

TSX:ERD MSE:ERDN OTC:ERDCF



# DEVELOPING THE HIGH-GRADE KHUNDII GOLD DISTRICT

*Unlocking treasures - sharing benefits*

*Canada-Eurasia Chamber of Commerce (CECC)  
June 22, 2022*

## FORWARD LOOKING STATEMENTS



This presentation contains certain forward-looking information and statements which may not be based on fact, including without limitation, statements regarding the Company's expectations in respect of its future financial position, business strategy, future exploration and production, mineral resource potential, exploration drilling, permitting, access to capital, events or developments that the Company expects to take place in the future. All statements, other than statements of historical facts, are forward-looking information and statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will" and similar expressions identify forward-looking information and statements. In addition to the forward-looking information and statements noted above, this presentation includes those that relate to: the expected results of exploration activities; the estimation of mineral resources; the ability to identify new mineral resources and convert mineral resources into mineral reserves; ability to raise additional capital and complete future financings; capital expenditures and costs, including forecasted costs; the ability of the Company to comply with environmental, safety and other regulatory requirements; future prices of precious metals; the ability of the Company to obtain all necessary approvals and permits in connection with the development of the Bayan Khundii Gold Project.

Such forward-looking information and statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such information and statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions relate to, among other things, the continuance of the Company and its subsidiaries as a going concern, general economic and market conditions, gold prices, the accuracy of mineral resources and mineral reserve statements, and the other estimates and assumptions contained in the Bankable Feasibility Study.

Readers are cautioned that forward-looking information and statements are not guarantees of future performance. There can be no assurance that such information and statements will prove to be accurate and actual results and future events could differ materially from those presented in such information and statements. Forward-looking information and statements is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information and statements. Such risks include, but are not limited to, the volatility of the price of gold, uncertainty of mineral resources, exploration potential, mineral grades and mineral recovery estimates, delays in exploration and development plans, insufficient capital to complete development and exploration plans, risks inherent with mineral acquisitions, delays in obtaining government approvals or permits, financing of additional capital requirements, commercial viability of mineral deposits, cost of exploration and development programs, risks associated with competition in the mining industry, risks associated with the ability to retain key executives and personnel, the impact of COVID-19, title disputes and other claims, changes in governmental and environmental regulation that results in increased costs, cost of environmental expenditures and potential environmental liabilities, accidents and labour disputes. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information and statements. Please see the Company's Annual Information Form dated March 8, 2022 available on the Company's website at [www.erdene.com](http://www.erdene.com) or on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com), for details of other risks facing the Company. The Company disclaims any intention or obligation to update or revise any forward-looking information and statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

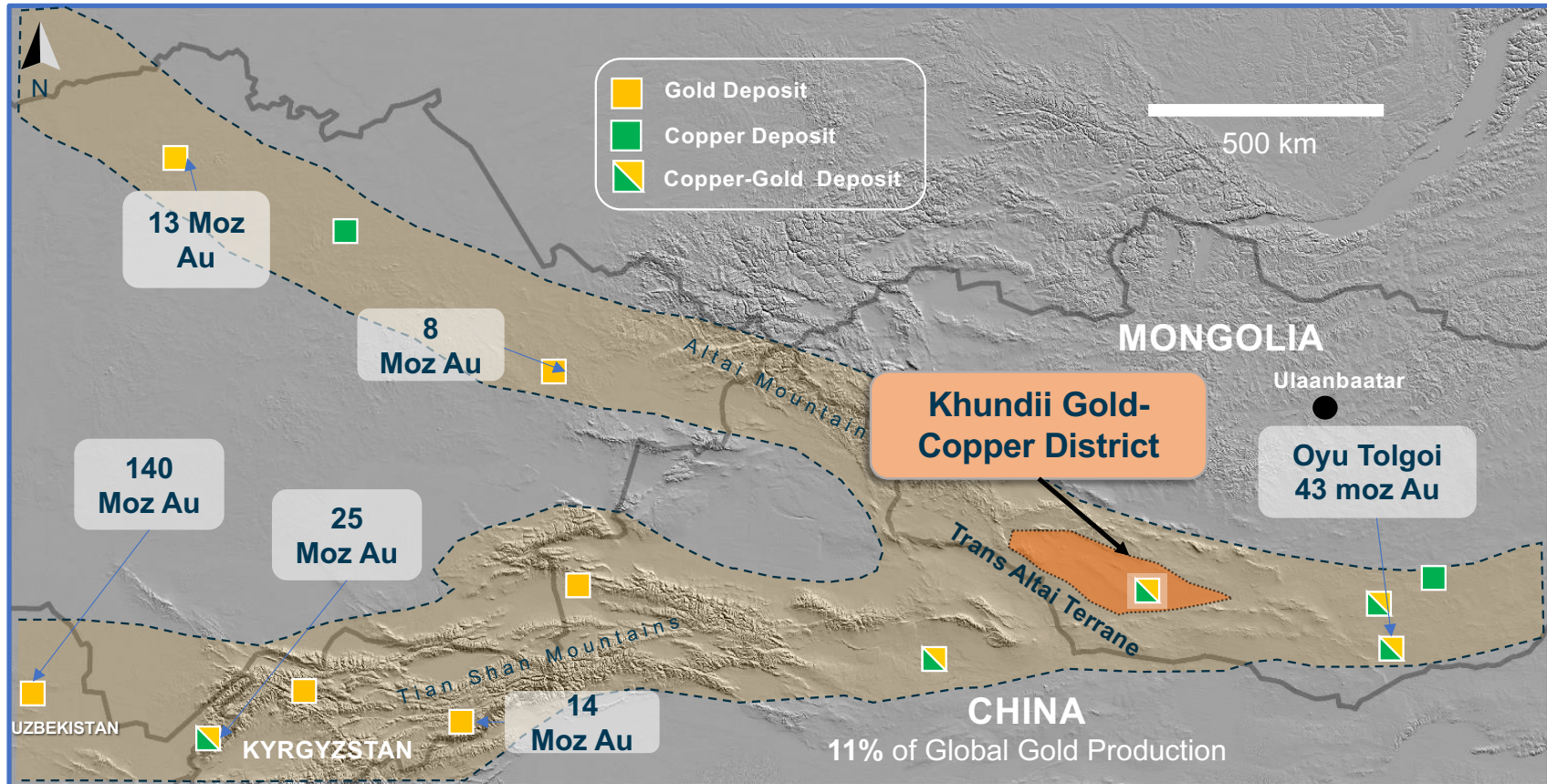
The Company has included certain non-IFRS financial measures in this presentation, such as Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA"), Initial Capital Costs, Total Cash Cost, All-In Sustaining Cost, and Effective Cash Tax Rate which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. As a result, these measures may not be comparable to similar measures reported by other corporations. Each of these measures used are intended to provide additional information to the user and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

Peter Dalton, P.Geo. (Nova Scotia), Senior Geologist for Erdene and a "Qualified Person" under National Instrument 43-101, has reviewed and approved the scientific and technical information in this presentation. All currencies are reported in Canadian dollars unless otherwise specified.

