



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2025

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This Management Discussion and Analysis ("MD&A"), dated May 12, 2025, 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 months ended March 31, 2025 and 2024 and the audited consolidated financial statements for the years ended December 31, 2024 and 2023, 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 the timing of production at Bayan Khundii, construction and commissioning timelines and 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 development and 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 resource company focused on the acquisition, exploration, and development of large, high-grade, near-surface, precious and base metals deposits in under-explored and highly prospective Mongolia. Erdene is listed on the Toronto Stock Exchange (TSX: ERD) 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”). Covering an area approximately 50 by 100 kilometres, elongated northwest, the KMD hosts the Altan Nar (“AN”), Bayan Khundii (“BK”) and Dark Horse Mane (“DH”) epithermal gold deposits, the Ulaan and Greater Dark Horse gold prospects, the Zuun Mod (“ZM”) molybdenum-copper porphyry deposit, and several other prospects. The KMD is located within the Trans Altai Terrane of the Central Asian Orogenic Belt (“CAOB”). The COAB hosts several world class copper and gold deposits, including one of the world’s largest gold deposits, Muruntau, in Uzbekistan, as well as Rio Tinto’s Oyu Tolgoi copper-gold deposit, located approximately 650 kilometres east of the KMD in southeast Mongolia.

In January 2023, Erdene entered a Strategic Alliance with Mongolian Mining Corporation (“MMC”), the country’s largest independent miner, to develop the Bayan Khundii Gold Project (“BK” or “Project”), which closed in January 2024. Under the terms of the Strategic Alliance, MMC invested US\$40 million for a 50% interest in Erdene’s Mongolian subsidiary, Erdene Mongol LLC (“EM”), which holds the Khundii and Altan Nar mining licenses and the Ulaan exploration license. Erdene retains a 50% equity interest in EM as well as 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. Erdene holds a 100% interest in the Zuun Mod copper-molybdenum project.

Following the execution of the Strategic Alliance, EM launched the early construction works program for the Bayan Khundii gold project, which was completed in late 2023. In January 2024, EM reached a formal decision to commence construction at BK. This decision was followed by the announcement in February 2024 of an up to US\$80 million debt financing for EM from MMC, that along with the US\$40 million investment through the Strategic Alliance, funds construction. In December 2024, EM executed a US\$50 million facility with the Trade and Development Bank of Mongolia (“TDB”) that is expected to bridge EM through to commercial production.

At March 31, 2025, construction of the Bayan Khundii Gold Project was 87% complete with the first nine facilities commissioned. Piping, electrical and instrumentation work in the process plant and non-process infrastructure commissioning will continue in Q2 2025, along with operational readiness works. Operations phase hiring and training, initial earth-moving, and state approvals will continue into Q3, with first gold targeted by the end of Q3 2025. Total capital expended to March 31, 2025 was US\$96 million and EM management estimates that capital expenditures will total US\$115M, an approximately 15% increase from the initial capital budget of US\$100M due to inflation, the impact of weather and logistical delays and scope changes. EM management is working closely with the Engineering, Procurement and Construction (“EPC”) and other contractors to complete construction and manage any additional costs, with no further equity funding expected from Erdene or MMC for BK.

While EM is focused on advancing BK to first gold, exploration has continued to assess expansion potential at BK and further define priority targets in the Greater Dark Horse area. Exploration in late 2024 near the planned Bayan Khundii open pit returned the highest-grade mineralization in areas adjacent to the deposit. Furthermore, ore control drilling in late 2024 intersected mineralization in 10 areas outside the current pit shells that have the potential to extend ore blocks. A further 200 holes are planned to verify these newly identified areas. Recent results are being incorporated into an updated mine plan that will be finalized in advance of initial mining.

Concurrently, Erdene is progressing its ZM project, one of Asia’s largest undeveloped molybdenum-copper deposits. In 2023 the Company completed a 4,100-metre drill program, where multiple drill holes along the current resource boundary expanded mineralization. Additionally, the discovery of resource-grade mineralization in an exploration hole 1.7 kilometres north of the deposit demonstrates the upside of this large porphyry complex, which remains open in all directions. Work is underway on an updated independent mineral resource report for this project.

