

## **ERDENE CONTINUES TO OUTLINE ULAAN FEEDER ZONE, INTERSECTS 27 METRES OF 3.5 G/T GOLD, INCLUDING 2 METRES OF 24.9 G/T GOLD**

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Press Release  
Halifax, Nova Scotia  
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Erdene Resource Development Corporation (TSX: ERD | MSE: ERDN) (“Erdene” or the “Company”) is pleased to announce final results from the Q2 2022 drill program at Ulaan Southeast (“Ulaan SE”), located 300 metres west of the construction ready Bayan Khundii Gold Project in southwest Mongolia. This program expanded known mineralization at the Ulaan SE discovery to the west and at depth, and intersected an interpreted high-grade, gold bearing “feeder” structure. Follow-up exploration at Ulaan SE is currently underway.

### **Highlights**

- UDH-53 returned high-grade mineralization within a projected feeder zone, including 2 metres of 24.9 g/t gold within 27 metres of 3.47 g/t gold
- UDH-52, 60 metres SSE of UDH-53, intersected a wide zone of mineralization – 189 metres averaging 0.8 g/t gold
- Mineralization at Ulaan SE has been traced over a 200 metre strike, to a depth of 450 metres, that remains open to the west and at depth; highlights of Q2 drilling include:
  - UDH-35 included the highest average grade intersection to date at Ulaan SE
    - Intersected 23 metres of 13.7 g/t gold within 41 metres of 8.1 g/t gold, beginning 187 metres downhole
  - UDH-21, including the hole extension, returned one of the thickest gold zones in the Khundii District
    - Intersected 335 metres of 1.1 g/t gold, beginning 115 metres downhole, ending in mineralization
    - Includes 27 metres of 8.7 g/t gold, within 77 metres of 3.2 g/t gold
  - UDH-36 intersected 179 metres of 1.2 g/t gold, beginning 72 metres downhole
    - Includes several one-metre, high-grade intersections, ranging from 10-33 g/t gold, and ending in mineralization at 350 metres

## Quotes from the Company

“Ulaan drilling has returned very high grade zones in the feeder structure as well as exceptionally thick zones of mineralization, exceeding 300 metres, which remain open, in the core of the discovery,” said Peter Akerley, Erdene’s President and CEO. “This newest Khundii District discovery is interpreted as the western extension of the Bayan Khundii deposit, demonstrating the resource expansion potential from deeper exploration in the District.”

“In the past week, we launched a follow-up exploration program. The outcome of this program, as well as the results from the recently completed regional reverse-circulation (“RC”) program, will focus our exploration work for the balance of 2022,” continued Mr. Akerley. “We are confident that we are well on our way to achieving our two million ounce gold equivalent resource target by the end of the year.”

## Summary of Drill Results

The primary objectives of the Q2 2022 Ulaan SE drilling program were to test interpreted high-grade feeder zones along bounding or intersecting structures in the northern portion of the Ulaan SE discovery, and to test mineralization at depth.

Six new holes, as well as five hole-extensions, totaling 2,463.7 metres, were completed as part of the Q2 2022 Ulaan SE drilling program. Results are summarized below in Table 1. Results for the final two holes in the program, UDH-52 and UDH-53, are newly reported; all other results were reported on June 6, 2022.

The Q2 2022 program at Ulaan SE confirmed a zone of high-grade mineralization interpreted to be associated with intersecting or bounding structures and possibly a feeder zone. Drill hole UDH-35 returned the highest average grade interval intersection to date at Ulaan SE, with 41 metres of 8.1 g/t gold starting 187 metres downhole. Drill hole UDH-36 extended high-grade mineralization further west from the discovery area, intersecting one of the broadest zones of mineralization to date in Erdene’s Khundii Gold District. Hole UDH-53 was drilled to confirm extension of the feeder zone at depth and intersected 27 metres of 3.47 g/t gold, including three one-metre intervals greater than 10 g/t gold (up to 35.5 g/t gold), and ended in mineralization.