# FOCUSED ON A WORLD CLASS GOLD AND COPPER BELT

## The Unexplored Trans Altai Terrane in Southwestern Mongolia

### MAJOR GOLD-COPPER DEPOSITS OF THE EASTERN CENTRAL ASIAN OROGENIC BELT



**USGS**  
science for a changing world

Global Mineral Resource Assessment

Porphyry Copper Assessment of the Central Asian Orogenic Belt and Eastern Tethysides—China, Mongolia, Russia, Pakistan, Kazakhstan, Tajikistan, and India

Prepared in cooperation with the China Geological Survey, the Centre for Russian and Central EurAsian Mineral Studies, and the Russian Academy of Sciences

Scientific Investigations Report 2010–5090–X

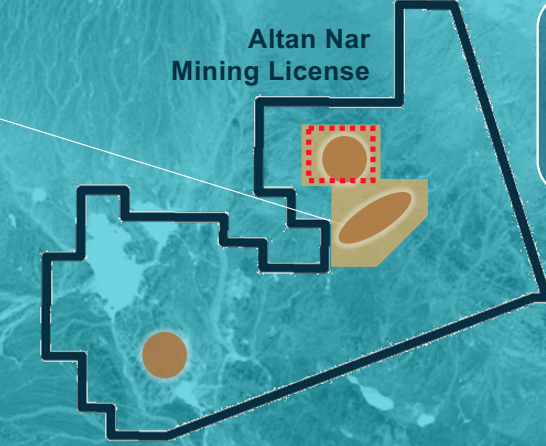
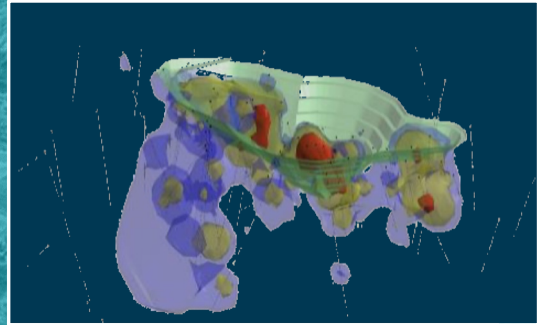
U.S. Department of the Interior  
U.S. Geological Survey

**FIRST MOVERS IN AN UNEXPLORED PORTION OF ONE OF THE WORLD'S GREAT GOLD BELTS**

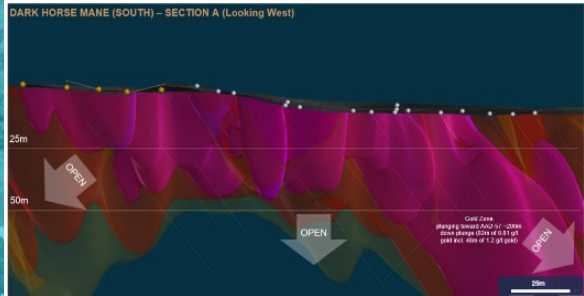
# THE KHUNDII HIGH-GRADE GOLD DISTRICT – HIGHLIGHT INTERSECTIONS – 2020-22



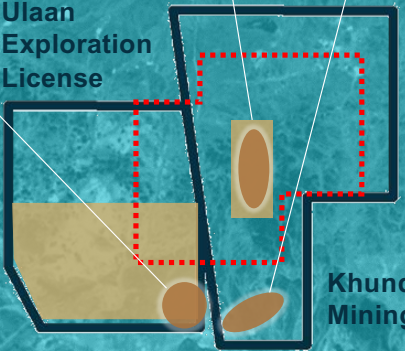
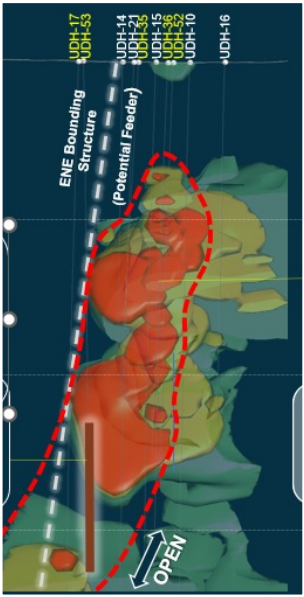
**ALTAN NAR**  
**23m of 17 g/t Gold**  
**Incl. 7m of 46 g/t Gold**  
 (Q1 2020-TND-135)



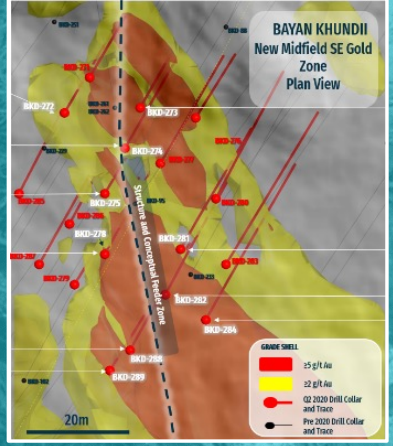
**DARK HORSE**  
**15m of 42.8 g/t Gold**  
**Incl. 5m of 123.5 g/t Gold**  
 (Q1 2022-AAD-178)



**ULAAN SE**  
**41m of 8.1 g/t Gold**  
**Incl. 3m of 68 g/t Gold**  
 (Q2 2022-UDH-35)



**BAYAN KHUNDII**  
**15m of 25.6 g/t Gold**  
**Incl. 1m 328 g/t Gold**  
 (Q2 2020-BKD-274)



Diamond Drill Program Targeting  
 RAB Drill Program Boundary

10 km

Ulaan Exploration License  
 Khundii Mining License

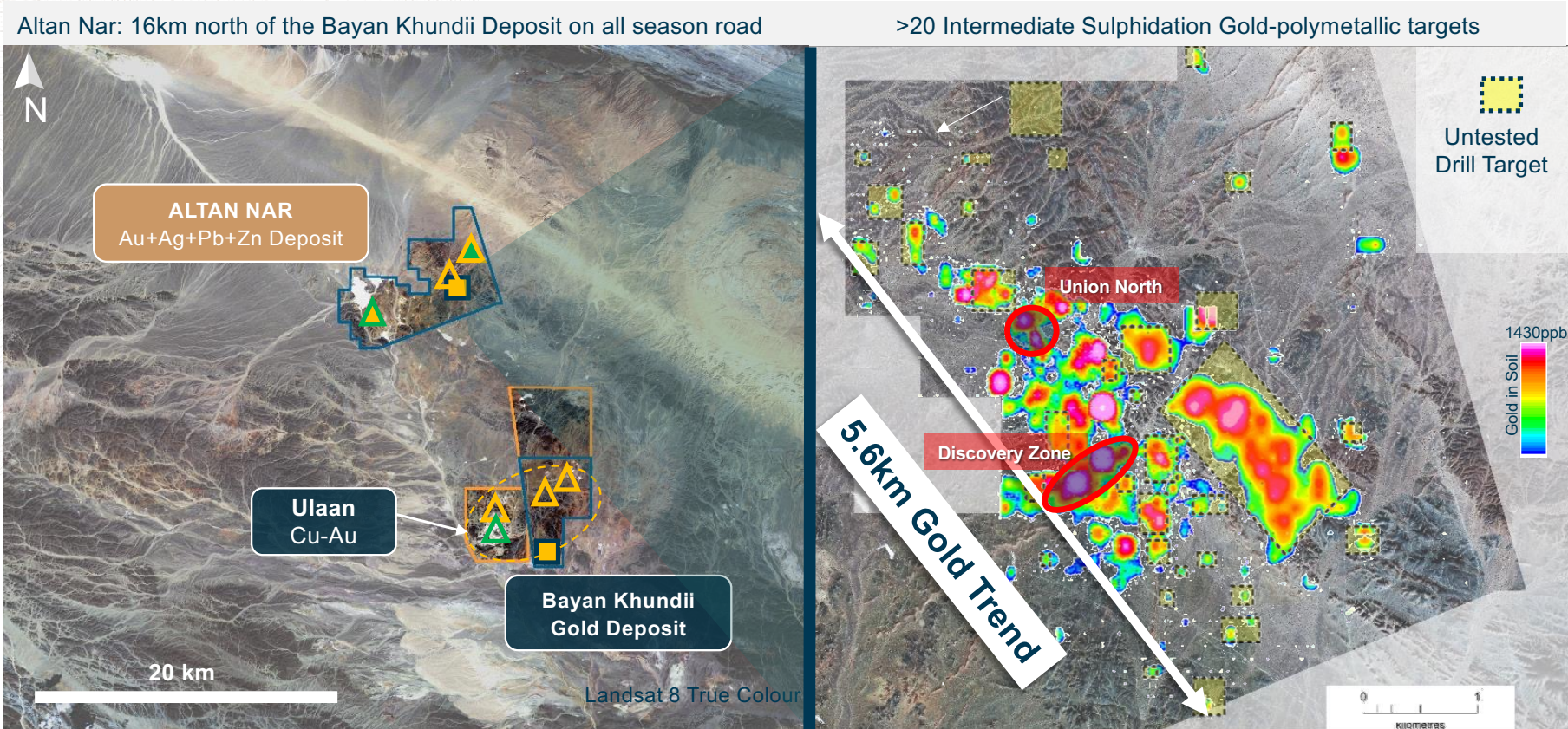
# ALTAN NAR – NEAR SURFACE, HIGH-GRADE, 5.6KM MINERALIZED SYSTEM

Strong Potential for Resource Expansion Along Strike and at Depth



**Carbonate Base Metal- Intermediate Sulphidation deposit similar to some of the world's largest:**

- Porgera (>25 Moz Au)
- Kelian (5.7 Moz Au)
- Amatok (10 Moz Au)
- Montana Tunnels (36 Moz Ag)
- Fruta del Norte (6.7 Moz Au)
- Rosia Montanna (17 Moz Au)



