signatory to the Women's Empowerment Principles.
- **New Policy:** Adopted a new Workplace Discrimination, Harassment, and Violence Policy and rolled out a mandatory training module for all personnel and contractors who engage with the Company's workforce.
- **DE&I Training:** Executive Management embarked on DE&I training facilitated by an external consultant.
- **Accessibility:** Implemented a recruitment program to support the hiring of people with disabilities at Fruta del Norte, starting with the employment of 52 local community members with physical disabilities.



Key Sustainability Performance Highlights

Lundin Gold achieved some important sustainability performance milestones in 2021 within the following areas:

Reporting and Disclosure

- **Sustainability Report:** Published our fifth annual Sustainability Report based on GRI standards.
- **UNGC:** Published our fourth Communication of Progress on implementing the Principles of the United Nations Global Compact.
- **LPRM:** Second year of reporting procurement practices in alignment with the Local Procurement Reporting Mechanism.

Health and Safety

- **Lost Time Incidents (LTI):** Reached 4.74 million hours worked without a single LTI.
- **Total Recordable Incident Rate (TRIR):** TRIR of 0.46 per 200,000 hours worked.
- **COVID-19 Protection:** 99.87% vaccination rate for Lundin Gold employees and on-site contractors by the end of 2021.



Environment

- **Water Withdrawals Minimized:** 96% of the water collected at FDN was precipitation (up from 93% in 2020) with the remaining 4% collected from the underground mine operation and on-site streams, thus minimizing freshwater withdrawals for operation.
- **Tailings and Waste Rock Reduced:** Achieved significant reductions in both our tailings and waste rock intensities as compared to 2020.



- **Paste Backfill:** 40% of all tailings generated were converted into paste backfill and deposited into the underground workings to stabilize and improve the safety of the mine and minimize our environmental footprint.
- **More Waste Diverted:** Increased the amount of non-hazardous (non-mineral) waste diverted to recycling and re-use to 61% from 42% in 2020.
- **Scope 3 Broadened:** Expanded our Scope 3 GHG emissions reporting to include additional third-party emissions associated with FDN’s upstream and downstream activities, including the transportation of concentrate and doré.

Our People

- **Local Employment:** At the end of 2021, 90% of our direct workforce was Ecuadorian and 49% were from the Province of Zamora Chinchipe.
- **Local Procurement:** National procurement spending increased by 52% from \$126 million in 2020 to \$191 million in 2021 spent on goods and services by Ecuadorian suppliers.
- **Security and Human Rights:** Delivered annual refresher training to the full FDN security team in the Voluntary Principles on Security and Human Rights.
- **Zero Security Incidents:** No security-related incidents or grievances were reported in 2021.



Community



- **Building Community Bridges:** Completed the construction and inauguration of a new private bridge on 9 June 2021 (fully open to the public) and provided funding for the reconstruction of the collapsed public bridge across the Zamora River, which was completed in early 2022.
- **Facilitating Intensive Care:** Partnered with other mining companies in Zamora Chinchipe to build the first Intensive Care Unit (ICU) in the Province and donated 136 state-of-the-art medical devices to benefit approximately 91,300 people.
- **Connectivity:** Installed fiber optic internet infrastructure for 21 local communities, benefiting more than 4,800 people and ensured that every school child in Los Encuentros has a tablet to access the internet.
- **Education:** Supported local high school students to achieve a 99% graduation rate with a record high of 46 students admitted to higher education institutions in 2021.
- **Supporting Women Entrepreneurs:** Established two programs to support women’s entrepreneurship in the region near FDN through partnerships with the Lundin Foundation and the U.S. Embassy in Ecuador.
- **Protecting Indigenous Culture:** Supported ShuarNum in the design and construction of a restaurant to showcase local Indigenous Shuar food and culture.
- **Creating New Opportunities:** Developed two new local businesses OSBRA (uniform and textiles manufacturers) and SMERA (maintenance and recharge of fire extinguishers) with the support from the Lundin Foundation.

Expanded Exploration Program

With 27 metallic mining concessions in southeast Ecuador (four held by AESA, 15 by AMSA, and eight by Surnorte), Lundin Gold is committed to investing in the exploration of new targets for the sustainable growth of our operations and the region. In 2021, we expanded our regional exploration program from the planned 9,000 metres to 11,136 metres, focusing on the Barbasco target (six diamond drill holes and a total of 5,387 metres) and the Puente Princesa target (six diamond drill holes and a total of 5,749 metres).

All exploration work was conducted in accordance with Lundin Gold's stringent COVID-19 protocols, along with rigorous health and safety, social, and environmental management programs.

We track key sustainability metrics such as GHG emissions, local employment, and health and safety for all our exploration programs. Unless otherwise indicated, in this year's Sustainability Report, exploration metrics have been reported together with FDN metric and comprise less than 2% of the total figures.



Exploration and drilling activities on the Barbasco target

Update on the Global Pandemic

As the COVID-19 pandemic extended into its second year, we continued to prioritize the health and safety of all employees, contractors, and local communities. Building on the stringent safety protocols developed in 2020 and adjusting them as circumstances warranted, we were able to control the spread of the virus and manage its impact on the workforce and local communities. Our COVID-19 protocols continued to include social distancing, use of required personal protective equipment (PPE), enhanced hygiene practices, and rigorous quarantine and testing protocols.

To control the risk of infection at FDN, all Lundin Gold personnel and contractors traveling to site were required to self-isolate in a hotel prior to arrival. By carefully monitoring the situation and taking into consideration the changing characteristics of the pandemic, progress of vaccinations, and the Ministry of Public Health of Ecuador (*Ministerio de Salud Pública* or *MSP*) guidelines, we were able to reduce the mandatory hotel isolation period prior to travelling to site from seven days to two days. All site-bound employees and contractors were required to undergo two polymerase chain reaction (PCR) tests: the first during the hotel isolation period, and the second at site on the seventh day after the first test.

Out of the 17,378 PCR tests taken by Lundin Gold employees and contractors prior to entering FDN in 2021, 1.7 % tested positive. These individuals entered quarantine and resumed their travel to site once they had recovered. Of the PCR tests performed at site, 0.8% tested positive. These cases were handled in accordance with Lundin Gold and MSP protocols. We are pleased to share that all the individuals who tested positive recovered and returned to work.

Personnel working in our Los Encuentros and Quito offices were required to perform weekly PCR tests once the offices were reopened with full staff in November 2021.

In June 2021, we initiated a successful on-site vaccination program that was coordinated through MSP and in November 2021, we began the administration of booster doses to those who were fully (double) vaccinated.

As of 31 December 2021, 99.87% of Lundin Gold's employees and on-site contractors were fully (double) vaccinated, further reducing the risk of serious illness due to COVID-19.





Vaccination campaign at FDN

We continued our “Take Care to be Well” program, specially designed to provide ongoing mental health support to Lundin Gold employees throughout the pandemic. Launched in September 2020, the program focuses on supporting mental wellness through confidential and tailored programs, virtual sessions, group meetings, and individual meetings, as needed.

Since the beginning of the pandemic, Lundin Gold has directed a total of \$810,000 towards COVID-19 relief efforts in support of local communities. In 2021, we donated \$250,000 to various initiatives including the supply of essential items and oxygen tanks. We also launched a campaign with the Los Encuentros Parish government (*Gobierno Autónomo Descentralizado or GAD*) to educate the community about the importance of maintaining biosecurity measures (e.g., use of masks, social distancing, and frequent hand washing).

As a result of our efforts and work within local communities to manage the pandemic, Lundin Gold was recognized with an award from the Social Security Institute of Ecuador.



Update on the Public and Private Zamora River Bridges

In October 2020, a public bridge crossing the Zamora River in Los Encuentros collapsed (see our [2020 Sustainability Report](#) for more details). Immediately following the collapse of the bridge, Lundin Gold committed to fully finance the construction of a new

bridge, augmenting its previous commitment from 2018 to assist with funding of the bridge. By the end of 2021, construction of the new public bridge was 90% complete. It was opened to the public in February 2022.

Since the collapse and throughout 2021, Lundin Gold also provided free transportation to community members who were affected by this event. This included small buses that serviced 15 common routes, a special vehicle for potential medical emergencies, a truck for moving agricultural products and a motorized canoe to cross the river. We provided this support until the new public bridge became fully operational.

In parallel, Lundin Gold recommenced the building of its private bridge over the Zamora River (3km away from the public bridge), which was suspended due to the pandemic. This bridge was formally opened on 9 June 2021. The private bridge is fully open to the public and facilitates the transportation of Company personnel, suppliers, contractors, goods, and materials needed to operate the Fruta del Norte mine. The opening of the new bridge provided much-needed relief to local communities and businesses while the public bridge was still under construction.

Located near the communities of El Padmi and El Pindal in the Parish of Los Encuentros, the private bridge design and construction were carried out by Ecuadorian companies. This new bridge will be maintained by Lundin Gold while FDN is in operation, or until such time it becomes a public asset of the government of Ecuador.



Inauguration of the new private bridge over the Zamora River, June 2021



Los Encuentros park

Lundin Gold's 5-Year Sustainability Strategy

As we transitioned from construction to operations at Fruta del Norte in 2019 and 2020, we began a strategic review of our sustainability practices with the primary objective of developing a longer-term sustainability strategy for Lundin Gold. In doing so, we sought to fully align this new phase with our commitment to demonstrating that mining can be a catalyst for sustainable development.

We therefore embarked upon a process to establish Lundin Gold's 5-Year Sustainability Strategy with defined objectives, goals, and key performance indicators (KPIs) for the period 2021 to 2025.

5-Year Sustainability Strategy Development Process



Looking ahead to 2022, our focus will be the implementation of the 5-Year Sustainability Strategy, including strategic communication and capacity-building initiatives to ensure that all Lundin Gold staff understand their roles, responsibilities and how they can best contribute to achieving the Strategy's objectives. Furthermore, we plan to conduct an annual review of the Strategy with all relevant internal stakeholders.

In addition to mapping out a clear path for Lundin Gold's sustainability plans and priorities for the next five years, the Strategy allows us to identify areas where internal capacity should be enhanced. Additionally, it provides a strategic impact management framework to measure and demonstrate how we are achieving our sustainability goals and contributing to the sustainable economic growth of the region.



Lundin Gold 5-Year Sustainability Strategy

Strategic Pillars: Where the Company seeks to create positive change that both benefits stakeholders in a measurable way and support business success.

Enablers of Success: Supporting functions, business practices and activities enable the Company to successfully achieve its 5-year Strategy.

Key Objectives

The overarching objectives of Lundin Gold's 5-Year Sustainability Strategy are to:

- 1 Ensure a common and consistent understanding of Lundin Gold's corporate sustainability strategy
- 2 Enhance internal capacity
- 3 Establish a coherent set of KPIs and data management practices

Boundaries of the Strategy

The 5-year Sustainability Strategy is based on the same [definition of local](#) that we use for our sustainability reporting, with Ring 1 (the Parish of Los Encuentros, the communities of Playón and Río Blanco, and members of the Shuar community from the Province of Zamora Chinchipe) being the highest priority for Lundin Gold.

The Strategy consists of eight Strategic Pillars and four Enablers of Success as presented in the following figure.



The Strategic Pillars are areas where the Company seeks to create positive change that both benefits stakeholders in a measurable way and supports business success. Each Strategic Pillar is defined by the following dimensions:



The Enablers of Success are supporting business practices, activities, and functions that enable us to successfully achieve the 5-Year Sustainability Strategy's objectives.

Lundin Gold's 5-Year Sustainability Strategy and the SDGs

As the largest operating gold mine in Ecuador, Fruta del Norte is a significant part of the country's economy. Ecuador has committed to Agenda 2030 and the UN Sustainable Development Goals (SDGs), and has directly aligned each SDG with objectives, policies, and national goals for development. Each pillar in our 5-Year Sustainability Strategy has been carefully developed to align with the SDGs and its targets in order to contribute meaningfully to Ecuador's 2030 Agenda and to assist with the achievement of national goals.

In this Sustainability Report, we discuss each of these Strategic Pillars and Enablers of Success in greater detail, providing a deeper understanding of our objectives, targets, strategies, and progress.

2021 Materiality Process and Results

For this reporting year, Lundin Gold once again engaged a third-party consulting firm to facilitate and lead a customized reporting and materiality process. This exercise served to determine the most material sustainability topics for the Company and key stakeholders. We determine a sustainability topic to be material if there exists a significant possibility that it will impact Lundin Gold in a financial, regulatory, or reputational sense. A sustainability topic is also considered to be material if it has the potential to significantly impact our stakeholders or substantively influence stakeholder decisions that could impact the Company.

For 2021, we employed a similar materiality process as was developed and employed for our 2020 Sustainability Report, leveraging consistency of approach to observe any changes in material topics, as well as providing an opportunity to build on and strengthen our materiality and reporting process.





The materiality assessment for the 2021 reporting year employed three phases:

Phase 1: Identify sustainability topics through research

The research phase entailed a detailed review of our internal documents reflecting the Company’s planning and activities for 2021, including public and internal meeting notes, presentations, announcements, newsletters, new project plans, etc. An external analysis was also conducted by the consultant to shed light on the political, environmental, social, technological, legal, and economic contexts within which Lundin Gold operates, as well as industry trends.

Phase 2: Assess priorities through stakeholder engagement

During the stakeholder engagement phase, 22 one-on-one interviews were conducted. These consisted of ten interviews with internal stakeholders representing Lundin Gold employees and leadership, and 12 interviews with external stakeholders representing local government, community and Indigenous groups, various NGOs, CSOs, academia, and investors.

The interviews were conducted by the third-party firm without the participation of Lundin Gold. This approach helped to maintain the interviewer’s objectivity and encouraged the sharing of stakeholder views.

A list of the major stakeholder groups engaged and the topics that were most material to them is presented in the figure below. The material topics were aligned with the Strategic Pillars and Enablers for Success from Lundin Gold’s 5-Year Sustainability Strategy.

Stakeholder Groups Engaged and Key Material Topics Identified for 2021

Stakeholder Groups Engaged	Key Material Topics Identified
Internal Stakeholders Employees, Executive Management	<ul style="list-style-type: none"> • Accountability and Management Systems • Health and Safety • External Communications, Sustainability and Financial Reporting • Lasting Economic Opportunities • Community Well-being • Climate Change
External Stakeholders Local Government, Community and Indigenous Groups, NGOs, CSOs, Academia, and Investors.	<ul style="list-style-type: none"> • Accountability and Management Systems • External Communications, Sustainability and Financial Reporting • Lasting Economic Opportunities • Community Infrastructure • Health and Safety • Strategic Partnerships • Participatory Dialogue • Responsible Resource Management • Environmental Stewardship

Phase 3: Review, discuss and confirm the material ESG topics through a workshop with Lundin Gold’s Executive Management

The leadership workshop, facilitated by the consulting firm, involved nine members of Lundin Gold’s Executive Management team across various company functions. Participants were guided through a materiality mapping exercise of the eight Strategic Pillars from Lundin Gold’s 5-Year Sustainability Strategy. Each Pillar was explored via a 2x2 materiality matrix which mapped its importance to stakeholders and its importance to the Company. The materiality exercise generated constructive and insightful discussions within the cross-disciplinary team around the various sustainability topics from the 5-Year Sustainability Strategy.

During the same leadership workshop, participants were guided through an exercise to view each Strategic Pillar through three different lenses: Risk, Responsibility, and Contribution, as defined in the table in page 20.



Definitions of Risk, Responsibility, Contribution

Risk	Responsibility	Contribution
Is there a risk to Lundin Gold or our stakeholders if left unmanaged?	Are there any obligations that require us to act?	Can we take action to address a critical social or environmental need or set new and improved best practices?

The results of this exercise are presented in following figure:

Results of Risk, Responsibility, Contribution Exercise



Although we consider all our pillars and enablers to be essential areas of focus for Lundin Gold’s long-term success, this exercise facilitated active discussions among the participants and helped us to view the pillars as areas of risk and opportunity, core responsibilities, and/or areas in which we aim to become industry leaders.

Aggregated results from the research phase, the stakeholder engagement phase, and the leadership workshop were used to create Lundin Gold’s ESG Profile, presented in figure below, showing the relative ranking of the eight Strategic Pillars and four Enablers for Success.



Pre-shift talks at FDN



Nursery at FDN

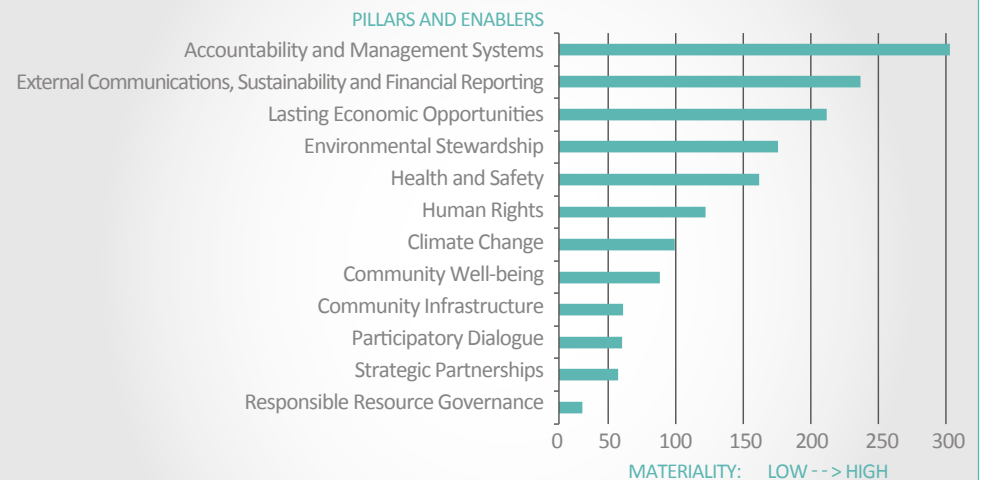


The neighborhood doctor program allows local doctors to reach remote and vulnerable communities



Annual rural road maintenance at Los Encuentros Parish

Lundin Gold 2021 ESG Profile



We believe that good corporate governance is fundamental to the long-term performance of a successful company. To this end, we are committed to maintaining a high standard of corporate governance that fosters accountability, ethical behaviour, and transparent disclosure.

Lundin Gold fully complies with or exceeds Canadian governance requirements. The Company has adopted governance practices that enable us to respond quickly to changes in regulations and best practices through the continual monitoring of new developments and trends.

As the first large-scale underground mining operation in Ecuador, we understand that our standards of corporate governance and responsible mining will set a precedent for the mining industry in Ecuador. We conduct regular audits to assess and ensure compliance with policies and procedures and have developed rigorous processes to prevent nonconformances. Whenever required, we implement corrective actions.