Step-out drill holes and hole extensions continue to expand the area of known mineralization, which remains open to the west and at depth. Drillhole UDH-37 intersected the targeted gold mineralized tuffaceous host lithology, broadening the potential for gold mineralization as exploration progresses westward further into the core of the Ulaan license area. UDH-38 complimented the results of UDH-37, extending gold mineralization westward; however, this drillhole also indicates shallower gold mineralization, with gold mineralization beginning 42 metres down hole.

Hole extensions (an additional 100 to 200 metres, to total depths of 350 to 450 metres) demonstrated that gold mineralization extends over 400 metres vertically. Mineralization remains open at depth with two of the holes extended to 450 metres ending in mineralization.

**Table 1: Ulaan Q2 2022 Drilling Highlights**

(Intervals averaging over 0.30 g/t gold)

Hole ID	From	To	Interval <sup>(1)</sup>	Au g/t
<b>Newly Reported Drill Holes</b>				
UDH-52	86	275 <sup>(2)</sup>	189	0.80
UDH-53	248	337 <sup>(2)</sup>	89	1.40
Incl	248	275	27	3.47
Incl	248	250	2	24.90 <sup>(5)</sup>
Incl	295	296	1	11.88
<b>Previously Reported Q2 – 2022 Drill Holes</b>				
UDH-35	107	116	9	0.49
And	176	178	2	0.46
And	187	228	41	8.10
Incl	188	211	23	13.73
Incl	188	189	1	10.87
Incl	197	198	1	44.40
Incl	208	211	3	68.32
Incl	208	209	1	108.12
And	235	238	3	0.36
And	246	251 <sup>(2)</sup>	5	0.34
UDH-36	2	4	2	0.51
And	72	251 <sup>(2)</sup>	179	1.23
Incl	106	107	1	15.52
Incl	142	143	1	14.36
Incl	146	147	1	10.84
Incl	227	228	1	33.43
UDH-37	64	68	4	0.44
And	168	272	104	0.31
Incl	202	246	44	0.51
UDH-38	42	68	26	0.30
And	193	262	69	0.48
And	346	348	2	0.56
<b>Hole Extensions</b>				
UDH-08	20	22	2	0.44 <sup>(3)</sup>
And	202	206	4	0.37
UDH-12	310	314	4	0.36
And	324	328	4	0.46
And	338	340	2	0.58
UDH-17	287	289	2	1.71 <sup>(3)</sup>
And	314	368	54	1.55 <sup>(4)</sup>
Incl	348	350.3	2.3	21.57 <sup>(3)</sup>

Hole ID	From	To	Interval <sup>(1)</sup>	Au g/t
And	412	422	10	0.33
And	425	426	1	0.39
And	432	434	2	0.30
UDH-21	115	450.3 <sup>(2)</sup>	335.3	1.10 <sup>(4)</sup>
Incl	115	192	77	3.19 <sup>(3)</sup>
Incl	131	158	27	8.74 <sup>(3)</sup>
Incl	139	140	1	156.54 <sup>(3)</sup>
Incl	155	156	1	20.98 <sup>(3)</sup>
Incl	209	280	71	0.81 <sup>(3)</sup>
Incl	222	230	8	1.92 <sup>(3)</sup>
Incl	257	271	14	2.79 <sup>(3)</sup>
Incl	304	318	14	0.34 <sup>(3)</sup>
Incl	342	450.3 <sup>(2)</sup>	108.3	0.53 <sup>(4)</sup>
Incl	417	450.3 <sup>(2)</sup>	33.3	0.91
UDH-28	282	291	9	0.47 <sup>(3)</sup>
And	306	356	50	0.47 <sup>(4)</sup>
And	370	384	14	0.37
And	394	450 <sup>(2)</sup>	56	0.34

1. Reported intervals in this release are downhole apparent widths. Continued exploration is required to confirm anisotropy of mineralization and true thicknesses
2. End of hole
3. Previously reported interval (2021)
4. Extended interval
5. Included two, one-metre intervals, both greater than 10 g/t gold (14.3 and 35.5 g/t gold)