2019 Resource	Category	Au Oz (1.9g/t)	Ag Oz (~10g/t)	Pb lbs (~0.6%)	Zn lbs (~0.6%)
Altan Nar	Indicated	318,000	2,350,000	63,800,000	69,520,000
0.7g/t AuEq cut-off	Inferred	186,000	866,000	49,060,000	52,140,000

# Three Emerging Gold Deposits Within 2.5km Radius

## Khundii – Ulaan Licenses, Bayan Khundii Deposit and Prospect Location Map

### Khundii – Ulaan Active Discoveries and Prospects

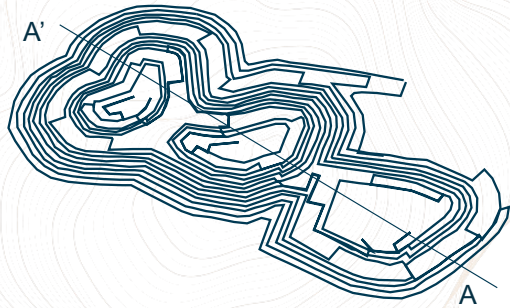


# MINERALIZATION EXTENDS FROM SURFACE TO 144M IN OPEN-PIT

## Bayan Khundii – High-grade, Open-pit Reserves

### Bayan Khundii Deposit Reserve and Resource Estimates

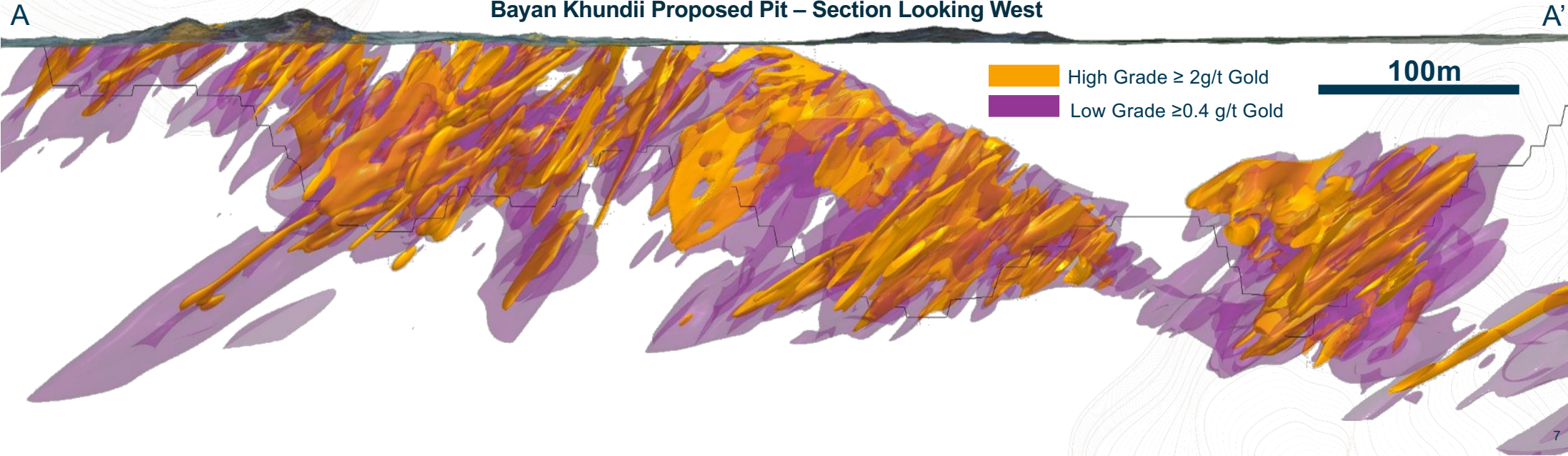
Bayan Khundii Proposed Pit – Plan View



Reserve Category	Total (Mt)	Grade Au g/t	Contained Gold Koz	Cut-off Grade	Resource Classification	Quantity (Mt)	Grade Au g/t	Gold Koz
Proven	1.2	4.2	166	0.40	Measured	3.0	2.39	233
					Indicated	5.3	2.08	352
Probable	2.2	3.5	244	0.40	<b>Measured &amp; Indicated</b>	<b>8.3</b>	<b>2.19</b>	<b>585</b>
					<b>Inferred</b>	<b>0.5</b>	<b>2.18</b>	<b>36</b>
<b>Total P&amp;P</b>	<b>3.4</b>	<b>3.7</b>	<b>409</b>					