Our planning and decision-making processes continually integrate our assessment of the risks and impacts of our operations on stakeholders. Our environmental and social performance, risk and mitigation strategies are reported monthly to the Executive Management team and quarterly to the Board of Directors.

Board Governance

The Company's Board and Executive Management team have extensive expertise in mine operations, sustainability, and finance. The Board of Directors oversees the management of the business, our sustainability practices, and corporate conduct. This includes matters associated with the [Lundin's Responsible Mining Policy](#).

Lundin Gold has five Board Committees with formal mandates which are reviewed and approved annually. All Board Committee Mandates are available at www.lundin角度.com. The Board Committees are:



Audit Committee



Compensation Committee



Corporate Governance and Nominating Committee



Health, Safety, Environment, and Sustainability Committee



Technical Committee





Dr. Gillian Davidson is also the chair of International Women in Mining

With the addition of Dr. Gillian Davidson to the Board in 2021, we are pleased to report that we have achieved our target of 30% female representation on the Board of Directors. Dr. Davidson brings a wealth of experience as an internal and external advisor to organizations on the topics of sustainability and responsible supply chains, was the Head of Mining and Metals for the World Economic Forum from 2014 to 2017 and is the current Chair of International Women in Mining. Since

joining Lundin Gold as an independent Director, Dr. Davidson has been appointed Chair of the Health, Safety, Environment, and Sustainability Committee.

On 31 December 2021, Lundin Gold’s Board was comprised of ten directors, the majority of whom are independent, as defined by the Canadian Securities Administrators. The Board composition, independence, gender, tenure, memberships in other Boards, competencies, shareholder representation, and attendance performance are detailed in the Management Information Circular dated March 16, 2022, available at www.lundin角度.com.

2021 Board Demographics

Total number of Directors	10
# Independent	7
# Male	7
# Female	3
# Under 30 years old	0
# 30-50 years old	1
# Over 50 years old	9
# Black, Indigenous, or People of Colour	0



Leadership and Culture

Lundin Gold is dedicated to operating Fruta del Norte responsibly and creating shareholder value while simultaneously providing economic and social benefits to impacted communities, fostering a healthy and safe workplace, and minimizing environmental impact. We seek to be a leader within the Ecuadorian mining industry and to raise the bar for sustainability performance amongst our industry peers.

2021 marks our first continuous year of operations at FDN and our sixth year of sustainability reporting to standard disclosures. Our commitment to a formal sustainability program includes Lundin Gold’s membership in the UN Global Compact since 2016 and our continued participation in associated working groups in Ecuador to advance the 2030 Agenda for Sustainable Development through the SDGs. In 2021, we participated in the following working groups:

5 GENDER EQUALITY 	Achieve gender equality and empower all women and girls	4 QUALITY EDUCATION 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
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As highlighted in our [Code of Business Conduct and Ethics](#), we are committed to honest and ethical conduct; the avoidance of conflicts of interest; full, fair, accurate, timely and understandable disclosure; compliance with all applicable governmental laws, rules, and regulations; and the fostering of a safe, secure, and healthy workplace for all employees.

These commitments are further defined in Lundin Gold’s corporate policies which can be found on our website at <https://lundin角度.com/en/about/corporate-governance/core-policies/>.

- Anti-Bribery Policy
- Board Diversity Policy
- Corporate Disclosure Policy
- Responsible Mining Policy
- Sanctions and Anti Money Laundering Compliance Policy
- Workplace Discrimination, Harassment and Violence Policy

Lundin Gold remains committed to creating and promoting a diverse, equitable, and inclusive environment within the Company and our areas of influence and in 2021, we advanced our commitment through several important initiatives (see [Diversity, Equity, and Inclusion](#) section for more details).



Our Approach

Addressing climate change risks to the Company and reducing our impacts on the climate are strategic priorities for Lundin Gold, which we manage through risk mitigation and management, policy awareness, and leveraging opportunities. By employing the Task Force for Climate-Related Financial Disclosures (TCFD) framework, we aim to continually understand our climate risks, opportunities, and responsibilities, evaluate their potential impacts on our business through scenario analysis, develop robust climate-related governance and strategies, and measure, monitor and disclose our progress through a TCFD-aligned Climate Report.

5-Year Strategy



OUR 5-YEAR OBJECTIVE is to reduce our global emissions footprint and become industry leaders in reducing the emissions intensity of gold mining in Ecuador.

What we hope to accomplish by 2025

- Establish Lundin Gold as a leader in efforts to reduce the GHG emission intensity of gold mining in Ecuador.
- By the end of 2022, establish our operational emissions baseline and set an intensity-based target commensurate with our commitment to lead on this issue. In subsequent years, we will take concrete actions to meet our target.
- Seek out innovative offset opportunities and cross-sector partnerships that have climate-related benefits.
- Identify key risks we face from a changing climate and take appropriate action to mitigate such risks. We will consider establishing an appropriate internal carbon price that we integrate into financial evaluations.
- Work with suppliers and customers to identify opportunities to reduce GHG emissions in our value chain.



Machinaza river, near Las Peñas Camp

- Transparently communicate our climate change strategy and key actions to external stakeholders, including through the incorporation of annual TCFD reporting and alignment with SDG 13 (Climate Action).
- Ensure that the Company’s Board and Executive Management team have developed the expertise to ensure that this issue is well managed.

How we plan to get there

- Finalize a clear climate vision and engage with our workforce to promote this vision.
- Conduct training for Executive Management and the Board.
- Measure and report our Scope 1 and Scope 2 emissions. Where possible, put in place a strategy to understand and report Scope 3 emissions, as well.
- Identify areas for direct emission reductions (e.g., power mix, efficiency opportunities, etc.).
- Identify potential offset opportunities in communities and areas close to FDN. Engage with other Lundin Group companies to coordinate possible joint initiatives.
- Build climate resilience within our supply chain.



- Engage with upstream and downstream stakeholders to understand their climate change commitments and how Lundin Gold could possibly align with them.
- Engage with other climate leaders to remain at the forefront of this issue (e.g., local and national governments, NGOs, international agencies, etc.).
- Engage with the investment community to better understand climate reporting and disclosure expectations.

Key Headline Target

- In 2022, we will complete the measurement of our GHG emissions for the year 2021. This will be our baseline year for target setting.
- Establish an emissions intensity target and high-level plan to achieve this target in 2022.

Our Performance

TCFD Reporting

In 2021, Lundin Gold took critical steps to establish solid foundations for our climate change governance and strategy through the advancement of our TCFD reporting. Building on the election of Dr. Gillian Davidson to Lundin Gold’s Board of Directors, thereby increasing the expertise of the Board on sustainability and climate change, we restructured our Environment, Health, and Safety (EHS) Committee to form the new Health, Safety, Environment and Sustainability Committee (HSES). While the purpose of the new HSES Committee is to address all sustainability matters, the Committee mandate purposefully regularizes the reporting of climate-related risks to the Board and assigns responsibility for climate risk oversight. At the same time, a decision was taken to modify both the Board Mandate to specifically address oversight of climate change and the CEO job description to expressly place ultimate responsibility for the management of climate-related risks, opportunities, and strategy in the hands of the CEO.

With the guidance of a specialized climate consultant, we began the implementation of our strategic plan within the climate change pillar of our 5-Year Sustainability Strategy. This included conducting several facilitated climate change workshops for our Board and Executive Management throughout the year so as to increase climate change literacy and thus enable more effective identification, management, and oversight of climate-related risks and opportunities. Through the evaluation of three carefully selected climate change scenarios, we considered what the future could hold for Lundin Gold. We developed leading indicators for



each scenario to help determine the most likely scenario and consider associated risks and opportunities, which will be integrated into our strategic enterprise risk management process. This will facilitate the development of short-term and long-term mitigation plans across all relevant departments of the Company.

Our 2021 Individual Performance Measures for executive compensation incorporated the achievement of key TCFD progress goals (see [Information Circular dated 16 March 2022](#) for more details).

Plans for 2022 include: further aligning our executive compensation structure with the TCFD plan, establishing a Climate Resilience Group to develop Lundin Gold's approach to decarbonization and adaptation, and formulating a life-of-mine emissions intensity profile for FDN to assist us with setting informed targets.

In May 2022, we intend to issue our inaugural standalone [TCFD-aligned Climate Report](#), which will provide additional details about our TCFD plans and progress.

GHG Emissions and Energy Consumption

Tracking and reporting of our Scope 1 and 2 GHG emissions, along with elements of our Scope 3 emissions began in 2017 during the construction phase of FDN so we could begin to develop knowledge around our emissions and impact. With an uninterrupted year of operations, we have established 2021 as our baseline year for the measurement and comparison of our GHG emissions. This baseline will

also be used as a basis for the development of climate change-related targets and strategies in 2022 and beyond.

Lundin Gold's total calculated Scope 1 and 2 GHG emissions in 2021 were approximately 49,569 tonnes of CO₂ equivalent (tCO₂e), which are related to our FDN operation, our offices in Quito, Los Encuentros and Vancouver, and also our exploration Program. In addition, this year we expanded the estimate of our Scope 3 data collection and reporting to better understand our broader impact throughout the value chain for informational purposes.

Scope 1 emissions are based on direct emissions from the use of diesel, gasoline, liquid propane gas, helicopter fuel and explosives for blasting at the site. Our Scope 2 emissions are from the use of grid electricity which comes from 85% and 98% renewable sources such as hydro-electric power generation in Ecuador and Vancouver, respectively.

For our Scope 3 emissions this year, we expanded our reporting from the air travel associated with employee commuting to and from FDN reported in previous years to include these additional, third-party emissions associated with FDN's upstream and downstream activities:



1 Cement consumption at FDN

7 Waste management

2 Land and air transportation of doré produced

8 Purchased goods and services for operations

3 Land and water-based transportation of concentrate produced

9 Processing of sold doré

4 Selected land transportation related to the supply of materials to site

5 Selected land transportation of personnel outside FDN

6 Business air travel

We are committed to improving our understanding and informing of our Scope 3 emissions and consider them in our climate strategy in the future by encouraging our suppliers, contractors, and customers to reduce our collective emissions and impacts.

All values are reported in tCO₂e emissions and include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) emissions, as appropriate.

The GHG emissions intensities for FDN have been calculated per tonne of ore milled and per ounce of gold produced. With our emission baseline established using 2021 data, the next step in 2022 is to define our targets and set our five-year goals to improve on our baseline.

2021 GHG emissions (tonnes CO ₂ -equivalent)				
GHG Scope	2021			
	Scope 1 ^{5,6}	Scope 2 ⁷	Scope 3 ^{8,9}	Total
Fruta del Norte (tCO ₂ e)	25,014	24,097	746,750	795,861
Exploration (tCO ₂ e) ¹	385	–	–	385
Ecuador Offices (tCO ₂ e) ²	–	73	–	73
Vancouver Offices (tCO ₂ e) ⁴	–	0.1	–	0.1
Total (tCO₂e)	25,399	24,170	746,750	796,319
% Of Total Annual CO ₂ e	3%	3%	94%	100%
Kilotonnes of Ore Milled (Kt)	1,415.63			
GHG Emissions Intensity (tCO₂e/Kt ore milled)³	35.01			
Ounces of Gold Produced (oz)	428,514			
GHG Emissions Intensity (tCO₂e/oz. Au produced)³	0.12			

¹ Exploration emissions consist of emissions related to fuel consumption of exploration equipment.

² Ecuador offices emissions consist of emissions from the Quito and Los Encuentros offices, the Las Peñas Camp, and our FDN nursery.

³ GHG intensity is calculated based on FDN Scope 1 and Scope 2 emissions only.

⁴ Emissions from the Vancouver offices consist of emissions generated by the consumption of electrical energy.

⁵ Environmental Protection Agency (EPA) Emissions Factors for GHG Inventories, 21 April 2021 were used for Global Warming Potential (GWP) rates and emission factors for off-road construction / mining equipment and trucks, as well as jet fuel, gasoline stationary equipment, and Liquid Petroleum Gas (LPG) (butane and propane).

⁶ Mining Association of Canada (MAC) Towards Sustainable Mining Energy and Greenhouse Gas Emissions Management Reference Guide, June 2014 was used for emissions factors for explosives, diesel and gasoline light-duty trucks, diesel for passenger cars, medium/heavy-duty trucks, and diesel-fired stationary equipment.

⁷ Comisión Técnica de determinación de Factores de Emisión de Gases de efecto invernadero – CTFE, Factor de Emisión de CO₂ del Sistema Nacional Interconectado de Ecuador, Informe 2020 was used for grid-electricity emission factors and for Vancouver offices British Columbia's Grid Electricity GHG Emission Intensity factor for 2021.

⁸ Scope 3 emissions include cement consumption at FDN, land and air transportation of doré produced, land and water-based transportation of concentrate produced, approximately 90% of the land transportation related to the supply of materials to site and air travel associated with employee commuting to and from FDN.

⁹ Estimates for Scope 3 CO₂e emissions were based on emission factors of 1) EPA Emissions Factors for GHG Inventories, 21 April 2021, 2) MAC Towards Sustainable Mining Energy and Greenhouse Gas Emissions Management Reference Guide, June 2014., 3) GHG intensity from cement supplier, 4) Greenhouse gas reporting: conversion factors 2021 from UK Government, 5) WRI emission factors - Quantis GHG Tool, and 6) Annual global gold market GHG emissions from "Gold and climate change: Current and future impacts" from World Gold Council.

Note: Figures are rounded.

2021 Total Energy Consumption by Type (GJ)

Energy Source	GJ ^{1,2}	% Of Total
Diesel	351,273	43.34%
Gasoline	2,586	0.32%
Heavy Fuel Oil	–	0.00%
Other Fuels (LPG, Jet A1) ³	2,780	0.34%
Electricity (Renewable)	386,751	47.71%
Electricity (Non-Renewable)	67,177	8.29%
Total	810,567	100.00%
Kilotonnes of Ore Milled (Kt)	1,415.63	
Energy Intensity (GJ/Kt ore milled)	572.58	
Ounces of Gold Produced (oz)	428,514	
Energy Intensity (GJ/oz. Au produced)	1.89	



¹ Energy consumption figures include energy consumed at our FDN operation, Ecuador and Vancouver offices and exploration sites.

² Energy conversion factors from MAC Towards Sustainable Mining Energy and Greenhouse Gas Emissions Management Reference Guide, June 2014.

³ LPG (70% propane, 30% butane) fuel used for heaters, Jet A1 fuel used for helicopters.

Note: Figures are rounded.





Our Approach

Reliable community infrastructure is critical for the mutual success of local communities and Lundin Gold. As responsible corporate citizens, we work with the government and a range of stakeholders to promote safe, equitable access to infrastructure for local communities. We therefore have short-term and long-term plans in place to improve local roads, keep existing infrastructure well-maintained and accessible, and expand or build new infrastructure, including bridges, roads, and IT networks in conjunction with national authorities, local governments and other partners. At the same time, we continue to ensure that our own infrastructure requirements are adequately met so that we can operate efficiently, effectively, and safely.

Infrastructure projects have far-reaching benefits that can be transformational for communities. In addition to providing direct services to community members and groups, these projects create opportunities for local employment and procurement, improve access to markets for local businesses and agricultural activities, and facilitate better communication, health, education, and partnerships. Over the long-term, we endeavour to facilitate a cycle whereby the improvement of community infrastructure supports organic economic growth, which in turn provides the funds required to maintain and improve upon this community infrastructure. At the same time, we assist local governments to build capacity and access other sources of funding so that this critical infrastructure can be well-maintained and operated long into the future, even after our operations cease.

5-Year Strategy



OUR 5-YEAR OBJECTIVE is to invest in local community infrastructure to improve access to regional services and markets, build long-term capacity for the local management of infrastructure, facilitate the on-going management of FDN's critical road network, and to promote a culture of safe operations.



Road maintenance

What we hope to accomplish by 2025

• Community Infrastructure

- Improved IT infrastructure and connectivity in the region.
- Increased public access to infrastructure and associated services in the region.
- Successful implementation of the urban development plan of Los Encuentros, managing growth in a controlled manner, and ensuring access to services for new and approved developments.
- Ensure that the operations and maintenance of Lundin Gold supported infrastructure projects are self-sustaining even after we exit from the projects.
- Reduced dependence on Lundin Gold financing for public infrastructure.

• Road Infrastructure

- Ensure that FDN's critical road and bridge network is fully operational and accessible for Lundin Gold.
- Decreased public safety risks due to poor infrastructure.
- Improved market access infrastructure for local businesses and agricultural activities.
- Increased local government contributions (in-kind) to maintain infrastructure.



Construction of Lundin Gold's new bridge over the Zamora River

How we plan to get there

- Based on infrastructure mapping and diagnosis, identify opportunities for improvements in transportation and community infrastructure.
- Continue to implement road maintenance agreements and contributions together with local governments.
- Evaluate the potential to support the maintenance and / or construction of strategic road infrastructure (bridges, roads, etc.).
- Evaluate the potential to support the maintenance and / or construction of community infrastructure (e.g., bus stops, parks, school facilities, etc.).
- For all new infrastructure initiatives, define operational financing requirements and ensure that partners have viable paths to covering long-term operational costs.
- Ongoing monitoring of road conditions.
- Implement communication campaigns on road safety and support for local infrastructure.
- Improve data collection on road accidents sourced from local authorities' databases.
- Use the grievance mechanism as a tool to identify issues associated with infrastructure use.



Key Headline Targets

- At least two infrastructure projects implemented each year with co-financing from partner organizations (financial or in-kind).
- At least 80% of households in Ring 1 with internet access at or near their homes in 2022.

Our Performance

In 2021, we continued to work with local governments on advancing major community infrastructure projects for Parish and municipal services, including the public and private bridges over the Zamora River, the internet connectivity project and various other community infrastructure initiatives, summarized in table, Major Community Infrastructure Projects with Local Governments in 2021, in the following pages.



Case Study: *Estamos Conectados* (We are Connected)

As in many other parts of the world, the onset of the COVID-19 pandemic in March 2020 forced schools in Ecuador to suspend in-person classes and turn to remote teaching. It soon became clear that remote learning posed a major challenge in local communities where internet infrastructure was weak to non-existent and where students, teachers, and schools had inadequate access to the equipment and resources needed for online learning. The objective of the *Estamos Conectados* Project, which commenced in early 2021, was to improve internet infrastructure and provide necessary support, training, and equipment to teachers and children enrolled in local schools located in Ring 1 of FDN's area of influence (Los Encuentros Parish in the Yantzaza Canton, and the communities of El Playón and Río Blanco in the Paquisha Canton). Our goal was to facilitate effective online learning, reduce the risk of children dropping out of school during this difficult time, and encourage the adoption of new technologies for learning.



