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# INTRODUCING ERDENE'S STRATEGIC ALLIANCE WITH MONGOLIAN MINING CORPORATION (MMC)

Combining Mongolia's pre-eminent metals  
explorer with an exceptional national mining  
partner to unlock the riches of the  
Khundii Minerals District



[www.erdene.com](http://www.erdene.com)

## 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 timing and completion of the three stages of the Strategic Alliance and the future plans and objectives for Erdene Mongol LLC and the Khundii Minerals District under the Strategic Alliance, 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 and which may prove to be incorrect. 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.

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.

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.

## KEY TERMS OF STRATEGIC ALLIANCE

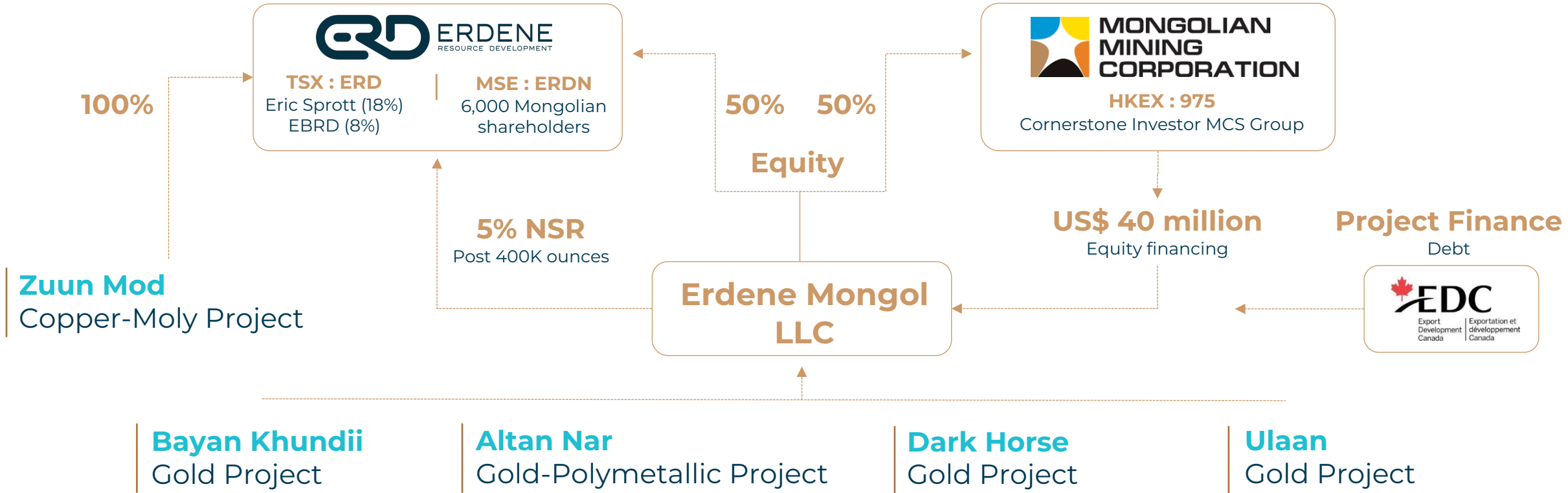
Combining Mongolia's pre-eminent metals explorer with an exceptional national mining partner to unlock the riches of the Khundii Minerals District



Economic interest	50% equity interest + 5% NSR (after 400,000 oz Au)	50% equity interest
Contribution to the JV	Exploration and Development Licenses <ul style="list-style-type: none"><li>• Khundii (Bayan Khundii &amp; Dark Horse Gold Projects)</li><li>• Nomin Tal (Altan Nar Gold Project)</li><li>• Ulaan (Ulaan Gold Project)</li></ul>	Capital and Technical Capability <ul style="list-style-type: none"><li>• US\$40M cash injection</li><li>• Development and operating experience</li><li>• ESG experience</li></ul>
Operations of the JV	ERD appoints: <ul style="list-style-type: none"><li>• Chief Executive Officer</li><li>• Chief Exploration Officer</li></ul>	MMC appoints: <ul style="list-style-type: none"><li>• Chief Operating Officer</li><li>• Chief Financial Officer</li></ul>
Governance	Governed by a Board of Directors with equal representation – each party will have veto rights over key decisions, with customary deadlock resolution provisions	
Transfer of ownership	Parties retain a right of first offer (ROFO) and Tag-Along rights	

# CREATING A MONGOLIAN MINING CHAMPION

Publicly listed companies with international support





# MONGOLIAN MINING CORPORATION

Mongolia's largest independent miner



- **MMC is Mongolia's largest publicly traded miner**

Listed on the Hong Kong Stock Exchange main board (HKEX: 975)

MCS Group, a Mongolian conglomerate with operations in Engineering, Construction, Utilities and Real Estate is MMC's largest shareholder

- **MMC's vision is to build a diversified mining company**

MMC owns and operates the Ukhaa Khudag (UHG) and Baruun Naran (BN) coal mines in Umnugovi province

