



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended June 30, 2026 and 2025

(Thousands of Canadian dollars)
(Unaudited)

Prepared by management

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the three and six months ended June 30, 2026 and 2025

Pursuant to National Instrument 51-102 Continuous Disclosure Obligations, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Erdene Resource Development Corporation for the interim periods ended June 30, 2026 and 2025, have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, MNP LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Thousands of Canadian dollars) – Unaudited

	Notes	June 30, 2026	December 31, 2025
Assets			
Cash and cash equivalents		\$ 27,789	\$ 4,659
Receivables		455	320
Prepaid expenses		244	216
Current assets		28,488	5,195
Investment in associate	4	66,976	46,925
Exploration and evaluation assets	5	4,517	3,782
Property, plant and equipment		76	79
Right-of-use assets		73	86
Non-current assets		71,642	50,872
Total Assets		\$ 100,130	\$ 56,067
Liabilities			
Trade and other payables		\$ 462	\$ 1,444
Lease liabilities		26	25
Current liabilities		488	1,469
Lease liabilities		51	64
Non-current liabilities		51	64
Total Liabilities		539	1,533
Equity			
Share capital	6	\$ 199,000	\$ 170,721
Contributed surplus	6	30,527	30,488
Accumulated other comprehensive income (loss)		243	(1,739)
Deficit		(130,179)	(144,936)
Total Equity		99,591	54,534
Total Liabilities and Equity		\$ 100,130	\$ 56,067

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Approved on behalf of the Board of Directors:

Signed "Kenneth W. MacDonald"

Director

Signed "T. Layton Croft"

Director

ERDENE RESOURCE DEVELOPMENT CORPORATION

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Thousands of Canadian dollars, except per share and share information) – Unaudited

		For the three months ended June 30,		For the six months ended June 30,	
	Notes	2026	2025	2026	2025
Operating Expenses					
Exploration and evaluation	7	\$ (726)	\$ (514)	\$ (1,617)	\$ (1,488)
Corporate and administration	8	(676)	(659)	(2,120)	(2,159)
Loss from operating activities		(1,402)	(1,173)	(3,737)	(3,647)
Income (loss) from investment in associate	4	11,201	(2,995)	18,164	(5,080)
Finance income		200	50	338	106
Interest expense		(2)	(1)	(4)	(1)
Foreign exchange gain (loss)		(4)	(3)	(4)	(1)
Net income (loss)		\$ 9,993	\$ (4,122)	\$ 14,757	\$ (8,623)
Other comprehensive income (loss):					
Foreign currency translation difference arising on translation of subsidiary		61	(165)	95	(215)
Foreign currency translation difference on translation of investment in associate	4	1,207	(3,506)	1,887	(813)
Other Comprehensive Income (Loss)		1,268	(3,671)	1,982	(1,028)
Total Comprehensive Income (Loss)		\$ 11,261	\$ (7,793)	\$ 16,739	\$ (9,651)
Basic income (loss) per share ⁽¹⁾		\$ 0.15	\$ (0.07)	\$ 0.22	\$ (0.14)
Diluted income (loss) loss per share ⁽¹⁾		\$ 0.15	\$ (0.07)	\$ 0.22	\$ (0.14)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

⁽¹⁾ The Corporation implemented a consolidation of its common shares in September 2025, and the number of common shares has been retrospectively adjusted. Refer to Note 1 for further information.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Thousands of Canadian dollars, except per share and share information) – Unaudited

	Notes	Number of shares ⁽¹⁾	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity
Balance at January 1, 2026		61,874,216	\$ 170,721	\$ 30,488	\$ (1,739)	\$ (144,936)	\$ 54,534
Total comprehensive income for the period:							
Net income		-	-	-	-	14,757	14,757
Other comprehensive income		-	-	-	1,982	-	1,982
Private placements, net of share issue costs	6	3,230,000	26,852	-	-	-	26,852
Options exercised	6	402,509	1,299	(409)	-	-	890
Issue of shares from DSU plan	6	52,985	128	(128)	-	-	-
Share-based compensation	6	-	-	576	-	-	576
Total transactions with owners		3,685,494	28,279	39	-	-	28,318
Balance at June 30, 2026		65,559,710	\$ 199,000	\$ 30,527	\$ 243	\$ (130,179)	\$ 99,591
Balance at January 1, 2025		60,356,137	\$ 165,590	\$ 30,656	\$ 2,725	\$ (136,754)	\$ 62,217
Total comprehensive loss for the period:							
Net loss		-	-	-	-	(8,623)	(8,623)
Other comprehensive loss		-	-	-	(1,028)	-	(1,028)
Options exercised	6	602,500	2,023	(599)	-	-	1,424
Share-based compensation	6	-	-	1,259	-	-	1,259
Total transactions with owners		602,500	2,023	660	-	-	2,683
Balance at June 30, 2025		60,958,637	\$ 167,613	\$ 31,316	\$ 1,697	\$ (145,377)	\$ 55,249

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

⁽¹⁾ The Corporation implemented a consolidation of its common shares in September 2025, and the number of common shares has been retrospectively adjusted. Refer to Note 1 for further information.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Thousands of Canadian dollars) – Unaudited

		For the three months ended June 30,		For the six months ended June 30,	
	Notes	2026	2025	2026	2025
Cash flows from (used in) operating activities:					
Net income (loss)		\$ 9,993	\$ (4,122)	\$ 14,757	\$ (8,623)
Items not involving cash:					
Depreciation		13	5	25	8
Share-based compensation	6	-	329	576	1,259
Finance income		(200)	(50)	(338)	(106)
Foreign exchange not related to cash		4	3	4	1
(Income) loss from investment in associate	4	(11,201)	2,995	(18,164)	5,080
Change in non-cash operating working capital					
Receivables		(417)	(310)	(135)	(341)
Prepaid expenses		(83)	(172)	(28)	(184)
Trade and other payables		207	143	(982)	335
Cash flows used in operating activities		(1,684)	(1,179)	(4,285)	(2,571)
Cash flows from (used in) financing activities:					
Issue of common shares	6	-	-	28,747	-
Share issue costs	6	(8)	-	(1,895)	-
Proceeds on exercise of stock options	6	567	1,032	890	1,424
Repayment of lease liabilities		(6)	(2)	(12)	(2)
Cash flows from financing activities		553	1,030	27,730	1,422
Cash flows from (used in) investing activities:					
Expenditures on exploration and evaluation assets	5	(390)	(255)	(648)	(377)
Expenditures on property, plant and equipment		(4)	(10)	(7)	(7)
Interest received		200	50	338	106
Cash flows used in investing activities		(194)	(215)	(317)	(278)
Effect of exchange rate changes on cash balances		4	(9)	2	(8)
Increase (decrease) in cash and cash equivalents		(1,321)	(373)	23,130	(1,435)
Cash and cash equivalents, beginning of period		29,110	6,236	4,659	7,298
Cash and cash equivalents, end of period		\$ 27,789	\$ 5,863	\$ 27,789	\$ 5,863

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Thousands of Canadian dollars unless otherwise stated) - Unaudited

For the three and six months ended June 30, 2026 and 2025

1. Nature of operations:

Erdene Resource Development Corporation ("Erdene" or the "Corporation" or the "Company") is a Canadian based resource company focused on the exploration and development of precious and base metal deposits in Mongolia. The Corporation's principal asset is an interest in the Bayan Khundii Gold Mine, located in Bayankhongor province, Mongolia, held by its associate, Erdene Mongol LLC. The Corporation's common shares are listed on the Toronto Stock Exchange under the symbol "ERD" and the Mongolian Stock Exchange under the symbol "ERDN". The address of the Corporation's registered office is 1300-1969 Upper Water Street, Halifax, Nova Scotia, B3J 2V1.

At the 2025 Annual General and Special Meeting of Shareholders, held on June 25, 2025, Shareholders approved the consolidation of the Company's issued and outstanding common shares on the basis of one (1) post-consolidation common share for every six (6) pre-consolidation common shares. The consolidation reduced the number of issued and outstanding common shares from 366,351,958 common shares to 61,063,549 common shares, effective September 2, 2025. Outstanding stock options and deferred share units were also adjusted by the share consolidation ratio. In accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS"), the change has been applied retrospectively, and as a result, disclosures of common shares, per common share data and data related to stock options and deferred share units in the accompanying condensed consolidated interim financial statements and related notes reflect this share consolidation for all periods presented, unless otherwise specified.

2. Basis of presentation

These unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2026 (the "Interim Financial Statements") have been prepared in accordance with IAS 34 – Interim Financial Reporting. The Interim Financial Statements should be read in conjunction with the annual audited condensed consolidated interim financial statements for the year ended December 31, 2025 ("Annual Financial Statements"), which have been prepared in accordance with IFRS.

These unaudited condensed consolidated interim financial statements were authorized for issue on behalf of the Board of Directors on August 12, 2026.

3. Changes in accounting policies

New and amended standards adopted

IFRS 7 & 9 – Financial Instruments and Disclosures

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The application of the amendment has been made on a prospective basis, effective January 1, 2026, and did not have an impact on the Corporation.

New accounting standards not yet adopted

IFRS 18 – Presentation and Disclosure in the Financial Statements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in the Financial Statements ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Thousands of Canadian dollars unless otherwise stated) - Unaudited

For the three and six months ended June 30, 2026 and 2025

3. Changes in accounting policies (continued)

disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

4. Investment in associate

On January 10, 2023, the Corporation entered into Strategic Alliance and Investment Agreements ("Agreements") with Mongolian Mining Corporation ("MMC") for the development of the Bayan Khundii Gold Project. The key economic terms of the Agreements are as follows:

- MMC invested US\$40 million through a series of convertible promissory notes in return for a 50% equity interest in Erdene's primary Mongolian subsidiary, Erdene Mongol LLC ("EM"), which holds the Khundii and Altan Nar mining licenses, as well as the Ulaan exploration license.
- Erdene retained 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 of gold recovered.

On January 23, 2024, EM issued shares representing 50% of its equity to MMC in connection with the conversion of the convertible promissory notes. The Corporation continues to have significant influence over EM through its participation in the governance of the EM; however, the Corporation no longer participates directly in the financial reporting functions of EM.

A summary of changes in the Corporation's Investment in associate during the six months ended June 30, 2026 and the year ended December 31, 2025 is as follows:

		June 30, 2026		December 31, 2025
Investment in associate, opening balance	\$	46,925	\$	53,110
Income (loss) from associate		18,164		(1,918)
Effect of movements in exchange rates		1,887		(4,267)
Investment in associate, closing balance	\$	66,976	\$	46,925

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Thousands of Canadian dollars unless otherwise stated) - Unaudited

For the three and six months ended June 30, 2026 and 2025

4. Investment in associate (continued)

The following tables summarize the consolidated financial information of EM on a 100% basis, taking into account fair value adjustments made by the Corporation for equity accounting purposes.

As at	June 30, 2026	December 31, 2025
Cash and cash equivalents	\$ 55,953	\$ 18,325
Other current assets	29,007	23,193
Non-current assets	266,068	252,129
Current liabilities	(32,659)	(90,949)
Non-current liabilities	(184,417)	(108,848)
Net assets	\$ 133,952	\$ 93,850

For the period ended	June 30, 2026	June 30, 2025
Revenue	\$ 130,378	\$ -
Cost of revenue	(63,215)	-
Gross margin	67,163	-
Net profit (loss)	\$ 36,328	\$ (10,160)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	\$ 36,328	\$ (10,160)

A reconciliation of EM's summarized financial information to the Corporation's investment carrying value is as follows:

As at	June 30, 2026	December 31, 2025
Net assets	\$ 133,952	\$ 93,850
Erdene Resource Development Corporation ownership	50.00%	50.00%
Net assets attributable to the Corporation	\$ 66,976	\$ 46,925

5. Exploration and evaluation assets

The Corporation's exploration and evaluation assets consist of interests in the Zuun Mod and Tereg Uul properties located in Mongolia.

Erdene holds a 100% interest in the Zuun Mod property located in Bayankhongor province in Mongolia, which is comprised of a 6,041-hectare molybdenum-copper mining license, issued in 2011. Mongolian mining licenses are issued for an initial term of 30 years with two 20-year extensions possible. On July 1, 2007, the Company determined that sufficient evaluation had occurred and therefore commenced capitalizing costs incurred for the project. As such, from July 1, 2007 through to the date of these financial statements Erdene is capitalizing all exploration and evaluation costs incurred in relation to this project.

On July 2, 2025, the Corporation executed an option agreement to acquire an up to 80% ownership interest in the Tereg Uul copper-gold porphyry prospect, located approximately 10 kilometres southwest of the Oyu Tolgoi deposit in Umnugovi Province, Mongolia. Under the terms of the agreement, Erdene will invest US\$300 in specified exploration expenditures within twelve months and make a payment of US\$200 to the option grantor. On the first, second and third anniversaries of the option agreement, the Corporation shall make payments of US\$400, US\$500 and US\$900, respectively, to the option grantor, and incur a further US\$3 million in exploration expenditures. The Corporation may acquire a 51% equity ownership stake in the property between the third and

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Thousands of Canadian dollars unless otherwise stated) - Unaudited

For the three and six months ended June 30, 2026 and 2025

fourth anniversaries through a payment of US\$3 million to the option grantor. Erdene can acquire an up to 80% equity ownership stake through the investment of a total of US\$10 million in exploration and evaluation expenditures, and through an additional payment of US\$3 million to the option grantor, on or before the eighth anniversary of the agreement. These payments may be made in cash or shares, at the option of the Corporation. Erdene will direct all exploration activities at the property during the term of the option and may terminate the option agreement without penalty at any time. On July 6, 2026, subsequent to period end, the Corporation made the first anniversary payment of US\$400, extending the option for another year.

During the six months ended June 30, 2026 the Corporation did not capitalize any acquisition payments to the Tereg Uul option grantor to exploration and evaluation assets (year ended December 31, 2025 - \$300). As of June 30, 2026, the Corporation has not yet completed sufficient evaluation to commence capitalizing exploration and evaluation costs in accordance with its accounting policy, and as such, during the six months ended June 30, 2026 the Corporation expensed \$274 of exploration and evaluation expenditures related to the Tereg Uul project (2025 - \$0).

A summary of changes in the Corporation's Exploration and evaluation assets during the six months ended June 30, 2026 and the year ended December 31, 2025 is as follows:

	June 30, 2026	December 31, 2025
Balance, January 1	3,782	2,468
Additions	648	1,499
Effect of movements in exchange rates	87	(185)
	4,517	3,782

6. Share capital and contributed surplus

Effective September 2, 2025 the Corporation completed a consolidation of its issued and outstanding shares on the basis of one (1) post-consolidation common share for every six (6) pre-consolidation common shares. All disclosures of common shares, per common share data and data related to stock options and deferred share units reflect this share consolidation for all periods presented.

Authorized

An unlimited number of common shares with no par value.

Issued

On February 5, 2026, the Corporation closed a bought deal private placement offering of 3,230,000 common shares at a price of \$8.90 per common share for gross proceeds of \$28,747. The private placement was conducted pursuant to an underwriting agreement between Paradigm Capital Inc. and National Bank Financial Inc., as co-lead underwriters and joint bookrunners, and BMO Capital Markets and the Corporation. In addition, the Corporation incurred \$1,895 in share issue costs, resulting in net proceeds of \$26,852.

Omnibus equity incentive plan and Legacy Plans

The Corporation adopted an omnibus equity incentive plan (the "Omnibus Plan") which was approved by the shareholders of the Corporation on June 22, 2023 and reapproved on May 28, 2026. The Omnibus Plan provides the Corporation with share-related mechanisms, including incentive stock options, deferred share units ("DSUs"), restricted share units ("RSUs"), and performance share units ("PSUs"), to attract, retain and motivate qualified directors, employees and consultants of the Corporation and its subsidiaries. The Omnibus Plan replaced legacy plans including an incentive stock option plan and a deferred stock option plan (the "Legacy Plans"). Awards granted under these legacy plans remain in place under the terms of their initial issuance.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Thousands of Canadian dollars unless otherwise stated) - Unaudited

For the three and six months ended June 30, 2026 and 2025

6. Share capital and contributed surplus (continued)

The Omnibus Plan is a variable plan and the aggregate number of common shares that may be issued upon the exercise or settlement of awards granted under the Omnibus Plan, together with awards outstanding under the Legacy Plans, shall not exceed 10% of the Corporation's total issued and outstanding common shares at any time.

Stock options

The Corporation's Omnibus Plan and Legacy Plans allow for the grant of options to purchase common shares of the Corporation by directors, officers, employees and consultants of the Corporation. The terms and conditions of each grant of options are determined by the Board of Directors. If there are no terms specified upon grant, options vest immediately on the grant date.

Changes in stock options during the six months ended June 30, 2026 and 2025 were as follows:

	June 30, 2026		June 30, 2025	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at January 1	2,975,239	\$ 2.43	3,740,896	\$ 2.10
Granted	158,000	7.93	562,518	4.02
Exercised	(402,509)	2.21	(602,520)	2.34
Outstanding at June 30	2,730,730	\$ 2.78	3,700,894	\$ 2.34
Exercisable at June 30	2,730,730	\$ 2.78	3,700,894	\$ 2.34

All stock options granted in 2026 and 2025 vested immediately and have a five-year term. The following table summarizes information concerning options outstanding at June 30, 2026 and 2025.

	June 30, 2026		June 30, 2025	
Expiry date	Number of Options	Exercise price	Number of Options	Exercise price
August 27, 2025	-	-	237,504	2.94
December 1, 2025	-	-	33,334	2.28
June 23, 2026	-	-	419,175	2.22
August 18, 2026	33,334	2.58	33,334	2.58
August 9, 2027	389,374	1.86	574,181	1.86
December 30, 2027	29,167	1.80	29,167	1.80
May 9, 2028	791,671	2.16	928,344	2.16
February 12, 2029	791,672	1.80	883,339	1.80
February 3, 2030	395,840	3.60	437,509	3.60
June 25, 2030	91,672	5.46	125,007	5.46
September 24, 2030	50,000	8.19	-	-
February 10, 2031	158,000	7.93	-	-
	2,730,730	\$ 2.78	3,700,894	\$ 2.34

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Thousands of Canadian dollars unless otherwise stated) - Unaudited

For the three and six months ended June 30, 2026 and 2025

6. Share capital and contributed surplus (continued)

The fair value of each option granted is estimated at the time of grant using a Black-Scholes option pricing model with weighted-average assumptions for grants during the six months ended June 30, 2026 and 2025 as follows:

	Six months ended June 30, 2026	Six months ended June 30, 2025
Share price at grant date	\$ 8.26	\$ 3.97
Exercise price	\$ 7.93	\$ 4.02
Risk-free interest rate	2.7%	2.6%
Expected life	4.4 years	4.3 years
Expected volatility	50%	53%
Expected dividends	0.0%	0.0%
Weighted average grant date fair value	\$ 3.65	\$ 1.72

Expected volatility is estimated considering historic average share price volatility.

Options granted during the six months ended June 30, 2026 resulted in a charge of \$576 to share based compensation included in exploration and evaluation expenses and corporate and administration expenses (2025 – \$968).

Deferred share units

During the six months ended June 30, 2026, the Corporation did not grant any DSUs (2025 – 66,849 DSUs with fair value of \$4.38 per DSU). The fair value of \$0 (2025 – \$291) was charged to share based compensation included in exploration and evaluation expenses and corporate and administration expenses.

On the grant date, DSUs vest immediately and plan members are credited with the DSUs granted to them. Upon termination or death of the plan member, the Corporation pays the then market value of the plan member's shares either in cash or in shares, at the sole discretion of the Corporation. Since the type of payout is at the discretion of the Corporation, and the Corporation does not intend to cash settle awards under the plan, the plan is accounted for as an equity settled plan. The provisions of DSUs issued under the Omnibus Plan adopted on June 22, 2023, are consistent with those of the Legacy Plan.

The following table summarizes the continuity of DSUs for the six months ended June 30, 2026 and 2025:

	June 30, 2026 Number of DSUs	June 30, 2025 Number of DSUs
Outstanding at January 1	1,613,751	1,665,223
Granted	-	66,849
Settled for shares	(52,985)	-
Outstanding at June 30	1,560,766	1,732,072

Restricted share units

The Corporation's Omnibus Plan allows for the award of RSUs to employees, officers, and directors of the Corporation. Each RSU entitles the participant to receive a cash payment equal to the value of one common share of the Corporation on the vesting date, which is to be made within 30 days of vesting of each RSU. RSUs typically vest and become exercisable over a 3-year period from the grant date, with one-third vesting on each of the first, second and third anniversaries of the grant date. The plan is accounted for as a cash settled plan resulting in an associated liability of \$181 (2025 – \$0), which is included in trade and other payables and is based on the market closing price of \$5.26 per common share at June 30, 2026.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Thousands of Canadian dollars unless otherwise stated) - Unaudited

For the three and six months ended June 30, 2026 and 2025

6. Share capital and contributed surplus (continued)

The following table summarizes the continuity of RSUs for the six months ended June 30, 2026 and 2025:

	June 30, 2026	June 30, 2025
	Number of RSUs	Number of RSUs
Outstanding at January 1	-	-
Granted	129,000	-
Outstanding at June 30	129,000	-

Income (loss) per share

Basic net income (loss) per share is calculated based on the weighted average shares and vested DSUs which are expected to be settled in shares, outstanding during the period. Diluted net income per share is based on the assumption that stock options have been exercised on the later of the beginning of the period and the date granted. As of June 30, 2026, 208,000 options (2025 – 3,700,894 options) were excluded from the computation of diluted net income (loss) per share because their effect would have been anti-dilutive.

The following table provides a reconciliation from the weighted average shares outstanding to the diluted weighted average shares outstanding:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Weighted average shares and vested DSUs outstanding	66,926,685	62,549,195	66,196,374	62,352,759
Dilutive effect of in-the-money options outstanding	1,678,232	-	1,678,232	-
Diluted weighted average shares outstanding	68,604,917	62,549,195	67,874,606	62,352,759

7. Exploration and evaluation expenses

The following table summarizes exploration and evaluation expenses for the three and six months ended June 30, 2026 and 2025:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Direct costs	\$ 712	\$ 163	\$ 877	\$ 274
Employee compensation costs	381	407	1,165	1,248
Share-based compensation	55	241	411	571
Amount reimbursed by associate	(422)	(297)	(836)	(605)
	\$ 726	\$ 514	\$ 1,617	\$ 1,488

The Corporation and its associate, EM, are parties to an agreement under which EM reimburses the Corporation US\$1.375 million per annum (2025 - US\$ 1.0 million per annum), less applicable withholding taxes, for the provision of geologic services.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Thousands of Canadian dollars unless otherwise stated) - Unaudited

For the three and six months ended June 30, 2026 and 2025

8. Corporate and administration expenses

The following table summarizes corporate and administration expenses for the three and six months ended June 30, 2026 and 2025:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Administrative services	\$ 210	\$ 264	\$ 765	\$ 802
Investor relations and marketing	92	57	234	133
Office and sundry	49	24	91	62
Professional fees	97	123	218	212
Regulatory compliance and Board	137	91	356	191
Share-based compensation	50	88	346	688
Travel and accommodations	41	12	110	71
	\$ 676	\$ 659	\$ 2,120	\$ 2,159

9. Financial instruments

Credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying Amount	
	June 30, 2026	December 31, 2025
Cash and cash equivalents	\$ 27,789	\$ 4,659
Receivables	455	320
	\$ 28,244	\$ 4,979

The Corporation manages credit risk by holding the majority of its cash and cash equivalents with high quality financial institutions in Canada, where management believes the risk of loss to be low. At June 30, 2026, \$126 or less than 1% of the balance of cash was held in banks outside Canada (December 31, 2025 - \$159 or 3%).

Liquidity risk:

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Corporation's approach to managing liquidity is to ensure, to the extent possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. All of the Corporation's financial liabilities are expected to be settled within the next twelve months.

Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Corporation invests excess cash in interest bearing savings accounts, which are subject to interest rate risk.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Thousands of Canadian dollars unless otherwise stated) - Unaudited

For the three and six months ended June 30, 2026 and 2025

9. Financial instruments (continued)

b) Foreign currency risk

The functional currency of the Corporation is the Canadian dollar, and the functional currency of the Corporation's subsidiary and associate is the Mongolian Tugrik. Additionally, the Corporation incurs expenses in US dollars. Fluctuations of the Canadian dollar in relation to other currencies impacts the fair value of financial assets, liabilities and operating results. Financial assets and liabilities subject to currency translation risk primarily include US dollar denominated cash and cash equivalents, receivables and trade and other payables.

The Corporation's exposure to US dollar currency risk was as follows:

	June 30, 2026	December 31, 2025
Cash and cash equivalents	\$ 136	\$ 195
Receivables	424	297
Trade and other payables	(42)	(33)
	\$ 518	\$ 459

A 10% change in the US dollar exchange rate would affect net loss and other comprehensive loss (income) and deficit by approximately \$52 (December 31, 2025 - \$46).

The Corporation's exposure to Mongolian Tugrik currency risk was as follows:

	June 30, 2026	December 31, 2025
Cash and cash equivalents	\$ 12	\$ 22
Receivables	15	18
Trade and other payables	-	(16)
	\$ 27	\$ 24

A 10% change in the Mongolian Tugrik exchange rate would affect net loss and other comprehensive loss (income) and deficit by approximately \$3 (December 31, 2025 - \$2).

c) Price risk

The Corporation's financial instruments are not exposed to direct price risk.

Fair Value:

Assets and liabilities measured at fair value in the consolidated statements of financial position, or disclosed in the notes to the financial statements, are categorized using a fair value hierarchy that reflects the significance of the inputs used in determining the fair values:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial assets and liabilities are approximately equal to their carrying values given the short term to maturity of such instruments.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Thousands of Canadian dollars unless otherwise stated) - Unaudited

For the three and six months ended June 30, 2026 and 2025

10. Related parties

The Corporation has defined key management personnel as senior executive officers, as well as the Board of Directors. The total remuneration of key management personnel and the Board of Directors was as follows:

	Six months ended June 30,	
	2026	2025
Directors' fees and other compensation	\$ 123	\$ 60
Share-based compensation to directors	122	307
Executive compensation and benefits	2,092	1,172
Share-based compensation to key management	318	427
	\$ 2,655	\$ 1,966

As of June 30, 2026 and December 31, 2025, no amounts were owing to officers and directors, or companies controlled by officers and directors of the Company.



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2026

(Expressed In Thousands of Canadian Dollars, unless otherwise stated)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three and six months ended June 30, 2026

Contents

	Page No.
Company Overview	3
Highlights and Significant Subsequent Events	3
Strategy and Outlook	4
Bayan Khundii Gold Mine Operations Update	5
Khundii Minerals District Mineral Resources	6
Development and Exploration Projects	8
NI 43-101 Technical Reports – Resources and Reserves	8
Khundii Minerals District Exploration	8
Acquisitions	17
Discussion of Operations	17
Summary of Quarterly Results	19
Liquidity and Capital Resources	20
Outstanding Share Data	20
Contractual Obligations	21
Other Financing Arrangements and Commitments	21
Off-Balance Sheet Arrangements	22
Critical Judgments and Estimates in Applying Accounting Policies	22
Changes in Accounting Policies	22
Financial Instruments and Other Risks	23
Disclosure Controls and Internal Controls Over Financial Reporting	24
Qualified Person	24
Other Information	25
Appendix A – Technical Information in support of the Bayan Khundii Mineral Resource Estimate	
Appendix B – Technical Information in support of the Dark Horse Mineral Resource Estimate	

This Management Discussion and Analysis ("MD&A"), dated August 12, 2026, relates to the operating results and financial condition of Erdene Resource Development Corporation ("Erdene" or the "Company" or the "Corporation") and should be read in conjunction with the Corporation's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2026 and 2025 and the audited consolidated financial statements for the years ended December 31, 2025 and 2024, and the notes thereto. The consolidated financial statements of the Corporation have been prepared in Canadian dollars in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this MD&A, other than statements of historical fact, including statements concerning production at Bayan Khundii, expectations that address reserve potential, exploration drilling, exploitation activities, budgeted financial results, and events or developments that the Corporation expects, are forward-looking statements. Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions (including, but not limited to, assumptions in connection with the continuance of the Corporation, its subsidiary and associate as a going concern, general economic and market conditions, geopolitical stability, metal and mineral prices, capital and operating costs, currency exchange rates, availability of financing, equipment and personnel, and the accuracy of mineral resource and mineral reserve estimates), such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include changes in operating costs, volatility of market and commodity prices, geopolitical and regulatory conditions in the jurisdictions where the Corporation or its subsidiary and associate conduct business, exploration and evaluation results, continued availability of capital and financing and general economic, market or business conditions and additional factors noted under "Risk Factors" in the Corporation's latest Annual Information Form, a copy of which is available on the Corporation's SEDAR+ document page at www.sedarplus.ca.

The risk factors identified above are not intended to represent a complete list of the factors which could affect the Corporation and there may be other factors that cause actual results or conditions to differ from those anticipated, estimated or intended. Forward-looking statements are made as of the date of this MD&A and the Corporation disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or results or otherwise, except as required by applicable law.

Any financial outlook or future-oriented financial information in this MD&A, as defined by applicable securities legislation, has been approved by management of the Corporation as of the date of this MD&A. Such financial outlook or future-oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such outlook or information should not be used for purposes other than for which it is disclosed in this MD&A.

Company Overview

Erdene Resource Development Corporation is a Canadian based company focused on the acquisition, exploration, and development of large, high-grade, near-surface, precious and base metals deposits in underexplored and highly prospective Mongolia. Erdene is listed on the Toronto Stock Exchange (TSX: ERD), OTCQX Best Market (OTCQX: ERDCF) and Mongolian Stock Exchange (MSE: ERDN).

The Company, holds interests in three mining licenses and an exploration license in southwest Mongolia, where 20 years of exploration success has led to the discovery of the Khundii Minerals District (“KMD”), including the producing Bayan Khundii (“BK”) gold mine. Two of the three mining licenses and the exploration license are held through its 50% owned associate, Erdene Mongol LLC (“EM”), while the third mining license, hosting the Zuun Mod copper-molybdenum project is wholly owned by Erdene.

Covering an area approximately 50 by 100 kilometres and elongated in a northwest direction, the KMD hosts the Altan Nar (“AN”), BK and Dark Horse (“DH”) epithermal gold deposits, the Ulaan and Greater Dark Horse gold prospects, the Zuun Mod (“ZM”) molybdenum-copper porphyry deposit, the Khuvyn Khar copper discovery and several other prospects. The KMD is located within the Trans Altai Terrane of the Central Asian Orogenic Belt (“CAOB”).

Erdene also holds a 5% Net Smelter Return (“NSR”) royalty on all mineral production from the Khundii, Altan Nar and Ulaan licenses, and any properties acquired within five kilometres of these licenses, after the first 400,000 ounces of gold is recovered. The Company also entered into an option agreement in July 2025 to acquire up to 80% of the Tereg Uul property, located along trend from Oyu Tolgoi — projected to be the fourth largest copper producer globally by the end of this decade. The Company is actively seeking opportunities to expand its portfolio of projects.

Highlights and Significant Subsequent Events

Bayan Khundii Gold Mine

- Produced and sold 11,709 ounces gold and 3,317 ounces silver in Q2 2026, a 37% increase over Q1
 - EM realized weighted average prices of US\$4,493/oz and US\$72/oz, respectively, generating total revenue of US\$53 million (C\$75 million)
 - Total cost of revenue of US\$24 million (C\$33 million)
- Processed 153 thousand tonnes of ore, averaging 1,682 tonnes per day
 - Quarterly average feed grade of 2.4 g/t gold, approximately 25% higher than in Q1 2026
 - Realized gold recoveries of 96%
- Prepared mineral resource estimates for Erdene Mongol's gold projects
 - Updates to BK, Dark Horse and Altan Nar deposits mainly to incorporate recent exploration at Dark Horse, the impact of current gold prices and depletion of Bayan Khundii
 - Maiden mineral resource estimate for the Ulaan deposit located immediately west of BK
- Delivered on community development and local stakeholder programs
 - Over 40% of site personnel are residents of Bayankhongor province and 13% of direct EM employees are female, as at the end of the quarter
 - Supported renewal and expansion of public facilities for Shinejinst community events
 - Engaged local contractors on mine site services and environmental stewardship programs

Exploration & Development

- Progressed Zuun Mod Preliminary Economic Assessment (“PEA”), planned for completion mid H2
 - Mine planning, marketing and metallurgical test work is largely complete
 - Contract has been executed for deep geophysics exploration program scheduled for late Q3
- Drilled 11 holes totaling 2,710 metres in maiden program at Tereg Uul, about 10km south of Oyu-Tolgoi
 - Eight shallow holes in the Web prospect intersected anomalous gold (over 0.1 g/t Au and up to 1g/t and up to 15g/t Ag) along a 1.5 kilometre mineralized structure
 - Testing of deeper geophysical target intersected a coal seam and traces of native copper
 - Extended Tereg Uul option agreement in July with US\$400,000 payment

Corporate

- Recorded net income of \$9,993 for the three months ended June 30, 2026, compared to net loss of \$4,122 for the three months ended June 30, 2025
 - Income from investment in associate, representing the Company's joint venture interest in the income of EM, totaled \$11,201 for the three months ended June 30, 2026, compared to a loss of \$2,995 for the three months ended June 30, 2025, due to production from Bayan Khundii in the current year quarter, while the mine was under construction during the prior year quarter
 - Exploration and evaluation expenses totaled \$726 for the three months ended June 30, 2026, compared to \$514 for the three months ended June 30, 2025, with the increase compared to the prior year quarter attributable to exploration at the Tereg Uul property optioned in July 2025
 - Corporate and administrative expenses totaled \$1,617 for the three months ended June 30, 2026, compared to \$1,488 for three months ended June 30, 2025, with the change compared to the prior year quarter primarily due to increased investor relations and regulatory costs
- Launched Normal Course Issuer Bid on June 30, 2026
 - Allows the Company to repurchase up to 4,900,000 common shares for cancellation, representing approximately 10% of the public float
 - Repurchased and cancelled 94,400 shares since launch at an average price of \$5.21 per share

Strategy and Outlook

Erdene's priority is to support EM's operation of BK, and through exploration and acquisition, expand and subsequently develop other mineral deposits in Mongolia.

The Corporation's gold interests in the KMD are held by the private Mongolian company EM, co-owned with Mongolian Mining Corporation ("MMC"). MMC is the largest private producer and exporter of washed hard coking coal in Mongolia. MMC's shares are listed on the Hong Kong Stock Exchange (HKEx: 0975).

MMC's largest shareholder is MCS Group, one of Mongolia's leading conglomerates. MCS has operated in Mongolia for over 30 years, and has operations in engineering and construction, energy, communications, property, mining, consumer goods and hospitality. MCS employs approximately 14,000 staff and is one of the Country's largest private taxpayers. Its construction company acted as engineering, procurement and construction contractor for BK and its power business is a key contractor to EM.

The greater Khundii-Ulaan alteration zone, including the BK and Dark Horse Mane deposits and the Ulaan prospect are believed to be part of the same, large, gold-bearing hydrothermal system, that shows the potential to host a multimillion-ounce gold deposit. The focus of exploration going forward will be expansion of known deposits in this system, as well as exploration for new gold mineralized zones and exploration and technical studies associated with the large Altan Nar Gold system, 16 kilometres north of BK.

Concurrently, Erdene is advancing its ZM project, one of Asia's largest undeveloped molybdenum-copper deposits. Work is well progressed on a preliminary economic assessment ("PEA") which is expected to be delivered in mid H2 2026. Beyond the ZM Deposit, the license hosts several high-potential copper and molybdenum prospects, including the Khuvyn-Khar target where recent drilling intersected 65 metres averaging 0.63% Cu and 2.9 g/t Ag mineralization, including 30 metres averaging 1.25% Cu and 6.1 g/t Ag. A license wide geophysics program to be carried out by Quantec Geoscience is scheduled to begin in late Q3 2026 to prioritize drill targets for expansionary exploration.

In July 2025 the Company entered an option to acquire an up to 80% interest in the Tereg Uul Copper-Gold porphyry prospect, located approximately 10 kilometres southwest, along trend, from Oyu Tolgoi, one of the largest copper-gold deposits globally. The maiden Tereg Uul drill program in Q2 2026 tested a new gold discovery, the Web Prospect, and intersected anomalous gold mineralization in nine of ten holes along a 1.5-kilometer mineralized trend. In addition, drilling of a geophysical target in the central portion of the license intersected anomalous copper, gold and coal mineralization.

Erdene continues to evaluate acquisition opportunities throughout the KMD. Over the past decade Erdene has developed the largest proprietary geologic database of Southwest Mongolia's mineralization that has led to the identification of more than 20 high-priority targets for acquisition. The Company will selectively evaluate precious and base metals opportunities in other parts of the country where Erdene's historical work demonstrated prospectivity.

Bayan Khundii Gold Mine Operations Update

Health, Safety & Environment

At the end of Q2 2026, there were 565 staff and contractors on site and the mine logged a total of 520 thousand person-hours during the quarter. The 12-month rolling average lost time injury frequency rate was 2 per million person hours.

Zero reportable environmental incidents occurred in the quarter. Environmental management efforts remain focused on mitigating potentially adverse impacts and advancing environmental protection activities, such as endemic vegetation trials at the two-hectare plantation at the BK mine.

Mining and Processing

EM moved 3.8Mt of material during the second quarter, mining 247Kt of ore at an estimated grade of 1.4 g/t gold. At June 30, 2026, the mining fleet consisted of 18 dump trucks, five excavators, three dozers and other associated support equipment.

The Bayan Khundii plant processed 153Kt of ore, averaging 1,682 tonnes per day during the quarter ended June 30, 2026. The processed grade averaged 2.4 g/t gold for the quarter ended June 30, 2026, a 25% increase compared to the prior quarter, driven by improved ore control and mine-to-mill practices which reduced dilution and ore loss. Quarterly gold recoveries of over 96% were superior to the forecast average of 93%.

EM sold 11,709 ounces of gold and 3,317 ounces of silver at average prices of US\$4,493/oz and US\$72/oz, gold and silver, respectively, generating gross revenues of US\$53 million (C\$75 million) during the quarter ended June 30, 2026. Cost of revenue for the quarter totaled US\$24 million (C\$33 million).

Exploration

Exploration work in 2026 has focused on updating mineral resource estimates ("MRE"s) for the three gold projects held by Erdene Mongol LLC within the Khundii Minerals District – Bayan Khundii (BK and Dark Horse deposits), Altan Nar and Ulaan. The updated MREs for these projects are reported below in this MD&A and were prepared by SLR Advisory Asia Limited ("SLR") incorporating all available exploration drilling data to 2026, as well as depletion at BK.

In addition, metallurgical samples were collected and shipped to Blue Coast Research Limited ("Blue Coast") in British Columbia, Canada. Metallurgical samples from Altan Nar underwent metallurgical test work, consisting of sample characterization, mineralogy and cyanide testwork. Cyanidation results were consistent with previous studies and returned 89% Au recovery and 55% silver recovery. Mineralogy analysis identified that sphalerite was the only zinc mineral, and galena was the only lead carrier. Both the sphalerite and galena are well liberated and did not have associations with arsenopyrite suggesting that this sample has potential for producing separate lead, zinc and bulk sulphide (pyrite/arsenopyrite/gold) concentrates.

A series of low-grade gold ore samples were selected from Dark Horse for heap leach amenability testing, including extensive column leach test work. Preliminary results are encouraging with full results expected in Q3 2026.

Human Resources

At June 30, 2026, 565 people were employed at the project site, including contractors and EM permanent staff. Over 40% of direct EM site personnel were residents of Bayankhongor province. Of EM's total direct employees, 13% were female.

Community Programs

EM has supported equipment operator training for residents of Bayankhongor Province through a partnership with Mongolian Mining Corporation (MMC). As at the end of the quarter, over 180 people completed the training and the majority of operators have been deployed to the BK mine.

EM is conducting community development programs focused on small and medium-sized entities through a micro finance program, local procurement, supporting public health services, youth education, and agricultural initiatives. Within this framework, the Company provided direct support for the renewal and expansion of public park facilities for use in Shinejinst community commemorative events planned in 2026.

Financial Results

The following tables summarize the consolidated financial information of EM on a 100% basis, in Canadian dollars, taking into account fair value adjustments made by the Corporation for equity accounting purposes.

As at	June 30, 2026	December 31, 2025
Cash and cash equivalents	\$ 55,953	\$ 18,325
Other current assets	29,007	23,193
Non-current assets	266,068	252,129
Current liabilities	(32,659)	(90,949)
Non-current liabilities	(184,417)	(108,848)
Net assets	\$ 133,952	\$ 93,850

For the six-month period ended	June 30, 2026	June 30, 2025
Revenue	\$ 130,378	\$ -
Cost of revenue	(63,215)	-
Gross margin	67,163	-
Net profit (loss)	\$ 36,328	\$ (10,160)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	\$ 36,328	\$ (10,160)

Khundii Minerals District Mineral Resources

The following table summarizes the combined mineral resource estimates for the properties held by EM within the KMD, reflecting the updates prepared by SLR noted above, effective July 1, 2026. Further details for the individual MREs can be found below and in the appendices to this MD&A.

Resource Classification	Deposit	Quantity Kt	Grade		Contained Metal	
			Au g/t	Ag g/t	Au Koz	Ag Koz
Measured	BK	2,991	2.13	1.1	204	108
Measured (total)		2,991	2.13	1.1	204	108
Indicated	BK	4,816	1.66	1.2	257	182
Indicated	DH	1,407	1.78	1.7	80	75
Indicated	AN	6,865	1.52	11.7	336	2,583
Indicated	UL	2,262	1.30	0.9	94	68
Indicated (total)		15,350	1.56	5.9	768	2,908
Measured + Indicated		18,341	1.65	5.1	972	3,016
Inferred	BK	395	0.91	1.0	11	13
Inferred	DH	608	0.77	1.4	15	28
Inferred	AN	8,083	0.95	5.2	246	1,340
Inferred	UL	1,539	1.10	0.6	54	28
Inferred (total)		10,625	0.96	4.1	327	1,408

Within each mineral resource estimated for the three Projects are zones of higher average grade material. At a 0.7 g/t gold cut-off grade, combined mineral resource estimates are as follows:

Resource Classification	Deposit	Quantity Kt	Grade		Contained Metal	
			Au g/t	Ag g/t	Au Koz	Ag Koz
Measured	BK	1,208	4.49	2.0	174	76
Measured (total)		1,208	4.49	2.0	174	76
Indicated	BK	1,416	4.46	2.0	203	101
Indicated	DH	430	4.83	2.4	67	33
Indicated	AN	4,508	2.16	15.7	313	2,275
Indicated	UL	1,286	1.88	1.2	78	50
Indicated (total)		7,460	2.69	10.0	661	2,459
Measured + Indicated		8,848	2.94	9.0	835	2,535
Inferred	BK	151	1.56	1.6	8	8
Inferred	DH	174	1.68	1.5	9	8
Inferred	AN	4,559	1.44	6.8	210	1,000
Inferred	UL	607	1.95	0.9	38	18
Inferred (total)		5,492	1.50	5.9	265	1,034

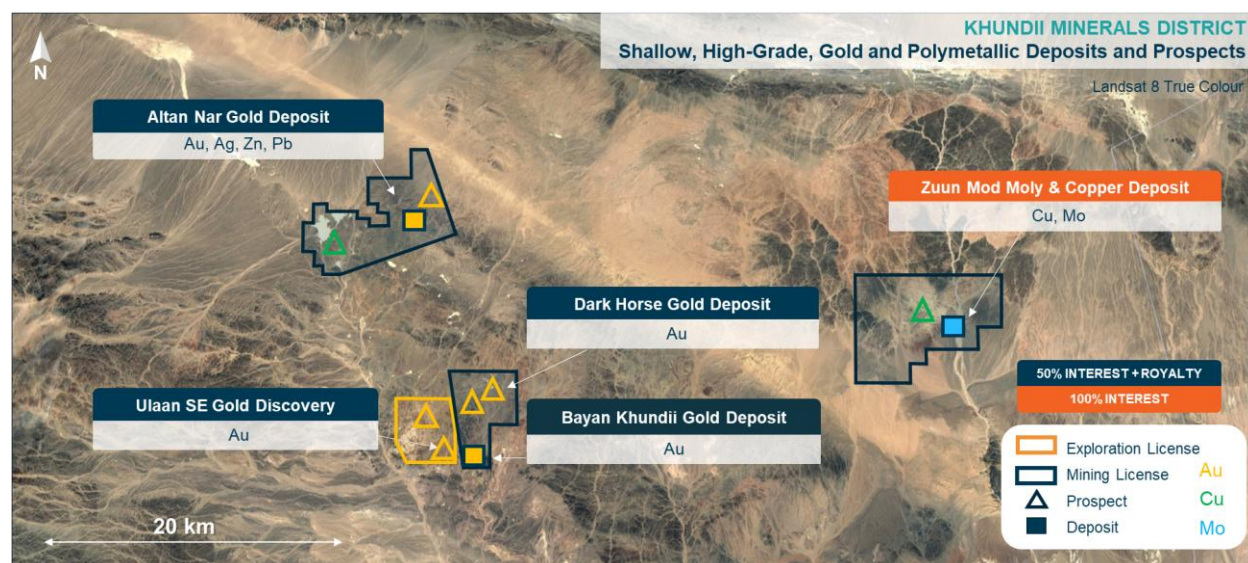
Development and Exploration Projects

NI 43-101 Technical Reports – Resources and Reserves

On September 15, 2018, the Company announced a resource estimate for the Bayan Khundii and Altan Nar deposits. Since this date, the Company has commissioned progressive technical reports, prepared to the standards defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") for the Bayan Khundii Gold Project. Most recently, on September 25, 2023, the Company filed the Technical Report entitled "Bayan Khundii Gold Project, Feasibility Study Update, NI 43-101 Technical Report" with an effective date of August 15, 2023. In September 2026, an updated NI 43-101 Technical Report for the Altan Nar project, with an updated mineral resource estimate, will be filed on SEDAR+ along with a NI 43-101 Technical Report for the Ulaan project, including the maiden mineral resource estimate for the Ulaan SE gold deposit, as reported herein.

Apart from Altan Nar, Dark Horse, Ulaan and Zuun Mod, the targets on the licenses in which the Company holds an interest are early stage and do not contain any mineral resource estimates as defined by NI 43-101. Except for those deposits already delineated, potential quantities and grades disclosed in this MD&A are conceptual in nature, and there has been insufficient exploration to define a mineral resource estimate for other targets disclosed herein. It is uncertain if further exploration will result in these targets being delineated as a mineral resource. Additional information about the projects is summarized in Erdene's most recent AIF and the respective NI 43-101 Technical Reports and can be viewed under the Company's issuer profile on SEDAR+ at www.sedarplus.ca and on the Company's website.

Khundii Minerals District Exploration



The KMD includes EM's high-grade, near-surface Bayan Khundii, Dark Horse, Ulaan SE and Altan Nar deposits, and Greater Dark Horse prospects and Erdene's Zuun Mod Molybdenum-Copper resource. Erdene has been the leader in exploration in southwest Mongolia over the past two decades and is responsible for the discovery of the KMD, comprised of multiple high-grade gold and base metal prospects. In addition to the Bayan Khundii Project, the Company has identified several other prospects, particularly within the Khundii-Ulaan Trend, that show the potential to hold gold-copper deposits of scale.

Regional drilling has been restricted to shallow targets with average drill depths of about 100 metres with approximately 70% of regional drill holes having intersected anomalous gold mineralization (defined as >0.1 g/t gold). Success has been driven by the abundance of untested, near surface geochemical and geophysical targets in a region that has had no previous modern exploration. Recent exploration successes testing shallow targets, and the definition of three deposits, exposed at surface, are testament to the discovery potential of this new district.

Bayan Khundii Mineral Resource Estimate

In the first half of 2026, EM commissioned SLR to complete an updated mineral resource estimate for the Bayan Khundii ("BK") gold deposit. The table below is a summary of the updated mineral resource estimate ("MRE") for the BK gold deposit prepared by SLR Advisory Asia Limited ("SLR") in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") guidelines and National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

SLR estimated the BK MRE based on the data collected by Erdene as of July 1, 2026, including data from 381 surface diamond drill holes totaling 57,395 m, for which 32,374 m have assay intervals drilled by EM between 2015 and 2024. The BK MRE and underlying data comply with guidelines provided in the CIM Definition Standards under NI 43-101, therefore SLR considers it suitable for public reporting. The MRE was completed by Mr. Oyunbat Bat-Ochir, a full-time employee of SLR, a Member of the Australian Institute of Geoscientists, and a Qualified Person ("QP") as defined by NI 43-101.

The reported BK Mineral Resource has been constrained by the mining license boundary (MV-021444), depleted to mined level topography dated July 1, 2026, Jurassic overburden sediment surface, basement granitic intrusion and reported above 0.27 g/t Au cut-off for all mineralisation. It was reported above a pit shell that was generated using input parameters largely derived from the current CIP operation at BK mine and gold and silver prices of US\$3,900/oz and US\$40/oz, respectively. See "Notes to Bayan Khundii Statement of Mineral Resources". The following MRE statement is a depleted resource as of July 1, 2026.

Bayan Khundii Mineral Resource Statement, depleted to July 1, 2026

Resource Classification	Quantity Kt	Grade		Contained Metal	
		Au g/t	Ag g/t	Au Koz	Ag Koz
Measured	2,991	2.13	1.1	204	108
Indicated	4,816	1.66	1.2	257	182
Measured + Indicated	7,807	1.84	1.2	462	290
Inferred	395	0.91	1.0	11	13

Notes:

- (1) The Statement of Estimates of Mineral Resources has been compiled by Mr. Oyunbat Bat-Ochir who is a full-time employee of SLR and a Member of the Australian Institute of Geoscientists. Mr. Bat-Ochir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.
- (2) Mineral Resources are estimated using a gold price of US\$ 3,900 per ounce and a silver price of US\$ 40 per ounce.
- (3) Mineral Resource is depleted for the topographic surface dated July 1, 2026.
- (4) Mineral Resources are reported at a cut-off grade of 0.27 g/t Au and constrained by a preliminary optimised pit shell with a pit slope angle of 45°
- (5) Cut-off grade was generated by assuming an open cut mining method with 2.5% ore loss and 10% dilution, a gold price of US\$3,900 per ounce, an open mining cost of US\$2.76 per tonne and a processing cost of US\$25.56 per tonne milled, a general and administration cost of US\$1.5 per tonne and a processing recovery of 93% for all mineralisation. The conceptual optimised pit shell was constructed using a gold price of US\$ 3,900/oz and a silver price of US\$ 40/oz, with CIP processing recoveries of 93% for Au and 55% for Ag mineralisation.
- (6) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- (7) Numbers may not add due to rounding.
- (8) Mineral Resources have been reported on a 100% equity basis.

The Bayan Khundii deposit is characterized by its multiple high-grade zones. Using a 0.7 g/t gold cut-off grade, the mineral resource estimated for Bayan Khundii is as follows:

Bayan Khundii Mineral Resource Statement at 0.7 g/t Au cut-off grade, depleted to July 1, 2026

Resource Classification	Quantity Kt	Grade		Contained Metal	
		Au g/t	Ag g/t	Au Koz	Ag Koz
Measured	1,208	4.49	2.0	174	76
Indicated	1,416	4.46	2.0	203	101
Measured + Indicated	2,625	4.47	2.0	377	177
Inferred	151	1.56	1.6	8	8

Greater Dark Horse Prospect

The Greater Dark Horse prospect (approximately 20 km²) is located in the northern portion of the Khundii mining and Ulaan exploration licenses held by EM. To date, the Company has completed 30,503 metres of drilling in 301 holes ranging in vertical depths from 8 to 318 metres within the Greater Dark Horse prospect.

Most of the drilling has been focused on the Dark Horse Mane area, discovered in early 2021 and located two kilometres north of the Bayan Khundii deposit. Dark Horse Mane was discovered when initial drilling returned 6.0 g/t gold over 45 metres, beginning 10 metres downhole, including 8 metres of 27.1 g/t gold (AAD-58). Drilling has since defined a 1.5-kilometre trend of alteration and gold mineralization within the Dark Horse Mane that remains open along strike to the north and south, and at depth.

The Dark Horse Mane shallow oxide zone begins at surface, hosting supergene enriched gold zones with values up to 195 g/t over 1 metre and ranging in thickness from 20 to 60 metres vertical depth with locally deeper oxidation along fractures. The high-grade oxide body exhibits strong continuity along a north-south strike. Mineralization remains open along strike and at depth with the Dark Horse Mane Reserve estimate located at the south end of the mineralized structure.

In 2024, EM conducted geological and geochemical evaluations over a 4-kilometre by 3-kilometre portion of the Greater Dark Horse area. This area is characterized by an expansive gold-in-soil geochemical anomaly which contains both the high-grade Dark Horse Mane supergene gold deposit and numerous early-stage gold prospects. Exploration focused on parallel structures to the north-south trending Dark Horse Mane feature and the northeast trending Altan Arrow fault, identified as two of the main gold-bearing features in the prospect area. A total of 163 rock chip samples were collected, resulting in the identification of several new high-grade gold mineralized zones. Results from the Altan Arrow fault, a 1.8-kilometre northeast trending structural feature, included a sample returning 37.7 g/t gold, as well as twelve samples with silver grades exceeding 50.0 g/t Ag including two samples greater than 100 g/t Ag, in addition to samples with anomalous lead, molybdenum and antimony, indicator elements in BK gold prospects.

In late 2025, over 5,000 metres were drilled to test expansion of high-grade resources around the Dark Horse South ("DHS") reserve pit for feed to the Bayan Khundii CIP plant, and to assess the potential of a lower grade resource suitable for heap-leach processing along trend of mineralization north and along the Altan Arrow structure northeast of the DHS deposit. In total, 3,993 metres in 38 holes were drilled along the Dark Horse mineralized trend and 1,440 metres in 27 holes were drilled at Altan Arrow. The program expanded high-grade gold mineralization at DHS where near surface intersections of 9.6 g/t gold over 19 metres and 28.7 g/t gold over 3 metres were returned. Additionally, at Dark Horse North, drilling results demonstrated that a large oxide and transition zone hosting gold mineralization is present to the north of the DHS reserve area. The 2025 drilling results included multiple mineralized intersections of oxide, transition and/or fresh mineralization up to 43 metres apparent thickness that returned average gold grades greater than 1 g/t Au. Drilling at Altan Arrow identified multiple gold and silver intersections including 16 metres of 1.36 g/t Au and 5 metres of 66 g/t Ag. In total, 89% (58 of 65 holes) of holes intersected anomalous gold and silver zones.

Furthermore, a composite sample of gold-mineralized oxide drill core material from Dark Horse North has been sent for metallurgical testing to be evaluated for heap leach amenability, which could support a low-cost gold production expansion opportunity.

Dark Horse Mineral Resource Estimate

In Q2 of 2026, EM commissioned SLR to complete an updated mineral resource estimate for the Dark Horse gold deposit. The updated MRE incorporates data from 83 drill holes, totaling 6,474 metres, drilled since the previous MRE which had an effective date of October 1, 2022. Below is a summary of the updated mineral resource estimate ("MRE") for the Dark Horse ("DH") gold deposit prepared by SLR Advisory Asia Limited ("SLR") in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") guidelines and National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

SLR estimated the DH MRE based on the data collected by Erdene as of May 1, 2026, including data from 301 surface diamond drill holes totaling 30,630 m drilled by EM between 2016 and 2025. The DH MRE and underlying data comply with guidelines provided in the CIM Definition Standards under NI 43-101, therefore SLR considers it suitable for public reporting. The MRE was completed by Mr. Oyunbat Bat-Ochir, a full-time employee of SLR, a Member of the Australian Institute of Geoscientists, and a Qualified Person ("QP") as defined by NI 43-101.

Mineral Resource has been constrained by topography, overburden surface and by a preliminary optimized open-pit shell that was derived using US\$3,900/oz Au and US\$40/oz Ag prices and reported above a cut-

off grade of 0.28 g/t Au in oxide and transition mineralization and 0.85 g/t Au cut-off in fresh mineralization. See “Notes to Dark Horse Statement of Mineral Resources”.

Dark Horse Statement of Mineral Resources; Effective date May 1, 2026

Resource Classification		Quantity Kt	Grade		Contained Metal	
			Au g/t	Ag g/t	Au Koz	Ag Koz
Indicated	Oxide	909	2.12	1.8	62	52
	Transitional	481	1.07	1.4	17	22
	Fresh	17	3.28	2.3	2	1
	Total	1,407	1.78	1.7	80	75
Inferred	Oxide	290	0.61	1.6	6	15
	Transitional	317	0.90	1.3	9	13
	Fresh	1	7.29	2.0	0.2	0.1
	Total	608	0.77	1.4	15	28

Notes:

- (1) The Statement of Estimates of Mineral Resources has been compiled by Mr Oyunbat Bat-Ochir, who is a full-time employee of SLR and a Member of the Australian Institute of Geoscientists. Mr Bat-Ochir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined in the CIM Standards of Disclosure.
- (2) All Mineral Resources figures reported in the table above represent estimates as of 1st May 2026. Mineral Resource estimates are not precise calculations being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
- (3) Mineral Resources are reported on a dry in-situ basis.
- (4) The Mineral Resource is reported using a 0.28 g/t Au cut-off grade in oxide and transition mineralisation and 0.85 g/t Au cut-off in fresh mineralisation and is constrained above the conceptual optimised pit shell with a pit slope angle of 450. Cut-off parameters were selected based on an SLR internal cut-off calculator, assuming an open cut mining method with 2.5% ore loss and 10% dilution, a gold price of US\$3,900 per ounce, an open mining cost of US\$2.76 per tonne and a processing cost of US\$25.56 per tonne milled, general and administration cost of US\$1.5 per tone and processing recovery of 90% for oxide, 87% for transitional and 30% for fresh Au mineralisation. The conceptual optimised pit shell was constructed using a gold price of US\$ 3,900/oz and a silver price of US\$ 40/oz with a processing recovery of 55% for Ag mineralisation.
- (5) Mineral Resources referred to above have not been subject to detailed economic analysis and therefore have not been demonstrated to have actual economic viability.

Within the mineral resource estimated for Dark Horse are included zones of higher average grade material at 0.7 g/t gold cut-off grade are as follows:

Dark Horse Mineral Resources at 0.7 g/t Au cut-off grade; Effective date May 1, 2026

Resource Classification		Quantity Kt	Grade		Contained Metal	
			Au g/t	Ag g/t	Au Koz	Ag Koz
Indicated	Oxide	269	6.16	2.7	53	23
	Transitional	142	2.56	1.8	12	8
	Fresh	19	3.02	2.2	2	1
	Total	430	4.80	2.4	67	33
Inferred	Oxide	39	1.88	1.6	2	2
	Transitional	134	1.58	1.4	7	6
	Fresh	1	6.12	2.1	0	0
	Total	174	1.68	1.5	9	8

Ulaan Project

In June 2021, the Company completed the maiden gold exploration program in the southern portion of the Ulaan license, held by EM, reporting a significant new gold discovery just 300 metres west of the Bayan Khundii Deposit. Results to date, including follow-up drilling in 2022, have confirmed a significant gold discovery at Ulaan SE. Multiple drill holes have returned hundreds of metres (up to 354 metres) of gold mineralization, often ending in mineralization, over an area 200 metres by 250 metres. Gold mineralization begins approximately 80 metres from surface with anomalous gold intersected as shallow as 4 metres depth (UDH-18) and remains open along strike to the west/northwest and at depth. Gold grades up to 156 g/t are related to intense quartz $\pm$ hematite veins and stockwork zones enveloped by the same gold bearing silicified, white mica altered lapilli tuff sequence which hosts the Bayan Khundii epithermal gold deposit, located just east on the Khundii mining license.

In Q2 of 2026, EM commissioned SLR to complete the maiden mineral resource estimate for the Ulaan SE gold deposit. The NI 43-101 Technical Report for the Ulaan SE MRE will be filed on SEDAR within 45 days.

SLR estimated the Ulaan SE MRE based on the data collected by Erdene as of June 1, 2026, including data from 56 surface diamond drill holes totalling 15,025 m drilled by ERD in 2022. The Ulaan MRE and underlying data comply with guidelines provided in the CIM Definition Standards under NI 43-101, therefore SLR considers it suitable for public reporting. The MRE was completed by Mr. Oyunbat Bat-Ochir, a full-time employee of SLR, a Member of the Australian Institute of Geoscientists, and a Qualified Person ("QP") as defined by NI 43-101.

The Mineral Resource has been constrained by topography, overburden surface and XV-016057 exploration license and reported above a gold (Au) cut-off grade of 0.15 g/t Au and within a US\$3,900/oz optimised pit constraint for open cut resource and at a cut-off grade of 0.46 g/t Au below the US\$3,900/oz pit shell for the underground resource. See "Notes to Ulaan SE Statement of Mineral Resources".

Ulaan Southeast Statement of Mineral Resources; Effective date June 1, 2026

Resource Classification	Quantity Kt	Grade		Contained Metal	
		Au g/t	Ag g/t	Au Koz	Ag Koz
Indicated	2,262	1.30	0.9	94	68
Inferred	1,539	1.10	0.6	54	28

Notes:

- (1) CIM (2014) definitions were followed for Mineral Resource.
- (2) The Statement of Estimates of Mineral Resources has been compiled by Mr Oyunbat Bat-Ochir, who is a full-time employee of SLR and a Member of the Australian Institute of Geoscientists. Mr Bat-Ochir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined in the CIM Standards of Disclosure.
- (3) All Mineral Resources figures reported in the table above represent estimates as of 1st June 2026. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
- (4) Mineral Resources are reported on a dry in-situ basis.
- (5) Mineral Resources are estimated using a long-term gold price of US\$ 3,900 per ounce.
- (6) Open-pit Mineral Resources are estimated at a cut-off grade of 0.15 g/t Au and constrained by a preliminary optimised pit shell with a pit slope angle of 50°.
- (7) RPEEE for underground Mineral Resources was demonstrated by reporting at 0.46 g/t Au below the same optimised pit shell.
- (8) Optimised pit shell and cut-off grades were generated by assuming an open pit mining cost of US \$3 per tonne and underground mining cost of US \$35 per tonne, processing cost of US \$16 per tonne milled, mining dilution of 10% and ore loss of 5% and processing recovery of 95%.
- (9) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Within the mineral resource estimated for Ulaan SE are included zones of higher average grade material at 0.7 g/t gold cut-off grade, as follows:

Ulaan Southeast Mineral Resources at 0.7 g/t Au cut-off grade; Effective date June 1, 2026

Resource Classification	Quantity Kt	Grade		Contained Metal	
		Au g/t	Ag g/t	Au Koz	Ag Koz
Indicated	1,286	1.88	1.2	78	50
Inferred	607	1.95	0.9	38	18

Together with the Bayan Khundii and Dark Horse deposits, results from drilling at Ulaan Southeast demonstrate the potential scale of mineralization within the 4,000-hectare Khundii-Ulaan Hydrothermal system, which extends from Ulaan over 10 kilometres to the northeast onto the Khundii license.

Furthermore, the central and northern portion of the Ulaan license hosts a porphyry copper prospect primarily based on a broad (5km by 4km) zone of phyllic (quartz-sericite-pyrite) alteration at surface, with characteristics thought to be related to a porphyry intrusion at depth. Rock chip and stream sediment geochemical sampling identified anomalous concentrations of gold, copper and molybdenum in the surrounding area, and geophysical surveys have produced a number of follow-up targets for deeper drilling.

The statutory documentation of the Ulaan project will be submitted for application to convert from an exploration license to a mining license in H2 2026.

Altan Nar Project

The Altan Nar deposits are located on EM's 4,669-hectare Altan Nar mining license, 16 kilometres northwest of Bayan Khundii. The AN mining license was received on March 5, 2020 and is valid for an initial 30-year term with provision to renew the license for two additional 20-year terms. The license hosts 18 mineralized (gold, silver, lead, zinc) target areas within a 5.6 by 1.5-kilometre mineralized corridor. Two of the early discoveries, Discovery Zone ("DZ") and Union North ("UN"), host wide zones of high-grade, near-surface mineralization, and are the focus of a Resource Estimate released in Q2 2018.

Altan Nar is an intermediate sulphidation, carbonate base-metal gold ("CBMG") deposit with similarities to prolific gold deposits such as Barrick Gold's Porgera mine (Papua New Guinea), Rio Tinto's formerly producing Kelian mine (Indonesia), Lundin Gold's Fruta Del Norte deposit (Ecuador), and Continental Gold's Buritica project (Colombia). CBMG deposits generally occur above porphyry intrusions in arc settings and may extend for more than 500 metres vertically.

Altan Nar received limited exploration over the past few years as EM focused on the Bayan Khundii discovery. In late Q4 2019, the Company drilled five holes totaling 667 metres in DZ. Four holes tested the high-grade core area of the Discovery Zone, over a 130-metre strike length, 70 metres of which remains untested by drilling ("Gap Zone"). The fifth hole tested the southern extension of the deposit. Results from the 2019 program, including the intersection of 45.7 g/t gold, 93.4 g/t silver, 1.54% lead and 3.40% zinc over 7 metres beginning at approximately 70 metres vertical depth, within 23 metres grading 17 g/t gold, are amongst the strongest to date. These results have been included in an updated MRE for Altan Nar with an effective date of June 1, 2026.

Indicated Mineral Resources have been established for the Discovery Zone and Union North prospects. The remaining 16 targets at Altan Nar are prospective and EM intends to complete further drilling on the license to increase understanding of the system.

In Q2 of 2026, EM commissioned SLR to complete an updated mineral resource estimate for the Altan Nar deposit. The NI 43-101 Technical Report for the Altan Nar MRE will be filed on SEDAR within 45 days.

All Mineral Resources figures reported in the table below represent estimates as at June 1, 2026 and are based on drilling completed up to October 1, 2022. The Mineral Resource Estimate and underlying data comply with guidelines provided in the CIM Definition Standards under NI 43-101, therefore SLR considers it suitable for public reporting. The Mineral Resources were completed by Mr. Oyunbat Bat-Ochir (Qualified Person).

The Statement of Mineral Resources has been constrained by the topography, overburden surface and reported above gold equivalent (AuEq) cut-off grade of 0.18 g/t AuEq above a US \$3,900/oz pit shell and 0.55 g/t AuEq below the same US \$3,900/oz pit.

Altan Nar Statement of Mineral Resources; Effective date June 1, 2026

Resource Classification		Quantity Kt	Grade					Contained Metal				
			Au g/t	Ag g/t	Zn %	Pb %	AuEq g/t	Au Koz	Ag Koz	Zn Kt	Pb Kt	AuEq Koz
Indicated	Oxide	704	1.56	10.3	0.5	0.8	1.88	35	234	4	6	43
	Fresh	6,161	1.52	11.9	0.5	0.4	1.79	301	2,349	33	26	355
	Total	6,865	1.52	11.7	0.5	0.5	1.80	336	2,583	37	32	397
Inferred	Oxide	1,360	1.16	5.8	0.4	0.6	1.37	51	256	6	8	60
	Fresh	6,723	0.91	5.0	0.4	0.3	1.08	196	1,084	29	22	233
	Total	8,083	0.95	5.2	0.4	0.4	1.13	246	1,340	35	30	293

Notes:

- (1) CIM Definition Standards for Mineral Resource (2014) is used for reporting of Mineral Resource.
- (2) The Statement of Estimates of Mineral Resources has been compiled by Mr Oyunbat Bat-Ochir, who is a full-time employee of SLR and a Member of the Australian Institute of Geoscientists. Mr Bat-Ochir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined in the CIM Standards of Disclosure.
- (3) All Mineral Resources figures reported in the table above represent estimates as at 1st of June 2026 and are based on drilling completed up to October 1, 2022. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
- (4) Mineral Resources are reported on a dry in-situ basis.
- (5) Reported at a 0.18 g/t AuEq cut-off above US\$ 3,900/oz pit shell and 0.55 g/t AuEq below the same US\$ 3,900/oz pit shell. Cut-off parameters were selected based on an SLR internal cut-off calculator, which indicated that a break-even cut-off grade of 0.18 g/t Au Equivalent above US\$ 3,900/oz pit and 0.55 g/t AuEq below US\$ 3,900/oz pit, assuming a gold price of US\$ 3,900 per ounce, a silver price of US\$ 40 per ounce, zinc price of US\$ 3,000 per tonne and lead price of US\$ 2,000 per tonne, an open pit mining cost of US\$ 2.75 per tonne and underground mining cost of US\$ 35 per tonne and a processing cost of US\$ 16 per tonne milled and processing recovery of 88.8% Au, 80.6% Ag, 80.4% Pb and 69.1% Zn.
- (6) Au Equivalent (AuEq) is calculated using metal price of US\$ 3,900/oz for Au, US\$ 40/oz for Ag, US\$ 2,000/tonne for Pb and US\$ 3,000/tonne for Zn. Adjustment has been made for metallurgical recovery and is based on the company's preliminary testwork results, which used flotation to separate concentrates, including a pyrite concentrate, with credits only for Au and Ag. Based on grades and contained metal for Au, Ag, Pb and Zn, it is assumed that all commodities have reasonable potential to be economically extractable.
 - a. The formula used for Au equivalent grade is: $AuEq\ g/t = Au\ g/t + Ag\ g/t * 0.0093 + Pb\ % * 0.144 + Zn\ % * 0.186$ with metallurgical recovery of 88.8% Au, 80.6% Ag, 80.4% Pb and 69.1% Zn.
 - b. Au equivalent ounces are calculated by multiplying Mineral Resource tonnage by Au equivalent grade and converting to ounces. The formula used for Au equivalent ounces is: $AuEq\ Oz = [Tonnage \times AuEq\ grade\ (g/t)] / 31.1035$.
- (7) Mineral Resources referred to above have not been subject to detailed economic analysis and therefore have not been demonstrated to have actual economic viability

Within the mineral resource estimated for Altan Nar are included zones of higher average grade material at 0.7 g/t gold cut-off grade, as follows:

Altan Nar Mineral Resources at 0.7g/t AuEq cut-off grade; Effective date June 1, 2026

Resource Classification		Quantity Kt	Grade					Contained Metal				
			Au g/t	Ag g/t	Zn %	Pb %	AuEq g/t	Au Koz	Ag Koz	Zn Kt	Pb Kt	AuEq Koz
Indicated	Oxide	422	2.40	15.3	0.6	1.3	2.84	33	207	3	5	39
	Fresh	4,086	2.13	15.7	0.6	0.5	2.48	280	2,068	26	21	325
	Total	4,508	2.16	15.7	0.6	0.6	2.51	313	2,275	29	27	364
Inferred	Oxide	712	1.93	8.1	0.6	0.9	2.24	44	185	4	6	51
	Fresh	3,847	1.34	6.6	0.6	0.4	1.57	166	814	21	17	194
	Total	4,559	1.44	6.8	0.6	0.5	1.68	210	1,000	25	23	246

In addition to the resource estimation work, additional metallurgical test work, consisting of sample characterization, mineralogy and cyanide testwork, was completed on a single composite sample from Discovery Zone (“DZ”), representing a low-As content sample. The sample had the following head grade:

Altan Nar Metallurgical sample head grade analysis

Composite	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Fe (%)	As (%)
AN-MET-25-01	5.48	32.38	0.87	0.99	5.19	0.20

Mineralogical analysis on the DZ sample identified the primary sulphide minerals as pyrite, sphalerite and galena, with trace levels of arsenopyrite and chalcopyrite present. Elemental deportment identified that sphalerite was the only zinc mineral, and galena was the only lead carrier. Both the sphalerite and galena are well liberated and did not have associations with arsenopyrite suggesting that this sample has potential for producing separate lead, zinc and bulk sulphide (pyrite/arsenopyrite/gold) concentrates. Additional flotation test work is required to better understand this potential.

The cyanidation test work demonstrated that the whole-rock cyanidation recovery averaged 89% for gold and 55% for silver and that grind size was not determined to have an impact on recovery, in the 67 µm to 92 µm range tested. These results are consistent with previous gold and silver recovery rates for similar samples.

Zuun Mod Molybdenum-Copper Project

The Zuun Mod Molybdenum-Copper Project is a porphyry molybdenum-copper deposit located in southwest Mongolia on the Company's Khuvyn Khar license. This project is approximately 950 kilometres southwest of Ulaanbaatar, 215 kilometres from railhead on the Mongolia-China border at Ceke, and 35 kilometres east of BK. The property consists of a mining license totaling 6,041 hectares. The mining license is registered in the name of Anian Resources LLC (“AN”), a wholly owned subsidiary of the Corporation. This project was acquired from Gallant Minerals Limited in 2005 and is subject to a net smelter returns royalty (“NSR Royalty”) of 1.5% held by Versamet Royalties, subject to a buy-down provision.

In October 2025, the Corporation released an updated NI 43-101 resource estimate for Zuun Mod at a cut-off-grade of 0.035% Mo as reported in the following table.

Resource Classification	Tonnes Mt	Mo %	Cu %	MoEq %	Mo Mlbs	Cu Mlbs	MoEq Mlbs
Measured	45.8	0.057	0.062	0.074	57.7	62.2	74.8
Indicated	225.3	0.056	0.065	0.073	275.9	322.0	364.4
Measured+Indicated	271.1	0.056	0.064	0.073	333.5	384.2	439.2
Inferred	269.1	0.051	0.059	0.070	300.0	350.7	416.3

Notes to Zuun Mod Statement of Mineral Resources; Effective date September 1, 2025:

1. CIM Definition Standards for Mineral Resource (2014) is used for reporting of Mineral Resource.
2. The Statement of Estimates of Mineral Resources has been compiled by Mr. Oyunbat Bat-Ochir who is a full-time employee of SLR and a Member of the Australian Institute of Geoscientists. Mr. Bat-Ochir has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined in the CIM Standards of Disclosure.
3. All Mineral Resources figures reported in the table above represent estimates at 1st September 2025. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
4. Mineral Resources are reported on a dry in-situ basis.
5. The Mineral Resource has been constrained by mining license MV-016836 and reported above Molybdenum (Mo) cut-off grade of 0.035% within a revenue factor optimized pit shell derived using a price of US\$22/lb Mo and US\$4.95/lb Cu. Cut-off parameters were selected based on an SLR internal cut-off calculator, assuming an open cut mining method with 3% ore loss and 4% dilution, a Mo price of US\$15.4/lb, an open mining cost of US \$2.18 per tonne and a processing cost of US \$6.85 per tonne milled and processing recovery of 83% for Mo and 81% for Cu with flotation processing to produce Mo and Cu concentrates. The conceptual optimised pit shell was constructed using a Mo price of US\$22/lb Mo and US\$4.95/lb Cu.
6. Mo Equivalence (MoEq) calculated using: The formula used for Mo equivalent grade is: MoEq% = Mo % + Cu % * 0.27504 and assumes 83% Mo and 81% Cu metallurgical recoveries.
7. 1 tonne = 2204.64 lbs.
8. Mineral Resources referred to above, have not been subject to detailed economic analysis and therefore, have not been demonstrated to have actual economic viability.

In late 2025, a 3,362-metre, 24-hole drill program was completed across the Khuvyn Khar license. The program included 18 holes testing the upper 150 metres of the Zuun Mod deposit, and one hole extension (ZMD-98), seeking to improve confidence and continuity of molybdenum mineralization in the North Racetrack area, at depth. With the exception of the extension of hole ZMD-98, all holes were drilled at an angle of between -45 and -60 degrees. Two additional holes (ZMD-162 and 163) were drilled to test copper porphyry targets and a further three scout holes were drilled to test a gold prospect 3.8 kilometres west of the Zuun Mod deposit. Results from this program will be incorporated into an updated mineral resource estimate that will be used as the basis for a preliminary economic assessment ("PEA"), scheduled to be delivered in Q3 2026. Additionally, a series of ore-grade Zuun Mod Mo-Cu samples were submitted to Blue Coast Research for metallurgical test work to develop a conceptual process flow sheet for the PEA.

The near surface drilling intersected high-grade Mo and Cu mineralization within the upper 130 metres vertically. Multiple holes returned grades exceeding 0.07% Molybdenum Equivalent ("MoEq") over downhole lengths of up to 112 metres, with multiple holes ending in mineralization. The results support the updated resource model, confirming both near vertical and sub-horizontal orientation of mineralization and infilling areas previously modeled as having low or no mineralization.

Extension hole ZMD-98, located in a lower confidence northern portion of the deposit, intersected nearly continuous molybdenum and copper mineralization, and ended in mineralization at 450 metres depth. When combined with the previously reported results, the hole returned 374 metres (76 to 450 metres) of 0.066% MoEq within the central portion of the North Racetrack zone. Future drilling will focus on this high-grade zone, which remains open both vertically and laterally.

One of the holes targeting copper mineralization, drill hole ZMD-162 was designed to expand on the mineralization intersected in ZMD-121, completed in late 2010. ZMD-162 was collared 125 metres from ZMD-121 and drilled on a southwest azimuth, toward ZMD-121, and intersected the reported mineralized interval at 286 metres (269 metres vertical depth), returning 65 metres of 0.63% copper and 2.9 g/t silver mineralization, including a higher grade zone of 30 metres averaging 1.25% Cu and 6.1 g/t Ag. The altered and mineralized zone extends from 238 metres downhole to the end of the hole at 450 metres, characterized by moderate to intense potassic alteration with associated chalcopyrite and pyrite mineralization. Zones of highest copper and silver mineralization are within quartz potassium-feldspar granite with sulphide content of 5 to 40%. Advanced geophysical surveys and drilling are planned for 2026 to follow up on the copper results at Khuvyn Khar.

Tereg Uul Copper-Gold Porphyry Prospect

On July 2, 2025, Erdene entered an option agreement to acquire an up to 80% interest in the 6,694-hectare Tereg Uul exploration license. The property is located in Khanbogd & Bayan-Ovoo soums, South Gobi province, and is held by the private Mongolian company Tereg Uul Mines LLC ("TUM"). The property's exploration license was issued on April 5, 2023, and is in its third year of a maximum 12-year term, and can be converted to a mining license at any time prior to the end of the twelfth year by meeting the requirements prescribed under the Minerals Law of Mongolia.

The Tereg Uul property is located approximately 10 kilometres southwest from the Oyu Tolgoi mine, along the Oyu Tolgoi mineralization corridor, and 5 kilometers south of the Oyu Tolgoi license boundary near Entrée/Oyu Tolgoi's joint venture Railway copper-gold prospect. The porphyry trend continues south through the Tereg Uul license to the Khatsavach Uul porphyry copper prospect located 10 kilometres south of Tereg Uul.

In 2025, ERD completed license-wide geophysical programs including ground magnetics, gravity and dipole-dipole induced polarization (IP) surveys. Several geophysical anomalies have been identified and will be tested with a scout drilling program in Q2 2026. In addition, geological mapping and rock chip geochemical sampling was carried out and identified a zone of anomalous gold mineralization over an area ~2km by 800m, and open in all directions. Multiple rock chip samples returned anomalous results from 0.1 g/t to 4.1 g/t gold with elevated tellurium, antimony, bismuth, molybdenum, silver and lead. Mineralization is hosted within semi-sheeted, steeply dipping quartz veins cutting an alkali granite host and interpreted as a potential intrusion related gold-vein system (IRGS) and is referred to as the Web Prospect. IRGS deposits include Fort Knox in Alaska (>7 Moz), Brewery Creek (~1 Moz) and Dublin Gulch (~1.3 Moz) both in the Yukon.

In Q2 2026, a scout drilling program was completed to test targets identified during the 2025 prospecting and geophysical programs. The program consisted of eleven drill holes totaling 2,710 metres. Two drill holes (TUDH-01 and TUDH-11) focused on geophysical signatures located in the eastern and central portions of the exploration license respectively. These holes provided a glimpse into the subsurface geology

and stratigraphy of the Tereg Uul area which was previously undrilled. In addition to the geologic value of these holes, TUDH-11 intersected a 110 metre thick carbonaceous coal bearing sequence, beginning 50 metres from surface, as well as anomalous native copper and gold mineralization within a propylitically altered andesite.

The remaining nine holes (TUDH-02 to TUDH-10) were drilled within the northern portion of the license to follow up on gold in rock chip sample results collected in 2025 (up to 4.1g/t Au) related to sheeted quartz veins cross-cutting an alkali granite at the Web Prospect. Except for TUDH-02, which was abandoned at 40 metres depth due to a clay filled fault, all drill holes intersected anomalous gold mineralization with multiple 1 metre intervals grading more than 0.1g/t gold over a ~1.5 kilometre strike length. The most significant hole was TUDH-03 with the thickest downhole zone of continuous gold mineralization with 10 metres averaging 0.17 g/t gold. Multielement geochemical analysis shows a strong direct correlation between the gold mineralization and elevated tellurium and bismuth suggesting an elemental pathfinder suite consistent with an intrusion related gold system.

In the second half of 2026 geologists will complete a systematic geochemical soil sampling grid over the entire Tereg Uul license area and conduct petrography and age dating analysis on the drill core from the Q2 program.

Acquisitions

Mongolia's Ministry of Mining and Heavy Industry periodically issues areas for acquisition of exploration licenses through a tendering process. Erdene has established the largest proprietary geologic database of Southwest Mongolia with a priority list of acquisition targets. The Company, directly, and through its investment in EM, will participate in the tendering process as its priority targets are opened for tender. The Company has also been evaluating privately held licenses for acquisition. Additionally, as the one of the longest tenured foreign explorers operating in Mongolia, the Company will selectively evaluate precious and industrial metal opportunities across the Country.

Discussion of Operations

Three months ended June 30, 2026 and 2025

The following table summarizes exploration and evaluation expenses for the three months ended June 30, 2026 and 2025.

	For the three months ended June 30,		
	2026	2025	Change
Direct costs	\$ 712	\$ 163	549
Employee compensation costs	381	407	(26)
Share-based compensation	55	241	(186)
Amount reimbursed by associate	(422)	(297)	(125)
	\$ 726	\$ 514	\$ 212

Exploration and evaluation expenses totaled \$726 for the three months ended June 30, 2026, compared to \$514 for three months ended June 30, 2025.

Direct costs for the three months ended June 30, 2026 were \$549 greater than those in the comparative prior year quarter primarily due to drilling at the Tereg Uul property where Erdene entered an option agreement in July 2025.

Employee compensation costs for the three months ended June 30, 2026 were \$26 less than those in the comparative prior year quarter as cost-of-living adjustments in the current year quarter were more than offset by the impact of first gold bonus accruals booked in the prior year quarter.

Non-cash share-based compensation for the three months ended June 30, 2026 was \$186 less than the prior year comparative quarter as the prior period reflected a grant of incentive stock options to EM executives, partially offset by the vesting of restricted share units in the current year quarter that were granted for the first time in 2026.