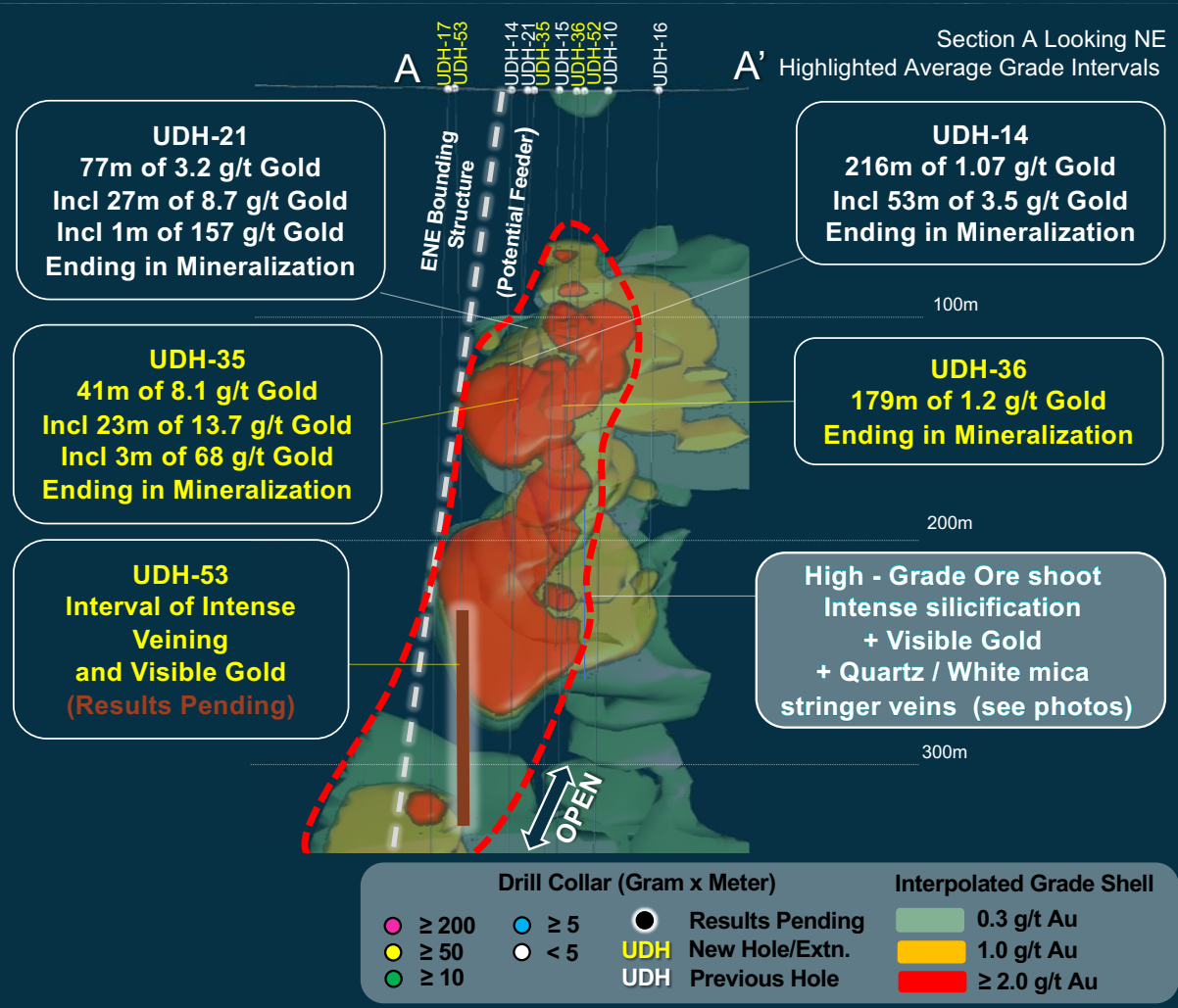
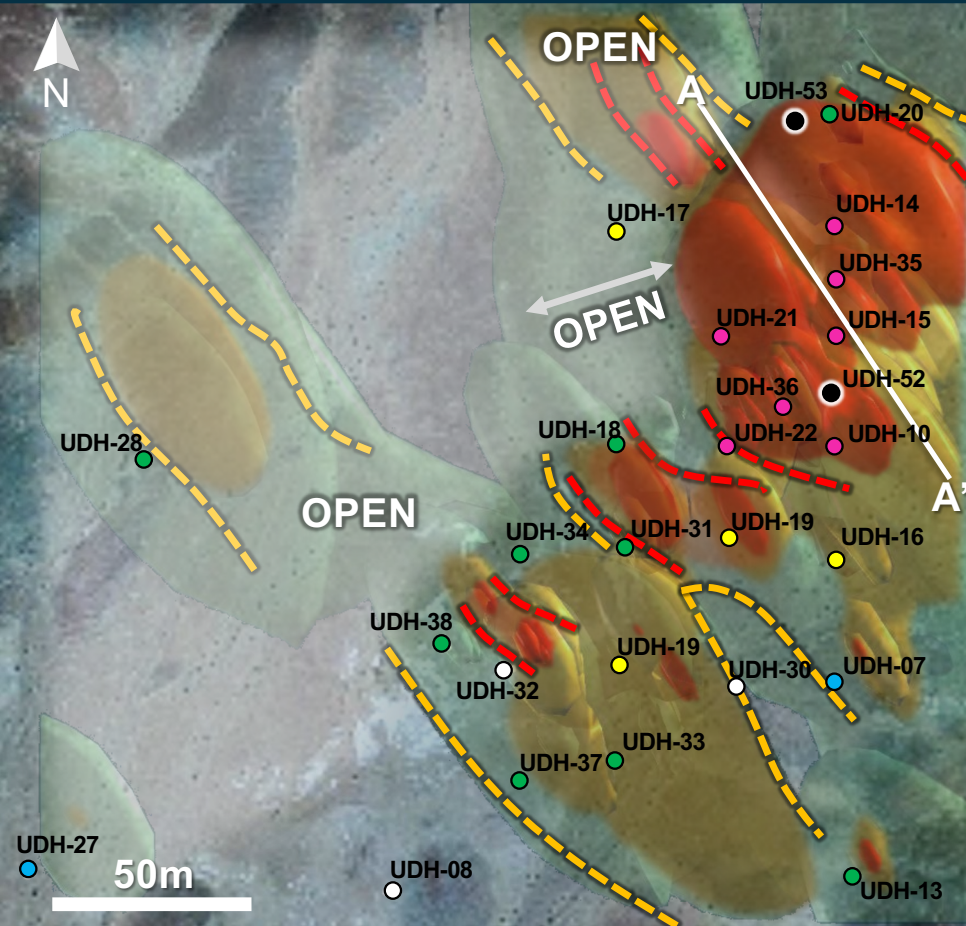
\*Refer to Bayan Khundii Gold Project Feasibility Study NI 43-101 Technical Report, July 20, 2020, and Erdene's Q2 2021 press release, August 16, 2021

Bayan Khundii Proposed Pit – Section Looking West



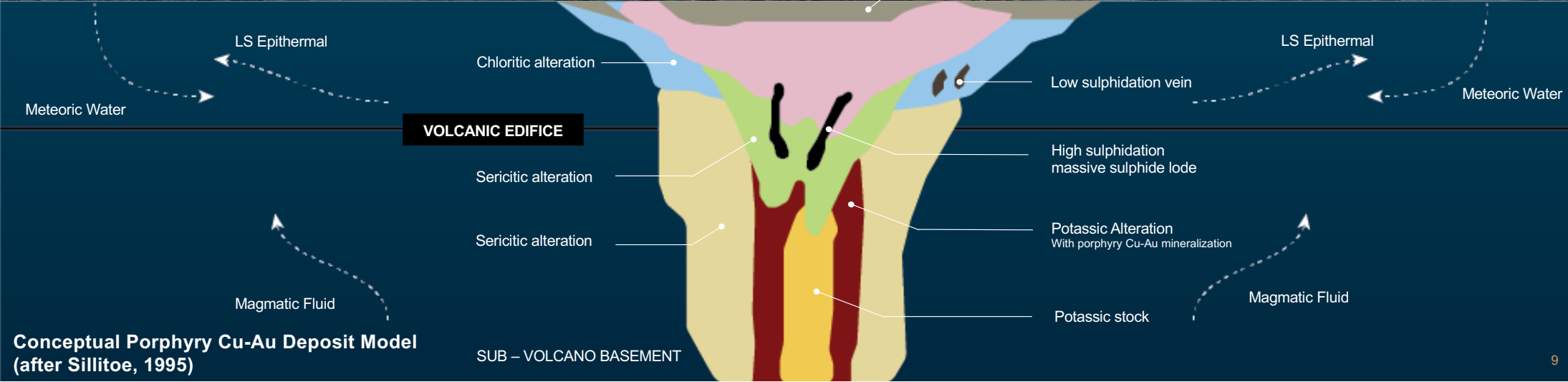
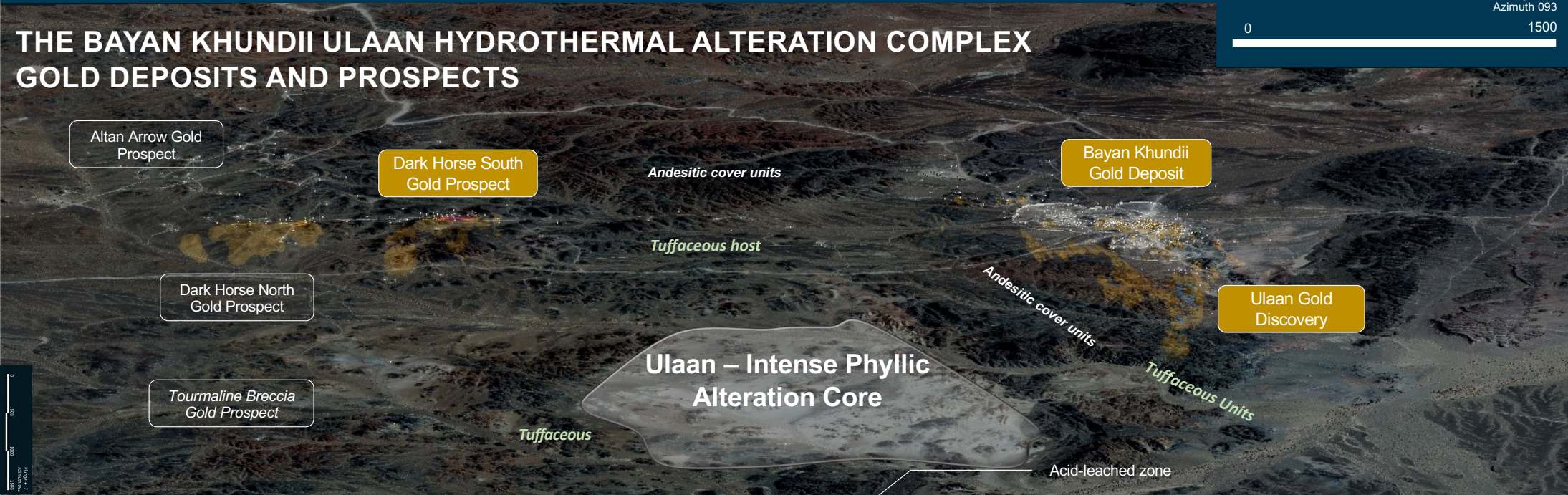
# ULAAN SE GOLD DISCOVERY: Q2 2022 DRILLING DEFINES HIGH-GRADE STRUCTURE