Investment in Erdene expands MMC's operations to precious and base metals

- **Key MMC Statistics**

14-year operating history

Approximately 2,000 employees

Strong safety culture – 0.0 LTI from 5.9 million man-hours in 2021

Property, plant and equipment investments of US\$1.5 billion

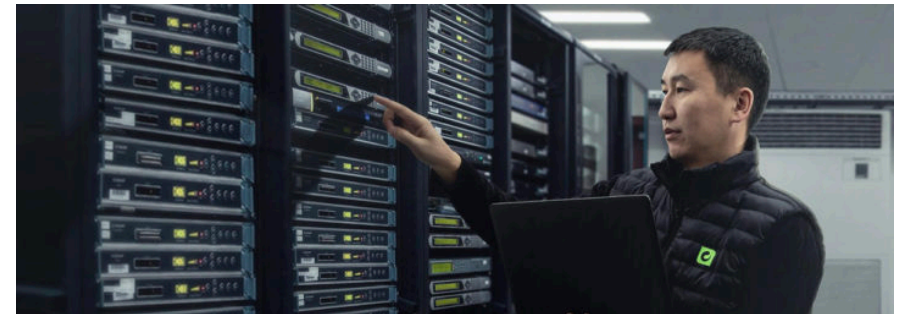
Major contributor to the local economy investing US\$2.7 million in community programs and procuring US\$1.4 million locally in 2021



## MCS GROUP

Mongolia's leading diversified business

- **MCS is one of Mongolia's largest conglomerates**  
30-year history operating in Mongolia  
Businesses in mining, engineering, energy, communications, property, consumer goods, healthcare and hospitality
- **MCS Group's businesses employ over 10,000 staff in Mongolia**  
Contribute approximately US\$500 million to the Mongolian economy annually  
One of Mongolia's largest taxpayers
- **MCS is committed to developing and enriching the Mongolian economy through its pursuit of responsible corporate excellence and progressive technology**  
MCS strives to ensure its operations benefit the communities in which it operates  
The Group provides transparent sustainability reporting