## Next Steps

The results to date demonstrate a broad and thick zone of mineralization over a vertical depth in excess of 400 metres, that remains open at depth and to the west. Analysis of multi-element geochemical data, complimented by downhole magnetic susceptibility readings, are introducing correlations previously unrecognized at Ulaan SE. These datasets indicate that increased potassium concentrations (after pervasive adularia-Kspar alteration) in conjunction with low magnetic susceptibility readings, are strongly correlated with the targeted gold bearing tuffaceous host package. 3D modelling of these combined variables will serve as important target vectoring tools for future drilling at Ulaan SE. A follow-up drilling program has been designed to further test continuation of mineralization to the west and at depth, including further tracing of the high-grade mineralization identified to date which has been interpreted as a potential structurally controlled feeder zone.

## Ulaan SE Overview

The Ulaan SE gold target is a blind-top discovery identified in Q3 2021. The prospect is characterized by hundreds of metres of gold mineralization (up to 354 metres continuously in a single drill hole) over an area 200 metres by 250 metres. Gold mineralization begins approximately 80 metres from surface and remains open along strike to the west/northwest and at depth. Intervals include 152 metres of 1.7 g/t gold in UDH-22 (from 85 metres) and 77 metres of 3.2 g/t gold in UDH-21 (from 115 metres), as well as the more recent results noted in this release. Similar to the Bayan Khundii gold deposit, approximately 300 metres east, the mineralizing event is characterized by exceptionally high-grade quartz  $\pm$  hematite and adularia veins and stockwork zones enveloped by the same gold bearing, silicified, white-mica altered lapilli tuff sequence.

The southern portion of the Ulaan license has areas of anomalous gold-in-soil over an area 3.5 kilometres by 1 kilometre. The underlying geology and alteration appears to be analogous to the gold mineralization at Ulaan Southeast and Bayan Khundii, namely tuffaceous units with white mica and silica alteration. A series of holes have been drilled to test high priority targets, for which the results are pending and expected in early Q3 2022.

## Khundii Minerals District

Erdene's deposits are in the Trans Altai Terrane, within the Central Asian Orogenic Belt, host to some of the world's largest gold and copper-gold deposits. The Company has been the leader in exploration in southwest Mongolia over the past decade and is responsible for the discovery of the Khundii Gold District comprised of multiple high-grade gold and base metal prospects, one of which is currently being developed, the 100%-owned Bayan Khundii Gold Project, and another which is being considered for development, the 100%-owned Altan Nar Project. In 2021, the Company identified two new significant gold prospects, Dark Horse and Ulaan Southeast.

The Bayan Khundii Gold Resource<sup>1</sup> includes 585,100 ounces of 2.19 g/t gold Measured and Indicated ("M&I")<sup>2</sup> and 35,900 ounces of Inferred resources at 2.18 g/t gold. Within the M&I resource, a Proven and Probable open-pit reserve totals 409,000 ounces at 3.7 g/t gold<sup>3</sup> (press release [here](#)), providing significant potential for reserves growth with the development of the remaining M&I and Inferred resources<sup>1</sup>.

In July 2020, Erdene announced the results of an independent Feasibility Study for the Bayan Khundii Gold Project ([press release here](#)). The Feasibility Study results include an after-tax Net Present Value at a 5% discount rate and a US\$1,400/oz gold price of

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<sup>1</sup> For details of the Mineral Resources see Erdene's Q2/2021 results press release, dated August 16, 2021, and the Company's Q2 2021 MD&A, available on the Company's website or SEDAR.

<sup>2</sup> M&I: 232,700 ounces of 2.39 g/t gold Measured and 352,400 ounces of 2.08 g/t gold Indicated

<sup>3</sup> P&P: 165,000 ounces of 4.4 g/t gold Proven and 256,000 ounces of 3.4 g/t gold Probable; For details of the Mineral Reserves see Khundii Gold Project NI 43-101 Technical Report, Tetra Tech December 4, 2019 available on the Company's website or SEDAR

US\$100 million and Internal Rate of Return (“IRR”) of 42%. The Feasibility Study envisions an open pit mine at Bayan Khundii, producing an average of 63,500 oz gold per year, for seven years, at a head grade of 3.71 g/t gold, utilizing a conventional carbon in pulp processing plant. Production is expected to commence in 2023 based on the current project schedule.