Lundin Gold distributed 1,545 tablets to all students in all Ring 1

As of 31 December 2021, the *Estamos Conectados* Project had achieved the following milestones:

1



Established fiber optic internet infrastructure for rural communities in the Los Encuentros Parish, benefiting approximately 1,000 families.

2



Provided alternative connections for local communities where fiber optic was not viable.

3



Received financial or in-kind contributions from a number of entities interested in participating in the project.

4



Installed 22 free Wi-Fi internet access points in 21 local communities benefiting more than 4,800 people.

5



Installed a high-speed internet connection for the local school in Los Encuentros, enabling 73 teachers to work virtually with students throughout the pandemic.

6



Purchased and distributed 1,545 tablets to all students in all Ring 1 schools, giving each of them access to a dedicated device for their studies, instead of sharing existing devices within each household.

7



Provided home internet and telephone services to 263 homes through national telecommunications provider, CNT (*Corporación Nacional de Telecomunicaciones*). As part of its contribution to the *Estamos Conectados* Project, CNT provided a discounted rate for these services to all new users that were part of the Project.

8



Trained 78 teachers from the four educational centres on the efficient use of tablets, so that they could in turn advise students on the proper use of mobile devices and internet access.





Lundin Gold installed 22 free Wi-Fi internet access points in 21 local communities

This program was funded by Lundin Gold, Lundin Foundation, Bank of Nova Scotia, Blakes, Cassels & Graydon LLP, BMO Capital Markets, Boliden AB, ING Capital LLC, Natixis, Norton Rose Fulbright; and was undertaken in coordination with the Los Encuentros Parish GAD and the Ministry of Telecommunications and Information Society (Ministerio de Telecomunicaciones y Sociedad de la Información). In order to provide the required services, contracts were awarded to Telconet, Electricel, Tecnycompsa, and CNT.

Our plans for 2022 will include providing tablets to all new students entering Ring 1 schools, maintaining access to the new Wi-Fi internet access points in the 21 communities, as well as the high-speed internet connection for the local school in Los Encuentros. Additionally, we plan to continue with training programs so that this new infrastructure brings greater benefits to local communities.

Education is a key pillar of Lundin Gold's sustainability strategy, and the Estamos Conectados Project strengthens the educational system in communities close to FDN. In launching the Estamos Conectados Project, Lundin Gold, the Lundin Foundation, and our partners have a shared vision of ensuring that educational opportunities are available to local youth in spite of the challenges presented by the pandemic. Collectively, Lundin Gold and our partners have contributed approximately \$700,000 to the end of 2021. Together with the local education authorities, the national government, and local stakeholders, we will continue to seek opportunities to facilitate the delivery and improve the quality of local education, particularly in FDN's area of influence.

Ron Hochstein, President and CEO

Major Community Infrastructure Projects with Local Governments in 2021

Level of Government	Projects jointly implemented in 2021
Los Encuentros Parish GAD, Bellavista and Chicaña	<ul style="list-style-type: none"> Annual rural road maintenance in Los Encuentros Parish Construction of sidewalks in the Chicaña Parish Dust control and hydration of roads outside FDN Installation of radar and speed indicators in the El Pindal Community (see Health and Safety section) Installation of community fiber optic and wireless internet infrastructure (see Estamos Conectados case study)
Municipal GADs of Yantzaza, Paquisha, Centinela del Cóndor, El Pangui and Zamora	<ul style="list-style-type: none"> Road maintenance between Paquisha, Bellavista, la Concordia and Río Blanco Paquisha Alto Construction of sewerage and sidewalks for El Pindal neighborhood Integrated solid waste management in the Paquisha Canton Fire station construction in the El Pangui Canton Opening of Perimetral Norte by-pass in Paquisha Canton Maintenance on the bridge over the Zamora River in Zumbi Playas de Zumbi Recreational Center refurbishment
Zamora Chinchipe Province GAD and Shuar Federation of Zamora Chinchipe	<ul style="list-style-type: none"> Construction of a new bridge over the Zamora River in Los Encuentros Parish (see Update on the Public and Private Zamora River Bridges section) Construction of an ICU in coordination with Municipal GAD of Yantzaza, Zamora Chinchipe Provincial GAD and the Ministry of Health (see Community Well-being section) Remodeling and expansion of the Shuar Federation of Zamora Chinchipe building (see Indigenous Relations section)



Our Approach

We know that rapid economic growth resulting from the arrival of mining in a region can bring significant change to local communities. We therefore work proactively with local communities, governments, and civil society organizations to gain a direct understanding of the challenges they face and identify strategies that promote positive and long-lasting impacts. We believe that the strengthening of fundamental community values such as physical and mental health, education, and social services bolsters community well-being and resilience.

5-Year Strategy



OUR 5-YEAR OBJECTIVE is to strengthen the foundations of community well-being with a focus upon education, healthy lifestyles, health infrastructure, and youth development.

What we hope to accomplish by 2025

- Advance educational outcomes through improvements in the quality of education, high school standardized test scores and graduation rates, post-secondary enrollment and completion, employment outcomes for recent graduates, and access to online learning.
- Promote healthy lifestyles through extra-curricular programming related to sports, art, and culture for youth, and reducing the occurrence of substance abuse, teenage pregnancies, child and youth malnutrition, and unhealthy alcohol consumption in local communities.
- Support programs to improve housing conditions in Los Encuentros.
- Reduce levels of domestic violence.



ICU for Zamora Chinchipe

How we plan to get there

• Community Education

- Programs to provide targeted support to local students to successfully transition from high school to post-secondary education, based on an assessment of key barriers.
- Training and certification programs to increase the quality of local education, with a focus on teacher skills and student needs.
- Alliances with academic institutions to address educational gaps in Los Encuentros.
- Support basic education and literacy for all children, as well as informal education programs for adults.



• Community Health



- Foster partnership with the Ministry of Public Health, local authorities, and other stakeholders to identify local infrastructure needs and health priorities.
- Establish partnerships with leading institutions to address nutrition, food security, education, and other areas.
- Support relevant youth programming related to sports, art, and culture to keep youth engaged in healthy activities.
- Community campaigns on healthy lifestyles.

- Implement a community health program to address domestic violence, sexual health, alcoholism, and drug abuse.
- Coordinate and conduct, together with local health institutions, training, and disease-prevention activities.

Key Headline Targets

- At least 95% high school graduation rate in Ring 1 (based upon final year enrollment and three-year rolling average) by 2025.
- By 2025, at least 40% of university / trade school graduates or formally employed or provide professional services within 12 months of graduation.
- By 2025, at least 75% of children and youth enrolled in Ring 1 educational institutions engage in extra-curricular programs (e.g., culture, education, health, and sports).
- At least one annual campaign against domestic violence starting in 2022.



Our Performance

The COVID-19 pandemic exacerbated many of the challenges facing local communities and highlighted the importance of partnerships that strengthen the foundations of community well-being. Working together with local communities, NGOs and CSOs, governments, and industry, Lundin Gold participated in a wide range of community programs aimed at building resilience and improving outcomes in community health, education, entrepreneurship, and opportunities for youth and women.

In 2021, we began exploring new partnerships to contribute to the mitigation of challenges such as malnutrition, teenage pregnancy, alcohol and drug abuse, among others. Our plans for 2022 include the establishment of a new partnership for the implementation of our Community Health Program.

Highlights of community well-being partnerships in 2021 include:

New ICU for Yantzaza Basic Hospital

The residents of the Province of Zamora Chinchipe have long sought a critical care facility to provide intensive medical care to patients who are acutely ill. When the pandemic struck in 2020, this need became even more urgent. In response, Lundin Gold contributed \$250,000 as part of a \$1 million partnership with Newcrest Mining Limited and SolGold Plc to construct the first ICU in the Province. This 12-bed ICU was constructed within the Yantzaza hospital. It includes 136 pieces of high-tech medical equipment in a state-of-the-art facility, and it is estimated that more than 91,000 residents in the Province will directly benefit from the newly opened ICU.



A common vision of responsible mining results in partnerships and important projects such as the Yantzaza ICU. We are pleased to work together with SolGold and Newcrest Mining to make this ICU a reality. Lundin Gold's contribution is in addition to the efforts we have made since the pandemic began through our Comprehensive Support Plan for Zamora Chinchipe, to which we have contributed more than \$ 800,000 to mitigate the effects of the pandemic and to which we continue to contribute.



Nathan Monash, Vice President of Business Sustainability

Neighbourhood Doctor Program

Since 2018, Lundin Gold has supported the “Neighbourhood Doctor Program” by providing mobilization and logistics for medical personnel in rural areas. This program arranges transportation services for doctors, ensuring that medical care is administered to vulnerable and priority populations throughout the most remote areas of the Los Encuentros Parish.



Junior Achievement Foundation Ecuador

Since 2015, Lundin Gold has partnered with the NGO Junior Achievement Ecuador to support education and provide motivation for young students first in Los Encuentros and subsequently in Chicaña (Rings 1 and 2) to remain in school. The program aims to reduce drop-out rates, assist high school students in passing the standardized exit exams, increase access to post-secondary education, and promote entrepreneurship skills in children aged 15 to 18.

From the beginning and continuing through 2021, these programs have demonstrated exemplary results in helping students to succeed.



The average annual graduation rates (total graduates out of total students enrolled in the final year) from the local high school in Los Encuentros, Unidad Educativa del Milenio 10 de Noviembre (UEM), have consistently been above 90% since the program began. Although detailed records are not available prior to 2015, this graduation rate is considered to be a significant improvement when compared to the rate prior to the implementation of the Junior Achievement Program. In 2021, a 99% graduation rate was registered despite the challenges posed by the pandemic, and a record high of 46 students from Los Encuentros and Chicaña were admitted to higher education institutions.



As of 31 December 2021, more than 200 young people, 122 of whom are women, have gained access to higher education since Lundin Gold arrived in 2015. It should be noted that the national exam score for the 2018-2019 year was 7.7, while the average score for UEM that same year was 8.3. National scores are not currently available for 2020 and 2021.

This year, we reached an important milestone when 15 students from our first three cohorts (2015 to 2018) completed their study programs. We are proud of these graduates and wish them great success in their future endeavours. At the same time, we will continuously look for ways to integrate these graduates into relevant opportunities, as they arise, within Lundin Gold.

In 2021, Lundin Gold, in cooperation with the Learning One to One Foundation and the leadership of local schools and the school district, conducted an educational diagnostic study within the four schools in Ring 1. This initiative sought to identify the critical challenges that local schools will face as they emerge from the pandemic. As part of the study, we collected important information from students and their families, as well as from teachers and administrators. These results will be shared with district educational authorities and the schools themselves and will provide important insights to develop effective new community education partnerships over the next few years.



Graduation Rates and Number of Students Admitted to Higher Education

Academic Year	Graduation Rate from UEM, Los Encuentros	Total Students admitted to higher education in Los Encuentros, Chicaña, and Yantzaza
2015 – 2016	96%	32
2016 – 2017	98%	29
2017 – 2018	93%	42
2018 – 2019	100%	28
2019 – 2020	99%	37
2020 – 2021	99%	46
Total (2015 – 2021)		214



Case Study: Supporting Women's Entrepreneurship

In 2021, Lundin Gold and its partners brought to the region two programs designed specifically to support women entrepreneurs.

In partnership with the U.S. Embassy in Ecuador and the Quito Chamber of Commerce, Lundin Gold provided opportunities to women in the Parish of Los Encuentros and the Province of Zamora Chinchipe to be part of the international Academy for Women Entrepreneurs. This program, implemented by U.S. Embassies worldwide, is a training program to empower women in entrepreneurship. Between July and October 2021, 30 women were selected to participate in a series of virtual training sessions covering topics such as administration, finance, marketing, sales and services, coaching, innovation, and empowerment.



To complement this effort, together with the Lundin Foundation and Women in Mining Ecuador, Lundin Gold also launched the Soy Emprendedora (“I am an Entrepreneur”) program in 2021.

1 This initiative empowers women entrepreneurs from the Yantzaza Canton through leadership workshops, legal assistance, and training. Its objective is to help women to access local supply chain and develop their businesses.

2 30 women participated in this program and in December 2021, six participants selected through a competitive process were awarded seed capital for their businesses, along with technical assistance to achieve compliance with industry standards.



This was the first cohort of both programs in Zamora Chinchipe. A second cohort that will more formally link the two programs is planned for 2022.



Our Approach

At Lundin Gold, we aspire to be responsible stewards of the environment. We take a multi-faceted approach to environmental stewardship including minimizing potential impacts, going beyond legal and regulatory requirements in implementing industry best practices for water, waste, tailings, and materials management, protecting biodiversity, and working together with environmental and community stakeholders to understand and address their expectations and concerns.

Fruta del Norte is located in a highly biodiverse and ecologically sensitive area of Ecuador. Over the past years, we have worked in conjunction with local and national stakeholders to understand the factors that impact the local ecosystem, so that we can establish programs to create and preserve protected areas, better manage the impacts from our activities, and assist other industries and groups to manage their impacts on the environment.

A crucial part of responsible environmental stewardship is ensuring that we have robust systems in place for managing and reducing our use of water, reagents, energy and land, and the generation of waste, tailings, and emissions during our operations. We recognize that stakeholder needs, environmental factors, best practices, and stakeholder concerns and priorities change over time, and therefore our systems must respond to these changes by evolving over time.

5-Year Strategy



OUR 5-YEAR OBJECTIVE is to demonstrate industry leadership within Ecuador in water management, emission reductions, waste, and tailings management, while protecting biodiversity.

Lundin Gold has established programs to create and preserve protected areas

What we hope to accomplish by 2025

- Strengthen our water and tailings management, reporting and disclosure, and implement a community-based water monitoring program to capture performance data in alignment with local communities.
- Deliver on our commitment to protect biodiversity in the region through the creation of a private protected area, building capacity and awareness within local communities regarding sustainable agriculture to minimize deforestation, integrated conservation planning at local community farms, and implementation of a conservation plan for species of concern under IFC criteria.
- Rehabilitate deforested areas within FDN that are no longer used by operations.
- Reduce quantities of waste generated at FDN, and implement reduction, recycling, and reuse strategies to divert waste streams from landfills.



Nymphargus cochranae



Germination of seeds in the Nursery



Water monitoring program

How we plan to get there

- Establish agreements with partners to implement key environmental initiatives such as community-based water monitoring, private protected area, maintaining the biodiversity program in partnership with Conservation International Ecuador, waste treatment initiatives, and others.
- Maintain close collaboration between Lundin Gold's Environment and Permitting department and Business Sustainability department to ensure strategic partnerships and community investment initiatives can support environmental objectives.
- Use *participatory dialogue* processes to share information regarding the Company's environmental management activities with local communities.
- Maintain a reliable environmental management system in order to follow monitoring plans closely and thus ensure compliance.
- Continue monitoring IFC criteria species of concern to identify potential conservation projects.
- Establish a rehabilitation plan for the upcoming five years.
- Strengthen internal culture and employee training on biodiversity, non-hazardous waste recycling and reuse.





Key Headline Targets

- Establish in 2022 a comprehensive Tailings Storage Facility (TSF) standard to which the Company will comply.
- Officially declare a private protected area by 2023.

Our Performance

Water Management

The water management plan at FDN is based on four key principles:

 <p><i>Prevention and/or minimization of potential impacts to water resources</i></p>	 <p><i>Maximization of contact water recirculation within the operation</i></p>
 <p><i>Minimization of freshwater withdrawals by maximizing contact water use</i></p>	 <p><i>Treatment of all contact water prior to its discharge into the environment</i></p>

In addition, our water management systems are continuously updated and strengthened based upon ongoing engagement with authorities, and our on-site monitoring programs.

Another important mechanism to facilitate transparency, accountability and community engagement is the community-based water monitoring program at FDN. In 2021, Lundin Gold and Lundin Foundation continued discussions with Technical Private University of Loja (*Universidad Técnica Particular de Loja - UTPL*) regarding the community water monitoring program. At the beginning of the year, professors from the UTPL completed a technical visit to FDN to verify the sites and methodology proposed for community monitoring. Based on the information gathered during the visit and after the corresponding reviews, Lundin Foundation and UTPL reached broad agreement on project implementation. The formal partnership is planned to be established in 2022.

Due to its location, FDN experiences high precipitation levels throughout the year. Any excess water on-site that has been in contact with mineral-bearing and excavated rock, or any operational facility and the water reclaimed from the TSF is defined as contact water, which is collected, reused, and treated in the Main Water Treatment Plant to meet permitted limits before being discharged to the environment. This allows us to



reduce our impact on local water sources by collecting, treating, and re-using contact water, reducing the withdrawal of freshwater for industrial use. A network of diversion channels collects non-contact water so that it can be safely routed to the environment without requiring treatment.

During 2021, several operational improvements were implemented in the sewage water treatment systems such as the segregation of grease from the kitchen area, replacement of reagents for the sedimentation processes and the acquisition of two denitrification modules, one of which is already operational and with excellent results. These improvements have made it possible to optimize the treatment process and ensure compliance with national regulations for discharges.

In 2021, 96% of the water collected at FDN was precipitation (up from 93% in 2020) which includes water from the underground mine filtration and water reclaimed from the TSF, with the remaining 4% collected from on-site streams. Contact water (mainly precipitation) was utilized for all industrial uses, with minimal freshwater withdrawals only for domestic use. By reusing and recycling contact water, mine water, and water reclaimed from the TSF, we were able to reuse and recirculate 3,007 megalitres¹ for use within the process plant, the mine operations, and the paste backfill plant.



¹ 1 mega litre = 1,000,000 litres.

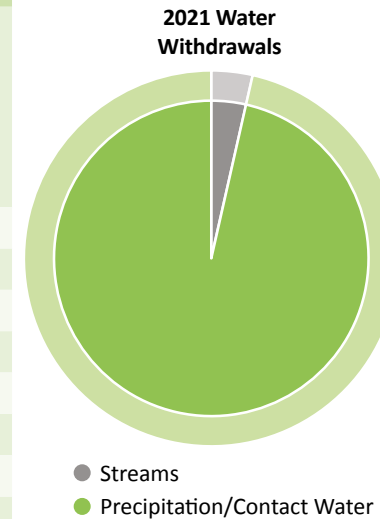
Water management optimization at FDN is focused on promoting the reuse and recirculation, which has allowed us to minimize the volume of wastewater to be treated and discharged. This is reflected in a decrease in the intensity of water discharged in 2021 as compared to 2020. Optimization activities include the reuse of untreated impacted water as well as the increased delivery of tailings water for mine backfilling activities.