# FUNDING & DEVELOPMENT TIMELINE

ERD-MMC Strategic Alliance



## MMC First stage US\$5M Investment

Update Bayan Khundii Feasibility Study and Life of Mine Plan

## MMC Second stage US\$5M Investment

Construction Readiness, Early Works and Civils

## Construction decision

## MMC Third stage US\$30M Investment

Non-Process Infrastructure & Stage 1 Gravity Construction

Process Plant Structure, Equipment Delivery and Construction

CIP gold production

## District exploration and resource addition

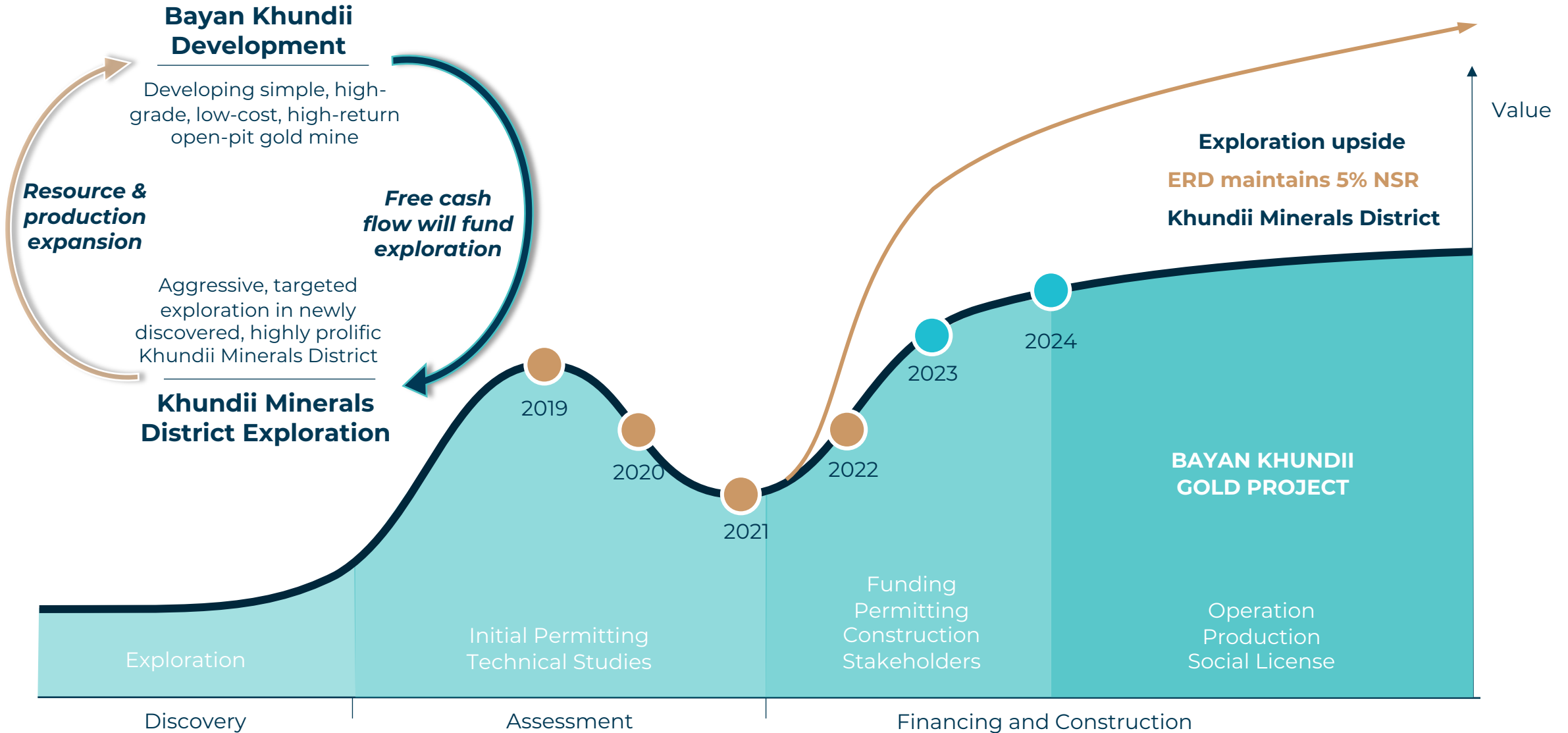
## BAYAN KHUNDII PROJECT SITE – 2022

Accommodation & Staging Area Expansion, Borefield Development and Water Exploration, Communications Tower & Dust Monitoring Station Construction, Project Controls Software Implementation



# POSITIONED FOR VALUE CREATION

Cashflow from Bayan Khundii will unlock the value of the Khundii Minerals District