The Corporation and its associate, EM, are parties to an agreement under which EM reimburses the Corporation US\$1.375 million per annum, less applicable withholding taxes, for the provision of geologic and technical services. Costs reimbursed by associate for the three months ended June 30, 2026 were

\$125 greater than those in the prior year comparative quarter as the agreement was amended effective January 1, 2026, to reflect additional effort by Erdene under the agreement.

The following table summarizes corporate and administration expenses for the three months ended June 30, 2026 and 2025.

	For the three months ended June 30,		
	2026	2025	Change
Administrative services	\$ 210	\$ 264	\$ (54)
Investor relations and marketing	92	57	35
Office and sundry	49	24	25
Professional fees	97	123	(26)
Regulatory compliance and Board	137	91	46
Share-based compensation	50	88	(38)
Travel and accommodations	41	12	29
	\$ 676	\$ 659	\$ 17

Corporate and administration expenses totaled \$676 for the three months ended June 30, 2026, compared to \$659 for three months ended June 30, 2025.

Administrative services expenses for the three months ended June 30, 2026 were \$54 less than those in the comparative prior year quarter as cost-of-living adjustments in the current year quarter were more than offset by a reduction in compensation related to the impact of first gold bonus accruals booked in the prior year quarter.

Investor relations and marketing expenditures for the three months ended June 30, 2026, were \$35 greater than in the prior year quarter due to the participation in two additional conferences in the current year quarter.

Office and Sundry expenses for the three months ended June 30, 2026, were \$25 greater than in the prior year quarter due to an increase in computer costs associated with an ERP system implemented in late 2025, higher insurance costs upon policy renewals and increased rent costs in the current year quarter as a rent rebate was received in the comparative prior year quarter.

Professional fees for the three months ended June 30, 2026, were \$26 less than those in the prior year quarter primarily due to a reduction in corporate advisory activity.

Regulatory compliance and board expenditures for the three months ended June 30, 2026, were \$46 greater than in the prior year quarter due to an increase in director compensation following an update to the remuneration program in early 2026.

Non-cash share-based compensation for the three months ended June 30, 2026 was \$38 less than the comparative prior year quarter as the impact of the vesting of restricted share units expenditures in the current year quarter was less than the accounting impact of the grant of deferred share units in the prior year quarter, which are expensed as granted, following the change in the Director remuneration program.

Travel and accommodations expenses for the three months ended June 30, 2026 were \$29 greater than the prior year quarter due to travel associated with the conferences noted above.

Six months ended June 30, 2026 and 2025

The following table summarizes exploration and evaluation expenses for the six months ended June 30, 2026 and 2025.

	For the six months ended June 30,		
	2026	2025	Change
Direct costs	\$ 877	\$ 273	604
Employee compensation costs	1,165	1,248	(83)
Share-based compensation	411	572	(161)
Amount reimbursed by associate	(836)	(605)	(231)
	\$ 1,617	\$ 1,488	\$ 129

The following table summarizes corporate and administration expenses for the six months ended June 30, 2026 and 2025.

	For the six months ended June 30,		
	2026	2025	Change
Administrative services	\$ 765	\$ 802	\$ (37)
Investor relations and marketing	234	133	101
Office and sundry	91	62	29
Professional fees	218	212	6
Regulatory compliance and Board	356	191	165
Share-based compensation	346	688	(342)
Travel and accommodations	110	71	39
	\$ 2,120	\$ 2,159	\$ (39)

Summary of Quarterly Results

Expressed in thousands of Canadian dollars except per share amounts

	Fiscal 2026			Fiscal 2025			Fiscal 2024	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	June	Mar	Dec	Sep	June	Mar	Dec	Sep
Net income (loss)	\$9,993	\$4,764	\$3,190	(\$2,749)	(\$4,122)	(\$4,501)	(\$6,558)	(\$1,688)
Basic income (loss) per share	\$0.15	\$0.07	\$0.05	(\$0.04)	(\$0.07)	(\$0.07)	(\$0.03)	(\$0.03)
Diluted income (loss) per share	\$0.15	\$0.07	\$0.05	(\$0.04)	(\$0.07)	(\$0.07)	(\$0.03)	(\$0.03)
Total assets	\$100,130	\$88,109	\$56,067	\$55,878	\$56,467	\$62,655	\$63,000	\$55,729

For the three months ended June 30, 2026, the Corporation recognized net income of \$9,993 compared to a net loss of \$4,122 for the same quarter in 2025.

The Corporation's expenditures have historically varied from quarter to quarter, largely due to the timing of its Mongolian exploration and evaluation and development programs. However, with the commencement of gold production at EM's Bayan Khundii Gold Project, financial results will be most greatly impacted by performance of the mine. The Corporation is not aware of any other specific trends which account for fluctuations in financial results from period to period.

Liquidity and Capital Resources

At the date of this MD&A, the Corporation had approximately \$26.8 million of cash and working capital of \$26.6 million, calculated as current assets less current liabilities.

Funds raised have been used to advance the Corporation's projects in Mongolia and to meet administrative costs in support of those programs (see Development and Exploration Projects and Discussion of Operations). The ability of the Corporation to continue with its development and exploration programs is contingent upon securing additional funds through the issuance of equity, the formation of alliances, such as the MMC Strategic Alliance, debt financing, asset sales and option and/or joint venture agreements.

The Corporation has historically had minimal sources of income. It is therefore difficult to identify any meaningful trends or develop an analysis from the Corporation's cash flows. Until the Corporation receives dividends from its investment in EM, the Corporation will be dependent primarily on the issuance of share capital and debt to finance its development and exploration programs.

Other than as discussed herein, the Corporation is not aware of any trends, demands, commitments, events or uncertainties that may result in the Corporation's liquidity or capital resources materially increasing or decreasing at present or in the foreseeable future other than planned expenditures.

Outstanding Share Data

At the 2025 Annual General and Special Meeting of Shareholders, held on June 25, 2025, Shareholders approved the consolidation of the Company's issued and outstanding common shares on the basis of one (1) post-consolidation common share for every six (6) pre-consolidation common shares. The consolidation reduced the number of issued and outstanding common shares from 366,351,958 common shares to 61,063,549 common shares, effective September 2, 2025. Outstanding stock options and deferred share units were also adjusted by the share consolidation ratio. In accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS"), the change has been applied retrospectively, and as a result, disclosures of common shares, per common share data and data related to stock options and deferred share units in the accompanying consolidated financial statements and related notes reflect this share consolidation for all periods presented, unless otherwise specified.

On June 30, 2026, the Company launched a launch a normal course issuer bid ("NCIB"), under which it may purchase up to an aggregate 4,900,000 common shares for cancellation, representing approximately 10% of the 49,386,538 public float of Common Shares as of June 17, 2026. The NCIB will terminate on June 29, 2027, or on an earlier date in the event that the maximum number of Common Shares sought under the NCIB have been repurchased. Subsequent to quarter end, the Company repurchased and cancelled 94,400 shares at an average price of \$5.21 per share.

Authorized

An unlimited number of common shares with no par value.

Issued and Outstanding Share Capital

	August 12, 2026	December 31, 2025
Common shares issued and outstanding	65,498,644	61,874,216
Options outstanding	2,697,396	2,975,239
DSU's outstanding	1,560,766	1,613,751
RSU's outstanding	129,000	-
Total instruments outstanding	69,885,806	66,463,206

Contractual Obligations

The following table summarizes the maturity of the Corporation's contractual obligations at June 30, 2026:

	Total	Less than one year	1 - 2 years	More than 2 years
Office leases	\$ 85	\$ 32	\$ 32	\$ 21
Trade and other payables	\$ 462	\$ 462	\$ -	\$ -
	\$ 547	\$ 494	\$ 32	\$ 21

Other Financing Arrangements and Commitments

MMC Strategic Alliance

In January 2023, Erdene entered a Strategic Alliance with MMC where MMC agreed to invest a total of US\$40 million for a 50% interest in Erdene Mongol LLC, a Mongolian company jointly held with MMC. This investment was structured as a series of promissory notes that were converted into an equity interest in EM on January 23, 2024. Erdene retains a 50% equity interest in EM and a 5.0% Net Smelter Return royalty on production from the Khundii, Altan Nar and Ulaan licenses, as well as any properties acquired within five kilometres of these licenses, beyond the first 400,000 ounces gold recovered.

On February 8, 2024, Erdene executed financing documents with MMC to develop the Bayan Khundii Gold Project. The financing has been structured as a shareholder loan from MMC to EM, the entity co-owned by Erdene and MMC that holds the Bayan Khundii mining license, as well as the Altan Nar mining license and highly prospective Ulaan exploration license.

The shareholder loan is for US\$50 million, with a further US\$30 million made available at MMC's discretion, which provided the funding for construction of the Bayan Khundii gold mine and processing complex. The loan matures five years from the date of first draw and accrues interest at a rate of 13.8% per annum, paid quarterly in arrears. EM capitalized the first four interest payments. The loan is repayable in full upon maturity. At June 30, 2026, the balance outstanding was US\$73 million, including capitalized interest.

This loan is secured by a 50% guarantee by Erdene and Erdene's interests in the Project, including its shares of EM and NSR interest, as well as preferential rights over the Khundii, Altan Nar and Ulaan licenses. For so long as the loan is outstanding, MMC will be granted priority voting rights under the Strategic Alliance agreement between the parties and a right of first refusal over Erdene's Zuun Mod project. Additionally, Erdene has the right to purchase 50% of the loan and participate as a lending shareholder on the same terms as MMC.

Bayan Khundii Working Capital Facility

On December 4, 2024, EM executed financing documents with the Trade and Development Bank of Mongolia ("TDB") for a working capital facility to commission the Bayan Khundii Gold Project. The up to US\$50 million facility has a term of 24 months and will be repayable through six equal payments during the final six months of the loan term. The facility bears interest at a rate of 13.3% per annum and is secured by Bayan Khundii's process plant assets. As at June 30, 2026, EM has drawn the full US\$50 million facility. On April 23, 2026, the financing documents were amended, extending the term to December 2027, and reducing the interest rate to 11.8% per annum.

Royal Gold Inc. Royalty Agreement

Royal Gold Inc. ("Royal Gold") holds a 1% net smelter returns royalty ("NSR Royalty") on EM's Altan Nar, Khundii and Ulaan licenses, guaranteed by Erdene. Royal Gold has been given the right of first refusal on future stream or royalty financings related to these licenses.

Other

Versamet Royalties Corp. holds a 1.5% NSR Royalty on Erdene's Zuun Mod license. Erdene has the option to buy down a portion of the royalty if certain production milestones are achieved.

Off-Balance Sheet Arrangements

As at June 30, 2026, the Corporation had no off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risks to the Corporation, other than those detailed above.

Critical Judgments and Estimates in Applying Accounting Policies

The preparation of financial statements in conformity with IFRS requires the Corporation's management to make estimates, judgments and assumptions that materially affect the amounts reported in the consolidated financial statements and accompanying notes. Judgments and estimates are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ materially from these estimates.

A detailed summary of the Corporation's significant accounting policies and the key judgments, estimates, and assumptions that could result in a material adjustment to the carrying amount of assets and liabilities within the next twelve months are included in Note 2 to the consolidated financial statements for the year ended December 31, 2025. While all of the key sources are important to the Corporation's consolidated financial statements, the following key sources have been identified as being critical:

- Determination of significant influence over investment in associate; and
- Impairment of investment in associate.

Determination of significant influence

Judgment is needed to assess whether the Corporation has control over its investees as a result of its right to direct relevant activities or, when control is not retained, its interest meets the definition of significant influence and therefore would be accounted for under the equity method. Management makes this determination based on its legal ownership interest and through an analysis of the Corporation's participation in entities' decision-making processes. Immediately after the Corporation lost control of EM on January 10, 2023, management determined it was able to exert significant influence over EM and accounted for this investment as an associate under the equity method.

Following the issuance of shares representing 50% of the outstanding equity of EM to MMC on January 23, 2024, in connection with the close of the Strategic Alliance, Management updated its analysis and confirmed that the Corporation retained significant influence over EM and therefore continues to account for this investment as an associate under the equity method.

Impairment of investment in associate

The Corporation follows the guidance of IAS 28, Investments in Associates and Joint Ventures to assess if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a "loss event"), where such loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. In making this judgement, the Corporation's management considers objective evidence that the net investment may be impaired, including observable data about loss events such as significant financial difficulty of the associate, a breach of contract, such as a default or delinquency in payments by the associate, it becoming probable that the associate will enter bankruptcy or other financial reorganization, or the disappearance of an active market for the net investment in the associate because of financial difficulties of the associate.

Changes in Accounting Policies

New and amended standards adopted

IFRS 7 & 9 – Financial Instruments and Disclosures

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The application of the amendment has been made on a prospective basis, effective January 1, 2026, and did not have an impact on the Corporation.

IFRS 18 – Presentation and Disclosure in the Financial Statements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in the Financial Statements (“IFRS 18”) replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 “Earnings per Share” were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

Financial Instruments and Other Risks

Financial Instruments

The fair values of the Corporation’s financial instruments are considered to approximate the carrying amounts. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes levels to classify the inputs to valuation techniques used to measure fair value.

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs are unobservable (supported by little or no market activity).

Fair Value

During the three months ended June 30, 2026 and three months ended June 30, 2025, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities. The fair value of financial assets and liabilities are approximately equal to their carrying values given the short term to maturity of such instruments.

Credit Risk

The Corporation manages credit risk by holding the majority of its cash and cash equivalents with high quality financial institutions in Canada, where management believes the risk of loss to be low. At June 30, 2026, \$126 or less than 1% of the balance of cash was held in banks outside Canada (December 31, 2025 - \$159 or 3%).

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Corporation’s approach to managing liquidity is to ensure, to the extent possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. All of the Corporation’s financial liabilities are expected to be settled within the next twelve months.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

The Corporation invests excess cash in interest bearing savings accounts, which are subject to interest rate risk.

Foreign Currency Risk

The functional currency of the Corporation is the Canadian dollar, and the functional currency of the Corporation’s subsidiary and associate is the Mongolian Tugrik. Additionally, the Corporation incurs expenses in US dollars. Fluctuations of the Canadian dollar in relation to other currencies impacts the fair

value of financial assets, liabilities and operating results. Financial assets and liabilities subject to currency translation risk primarily include US dollar denominated cash and cash equivalents, receivables and trade and other payables.

The Corporation's exposure to US dollar currency risk was \$518 as at June 30, 2026 (December 31, 2025 - \$459). A 10% change in the US dollar exchange rate would affect net loss and other comprehensive loss (income) and deficit by approximately \$52 (December 31, 2025 – \$46).

The Corporation's exposure to Mongolian Tugrik currency risk was \$27 as at June 30, 2026 (December 31, 2025 - \$24). A 10% change in the Mongolian Tugrik would affect net loss and other comprehensive loss (income) and deficit by approximately \$3 (December 31, 2025 – \$2).

Price Risk

The Corporation's financial instruments are not exposed to direct price risk other than that associated with commodity price fluctuations impacting the mineral exploration and mining industries as the Corporation has no revenues.

Other Risks

In conducting its business, the principal risks and uncertainties faced by the Corporation relate primarily to exploration results, permitting, financing and, to a lesser extent, metal and commodity prices. Exploration for minerals and development of mining operations involve many risks, many of which are outside the Corporation's control. In addition to the normal and usual risks of exploration and mining, the Corporation works in remote locations that lack the benefit of infrastructure and easy access. More information on risks is available in the Corporation's Annual Information Form available on SEDAR+ at www.sedarplus.ca.

Disclosure Controls and Internal Control over Financial Reporting

Erdene has established and maintains disclosure controls and procedures over financial reporting, as defined under the rules adopted by the Canadian Securities Regulators in instrument 52-109. The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have evaluated the design and effectiveness of Erdene's disclosure controls and procedures as of June 30, 2026 and have concluded that such procedures are adequate and effective to provide reasonable assurance that material information relating to Erdene and its consolidated subsidiaries would be made known to them by others within those entities to allow for accurate and complete disclosures in its filings.

The Management of Erdene, with the participation of the CEO and CFO (collectively "Management"), is responsible for establishing and maintaining adequate internal control over financial reporting. Erdene's internal control over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements in accordance with IFRS.

Management evaluated the design and effectiveness of Erdene's internal control over financial reporting as of June 30, 2026. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in its report "Internal Control – Integrated Framework (2013)". This evaluation included reviewing controls in key risk areas, assessing the design of these controls, testing these controls to determine their effectiveness, reviewing the results and then developing an overall conclusion.

Based on Management's evaluation, the CEO and CFO concluded that as of June 30, 2026, Erdene's internal control over financial reporting were effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

However, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Person

The information in this MD&A that relates to the Bayan Khundii, Dark Horse, Altan Nar and Ulaan MREs, including the Appendices hereto on the BK and the DH MREs, is based on information compiled and reviewed by Oyunbat Bat-Ochir who is a full-time employee of SLR Advisory Asia Limited and a Member of the Australian Institute of Geoscientists. Mr. Bat-Ochir has sufficient experience, which is relevant to the style of mineralization and type of deposits under consideration and to the activity which they have

undertaken to qualify as a Qualified Person, as that term is defined by National Instrument 43-101. Mr. Bat-Ochir is not aware of any potential for a conflict of interest in relation to this work with Erdene.

Jon Lyons, FAusIMM, 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 related to the BK Mine. Mr. Lyons is the Chief Development Officer for Erdene and is not independent of the Corporation.

Peter Dalton, P.Geo. (Nova Scotia) is a qualified person under NI 43-101 and supervises the Corporation's exploration programs. Samples are assayed at ALS Laboratory, Bayan Khundii, Mongolia, SGS Laboratory in Ulaanbaatar, Mongolia or Tianjin China, Central Geological Laboratory in Ulaanbaatar, Blue Coast Research Ltd in Parksville British Columbia, Canada, or ALS Chemex in Vancouver, Canada. In addition to internal checks by SGS Laboratory, Central Geological Laboratory and ALS Chemex, the Corporation incorporates a QA/QC sample protocol utilizing prepared standards, field and laboratory splits, and blanks.

The disclosure in this MD&A of scientific or technical information about mineral projects on Erdene's properties has been reviewed and approved by Peter Dalton, P. Geo, who is not independent of the Corporation.

Other Information

Additional information regarding the Corporation, including the Corporation's Annual Information Form, is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.erdene.com.

Appendix A – Technical Information in support of the Bayan Khundii Mineral Resource Estimate

SLR completed an update to the Khundii License Mineral Resources and the following Appendix includes technical disclosure related to the Statement of Mineral Resources for the Bayan Khundii Deposit dated July 1, 2026.

Technical Data for the Bayan Khundii Mineral Resource Estimate, Effective Date July 1, 2026

1 Introduction

The Bayan Khundii gold deposit is part of the Bayan Khundii Gold Project which is located in south-western Mongolia in the Bayankhongor province and is situated approximately 980 kilometres southwest of the Mongolian capital Ulaanbaatar, and approximately 150 km north of the Chinese border. The Bayan Khundii gold deposit is located on the Khundii Mining License which is 100% held by Erdene Mongol LLC (“EM”). Erdene Resource Development (“ERD”) holds a 50% interest in EM. Bayan Khundii is one of several deposits and prospects within the Khundii Gold District discovered and under development or exploration by EM. EM’s land holding in the Khundii Minerals District currently includes the Khundii Mining License (MV-021444, 2,308.6 ha) and the Altan Nar Mining License (MV-021547; 4,668.6 ha) and the Ulaan Exploration License (XV-016057; 1780.2 ha). All licenses are 100% held by EM.

Vehicle access to the property is via paved roads from Ulaanbaatar to Bayankhongor (630 km), followed by regional gravel roads from Bayankhongor to Shineijinst (310 km), then another 2 hours on to site via dirt road (Figure 1-1). A small airstrip is also located on site which is capable of accommodating light aircraft. A private airline service is available from Ulaanbaatar and a one-way trip takes approximately 3 hours.

Figure 1-1: Property Location



1.1 Geology

The Project is located within the southeast part of the Trans Altai Terrane ("TAT", previously referred to as the Edren Terrane; Badarch et al., 2002). The Trans Altai is an island arc terrane within the Central Asian Orogenic Belt ("CAOB"), which extends more than 3,000 km from the Urals to the Pacific. This orogenic belt formed by the accretion of island arcs, ophiolites, ocean islands, seamounts, accretionary wedges and microcontinents similar to the Mesozoic-Cenozoic accretionary orogens of the Circum Pacific. The CAOB (Figure 1-2) is host to numerous porphyry copper and epithermal Au deposits of largely Devonian to Permian age (intrusions and/or ore; Yakubchuk et al., 2012; Wang et al., 2021). The closest known deposits of this type in Mongolia are those of the Oyu Tolgoi cluster, located ~700 km ESE of Bayan Khundii. Locally, the bedrock geology of the Bayan Khundii license area is dominated by a sequence of Devonian and/or Carboniferous volcanic (andesite, andesite porphyry) and pyroclastic rocks (ash, lapilli, and block and ash tuffs). These were intruded by Carboniferous intrusions, with these rocks unconformably overlain by Jurassic volcanic and sedimentary units. All rocks in the region are overlain by unconsolidated sediments of Quaternary or Recent age.

The southeast portion of the TAT is referred to by Erdene as the Khundii Minerals District ("KMD") (Figure 1-2) and host to a number of porphyry and epithermal deposits and occurrences, including the BK gold deposit, the Dark Horse gold deposit, the Altan Nar gold-polymetallic deposit, the Zuun Mod Mo-Cu deposit and the Ulaan SE gold mineralization.

The bedrock geology of the Khundii license area is dominated by a sequence of the Carboniferous Ulziithar Formation, comprised of tuffaceous units, volcanoclastic sedimentary sequences, basalt and andesite flows and volcanic breccia and is approximately 2,000 m thick. Rocks of the Ulziitkhar Formation were intruded by multiple plutons and stocks of the early Carboniferous Bayan Airag intrusive complex, and together these rocks were unconformably overlain by Permian and Jurassic volcanic and sedimentary units. All rocks in the region are overlain by unconsolidated sediments of Quaternary or Recent age.

Three sets of structures were distinguished in the KMD by their orientation and length, relationship to granitoid intrusions, and their cross-cutting relationships. The largest and oldest set comprises first-order ENE-trending lithospheric scale lineaments, interpreted as deep-seated, inherited basement structures. At least two such structures coincide with local gravity anomalies with the Altan Nar and Bayan Khundii deposits located along two separate ENE structures. A second set comprises structures that trend NE in an echelon fault segments that collectively define the ENE lithospheric trend. This set of NE-trending faults, including those at the Bayan Khundii deposit, are interpreted as a series of normal faults with dip-slip displacement. These extensional faults are interpreted to have formed the controlling structures at Bayan Khundii. Model integration of structural data from the BK gold deposit in three dimensions indicates a set of tilted extensional fault blocks in which gold was deposited in a fractured relay ramp structure between the fault tips of two soft-linked normal faults. A third set of smaller, N-S trending lineaments are noted. One of these N-S structures hosts the Dark Horse Mane gold deposit and can be traced for 3.5 km to the south where it connects to the extensional faults of the Bayan Khundii deposit.

Mineralization at the BK gold deposit consists of gold $\pm$ silver in massive-saccharoidal, laminar and comb-textured quartz $\pm$ hematite veins, multi-stage quartz-adularia-chalcedony $\pm$ hematite veins, quartz-hematite breccias, along late fractures ($\pm$ hematite/specularite), and as disseminations within intensely illite-quartz altered pyroclastic rocks, where it is commonly associated with hematite that partially or completely replaced pyrite grains. Gold mineralization is mostly hosted in parallel NW-SE trending, moderately-dipping (approximately 45°) zones that range in width from 4 to 149 m.

1.2 Mineral Resource Statement

This MD&A contains an updated MRE for the Bayan Khundii deposit. The changes are not considered to be material and therefore a NI 43-101 Technical Report is not required, however the following technical information is provided to support the July 1, 2026 Bayan Khundii Mineral Resource Statement.

SLR completed a full re-modelling and re-estimation of the Bayan Khundii deposit, based on the present understanding of the control on the mineralisation, and with appropriate measures in place to reflect the limitations in the input data. Within the Bayan Khundii deposit area, mineralisation domains include 113 high-grade and 117 halo or low-grade vein domains, interpreted using 2 g/t Au and 0.3 g/t Au cut-offs, respectively.

Mineral Resource has been constrained by the mining license boundary (MV-021444), depleted topography dated July 1, 2026, Jurassic overburden sediment surface, basement granitic intrusion and reported above 0.27 g/t Au cut-off for all mineralisation. It was reported above a pit shell that was generated using input parameters largely derived from the current CIP operation at BK mine and gold and silver prices of US\$ 3,900/oz and US\$ 40/oz, respectively.

2 Sample Preparation, Analyses and Security

The details of the sample preparation, analytical methodology and sample security protocols in place for soil, rock, trench and drill-core samples from the exploration programs carried out to date on the Bayan Khundii exploration license are included in this section.

2.1 Primary Sample Protocols

Rock chip and rock grab samples were collected from outcrop/subcrop by Erdene's geologists, with locations determined using hand-held GPS devices (± 3 m accuracy). Samples were taken from mineralised and unmineralized surface rocks that are, as much as possible, representative of the lithological unit identified while in the field. No grid-based rock chip sampling was carried out over the prospect areas.

Soil samples were collected at defined sample sites (based on 200m, 100m, or 25m grids), and crews used a metal shovel to dig 20-30 cm-deep sample pits. Sample material was dry-sieved using a steel 20-mesh (0.85 mm) screen. The collected -20 mesh sample material weighed ~300-400 g. Material for each sample was retained in a sealed paper envelope. Each sample was given a unique six-digit number. Samples were organised sequentially into batches of 30, with each batch including: one standard (OREAS 65a), one blank (coarse silica sand) and one field duplicate.

All trenches were excavated to bedrock. Trench samples were collected at 1- or 2-meter intervals, as determined by the senior project geologist, based on lithology and mineralisation. Samples were chipped from the base of trench walls, and care was taken to ensure each sample was representative of the entire interval. Representative hand samples for each interval were also collected for reference.

It is SLR's opinion that the samples assayed are representative and that it is unlikely there has been sampling bias.

2.2 Sample Handling Protocols and Security

Erdene's sampling protocol for drill core consisted of routine collection of samples at one or two meter intervals (depending on the lithology and style of mineralisation) over the entire length of the drill hole. All sample intervals were based on meterage, not geological controls or mineralisation. For example, all mineralised and strongly altered zones were sampled at 1-meter intervals, while unmineralised material was sampled at 2-meter intervals. Drill core recovery was excellent and did not impact the accuracy and reliability of the assay results. All drill core was sawn in half using a rock saw, and it is QP's opinion that the samples assayed are representative with no sampling bias.

Drill core was delivered directly from the drill site to the Company's exploration camp at the end of every shift. All logging and sampling were done in camp by Erdene geologists. Drill core was logged for geology and RQD, and sample intervals were marked. The core was then photographed before being sawn in half using a core saw, after which, half-core samples were bagged. Magnetic susceptibility readings were taken for each sample interval. The remaining half-core is securely stored at the Company's Bayan Khundii exploration camp.

All rock, trench, soil and drill core samples were organised into batches of 20 to 30. All sample batches included two commercially-prepared certified reference material (CRMs) standards, including a Au standard (generally alternating between a high-level Au-bearing standard and a low-level Au-bearing standard) and a 'blank' consisting of either a 'basalt blank chip' (2015) with very low Au concentration (<1 ppb Au) or coarse silica sand (OREAS 24p). Both of these samples were used as an analytical blank for Au. For soil samples, this included duplicate samples taken from the same location. For drill core batches, duplicate samples alternated between a field duplicate, consisting of two ¼ core samples from the same interval, or a laboratory duplicate, consisting of duplicate pulps created from the same coarse grind material. Each batch was stored in the field camp in sealed bags. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene's logistical contractor, Monrud Co. Ltd.

Each batch was stored in the field camp in sealed bags. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via ERD's logistical contractor, Monrud Co. Ltd.

2.3 Assay Laboratory Sample Preparation and Analysis Protocols

All first-assay samples have been prepared and assayed at SGS Mongolia LLC's Ulaanbaatar laboratory ("SGS"). The laboratory is one of the largest commercial laboratories in Mongolia and operates in accordance with ISO 17025. Analytic methods are summarised in **Table 2-1**. At SGS, all rock samples (drill core, chip and grab) are handled as follows:

- Samples as received are initially sorted and verified against the client Sample Submission Form.
- Samples are air dried at 90°C.
- All samples are crushed to 3.35 mm using a jaw crusher and Boyd crusher in a two-stage process.
- Samples were then split by rotary sample divider to 600-700 g, with the rejects retained.
- Whole samples are pulverised to 90% <75 µm.
- The pulverised samples are mixed and divided manually, with approximately 200 g retained for the client and 300 g retained for laboratory analysis.
- Gold analysed by fire assay 30 g.
- All other metals analysed by ICP40B, 4 acid digestion with ICP OES finish (refer to **Table 2-1**).

At SGS, all soil samples are handled as follows:

- Samples as received are initially sorted and verified against the client Sample Submission Form.
- Samples are air dried at 90°C.
- Whole samples are pulverised to 90% <75 µm.
- Gold analysed by fire assay 30 g.

All other metals analysed by ICP40B, 4 acid digestion with ICP OES finish (refer to **Table 2-1**).

Table 2-1 provides a summary of the analytical methods used by SGS to analyse all of the samples. All drill core sample rejects are saved and stored at a secure facility and are available to carry out check analyses as necessary.

Standard analyses were monitored by Erdene, and if SGS analysis varied from the determined assay value by more than 15% for one or more elements, then Erdene's protocol is to request that the entire batch be re-analysed. The average difference between Au assay values and Au certificate values for the Bayan Khundii drilling program was -2.9 %. No re-analysis has been required to date.

At SGS, all client-submitted material is retained under cover in the secure Ulaanbaatar facility, where 24-hour security is maintained. Sample integrity is maintained during analysis by the laboratory's LIMS-

generated sample labelling. SGS's QA/QC protocols included a 10% internal QC run on analysis; so that each 50-sample batch consists of 45 samples, two duplicates, two standards and one blank.

SLR is of the opinion that adequate procedures for sample preparation, security and analysis are in place, and were used, to ensure accuracy of analytical results.

In late 2017, a series of 500 samples were selected for analysis by ALS Chemex Laboratory ("ALS") in Ulaanbaatar, Mongolia. The samples selected were duplicate pulps prepared by SGS as part of the regular sample preparation process, where SGS has been instructed to prepare duplicate pulps for all samples ending in the number eight (8) and then place them in secure storage for future use, including third-party analysis. The ALS facility in Ulaanbaatar is ISO certified. All samples were analysed for Au from pulp material using the same methodology as the original assays at SGS, i.e. 30 g fire assay with AAS finish.

Table 2-1 SGS Analytical Methods and Detection Limits

SGS Code	Description	Element	LDL	UDL
FAE303	Fire Assay, Solvent Extraction, AAS ¹ finish, 30g sample	Au	1 ppb	10000 ppb
FAA303	Fire Assay, AAS ¹ finish, 30g sample	Au	0.01 ppm	1000 ppm
FAG303	Fire Assay, gravimetric, 30g sample	Au	0.03 ppm	100,000 ppm
SGS Code	Description	Element: LDL-UDL;		
ICP40B	4 acid digestion ² with ICP OES ³ finish	Ag: 2 ppm – 50 ppm; Al: 0.03% - 15%; As: 5 ppm - 1%; Ba: 5 ppm - 1%; Be: 0.5 ppm - 0.25%; Bi: 5ppm - 1%; Ca: 0.01% - 15%; Cd: 1 ppm - 1%; Co: 1 ppm - 1%; Cr: 10 ppm - 1%; Cu: 2 ppm - 1%; Fe: 0.1% - 15%; K: 0.01% - 15%; La: 1 ppm - 1%; Li: 1 ppm - 1%; Mg: 0.02% - 15%; Mn: 5 ppm - 1%; Mo: 2 ppm - 1%; Na: 0.01% - 15%; Ni: 2 ppm - 1%; P: 0.01% - 15%; Pb: 2 ppm - 1%; S: 0.01% - 5%; Sb: 5 ppm - 1%; Sc: 0.5 ppm - 1%; Sn: 10 ppm - 1%; Sr: 5 ppm - 1%; Ti: 0.01% - 15%; V: 2 ppm - 1%; W: 10 ppm - 1%; Y: 1 ppm - 1%; Yb: 0.5 ppm to 1000 ppm; Zn: 5 ppm - 1%; Zr: 3 ppm - 1%		

1 AAS: Atomic Absorption Spectrophotometer

2 3-Acid Digest: Perchloric (HClO₄), Hydrochloric (HCl) and Nitric (HNO₃)

3 4-Acid Digest: Same as 3-acid plus Hydrofluoric (HF)

4 ICP OES: Inductively Coupled Plasma Optical Emission Spectrometry

LDL Lower Detection Limit

UDL Upper Detection Limit

Source: Bayan Khundii 43-101 Report, Bayan (Khundii Exploration License), Bayankhongor Aimag, Southwest Mongolia, National Instrument 43-101 Technical Report, Erdene Resource Development Company, M. A. (MacDonald), MSc, P.Geo., March 1, 2018

SLR accepts that the sampling and assaying methods and approach are reasonable for this style of mineralisation. The samples are representative, and there appears to be no sample biases introduced during sampling. SGS laboratory is independent from ERD, and any relationship is commercial in nature and SGS laboratory is accredited/certified to ISO 9001.

2.4 Quality Assurance / Quality Control

A systematic QA/QC program was implemented throughout the Bayan Khundii diamond-drilling campaign (drillholes BKD-001 through BKD-375). All samples were submitted to the SGS laboratory in Ulaanbaatar for primary analysis, with external laboratory check analyses conducted at the ALS laboratory in Ulaanbaatar. The QA/QC program comprised certified reference materials (CRM standards), blanks, pulp duplicates, field half-core duplicates and an external laboratory check. At least one QA/QC control sample was inserted for every ten routine samples within the campaign (**Table 2-2**).

QA/QC data were provided to the SLR for independent review as part of the 2026 data validation stage.

Table 2-2 Summary of QA/QC data

QA/QC Sample Type	Count
Blank Samples	1,326
CRM Standards	1,420
Field Duplicates	458
Pulp Duplicates	340
External Laboratory Check	500
Total	4,044

2.4.1 Blank Samples

The ERD team inserted 1,326 blank samples throughout the drilling program to monitor potential contamination during sample preparation and analytical procedures. The blank QA/QC program comprised predominantly crushed coarse silica, supplemented by three certified low-grade blank reference materials sourced from OREAS (24p, 26a and c26d). All blank materials were pre-screened to confirm background gold concentrations below the laboratory detection limit (<1.0 ppb Au).

Blank samples were analysed using the same fire assay method as routine samples. All 1,326 blank samples returned gold values at or below the laboratory detection limit (<1.0 ppb Au), indicating no evidence of sample contamination or carry-over during sample preparation or laboratory analysis. These results demonstrate that contamination was effectively controlled throughout the drilling program and that the analytical dataset is suitable for Mineral Resource estimation.

A summary of the results is presented in **Table 2-3**

Table 2-3 Summary of Blank Samples

Blank Material	Element	Count	Min	Max	Mean	LDL count	Description
Coarse Silica	Au, ppb	961	-	-	<1.0	961	LDL
24p	Au, ppb	28	-	-	<1.0	28	LDL
26a	Au, ppb	312	-	-	<1.0	312	LDL
c26d	Au, ppb	25	-	-	<1.0	25	LDL
Total		1,326	-	-	<1.0	1326	LDL

LDL: Lower Detection Limit (Au < 1.0 ppb)

2.4.2 Certified Reference Materials (CRMs)

A total of 1,420 CRM standard samples were inserted throughout the Bayan Khundii drilling programs, comprising nine types of certified reference materials sourced from OREAS Ltd.

The selected standards covered a gold grade range from 0.023 ppm Au (OREAS 45d) to 10.12 ppm Au (OREAS 62f), providing appropriate low, medium, and high-grade coverage representative of the deposit mineralisation, and all CRM results were evaluated against their respective certified values, summarised in **Table 2-4** and illustrated in **Figure 2-1** to **Figure 2-**.

Table 2-4 Summary of Gold Certified Reference Materials

Oreas CRM	Count	Element	Min	Max	Mean	Certified Value	SD	Upper 2SD	Lower 2SD
45d	21	Au, ppb	23	27	24.8	23	2	27	19
60c	318	Au, ppm	2.2	2.69	2.48	2.47	0.082	2.63	2.31
60d	117	Au, ppm	2.56	2.78	2.66	2.47	0.079	2.71	2.31
62c	90	Au, ppm	8.41	8.53	8.47	8.79	0.21	9.21	8.37
62e	523	Au, ppm	8.27	9.3	8.69	9.13	0.41	9.95	8.31
62f	117	Au, ppm	9.68	10.5	10.12	9.71	0.239	10.19	9.23
65a	36	Au, ppm	0.5	0.55	0.53	0.52	0.017	0.56	0.49
66a	94	Au, ppm	1.19	1.26	1.23	1.24	0.054	1.35	1.13
67a	104	Au, ppm	1.98	2.36	2.25	2.24	0.096	2.43	2.05

SLR reviewed the performance of all nine Au Certified Reference Materials (CRMs) (OREAS 45d, 60c, 60d, 62c, 62e, 62f, 65a, 66a and 67a) inserted throughout the drilling program. The low-grade CRMs (OREAS 65a, 66a and 67a) demonstrate excellent analytical accuracy, with mean assay values closely matching the certified values and no evidence of significant analytical bias.

The medium-grade CRMs (OREAS 60c and 60d) also exhibit good analytical performance. OREAS 60d exhibits consistent results with a slight positive bias ranging around +2SD line relative to the certified value, while OREAS 60c displays analytical variability, with a broader spread of assay values and several results approaching or marginally exceeding the $\pm 2SD$ control limits. However, no sustained analytical drift or systematic laboratory bias is evident, and the overall performance remains acceptable.

High-grade CRMs (OREAS 62c, 62e and 62f) demonstrate generally good analytical precision and repeatability. OREAS 62c shows excellent consistency throughout the analytical sequence, while OREAS 62e exhibits a gradual increase in assay values during the latter part of the program, although results remain predominantly within the $\pm 2SD$ control limits. OREAS 62f shows a distinct shift to slightly lower assay values during the latest stage of the program, bringing them closer to the certified value. Despite this shift, all results remain within the established control limits, and no evidence of significant analytical instability or systematic laboratory bias is observed.

The low-grade ppb standard (OREAS 45d) also performed well, with all assays falling within the certified control limits and showing no evidence of systematic drift.

Overall, CRM performance demonstrates acceptable analytical accuracy and laboratory precision throughout the drilling program. Assay results are closely clustered around their respective certified values, with the vast majority of analyses falling within the $\pm 2SD$ control limits and only isolated results approaching the $\pm 3SD$ limits. The CRM data indicate that the analytical dataset is suitable for Mineral Resource estimation.

Figure 2-1 Control Charts of CRM-OREAS 45d, 60c, 60d and 62c

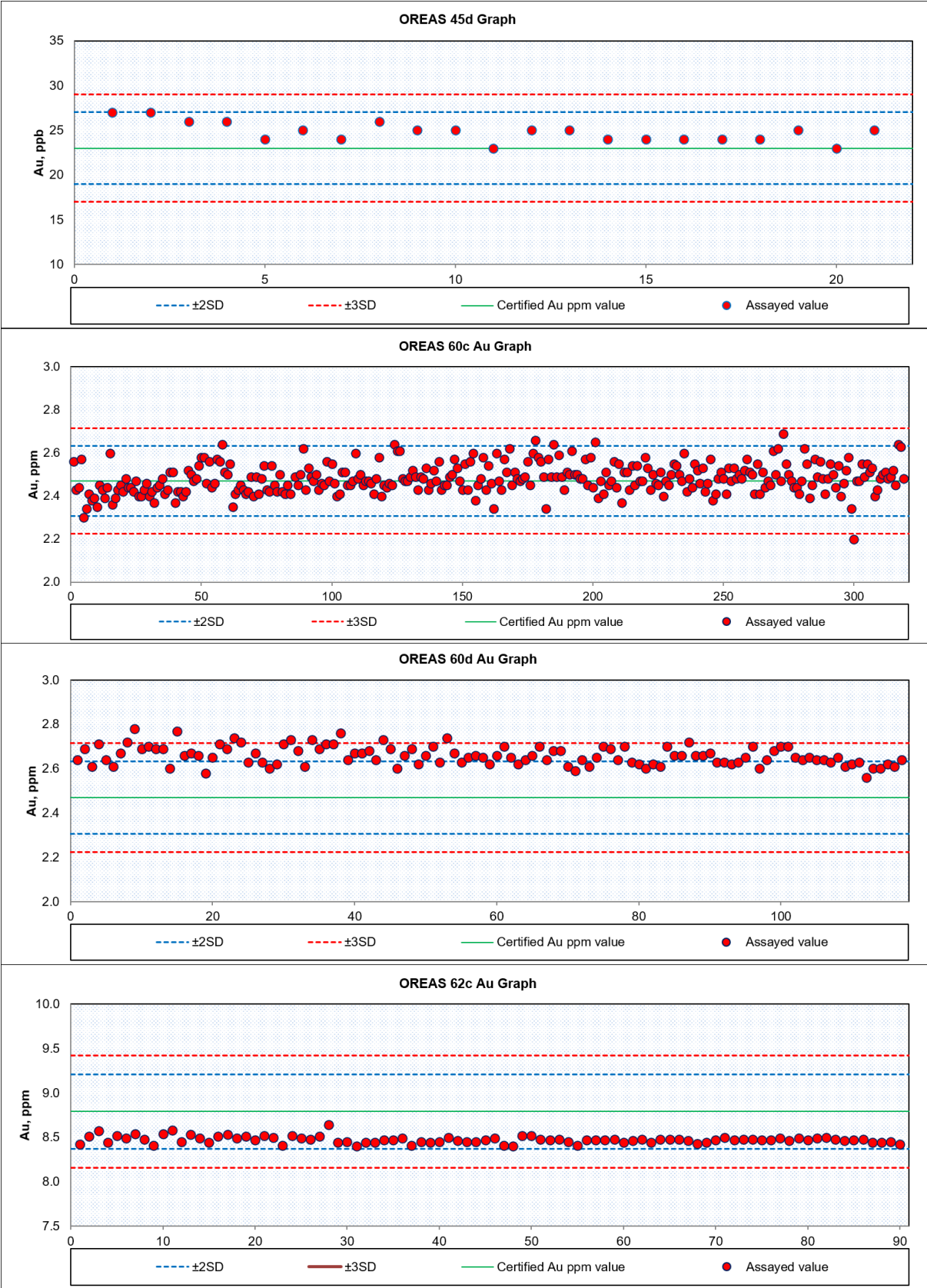


Figure 2-2 Control Charts of CRM-OREAS 62e, 62f, 65a, and 66a

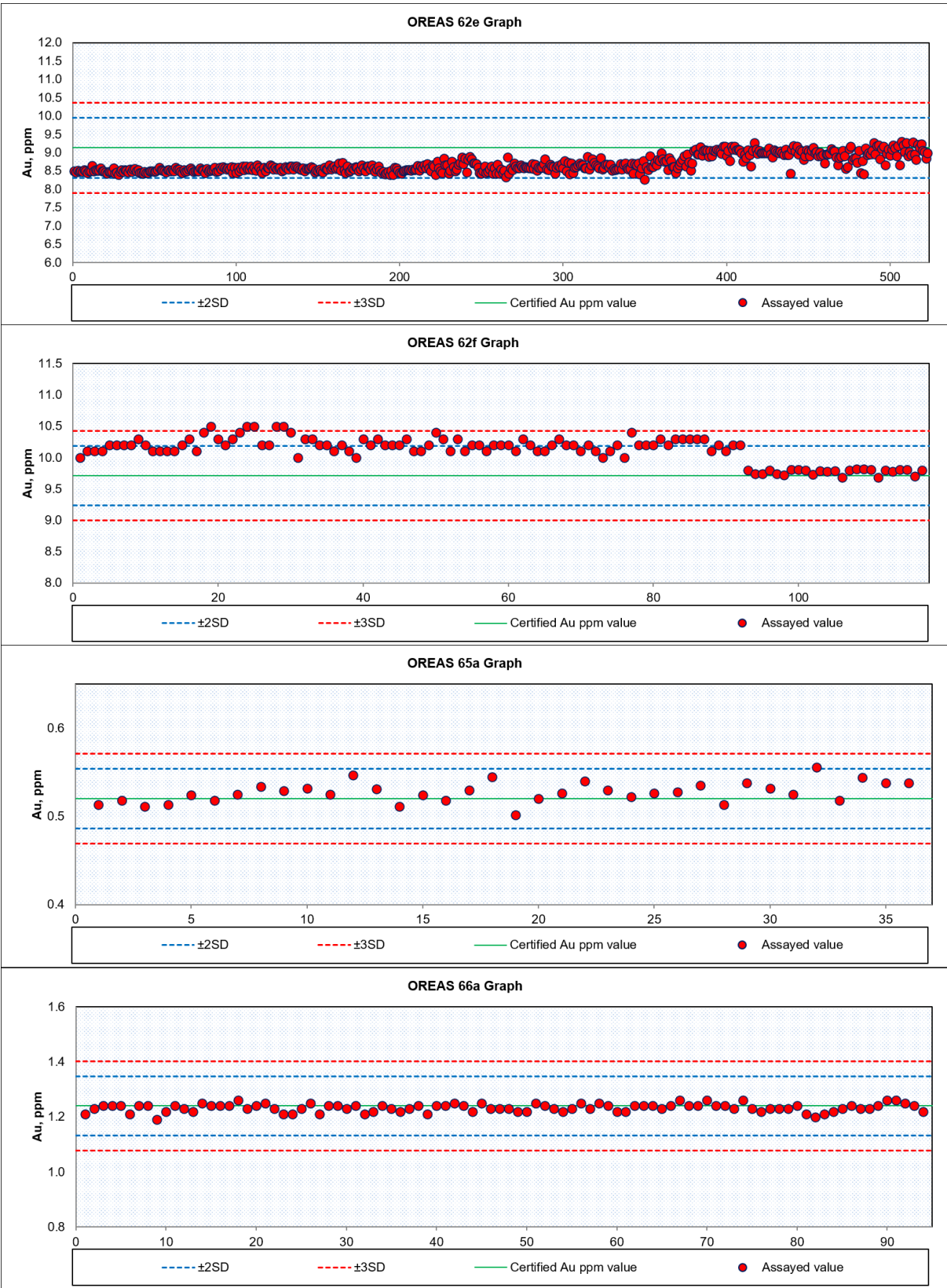
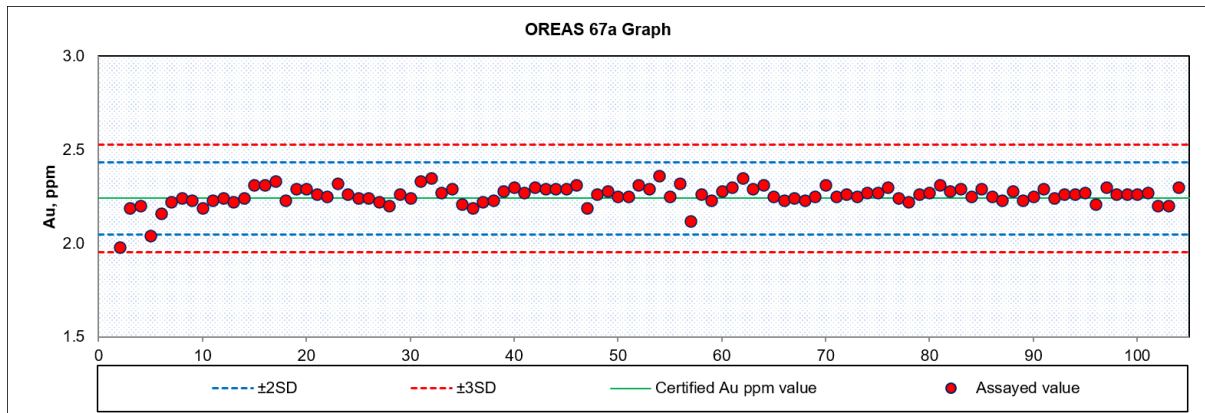


Figure 2-3 Control Charts of CRM-OREAS 67a



2.4.3 Field Duplicates

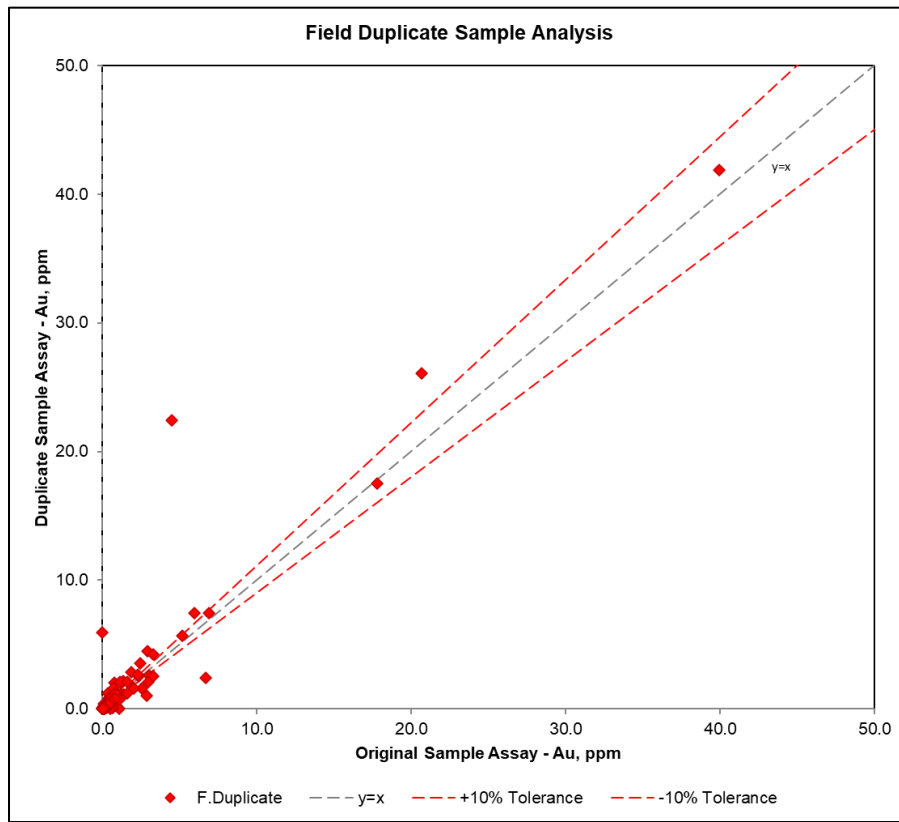
A total of 458 field duplicate samples were analysed across the drilling program to assess sampling precision. Field duplicate results demonstrate good overall correlation between the original and duplicate Au assays, with comparable statistical distributions and no significant analytical bias. Approximately 77% of duplicate pairs fall within $\pm 20\%$ precision limits, indicating acceptable sampling precision consistent with the heterogeneous nature of gold mineralisation. The small proportion of duplicate pairs outside the control thresholds is interpreted to reflect nugget effects in high-grade samples and increased variability near the analytical detection limit.

A summary of assay statistics is presented in **Table 2-5** and illustrated in **Figure 2-**

Table 2-5 Summary Statistics of Field Duplicate Samples (Au, ppm)

Parameter	Original Assay	Duplicate Assay
Count	458	458
Minimum	0	0
Maximum	52.6	41.9
Average	0.59	0.6
Median	0.09	0.09
Std Dev	3.38	2.99
Precision Count		
<1% Precision	47	10%
1%<Precision<10%	210	46%
10%<Precision<20%	95	21%
20%<Precision<50%	78	17%
>50% Precision	28	6%

Figure 2-4 Scatterplots of Field Duplicate Results



2.4.4 Pulp Duplicates

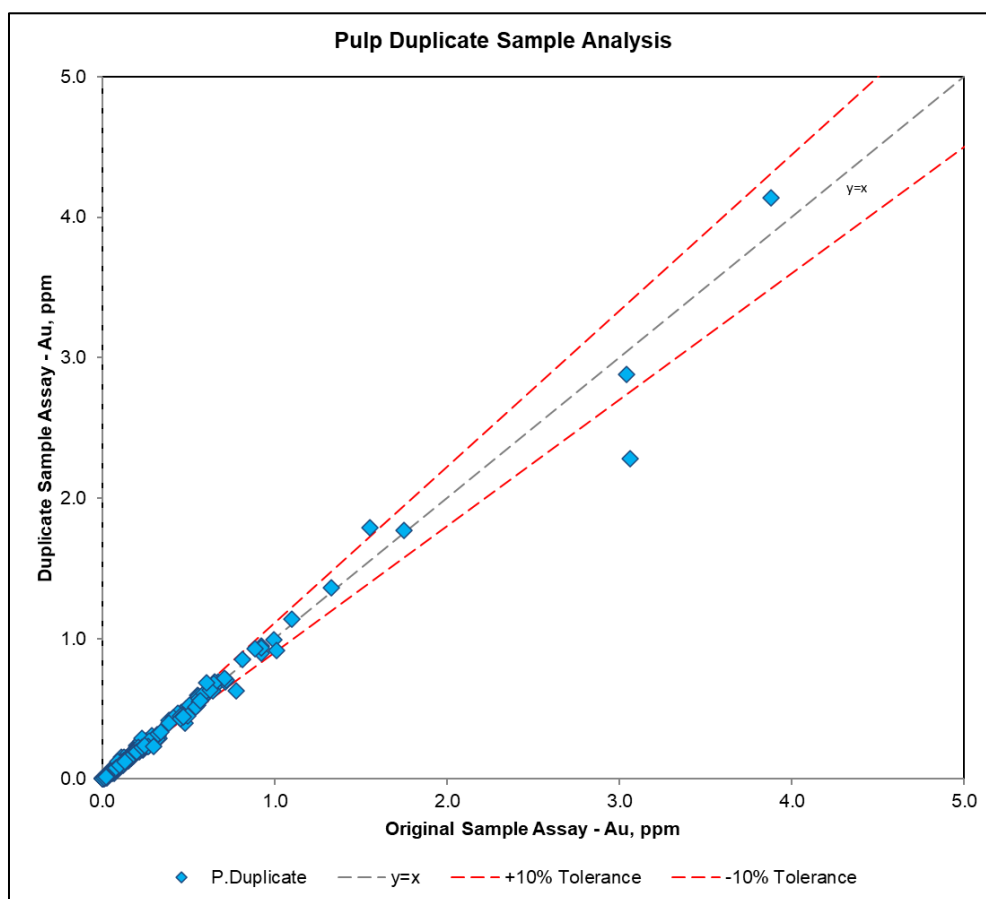
A total of 340 pulp duplicate samples were analysed to assess laboratory analytical precision and repeatability. Pulp duplicate results demonstrate good analytical precision and repeatability, with strong correlation between original and duplicate assays and the majority of samples plotting within the $\pm 10\%$ tolerance limits. Approximately 87% of duplicate pairs fall within $\pm 10\%$ relative precision, while the limited higher variability is confined to a small number of higher-grade samples, with no significant analytical bias evident.

A summary of assay statistics is presented in **Table 2-6** and illustrated in **Figure 2-**.

Table 2-6 Summary Statistics of Pulp Duplicate Samples (Au ppm)

Parameter	Original Assay	Duplicate Assay
Count	340	340
Minimum	0	0
Maximum	34.6	40.2
Average	0.57	0.57
Median	0.1	0.1
Std Dev	2.9	3.1
Precision Count		
<1% Precision	70	21%
1%<Precision<10%	224	66%
10%<Precision<20%	28	8%
20%<Precision<50%	14	4%
>50%Precision	4	1%

Figure 2-5 Scatterplots of Pulp Duplicate Results



2.4.5 External Laboratory Check Analysis

A total of 500 external laboratory check assays were completed to assess analytical accuracy and cross-laboratory precision between SGS and ALS. The results demonstrate excellent agreement between laboratories, with 89% of check assays falling within $\pm 10\%$ of the target value.

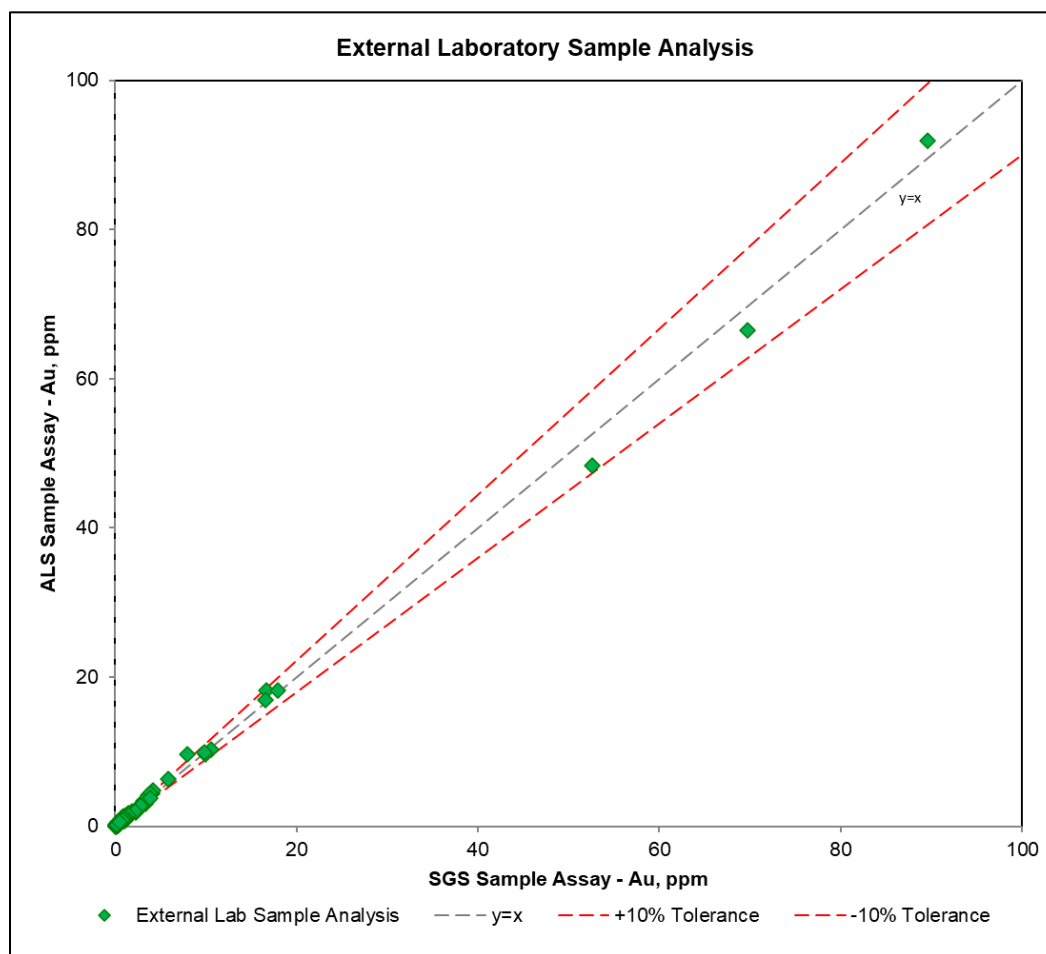
Statistical parameters are closely comparable, indicating no significant analytical bias. The external laboratory verification confirms that the primary assay data are accurate, reproducible, and suitable for Mineral Resource estimation. Comparative statistics are shown in **Table 2-7**, and a graphical plot is shown in **Figure 2-**.

Table 2-7 Summary Statistics of External Laboratory Check Analysis (Au ppm)

Parameter	SGS Assay	ALS Assay
Count	500	500
Minimum	0.053	0.0025
Maximum	89.6	91.9
Average	1.02	1.04
Median	0.23	0.24
Std Dev	5.77	5.71

Precision Count		
<1% Precision	70	14%
1%<Precision<10%	374	75%
10%<Precision<20%	41	8%
20%<Precision<50%	13	3%
>50%Precision	2	0%

Figure 2-6 Scatterplots of External Laboratory Check Analysis



2.4.6 QA/QC Conclusion

ERD implemented a comprehensive QA/QC program for all drilling completed through 2025 at the Bayan Khundii Project. The Quality Assurance and Quality Control dataset reviewed for the Bayan Khundii Project demonstrates acceptable analytical accuracy, precision, and reliability and is considered suitable for Mineral Resource estimation.

Blank samples returned a 100% pass rate across 1,326 insertions, with all results at or below the laboratory detection limit of <1.0 ppb Au. No contamination was identified during sample preparation or laboratory analysis, confirming the integrity of the assay database.

Certified Reference Material (CRM) performance across all nine OREAS gold standards is considered acceptable. A total of 1,420 CRM insertions were reviewed, with the vast majority of results plotting within

the $\pm 2SD$ control limits. Minor biases were observed for several standards but are not considered material, and no evidence of significant analytical drift or systematic laboratory bias was identified.

Field half-core duplicate samples (458) demonstrated acceptable precision, consistent with the heterogeneous nature of gold mineralisation. The limited number of duplicate pairs exceeding the control thresholds, scattered across some higher-grade samples, is interpreted as reflecting natural geological variability rather than deficiencies in sampling or analytical procedures, and no significant systematic bias is evident between original and duplicate assays.

Laboratory pulp duplicates 340 samples, assays demonstrate good analytical precision and repeatability, with only minor variability observed.

A total of 500 selected samples were re-assayed at the ALS Laboratory, Ulaanbaatar, as part of an external laboratory check program. The check assay results demonstrate good agreement with the primary SGS dataset, confirming the accuracy, reproducibility, and representativity of the primary analytical data.

No material QA/QC issues, systematic bias, or analytical concerns were identified during this review, and no assay data are recommended for rejection or re-assay based on the QA/QC results.

3 Data Verification

The first site visits to the Project were conducted between May 15-19, 2018, by Tony Cameron (QP) and Oyunbat Bat-Ochir, both employees of SLR (formerly RPMGlobal).

The most recent site visit was conducted by Oyunbat Bat-Ochir (QP) to the Project and related facilities on May 15, 2025. During this site visit, he inspected the main Bayan Khundii mining pit and core shack, and reviewed the logging environment and procedures for data collection and sampling. In addition, he interviewed ERD's personnel and gathered the information necessary to complete the Mineral Resource estimate and accompanying Technical Report.

Mr Bat-Ochir also inspected drill collars and drill hole cores relevant to the Mineral Resource estimate, verifying collar locations using a handheld GPS and visually comparing mineralisation with interpreted drill sections. ERD provided full access to all facilities and personnel during the visit. Mr Bat-Ochir was accompanied by Erdenebaatar Otgonbaatar, General Manager, Exploration for ERD.

SLR visually checked detailed drill logs and assay results against five drill hole cores stored at the site. These checks were conducted on holes BKD-236, BKD-237, BKD-238, BKD-239 and BKD-240. During this review, it was noted that:

- Visible Au is associated with comb-textured quartz $\pm$ specularite veins,
- Multi-stage quartz-adularia $\pm$ specularite veins
- Quartz-hematite/specularite breccias, hematite veins and fracture fillings, and
- Un-mineralised syenite intrusion base is also checked during the site visit, and those intervals from drill core are not assayed by the client in most cases.

The SLR QP reviewed the collar locations in relation to the digital topographic surface. During this process, the SLR QP did not identify any material discrepancies between the collar location and the digital topographic surface. During the earlier SLR's Bat-Ochir's site visit, forty-four drill holes from the BK deposit were spot checked using a handheld and compared to the collar locations in the drill hole database. All checked holes were found to be within a reasonable tolerance, given the handheld GPS's precision relative to the DPGS used for the database collar measurements. No collar checks were completed during the most recent site visit because mining at the BK deposit had disturbed the collar positions of many holes. Additionally, Mr Bat-Ochir visited active grade control drilling sites, where he observed the drilling

procedures. All observed procedures were consistent with industry standard practices. The handheld GPS located collars are listed in **Table 3-1**.

SLR notes that 370 hole collars out of 381 drill holes were DGPS surveyed, while the remaining eleven holes were surveyed with handheld GPS.

Table 3-1 Collar comparison between the digital database and the handheld GPS

hole_id	in Database			Differences from site visit check		
	X	Y	Z	X	Y	Z
BKD-102	483,341	4,861,195	1,234.98	-2	2	4
BKD-111	483,375	4,861,409	1,238.08	-3	2	2
BKD-128	483,260	4,860,973	1,243.26	-2	-1	1
BKD-129	483,285	4,860,976	1,241.51	-2	-1	5
BKD-138	483,543	4,861,540	1,238.58	-4	2	0
BKD-140	483,497	4,861,475	1,238.19	-2	2	1
BKD-149	483,290	4,861,184	1,236.70	-4	0	3
BKD-150	483,339	4,861,271	1,237.31	-3	0	3
BKD-155	483,459	4,861,407	1,237.53	-3	2	3
BKD-169	483,414	4,860,921	1,231.71	-1	-1	5
BKD-170	483,482	4,860,881	1,231.52	-2	-1	2
BKD-179	483,479	4,861,443	1,237.94	-2	1	2
BKD-180	483,521	4,861,510	1,238.28	-5	-1	1
BKD-200	483,348	4,861,334	1,239.90	-3	2	2
BKD-22	483,311	4,860,980	1,238.47	-3	-1	4
BKD-228	483,487	4,861,458	1,238.19	-2	1	1
BKD-229	483,345	4,861,241	1,235.69	-2	2	4
BKD-233	483,374	4,861,216	1,235.38	-1	2	4
BKD-25	483,342	4,860,957	1,235.07	-2	-1	4
BKD-251	483,347	4,861,266	1,236.14	-2	-1	3
BKD-254	483,471	4,861,448	1,238.01	-2	1	3
BKD-27	483,269	4,861,071	1,237.98	-3	0	3
BKD-28	483,249	4,861,032	1,245.25	-7	-2	2
BKD-45	483,366	4,861,165	1,234.24	-2	2	3
BKD-58	483,277	4,861,161	1,236.63	-1	0	4
BKD-61	483,259	4,861,055	1,240.40	-2	-2	1
BKD-63	483,299	4,861,125	1,236.50	-4	-3	3
BKD-64	483,287	4,861,062	1,237.88	-2	1	3
BKD-65	483349.3	4861126	1237.672	-2	-1	4
BKD-69	483309.7	4861143	1235.709	-3	0	3
BKD-76	483296.3	4861081	1236.715	-2	0	5
BKD-80	483307	4861097	1236.619	-3	0	4
BKD-81	483289.1	4861106	1237.537	-3	0	5
BKD-83	483340.7	4861113	1238.813	-1	0	4
BKD-86	483331.1	4861135	1237.461	-3	0	3
BKD-90	483328.7	4861252	1235.664	-2	2	4
BKD-92	483291.4	4861271	1236.186	-1	2	3
BKD-94	483366.6	4861320	1242.797	1	1	3
BKD-95	483363.4	4861230	1235.285	-2	1	4
BKD-96	483347.6	4861366	1238.546	1	2	4
BKD-98	483310	4861261	1235.99	-2	0	2
BKD-222	483338.5	4861154	1235.82	-2	0	4
BKD-234	483292.6	4861012	1244.513	-1	-3	4
BKD-252	483329.7	4861159	1236.064	-3	1	4

The SLR QP reviewed the drill hole traces to identify any irregularities in dip and azimuth orientations within the downhole survey data. The review did not reveal any unusual visual artefacts or inconsistencies, confirming the reasonableness of the surveyed drill hole trajectory.

QP has reviewed ERD's geological data acquisition practices and found them to be consistent with industry standards.

ERD's logging of structure, lithology, alteration, mineralisation and veining follows standard industry practices, ensuring systematic and consistent data collection. Sampling procedures, including the selection of sampling intervals, were observed, which indicates that all sample intervals were based on nominal meterage, not geological controls or mineralisation, where obvious veining and altered zones were sampled at 1 m, while 2 m was used outside of these zones, which was considered appropriate by the SLR QP.

Mineralisation domain interpretation incorporates data from core photos, logging, and core orientation measurements, thereby enhancing the accuracy of geological modelling. Additionally, multi-element ICP data are used to differentiate lithological units and assess the trends and orientations of the mineralised zones, thereby supporting refined geological interpretation.

The SLR QP concludes that ERD's geological data acquisition methods are reliable and effectively define mineralisation domains, providing a robust foundation for Mineral Resource estimation where sufficient data coverage is available.

An independent check sample was not collected during the site visit, as the visually distinctive gold mineralisation within veins and ERD's active QA/QC program provides adequate verification. The QA/QC program includes the routine use of duplicates, blanks, and CRMs. Furthermore, the sampling from previous technical reports has sufficiently validated the assay data for gold mineralisation.

The assay data verification process conducted by SLR was supervised and reviewed by the SLR QP.

Data verification for the drill hole database included comparing gold assay values used to support the Mineral Resource estimate against the original analytical certificates from SGS, the primary laboratories used by ERD between 2015 and 2024. The review covered a variety of assay methods, including fire assays with AAS or gravimetric finish and screen fire assays.

A total of 33,665 samples from the assay database 'ERD_assay_BKD to 381.csv', with an effective date of January 1, 2026, including 381 drill holes, were cross-checked against their original certificates. Of these, 3,160 samples, including all assays from the most recent 2024 drilling assays, representing 9% of the total assay database, were verified for gold and silver. The verification process was limited to assay data only. The verification process didn't identify any discrepancies between the original laboratory assay and the client-supplied database.

Overall, SLR's QP is of the opinion that the verification process confirms the reliability of the assay database, ensuring its suitability for use in Mineral Resource estimation.

4 Mineral Resource Estimate

4.1 Summary

The aim of the study presented herein was to produce an updated Mineral Resource Estimate for the Bayan Khundii Project. The previous Mineral Resource statement for the Bayan Khundii Project, effective as of 20th of April, 2023, was reported by AGP based on 375 diamond drilling information. Since then, 6 additional drill holes were completed at the deposit. AGP later completed an interim Mineral Resource update for the Project with an effective date as of November 2025. In generating the updated Mineral Resource for the Bayan Khundii presented herein, and effective as of July 1, 2026, SLR has completed a full re-modelling and re-estimation of the Bayan Khundii project, based on the present understanding of the control on the mineralisation, and with appropriate measures in place to reflect the limitations in the input data. The Updated Mineral Resources were completed by Mr. Oyunbat Bat-Ochir (Qualified Person).

SLR is required to prepare a Mineral Resource Estimate for ERD for the Bayan Khundii Project using exploration diamond drilling data available as at January 1 2026, which contains 381 surface diamond drill holes for a total of 57,395 m, for which 32,374 m have assay intervals. The Mineral Resource estimate and associated outcomes will support the preparation of the mining plan for the Feasibility study (FS).

The Mineral Resource estimate for the Bayan Khundii Project encompasses multiple zones grouped into five primary areas (Striker, Striker West, Midfield, Midfield North and Midfield Southeast).

Geological wireframes were constructed by AGP and ERD and reviewed by SLR, while mineralisation and classification wireframes were constructed using Leapfrog Geo software by SLR. Grade estimation was completed using Surpac 2025, and open-pit constraining pit shells were generated in Whittle software.

Within the Bayan Khundii deposit area, mineralisation domains include 113 high-grade and 117 halo or low-grade vein domains, interpreted using 2 g/t Au and 0.3 g/t Au cut-offs, respectively.

Gold, silver and iron grades were interpolated using the Ordinary Kriging algorithm, with search neighbourhood parameters supported by QKNA and variography undertaken for key veins. Dynamic anisotropy was applied to all interpreted domains' estimates, rotating the search neighbourhoods according to angles estimated from the vein hanging wall and foot walls.

All individual estimation domains were treated as hard boundaries during the estimation. Samples were capped following a review of the histogram, probability plots and a spatial assessment of intervals affected by the selected grade caps. This was completed on the combined global domain.

Estimation samples were composited to 1 m length within the mineralisation domains, corresponding to the dominant sample length.

SLR QP validated the estimate through visual comparison of block and composite grades, statistical comparison of block and composite grades, swath plots, and comparison with Nearest Neighbour (NN) and Inverse Distance check estimates for all veins.

Density values for the mineralisation domains were calculated using a linear regression equation between Fe% and density, as a moderate-to-strong correlation was observed between the two variables.

The block model was rotated 30° degrees anticlockwise about the vertical axis to better align with the strike of the mineralisation. The estimation block model has a parent block dimension of 10 m x 5 m x 4 m, with a minimum sub-block size of 1.25 m x 1.25 m x 1 m, determined by kriging neighbourhood analysis (KNA).

Mineral Resource has been constrained by the mining license boundary (MV-021444), depleted topography dated July 1, 2026, Jurassic overburden sediment surface, basement granitic intrusion and reported above 0.27 g/t Au cut-off for all mineralisation. It was reported above a pit shell that was generated using input parameters largely derived from the current CIP operation at BK mine and gold and silver prices of US\$ 3,900/oz and US\$ 40/oz, respectively.

Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM (2014) definitions) were used for Mineral Resource classification.

The Mineral Resources for the BK Project are tabulated in **Table 14-1**, with an effective date of July 1, 2026.

Table 14-1 Bayan Khundii, July 1, 2026 Mineral Resource Estimate Summary

Classification	Tonnes Mt	Au g/t	Ag g/t	Au Koz	Ag Koz
Measured	2.99	2.13	1.1	204.4	108.1
Indicated	4.82	1.66	1.2	257.1	181.7
Measured + Indicated	7.81	1.84	1.2	461.5	289.9
Inferred	0.39	0.91	1.0	11.5	12.5

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are estimated using a gold price of US\$ 3,900 per ounce and a silver price of US\$ 40 per ounce.
3. Mineral Resource is depleted for the topographic surface dated July 1, 2026.
4. Mineral Resources are reported at a cut-off grade of 0.27 g/t Au and constrained by a preliminary optimised pit shell with a pit slope angle of 45°
5. Cut-off grade was generated by assuming an open cut mining method with 2.5% ore loss and 10% dilution, a gold price of US\$3,900 per ounce, an open mining cost of US\$2.76 per tonne and a processing cost of US\$25.56 per tonne milled, a general and administration cost of US\$1.5 per tonne and a processing recovery of 93% for all mineralisation. The conceptual optimised pit shell was constructed using a gold price of US\$ 3,900/oz and a silver price of US\$ 40/oz, with CIP processing recoveries of 93% for Au and 55% for Ag mineralisation.
6. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
7. Numbers may not add due to rounding.
8. Mineral Resources have been reported on a 100% equity basis

The SLR QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate other than those discussed in Section 4.14.3.

4.2 Resource Database

The drill hole data was provided to SLR as individual spreadsheets, including collar, downhole surveys, assay data, lithology, structural measurements and bulk density data.

Multiple drilling phases have been completed on the Bayan Khundii Project, with initial drilling undertaken in 2015. Across all phases, the BK drill database comprises 381 surface diamond drill (DD) holes for 57,395 m, and all drilling is completed by Erdene Resource Development (ERD). The Bayan Khundii Mineral Resource is defined by 317 drill holes for a total of 47,674 m. All Mineral Resource estimation works conducted by SLR were based on the drill hole data received as of January 1, 2026.

A summary of the drill database is shown in **Table 4-1**.

Table 4-1 BK Resource Database

Year	Holes in Database			Holes in BK Resource			
	Type	Count	Drill Metres	Count	Drill Metres	Intersection meters	
						> 2 g/t Au domains (HG)	> 0.3 g/t Au domains (LG)
2015	DD	15	696	15	696	54	106
2016	DD	81	11,883	76	11,172	531	2,020
2017	DD	138	25,912	93	18,879	522	2,768
2018	DD	24	4,731	21	4,427	206	763
2019	DD	12	2,547	11	2,346	175	440
2020	DD	80	10,064	70	8,591	309	940
2022	DD	25	613	25	613	138	104

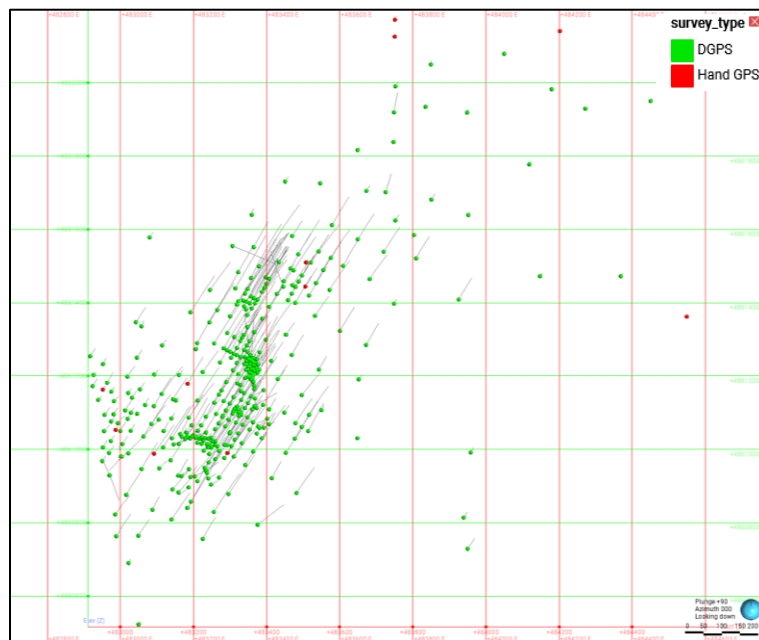
2024	DD	6	950	6	950	49	175
Total		381	57,395	317	47,674	1,985	7,316

The database provided to SLR by ERD was checked for obvious errors prior to use in the Resource estimate.

The collar spreadsheet comprised 381 entries detailing the drill hole name, year, collar coordinates in WGS 84 UTM Zone 47 N, and the method used to collect the coordinate information. 11 drill holes out of 381 holes have coordinates that were defined by hand-held GPS, while the remaining collar locations were surveyed with differential GPS.

Holes with hand-held GPS reading are shown in **Figure 4-1**.

Figure 4-1 Collar Survey Status



The assay spreadsheet contains 32,374 entries with 34 variables (Au + complete ICP analysis) for 370 drill holes. Au and Ag were considered the elements of economic value, as indicated by the current CIP operation, while the Fe% grade was estimated for use in the density calculation by linear regression. There are Au and Ag assays returned at below-detection limits, and they were set to 0.0005 ppm (Au) and 0.1 ppm (Ag) prior to use in the estimation. A summary of the assay data used in the estimation is shown **Table 4-2**.

Table 4-2 Sample Data Summary

Name	Count	Sample Count	Minimum	Maximum	Mean	Missing Sample
Hole id	370					
Au ppm		31,650	0.00	2,200.00	0.78	0
Ag ppm		31,650	0.10	948.00	0.60	0
Fe %		31,650	0.00	18.04	2.49	0

4.3 Geological Interpretation

Mineralisation at Bayan Khundii is considered to be a low-sulphidation epithermal system, which is mainly contained within a lapilli tuff unit, overlain by unconformity Jurassic sediments and a granitic intrusion at the base.

As part of the modelling work undertaken for the Mineral Resource update presented in this Report, SLR completed an assessment of the key controls on mineralisation at Bayan Khundii and developed a series of trend surfaces to reflect local mineralisation trends, based on the distribution of Au assays, structural measurements from oriented core drilling, visual observations of +1,500 grade control drill assay data identifying a high-grade trend that matches with drill hole assays, previous (2023 and 2025) interpretation of mineralisation and lithological domains, and the distribution of downhole assay data, for which various manipulations were considered, including multiple composite lengths, multiple cut-offs, and anisotropic “grade shells” developed in Leapfrog to assist in identifying macro trends and filtering out small scale noises.

SLR paid particular attention to structural measurements derived from oriented core-drilling data for the interpretation of the mineralisation domain.

Au grade distribution and observed trends are shown in **Figure 4-2** and **Figure 4-3**.

