

ERDENE ANNOUNCES Q2 2025 RESULTS PROVIDES BAYAN KHUNDII PROJECT AND DRILLING UPDATE

Press Release
Halifax, Nova Scotia
2025.08.12

Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN; OTCQB: ERDCF) ("Erdene" or the "Company") is pleased to announce operating and financial results for the three months ended June 30, 2025, and to provide an update on construction progress and drilling 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 Q2 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 during the second quarter, substantially completing construction of the Bayan Khundii Gold Mine complex. Final permits have been received, commissioning is progressing well, and we are on track for first gold pour in late Q3 2025, anticipating commercial gold production by end of year."

Mr. Akerley continued, "Ore-control drilling at BK returned excellent results, expanding mineralized zones and intersecting exceptionally high-grade mineralization in near-surface zones outside the modelled mineralized orebody, including the highest-grade intercept to date in the Khundii Minerals District. Exploration will ramp-up at the deposits and prospects surrounding the initial Bayan Khundii mine held by our jointly owned subsidiary, Erdene Mongol ("EM") following first gold and cash-flow."

Mr. Akerley concluded, "We also continue to advance our projects outside the strategic alliance with MMC. Work on an updated independent mineral resource report for our Zuun Mod Molybdenum-Copper project is well advanced. Additionally, in early July we executed an option agreement to acquire an up to 80% interest in a property adjacent to Oyu Tolgoi, one of the largest known copper and gold deposits globally. Exploration and technical studies will continue as we move through the remainder of 2025 on these projects."

Q2 2025 Highlights and Significant Subsequent Events:



Images – clockwise from top left: Bayan Khundii Process Plant, Process Plant Interior and Crushing Circuit – August 2025

Bayan Khundii Gold Project – Q2 2025 Progress Update

- Substantially completed construction of BK as at June 30, 2025
 - Forecasting first gold production in late Q3 2025 and commercial production by end of 2025
 - Mining operations, processing plant and site non-process infrastructure, including camp, warehouse, chemical storage facility received construction approvals on June 12, 2025
 - 454 contractors and staff on site at the end of Q2 2025 achieving total recordable injury frequency rate of 0.2 per 200,000 person hours and no reportable environmental incidents to date
 - Incurred US\$115 million of capital and operating expenditures to the end of Q2 2025 – undrawn liquidity of up to US\$31M available to EM to complete commissioning and ramp up
- Commenced mining and processing commissioning and completed permitting
 - Subsequent to quarter end, the chemical usage permit was received, the last major approval needed to commence operations

- Mine pre-production commenced in May 2025, including top-soil stripping, Run-of-Mine pad establishment, stormwater protection installation, and heavy vehicle roads establishment
- Ore mining has commenced in areas of defined lower grade material for initial start-up ore feed
- Dry commissioning of process plant is underway
- Completed 201 hole ore-control drill program in advance of initial mining (see “Ore-Control Drill Program Summary” below)
 - Multiple holes intersected very high-grade mineralization (exceeding 20 g/t Au), with highlight results of 6 metres of 481.9 g/t Au (BKGC-1062) and 5 metres of 73.5 g/t Au (BKGC-1071)
 - 76% of holes intersected gold values exceeding 0.3 g/t up to 60 metres beyond mineralized blocks in the previously reported resource estimate
- Delivered on community development and local employment stakeholder programs
 - Approximately 35% of site personnel are residents of Bayankhongor province
 - Continued support for small and medium enterprises in the local province, including purchases of agricultural products, technical support, and micro finance loans

Khundii Minerals District Exploration & Development

- Engaged RPMGlobal to prepare an updated independent mineral resource for Zuun Mod Molybdenum-Copper project
 - Report scheduled to be delivered in Q3 2025

Corporate

- Entered an option agreement to acquire up to 80% of the Tereg Uul Copper-Gold porphyry prospect in July 2025
 - Prospect is located ~10km southwest along trend of the Oyu Tolgoi copper deposit
- Received shareholder approval to undertake a 6:1 consolidation of common shares
 - Consolidation is expected to be completed during Q3 2025
- Recorded net loss of \$4,122,330 for the three months ended June 30, 2025, compared to net loss of \$1,868,814 for the three months ended June 30, 2024
 - Exploration and evaluation expenses totaled \$514,224 for the three months ended June 30, 2025, compared to \$596,590 in the prior year comparative quarter, as a reduction in incentive compensation payments in the current year quarter as a result of timing, more than offset higher stock based compensation related to the grant of options to executives of EM in June 2025
 - Corporate and administrative expenses totaled \$658,353 for the three months ended June 30, 2025, compared to \$667,030 for the three months ended June 30, 2024, with the year-on-year change primarily due to reduction in stock based compensation due to the timing of the grant of options in Q1 2025 versus Q2 2024,

partially offset by higher professional fees associated with the change in auditor and increased regulatory legal fees for the 2025 annual general meeting