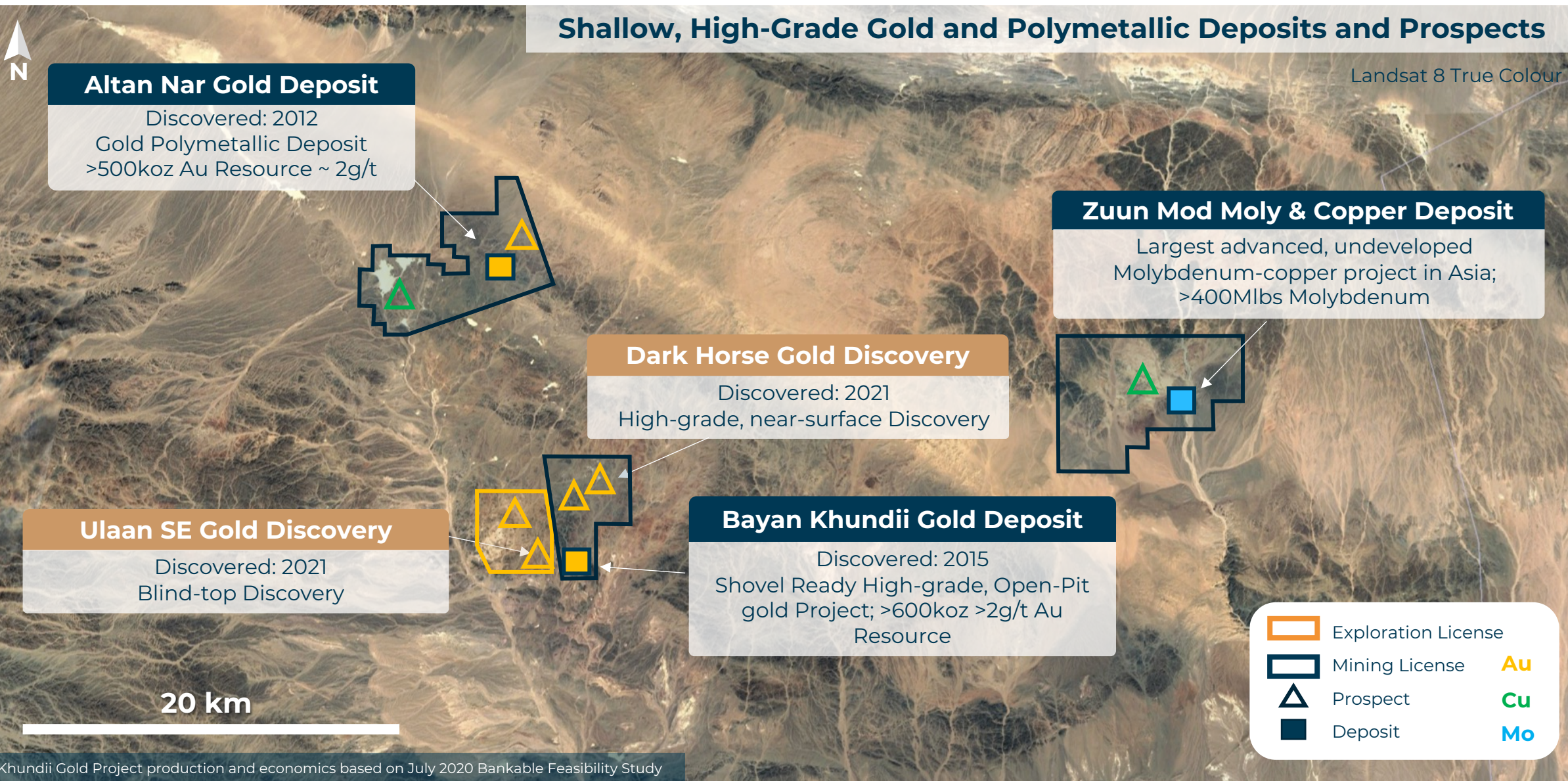
# THE KHUNDII MINERALS DISTRICT – MULTI-MILLION OUNCE POTENTIAL

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



## Shallow, High-Grade Gold and Polymetallic Deposits and Prospects

Landsat 8 True Colour





# KHUNDII MINING DISTRICT INFRASTRUCTURE DEVELOPMENT

## Benefits of Strategic Alliance



Stakeholder Support

Freight and Logistics Management

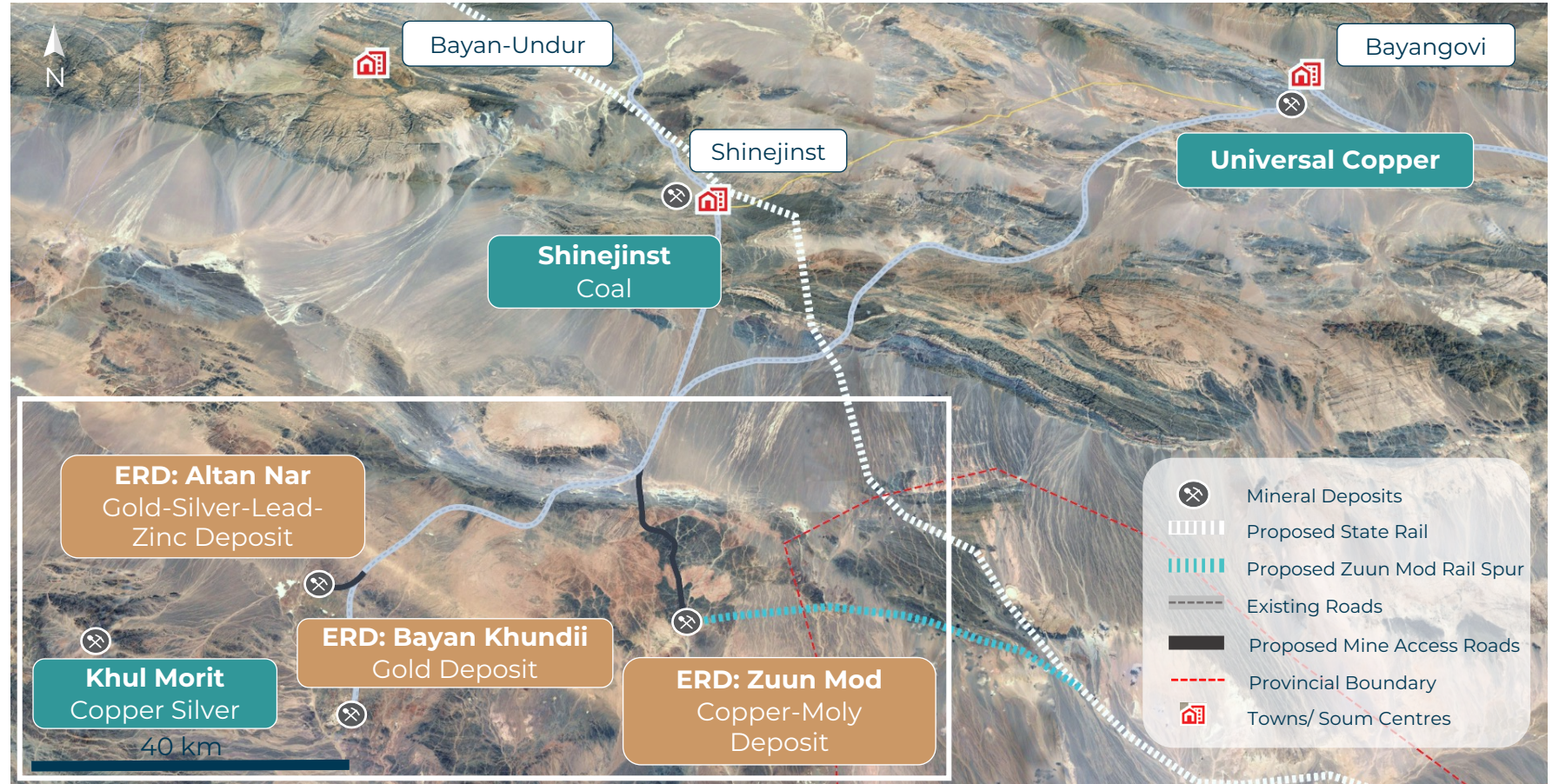
Inflation - Cost Controls and Management

