

## ERDENE RECEIVES TAX STABILIZATION CERTIFICATE FOR BAYAN KHUNDII GOLD PROJECT

---

Press Release  
Halifax, Nova Scotia  
2022.01.10

Erdene Resource Development Corporation (TSX:ERD | MSE:ERDN) (“Erdene” or the “Company”) is pleased to announce that it has received a Tax Stabilization Certificate for the Bayan Khundii Gold Project from the Mongolian Government’s National Development Agency (NDA), effective December 21, 2021.

### Quotes from the Company

“We are very pleased to receive a Tax Stabilization Certificate which protects the Bayan Khundii Gold Project’s economics from potential statutory tax or royalty increases,” said Peter Akerley, Erdene’s President and CEO. “The Tax Stabilization Certificate demonstrates the Government of Mongolia’s commitment to regulatory stability and promotes foreign direct investment in projects like Bayan Khundii, which benefit local stakeholders and Erdene’s shareholders, including thousands of Mongolian investors.”

### Stabilization Certificate – Mongolia’s Investment Law

Mongolia’s Investment Law guarantees fair, stable and globally competitive tax treatment for investors through Stabilization Certificates, which fix the taxation rates applicable to qualifying investments at the lower of those in place at the date investment and those currently enacted.

The Tax Stabilization Certificate fixes the statutory tax rates applicable to Erdene’s Bayan Khundii Gold Project until December 21, 2030, at no less favorable than those incorporated into the Bankable Feasibility Study, including:

- Gold Royalties: 5% of net revenues
- Corporate Income Tax: 25% of taxable income
- Value-added Tax (“VAT”): 10% of all goods and services
- Customs Duty: 5% for all process equipment, materials and consumables sourced internationally

The Tax Stabilization Certificate is valid for nine (9) years, and may be extended for up to half of the initial term, if certain conditions are met.

Receipt of the Tax Stabilization Certificate was contingent upon the approval of Erdene’s Detailed Environmental Assessment, which was announced on December 7, 2021 ([press release here](#)).

## Khundii Gold District

Erdene's deposits are in the Edren 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 gold/base metal prospects, two of which are being considered for development: the 100%-owned Bayan Khundii and Altan Nar projects. Together, these deposits comprise the Khundii Gold Project. The Company also has a 100% interest in the Khuvyn Khar license which hosts the large Zuun Mod molybdenum-copper deposit and multiple copper and molybdenum porphyry targets, 30 kilometers east of the Khundii gold district.

The Bayan Khundii Gold Resource<sup>1</sup> includes 521,000 ounces of 3.16 g/t gold Measured and Indicated ("M&I")<sup>2</sup> and 103,000 ounces of Inferred resources at 3.68 g/t gold. Within the M&I resource, a proven and probable open-pit reserve totals 409,000 ounces at 3.7 g/t (see the full press release [here](#)), providing significant potential growth of reserves 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 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 early 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 two exploration licenses 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.

## Forward-Looking Statements

Certain information regarding Erdene contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements

---

<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: 171,000 ounces of 3.77 g/t gold Measured, and 349,700 ounces of 2.93 g/t gold Indicated

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

#### Erdene Contact Information

Peter C. Akerley, President and CEO, or  
Robert Jenkins, CFO

Phone: (902) 423-6419

Email: [info@erdene.com](mailto:info@erdene.com)

Twitter: <https://twitter.com/ErdeneRes>

Facebook: <https://www.facebook.com/ErdeneResource>

LinkedIn: <https://www.linkedin.com/company/erdene-resource-development-corp-/>