

ERDENE ANNOUNCES 2022 RESULTS AND PROVIDES KHUNDII MINERALS DISTRICT UPDATE

Press Release
Halifax, Nova Scotia
2023.03.13

Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company") is pleased to announce operating and financial results for the year ended December 31, 2022, and to provide an update on its Khundii Minerals District ("KMD"), including its Bayan Khundii Gold Project ("Bayan Khundii" or "BK"). This release should be read in conjunction with the Company's 2022 Financial Statements and MD&A, available on the Company's website and SEDAR.

Quotes from the Company:

"Our 2022 exploration program successfully expanded resources in the Khundii Minerals District, while our technical team prepared the Bayan Khundii Gold Project for development," said Peter Akerley, Erdene's President and CEO. "Drilling during the year at our Dark Horse Mane and Ulaan Southeast prospects and Bayan Khundii deposit confirmed, and in some cases extended, high-grade mineralization, demonstrating the tremendous potential of this region in Southwest Mongolia."

"In early Q1 we announced a Strategic Alliance with Mongolian Mining Corporation ("MMC"), the Country's largest independent mining company, and part of MCS group, a leading Mongolian conglomerate," continued Mr. Akerley. "The first phase of the Alliance will focus on the development of the Bayan Khundii Gold Project. MMC will invest US\$40 million in three stages, providing the equity capital for the project. We have commenced an updated feasibility study and expect to reach a BK construction decision in mid-2023. Looking ahead, we see MMC and MCS as the ideal partners to develop the broader KMD, which shows the potential to host multiple precious and base metals mines."

"Finally, we continue to progress our Zuun Mod project, one of Asia's largest undeveloped Molybdenum-Copper deposits," concluded Mr. Akerley. "With molybdenum prices approximately doubling between late 2022 and early 2023, and copper prices forecast to remain strong, unlocking the value of the Zuun Mod project, as well as the Khuvyn Khar copper-silver prospect located on the license, will be a priority in the coming months."

2022 Highlights and Significant Subsequent Events:

Bayan Khundii Gold Project

- Progressed construction readiness and engineering for the Bayan Khundii Gold Project:
 - Completed detailed design and engineering for process plant and 12 of 14 non-process facilities
 - Launched optimization studies on mine planning, gravity recovery and gold processing
 - Completed preliminary works including camp expansion, communications infrastructure upgrade and project controls software implementation
 - Expanded hazard identification program and initiated participatory environmental monitoring
 - Received updated quotations for major equipment supply and construction works
- Advanced regulatory approvals and secured key permits for mine development:
 - Received regulatory approval of the detailed engineering and design for the CIP process plant and integrated mineral waste facility
 - Obtained approval for 11 project facilities and received construction permits for eight facilities
 - Received regulatory approval of the Project's 2022 environmental management works
- Conducted community engagement programs in preparation for construction:
 - Renewed Local Cooperation Agreement with Provincial and Sub-Provincial governments
 - Trained more than 100 local residents and employed 30 community members at site in 2022
 - Planted over 10,000 trees at the two-hectare vegetation area as part of the Company's one million tree commitment in support of the Mongolian President's Billion Trees Program

Khundii Minerals District Exploration¹

- Drilled 10,223 metres over 80 diamond (including extensions) and 278 reverse circulation holes at the Dark Horse Mane and Ulaan Southeast prospects and the Bayan Khundii deposit
 - Provided further support for Erdene's thesis that the Khundii-Ulaan hydrothermal alteration trend shows the potential to host a multi-million ounce gold resource
- Expanded mineralization at the 1.5 km Dark Horse Mane trend, located 2 kms north of Bayan Khundii

¹ Reported intervals in this release are downhole apparent widths. Continued exploration is required to confirm anisotropy of mineralization and true thicknesses