Construction Management

Operational Readiness

Growth – District Acquisitions

Access to Expansion Capital





# FOCUSED IN A WORLD CLASS GOLD-COPPER BELT

The Underexplored 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

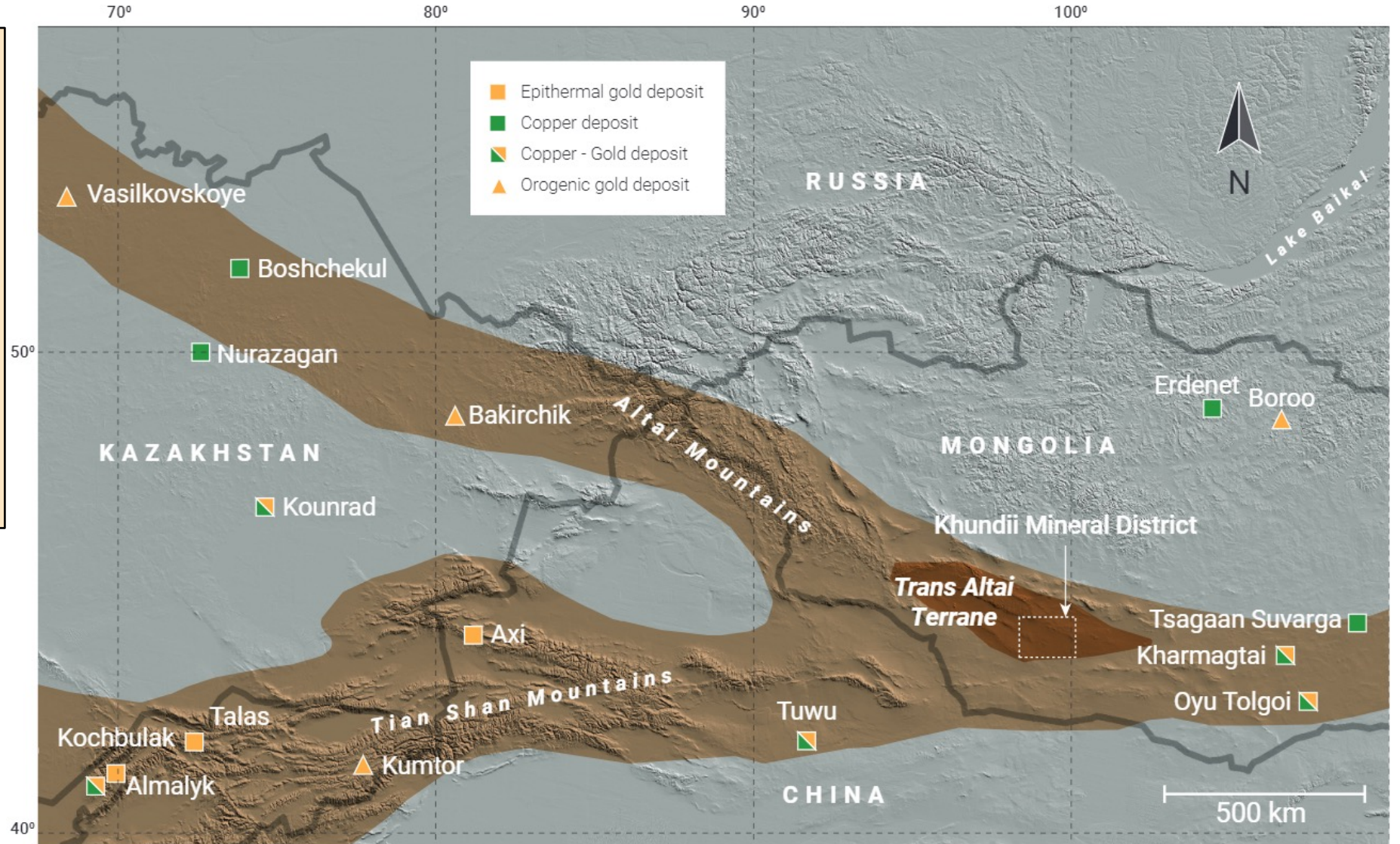
**Porphyry Copper Assessment of the Central Asian Orogenic Belt and Eastern Tethysides—China, Mongolia, Russia, Pakistan, Kazakhstan, Tajikistan, and India**

