

**Dear Fellow Shareholders,**

The past year was a transformative period for our company, as we realized our vision of developing a high-grade gold mine in Southwestern Mongolia. This milestone was reached a mere ten years after our discovery of high-grade gold in a “Rich Valley”, making this one of the most rapid transitions in our industry.

While we are proud of this success and are working hard to achieve the targets outlined in our most recent feasibility study, our focus has turned to broadening our operating footprint in the Khundii Minerals District. With the cash flow from the mine, we are well positioned to expand resources and advance our portfolio of projects, positioning our Company and partners for the next development. We are optimistic that Erdene’s next ten years will be just as fruitful as those of the past decade.

**Bayan Khundii — A New Gold Producer**

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It’s been just over a decade since Erdene’s geologists picked up high-grade gold samples while prospecting on the Khundii license in southwestern Mongolia. Our maiden drill program on the license confirmed our discovery, with 95 of the first 96 holes intersecting gold mineralization. By late 2018, we had delineated a very high-grade deposit, and over the following years we completed technical studies and engineering work to prepare for construction.



**Erdene’s Exploration Team – Bayan Khundii Discovery – 2016**

Following our strategic partnership with Mongolian Mining Corporation (“MMC”) in 2023, we began construction. In just 22 months, the team at Erdene Mongol, our joint-venture operation, constructed a state-of-the-art process plant, over a dozen support buildings, and associated site

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roads and infrastructure with the support of our EPC contractor, MCS Property. Concurrently, MCS International, an affiliate of MMC, built a 242 kilometre power transmission system, providing our site with stable, cost effective energy. The construction workforce peaked at almost 800 people, safely delivering 4 million person hours of effort, which culminated in first gold production in September 2025.



**First Gold Ceremony – A. Bilguun, EM CEO, P. Akerley, Erdene CEO, J. Lyons, EM CDO – September 2025**

Since first pour, at the end of Q1 2026, the mine had produced almost sixteen thousand ounces of gold and generated approximately C\$100 million in revenues. The processing plant is operating at targeted throughput, and gold recoveries of 96% are ahead of the 93% average projected — a testament to the quality of the ore body and the capability of the EM team.

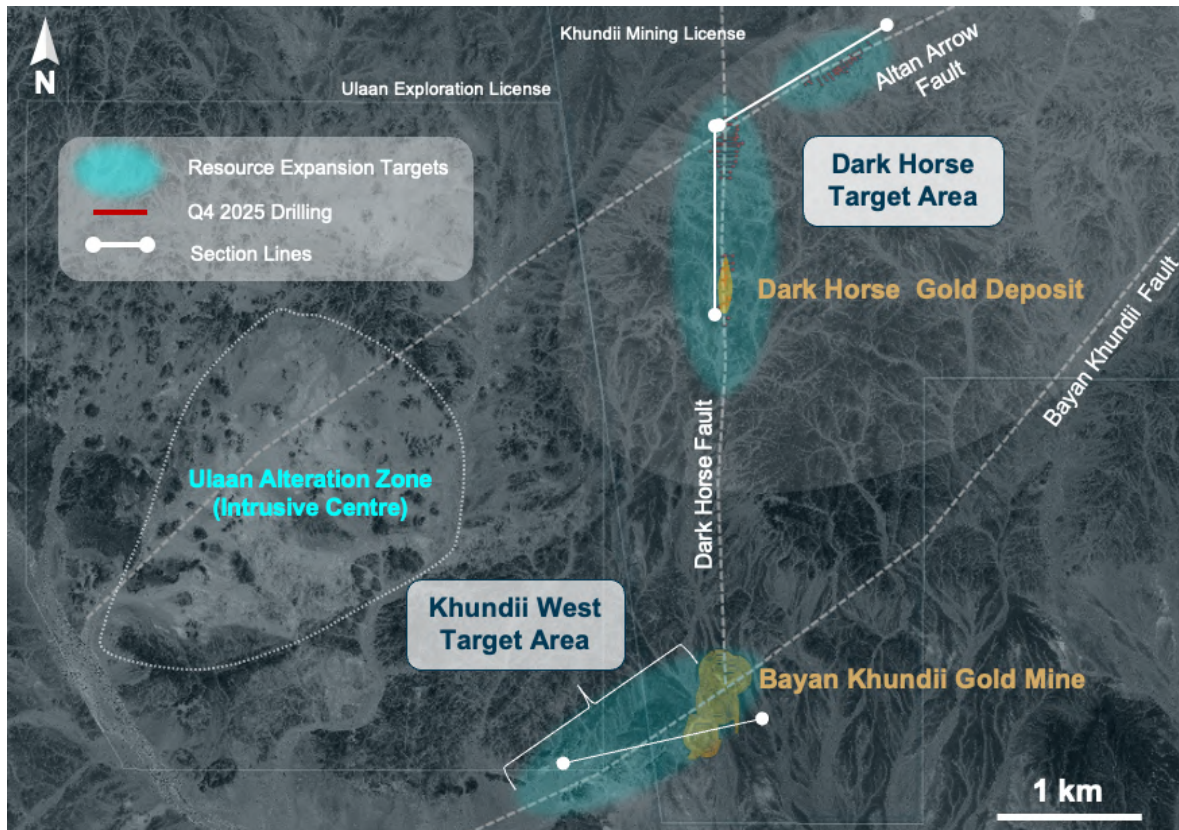
The average processed ore grade has been approximately 2 g/t gold to date, and has been improving as the EM team gains experience and works through ramp up. With targeted training, support from expert consultants, blasting optimization, and additional geological expertise, ore grades have increased over the past two months, with several days exceeding the 3.8 g/t reserve gold grade for the Bayan Khundii deposit.