Furthermore, Erdene sees the potential to increase resources through the acquisition of licenses in the KMD. The district hosts the full spectrum of arc-related base and precious metal systems, including copper-molybdenum porphyries, intermediate sulphidation/carbonate base-metal gold deposits, and low sulphidation epithermal gold and gold-silver systems. As the longest established exploration Company operating in southwest Mongolia, Erdene is well positioned to expand its license portfolio in Mongolia.

Highlights and Significant Subsequent Events

Bayan Khundii Gold Project

- Achieved 87% construction progress as at March 31, 2025
 - Incurred US\$96 million of expenditures to the end of Q1 2025 – potential cost increases due to logistical and weather delays and scope changes are expected to be within available funding
 - 674 contractors on site at the end of Q1 2025 achieving total recordable injury frequency rate of 0.0 per 200,000 person hours and no reportable environmental incidents to date
 - Process plant, the critical path facility, was also 87% complete at quarter end, with concrete, structural and architectural substantially completed and all major equipment installed
 - Construction progress for non-process buildings was 87%, infrastructure facilities were 87%, and power supply was 76%, largely consistent with schedule
 - Commissioning completed for 9 facilities in Q1 2025 with the balance of the facilities planned progressively throughout Q2 2025
 - Construction to be substantially complete in Q2 2025 and first gold production in late Q3 2025
- Advanced operational readiness for Bayan Khundii
 - Mine equipment operator and maintenance team hiring and training is complete ahead of pre-production in Q2 2025
 - Process plant operations and maintenance team hiring remains on track, with key senior personnel on board
 - Purchasing of key tools, consumables and spares proceeding to plan
- Delivered on community development and local employment stakeholder programs
 - Approximately 29% of site personnel are residents of Bayankhongor province, a significant portion of whom reside in Shinejinst, the closest settlement to BK – 23% of BK's employees are female
 - Recruitment and training of Bayan Khundii mine workforce continued this quarter with eighth cohort of local residents for equipment operator training completed at MMC's UHG mine, for a cumulative total of over 160 people undertaking the training
 - Continued support for small and medium enterprises in the local province, including purchases of agricultural products, technical support, and micro finance loans

Khundii Minerals District Exploration

- Completed 2025 exploration program planning for EM
 - Near-term focus on mine geology for Bayan Khundii and near-pit expansion opportunities
 - Approximately 200 ore-control holes planned for Q2 2025
- Engaged RPMGlobal to prepare an updated independent mineral resource for Zuun Mod
 - Report scheduled to be completed by mid-2025
 - Expect to incorporate updated resource into a preliminary economic assessment in late 2025
 - Planning completed for follow-up Zuun Mod drilling

Corporate

- Recorded net loss of \$4,500,861 for the three months ended March 31, 2025, compared to net loss of \$2,678,373 for the three months ended March 31, 2024
 - Exploration and evaluation expenses totaled \$973,590 for the three months ended March 31, 2025, compared to \$783,156 in the prior year comparative quarter, due to an increase in incentive payments in the current year, the transfer of staff from EM to the Company in mid-2024 following the close of the Strategic Alliance, as well as the impact of the accrual of first gold bonuses for senior staff in advance of anticipated Bayan Khundii gold production in 2025
 - Corporate and administrative expenses totaled \$1,500,855 for the three months ended March 31, 2025, compared to \$2,777,588 for the three months ended March 31, 2024, with the year-on-year reduction primarily due to the prior year write-off of previously deferred project finance and other

arrangement costs following the termination of project finance diligence due to the Bayan Khundii shareholder loan with MMC

- Loss from investment in associate of \$2,084,431 for the three months ended March 31, 2025, compared to \$257,016 in the prior year comparative quarter due to an increase in non-capitalized interest expenditures by EM following the February 2024 financing

Strategy and Outlook

Erdene is focused on the discovery and development of precious and industrial metal deposits in the KMD. Erdene's strategic priority is bringing BK to production in 2025 through its strategic partnership with MMC, and through exploration and acquisition, expanding and subsequently developing other deposits in the KMD.