- Loss from investment in associate, representing the Company’s joint venture interest in the loss of EM, totaled \$2,995,481 for the three months ended June 30, 2025, compared to \$644,607 in the prior year comparative quarter due to an increase in interest expenditures by EM to finance construction at BK

Ore-Control Drill Program Summary

Following the receipt of results from the Q4 Bayan Khundii gold deposit drilling program ([see Q1 release](#)), additional drilling was undertaken to define mineralized zones beyond the previously recognized boundary of gold mineralization. An additional 201 reverse circulation (RC) holes were completed, locally, on a 5 metre spaced grid, up to 60 metres beyond the perimeter of the previously defined ore-zone reported in August 2023. These holes were designed to test ore being delivered to the plant over the next several months, and therefore are shallow, (above the 1225 metre elevation) averaging 12.2 metres depth and ranging from vertical to 60 degree dip. Based on the orientation of the zones, true width would range from approximately 80 to 100% of down hole intersection width.

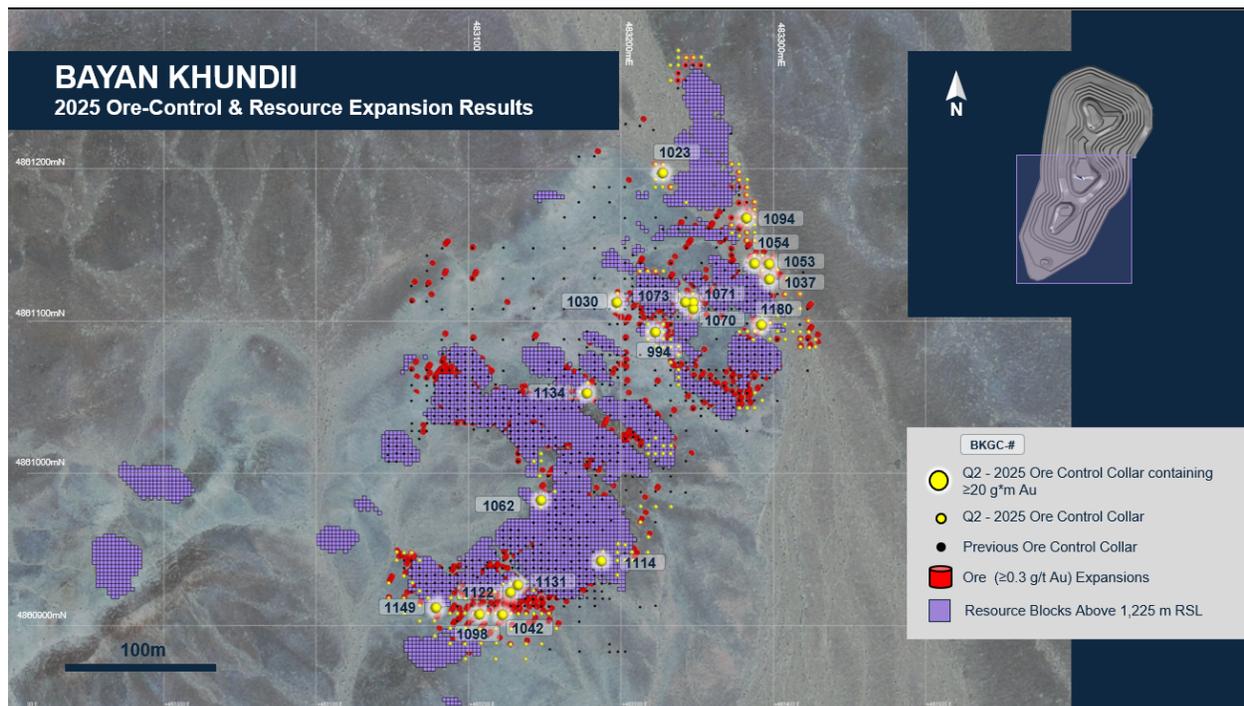
Results confirmed that the majority of the area tested is mineralized with 76% of holes returning intervals above 0.3 g/t Au, and approximately 30% of holes returning higher grade or thicker intervals averaging more than 5 gram-metres (“gm”) (equal to gold grade in g/t multiplied by metres) and approximately 10% of holes exceeded 20 gm Au. Multiple holes intersected very high-grade mineralization (exceeding 20 g/t Au), with highlight results including the highest grade intersection to date, 2,370 g/t over 1 metre within 6 metres of 481.9 g/t Au (BKGC-1062) and 5 metres of 73.5 g/t Au (BKGC-1071). See the following table and plan map for greater than 20 gm Au highlights and hole locations.