Bayan Khundii's most recent feasibility study targets an average of 74,000 ounces per annum of gold production for approximately seven years. However, we see the potential to extend mine life through the incorporation of ore from prospects in areas near the currently defined open pit. Work is also underway to assess expansion opportunities, including heap leach processing of low-grade ore that is being stockpiled.

By many estimates, less than one percent of grassroots prospects become mines. Bayan Khundii is a rare success for our industry, and a testament to the ability to advance projects through permitting, construction and commercial development in Mongolia. We are very grateful for our partnership with MMC, and their cornerstone shareholder, MCS Group, who have been instrumental in the project's success.

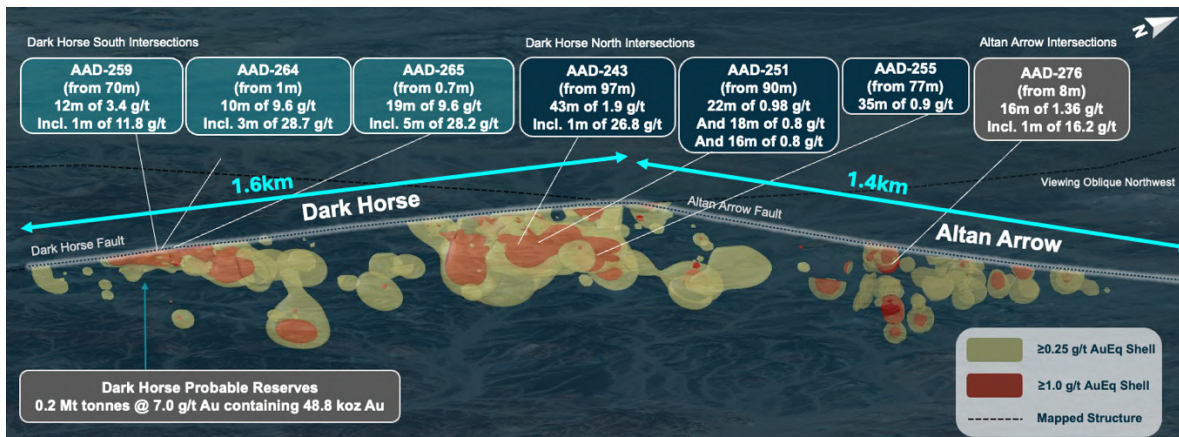
### Expansion Opportunities in the “Shadow of the Headframe”

EM’s exploration team sees the Dark Horse and Khundii West targets as the most advanced opportunities to extend the life of Bayan Khundii – prospects in the “shadow of the headframe”.



