

Erdene Announces Q3 2023 Results and Provides Bayan Khundii Project Update

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HALIFAX, Nov. 09, 2023 - [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, 2023, and to provide an update on progress at its Bayan Khundii Gold Project ("BK" or "Project"). This release should be read in conjunction with the Company's Q3-2023 Condensed Consolidated Interim Financial Statements and MD&A, available on the Company's website and SEDAR+.

Peter Akerley, Erdene's President and CEO stated, "The third quarter of 2023 was a transformative period for Erdene as we began early construction works in earnest at our Bayan Khundii Gold Project. Approximately 80% of the early works scope is now complete, with temporary facilities erected, aggregate crushing and concrete batch plant established, and process plant civils well progressed."

He continued, "Following the end of the third quarter, we received the final tranche of funding from Mongolian Mining Corporation ("MMC") under our Strategic Alliance. Concurrently, international financial institutions are conducting due diligence on the updated Bayan Khundii Feasibility Study delivered in Q3. Financial close is anticipated in late 2023 which will position Erdene to reach a formal construction decision."

Recent construction photos are included below:

Figure 1: Bayan Khundii Project Site Layout

A photo accompanying this announcement is available at
<https://www.globenewswire.com/NewsRoom/AttachmentNg/6f5309b7-a766-4f7c-ba97-baaeafa4af7e>

Figure 2: Bayan Khundii Project Process Plant Construction

A photo accompanying this announcement is available at
<https://www.globenewswire.com/NewsRoom/AttachmentNg/87a31dd8-9f0d-49b2-a394-9d2a3b9382da>

Figure 3: Bayan Khundii Project Process Plant Construction

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<https://www.globenewswire.com/NewsRoom/AttachmentNg/a6700314-0de5-48dc-9d0d-919d7ac8d06d>

Q3-2023 Highlights and Significant Subsequent Events:

Bayan Khundii Gold Project

- Advanced early works, site establishment and procurement for the BK Gold Project
 - Early works and site establishment, including installation of temporary facilities, aggregate production, temporary site roads and process plant civils is approximately 80% complete
 - Construction preparation is well advanced supporting critical path concrete pours in 2023
 - Headcount ramp up achieved in September with approximately 330 employees and contractors on site - no lost time incidents to date
 - Remaining detailed design and shop fabrication drawings progressing to schedule, with substantial completion forecast in Q1 2024
 - Long lead and critical equipment orders on track with first deliveries scheduled in late Q4 2023
 - Contracts for Engineering, Procurement and Construction and Power Provision agreed in principle, with execution planned in the coming weeks
- Delivered Bayan Khundii NI 43-101 Feasibility Study Update (US\$1,800/oz gold price, unless noted)
 - Base Case after-tax NPV_{5%} of US\$170 million and 35.3% Internal Rate of Return ("IRR"), increasing to US\$196 million and 38.95% IRR, respectively, at gold price of US\$1,900/oz
 - Life of Mine Earnings Before Interest, Taxes and Depreciation of US\$451 million, increasing to US\$495 million at a US\$1,900/oz gold price
 - Total recovered gold of 476,000 ounces, a 25% increase compared to the 2020 FS from an average gold recovery rate of 93%
 - All-in sustaining cost ("AISC") of US\$869 per ounce and upfront capital costs of US\$88 million, plus a 12% contingency, and \$2 million of pre-production costs
 - Measured and Indicated Resources of 674,700 ounces gold at an average grade of 2.6 g/t gold, and 319,000 ounces silver at an average grade of 1.38 g/t silver
 - Proven and Probable Reserves of 513,700 ounces gold at an average grade 4.0 g/t gold, and 220,500 ounces silver at an average grade of 1.7 g/t silver
 - Average annual gold production of 86,900 ounces during years 2 through 5 - Life of Mine annual average production of 74,200 ounces gold
 - Eight-year project, comprising one-year pre-production, six and three quarter-year operating life and one-year mine closure period
 - Adjacent high-grade resources and recent discoveries provide high probability growth options
 - Significant benefits to Mongolia, including Life of Mine royalties and taxes of US\$143 million and approximately 500 new jobs in Bayankhongor Province
 - Updated NI 43-101 2023 FS filed on September 25, 2023
- Delivered on community and stakeholder commitments
 - Repaired and upgraded approximately 30 km of off-site roads
 - Conducted mine equipment operator training for 60 residents of Bayankhongor province, 75% of 2023 target, the majority of which went on to full-time operator employment
 - Completed major community development projects, including potable water supply improvement and public education sanitation facilities
 - Remitted 50% of 2023 annual planned donations to local government development programs, in accordance with the statutory Local Cooperation Agreement

Khundii Minerals District Exploration

- Conducted first phase of 2023 gold exploration program at the Greater Dark Horse prospect
 - Drilled 1,040 metres intersecting anomalous gold and/or indicator elements in 16 of 18 holes
 - Executed IP survey over 9km² area identifying several targets for follow-up
 - Completed ~500 metre trenching program testing near surface, supergene oxide targets similar to those intersected at Dark Horse Mane, returning anomalous mineralization in several areas

Corporate

- Received the final \$30M investment in EM under the terms of the MMC Strategic Alliance
 - Funds advanced through convertible promissory notes that are planned to be registered as a 50% equity interest in EM by the end of 2023
- Progressed BK Project Finance with international financial institutions
 - Due diligence on 2023 FS is the major outstanding item, and is well underway

- Recorded a net loss of \$1,201,100 for the three months ended September 30, 2023, compared to a net loss of \$1,980,438 for the three months ended September 30, 2022
 - Exploration and evaluation expenditures, including capitalized expenditures, totaled \$15,373,828 for the three months ended September 30, 2023, compared to \$3,767,892 for the comparative prior year quarter due to primarily due to the commencement of early works for the Bayan Khundii Gold Project
 - Corporate and administrative expenses totaled \$600,595 for the three months ended September 30, 2023, compared to \$870,287 for the three months ended September 30, 2022, with the year-on-year decrease primarily due to the timing of annual performance bonuses, cost-of-living adjustments and annual performance grants

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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