### About Erdene

Erdene Resource Development Corp. is a Canada-based resource company focused on the acquisition, exploration, and development of precious and base metals in underexplored and highly prospective Mongolia. The Company has interests in three mining licenses and an exploration license in Southwest Mongolia, where exploration success has led to the discovery and definition of the Khundii Gold District. Erdene Resource Development Corp. is listed on the Toronto and the Mongolian stock exchanges. Further information is available at [www.erdene.com](http://www.erdene.com). Important information may be disseminated exclusively via the website; investors should consult the site to access this information.

### Qualified Person and Sample Protocol

Peter Dalton, P.Geo. (Nova Scotia), Senior Geologist for Erdene, is the Qualified Person as that term is defined in National Instrument 43-101 and has reviewed and approved the technical information contained in this news release. All samples have been assayed at SGS Laboratory in Ulaanbaatar, Mongolia. In addition to internal checks by SGS Laboratory, the Company incorporates a QA/QC sample protocol utilizing prepared standards and blanks. All samples undergo standard fire assay analysis for gold and ICP-OES (Inductively Coupled Plasma Optical Emission Spectroscopy) analysis for 33 additional elements. For samples that initially return a grade greater than 5 g/t gold, additional screen-metallic gold analysis is carried out which provides a weighted average gold grade from fire assay analysis of the entire +75 micron fraction and three 30-gram samples of the -75 micron fraction from a 500 gram sample.

Erdene’s drill core sampling protocol consisted of collection of samples over 1 or 2 metre intervals (depending on the lithology and style of mineralization) over the entire length of the drill hole, excluding minor post-mineral lithologies and un-mineralized granitoids. Sample intervals were based on meterage, not geological controls, or mineralization. All drill core was cut in half with a diamond saw, with half of the core placed in sample bags and the remaining half securely retained in core boxes at Erdene’s Bayan Khundii exploration camp. All samples were organized into batches of 30 including a commercially prepared standard, blank and either a field duplicate, consisting of two quarter-core intervals, or a laboratory duplicate. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene’s logistical contractor, Monrud Co. Ltd.

Reported intervals are apparent thicknesses, i.e. downhole widths. The current Ulaan drill holes are all dipping at 85 degrees and oriented to intersect SW dipping WNW trending gold bearing veins. Additional study is required to confirm true widths. Reported grades for intervals are weighted averages based on length of sampling intervals. No top cut has

been applied; however, all intervals greater than 10 g/t gold and 100 g/t gold are reported individually for clarity

### Forward-Looking Statements

Certain information regarding Erdene contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance, or other statements that are not statements of fact. Although Erdene believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Erdene cautions that actual performance will be affected by a number of factors, most of which are beyond its control, and that future events and results may vary substantially from what Erdene currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include the ability to obtain required third party approvals, market prices, exploitation, and exploration results, continued availability of capital and financing and general economic, market or business conditions. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and is subject to change after that date. The Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENTS OF THIS RELEASE

