

Erdene Announces Q1 2024 Results and Provides Bayan Khundii Gold Project Update

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HALIFAX, May 13, 2024 - [Erdene Resource Development Corp.](#) (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company") is pleased to announce operating and financial results for the three months ended March 31, 2024, and to provide an update on progress at its 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 Q1-2024 Condensed Consolidated Interim Financial Statements and MD&A, available on the Company's website and SEDAR+.

Peter Akerley, Erdene's President and CEO stated, "During the first quarter, Erdene and MMC closed their Strategic Alliance and formally launched construction of the Bayan Khundii Gold Project, one of the highest grade, open pit gold mines under development globally. Bayan Khundii will be Mongolia's largest primary gold producer when it reaches full production, providing new opportunities for the Mongolian mining sector, increasing the industry's contribution to the national economy and creating long-term value for Erdene shareholders."

He continued, "Construction at Bayan Khundii is proceeding to schedule and budget with approximately 15% of works complete at the end of the first quarter. There are now over 400 personnel on-site working safely towards first gold in Q2 2025."

Mr. Akerley concluded, "During the first quarter we also launched our 2024 exploration program, as we look to expand mineralization in the Khundii Minerals District ("KMD"), located in an under-explored, world-class gold and copper belt. Ground-truthing of high-potential drill targets at Dark Horse and Ulaan commenced in Q2 along with surface exploration of Zuun Mod gold and copper targets and other regional exploration work."

Q1-2024 Highlights and Significant Subsequent Events:

Images: Bayan Khundii Construction Site - May 2024

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/50d71a60-4cf0-48d5-867e-89ce451ba684>

Bayan Khundii Gold Project

- Announced formal construction decision for Bayan Khundii on January 15, 2024
 - Mobilized for full construction during Q1 2024 with over 400 personnel now on-site
 - Project is proceeding to budget and schedule - construction expected to be substantially complete by the end of 2024, commissioning in Q1 2025 and first gold production in Q2 2025
- Reached 15% construction progress at Bayan Khundii by the end of Q1 2024
 - Achieved 1,000,000 hours construction effort without a lost-time incident
 - Finished detailed design work and completed procurement of critical long-lead equipment
 - Commenced Process Plant structural steel erection
- Advanced community development and local employment stakeholder programs
 - Local Cooperation Agreement in place to support 2024 local development programs
 - Recruitment and training of Bayan Khundii mine workforce well advanced, with 100 local residents completing mining equipment operator training

Khundii Minerals District Exploration

- Completed 2024 exploration program planning for the Khundii Minerals District
 - Near-term focus on mine geology for Bayan Khundii and near-pit expansion opportunities
 - Planning completed for follow-up drilling at Zuun Mod to confirm resources in advance of planned Preliminary Economic Assessment
- Field program commenced in early Q2 on high priority targets within the KMD, including mapping and surface sampling to ground-truth drill targets

Corporate

- Closed Strategic Alliance on January 23, 2024 to advance construction of BK Project
 - MMC invested US\$40 million for a 50% equity interest in EM, the company holding the BK Project
 - Erdene retains a 50% equity interest in EM as well as a 5% NSR royalty on production from the Khundii District after the first 400,000 ounces of gold production and 100% interest in Zuun Mod
- Secured BK Finance from strategic partner MMC
 - Up to US\$80 million shareholder loan to EM, the entity co-owned by Erdene and MMC
 - Five-year bullet maturity, bearing interest at 13.8%, payable in arrears
 - Secured by Erdene's interests in EM and preferential rights over Erdene's properties
- Recorded a net loss of \$2,678,373 for the three months ended March 31, 2024, compared to a net income of \$5,405,927 for the three months ended March 31, 2023
 - Exploration and evaluation expenses totaled \$783,156 for the three months ended March 31, 2024, compared to \$66,827 for the same quarter in 2023, with the increase from the comparative prior year period primarily due to the timing of annual staff performance bonuses and stock option grants, which were incurred in the current quarter compared to the second quarter of 2023
 - Corporate and administrative expenses totaled \$2,777,588 for the three months ended March 31, 2024, compared to \$580,111 for three months ended March 31, 2023, with the change from the prior year comparative quarter resulting from the recognition of financing costs following the close of the BK project loan in Q1 2024 as well as the timing of annual staff performance bonuses and stock option grants, which were incurred in the current quarter versus Q2 2023
 - Non-cash gain on dilution of investment in associate of \$1,070,737 with the issuance of equity in EM to MMC on January 23, 2024, compared to a gain of \$6,544,863 in the first quarter of 2023, following the loss of control of EM due to the Strategic Alliance with MMC
 - Loss from investment in associate of \$257,016 for the three months ended March 31, 2024, compared to a loss from investment in associate of \$564,206 for the three months ended March 31, 2023, with the period over period change primarily due to a 50% reduction in Erdene's ownership of EM during the current period with the close of the Strategic Alliance.

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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