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

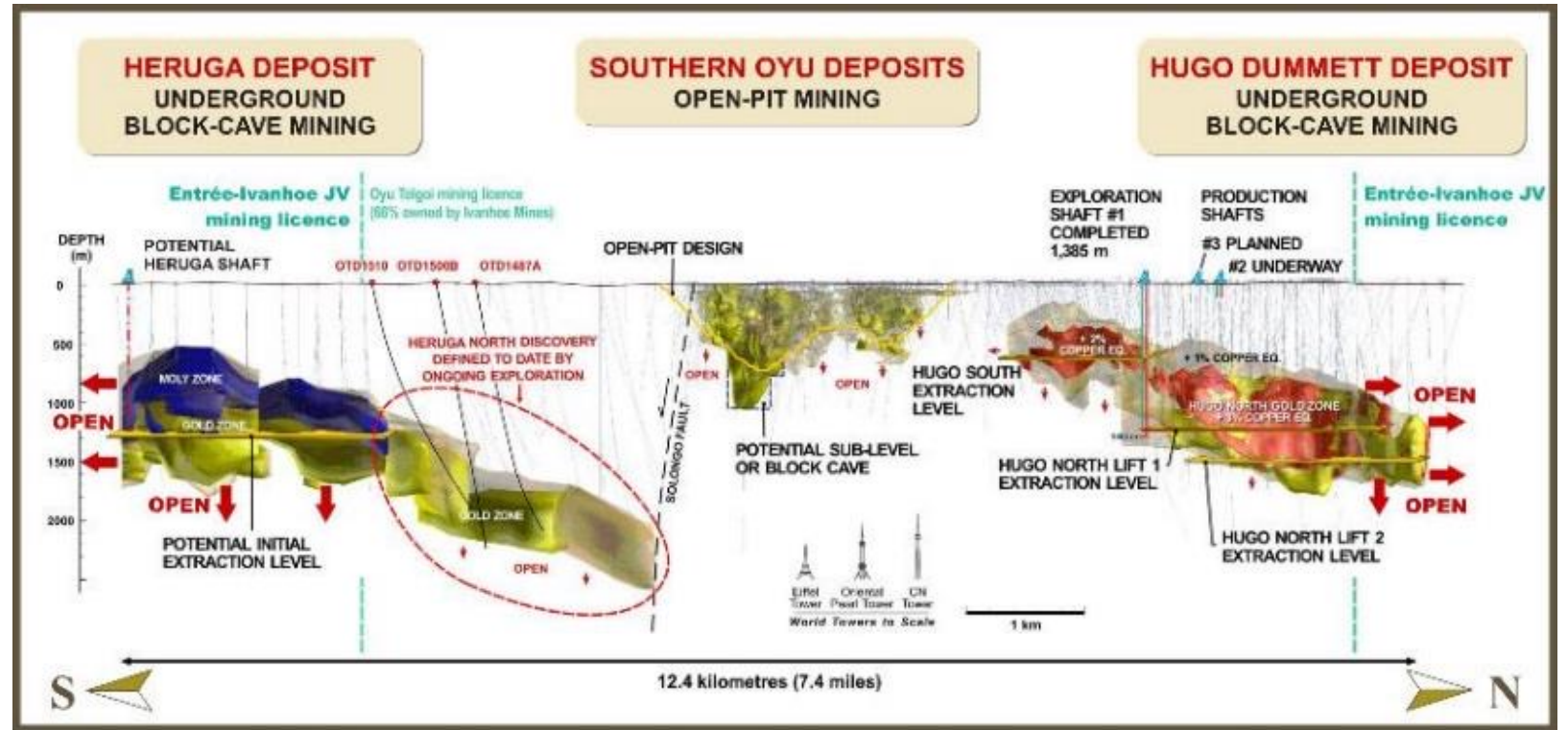
USGS Study Identifies Trans Altai as Highest Potential for Porphyry/Epithermal Copper-Gold Discovery in CAOB



# OYU TOLGOI – A WORLD CLASS COPPER-GOLD DISTRICT

One of the World's Largest Copper-Gold Mines in Southern Mongolia

- Slated to be the fourth-largest copper mine globally by 2030
- Resources of 66.4Blbs copper and 43Moz gold<sup>1,2</sup>
  - Over 3.3Blbs of copper and almost 3Moz gold extracted since commissioning<sup>3</sup>
- Underground production of block cave commenced February 2022
- Potential to operate for 100 years



Notes:

1. Copper = 17.8B lbs in M&I and 48.6B in Inferred, Gold = 8.5M oz in M&I and 34.4M oz in Inferred
2. Source: TRQ 2021 Annual Information Forum
3. Source: TRQ annual reports



# ZUUN MOD – ADVANCED MOLY-COPPER PROJECT

One of Asia’s Largest Undeveloped Molybdenum-Copper Deposits



## OWNERSHIP

- 100% owned by Erdene
- 30+ year Mining License granted

## LOCATION

- 180 km from China, the world’s largest steel producing market
- 30 km east of the Bayan Khundii Gold Project

## MOLYBDENUM PRICING

- Prices have risen from \$7/lb to \$32/lb over the past two years
- Recent increase in molybdenum price due to strengthening demand, China stimulus and muted supply growth

Sandbox Royalties Corp. holds a 1.5% net smelter return royalty on the Zuun Mod License, subject to a buy-down provision. NI 43-101 Technical Report, Zuun Mod Porphyry Molybdenum-Copper Project, Minarco-MineConsult, June 2011

## NI 43-101 Resources

	Cut-Off %	Tonnes Mt	Grade		Contained Metal	
			% Mo	% Cu	M lb Mo	M lb Cu
M&I	0.04	218	0.057	0.069	274	331
Inf	0.04	138	0.052	0.065	158	198



# SUPPORTIVE SHAREHOLDER REGISTER

Erdene Capital Structure

## Q1 2023

	CAD	USD
Share price	\$0.30	\$0.23
52-wk range	\$0.25-\$0.50	\$0.19-\$0.41
Market cap	\$101.6M	\$76.6M
Shares O/S		344M
Options	18M / Proceeds: CAD\$6M	
Warrants	25M / Proceeds: CAD\$11M	
DSUs		7M
Shares F/D		394M