Water Management

	2021			2020 ¹		
	Annual Volume (megalitres)	Water Intensity (megalitres / tonne of ore milled)	Water Intensity (megalitres / oz of gold produced)	Annual Volume (megalitres)	Water Intensity (megalitres / tonne of ore milled)	Water Intensity (megalitres / oz of gold produced)
Water Withdrawal	4,031	0.0028	0.0094	4,005	0.0044	0.0165
Streams	143	0.0001	0.0003	290	0.0003	0.0012
Contact Water/Precipitation	3,888	0.0027	0.0091	3,715	0.0041	0.0153
Water Discharge	2,710	0.0019	0.0063	3,424	0.0038	0.0141
Water Consumption	1,321	0.0009	0.0031	581	0.0006	0.0024
Total Water Repurposed	3,007	0.0021	0.0070	3,298	0.0036	0.0136
Water Reused (without treatment)	1,627	0.0011	0.0038	1,156	0.0013	0.0048
Water Recycled (with treatment)	1,380	0.0010	0.0032	2,142	0.0024	0.0088

¹ Due to inconsistencies in the groundwater withdrawal and water consumption figures reported between the GRI tables and the tables within our 2020 Sustainability Report, water management data for 2020 is being restated in this 2021 Sustainability Report.

Note: Figures are rounded.



Tailings and Waste Rock Management

In 2021, the amount of waste rock generated by our operation was in accordance with our mine plan, and slightly less than in 2020. The amount of tailings generated increased due to increased production, however, so did the amount that was diverted from disposal to paste backfill. In 2022, once the secondary mining chambers are activated, we plan to divert waste rock into the underground mine as waste rock backfill, which will reduce the demand for tailings paste backfill.

Any tailings that are not converted to paste backfill are managed and stored in our onsite TSF. All waste rock generated by our mining operations is brought to surface and stored in a specially engineered waste rock storage pad.


Utilizing a downstream method of construction, the TSF is designed and managed for safe and stable operation in compliance with the Canadian Dam Association Standards. Additionally, we are currently undertaking a review of the Global Industry Standard on Tailings Management and considering compliance with its 15 Principles.

In alignment with our goal to reduce the amount of mineral waste we generate in our operation, in 2021 we achieved significant decreases in both our tailings and waste rock intensities as compared to 2020. Although the total amount of ore we processed and the ounces of gold we produced from our operations increased due to the plant expansion, we were able to improve the efficiency of our operations.

40% of all tailings generated were converted into paste backfill and deposited into the underground stopes to stabilize and improve the safety of the mine. This will help to minimize our final environmental footprint at mine closure.



Tailings and Waste Rock Management

	Waste Generated (tonnes)		Intensity (tonnes generated / tonnes ore milled)		Intensity (tonnes generated / ounces gold produced)		Waste Diverted from Disposal (tonnes)		Waste Directed to Disposal (tonnes)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
 Tailings	1,334,216	864,065	0.94	0.95	3.11	3.56	529,297	100,104	804,919	763,961
Waste Rock	434,787	629,261	0.31	0.50	1.01	1.86	–	179,604	434,787	449,657
Total Mineral Waste	1,769,003	1,313,722	1.25	1.45	4.13	5.42	529,297	279,708	1,239,706	1,213,618

Non-Mineral Waste Management

All non-mineral waste generated at FDN is collected and transported to the on-site waste management centre where it is further sorted into hazardous and non-hazardous waste.

Hazardous waste is transported to licensed hazardous waste facilities. Non-hazardous waste is sorted into recyclable and non-recyclable items and transported to licensed municipal landfills. As there are no formal recycling programs in the region, we separate and clean all reusable and salvageable items such as wood, plastics, glass, cardboard, paper, and metals, wherever possible to allow for reuse, recycling, and recovery at the municipal landfills.

Our objective is to minimize all forms of waste generated at FDN and to divert waste from local landfills. We therefore look for new strategies to reduce waste, incorporate circular economy approaches, and extend the life cycle of the products that we use. For example, we reuse dry drilling mud as fill material and return empty isotanks to the supplier for reuse.

Other examples of waste reduction practices we employed in 2021 include:

- To reduce the generation of waste from the use of cement bags we purchase cement in bulk, transport it to the on-site concrete plant in tanker vehicles.

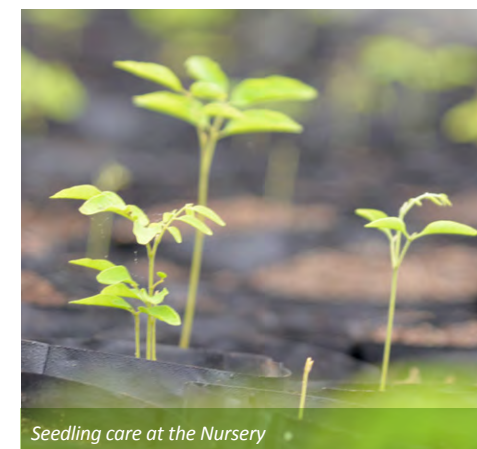


Non-mineral waste generated at FDN is collected and transported to the waste management centre

- HDPE (high density polyethylene) plastic waste from FDN is sent to an environmental waste management company where it is processed into a high quality “plastic wood” product which is recycled and recyclable. This solid plastic board is used in industrial packaging, construction, and other applications where its natural resistance to humidity and UV exposure, along with its machinability, provide distinct advantages over natural wood.
- Scrap metal from site is delivered to a metallurgical company Acería del Ecuador C.A. to be used as raw material in their electric arc furnace smelting process and the subsequent production of steel for the mechanical and construction industries.
- Lundin Gold participates in the HP Planet Partners initiative, through which original HP ink cartridges and HP LaserJet toner cartridges are returned directly to HP Inc. Ecuador for direct recycling.



Enyalioides rubrigularis



Seedling care at the Nursery

Biodiversity

We are committed to preserving local ecosystems and protecting biodiversity in the region through careful design, stakeholder engagement, monitoring, mitigation plans and strategic partnerships.

Although the FDN mining operation is located near the El Zarza Wildlife Refuge (acronym in Spanish: RVS El Zarza) and the Cordillera del Cóndor Protective Forest, it does not encroach upon any protected areas. The 2016 Environmental Impact Assessment for FDN found that there would be no significant long-term biodiversity impacts due to mine operation. However, we recognize that habitat fragmentation and a change in the natural landscape of the area due to construction can result in impacts during operations. We employ progressive ecological restoration and revegetation of areas no longer in active use to continuously and expediently recover any fragmented habitats and promote the return of native species to the area.

Given the importance of biodiversity protection in the area around FDN, Lundin Gold has multiple mechanisms in place to monitor, manage, protect, and conserve biodiversity in our direct area of influence and beyond. These include our Biodiversity Monitoring and Management Plan, and our long-term partnership with Conservation International Ecuador.

In 2021, we continued to implement key biodiversity initiatives and made important progress in several target areas including conservation, sustainable agriculture, monitoring and evaluation, environmental education, and communication, and strengthening governance and partnerships (see *Case Study in the next page*).

In 2021, we decreased the total amount of hazardous (non-mineral) waste generated compared to 2020, despite the increased activity at site. We also increased the amount of non-hazardous (non-mineral) waste diverted from disposal from 42% to 61%, through initiatives and partnerships with local organizations who are aligned with our circular economy strategy to re-use and recycle non-hazardous wastes such as scrap metal, plastic, cardboard, glass, and cooked and uncooked organic waste.

Non-Mineral Waste

	Waste Generated (tonnes)		Waste Diverted from Disposal (tonnes)		Waste Diverted from Disposal %		Waste Directed to Disposal (tonnes)		Waste Directed to Disposal %	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Non-Hazardous Waste (Non-Mineral)	3,842	1,248	2,342	526	61.0%	42.1%	1,500	722	39.0%	57.9%
Hazardous Waste (Non-Mineral)	929	993	–	–	0.0%	0.0%	929	993	100.0%	100.0%
Total Non-Mineral Waste	4,771	2,241	2,342	526	49.1%	23.5%	2,429	1,715	50.9%	76.5%



Case Study: Partnership with Conservation International Ecuador – The Sustainable Landscapes Approach by Guest Contributor, Luis Suarez – Vice President and Chief Executive Officer of Conservation International Ecuador

In 2016, Lundin Gold contacted Conservation International Ecuador with the objective of identifying opportunities for biodiversity conservation in the Fruta del Norte project area, which is characterized by high biodiversity and a high level of endemism. After an initial visit to FDN and an analysis of the Company's socio-environmental policies and practices, our organizations signed a first partnership

agreement for the design of the “Biodiversity Conservation Program” in the FDN Project Area, through the application of a sustainable landscapes approach. Subsequently, we began the implementation of the first phase of the Program, with a duration of three years.

During the first phase, we worked on the general diagnosis of the problems related to biodiversity conservation and the design of proposed solutions under the sustainable landscapes approach, considering three pillars: **1)** conservation of natural heritage, **2)** sustainable production and **3)** good governance; and a cross-cutting theme of environmental education and communication.

1



In the **natural heritage conservation** component, the main actions included:

- a) Updating the Management Plan and strengthening the management of the El Zarza Wildlife Refuge, which is part of the National System of Protected Areas, located near FDN.
- b) Support for the selection of a private protected area to be managed with Company resources.
- c) Modeling of ecosystem services in the sub-basins of the intervention landscape.



2



The **sustainable production** component included:

- a) The preparation of integrated management plans for five selected farms and technical assistance for the adoption of agro-ecological practices to improve local production.
- b) A guide of good practices for biodiversity conservation on farms.
- c) A system for monitoring and evaluating environmental management on the farms.



3



The **good governance and territorial planning** component prioritized:

- a) The strengthening of planning and dialogue between different stakeholders.
- b) A toolbox to strengthen the environmental management capacities of local governments.
- c) A proposed management model for the Environmental Stewardship Roundtable.

The **environmental education and communication** axis focused on:

- a) The diagnosis of the main environmental problems and concerns at the institutional and community levels.
- b) The Technical Plan for Environmental Communication, Education and Participation for the RVS El Zarza.
- c) A virtual environmental education program, through a joint effort with the Ministry of Education and local governments



CI-Ecuador and Lundin Gold have agreed to continue the Program in a second phase, maintaining the sustainable landscapes approach with the three pillars described above, and adding two cross-cutting axes: research and monitoring, and financial sustainability.

In this way, the Program aims to contribute to the integrated management of the area and to improve the well-being of local populations, strengthen biodiversity conservation, and leave a positive legacy for present and future generations.

As part of the biological baseline studies and subsequent flora and fauna rescue and monitoring programs, we continued to document species categorized as critically endangered, endangered, vulnerable, near threatened or of least concern according to the International Union for Conservation of Nature (IUCN) and Ecuador’s National Red List (2021) at FDN and in our exploration concessions.

In 2021, we carried out complementary biotic rescue campaigns prior to clearing in the TSF area for the second raise of the TSF, at the quarry and in the electrical substation area. In these areas, the rescue plan was executed, and they were released for intervention during the construction phase of FDN in 2018 and 2019. For this reason, the complementary rescue campaigns focused on flora and herpetofauna species, on land that had not been cleared. Additionally, mammals and birds were diverted away from the area with whistles.

We also conducted ongoing monitoring of flora and fauna rescue in the following circumstances: a) during clearing and TSF works, b) in the forested areas near FDN, and c) along site roads and within our operative areas.



Andean bear (*Tremarctos Ornatus*)



Magnolia yantzazana

In November 2021 Zoo Foundation of Ecuador resumed the second phase of Andean bear monitoring on the Emperador concession, through placement of trap cameras in quadrants, to study the population distribution of bears in the area. In 2022, they plan to attempt the capture of two bears for placement of satellite collars, which will allow us to remotely track and monitor the bears’ routes and activities for about a year.

Regarding the conservation of relevant species, we increased our efforts to search for specimens of *Magnolia yantzazana* in the forested areas near FDN, which allowed us to find an important population of *Magnolia yantzazana* adult individuals, juveniles, seedlings, and seeds with a high probability of germination due to their maturity stage. We subsequently initiated germination trials with approximately 1,000 seeds, with expected in early 2022.

During 2021, significant progress was made in developing the final biodiversity offset plan for FDN. The plan will be finalized and implementation will commence in 2022. In order to advance initiatives that will be part of the offset plan, Lundin Gold signed an agreement with *Conservation International*, the Sustainable Environmental Investment Fund and the Ministry of Environment, Water and Ecological Transition to formalize Lundin Gold's contribution towards improving the management of the RVS El Zarza. As per the agreement, in 2021, Lundin Gold made the first of three annual contributions of \$33,000 to the Sustainable Environmental Investment Fund, which funds the management of the RVSZ. Conservation International worked together with RVSZ staff to purchase motorcycles for park guards and other equipment with these funds, as established in the 2021 Annual Operational Management Plan.

IUCN Red List Species and National Conservation List Species with Habitats in Areas Affected by Exploration and Operations, by Level of Extinction Risk, 2021

Level of Extinction Risk	FDN	Exploration
Critically endangered	1	0
Endangered	8	8
Vulnerable	15	10
Near threatened	15	10
Least concern	233	25



Bothrocophias microphthalmus

Rescued Flora and Fauna

Biotic group	Number of individuals rescued		
	Rescue campaigns	Ongoing Biotic Monitoring	Total
Flora ¹	3,205	0	3,205
Herpetofauna	540	130	670
Birds	0	16	16
Mammals	0	10	10



Palicourea

¹ Includes seedlings and epiphytes

Mine Closure and Legacy Planning

At Fruta del Norte, we employ progressive rehabilitation practices throughout the life of mine. This allows us to minimize our physical impacts on the environment and local biodiversity, revegetate areas for the enrichment, protection, and recovery of soil structure, and progressively restore areas that will no longer be used for mine operations.

Land Management Data for FDN

	Hectares				
	2017	2018	2019	2020	2021
Total amount of land licensed for FDN exploitation phase ¹	2,630	2,630	2,630	2,630	2,630
Total amount of land newly disturbed within the reporting period	81	100	72	11	6.5
Total amount of land newly rehabilitated within the reporting period to the agreed end use	0	0	0	0	0
Cumulative total land disturbed and not yet rehabilitated within the reporting period to the agreed end use	206	306	378	389	395.5
Cumulative area revegetated for improved erosion control	1	57	103	130	130

¹ Cumulative figure of the following licenses: FDN-La Zarza, Las Peñas Camp-FDN Road, the North Access Road, and the electric transmission line

At our exploration sites, we cleared 0.17 ha during 2021. The restoration process for these areas will start once we have confirmation that no further drilling will be necessary.



Cyanide Management

Lundin Gold's Cyanide Management Plan for FDN is in accordance with the International Cyanide Management Code (ICMI). We procure cyanide in safe and re-usable isotanks, which reduce handling, minimize packaging, and are internationally recognized as the safest means to transport cyanide. Both our cyanide supplier and transporter are certified under the ICMI. In 2021, FDN underwent an ICMI external audit, demonstrating the site's compliance.



Environmental Compliance

In 2021, as a result of inspections carried out by technicians from government entities, Lundin Gold received three minor non-conformities from the Municipality of Yantzaza related to our quarry. These non-conformances were immediately corrected by Lundin Gold and approved by the Municipality. In addition, the Ministry of Environment, Water and Ecological Transition (MoEWET) raised ten findings, which were fully corrected.

In 2021, environmental compliance audits were also executed for Fruta del Norte, the quarry, and the power transmission line for presentation to MoEWET. No major or minor non-conformities were identified during these audits.



Our Approach

A strong and resilient health and safety culture is an absolute necessity for the sustainable operation of Fruta del Norte and exploration, and therefore must be embedded into every one of our activities, as well as within local communities and the region. We see our employees as safety champions within their communities and empower them to promote safety wherever they go.

By implementing a range of programs related to operational safety and risk management, occupational health and wellness on-site and off-site, community health and accident prevention, and emergency preparedness and response within the region, we hope to improve the health and safety of a wide range of stakeholders.

5-Year Strategy



OUR 5-YEAR OBJECTIVE is to ensure a robust culture of health and safety both in our operations and in local communities while constantly striving for zero harm through effective prevention and response measures.

Our ongoing objectives

- **Operational Safety**
 - Zero fatalities and zero major incidents.
 - Strong and resilient corporate safety culture.
 - Continuous benchmarking against industry leaders to identify opportunities for improvement.
 - Demonstrate clear leadership in Ecuador on safety performance.



Pre-shift talk before entering the mine

- **Occupational Health**

- Continuous improvement of occupational and general health initiatives for employees.
- Improved mental health and prevention of substance abuse.
- Successful control and mitigation of COVID-19 and/or other pandemics.

- **Community Safety**

- Zero off-site recordable incidents linked to FDN.

What we hope to accomplish by 2025

- **Operational Safety**

- Alignment with ISO 45001 (Occupational health and safety management systems) certification process.

- **Community Safety**

- Create a safety culture in local communities.
- Reduce local community exposure to accidents.
- Improve local government capacity for emergency preparedness and response through full implementation and operationalization of Awareness and Preparedness for Emergencies at Local Level (APELL framework), including a Communication and Emergency Management Plan developed in coordination with the Ecuadorian Secretariat for Risk Management.

How we plan to get there

- Implement a strong and resilient zero-harm culture within the organization through the development of an integrated and robust training strategy.
- Annually assess the efficiency of our risk controls and crisis management framework, guided by an external safety expert to identify opportunities for improvement.
- Ensure strict compliance with all legal and internal requirements.
- Strengthen the critical tasks control program and the Go / No-Go Program to manage critical risks.
- Establish relevant brigades and conduct emergency drills.
- Develop a cross-cutting occupational health program to provide health support to our employees and contractors.

- Collaborate with national-level partners to provide training for the local government on emergency preparedness and response.
- Track the implementation and operation of the APELL framework through an internal committee.
- Provide capacity building for local stakeholders such as firefighters, military, and local governments on health and safety issues and emergency response.
- Conduct community campaigns, educational talks, and training to promote a safety mindset and culture in local communities.



Key Headline Targets

- Annual reduction of the total recordable incident rate (TRIR) target.
- On an annual basis, refresh and keep relevant programs for healthy lifestyles and psychological and social well-being.
- At least two training sessions or drills delivered per year together with local authorities (including APELL implementation).

Our Performance

Operational Health and Safety

Recognizing that Fruta del Norte is the first large-scale underground mine in Ecuador, Lundin Gold seeks to establish a culture based on the highest standards of operational safety for the Ecuadorian mining industry as a whole.

