

## **ERDENE ANNOUNCES Q1 2025 RESULTS AND PROVIDES BAYAN KHUNDII PROJECT UPDATE**

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Press Release  
Halifax, Nova Scotia  
2025.05.14

**Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company")** is pleased to announce operating and financial results for the quarter ended March 31, 2025, and to provide an update on progress at the Bayan Khundii Gold Project ("BK" or "Project"), being developed with Mongolian Mining Corporation ("MMC"). This release should be read in conjunction with the Company's Q1 2025 Financial Statements and MD&A, available on the Company's website and SEDAR+. All dollars are Canadian unless otherwise noted.

Peter Akerley, Erdene's President and CEO stated, "The team made great progress safely advancing BK towards production during the first quarter. With over 700 personnel on-site, the Project is currently 92% complete as we work towards first gold in late Q3 2025."

Mr. Akerley continued, "We have commissioned the Project's first ten facilities and expect to commission the balance of non-process infrastructure in Q2, including the accommodation village, 240 kilometre overhead transmission project and laboratory. The process plant stands at 90% complete, with detailed piping, electrical and instrumentation work, as well as completion of the conveyor, crushing and grinding station remaining. Concurrently, the mining fleet has begun to arrive at site and training and initial earthworks are underway."

Mr. Akerley concluded, "Infill drilling reported in late Q1 2025 confirmed the high-grade nature of the Bayan Khundii deposit, and in some cases expanded mineralization. Drilling of a further 200 shallow holes in these expansion areas is now underway, the results of which will be incorporated into an updated BK mine plan in the coming months. With its high grades and potential for expansion, the Bayan Khundii deposit is the cornerstone mine development in the prospective, underexplored Khundii Minerals District."

## Q1 2025 Highlights and Significant Subsequent Events:



Images – clockwise from top left: Bayan Khundii Site Overview, Chemical Storage, Accommodation Village, Crushing Circuit and Process Plant Interior – May 2025

### Bayan Khundii Gold Project – Q1 2025 Progress Update

- Achieved 87% construction progress as at March 31, 2025
  - Incurred US\$96 million of expenditures to the end of Q1 2025 – potential cost increases due to logistical and weather delays and scope changes are expected to be within available funding
  - 674 contractors on site at the end of Q1 2025 achieving total recordable injury frequency rate of 0.0 per 200,000 person hours and no reportable environmental incidents to date
  - Process plant, the critical path facility, was also 87% complete at quarter end, with concrete, structural and architectural substantially completed and all major equipment installed
  - Construction progress for non-process buildings was 87%, infrastructure facilities were 87%, and power supply was 76%, largely consistent with schedule
  - Commissioning completed for 9 facilities in Q1 2025 with the balance of the facilities planned progressively throughout Q2 2025
  - Construction to be substantially complete in Q2 2025 and first gold production in late Q3 2025
- Advanced operational readiness for Bayan Khundii
  - Mine equipment operator and maintenance team hiring and training is complete ahead of pre-production at BK in Q2 2025
  - Process plant operations and maintenance team hiring remains on track, with key senior personnel on board
  - Purchasing of key tools, consumables and spares proceeding to plan

- Delivered on community development and local employment stakeholder programs
  - Approximately 29% of site personnel are residents of Bayankhongor province, a significant portion of whom reside in Shinejinst, the closest settlement to BK – 23% of the Project's total direct employees are female
  - Recruitment and training of BK mine workforce continued this quarter with eighth cohort of local residents for equipment operator training completed at MMC's UHG mine, for a cumulative total of over 160 people undertaking the training
  - Continued support for small and medium enterprises in the local province, including purchases of agricultural products, technical support, and a micro finance loans

### **Khundii Minerals District Exploration**

- Completed 2025 exploration program planning for Erdene Mongol LLC ("EM")
  - Near-term focus on mine geology for Bayan Khundii and near-pit expansion opportunities
  - Approximately 200 ore-control holes planned for Q2 2025
- Engaged RPMGlobal to prepare an updated independent mineral resource for Zuun Mod
  - Report scheduled to be completed by mid-2025
  - Expect to incorporate updated resource into a preliminary economic assessment in late 2025
  - Planning completed for follow-up drilling at Zuun Mod

### **Corporate**

- Recorded net loss of \$4,500,861 for the three months ended March 31, 2025, compared to net loss of \$2,678,373 for the three months ended March 31, 2024
  - Exploration and evaluation expenses totaled \$973,590 for the three months ended March 31, 2025, compared to \$783,156 in the prior year comparative quarter, due to an increase incentive payments in the current year, the transfer of staff from EM to the Company in mid-2024 following the close of the Strategic Alliance, as well as the impact of the accrual of first gold bonuses for senior staff in advance of anticipated Bayan Khundii gold production in 2025
  - Corporate and administrative expenses totaled \$1,500,855 for the three months ended March 31, 2025, compared to \$2,777,588 for the three months ended March 31, 2024, with the year-on-year reduction primarily due to the prior year write-off of previously deferred project finance and other arrangement costs following the termination of project finance diligence due to the Bayan Khundii shareholder loan with MMC
  - Due to an increase in non-capitalized interest expenditures by EM following the February 2024 financing, a loss from investment in associate of \$2,084,431 was recorded for the three months ended March 31, 2025, compared to \$257,016 in the prior year comparative quarter

### 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 bringing the Bayan Khundii Gold Mine into production in late 2025 and 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

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