These results are being analyzed with the 918 ore-control drill holes previously reported and incorporated into an updated block model to support ongoing mine planning and scheduling. Ore mining has commenced in areas of defined lower grade material for initial start-up ore feed in late August.

Intervals exceeding 20 gram-metres gold (interval multiplied by average gold grade)

Hole ID	From	To	Interval	g/t Au	G*M
BKGC-994	0	9	9	2.77	24.93
BKGC-1023	5	10	5	4.11	20.55
BKGC-1030	5	8	3	12.03	36.09
Incl	6	7	1	35.10	
BKGC-1042	0	3	3	11.97	35.91
Incl	0	1	1	31.10	
BKGC-1053	5	10	5	8.43	42.15
Incl	5	7	2	19.53	
BKGC-1054	0	3	3	9.11	27.33
Incl	0	1	1	25.90	
BKGC-1062	5	11	6	481.90	2,891.40
Incl	5	8	3	960.70	
Incl	6	7	1	2,370.00	
BKGC-1070	7	13	6	68.33	409.98

Hole ID	From	To	Interval	g/t Au	G*M
Incl	8	11	3	135.22	
Incl	8	9	1	308.00	
Incl	9	11	2	48.83	
BKGC-1071	5	10	5	73.53	367.65
Incl	7	8	1	10.10	
Incl	9	10	1	350.00	
BKGC-1073	6	11	5	6.90	34.50
Incl	9	10	1	28.60	28.60
BKGC-1094	4	7	3	32.43	97.29
Incl	4	6	2	48.30	
BKGC-1098	0	4	4	6.34	25.36
Incl	2	3	1	14.00	
BKGC-1114	0	8	8	11.05	88.40
Incl	4	5	1	70.40	
BKGC-1122	2	7	5	5.59	27.95
Incl	5	6	1	18.10	
BKGC-1131	0	3	3	6.85	20.55
Incl	1	2	1	12.75	
BKGC-1134	0	17	17	2.60	44.20
BKGC-1137	0	3	3	13.58	40.74
Incl	0	1	1	39.40	
BKGC-1149	4	8	4	6.94	27.76
Incl	5	6	1	21.20	
BKGC-1180	1	3	2	20.36	40.72
Incl	1	2	1	40.50	



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. All samples have been assayed at the on-site ALS Laboratory at Bayan Khundii. In addition to internal checks by ALS Laboratory, the Company incorporates a QA/QC sample protocol utilizing prepared standards and blanks. All samples undergo standard fire assay analysis for gold.

Erdene's RC sampling protocol consisted of collection of samples over 1 metre intervals (depending on the lithology and style of mineralization) over the entire length of the drill hole, excluding minor post-mineral lithologies and un-mineralized granitoids. Sample intervals were based on meterage, not geological controls, or mineralization. All RC samples were split using a cyclone cone splitter directly attached to the drill rig. A 10% portion of the sample interval was collected for analysis and a 80% portion retained for logging. The core splitter was systematically cleaned after each one metre interval using compressed air. All samples were securely transported to and stored at Erdene's Bayan Khundii exploration camp. RC samples were organized into batches of 90. All batches including 10% QA/QC samples including a commercially prepared standard, blank, and field duplicate. Sample batches were delivered to the on-site ALS Laboratory daily.

The holes reported in this release were drilling either vertically or at a -60 dip and 030 azimuth. Due to geologic variability within the deposit all reported intervals are interpreted to be 80-100% true thickness. Reported grades for intervals are weighted averages based on length of sampling intervals. No top cut has been applied; however, all contiguous intervals greater than 10 g/t gold, 100 g/t gold, and 1000g/t gold are reported individually for clarity.

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 two exploration licenses in 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 and OTCQB Venture Market. 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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