On 7 October 2021, Lundin Gold was recognized by the Ecuadorian Institute of Social Security for our commitment to the development of occupational health and safety in Ecuador, in compliance with legal regulations and the application of appropriate standards for safe work during the pandemic.

Our health and safety management system is based on 15 elements and aligns with the ISO 45001:2018 Standard for Health and Safety Management Systems. The Company has a training program that provides all workers with continuous safety and health training through general inductions, pre-shift talks, review of critical tasks, and emergency plans, brigades, and other means. In 2021, we invested 131,408 hours in safety training for our workforce.

The Company has several preventive safety programs in place, such as the Visible Leadership Program, the Stop and Think Card, the Go / No-Go Tool, and the safety observation reporting system. Taken together, these programs allow employees and contractors to conduct a personal risk assessment before starting a task, report any risks that are present, and refuse work if they believe that a task will put them or their colleagues at risk without adequate controls in place.

In January 2021 we launched a digital tool called "Lessons Learned", to report and follow-up on safety observations including unsafe acts and conditions, and near



In September 2021, Lundin Gold reached 3 million hours worked without a Lost Time Incident

misses. The implementation of this digital tool has allowed us to optimize the tracking of observations reported by employees and subsequent actions to be taken. It has also promoted accountability for area managers in terms of occupational health and safety.

Our health and safety management system is audited annually by an external third-party. No non-conformities were reported in 2021. In addition, Ecuadorian authorities inspect conditions at all work sites and receive periodic reports from Lundin Gold.

As a result of the risk management and health and safety management systems, training, and tools we have put in place, we achieved a total recordable incident rate (TRIR) of 0.46 over 4.74 million hours worked in 2021.

2021 Key Health and Safety Statistics (Employees and Contractors)

	Construction			Operation	
	2017	2018	2019	2020	2021
Hours worked	2,135,951	5,118,008	7,482,631	3,398,536	4,745,914
Lost Time Incidents	1	2	6	2	1
Injury rate/ 200,000 Hours (weighted average)	0.56	0.43	0.69	0.41	0.46
Hours of Training	22,563	87,066	100,835	112,106	131,408
Job Safety Analyses	28,740	19,848	24,962	17,560	92,919
Observation Cards	7,336	229,147	347,048	123,091	330,718



Occupational Health and Safety

In addition to keeping all employees and contractors safe on-site, we have programs in place to help employees stay healthy on-site and off-site.

Lundin Gold’s occupational health management includes the following programs which are accessible to all employees and are promoted through on-site campaigns and training:

- 1 Hearing conservation program
- 2 Musculoskeletal prevention program
- 3 Respiratory protection program
- 4 Psycho-social risk program
- 5 Biological control program for metals
- 6 Labour fatigue management program

- 7 Alcohol and drug program (in accordance with Ecuadorian legislation)
- 8 Chronic diseases program (in accordance with Ecuadorian legislation)
- 9 HIV program (in accordance with Ecuadorian legislation)

In 2020, Lundin Gold developed a specialized program to address physical, emotional, and mental health challenges in response to the coronavirus pandemic called “Let’s Take Care to be Well”. This program continued through 2021. Since the beginning of the program, over 650 hours of psychological support have been provided through scheduled interventions and calls received over the 24/7 support hotline. In 2021, employees continued to have access to the online wellness platform and webinars.

In addition to the COVID-19 vaccination campaigns held during the year, we organized on-site vaccination campaigns for yellow fever, diphtheria, typhoid, tetanus, and Hepatitis A/B to ensure that employees were well-protected from prevalent and preventable diseases and infections.

Community Health and Safety

One of our major objectives is to promote and instill a strong health and safety culture beyond FDN within the local communities that are in FDN’s area of influence and where many of our employees, contractors and suppliers live. Throughout the year, we conducted communication campaigns, educational talks, and training workshops within local communities, and worked with local first responders and governments on health and safety issues for emergency preparedness and response planning. As part of the community safety initiatives, three radar speed sensors were placed within Los Encuentros and El Pindal to discourage speeding vehicles. Two COVID-19 prevention campaigns were carried out within local communities during the year in order to mitigate the risks of the pandemic.



- llama al 171 o 911 y reporta tus síntomas
- no toques tu rostro
- desinfecta tus manos y las superficies
- evita las reuniones



Case Study: APELL Program

We believe it is crucial for mining operators, local communities, and local authorities to work in close collaboration to ensure that any unexpected emergencies are dealt with safely, expediently, and effectively.

Last year, we reported that we implemented the United Nations Environment Program's Awareness and Preparedness for Emergencies at Local Level (APELL) process for cyanide management at FDN. In 2021, we expanded the program to include processes related to community emergency response and risk management through engagement with local authorities and the 22 communities in FDN's area of influence.

Although our progress on the APELL process was delayed due to COVID-19 restrictions, we achieved some important milestones in 2021 including:

1 *Obtaining approval in February 2021 for the Institutional Risk Management Plan by the National Secretariat of Risk Management and Emergencies (SNGRE by its Spanish acronym). However, a new approval will be necessary, due to the new appointment of the Cantonal Government of Yantzaza by the SNGRE as the new regulator responsible for this approval in 2022.*

2 *An incident command system training session organized by the SNGRE was held in November 2021 for members of emergency response agencies such as firefighters, members of the cantonal risk secretariats, and for Lundin Gold personnel.*



Risk Management training in coordination with the National Secretariat of Risk Management and Emergencies



Meeting between SNGR, CSR and HS Lundin Gold's teams



Shuar community

Our Approach

One of our fundamental principles and a key aspect of our Responsible Mining Policy (found on our website, www.lundin角度.com) is 'Respect in each of our activities'. For Lundin Gold, this means respect for the workforce, all stakeholders, and the environment. We put this into practice by:

- Using our influence to promote equity, diversity, and inclusion within our operations and within society.
- Recognizing and uplifting vulnerable populations to help them to succeed.
- Ensuring that our operations and supply chains respect labour rights and are completely free of child labour and forced labour.
- Encouraging the use of discourse and de-escalation to maintain security.
- Making sure that our grievance mechanisms and processes are fair and freely available to all.

5-Year Strategy



OUR 5-YEAR OBJECTIVE is to uphold and respect the UN Declaration of Human Rights and UN Guiding Principles on Business and Human Rights and our commitment as a UN Global Compact signatory. We promote the inclusion of vulnerable populations and ensure communities have a credible mechanism for redress. We leverage opportunities to strengthen human rights with government, local suppliers, and partner stakeholders.



What we hope to accomplish by 2025

• Diversity and Inclusion

- Monitor gender diversity within our Executive Management, our supply chain in Ecuador, and community-level projects and activities.
- Ensure that Lundin Gold facilities have inclusive design and are fully accessible to those with disabilities.
- Maintain equity between men and women in base salary at Lundin Gold.
- Demonstrate diversity and inclusion leadership within Ecuador by leading forums, participating in roundtables, and highlighting our programs and progress.
- Implement actions to advance gender inclusion as part of our commitment to the Women's Empowerment Principles (WEPs).
- Ensure our recruitment and selection processes are assessed for discrimination/bias and corrected.
- Ensure compliance with Lundin Gold's Workplace Discrimination, Harassment, and Violence Policy through campaigns, training, and updates as required.
- Strengthen communication and support programs for future, pregnant and lactating mothers, including health programs, lactation rooms, flexible work schedules, etc.
- Identify possible barriers to pregnant and lactating mothers continuing employment and implement support for their continued employment.

• Indigenous peoples

- Develop increased economic opportunities for Indigenous communities from the 2020 baseline.
- Invest in Indigenous communities through the Shuar Federation of Zamora Chinchipe.
- Implement projects focused on priorities identified jointly with Indigenous peoples.

• Human rights

- Incorporate criteria related to gender, Indigenous peoples, and vulnerable groups into our community investment decision-making process.
- Continue to utilize and improve upon our IFC-compliant grievance mechanisms, including strengthening internal and external recognition of the importance of compliance with the grievance mechanism.
- Facilitate ongoing implementation of appropriate use-of-force training for armed and public security in accordance with the Voluntary Principles on Security and Human Rights.
- Ensure zero child labour within the Lundin Gold supply chain.
- Ensure compliance with the UN Declaration of Human Rights, ILO 169, IFC Performance Standards, and other recognized best practice human rights standards.



Shuar Federation's Cultural Interpretation Centre

How we plan to get there

- Establish a Company-wide employee mentorship program within which we will have a specific focus upon women.
- Implement career development programs at different levels of Lundin Gold through mentoring, training, and succession planning.
- Lead forums, participate in roundtables, and highlight our programs to motivate and promote the inclusion of more women in the mining sector.
- Implement training on diversity and inclusion for all levels within the Company.
- Continuously evaluate potential barriers faced by people with disabilities working at Lundin Gold and implement actions to promptly correct them to ensure a safe and healthy place of work for all.
- Work closely with the Shuar Federation of Zamora Chinchipe to identify the priorities of Shuar People in the Province.
- Support initiatives by Indigenous organizations that are focused on agricultural development, institutional strengthening, protection of customs and traditions, creation of enterprises, and capacity building.
- Conduct ongoing training for Lundin Gold's Security Team on human rights.
- Strengthen the grievance mechanism as a tool to manage complaints from local community members, organizations, or institutions.
- Promote transparent dialogue in local communities.



Key Headline Targets

- Establish a Company-wide mentorship program, with specific elements around career development, skills management, and leadership for women in 2022, and increase participation annually according to a target to be established in 2022 for the period 2022-2025.
- By 2025 develop five new economic opportunities / initiatives focused upon the Shuar, Kichwa, or Saraguro communities.

Our Performance

Diversity, Equity, and Inclusion

We strive to make Lundin Gold a safe and welcoming place where diverse perspectives and participation are valued, and everyone feels included and treated in an equitable manner. Equity, diversity, and inclusion (DE&I) make our Company and local communities stronger, more resilient, and more innovative. We are committed to gender equality and providing an inclusive workplace that is free from discrimination and harassment. These principles are also the foundation of our community well-being and community development programs.

Leadership in diversity, equity and inclusion is promoted from the highest levels of the organization. In 2021, our Executive Management team participated in two sessions related to mitigating bias and leveraging inclusive leadership. This effort, led by an experienced consultant, encompassed training and individual coaching to enhance knowledge, and establish commitments.

With the election of Dr. Gillian Davidson in 2021, we achieved our stated goal of no less than 30% women on the Board of Directors of Lundin Gold.

In January 2021, we launched a year-long communication campaign about the Fundamental Principle of Respect, which emphasized the importance of respect in all the activities that we perform on- and off-site. The campaign focused on three themes, beginning with "Respect for Women" in accordance with the Protocol for the Prevention and Handling of Cases of Discrimination, Workplace Harassment and All Forms of Violence against Women in the Workplace, as issued by the Ministry of Labor. A training module on Lundin Gold's Workplace Harassment Policy was launched and made mandatory for all personnel and contractors. These initiatives are aimed to ensure a workplace free from discrimination, harassment, and violence, and an organizational culture where both men and women can thrive. The second part of the campaign was "Respect in Coexistence Within the Workplace",

which focused on respectful interactions in the workplace for everyone's well-being. The last theme of the campaign was "Respect for Lundin Gold's Standards", which stressed the importance of conducting all of our business activities ethically and in accordance with our established policies and procedures. This theme will extend into 2022.

In December 2021, the Company joined a pilot mentoring program for women organized by International Women in Mining which will launch in 2022. Lundin Gold has nominated both mentors and mentees from the Company to participate in the program.



Women's Empowerment Principles

Lundin Gold is the first mining company in Ecuador to become a signatory to the Women's Empowerment Principles (WEPs) initiative, established by the United Nations Global Compact and UN Women. The WEPs are a set of Principles informed by international labour and human rights standards that guide businesses on how to promote gender equality and women's empowerment in the workplace, marketplace, and community. The seven Women's Empowerment Principles (WEPs) are listed next.



Principle 1: Establish high-level corporate leadership for gender equality.



Principle 2: Treat all women and men fairly at work, respect and support human rights and non-discrimination



Principle 3: Ensure the health, safety and well-being of all women and men workers



Principle 4: Promote education, training, and professional development for women



Principle 5: Implement enterprise development, supply chain and marketing practices that empower women



Principle 6: Promote equality through community initiatives and advocacy



Principle 7: Measure and publicly report on progress to achieve gender equality

Participation in the WEPs reinforces our commitment to foster business practices that empower women through collaboration across multistakeholder networks. Practices that include equal pay, equal access to education and training opportunities,



and zero tolerance against all forms of violence and sexual harassment in the workplace. During the year, we conducted a gap analysis to help advance our commitment to continue the advancement of actions to achieve progress on these principles in 2022.



Participation in the WEPs reinforces our commitment to foster business practices that empower women through collaboration across multistakeholder networks. Practices that include equal pay, equal access to education and training opportunities, and zero tolerance against all forms of violence and sexual harassment in the workplace. In 2021, Lundin Gold conducted a gap analysis against the seven principles and completed the following actions to further its progress in a number of areas, including:

Actions	Principle Advanced
The adoption of a comprehensive Workplace Discrimination, Harassment and Violence Policy to replace its Workplace Harassment Policy, and the development of new training materials for our workforce.	WEPs 3
Leadership Training on bias and discrimination.	WEPs 1
Continuation of our proactive mental health program with the implementation of Phase 2 of <i>Cuidémonos Para Estar Bien</i> . In addition, the Company also developed a plan for a long term on demand mental health line and wellness program for its workforce.	WEPs 1
Promotion of its commitment to WEPs, through social media, public disclosure, corporate website and participation in relevant events in Ecuador.	WEPs 7
Lundin Gold and its partners brought to the region two programs designed specifically to support women entrepreneurs. (See Case Study in Community Well-being for more details)	WEPs 6

Lundin Gold is committed to continuing to achieve progress on these principles in 2022. Also, as a signatory of the WEPs, Lundin Gold continues to actively participate in the United Nations Global Compact Target Gender Equality Program, which is aimed to support companies in the establishment of goals for advancing gender equality.



Representatives of the Ministry of Social and Economic Inclusion at FDN

Over the past years, we have continued to support pregnant women and new mothers in our workforce. We ensure flexibility and accommodate pregnant women by always prioritizing the well-being of the mother and the baby. We provide privacy and comfort for new mothers in specially designated lactation and milk extraction rooms in our offices in Los Encuentros and Quito, and at FDN. We respect maternity leave periods and ensure that women have access to timely support for their physical and emotional needs through our private medical insurance, our social workers and occupational doctors and our external mental health consultants.

Ecuadorian law mandates the hiring of people with disabilities into the workforce, a tenet that is wholeheartedly supported by Lundin Gold. In 2021, we developed a plan to integrate additional people with disabilities into our workforce. As of 31 December 2021, we had 52 employees with disabilities and 10 substitutes¹ of people with disabilities, of which 77% are from Zamora Chinchipe. We prepared our teams and facilities to welcome the new employees and established a program to create an inclusive environment and identify and address any potential risks or issues in a timely manner. The Company will continue to ensure that we are providing a welcoming and equitable environment to facilitate the integration of people with disabilities at FDN.

In October 2021, representatives of the Ministry of Social and Economic Inclusion visited FDN with the objective of verifying the inclusion of people with disabilities in our operation. The government representatives toured the facilities and had the opportunity to interview several of our employees, including our social work and human resources representatives. At the end of the visit, the Ministry's representatives expressed their satisfaction with Lundin Gold's efforts to promote a healthy and safe workplace for all.

¹ Substitutes are individuals who are responsible for a person with a disability duly qualified by the Ministry of Labor.

Diversity at Lundin Gold 2021

	Management ¹		Employees	
	#	%	#	%
Total	31		1,690	
Female	6	19%	262	16%
Male	25	81%	1,428	84%
Persons with Disabilities ²			52	3%
Indigenous Persons ³			187	11%



¹ Managers, Senior Managers, Directors, Vice Presidents and above.

² Does not include employees who are qualified substitutes of people with disabilities (by the Ministry of Labor) and who count for the percentage of people with disabilities according to Ecuadorian legislation. At the end of December 2021, there were 10 employees qualified as substitutes of people with disabilities.

³ Employees who self-identified as part of a town or indigenous nation in the Amazon, Cost and Andean Region.

Talent Has No Gender

During the fourth edition of the “[Talent Has No Gender – Award for Gender Equality](#)” ceremony in 2021, Lundin Gold was presented with a best practice award for the implementation of our Training for Operations (TFO) Program and our commitment to work on actions that promote gender equality in the mining sector. This annual award organized by Women for Women Ecuador, the Chamber of Industries and Production, and PricewaterhouseCoopers Ecuador and prepared in collaboration with the Inter-American Development Bank and UN Women, recognizes companies who are pioneers in addressing and rectifying structural inequalities between women and men.



Indigenous Peoples

Lundin Gold promotes the preservation of identity, cultural knowledge, customs and traditions of the Shuar and Saraguro Indigenous Peoples who live within FDN’s indirect area of influence. We engage continuously with local Indigenous communities and support initiatives identified by Indigenous organizations focused on agricultural development, the strengthening of institutions, protection and appreciation of customs and traditions, enterprise creation, capacity building, and any other priorities they have identified. Framework agreements have guided the engagement of the Shuar Federation of Zamora Chinchipe and Lundin Gold since 2017.

As noted in previous reports, a consortium was created between the Shuar Federation of Zamora Chinchipe and the Lundin Foundation in 2019 to promote tourism in Zamora Chinchipe through the Shuar Federation’s Cultural Interpretation Centre, while also preserving the cultural values of the Shuar people. Lundin Gold’s involvement in the consortium includes being a member of the board of directors, which has the key role of overseeing the implementation of annual plans. One major initiative of the consortium is the creation of [ShuarNum](#), a Shuar company that promotes Shuar culture within the region through ecotourism, a Shuar spa and healing centre, and Shuar gastronomy and handicrafts.



In 2021, Lundin Gold was involved in supporting ShuarNum with the design and construction of a restaurant to showcase Shuar food and culture. ShuarNum also participated in various conferences including the second Amazon Regional Meeting 2021, Tourism and Conservation in Protected Areas, and in a conference organized by PRO Ecuador (part of the Ministry of Production) with tour operators from Peru. Participation in these events provided ShuarNum the opportunity to promote its activities and services and to attract national and international tourism.

During the year, Lundin Gold also financed the remodeling and expansion of the Shuar Federation’s building in Zamora. With the completion of this project, the Shuar Federation now has improved infrastructure, including new offices and commercial rental spaces that will generate income for funding of institutional activities.

