

ERDENE PROVIDES UPDATE ON STRATEGIC ALLIANCE WITH MONGOLIAN MINING CORPORATION

Press Release

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Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("**Erdene**" or the "**Company**") is pleased to provide an update on its Strategic Alliance with Mongolian Mining Corporation ("MMC") for the development of its high-grade, open-pit Bayan Khundii Gold Project ("Bayan Khundii", "BK" or "Project") in southwestern Mongolia.

Strategic Alliance with MMC

On January 10, 2023, Erdene executed a Strategic Alliance Agreement ("SAA") with MMC to develop the Bayan Khundii Gold Project ([see press release here](#)). Highlights of the SAA include:

- MMC is Mongolia's largest internationally traded mining company, listed on the main board of the Hong Kong Stock Exchange (HKEx: 975).
- MMC to invest US\$40 million for a 50% equity interest in Erdene's Mongolian subsidiary, Erdene Mongol LLC ("EM"), holding the Khundii and Altan Nar mining licenses and the Ulaan exploration license through a three-stage transaction, based on achievement of milestones.
- Erdene retains a 50% equity interest in EM and a 5.0% Net Smelter Return ("NSR") royalty on all production from the Khundii, Altan Nar and Ulaan licenses, as well as any properties acquired within 5 kilometres of these licenses, beyond the first 400,000 ounces gold recovered.
- The first two stages of the transaction were completed in January 2023 and May 2023, with MMC investing US\$10 million to finance technical studies, including the FS, early construction works and exploration for the Project.
- The third stage of the transaction will see MMC invest a further US\$30 million, providing equity capital for the Bayan Khundii Gold Project.
- Erdene maintains a 100% interest in its large Zuun Mod Molybdenum-Copper deposit and Khuvyn Khar Copper project, located approximately 30 kilometres east of Bayan Khundii, and adjacent to a planned railway development.

On August 30, 2023, Erdene and MMC amended the SAA and MMC advanced US\$15M of the US\$30M third stage to continue early works in the form of a convertible note. On October 12, 2023, Erdene and MMC executed a second amendment, and on October 15, 2023 MMC advanced the final US\$15M of the US\$30M third stage payment to allow the parties to progress the Project and to secure customary approvals.

Concurrently, international financial institutions are conducting due diligence on the updated FS and are expected to provide the Project's debt financing. These institutions are active in Mongolia, as major funders to the Oyu Tolgoi Copper-Gold project. It is anticipated that senior debt financing could comprise as much as 65% of the total financing package, with financial close anticipated in late 2023.

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 Minerals 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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