UDH-35 intersects 8 g/t gold over 41 metres, including 68 g/t gold over 3 metres





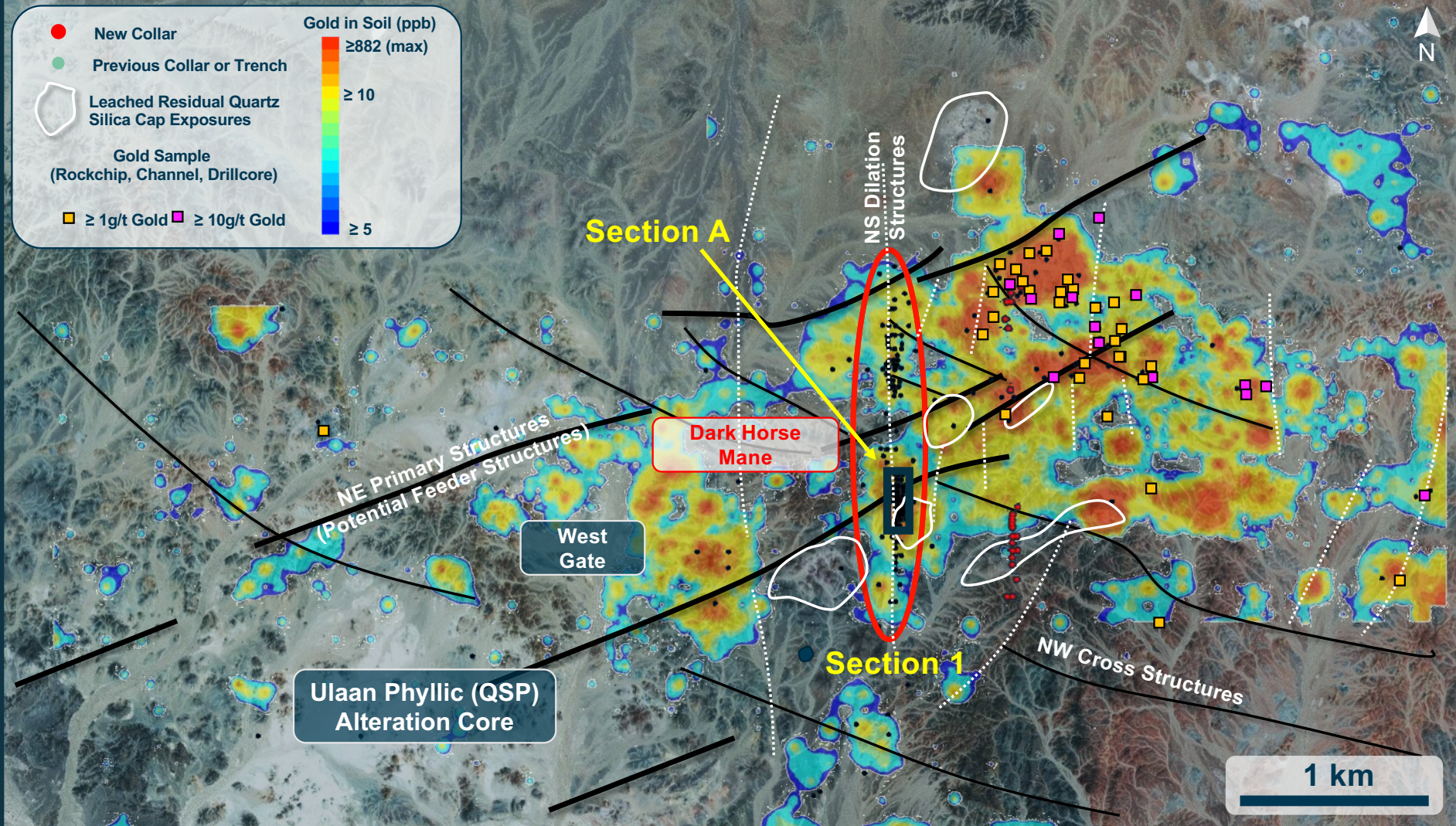
# THE BAYAN KHUNDII ULAAN HYDROTHERMAL ALTERATION COMPLEX GOLD DEPOSITS AND PROSPECTS



Conceptual Porphyry Cu-Au Deposit Model  
(after Sillitoe, 1995)