The tourism industry in Ecuador has been hard-hit by the COVID-19 pandemic, presenting significant challenges for ShuarNum. Nevertheless, we remain steadfastly committed to working together with the Shuar Federation and other partners to overcome these challenges and achieve enduring success.

Grievance Mechanism

We consider our Grievance Mechanism to be an important tool in ensuring we meet our commitments to respect human rights. It provides local communities and employees with a credible, structured, and legitimate process to address their complaints or concerns. Our grievance mechanism complies with IFC Performance Standards and industry best practices, and is fully accessible to all employees, contractors, and external stakeholders. It is available in Spanish, Shuar, and English, and grievances can be submitted in person at one of our offices or in the community, by email, through a toll-free phone number, or through special mailboxes installed by Lundin Gold at FDN, in Los Encuentros, and at



our Quito office. Grievances can be made on behalf of a person, a community, an institution or anonymously.

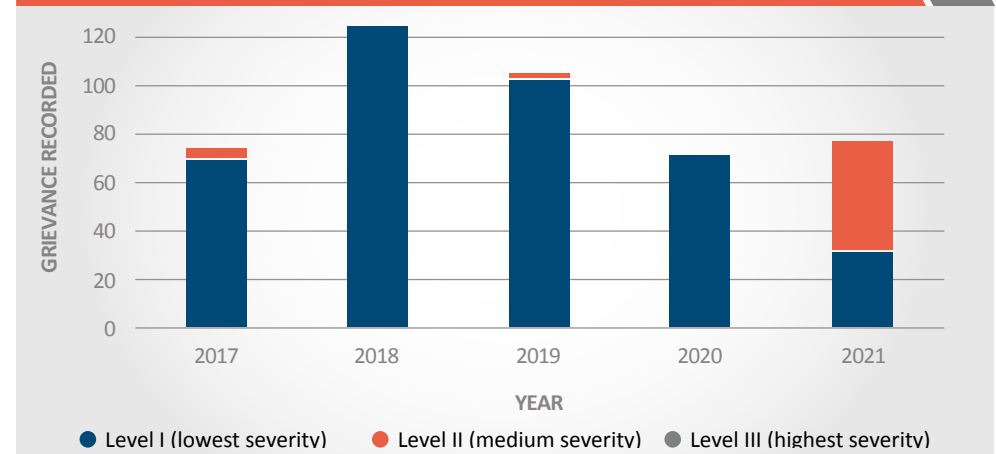
In 2021, 78 complaints were received and managed through the Grievance Mechanism. 41% were classified as being Level I (lowest severity), 59% as Level II (medium severity), and once again there were 0 Level III (highest severity) complaints. Overall, the total number of grievances reported in 2021 was similar to 2020. A notable difference was the significant increase in the Level II grievances, which were based on a large number of complaints all related to one topic – the alleged undercompensated long shifts for the employees of one of Lundin Gold’s contractors. As per Lundin Gold procedures, when a given issue is the topic of repeated complaints, it is escalated to Level II.

In 2021, zero grievances were registered from people who self-identified as Indigenous or from representatives of Indigenous peoples.

Grievances Recorded 2021

Grievances Recorded	2017		2018		2019		2020		2021	
	#	%	#	%	#	%	#	%	#	%
Level I	70	93	125	100	103	97	72	99	32	41
Level II	5	7	0	0	3	3	1	1	46	59
Level III	0	0	0	0	0	0	0	0	0	0
Total	75	100	125	100	106	100	73	100	78	100

Number of Grievances Recorded by Severity Level





Security

Lundin Gold's Security Program is designed to protect people, assets, and operations while respecting human rights and local communities. We implement a continuous risk mitigation process based on careful and deliberate planning that incorporates international best practices so that conflict can be avoided to the greatest extent possible.

In the unfortunate event a conflict does occur despite our best efforts to avoid it, both our on-site security team and the local public security forces are trained to utilize appropriate de-escalation strategies to avoid the use of force. The security team receives induction and annual refresher training on conflict de-escalation techniques, Ecuadorian laws governing the progressive use of force, and the Voluntary Principles on Security and Human Rights. 100% of the FDN security team has received this training, with annual refresher training delivered again in 2021.

Our induction and training materials continue to emphasize our commitment to respectful engagement with local communities. Our primary security activities are outsourced to a reputable international security provider that operates in accordance with the United Nations Global Compact and the International Code of Conduct for Private Security Providers. As a result, the security provider is committed to good governance, respect for human rights and international humanitarian law, provides vetting and training for its staff and contractors, and applies high ethical standards of conduct.

In 2021, no security-related incidents or grievances were reported.



2021 Grievances by Topic

Department in Charge of Grievance Management	Common Topics	Total Number of Grievances
Contracts	Complaints about contractors regarding alleged long hours of work, few days off, low wages, overtime non-payment, non-payment, and speeding.	58
Human Resources and Administration	Alleged lack of respect.	2
Corporate Social Responsibility	Alleged poor attitude of personnel, lack of understanding of days owed by employees due to COVID-19 suspension, lack of payment for occupation of land next to the Los Encuentros bridge, low powerline cables that emit loud noise.	4
Process Plant	Alleged incidents on private property.	1
Information Technology (IT)	Holes left behind by IT contractor.	1
Camp Administration	Alleged bad food at site.	1
Legal	Alleged workplace harassment and start of exploration activities without notification.	2
Non-applicable Grievances ¹	Issues that were not managed by this mechanism and were delivered to the appropriate departments.	9
TOTAL		78

¹ Issues that are best handled through our Whistleblower Mechanism are referred to the Legal Department and minor issues related to the FDN camp are referred to our Camp Administration Team.



Mine activities at FDN

Our Approach

We seek to create diverse economic opportunities in the region surrounding FDN that will outlive our operations. Through direct local employment and procurement, and programs to develop local capacity, facilitate access to capital, provide training, and promote community development, we hope to stimulate economic growth in the region. This in turn leads to long-term opportunities and shared prosperity for local communities, with a particular focus on youth, women, entrepreneurs, farmers, and artisanal miners. By investing in local communities, we seek to enable vibrant, flourishing, and independent communities in Zamora Chinchipe long into the future.

5-Year Strategy



***OUR 5-YEAR OBJECTIVE** is to contribute to the creation of lasting economic opportunities for local communities, both with Lundin Gold and in the broader economy. We will achieve this through a focus on direct employment and the promotion of small businesses and seek to enhance the livelihoods of local communities.*

What we hope to accomplish by 2025

- Grow our local workforce and that of our contractors by maximizing direct local employment from local communities.
- Grow financially sustainable small businesses in non-mining sectors and increase the number of entrepreneurs and women-led businesses in local communities.
- Increase our local procurement and the variety of products we source from local suppliers while supporting the diversification of their customer base to reduce their dependency on FDN.
- Support artisanal miners to formalize their activities, and to operate responsibly and profitably, while simultaneously finding ways to reduce the attractiveness

of artisanal mining for those not currently engaging in this activity through the generation of alternative income opportunities.

- Support local farmers to improve their operations and to access new markets and clients.
- Increase income to local farmers by creating opportunities for diversification in sustainable agriculture and livestock production.
- Enhance community-wide economic benefits through increased job creation, formal employment, and increased average income levels in local communities.

How we plan to get there

- Training and certification programs to promote direct employment of local community members.
- Technical and management training to strengthen local business capacity.
- Enhance business capacity to meet larger-scale commercial requirements (quality, consistency, training, standards, service expectations, etc.)
- Consider the unique needs and opportunities of vulnerable populations in business development.

- Develop a strategy to minimize local communities' long-term dependency on FDN by:
 - Strengthening local businesses through co-financing, soft loans, grants, and subsidies, directly and through our partners.
 - Promoting entrepreneurship as an attractive career option and support entrepreneurship development programs.
 - Increasing access to finance for local businesses by de-risking high-potential opportunities.
 - Assisting local companies in diversifying their customer base.
 - Advancing financial literacy, commercial management, and responsible financial management (commercial and individual), as these are essential to translating local business opportunities into lasting benefits.
 - Together with agricultural organizations, local governments, and community leaders, coordinating programs to encourage agricultural activities related to the local market.
 - Supporting local agricultural organizations with broad representation in the population to improve the quality of their production.

Key Headline Targets

- By 2025, growth of 25% in revenues of all local businesses (excluding Lundin Gold) in the Canton of Yantzaza, considering 2020 as the baseline year (with milestones of 5% growth per year).
- 20% increase in revenues of supported agricultural and livestock initiatives by 2025.

Our Performance

Local Employment and Procurement

Creating employment and business opportunities within local communities is a powerful vehicle to drive regional economic growth and benefits. We aim to maximize direct and indirect local employment and procurement within Ecuador, with an emphasis on the communities closest to FDN. As one of the largest employers in the Province of Zamora Chinchipe, we have a significant economic impact through our local employment and procurement, and we seek to set an important precedent for the mining industry in Ecuador. In so doing, we also generate linkages to other industries in Ecuador.



The Takataii initiative assists farmers with the production and marketing of agricultural products

At Lundin Gold, we provide workforce training and certification for employees on a continuous basis. As of the end of 2021, 1,690 Lundin Gold employees have received more than 47,000 hours of training on basic skills such as Microsoft Excel, driving instruction, and work incident investigations, followed by specific and advanced machinery instruction, and soft skills such as leadership development and conflict management. This enables us to improve our performance, strengthen our workforce, and achieve increased employee satisfaction and morale.

Through our active participation in the [community roundtables](#) on local employment, Lundin Gold designed a qualitative survey to identify the training needs for the local population of Los Encuentros. In 2021, the survey was sent to a sample of 36 firms with more than 50 workers located within the Cantons of Yantzaza and Pangui.

The results of the survey addressed the following topics which will be explored further in 2022:

- Identification of local firms with short-term hiring requirements.
- Common qualifications / requirements for local employment (including required work experience, studies and/or certifications).
- The relevance of training programs to employers, including specific topics of training, the duration of training programs, mode of delivery, and the entity offering the training.

Based upon the results of this survey, a training program led by the Los Encuentros Parish GAD with the support from Lundin Gold will be developed in 2022 to promote employment within local firms outside the mining industry.

Direct (Aurelian Ecuador S.A.) Employment

	Number / Percent of employees by area of origin							
	2021				2020			
	Women	Men	Total		Women	Men	Total	
	#	#	#	%	#	#	#	%
Ring 1	67	339	406	24%	56	309	365	25%
Ring 2	34	177	211	12%	22	133	155	11%
Ring 3	27	192	219	13%	18	151	169	12%
Ring 4	132	547	679	40%	118	482	600	41%
Total Ecuador	260	1,255	1,515	90%	214	1,075	1,289	89%
Foreign	2	173	175	10%	2	160	162	11%
Total	262	1,428	1,690	100%	216	1,235	1,451	100%

Contractor Employment¹

	Number / Percent of contractors by area of origin							
	2021				2020			
	Women	Men	Total		Women	Men	Total	
	#	#	#	%	#	#	#	%
Ring 1	34	121	155	20%	47	107	154	17%
Ring 2	25	81	106	14%	29	71	100	11%
Ring 3	21	91	112	15%	17	92	109	12%
Ring 4	47	290	337	45%	40	367	407	45%
Total Ecuador	127	583	710	94%	133	636	770	84%
Foreign	2	45	47	6%	3	135	142	16%
Total	129	628	757	100%	140	772	912	100%

¹ All data provided for Contractor Employment has been provided by contractors. Data relates solely to contractors who provide on-site services.

Lundin Gold's Procurement Strategy, developed through the community roundtables, prioritizes the engagement of local suppliers, and aims to increase the amount we spend and types of products we source from local businesses. We proactively engage with local companies to make them aware of upcoming FDN tenders and related requirements, utilizing the community roundtables as a platform for communicating key data and opportunities.

In 2021, 90% of our direct workforce was Ecuadorian, and 49% was from the Province of Zamora Chinchipe.

94% of our contractors' employees were Ecuadorian, an increase of 10% from 2020, and 49% were from Zamora Chinchipe.



To learn more about local procurement opportunities, please contact: fdn.compras.locales@lundingold.com.

In partnership with the Lundin Foundation, local elected officials, and other strategic partners, we work to cultivate a strong network of local businesses through a range of programs that provide specialized technical assistance and professional training in small business management, as well as certification programs for prospective FDN suppliers. We also assist local suppliers to diversify their customer base so that they can expand beyond Lundin Gold.

During 2021, local businesses OSBRA (manufacturers of uniforms and textiles) and SMERA (maintenance and recharge of fire extinguishers) were created through a competitive process and commenced operations in Los Encuentros with financial and technical support from the Lundin Foundation and with Lundin Gold as anchor customer. We are very pleased that both these local businesses also made their first sales to clients other than Lundin Gold in 2021.



The local business SMERA receives financial and technical support from the Lundin Foundation

In 2021, Lundin Gold's total procurement spend was approximately \$239 million. 80% (\$191 million) was spent within Ecuador, with 13% (\$32 million) spent within the Province of Zamora Chinchipe.

Our national procurement spending increased from 66% in 2020 to 80% in 2021.



Mining Local Procurement Reporting Mechanism (LPRM)

Since 2019, we have reported our procurement practices in alignment with the Local Procurement Reporting Mechanism (LPRM), which was developed to promote transparency and best practice with regards to procurement in the mining industry (see 2021 Data Tables on www.lundingold.com).

The LPRM is a set of disclosures that seeks to standardise how the global mining industry and host countries measure and discuss local procurement. In most cases, this procurement of goods and services is the single largest in-country payment type by a mine site. Commissioned by the German Federal Ministry for Economic Cooperation and Development and created by the Mining Shared Value initiative of Engineers Without Borders Canada, the LPRM facilitates reporting on local procurement so as to:

- 1 Improve internal management in mining companies to create more benefits for host countries and thus strengthen the social license to operate.
- 2 Empower suppliers, host governments, and other stakeholders with practical information that helps them to collaborate with mine sites.
- 3 Increase transparency in procurement.



Case Study: Economic Impact of Mining and FDN

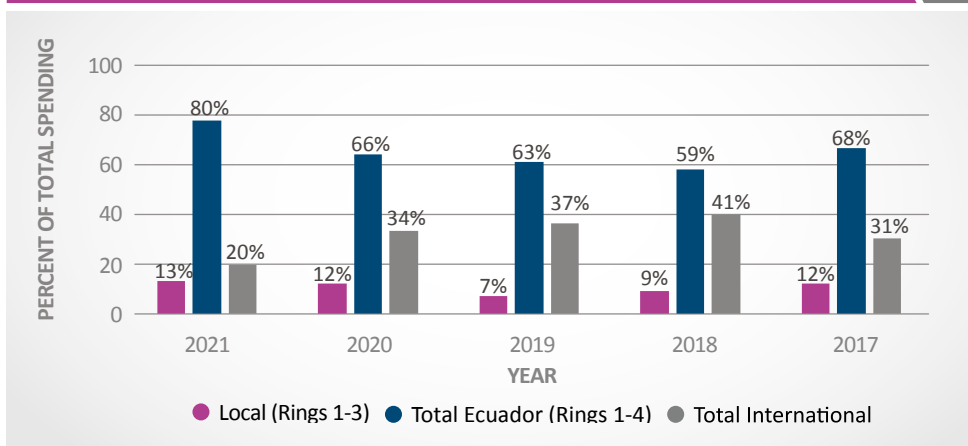
In 2021, Lundin Gold conducted a study on the economic impact of Fruta del Norte and its importance to the Ecuadorian mining industry and economy. This study was based on historic data from the construction phase of the project, the first year of operation in 2020, and projections for the future life of mine.

The results of the study focused on three key areas: the impact of the mining industry on the national economy, the impact of FDN during the construction period, and the projected impact that FDN is anticipated to have during the full life of mine.

Lundin Gold's Procurement Spending by Region

Spending by Region	\$ Million				
	2021	2020	2019	2018	2017
Ring 1	18.2	10.7	17.4	18.7	7.4
Ring 2	10.0	9.3	9.7	7.4	4.3
Ring 3	3.5	3.3	1.3	1.6	0.7
Ring 4	159.7	102.2	218.9	153.4	57.6
Total Ecuador	191.3	125.5	247.3	180.3	70.3
Total International	47.8	64.9	146	124.7	31.9
Total	239.1	190.4	393.3	305	102.2

Annual Procurement Spending by Location



1

The Increasing Importance of Mining within the Ecuadorian Economy



Investment: Mining has been the key driver for foreign direct investment (FDI). According to the Central Bank, between 2016 and 2020, mining represented on average more than 40% of FDI.



Exports: In 2021, mining exports reached a historic high of \$2.1 billion and became the fourth most important export product in Ecuador, behind oil, shrimp, and bananas. Mining exports represented 12% of non-oil exports and 26% of the country's non-traditional exports¹.



Taxes: Throughout the pandemic, mining has served as a buffer for the Ecuadorian economy. Collection of taxes such as the VAT, Currency Outflow Tax, Special Consumption Tax and income tax from other industries decreased overall during the COVID-19 pandemic, while the taxes paid by the mining industry increased and served to replenish the national and local economies.





FDN Process Plant during construction, January 2019

2 The Economic Impact of Fruta del Norte During Construction (2017-2019)



Investment: Lundin Gold's investment within Ecuador during the construction phase of FDN reached \$923 million. This contributed to the generation of assets (i.e., infrastructure) in Yantzaza at a rate eight times higher than the national average. Zamora Chinchipe was the most dynamic province in the country in terms of asset generation and Yantzaza was among the top six Cantons in the country.



Taxes: While Ecuador registered a 5% average annual increase in tax collection between 2015 and 2019, the Canton of Yantzaza registered a 66% average annual increase. This growth was driven directly by an increase in mining taxes, VAT, and income tax related to mining activity, including \$185 million in taxes paid by Lundin Gold to the national government during this period.



Linkages: Lundin Gold made direct purchases of approximately \$500 million in Ecuador during the construction phase, and \$65 million in Yantzaza. When factoring in the multiplier effect², the total impact of this procurement on the economy was more than \$1.2 billion at the national level and more than \$130 million in Yantzaza. Our procurement activities during construction involved more than 30 different industries nationwide.



Employment: FDN directly and indirectly created an average of 950 formal jobs for citizens of the Canton of Yantzaza and 2,500 jobs nationwide between 2017 and 2019. As a result, Yantzaza was the most dynamic Canton in terms of formal employment generation between 2015 and 2019 with an annual growth of 20%. Yantzaza was also ranked among the top three Cantons with the highest average salaries in Ecuador in 2019.

¹ According to the Central Bank of Ecuador, non-traditional exports include goods and/or products that have been incorporated into international markets in recent years.