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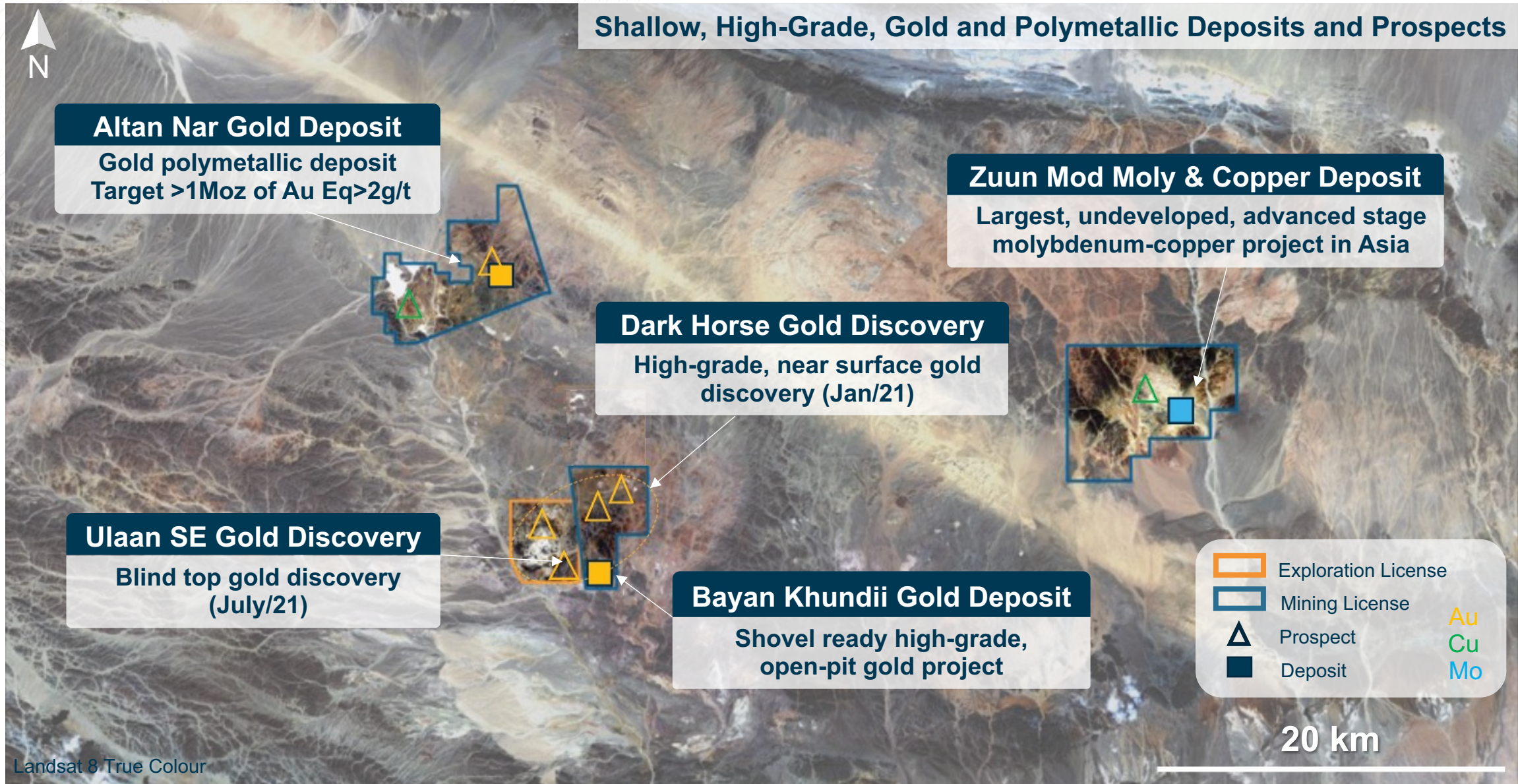
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# KHUNDII MINERALS DISTRICT – MULTI-MILLION OUNCE POTENTIAL