Bayan Khundii Area – Gold Mineralized Trends

The Dark Horse target area is located just two kilometres north of the Bayan Khundii open-pit. The area is centered on a very high-grade, 50,000 ounce gold deposit, that is planned to be mined starting in 2027. This supergene enriched pit sits within a three-kilometre mineralized structure.

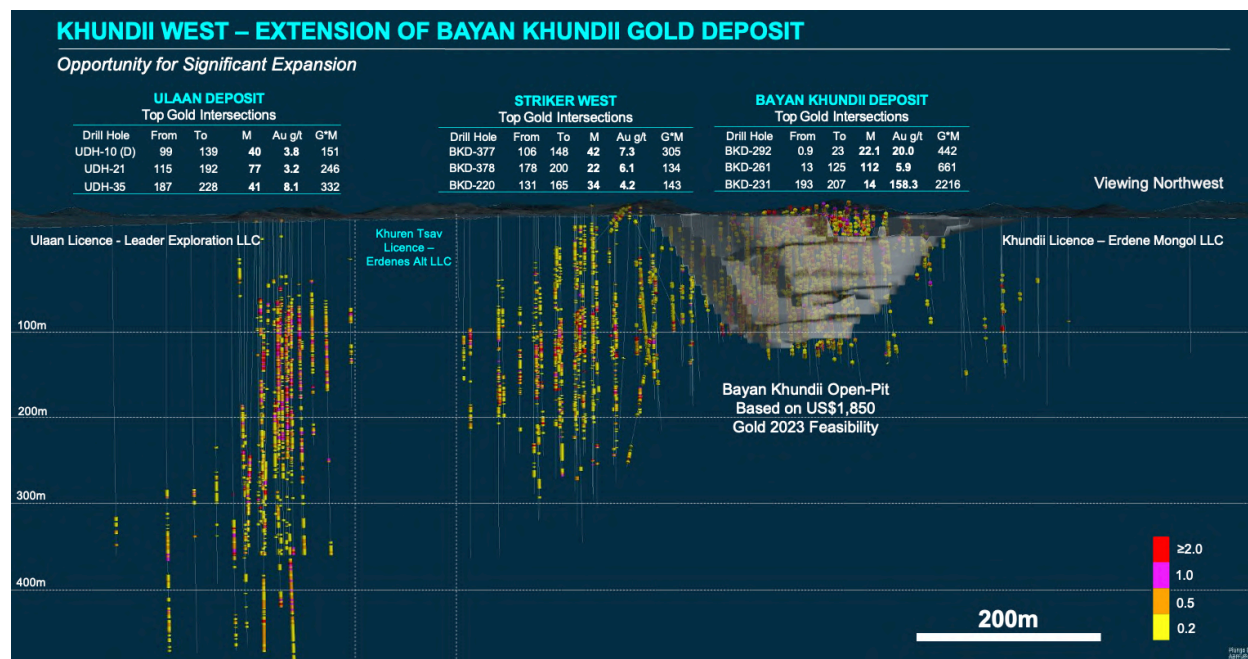


Dark Horse Target Area – 3 Kilometres of Mineralized Structure

Recent exploration at Dark Horse South, adjacent to the currently planned pit, included very high-grade, near surface intercepts, including 9.6 g/t gold over 19 metres and 28.7 g/t gold over 3 metres in areas outside the currently defined mineral resource.

At Dark Horse North, 500 metres north of the planned pit, we intersected multiple zones of gold mineralization within oxide and transition zones, including 43 metres of 1.9 g/t gold and 16 metres averaging 1.4 g/t gold. This area, 700 metres in strike with oxide material extending up to 100 metres depth, provides lower grade ore which is being considered for a heap-leach opportunity to complement the Bayan Khundii carbon-in-pulp plant. Composites from Dark Horse are currently undertaking heap leach amenability testing at Blue Coast Research in British Columbia Canada, with results expected in the coming months.