² Multiplier effects, as defined by the Central Bank of Ecuador, reflect demand and supply pressures on intermediate consumption. As activities supplying raw materials expand, they stimulate the expansion of other productive industries. Productive industries that require inputs from other industries, also force supplying sectors to increase their production, as they expand.

3

The Projected Economic Impact of FDN During Operation (2020-2034)



Exports: In 2020, FDN represented about 82% of Ecuador's exported gold production and 45% of mining exports. Yantzaza increased its exports by a factor of 14 between 2019 and 2020 and was ranked as the seventh Canton in the country. 97% of these exports were attributed to FDN, which is projected to export between \$8 billion to \$8.8 billion over the course of the life of the mine (2019 to 2034).



Gross Domestic Product (GDP): Despite being a challenging year due to the pandemic, we estimate that Yantzaza's GDP increased by a factor of four in 2020. FDN's total contribution to the GDP of Yantzaza and Zamora Chinchipe was 81% and 42%, respectively. It is anticipated that FDN will contribute between \$7.8 billion to \$8.75 billion to Yantzaza's GDP over the course of the life of mine.



Taxes: Between 2017 and 2036, FDN is expected to generate fiscal resources to all levels of government between \$1.3 billion and \$1.5 billion. Based on current legal frameworks, between \$120 million and \$142 million of those resources should be re-invested in Yantzaza. Additionally, it is projected that FDN will generate direct taxes to the Yantzaza GAD of \$40 million to \$44 million.



Productive linkages: Between 2017 and 2036 we estimate that direct purchases from FDN will reach \$2.8 billion at the national level, \$510 million in the Province of Zamora Chinchipe, and \$450 million in the Canton of Yantzaza. With the multiplier effect, this is expected to generate a total impact of \$7.4 billion nationwide and more than \$1 billion at the local level.



FDN Process Plant during operations, November 2019

Community Development

A common priority identified with local stakeholders is to promote healthy, prosperous, and successful communities, not only while FDN is operating, but after our mine eventually closes. We recognize the challenges that the communities in the region face, such as heavy dependence on primary agricultural production, high rates of informal employment, limited access to commercial opportunities and finance, and remote locations. We therefore seek to develop capacity and resilience at a regional level.

In addition to creating opportunities for local employment and procurement at FDN, we support the development of small businesses outside the mining sector through entrepreneurship programs, and thus promote diversified growth and broad-based sustainable benefits throughout the region. We also aim to increase the number of entrepreneurs and women-led businesses in local communities.

Our key initiatives in 2021 focused on education and training, entrepreneurship development, and support for the agricultural sector in Zamora Chinchipe. These included:

Education and Training



- *Estamos Conectados* Project: To improve internet connectivity within local communities in order to support the continuity of education for children and young people during and beyond the pandemic. See our case study on [Estamos Conectados](#) in the Community Infrastructure section of this report.
- Educational support and motivation: To prepare high school students for the standardized admission tests required to access public and private institutions of higher education. Read about our partnership with Junior Achievement Foundation Ecuador in the [Community Well-being](#) section.

- Educational evaluation: To assess reading competence, technology fluency and accessibility, infrastructure requirements, and future prospects for students, teachers, and families through a partnership with the Learning One-to-One Foundation.

Entrepreneurship

- Academy for Women Entrepreneurs (in partnership with the United States Embassy in Ecuador): To empower 30 women-led businesses through training, tools, and world-class methodologies to promote entrepreneurship.
- Soy Emprendedora Program (in partnership with the Lundin Foundation): To provide seed capital grants, technical assistance, and connections to markets for six female entrepreneurs.
- ShuarNum (in partnership with the Lundin Foundation): To protect the Shuar culture and provide increased economic opportunities by promoting visits to the Shuar Cultural Interpretation Center. Please see our [2020 Sustainability Report \(www.lundingold.com\)](#) for more information.
- NEXO Local Supplier Development (in partnership with the Lundin Foundation): To develop suppliers in the Parish of Los Encuentros that meet Lundin Gold's requirements. In 2021 this addressed fire extinguisher maintenance, uniform manufacture, and cleaning, fumigation, sanitization, and pest control services.



Lundin Gold supports the development of small businesses through its entrepreneurship programs



Agricultural Production

- **Productive projects with Shuar communities:** Financial and technical support to develop four projects within the communal territory of Centro Shuar Chumpias.
- **Integrated farm management plans:** To provide technical and financial support to increase production, productivity, and earnings at three local farms.
- **ECOLAC Project:** To provide technical assistance, improve the productivity and economic yield of milk and meat producers (*see our [2020 Sustainability Report](#) for more details regarding this initiative*).
- **Production of organic cocoa within Shuar territory:** To support the Shuar Federation of Zamora Chinchipe with technical assistance, agricultural supplies, tools, machinery, and grafts of cocoa, citrus and banana plants.
- **Takataii (in partnership with the Lundin Foundation):** To increase locally produced fruits and vegetables that are then supplied to Catering Las Peñas.

Artisanal Mining

Lundin Gold recognizes that the artisanal and small-scale mining (ASM) sector has traditionally been an important part of the regional economy near FDN. However, due to the informal nature of artisanal mining, it often comes with risks to worker and community health and safety, environmental compliance, technical performance, and financial stability.

We promote co-existence between FDN and ASM operations through technical training and capacity building, environmental certification, and formalization of activities. We seek to build relationships with artisanal miners, promote safe and environmentally sound practices, and improve the technical and economic performance of the ASM sector. Specifically, Lundin Gold:

- Provides training on topics including environmental management, human rights, industrial safety, mining legislation, and water treatment.
- Extends financial support for ASM operators to obtain the requisite environmental certifications.
- Signs formal contracts with local artisanal miners who wish to operate on Lundin Gold's concessions.



- Carries out periodic site inspections and formal environmental audits to monitor ASM mining activities and ensure adherence to the requirements of the contract and local laws and regulations.
- Seeks to cooperate with artisanal miners to help them reach a state of compliance whenever non-conformities are identified.
- Carries out semi-annual flyovers of all Company concessions in order to identify areas of illegal mining.



In 2020, Lundin Gold launched a pilot program in partnership with the *Escuela Superior Politécnica del Litoral (ESPOL)* to improve the efficiency and profitability of artisanal mining operators established on Company concessions. ESPOL is a public university located in Guayaquil, Ecuador with a mining and geology program. This pilot program has been delayed due to the challenges and travel limitations posed by the COVID-19 pandemic, but our plan is to resume this initiative in 2022 as the situation improves.

The majority of ASM activity on Lundin Gold concessions occurs along river terraces, riverbeds, and old alluvial deposits, most frequently near the Blanco, El Zarza and Machinatza rivers. Areas within Lundin Gold's concessions where formalized artisanal mining activities are carried out, are listed in the table below.

As of 31 December 2021, 38 points of illegal mining activities had been identified on Lundin Gold's concessions. These include six on the Emperador concession, one on the Condesa concession, one on the Río Zarza concession and 30 in the La Zarza concession (FDN). These artisanal mining operations do not impact the FDN mine or our exploration activities. Pursuant to our Earn-In Agreement, Lundin Gold has appointed Newcrest Mining Limited as operator of the concessions held by Lundin Gold's subsidiary, Surnorte S.A. As such, Newcrest Mining is responsible for monitoring artisanal mining activity on exploration concessions held by Surnorte S.A. and such activity is not reported here.

Artisanal and Small-Scale Mining (ASM) Activities within Lundin Gold Concessions Area

	Number of Concessions				
	2021	2020	2019	2018	2017
Formalized ASM with contracts with Lundin Gold	15	16	17	19	21
Voluntary departure of informal ASM after authority inspections	17	43	18	38	25
Legal complaints filed by Lundin Gold against informal ASM	21	13	21	19	17
Number of impoundments, disabling, or destruction of ASM equipment or camps by authorities	1	0	1	2	10
Number of peaceful removals of informal artisanal miners by authorities	17	4	2	6	25
Grievances lodged with Lundin Gold related to ASM	0	0	0	0	1

Concessions with formalized ASM activities

	Concession
Aurelianmenor S.A.	Baron
	Cacique
	Emperador
	Marquesa
	Marques
	Reina
	Soberana
Aurelian Ecuador S.A.	Soberano
	Vizconde
Aurelian Ecuador S.A.	La Zarza





Our Approach

Large-scale mining is a relatively new industry in Ecuador. With broad economic benefits based on royalties, taxes, and the development of supply chains within the country, mining is already a fundamental pillar of the Ecuadorian economy and has the potential to grow significantly. In addition, Ecuador is well poised to take a greater role in providing responsibly sourced minerals that are essential for the coming energy transition.

In 2021, we completed an economic study for Fruta del Norte to determine the economic impact of the project on Ecuador and the local region. The study found that the construction of FDN generated numerous positive economic impacts at the national, regional, and local levels stemming from sales, tax generation, assets, formal employment, and our social investment initiatives, with these benefits expected to continue through the operational life of the mine.

We believe that the promotion of effective and efficient government oversight will strengthen our operations and benefit the Ecuadorian mining industry at large by increasing certainty and clarity with respect to government requirements, streamlining government approval times, and providing a foundation for long-term partnerships in local sustainable development. Likewise, we hope that a strong and engaged Mining Chamber of Ecuador (CME by its Spanish acronym) will allow Ecuador to become a leader in responsible mining through the implementation and development of international industry standards and best practices. Lundin Gold has been an active member and contributor to the development of the CME and the championing of best practices since 2015, through our CEO who was a Board Member from 2015 to 2019 and currently through our VP of Business Sustainability as the President of the CME Board of Directors.

Lundin Gold continues to work closely with a wide range of stakeholders to strengthen resource governance in Ecuador. We believe that strong resource governance at both the national and local level is key to ensuring that the benefits of mining bring broad-based positive change.



Lundin Gold is an active member and contributor of the CME cme.ec



Case Study: Building a stronger Mining Chamber

At the CME general meeting in June 2021, Lundin Gold's Vice President of Business Sustainability was elected as President of the Board of Directors for a two-year period. The new board has committed to work towards strengthening the mining industry in Ecuador so that it is better positioned to become one of the main pillars of the national economy.



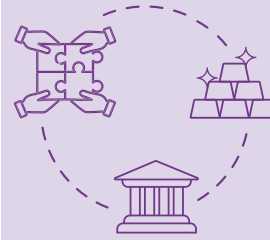
For Lundin Gold, our involvement in the leadership of the CME allows us to share our experiences with companies, suppliers, and authorities about the economic and social impacts that an operation like Fruta del Norte can bring to Ecuador as well as how our commitment to environmental stewardship is put into practice. We are certain that promoting this message through the CME will allow a broad array of stakeholders to better understand the potential of the mining industry within Ecuador.



“ Ecuador has a unique opportunity to develop a responsible mining industry. Mining has the potential to contribute to economic reactivation in Ecuador after an unprecedented economic crisis driven by the COVID-19 pandemic. I am enthusiastic in this new role as President of the CME Board of Directors. We will continue to build bridges between authorities, citizens, and industry in order to develop this strategic sector and bring benefits to Ecuador. **”**

Nathan Monash, VP of Business Sustainability at Lundin Gold / President of the CME Board of Directors

5-Year Strategy



OUR 5-YEAR OBJECTIVE is to strengthen the capabilities of the public sector to effectively oversee and regulate resource development projects and manage their associated benefits in a responsible manner, while broadly promoting the open and accountable management of mineral resources among stakeholders in Ecuador.

What we hope to accomplish by 2025

- **Governance**
 - Assist local governments and other institutions (such as the Shuar Federation of Zamora Chinchipe) to obtain greater access to development funds through improved planning and internal capacity.
 - Promote the efficient use of mining royalties by local governments so as to support local development needs.
 - Encourage local governments to implement sustainable local development plans.
 - Facilitate multi-stakeholder funding which can be leveraged to increase the technical capacity of regulators.
 - Support Ecuador to implement successfully its Extractive Industries Transparency Initiative (EITI) work plan, which includes becoming a fully compliant EITI country, establishing a sustainable technical secretariat, and successfully providing transparency of information related to the extractive industries.
- **National Mining Sector**
 - Promote greater alignment with leading international standards and industry frameworks.
 - Assist the CME to become an ever more respected, credible, and influential advocate with stakeholders, and to coordinate industry-wide communication.
 - Improve national and local perceptions of the mining sector.

How we plan to get there

- Support the implementation of local development plans and participatory local budgets.



- Provide assistance and technical support to local governments and local institutions to access development funds, strengthen planning capacity, and improve program management and accountability mechanisms.
- Take an active role in supporting the process of Ecuador becoming compliant with the EITI.
- Support the technical capacities of regulators.
- Educate local and national stakeholders on what responsible mining entails.
- Evaluate existing international responsible mining initiatives and assess the value of Lundin Gold's and the broader Ecuadorian mining industry's potential participation.
- Promote active membership within the CME to mobilize industry voices and promote improved mining practices.
- Establish alliances with development institutions, multilateral organizations, NGOs and think tanks to identify opportunities for cooperation.

Key Headline Targets

- By 2023, four local governments and the Shuar Federation of Zamora Chinchipe receive capacity-building training to obtain non-Lundin Gold financing for projects.

Our Performance

Transparency and the Extractive Industries Transparency Initiative

Ecuador became a candidate country of the EITI on 15 October 2020. In accordance with the EITI Standard, Ecuador will publish all required information within 18 months of being admitted. As the first large-scale underground mining operation in Ecuador, Lundin Gold was actively involved in both the EITI industry group and the EITI multistakeholder group (which brings together civil society, government, and extractive companies) to develop a workplan for EITI Ecuador. At the time of writing:

- EITI Ecuador is advancing in accordance with the workplan, which includes establishing a National Secretariat, developing a communications plan, and determining the scope of disclosure that will become mandatory.
- EITI Ecuador is in the process of defining the scope of the first country report. Due to the pandemic, a flexible report format is being developed by the National Secretariat with the support and assistance of the members of the multistakeholder group, which includes Lundin Gold.
- EITI Ecuador is in the final stages of securing external funding for the initial implementation of EITI in Ecuador.



EITI

The Extractive Industries Transparency Initiative (EITI) implements the global standard to promote the open and accountable management of oil, gas, and mineral resources. The EITI Standard requires the disclosure of information along the extractive industry value chain from the point of extraction, to how revenues make their way through the government, and how they benefit the public. By doing so, the EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to inform reforms for greater transparency and accountability in the extractives sector. In each of the 56 implementing countries, the EITI is supported by a coalition of governments, companies, and civil society.

ESTMA

The Extractive Sector Transparency Measures Act (ESTMA) is a law enacted by the Government of Canada in 2014 for the purpose of increasing transparency and deterring corruption in the extractive sector. Under the ESTMA, extractive entities that are active in Canada must publicly disclose, on an annual basis, certain types of payments made to governments in Canada and abroad.

Lundin Gold continues to publish the totality of our payments to government entities on an annual basis in accordance with ESTMA. The details of our annual payments to federal, provincial, municipal, and local governments, as well as to Indigenous organizations, are shown in the table.

ESTMA Payment Reporting* (\$ Thousands)

Government Entity	2021	2020	2019	2018	2017
Parish Government of Los Encuentros	920	470	600	1,110	1,720
Municipal Government of Yantzaza	5,580	2,890	3,600	2,060	700
Provincial Government of Zamora Chinchipe	520	2,400	–	–	–
Federal Government of Ecuador	26,940	25,300	17,410	31,210	26,750
Indigenous Organizations	110	0	90	-	210
Total Payment by FDN and other mining activities	34,070	31,060	21,700	34,380	29,380

* All government payments are in compliance to ESTMA guidance (available at www.nrcan.gc.ca/our-natural-resources/minerals-mining/mining-resources/extractive-sector-transparency-measures-act/18180), calculated differently from 'GRI 201-1 Payments to Governments' as reported in section [How we Create Value](#) of this report.





The eight pillars of our 5-Year Sustainability Strategy are underpinned by four critical “enablers of success”. These are essential for the implementation of the objectives, targets, and strategies we have developed under each pillar. To ensure that we build an enduring and robust foundation for our 5-Year Sustainability Strategy, clearly defined objectives and specific 5-year target outcomes have been established for each of the enablers.

1. Accountability and Management Systems

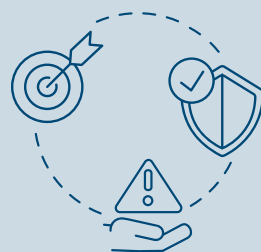


Our Approach

The comprehensive and rigorous management systems we have implemented at Lundin Gold are critical for the success of the Company and our stakeholders. They facilitate cross-functional collaboration, embed sustainability throughout our governance and operational processes, and allow us to make better decisions. With integrated performance measurement and reporting processes, our management systems hold us accountable and facilitate continual improvement in our sustainability performance.

Lundin Gold's management systems include corporate policies, standards, guidelines, and reporting systems, touching on every part of our business.

5-Year Strategy



OUR 5-YEAR OBJECTIVE is to achieve the targets for each pillar identified in our 5-Year Sustainability Strategy through our management systems, performance measures, and company-wide support. These include risk management systems to ensure we have an up-to-date understanding of business risks and the ability to establish plans to mitigate such risks.