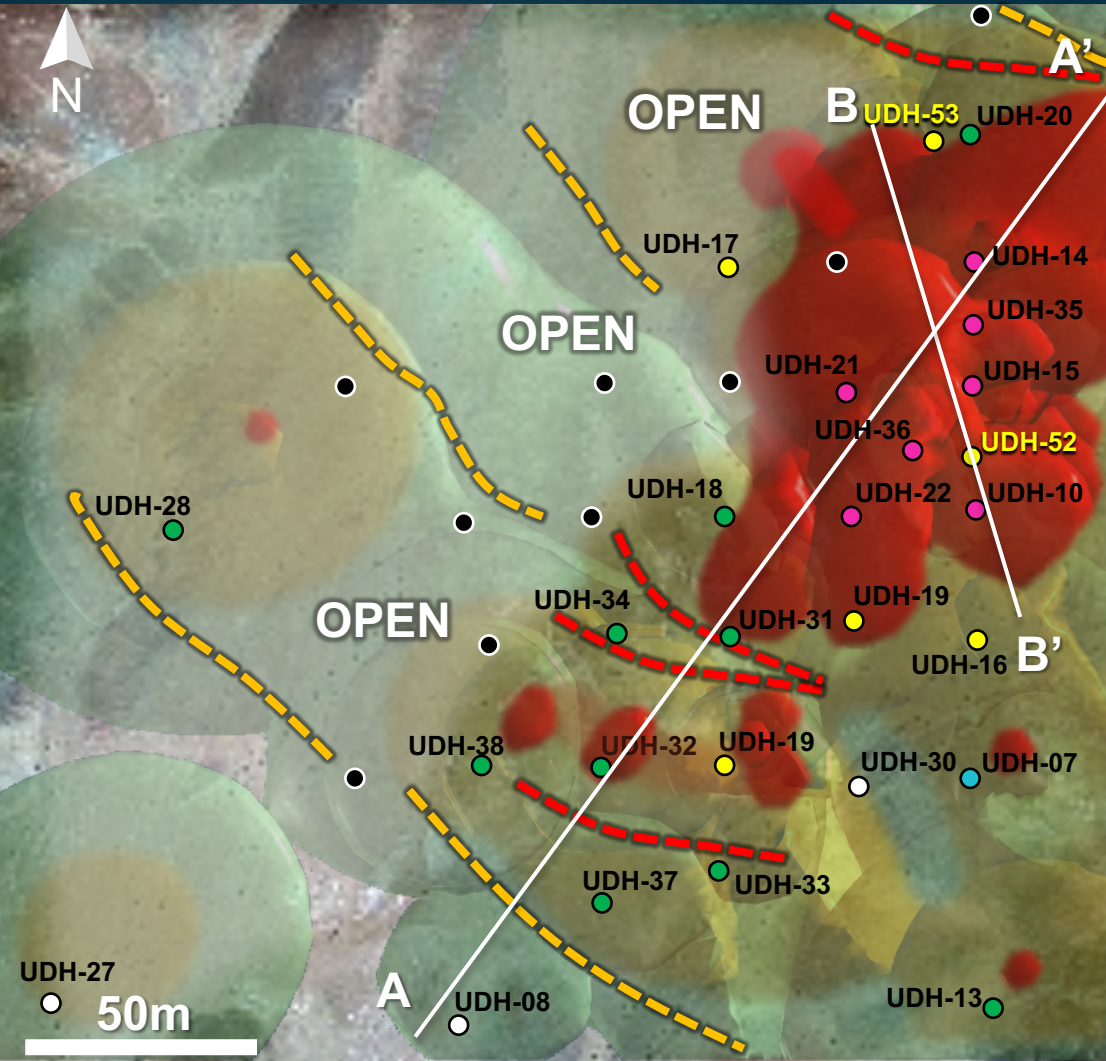
## Four Gold Discoveries, Molybdenum Copper Deposit & Multiple High-Priority Targets