The mineralized structure at Altan Arrow, which runs almost perpendicular to the Dark Horse fault, has been traced over 1.4 kilometers. Although exploration is less advanced in this area, results in the oxidized zone are very encouraging, including recent intercepts of 16 metres of 1.36 g/t gold and 5 metres of 66 g/t silver.



**Khundii West Target Area – Interpreted Continuation of Bayan Khundii Mineralization**

We are also advancing studies to expand the Bayan Khundii pit to the west, incorporating resources from Striker West into an expanded pit, supported by recent drilling and the impact of higher gold prices. Mineralization at Bayan Khundii continues west onto the Ulaan license, where drilling has intersected the broadest zones of gold in the Khundii District, extending up to 400 meters depth, and ending in mineralization. Within these thick intervals of gold mineralization are very high-grade feeder zones.

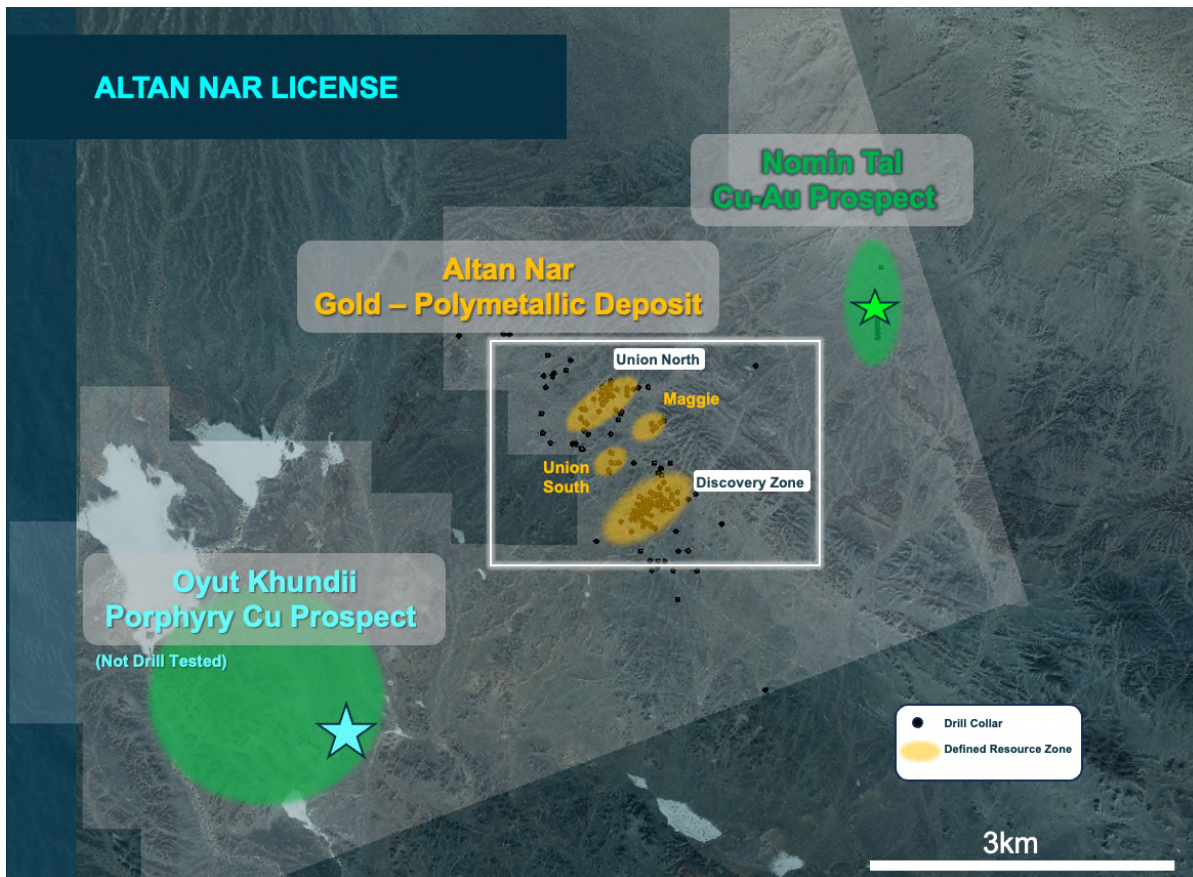
Lying between Erdene Mongol’s Bayan Khundii and Ulaan licenses is the Khuren Tsav license held by Erdenes Alt, a Mongolian state-owned company. Longer term, there could be an opportunity to create a super pit to collaboratively mine the entire deposit.