Figure 4-2 Au grade Distribution and Observed Trends – looking toward azimuth 213° with a plunge of 78°

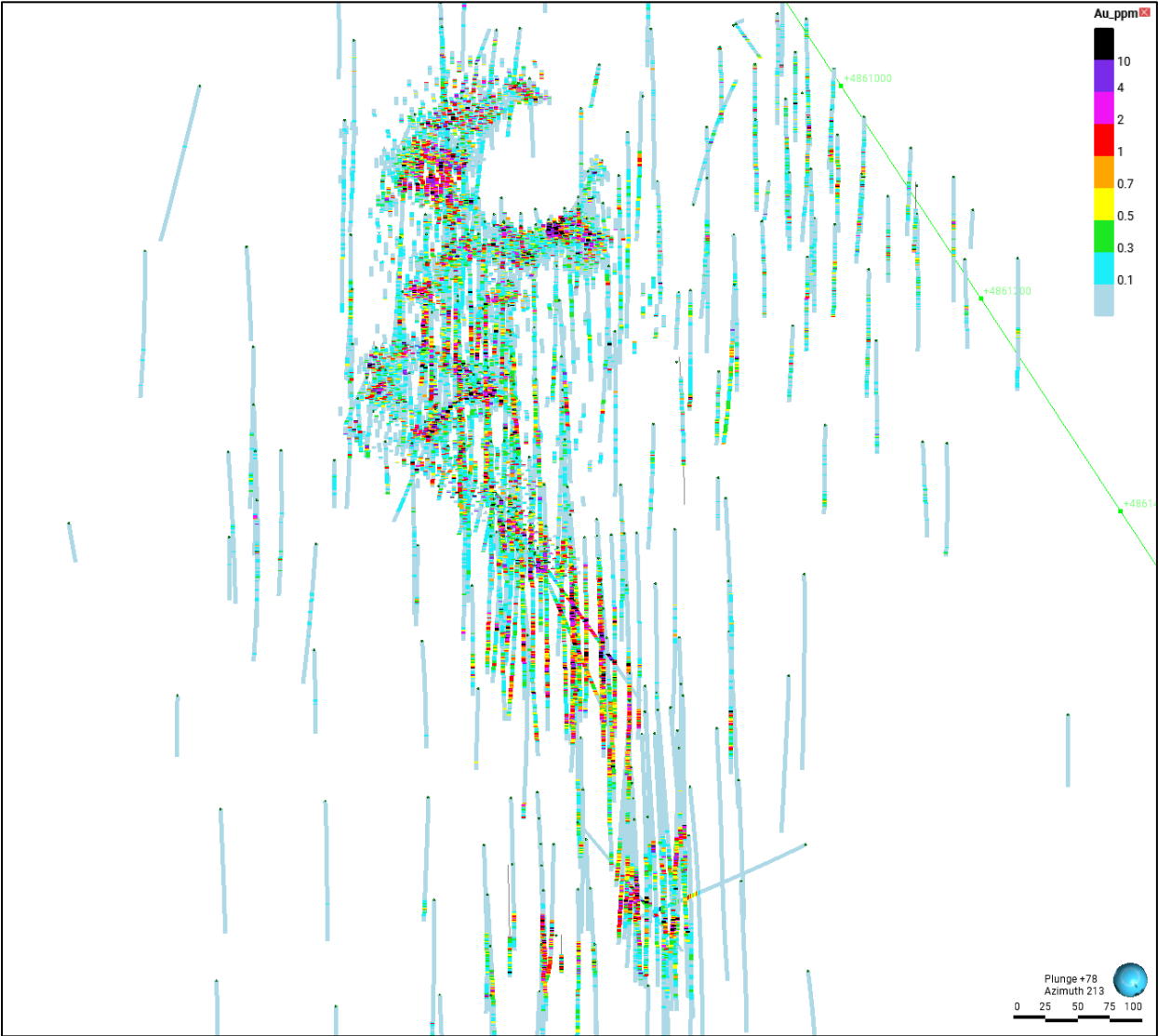
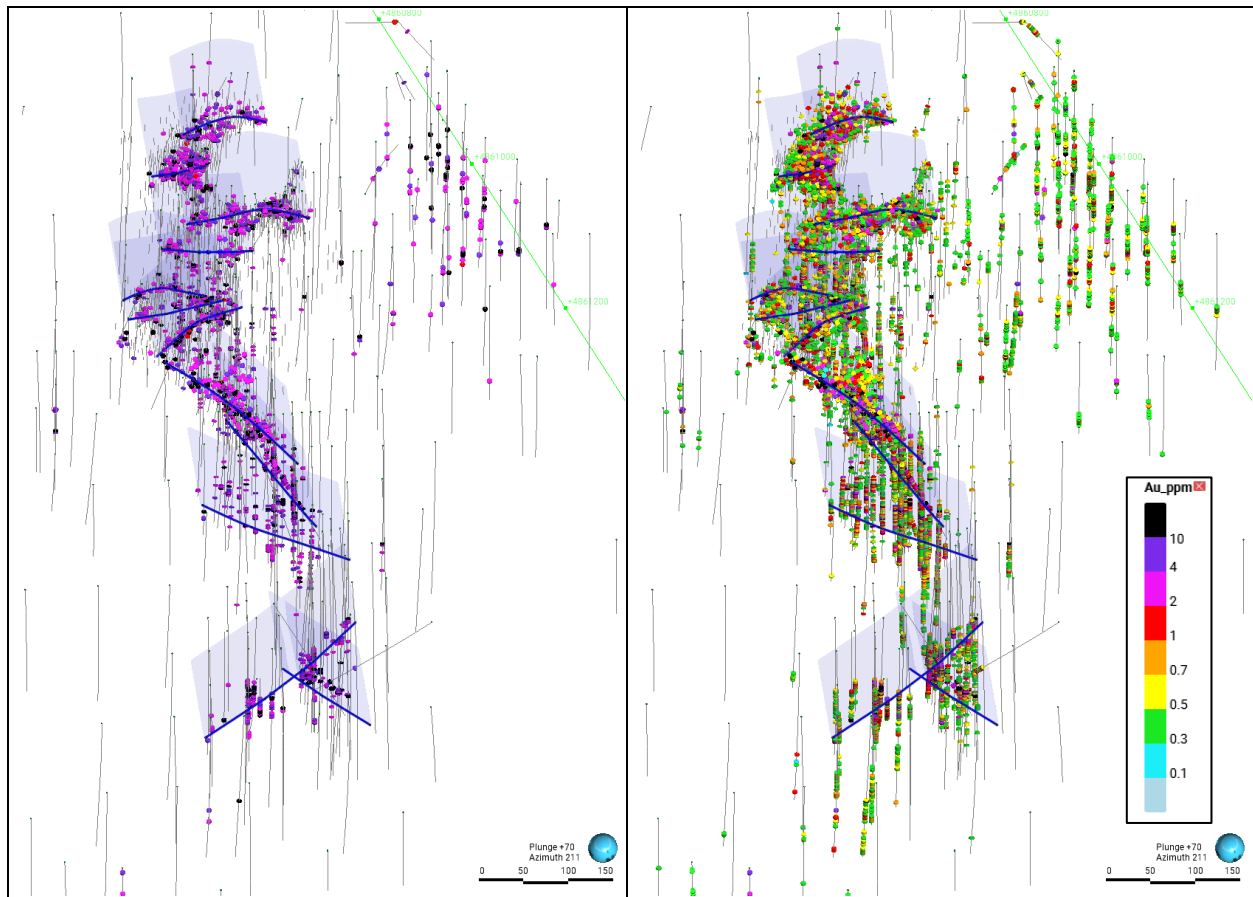


Figure 4-3 Modelled BK mineralisation trend surfaces – Oblique (70° toward 211°)

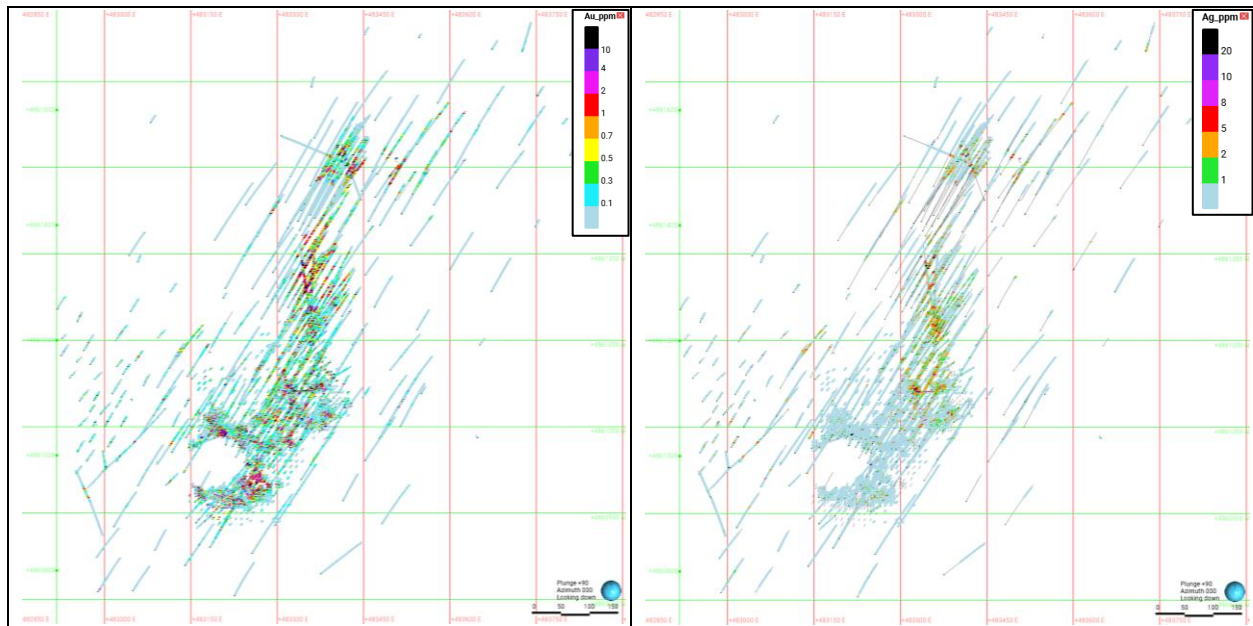


Note: left hand – Au grade filtered above 2 g/t Au. Right hand – Au grade filtered above 0.3 g/t Au

On this basis, it is concluded that there is a clear anisotropic trend in Au assays that broadly matches structural measurements from oriented core drilling when filtered to > 2 g/t Au. High-grade zones appear to be continuous and robust, and they tend to correlate reasonably well with logged vein data.

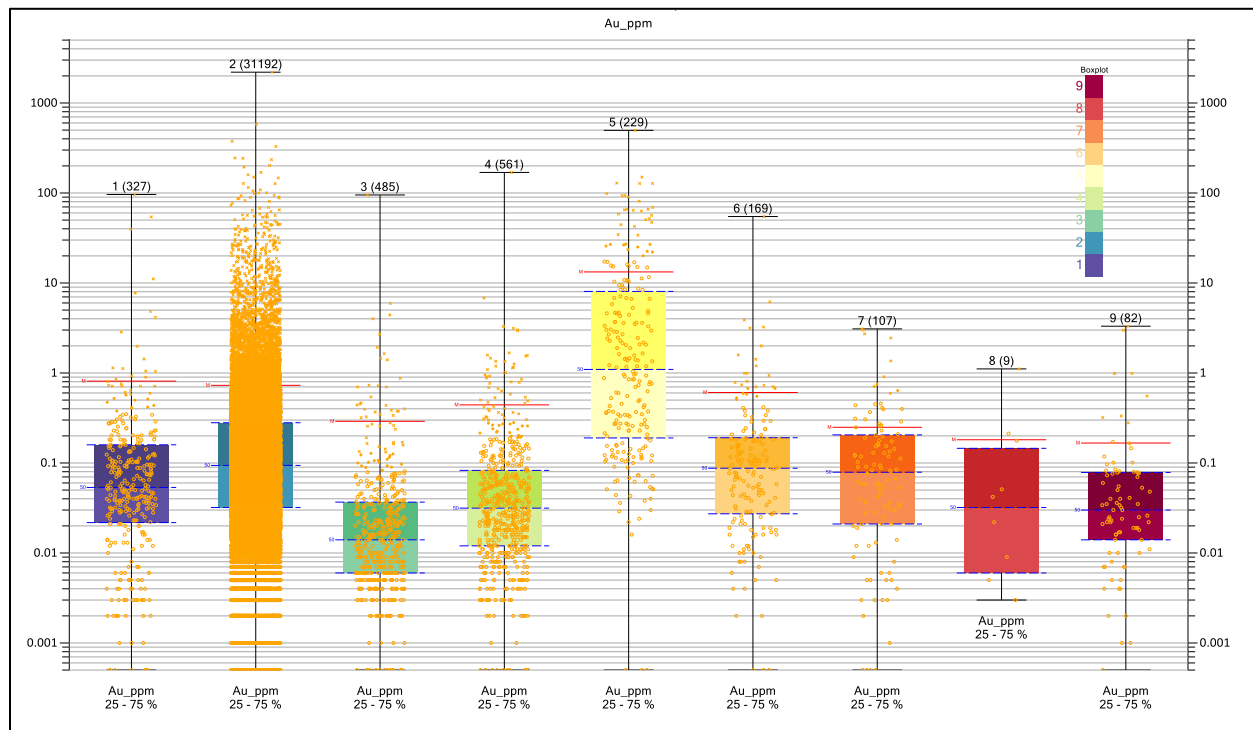
Correlation between Au and Ag is moderate to strong (0.72); therefore, no independent set of wireframes was constructed for Ag mineralisation. SLR considers that Ag mineralisation would be too low to be potentially economically viable without being associated with Au. Given the strong correlation, Ag was estimated within Au mineralisation domains. The distribution of Au and Ag assays is shown in **Figure 4-4**.

Figure 4-4 Au and Ag grade distribution at BK



Box and whisker plots for assay grades by grouped lithology are shown in **Figure 4-5**. Volcanic tuffs carry most of the Au grade.

Figure 4-5 Box and Whisker Plots – All Au assays by Grouped Lithology



Note: 1. Jurassic sediments 2. Various volcanic tuffs 3. Intrusions of varying composition 4. Dykes of varying composition 5. Breccia and veins 6. Faults 7. Jurassic contact 8. Overburden 9. Quartz Monzonite

4.3.1 Preparation of Wireframes

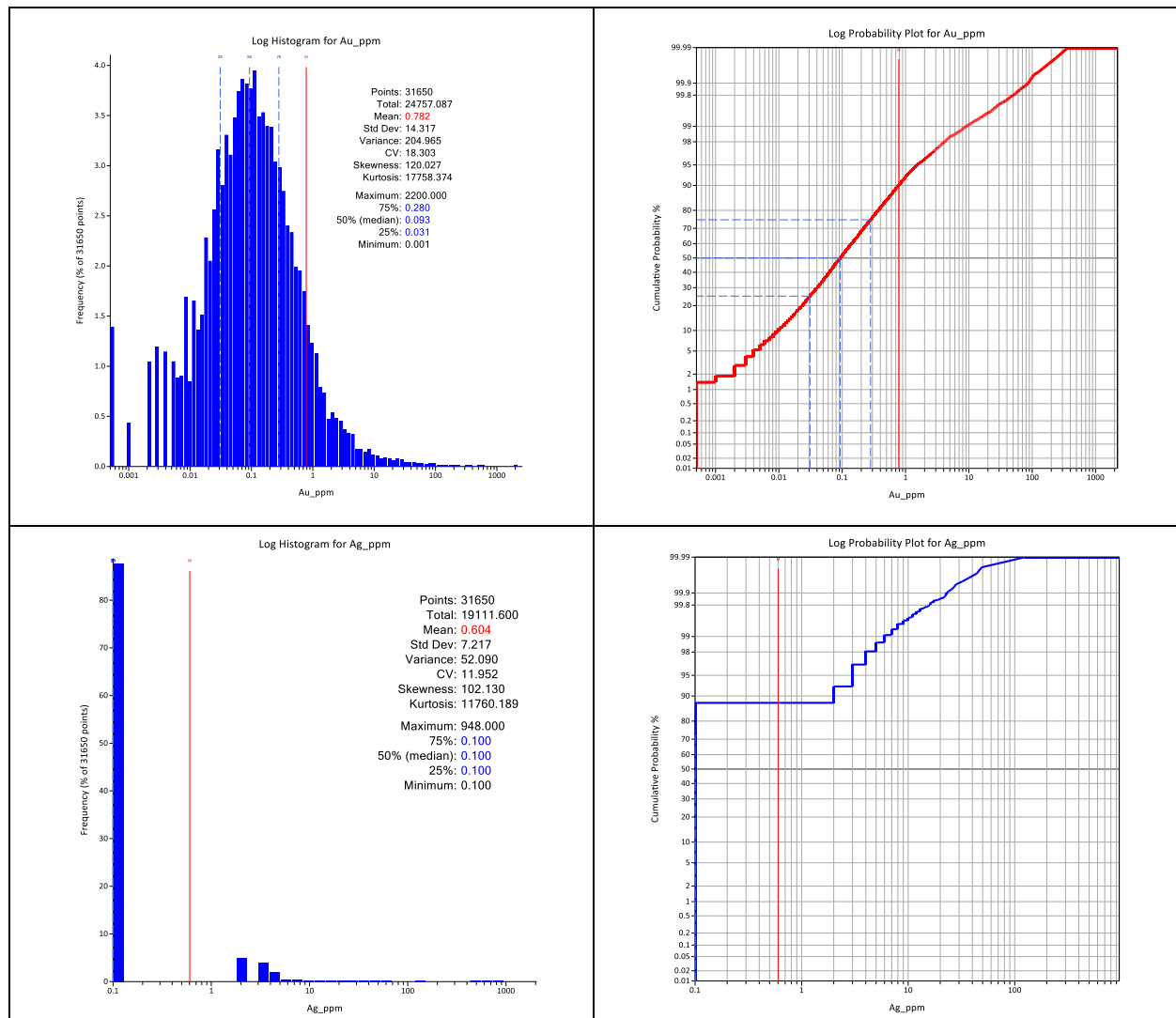
4.3.1.1 Mineralisation Modelling

SLR utilised the Leapfrog vein modelling tool to generate a number of parallel, discrete estimation domains that could be traced across multiple drilling sections. The Leapfrog vein modelling tool was used to select and code the raw assay data into groups considered to form discrete mineralised structures. Footwall and hangingwall points were extracted from these manual selections and used to automatically interpolate footwall and hangingwall surfaces, which were then employed to define closed mineralisation volumes. The vein selections were based on raw Au assay data, using the trend surfaces described in **Section 4.3** as a guide.

The veins represent the main mineralised veins, for which there is sufficient drill hole data to support a spatial interpretation. Halo veins were also interpreted to capture zones of spatially continuous but complex mineralisation occurring at the intersection of mineralised veins. These may consist of stockworks, veinlets, dissemination, and other mineralised features that may align with overall vein orientations.

To understand the grade distribution within the global population, SLR assessed the data for natural grade cut-offs, and population histogram and probability plots were prepared as shown in **Figure 4-6**.

Figure 4-6 Log Histogram and Log Probability Plot – Au and Ag



Multiple populations were present, particularly at higher grades. Low-grade population appears to be observed at 0.1 and 0.3 g/t Au cut-off grades, a high-grade population at 2 g/t Au and the higher-grade population at 4 g/t Au.

To determine the appropriate cut-off grade for the interpreted vein models, multiple iterations of the model were generated at different cut-offs, and a final model was selected based on the highest cut-off that achieves reasonable model continuity without excessive shell fragmentation, as SLR's first attempt to model the mineralisation at a higher cut-off grade (4 g/t Au) resulted in many discontinuous and non-geological shapes for this reason these higher grade (> 4 g/t Au cut-off) domains were not used in this current estimate.

Veins were generated as Leapfrog Geo vein objects in consideration of detailed structural interpretations, but permitted a minimum width of 2 m, and were constructed with a nominal Au cut-off grade of 2 g/t for the high-grade domains. Drill hole intercepts below 2 g/t Au were sometimes included within the veins if surrounded by higher grade intercepts, in order to maintain reasonable geological continuity and prevent excessively concave boundaries. Typically, vein-type mineralisation is defined by a clear and significant increase in grade relative to the surrounding host rock, which can be identified through visual assessment of downhole assay grades.

In addition, SRL constructed a low-grade "halo" model around the outside of the Au vein domains, based on manual selection of downhole Au assays. A broad cut-off of 0.3 g/t Au was applied in the interval selection process. This process resulted in Au "halo" domains that follow the trend of the Au high-grade veins and appropriately capture Au mineralisation > 0.3 g/t around the outside of corresponding Au domains.

Typically, with a log-normal distribution, statistical grade cut-offs are reasonably well-defined; however, visual inspection of mineralisation on section was used to confirm that the chosen cut-offs were appropriate.

All domains were built using Leapfrog Geo Vein modelling tool, and control lines were used at the footwall and hanging wall to further control the orientation of zones. In addition, boundary outlines were employed to define closed mineralisation volumes.

A total of 230 discrete zones were interpreted (*wf_bk_03_2_4_20260312.dtm*), including 113 high-grade domains (object 101 to 409) and 113 low-grade domains (object 601 to 717). Modelled wireframes were exported and validated in Surpac™ 2025 and set as solids.

Wireframes are extrapolated to either half the drill spacing where mineralisation terminated against an unmineralised hole, or guided by a first phase of grade-control assay data. In any case, the wireframes are extrapolated to a maximum of 20 m from the drill hole intersections. Numerous smaller parallel zones or splays from the main zones were also interpreted. The domain wireframes were used to select the sample data for grade estimation and to constrain the block model for estimation.

Both the high-grade and low-grade shells were split into four separate areas as Striker, Striker West, Midfield and Midfield North. In the upper part of the Midfield area, gold mineralisation showing evidence of supergene enrichment appears to occur along the Jurassic sequence contact. This zone is referred to as Midfield Southeast and has completely different orientations compared to the overall trend of the BK mineralisation.

The extent of the interpreted domains and drilling is shown in **Figure 4-7** and **Figure 4-9**.

Figure 4-7 BK Resource Wireframes – Plan View

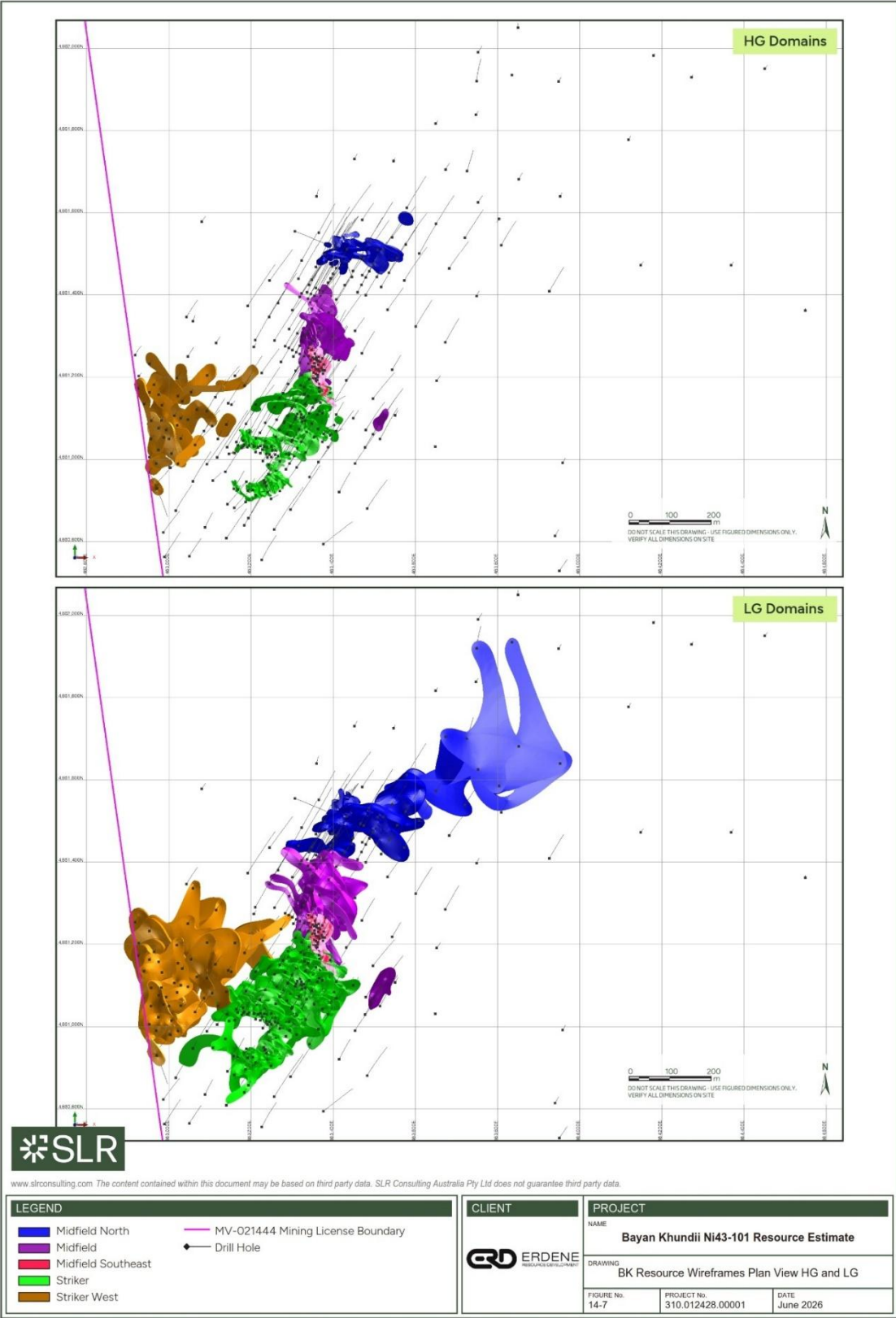


Figure 4-8 Section View of BK Resource Wireframes

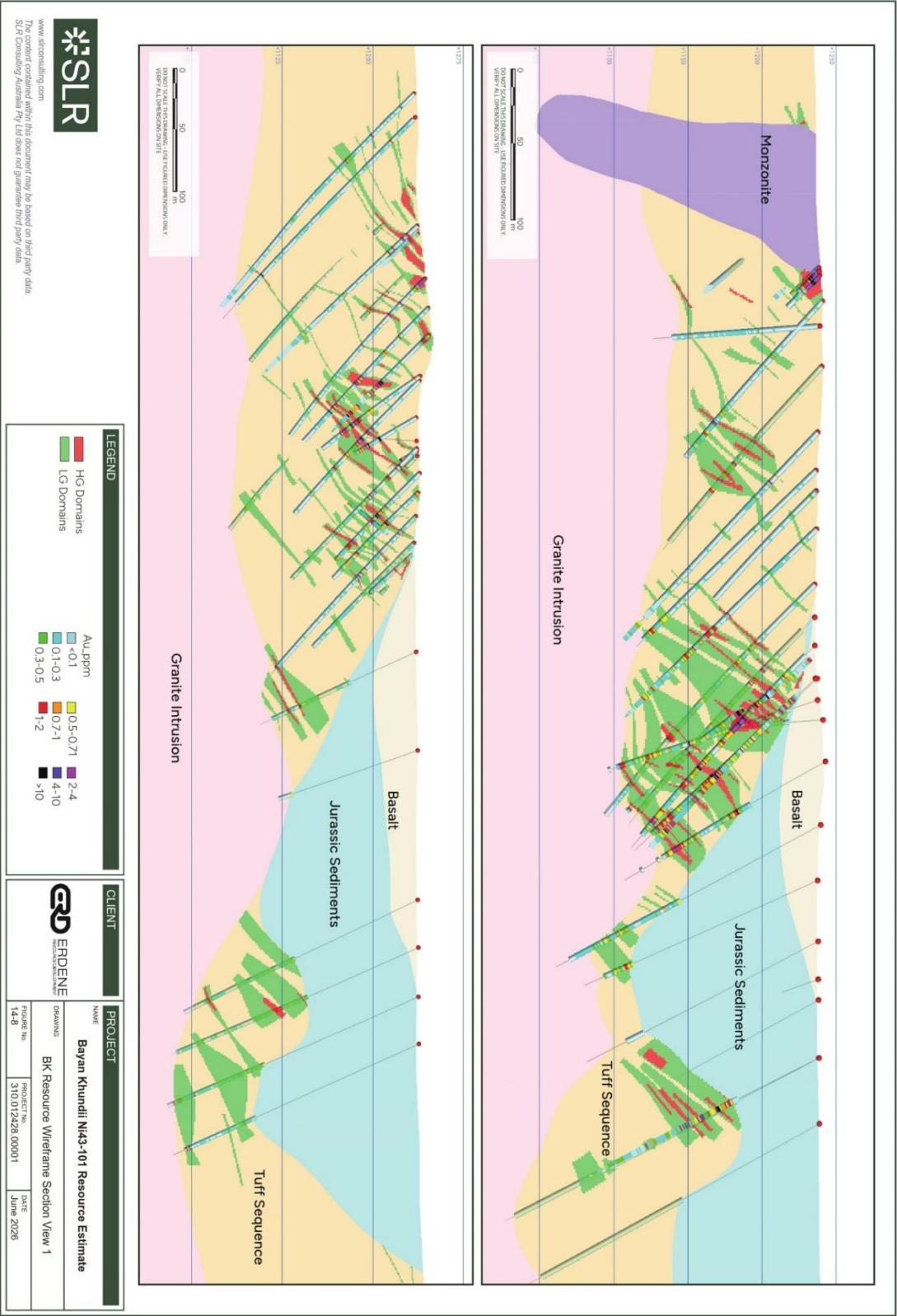
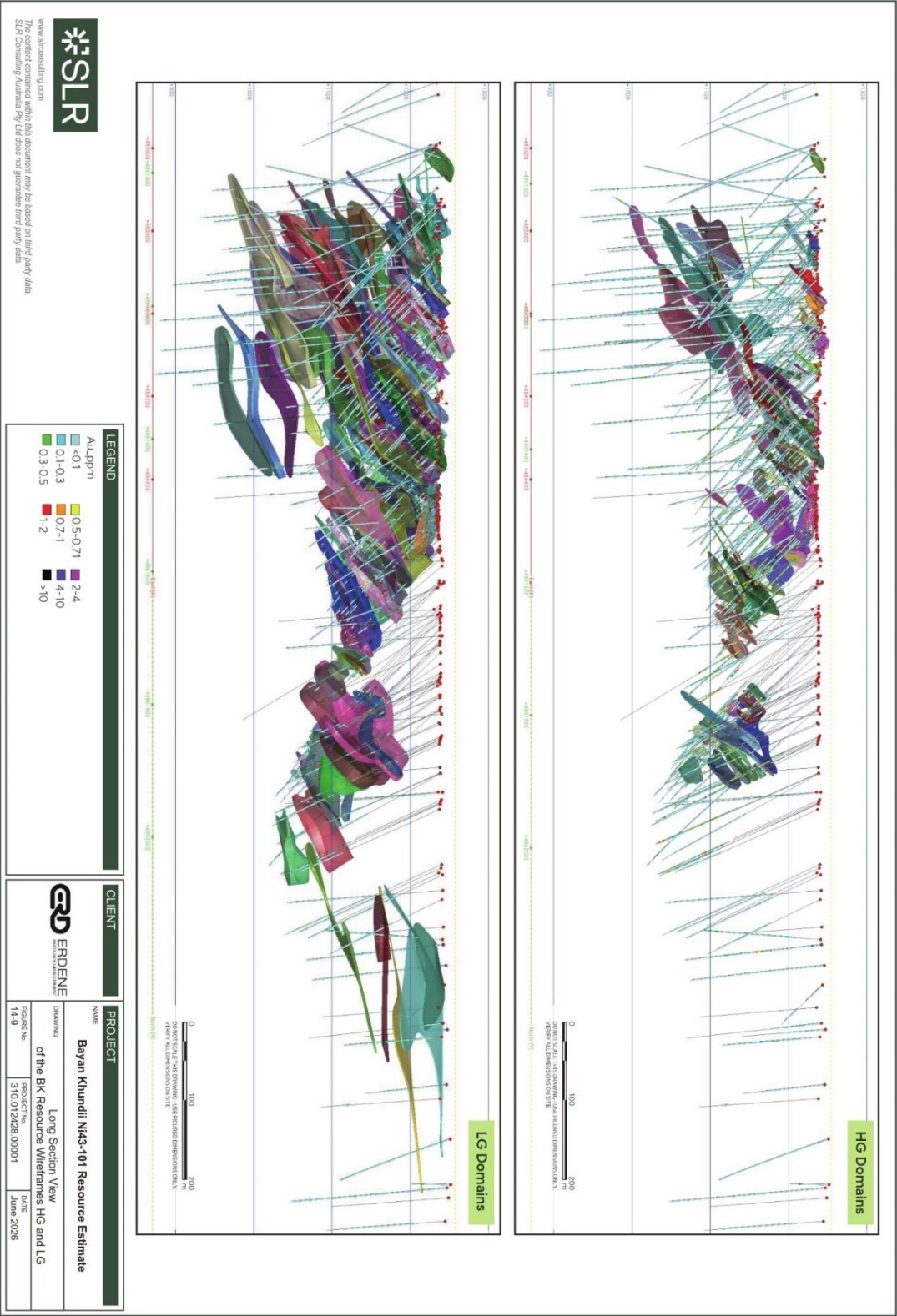


Figure 4-9 Long Section View of the BK Resource Wireframes



4.3.2 Topographic Surface

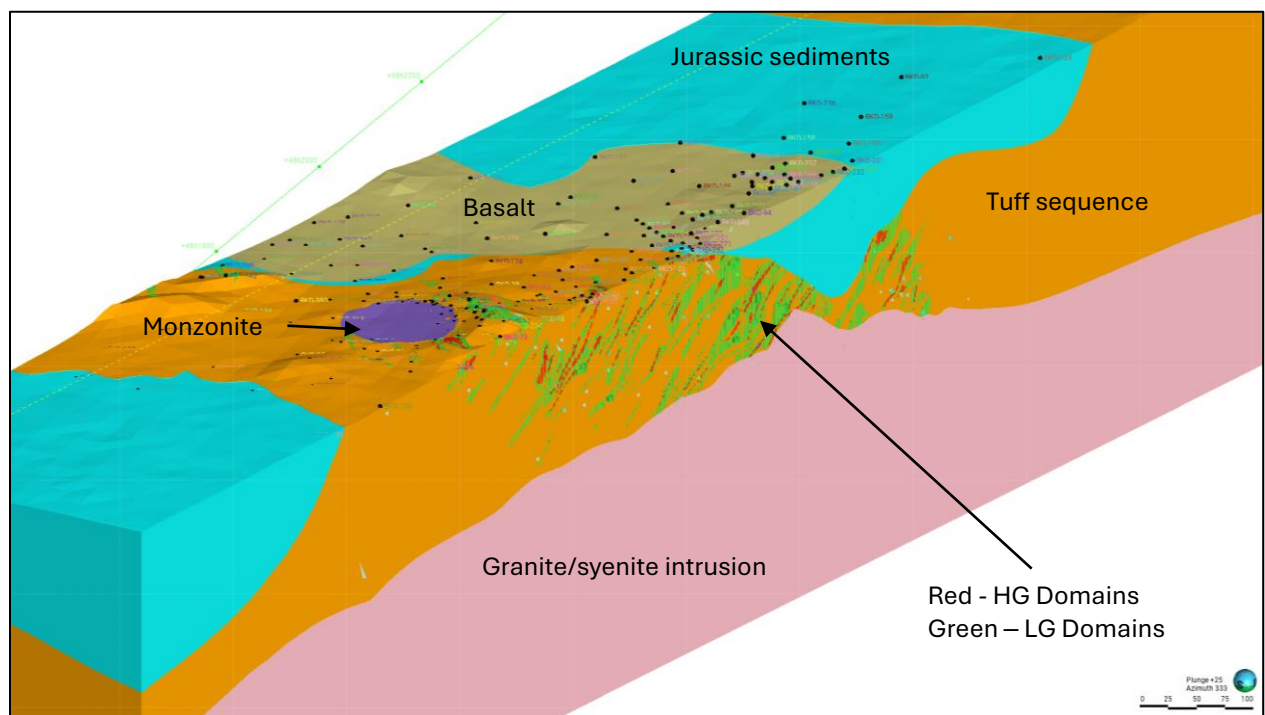
A topographic surface generated from detailed survey traverses was supplied by ERD (*topo_2021_2022_combined.dtm*). It showed minor discrepancies (up to ± 4 m difference) in drill collar elevation in some areas; however, SLR considered it suitable for representing the natural surface.

4.3.3 Geology Wireframes

The lithological wireframes at BK are constructed at practical resolution, focusing on identifying the main controlling geology rather than tracing specific lithological features. Lithology models were created by the AGP and ERD team and reviewed by SLR. Logged lithology codes were grouped into 5 main lithologies. This includes basalt, Jurassic sediments, lapilli tuff, granite/syenitic intrusion and monzonite. As noted previously, BK mineralisation occurs within the lapilli tuffs unit, which is overlain by Jurassic sediments at the top and granite/syenitic intrusion at the base. This lapilli tuff was used to constrain the extent of the mineralisation at BK.

A representative section of the modelled lithology is shown in **Figure 4-10**.

Figure 4-10 Geological Model for BK Deposit



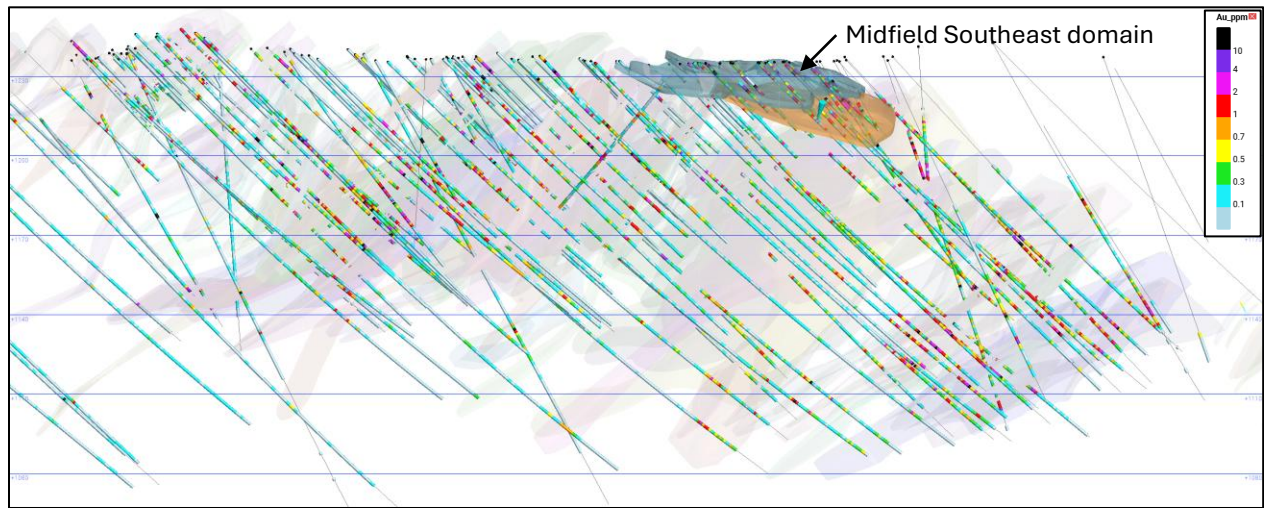
4.3.4 Weathering Surfaces

Much of the hematite and specularite logged in drill holes is interpreted as hypogene in origin. However, in the Midfield Southeast area, gold mineralisation showing evidence of supergene enrichment appears to occur along the Jurassic sequence contact. Mineralisation in this area is separately modelled by SLR; therefore, no dedicated weathering surface is needed for the remainder of the deposit.

Overall, SLR determined the extent of weathering within the deposit to be minimal and, as a result, did not incorporate any weathering profiles within the geological interpretation.

The modelled Midfield Southeast zone is shown in **Figure 4-11**.

Figure 4-11 Midfield Southeast Supergene Enrichment Area

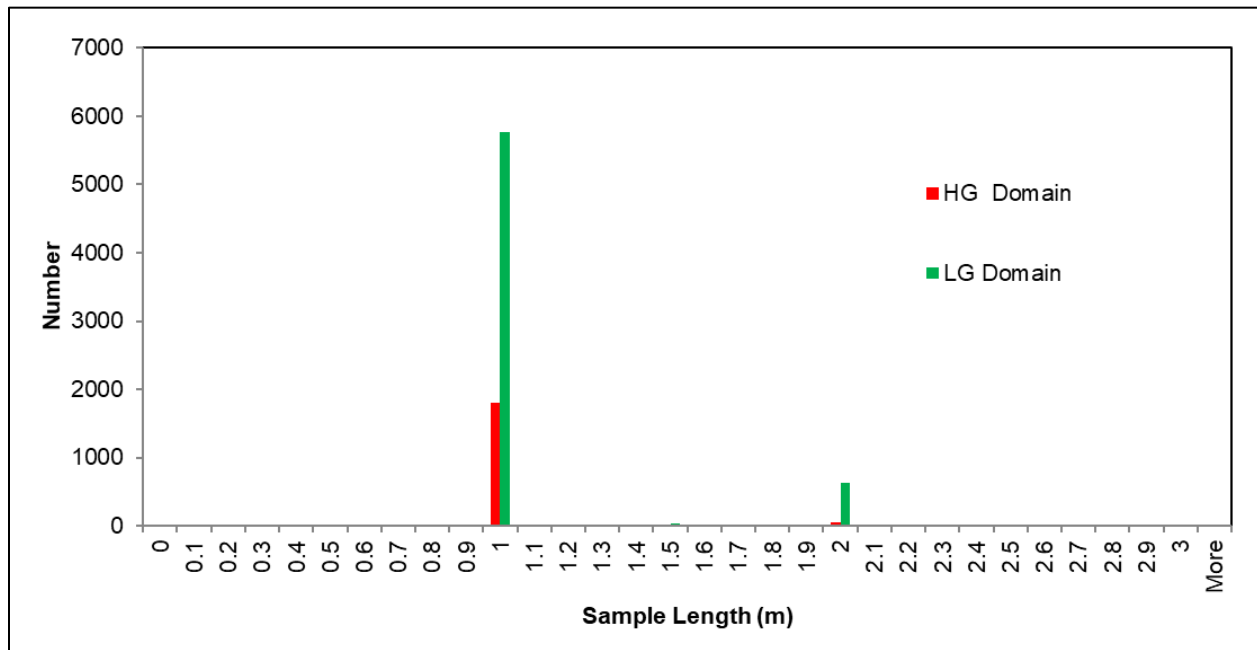


4.4 Compositing and Statistics

Data compositing is undertaken to reduce variability in the raw assay-grade population resulting from samples of unequal length, and to generate samples more suitable for the scale of the mining operation envisaged. It is necessary for the estimation process that all samples are assumed to be of equal weighting and should, therefore, be of equal length.

The wireframes of the mineralised zones were used to define the Mineral Resource intersections. These were coded into the 'res_zone' table within the database. Separate intersection files were generated for each resource envelope. Samples from within the Mineral Resource wireframes were used to conduct a sample length analysis within the mineralised lodes. A review of sample lengths in these files was conducted to determine the optimal composite length. This review found that a variety of sample lengths were used during the original sampling; they ranged from less than 0.4 to 2.9 m. The majority of sample lengths within the mineralisation were one meter lengths (refer to **Figure 4-12**), as such, one meter was utilised.

Figure 4-12 Sample Length Inside Wireframes



Surpac software was then used to extract 'best fit' one-meter down-hole composites within the intervals coded as 'domain' intersections. This method adjusts the composite length at intersections to eliminate "rejected" samples that can occur with fixed-length compositing. A minimum length of 40% was used due to the numerous very narrow intersections. This allowed a composite to be generated for intersections as narrow as 0.4 m.

The composites were checked for spatial correlation with the wireframe objects and the locations of the rejected composites. Individual composite files were created for each of the domains in the wireframe models and contained Au, Ag and Fe assay data.

While Au and Ag are the only elements currently defined as of economic interest, SLR observed that Fe shows a reasonable correlation with bulk density, leading to the development of a regression model to estimate density. As such, Fe was estimated along with Au and Ag.

The composite data was imported into the Supervisor 9.1 software for analysis. Summary statistics for high and low-grade domains by area and elements are shown in **Table 4-3** and **Table 4-5**.

Analysis of the descriptive statistics indicates that the Au appears to have a log-normal distribution with moderate to high variability, a large range, coefficient of variation and variance, while the distribution of Ag grades is often more erratic, with a large additional peak at trace grades owing to the replacement of low detection limit values with 0.1 ppm Ag assays. This interpretation is further supported when the log histograms (**Figure 4-13** and **Figure 4-16**) are analysed, resulting in the interpretation that Au has a relatively lognormal distribution in both HG and LG domains and a highly positively skewed distribution in the HG domains only, as would be expected for the style of mineralisation observed within the deposit.

Overall, the high CoV values indicate high internal grade variability within domains, particularly in HG zones, despite efforts to differentiate between zones of differing mineralisation style (vein, veinlets, breccia and stockworks) and trend in the estimation domains process.

Table 4-3 Summary Statistics for 1 m Composites at Bayan Khundii Deposit – Au ppm

Area	Midfield		Midfield North		Midfield Southeast		Striker		Striker West	
Domain	HG	LG	HG	LG	HG	LG	HG	LG	HG	LG
Samples	515	2253	406	1522	138	168	700	1941	217	1379
Minimum	0.00	0.03	0.06	0.02	0.11	0.06	0.01	0.01	0.14	0.02
Maximum	496.67	3.63	2,200.00	8.48	466.10	4.49	334.69	29.20	106.80	4.46
Mean	9.39	0.62	13.41	0.57	15.30	0.58	7.77	0.59	7.68	0.51
St Dev	29.03	0.37	110.55	0.47	58.04	0.50	22.38	0.80	14.79	0.35
Coef Var	3.09	0.61	8.24	0.83	3.80	0.87	2.88	1.36	1.93	0.68
Variance	842.75	0.14	12,221.24	0.22	3,369.02	0.25	500.88	0.64	218.71	0.12
10%	1.15	0.25	0.65	0.21	0.80	0.16	0.43	0.19	0.89	0.20
20%	1.76	0.33	1.23	0.30	1.23	0.31	0.98	0.31	1.49	0.29
30%	2.13	0.38	1.71	0.35	1.59	0.37	1.45	0.34	1.86	0.33
40%	2.45	0.44	2.09	0.39	2.35	0.41	1.85	0.39	2.29	0.37
50%	2.89	0.52	2.45	0.46	2.80	0.46	2.49	0.46	2.82	0.42
60%	3.52	0.61	3.24	0.54	3.78	0.53	3.17	0.54	3.69	0.48
70%	4.59	0.72	4.59	0.64	4.71	0.64	4.26	0.65	4.81	0.56
80%	8.28	0.87	7.49	0.77	6.93	0.73	6.63	0.81	8.40	0.68
90%	17.63	1.13	17.31	1.05	15.51	0.95	15.63	1.06	16.90	0.92
95%	33.12	1.32	34.59	1.26	41.07	1.25	29.13	1.27	34.06	1.14
97.50%	65.43	1.49	57.13	1.46	126.01	1.70	50.61	1.48	51.36	1.37
99%	98.05	1.80	92.92	1.96	344.54	2.42	99.98	2.15	76.98	1.55

Table 4-4 Summary Statistics for 1 m Composites at Bayan Khundii Deposit – Ag ppm

Area	Midfield		Midfield North		Midfield Southeast		Striker		Striker West	
Domain	HG	LG	HG	LG	HG	LG	HG	LG	HG	LG
Samples	515	2253	406	1522	138	168	700	1941	217	1379
Minimum	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Maximum	137.0	10.0	948.0	12.0	24.8	14.0	68.0	27.0	33.0	15.0
Mean	3.7	0.5	8.8	0.8	3.2	1.8	2.5	0.6	2.9	0.9
St Dev	7.9	1.1	61.2	1.4	3.5	2.0	5.7	1.4	4.4	1.5
Coef Var	2.1	2.1	7.0	1.8	1.1	1.1	2.3	2.4	1.5	1.8
Variance	61.8	1.1	3,748.9	1.9	12.2	4.0	32.9	1.8	19.7	2.4
10%	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
20%	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
30%	0.1	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1
40%	2.0	0.1	2.0	0.1	2.0	0.1	0.1	0.1	0.1	0.1
50%	2.0	0.1	3.0	0.1	3.0	2.0	0.1	0.1	2.0	0.1
60%	3.0	0.1	3.0	0.1	3.0	2.0	2.0	0.1	3.0	0.1
70%	4.0	0.1	4.0	0.1	4.0	2.2	3.0	0.1	4.0	0.1
80%	5.0	0.1	5.0	2.0	5.0	3.0	4.0	0.1	5.0	2.0
90%	8.0	2.0	9.3	3.0	6.0	4.0	6.0	2.0	7.0	3.0
95%	11.0	3.0	14.7	3.1	9.0	5.6	9.0	3.0	9.2	4.0
97.50%	20.1	3.0	22.9	4.8	11.0	6.0	16.0	4.0	12.6	5.0
99%	23.9	4.0	34.6	6.0	18.1	7.3	25.0	5.4	25.3	7.0

Table 4-5 Summary Statistics for 1 m Composites at Bayan Khundii Deposit – Fe %

Area	Midfield		Midfield North		Midfield Southeast		Striker		Striker West	
Domain	HG	LG	HG	LG	HG	LG	HG	LG	HG	LG
Samples	515	2253	406	1522	138	168	700	1941	217	1379
Minimum	0.88	0.69	0.71	0.83	1.03	1.20	0.84	0.83	0.75	0.49
Maximum	7.86	7.76	4.51	6.32	5.26	7.86	10.47	13.84	10.19	9.58
Mean	2.24	2.06	1.74	1.95	2.67	2.64	2.49	2.56	2.07	2.16
St Dev	0.92	0.71	0.56	0.68	0.80	0.95	1.14	1.00	1.33	1.05
Coef Var	0.41	0.34	0.32	0.35	0.30	0.36	0.46	0.39	0.64	0.49
Variance	0.85	0.50	0.32	0.47	0.63	0.89	1.29	0.99	1.77	1.10
10%	1.36	1.25	1.17	1.19	1.73	1.70	1.41	1.59	1.14	1.17
20%	1.53	1.44	1.28	1.39	1.99	1.85	1.63	1.85	1.30	1.42
30%	1.70	1.62	1.40	1.54	2.18	2.05	1.86	2.05	1.46	1.59
40%	1.82	1.78	1.52	1.70	2.32	2.20	2.07	2.23	1.58	1.78
50%	2.01	1.95	1.62	1.86	2.58	2.38	2.26	2.39	1.67	1.96
60%	2.20	2.15	1.74	2.00	2.76	2.58	2.48	2.59	1.87	2.13
70%	2.48	2.38	1.88	2.18	3.05	2.94	2.72	2.81	2.09	2.36
80%	2.84	2.62	2.09	2.41	3.31	3.38	3.07	3.12	2.38	2.69
90%	3.34	2.99	2.41	2.77	3.80	4.07	3.78	3.65	3.19	3.25
95%	3.97	3.30	2.90	3.16	4.10	4.27	4.60	4.14	4.27	3.85
97.50%	4.49	3.69	3.29	3.65	4.39	4.46	5.25	4.66	6.82	5.00
99%	5.31	4.07	3.63	4.35	4.62	4.80	6.76	5.44	7.84	6.21

Figure 4-13 Log Histogram for HG Au Domains

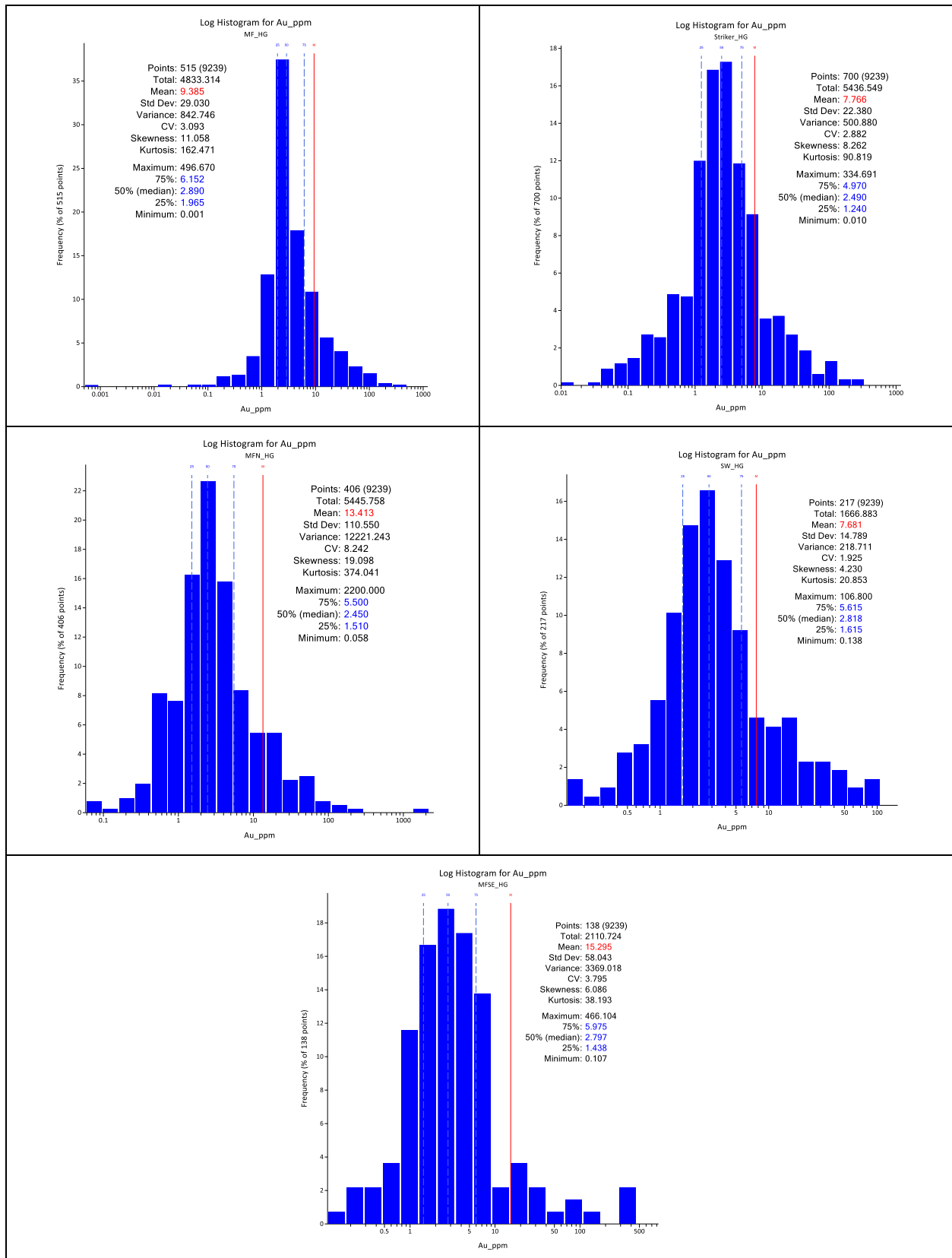


Figure 4-14 Log Histogram for LG Au Domains

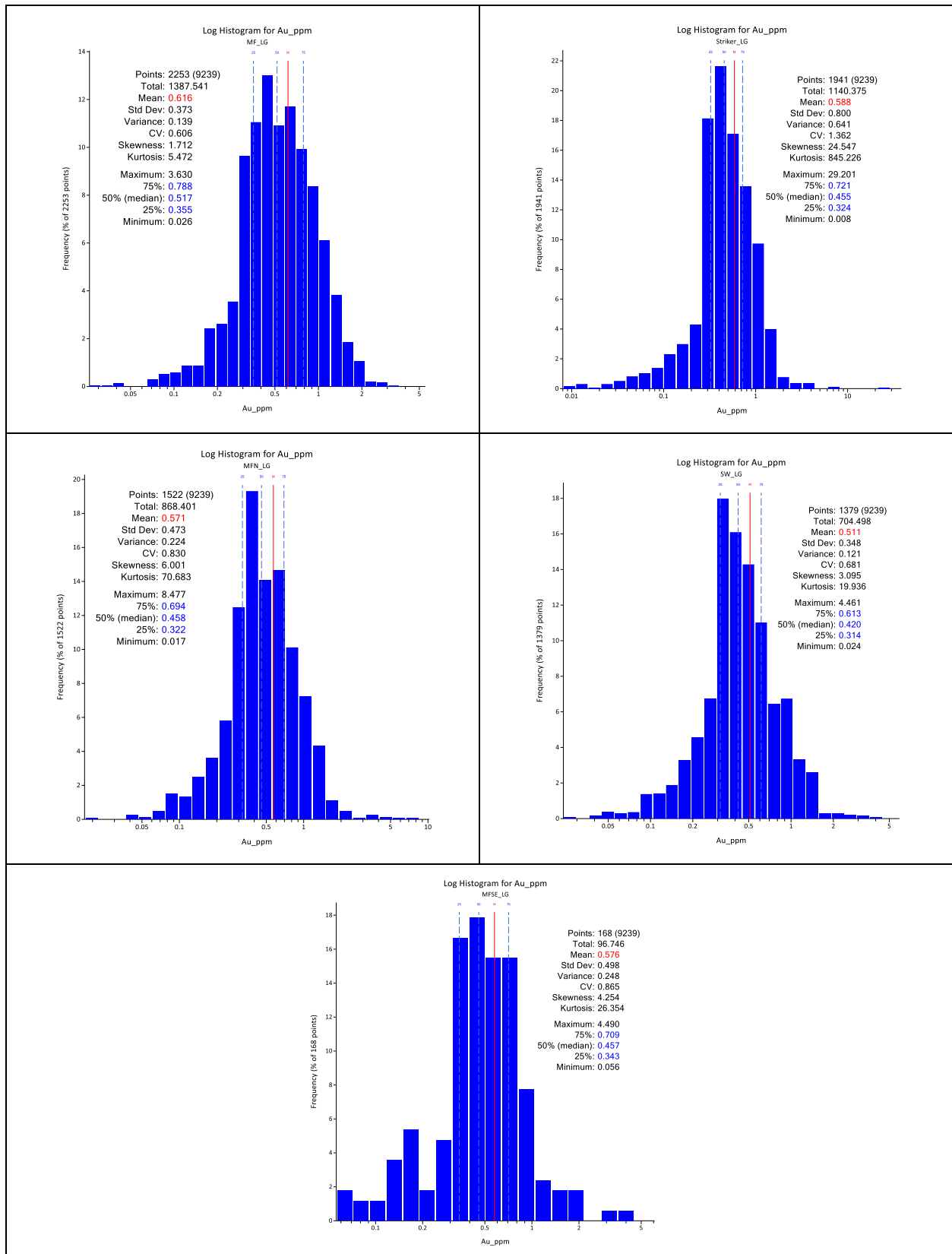


Figure 4-15 Log Histogram for HG Ag Domains

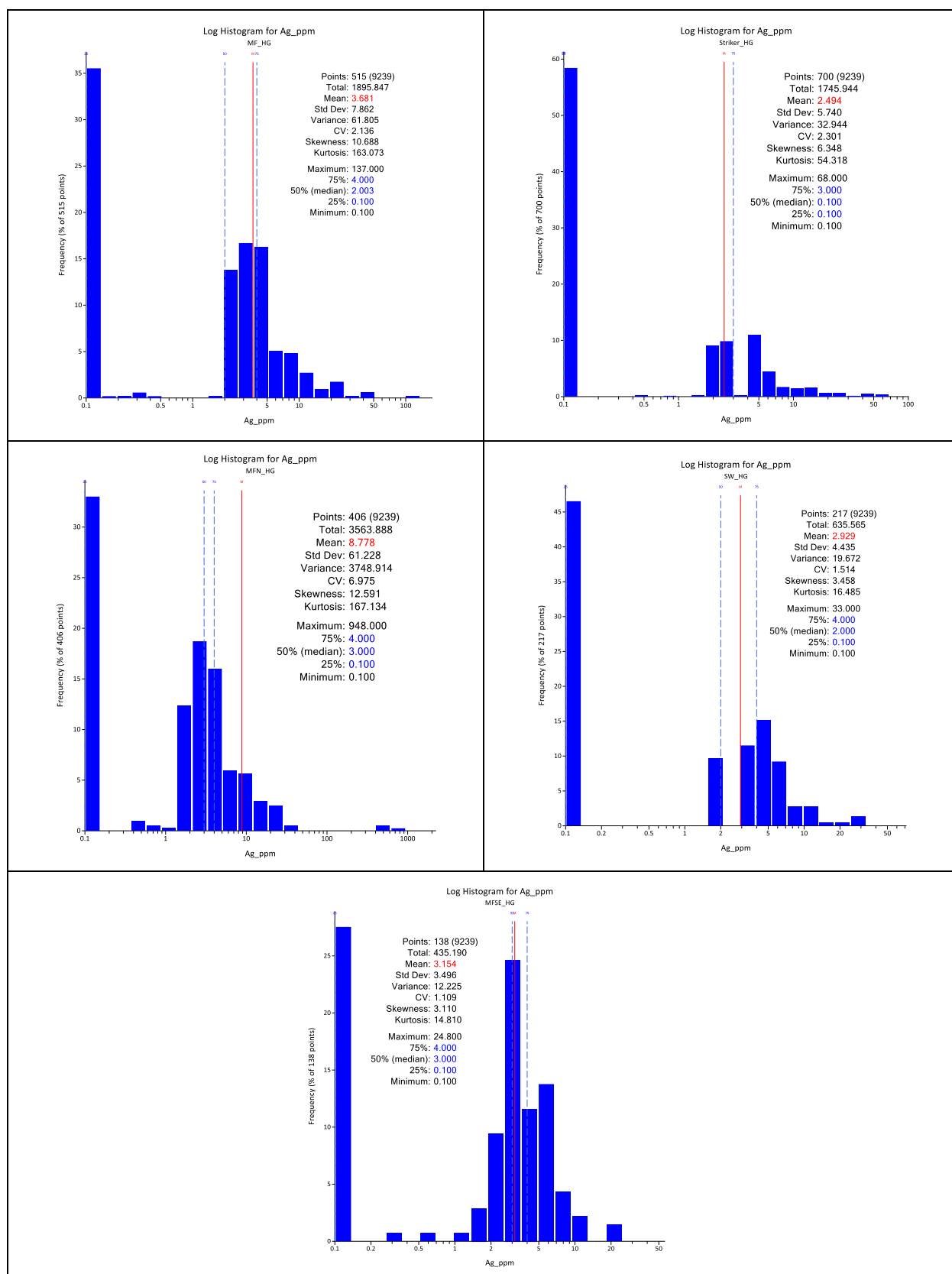
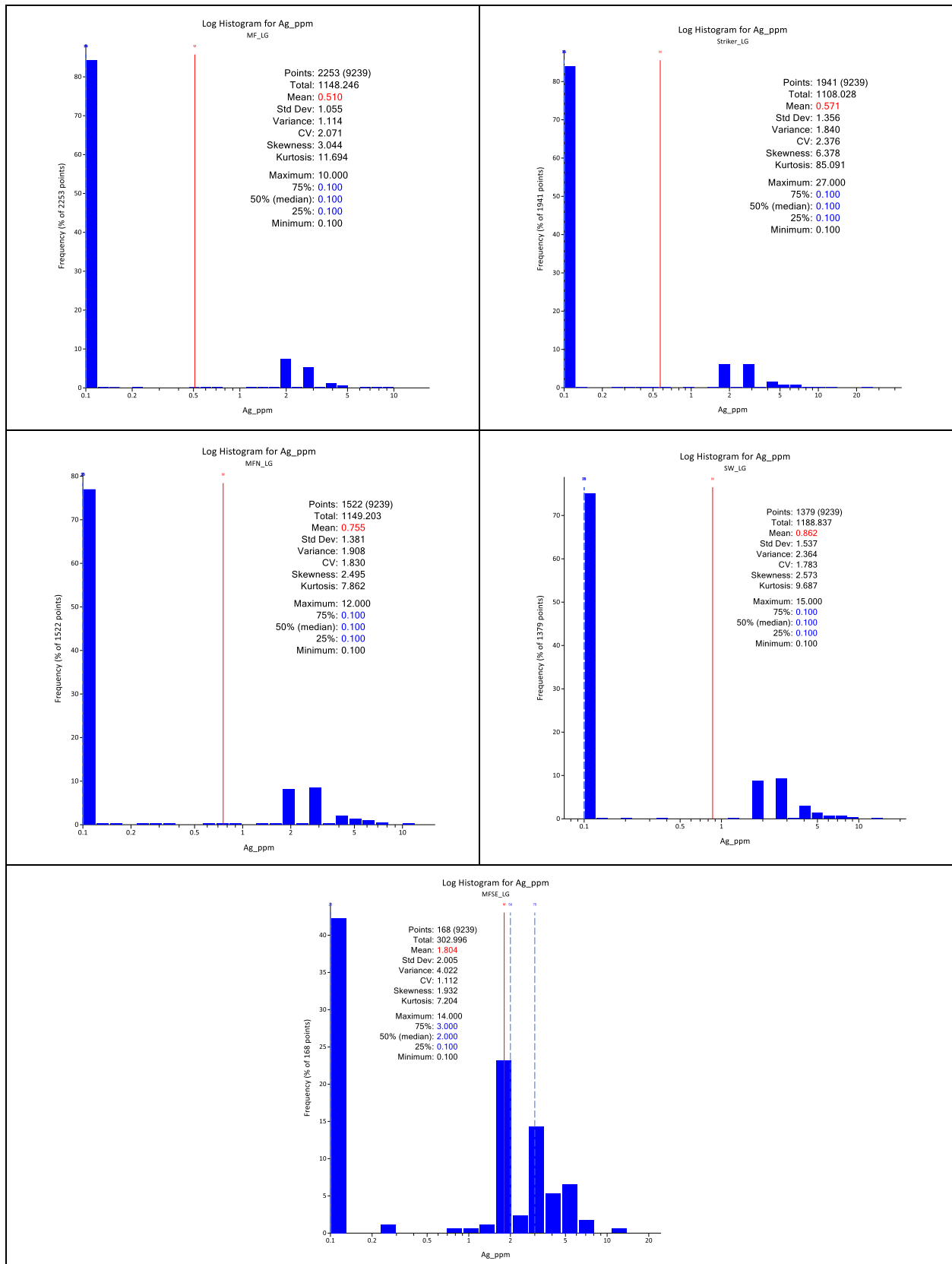


Figure 4-16 Log Histogram for LG Ag Domains

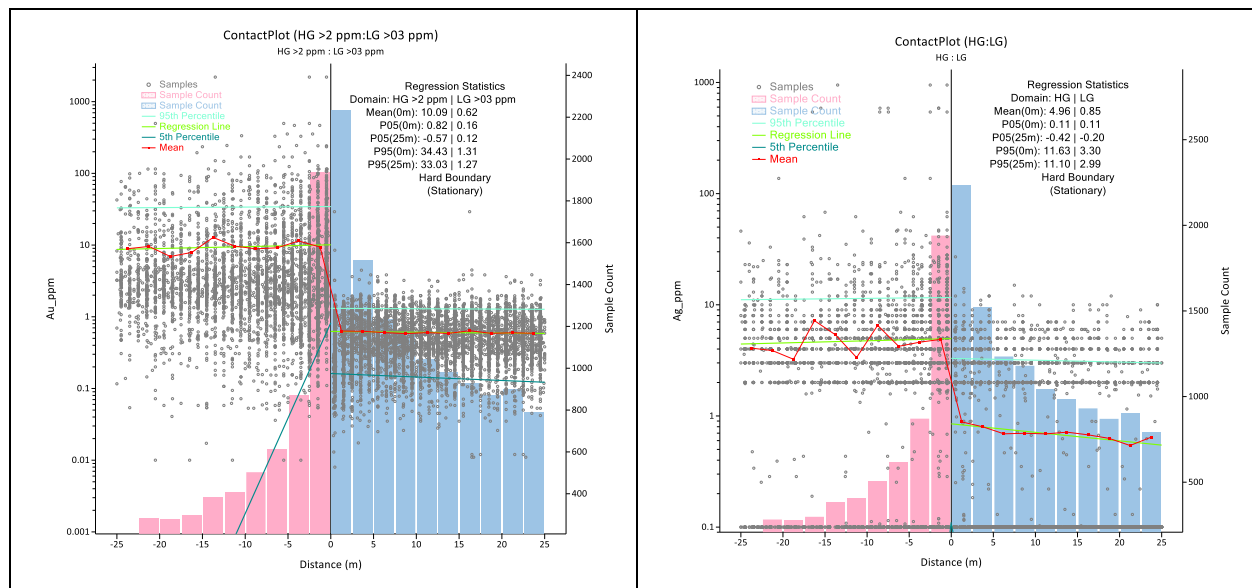


4.4.1 Contact Analysis

A contact analysis was performed in Supervisor software to determine whether the internal boundaries of the wireframes should be treated as hard or soft. The results of this analysis are shown in **Figure 4-17**.

SLR notes that the Supervisor software analyses the transition across domain boundaries within both drill holes and spatially adjacent samples and compares samples at various distances across any rock type and domain to a distance of 25 m from the boundary.

Figure 4-17 Contact Analysis Plot for HG and LG Domains – Au and Ag



As can be seen in **Figure 4-17**, a distinct variation in grade (red line) occurs at the boundary; as such, all the boundary transitions for both Au and Ag in HG and LG were considered to be hard and in situ. This analysis is consistent with the reasoning behind the wireframing strategy.

4.5 Treatment of High Grade Assays

High-grade capping is typically undertaken in order to reduce the impact on the interpolation of sample grades that are considered to be outside of the normal observed sample distribution, and that can't be separately domained in order to be interpolated independently. Values above the cap value are reduced to the cap value. SLR completed a capping analysis of the composite samples based on log probability plots and raw and log histograms. Generally, capping limits were selected based on a change in the form of the log probability curve at high grades, indicating grades outside of the main population of the corresponding domain, and/or the grade at which the histogram starts to show isolated bins or a less predictable grade curve.

At this stage, it was determined that individual high-grade domains did not contain sufficient samples to assess capping limits for each domain. Given the close proximity between domain areas, all high-grade domains were grouped for capping analysis.

Objects with high-grade cuts applied to the Bayan Khundii deposit are summarised in **Table 4-6**.

Table 4-6 High-Grade Cuts applied to the Bayan Khundii deposit

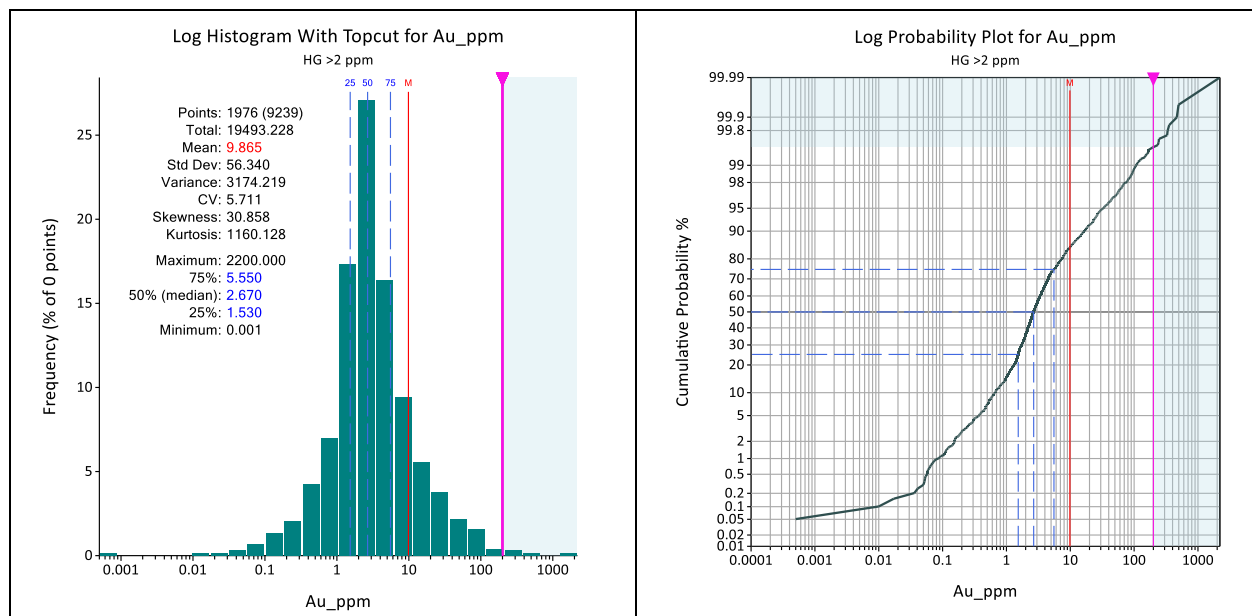
Assay	Au ppm	Ag ppm
Domain	HG	
Samples	1,976	1,976
Minimum	0.00	0.10
Maximum	2,200.00	948.00
Mean	9.87	4.19
St Dev	56.34	28.40
Coef Var	5.71	6.78
Variance	3,174.22	806.73
Top Cut	200	70
Number Cut	9	4
Cut Mean	8.30	3.21
Cut CV	2.52	1.88

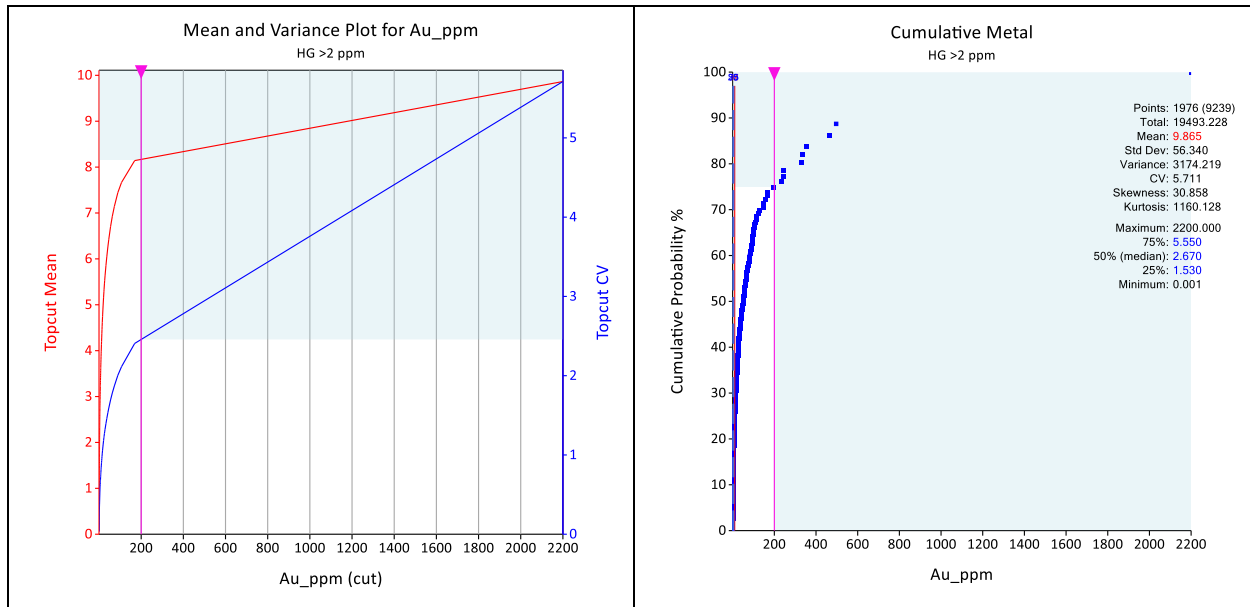
Although top cuts were determined from the combined high-grade domains, they were checked against each individual high-grade domain to ensure they don't affect or alter the populations of those domains. After review, the coefficient of variation of the high-grade domains is within the range of 1.0 to 2.5, particularly for the zones that don't have >200 g/t Au assays.

No top cut was applied to the low-grade domain objects.

An example of the cumulative distribution functions for high-grade capping for high-grade domains at the BK deposit is shown in **Figure 4-18** with the applied Au cap (pink line).

Figure 4-18 Histogram and Cumulative Distribution Functions for all High-Grade Domains at BK





4.6 Correlation Analysis

The metal distribution within the Bayan Khundii Project is typical of a low-sulphidation epithermal system, with a reasonable correlation between Au and Ag. Although Ag grades are often more erratic and discontinuous, and often occur at trace levels, the BK deposit produces both Au and Ag; therefore, both elements have economic significance.

Correlation analysis was conducted on a 1 m composite inside the mineralised domain, separated into areas and summarised in **Table 4-7**.

Table 4-7 Correlation Matrix for All Composite Samples by Area

Area	Element	Au ppm	Ag ppm	Fe %
Striker West	Au ppm	1		
	Ag ppm	0.48	1	
	Fe %	0.06	0.19	1
Striker	Au ppm	1		
	Ag ppm	0.58	1	
	Fe %	0.02	0.09	1
Midfield North	Au ppm	1		
	Ag ppm	0.78	1	
	Fe %	0.05	0.03	1
Midfield Southeast	Au ppm	1		
	Ag ppm	0.42	1	
	Fe %	0.15	0.31	1
Midfield	Au ppm	1		
	Ag ppm	0.87	1	
	Fe %	0.07	0.16	1

4.7 Trend Analysis

4.7.1 Variography

Mineralisation continuity was analysed via variography, which examines the spatial relationships between composites and identifies the directions of mineralisation continuity and quantifies the ranges of grade continuity. Variography was also used to determine the random variability or “nugget effect” of the deposit. The results provide the basis for determining appropriate kriging parameters for Mineral Resource estimation. The grade continuity was assessed using experimental variograms, grade continuity fans and visa isotropic radial basis function (RBF) interpolant of the composite assays to assess plunge directions.

SLR interpreted the experimental variogram for Au, Ag and Fe. All variography was completed using Supervisor™ software, with normal-score transforms of the element values to generate more robust variograms.

The general methodology applied for the geostatistical study is outlined as follows:

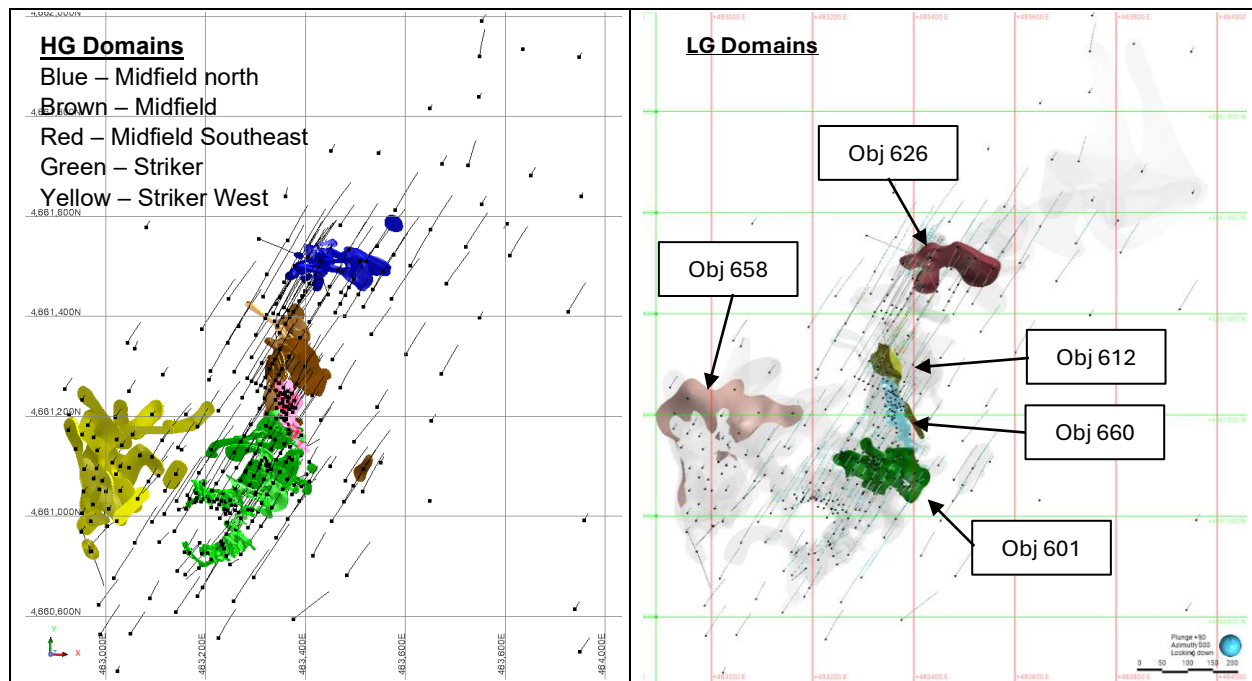
- Downhole variograms generated at 1 m lag distances to model the nugget effect.
- Variogram search plunge direction investigated through the use of continuity fan analysis (aligned to the general strike and dip of each domain) and through visual assessment of Leapfrog vein model of grade evaluated onto the estimation domain wireframes and viewed in long section.
- Major, semi-major and minor axis experimental variograms were generated, with the major axis aligned to the principal direction of continuity and anisotropy; the semi-major axis direction aligned perpendicular, and the minor axis aligned into the plane (across strike).
- Lag distances of around 25 to 50 m were employed for major and semi-major variograms, with shorter lag distances of around 5 to 20 m used for the minor axis variograms. The angular tolerance was also adjusted for each variogram to ensure sufficient sample pairs were available to model reasonable variograms.
- Variogram model fitting to the experimental directional variograms to obtain the nugget, sill values and ranges.

Variography was attempted for all domains; however, it was not possible to generate a meaningful variogram for the majority of high-grade domains due to the relatively small number of samples available for these volumes. To provide a sufficient number of samples for a robust variogram model, it was necessary to merge some domains into groups based on similar grade profiles and orientations.

All high-grade domain samples were combined, and then were separated into deposit areas, while the biggest low-grade domain object for each deposit area was chosen for directional analysis.

At each deposit area, the main zone variography was applied to all other domains in the deposit. Directional analysis completed domain locations are shown **Figure 4-19**.

Figure 4-19 Directional Analysis Completed Domains



The 1 m composite sample data were transformed into a normal distribution using a normal scores transformation to help identify the main directions of mineralisation continuity from the skewed dataset. The experimental variograms were normalised by the sample variance so that the sill was 1, and the structures were ratios or proportions of the sill. A two-structured, nested spherical model was found to model the experimental variogram reasonably well. The downhole variogram provides the best estimate of the true nugget values for each element.

For HG Au domains, the nugget value ranges from 29% to 37%, while for LG domains it ranges from 14% to 21%.

The variograms displayed a reasonable structure and showed anisotropic behaviour in all elements. The geospatial analysis confirms the northwest strike direction of the mineralised zones.

For the zones modelled, the variogram models are robust, with a number of experimental points at the chosen lag informing the model within the variogram range. For all zones, the full variogram ranges exceed the general drill hole spacing.

The directional variograms for Au for all domains are shown in **Figure 4-20** and **Figure 4-29**.

4.7.2 Kriging Parameters

The Au (g/t), Ag (g/t) and Fe (%) grades were interpolated into a Surpac block model using ordinary kriging ("OK"), and the nugget, sill values, and ranges were determined from the variogram models discussed in **Section 4.7.2**. The ranges obtained from the variogram models were used as a guide in the search ellipse parameters used in the Mineral Resource estimate. After modelling, the normal-score variogram model variance was back-transformed to the traditional space to adjust for the variance. Search ellipse parameters varied for all domains; therefore, a dynamic anisotropic search was utilised in the estimate, which was interpreted based on grade continuity trends. An anisotropic search ellipse was used for the estimation. The back-transformed kriging parameters for the domains are summarised in **Table 4-8**.

Table 4-8 Kriging Parameters for Bayan Khundii

Domain /Object	Element	Area	Major Direction	c0	Structure 1				Structure 2			
					c1	a1	semi1	minor1	c2	a2	semi2	minor2
HG	Au ppm	MF	-00-->335	0.36	0.57	45	3.07	44.50	0.06	315	5.78	116.67
		MFN	-00-->280	0.34	0.63	15	1.02	4.97	0.03	90	2.39	6.91
		MFSE	-00-->340	0.32	0.56	21	1.27	14.00	0.12	51	2.17	12.75
		Striker	00-->330	0.29	0.47	36	1.95	36.00	0.24	136	1.25	20.92
		SW	00-->330	0.37	0.29	30	1.02	3.00	0.34	135	1.18	44.83
	Ag ppm	MF	00-->300	0.15	0.68	30	1.69	5.36	0.17	94	1.03	2.69
		MFN	-00-->310	0.27	0.63	14	1.08	9.00	0.10	131	3.43	8.70
		MFSE	-00-->340	0.09	0.57	27	1.93	9.00	0.34	71	1.09	4.90
		Striker	00-->330	0.19	0.29	26	1.04	3.64	0.52	138	1.02	2.33
		SW	00-->300	0.24	0.27	37	1.01	18.25	0.50	191	1.13	21.17
LG 612	Au ppm	MF	-00-->335	0.17	0.46	38	1.02	2.04	0.37	108	2.22	2.96
LG 626		MFN	00-->300	0.15	0.26	19	1.04	18.60	0.59	95	1.66	19.75
LG 660		MFSE	-00-->000	0.21	0.62	14	1.08	3.83	0.16	64	2.17	3.53
LG 601		Striker	-00-->290	0.14	0.34	29	1.19	28.50	0.52	70	1.35	21.72
LG 658		SW	-00-->330	0.20	0.63	42	1.03	11.16	0.17	142	1.62	15.78
LG 612	Ag ppm	MF	-00-->350	0.19	0.51	18	2.88	7.67	0.31	66	1.02	3.79
LG 626		MFN	-00-->280	0.15	0.31	35	1.84	6.81	0.54	170	1.72	2.99
LG 660		MFSE	00-->340	0.09	0.62	19	1.01	4.48	0.29	66	1.57	4.74
LG 601		Striker	00-->300	0.15	0.44	44	1.80	6.50	0.41	160	1.37	5.69
LG 658		SW	00-->330	0.20	0.40	131	2.95	36.28	0.40	304	1.30	20.57
All	Fe %	All	00-->310	0.11	0.43	19	1.61	1.95	0.5	148	1.10	1.34

The geospatial analysis of the mineralisation domains shows that higher-grade domains have moderate to high nugget factors, while lower-grade domains have low nugget factors with identical variogram model shapes, and similar major and semi-major directions of continuity. More than 80% of the total modelled variance occurs at a spacing of less than 40 m. Main Striker and Midfield domains exhibit a slightly longer range, indicating significantly greater grade continuity of mineralisation. This aligns with the geometry of the interpreted mineralisation and higher-grade continuity trend.