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

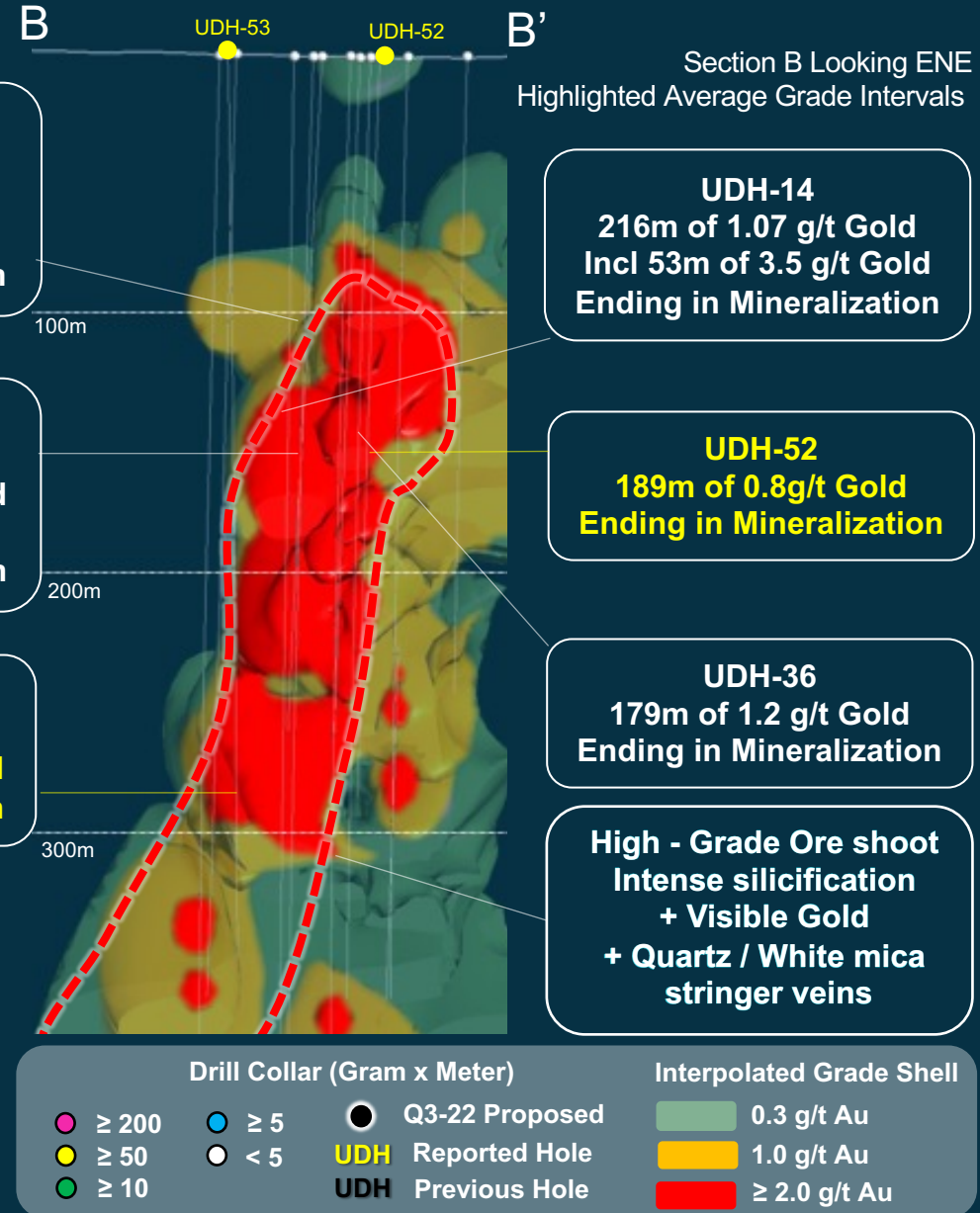
UDH-53 intersects 1.40 g/t gold over 89 metres, including 3.47 g/t gold over 27 metres