# HIGH POTENTIAL FOR FURTHER DISCOVERIES

## Greater Dark Horse Prospect Map

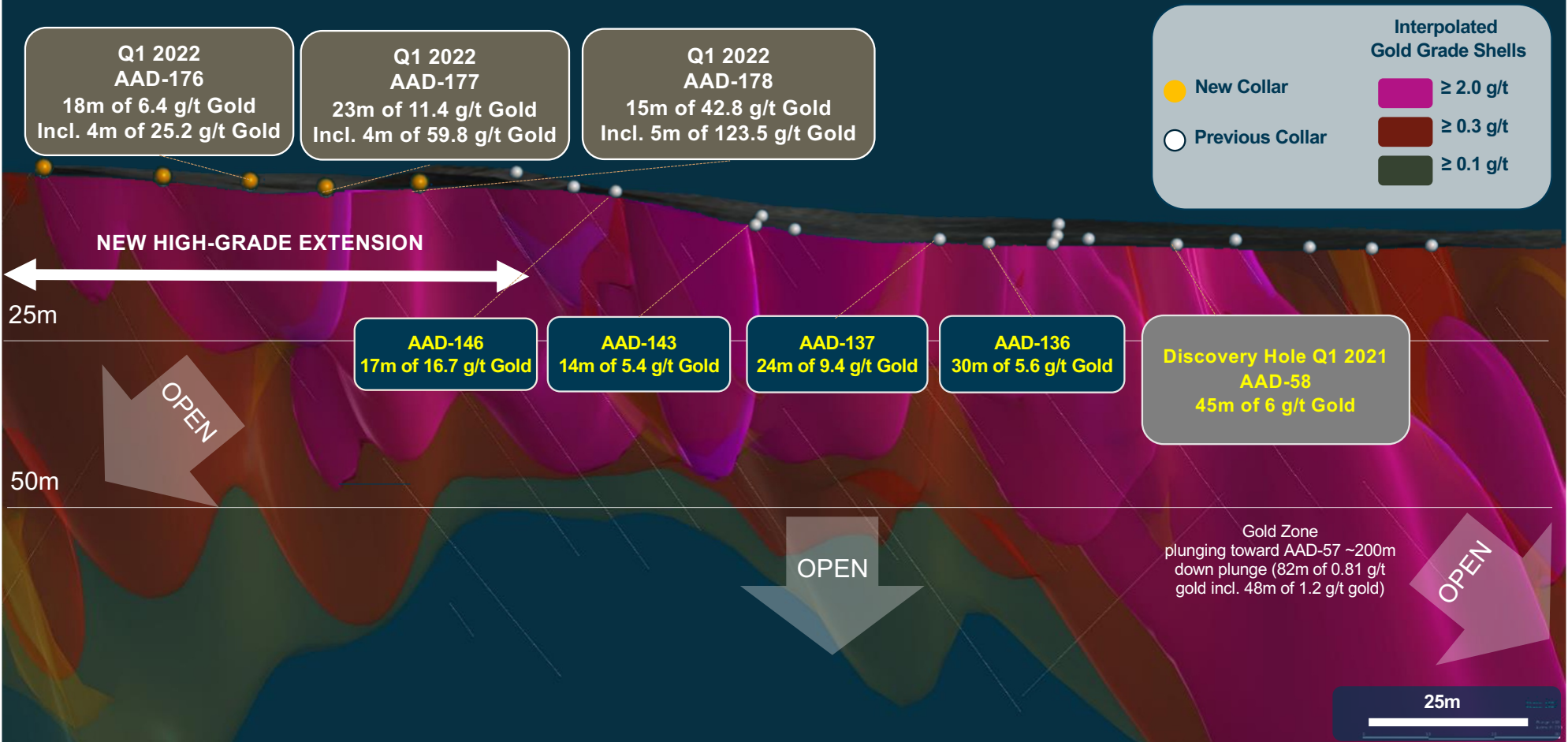


# VERY HIGH GRADE SUPERGENE ENRICHED OXIDE GOLD AT SURFACE

## Dark Horse Mane (South)

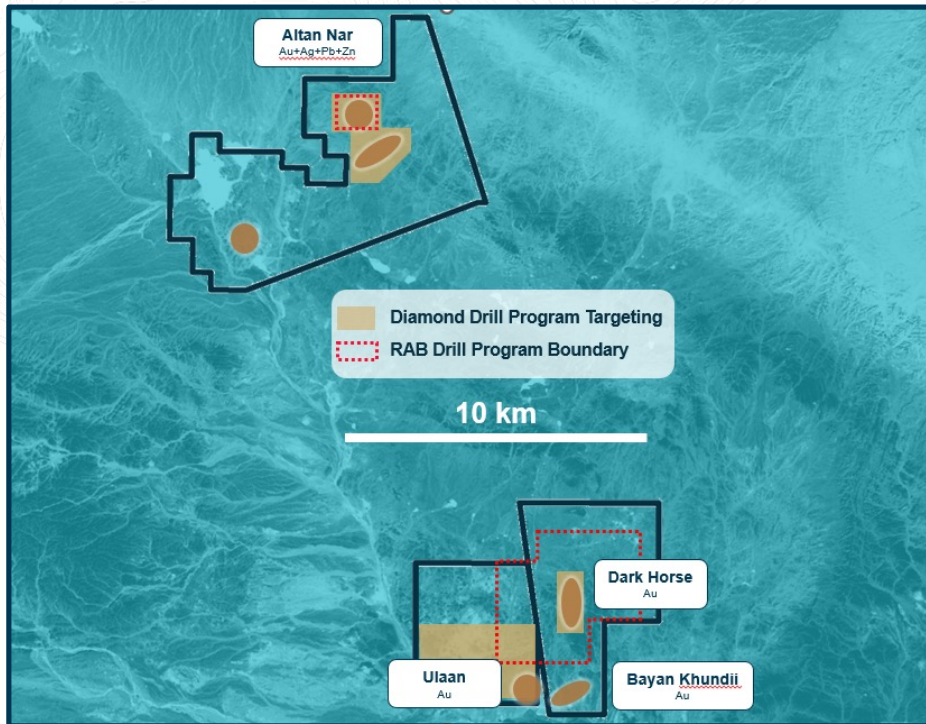
15 Metres of 42.8 g/t Gold Beginning 11 Metres Downhole (AAD-178)

### DARK HORSE MANE (SOUTH) – SECTION A (Looking West)

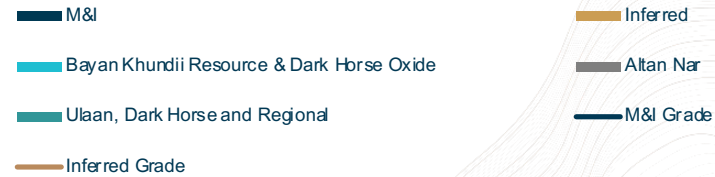
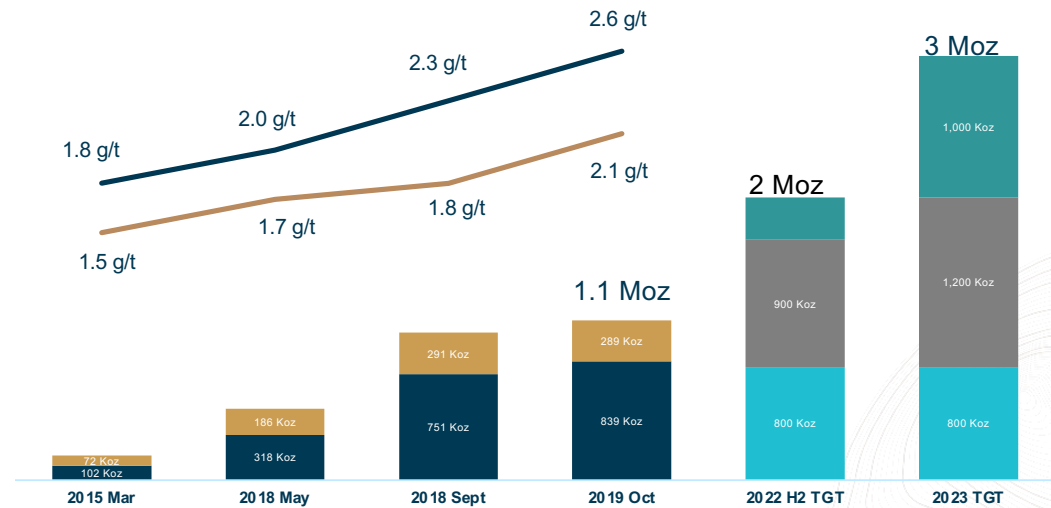