Figure 4-20 Au Variogram for HG Midfield Zone

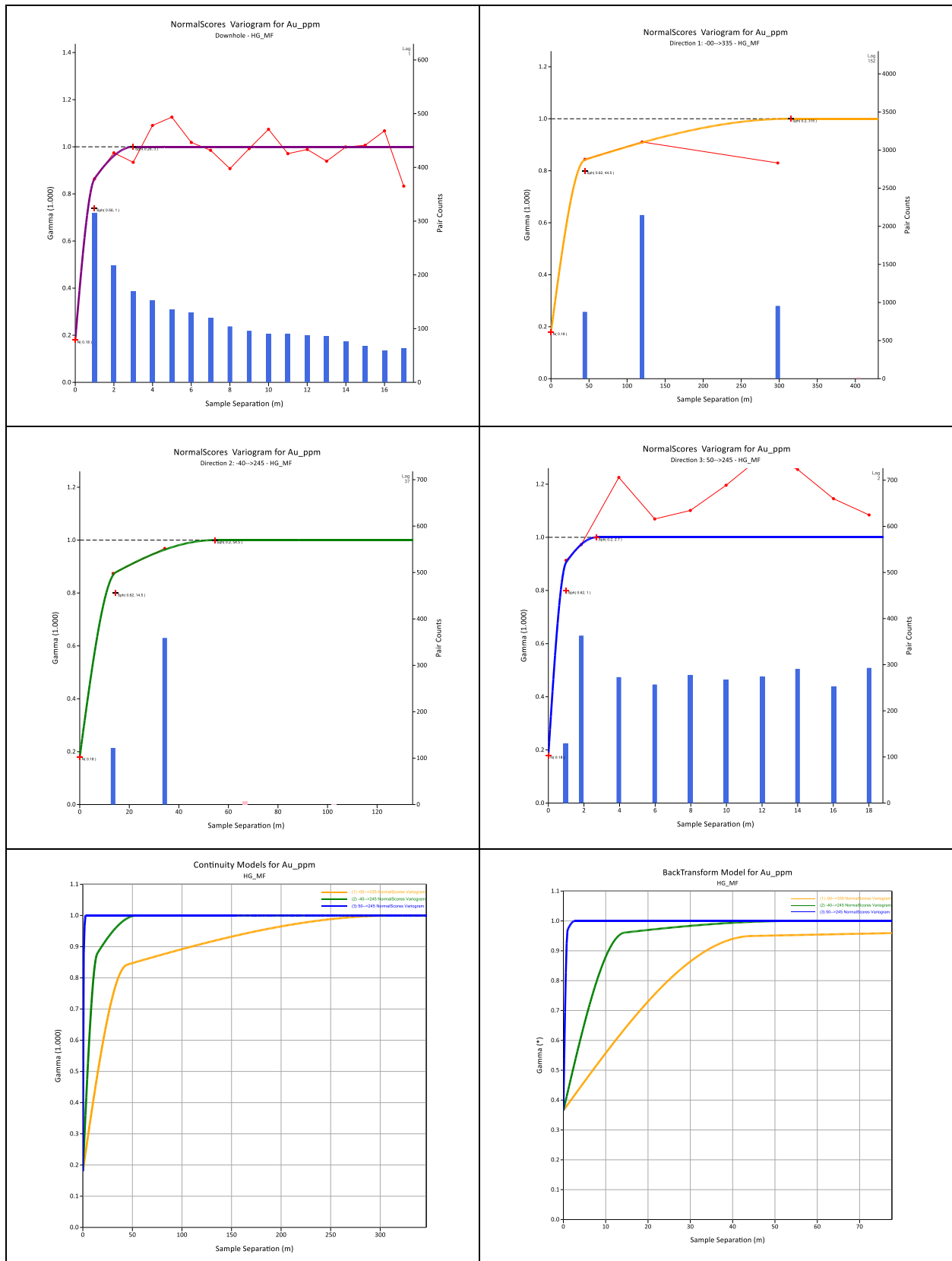


Figure 4-21 Au Variogram for HG Midfield North Zone

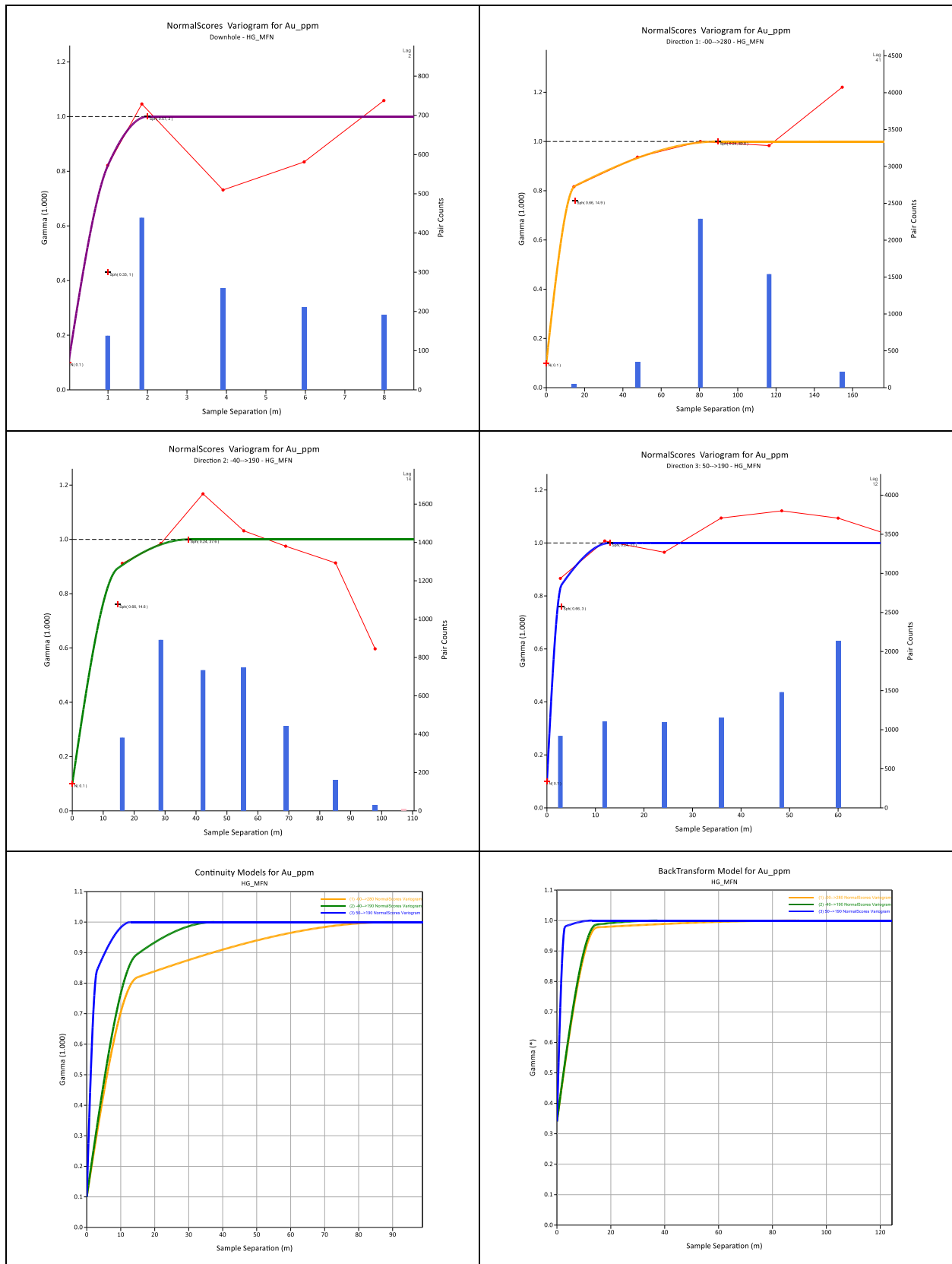


Figure 4-22 Au Variogram for HG Midfield Southeast Zone

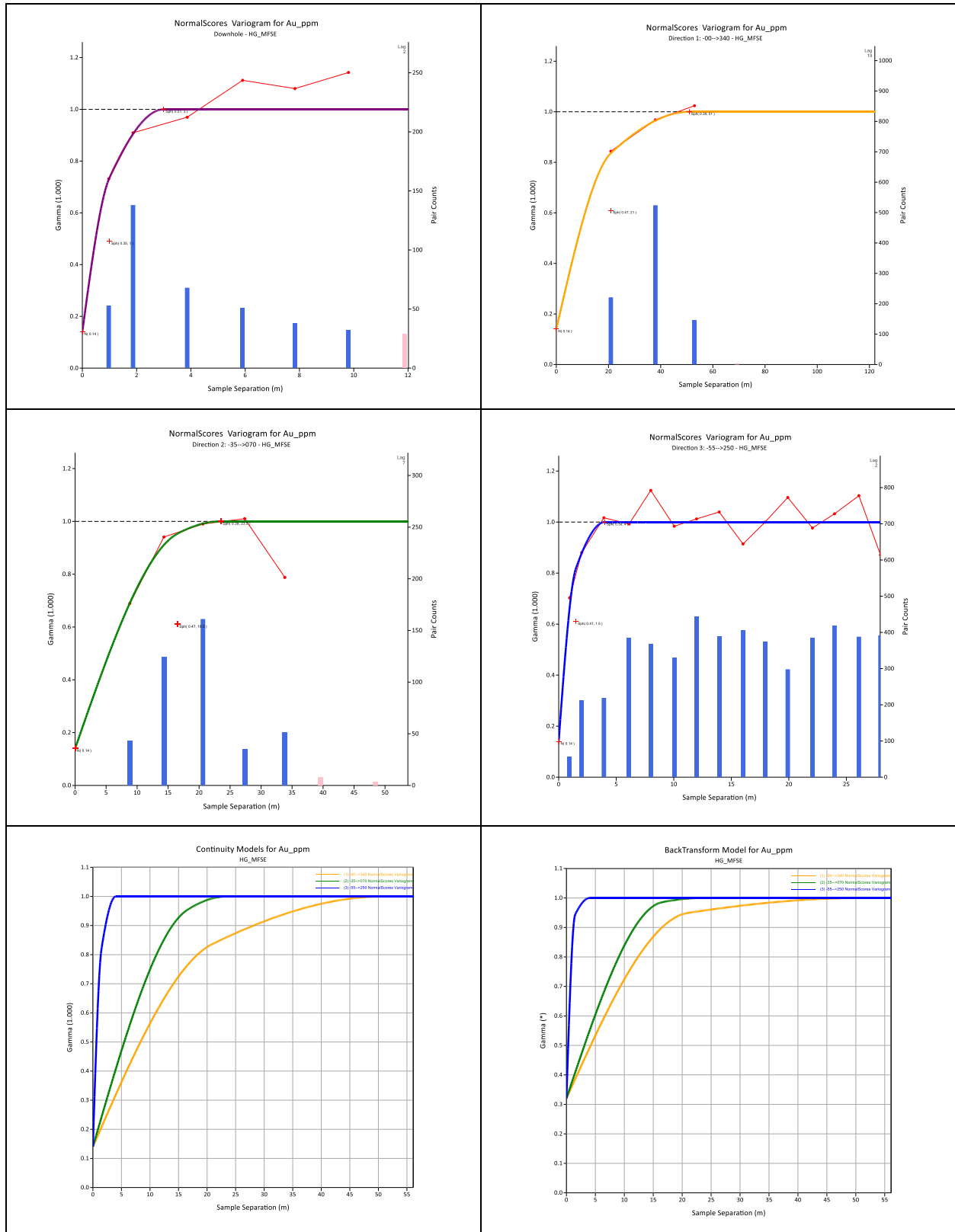


Figure 4-23 Au Variogram for HG Striker Zone

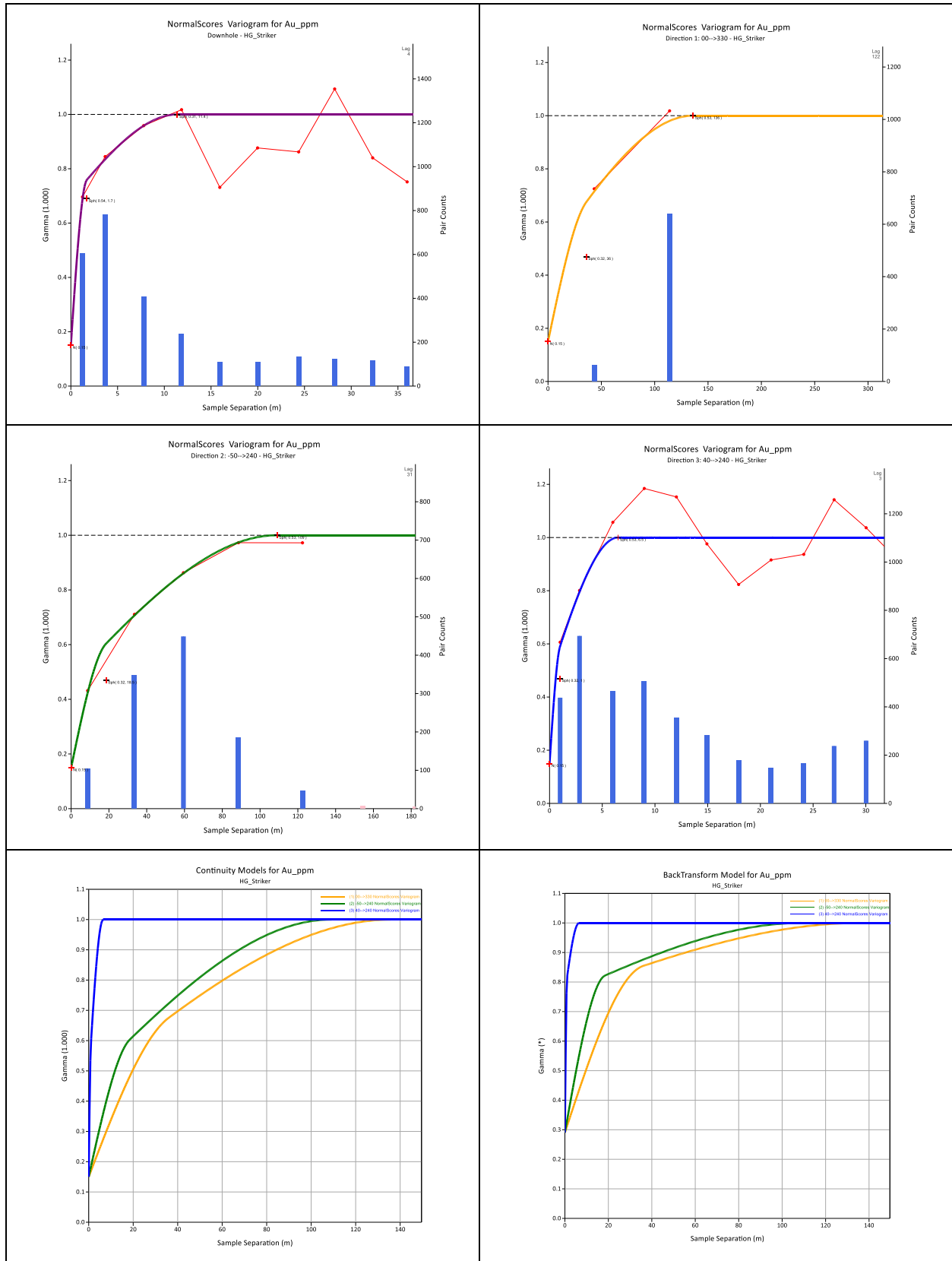


Figure 4-24 Au Variogram for HG Striker West Zone

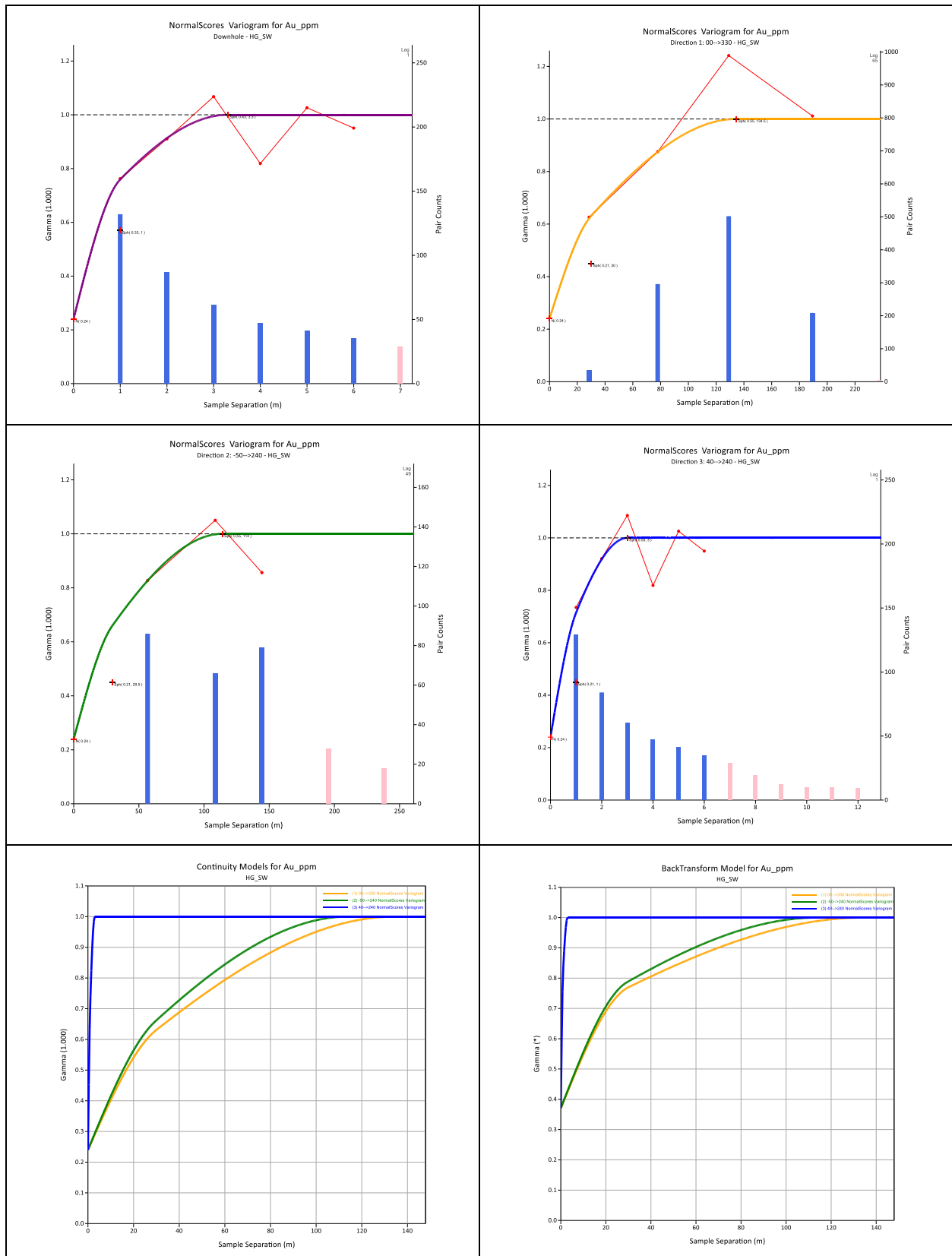


Figure 4-25 Au Variogram for LG Striker Zone – Object 601

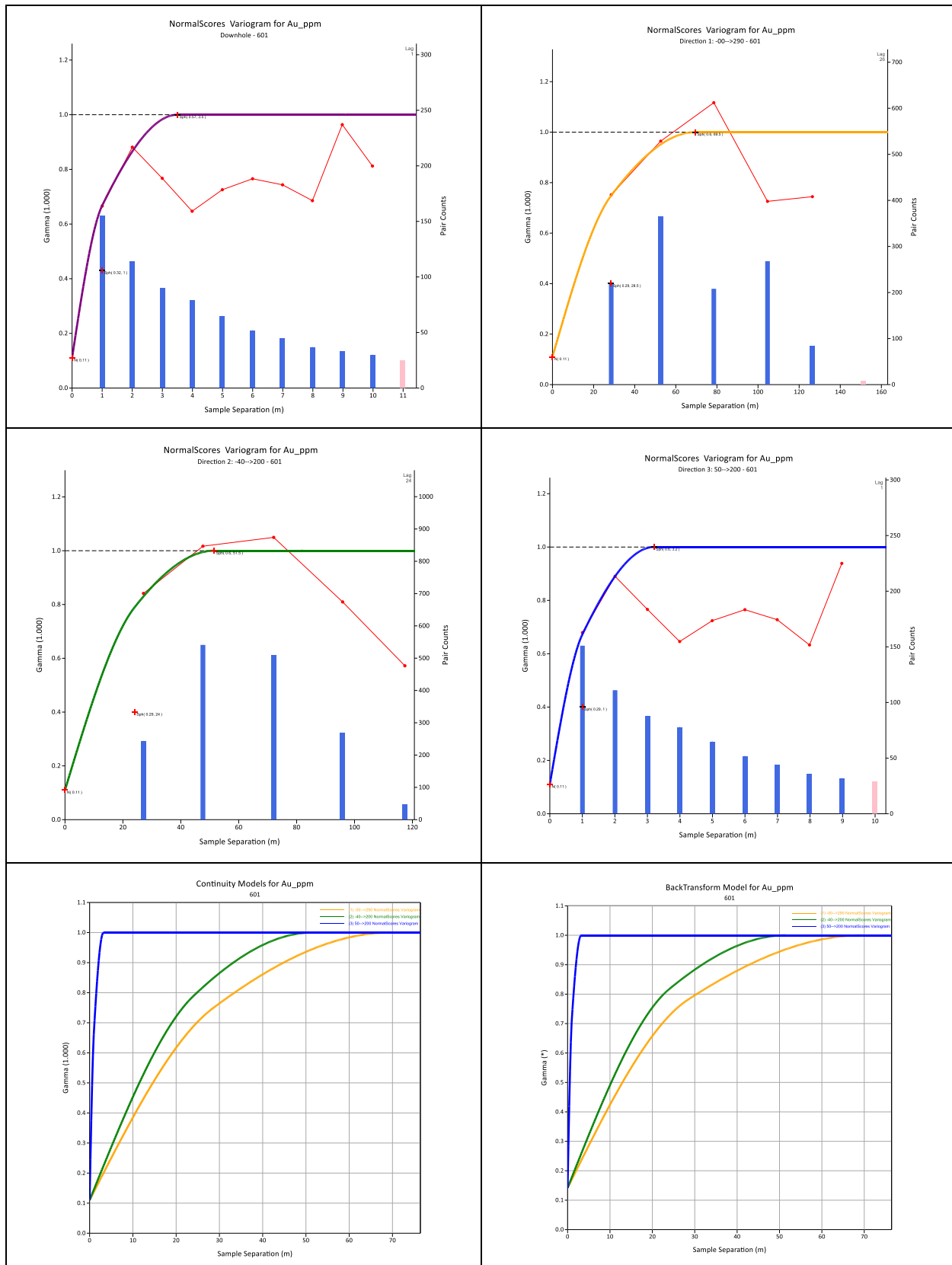


Figure 4-26 Au Variogram for LG Midfield Zone – Object 612

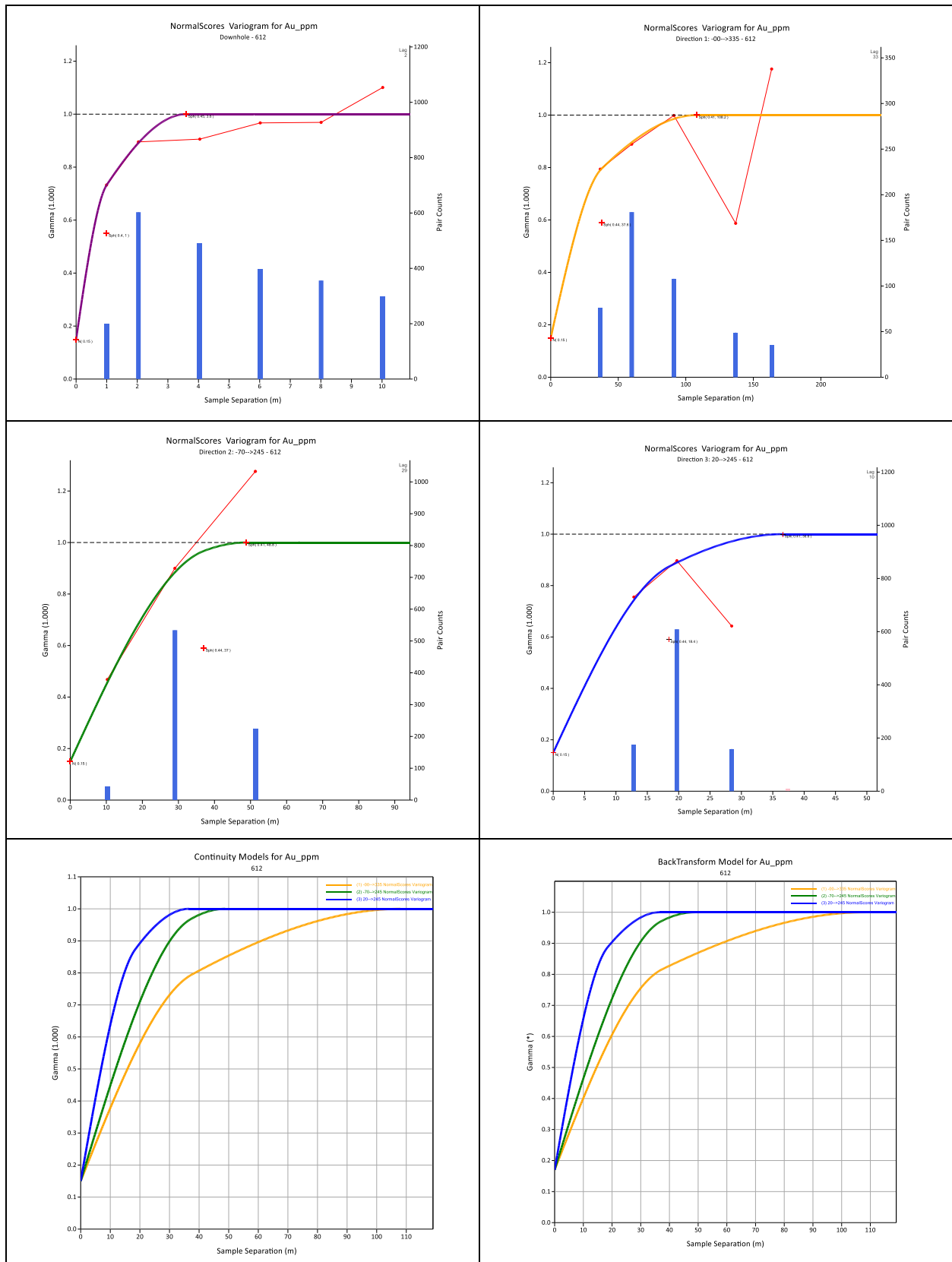


Figure 4-27 Au Variogram for LG Midfield North Zone – Object 626

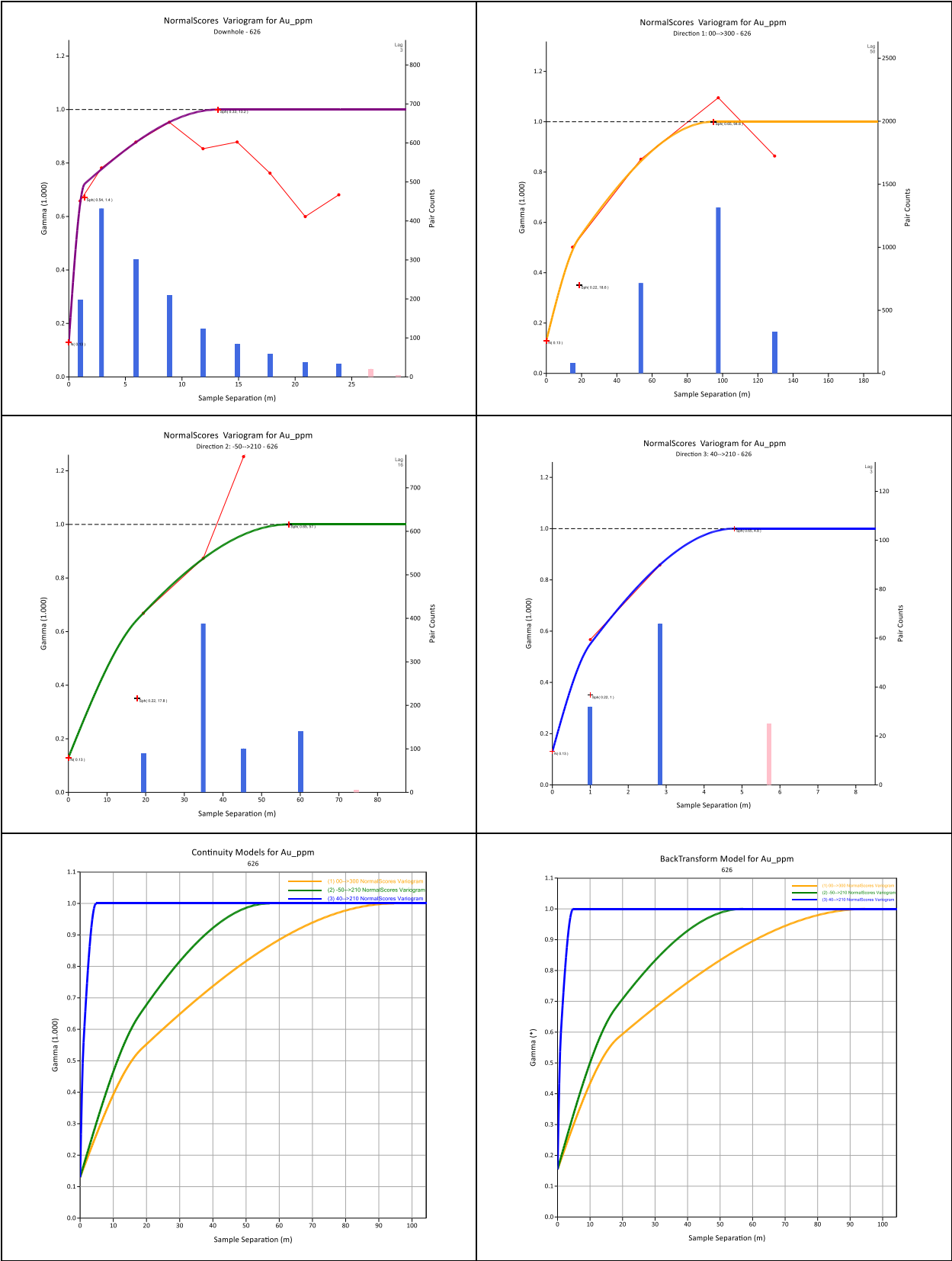


Figure 4-28 Au Variogram for LG Striker West Zone – Object 658

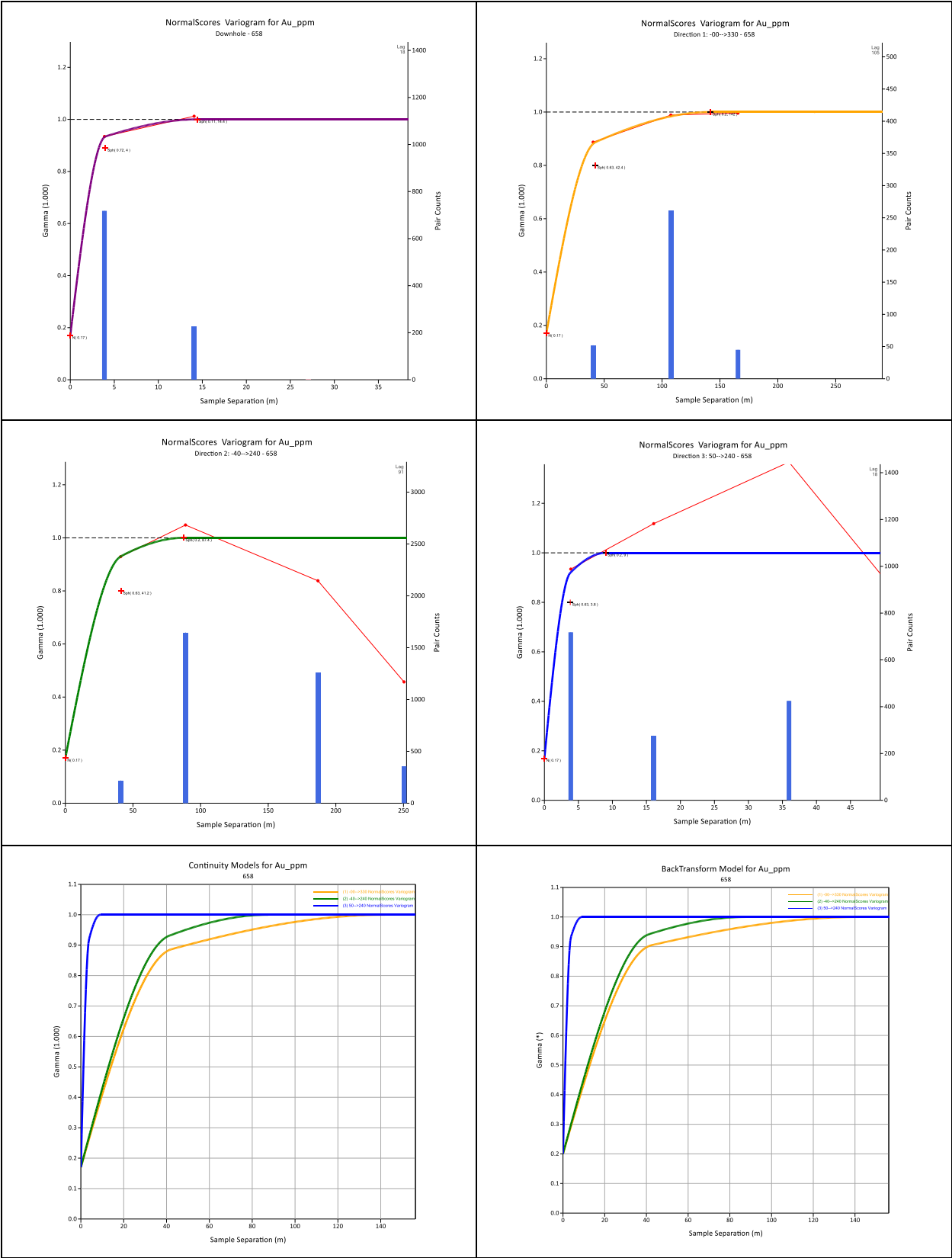
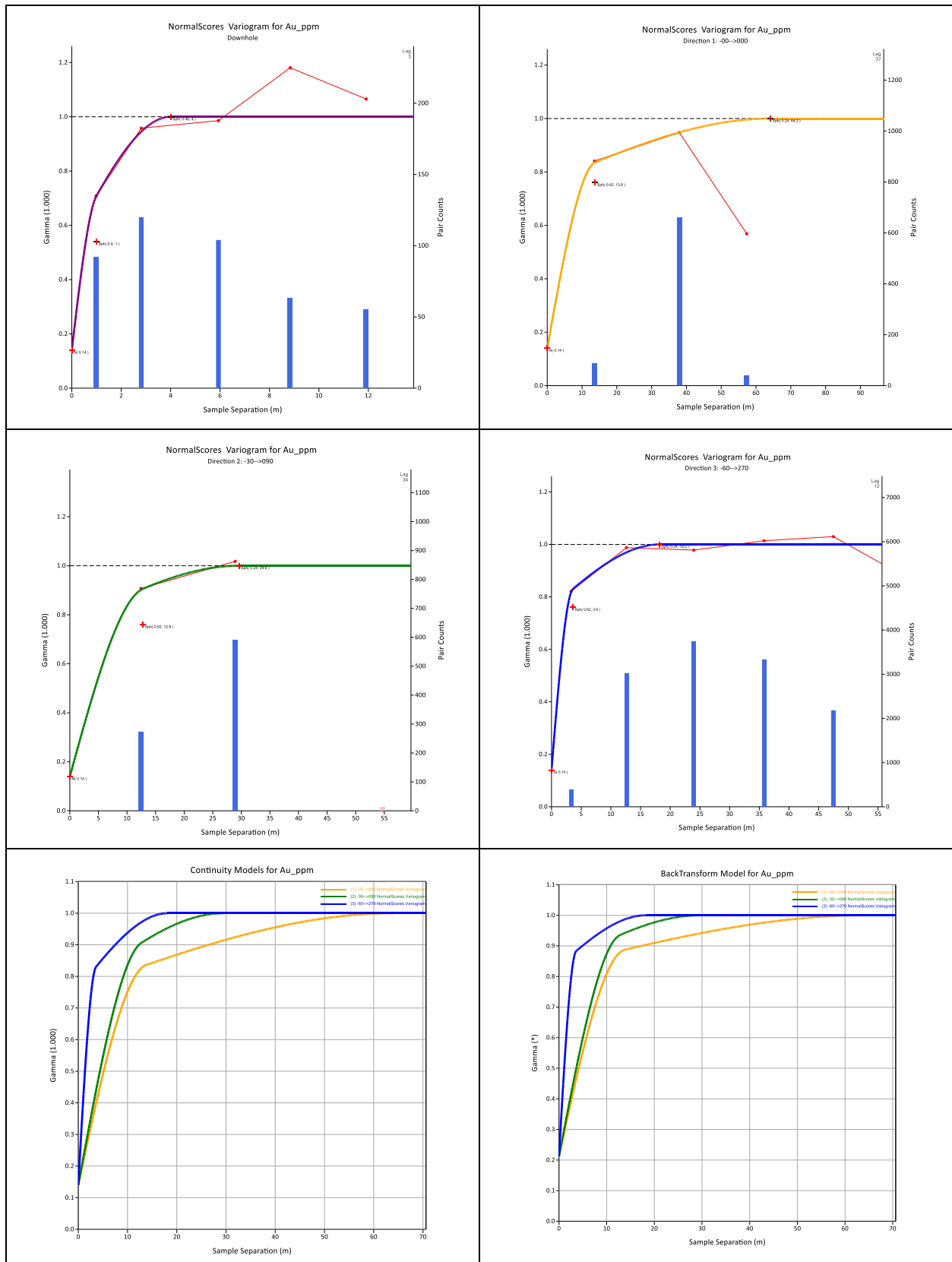


Figure 4-29 Au Variogram for LG Midfield Southeast Zone – Object 660



4.8 Search Strategy and Grade Interpolation Parameters

Gold, silver and iron grades were interpolated into the block model, using the capped composite drill hole data from the corresponding estimation domain and objects. Ordinary kriging was used as the interpolation method for all domains. The results of the variography described in **Section 4.7.1** were used to inform the kriging variogram parameters. As noted earlier, variography was undertaken only for the major domains, as minor domains lacked sufficient samples for meaningful continuity analysis. Therefore, the variography results from the major domains were used to inform the kriging variogram parameters for the smaller domains.

For all domains, the minimum and maximum numbers of samples required for each block estimate (pass 1 and pass 2) were set to 6 and 12, respectively, and the maximum number of samples per drill hole for each block estimate was set to 4. This ensures that at least two drill holes must be used to estimate each block in the first two search passes. For each domain, the search ellipse size and maximum number of samples allowed to estimate into each parent block were selected based on the optimum parameters defined through the QKNA (quantitative kriging neighbourhood analysis) study. For the smaller domains where no QKNA was undertaken, the search ellipse size and maximum number of samples were defined based on QKNA analyses conducted on larger domains with similar grade profiles or trends, in much the same manner as described for the variogram parameters in the bullets above. A discretisation level of 4x3x3 was set for all estimates, and in all cases, sub-block grades were assigned the grade of the parent block. Second and third searches, with progressively expanded ellipses and relaxed sample requirements, were applied to fill any blocks not filled in the previous run.

Due to the complex structural controls and variable orientation of the maximum direction of grade continuity within individual domains, a variable search orientation was employed across all estimation domains to locally adjust the search ellipse's orientation. The search ellipse is rotated according to an assigned dip and dip direction for each block. This allows the ellipse to more precisely follow the trend of the mineralisation, rather than being limited to a single search ellipse orientation per domain.

The ordinary kriging (OK) algorithm was used for grade interpolation, and wireframes were used as hard boundaries for grade estimation within each domain. OK was selected because it allows the measured spatial variation to be included in the estimate and results in a degree of smoothing appropriate to the nature of the mineralisation.

For structurally controlled mineralisation such as at Bayan Khundii, grade continuity is primarily aligned with the planar geometry of the structures. It is interpreted to have little to no influence on grade between the structures, and the interpreted mineralisation envelopes are designed to replicate the controlling structures. As a consequence, OK interpolation within the vein envelopes is considered by SLR to provide reliable grade and volume estimates that reflect the geological controls. It was considered that implicit modelling to generate envelopes or for grade estimation would not necessarily replicate the geological controls on mineralisation. Likewise, probabilistic recoverable resource estimation was considered to have the same limitation.

In addition to the OK estimate, nearest-neighbour and inverse-distance estimates were run to validate the OK results. The interpolation parameters are listed in **Table 4-9**.

Table 4-9 OK Estimation Parameters

Parameter	Pass 1	Pass 2	Pass 3
Search Type	Ellipsoid	Ellipsoid	Ellipsoid
Bearing	Based on the trend surface		
Dip	Based on the trend surface		
Plunge	Based on the trend surface		
Major-Semi Major Ratio	1.1		
Major-Minor Ratio	4		
Search Radius	30	60	600
Minimum Samples	6	6	2
Maximum Samples	12	10	6
Max. Sam. per Hole	4	4	4
Block Discretisation	3 X by 4 Y by 3 Z		
Percentage Blocks Filled	44%	40%	16%

4.8.1 Kriging Neighbourhood Analysis

Ordinary kriging (“OK”) was chosen as the preferred methodology for interpolating/estimating grades within the block model (on a parent-block basis). A basic kriging neighbourhood analysis (“KNA”) was undertaken to optimise both the search ellipse dimensions and the maximum number of samples allowed for parent block estimates. The KNA exercise was undertaken on the capped composite Au grades for the following domains:

- Midfield LG
- Midfield HG
- Midfield North LG
- Striker LG
- Striker HG

For these domains, a KNA exercise was undertaken to define optimal search ellipse dimensions and maximum sample size restrictions, based on comparisons of the slope of regression (“SoR”). SoR is a measure of conditional bias. That is, the tendency for higher grades to be under-estimated and lower grades to be over-estimated. The slope of the regression equation estimates the relationship between the estimated and theoretical true block grades. A 1:1 relationship between true and estimated block grades would produce a slope of 1, meaning that the estimated high grades and estimated low grades correspond accurately to the respective true high and low grades. The flatter the slope (and therefore over-estimation of low grades and under-estimation of high grades), the lower the slope of regression.

The degree of conditional bias in a model can be quantified by computing the theoretical regression slope and the kriging efficiency (KE) at multiple test locations within the region of estimation. These locations are selected to represent portions of the deposit with moderate (sample) coverage. Estimation parameters were selected based on the best-informed blocks, which demonstrated the highest kriging efficiency and the optimal regression slope. Supervisor software was used for the analysis.

4.8.1.1 Block Size

To test the optimal block size for existing drilling at Bayan Khundii, KNA was conducted on various domains listed above. A range of block sizes was assessed for regression slope and kriging efficiency, and Midfield and Striker HG zones are summarised in **Figure 4-30** while low-grade zones are summarised in **Figure 4-31**.

Figure 4-30 Block Size Analysis Chart – HG Striker and Midfield Zones

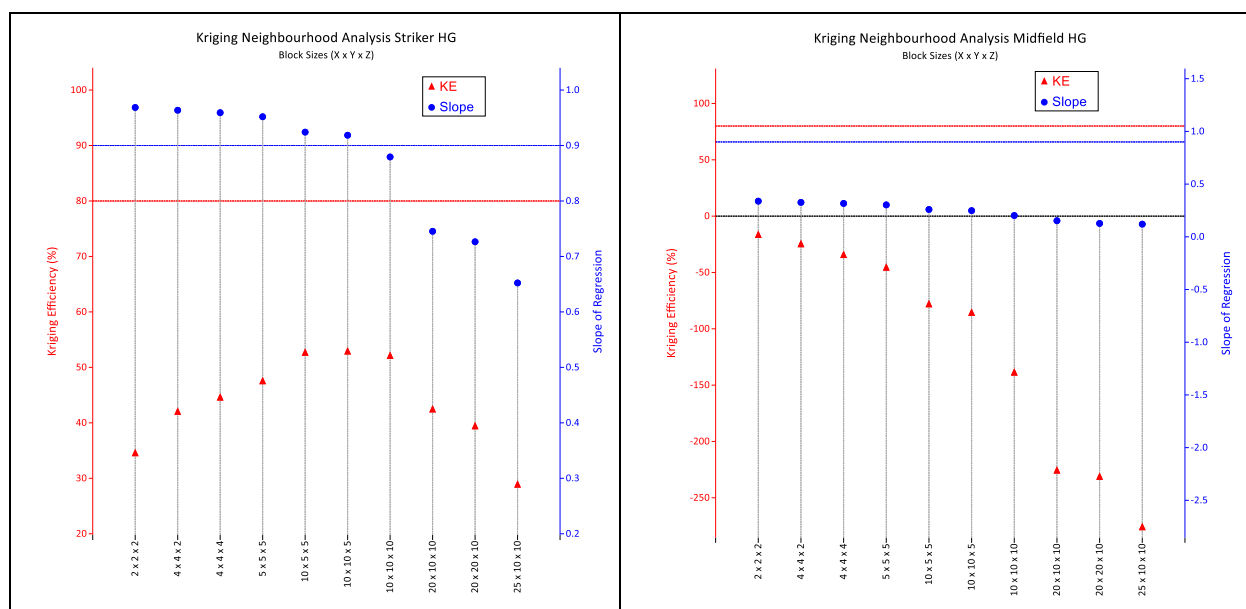
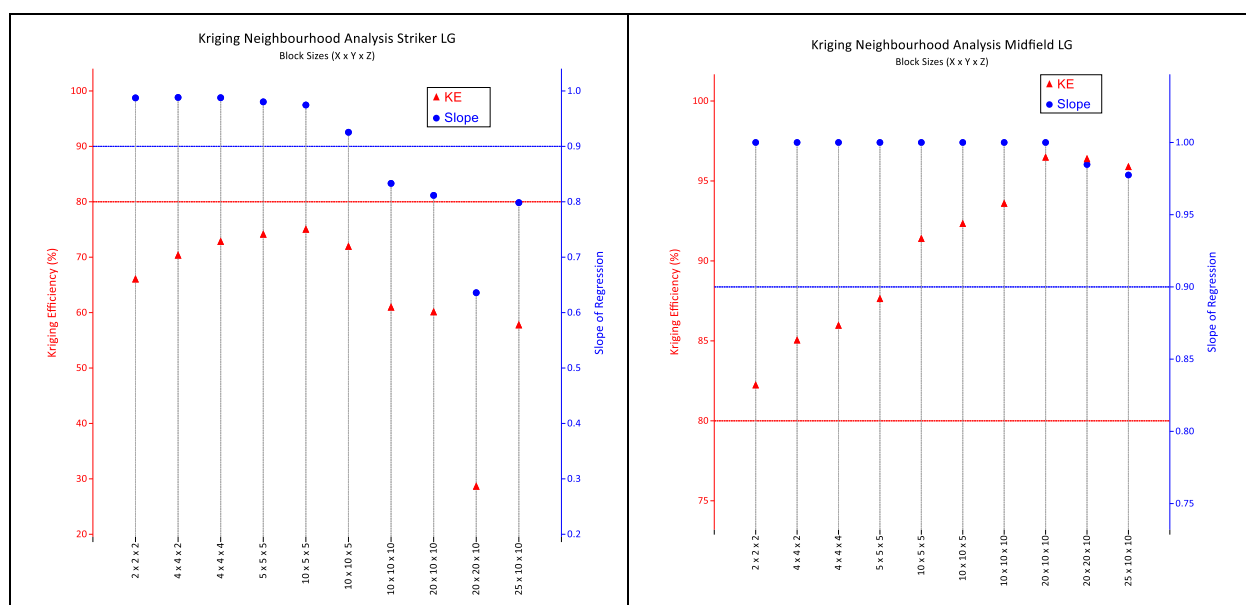


Figure 4-31 Block Size Analysis Chart – LG Striker and Midfield Zones



Results from the chart above indicate that the slope of regression and kriging efficiency 'sill' out around model run 5. These iterations represent 10 m by 5 m blocks in the X and Y planes and appear to be appropriate for the Bayan Khundii drill spacing. SLR notes that no significant change occurs at this block size; however, it is worth noting that decreasing the Z block size generally increases KE across all block sizes. The estimation quality declines as block size increases. Smaller block sizes also showed good estimation quality; however, they are considered too small relative to the drill hole spacing.

4.8.1.2 Number of Informing Samples

To test the optimal maximum number of samples at the Project, single blocks within various domains for Au grades were assessed. A range of maximum sample numbers, adjusted in 2-4 sample count increments up to 40 samples, was assessed for regression slope and kriging efficiency, with results graphically shown in **Figure 4-32** and **Figure 4-33**.

Figure 4-32 Number of Samples Analysis Chart – HG Striker and Midfield Zones

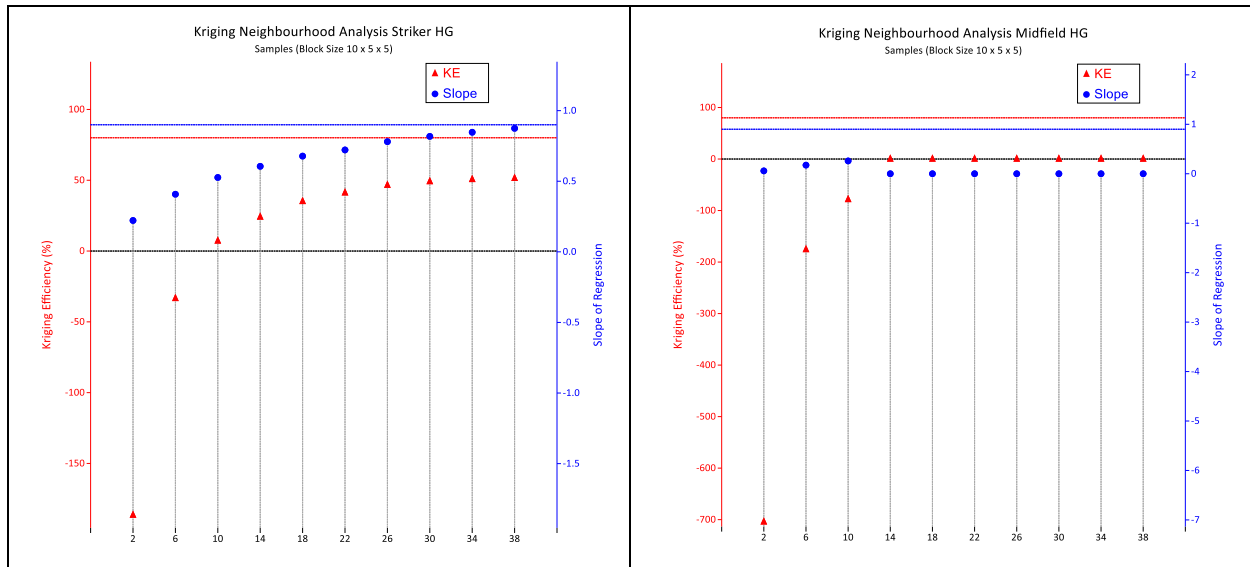
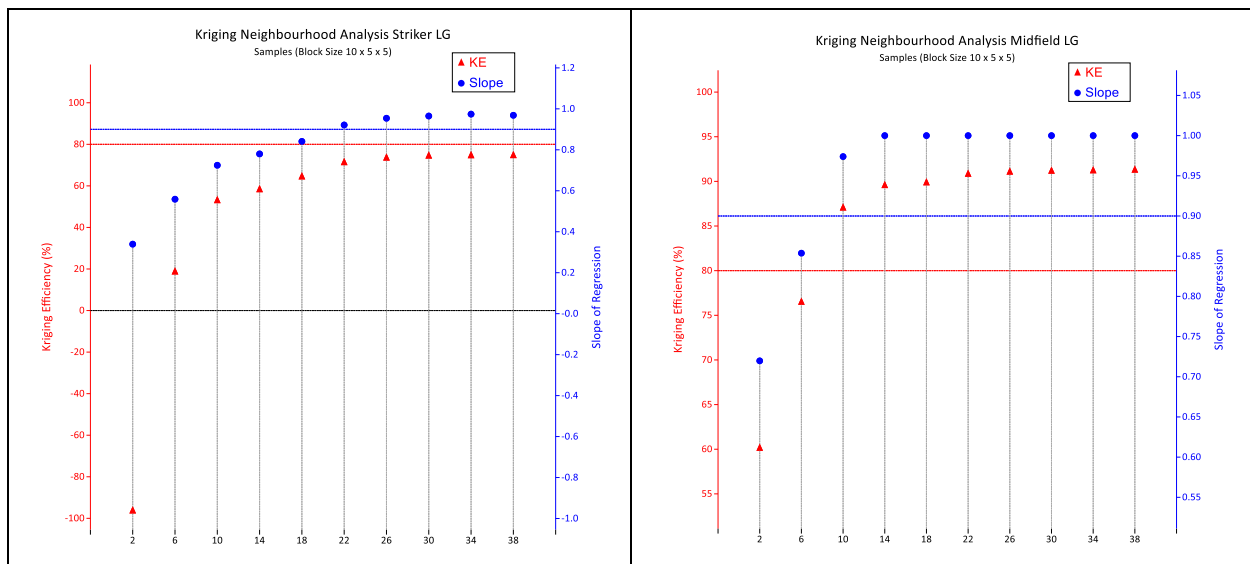


Figure 4-33 Number of Samples Analysis Chart – LG Striker and Midfield Zones



The above chart indicates that the regression slope and kriging efficiency declined at less than 6 samples, and no improvement was measured at greater than 12 samples, so these values were selected as the minimum and maximum samples in the estimate.

4.8.1.3 Search Distance

To test the optimal search distance, blocks within various domains were assessed using the minimum and maximum samples determined above. A range of search radii was assessed for regression slope and kriging efficiency, and Midfield and Striker HG zones are summarised in **Figure 4-34** while low-grade zones are summarised in **Figure 4-35**.

Figure 4-34 Search Range Analysis Chart – HG Striker and Midfield Zones

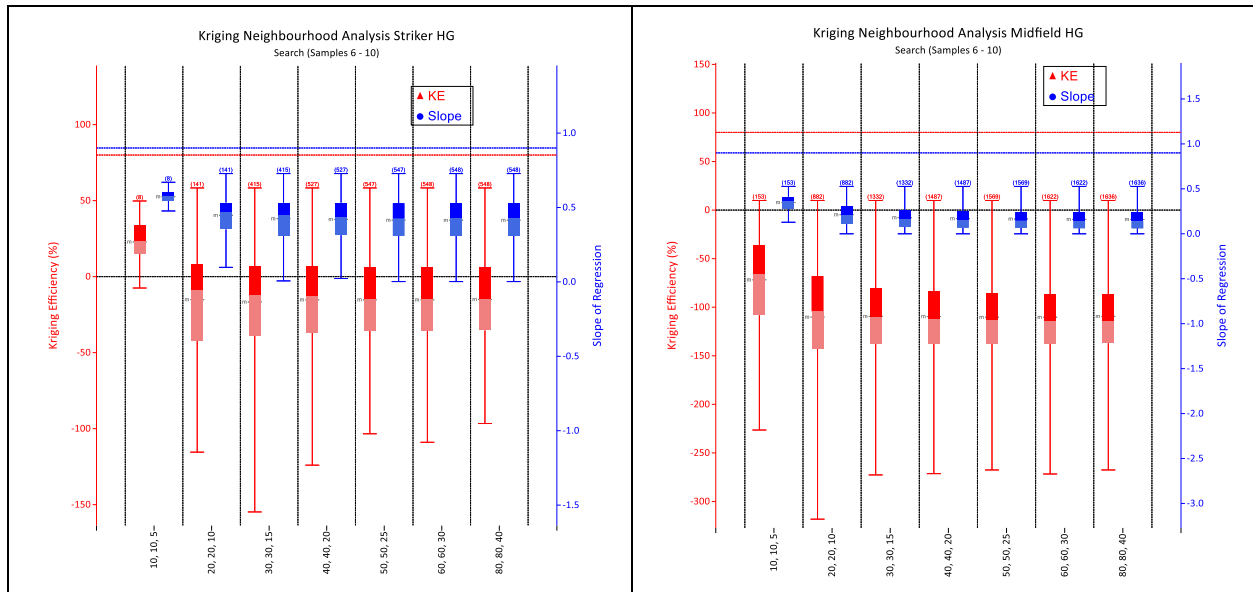
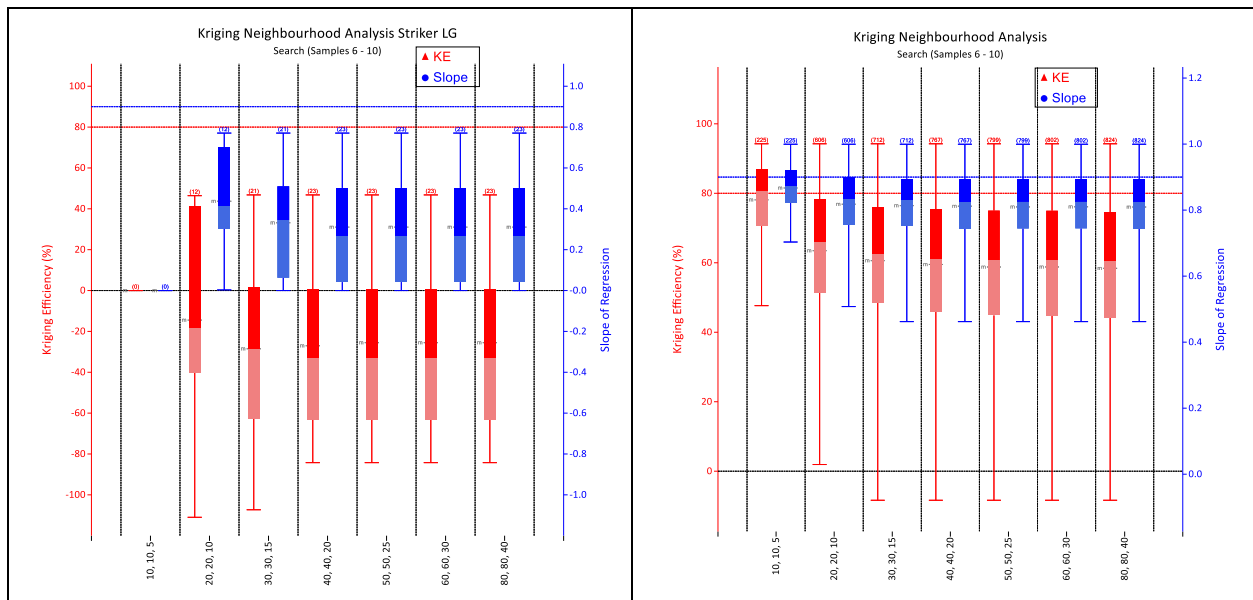


Figure 4-35 Search Range Analysis Chart – LG Striker and Midfield Zones



Typically, the larger the search ellipse, the greater the slope of the regression, although improvements in slope will normally flatten out beyond a certain search distance. In the case of Bayan Khundii, there was little difference in measured quality in the various search distances. The main part of the deposit was drilled with 20 m hole spacing and 20 m section spacing. As a consequence, the maximum search range selected

was 30 m, which was the typical hole spacing in the majority of the deposit. The first pass search ellipse was 30 m (major) by 27 m (semi-major) by 7.5 m (minor). This was approximately the 80% of total range of the variograms for well-informed domains.

SLR also reviewed the block discretisation and no significant variation occurs at any chosen parameters.

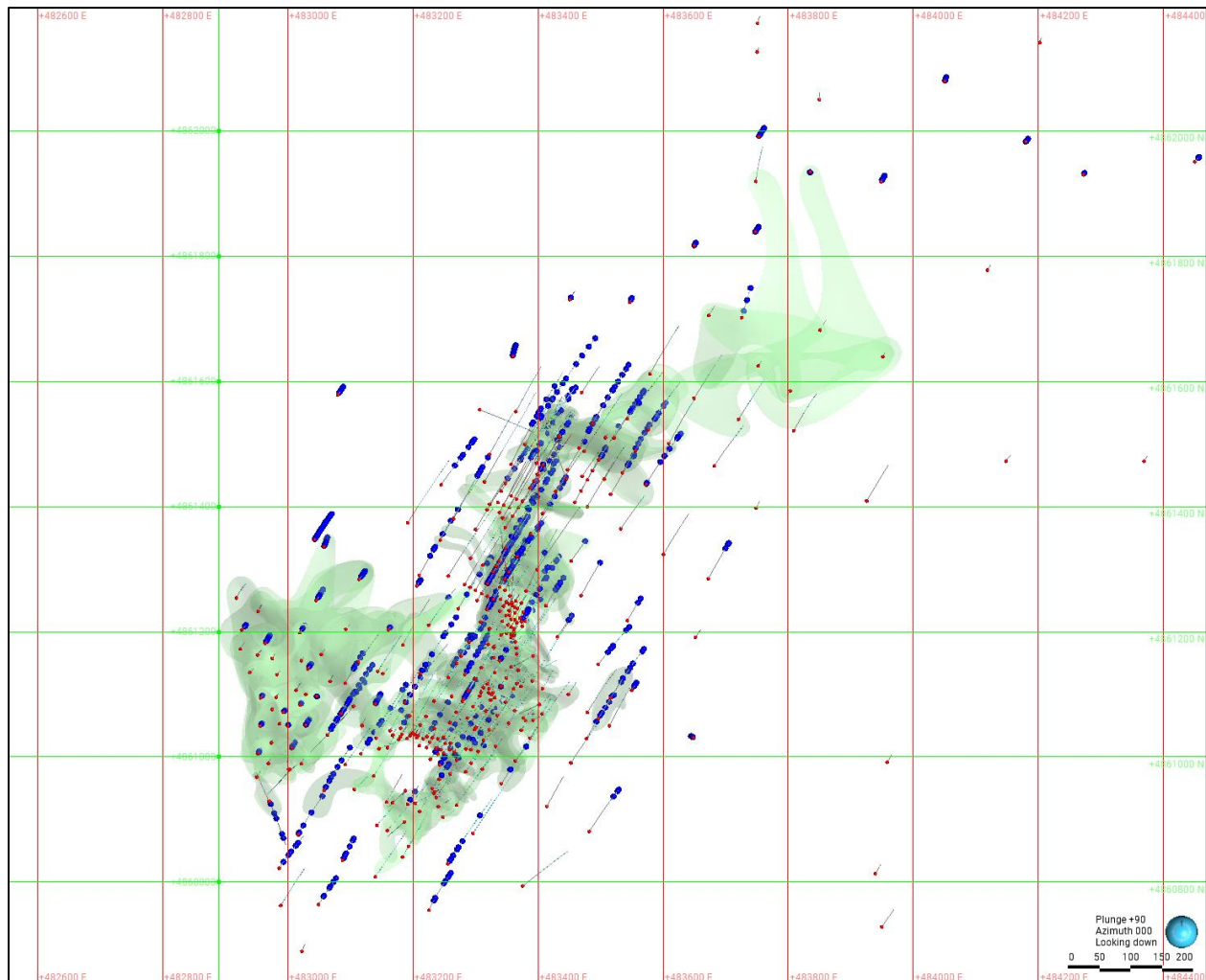
4.9 Bulk Density

ERD collected a total of 1,043 bulk density measurements from drill core in 135 of 381 holes during the 2016 – 2017 drilling programs, using the water-immersion technique. The distribution of density data at the BK deposit is shown in **Figure 4-36**.

Bulk density determinations were completed on pieces of drill core generally 10 to 15 centimetres in length. Determinations were completed using an industry method that involved weighing the sample in air and then in water (the “Archimedes method”).

SLR considers that these procedures would result in determinations that are representative of the underlying geology and, consequently, are representative of the deposit.

Figure 4-36 Density Data Distribution (Blue dots)



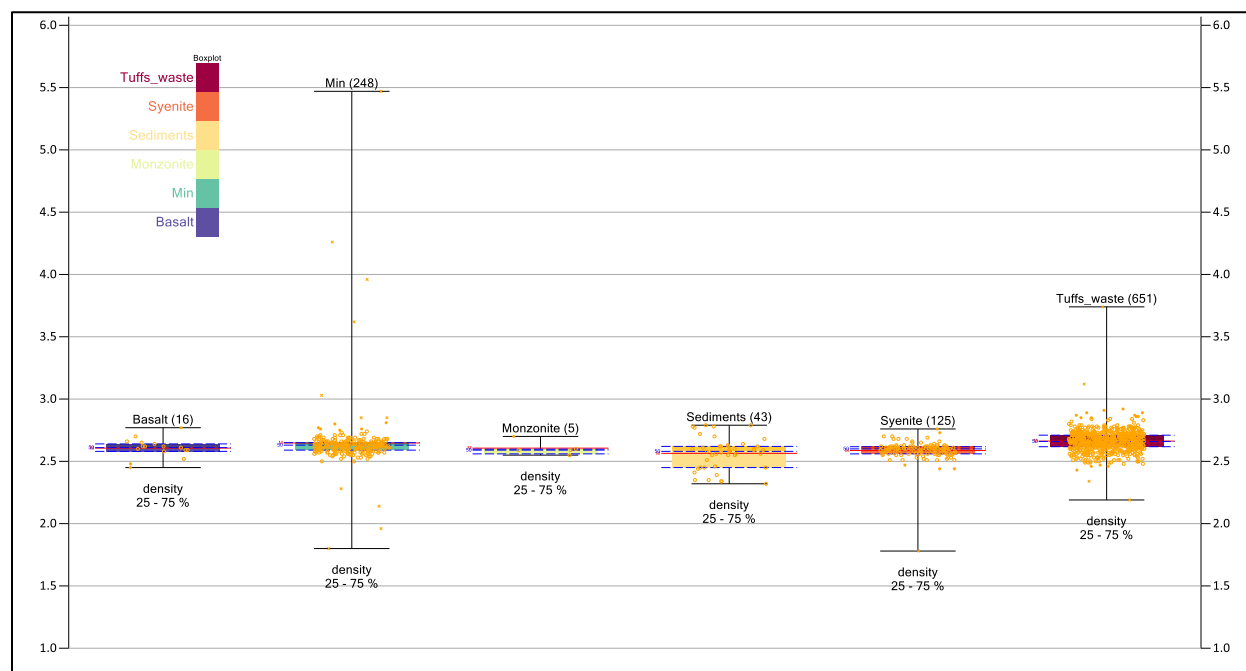
SLR extracted density measurements from the database and subdivided them into mineralised and non-mineralised. Bulk density values falling outside the mineralisation domains were further separated per modelled lithology domains. The results are tabulated in **Table 4-10**.

Table 4-10 Bulk Density Summary

Lithology	All	Tuffs		Basalt	Monzonite	Sediments	Syenite
Domain		Mineralisation	Waste				
Samples	1,043	248	606	16	5	43	125
Minimum	1.78	1.80	2.19	2.45	2.55	2.32	1.78
Maximum	5.47	5.47	3.74	2.77	2.70	2.79	2.76
Mean	2.65	2.65	2.66	2.61	2.61	2.56	2.59

The bulk density value assigned to the waste lithology was derived from **Table 4-10**. The box and whisker plots by mineralisation and lithology domains are provided in **Figure 4-37**.

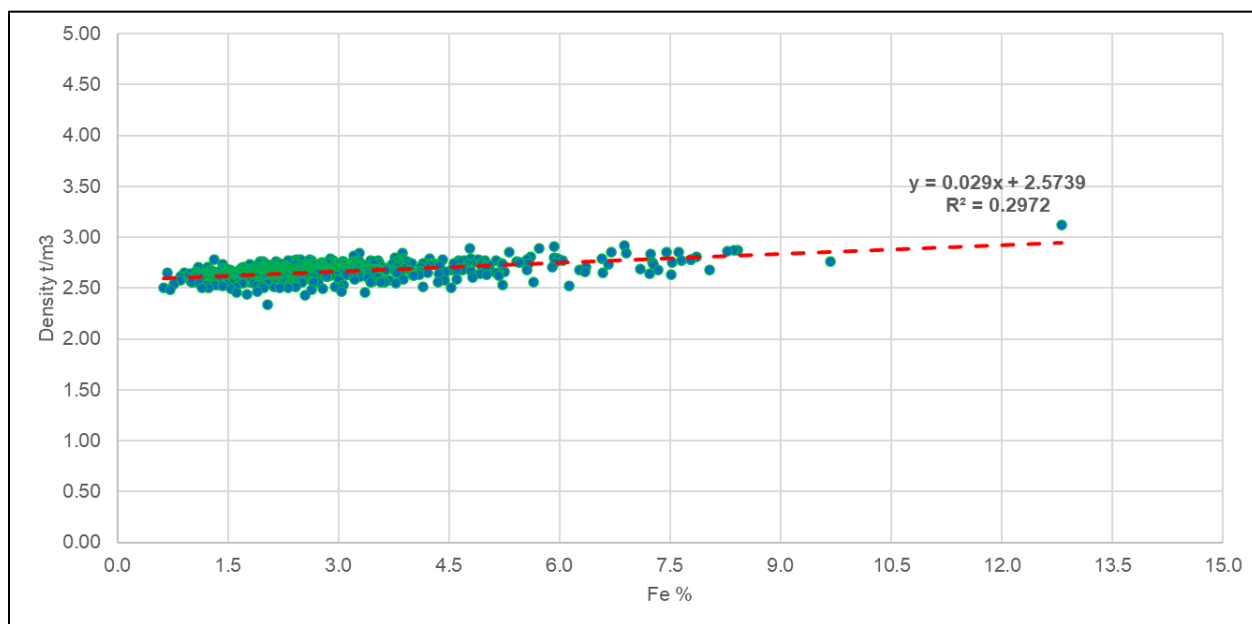
Figure 4-37 Box and Whisker Plot – Density



A larger density variance was observed in the mineralisation, ranging from 1.8 t/m³ to 5.47 t/m³, with an average of 2.65 t/m³. Further analyses were conducted to understand the density variance within the mineralisation domains.

Firstly, the correlation analysis was completed between density and Au and Fe grades. The correlation coefficient is moderate to strong (0.54) against the Fe % assays, while other elements are uncorrelated. After review, it can be concluded that higher density values were mostly attributed to iron content as specular hematite alterations overprinting the mineralisation. SLR then calculated the linear regression for density, and Fe % grade, and a scatter plot is shown in **Figure 4-38**.

Figure 4-38 Linear Regression for Density and Fe % grade



It appears that the deposit's density is likely variable due to the iron content, resulting from hypogene hematite alteration, or because many specular or other hematite types were logged in the drill holes, which is consistent with the observed trends in the data. As a result, SLR utilised Fe regression to estimate density rather than using average values in mineralised areas.

The regression equation from **Figure 4-38** above were applied to all mineralisation ($\text{pod_Im} > 0$) in the block model. The bulk density estimation approach within the block model is tabulated in **Table 4-11**.

Table 4-11 Bulk Density Calculation Approach in the Block Model

Type	Bulk density (t/m ³)
Mineralisation	equation : $(0.029 \cdot \text{Fe}\%) + 2.5739$
Waste	average density per modelled lithology

To assess the global suitability of the equations, SLR compared average density values with the regression formula. The average density within mineralisation domains was 2.65 t/m³ while the regression calculated a global average of 2.64 t/m³. Globally, there is no material difference across methodologies, while most variation will occur locally. Therefore, SLR considered it appropriate to utilise the linear regression between Fe and density to estimate density values within the block model.

SLR considers the data spacing sufficient to ensure no material issues would result from additional data on a local scale, and, as such, considers the classification applied to be suitable. SLR recommends, however, that the Client continue recording density measurements, ensuring that measurements cover a variety of Fe grades to further refine the regression equation.

4.10 Block Models

A single block model was generated and coded with wireframes of the estimation domains, and the lithology model described in **Section 4.3**. A parent block size of 5 mY x 10 mX x 4 mZ was selected based on the average drill hole spacing of roughly 50 m. KNA was also performed to ensure an appropriate block size was selected. A minimum sub-block size of 1.25 mY x 1.25 mX x 1 mZ was selected to appropriately reflect the geometry and volume of the estimation domains, whilst maintaining a practical block model file size. The block model is rotated 330° NW to match the overall modelled strike of mineralisation. The bayan Khundii block model parameters are listed in **Table 4-12**.

Table 4-12 BK Block Model Parameters

Model Name	bk_ok_20260312.mdl		
	Y	X	Z
Minimum Coordinates	4,861,000	482,600	900
Maximum Coordinates	4,862,550	483,600	1300
Block Size (Sub-blocks)	5 (1.25)	10 (1.25)	4 (1)
Rotation	30° anti-clockwise about the Z-axis		
Attributes:			
au_cut_idw	capped idw estimated Au g/t grade		
au_cut_ok	capped, ordinary kriging estimated Au g/t grade		
au_cut_nn	capped, nearest neighbour estimated Au g/t grade		
au_uncut_idw	uncapped idw estimated Au g/t grade		
au_uncut_ok	uncapped, ordinary kriging estimated Au g/t grade		
au_uncut_nn	uncapped, nearest neighbour estimated Au g/t grade		
ag_cut_idw	capped idw estimated Ag g/t grade		
ag_cut_nn	capped, nearest neighbour estimated Ag g/t grade		
ag_cut_ok	capped, ordinary kriging estimated Ag g/t grade		
ag_uncut_ok	uncapped, ordinary kriging estimated Ag g/t grade		
fe_ok	ordinary kriging estimated fe % grade		
ave_dis	average distance to samples		
bd	bulk density		
bvar	block variance		
class	resource classification, mea-measured, ind-indicated, inf-inferred		
ke	kriging efficiency		
kvar	kriging variance		
min_dis	minimum distance to sample		
num_sam	number of informing samples		
pass_element	estimation pass		
pod_lm	object number of wireframe (pod 601-713 LG domains, 101-409 HG domains)		
type	air, waste, min		
mined	yes or no		
lic	inside license or outside license		
lith	tuff, syenite, sediments, monzonite, basalt and air		
dip	dip angle of mineralisation domains		
dip_dir	dip direction of mineralisation domains		

4.11 Block Model Validation

4.11.1 Estimation Quality

The quality of the kriging estimate can be assessed using the kriging variance (KV) and the slope of the regression (Slope) parameters calculated during kriging estimation. Overall, the regression slope is reasonably high (refer to **Table 4-13**), indicating that the estimated high and low grades correspond accurately to the true high and low grades, suggesting a reasonable quality estimate that aligns with the

wireframing strategy. KV was high, indicating that estimated blocks have limited sample coverage, which is probably caused by the separation of high and low-grade domains used as a hard boundary in the estimate.

Table 4-13 Bayan Khundii Quality Parameters Summary

Class	KE	Kvar	SoR
Measured	0.25	0.60	0.72
Indicated	0.09	0.73	0.59
Inferred	-0.05	0.86	0.40

The results in **Table 4-13** show the clear improvement in quality parameters in the Measured and Indicated portions of the Mineral Resource. The increasing quality of estimation with increased classification is evident in the data, supporting the classification applied to the Mineral Resource. The slope of regression in particular is good in the Measured portions demonstrating that the estimated block grades have good correlation with the theoretical true block grades.

At the current spacing and with the short-scale variability measured by the variograms, the majority of the blocks have recorded high KV and low KE within <10 m from the drill holes. The quality parameters clearly show that closer-spaced drilling is needed in the majority of the deposit to ensure reliable local grade estimation.

4.11.2 Block Model Validation

4.11.2.1 Visual Validation

Visual validation provides a comparison of the interpolated block model on a local scale. A thorough visual inspection has been undertaken in 3D, comparing domain sample grades with the block grades in the corresponding modelled mineralisation domains.

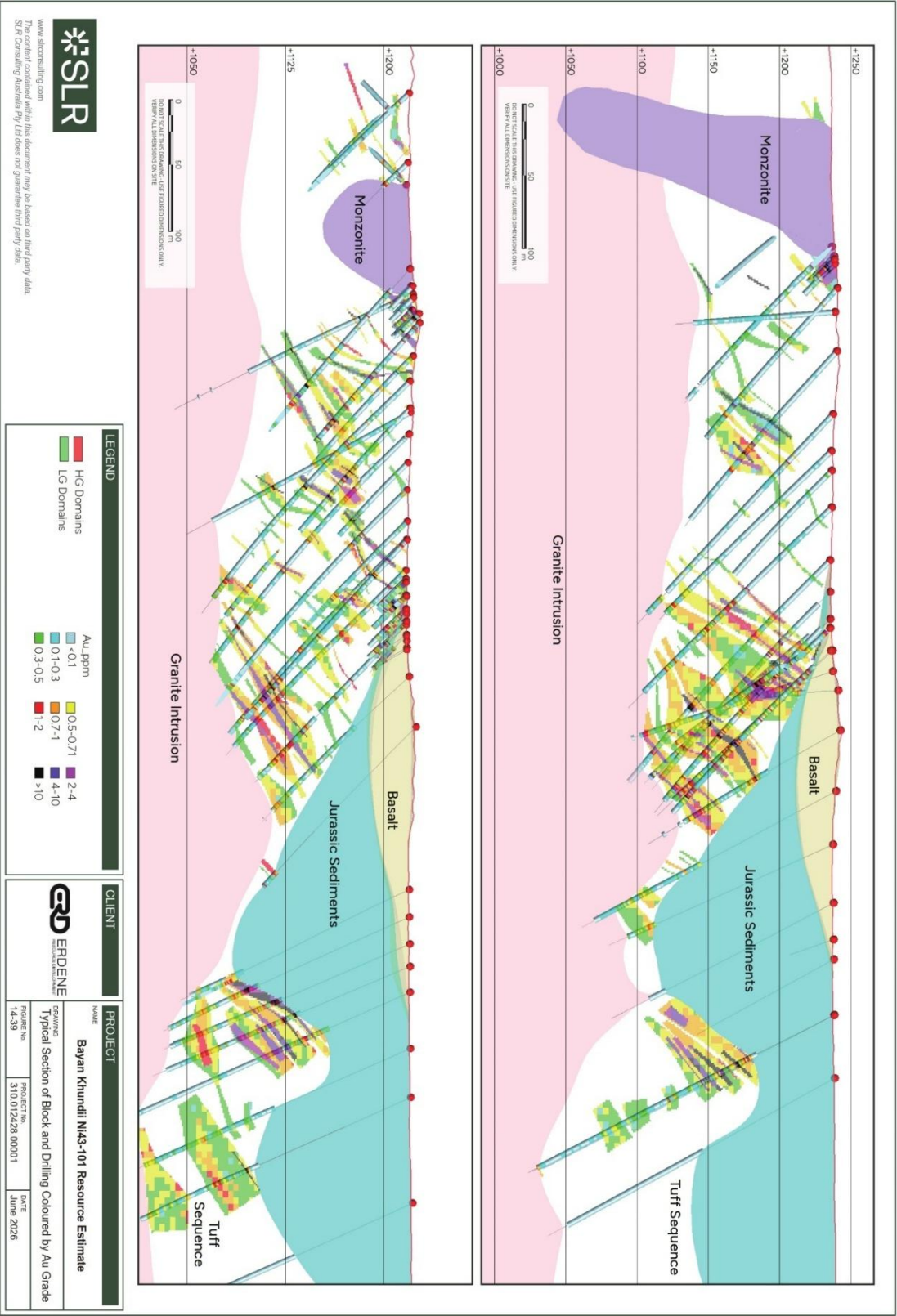
These visual checks generally demonstrate a strong correlation between local block estimates and nearby samples, without excessive smoothing in the block model. The use of a hard boundary between the high-grade vein and low-grade domains has resulted in an abrupt transition between zones of differing orientation, which is reflective of the nature of the BK mineralisation, rather than a gradational reduction in grade at high-grade vein and low-grade contacts. In all cases, the estimated block grades show good reproduction of the composites and were reasonably interpolated.

Examples of visual validation of the Au estimate in the section are provided in **Figure 4-39**.

4.11.2.2 Global Mean Grade Comparison

The mean Ordinary Kriging, Inverse distance and Nearest neighbour estimated block grades for each domain have been compared to the mean of the capped composite samples on which the estimate was based. The results show that, for the largest domains, the block estimate means are closely correlated with the capped composite means, typically within 10%. Greater disparities are evident in some cases for some of the smaller domains. This is considered a function of the sparsity of the data available for estimating these domains.

Figure 4-39 Typical Section of Block and Drilling Coloured by Au Grade



4.11.2.3 Swath Plot Analysis

Swath plot analysis is a comparison of average composite grades and average block model grades along X, Y and Z directions within specified distance windows (or swaths). Swath plots were completed for Au and Ag in X, Y and Z directions for the high and low grade domains separately.

The charts show input composite grades (red line) compared to block estimates (variously coloured lines). The total volume of estimated blocks within each window is shown as histogram bars on the charts. The trend analysis results for Au and Ag for high-grade and low-grade domains are shown in **Figure 4-40** to **Figure 4-43**.