**UDH-21**  
115m of 1.1 g/t Gold  
Incl 27m of 8.7 g/t Gold  
Incl 1m of 157 g/t Gold  
Ending in Mineralization

**UDH-35**  
41m of 8.1 g/t Gold  
Incl 23m of 13.7 g/t Gold  
Incl 3m of 68 g/t Gold  
Ending in Mineralization

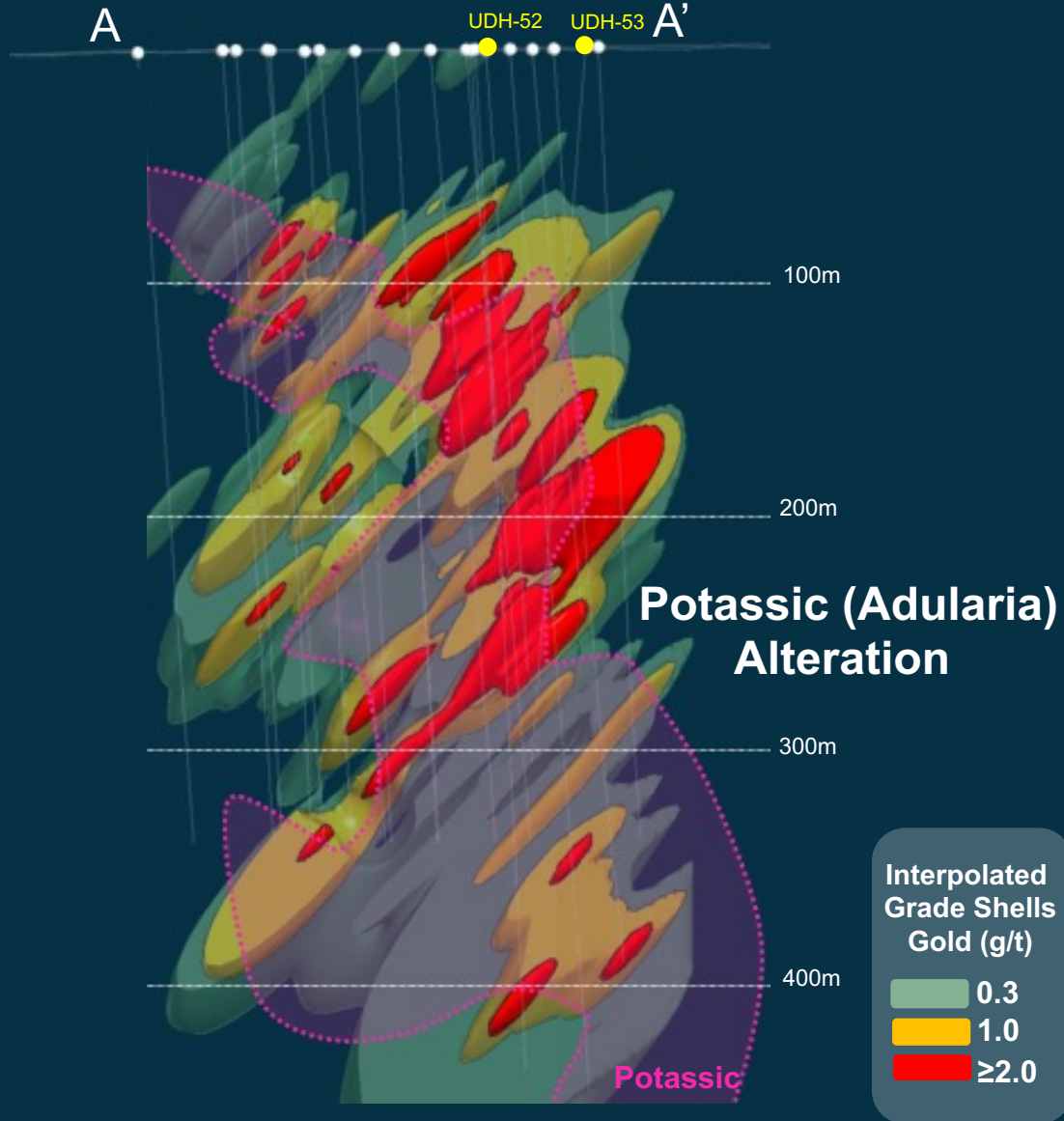
**UDH-53**  
89m of 1.4 g/t Gold  
Incl 27m of 3.47 g/t Gold  
Ending in Mineralization



# ULAAN SE GOLD DISCOVERY: Q2 2022 DRILLING

## Adularia and Hydrothermal Magnetic Destruction Defining Continuation of Feeder Potential at Depth

### SECTION A (Looking NW)



### SECTION B (Looking ENE)