In January 2024, the Company closed the Strategic Alliance with MMC to develop BK. MMC is the largest private producer and exporter of high-quality washed hard coking coal in Mongolia. MMC owns and operates the Ukhua Khudag and the Baruun Naran open pit coking coal mines, both located in Umnugovi Aimag (South Gobi Province), Mongolia. The shares of MMC are listed on the Hong Kong Stock Exchange (HKEx: 0975), and the company has a market capitalization of approximately US\$1 billion.

MMC's largest beneficial 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, health, and hospitality. MCS employs approximately 13,000 staff in Mongolia and is one of the Country's largest private taxpayers. Its construction and power businesses are key contractors to EM.

Erdene and MMC reached a formal construction decision for Bayan Khundii in early 2024. Construction is now approximately 90% complete with the first nine facilities commissioned and several more approaching this milestone. Construction is expected to be substantially completed in Q2 2025 and first gold is scheduled for late Q3 2025. Concurrently, operational readiness work is well progressed, with the mining team in place and key processing roles filled.

Exploration suggests the greater Khundii-Ulaan alteration zone, including the BK and Dark Horse Mane deposits and the Ulaan prospect are part of the same, large, gold-bearing hydrothermal system, that shows the potential to host a multimillion-ounce gold deposit. In late 2024, a six-hole diamond drilling program, totaling 950 metres tested the potential for expansion of near-pit resources to the west and north of the planned Bayan Khundii open-pit. All holes intersected gold mineralization, including the highest-grade results to date for an area west of the planned Bayan Khundii Open Pit, known as Striker West. Intersections included 7.3 g/t gold over 42 metres, with multiple high-grade intervals of 15 to 79 g/t gold over a metre (hole BKD-377). A second hole, approximately 110 metres north, (BKD-378), also returned excellent results outside the current open-pit resource boundary, including 22 metres of 6.1 g/t gold starting at a depth of 178 metres. A hole at the northern end of the pit (BKD-381) intersected ore grade mineralization continuing north and beginning at a shallower depth than the reserve model, with 4.1 g/t gold over 54 metres, including one-metre intervals of 16.9 g/t, 56.8 g/t, 78.1 g/t and 11.1 g/t gold. Additionally, recent exploration at the Greater Dark Horse and Ulaan prospects provided new targets for follow-up.

In 2023, Erdene completed a 4,100-metre drill program at its ZM project, one of Asia's largest undeveloped molybdenum-copper deposits, successfully expanding mineralization. Beyond the ZM Deposit, the broader license hosts several high-potential copper and molybdenum prospects. The northern portion of the ZM porphyry complex hosts a large area of disseminated copper mineralization within several kilometres of phyllic and potassic altered quartz monzonite and granodiorite intrusives. Multiple copper mineralized zones have been intersected in wide-spaced drilling, including 34 metres of 1.3% copper and 9.24 g/t silver from 308 to 342 metres (hole ZMD-121). The large ZM porphyry complex remains largely untested and management sees several potential areas for resource expansion and discovery across the license. Furthermore, surface sampling work in mid-2024 identified a gold prospect on this license, 4.5 kilometres west of the molybdenum-copper deposit. Erdene engaged RPMGlobal to prepare an updated independent mineral resource report for ZM, that is scheduled to be delivered in mid-2025.

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, and the Company will be an active participant in license tenders in the KMD. Additionally, the Company will selectively evaluate precious and industrial metals opportunities in other parts of the country where the Company's historical work has demonstrated prospectivity.

Bayan Khundii Project Development and Construction Update

Schedule and Budget

At the end of Q1 2025, 87% of total construction was complete. Construction was complete for nine facilities by end of the quarter, with the remainder forecast for completion in Q2 2025. Process plant commissioning is expected to commence in May 2025, with first gold production scheduled in late Q3 2025.

Project expenditures to March 31, 2025 were approximately US\$96 million compared to the Feasibility Study (2023) budget of US\$100 million. EM Management estimates that capital expenditures may increase by approximately 15% from the initial construction budget due to inflation, the impact of weather and logistical delays and additional unforeseen works. However, EM's current finances, including the facility secured from the Trade and Development Bank of Mongolia in December 2024, are expected to fully fund construction and project commissioning.