What we hope to accomplish by 2025

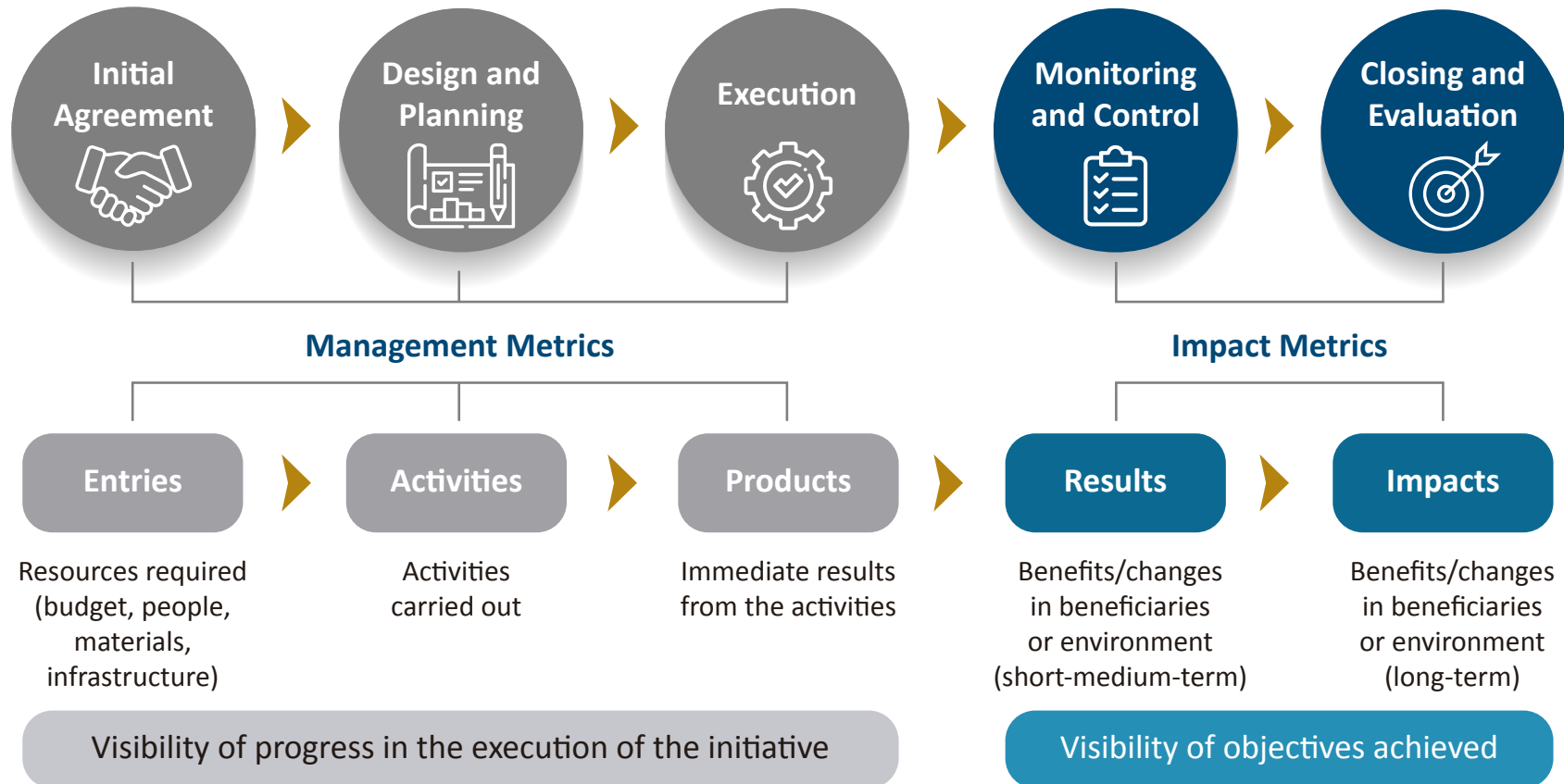
- Strengthen and maintain cross-functional collaboration for our strategic pillars.
- Seek opportunities to integrate sustainability objectives into our existing processes.
- Integrate sustainability indicators into relevant job accountabilities and compensation scorecards.
- Ensure the development and implementation of company policies, standards, guidelines, and reporting in support of the Sustainability Strategy.
- Conduct quarterly reviews at the Executive Management level of operational and strategic risks and their mitigation plans.
- Update our national and local stakeholder mapping and engagement strategy on an ongoing basis.

Our Performance

Our Impact Measurement Framework, developed in 2020 and rolled out in 2021, measures the performance and impacts of each pillar of the Sustainability Strategy. This quantitative framework includes a process to develop, define, and track management metrics and impact metrics throughout the impact chain of an initiative, thus ensuring that we achieve progress in execution, and also in achieving the desired impact from the project. It also provides us with a mechanism by which we can measure, evaluate, and subsequently refine the strategic design of our programs and better communicate our results and progress to the Company's internal and external stakeholders.



Indicators and Impact Chain



Our programs are informed by studies, surveys, and stakeholder engagement which allow us to understand and determine the most meaningful metrics to measure, the significance of the measurements, and whether positive impacts are being achieved. Some examples include:

- **Social baseline of Los Encuentros:** When Lundin Gold arrived in Ecuador in 2015, we conducted a comprehensive census-level social baseline study in the Parish of Los Encuentros, based on the official surveys of the National Statistics Institute. The study examined socio-economic variables such as employment, education, demographics, health, and housing, among others. In 2021, we replicated this exercise in order to understand the major socio-economic changes that have occurred within the community of Los Encuentros since the construction and start of operations at FDN. We expect to receive the final results during the first half of 2022. This study will also serve as a valuable source of information for programming under each pillar of our 5-year Sustainability Strategy.

- **Capacity building needs:** In 2021 we conducted a survey with the major private companies operating within the Parish of Los Encuentros to understand the training needs for their workforce. This will serve as a key input for the development of a training program that will be implemented in 2022 as part of the [community roundtables](#).



- **Economic impact studies:** With the support of the Lundin Foundation, in 2021 we developed the terms of reference for economic impact studies focused on initiatives currently being implemented by the Lundin Foundation and Lundin Gold. These include ECOLAC, Takataii, APEOSAE, productive farms, and NEXO (see the [Lasting Economic Impacts](#) section for more details). The aim is to understand the

specific socio-economic impacts that these initiatives have generated for their beneficiaries. These studies will be implemented in 2022.

In 2021, we applied our Impact Measurement Framework to the Training for Operations (TFO) program, which was launched in preparation for our shift from the construction phase to the operations phase of FDN. The TFO program provided skills training to community members who were interested in working within our operations, for specific underground mining and mineral processing operations. The Impact Measurement Framework was used to quantify the benefits and success of the program. Impact metrics measured included:

-  *The number of trainees who started and completed the program*
-  *The number of graduates who secured gainful employment after the program*
-  *Employment attrition rates*
-  *Graduates' access to health services*
-  *Access to education for children of the graduates*
-  *Investments made by graduates in a home (or other type of meaningful asset for the household)*



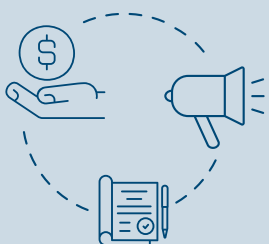
In 2022 we will conduct an analysis of the results of this framework and identify the impacts that TFO Program had in target groups, specially from Zamora Chinchipe Province.

2. External Communication, Sustainability and Financial Reporting

Our Approach

Lundin Gold is committed to transparent, timely, and material reporting related to our financial and sustainability plans, goals, and performance. Through relevant financial disclosures, annual information forms, proxy circulars, and other regulatory filings, annual Sustainability Reports, TCFD reporting starting in 2022, and ongoing external communications, we provide diverse stakeholder groups with meaningful information.

5-Year Strategy



OUR 5-YEAR OBJECTIVE is to effectively communicate Lundin Gold's sustainability strategy and ensure broad awareness, internally and externally, of its key components.

What we hope to accomplish by 2025

- Implement an external communication strategy for local, national, and international stakeholders, social media, traditional media, and investor relations.
- Strengthen Lundin Gold's sustainability brand.
- Highlight internally how our Sustainability Strategy is core to FDN's success.
- Strengthen Lundin Gold's communication to investors on sustainability topics that they have highlighted as key to Company success.



Our Performance



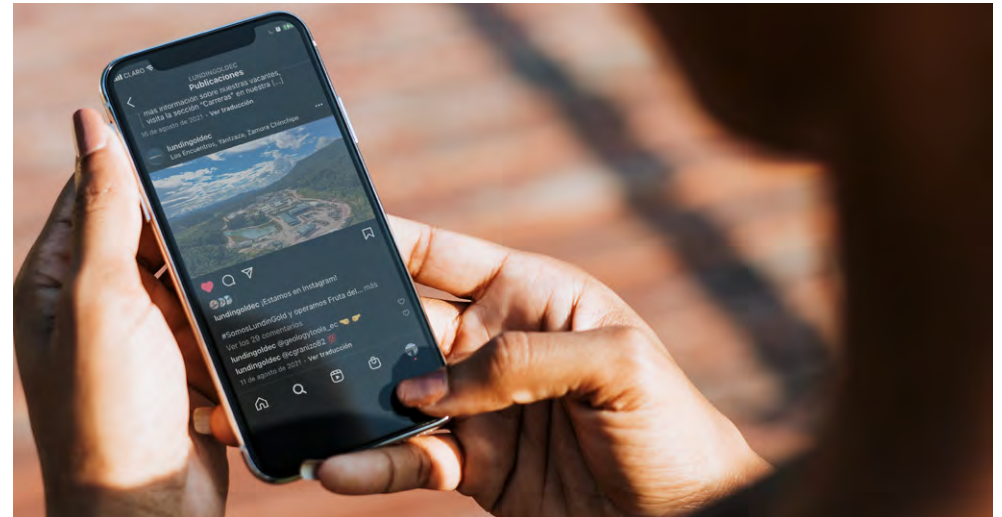
We communicate regularly through many avenues with diverse external stakeholders. In addition, we maintain open dialogue with local, national, and international media, and an active presence on social media via Facebook, Instagram, Twitter, LinkedIn, and YouTube to ensure that we are accessible to a broad audience. We have found that Facebook, in particular, is a key means of communication between Lundin Gold and local communities in Zamora Chinchipe, along with national audiences across Ecuador.

Key highlights related to our external communications, financial disclosures, and sustainability reporting in 2021 include:

- 32 press releases issued to international stakeholders focusing on quarterly operational and financial results, exploration updates, announcement of forward-looking guidance, and achievement of completion milestone, among others.
- 29 press releases issued to Ecuadorian stakeholders, focusing on our community investment programs, agricultural projects, the launch of the Estamos Conectados Program, exploration drilling in Barbasco, the completion of the Yantzaza Basic

Hospital ICU, the Academy of Women Entrepreneurs program, increased production at Lundin Gold, and other notable activities.

- 19 engagements (presentations, press conferences and one-on-one meetings) with Ecuadorian media to ensure that they were kept abreast of key developments at FDN.
- 32 meetings with local, regional, and national authorities, and community leaders to share information related to site water management, environmental management, employment figures, job opportunities, local investment and procurement, the diversification of productive businesses in the region, and other socio-economic activities and impacts of Fruta del Norte. Community roundtables are part of this statistic.
- 18 public presentations at virtual events and other events with national audience.
- In August, we launched a new Instagram account for Lundin Gold Ecuador.
- In 2021, we reached approximately 8 million accounts on all our social media sites.



3. Strategic Partnerships

Our Approach

In support of SDG 17, Partnership for the Goals, we pursue strategic partnerships with a wide range of local, national and international organizations in order to maximize the positive impacts of our programs and achieve mutually beneficial outcomes. Given that the life of our operation is finite, we recognize that sustainable development requires long-term commitment from diverse sources to have a meaningful impact. Consequently, these partnerships are formulated to minimize the dependency of local communities on FDN. By working together to leverage the resources, knowledge, and expertise of our partners, we are able to conceive and implement impactful initiatives that can transform the socio-economic contexts of local communities and surpass environmental standards for net positive impact.

Our strategic partners include the Lundin Foundation, national industry organizations such as the Mining Chamber of Ecuador, local, regional, and national governmental agencies, universities, NGOs, CSOs, local community groups, local religious institutions, other businesses and industries, and Indigenous groups.

5-Year Strategy



OUR 5-YEAR OBJECTIVE is to leverage the expertise of strategic partners to carry out sustainability initiatives, achieve far-reaching impacts, and minimize dependence upon Lundin Gold.

What we hope to accomplish by 2025

- Identify strategically relevant partners from academia, NGOs, development agencies, embassies, industry associations and chambers, public sector institutions, other companies, and religious institutions that share Lundin Gold's objectives and can leverage additional support and expertise.
- Leverage the Lundin Foundation's expertise in the areas of impact management, strategy development, economic development, and creating linkages with other Lundin Group companies, and, in so doing, successfully integrate Foundation-led initiatives into our community investment programming.



Our Performance

In 2021, Lundin Gold's strategic partnerships included the following:

• National Industry Associations



Development of a long-term vision for a mining ecosystem in Ecuador.



Participation in the Energy and Natural Resources Committee and Compliance Committee.



Participation in several events and roundtables.



Participation as members in events, meetings, webinars, and others. Partnership with the Lundin Foundation to evaluate a potential circular economy initiative in Los Encuentros Parish.



Strengthening the mining industry in Ecuador. Lundin Gold's Vice President of Business Sustainability is President of the Board.



Participation in the industry group and represent the private sector in the multi-stakeholder group to increase transparency in the extractives industry.



Participating in the national network and within the SDG Leaders initiative within the SDG 4 Working Group.



Supporting and developing women within the mining industry. Lundin Gold's Vice President of Human Resources is a founding member and Vice President.

• Universities, NGOs and CSOs

- **Conservation International Ecuador:** Protecting local biodiversity through various initiatives.
- **Escuela Superior Politécnica del Litoral (ESPOL):** Helping artisanal mining operators established on Lundin Gold concession to improve the efficiency and profitability of their operations.
- **Junior Achievement Ecuador:** Preparing high school students to succeed in their studies and access higher education.
- **Universidad Nacional de Loja (National University of Loja):** Constructing an archaeological museum in Los Encuentros.
- **Universidad Técnica Particular de Loja (Technical Private University of Loja):** Developing the community water monitoring program for FDN, and cooperation agreements to explore collaboration opportunities in 2022.
- **Universidad de las Americas (University of the Americas):** Collaboration to provide access to training and capacity building programs at the University for Lundin Gold employees.

• Government (see [Community Infrastructure](#) and [Community Well-being](#) sections for more details)

- **Local Government:** Various initiatives related to infrastructure, education, and agricultural projects in the Zamora Chinchipe Province, including the *Estamos Conectados* Program.
- **National Government:** various projects and activities ranging from pandemic relief to the Neighborhood Doctor program, to the ICU at the Yantzaza General Hospital.

• Lundin Foundation

- **Soy Emprendedora Program:** Enabling female entrepreneurship through training, support, seed capital, and connections to markets.
- **Shuar Cultural and Interpretation Centre:** Promoting Shuar culture through partnerships with the Shuar Federation of Zamora Chinchipe.
- **Takataii Program:** Developing the local supply chain for Catering Las Peñas, a locally owned catering company serving the FDN mine and broader markets in Ecuador.
- **Local Supplier Development Program:** Helping to develop local small businesses so they can become suppliers to FDN.

Our Approach

Facilitating transparent and meaningful dialogue between Lundin Gold and our stakeholders is fundamental for building trust and enduring relationships. Through our participation in community roundtables and other participatory processes, we engage proactively and consistently with local communities on the issues that matter to them, ensuring that they are well-informed, consulted, and considered in all our plans and decisions. These engagement processes form an integral part of our Community Relations Plan, Environmental Management Plan, and Sustainability Strategy.

5-Year Strategy



OUR 5-YEAR OBJECTIVE is to maintain and continue to build open and trusted relationships through transparent community consultation and communication.



What we hope to accomplish by 2025

- Ensure a multi-stakeholder process that facilitates an understanding of community priorities is on-going and led by local stakeholders.
- Update this process to reflect evolving contexts and to align with our Sustainability Strategy.
- Leverage this process to develop community investment initiatives and provide feedback on community investment results.

Our Performance

A primary mechanism that Lundin Gold uses to engage in participatory dialogue with local stakeholders is the community roundtable process. Since 2016, our participation in the roundtables has been vital for effective community engagement, development of our community investment programs, and continuous improvement of our sustainability programs, strategies, and performance. Senior leaders from relevant departments at Lundin Gold attend the roundtables with representatives from various stakeholder groups, which include local community leaders, community groups, the central government, local governments, local private sector, social organizations, Indigenous leaders, and academia, among others.



The consistent framework and format of the roundtables create a space for all voices to be heard equally. The most pressing issues identified by the community are analyzed, root causes are identified, and solutions involving multi-stakeholder teams are designed. These participatory meetings result in concrete actions, projects, commitments, and agreements to promote local development. Over time, the process has also built trust between local communities and Lundin Gold.

At the end of 2020, the leadership of this process transitioned from Insuco, an external third-party facilitator that managed the roundtables from 2016 to 2020, to the Los Encuentros GAD. At the request of the GAD, Insuco has remained in place and assists the GAD with the facilitation and various administrative aspects of the roundtables. The five members of the GAD each lead a specific roundtable that has been identified as a priority by local communities, namely:



Due to the pandemic, the community roundtables were paused for much of 2020 and from January to April 2021. In May, the sessions resumed online and transitioned to a hybrid (virtual and in-person) model by the end of the year. Three sessions were held in 2021:

- **Round III:** 25 - 27 May 2021 (167 attendees)
- **Round IV:** 16 - 19 August 2021 (199 attendees)
- **Round V:** 29 November - 2 December 2021 (216 attendees)

Caution Regarding Forward Looking Statements

Certain information and statements in this Sustainability Report 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

Sustainability Report, and the Company will not necessarily update this information, unless required to do so by securities laws.

This Sustainability Report contains forward-looking information in a number of places, such as in statements relating to our sustainability strategy; our short-term and long-term sustainability goals, including, the timing and anticipated achievement of our goals and targets; the benefits to be derived from our plans and actions, including initiatives to protect the health and safety of our employees, to reduce water usage and waste generated by our operations, to protect the biodiversity of our local ecosystem and to improve local employment and procurement; the economic and social benefits to be derived from our operations and our community programs; our goals related to climate change action and estimates of gold production and the future performance of our operations. 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 21, 2022, which is available at www.lundingold.com or on SEDAR.

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 associated with the Company's community relationships; risks related to political and economic instability in Ecuador; risks related to estimates of production, cash flows and costs; the impacts of a pandemic virus outbreak; risks inherent to mining operations; failure of the Company to maintain its obligations under its debt facilities; shortages of critical supplies; control of the Company's largest shareholders; risks related to Lundin Gold's compliance with environmental laws and liability for environmental contamination; the lack of availability of infrastructure; the Company's reliance on one mine; exploration and development risks; risks related to the Company's ability to obtain, maintain or renew regulatory approvals, permits and licenses; uncertainty with the tax regime in Ecuador; risks related to the Company's workforce and its labour relations; volatility in the price of gold; the reliance of the Company on its information systems and the risk of cyber-attacks on those systems; deficient or vulnerable title to concessions, easements and surface rights; inherent safety hazards and risk to the health and safety of the Company's employees and contractors; the imprecision of Mineral Reserve and Resource estimates; key talent recruitment and retention of key personnel; volatility in the market price of the Company's shares; measures to protect endangered species and critical habitats; social media and reputation; the cost of non-compliance and compliance costs; risks related to illegal mining; the adequacy of the Company's insurance; risks relating to the declaration of dividends; uncertainty as to reclamation and decommissioning; the ability of Lundin Gold to ensure compliance with anti-bribery and anti-corruption laws; the uncertainty regarding risks posed by climate change; limits of disclosure and internal controls; security risks to the Company, its assets and its personnel; the potential for litigation; and risks due to conflicts of interest.

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