- Mineralization remains open to the north, south and at depth and demonstrates potential for near-surface, high-grade oxide gold mineralization across the KMD
- Intersected high-grade, near-surface gold in Dark Horse Mane South and extended mineralization at depth in Dark Horse Mane North
- Confirmed potential of new East Mane target, 500 metres east of Dark Horse Mane
- Highlight intercepts from the 2022 Dark Horse exploration program include:
 - AAD-178: 160.4 g/t gold over 3 metres within 42.8 g/t gold over 15 metres
 - AAD-218: 39.6 g/t gold over 6 metres within 12 metres of 20.2 g/t gold
 - AAD-217: 34.4 g/t gold over 3 metres within 11 metres of 13.0 g/t gold
 - AAD-215: 13.7 g/t gold over 1 metre within 18.6 metres of 4.6 g/t gold
- Traced mineralization at Ulaan Southeast over 200-metre strike to a depth of 450 metres, that remains open to the west and at depth, including an interpreted high-grade feeder zone
 - Multiple holes returned wide zones (30 to 75 metres) averaging over 3 g/t gold and intersections in the projected feeder zone intercepted very high-grade mineralization
 - Highlights from the 2022 Ulaan program include:
 - UDH-21: 8.7 g/t gold over 27 metres within 335 metres of 1.1 g/t gold (including extension)
 - UDH-35: 3.55 g/t gold over 53 metres within 217 metres of 1.07 g/t gold
 - UDH-15: 1.98 g/t gold over 91 metres within 364 metres of 0.79 g/t gold
 - UDH-53: 24.9 g/t gold over 2 metres within 27 metres of 3.47 g/t gold
- Intersected high-grade mineralization in projected BK Gold Project starter pits
 - Highlight intercepts confirmed and locally extended high-grade zones modelled in BK reserves
 - BKD-358: 29.6 g/t gold over 4 metres within 16 metres of 8 g/t gold
 - BKD-361: 68.0 g/t gold over 2 metres within 10 metres of 14.4 g/t gold
 - BKD-369: 32.6 g/t gold over 2 metres within 20 metres of 10.4 g/t gold
 - BKD-354: 67.5 g/t gold over 1m within 7m of 11.8 g/t gold
 - BKD-356: 39.6 g/t gold over 1m within 10m of 5.7 g/t gold
 - Collected ore for gravity processing test work from very high-grade zones

Corporate

- Entered Strategic Alliance with Mongolian Mining Corporation
 - MMC to invest US\$40 million for a 50% equity interest in Erdene's Mongolian subsidiary that holds the Khundii and Altan Nar mining licenses and the Ulaan exploration license
 - Erdene retains 50% of EM and a 5.0% NSR royalty on production from the Khundii, Altan Nar and Ulaan licenses, as well as any properties acquired within 5 kilometres, beyond the first 400,000 ounces of gold recovered, as well as 100% interest in Zuun Mod Mo-Cu project
 - Closed the first stage of the transaction in January 2023, with MMC investing US\$5 million to finance an updated BK Gold Project Feasibility Study and exploration

- Raised \$14.2 million of equity, led by \$5.4 million investment from Eric Sprott
 - Closed financings in July and December 2022 of \$7.2 million and \$7.0 million
 - Eric Sprott remains the Company's largest shareholder, owning 18% (20% partially diluted)
- Progressed due diligence for the BK Project Finance with EDC and other financiers
 - EDC due diligence complete pending finalization of project mine plan, schedule and budget, anticipated in mid-2023 and key loan terms agreed
 - Discussions are proceeding in parallel with Mongolian and International financiers on subordinated debt and other non-equity instruments
- Recorded a net loss of \$5,986,237 for the Year ended December 31, 2022, compared to a net loss of \$5,570,523 for the year ended December 31, 2021
 - Exploration and evaluation expenditures, including capitalized expenditures, totaled \$11,770,631 for the Year ended December 31, 2022, compared to \$12,391,867 for the prior year, as lower drilling costs due to less activity as well as a reduction in design and engineering work while the Company awaited a construction decision more than offset higher camp costs attributable to an expansion to prepare for construction and increased salaries due to growth in the team and costs of living adjustments
 - Corporate and administrative expenses totaled \$2,218,984 for the Year ended December 31, 2022, compared to \$1,973,800 for the year ended December 31, 2021, with the year on year increase primarily due to higher administrative salaries due to cost of living adjustments and additional professional fees in support of pre-development and financing work for the BK Gold Project

Qualified Person

Peter Dalton, P.Geo. (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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