Health, Safety & Environment

At the end of Q1 2025, there were 674 staff and contractors on site. Since the start of construction, the Project has logged a total of 3.2 million person-hours worked. For 2025 to date, the total recordable injury frequency rate was 0.0 per 200,000 person hours.

Zero reportable environmental incidents have occurred at the Project to date. Environmental management efforts remain focused on mitigating adverse impacts and advancing environmental protection activities, such as air quality monitoring along access roads and endemic plant vegetation trials at the two-hectare greenhouse and garden facility on site.

Construction

Physical construction reached approximately 87% progress at March 31, 2025, with detailed engineering and procurement complete.

The Process Plant, the Project's critical path facility, was 87% complete at March 31, 2025. The Plant's structural steel installation is substantially complete and tank installation reached over 90% progress at the end of Q1 2025. Mechanical installation of the SAG and Ball mills was substantially completed in Q3 2024. Mechanical installation for the remaining process equipment reached 75% completion at quarter's end. Piping and electrical installation progress at the process plant continued in accordance with schedule, reaching 60% and 20% respectively at quarter's end.

Nine facilities were completed by end of Q1 2025, with the balance scheduled for completion in Q2 2025. Total non-process facilities completion was 87% at quarter's end. Power supply installation work continued to progress according to schedule, with 76% completion by end of quarter, consistent with planned commissioning in Q2 2025.

Mining

To date, approximately 35,000 tonnes of overburden have been removed from the Bayan Khundii pit for construction purposes. Construction material excavation and handling are conducted by the relevant construction contractors.

The first phase of the Project's integrated mineral waste facility ("IWF") was completed and commissioned in December 2024 in order to store dry cake tailings (with a final target moisture content of 15%) within lined cells at the core of a waste rock structure when production starts.

Mine pre-production is planned to commence in May 2025, including top-soil stripping, Run-of-Mine (ROM) pad establishment, stormwater drainage installation, and heavy vehicle roads establishment.

Permitting

All major permits required for construction have been received, including the statutory feasibility, environmental assessment, land and water permissions. Design and construction permits have been received for all necessary facilities, including the process plant and key non-process infrastructure.

Statutory commissioning of the mine will take place in three stages, covering technical construction completion, mine site operations, and processing and chemicals permitting. Construction commissioning started in late Q4 2024 and remains on track to finish in Q2 2025.

Human Resources

At the end of the fourth quarter, 674 people were employed at the project site, including contractors. Approximately 29% of site personnel were residents of Bayankhongor province, a significant portion of whom reside in Shinejinst, the closest settlement to the Bayan Khundii Project. Of the Project's total direct employees, 23% were female. Hiring at EM for the start of mining and processing operations increased in the quarter, with the majority of senior and key technical positions onboarded or committed. Further hiring of operators and tradespeople is planned in Q2 2025.

Community Programs

Beyond the Project's employment at site, the company has supported equipment operator training for residents of Bayankhongor Province through a partnership with MMC. To date, over 160 people completed the training, and 90 percent of trainees received offers of full-time employment at MMC's Ukhuaa Hudag mining complex and are expected to be deployed to work at the Bayan Khundii mine for the start of mine operations planned in Q2 2025. At least two additional operator trainings are planned in 2025, with a target of at least 200 people completing the training.

The Company maintains a Local Cooperation Agreement ("LCA") with the Provincial and Sub-Provincial governments that host the Bayan Khundii project as well as the company's other projects in Bayankhongor. Under this agreement, the Company supports local development programs focused on public infrastructure, education and health.

Additionally, EM is conducting community development programs focused on small and medium-sized entities through a low interest commercial loan program, local procurement, supporting public health services, youth education support, and support for agricultural communities.

Operational Readiness

Procurement of required tools, consumables and spares has been defined and purchasing started according to plan, beginning with long lead items. Training of the necessary mine equipment operations staff has been completed, ahead of expected deployment for pre-production at BK in Q2 2025, along with the mine maintenance team. Process plant operations and maintenance team hiring remains on track, with key senior personnel on board to participate in the inspection, testing, and commissioning activities scheduled to begin next quarter.