# EXPLORATION PLANS & EXPANSION OPPORTUNITIES

## Three Priority Areas For Near-Term Enhancement of the Bayan Khundii Development



### RESOURCE TARGETS





# BAYAN KHUNDII GOLD PROJECT

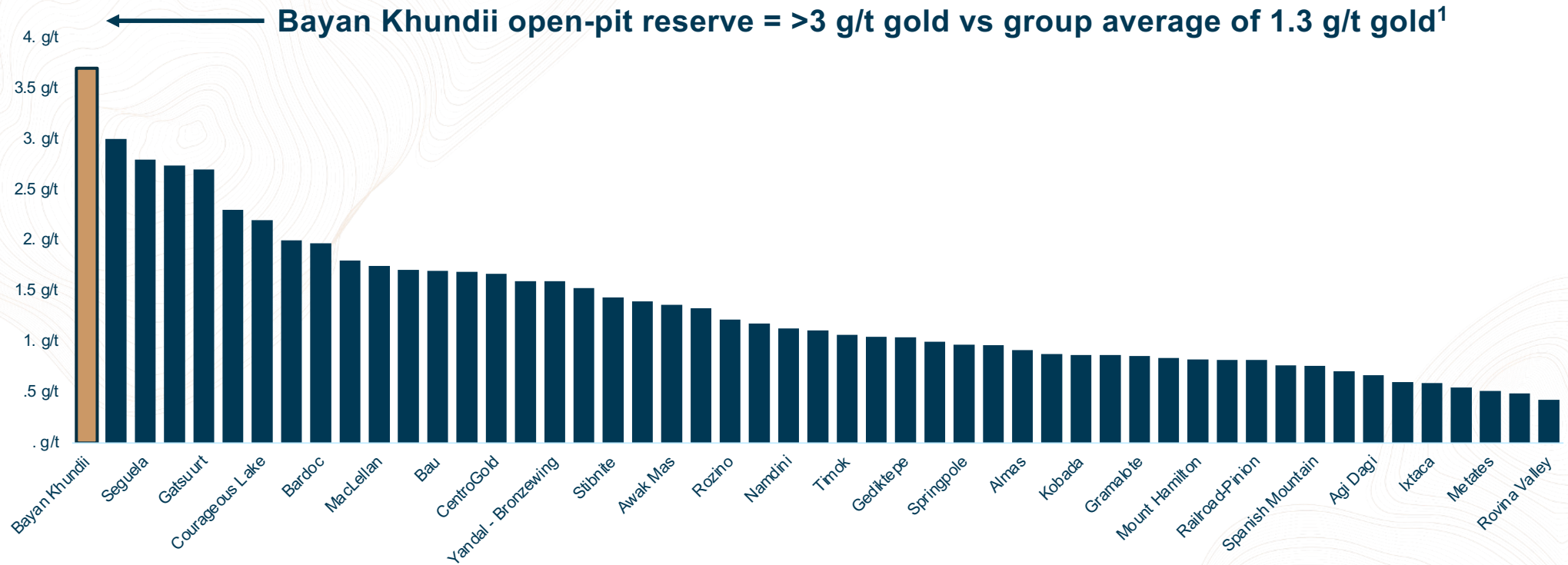
**SHOVEL READY,  
HIGH-GRADE, LOW COST,  
HIGH CAPITAL EFFICIENCY,  
LOW RISK**

---



# WORLD-CLASS NEAR-SURFACE, HIGH-GRADE GOLD DEPOSIT

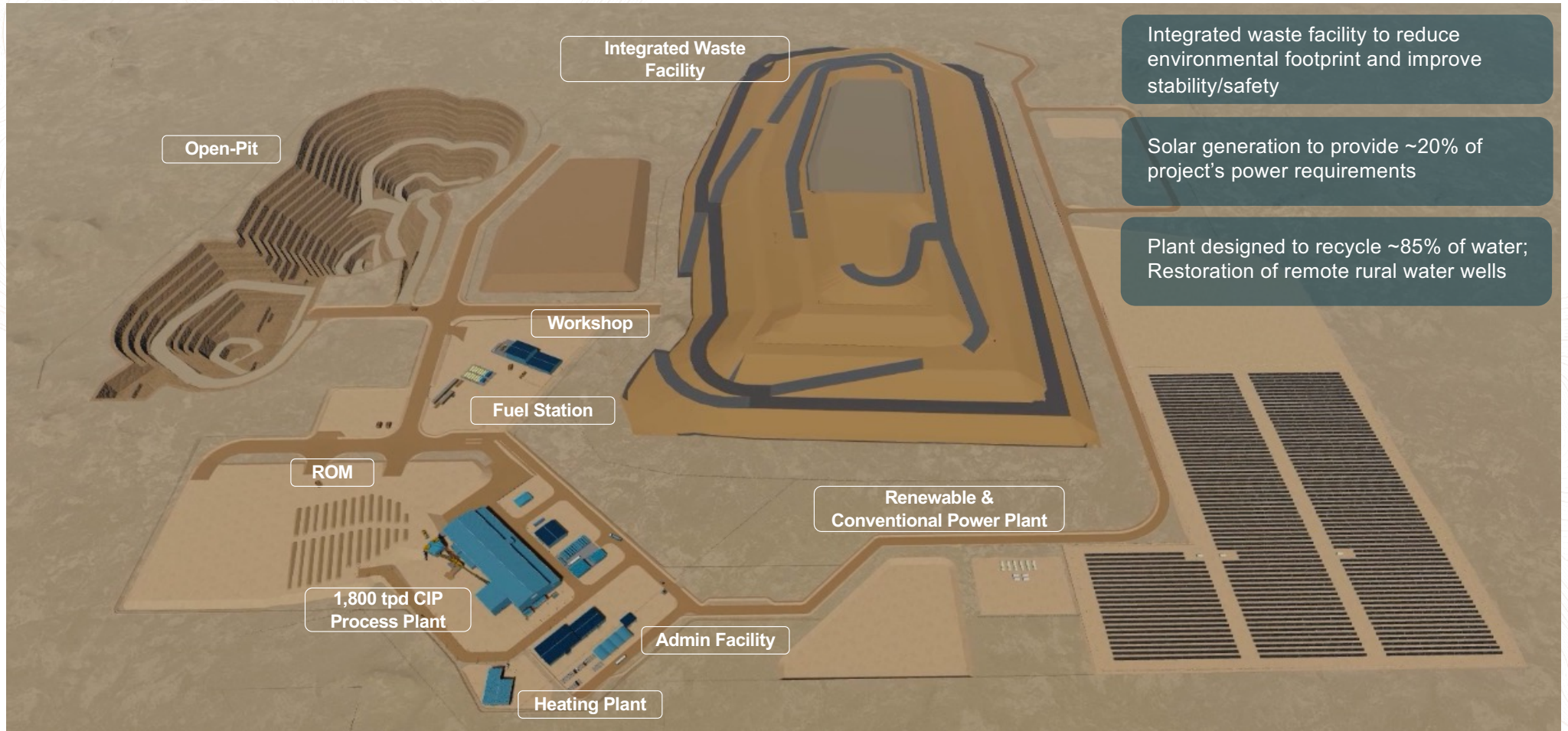
Bayan Khundii Open-pit Reserve: >3 g/t



Note: 1. Includes active open-pit pre-production projects with Reserves greater than 400,000 oz of contained gold and only gold as primary commodity  
Bayan Khundii Gold Project production and economics based on July 2020 Bankable Feasibility Study

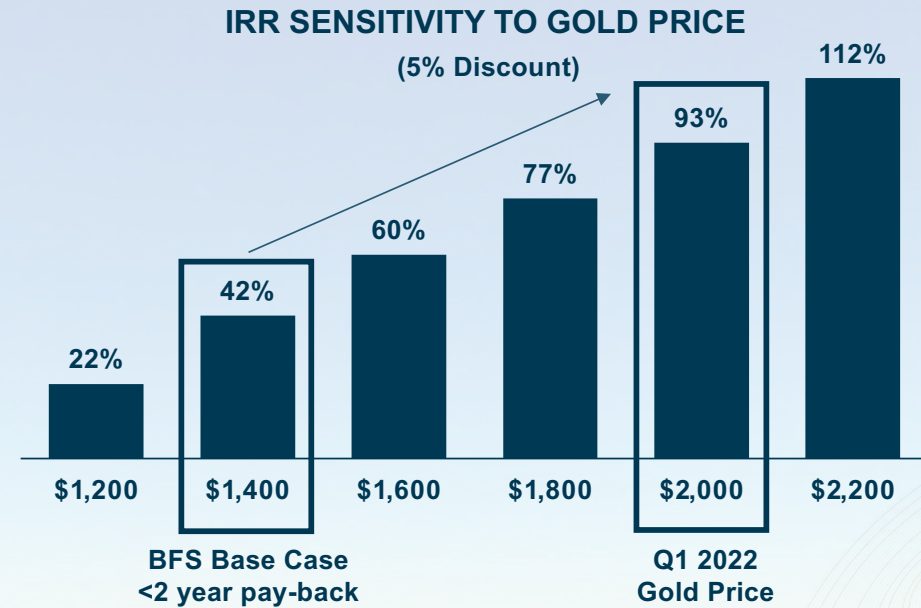
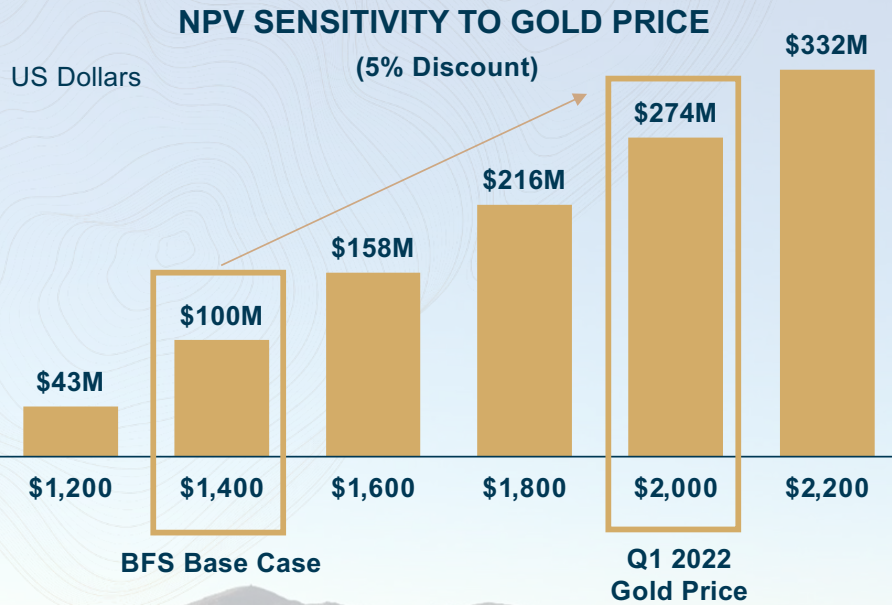
# 600,000 TPA MILL DESIGNED TO ACCOMMODATE HIGHER THROUGHPUT