The Bayan Khundii epithermal system has been traced over 10 kilometers of inter-connected structure and is still in the early stages of exploration. While we expect to release an updated Bayan Khundii mine plan in late 2026, incorporating additional reserves adjacent to the current mine, only 10% of the prospective areas of the Khundii and Ulaan licenses have been drill tested to date. We are optimistic that further exploration will add ounces to reserves for many years to come, extending the mine life well beyond the seven years estimated in the most recent feasibility study.

### Altan Nar – The Second Plank in our Development Platform

With Bayan Khundii producing gold, we have the opportunity to return to the Altan Nar project that was Erdene’s priority prior to the discovery of Bayan Khundii. Our exploration team identified Altan Nar in late 2011 following a systematic, regional exploration program targeting Paleozoic porphyry and epithermal style gold and copper targets.

Over four years of focused exploration, 18 mineralized (gold, silver, lead and zinc) target areas were identified within a 5.6 by 1.5 km mineralized corridor. Two of the first discoveries, Discovery Zone and Union North, have been the subject of the majority of the drilling to date with only limited testing of the remainder of the trend. The system shows geologic similarities to Barrick Mining’s Porgera mine, Rio Tinto’s formerly producing Kelian mine, Lundin Gold’s Fruta Del Norte mine, and Zijin Mining’s Buritica project, some of the largest carbonate base metal deposits globally.



Altan Nar Deposit – 5.6 Kilometres of Mineralized Structure

A 2018 RPM Global mineral resource estimate defined an Indicated resource of 5.0 million tonnes at 2.8 g/t AuEq (453,000 ounces AuEq) and an Inferred resource of 3.4 million tonnes at 2.5 g/t AuEq (277,000 ounces AuEq). Approximately 90% of the current resource lies within 150 metres of surface, and the deposit is open at depth and along strike. In addition, the Altan Nar license hosts the Oyut Khundii copper prospect and Nomin Tal copper-gold prospect, which have not been fully tested given EM's focus on Bayan Khundii.

A previous technical report demonstrated strong economics delivering the Altan Nar ore to the Bayan Khundii plant and we are currently conducting metallurgical studies to reassess this option. However, given the scale of the deposit defined to date and the number of untested targets on license, as well as the metallurgical characteristics of the Altan Nar ore, a second processing facility of at least the scale of Bayan Khundii could prove feasible to construct and operate at Altan Nar. Such a project could further increase annual gold production for Erdene Mongol.

