

## ERDENE ANNOUNCES Q3 2022 RESULTS AND PROVIDES KHUNDII GOLD DISTRICT UPDATE

---

Press Release  
Halifax, Nova Scotia  
2022.11.03

**Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company")** is pleased to announce operating and financial results for the three and nine months ended September 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 Q3 2022 Financial Statements and MD&A, available on the Company's website and SEDAR.

### Quotes from the Company:

"During the third quarter, we continued our success expanding resources in the Khundii Gold District, while preparing the Bayan Khundii Gold Project for development," said Peter Akerley, Erdene's President and CEO. "Results from recent drilling confirmed, and in some cases extended, high-grade mineralization in the planned Bayan Khundii starter pits. Furthermore, regional exploration drilling over the past three months tested several new targets that have the potential to add resources in our Khundii Gold District."

"Concurrently, we prepared Bayan Khundii for construction. Preparatory site works are complete, permits have been received for most facilities, and we are seeing supply chain issues ease at the China-Mongolia border," continued Mr. Akerley. "Supported by the recent discoveries at Dark Horse and Ulaan, Erdene is undertaking design and value engineering work to optimize Bayan Khundii plant throughput and bring forward grade, including evaluating the addition of a gravity circuit, targeting a 15 – 25% increase in average annual gold production compared to the BFS. We will provide updates on this work as the information becomes available."

### Q3 2022 Highlights and Significant Subsequent Events:

#### Bayan Khundii Gold Project – 100% Erdene

- Progressed construction readiness activities for the Bayan Khundii Gold Project:
  - Completed preliminary works including camp expansion, communications infrastructure upgrade and project controls software implementation
  - Received updated quotations for major equipment supply and construction works
  - Launched optimization and value engineering studies focused on mine planning, gravity recovery and gold processing

- Expanded hazard identification program and initiated participatory environmental monitoring
- Secured key permits and advanced regulatory approvals for mine development:
  - Received approval for the process plant and integrated mineral waste facility (“IWF”) detailed designs
    - The IWF is the first in Mongolia to contain dry tailings within mine waste rock, reducing environmental risks and minimizing land disturbance
  - Obtained regulatory approval for 11 major project facilities, eight of which include construction permits
- Continued local community programs in advance of full construction:
  - Renewed the Local Cooperation Agreement with Provincial and Sub-Provincial governments, committing the parties to transparently supporting community development
  - Planted over 10,000 trees as part of the Company’s one million tree commitment in support of the Mongolian President’s Billion Trees Program
  - Trained over 100 local residents of whom nearly 30 were employed at site in 2022

### Exploration

- Completed approximately 4,200 metres of drilling in Q3 at Bayan Khundii, Dark Horse and Ulaan
  - Bayan Khundii drilling confirmed high-grade, near-surface mineralization in proposed starter pits
  - Results from drilling at Dark Horse and Ulaan are pending and expected in mid-Q4
- Reported results from Bayan Khundii starter pits, including multiple high-grade intersections
  - Drilling confirmed and locally extended high-grade zones modelled in BK economic pits
    - 29.6 g/t gold over 4m, within 16m of 8 g/t gold (BKD-358)
    - 68.0 g/t gold over 2m, within 10m of 14.4 g/t gold (BKD-361)
    - 32.6 g/t gold over 2m, within 20m of 10.4 g/t gold (BKD-369)
    - 67.5 g/t gold over 1m, within 7m of 11.8 g/t gold (BKD-354)
    - 39.6 g/t gold over 1m, within 10m of 5.7 g/t gold (BKD-356)
  - Also collected ore for gravity processing test work from these very high-grade zones
- Engaged RPM Global to update resources for the KGD

- Targeting 2 million ounces gold equivalent from Bayan Khundii, Altan Nar, Ulaan and Dark Horse

### Corporate

- Closed a \$7.2 million financing led by \$2.0 million investment from Eric Sprott
  - Proceeds have been 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, pending finalization of project mine plan, schedule and budget, anticipated in early 2023
  - Discussions are proceeding in parallel with Mongolian and International financiers on subordinated debt and other alternative instruments
- Recorded a net loss of \$4,909,342 for the nine months ended September 30, 2022, compared to a net loss of \$3,831,404 for the nine months ended September 30, 2021
  - Exploration and evaluation expenditures totaled \$9,704,879, including capitalized expenditures of \$6,555,922, for the nine months ended September 30, 2022, compared to \$9,120,054, including capitalized expenditures of \$6,871,310, 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 non-cash share-based compensation expenditures
  - Corporate and administration expenses totaled \$1,791,332 for the nine months ended September 30, 2022, compared to \$1,594,223 for the nine months ended September 30, 2021, as lower share-based compensation and investor relations and marketing expenditures were more than offset by higher administrative salaries, professional fees and travel and accommodations expenditures in support of pre-development and financing work for the Bayan Khundii Gold Project as well as 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](http://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**

## Erdene Contact Information

Peter C. Akerley, President and CEO, or  
Robert Jenkins, CFO

Phone: (902) 423-6419

Email: [info@erdene.com](mailto:info@erdene.com)

Twitter: <https://twitter.com/ErdeneRes>

Facebook: <https://www.facebook.com/ErdeneResource>

LinkedIn: <https://www.linkedin.com/company/erdene-resource-development-corp/>