## A Simple Project: Recoveries of 93% From Conventional, Free Milling Processing Methods



# LEVERAGED TO RISING GOLD PRICES

Top Decile Grade, Low Capex, and Lowest Quartile AISC Drive Economics



## Bayan Khundii Gold Project production and economics based on July 2020 Bankable Feasibility Study

Lowest Quartile All-in Sustaining Cost

**US\$733/oz**

Approximately 10% contingency

Moderate Initial Capital Expenditure

**US\$59M**

Approximately 10% contingency

Highest Decile LoM Open-Pit Head Grade

**3.7 g/t**

LoM Recovery rate of 93%

Excellent Upside to Initial Production of

**63,600 oz**

Peak production of +79,000 oz in Year 5

Notes:

Comparison group includes all open pit projects with completed pre-feasibility and feasibility studies  
Average gold spot price in Q1 2022 was US\$1,955 / oz



# BAYAN KHUNDII GOLD PROJECT FINANCE STRATEGY

## Backing of Leading International and Domestic Financial Institutions

### Mongolian Stock Exchange

- Sharing Benefits with over 7,000 Mongolian shareholders; First company cross listed on Mongolia Stock Exchange and Toronto Stock Exchange

### Export Development Canada

- Mandate Letter signed in Q4 2020 for debt facility up to US\$55M
- Due diligence completed by SLR Consulting
- EDC is a debt provider to Oyu Tolgoi, Mongolia's largest mining operation

### European Bank for Reconstruction and Development

- Major shareholder (10%) following loan conversion in Q4 2020
- Mandate Letter signed in Q4 2021 for Project's Cost Overrun Facility ("COF")
- Largest foreign direct investor in Mongolia with €2.0B invested

### Bank of Mongolia & Mongolian Commercial Banks

- GoM COVID stimulus and Gold-2 programs provide financial incentives, tax stability agreements, and loans to the gold sector (Central Bank of Mongolia recently agreed to lend \$65M for ATO Gold Mine expansion)
- In negotiations for credit facility / loan with Mongolian commercial banks

### Eric Sprott

- Erdene's largest shareholder (14%) following C\$20M equity financing in August 2020 and market purchase in March 2022



MSE:ERDN



**BAYAN KHUNDII SITE – PRE-CONSTRUCTION WORKS – MARCH 2022**  
WATER BOREFIELD DEVELOPMENT, ACCOMODATIONS & STAGING AREA EXPANSION,  
COMMUNICATION TOWER AND DUST MONITORING STATION CONSTRUCTION, PROJECT  
MANAGEMENT SOFTWARE SYSTEM DEVELOPMENT, NATIONAL AND PROVINCIAL OFFICES OPENED

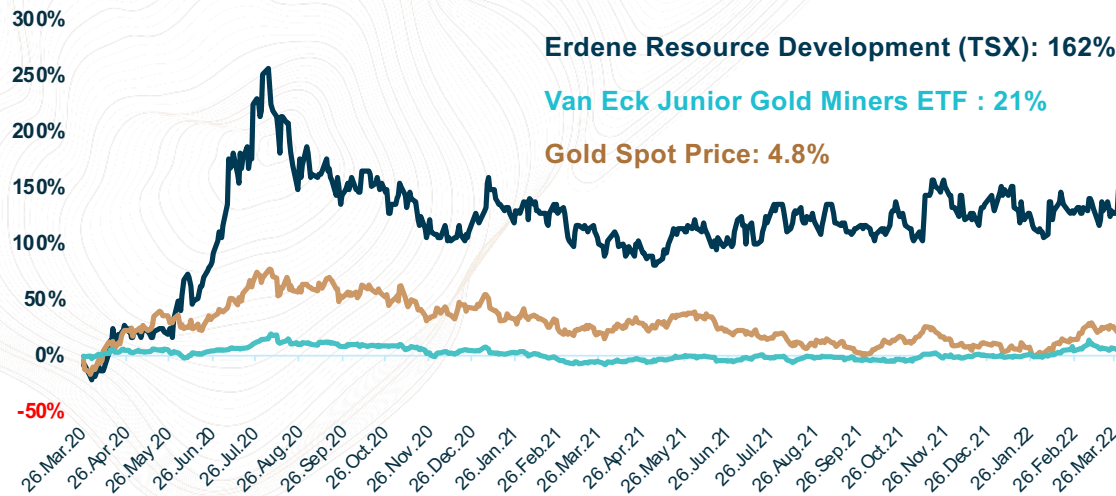


# CONSISTENTLY OUTPERFORMING BENCHMARK AND SPOT GOLD PRICES

## Capital Structure



### 24-Month Share Price Performance <sup>1</sup>



First company to cross list on Mongolian Stock Exchange with ~7,000 Mongolian shareholders

TSX:ERD



MSE:ERDN



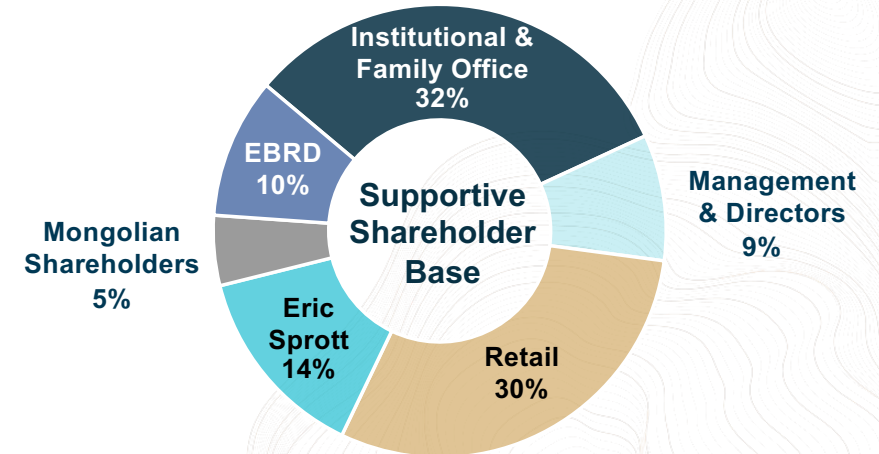
OTC:ERCF



Note: 1. VanEck Junior Gold Miners ETF and spot gold prices translated to Canadian dollars  
 Source: TSX InfoSuite, World Gold Council, and Bank of Canada  
 Pricing date: March 31, 2022

### Capital Structure (March 31, 2022)

	CAD	USD
Share price	\$0.46	\$0.37
52-Wk range	\$0.33-\$0.50	\$0.26-\$0.41
Market cap	\$135.4M	\$107.9M
Cash	\$4M	\$3M
Shares O/S		294M
Options	13M / Proceeds: CAD\$5M	
Warrants	45M / Proceeds: CAD\$27M	
DSU		6M
Shares F/D		359M



# NEAR-TERM GOLD PRODUCER WITH DISTRICT-SCALE GOLD DISCOVERY

## Investment Highlights



**First mover** in an unexplored portion of one of the world's most prolific copper and gold belts



Discovered multiple **high-grade, open-pit** gold deposits and prospects with district scale potential



Two **high-grade gold** discoveries in 2021 within 2.4 km of Bayan Khundii Gold Project



Shovel ready, high-grade (>3 g/t Au), open-pit Bayan Khundii gold project moving rapidly to **First Gold**



Significant free cash flow from Bayan Khundii production will fund **exploration** and continued development



Deep-rooted in-country relationships, **strong social license** to operate and recognized ESG practices<sup>1</sup>



1. Erdene was the subject of a University of British Columbia research project that investigated how exploration companies could maximize the benefits of resource development for host nations and affected communities

# Unlocking Treasures – Sharing Benefits

-  [www.erdene.com](http://www.erdene.com)
-  [ErdeneRes](#)
-  [Erdene Resource Development](#)
-  [Erdene Resource Development Corp.](#)
-  [ErdeneResource](#)