### **Zuun Mod – Asia's Largest Undeveloped Mo-Cu Project**

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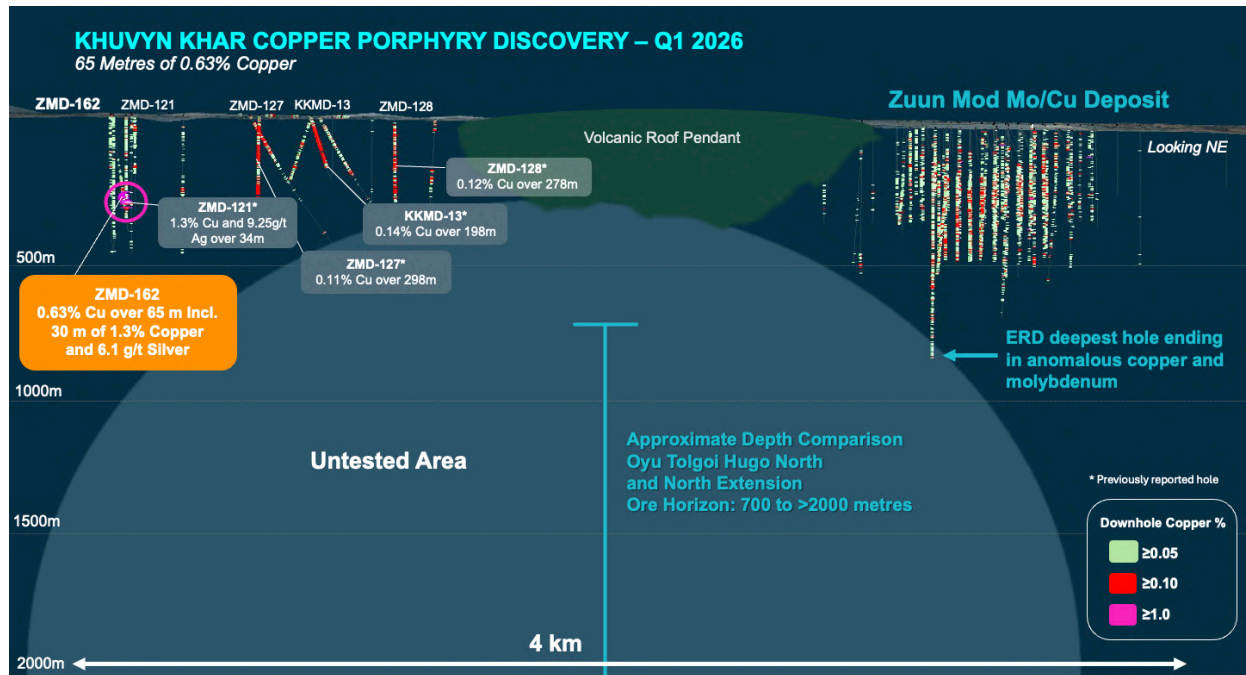
Approximately 35 kilometres east of Bayan Khundii, Erdene's wholly-owned Zuun Mod porphyry complex hosts one of the largest undeveloped molybdenum resources in Asia.

In October 2025, Erdene announced an updated mineral resource for this deposit, including a 22% increase in Measured and Indicated molybdenum ("Mo") resources to 333 million pound ("Mlbs") and 95% increase in Inferred Mo resources to 300 Mlbs, as well as 16% increase in Measured and Indicated copper ("Cu") resources to 384 Mlbs and 75% increase in Inferred Cu resources to 350 Mlbs.

In late 2025, a further 18 holes were drilled at Zuun Mod, confirming continuity and improving the grade of molybdenum mineralization in near surface zones of the deposit. Additionally, drilling at depth demonstrated continuity in the northern portions of the deposit. These results, along with mine planning, metallurgical studies, infrastructure planning work and processing design, are being incorporated in a Preliminary Economic Assessment targeted to be delivered in Q3-2026.

Concurrently, marketing studies show significant demand for the commodity given its use as a critical mineral in high performance steels, as well as due to growing demand in the advanced electronics, aerospace and defense sectors. The outlook for molybdenum is bullish and production from Zuun Mod is expected to be readily absorbed in the market.

