

ERDENE ANNOUNCES Q2-2022 RESULTS AND PROVIDES KHUNDII GOLD DISTRICT UPDATE

Press Release
Halifax, Nova Scotia
2022.08.04

Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company") is pleased to announce operating and financial results for the three and six months ended June 30, 2022 and to provide an update on its Khundii Gold District ("KGD"), including its Bayan Khundii Gold Project ("Bayan Khundii" or "BK"). This release should be read in conjunction with the Company's Q2-2022 Financial Statements and MD&A, available on the Company's website and SEDAR.

Quotes from the Company:

"During the second quarter, we made further progress on our objectives of growing resources in the Khundii Gold District, while progressing the Bayan Khundii Gold Project towards development," said Peter Akerley, Erdene's President and CEO. "Results from recent drilling at the Ulaan Southeast discovery, just west of Bayan Khundii, expanded mineralization, which remains open to the west and at depth. We are seeing further evidence to support Erdene's thesis that our Khundii Gold District hosts a multimillion-ounce gold deposit, which could support a significant increase in gold production from the Bayan Khundii Gold Project."

"We also moved Bayan Khundii closer towards construction over the past three months. Preparatory site works are underway and permits have been received for most facilities, with the balance expected in the coming months," continued Mr. Akerley. "As we move into the latter part of 2022, we anticipate the issues at the China-Mongolia border will begin to abate, positioning us well for full construction."

Q2-2022 Highlights and Significant Subsequent Events:

Bayan Khundii Gold Project – 100% Erdene

- Progressed construction readiness activities for the Bayan Khundii Gold Project:
 - Preliminary Site Establishment works completed, including camp expansion, communications infrastructure installation and project controls software implementation
 - Re-pricing and tendering for major equipment supply and construction works substantially complete
 - Preferred and shortlist vendors selected for all major project works

- Obtained key permits and advanced regulatory approvals required for mine development:
 - Regulatory review of detailed drawings well advanced, with nine facilities fully approved, including those planned during the site establishment and initial construction – received construction permits for eight of these facilities in February 2022
 - Process plant regulatory review ongoing with approvals anticipated in Q3 2022
- Continued local community programs in advance of full construction:
 - Undertook several community-led programs to support public health and education in the sub-province, within the framework of the Local Cooperation Agreement
 - Established over 10,000 endemic plants and trees at a 2 hectare nursery at the project site for future reclamation and environmental protection
 - Employed over 30 local residents at site

Exploration

- Completed first phase of the 2022 KGD exploration program, including 3,906 metres of diamond drilling and 2,145 metres of shallow, reverse circulation (“RC”) work:
 - Drilled 2,464 metres at Ulaan SE, expanding this high-grade discovery west and at depth, intersecting an interpreted feeder zone
 - Completed 1,442 metres of shallow “scout” drilling across the broader Ulaan license – results are pending and expected to be announced in mid-August 2022
 - Executed a systematically spaced RC drill program focusing on zones of cover primarily within the Khundii license – results are pending and expected to be announced in mid-August 2022
- Traced mineralization at Ulaan SE over a 200 metre strike to a depth of 450 metres, that remains open to the west and at depth
 - UDH-35 included the highest average grade intersection to date at Ulaan SE
 - Intersected 23 metres of 13.7 g/t gold within 41 metres of 8.1 g/t gold, beginning 187 metres downhole
 - UDH-21, including the hole extension, returned one of the thickest gold zones in the KGD
 - Intersected 335 metres of 1.1 g/t gold, beginning 115 metres downhole, ending in mineralization
 - Includes 27 metres of 8.7 g/t gold, within 77 metres of 3.2 g/t gold
 - UDH-36 intersected 179 metres of 1.2 g/t gold, beginning 72 metres downhole
 - Includes several one-metre, high-grade intervals, ranging from 10-33 g/t gold, and ending in mineralization
 - UDH-53 returned high-grade mineralization within a projected feeder zone

- Includes 2 metres of 24.9 g/t gold within 27 metres of 3.5 g/t gold
- UDH-52, 60 metres SSE of UDH-53, intersected a wide zone of mineralization
 - Returned 189 metres averaging 0.8 g/t gold

Corporate

- Completed a \$7.2 million financing led by \$2.0 million investment from Eric Sprott on July 21
 - Proceeds will be used to fund exploration, including follow up drilling at the recent Ulaan and Dark Horse discoveries, site establishment work for the Company's Bayan Khundii Gold Project development, and for general working capital purposes
- Progressed due diligence for the Bayan Khundii Project Finance with EDC and other financiers
 - EDC term sheet agreed and detailed drafting underway in advance of anticipated late-2022 financial close
 - Discussions are proceeding in parallel with Mongolian and International financiers on subordinated debt and other non-equity instruments
- Recorded a net loss of \$2,928,904 for the six months ended June 30, 2022, compared to a net loss of \$1,895,606 for the six months ended June 30, 2021
 - Exploration and evaluation expenditures totaled \$5,936,987, including capitalized expenditures of \$3,943,279, for the six months ended June 30, 2022, compared to \$5,618,873, including capitalized expenditures of \$4,735,968, for the comparative prior year period, as increased salaries, camp and stakeholder relations costs due to a ramp-up in activity prior to construction more than offset lower drilling and analysis costs due to less exploration in the period and lower share-based compensation expenditures due to the timing of employee performance grants
 - Corporate and administration expenses totaled \$921,045 for the six months ended June 30, 2022, compared to \$1,029,131 for the six months ended June 30, 2021, as lower share-based compensation expenditures due to the timing of employee performance grants more than offset higher administrative salaries in support of pre-development and financing work for the Bayan Khundii Gold Project and increased regulatory fees driven by growth in the Company's market capitalization

Qualified Person

Peter Dalton, P.Geol. (Nova Scotia), Senior Geologist for Erdene, is the Qualified Person as that term is defined in National Instrument 43-101 and has reviewed and approved the technical information contained in this news release.

About Erdene

Erdene Resource Development Corp. is a Canada-based resource company focused on the acquisition, exploration, and development of precious and base metals in underexplored and highly prospective Mongolia. The Company has interests in three mining licenses and an exploration license in Southwest Mongolia, where exploration success has led to the discovery and definition of the Khundii Gold District. Erdene Resource Development Corp. is listed on the Toronto and the Mongolian stock exchanges. Further information is available at www.erdene.com. Important information may be disseminated exclusively via the website; investors should consult the site to access this information.

Forward-Looking Statements

Certain information regarding Erdene contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance, or other statements that are not statements of fact. Although Erdene believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Erdene cautions that actual performance will be affected by a number of factors, most of which are beyond its control, and that future events and results may vary substantially from what Erdene currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include the ability to obtain required third party approvals, market prices, exploitation, and exploration results, continued availability of capital and financing and general economic, market or business conditions. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and is subject to change after that date. The Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENTS OF THIS RELEASE

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