In general, swath plots for all estimated attributes demonstrate a reasonable correlation between composite and block grades. Those windows where the relationship shows a lower correlation generally correspond to windows with low sample counts, and therefore, confidence in the estimate is lower. The QP is of the opinion that the swath plots broadly support the estimated block grades.

In addition to the kriging estimate, the nearest-neighbour and inverse-distance-weighted interpolated grades also show consistency between the methods. As a result of the validation, SLR considers the estimate to be representative of the composites and is indicative of the known controls of mineralisation and the underlying data.

Figure 4-40 Swath Plots Validation (HG Domains) – Au ppm

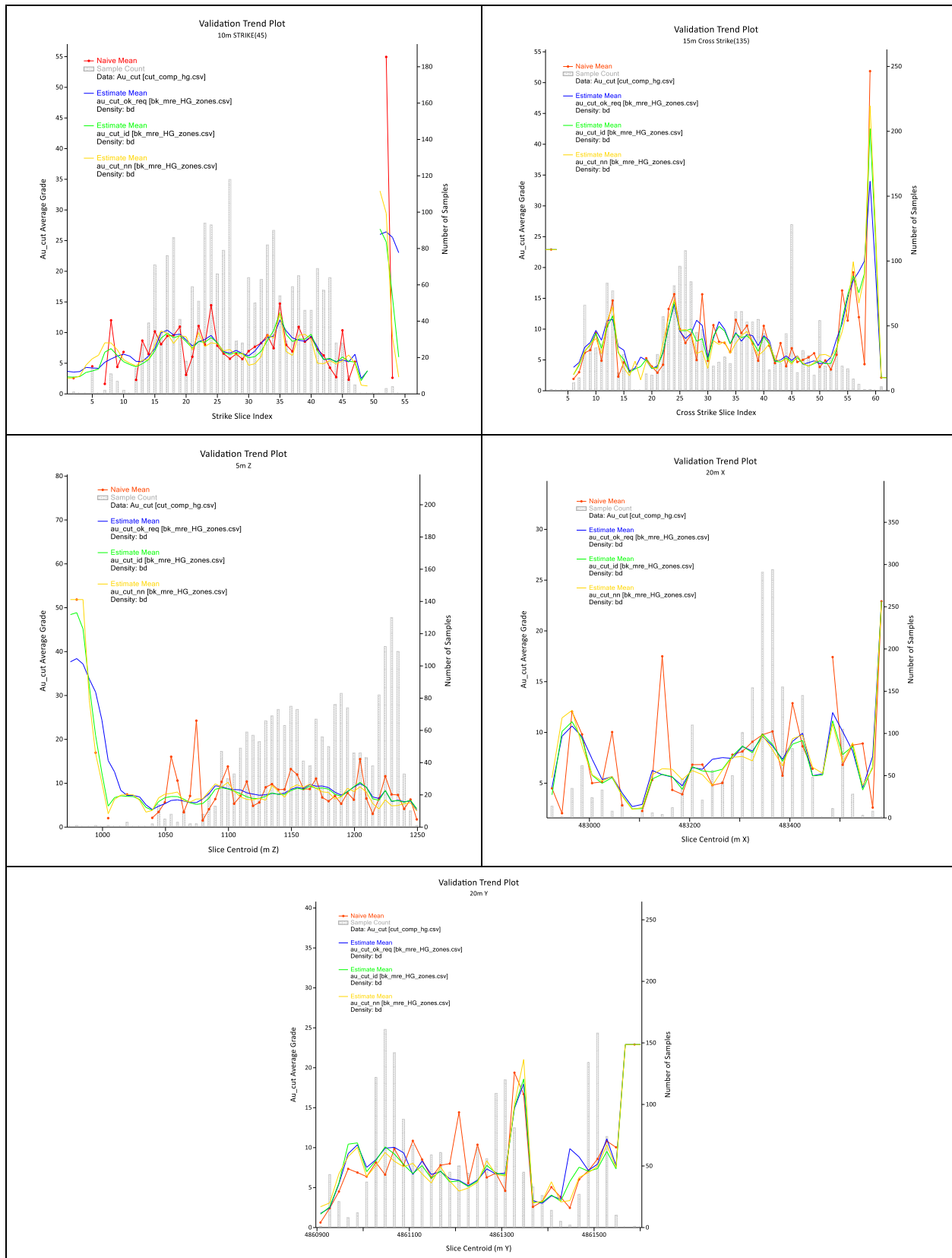


Figure 4-41 Swath Plots Validation (LG Domains) – Au ppm

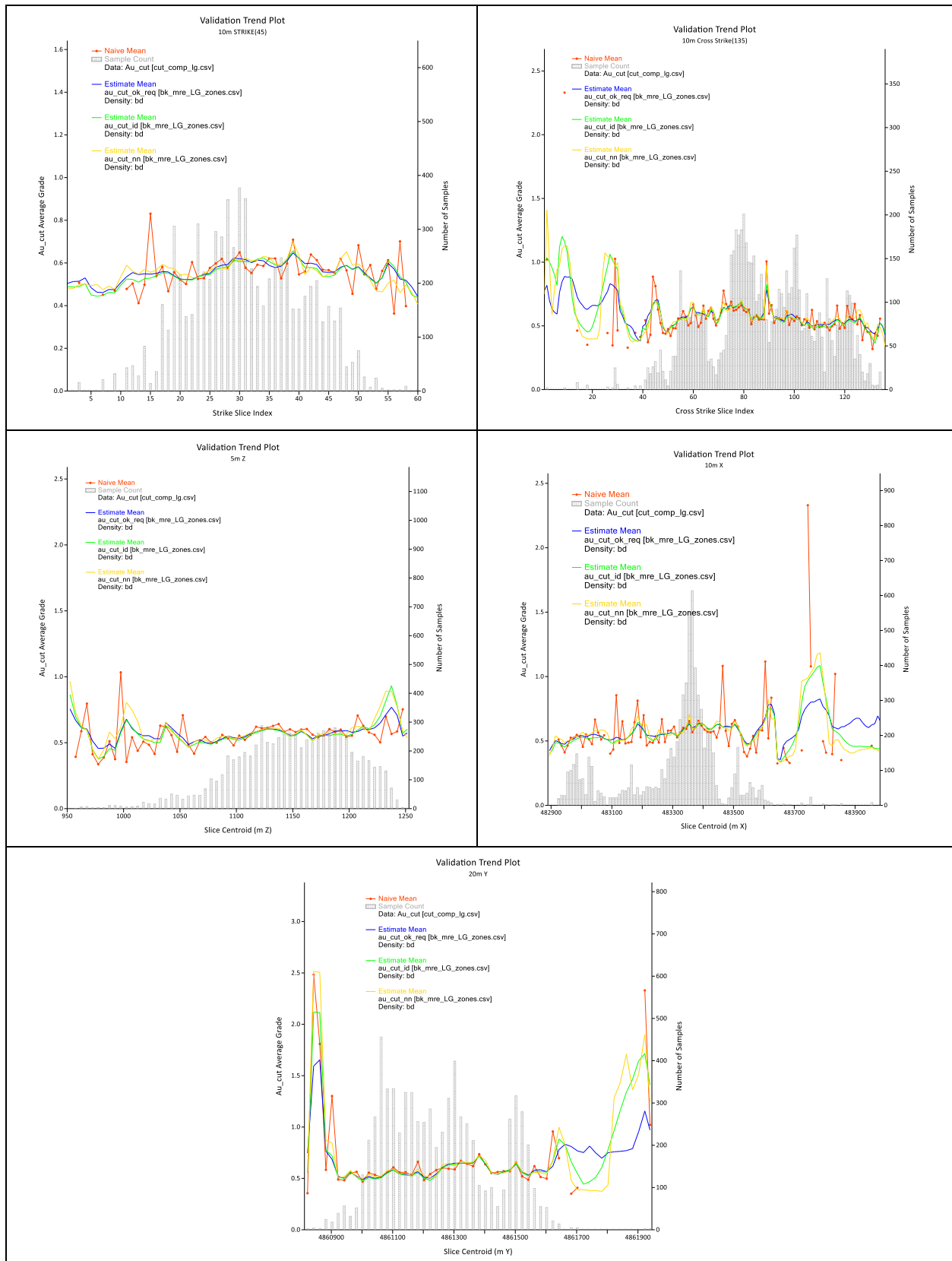


Figure 4-42 Swath Plots Validation (HG Domains) – Ag ppm

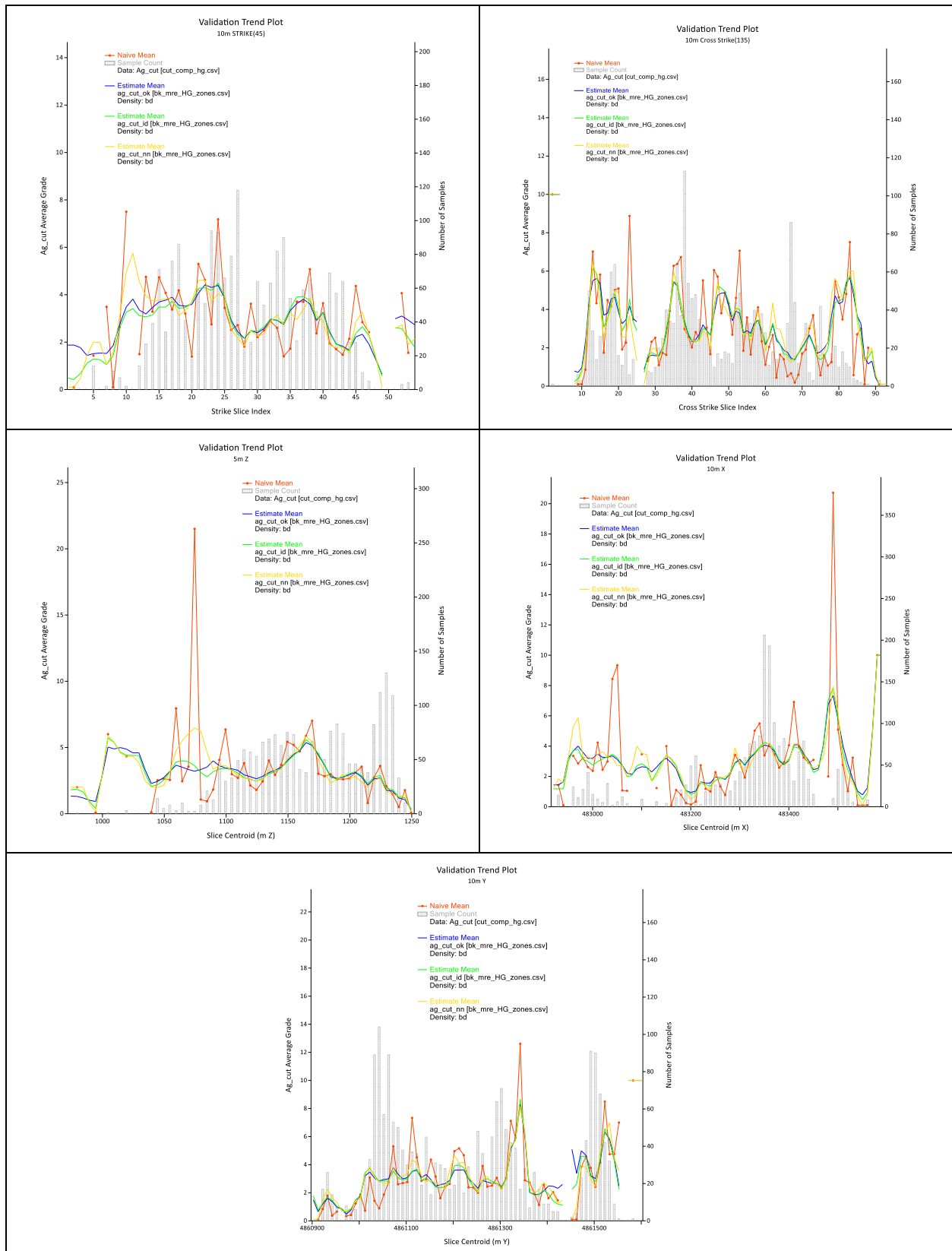
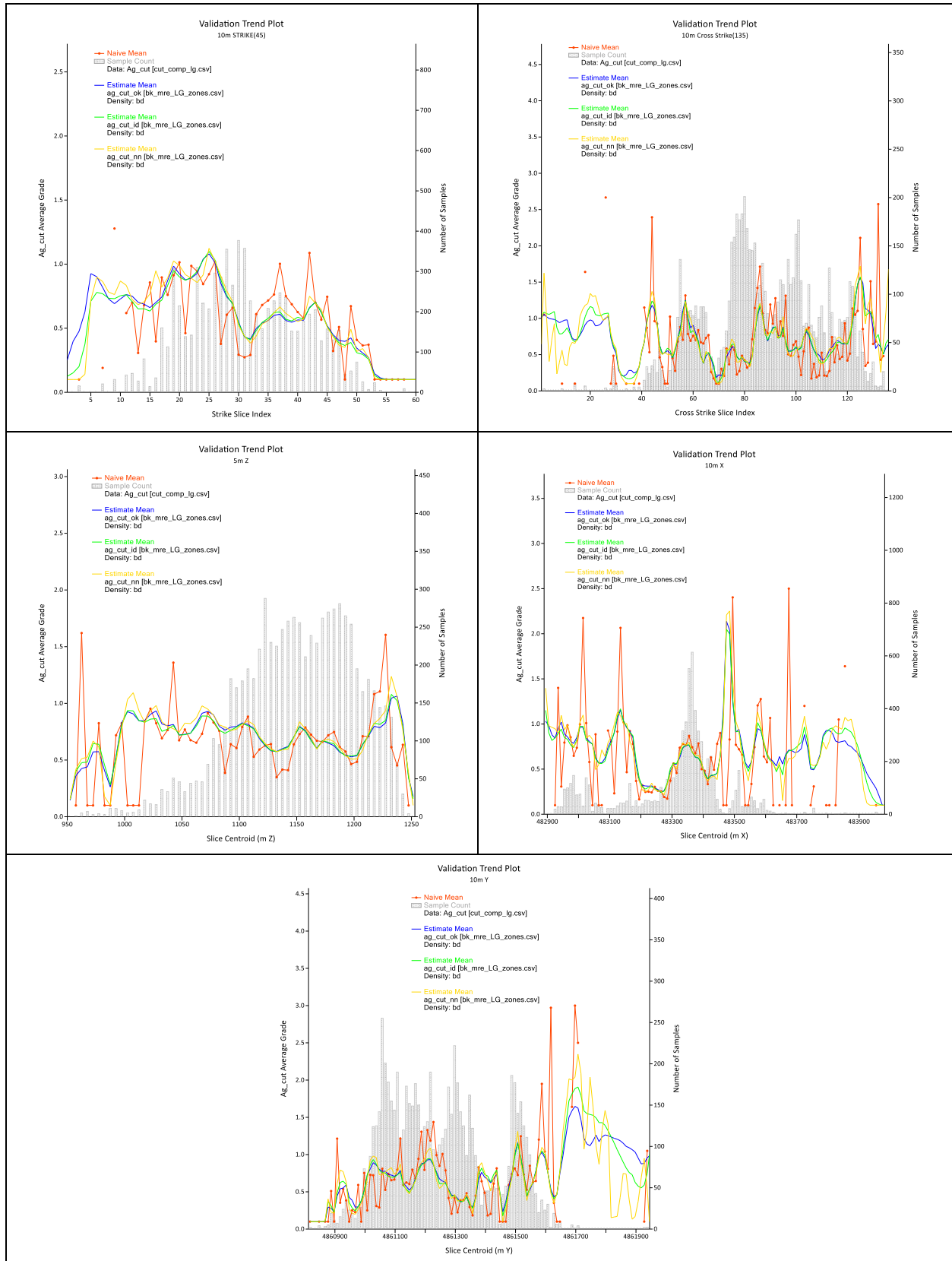


Figure 4-43 Swath Plots Validation (LG Domains) – Ag ppm



4.12 Classification

The confidence categories that were applied to the entire Bayan Khundii block model are in accordance with the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves. Mineral Resource classification is typically a subjective concept. Industry best practices suggest that resource classification should consider both the confidence in the geological continuity of the mineralised structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates.

The Mineral Resource classification was based on a hybrid approach that primarily considered drill hole spacing and the spatial variability as observed in the normal-score variogram of Bayan Khundii's most notable domains.

Drill hole spacing was defined based on sample data and created buffer zones to understand domain continuity. To assess spatial variability, normal-score variograms were computed for the largest domains of the Striker and Midfield zones. While not all domains produced a coherent experimental variogram, those that did showed that sample variability reached 65% of the sill at 20 m and 85% of the sill at 50 m.

These findings were confirmed through visual inspection, which indicated that sample grades within 20 m showed the strongest correlation, while sample grades within 50 m showed reasonable correlation with some degree of smoothing, and samples further apart exhibited weaker grade continuity.

The additional approach undertaken by SLR in the classifying portion of the estimated block model is outlined below as follows:

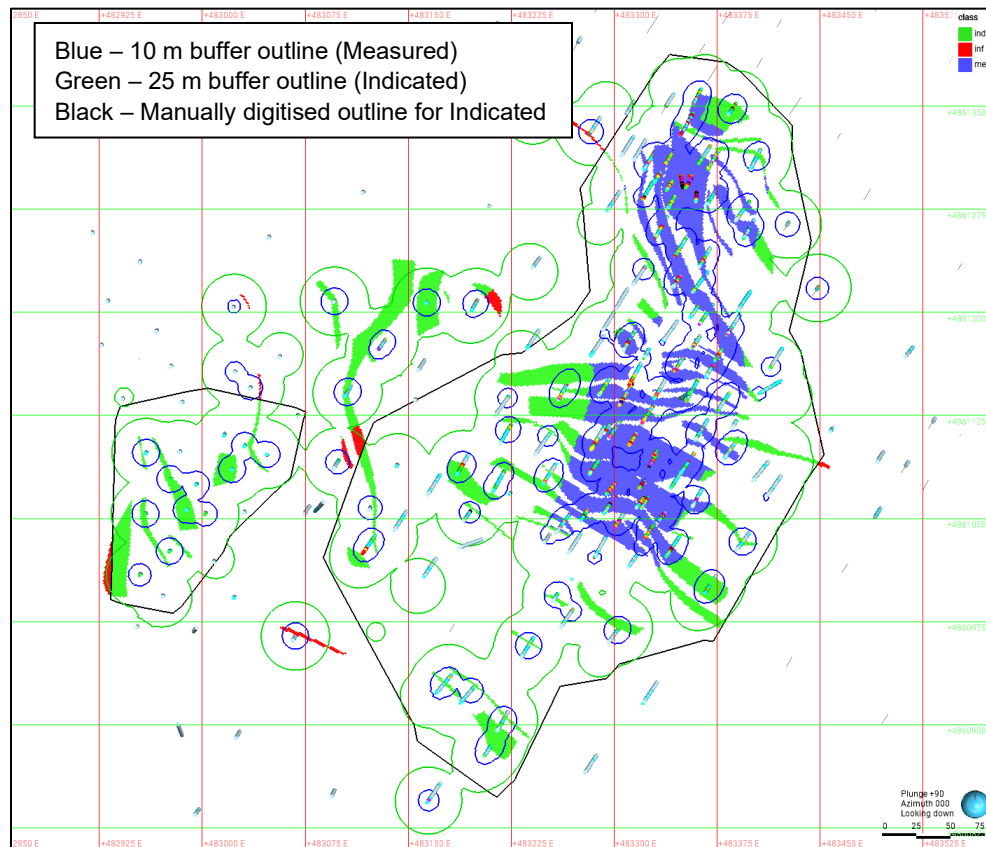
- The classification was considered for each individual domain separately. All the high-grade domains were combined with their respective low-grade domain objects prior to the analysis.
- The first pass resource classification based on the 20 m and 50 m buffer zones rules defined for each category often resulted in regions where a spotty pattern of a few isolated higher confidence blocks is surrounded by lower confidence blocks and vice versa. Consequently, a manual smoothing step was followed to digitise the outline at the bench level, and these outlines were used to create wireframes of the class. A plan view of buffer zones and digitised outlines at a certain bench level is shown in **Figure 4-44**.
- Good confidence in the trend of the domain and the shape of the domain in long sections to be geologically sound, not erratic.
- Availability of the density data and its spatial coverage
- Analysis of the QAQC data
- Confidence in the estimate of the mineralised volume
- The result of the model validation

On this basis, Measured Mineral Resource was confined within areas of close-spaced diamond drilling of 20 m by 20 m or less, where geology was demonstrated to be excellent with at least 4 drill intersections. This 20 m spacing is equivalent to approximately 65% of the total sill. The Measured Mineral Resource was extrapolated 10 m past the last drill intersection.

Indicated Mineral Resource was confined within areas of close-spaced diamond drilling of 50 m by 50 m or less. In these areas, domains were supported by a reasonable number of drill holes, the distribution of estimated Au grade was relatively predictable and not overly erratic, and there was strong confidence in the domain trend. This 50 m spacing is equivalent to approximately 85% of the total sill of well-informed domains. The Indicated Mineral Resource was extrapolated up to 20 m past the last drill intersection.

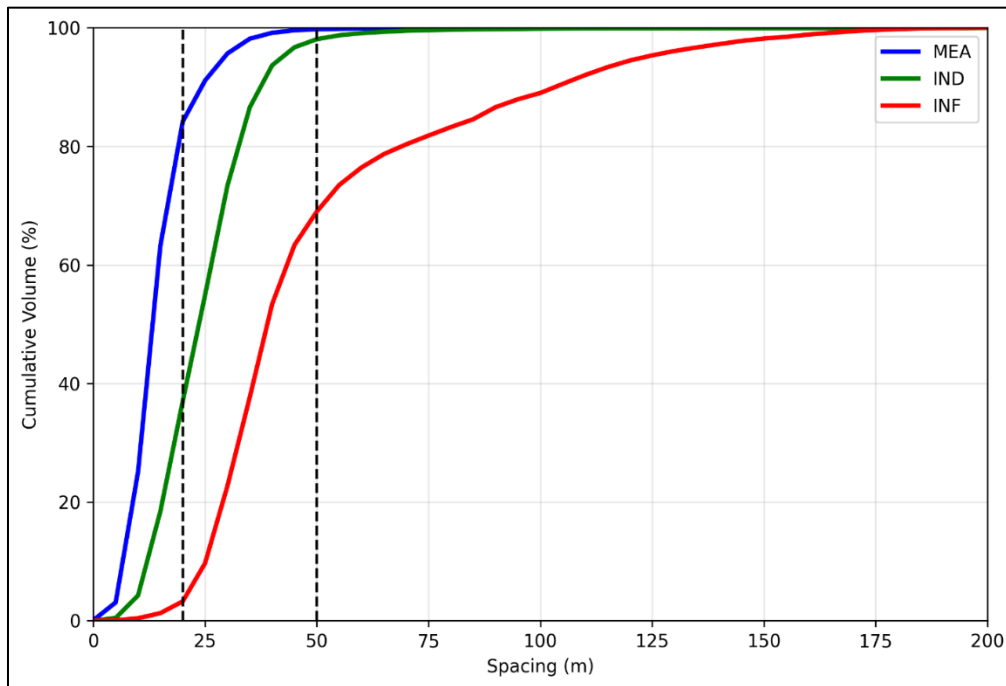
The remainder of the Mineral Resource was classified as Inferred, where the continuity of the mineralised zones was confirmed with extensional drilling or to small pods of mineralisation outside the main zones, and to geologically complex zones.

Figure 4-44 BK Mineral Resource Classification Approach at 1,180 mRL



To further support the classification approach, sample spacing was calculated for the blocks within each estimated domain. The cumulative frequency of block drill hole spacing is shown for mineralised blocks in **Figure 4-45**, demonstrating that 83% of the Measured blocks have sample spacing below 20 m, while almost 95% of the Indicated blocks have sample spacing below 50 m.

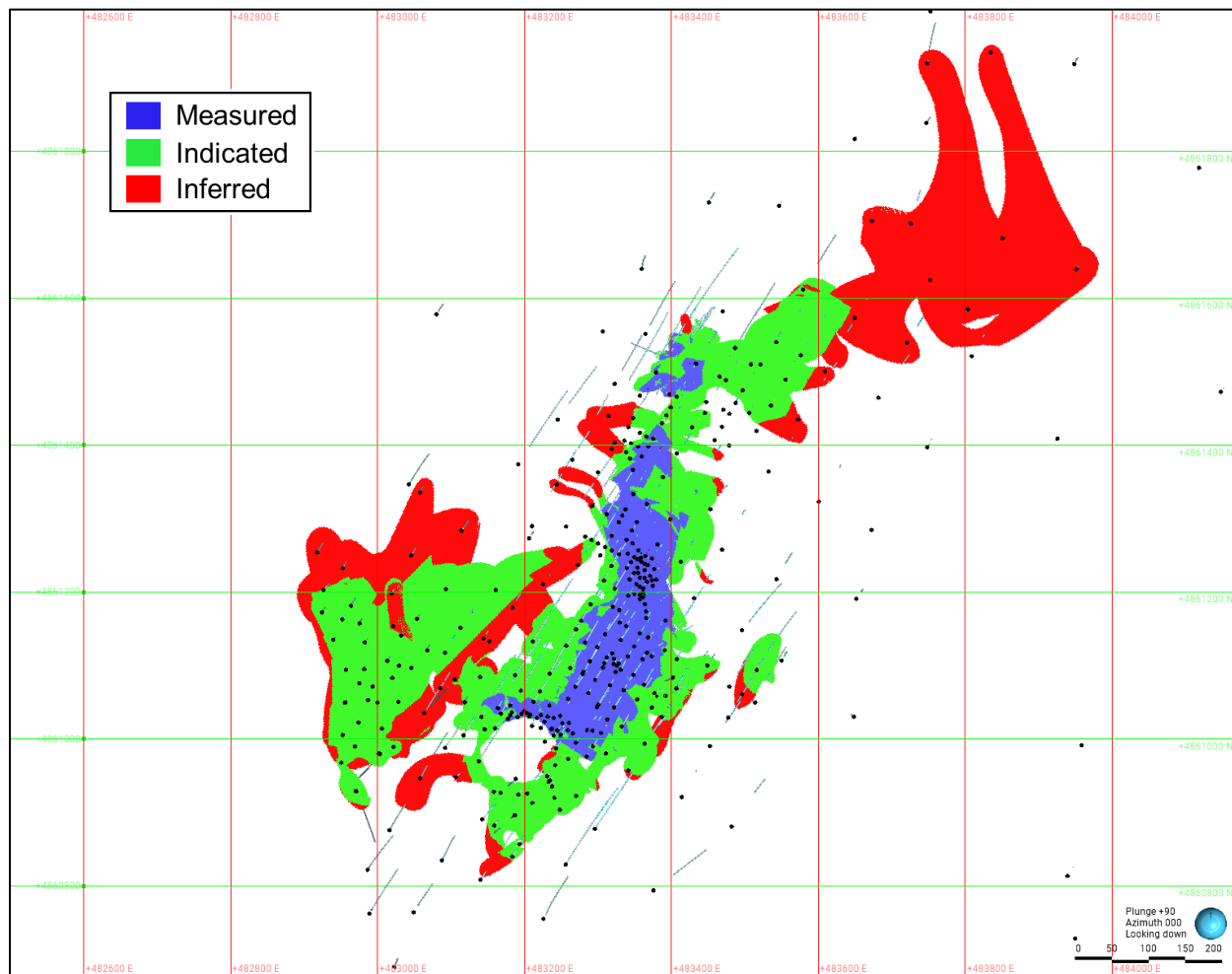
Figure 4-45 Sample Spacing Cumulative Frequency by Class for BK Block Model



Additionally, estimation quality, as defined by kriging efficiency (KE) and regression slope (SR), was evaluated to determine whether they could serve as quantitative methods for classification. The KE and SR were reasonable (0.3 and 0.7 overall, respectively) in the Measured Resource portions, demonstrating that the estimated block grades correlate reasonably well with the theoretical true block grades. It is worth noting that even in well-drilled areas at the deposit, blocks have lower KE and, in some cases, negative values within 10 m of drill holes. This was considered to be the result of variable assay data at close spacing and the relatively high variance, as measured by the variogram (85% of the variance at a separation distance of less than 50 m). Overall, the kriging quality parameters support the classification applied. The kriging quality parameters are discussed in more detail in **Section 4.11.1**.

The Plan view of the classified BK block model is shown in **Figure 4-46**.

Figure 4-46 Mineral Resource Classification – Bayan Khundii



Internal audits have been completed by SLR, which verified the technical inputs, methodology, parameters and results of the estimate. The mineralisation geometry and continuity have been adequately interpreted to reflect the applied level of Measured, Indicated and Inferred Mineral Resource.

4.13 Cut-Off Grade and Optimisation Parameters

CIM Definition Standards require reported Mineral Resources to have reasonable prospects for eventual economic extraction (RPEEE). SLR consider that this was demonstrated in the Feasibility Study completed in 2023. The business case mine plan indicated a positive NPV.

The Bayan Khundii mine is a precious-metal CIP operation that produces gold and silver doré. Mining commenced in the second half of 2025. To assess a reasonable prospect for eventual economic extraction by open pit mining at Bayan Khundii, a conceptual pit shell was prepared by SLR using economic criteria that would pay for mining, processing and general administration costs. The following parameters were used to define the RPEEE shape and grade cut-off:

- Metal price, SLR notes that this is based on assumed prices of US\$ 3,900 per oz Au and US\$ 40 per oz Ag
- Mining cost of US\$ 2.76 per tonne
- Mining dilution of 10% and loss factor of 2.5 %

- Processing cost of US\$ 25.56 per tonne milled,
- General administration cost of US\$ 1.5 per tonne
- Processing recoveries of 93% Au and 55% Ag
- Royalty of 6%
- Refining cost of US\$ 5 per oz
- Optimised pit using 45° overall slope angles

The cost and price assumptions are based on current CIP processing, actual production and financial data provided by ERD, and thus, the parameters are sufficiently accurate and considered reasonable by QP for resource estimation.

From these inputs, it was estimated that a break-even cut-off grade of 0.27 g/t Au for all mineralisation, which would cover the RPEEE shape cut-off costs stated above.

Whittle optimised pit shell (20260312_rf100.dtm) for the Bayan Khundii deposit is shown in **Figure 4-47** and **Figure 4-49**.

Figure 4-47 BK Block Model Showing US\$ 3,900/oz Au and US\$ 40/oz Ag Pit Shell – Plan View

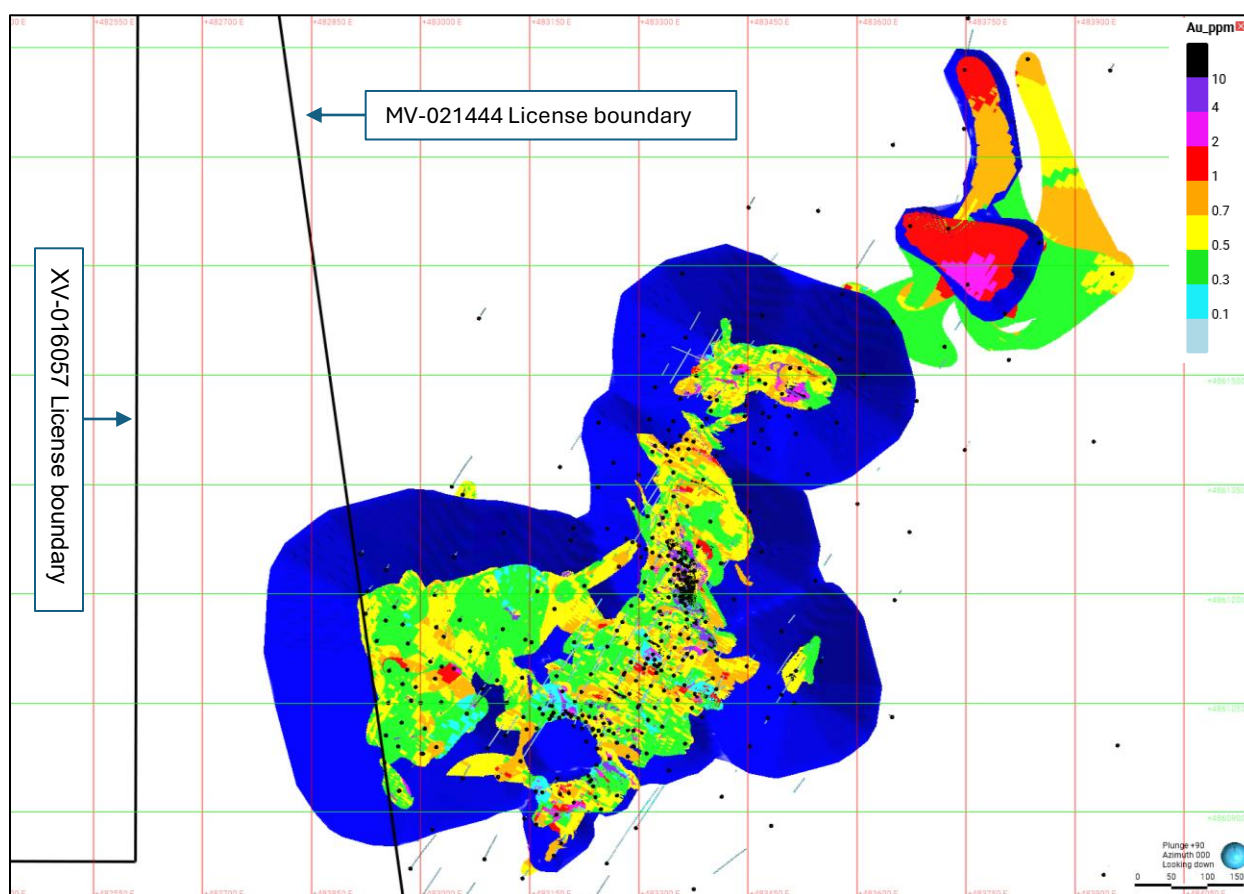


Figure 4-48 BK Block Model Showing US\$ 3,900/oz Au and US\$ 40/oz Ag Pit Shell – Looking NW

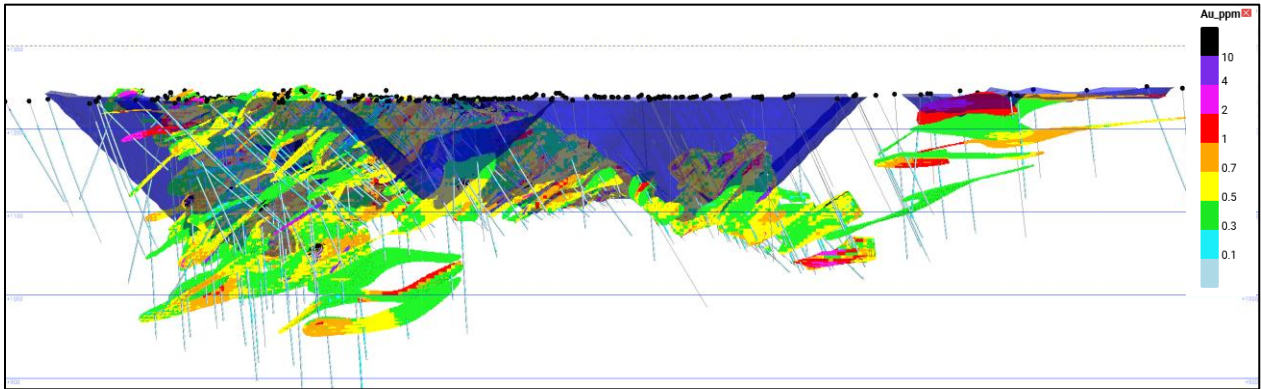
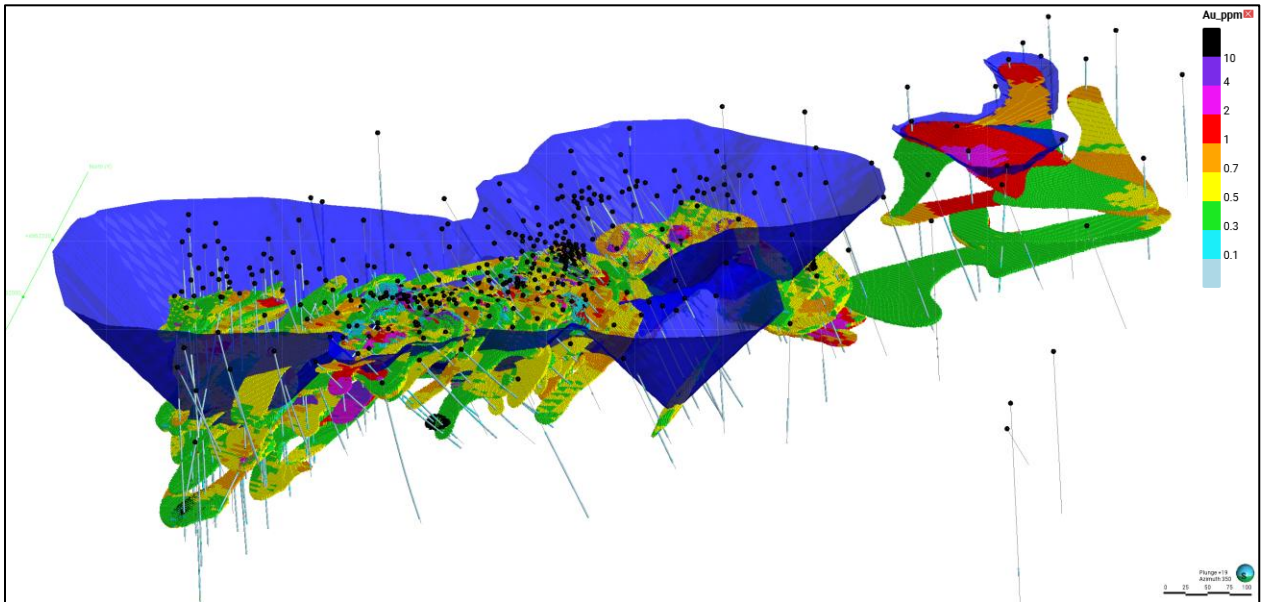


Figure 4-49 BK Block Model Showing US\$ 3,900/oz Au and US\$ 40/oz Ag Pit Shell – Oblique View



SLR reviews the sensitivity of the Mineral Resource to metal prices. The table, created using Whittle pit-limits optimisation software, shows the potential resource outcomes across a range of pit shells. Each pit shell is based on a different metal price. Overall, results indicate that a 20% reduction in metal prices reduces the Resource by only 5%. This demonstrates an economic robustness to the outcomes.

4.14 Mineral Resource Reporting

Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM (2014) definitions) were used for Mineral Resource classification. The Updated Mineral Resources were completed by Mr. Oyunbat Bat-Ochir (Qualified Person).

For the purpose of the open-pit optimisation, the block model was re-blocked to 10 m x 5 m x 4 m, while open-pit Mineral Resources are reported using the original estimation sub-block model, with a minimum sub-block size of 1.25 m x 1.25 m x 1 m.

As part of the Mineral Resource estimation process, the Whittle pit shell was evaluated to determine RPEEE. The QP notes that the extension of some of the interpreted mineralised vein wireframes for the Striker West zone (refer to **Figure 4-47**) crosses into the neighbouring Erdenes Alt LLC property. Although SLR didn't apply any license constraint to pit optimisation, QP only reported the Mineral Resources that fall within the BK license boundary. At this stage of project development, the QP foresees no reason why material within this portion of the pit shell should not be considered to have RPEEE. Should mining proceed in the future, discussions regarding access or easements between the two parties would take place at that time.

Mineral Resource has been constrained by the mining license boundary (MV-021444), depleted topography dated July 1, 2026, Jurassic overburden sediment surface, basement granitic intrusion and reported above 0.27 g/t Au cut-off for all mineralisation. It was reported above a pit shell that was generated using input parameters largely derived from the current CIP operation at BK mine and gold and silver prices of US\$ 3,900/oz and US\$ 40/oz, respectively.

The Mineral Resources for the BK Project are tabulated in **Table 4-14**, with an effective date of July 1, 2026.

Table 4-14 Bayan Khundii, July 1, 2026 Mineral Resource Estimate Summary

Class	Tonnes Mt	Au g/t	Ag g/t	Au Koz	Ag Koz
Measured	2.99	2.13	1.1	204.4	108.1
Indicated	4.82	1.66	1.2	257.1	181.7
Measured + Indicated	7.81	1.84	1.2	461.5	289.9
Inferred	0.39	0.91	1.0	11.5	12.5

Note:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are estimated using a gold price of US\$ 3,900 per ounce and a silver price of US\$ 40 per ounce.
3. Mineral Resource is depleted for the topographic surface dated July 1, 2026.
4. Mineral Resources are reported at a cut-off grade of 0.27 g/t Au and constrained by a preliminary optimised pit shell with a pit slope angle of 45°
5. Cut-off grade was generated by assuming an open cut mining method with 2.5% ore loss and 10% dilution, a gold price of US\$3,900 per ounce, an open mining cost of US\$2.76 per tonne and a processing cost of US\$25.56 per tonne milled, a general and administration cost of US\$1.5 per tonne and a processing recovery of 93% for all mineralisation. The conceptual optimised pit shell was constructed using a gold price of US\$ 3,900/oz and a silver price of US\$ 40/oz, with CIP processing recoveries of 93% for Au and 55% for Ag mineralisation.
6. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
7. Numbers may not add due to rounding.
8. Mineral Resources have been reported on a 100% equity basis

The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate other than those discussed in **Section 4.14.1**.

SLR recommends continuing grade-control drilling to improve understanding of high-grade continuity, enhance confidence in resource classification, and help mitigate estimation risk associated with the visible gold mineralisation typical of the higher-grade areas of the Bayan Khundii Project. The modelled nugget effect is moderate to high, and a significant proportion of the variance occurs within the scale of the block dimensions, resulting in a moderate degree of smoothing.

Table 4-15 present grade-tonnage data for the Measured, Indicated, Measured+Indicated and Inferred portions of the block model, constrained by the optimised pit shell, mining license boundary (MV-021444) and depleted topography dated July 1, 2026 and reported at a range of cut-off grades between 0.1 g/t Au and 1.2 g/t Au. SLR recommends using 0.27 g/t Au as the reporting cut-off, based on mining and processing parameters and project costs.

Table 4-15 Bayan Khundii Mineral Resource Estimate at various Au cut-offs

Au g/t Cut-off	Classification	Tonnes Mt	Au g/t	Ag g/t	Au Koz	Ag Koz
0.10	Measured	3.00	2.12	1.12	204.5	108.3
0.10	Indicated	4.87	1.64	1.17	257.5	182.6
0.10	Measured+Indicated	7.87	1.82	1.15	462.0	290.9
0.10	Inferred	0.41	0.88	0.98	11.6	12.9
0.20	Measured	3.00	2.12	1.12	204.5	108.3
0.20	Indicated	4.86	1.65	1.17	257.5	182.6
0.20	Measured+Indicated	7.87	1.83	1.15	462.0	290.8
0.20	Inferred	0.41	0.88	0.98	11.6	12.9
0.27	Measured	2.99	2.13	1.12	204.4	108.1
0.27	Indicated	4.82	1.66	1.17	257.1	181.7
0.27	Measured+Indicated	7.81	1.84	1.15	461.5	289.8
0.27	Inferred	0.39	0.91	0.99	11.5	12.5
0.30	Measured	2.97	2.14	1.13	204.2	107.9
0.30	Indicated	4.76	1.68	1.18	256.6	180.9
0.30	Measured+Indicated	7.73	1.85	1.16	460.8	288.7
0.30	Inferred	0.39	0.92	0.99	11.4	12.3
0.40	Measured	2.78	2.26	1.17	202.0	104.2
0.40	Indicated	4.11	1.89	1.28	249.1	169.1
0.40	Measured+Indicated	6.89	2.04	1.23	451.1	273.4
0.40	Inferred	0.35	0.97	1.03	11.0	11.6
0.60	Measured	1.70	3.38	1.55	184.5	84.7
0.60	Indicated	2.07	3.26	1.81	216.4	120.0
0.60	Measured+Indicated	3.76	3.31	1.69	400.8	204.6
0.60	Inferred	0.20	1.35	1.37	8.5	8.7
0.80	Measured	0.89	5.80	2.43	166.7	69.7
0.80	Indicated	1.05	5.76	2.65	194.1	89.2
0.80	Measured+Indicated	1.94	5.78	2.54	360.8	158.9
0.80	Inferred	0.13	1.72	1.78	6.9	7.2
1.00	Measured	0.64	7.72	3.11	159.7	64.4
1.00	Indicated	0.77	7.53	3.22	186.3	79.6
1.00	Measured+Indicated	1.41	7.62	3.17	346.0	144.0
1.00	Inferred	0.09	2.07	1.97	5.8	5.5
1.20	Measured	0.59	8.30	3.33	157.9	63.3
1.20	Indicated	0.71	8.03	3.41	184.4	78.3
1.20	Measured+Indicated	1.31	8.15	3.37	342.3	141.6
1.20	Inferred	0.07	2.35	2.08	5.1	4.5

The grade-tonnage curves for the Measured+Indicated and Inferred portions of the Bayan Khundii Mineral Resource are shown in **Figure 4-50** and **Figure 4-51**, respectively, with constraints by optimised pit shell and depletion surface dated July 1, 2026.

Figure 4-50 Measured + Indicated Grade-Tonnage Curve

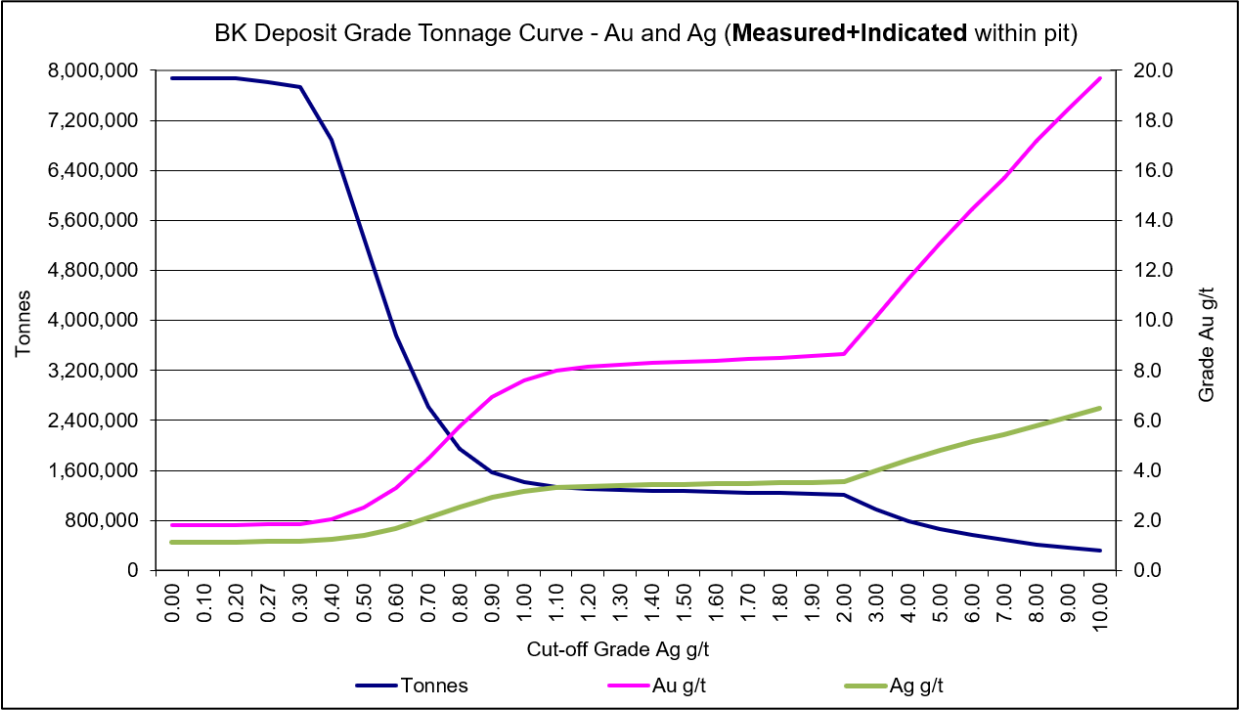
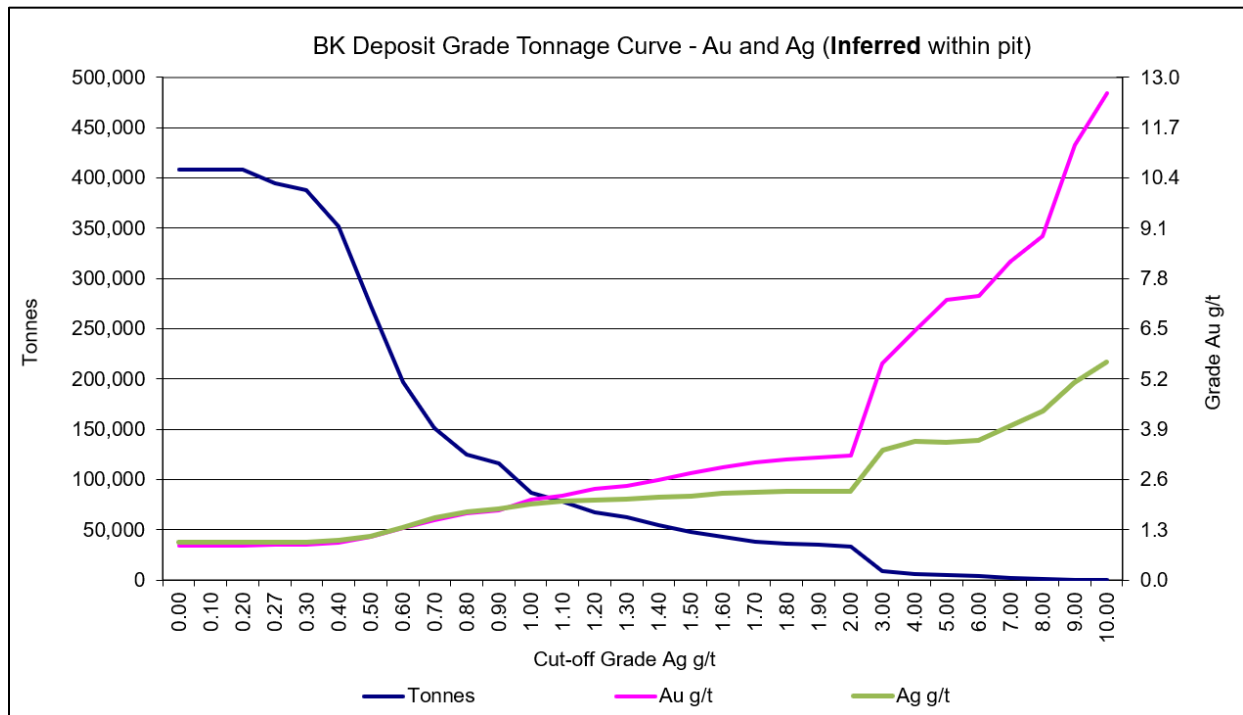


Figure 4-51 Inferred Grade-Tonnage Curve



4.14.1 Factors Affecting the Mineral Resource

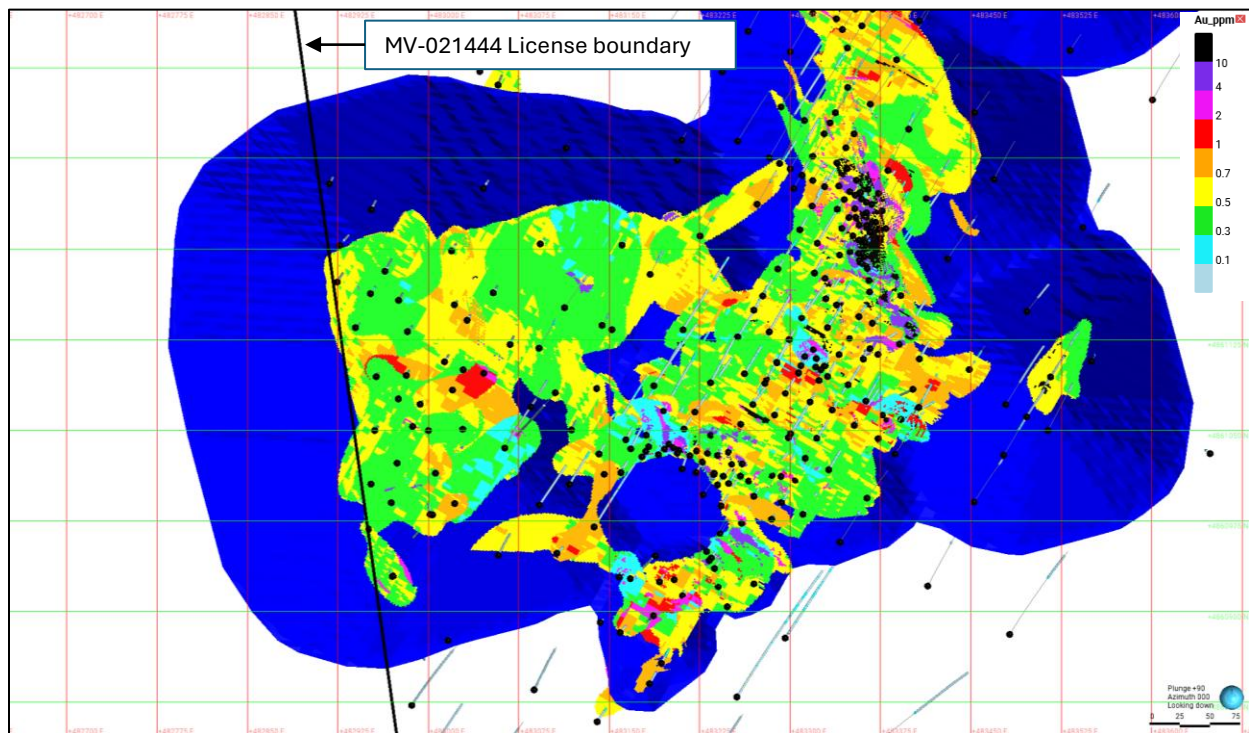
Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. At present, the SLR QP is not aware of any environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues that may have a material impact on the Bayan Khundii Project Mineral Resource estimates, other than those discussed below.

Factors that may affect the Bayan Khundii Project Mineral Resource estimates include:

- Metal price assumptions.
- Changes to the assumptions used to generate the cut-off grade used for the construction of the mineralised wireframe domains.
- Changes to geological and mineralisation shape and geological and grade continuity assumptions and interpretations.
- Due to the natural variability inherent with epithermal gold deposits, the presence, location, size, shape, and grade of the actual mineralisation located between the existing sample points may differ from the current interpretation. The level of uncertainty in these items is lowest for the Measured Mineral Resource category and is highest for the Inferred Mineral Resource category.
- Changes to the understanding of the current geological and mineralisation shapes and geological and grade continuity resulting from the acquisition of additional geological and assay information from future drilling or sampling programs.
- Changes in treatment of high-grade gold values, including capping or search restriction strategies used to constrain estimation.
- Changes due to the interpolation of density values.
- Changes to the input and design parameter assumptions that pertain to the assumptions for the creation of open-pit constraining volumes.

- Changes to the assumed metallurgical recoveries.
- Although all Mineral Resources are reported within mineral tenure (MV-021444) owned by Erdene, Mineral resource reporting pit shells extend 150 m into an area whose mineral rights are owned by a third party. The economic evaluation of Bayan Khundii extraction, including discussions between ERD and the third-party owner regarding access and easement, would be undertaken as part of future studies. Even if no agreement is reached and development in this area is not permitted, restricting the pit to the ERD tenures would not be expected to materially affect the Project's overall Mineral Resource Inventory, as a small, non-material portion of the reported Mineral Resources falls within this defined area (refer to **Figure 4-52**).

Figure 4-52 Plan View of BK Resource Model, Optimised pit and MV-021444 License boundary



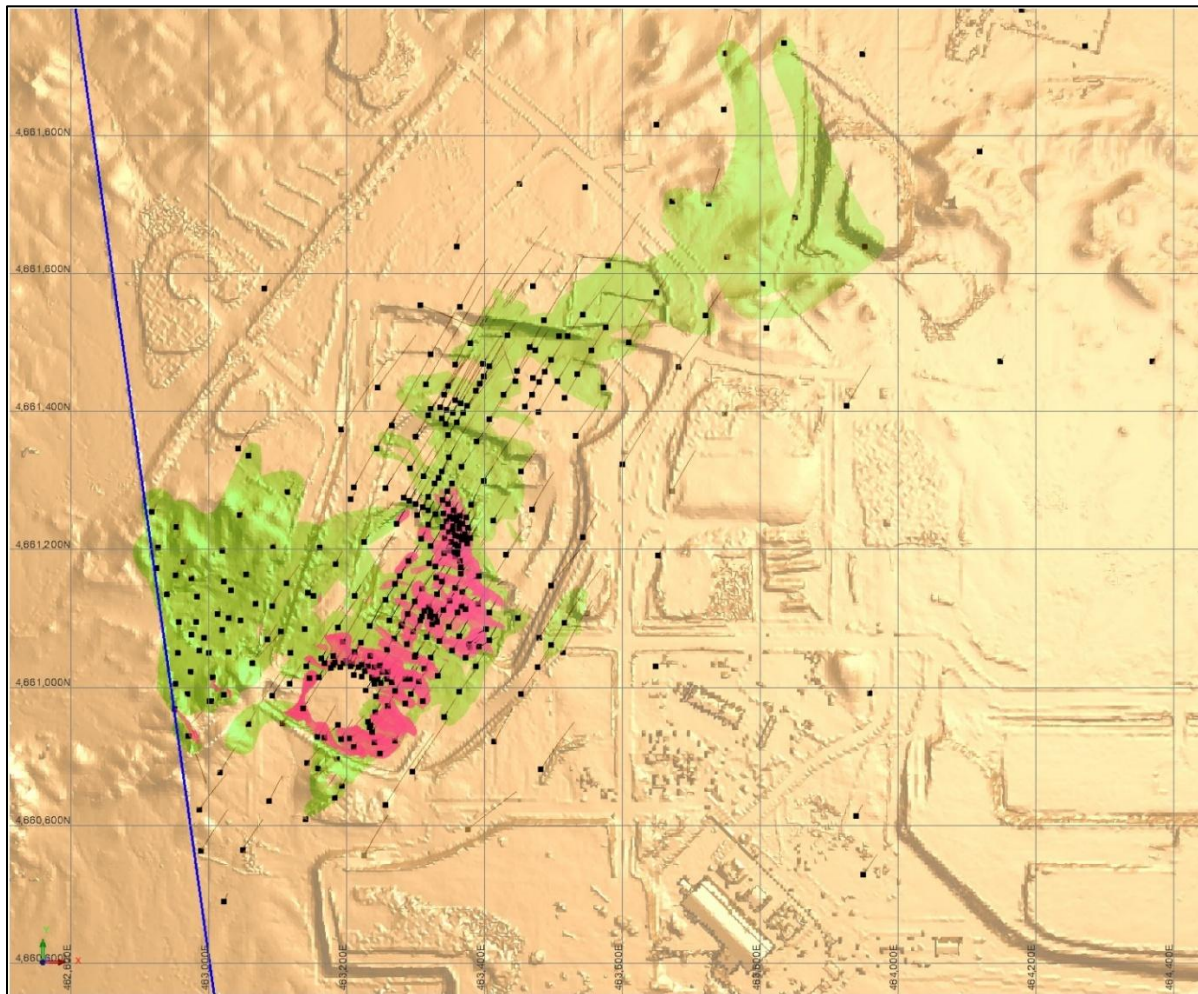
4.14.2 Mining Depletion and Reconciliation

The Bayan Khundii deposit is an operating open-pit mine, and mining has commenced in the second half of 2025.

The depleted topographic surfaces were provided to SLR by ERD in AutoCAD format. The “pit_update_260501_5m.dxf” file presents the latest mine survey as of May 1, 2026.

Open-pit mining had extended to a vertical depth of 25 m, from 1,235 mRL to 1,210 mRL. The extent of the open-pit mining is shown in **Figure 4-53**.

Figure 4-53 BK Depletion Surfaces Provided by ERD (green and red – Au mineralisation domain, brown – depletion surface)



The block model attribute “mined” was coded as “yes” for all blocks that were considered to have been mined and the attribute “mined”. For any reporting on the depleted model, the report must be constrained to “mined=no”. The extent of the mined blocks is shown in **Figure 4-54** and **Figure 4-55**.

Figure 4-54 BK Block Model – Blocks Coded as Mined are in Red (looking NW)

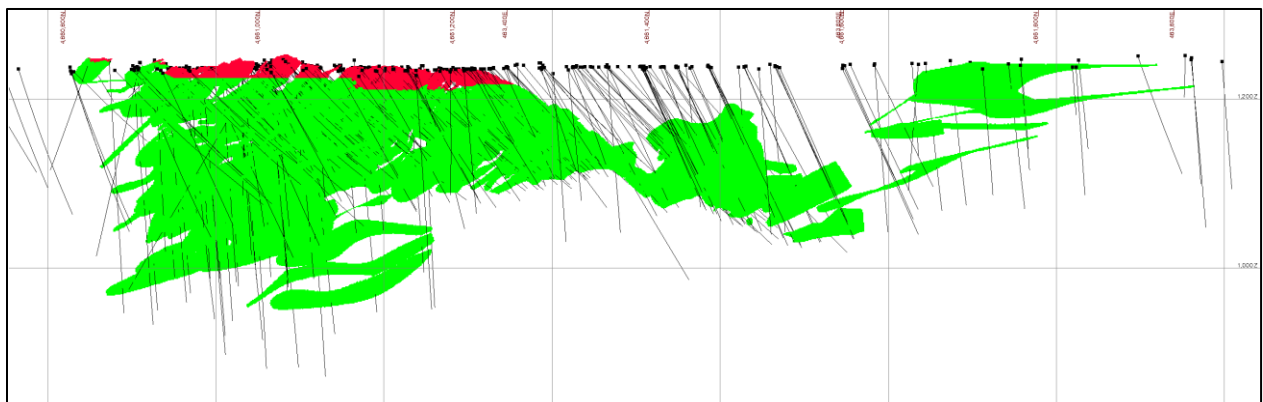
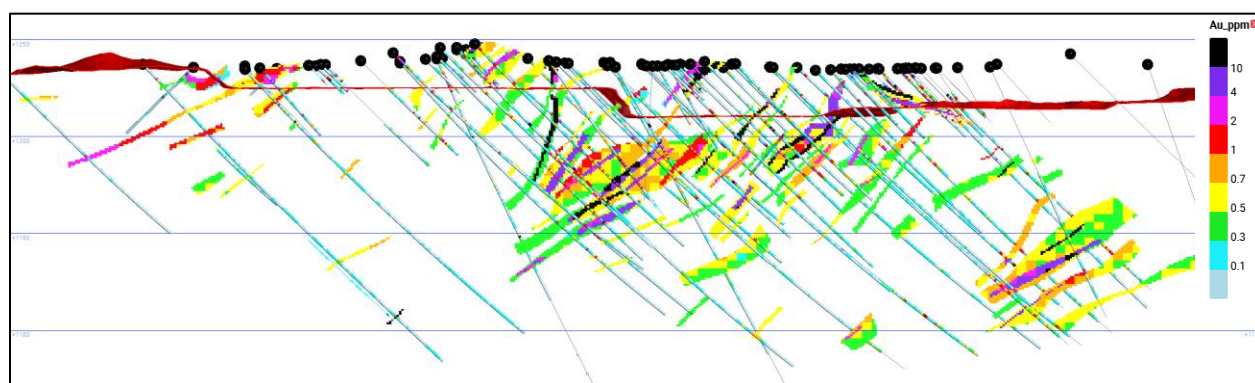


Figure 4-55 Typical section through Striker, Midfield Zones with depletion surface (red)



The reported production for the Bayan Khundii deposit up to May 1, 2026, was prepared by SLR based on data provided by ERD. Production since the commencement of mining in the second half of 2026 was reported in a spreadsheet provided to SLR by ERD titled "Mined Ore Database.xls and Mill_Feed_Database.xls". SLR didn't make any adjustment, such as loss and dilution, to the Resource model prior to reconciliation.

The reconciliation of data from the two sources was compiled by SLR and is shown in **Table 4-16** and **Table 4-17**.

Table 4-16 Reported Mined Production August 2025 – May 2026 (0.1 g/t Au cut-off)

Period	Tonnes	Au g/t	Insitu Au Oz
20250801	7,137	1.23	282
20250901	99,388	1.85	5,899
20251001	160,882	2.46	12,720
20251101	87,452	1.73	4,871
20251201	184,978	1.26	7,506
20260101	167,468	1.33	7,155
20260201	299,069	0.96	9,251
20260301	52,312	0.87	1,458
20260401	146,742	0.92	4,346
20260501	180,487	0.67	3,885
Total Mine Production	1,385,915	1.29	57,375
Mine Depletion 2026 SLR Model	553,871	2.70	48,155

Table 4-17 Reported Mill Production October 2025 – May 2026 (0.7 g/t Au cut-off)

Period	Tonnes	Au g/t	Insitu Au Oz
20251001	33,353	5.44	5,828
20251101	45,092	6.05	8,775
20251201	40,906	4.46	5,862
20260101	45,389	4.92	7,183
20260201	57,746	2.94	5,464
20260301	50,064	3.87	6,225
20260401	52,635	2.67	4,519
20260501	56,429	2.16	3,912
Total Mill Production	381,612	3.89	47,769
Mine Depletion 2026 SLR Model	252,911	5.35	43,510

The reported mill production has returned higher tonnes at a lower grade, but near-identical ounces, compared to the depleted portion of the 2026 Mineral Resource. There are many potential causes of such patterns in reconciled figures, such as planned and unplanned dilution during mining. Slight underestimation of grades observed in the block estimates. In addition, dilution appears to have a significant effect on mining.

Appendix B – Technical Information in support of the Dark Horse Mineral Resource Estimate

SLR completed an update to the Khundii License Mineral Resources and the following Appendix includes technical disclosure related to the Statement of Mineral Resources for the Dark Horse Deposit dated May 1, 2026.

1. Introduction

The Dark Horse gold deposit is part of the Bayan Khundii Gold Project which is located in south-western Mongolia in the Bayankhongor province and is situated approximately 980 kilometres southwest of the Mongolian capital Ulaanbaatar, and approximately 150 km north of the Chinese border. The Dark Horse gold deposit is located on the Khundii Mining License which is 100% held by Erdene Mongol LLC (“EM”). Erdene Resource Development (“ERD”) holds a 50% interest in EM. Dark Horse is one of several deposits and prospects within the Khundii Minerals District discovered and under development or exploration by EM. EM’s land holding in the Khundii Minerals District currently includes the Khundii Mining License (MV-021444, 2,308.6 ha) and the Altan Nar Mining License (MV-021547; 4,668.6 ha) and the Ulaan Exploration License (XV-016057; 1780.2 ha). All licenses are 100% held by EM.

Vehicle access to the property is via paved roads from Ulaanbaatar to Bayankhongor (630 km), followed by regional gravel roads from Bayankhongor to Shinejinst (310 km), then another 2 hours on to site via dirt road (Figure 1-1). A small airstrip is also located on site which is capable of accommodating light aircraft. A private airline service is available from Ulaanbaatar and a one-way trip takes approximately 3 hours.

Figure 1-1: Property Location



1.1 Geology

The Project is located within the southeast part of the Trans Altai Terrane (“TAT”, previously referred to as the Edren Terrane; Badarch et al., 2002). The Trans Altai is an island arc terrane within the Central Asian Orogenic Belt (“CAOB”), which extends more than 3,000 km from the Urals to the Pacific. This orogenic belt formed by the accretion of island arcs, ophiolites, ocean islands, seamounts, accretionary wedges and

microcontinents similar to the Mesozoic-Cenozoic accretionary orogens of the Circum Pacific. The CAO (Figure 1-2) is host to numerous porphyry copper and epithermal Au deposits of largely Devonian to Permian age (intrusions and/or ore; Yakubchuk et al., 2012; Wang et al., 2021). The closest known deposits of this type in Mongolia are those of the Oyu Tolgoi cluster, located ~700 km ESE of Bayan Khundii. Locally, the bedrock geology of the Bayan Khundii license area is dominated by a sequence of Devonian and/or Carboniferous volcanic (andesite, andesite porphyry) and pyroclastic rocks (ash, lapilli, and block and ash tuffs). These were intruded by Carboniferous intrusions, with these rocks unconformably overlain by Jurassic volcanic and sedimentary units. All rocks in the region are overlain by unconsolidated sediments of Quaternary or Recent age.

The southeast portion of the TAT is referred to by Erdene as the Khundii Minerals District (“KMD”) (Figure 1-2) and host to a number of porphyry and epithermal deposits and occurrences, including the BK gold deposit, the Dark Horse gold deposit, the Altan Nar gold-polymetallic deposit, the Zuun Mod Mo-Cu deposit and the Ulaan SE gold mineralization.

The bedrock geology of the Khundii license area is dominated by a sequence of the Carboniferous Ulziithar Formation, comprised of tuffaceous units, volcanoclastic sedimentary sequences, basalt and andesite flows and volcanic breccia and is approximately 2,000 m thick. Rocks of the Ulziithar Formation were intruded by multiple plutons and stocks of the early Carboniferous Bayan Airag intrusive complex, and together these rocks were unconformably overlain by Permian and Jurassic volcanic and sedimentary units. All rocks in the region are overlain by unconsolidated sediments of Quaternary or Recent age.

Three sets of structures were distinguished in the KMD by their orientation and length, relationship to granitoid intrusions, and their cross-cutting relationships. The largest and oldest set comprises first-order ENE-trending lithospheric scale lineaments, interpreted as deep-seated, inherited basement structures. At least two such structures coincide with local gravity anomalies with the Altan Nar and Bayan Khundii deposits located along two separate ENE structures. A second set comprises structures that trend NE in en echelon fault segments that collectively define the ENE lithospheric trend. This set of NE-trending faults, including those at the Bayan Khundii deposit, are interpreted as a series of normal faults with dip-slip displacement. These extensional faults are interpreted to have formed the controlling structures at Bayan Khundii. Model integration of structural data from the BK gold deposit in three dimensions indicates a set of tilted extensional fault blocks in which gold was deposited in a fractured relay ramp structure between the fault tips of two soft-linked normal faults. A third set of smaller, N-S trending lineaments are noted. One of these N-S structures hosts the Dark Horse Mane gold deposit and can be traced for 3.5 km to the south where it connects to the extensional faults of the Bayan Khundii deposit.

Gold mineralization at the Dark Horse Mane deposit is hosted within strongly altered tuffaceous and volcanoclastic rocks, crosscut by quartz and quartz-hematite veins and stockwork zones. Several vein types are present, including comb-textured quartz-adularia veins, sugary crustiform-textured quartz veins, and multi-stage quartz-chalcedony veins. Mineralization is associated with a shallow (<60 m depth) oxide zone with high-grade Au mineralization at Dark Horse including well-developed structurally controlled supergene oxide zones which lies above a locally deeper sulphide-rich zone

1.2 Mineral Resource Statement

This MD&A contains an updated MRE for the Dark Horse deposit. The changes are not considered to be material and therefore a NI 43-101 Technical Report is not required, however the following technical information is provided to support the May 1, 2026 Dark Horse Mineral Resource Statement.

The main change from the 2022 RPM mineral resource estimate is the delineation of newly defined Altan Arrow mineralisation. A small number of additional infill holes were also drilled at the main Dark Horse South and Dark Horse North zones. The drilling carried out in 2023 and 2025 has allowed the mineralisation to be modelled to the east of the Dark Horse zone, named Altan Arrow.

Additional QAQC work by ERD demonstrated that the assay data in the drilling database were of sufficient quality for use in Mineral Resource Estimation.

Both low- and high-grade modelling thresholds remained unchanged at 0.1 g/t Au cut-off for LG and 1 g/t Au cut-off for HG domains.

While search and geostatistical parameters were similar to the previous estimate, the dynamic anisotropy search surface, derived from both the hanging wall and the footwall of individual domains, was used to better model domain geometry, whereas the dynamic search from mid-planes was used in the 2022 estimate.

In addition to the above geological changes, the SLR Resource estimate assumed a gold price of US\$ 3,900/oz compared to US\$ 2,000/oz in 2022. The 2026 estimate applied cut-off grades of 0.28 g/t Au for oxide and transition, and 0.85 g/t Au for fresh mineralisation, compared to 0.35 g/t Au for oxide and transition, and 1.02 g/t Au for fresh mineralisation in 2022. The main changes are due to increases in metal prices and mining and processing costs, while metallurgical recoveries remained unchanged.

2. Sample Preparation, Analyses and Security

The details of the sample preparation, analytical methodology and sample security protocols in place for soil, rock, trench and drill-core samples from the exploration programs carried out to date on the Khundii mining license are included in this section

2.1 Field Sample Protocols

Rock chip and rock grab samples were collected from outcrop and subcrop, respectively, by Erdene's geologists, with locations determined using handheld GPS devices (with ± 3 meters accuracy). Samples were taken from mineralised and unmineralized surface rocks that were, as much as possible, representative of the lithological unit identified while in the field. No grid-based rock chip sampling was carried out over the prospect areas.

Soil samples were collected at defined sample sites based on a 100-meter (and selected areas at 50 meters) grid spacing. Crews used a metallic shovel to dig 20 to 30 centimetre deep sample pits. Sample material was dry-sieved using a steel 20-mesh (0.85 mm) screen. The collected -20 mesh sample weighed approximately 300 to 400 grams. Material for each sample was retained in a sealed paper envelope. Each sample was given a unique six-digit number. Samples were organised sequentially into batches of 30. No QAQC data was supplied for soil sampling.

It is SLR's opinion that the samples collected were representative, and sampling bias is unlikely.

2.2 Drilling Sample Handling Protocols and Security

Drill core samples were routinely collected at one or two meter intervals, depending on the lithology and style of mineralisation, over the entire length of the drill hole. Sample intervals were selected based on meterage with broad geological control; that is, all mineralised and strongly altered zones were sampled at one-meter intervals, while unmineralised material was sampled at two-meter intervals. Drill core recovery was excellent and did not impact the accuracy and reliability of the assay results. It is SLR's opinion that the core samples were representative with no sampling bias.

Drill core was delivered directly from the drill site to the Company's exploration camp at the end of every shift. All logging and sampling were completed at the exploration camp by Erdene geologists. The drill core was logged for geology and RQD, and sample intervals were marked. The core was then photographed before being sawn in half using a core saw, after which half-core samples were bagged. Magnetic susceptibility readings were taken for each sample interval. The remaining half core was securely stored at the Company's Bayan Khundii exploration camp.

Drill core samples were generally organised into batches of 20. All sample batches included two commercially prepared certified reference material (CRMs) standards, including a gold standard (generally alternating between a high-level Au-bearing standard and a low-level Au-bearing standard) and a 'blank' consisting of either a 'coarse silica sand blank' with a very low Au concentration (<1 ppb Au) or a certified

blank standard (OREAS26a). Soil samples and 2017 core samples were organised into batches of 30 samples and included a duplicate sample. For soil samples, this included a duplicate sample taken from the same location. For drill core batches, duplicate samples alternated between a field duplicate, consisting of two ¼ core samples from the same interval, or a laboratory duplicate, consisting of duplicate pulps created from the same coarse grind material. Each batch was stored in the field camp in sealed bags. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene's logistical contractor, Monrud Co. Ltd.

2.3 Assay Laboratory Sample Preparation and Analysis Protocols

All assay samples have been prepared and assayed at the Ulaanbaatar laboratory of SGS Mongolia LLC ("SGS"). The laboratory is one of the largest commercial laboratories in Mongolia and operates in accordance with ISO 17025. Analytic methods are summarised in Table 11.1. All rock samples (drill core, chip and grab) were handled as follows:

- Samples were initially sorted and verified against the client's Sample Submission Form.
- Samples were air dried at 90°C.
- All samples were crushed to 3.35 mm using a jaw crusher and Boyd crusher in a two-stage process.
- Samples were then split by rotary sample divider to 600-700 grams, with the rejects retained.
- Whole samples were pulverised to 90% <75 µm.
- The pulverised samples were mixed and divided manually, with approximately 200 grams retained for the Client and 300 grams retained for the laboratory analysis.
- A 30-gram sample was analysed by fire assay for gold.
- All other metals were analysed by ICP40B, four acid digestion with ICP OES finish (see Table 11.1 for details).

All soil samples were handled as follows:

- Samples were initially sorted and verified against the client's Sample Submission Form.
- Samples were air dried at 90°C.
- Whole samples were pulverised to 90% <75 µm.
- A 30-gram sample was analysed by fire assay for gold.

All other metals were analysed by ICP40B, followed by four-acid digestion with ICP-OES finish. (see Table 2-1 for details)

Table 2-1 provides a summary of the analytical methods SGS uses to analyse the samples. All drill core sample rejects were saved and stored at a secure facility and are available to carry out check analyses as necessary.

Due to very high gold values and visible gold in several drill core samples, metal-screen assaying was conducted to determine whether the standard fire assay was accurately reflecting gold concentrations in high-grade samples. The screen metallic ("SM") analysis used 500 grams of minus 3.35 mm material that was crushed/pulverised to 90% <75µm. The total sample was then screened to create a +75 µm and a -75 µm fraction, and each fraction was weighed. The +75 µm fraction, which will contain the coarse gold, was then analysed by fire assay (FA). For the -75 µm fraction, three individual subsamples (30 g each) were analysed using FA methods. The total Au content for the sample was calculated as the weighted average of the +75 µm fraction results and the mean of the -75 µm results.

Erdene monitored CRM standard results, and if results varied from the determined assay value by more than 15% for one or more elements, Erdene's protocol was to request that the entire batch be re-analysed. The standards have not shown significant bias, and no re-analysis has been required to date. SLR recommends using 2SD to monitor assay data.

At SGS, all client-submitted material is retained under cover in the secure Ulaanbaatar facility, where 24-hour security is maintained. Sample integrity is maintained by laboratory LIMS-generated sample labelling

throughout the analytical process. SGS's protocols included internal QC analysis on 10% of samples, so that each 50-sample batch consists of 45 samples, two duplicates, two standards and one blank.

SLR is of the opinion that adequate procedures for sample preparation, security and analysis are in place, and were used, to ensure the accuracy of analytical results.

Table 2-1 SGS Analytical Methods and Detection Limits

SGS Code	Description	Element	LDL	UDL
FAE303	Fire Assay, Solvent Extraction, AAS ¹ finish, 30g sample	Au	1 ppb	10000 ppb
FAA303	Fire Assay, AAS ¹ finish, 30g sample	Au	0.01 ppm	1000 ppm
FAG303	Fire Assay, gravimetric, 30g sample	Au	0.03 ppm	100,000 ppm
SGS Code	Description	Element: LDL-UDL;		
ICP40B	4 acid digestion ^{2 and 3} with ICP OES ³ finish	Ag: 2 ppm – 50 ppm; Al: 0.03% - 15%; As: 5 ppm - 1%; Ba: 5 ppm - 1%; Be: 0.5 ppm - 0.25%; Bi: 5ppm - 1%; Ca: 0.01% - 15%; Cd: 1 ppm - 1%; Co: 1 ppm - 1%; Cr: 10 ppm - 1%; Cu: 2 ppm - 1%; Fe: 0.1% - 15%; K: 0.01% - 15%; La: 1 ppm - 1%; Li: 1 ppm - 1%; Mg: 0.02% - 15%; Mn: 5 ppm - 1%; Mo: 2 ppm - 1%; Na: 0.01% - 15%; Ni: 2 ppm - 1%; P: 0.01% - 15%; Pb: 2 ppm - 1%; S: 0.01% - 5%; Sb: 5 ppm - 1%; Sc: 0.5 ppm - 1%; Sn: 10 ppm - 1%; Sr: 5 ppm - 1%; Ti: 0.01% - 15%; V: 2 ppm - 1%; W: 10 ppm - 1%; Y: 1 ppm - 1%; Yb: 0.5 ppm to 1000 ppm; Zn: 5 ppm - 1%; Zr: 3 ppm - 1%		

1. AAS: Atomic Absorption Spectrophotometer

2. 3-Acid Digest: Perchloric (HClO₄), Hydrochloric (HCl) and Nitric (HNO₃)

3. 4-Acid Digest: Same as 3-acid plus Hydrofluoric (HF)

4. ICP OES: Inductively Coupled Plasma Optical Emission Spectrometry

LDL - Lower Detection Limit

UDL - Upper Detection Limit

Source: Bayan Khundii 43-101Report, Bayan (Khundii Exploration License), Bayankhongor Aimag, Southwest Mongolia, National Instrument 43-101 Technical Report, Erdene Resource Development Company, M. A. (MacDonald), MSc, P.Geo., March 1, 2018

SLR considers that the sampling and assaying methods and approach are reasonable for this style of mineralisation. The samples are representative, and there is no indication of bias introduced during sampling. The SGS laboratory is accredited/certified to ISO 9001 and is independent of ERD, and any relationship is commercial in nature.

2.4 Quality Assurance / Quality Control

A systematic QA/QC program was implemented throughout the Dark Horse diamond drilling campaign (drillholes AAD-01 through AAD-236). The QA/QC program comprised certified reference materials (CRM standards), coarse blanks, pulp duplicates, and field half-core duplicates. At least one QA/QC control sample was inserted for every ten routine samples within the campaign (Table 2-2).

All samples were submitted to an accredited commercial laboratory for gold analysis by fire assay with AAS or ICP-MS finish. QA/QC data were provided to the SLR for independent review as part of the 2026 data validation stage.

Table 2-2 Summary of QA/QC data

QA/QC Sample Type	Count
Blank Samples	591
CRM Standards	697
Field Duplicates	327
Pulp Duplicates	192
Screen Metallic Assaying	150
Total	1,957

2.4.1 Blanks

The ERD inserted a total of 591 blank samples throughout the drilling program to monitor potential gold contamination during sample preparation and analysis. Three coarse blank materials were inserted for the QAQC protocol: crushed coarse silica used predominantly in earlier drillholes, and two certified low-grade blank standards from OREAS (26a and 26d) introduced from drill hole AAD-29 onwards. All blank materials were pre-screened to ensure background gold levels below the laboratory detection limit of 0.5 ppb Au.

Blank samples were analysed for gold by fire assay. All 591 blank insertions returned gold assay values at or below the laboratory detection limit of 0.5 ppb Au, representing acceptable analysis across all three blank materials and all drillholes. No cross-contamination or carry-over of gold-bearing material was detected at any point during the program.