**First company to cross list on Mongolian Stock Exchange with ~6,000 Mongolian shareholders**

TSX:ERD



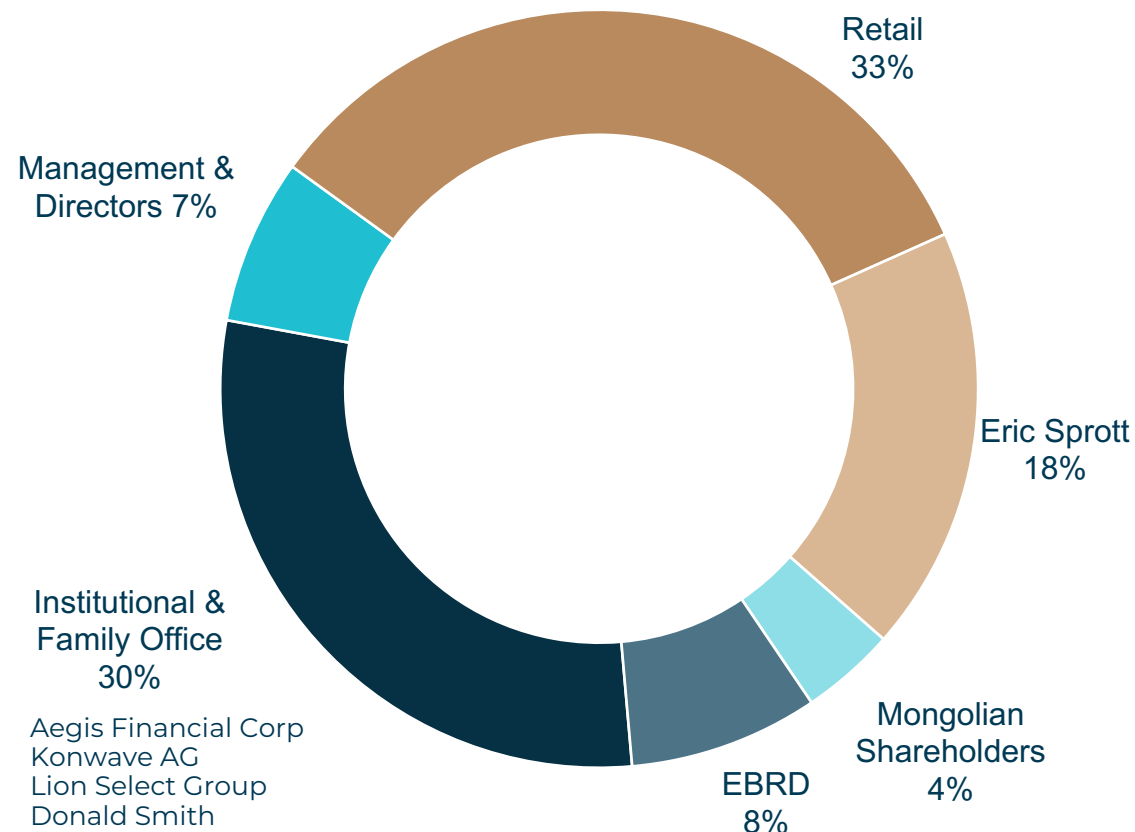
MSE:ERDN



OTC:ERDCF



## Diverse Shareholder Base



TSX:ERD MSE:ERDN OTC:ERDCF



## CONTACT US FOR MORE INFORMATION

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# APPENDIX

# ERD-MMC STRATEGIC ALLIANCE

Perfect Synergy



Develop the high-grade Bayan Khundii Gold project for near-term cash flows

Add resources at Dark Horse and Ulaan

High-grade gold assets with exploration upside

A step towards becoming a diversified Mongolian miner

Avoid dilution on project financing

Improved ESG operational capabilities and social license to operate

Strongly accretive to key operational and financial metrics

Accelerate district-scale exploration

## SUMMARY OF ERDENE'S EXPLORATION SUCCESS

### Trans Altai Terrane

Erdene focused since 2008 in the Central Asia Orogenic Belt's Trans Altai Terrane in southwestern Mongolia. Systematic exploration programs resulted in the following high-grade, near-surface discoveries:

### Altan Nar Project (Au, Ag, Pb, Zn)

In 2012 discovered a high-grade gold-polymetallic deposit

- In 2018 announced a (NI 43-101) resource:
  - Measured and Indicated: 453,000 oz AuEq
  - Inferred: 277,100 oz AuEq
- Secured mining license in 2021