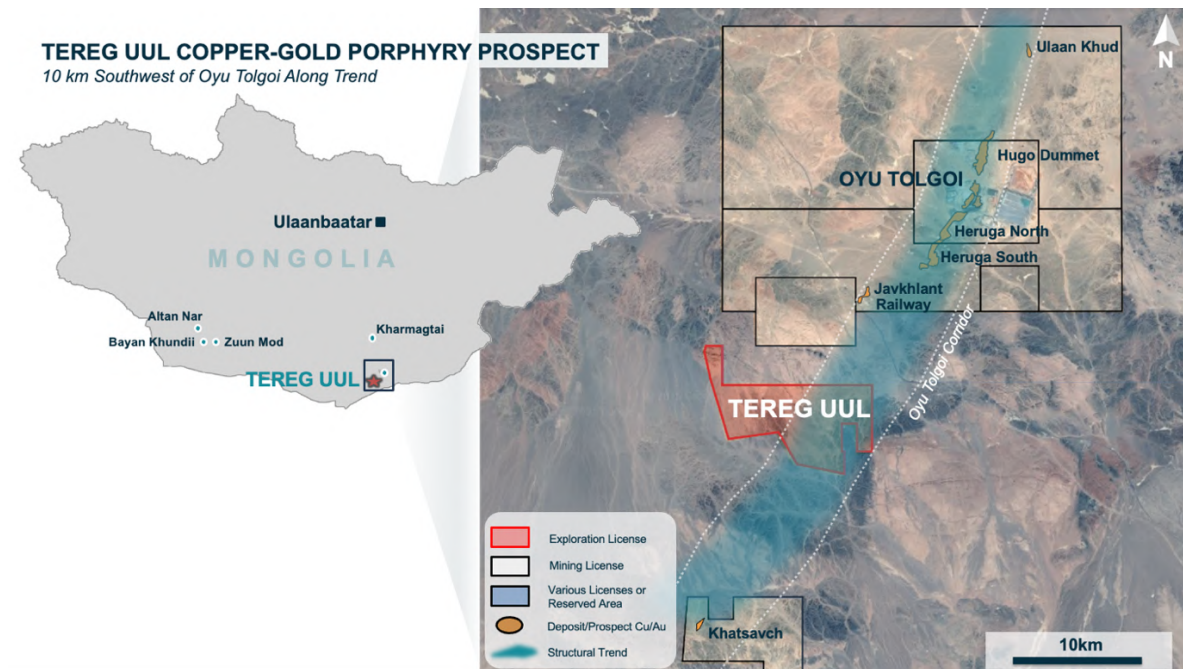
Furthermore, there is a thesis that Zuun Mod deposit is the near surface phase of a large copper porphyry system, across the Khuvyn Khar license. Our drilling in late 2025 included a hole 4.5 kilometres west of the deposit that returned 30 metres of 1.25% copper mineralization, supporting this interpretation. Geophysics work is scheduled later this year to test this hypothesis and provide targets for further deep drilling. While advancing the Zuun Mod deposit, we will also continue to assess the prospectivity of the broader Khuvyn Khar system.



Khuvyn Khar Porphyry Complex Including Zuun Mod

### Tereg Uul – Hunting in Elephant Country

Last July we struck an earn-in agreement with a Mongolian license holder to acquire up to 80% in the Tereg Uul property located approximately 10 kilometres south of the Oyu Tolgoi copper project – on track to become the fourth largest copper mine globally by the end of the decade.



Tereg Uul Copper-Gold Prospect – Oyu Tolgoi District, South Gobi Province

Exploration in 2025 identified a zone of anomalous gold mineralization over an area 2 kms by 800 metres. In addition, license-wide geophysical surveys identified several copper targets. We launched our maiden drill program on the license a few weeks ago with results expected in the second half of the year.

While our focus for the past 15 years has been the Khundii Minerals District, over our twenty year history in Mongolia, Erdene has held 111 licenses and conducted exploration in 14 of Mongolia's 21 provinces. We expect to build on this work, opportunistically adding to our land holdings in the years ahead.

### Supportive Shareholders Drive Success

Last September we completed a consolidation of our shares, reducing the number outstanding by a factor of six. We undertook this initiative to increase our liquidity, given institutional restrictions prohibiting trading in smaller stocks and to prepare Erdene for index inclusion. Since we completed the consolidation, we have seen a marked increase in trading liquidity, with the average value of shares traded increasing almost fourfold.

In December 2025 we celebrated our 20th anniversary of listing on the Toronto Stock Exchange. We also upgraded our US listing to the OTCQX Best Market in 2025, providing more liquidity to American holders. We remain proud of our status as the only company cross-listed on the Mongolian Stock Exchange and appreciate the support of our local shareholders.



TSX Opening Ceremony – December 2025

In February we raised \$25 million through a bought-deal private placement, where we saw many of our key shareholders maintain their relative ownership stakes, and welcomed several new names to our register. These funds will allow us to aggressively move forward on our controlled projects, while we expect the cash generated by Bayan Khundii will fund operations and expansion projects at Erdene Mongol, and ultimately return capital to Erdene shareholders as we look to the years ahead.

Our stable shareholder base has been a key to our success. We are grateful for the continued support of Mr. Eric Sprott, several natural resource-focused institutional investors, a number of substantial holders from our Eastern Canadian home as well as our Mongolian investors.