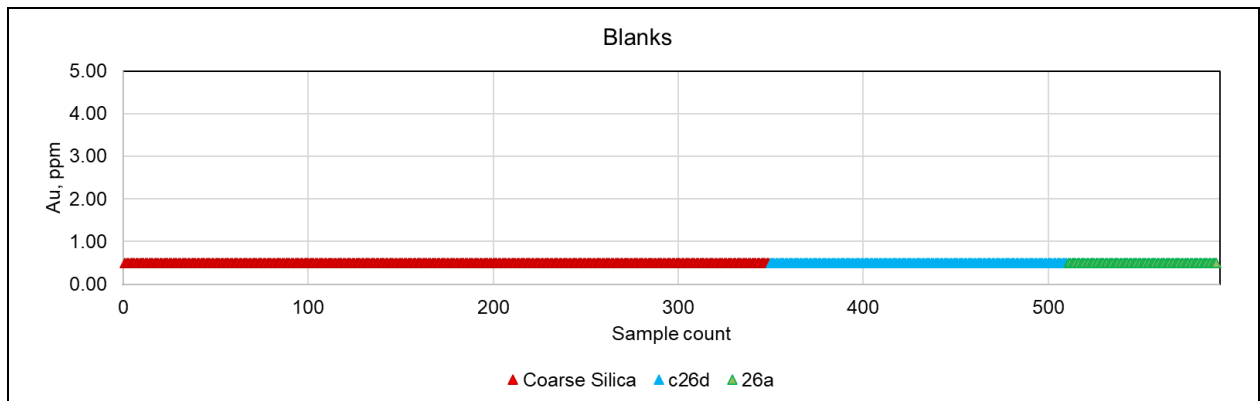
A summary of the results is presented in Table 2-3 and illustrated in Figure 2-1.

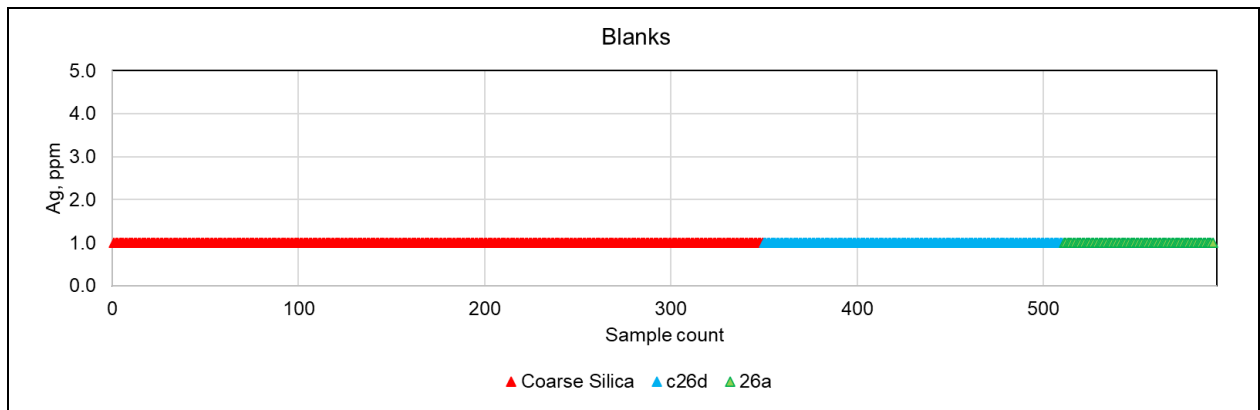
Table 2-3 Summary statistics of Blanks

Blank Material	Element	Count	Min	Max	Mean	LDL count	Description
Coarse Silica	Au, ppb	349	0.5	0.5	0.5	349	LDL
26a	Au, ppb	81	0.5	0.5	0.5	81	LDL
c26d	Au, ppb	161	0.5	0.5	0.5	161	LDL
Total		591	0.5	0.5	0.5	91	LDL

LDL: Lower Detection Limit (Au = 0.5 ppb)

Figure 2-1 Analysis Chart of Blanks – Au and Ag





2.4.2 Certified Reference Materials (CRMs)

A total of 697 CRM standard samples were inserted throughout the Dark Horse and Altan Arrow drilling programs, comprising seven types of certified reference materials sourced from OREAS Ltd.

The selected standards covered a gold grade range from 0.52 ppm Au (OREAS 65a) to 10.1 ppm Au (OREAS 62f), providing appropriate low, medium, and high-grade coverage representative of the deposit mineralisation, and all CRM results were evaluated against their respective certified values, summarised in Table 2-4 and illustrated in Figure 2-2 and Figure 2-3.

Table 2-4 Summary Statistics of Certified Reference Material for Au

CRM	Count	Element	Min	Max	Mean	Certified Value	SD	Upper 2SD	Lower 2SD
OREAS 602b	89	Au, ppm	2.3	2.3	2.29	2.29	0.09	2.48	2.1
OREAS 60c	74	Au, ppm	2.4	2.9	2.53	2.47	0.08	2.63	2.31
OREAS 60d	140	Au, ppm	2.5	2.8	2.63	2.47	0.08	2.71	2.31
OREAS 62e	48	Au, ppm	8.3	9.3	8.82	9.13	0.41	9.95	8.31
OREAS 62f	307	Au, ppm	9.6	11	10.01	9.71	0.24	10.19	9.23
OREAS 65a	30	Au, ppm	0.5	0.6	0.52	0.52	0.02	0.56	0.49
OREAS 67a	9	Au, ppm	2.2	2.3	2.26	2.24	0.1	2.43	2.05

SLR reviewed the results of all seven Au CRMs (OREAS 65a, 602b, 67a, 60c, 60d, 62e, and 62f) inserted throughout the program. The low-grade CRMs (OREAS 602b, 65a, and 67a) demonstrate excellent analytical performance with mean assay values closely matching the certified values and no observable systematic bias.

Medium-grade CRMs (OREAS 60c and 60d) exhibit a minor positive bias relative to certified values; however, the observed deviations remain within acceptable industry tolerances and are not considered material to the overall dataset integrity.

High-grade CRMs (OREAS 62e) generally show good analytical precision and acceptable repeatability, with minor localised variability interpreted as reflecting normal analytical scatter rather than systematic laboratory error.

The OREAS 62f Certified Reference Material (CRM), the most widely used standard in drilling campaign datasets, comprises 307 analyses with a certified gold value of 9.71 ppm Au. SLR's review of the standard's performance showed two noticeable patterns (~10.3 ppm Au and ~9.7 ppm Au). It appears that this standard often overestimated the mean value during the earlier drilling phases, and the issue has been resolved in the latest drilling phases.

Overall, standard results were mostly within an acceptable range of variability over time. For sample batches, most results were within the upper and lower warning limits (2 standard deviations), especially for

OREAS62e, OREAS60c and OREAS 67a standards. A consistent overestimation was observed for OREAS60d (2.47 g/t Au) and OREAS 62f (9.71 g/t Au). These standards were sourced and prepared from low-sulphidation epithermal deposits. Similar grade standards such as OREAS62e, OREAS60c and OREAS 67a performed quite well, suggesting the issue is likely related to the standard itself rather than an analytical issue. Nevertheless, SLR recommends close monitoring of OREAS60d and OREAS62f. More frequent use of OREAS62e, OREAS602b and OREAS67a standards is also recommended.

Figure 2-2 Control Charts of CRM-OREAS 602b, 60c and 60d

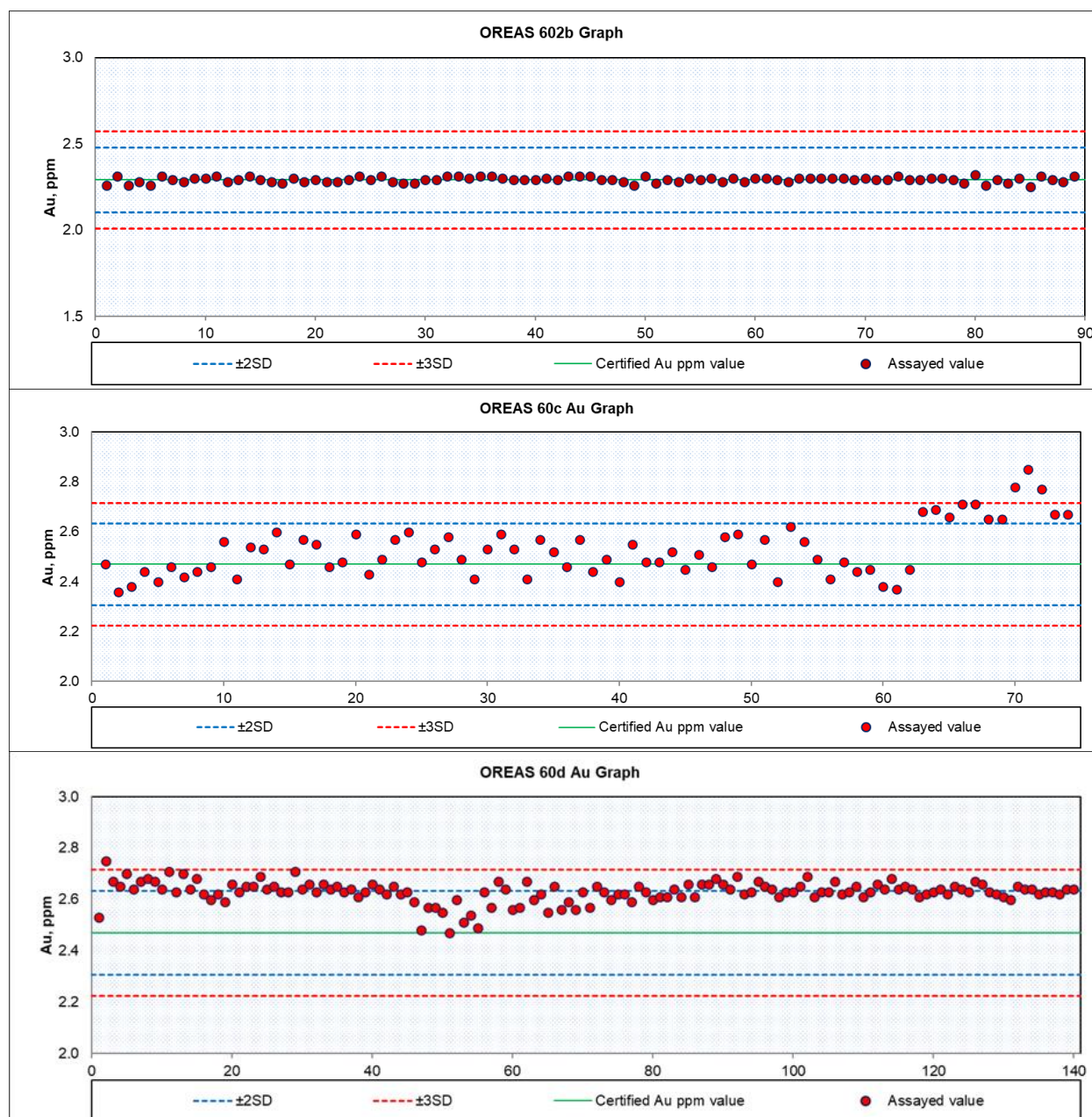
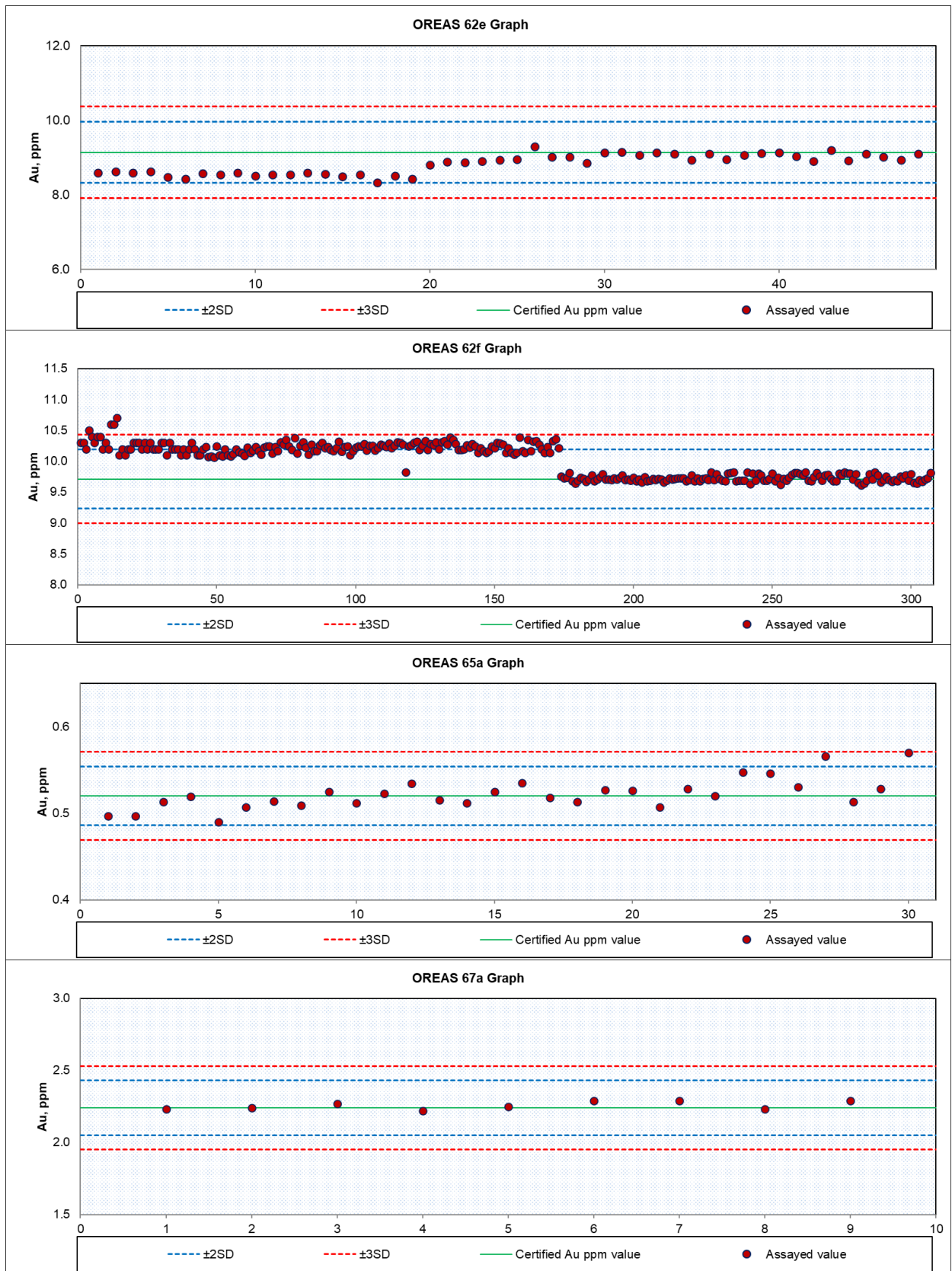


Figure 2-3 Control Charts of CRM-OREAS 62e, 62f, 65a, and 67a



2.4.3 Field Duplicates

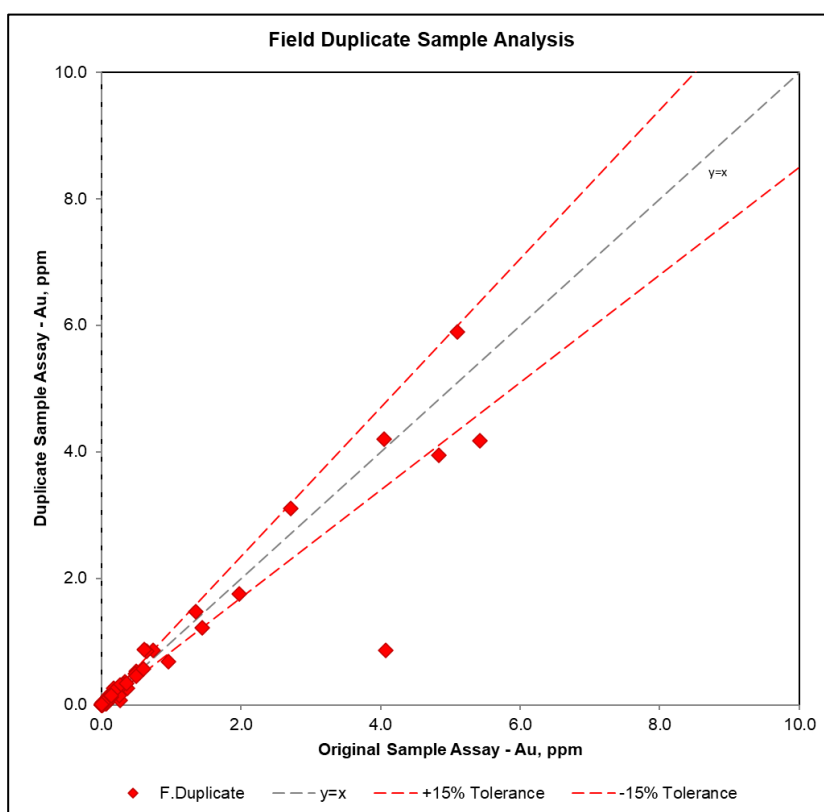
A total of 327 field duplicates were analysed for the entire drilling program. Field duplicate-sample analysis indicates a strong overall correlation between the original and duplicate Au assays, with comparable statistical distributions and no significant analytical bias. Approximately 62% of duplicate pairs fall within $\pm 20\%$ precision limits, demonstrating acceptable sampling and analytical precision consistent with the style and heterogeneity of the gold mineralisation. A small number of duplicate pairs fall outside control thresholds, mainly due to nugget effects in high-grade samples and variability near detection limits.

A summary of assay statistics is presented in Table 2-5 and graphically shown in Figure 2-4.

Table 2-5 Summary Statistics of Field Duplicate Samples – Au ppm

Parameter	Original Assay	Duplicate Assay
Count	327	327
Minimum	0	0
Maximum	89.26	93.69
Average	0.45	0.46
Median	0.008	0.007
Std Dev	5.022	5.269
Precision Count		
<1% Precision	84	26%
1%<Precision<10%	60	18%
10%<Precision<20%	58	18%
20%<Precision<50%	90	28%
>50%Precision	35	10%

Figure 2-4 Scatterplots of Field Duplicate Results



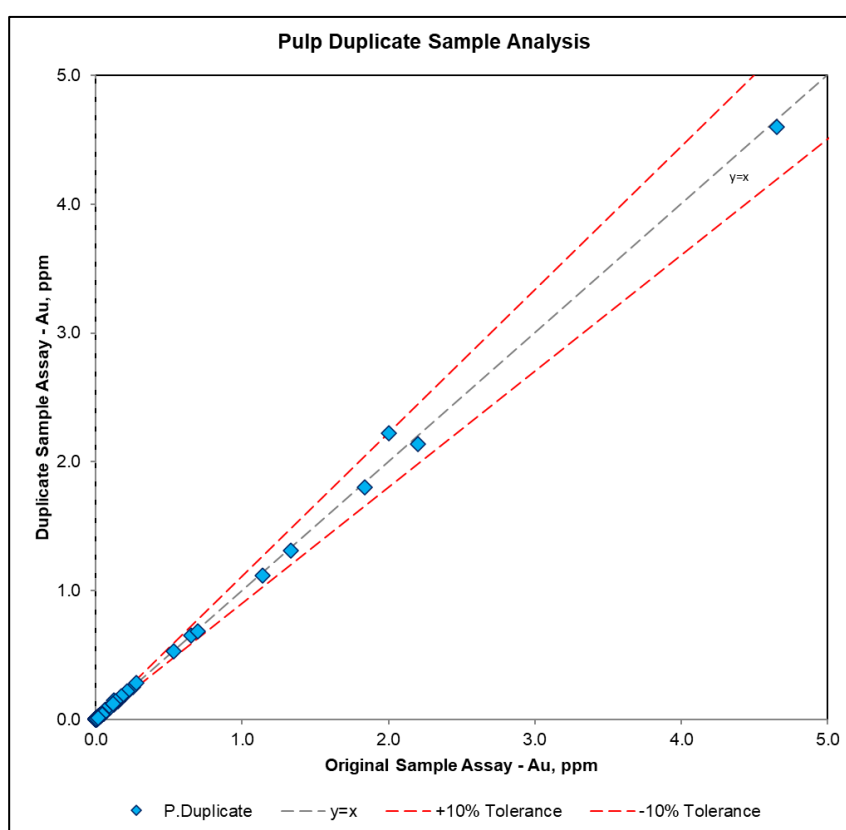
2.4.4 Pulp Duplicates

Pulp duplicate results demonstrate good analytical precision and repeatability, with good correlation between original and duplicate assays and most samples plotting within the $\pm 10\%$ tolerance limits. Approximately 61% of duplicate pairs fall within $\pm 10\%$ relative precision, while the limited higher variability observed is mainly associated with low-grade samples near the analytical detection limit, with no significant analytical bias evident. A summary of assay statistics is presented in Table 2-6 and illustrated in Figure 2-5.

Table 2-6 Summary Statistics of Pulp Duplicate Samples – Au ppm

Parameter	Original Assay	Duplicate Assay
Count	192	192
Minimum	0.0005	0.0005
Maximum	4.65	4.6
Average	0.1	0.1
Median	0.006	0.007
Std Dev	0.438	0.438
Precision Count		
<1% Precision	69	36%
1%<Precision<10%	48	25%
10%<Precision<20%	20	10%
20%<Precision<50%	30	16%
>50%Precision	25	13%

Figure 2-5 Scatterplots of Pulp Duplicate Results



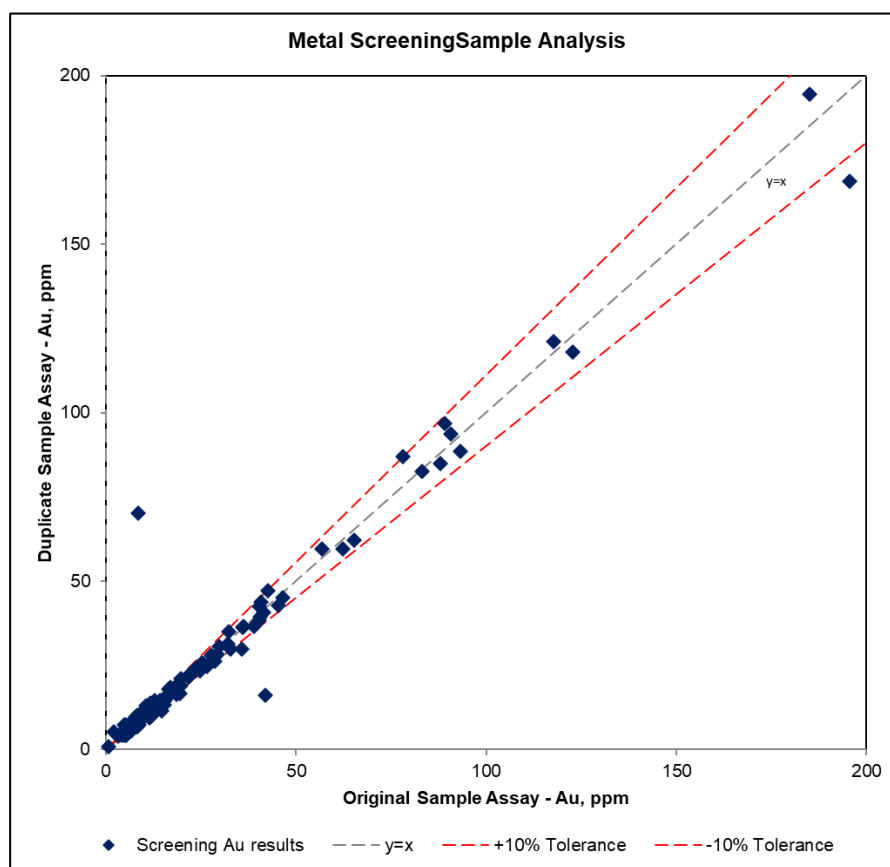
2.4.5 Screen Metallic Assaying

A total of 150 selected drill core samples were re-assayed using metallic screen fire assay methods in response to the presence of visible gold and locally elevated Au grades identified during logging and routine analytical review. The metallic screen program was undertaken to evaluate the potential influence of coarse gold mineralisation and associated nugget effects on conventional fire-assay results, and to assess the overall representativeness and reliability of the primary analytical dataset. Comparative statistics are shown in Table 2-7, and a graphical plot is shown in Figure 2-6.

Table 2-7 Summary Statistics of Screen Metallic Assaying Samples – Au ppm

Parameter	Original Assay	Screen Metallic
Count	150	150
Minimum	0.77	0.86
Maximum	195.6	194.61
Average	22.56	22.65
Median	12.85	12.75
Std Dev	29.31	28.95
Precision Count		
<1% Precision	33	22%
1%<Precision<10%	106	71%
10%<Precision<20%	7	5%
20%<Precision<50%	3	2%
>50%Precision	1	1%

Figure 2-6 Scatterplots of Screen Metallic Assaying Results



Metallic screen fire assay results show a strong overall correlation with the original fire assay dataset, with the majority of samples falling within $\pm 10\%$ tolerance limits. Minor scatter observed in several high-grade intervals is interpreted, but overall results suggest that the current sampling and assaying procedures used at Dark Horse are optimal.

2.4.6 QA/QC Conclusion

ERD has implemented a program of QA/QC at the Dark Horse Project for all drilling since 2016 to 2025. The Quality Assurance and Quality Control dataset reviewed for the Dark Horse Project demonstrates overall analytical reliability and is considered appropriate for Mineral Resource estimation.

Blank samples returned a 100% pass rate across all 591 insertions, with every result at or below the gold detection limit of 0.5 ppb Au. No contamination was detected at any stage of the sampling or preparation workflow, confirming the integrity of the entire assay database.

Certified Reference Material (CRM) standards were inserted at regular intervals, and the results reasonably reflected the expected values. A consistent overestimation was observed for OREAS60d (2.47 g/t Au) and OREAS 62f (9.71 g/t Au). The performance of OREAS62f improved in the 2022 drilling program. These standards were sourced and prepared from low-sulphidation epithermal deposits. Similar grade standards such as OREAS62e, OREAS60c and OREAS 67a performed quite well, suggesting the issue is likely related to the standard itself rather than an analytical issue. Nevertheless, SLR recommends close monitoring of OREAS60d and OREAS62f. More frequent use of OREAS62e, OREAS602b and OREAS67a standards is also recommended.

Field half-core duplicates show acceptable precision consistent with a gold system affected by moderate nugget variability. Increased scatter in some higher-grade samples is interpreted to reflect natural geological heterogeneity rather than sampling or analytical issues. No systematic bias is evident between original and duplicate assays.

Pulp duplicate assays demonstrate good analytical precision and strong repeatability between original and duplicate samples. Minor variability observed at low-grade concentrations is considered typical for gold analyses near the detection limit and does not materially impact data quality.

A total of 150 selected samples were re-assayed using metallic screen fire-assay methods to evaluate the influence of coarse gold and potential nugget effects, with results demonstrating good correlation with the original fire-assay dataset and confirming that the analytical data are acceptable and representative for reporting purposes.

SLR strongly recommends external check analysis for selected samples to confirm the accuracy and precision of the original laboratory sampling and assaying methodology, as no umpire-assaying has been completed for any of the drilling campaigns at the project to date.

No material issues, systematic bias, or analytical concerns were identified during this QA/QC review, and no assay data are recommended for rejection or re-assay on the basis of the results assessed. Collectively, the QA/QC results support that the Dark Horse Project assay dataset is of sufficient quality for mineral resource estimation purposes.

3. Data Verification

The drill hole database utilised for the Mineral Resource estimate consists entirely of diamond drill holes.

The QP conducted extensive database verification in 2021 and 2022. At that time, minor omissions and errors were identified and rectified.

Formal validation of a number of drill holes was carried out by the QP during the site visit in 2022. A series of holes was selected by the QP for which the original assay and geology records were requested. The drill core for the AAD-61, 66, 92, 123, 136, 144, and 178 holes was also requested for review. In addition, the QP visited Dark Horse mineralisation exposures, reviewed and verified core handling, sampling and density determination procedures and conducted a discussion with the Erdene geology team.

Original records and assay certificates for all drilling were provided by Client, and 100% checks were carried out with no material differences noted between the supplied database and original certificates.

The data were well organised and could be validated using readily available information. The core was well organised, and the requested core was located and laid out without issue. The core was in good condition, although core markers were often illegible due to the deterioration resulting from outdoor core storage.

During the site visit to the project area in October 2022, a large number of drill hole collars were identified at the surface. The QP located 45 collars using a handheld GPS to verify the hole locations. All holes were found to be within 6 m of the accurately surveyed location, which the QP considers to be within the handheld GPS's accuracy limits. Therefore, the collar locations were verified, and a listing of the holes is shown Table 3-1.

Table 3-1 Drill Hole Collar Verification Summary

Hole_id	GPS Coordinates			Database Coordinates			Difference	
	Y	X	Z	Y	X	Z	Y	X
AAD-159	483,420	4,865,000	1,273	483,418.7	4,864,999.2	1,273.8	-1.3	-0.8
AAD-114	483,416	4,865,053	1,274	483,414.4	4,865,051.8	1,273.0	-1.6	-1.2
AAD-116	483,432	4,864,960	1,272	483,428.9	4,864,958.8	1,274.6	-3.1	-1.2
AAD-126	483,485	4,864,302	1,272	483,482.3	4,864,301.6	1,277.5	-2.7	-0.4
AAD-128	483,505	4,864,275	1,273	483,502.6	4,864,274.1	1,277.1	-2.4	-0.9
AAD-129	483,488	4,864,245	1,275	483,484.1	4,864,244.5	1,278.1	-3.9	-0.5
AAD-131	483,529	4,864,170	1,281	483,527.6	4,864,168.9	1,281.9	-1.4	-1.1
AAD-136	483,474	4,864,301	1,273	483,471.9	4,864,300.0	1,277.2	-2.1	-1.0
AAD-138	483,487	4,864,291	1,274	483,484.0	4,864,290.4	1,277.1	-3.0	-0.6
AAD-140	483,502	4,864,276	1,273	483,498.6	4,864,275.5	1,276.9	-3.4	-0.5
AAD-144	483,494	4,864,233	1,278	483,490.5	4,864,230.6	1,281.0	-3.5	-2.4
AAD-146	483,479	4,864,209	1,280	483,477.2	4,864,211.0	1,282.1	-1.8	2.0
AAD-147	483,518	4,864,212	1,282	483,515.1	4,864,211.0	1,286.3	-2.9	-1.0
AAD-150	483,516	4,864,192	1,280	483,512.2	4,864,194.8	1,281.5	-3.8	2.8
AAD-151	483,482	4,864,353	1,275	483,480.4	4,864,350.7	1,279.3	-1.6	-2.3
AAD-153	483,478	4,864,400	1,279	483,476.0	4,864,398.7	1,281.3	-2.0	-1.3
AAD-157	483,448	4,864,926	1,273	483,443.6	4,864,925.2	1,275.8	-4.4	-0.8
AAD-158	483,435	4,864,986	1,273	483,433.0	4,864,985.8	1,274.5	-2.0	-0.2
AAD-160	483,431	4,865,033	1,277	483,428.9	4,865,031.1	1,273.4	-2.1	-1.9
AAD-165	483,427	4,865,165	1,272	483,424.3	4,865,164.8	1,272.7	-2.7	-0.2
AAD-167	483,428	4,865,192	1,275	483,424.2	4,865,189.9	1,273.9	-3.8	-2.1
AAD-173	483,472	4,864,041	1,272	483,466.5	4,864,041.8	1,273.8	-5.5	0.8
AAD-174	483,475	4,864,092	1,280	483,471.7	4,864,093.8	1,279.5	-3.3	1.8
AAD-175	483,469	4,864,111	1,276	483,465.9	4,864,110.6	1,277.6	-3.1	-0.4
AAD-176	483,469	4,864,132	1,276	483,465.7	4,864,132.2	1,277.7	-3.3	0.2
AAD-178	483,474	4,864,168	1,278	483,468.7	4,864,167.8	1,280.7	-5.3	-0.2
AAD-186	483,459	4,864,874	1,275	483,456.7	4,864,872.7	1,276.6	-2.3	-1.3
AAD-189	483,468	4,864,005	1,272	483,467.2	4,864,005.8	1,272.9	-0.8	0.8
AAD-196	483,417	4,865,098	1,274	483,413.8	4,865,096.4	1,272.6	-3.2	-1.6
AAD-198	483,460	4,864,848	1,275	483,457.9	4,864,847.6	1,276.6	-2.1	-0.4
AAD-208	483,431	4,865,122	1,275	483,427.4	4,865,120.5	1,272.9	-3.6	-1.5
AAD-209	483,445	4,865,107	1,272	483,441.6	4,865,106.0	1,273.5	-3.4	-1.0
AAD-210	483,447	4,864,901	1,273	483,444.9	4,864,900.1	1,276.8	-2.1	-0.9
AAD-211	483,446	4,864,875	1,280	483,443.4	4,864,873.8	1,276.0	-2.6	-1.2
AAD-214	483,467	4,864,301	1,272	483,465.1	4,864,300.0	1,277.1	-1.9	-1.0
AAD-216	483,464	4,864,167	1,277	483,460.2	4,864,165.8	1,278.8	-3.8	-1.2
AAD-217	483,467	4,864,146	1,274	483,462.7	4,864,146.0	1,276.7	-4.3	0.0
AAD-218	483,468	4,864,137	1,276	483,465.3	4,864,137.8	1,277.2	-2.7	0.8
AAD-58	483,446	4,864,354	1,277	483,440.5	4,864,350.0	1,278.6	-5.5	-4.0
AAD-74	483,424	4,864,574	1,278	483,421.3	4,864,570.7	1,279.5	-2.7	-3.3
AAD-84	483,498	4,864,170	1,277	483,495.5	4,864,169.0	1,278.4	-2.5	-1.0
AAD-88	483,437	4,864,920	1,275	483,432.8	4,864,919.5	1,275.0	-4.2	-0.5
AAD-96	483,433	4,865,144	1,275	483,430.8	4,865,142.8	1,272.8	-2.2	-1.2
AAD-98	483,470	4,865,221	1,275	483,465.5	4,865,219.8	1,274.0	-4.5	-1.2
AAD-152	483,473	4,864,368	1,277	483,470.3	4,864,366.3	1,280.1	-2.7	-1.7

On March 1, 2026, SLR received an updated database (AAD-01-301_AssayDB_2026.xlsx) from ERD. Subsequently, the database underwent a thorough validation and verification process to ensure its accuracy and reliability.

A total of 301 drill hole collar records were supplied, including 218 drill holes from 2016 to 2022, which were used in the 2022 Mineral Resource estimate and an additional 83 drill holes that were completed between 2023 and 2025.

A total of 1,045 downhole survey measurements were recorded across 301 drill holes. A few deviations and survey depth exceeding drill depth were noted, and the client rectified these issues.

The database contains assay records of 21,512 samples, including QAQC data. No significant issue noted apart from typo errors, which were rectified by ERD prior to use in the estimation.

Issues were as follows:

- Azimuth inconsistency: Drillholes AAD-294, AAD-296, and AAD-298 show azimuth values changing from 320° to ~140-150°, AAD-264: Dip recorded as 0° between 0–12 m
- Hole AAD-166X and AAD-247 hole's survey depth exceeds the drill depth.
- No survey records for AAD-68, AAD-68X, AAD-92, AAD-92X and AD-100, AAD-100X
- Hole AAD-237: Dip recorded as 0° from 0–13 m, followed by a sharp change to ~60.9° between 13–50 m
- AAD-247: Azimuth shows change from 273.5° to 216.3° downhole
- Hole AAD-223 has a drill depth of 30 m, whereas assay records show a sample interval up to 50 m; Hole AAD-294 has a drill depth of 40 m, whereas assay records show a sample interval up to 70 m.

No site visit was conducted by the QP since the 2022 estimate.

Based on the data supplied, SLR considers that the analytical data have sufficient accuracy to enable a Mineral Resource Estimate for the Dark Horse Project.

4. Mineral Resource Estimate

4.1 Summary

Geological and mineralisation domains were constructed by SLR. SLR compiled three-dimensional estimates for the concentrations of gold and silver and constructed the Mineral Resource model based on the statistical analysis of the data provided by ERD and verified, where possible, by SLR. The Mineral Resources were completed by Mr. Oyunbat Bat-Ochir (Qualified Person).

The Mineral Resource estimate for the Dark Horse Project encompasses multiple zones grouped into three primary areas (Dark Horse South, Dark Horse North and Altan Arrow). The Mineral Resource estimate was commissioned to incorporate data from 83 additional exploration holes drilled since the previous estimate was completed in November 2022. The majority of recent holes focused on Altan Arrow zones, while a small number of holes were drilled as infill at Dark Horse zones. All data supplied by ERD as of March 2026 were from surface diamond drilling conducted between 2016 and 2025, totalling 301 holes for 30,630 m.

Geological and mineralisation wireframes were constructed in Leapfrog Geo; geostatistical analysis was completed in Supervisor 9.1, while grade estimation was completed in Geovia Surpac 2025. Open-pit constraining pit shells were generated in Whittle.

The Mineral Resource estimates have been prepared according to the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) 2014 Definition Standards for Mineral Resources and Mineral Reserves dated 10 May 2014 (CIM 2014 Standards) as incorporated with National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). Mineral Resource estimates were also prepared using the guidance outlined in CIM Estimation of Mineral Resources and Mineral Reserves (MRMR) Best Practice Guidelines 2019 (CIM (2019) MRMR Best Practice Guidelines).

The Mineral Resources, as shown in **Table 4-1** are shown on a 100% equity basis.

To demonstrate reasonable prospects for eventual economic extraction (RPEEE), open-pit Mineral Resources are constrained by a preliminary optimised open-pit shell that was derived using US\$ US\$3,900/oz Au and US\$ 40/oz Ag prices and reported above a cut-off grade of 0.28 g/t Au in oxide and transition mineralisation and 0.85 g/t Au cut-off in fresh mineralisation. The mining and cost parameters used in the cut-off grade estimate were based largely on the nearby Bayan Khundii CIP operation, while the parameters used in the cut-off grade estimate were based on SLR's review outcome of metallurgical test work conducted on the Dark Horse Project. Hence, the parameters are sufficiently accurate and reasonable for resource estimation. Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM (2014) definitions) were used for Mineral Resource classification.

The Mineral Resource for the Dark Horse Project are tabulated in **Table 4-1**, with an effective date of May 1, 2026.

SLR is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate. These include the definition of weathering profiles and their implications for assumptions about metal recovery and commodity pricing.

Table 4-1 Dark Horse May 2026 Mineral Resource Estimate Summary

Deposit Area	Type	Indicated Mineral Resource				
		Tonnes	Au	Ag	Au	Ag
		t	g/t	g/t	ounces	ounces
Dark Horse South	Oxide	378,000	4.1	2.5	49,900	30,300
	Transitional	53,000	1.8	2.5	3,100	4,300
	Fresh	6,000	5.2	3.5	1,000	700
	Total	438,000	3.8	2.5	54,100	35,200
Dark Horse North	Oxide	530,000	0.7	1.3	12,000	21,800
	Transitional	428,000	1.0	1.3	13,500	17,500
	Fresh	11,000	2.2	1.6	800	600
	Total	969,000	0.8	1.3	26,200	39,900
Altan Arrow	Oxide	0	0.0	0.0	0	0
	Transitional	0	0.3	5.4	0	0
	Fresh	0	0.0	0.0	0	0
	Total	0	0.3	5.4	0	0
Dark Horse South, Dark Horse North, Altan Arrow	Oxide	909,000	2.1	1.8	61,900	52,100
	Transitional	481,000	1.1	1.4	16,600	21,800
	Fresh	17,000	3.3	2.3	1,800	1,300
	Total	1,407,000	1.8	1.7	80,300	75,200

Deposit Area	Type	Inferred Mineral Resource				
		Tonnes	Au	Ag	Au	Ag
		t	g/t	g/t	ounces	ounces
Dark Horse South	Oxide	13,000	0.6	1.8	300	700
	Transitional	4,000	0.6	2.0	100	300
	Fresh	0	0.9	3.8	0	0
	Total	17,000	0.6	1.9	300	1,000
Dark Horse North	Oxide	196,000	0.6	1.2	3,700	7,900
	Transitional	196,000	0.9	1.4	5,900	8,800

	Fresh	1,000	8.1	1.7	200	0
	Total	393,000	0.8	1.3	9,800	16,800
Altan Arrow	Oxide	82,000	0.7	2.3	1,700	6,000
	Transitional	116,000	0.8	1.1	3,200	4,200
	Fresh					
	Total	198,000	0.8	1.6	4,900	10,200
Dark Horse South, Dark Horse North, Altan Arrow	Oxide	290,000	0.6	1.6	5,700	14,600
	Transitional	317,000	0.9	1.3	9,100	13,300
	Fresh	1,000	7.3	2.0	200	100
	Total	608,000	0.8	1.4	15,000	28,000

Note:

1. The Statement of Estimates of Mineral Resources has been compiled by Mr Oyunbat Bat-Ochir, who is a full-time employee of SLR and a Member of the Australian Institute of Geoscientists. Mr Bat-Ochir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined in the CIM Standards of Disclosure.
2. All Mineral Resources figures reported in the table above represent estimates as of May 1, 2026. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
3. Mineral Resources are reported on a dry in-situ basis.
4. The Mineral Resource is reported using a 0.28 g/t Au cut-off grade in oxide and transition mineralisation and 0.85 g/t Au cut-off in fresh mineralisation and is constrained above the conceptual optimised pit shell with a pit slope angle of 45°. Cut-off parameters were selected based on an SLR internal cut-off calculator, assuming an open cut mining method with 2.5% ore loss and 10% dilution, a gold price of US\$3,900 per ounce, an open mining cost of US\$2.76 per tonne and a processing cost of US\$25.56 per tonne milled, general and administration cost of US\$1.5 per tone and processing recovery of 90% for oxide, 87% for transitional and 30% for fresh Au mineralisation. The conceptual optimised pit shell was constructed using a gold price of US\$ 3,900/oz and a silver price of US\$ 40/oz with a processing recovery of 55% for Ag mineralisation.
5. Mineral Resources referred to above have not been subject to detailed economic analysis and therefore have not been demonstrated to have actual economic viability.

4.2 Resource Database

The exploration database was maintained in Microsoft Excel spreadsheets. All data were exported as comma-delimited text files. The text files contained analytical results for Au, Ag, As, S, Fe, and Mn. Au and Ag were considered the elements with economic value, and the remaining elements were estimated to understand penalty element distribution.

The key files supplied to SLR included:

- AAD-01-301_AssayDB_2026_Final.xlsx
- AAD-01-301 Collar DGPS_mar25.xlsx
- AAD-01-301 Survey_mar25.xlsx
- AAD-01-301_combined_MagSus.xlsx
- AAD_Specific_Gravity_density_result_2021_vQAQC.xls
- Original laboratory reports (hole AAD-01 to AAD-301)
- AAD01-301_Combined_Logs_MI_Edited.xlsx
- TR1-MONGOLIA-BAYANKHONGOR-SO20230837-DEM-Tile-477_4868.msh – dem topography
- RPM_coded_weathering_visual_checked.xls
- Weathering DH_updated_AAD-274.csv

The supplied drilling data spreadsheets were compiled by SLR into the Access database 'darkhorse_db_260428'. The contained drill hole up to AAD-301 included tabulated information for collar, survey, assay, density, lithology and veining. The data were imported into Surpac and Leapfrog Geo. All Mineral Resource estimation work conducted by SLR was based on drill hole data received as of March 1, 2026.

All data were from surface drilling conducted between 2016 and 2025, with a total of 301 diamond holes totalling 30,630 m. A subset of 207 holes for 18,835 m was used in the Mineral Resource. A summary of the drilling database used in Dark Horse Mineral Resource is shown in **Table 4-2**.

Table 4-2 Dark Horse Resource Database Summary

In the supplied database				In Mineral Resource			
Period	Type	Number of holes	Total Length (m)	Number of Holes	Total Length (m)	Intersection meters	
						HG Metres	LG Metres
2016	DD	7	590	4	350	2	68
2017		5	850	4	650	-	59
2018		25	3,514	8	1,228	-	75
2019		2	453	-	-	-	-
2020		25	4,660	6	1,343	73	229
2021		126	11,734	97	8,224	375	1,240
2022		28	2,355	22	1,738	88	223
2023		18	1,040	9	510		80
2025		65	5,434	57	4,794	152	756
Total		301	30,630	207	18,835	691	2,729

No data was excluded from the estimate. Metal screening assaying was completed on samples with over 5 g/t Au (a total of 150 samples), and the original fire assay results were replaced with metal screening results prior to use in the estimation. The lower detection limit for Ag in the SGS primary laboratory is 2 ppm, and 95% of assays reported below 2 g/t Ag in the database. SLR replaced these values with a half-detection limit value of 1 g/t Ag prior to use in the estimation.

The estimate was completed for Au, Ag, As, S, Fe and Mn elements, and a summary of the assay data is shown in **Table 4-3**.

Table 4-3 Drill hole and Assay Input Data Summary

Element	count	Min	Max	Missing samples
hole_id	301			0
Au ppm	19,457	0.001	194.6	0
Ag ppm	19,457	1.000	265.0	0
As ppm	19,457	0.000	42,900.0	0
S %	19,457	0.005	8.0	0
Fe %	19,457	0.250	15.2	0
Mn ppm	19,457	0.500	14,000.0	0

4.3 Geological Interpretation

The Mineralisation at Dark Horse is considered structurally controlled, epithermal Au mineralisation.

Prior to defining the estimation domains, SLR constructed a series of structural trend surfaces that define the mineralisation trends, as interpreted by SLR. The structural trends were interpreted based on a combination of inputs, including (but not limited to) the following:

- ERD's interpretation of lithological units and anisotropic RBF (radial based function) interpolant Au grade shells;

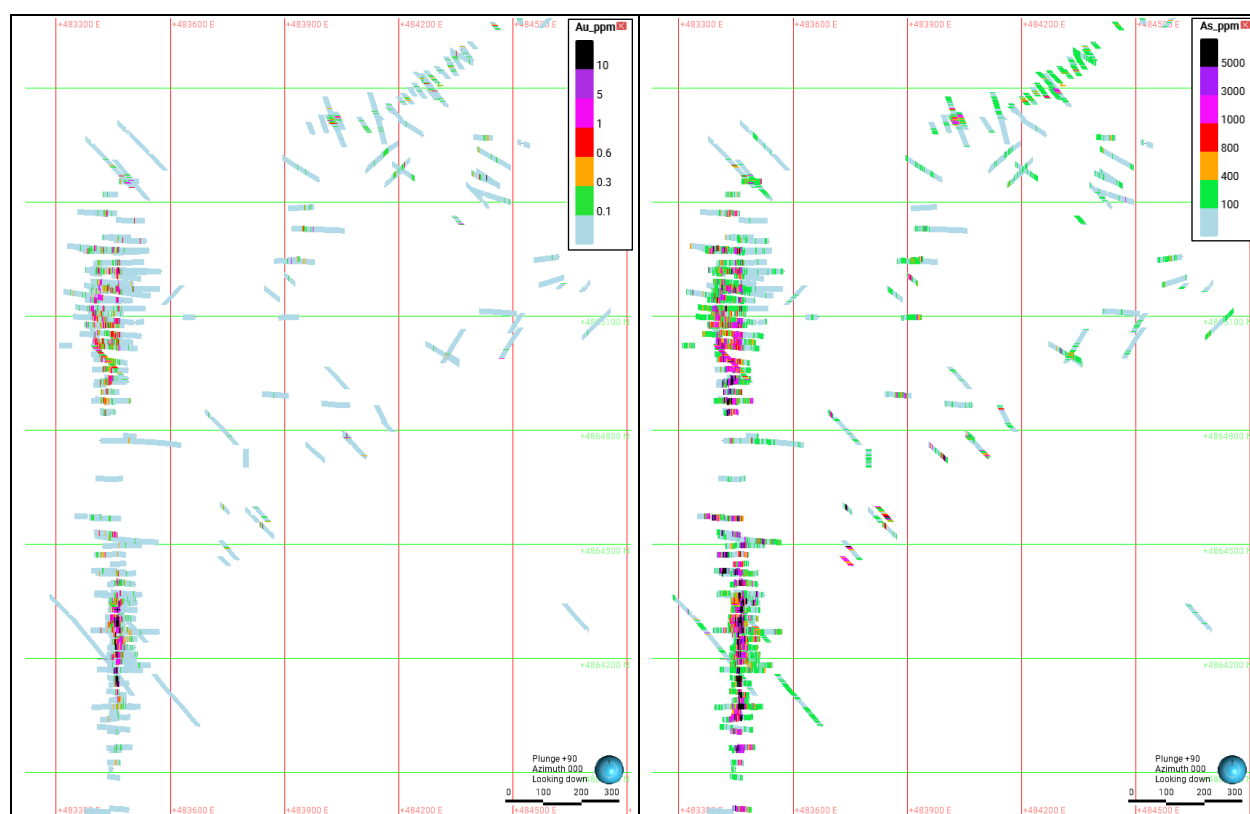
- Discussion with ERD's Technical Lead Geologists;
- Visual observation of logged vein frequency, oxidation states and orientation measurements.
- Visual observation of continuity of high-grade Au in three dimensions, based on various manipulations of the downhole assay grade, including:
 - Composites of different composite lengths, up to 4-meter composites, to filter out small-scale noise;
 - Grade filtering using various high-grade cut-offs;
 - Maximum intensity projection of high-grade assays in Leapfrog Geo, which enhanced high-grade values, and
 - Creating anisotropic RBF shells to assist in identifying macro trends and filtering out small-scale noise.

On this basis, the following observations were made. The North-South, linear, elongated zone is the primary structure controlling gold mineralisation at the Dark Horse Project, hosting Dark Horse South and Dark Horse North. Gold mineralisation occurs as steeply dipping breccias, veins, and stockwork textures, characterised by intense iron oxide, elevated arsenic anomalism and sulfide minerals. Intensity of the oxidation impacts grade distributions as the majority of the higher grade Au mineralisation at Dark Horse occurs in shallow depth within the oxide zone; however, this is not definitive and is not the case in all portions of the deposit. Mineralisation is mainly hosted within andesitic volcanics. The Dark Horse zone (DHZ) extends over 1.6 km.

The Altan Arrow is a fault zone that runs obliquely east of the Dark Horse and forms a similar linear zone that splays from the DHZ, creating mineralised domains along a 900 m strike length.

Metal distribution of Au and As grades for the Dark Horse Project is shown in **Figure 4-1**.

Figure 4-1 Grade Distribution at Dark Horse



4.3.1 Preparation of Wireframes

4.3.1.1 Mineralisation Modelling

Mineralisation domains were constructed by SLR using Leapfrog Geo software. Mineralisation at Dark Horse was modelled as veins and halos. The vein modelling tool was used to interpret the mineralisation.

The veins represent the main mineralised higher-grade veins for which there is sufficient drill hole data to support a spatial interpretation.

Vein halos were generated to capture low-grade mineralised samples immediately adjacent to the veins.

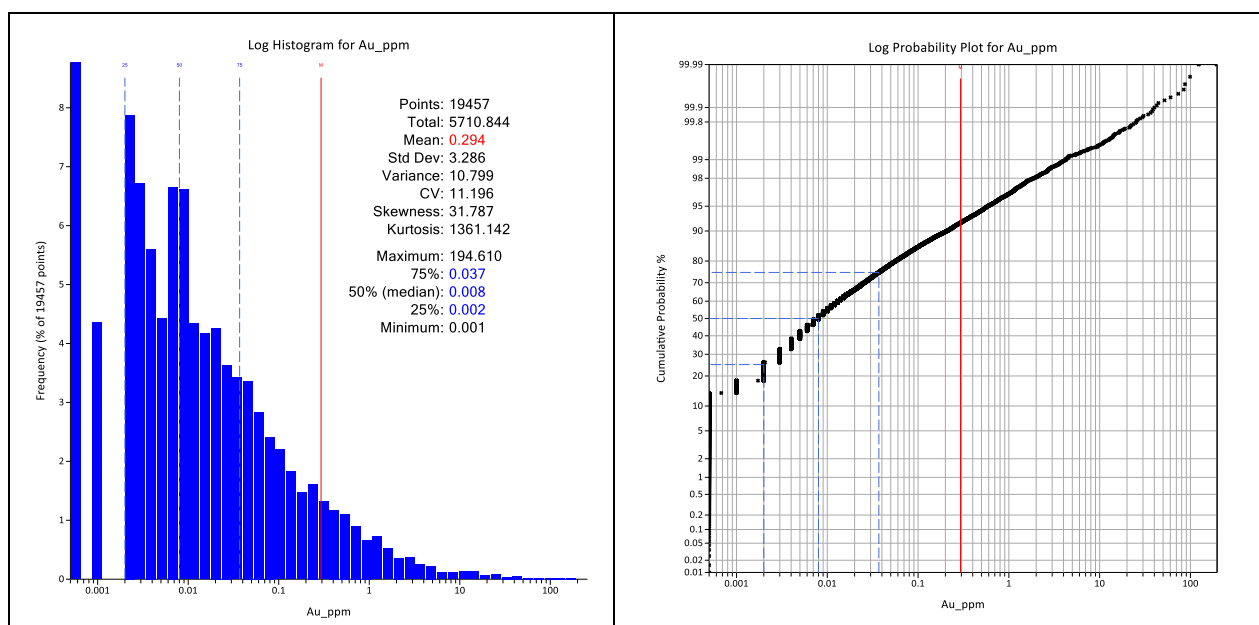
The mineralisation wireframes were truncated below the overburden surface and topography.

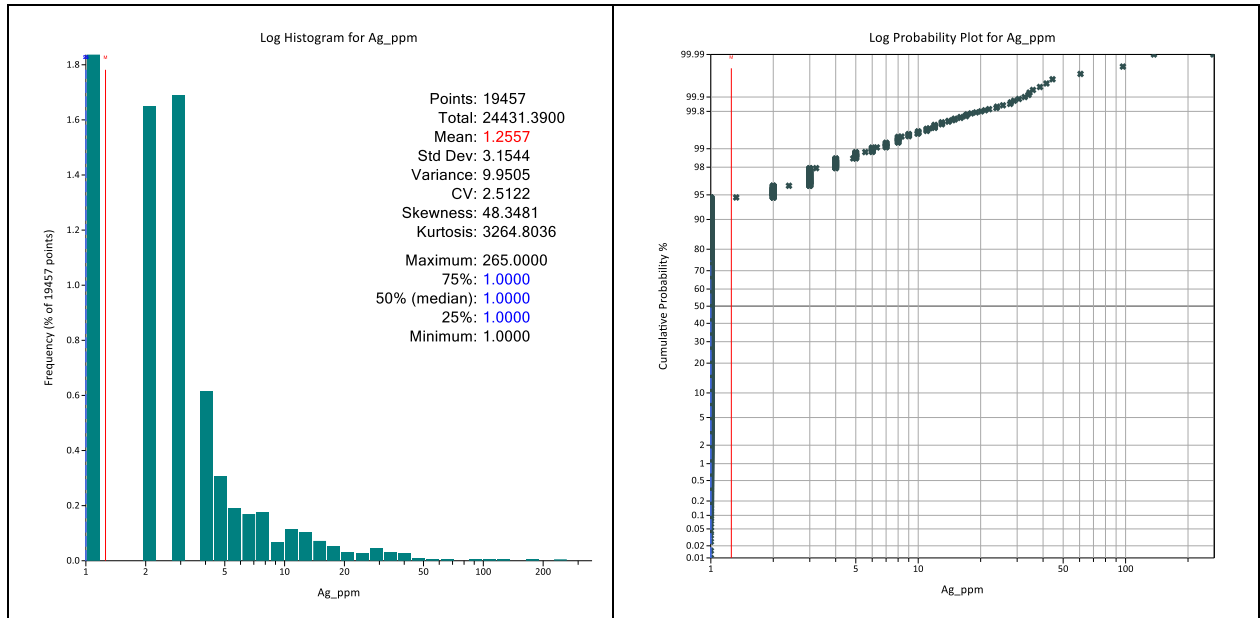
Veins were generated as Leapfrog Geo Vein objects and permitted a minimum of 1 m and were constructed with a nominal Au cut-off grade of 1 g/t Au. Typically, the vein-type mineralisation is defined by a clear and significant increase in grade relative to the surrounding host rock, which can be clearly identified through visual assessment of the downhole assay grades. Drill hole intercepts below 1 g/t Au were sometimes included within the veins if surrounded by higher grade intercepts, in order to maintain reasonable geological continuity and prevent excessively concave boundaries. These wireframes are described herein as high-grade (HG) domains.

A significant volume of lower-grade mineralisation of potentially economic grades falls outside the HG Domain wireframes. For this reason, a lower grade “halo” wireframe model, described herein as the LG Domains, was constructed to surround the HG Domains. A nominal 0.1 g/t Au cut-off was used to construct these wireframes. Leapfrog Geo™ trend surfaces generated during construction of the HG domains were used to control LG Domain wireframe orientations, resulting in LG “halo” domains that follow the HG Domain trend and appropriately capture surrounding gold mineralisation greater than 0.1 g/t Au.

The selection of cut-off grades was based on statistical analysis of downhole gold assays from all exploration drilling, for which log-probability plot analysis suggested a subtle population break at the chosen cut-off grades. Population histogram and probability plots for Au and Ag grades for all exploration data are shown in **Figure 4-2**.

Figure 4-2 Log Histogram and Log Probability Plot for All Au Assays





The correlation between Au and Ag grades is poor (0.11) on a sample-by-sample basis; however, visual and statistical assessments of Ag grades relative to the Au domains at Dark Horse reasonably capture Ag assays and are considered appropriate for use as domain boundaries for the estimation of both Au and Ag mineralisation.

The Leapfrog Geo™ Vein modelling tool was used to construct HG and LG domains to select and code the raw assay data into groups considered to form discrete mineralised structures. Control lines were used at the footwall and hanging wall to dictate the orientation of zones. In addition, boundary outlines were employed to define closed mineralisation volumes.

A total of 28 discrete zones were interpreted, including 28 HG Domains (*wf_dh_au_hg_20260428.dtm*) and 51 LG Domains (*wf_dh_au_lg_20260428.dtm*). Modelled wireframes were exported to Surpac™ 2025.

The strike and dip extent and average thickness of all the mineralisation domains are provided in **Table 4-4**.

Table 4-4 Strike and Dip Extent and Average Thickness of All Au Vein Domains

Area	Domain	Object	Strike extent (m)	Depth extent (m)	Average thickness (m)
Altan Arrow	LG	21	320	104	21
		22	249	116	7
		23	246	118	10
		24	100	56	12
		25	522	68	12
		26	381	68	11
		27	290	81	16
		28	180	96	11
		29	72	28	8
		30	30	60	14
		32	30	54	12
		33	219	86	11
		34	259	100	9
		35	259	139	26
		36	86	115	20
		37	87	74	11
		38	223	83	6

		39	87	56	5	
		40	129	71	8	
		41	116	100	24	
		42	53	74	12	
		43	56	79	16	
		44	60	85	8	
		45	188	108	16	
		46	26	30	7	
		47	45	31	12	
		48	27	34	9	
		49	61	117	10	
	HG	227	27	33	5	
Dark Horse North	LG	1	461	152	22	
		2	757	203	26	
		3	372	148	14	
		4	100	95	11	
		5	234	76	10	
		6	155	90	11	
		7	255	99	11	
		17	115	92	10	
		18	215	94	8	
		19	51	53	5	
	HG	205	233	113	12	
		206	148	116	16	
		207	108	96	4	
		208	443	186	9	
		209	135	91	5	
		210	244	96	9	
		211	18	20	2	
		212	135	67	3	
		213	53	23	2	
		220	19	18	2	
		221	26	24	3	
		222	31	36	2	
		223	30	27	5	
		224	24	22	6	
		225	24	22	2	
		226	20	20	5	
		228	18	14	1	
Dark Horse South	LG	8	658	265	27	
		9	134	57	14	
		10	65	68	10	
		11	146	61	11	
		12	115	59	19	
		13	180	119	29	
		14	127	100	21	
		15	64	83	23	
		16	83	70	10	
		20	92	36	3	
		31	25	41	4	
		50	255	88	12	
		51	100	46	9	
		HG	201	231	74	13
			202	59	44	8

		203	170	54	11
		204	68	60	4
		214	54	33	6
		215	19	18	5
		216	13	15	7
		217	96	77	11
		218	88	53	10
		219	19	16	7

Extrapolation of the wireframe objects is geologically robust and consistent. HG wireframes are extrapolated up to 15 metres, while LG wireframes are extrapolated up to 30 metres from the last drill intersection.

The extents of the interpreted domains are shown in **Figure 4-3** and **Figure 4-6**.

Figure 4-3 Dark Horse Resource Wireframes – Plan View

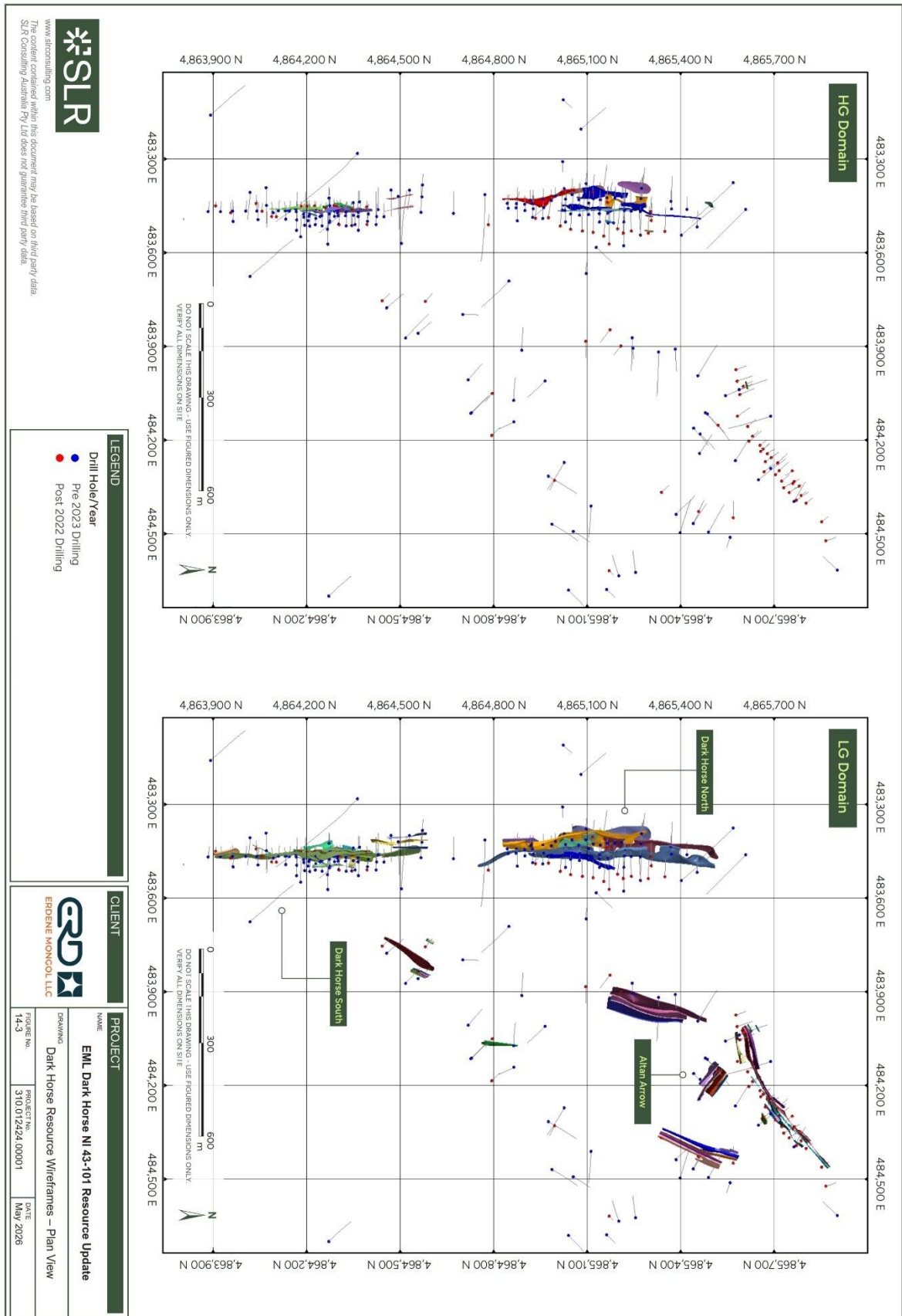


Figure 4-4 Dark Horse Resource Wireframes – Looking West

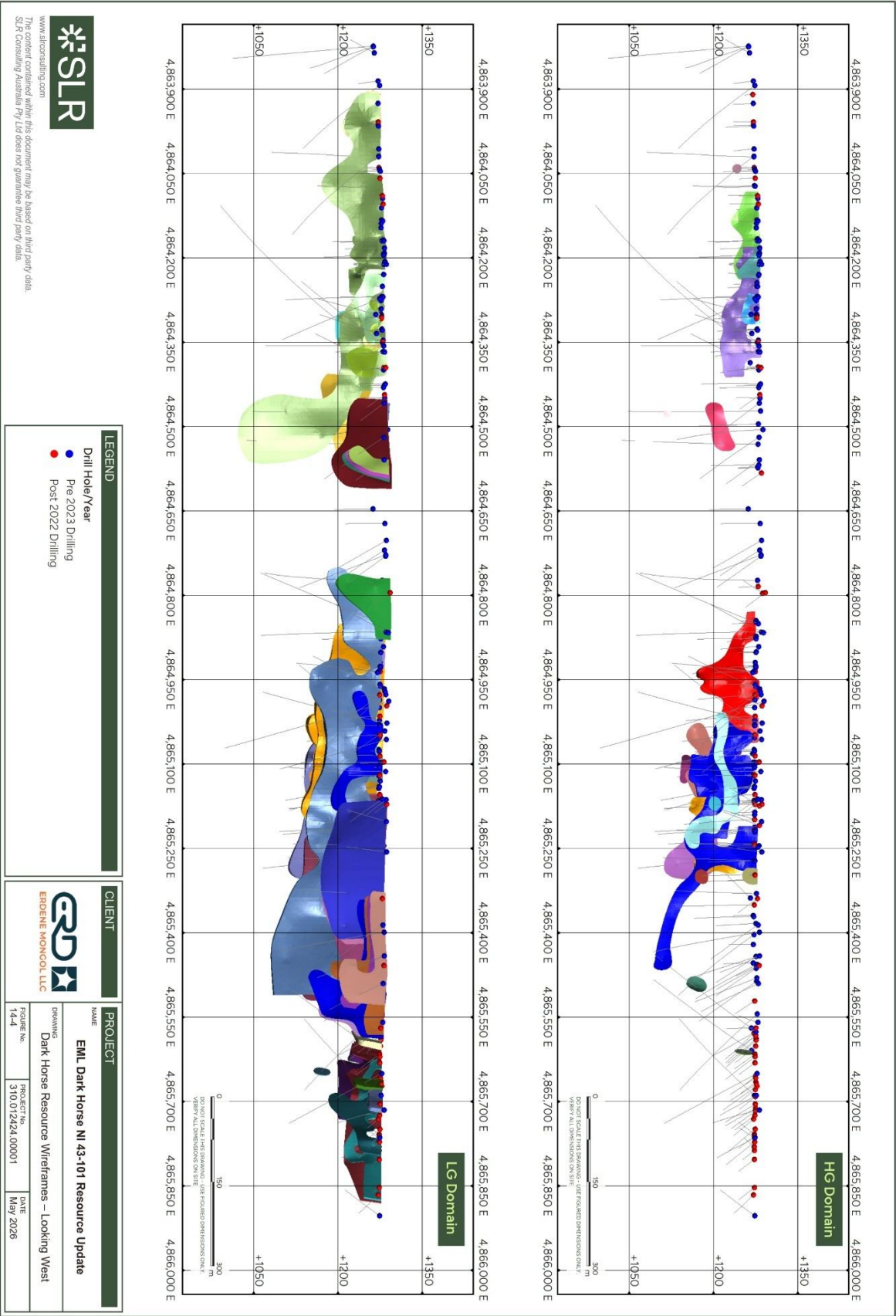


Figure 4-5 Cross Section 1 of Wireframes and Drilling

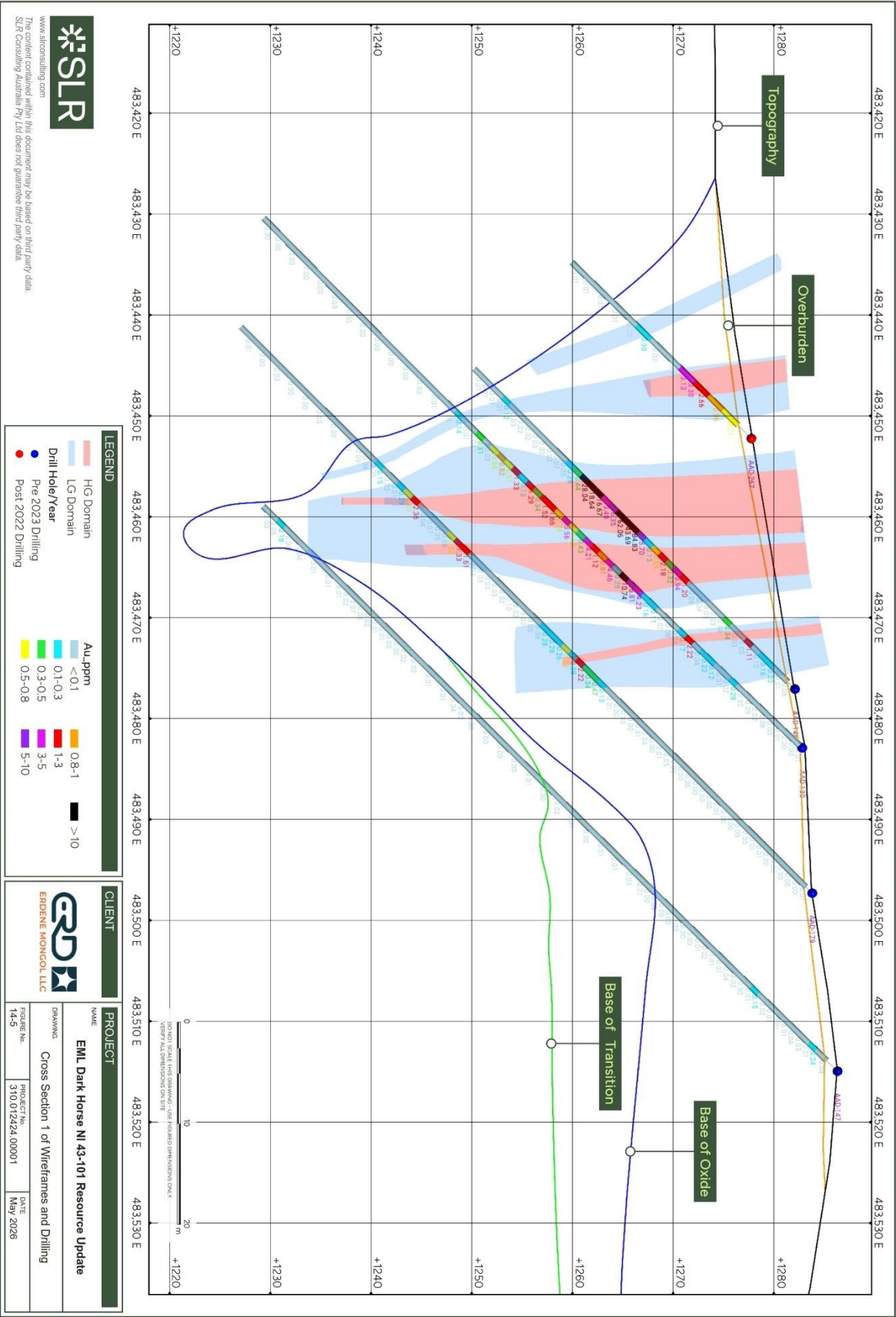
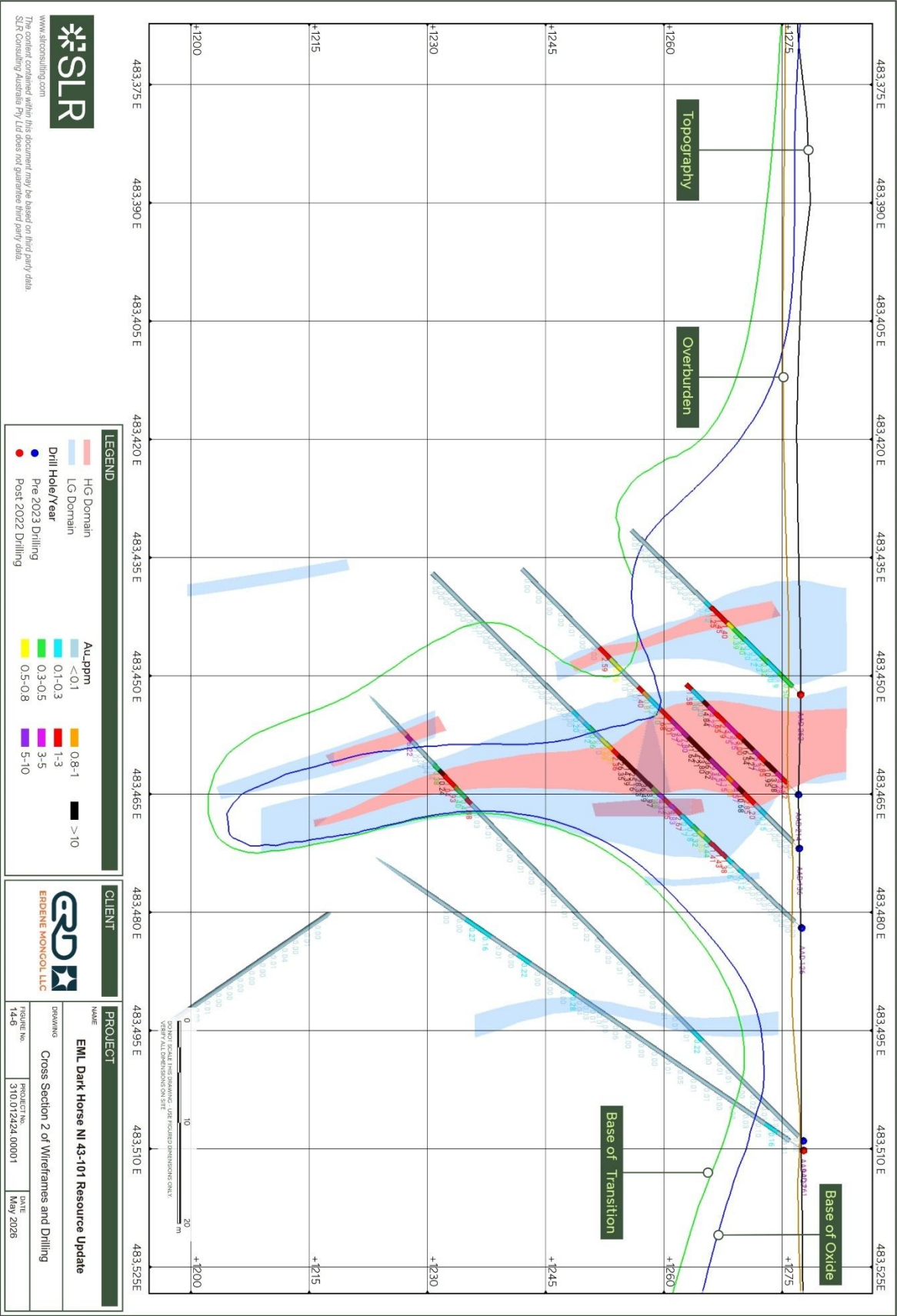


Figure 4-6 Cross Section 2 of Wireframes and Drilling



4.3.1.2 Topographic Surface

The mineralisation, overburden and weathering domains models were constructed below a topographic digital elevation model (DEM) wireframe provided by ERD. The satellite DEM was sourced from an Airbus SPOT image collected in 2021. Quality control checks were performed by overlapping orthoimages and comparing X and Y cartographic references. The overall quality control report demonstrates good accuracy, with an overall bias of 0.4 m and an RMSE of 3.1.

SLR notes that holes up to AAD-301 were surveyed with base stations, and comparison of the DEM surface and base station surveyed holes shows differences up to ± 3 -4 meters in elevation. SLR then included all base-station-surveyed collar coordinates into the current DEM surfaces prior to use for modelling, as the base-station-surveyed coordinates were considered to have higher accuracy than the DEM surfaces.

4.3.1.3 Geology Wireframes

Lithology models were created by the ERD team. Logged lithology codes were grouped into seven main lithologies (refer to **Table 4-5**).

Table 4-5 Lithology Model and Grouping

Lith code	Lithology grouping
1	Andesite, andesite porphyry, dacite porphyry, trachy andesite, dacite, rhyodacite, rhyolite, andesitic dacite
2	Tuffs
3	Intrusions, porphyritic syenite, syenite, monzodiorite, granodiorite, monzonite, quartz monzonite, quartz syenite porphyry, quartz monzodiorite, diorite, dykes
5	Breccia, hydrothermal breccia, fault breccia, silica breccia, quartz breccia, tourmaline breccia, tectonic breccia, epithermal breccia, hematite breccia
6.1	Residual Silica
7	Vein materials (typically observed mineralisation)
8	Faults

A surface for the overburden was prepared by SLR using geological logging. It was clearly logged and coded as “soil or casing” in the drill hole database, so SLR used the logging data to create a surface representing the base of alluvium or top of bedrock (*wf_dh_overburden_20260428.dtm*) and has a depth extent up to 12 metres below topography. This was used to code the block model into appropriate domains, and all mineralisation domains were truncated by the overburden surface.

4.3.1.4 Weathering Wireframes

SLR’s visual inspection of drill core photos and logged mineralisation suggests that weathering profiles are well developed at the Dark Horse deposit.

Based on preliminary metallurgical test work results, ERD has calculated an Fe:S ratio based on drill core assays to assist in quantifying the degree of oxidation, on the understanding that an oxidation zone should have a higher concentration of iron relative to sulfur, i.e. a higher Fe:S ratio potentially indicates a greater degree of oxidation. The Fe:S ratio data were then merged with the downhole magnetic susceptibility data to filter out zones where the Fe:S ratio value may be elevated due to lithological factors rather than oxidation processes, based on the premise that alteration and oxidation related to the gold mineralisation tends to exhibit magnetic destruction (low mag susceptibility).

Based on 10 metallurgical samples (5 oxide and 5 fresh samples), Fe:S ratio and downhole magnetic susceptibility data, various weathered material types were defined. This is summarised in **Table 4-6**.

Table 4-6 Weathering Material Type Definition

Weathering	Definition
Oxide	Fe:S $\geq$ 20 and Mag sus $\leq$ 2
Transition	Fe:S $\geq$ 5 and Mag sus $\leq$ 5
Fresh	Fe:S $<$ 5 and Mag sus $>$ 5

ERD created weathering isosurfaces using Leapfrog's Indicator RFB Interpolant function. Whilst the resulting model appears to meet the above criteria, SLR was of the opinion that the shapes are not geologically reasonable.

Logging data indicate that strong hematite iron staining occurs mostly along fractures to fairly deep levels and seems to coincide with mineralisation.

SLR decided to interpret weathering profiles based on both visual logging of oxidation and the above criteria. QP previously noted that the logging information supplied by ERD was not specifically designed to record weathering material types. In this most recent drilling program, ERD has supplied separate weathering-logging data for drill holes up to AA-274. SLR used this updated weathering logging information to create weathering surfaces using the Intrusion tool in Leapfrog Geo™. The following workflow was employed by SLR to develop oxide, transition and fresh weathering surfaces from weathering logging.

- Carry out manual selection of which holes to use based on the oxide logging and consistency with adjacent holes;
- Model the oxide and transition zones using the Intrusion modelling tool;
- Visually check the modelled oxide-transition and transition-fresh contact surfaces against the holes for which only oxide and fresh material (no transition) is logged;
- In the case of holes for which no transition is logged, any cases of the logged oxide-fresh contact being close to the modelled oxide-transition contact were assumed to represent the contact between the oxide and transition. These contact points were extracted and used to refine the modelled oxide-transition contacts.

SLR extracted the Fe, S and magnetic susceptibility data from within the domains of the final weathering model. The summary statistics of Fe and S values within each final weathering domain (refer to **Table 4-7**) are similar to the criteria defined by ERD shown in **Table 4-6**.

Table 4-7 Summary Statistics of Assays by Modelled Weathering Profile

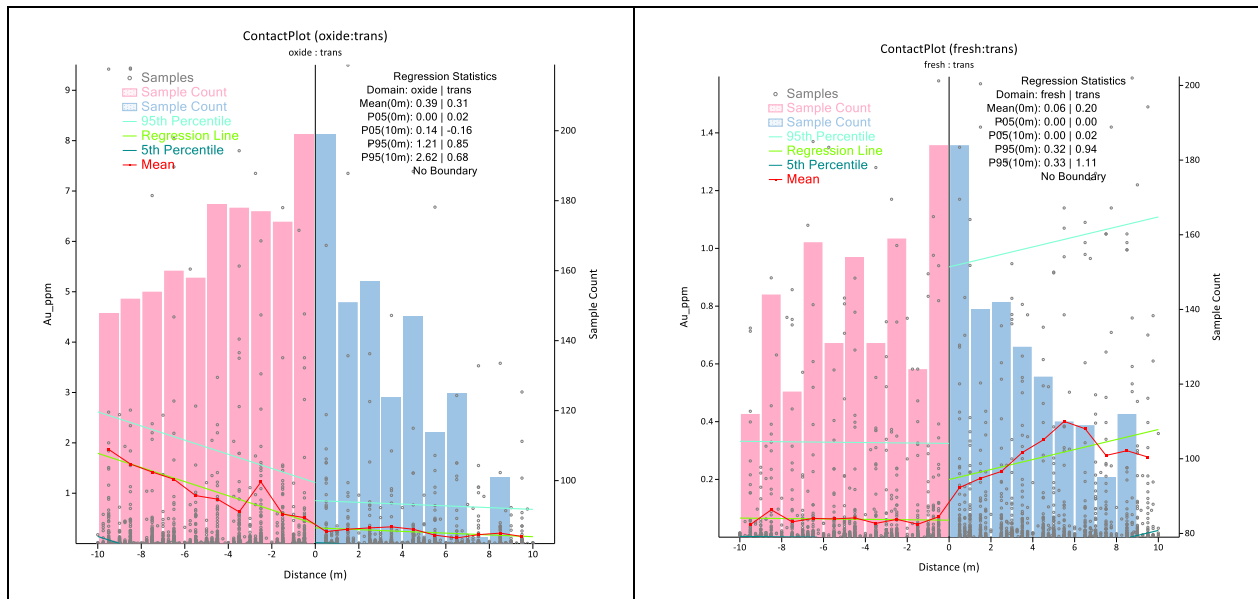
Type	Fe : S	Mag Sus	Fe %	S %
Oxide	195.1	1.1	4.7	0.2
Trans	171.2	2.4	4.4	0.4
Fresh	68.1	5.2	4.4	1.0

To check the suitability of the modelled mineralisation and weathering domains for use as estimation domains for block modelling and grade interpolation, and also to assess whether to utilise 'hard' or 'soft' estimation domains boundaries, SLR has completed contact analysis. SLR merged all assay grades within mineralisation domains into a single domain and subsequently completed contact analysis on the oxide, transition and fresh portions of these merged domains.