### Bayan Khundii Project (Au)

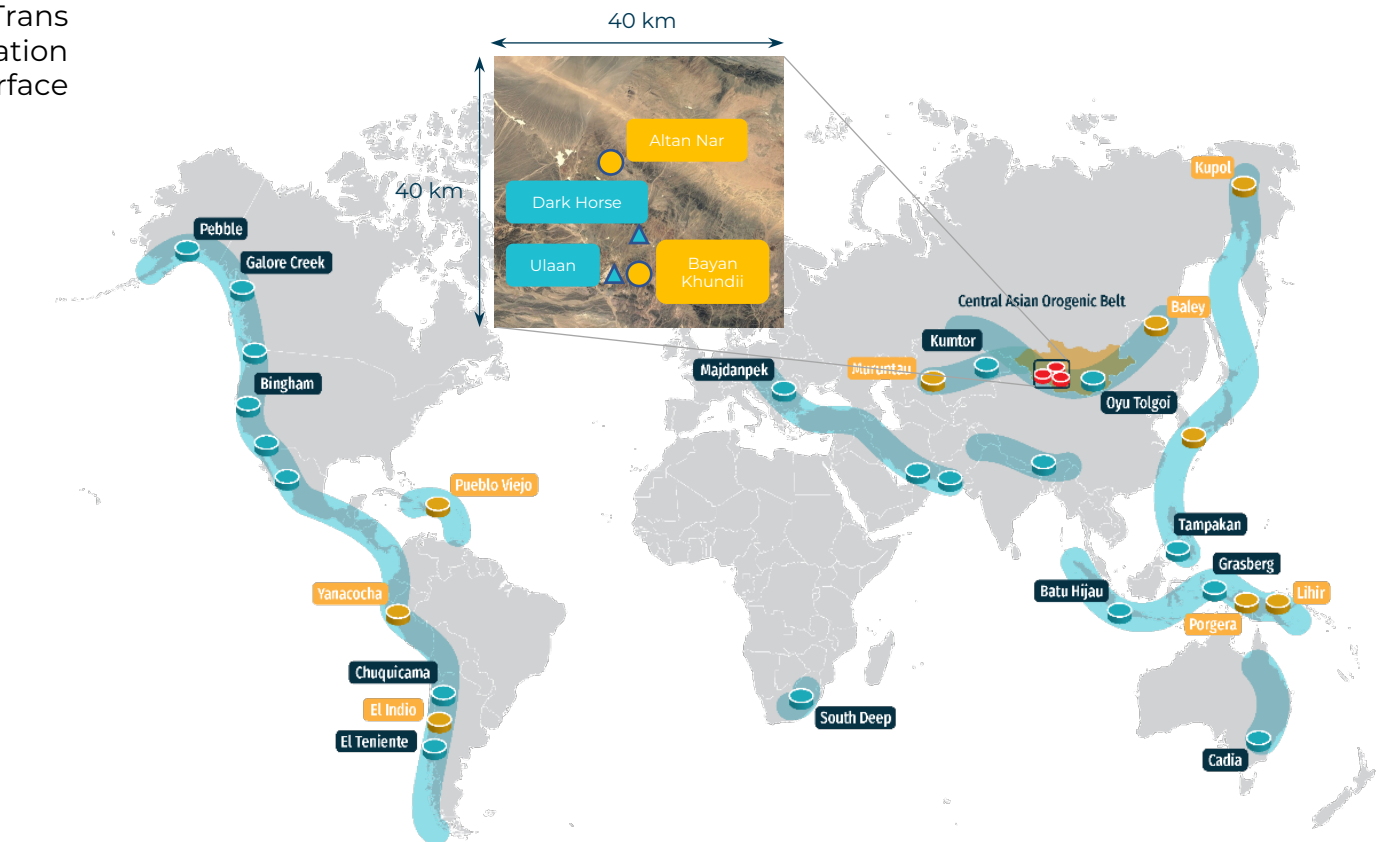
In 2015 discovered a high-grade gold deposit

- In 2021 announced a (NI 43-101) resource:
  - Measured and Indicated: 585,000 oz AuEq
  - Inferred: 36,000 oz AuEq
- Secured mining license in 2020
- Released a Bankable Feasibility Study (BFS) in 2020
- Required environmental and social impact studies approved by Mongolian regulatory authorities

### Ulaan Project (Au)

In 2021 discovered a high-grade gold deposit

- Believed to be continuation of Bayan Khundii:
  - AAD 35: 146m @ 8.1 g/t Au
  - AAD 21: 220m @ 1.1 g/t Au



### Dark Horse Project (Au)

In 2021 discovered a high-grade gold deposit

- Located 2 km north of Bayan Khundii:
  - AAD 178: 4m @ 42.8 g/t Au
  - AAD 218: 12m @ 20.2 g/t Au

# PROJECT FINANCE STRATEGY

Backing of Leading International and Domestic Financial Institutions



## Export Development Canada

- Mandate Letter signed for senior secured debt facility
- 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 (8%) following loan conversion in Q4 2020
- Mandate Letter signed for Project's Cost Overrun Facility ("COF")
- Largest foreign direct investor in Mongolia with €2.2B invested



## Bank of Mongolia and Mongolian Commercial Banks

- Government COVID stimulus and Gold-2 programs provide financial incentives, tax stability agreements and loans to the gold mining sector
- Erdene in advanced discussions for credit facility / loan with Mongolian commercial banks

**Eric Sprott**

## Eric Sprott

- Erdene's largest shareholder (18%)



## Mongolian Stock Exchange

- Sharing Benefits with more than 6,000 Mongolian shareholders
- Erdene is first company cross-listed on both Mongolia and Toronto Stock Exchanges

# DEVELOPING A MULTI-MILLION OUNCE GOLD DISTRICT

Creating Value with Two-Pronged Strategy

## Develop Bayan Khundii Gold Deposit

- Update Feasibility Study and Life of Mine Plan
- Prepare for 2023 construction – targeting first gold in 2024
- Increase planned production to >80k oz/y utilizing mill's excess capacity, higher grade material, and plant modifications
- Employ free cash to fund anti-dilutive exploration
- Debt repayment and return wealth to shareholders

## Aggressive, Targeted Exploration

- Define new Ulaan and Dark Horse gold discoveries
- Achieve resource target of 2 million ounces
- Convert near-pit resources to reserves
- Drive meaningful resource & production expansion
- Provide re-rating catalysts during otherwise quiet mine construction phase

*Note: Bayan Khundii Gold Project production and economics based on July 2020 Bankable Feasibility Study*

## Bayan Khundii Mine

Developing simple, high-grade, low-cost, high-return open-pit gold mine

Aggressive, targeted exploration in newly discovered, highly prolific Khundii Minerals District

## Khundii District Exploration

*Resource & production expansion*

*Free cash flow will fund exploration*



# KHUNDII MINERALS DISTRICT

Improved Infrastructure in a Growing Mining Region