## Looking Ahead

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Over the past year, Erdene has beaten the odds, making the transformation from explorer to producer. I am extremely proud and grateful to our employees, contractors, investors, and strategic partner MMC for helping us safely achieve this significant milestone.

With the Bayan Khundii mine generating cash flow, we are positioned to aggressively advance exploration and development of the broader Khundii Minerals District. The combination of near-mine expansion at Bayan Khundii, the district-scale potential of Altan Nar and Zuun Mod, and a strong pipeline of future discovery provides a compelling multi-decade growth platform.

In a world of rising demand for precious and base metals, the Khundii Minerals District, with its high-quality mineral endowment, positions Erdene for long-term success. We are excited for the future and look forward to sharing the benefits of our work with all stakeholders in the years ahead.

On behalf of the entire Erdene team, I extend my thanks to our shareholders, partners, and host communities for their continued trust and support.

Sincerely,



**Peter Akerley**

President & Chief Executive Officer  
Erdene Resource Development Corp.

*This letter contains certain forward-looking information and statements, including without limitation, statements regarding the Corporation's expectations in respect of its future financial position, business strategy, production at Bayan Khundii, construction and commissioning timelines and expectations that address reserve potential, exploration drilling, exploitation activities, budgeted financial results, and events or developments that the Corporation expects to take place in the future. All statements, other than statements of historical facts, are forward-looking information and statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will" and similar expressions identify forward-looking information and statements. In addition to the forward-looking information and statements noted above, this presentation includes forward-looking statements that relate to: the expected results of exploration activities; the estimation of mineral resources; the ability to identify new mineral resources and convert mineral resources into mineral reserves; ability to raise additional capital and complete future financings; capital expenditures and costs, including forecasted costs; the ability of the Corporation to comply with environmental, safety and other regulatory requirements; future prices of precious metals; and the ability to obtain and maintain all necessary approvals and permits in connection with operation of the Bayan Khundii Gold Project.*

*Such forward-looking information and statements are based upon a number of estimates and assumptions that, while considered reasonable by the Corporation as of the date of such information and statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions relate to, among other things: there being no material adverse changes in commodity prices; that general business and economic conditions will not change in a material adverse manner; that third party contractors, equipment and supplies and governmental and other approvals required to conduct the Corporation's planned activities will be available on reasonable terms and in a timely manner; the continuance of the Corporation and its subsidiaries and associates as a going concern; the accuracy of mineral resources and mineral reserve statements; and the other estimates and assumptions contained in the Bankable Feasibility Study.*

*Readers are cautioned that forward-looking information and statements are not guarantees of future performance. There can be no assurance that such information and statements will prove to be accurate and actual results and future events could differ materially from those presented in such information and statements. Forward-looking information and statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information and statements.*

*These risks include: reliance on key management and other personnel; potential downturns in economic conditions; actual results of exploration and development activities being worse than anticipated; competition from others; adverse market factors, including lower demand for and prices realized from the sale of minerals; the Corporation's expectations in connection with the exploration, development and expansion plans at the Corporation's projects not being met; adverse changes in national and local government legislation, taxation, controls or regulations and/or changes in the administration of laws, policies and practices; fluctuating metal prices; adverse movements in currency exchange rates; higher than expected inflation; general risks of the mining industry; failure of plant, equipment or processes to operate as anticipated; unanticipated results of future studies; seasonality and unanticipated weather changes; longer than planned permitting timelines; environmental risks; unanticipated reclamation expenses; title disputes or claims; as well as those risk factors discussed or referred to in the Corporation's most recent annual information form and other public disclosure documents filed by the Corporation available on the Corporation's website at [www.erdene.com](http://www.erdene.com) or on the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). The lists of risk factors set out in this presentation or in the Corporation's other public disclosure documents are not exhaustive of the factors that may affect any forward-looking information of the Corporation. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information and statements. The Corporation disclaims any intention or obligation to update or revise any forward-looking information or statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.*

*Jon Lyons, FAusIMM, Chief Development Officer for Erdene, is the Qualified Person as that term is defined in National Instrument 43-101 and oversees the Bayan Khundii Mine operations for the Corporation and has reviewed and approved the technical information contained in this letter.*