Results indicate that for Au and Ag, contact analysis plots show gradual reductions in grade across weathering profiles, with no abrupt changes in grade (**Figure 4-7**).

Based on the contact analysis, it was decided that, for all elements, the weathering model should not be used to subdivide the mineralisation domains for block modelling and grade interpolation. Results clearly indicate that the majority of the high-grade mineralisation occurs within oxide and transition zones.

Figure 4-7 Contact Analysis of Au vs Weathering Profile



4.4 Compositing and Statistics

Data compositing is undertaken to reduce variability in the raw assay-grade population resulting from samples of unequal length and to generate samples more appropriate to the scale of the envisaged mining operation. For the estimation process, all samples must be assumed to have equal weight and therefore be of equal length.

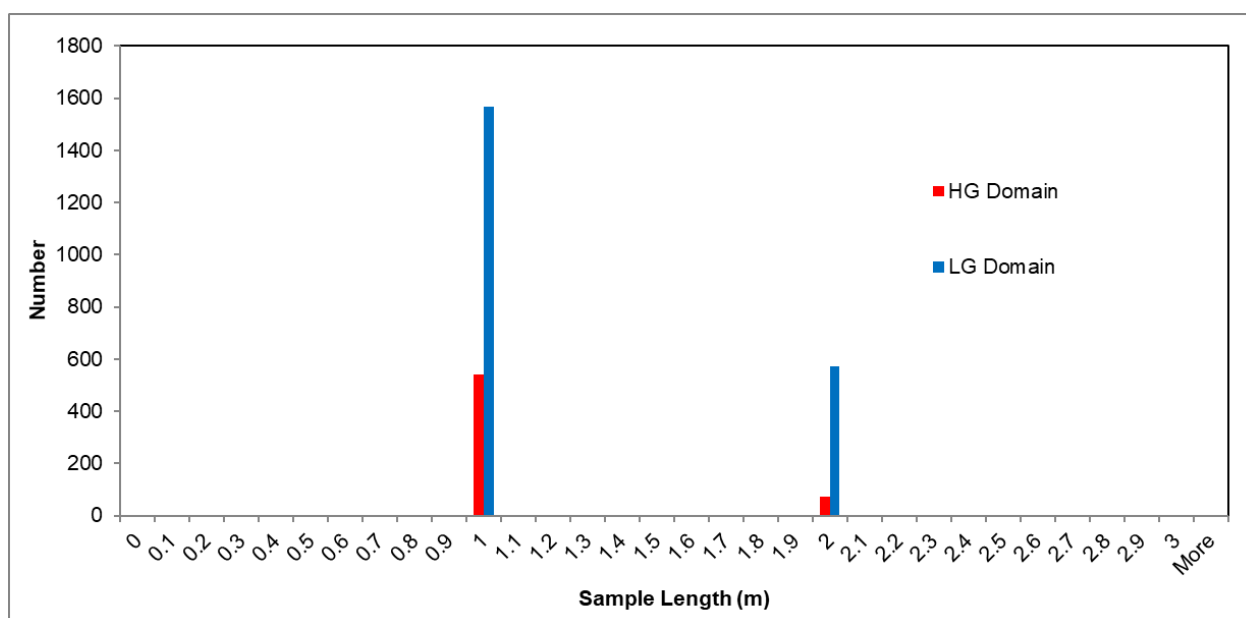
The wireframes of the mineralised zones were used to code the database, enabling the identification of the resource intersection. These were coded into the 'res_zone' table within the database. Separate intersection files were generated for each resource envelope. These were then grouped into high and low-grade domains. A review of sample lengths in these files was conducted to determine the optimal composite length. This review found that the samples are collected at nominal 1- or 2 m intervals. It appears that higher-grade zones are often sampled at 1 m intervals, while lower-grade zones are sampled at either 1 or 2 m intervals.

Results of the sample length analyses within mineralisation are shown in **Figure 4-8**.

1 m appears to be the dominant sampling interval within mineralisation wireframes, with a number of sample intercepts of 2 m length. After testing various sampling intervals with assay statistics, the decision was made to composite to 1 m on the basis that the majority (88%) of the high-grade zone was sampled at 1 m intervals, as they often represent a significant portion of the Dark Horse high-grade mineralisation, and to maintain a reasonable degree of local variability.

Surpac software was then used to extract 'best fit' 1 m down-hole composites within the intervals coded as 'domain' intersections. This method adjusts the composite length at intersections to eliminate "rejected" samples that can occur with fixed-length compositing.

Figure 4-8 Sample Length Inside Wireframes



The composites were checked for spatial correlation within the objects and the location of the rejected composites. Individual composite files were created for each domain in the wireframe models, containing Au, Ag, As, Fe, S and Mn assay data.

The composite data was imported into the Supervisor 9.1 software for analysis. Summary statistics for high and low-grade domains and elements are shown in **Table 4-8** and **Table 4-13**.

Table 4-8 Summary Statistics for 1 m Composites – Au

Assay	Au g/t						
Area	All	Dark Horse South		Dark Horse North		Altan Arrow	
Domain		HG	LG	HG	LG	HG	LG
Samples	3419	439	868	246	1309	4	553
Minimum	0.00	0.02	0.00	0.02	0.00	1.55	0.01
Maximum	194.61	194.61	3.53	26.80	1.89	16.20	70.15
Mean	1.70	9.20	0.35	2.23	0.36	5.41	0.74
St Dev	7.76	19.22	0.33	2.49	0.29	6.24	4.75
Coef Var	4.58	2.09	0.95	1.12	0.80	1.15	6.37
Variance	60.19	369.53	0.11	6.20	0.09	38.94	22.52
10%	0.10	0.89	0.08	0.96	0.10	1.55	0.08
20%	0.13	1.33	0.12	1.14	0.13	1.55	0.11
30%	0.17	1.78	0.14	1.21	0.17	1.55	0.12
40%	0.24	2.37	0.19	1.40	0.22	1.55	0.14
50%	0.32	2.93	0.24	1.56	0.27	1.55	0.17
60%	0.45	4.24	0.30	1.82	0.34	1.86	0.22
70%	0.67	6.23	0.40	2.16	0.44	2.17	0.27
80%	1.10	11.00	0.53	2.77	0.56	5.10	0.39
90%	2.39	21.63	0.77	3.90	0.79	10.65	0.65
95%	4.88	36.50	0.98	4.48	0.96	13.42	1.06
97.50%	12.76	59.72	1.25	8.06	1.15	14.81	2.83
99%	26.71	93.52	1.43	13.51	1.27	15.64	6.64

Table 4-9 Summary Statistics for 1 m Composites – Ag

Assay	Ag g/t						
Area	All	Dark Horse South		Dark Horse North		Altan Arrow	
Domain		HG	LG	HG	LG	HG	LG
Samples	3419	439	868	246	1309	4	553
Minimum	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Maximum	265.00	40.00	265.00	41.00	12.00	2.00	171.00
Mean	2.14	2.90	2.11	1.79	1.31	1.50	3.74
St Dev	7.66	4.24	10.88	2.93	0.96	0.50	12.35
Coef Var	3.58	1.46	5.17	1.64	0.73	0.33	3.30
Variance	58.74	17.97	118.28	8.61	0.92	0.25	152.49
10%	1.00	1.00	1.00	1.00	1.00	1.00	1.00
20%	1.00	1.00	1.00	1.00	1.00	1.00	1.00
30%	1.00	1.00	1.00	1.00	1.00	1.00	1.00
40%	1.00	1.00	1.00	1.00	1.00	1.00	1.00
50%	1.00	1.00	1.00	1.00	1.00	1.00	1.00
60%	1.00	2.00	1.00	1.00	1.00	1.40	1.00
70%	1.00	3.00	1.00	1.00	1.00	1.80	1.00
80%	2.00	3.00	1.00	2.00	1.00	2.00	3.00
90%	3.00	6.00	3.00	3.00	2.00	2.00	7.00
95%	5.00	11.00	4.00	4.00	3.00	2.00	11.35
97.50%	8.85	16.00	7.00	5.00	4.00	2.00	20.97
99%	16.00	23.22	12.32	9.08	5.91	2.00	43.47

Table 4-10 Summary Statistics for 1 m Composites – As

Assay	As g/t						
Area	All	Dark Horse South		Dark Horse North		Altan Arrow	
Domain		HG	LG	HG	LG	HG	LG
Samples	3419	439	868	246	1309	4	553
Minimum	0.0	128.0	0.0	39.0	42.0	1,549.0	16.0
Maximum	40,819.1	40,819.1	16,400.0	12,200.0	16,200.0	2,662.0	8,892.0
Mean	2,055.0	5,088.2	1,958.2	2,864.2	1,601.7	2,081.8	511.8
St Dev	2,810.9	5,061.5	2,255.5	2,146.6	1,718.4	533.8	1,004.4
Coef Var	1.4	1.0	1.2	0.7	1.1	0.3	2.0
Variance	7,901,364.3	25,619,106.6	5,087,499.3	4,607,980.1	2,952,789.6	284,950.7	1,008,765.4
10%	157.9	904.9	297.0	836.4	272.0	1,549.0	56.0
20%	336.0	1,357.2	476.6	1,165.6	460.8	1,549.0	73.0
30%	550.0	1,962.0	624.4	1,390.0	643.7	1,549.0	99.8
40%	796.6	2,778.2	795.0	1,908.6	834.6	1,549.0	140.2
50%	1,086.2	3,528.5	1,060.0	2,399.0	1,044.5	1,549.0	185.5
60%	1,479.0	4,548.6	1,391.4	2,822.0	1,350.0	1,956.2	242.8
70%	2,130.2	5,924.8	2,104.0	3,286.0	1,692.9	2,363.4	368.0
80%	3,143.2	7,848.1	3,193.0	4,097.6	2,362.8	2,586.0	532.0
90%	5,059.0	11,010.0	4,795.0	5,617.0	3,553.1	2,624.0	1,207.6
95%	7,349.6	14,830.0	6,877.8	7,371.4	4,853.0	2,643.0	2,156.0
97.50%	9,751.9	17,622.5	8,689.6	8,067.9	6,427.1	2,652.5	3,774.6
99%	12,981.0	23,983.0	10,232.0	10,355.0	8,610.0	2,658.2	5,510.5

Table 4-11 Summary Statistics for 1 m Composites – S

Assay	S %						
Area	All	Dark Horse South		Dark Horse North		Altan Arrow	
Domain		HG	LG	HG	LG	HG	LG
Samples	3419	439	868	246	1309	4	553
Minimum	0.01	0.01	0.01	0.01	0.01	0.02	0.01
Maximum	5.05	5.05	5.05	4.85	3.95	0.05	4.99
Mean	0.75	0.53	0.91	1.13	0.77	0.04	0.47
St Dev	0.99	0.86	1.23	0.98	0.83	0.02	0.90
Coef Var	1.32	1.63	1.35	0.87	1.08	0.43	1.93
Variance	0.98	0.74	1.51	0.96	0.69	0.00	0.81
10%	0.01	0.02	0.02	0.02	0.01	0.02	0.01
20%	0.03	0.03	0.03	0.07	0.04	0.02	0.02
30%	0.05	0.04	0.05	0.27	0.10	0.02	0.02
40%	0.10	0.06	0.08	0.64	0.26	0.02	0.03
50%	0.25	0.11	0.21	0.96	0.52	0.02	0.05
60%	0.56	0.20	0.54	1.33	0.76	0.03	0.10
70%	0.94	0.41	1.22	1.69	1.05	0.04	0.25
80%	1.45	0.86	1.85	1.91	1.40	0.05	0.63
90%	2.26	1.79	2.80	2.45	1.97	0.05	1.69
95%	2.85	2.39	3.63	2.93	2.53	0.05	2.68
97.50%	3.41	3.10	4.27	3.22	2.86	0.05	3.26
99%	4.13	3.55	4.96	3.50	3.42	0.05	3.91

Table 4-12 Summary Statistics for 1 m Composites – Fe

Assay	Fe %						
Area	All	Dark Horse South		Dark Horse North		Altan Arrow	
Domain		HG	LG	HG	LG	HG	LG
Samples	3419	439	868	246	1309	4	553
Minimum	0.35	0.89	0.35	2.08	0.45	5.20	0.98
Maximum	15.15	12.04	15.15	8.12	9.12	5.47	14.30
Mean	4.27	4.53	4.53	4.21	4.03	5.29	4.22
St Dev	1.81	2.05	2.32	1.21	1.33	0.11	1.81
Coef Var	0.42	0.45	0.51	0.29	0.33	0.02	0.43
Variance	3.27	4.18	5.38	1.47	1.78	0.01	3.27
10%	2.43	2.33	2.35	2.93	2.59	5.20	2.04
20%	2.98	2.93	2.91	3.17	3.09	5.20	2.58
30%	3.30	3.30	3.23	3.44	3.31	5.20	3.23
40%	3.60	3.65	3.63	3.63	3.53	5.20	3.72
50%	3.87	3.98	3.93	3.88	3.73	5.20	4.08
60%	4.24	4.41	4.36	4.19	3.99	5.24	4.54
70%	4.78	5.17	5.04	4.75	4.40	5.28	4.99
80%	5.52	6.01	5.97	5.52	5.10	5.33	5.44
90%	6.55	7.41	7.53	5.98	6.08	5.40	6.23
95%	7.43	8.73	9.20	6.45	6.57	5.44	6.95
97.50%	8.61	9.65	10.93	6.71	7.14	5.45	7.89
99%	10.71	10.61	13.42	6.99	7.51	5.46	8.83

Table 4-13 Summary Statistics for 1 m Composites – Mn

Assay	Mn g/t						
Area	Dark Horse South		Dark Horse North		Altan Arrow		
Domain	All	HG	LG	HG	LG	HG	LG
Samples	3419	439	868	246	1309	4	553
Minimum	18.0	23.0	18.0	52.0	30.0	177.0	30.0
Maximum	10,100.0	10,100.0	4,970.0	1,644.0	4,753.0	1,134.0	5,913.0
Mean	600.0	466.5	559.1	559.0	643.0	606.3	686.5
St Dev	563.0	701.1	572.5	349.3	495.7	434.9	623.0
Coef Var	0.9	1.5	1.0	0.6	0.8	0.7	0.9
Variance	316,938.6	491,573.4	327,723.4	121,978.8	245,754.7	189,106.7	388,130.3
10%	84.9	59.0	61.8	110.6	117.0	177.0	117.3
20%	143.0	84.6	95.6	195.2	211.0	177.0	191.0
30%	232.0	118.7	155.0	350.8	316.7	177.0	292.9
40%	356.0	165.7	258.0	452.6	459.6	177.0	444.0
50%	496.5	249.5	397.4	516.0	581.0	177.0	594.0
60%	632.3	352.4	571.8	597.6	696.4	481.0	737.0
70%	770.0	509.4	729.0	703.0	822.9	785.0	878.0
80%	928.0	693.3	912.0	865.4	944.0	976.4	1,022.0
90%	1,184.3	1,032.9	1,234.2	1,041.8	1,208.0	1,055.2	1,197.0
95%	1,468.2	1,471.2	1,513.2	1,184.6	1,444.2	1,094.6	1,618.5
97.50%	1,926.8	1,930.2	2,079.8	1,391.0	1,850.1	1,114.3	2,232.9
99%	2,521.6	2,800.0	2,618.6	1,417.3	2,295.6	1,126.1	2,842.9

The distribution of Au grades for each domain area is generally log normal, while the distribution of Ag grades is often more erratic, with a large additional peak at trace grades owing to the replacement of low detection limit values with 1 ppm Ag assays. The coefficient of variation (Coef Var) values for Au domains are characterised by values in the region of 1.0 – 2.0 for Au and 1.5 – 5.0 for Ag in the Dark Horse area, while variance is high for the Altan Arrow zone. The high variance in the Altan Arrow zone can be broadly attributed to the lack of separate high-grade domains for some narrow high-grade intercepts, which occur spatially discontinuously in localised areas. Grade-dependent search was used to limit the spread of high-grade assays in these areas. Overall, the moderate coefficient of variation values indicates moderate internal grade variability within the domains and thus supports the wireframing strategy utilised to separate HG and LG domains.

Log histogram and log probability plots for Au and Ag for high and low-grade domains are shown in **Figure 4-9** and **Figure 4-12**.

Figure 4-9 Log Histogram and Log Probability Plot for High Grade Domain - Au

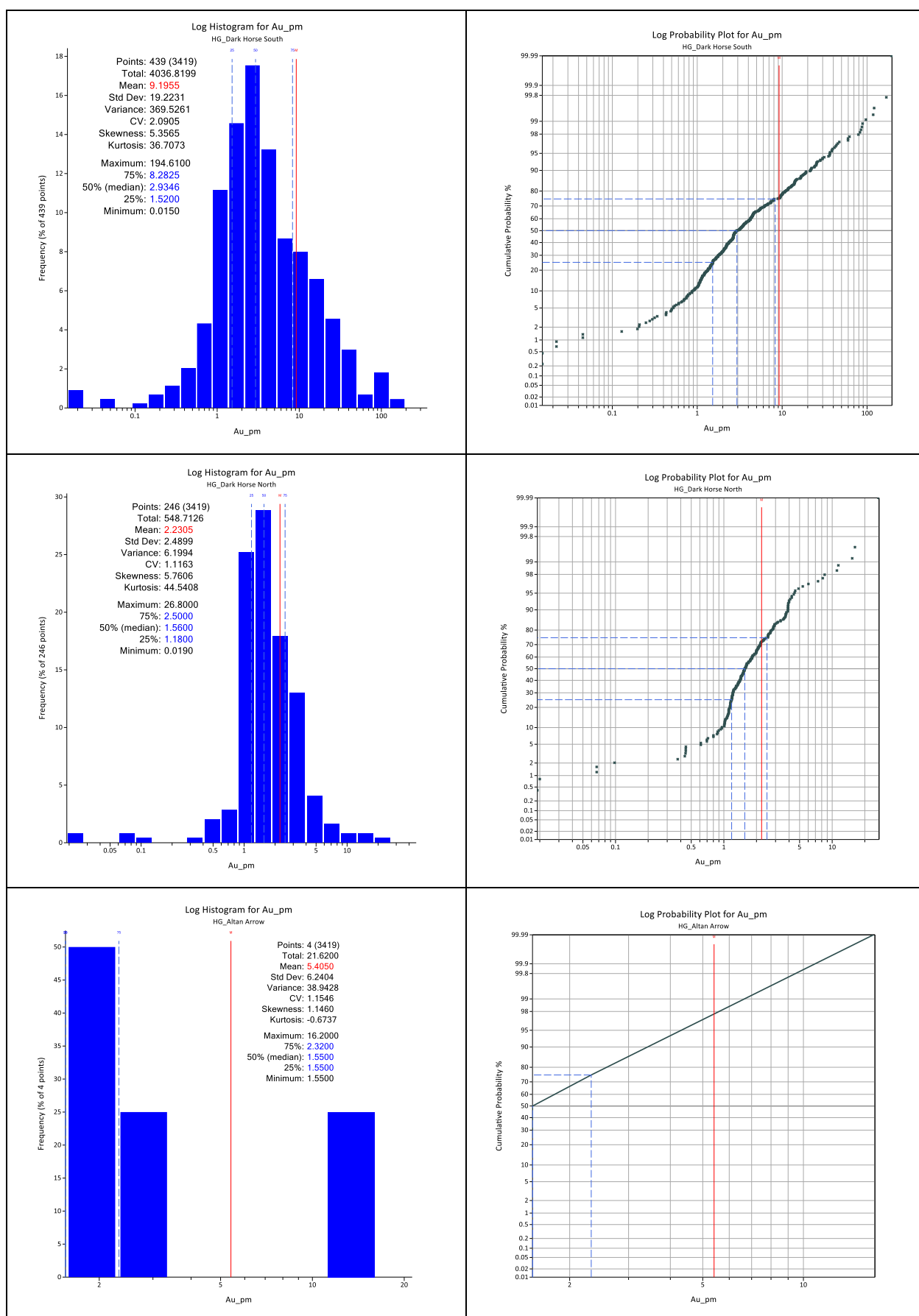


Figure 4-10 Log Histogram and Log Probability Plot for Low Grade Domain - Au

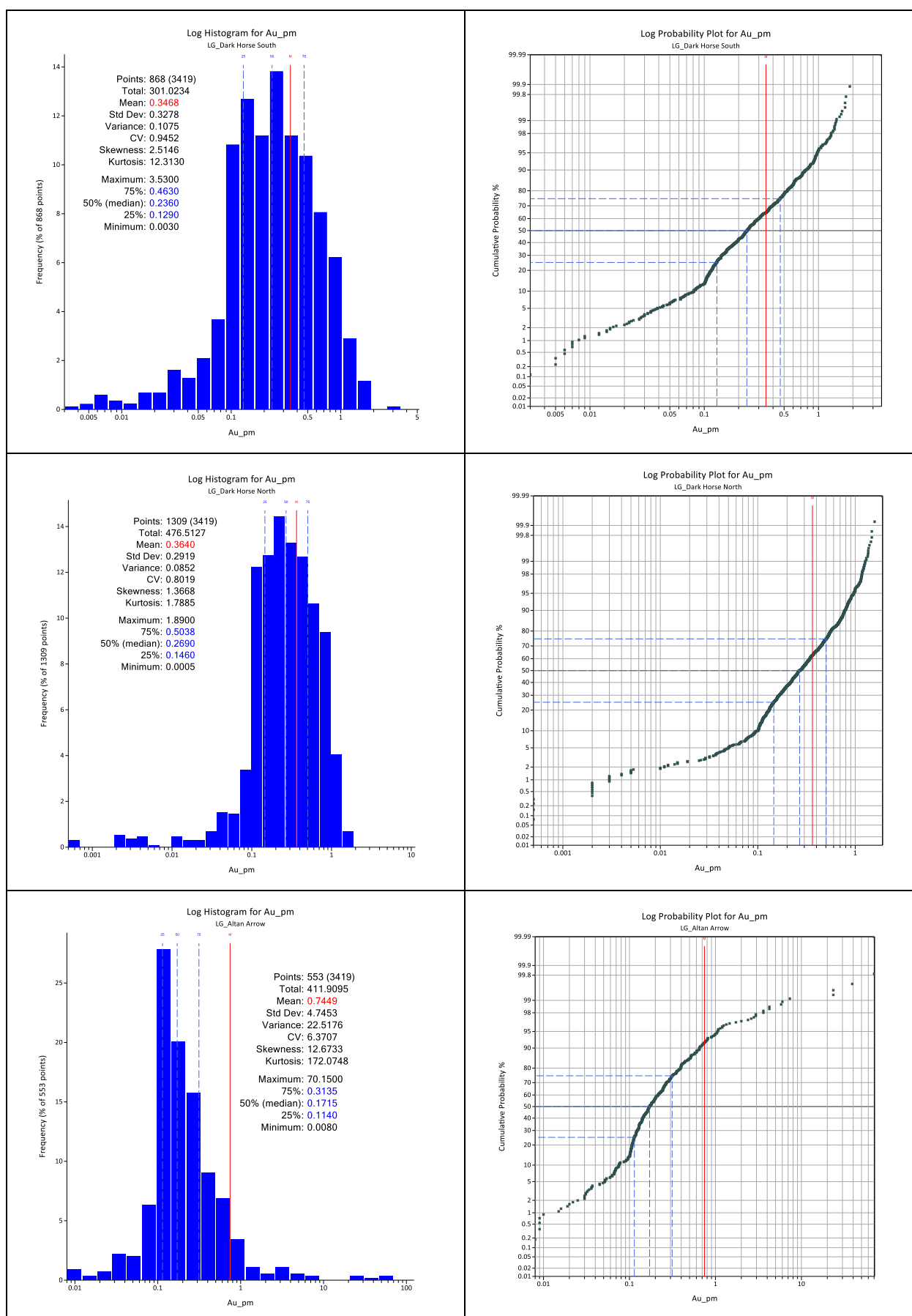


Figure 4-11 Log Histogram and Log Probability Plot for High Grade Domain – Ag

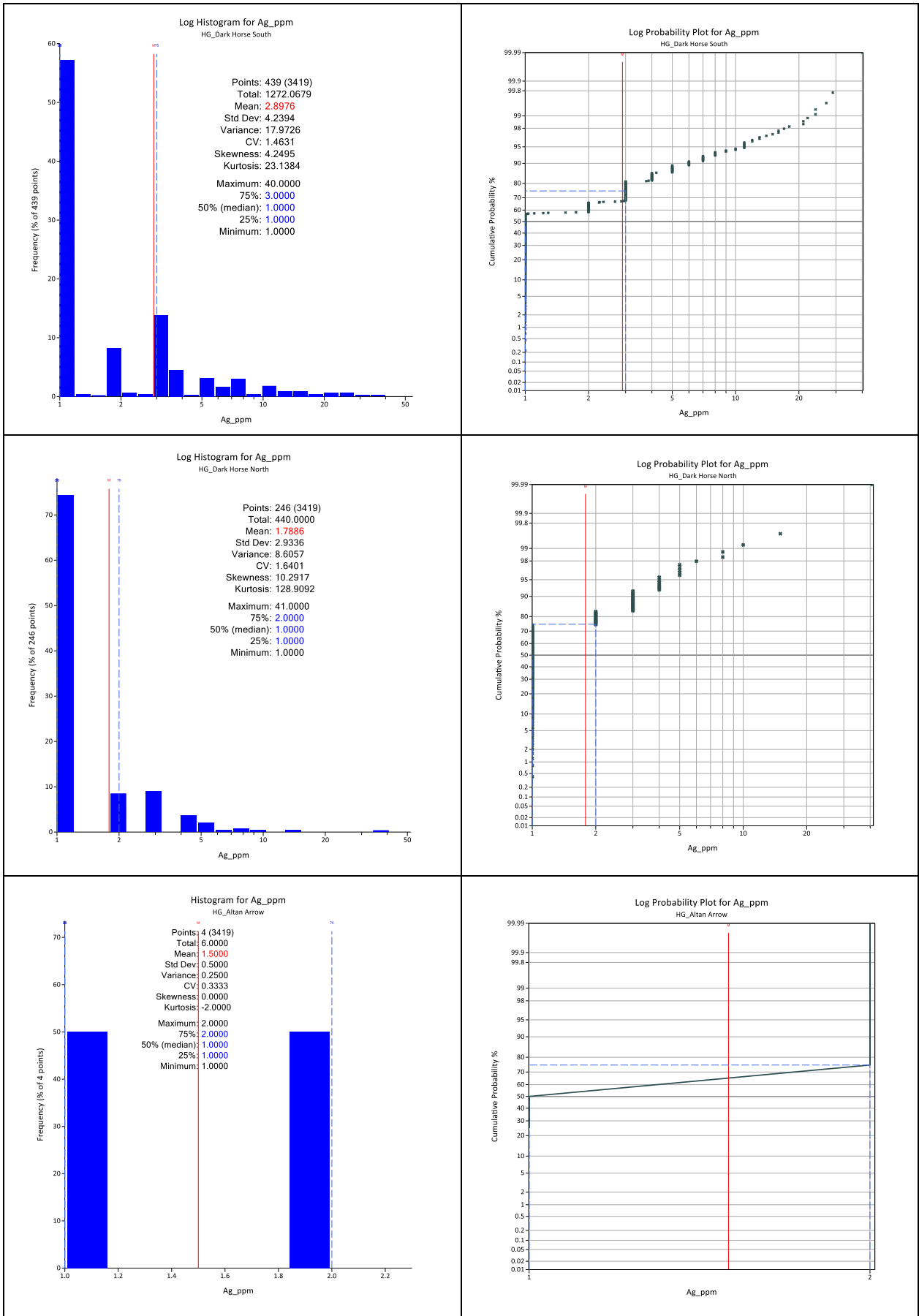
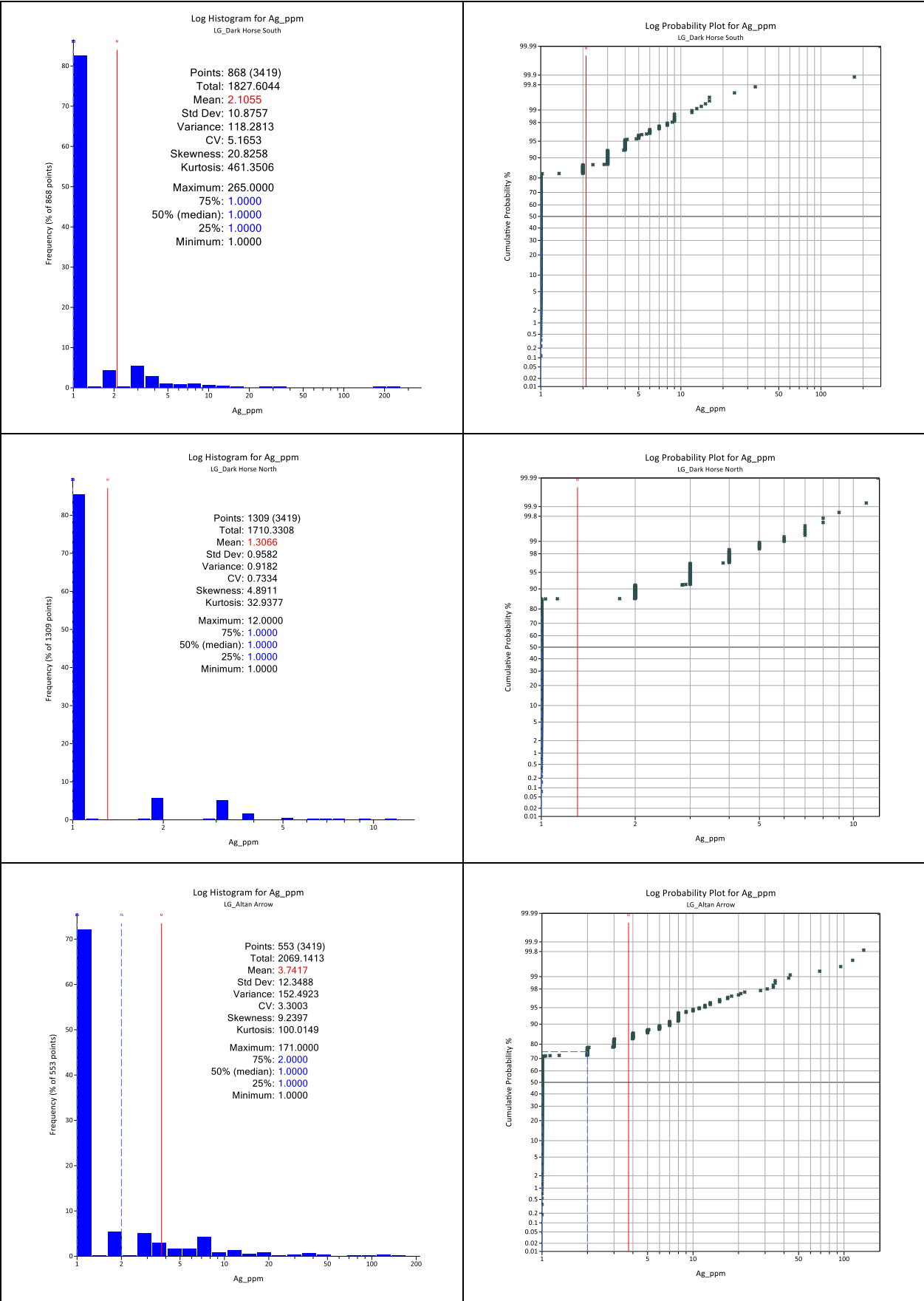


Figure 4-12 Log Histogram and Log Probability Plot for Low Grade Domain – Ag



4.5 Treatment of High Grade Assays

High-grade capping is typically undertaken in order to reduce the impact on the interpolation of sample grades that are considered to be outside of the normal observed sample distribution, and that cannot be separately domained in order to be interpolated independently. Values above the cap value are reduced to the cap value. SLR completed a capping analysis of the composite samples based on log probability plots and raw and log histograms. Generally, capping limits were selected based on a change in the form of the log probability curve at high grades, indicating grades outside of the main population of the corresponding domain, and/or the grade at which the histogram starts to show isolated bins or a less predictable grade curve.

After review, a small number of extremely high grades were present in the data; some of the zones with higher CV values (>2) suggest a skewed population. High-grade cut analysis was performed by plotting histograms of Au and Ag values within each wireframe. A very small tail of high values was present in some domains, leading to high-grade cuts for Au and Ag. The impact of the high-grade cuts on the mean Au and Ag grades of the deposit is not significant.

At this stage, it is considered that some smaller estimation domains do not include sufficient samples to appropriately assess capping limits. In such cases, these domains were grouped with domains of similar trend and grade distributions, or merged with larger domains or domains with similar trends for the capping analysis.

Objects with high-grade cuts applied for the Dark Horse deposit are summarised in **Table 4-14**.

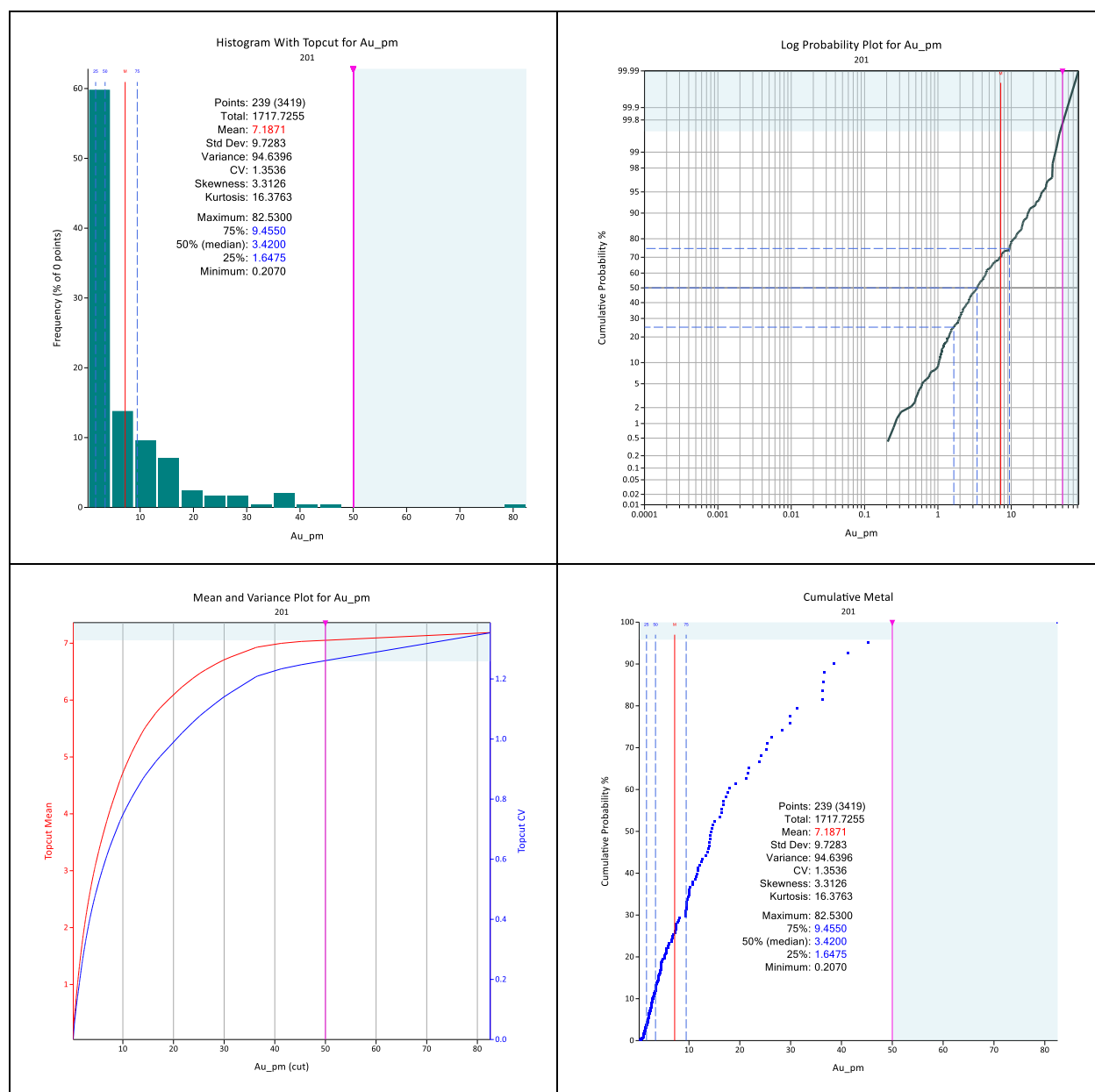
Table 4-14 High-Grade Cuts applied to Dark Horse Deposit

Assay	Au g/t						Ag g/t	
Area	Altan Arrow				Dark Horse South		Altan Arrow	Dark Horse South
Domain	LG				HG		LG	LG
Object	26	34	37	41	201	203	26	50
Samples	46	14	19	17	239	117	46	162
Minimum	0.07	0.11	0.01	0.02	0.21	0.13	1.00	1.00
Maximum	5.81	70.15	39.00	7.34	82.53	194.61	171.00	265.00
Mean	0.43	13.65	2.17	1.15	7.19	17.04	19.35	4.28
St Dev	0.85	24.41	8.68	2.08	9.73	32.82	36.96	24.66
Coef Var	1.99	1.79	4.01	1.81	1.35	1.93	1.91	5.76
Variance	0.71	595.83	75.38	4.31	94.64	1,077.29	1,366.17	608.11
Top Cut	4	10	2	6	50	100	50.00	20.00
Number Cut	1	4	1	2	1	4	5	3
Cut Mean	0.39	3.12	0.22	1.07	7.05	15.31	12.09	1.80
Cut CV	1.56	1.39	1.96	1.73	1.26	1.68	1.31	1.57

No top cut was applied to the remaining objects.

An example of the cumulative distribution functions for high-grade capping for Dark Horse South Zone is shown in **Figure 4-13** with applied Au cap (pink line).

Figure 4-13 Histogram and Cumulative Distribution Functions for High Grade Dark Horse South Domain



4.6 Correlation Analysis

Au and Ag are the only elements currently considered of economic interest. Ag grades are often more erratic and discontinuous, and often occur at a trace level. Correlation analysis was conducted on the combined domains at the Dark Horse deposit and summarised in **Table 4-15**.

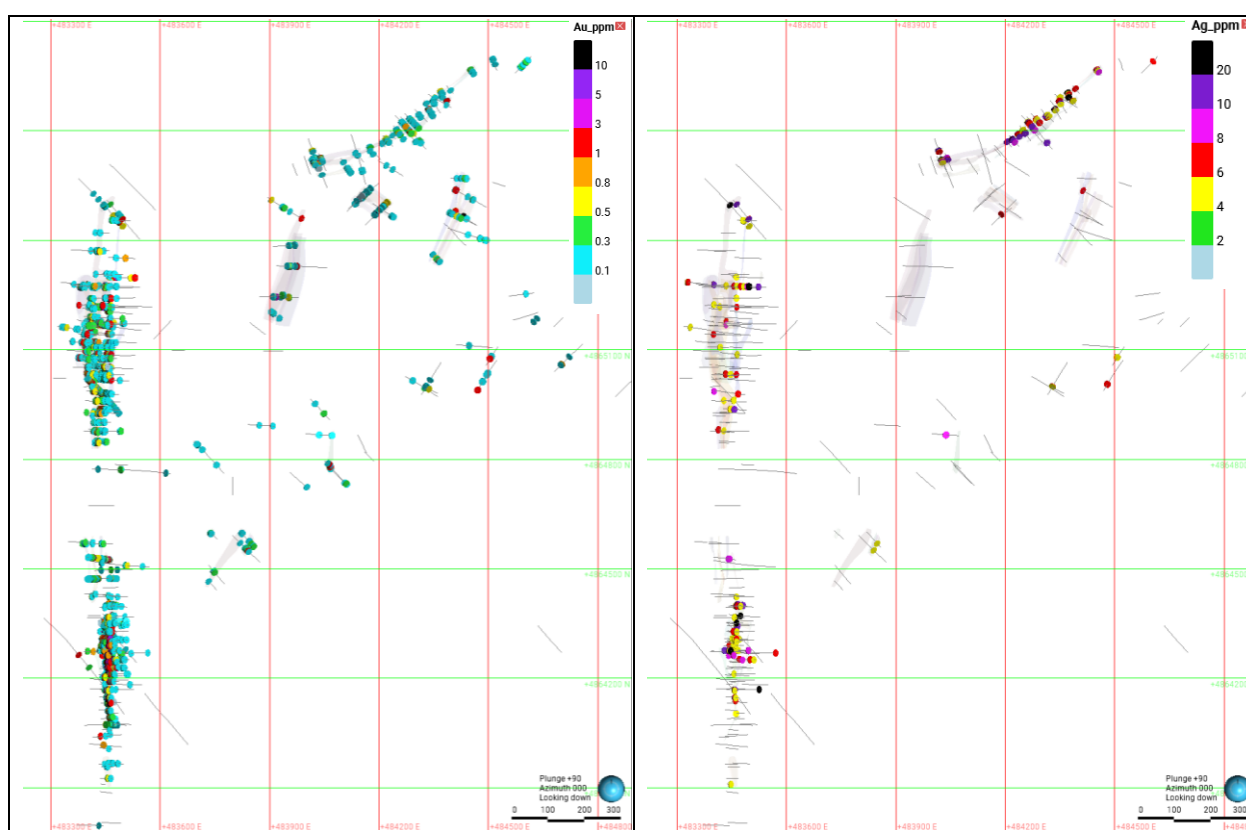
Results indicate a moderate correlation between Au and As, while other elements are uncorrelated.

Spatial distribution of Au and Ag assays is shown in **Figure 4-14**.

Table 4-15 Correlation Matrix for All Composite Samples within Mineralisation Domains

	Au g/t	Ag g/t	As g/t	S %	Fe %	Mn g/t
Au g/t	1					
Ag g/t	0.08	1				
As g/t	0.45	0.03	1			
S %	-0.06	0.00	0.14	1		
Fe %	0.13	-0.03	0.14	0.04	1	
Mn g/t	-0.02	-0.04	-0.06	-0.15	0.25	1

Figure 4-14 Au and Ag grade distribution (filtering at >0.1 g/t Au and >5 g/t Ag)



4.7 Trend Analysis

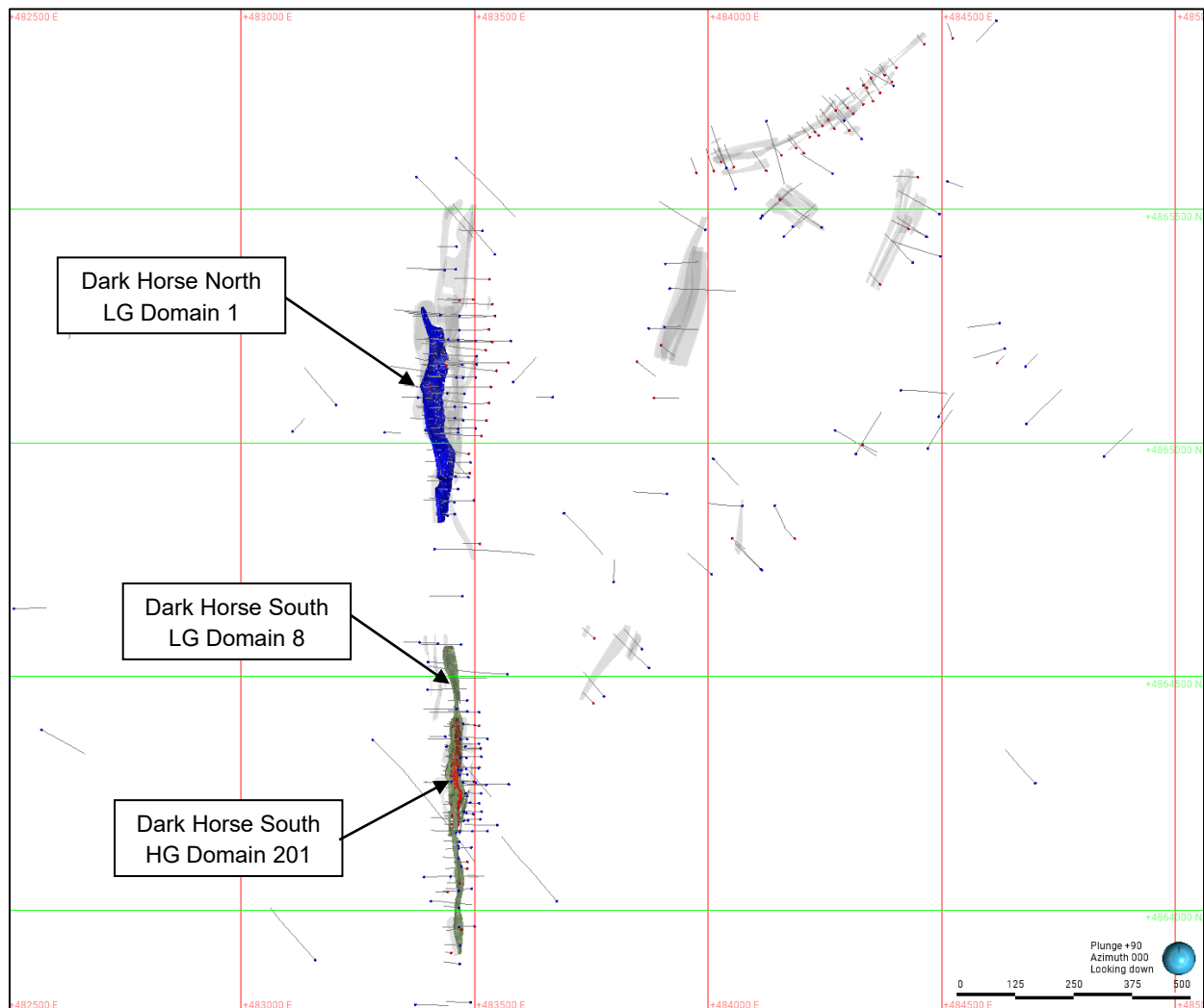
4.7.1 Variography

Mineralisation continuity was examined via variography. Variography examines the spatial relationship between composites and seeks to identify the directions of mineralisation continuity and to quantify the ranges of grade continuity. Variography was also used to determine the random variability or 'nugget variance' of the deposit. The results provide the basis for determining appropriate kriging parameters for resource estimation.

Variography was attempted for all domains. However, it was not possible to generate meaningful variograms for the high-grade domains of the Dark Horse North zone due to the relatively small number of samples available for these domains. SLR interpreted experimental variograms for Au, Ag, As, Fe, S and Mn for object 1 of the Dark Horse North low-grade domain, object 8 for the Dark Horse South zone low-grade domain, and object 201 for the Dark Horse South zone high-grade domain. Interpreted variogram parameters for object 1 of the low-grade domain were assigned to all low-grade domain objects for Dark

Horse North zones; object 8 of the low-grade domain was assigned to all low-grade domain objects for Dark Horse South zones. The interpreted variogram parameters for object 201 in the HG domain were assigned to all high-grade domains at the deposit. The variography from the Dark Horse North domain 1 was applied to all Altan Arrow domains, as the Altan Arrow zone is located immediately adjacent to the Dark Horse North zone. Considering this proximity, QP considered it reasonable to expect the spatial continuity of these small domains to be analogous to the main domain 1. Directional analysis completed domain locations are shown in **Figure 4-15**.

Figure 4-15 Directional Analysis Completed Domains



SLR calculated experimental variograms for Au, Ag, As, Fe, S and Mn in the main resource zones for HG and LG domains. All variography was completed using Supervisor software, with normal score transforms applied to all element values to generate more robust variograms.

The 1 m composite sample data were transformed into a normal distribution using a normal scores transformation to help identify the main directions of mineralisation continuity from the skewed dataset. The experimental variograms were normalised by the sample variance so that the sill was 1, and the structures were expressed as ratios or proportions of the sill. A two-structured, nested spherical model was found to model the experimental variogram reasonably well. The down-hole variogram provides the best estimate of the true nugget values for Au, which were 8% (object 1), 15% (object 8) and 18% (object 201).

The orientation of the plane of mineralisation was aligned with the interpreted wireframe for the main objects. The experimental variograms were calculated, with the first aligned along the main mineralisation continuity

and the second aligned in the plane of mineralisation at 90 ° to the first orientation. The third was oriented perpendicular to the mineralisation plane, across the width of the mineralisation. The variograms displayed a reasonable structure and showed an anisotropic trend across all domains. The geospatial analysis confirmed the N-strike direction of the mineralised pods. Cross-validation was performed for all interpreted variograms, and moderate to strong correlations (>0.5) were observed in all cases.

For the zones modelled, the variogram models are robust, with a number of experimental points at the chosen lag informing the model within the variogram range. For all zones, the full variogram ranges exceed the general drill hole spacing, and the first variogram structures in the main zones have longer ranges.

4.7.2 Kriging Parameters

The Au, Ag, As, Fe, S and Mn grades were interpolated into a Surpac block model using ordinary kriging ("OK"), and the nugget, sill values, and ranges were determined from the variogram models discussed in **Section 4.7.1**. The ranges obtained from the variogram models were used as a guide in the search ellipse parameters used in the Mineral Resource estimate. After modelling, the normal-score variogram model variance was back-transformed to the traditional space to adjust for the variance. Search ellipse parameters varied for all domains; therefore, a dynamic anisotropic search was utilised in the estimate, which was interpreted based on grade continuity trends. An anisotropic search ellipse was used for the estimation. The back-transformed kriging parameters for the domains are summarised in **Table 4-16**.

Table 4-16 Kriging Parameters for Dark Horse

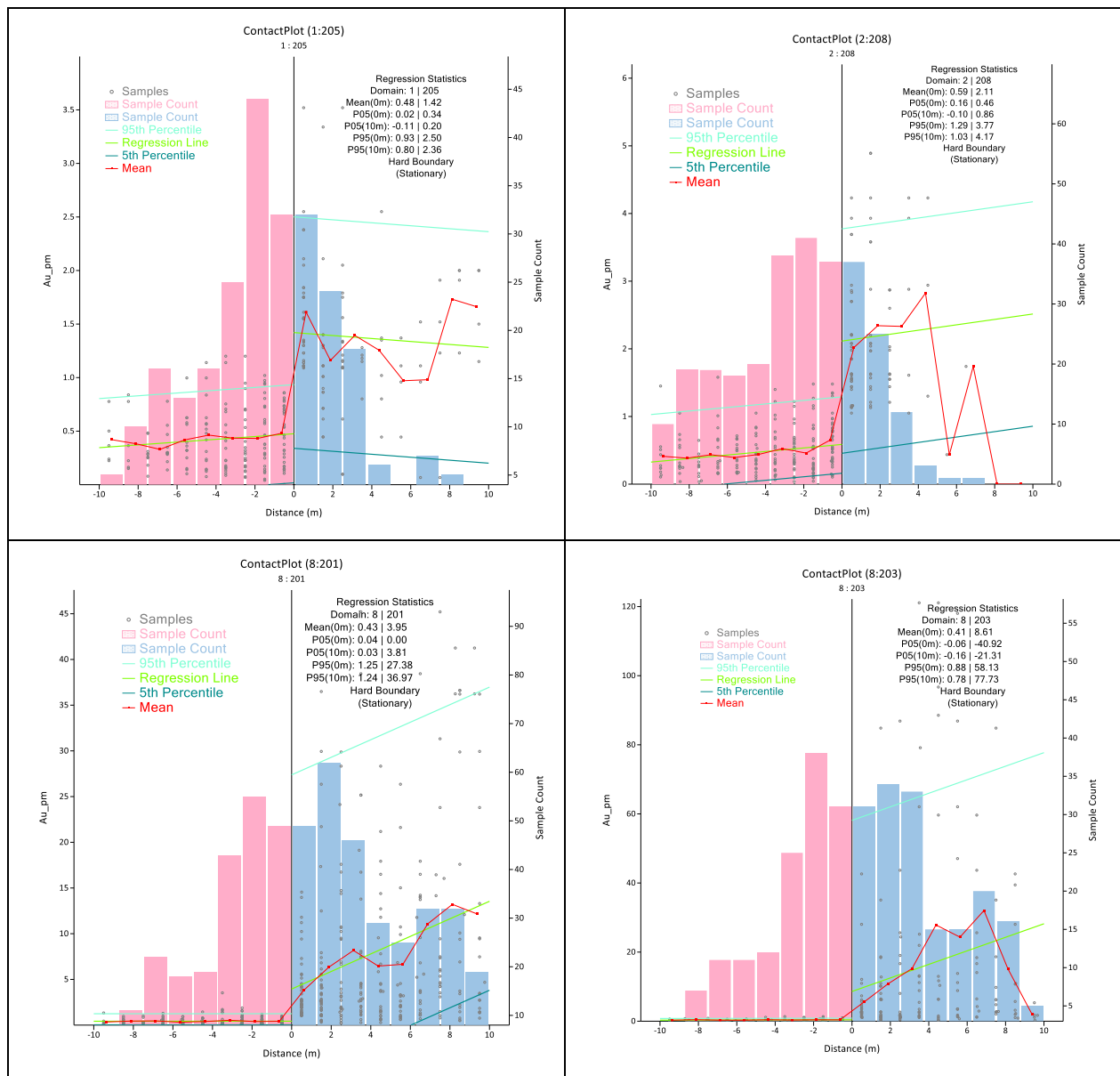
Domain	Object	Element	Direction	Co	Structure 1				Structure 2			
					C1	A1	semi1	minor1	C2	A2	semi2	minor2
LG	1	Au g/t	-00-->010	0.08	0.51	30	1.20	15.00	0.41	142	2.34	22.13
		Ag g/t	-00-->000	0.09	0.53	35	1.24	14.75	0.38	276	5.88	23.02
		As g/t	-00-->350	0.06	0.45	41	1.00	10.15	0.48	189	1.61	9.53
		Fe %	00-->000	0.17	0.37	78	9.05	12.16	0.46	295	4.48	7.89
		S %	-00-->000	0.08	0.41	69	5.98	6.20	0.51	181	2.91	4.08
		Mn g/t	-00-->000	0.07	0.51	55	2.01	3.11	0.42	137	1.44	1.60
LG	8	Au g/t	-00-->010	0.15	0.55	21	1.03	4.12	0.30	99	2.02	5.02
		Ag g/t	-00-->000	0.22	0.59	26	1.00	3.67	0.19	128	1.61	9.38
		As g/t	-00-->000	0.11	0.53	27	1.48	2.38	0.36	225	2.77	10.24
		Fe %	-00-->350	0.07	0.64	40	1.58	6.31	0.29	107	1.01	7.36
		S %	-00-->350	0.07	0.48	34	1.01	4.15	0.45	211	2.31	3.74
		Mn g/t	-00-->010	0.06	0.34	19	1.20	3.52	0.60	95	1.57	5.40
HG	201	Au g/t	-00-->010	0.18	0.45	15	1.57	7.70	0.37	104	2.38	19.19
		Ag g/t	-00-->340	0.08	0.48	32	4.63	10.80	0.44	85	1.43	2.92
		As g/t	-00-->340	0.04	0.62	38	3.75	9.10	0.34	140	1.89	6.31
		Fe %	-00-->340	0.17	0.45	17	1.67	3.63	0.38	104	3.18	6.65
		S %	-00-->350	0.1	0.48	18	2.15	3.14	0.42	130	2.17	3.83
		Mn g/t	-00-->010	0.06	0.37	20	3.45	8.33	0.57	93	2.69	8.18

4.8 Search Strategy and Grade Interpolation Parameters

Au, Ag, As, Fe, S and Mn grades were interpolated into the block model using the Ordinary Kriging (“OK”) interpolation algorithm in three nested search passes on the basis that coefficients of variation are generally low within the deposit. Therefore, SLR considers OK interpolation with hard boundaries to provide reliable estimates of grade and volume that reflect the geological controls. Contact analysis shows a distinct and sharp reduction in grade across the HG and LG domains in all cases (**Figure 4-16**). OK was selected because it allows the measured spatial variation to be included in the estimate and results in a degree of smoothing appropriate to the nature of the mineralisation.

In addition to the OK estimate, nearest-neighbour and inverse-distance estimates were run on Au and Ag grades to validate the OK results.

Figure 4-16 Contact Analysis Plot for Main LG and HG Au Domains



Note: 1-51 are low-grade objects, 201-228 are high-grade objects

All search neighbourhood parameters were derived from the Quantitative Kriging neighbourhood analysis (QKNA) analysis discussed in **Section 4.8.1**.

Search ellipse orientations and ranges were determined in consideration of the trend analysis completed for key domains and the drill hole spacing.

The first two search pass ranges were determined in consideration of drill hole spacing, while the final search pass ellipse was used to populate remaining non-estimated blocks and appropriately classified as Inferred Mineral Resource to maintain contiguous classification shapes.

Dynamic anisotropic search was used to select data for interpolation. Dynamic anisotropy interpolation is a method of defining the search neighbourhood which takes into consideration the local variation of the domain orientation in the block estimation. The hanging wall and footwall of all veins were used to create trend surfaces, and the dip and dip direction of that surface were coded into each block of the block model. Those directions were then used to define the search direction for each block, allowing it to follow the variable geometry of the defined mineralisation. This allows the ellipse to more precisely follow the trend of the mineralisation, rather than being limited to a single search ellipse orientation per domain.

The parameters for each ellipse were derived from kriging parameters and were consistent with the interpreted geology. Differences between the kriging parameters and the search ellipse may be introduced to honour both the continuity analysis and the mineralisation geometry.

The minimum and maximum numbers of composites used in the first pass were determined based on both the QKNA analysis and the number of composites intersected by the domain. Search ellipse sizes increased with subsequent passes, and the minimum and maximum composites were adjusted on each subsequent pass.

With up to three interpolation passes, more than 60% of the blocks were filled in the first two passes. A lower maximum sample count was used in the third estimation pass, as a higher number of samples led to over-smoothing. 1 m composite data were used to estimate grades within a sub-cell measuring 2.5 m Y by 1.25 m X by 2.5 m Z to preserve localised high-grade trends. The interpolation parameters are listed in **Table 4-17**.

Table 4-17 Interpolation Parameters

Parameter	Pass 1	Pass 2	Pass 3
Search Type	Ellipsoid	Ellipsoid	Ellipsoid
Bearing	Based on the trend surface		
Dip	Based on the trend surface		
Plunge	Based on the trend surface		
Major-Semi Major Ratio	1.3		
Major-Minor Ratio	5		
Search Radius	30	60	600
Minimum Samples	10	6	2
Maximum Samples	20	16	6
Max. Sam. per Hole	5	5	5
Block Discretisation	3 X by 4 Y by 4 Z		
Percentage Blocks Filled	17%	51%	32%

4.8.1 Kriging Neighbourhood Analysis

Ordinary Kriging (OK") was chosen as the preferred methodology for interpolating/estimating grades into the block model. Kriging Neighbourhood Analysis (KNA) was conducted to minimise the conditional bias that occurs during grade estimation as a result of estimating block grades from point data. Conditional bias typically presents as an overestimation of low-grade blocks and underestimation of high-grade blocks due to the use of non-optimal estimation parameters, and can be minimised by optimising parameters such as:

- block size
- size of sample search neighbourhood
- number of informing samples
- block discretisation

The KNA exercise focused on defining optimal search ellipse dimensions and maximum sample size restrictions based on the slope of the regression (SR). SR is a measure of conditional bias; that is, the tendency for higher grades to be under-estimated and lower grades to be over-estimated. The SR estimates the SR equation between the estimated and theoretical true block grades. A 1:1 relationship between true and estimated block grades would yield a slope of 1, indicating that the estimated high and low grades accurately correspond to the respective true high and low grades. The flatter the slope (and therefore over-estimation of low grades and under-estimation of high grades), the lower the slope of regression. The degree of conditional bias in a model can be quantified by computing the theoretical regression slope and the kriging efficiency (KE) at multiple test locations within the region of estimation.

The largest low and high-grade domains at Dark Horse (objects 8 and 201) were selected for the KNA. Estimation parameters were selected on the basis of the best-informed blocks, which showed the highest kriging efficiency and the best slope of regression. Supervisor software was used for the analysis.

4.8.1.1 Block Size

To test the optimal block size for existing drilling at Dark Horse, KNA was conducted within Supervisor for Au in the domains 8 and 201, which had the most assay data of all the domains. A range of block sizes was assessed for regression slope and kriging efficiency at best and good locations, and summarised in **Figure 4-** and **Figure 4-**. The best location was chosen near the densely drilled area, while a good location was chosen at the midpoint between drill hole spacing.

Figure 4-17 Block Size Analysis Chart - Domain 201

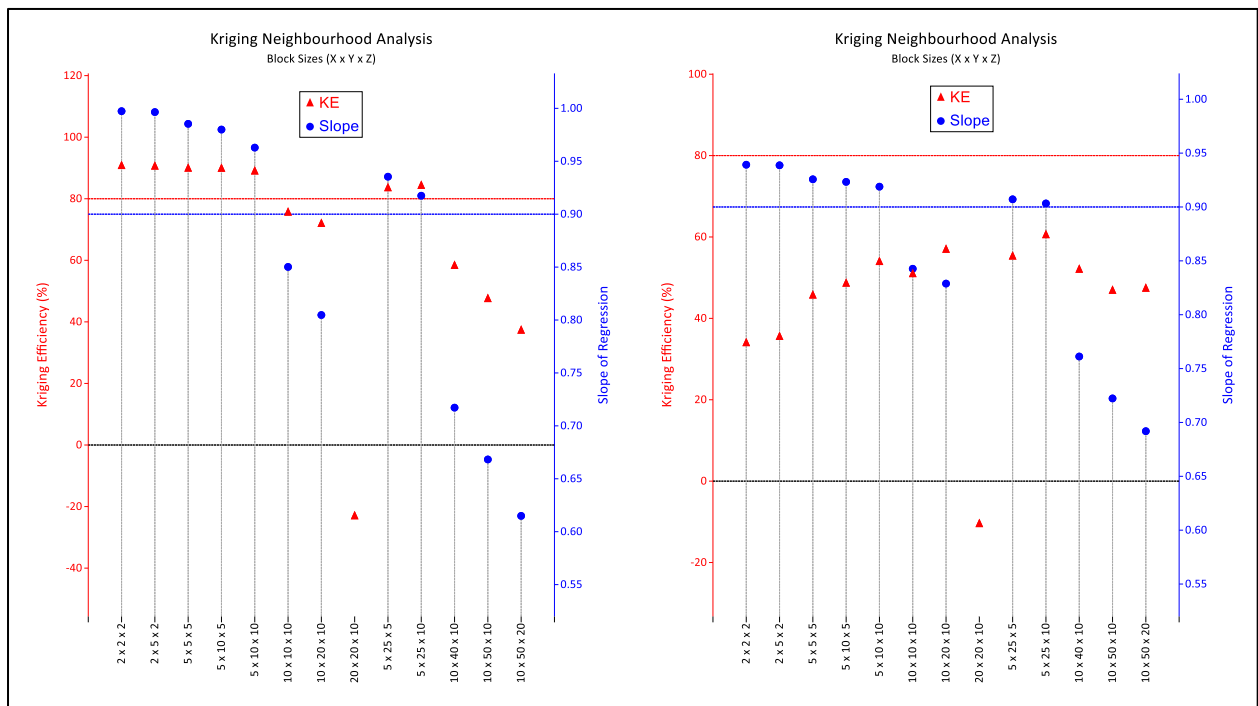
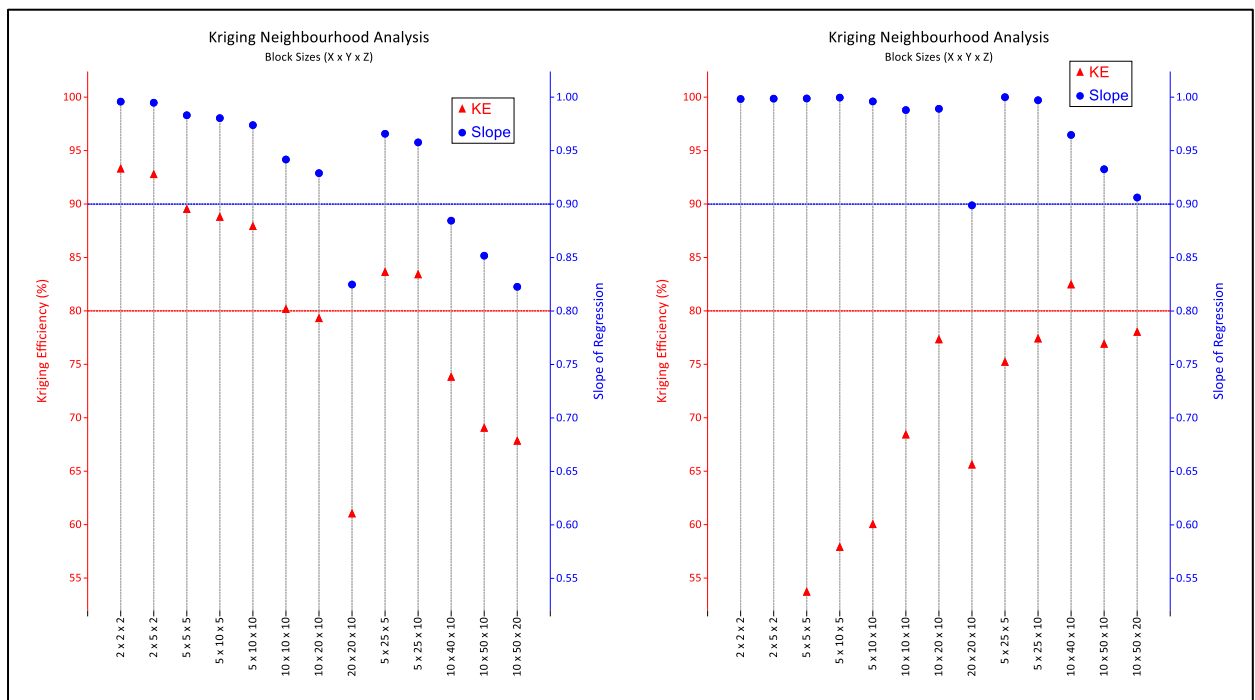


Figure 4-18 Block Size Analysis Chart - Domain 8



The results from the chart above indicate that the slope of regression and kriging efficiency begin to decline after a block size of 5 m by 10 m by 10 m in X, Y and Z directions and appear to be appropriate for Dark Horse drill spacing. The estimation quality declines as block size increases. Smaller block sizes also displayed good estimation quality; however, they are considered to be too small relative to the drill hole spacing.

4.8.1.2 Number of Informing Samples

To determine the optimal number of samples for kriging estimation, blocks within Domain 8 and 201 were assessed. Results are shown in **Figure 4-** and **Figure 4-**.

Figure 4-19 Analysis of Informing Samples - Domain 201

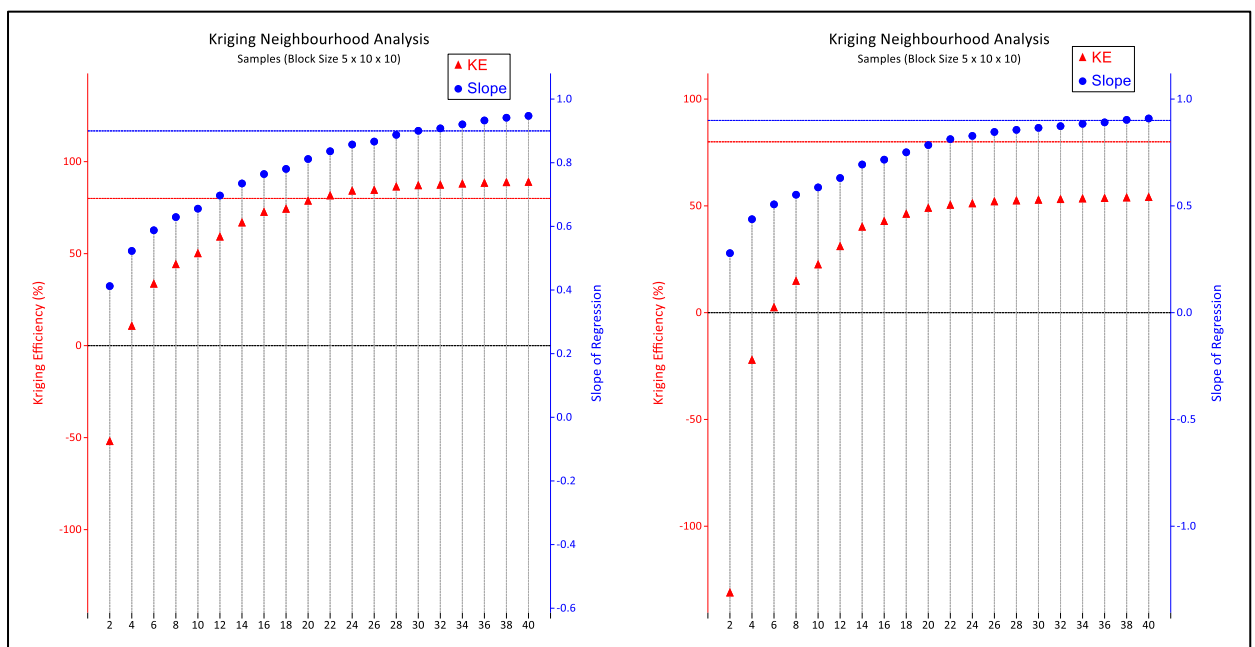
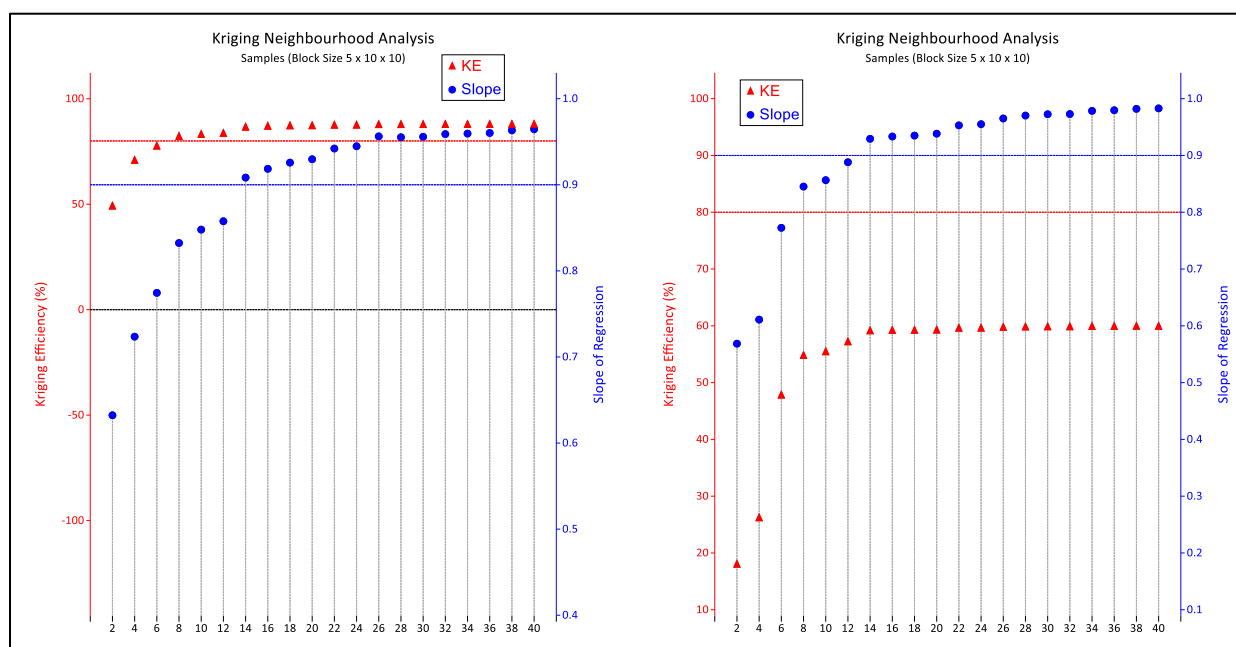


Figure 4-20 Analysis of Informing Samples - Domain 8



Regression slope and kriging efficiency declined rapidly at less than 10 samples, and no improvement was measured at greater than 20 samples, so these values were selected as the minimum and maximum samples in the estimate for the first pass, while the minimum number of samples in the estimate was decreased to 6 in the second pass, as observed in the KNA analysis.

4.8.1.3 Search Distance

To test the optimal search distance, blocks within Domain 8 and 201 were assessed using the minimum and maximum samples determined in step 2. A range of search radii was assessed for regression slope and kriging efficiency, and is summarised in **Figure 4-** and **Figure 4-**.

Figure 4-21 Analysis of Search Range – Domain 201

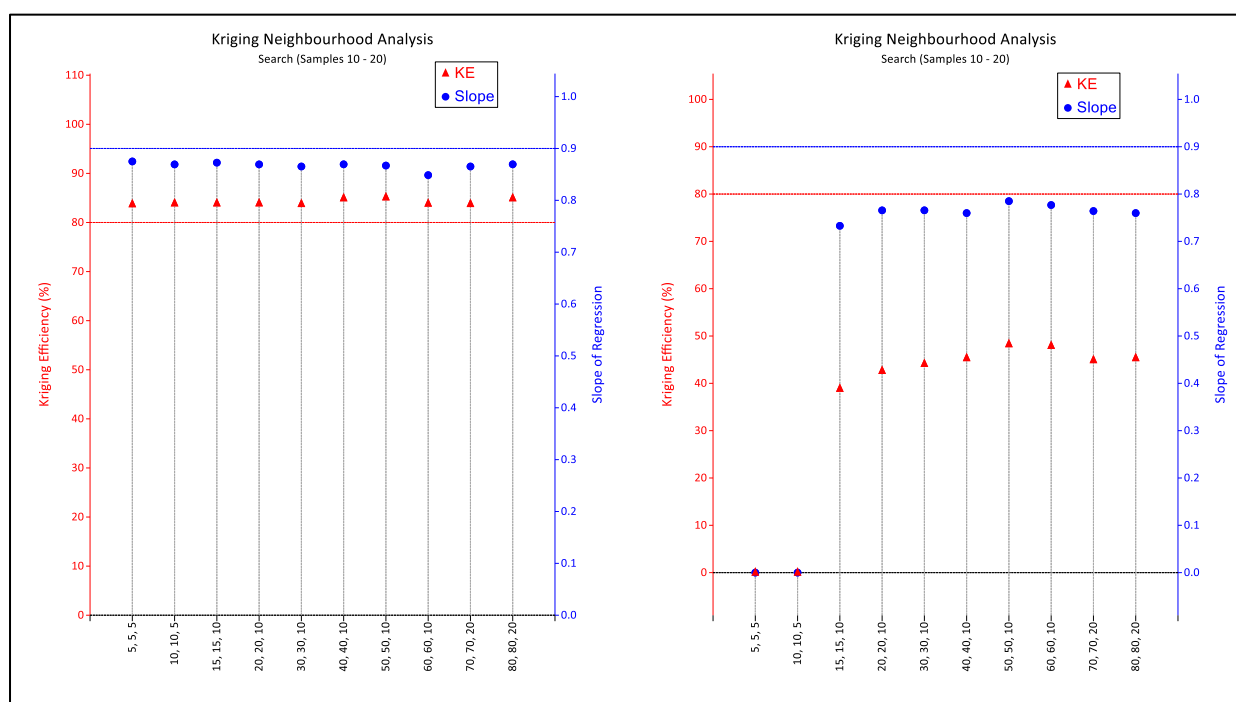
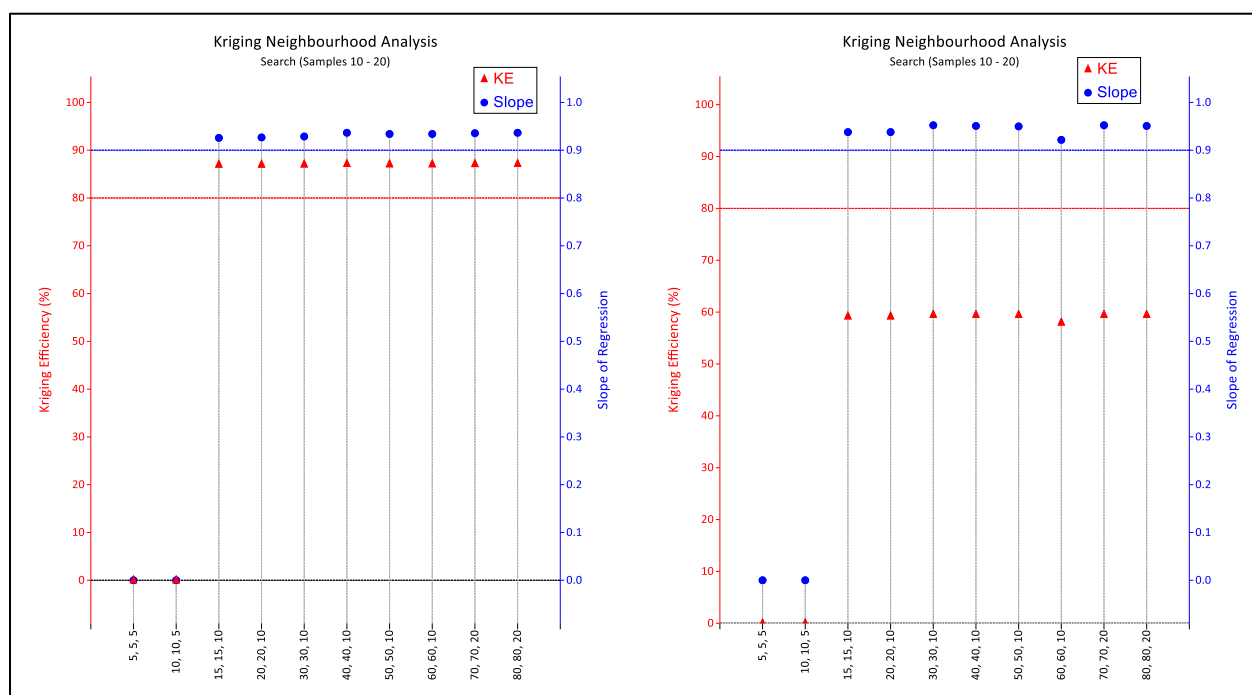


Figure 4-22 Analysis of Search Range – Domain 8



Typically, the larger the search ellipsoid, the greater the slope of regression, although improvements in SR will normally flatten out beyond certain ellipse sizes. Analysis suggests that there was little difference in estimation quality across the range of search distances. As a consequence, the search range selected was 30 m, which was within the maximum range of the variogram and at least covered two drill spacing.

SLR also reviewed the block discretisation, and no significant variation occurs at any chosen parameters.

4.9 Bulk Density

The Erdene Technical team collected a total of 167 density determinations from diamond core samples from 30 drill holes. The distribution of the density data at the Dark Horse deposit is shown in **Figure 4-17**. Bulk density determinations were completed on pieces of drill core generally 10 to 15 centimetres in length. Determinations were completed using an industry method that involved weighing the sample in air and then in water (the “Archimedes method”). The bulk density was then calculated according to the following formula:

$$\text{Bulk Density} = \frac{\text{Weight in air}}{\text{Weight in air} - \text{Weight in water}}$$

As part of this program, 38 check measurements were conducted by Geosignal LLC, a local geological services company. Results were near-identical, with only a small degree of variation, and the overall average across both datasets was 2.59 t/m³. Results are shown in **Figure 4-18**.

Density samples included both mineralised and unmineralised cores. SLR extracted density measurements from the database and coded them using mineralisation and weathering wireframes. Results are tabulated in **Table 4-18**. A histogram of all density data and box and whisker plots by mineralisation and weathering domains is provided in **Figure 4-19** and **Figure 4-20** respectively.

