

## **ERDENE ANNOUNCES Q2 2024 RESULTS AND PROVIDES BAYAN KHUNDII GOLD PROJECT UPDATE**

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Press Release  
Halifax, Nova Scotia  
2024.08.08

**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 June 30, 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 Q2-2024 Condensed Consolidated Interim Financial Statements and MD&A, available on the [Company's website](#) and SEDAR+.

Peter Akerley, Erdene's President and CEO stated, "The second quarter of 2024 was another productive period for Erdene as we made significant progress on both the exploration and development of our Khundii Minerals District projects in Southwestern Mongolia."

He continued, "At the end of June, construction of the Bayan Khundii Gold Project stood at approximately 30% completion, with the process plant, the critical path facility, almost 40% constructed. All major mechanical equipment is now on site and construction has commenced on non-process infrastructure including the overhead transmission line. Though we have seen modest logistical and weather related delays the Project remains largely on schedule with first gold production projected in mid-2025."

Mr. Akerley concluded, "Exploration over the past few months identified several new gold targets on both the Khundii and Zuun Mod licenses. Drilling is underway at Bayan Khundii to test targets west of the economic pit for expansion opportunities and to increase confidence of high-grade ore scheduled to be mined in the first year of production. Results of this work are expected in late Q3 2024."

## Q2-2024 Highlights and Significant Subsequent Events:



*Images: Bayan Khundii Construction Site – August 2024*

### **Bayan Khundii Gold Project**

- Reached approximately 30% construction progress at Bayan Khundii at June 30, 2024
  - Approximately US\$60 million of total Project expenditures to the end of Q2 2024
  - Proceeding largely to schedule – construction expected to be substantially complete by the end of 2024 and first gold production in mid-2025
  - Process plant, the critical path facility, was ~40% complete at quarter end with critical mechanical equipment installation underway, focused on the SAG and ball mills
  - Almost 500 personnel on-site at quarter end achieving ~1,500,000 construction hours to date without a lost-time or environmental incident
- Advanced community development and local employment stakeholder programs
  - Local Cooperation Agreement in place to support 2024 community development programs
  - Recruitment and training of Bayan Khundii mine workforce well advanced with 120 local residents completing mining equipment operator training at MMC's UHG mine
  - Environmental Management Plan and the Gobi Bear conservation programs well progressed

## Khundii Minerals District Exploration

- Conducted surface sampling program at the Greater Dark Horse area and at Zuun Mod
  - Multiple samples from Greater Dark Horse returned high grade gold (up to 37.7 g/t Au) and silver (over 100 g/t Ag), providing targets for follow-up drilling
  - Discovered new gold prospect 4.5km west of the Zuun Mod molybdenum-copper deposit
- Launched 2,400 metre infill and exploration drill program at Bayan Khundii on July 21
  - Program will increase confidence in high-grade, near-surface zones and confirm near-pit resources, especially in the Khundii West area, and potentially expand known gold mineralization
- Added Kelly Cluer as Technical Advisor to assist exploration team
  - Brings more than 30 years' experience including over a decade in Mongolia where he led the discovery and definition of two of the Country's largest gold deposits
  - Most recently held senior leadership positions with Kinross a leading gold producer

## Corporate

- Recorded a net loss of \$1,868,814 for the three months ended June 30, 2024, compared to a net loss of \$2,507,581 for the three months ended June 30, 2023
  - Exploration and evaluation expenses totaled \$596,590 for the three months ended June 30, 2024, compared to \$478,599 for the same quarter in 2023, with the increase due to higher staffing and office costs, as these expenditures were expensed in the current period, but capitalized to the Zuun Mod license in the comparative period, partially offset by the timing of annual performance stock option grants, which were incurred in Q1 2024 versus Q2 2023
  - Corporate and administrative expenses totaled \$667,030 for the three months ended June 30, 2024, compared to \$1,391,454 for three months ended June 30, 2023, with the decrease from the prior year comparative quarter primarily due to the timing of annual staff performance bonuses and stock option grants, which were incurred in the Q1 2024 compared to Q2 2023
  - Loss from investment in associate of \$644,607 for the three months ended June 30, 2024, compared to \$696,325 for the three months ended June 30, 2023, with the period over period change primarily due to an increase in interest following the February 2024 financing by EM more than offsetting Erdene's change in ownership following 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 Minerals 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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