Figure 4-17 Density Data Distribution (Red dots)

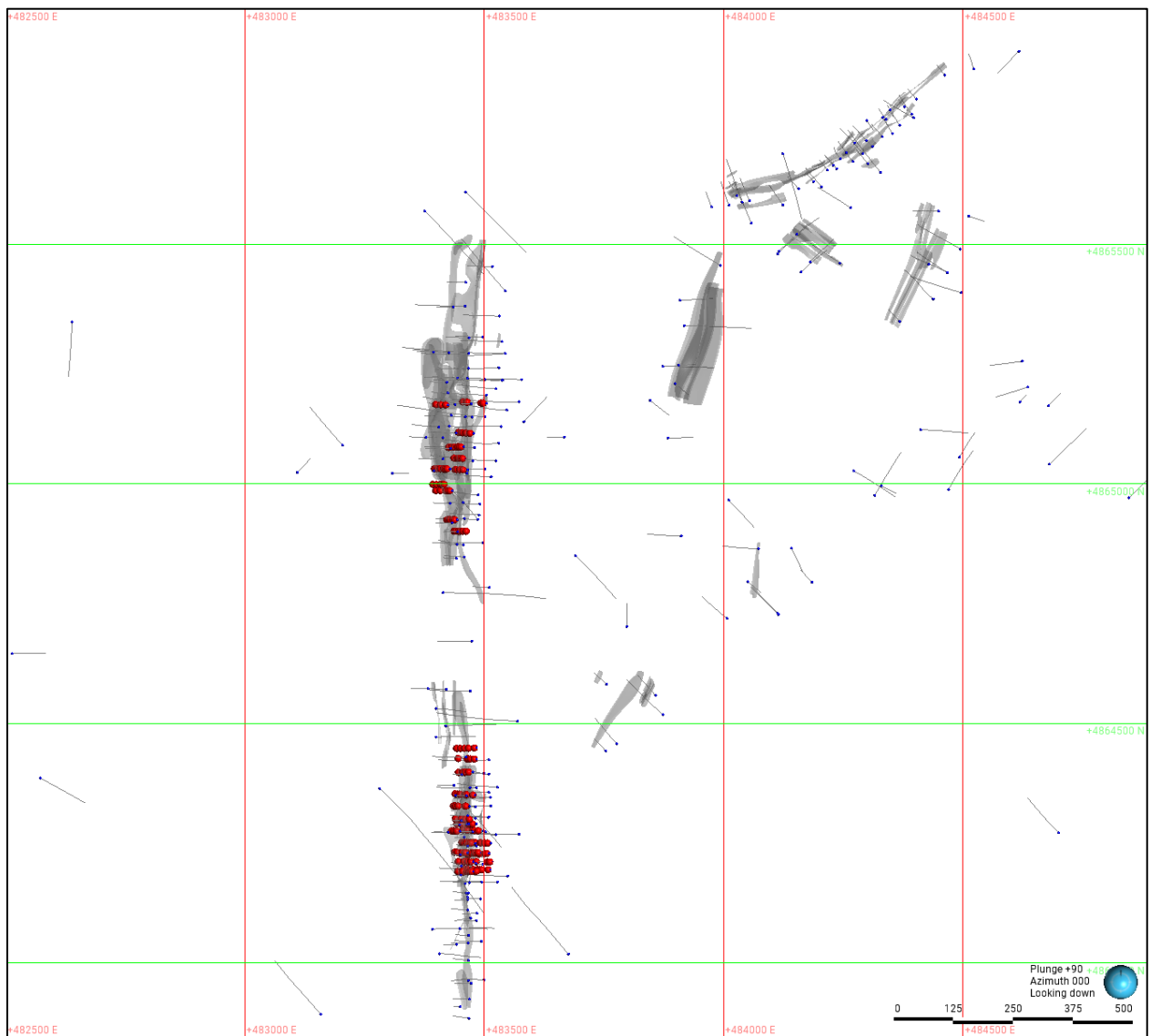


Figure 4-18 Density Determination Checks

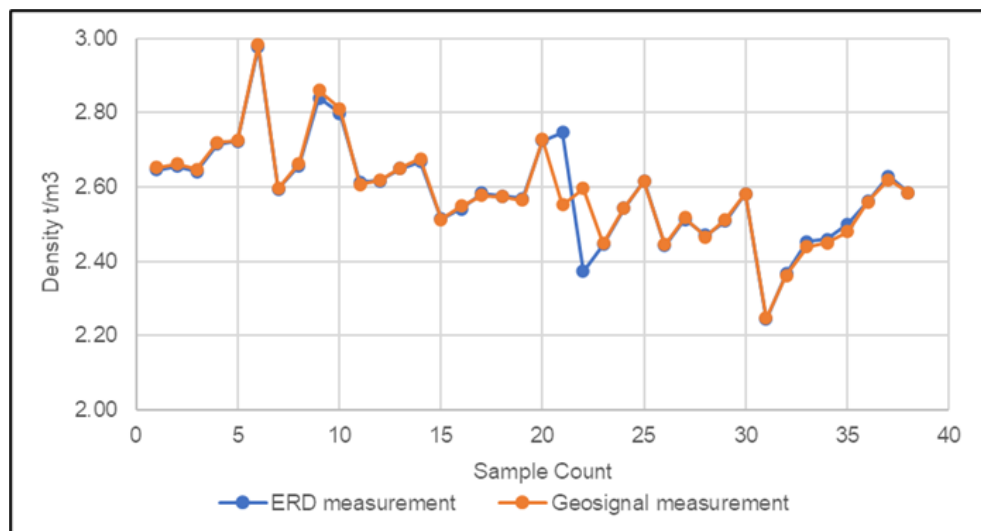


Table 4-18 Bulk Density Data Summary

Assay	Density t/m3						
Domain	All	Mineralisation			Waste		
Type		oxide	trans	fresh	oxide	trans	fresh
Samples	167	52	8	2	59	15	31
Minimum	2.245	2.345	2.367	2.630	2.245	2.499	2.384
Maximum	3.008	3.008	2.717	2.669	2.882	2.976	2.903
Mean	2.596	2.611	2.578	2.649	2.542	2.606	2.669
St Dev	0.125	0.107	0.102	0.019	0.133	0.118	0.102
Coef Var	0.048	0.041	0.040	0.007	0.052	0.045	0.038
Variance	0.016	0.012	0.010	0.000	0.018	0.014	0.010
10%	2.433	2.472	2.367	2.630	2.357	2.500	2.533
20%	2.512	2.541	2.456	2.630	2.411	2.510	2.583
30%	2.541	2.564	2.531	2.630	2.467	2.515	2.627
40%	2.570	2.588	2.557	2.630	2.517	2.525	2.651
50%	2.610	2.616	2.563	2.630	2.550	2.574	2.668
60%	2.628	2.625	2.580	2.638	2.573	2.620	2.686
70%	2.647	2.637	2.617	2.645	2.615	2.642	2.702
80%	2.674	2.656	2.657	2.653	2.634	2.650	2.736
90%	2.729	2.721	2.691	2.661	2.696	2.673	2.797
95%	2.812	2.795	2.704	2.665	2.741	2.765	2.828
97.50%	2.859	2.843	2.710	2.667	2.825	2.871	2.854
99%	2.928	2.927	2.714	2.668	2.869	2.934	2.884

Figure 4-19 Histogram and Probability Plots for Density

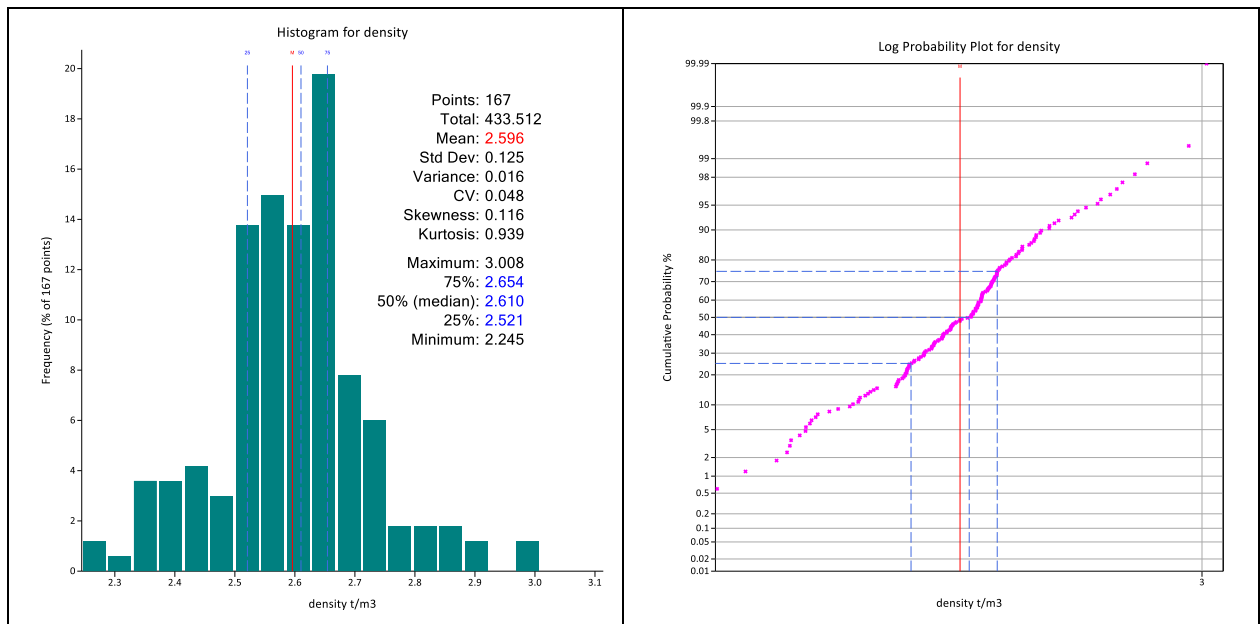
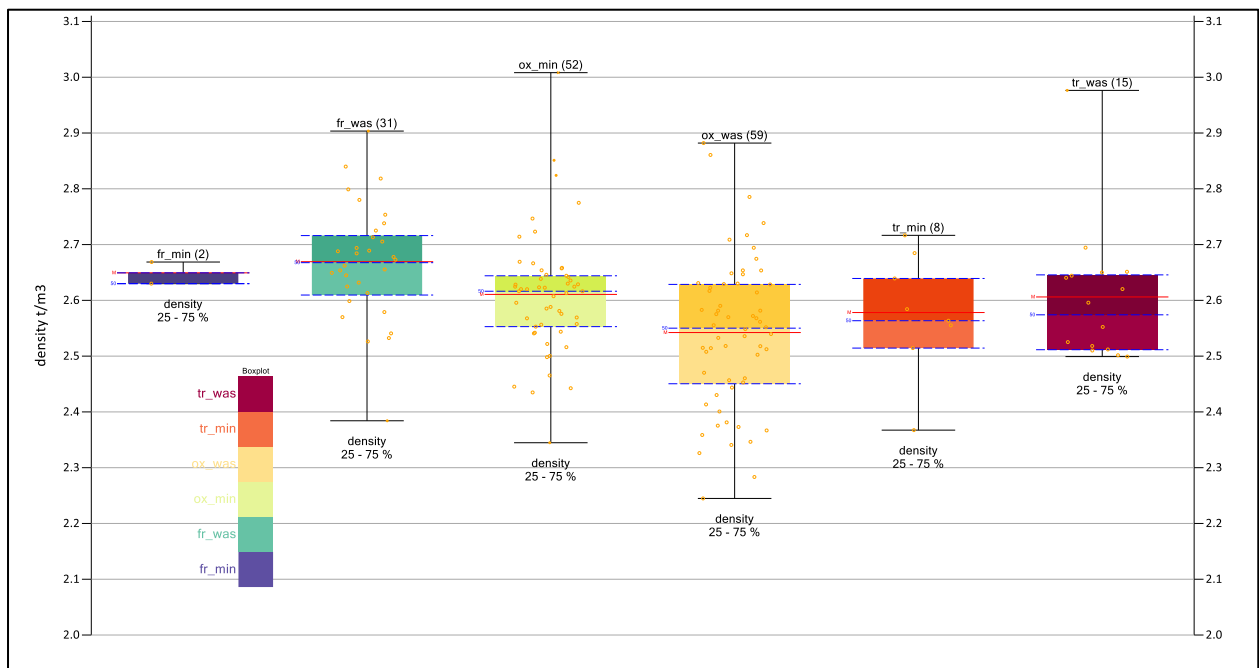


Figure 4-20 Box and Whisker Plot – Density t/m³



Correlation analysis was completed for density and other analysed elements. The highest positive correlation was observed between density and S grade (0.59); however, the results were quite scattered, and no clear linear correlation was observed.

The bulk density values assigned to mineralised and unmineralised material were derived from **Table 4-18**. Due to the absence of core measurements, the bulk density value of 1.6 t/m³ assigned to the overburden was derived from known bulk densities of similar geological materials. These values were considered reasonable by SLR.

SLR considers the number of samples inadequate to assess the deposit density; this is mitigated by relatively low variance in the density data for the mineralisation zones. SLR considers the bulk density test work to be satisfactory for the purpose of this Mineral Resource estimate. SLR notes that the distribution of the measurements suggests that there may be additional, as yet unidentified, controls on the density (such as alteration, brecciation, or lithology). SLR recommends further investigation to increase the local accuracy of the density assignment.

Overall, SLR strongly recommends that the Client undertake additional density determinations from drill core, especially within mineralisation zones, to assign appropriate densities to different domains. It is also recommended that density determination be obtained through the weathering profile.

4.10 Block Models

A Surpac block model was created to encompass the full extent of the Dark Horse deposit. Block model parameters are listed in **Table 4-19**. The block dimensions used for the model were 10 m NS by 5 m EW by 10 m vertical with sub-cells of 1.25 m by 0.625 m by 1.25 m. The parent block size was selected on the basis of kriging neighbourhood analysis (discussed in **Section 4.8.1**), while dimensions in other directions were selected to provide sufficient resolution to the block model, considering the across-strike and down-dip dimensions of the mineralised zones. The sub-blocks are sufficiently small to allow selective mining constraints to be applied to the model, and, as a consequence, partial percentage estimation was not warranted.

Table 4-19 Block Model Parameters

Model Name	darkhorse_ok_20260504.mdl		
	Y	X	Z
Minimum Coordinates	4,863,700	483,200	900
Maximum Coordinates	4,866,000	484,700	1400
Block Size (Sub-blocks)	10 (1.25)	5 (0.625)	10 (1.25)
Rotation			
Attributes:			
as_ok	ordinary kriging estimated as g/t grade		
au_cut_idw	capped idw estimated Au g/t grade		
au_cut_ok	capped, ordinary kriging estimated Au g/t grade		
au_cut_nn	capped, nearest neighbour estimated Au g/t grade		
au_uncut_idw	uncapped idw estimated Au g/t grade		
au_uncut_ok	uncapped, ordinary kriging estimated Au g/t grade		
au_uncut_nn	uncapped, nearest neighbour estimated Au g/t grade		
ag_cut_idw	capped idw estimated Ag g/t grade		
ag_cut_nn	capped, nearest neighbour estimated Ag g/t grade		
ag_cut_ok	capped, ordinary kriging estimated Ag g/t grade		
ag_uncut_ok	uncapped, ordinary kriging estimated Ag g/t grade		
fe_ok	ordinary kriging estimated fe % grade		
s_ok	ordinary kriging estimated s % grade		
mn_ok	ordinary kriging estimated mn g/t grade		
ave_dis	average distance to samples		
bd	bulk density		
bvar	block variance		
class	resource classification		
ke	kriging efficiency		
kvar	kriging variance		
min_dis	minimum distance to sample		
num_sam	number of informing samples		
pass_element	estimation pass		
pod	object number of wireframe (pod 1-51 LG domains, 201-228 HG domains)		
area	dhs - dark horse south, dhn - dark horse north, aa - altan arrow		
type	air, oxide, transitional and fresh		
dip	dip angle of mineralisation domains		
dip_dir	dip direction of mineralisation domains		

4.11 Block Model Validation

4.11.1 Estimation Quality

The quality of the kriging estimate can be assessed using the kriging variance (KV) and the slope of the regression (Slope) parameters calculated during kriging estimation. Overall, the regression slope is reasonably high, indicating that the estimated high and low grades correspond accurately to the true high and low grades, suggesting a reasonable quality estimate that aligns with the wireframing strategy. KV was high, indicating that estimated blocks have limited sample coverage, which is probably caused by the separation of high and low-grade domains used as a hard boundary in the estimate. (**Table 4-20**)

This is typical of many gold deposits, which often exhibit high variability in sample data and relatively close sample spacing. This is measured in the variograms, which show that at Dark Horse, 75 to 80% of the deposit variance occurs at sample spacings of less than 30 m (refer to **Section 4.7.1**).

Table 4-20 Dark Horse Estimation Quality Parameters Summary

Class	KE	Kvar	SlopeR
Indicated	0.14	0.76	0.71
Inferred	-0.05	0.95	0.45

The results in **Table 4-20** show clear improvement in quality parameters in the Indicated portion of the Mineral Resource. The increasing quality of estimation with increased classification is evident in the data, supporting the classification applied to the Mineral Resource.

In addition, the Low KE and high KV parameters clearly indicate that closer-spaced drilling is needed in the majority of the deposit to ensure reliable local-grade estimation. At the current spacing and with the short-scale variability measured by the variogram, the majority of blocks have recorded high KV and low KE, unless they are centred on drill holes.

The results further support the need for closely spaced grade-control drilling to accurately determine local block grades prior to mining.

4.11.2 Model Validation

A three-step process was used to validate the Mineral Resource estimate. Firstly, a qualitative assessment was conducted by slicing sections through the block model at positions coincident with the drilling. Overall, the assessment indicated that the trend of the modelled grade was consistent with the drill hole grades (refer to **Figure 4-** and **Figure 4-**)

A quantitative assessment of the estimate was completed by comparing the average grades of the input composites against the block model output for all the lodes. The comparative results have been tabulated and included in **Table 4-21** and **Table 4-22**.

To check that the interpolation of the block model appropriately honoured the drilling data, swath plots were compiled to compare the average grades of the input composites with those of the interpolated blocks within distance slices by northing and easting (i.e., 20-40 m strike panels) and by elevation. Validation swath plots for the Dark Horse estimate are shown in **Figure 4-** to **Figure 4-**.

Figure 4-27 Block and Drilling Coloured by Au Grade (4,864,300N)

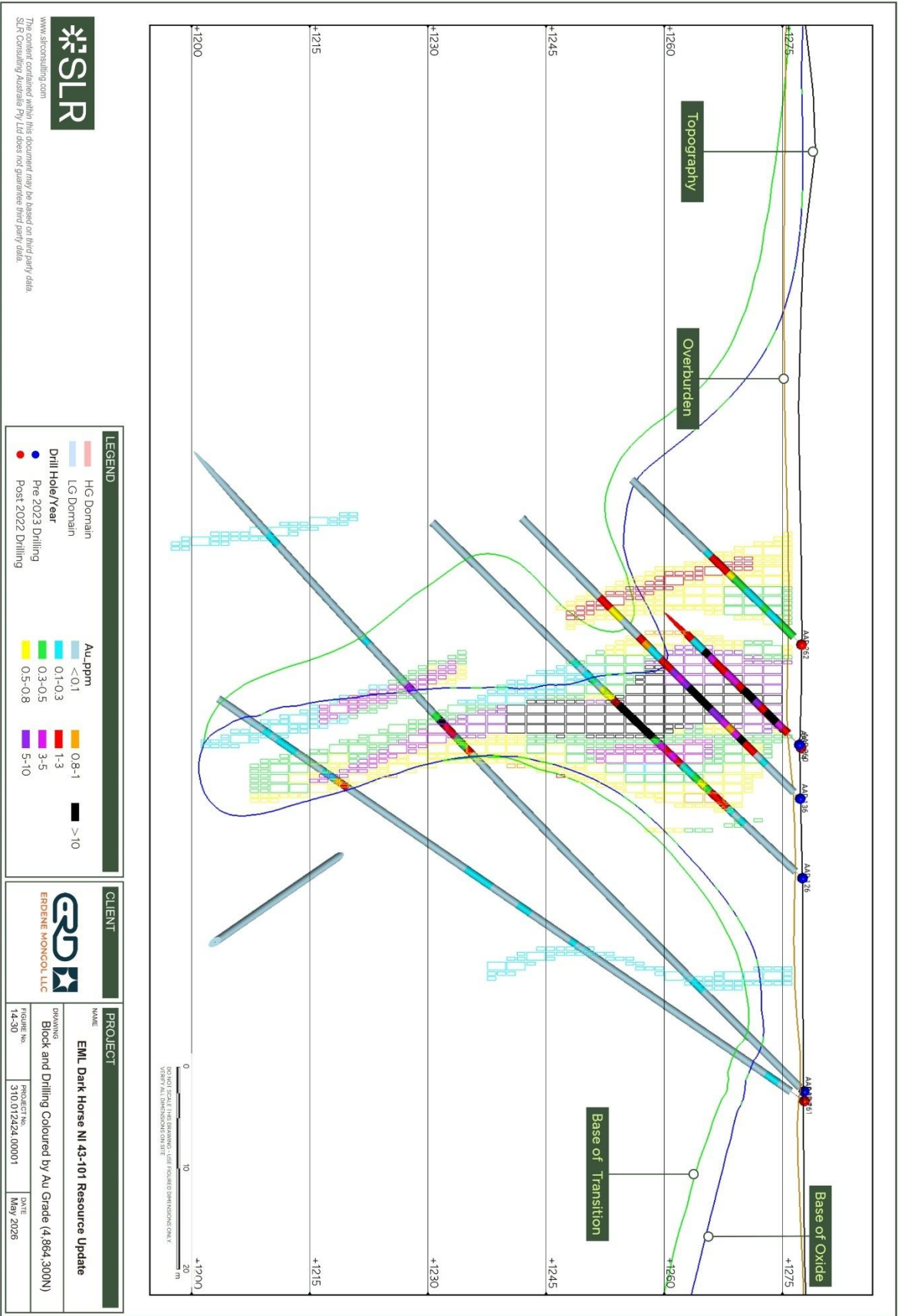


Figure 4-28 Block and Drilling Coloured by Au Grade (4,864,330N)

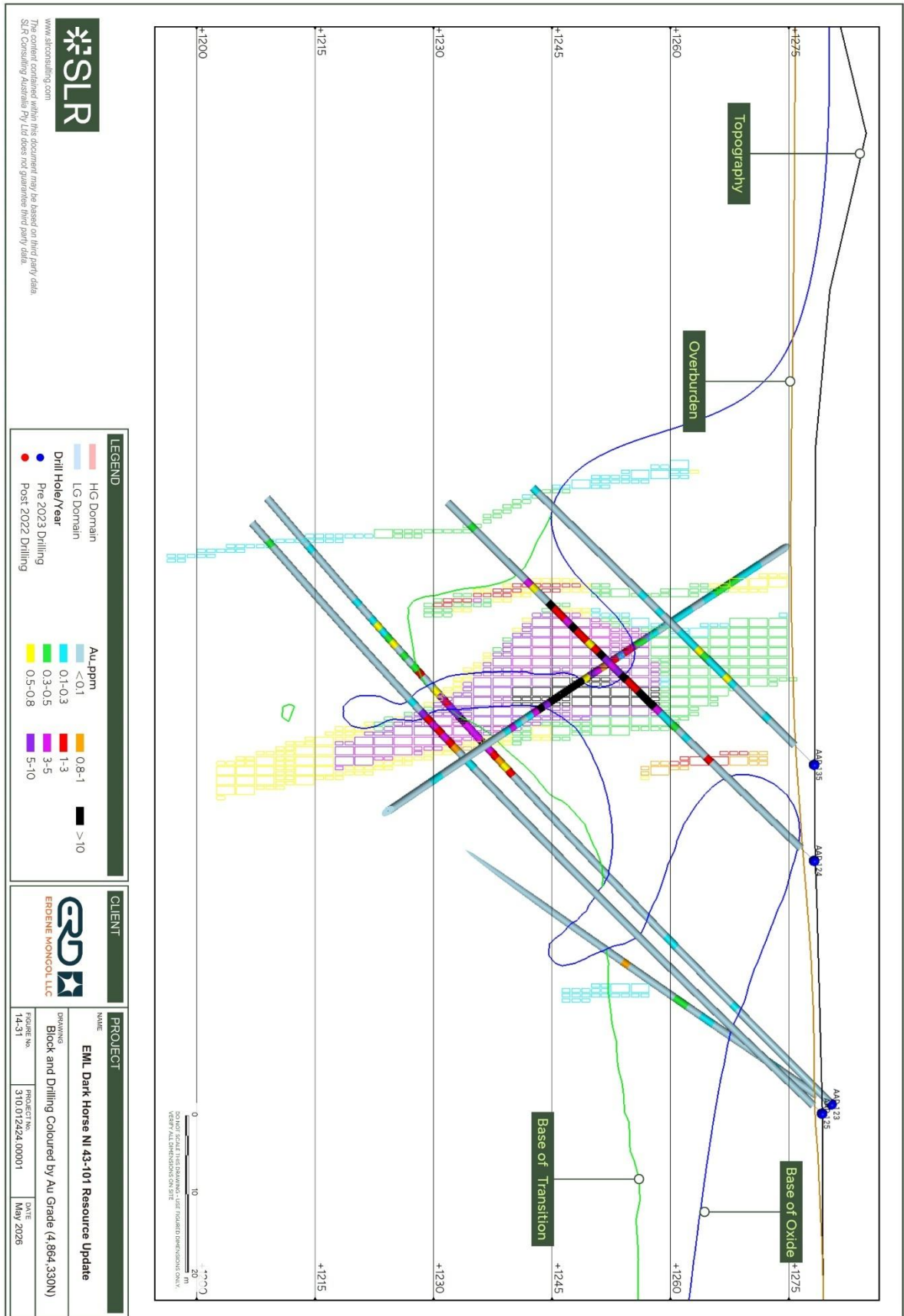


Table 4-21 Average Composite Input v Block Model Output – HG Domains

Objects	Block Model											Composites										Difference
	Resource Volume	Ordinary Kriging						Nearest Neighbour		Inverse Distance												
		Au	Ag	As	Fe	S	Mn	Au	Ag	Au	Ag	Number	Aut	Au	Ag	Ag	As	Fe	S	Mn	BM vs Comps % Au	
		Cut	Cut					Cut	Cut	Cut	Cut	of	Uncut	Cut	Uncut	Cut						
		g/t	g/t	g/t	%	%	%	g/t	g/t	g/t	g/t	Comps	g/t	g/t	g/t	g/t	g/t	%	%	%		
201	51,423	5.94	4.08	4,707	4.2	0.7	422	5.86	3.51	6.08	4.00	239	7.19	7.05	3.40	3.40	4,458	4.2	0.5	399	-19%	
202	1,830	2.93	1.56	2,131	5.2	0.3	303	3.34	1.50	3.05	1.57	9	3.03	3.03	1.56	1.56	2,105	5.1	0.3	308	-3%	
203	26,929	14.04	2.54	6,841	5.4	0.3	662	11.03	2.81	14.10	2.44	117	17.04	15.31	2.57	2.57	7,187	5.2	0.2	626	-9%	
204	2,427	2.56	1.55	2,539	5.2	1.1	299	3.17	1.51	2.66	1.52	13	2.31	2.31	1.54	1.54	2,408	5.2	0.8	343	10%	
205	29,416	1.43	2.04	4,348	3.3	1.3	334	1.45	2.08	1.37	1.83	72	1.31	1.31	1.60	1.60	4,003	3.3	1.1	379	9%	
206	50,438	2.03	1.40	2,408	4.3	0.8	640	2.17	1.44	2.04	1.48	68	2.09	2.09	1.43	1.43	2,381	4.3	0.8	622	-3%	
207	12,097	1.79	3.79	1,614	4.9	1.5	373	1.83	3.57	1.83	3.98	5	1.81	1.81	4.00	4.00	1,482	5.0	1.5	367	-1%	
208	36,654	2.22	1.89	2,436	4.9	1.3	579	2.13	1.71	2.20	1.87	46	2.15	2.15	1.67	1.67	2,714	5.0	1.6	622	3%	
209	13,055	2.72	1.70	1,755	4.5	0.9	731	2.41	1.69	2.60	1.78	14	2.88	2.88	1.71	1.71	1,849	4.4	1.0	679	-6%	
210	8,752	4.60	1.92	2,365	4.8	1.1	675	5.11	2.08	4.34	1.91	17	4.80	4.80	1.94	1.94	2,668	5.1	1.1	696	-4%	
211	252	1.51	1.00	1,162	3.5	1.9	196	1.51	1.00	1.51	1.00	1	1.51	1.51	1.00	1.00	1,162	3.5	1.9	196	0%	
212	5,704	1.46	1.69	1,883	4.3	1.3	412	1.44	1.63	1.48	1.83	7	1.50	1.50	1.86	1.86	1,920	4.5	1.4	380	-3%	
213	1,023	2.20	2.02	1,017	4.0	1.0	503	2.18	2.04	2.19	2.03	2	2.21	2.21	2.00	2.00	996	4.0	1.0	512	0%	
214	3,521	4.92	2.48	6,479	4.9	0.1	550	7.82	2.11	5.41	2.47	18	5.55	5.55	2.67	2.67	6,023	4.6	0.1	464	-13%	
215	843	15.77	4.50	8,593	4.8	0.0	173	5.36	2.97	18.30	5.31	5	18.72	18.72	5.40	5.40	10,906	5.3	0.0	198	-19%	
216	394	2.92	1.00	1,670	7.3	0.4	1,101	2.75	1.00	2.89	1.00	4	2.94	2.94	1.00	1.00	1,445	7.5	0.4	1,116	-1%	
217	5,150	1.81	1.95	3,003	4.0	1.8	537	1.75	1.75	1.95	1.75	29	1.78	1.78	1.41	1.41	2,795	3.9	1.6	503	1%	
218	2,587	2.04	1.00	6,130	3.8	3.1	158	2.00	1.00	2.01	1.00	4	2.06	2.06	1.00	1.00	6,176	3.8	3.1	155	-1%	
219	65	2.82	1.00	2,784	3.7	1.4	85	2.82	1.00	2.82	1.00	1	2.82	2.82	1.00	1.00	2,784	3.7	1.4	85	0%	
220	307	3.71	1.00	385	4.0	0.8	731	3.71	1.00	3.71	1.00	1	3.71	3.71	1.00	1.00	385	4.0	0.8	731	0%	
221	347	7.40	1.00	87	4.8	0.0	703	7.40	1.00	7.40	1.00	1	7.40	7.40	1.00	1.00	87	4.8	0.0	703	0%	
222	548	16.22	41.00	964	3.0	1.3	376	16.22	41.00	16.22	41.00	1	16.22	16.22	41.00	41.00	964	3.0	1.3	376	0%	
223	909	1.68	1.00	64	4.9	0.0	1,374	1.68	1.00	1.68	1.00	2	1.68	1.68	1.00	1.00	64	4.9	0.0	1,374	0%	
224	588	2.74	1.00	4,268	6.4	2.1	979	3.18	1.00	2.62	1.00	5	2.65	2.65	1.00	1.00	4,518	6.4	2.1	977	3%	
225	432	15.30	2.00	39	3.6	0.4	811	15.30	2.00	15.30	2.00	1	15.30	15.30	2.00	2.00	39	3.6	0.4	811	0%	
226	472	2.18	1.00	3,108	3.6	1.9	726	2.18	1.00	2.18	1.00	2	2.18	2.18	1.00	1.00	3,108	3.6	1.9	726	0%	
227	1,019	5.25	1.50	2,085	5.3	0.0	606	3.60	1.53	5.46	1.52	4	5.41	5.41	1.50	1.50	2,082	5.3	0.0	606	-3%	
228	198	2.45	2.00	3,940	3.7	1.2	529	2.45	2.00	2.45	2.00	1	2.45	2.45	2.00	2.00	3,940	3.7	1.2	529	0%	
Total	257,379	4.29	2.47	3,575	4.4	0.9	531	3.99	2.35	4.33	2.45	689	4.88	4.67	2.27	2.27	3,562	4.4	0.9	526	-9%	

Table 4-22 Average Composite Input v Block Model Output – LG Domains

Objects	Block Model											Composites										Difference
	Resource Volume	Ordinary Kriging						Nearest Neighbour		Inverse Distance												
		Au	Ag	As	Fe	S	Mn	Au	Ag	Au	Ag	Number	Aut	Au	Ag	Ag	As	Fe	S	Mn		
		Cut	Cut					Cut	Cut	Cut	Cut	of	Uncut	Cut	Uncut	Cut					BM vs	
	g/t	g/t	g/t	%	%	%	g/t	g/t	g/t	g/t	Comps	g/t	g/t	g/t	g/t	g/t	%	%	%	Comps %		
																				Au		
1	377,179	0.35	1.24	2,049	4.0	0.8	668	0.35	1.22	0.35	1.25	533	0.36	0.36	1.34	1.34	2,071	3.9	0.9	636	-2%	
2	525,149	0.43	1.77	1,245	4.3	0.6	680	0.45	1.96	0.44	1.84	369	0.40	0.40	1.35	1.35	1,439	3.9	0.6	644	6%	
3	141,013	0.30	1.37	879	4.9	0.5	850	0.31	1.36	0.30	1.41	128	0.29	0.29	1.31	1.31	819	4.7	0.6	795	2%	
4	41,653	0.35	1.24	906	3.9	1.5	555	0.38	1.31	0.35	1.24	54	0.33	0.33	1.22	1.22	919	3.8	1.4	572	6%	
5	65,182	0.36	1.15	1,192	4.0	0.7	539	0.38	1.24	0.35	1.13	71	0.39	0.39	1.14	1.14	1,293	3.9	0.8	574	-8%	
6	23,194	0.25	1.00	760	3.4	0.8	304	0.24	1.00	0.25	1.00	32	0.25	0.25	1.00	1.00	775	3.6	1.0	336	-2%	
7	93,855	0.40	1.27	1,173	5.1	0.8	582	0.39	1.27	0.39	1.24	55	0.45	0.45	1.15	1.15	1,150	4.9	0.8	586	-13%	
8	293,089	0.36	1.68	2,666	4.5	1.2	654	0.31	1.59	0.35	1.65	467	0.37	0.37	1.64	1.64	2,128	4.4	0.7	582	-4%	
9	23,327	0.23	1.24	603	5.9	1.2	314	0.24	1.44	0.22	1.25	46	0.22	0.22	1.30	1.30	818	6.1	1.3	391	4%	
10	5,083	0.33	1.13	790	4.1	1.7	366	0.33	1.15	0.35	1.17	12	0.38	0.38	1.17	1.17	799	4.0	1.6	293	-18%	
11	14,754	0.32	3.57	1,711	3.9	2.4	352	0.32	4.02	0.32	4.10	30	0.34	0.34	4.23	4.23	1,317	4.0	2.6	314	-6%	
12	13,063	0.21	1.00	1,902	2.2	1.3	55	0.16	1.00	0.24	1.00	6	0.24	0.24	1.00	1.00	2,185	2.3	1.6	56	-14%	
13	56,892	0.32	1.11	4,483	3.7	2.2	522	0.29	1.10	0.35	1.12	46	0.37	0.37	1.09	1.09	4,412	3.8	2.2	548	-15%	
14	23,021	0.22	1.00	2,272	3.4	1.3	256	0.21	1.00	0.20	1.00	33	0.21	0.21	1.00	1.00	3,240	3.5	1.7	314	4%	
15	3,376	0.35	1.00	783	4.7	1.1	712	0.38	1.00	0.37	1.00	5	0.36	0.36	1.00	1.00	652	4.0	1.0	704	-3%	
16	14,532	0.29	1.00	2,970	4.4	0.8	945	0.31	1.00	0.28	1.00	13	0.27	0.27	1.00	1.00	3,023	4.0	0.9	848	7%	
17	17,786	0.28	1.43	3,375	3.5	1.3	731	0.27	1.33	0.29	1.51	24	0.29	0.29	1.46	1.46	3,381	3.5	1.3	673	-4%	
18	26,608	0.27	1.20	672	4.7	0.2	842	0.25	1.35	0.27	1.19	31	0.27	0.27	1.32	1.32	726	4.4	0.2	754	0%	
19	6,473	0.45	1.00	1,932	4.3	0.3	935	0.42	1.00	0.45	1.00	12	0.46	0.46	1.00	1.00	1,982	4.2	0.2	756	-2%	
20	4,158	0.69	2.54	1,304	5.8	0.1	704	0.68	1.98	0.63	2.35	8	0.63	0.63	2.38	2.38	1,245	5.7	0.1	639	9%	
21	166,265	0.30	1.06	638	4.8	0.0	793	0.31	1.06	0.29	1.06	37	0.30	0.30	1.08	1.08	825	5.0	0.0	879	-1%	
22	52,737	0.68	1.26	463	4.6	0.0	785	0.69	1.26	0.63	1.23	12	0.83	0.83	1.33	1.33	592	4.5	0.0	824	-22%	
23	80,660	0.51	1.00	123	4.8	0.5	868	0.60	1.00	0.51	1.00	12	0.47	0.47	1.00	1.00	111	4.7	0.5	858	8%	
24	19,970	0.11	1.00	53	6.1	0.2	405	0.11	1.00	0.10	1.00	17	0.10	0.10	1.00	1.00	56	6.4	0.1	528	2%	
25	55,633	0.22	4.69	307	3.9	0.7	584	0.21	4.87	0.22	4.61	82	0.23	0.23	4.43	4.43	344	3.6	0.9	543	-6%	
26	29,883	0.36	11.35	200	2.8	0.5	601	0.33	10.39	0.40	11.96	46	0.43	0.39	19.35	12.09	203	2.7	0.5	625	-8%	
27	67,044	0.31	4.31	777	3.7	0.2	644	0.28	3.45	0.32	4.25	61	0.32	0.32	4.92	4.92	777	3.4	0.2	673	-4%	
28	19,296	0.33	1.82	386	4.4	1.4	810	0.39	1.74	0.35	1.79	25	0.35	0.35	2.12	2.12	341	4.9	1.0	1,113	-5%	
29	7,694	0.35	1.33	472	4.5	0.2	990	0.27	1.28	0.39	1.26	17	0.32	0.32	1.35	1.35	459	4.2	0.1	853	7%	
30	2,257	0.12	1.93	287	3.9	1.5	704	0.12	1.65	0.12	1.81	4	0.12	0.12	1.99	1.99	290	3.9	1.7	738	-1%	
31	2,761	0.25	1.12	4,906	3.0	0.7	339	0.27	1.15	0.23	1.10	8	0.25	0.25	1.13	1.13	4,875	3.0	0.7	333	1%	
32	7,485	0.16	2.45	223	4.8	0.1	812	0.19	2.01	0.16	2.41	14	0.17	0.17	2.71	2.71	235	4.6	0.1	782	-12%	
33	31,269	0.57	1.00	60	4.4	0.1	631	0.64	1.00	0.60	1.00	16	0.69	0.69	1.00	1.00	61	4.3	0.1	687	-21%	
34	23,084	0.91	1.00	177	4.2	0.0	859	2.14	1.00	2.69	1.00	14	13.65	3.12	1.00	1.00	199	4.3	0.0	762	-244%	
35	79,185	0.32	1.43	306	4.6	0.2	783	0.43	1.67	0.30	1.38	24	0.35	0.35	1.38	1.38	264	4.6	0.1	790	-10%	
36	73,447	0.19	1.00	92	4.5	0.2	791	0.20	1.00	0.19	1.00	53	0.21	0.21	1.00	1.00	88	4.4	0.2	774	-9%	

Objects	Block Model											Composites										Difference
	Resource Volume	Ordinary Kriging						Nearest Neighbour		Inverse Distance												
		Au	Ag	As	Fe	S	Mn	Au	Ag	Au	Ag	Number	Aut	Au	Ag	Ag	As	Fe	S	Mn		
		Cut	Cut					Cut	Cut	Cut	Cut	of	Uncut	Cut	Uncut	Cut		%	%	%	BM vs	
		g/t	g/t	g/t	%	%	%	g/t	g/t	g/t	g/t	Comps	g/t	g/t	g/t	g/t	g/t	%	%	%	Comps %	
37	21,787	0.22	1.32	106	4.2	0.0	874	0.19	1.19	0.19	1.28	19	2.17	0.22	1.37	1.37	107	3.7	0.0	874	-1%	
38	11,266	0.20	1.00	188	4.5	0.0	708	0.19	1.00	0.19	1.00	6	0.19	0.19	1.00	1.00	209	4.5	0.0	764	5%	
39	5,158	0.37	1.00	46	4.8	0.5	688	0.37	1.00	0.38	1.00	4	0.38	0.38	1.00	1.00	46	4.9	0.5	693	-2%	
40	10,225	0.16	1.00	84	4.4	0.0	851	0.15	1.00	0.16	1.00	18	0.15	0.15	1.00	1.00	116	4.1	0.0	1,025	6%	
41	22,124	0.87	1.00	209	8.5	0.5	507	1.02	1.00	0.95	1.00	17	1.15	1.07	1.00	1.00	213	8.7	0.6	453	-23%	
42	7,833	0.62	1.85	1,442	3.3	2.5	141	0.79	1.54	0.67	1.84	11	0.74	0.74	1.82	1.82	1,679	3.7	2.8	179	-18%	
43	6,887	0.21	1.20	2,266	3.3	2.2	46	0.20	1.05	0.19	1.31	7	0.21	0.21	1.29	1.29	1,893	3.0	1.8	44	2%	
44	3,346	0.13	1.00	1,162	4.5	2.3	58	0.13	1.00	0.13	1.00	3	0.13	0.13	1.00	1.00	927	4.3	2.5	52	-2%	
45	43,485	0.21	1.11	2,023	5.7	1.1	276	0.24	1.13	0.22	1.09	14	0.21	0.21	1.07	1.07	2,251	4.5	1.0	237	-2%	
46	1,007	0.63	21.99	1,265	3.6	0.2	403	0.63	22.69	0.63	22.04	2	0.63	0.63	22.00	22.00	1,265	3.6	0.2	404	0%	
47	1,593	0.38	2.82	317	2.8	1.5	570	0.37	2.59	0.43	2.96	5	0.42	0.42	3.20	3.20	311	2.7	1.3	484	-10%	
48	4,922	0.25	1.00	4,729	4.1	0.1	475	0.20	1.00	0.25	1.00	9	0.24	0.24	1.00	1.00	4,684	4.1	0.1	480	4%	
49	5,490	0.55	1.50	291	5.1	0.4	592	0.56	1.51	0.50	1.43	4	0.56	0.56	1.50	1.50	307	5.1	0.4	610	-1%	
50	47,268	0.37	1.66	1,046	5.1	0.6	665	0.37	1.65	0.37	1.70	162	0.36	0.36	4.28	1.80	1,018	5.0	0.6	657	1%	
51	7,083	0.23	1.02	1,245	6.0	0.4	481	0.20	1.04	0.22	1.03	32	0.22	0.22	1.03	1.03	1,246	5.8	0.3	553	5%	
Total	2,687,530	0.36	1.66	1,335	4.4	0.7	668	0.38	1.66	0.38	1.67	2,730	0.44	0.37	1.73	1.61	1,340	4.3	0.7	654	-1%	

Figure 4-29 Block Model Validation by Northing (All mineralisation) – Au, Ag, As, Fe, S and Mn

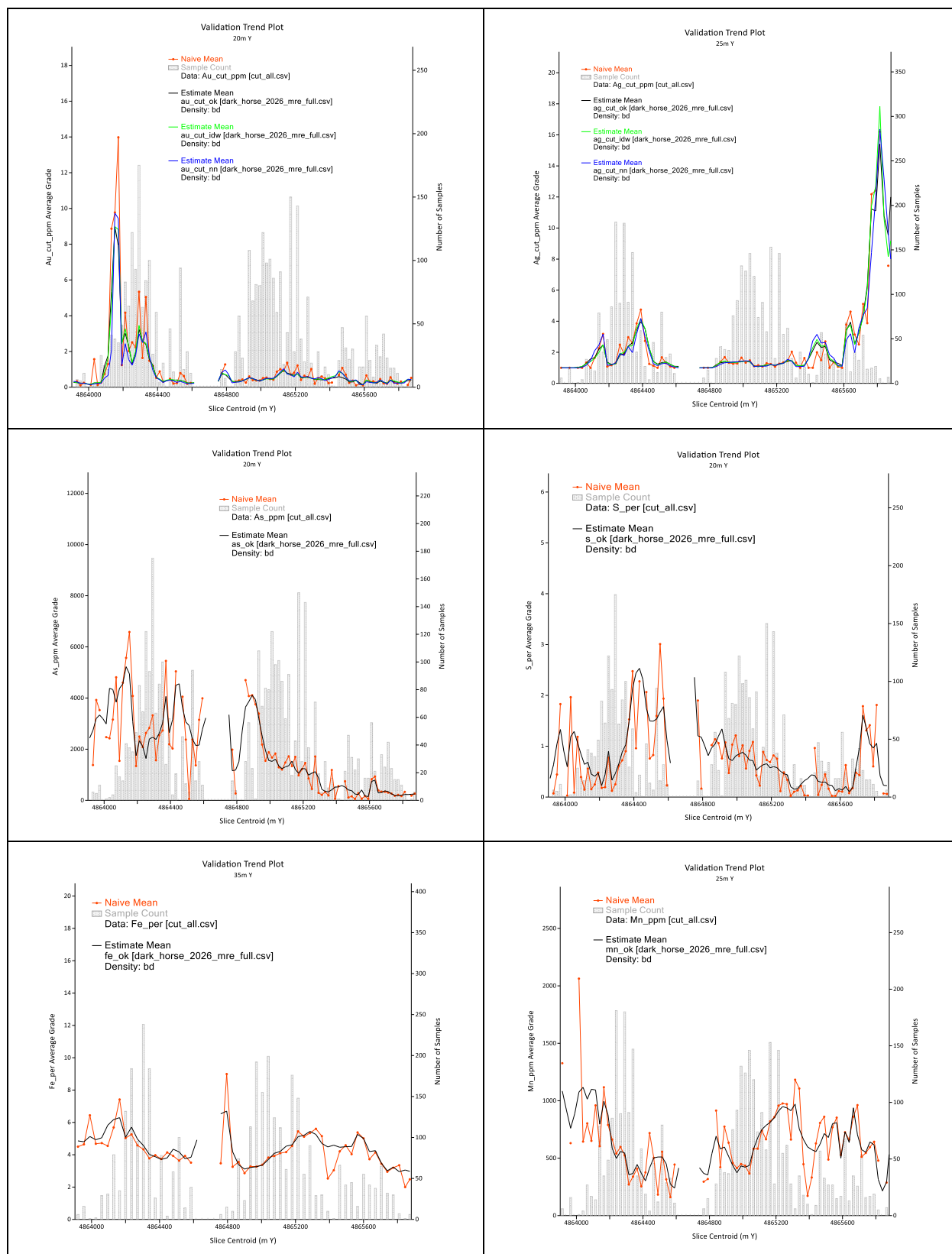


Figure 4-30 Block Model Validation by Northing and Elevation (HG Mineralisation) – Au and Ag

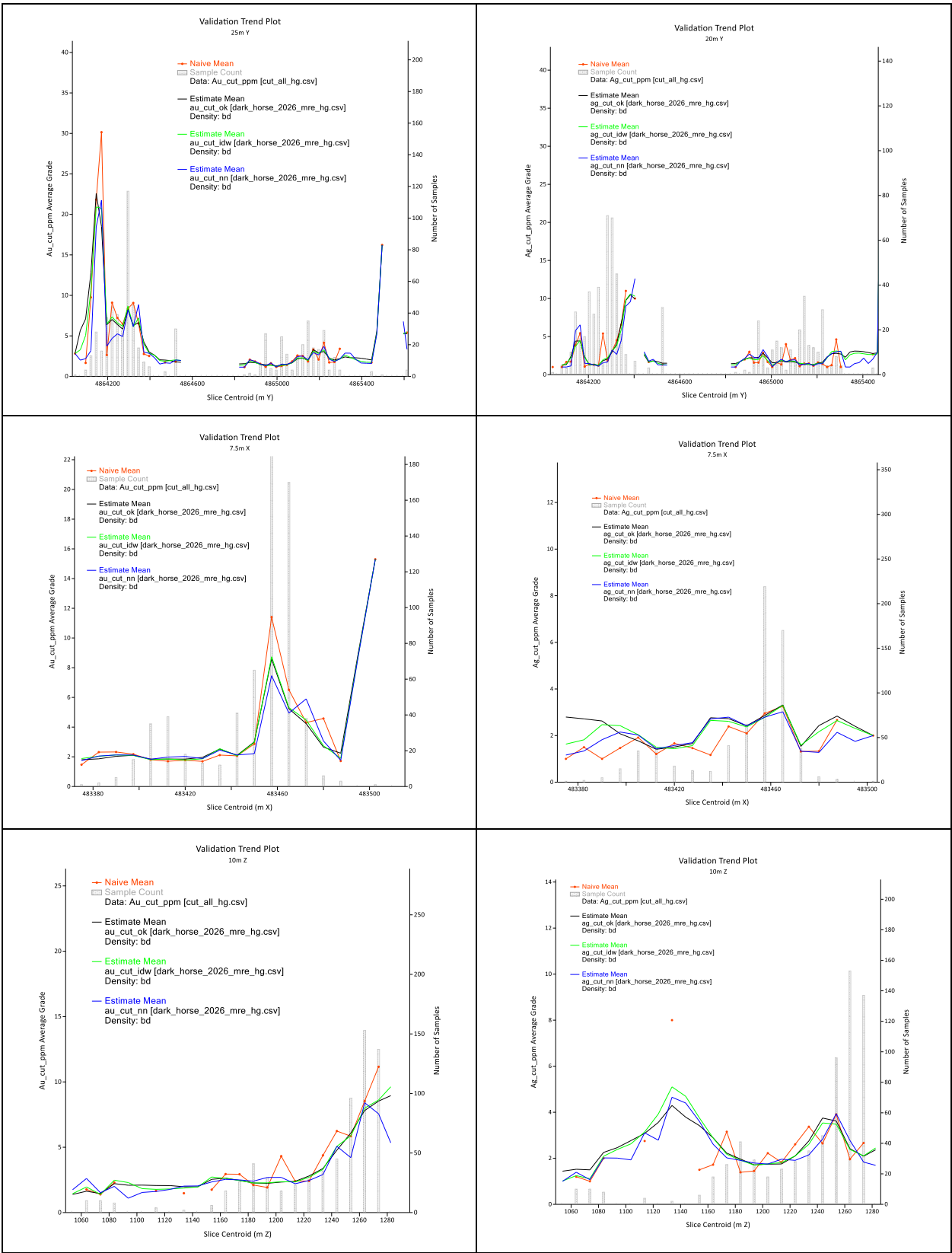
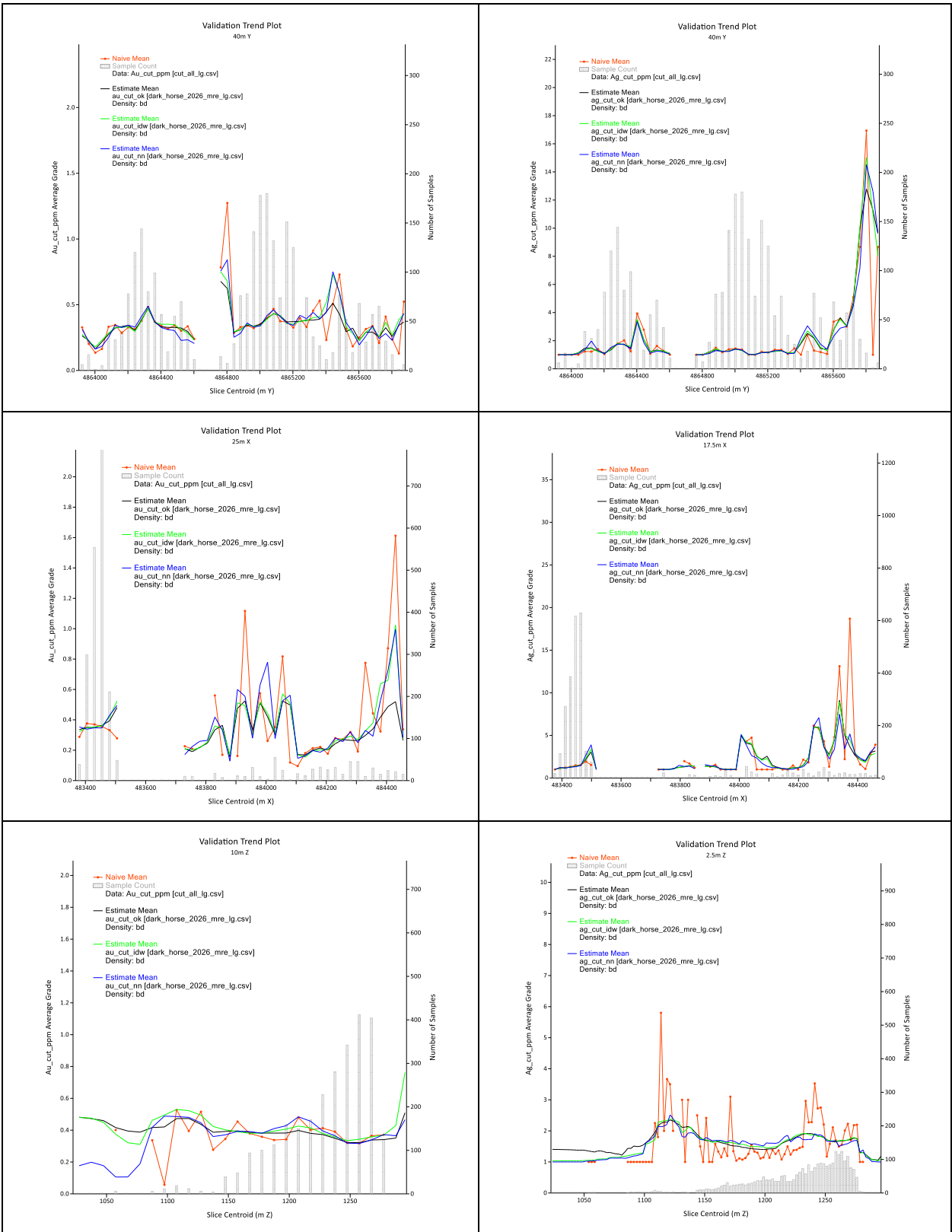


Figure 4-31 Block Model Validation by Northing and Elevation (LG Mineralisation) – Au and Ag



The mathematical comparison indicates that, while global variation can be observed, the swath plots highlight a reasonable overall correlation between the block estimates and the composite grades within each mineralised and estimated domain for both LG and HG zones.

In addition to the kriging estimate, the nearest-neighbour and inverse-distance-weighted interpolated grades also show consistency between the methods. These show some variation, which is expected given the local variability in the grade weighting.

4.12 Classification

Block model quantities and grade estimates for the Dark Horse deposit were classified in accordance with the CIM Standards. Mineral Resource classification considers both the confidence in the geological continuity of the mineralised structures, the quality and quantity of exploration data supporting the estimates, and the geostatistical confidence in the tonnage and grade estimates.

The Mineral Resource classification primarily considered drill hole spacing and spatial variability as observed in normal score variograms of the Dark Horse's most notable domains. The main approach undertaken by SLR in classifying portions of the estimated block model as Indicated and Inferred is outlined below as follows:

- The classification was considered for each individual domain separately. All the high-grade domains were combined with their respective low-grade domain objects prior to the analysis.
- To understand domain continuity, 15 m and 40 m buffer zones (spotted dog) were created for each drill intercept within individual domain objects. If buffer zones are less spotty, with smaller gaps, they are upgraded to Indicated; if buffer zones are more spotty, with larger gaps, they are downgraded to Inferred Mineral Resource.
- Good confidence in the trend of the domain and the shape of the domain in long sections to be geologically sound, not erratic.
- Availability of the density data and its spatial coverage
- Analysis of the QAQC data
- Confidence in the estimate of the mineralised volume
- The result of the model validation

Drill hole spacing was defined as the distance between blocks to the nearest drill hole composite. To assess spatial variability, normal score variograms were prepared for the two main domain objects (LG domain object 8 and HG domain object 201). While not all domains produced coherent experimental variograms, those that did showed that sample variability reached 80% of the sill at distances of 30 m to 40 m.

The above findings were confirmed through visual inspection, which indicated that sample grades within 30 m showed reasonable correlation, while samples further apart exhibited weaker grade continuity.

On this basis, Indicated Mineral Resource was defined by at least 4 drill intersections within close-spaced diamond drilling of 30 m by 30 or less, where the continuity and predictability of pod position was good. The Indicated Mineral Resource was extrapolated up to 15 m past the last drill intersection.

The remainder of the Mineral Resource was classified as Inferred, where the continuity of the mineralised zones was confirmed with extensional drilling or to small pods of mineralisation outside the main zones, and to geologically complex zones with at least 2 drill hole intersections.

Estimation quality, as defined by KE, KV and Slope, was reviewed to determine if they could assist as a quantitative method for classification. Even in well-drilled areas, blocks showed low or negative KE at

distances greater than 20 m from drill holes. This was considered a result of the variable assay data at close spacing and the relatively high variance, as measured by the variogram (80% of the variance at separations of less than 30 m). In this case, KE was not considered an appropriate guide for classification. In contrast, the slope of regression was reasonably high in Indicated portion, demonstrating that estimated block grades correlate reasonably well with the theoretical true block grades. The kriging quality parameters are discussed in more detail in **Section 4.11.1**.

The distribution of the resource categories for Dark Horse mineralisation is shown **Figure 4-21**.

Plan View

483,300 E 483,500 E 483,900 E 484,200 E 484,500 E

4,863,900 N 4,864,200 N 4,864,500 N 4,864,800 N 4,865,100 N 4,865,400 N 4,865,700 N

0 300 600 m

DO NOT SCALE THIS DRAWING - USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE.

Oblique View (Looking North)

0 200 400 m

DO NOT SCALE THIS DRAWING - USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE.

LEGEND

Drill Hole/Year

- Pre 2023 Drilling
- Post 2022 Drilling

Indicated

Inferred

CLIENT

ERD
ERDENE MONCOL LLC

PROJECT

EML Dark Horse NI 43-101 Resource Update

DRAWING

Dark Horse Block Model Classification Oblique

FIGURE NO. 14-35

PROJECT NO. 310.012424.00001

DATE May 2026

Internal audits have been completed by SLR, which verified the technical inputs, methodology, parameters and results of the estimate. The lode geometry and continuity have been adequately interpreted to reflect the applied level of Indicated and Inferred Mineral Resource. The data quality was good, and the drill holes had detailed logs produced by qualified geologists. A recognised laboratory has been used for all analyses. The Mineral Resource statement relates to global estimates of tonnes and grade.

4.13 Cut-Off Grade and Optimisation Parameters

The CIM Definition Standard requires a reported Mineral Resource to have reasonable prospects for eventual economic extraction (RPEEE).

For reporting of the Dark Horse Mineral Resource, SLR carried out a cut-off grade calculation, which derived a break-even grade of 0.28 g/t Au for oxide and transitional mineralisation, and 0.85 g/t Au for fresh mineralisation, using a Whittle optimisation shell to define a limit of mineralisation that could be mined by a conceptual open pit.

The mining and processing cost parameters used in the cut-off grade calculation were based largely on the nearby Bayan Khundii current CIP operation, while processing recovery inputs were mainly based on SLR's review outcome of preliminary metallurgical test work conducted on the Dark Horse Project, and hence, the parameters have sufficient accuracy and are considered reasonable for resource estimation.

4.13.1 Cut-off Grades

The cut-off grade was calculated in consideration of the cost associated with metal extraction, ore loss and dilution, metallurgical recovery and metal prices.

Cut-off grade calculation parameters are tabulated in **Table 4-23**.

Table 4-23 Reporting Cut-off Grade Inputs

Description	Units	Oxide	Transition	Fresh
Incr. Ore Mining Cost	US \$/t feed	2.76	2.76	2.76
Loss	%	2.5	2.5	2.5
Dilution	%	10	10	10
Milling and G&A costs	US \$/t deed	27.06	27.06	27.06
Refining	US \$/tr.oz	5	5	5
Royalty	%	6	6	6
Processing Recovery (at cut-off grade)	%	90	87	30
Selling Price	US \$/oz	3,900	3,900	3,900

4.13.2 Pit Optimisation

For reporting the Mineral Resource, a potential pit shell was generated using Whittle optimisation software. A pit slope angle of 45° with a 10 m bench height was used in the optimisation. Both gold and silver prices were used in the pit shell optimisation, which were US\$ 3,900/oz Au and US\$ 40/oz Ag. Metallurgical recovery for Au was derived from the **Table 4-23** while the metallurgical recovery of 55% used for Ag, as indicated by preliminary test work results.

The resulting shell (*dh_rf100_3900au_40ag_pit.dxf*) is shown in **Figure 4-22** and **Figure 4-23**. The depth of the shell at Dark Horse has not increased substantially from that used in the 2022 estimate. Some additional shallow pits were generated at the Altan Arrow zone.

Figure 4-22 Dark Horse Block Model Showing US\$ 3,900/oz Au and US\$ 40/oz Ag Pit Shell – Plan View

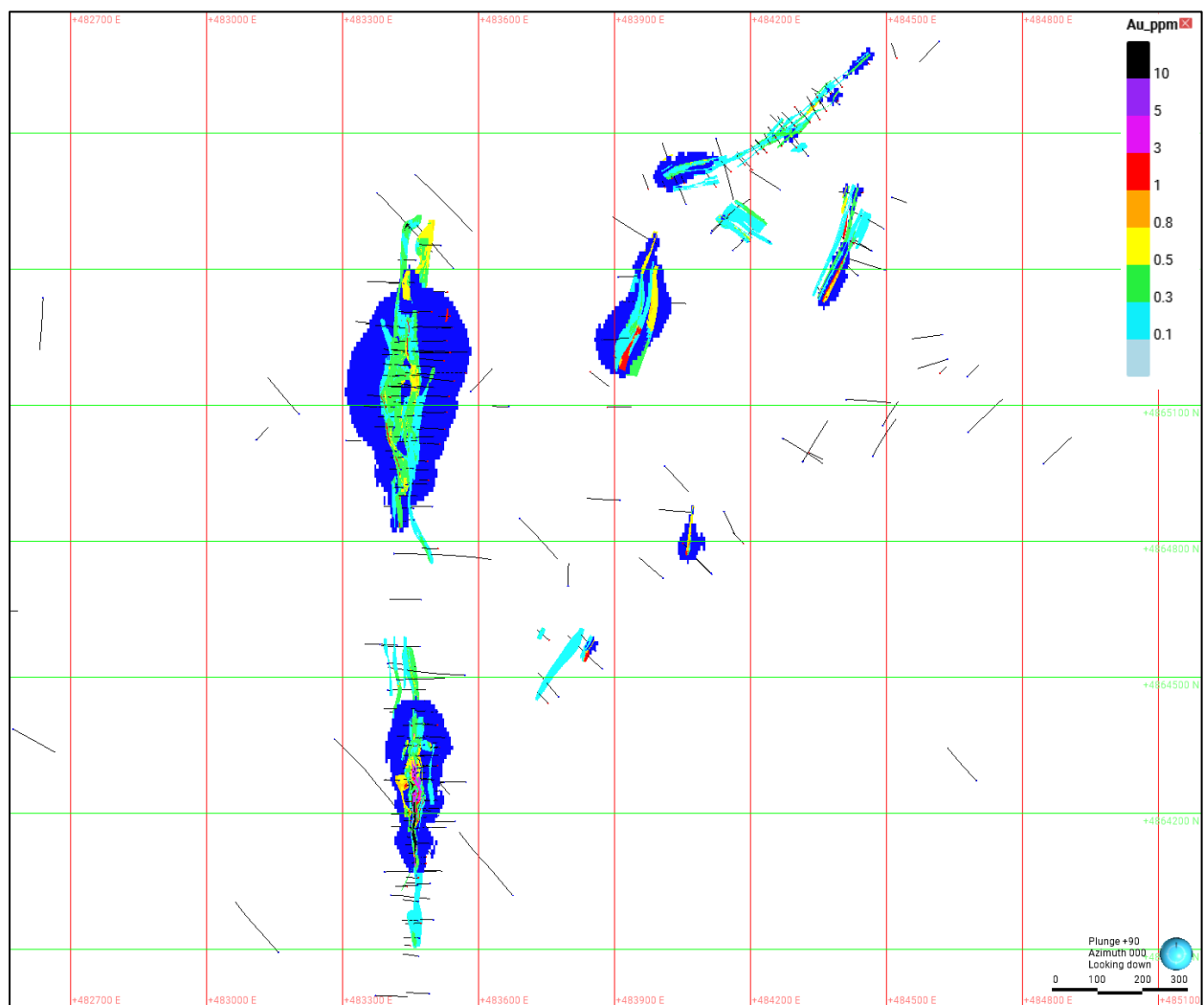
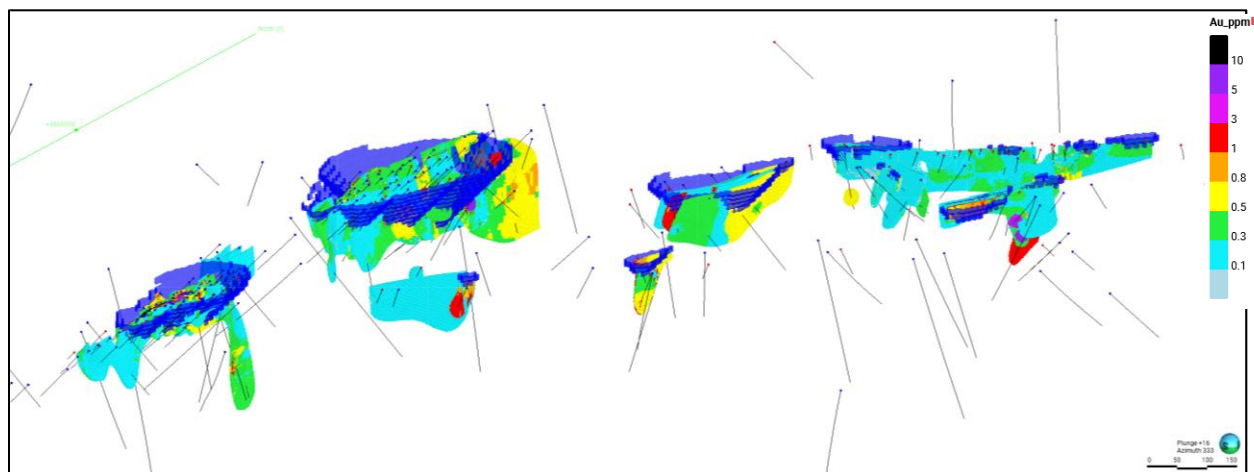


Figure 4-23 Dark Horse Block Model Showing US\$ 3,900/oz Au and US\$ 40/oz Ag Pit Shell – Oblique View



The sensitivity of the Mineral Resource to the metal price was reviewed. Overall results indicate that both metal price and metallurgical recovery have a significant impact on the project economics.

4.14 Mineral Resource Reporting

The Mineral Resource estimates have been prepared according to the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) 2014 Definition Standards for Mineral Resources and Mineral Reserves dated 10 May 2014 (CIM 2014 Standards) as incorporated with National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). Mineral Resource estimates were also prepared using the guidance outlined in CIM Estimation of Mineral Resources and Mineral Reserves (MRMR) Best Practice Guidelines 2019 (CIM (2019) MRMR Best Practice Guidelines).

The Mineral Resource estimate for the Dark Horse Project encompasses multiple zones grouped into three primary areas (Dark Horse South, Dark Horse North and Altan Arrow). The Mineral Resource estimate was commissioned to incorporate data from 83 additional exploration holes drilled since the previous estimate was completed in November 2022. The majority of recent holes focused on Altan Arrow zones, while a small number of holes were drilled as infill at Dark Horse zones. All data supplied by ERD as of March 2026 were from surface diamond drilling conducted between 2016 and 2025, totalling 301 holes for 30,630 m. The Mineral Resources were completed by Mr. Oyunbat Bat-Ochir (Qualified Person).

As of May 1, 2026, no mining has occurred at the Project.

To demonstrate reasonable prospects for eventual economic extraction (RPEEE), open-pit Mineral Resources are constrained by a preliminary optimised open-pit shell that was derived using US\$ 3,900/oz Au and US\$ 40/oz Ag prices and reported above a cut-off grade of 0.28 g/t Au in oxide and transition mineralisation and 0.85 g/t Au cut-off in fresh mineralisation. The mining and cost parameters used in the cut-off grade estimate were based largely on the nearby Bayan Khundii CIP operation, while the parameters used in the cut-off grade estimate were based on SLR's review outcome of metallurgical test work conducted on the Dark Horse Project. Hence, the parameters are sufficiently accurate and reasonable for resource estimation. Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM (2014) definitions) were used for Mineral Resource classification.

The Mineral Resource for the Dark Horse Project are tabulated in **Table 4-24** , with an effective date of May 1, 2026.

The Mineral Resources, as shown in **Table 4-24** are shown on a 100% equity basis.

Table 4-24 Dark Horse May 2026 Mineral Resource Estimate Summary

Deposit Area	Type	Indicated Mineral Resource				
		Tonnes t	Au g/t	Ag g/t	Au ounces	Ag ounces
Dark Horse South	Oxide	378,000	4.1	2.5	49,900	30,300
	Transitional	53,000	1.8	2.5	3,100	4,300
	Fresh	6,000	5.2	3.5	1,000	700
	Total	438,000	3.8	2.5	54,100	35,200
Dark Horse North	Oxide	530,000	0.7	1.3	12,000	21,800
	Transitional	428,000	1.0	1.3	13,500	17,500
	Fresh	11,000	2.2	1.6	800	600
	Total	969,000	0.8	1.3	26,200	39,900
Altan Arrow	Oxide	0	0.0	0.0	0	0
	Transitional	0	0.3	5.4	0	0
	Fresh	0	0.0	0.0	0	0
	Total	0	0.3	5.4	0	0
Dark Horse South, Dark Horse North, Altan Arrow	Oxide	909,000	2.1	1.8	61,900	52,100
	Transitional	481,000	1.1	1.4	16,600	21,800
	Fresh	17,000	3.3	2.3	1,800	1,300
	Total	1,407,000	1.8	1.7	80,300	75,200

Deposit Area	Type	Inferred Mineral Resource				
		Tonnes t	Au g/t	Ag g/t	Au ounces	Ag ounces
Dark Horse South	Oxide	13,000	0.6	1.8	300	700
	Transitional	4,000	0.6	2.0	100	300
	Fresh	0	0.9	3.8	0	0
	Total	17,000	0.6	1.9	300	1,000
Dark Horse North	Oxide	196,000	0.6	1.2	3,700	7,900
	Transitional	196,000	0.9	1.4	5,900	8,800
	Fresh	1,000	8.1	1.7	200	0
	Total	393,000	0.8	1.3	9,800	16,800
Altan Arrow	Oxide	82,000	0.7	2.3	1,700	6,000
	Transitional	116,000	0.8	1.1	3,200	4,200
	Fresh					
	Total	198,000	0.8	1.6	4,900	10,200
Dark Horse South, Dark Horse North, Altan Arrow	Oxide	290,000	0.6	1.6	5,700	14,600
	Transitional	317,000	0.9	1.3	9,100	13,300
	Fresh	1,000	7.3	2.0	200	100
	Total	608,000	0.8	1.4	15,000	28,000

Note:

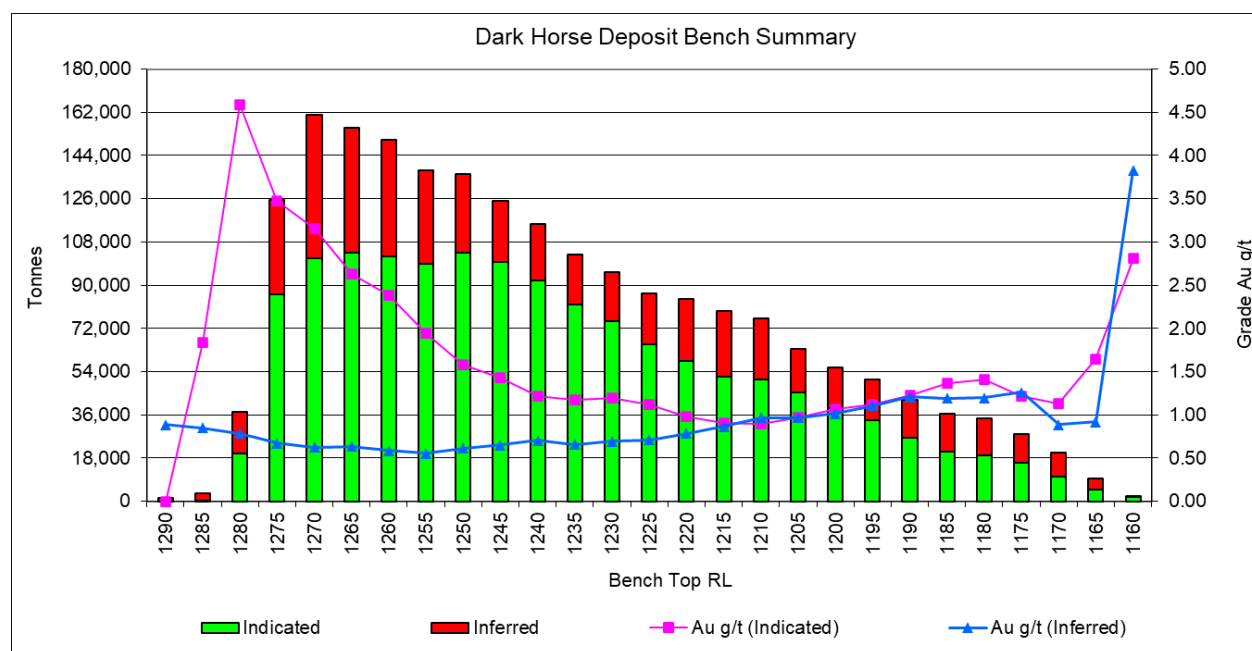
1. The Statement of Estimates of Mineral Resources has been compiled by Mr Oyunbat Bat-Ochir, who is a full-time employee of SLR and a Member of the Australian Institute of Geoscientists. Mr Bat-Ochir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined in the CIM Standards of Disclosure.
2. All Mineral Resources figures reported in the table above represent estimates as of May 1, 2026. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
3. Mineral Resources are reported on a dry in-situ basis.
4. The Mineral Resource is reported using a 0.28 g/t Au cut-off grade in oxide and transition mineralisation and 0.85 g/t Au cut-off in fresh mineralisation and is constrained above the conceptual optimised pit shell with a pit slope angle of 45°. Cut-off parameters were selected based on an SLR internal cut-off calculator, assuming an open cut mining method with 2.5% ore loss and 10% dilution, a gold price of US\$3,900 per ounce, an open mining cost of US\$2.76 per tonne and a processing cost of US\$25.56 per tonne milled, general and administration cost of US\$1.5 per tonne and processing recovery of 90% for oxide, 87% for transitional and 30% for fresh Au mineralisation. The conceptual optimised pit shell was constructed using a gold price of US\$ 3,900/oz and a silver price of US\$ 40/oz with a processing recovery of 55% for Ag mineralisation.
5. Mineral Resources referred to above have not been subject to detailed economic analysis and therefore have not been demonstrated to have actual economic viability.

SLR is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate other than those discussed in Section 24.1. These include the definition of weathering profiles and their implications for assumptions about metal recovery and commodity pricing.

Upon completion of a positive FS, ERD should consider targeted, closely spaced RC or diamond drilling in areas expected to have the greatest impact on early life-of-mine production. When combined with continued trenching and channel sampling, this work should improve understanding of high-grade continuity, enhance confidence in resource classification, and help mitigate estimation risks associated with higher-grade mineralisation of Dark Horse Project.

To show the tonnage and grade distribution by resource classification and depth, a bench breakdown has been prepared using a 5-meter bench height, shown in **Figure 4-24**.

Figure 4-24 Dark Horse Tonnage and Grade – 5 m Bench Elevation (Au & Ag)



Grade-tonnage curves illustrate the distribution of metal within the optimised pit shell, showing how tonnage and grade vary at different reporting cut-offs. Grade-tonnage curves for the Indicated and Inferred portions of Dark Horse Mineral resource are shown in **Figure 4-25** and **Figure 4-**

Figure 4-25 Dark Horse Grade – Tonnage Curve (Indicated Mineral Resource)

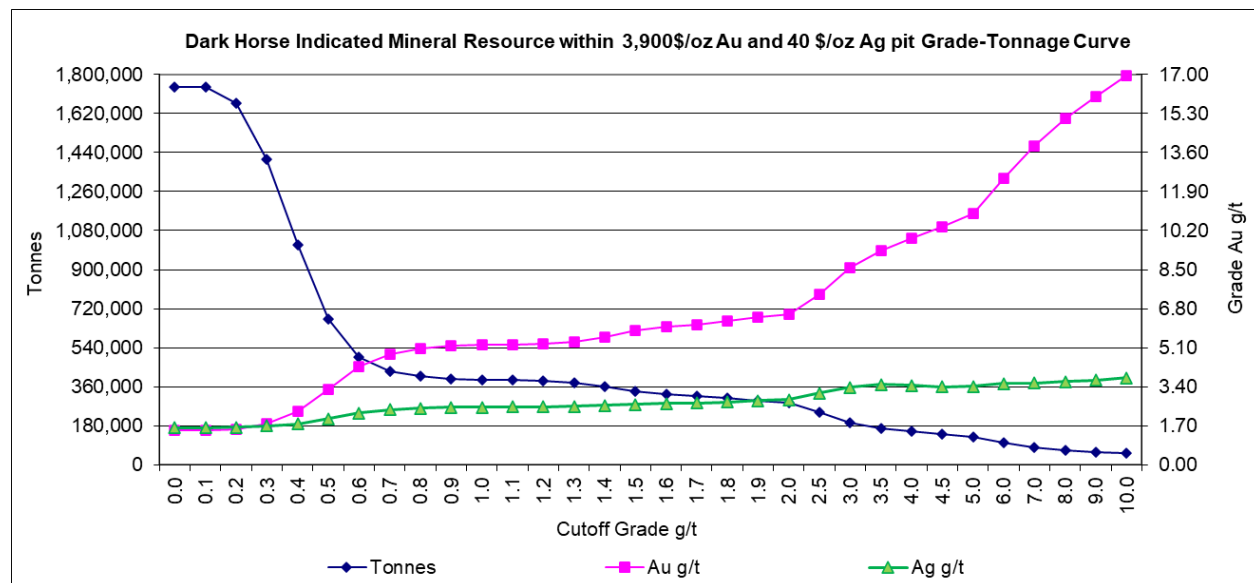


Figure 4-37 Dark Horse Grade – Tonnage Curve (Inferred Mineral Resource)

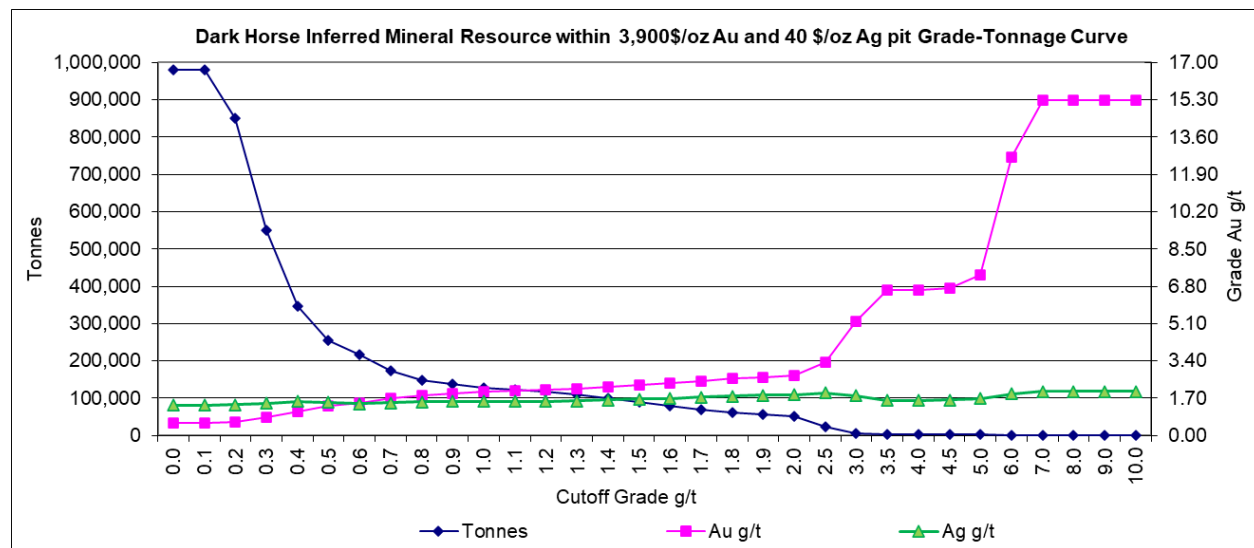


Table 4-25 and

Table 4-26 present grade-tonnage data for the Indicated and Inferred Mineral Resource constrained by optimised pit shell and reported at a range of cut-off grades.

Table 4-25 Dark Horse Grade – Tonnage Table (Indicated Mineral Resource)

Cutoff Grade Au g/t	Cumulative Resource				
	Tonnes t	Au g/t	Ag g/t	Au Ounces	Ag Ounces
0.0	1,744,357	1.48	1.62	83,118	90,836
0.1	1,743,793	1.48	1.62	83,117	90,807
0.2	1,667,946	1.54	1.64	82,707	87,971
0.3	1,407,117	1.78	1.68	80,569	76,181
0.4	1,014,996	2.33	1.78	76,169	58,178
0.5	673,793	3.29	2.01	71,265	43,522
0.6	496,528	4.27	2.25	68,182	35,919
0.7	430,285	4.83	2.40	66,817	33,172
0.8	407,994	5.05	2.46	66,284	32,270
0.9	396,653	5.17	2.50	65,977	31,840
1.0	392,266	5.22	2.51	65,843	31,674
1.1	390,785	5.24	2.52	65,794	31,618
1.2	388,214	5.26	2.53	65,698	31,517
1.3	378,310	5.37	2.55	65,294	30,982
1.4	360,197	5.57	2.58	64,505	29,877
1.5	338,862	5.83	2.63	63,517	28,644
1.6	325,484	6.01	2.66	62,851	27,854
1.7	317,425	6.12	2.69	62,424	27,465
1.8	308,371	6.24	2.73	61,914	27,076
1.9	296,680	6.42	2.79	61,219	26,586
2.0	287,214	6.57	2.83	60,627	26,176
2.5	240,304	7.41	3.12	57,228	24,099
3.0	191,666	8.59	3.37	52,961	20,742
3.5	168,929	9.32	3.50	50,615	19,003
4.0	153,928	9.86	3.45	48,805	17,079
4.5	140,944	10.38	3.39	47,034	15,373
5.0	127,895	10.95	3.41	45,044	14,032
6.0	99,821	12.49	3.53	40,088	11,323
7.0	81,013	13.89	3.55	36,178	9,248
8.0	68,373	15.08	3.63	33,143	7,976
9.0	59,612	16.05	3.69	30,762	7,078
10.0	52,435	16.95	3.78	28,573	6,367

Table 4-26 Dark Horse Grade – Tonnage Table (Inferred Mineral Resource)

Cutoff Grade Au g/t	Cumulative Resource				
	Tonnes t	Au g/t	Ag g/t	Au Ounces	Ag Ounces
0.0	981,213	0.56	1.38	17,643	43,642
0.1	979,993	0.56	1.38	17,639	43,600
0.2	849,939	0.62	1.40	16,929	38,135
0.3	550,893	0.82	1.46	14,506	25,886
0.4	347,729	1.10	1.56	12,278	17,434
0.5	253,831	1.34	1.51	10,938	12,293
0.6	216,578	1.48	1.44	10,285	10,047
0.7	174,182	1.68	1.48	9,395	8,287
0.8	147,671	1.85	1.54	8,763	7,302
0.9	137,171	1.92	1.55	8,475	6,830
1.0	128,494	1.99	1.56	8,211	6,429
1.1	121,965	2.04	1.56	7,991	6,116
1.2	117,400	2.07	1.57	7,823	5,909
1.3	110,461	2.12	1.58	7,542	5,614
1.4	100,847	2.20	1.62	7,124	5,242
1.5	90,418	2.28	1.65	6,638	4,809
1.6	80,489	2.37	1.69	6,144	4,370
1.7	69,437	2.49	1.76	5,556	3,926
1.8	61,320	2.59	1.80	5,099	3,554
1.9	55,261	2.67	1.83	4,740	3,254
2.0	50,157	2.74	1.85	4,420	2,991
2.5	22,422	3.33	1.94	2,404	1,398
3.0	5,580	5.19	1.82	931	327
3.5	3,326	6.63	1.60	709	171
4.0	3,320	6.63	1.60	708	171
4.5	3,200	6.72	1.62	691	166
5.0	2,454	7.33	1.68	578	133
6.0	623	12.67	1.91	254	38
7.0	444	15.30	2.00	218	29
8.0	444	15.30	2.00	218	29
9.0	444	15.30	2.00	218	29
10.0	444	15.30	2.00	218	29