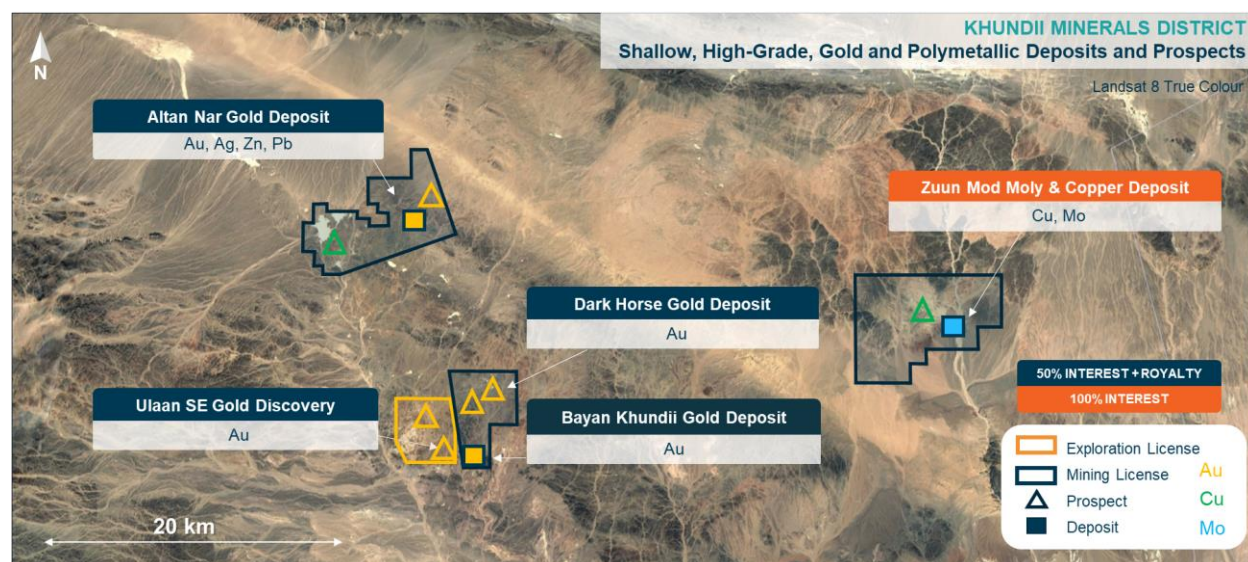
Development and Exploration Projects

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.

Apart from Altan Nar, Dark Horse 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 our projects is also summarized in our 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.

Khundii Minerals District



The Khundii Minerals District includes EM's high-grade, near-surface Bayan Khundii, Dark Horse Mane and Altan Nar deposits, Ulaan SE and Greater Dark Horse prospects and Erdene's Zuun Mod Molybdenum-Copper resource.

The Bayan Khundii Gold Project is located on the 2,309-hectare Khundii mining license held by EM. The Khundii mining license includes the Bayan Khundii and Dark Horse mineral resources and reserves reported in "Bayan Khundii Gold Project, Feasibility Study Update, NI 43-101 Technical Report".

Bayan Khundii Gold Project

On August 15, 2023, Erdene announced the results of an updated independent Bankable Feasibility Study for the Bayan Khundii Gold Project. The report, titled "Bayan Khundii Gold Project Feasibility Study Update, NI 43-101 Technical Report", dated September 25, 2023, and with an effective date of August 15, 2023, was prepared by international and Mongolian firms with significant experience operating in Mongolia. The study incorporates detailed mine design and scheduling, front-end engineering and design for the processing plant and site infrastructure, a hydrogeological assessment, mineral waste facility design, comprehensive capital and operating cost estimation, and an updated economic model.

The 2023 FS envisions a high-grade, open pit mine beginning at surface in the southern portion of the BK deposit (Striker and Gold Hill), expanding northward into adjacent zones at Midfield and North Midfield. The Dark Horse deposit will commence mining concurrently with BK from the third year of operations. The Project incorporates conventional crushing and grinding, leach and a Carbon in Pulp plant with processing capacity of 1,950 tonnes per day. The 2023 FS includes 4.0 million mineable tonnes from the BK resource at an average diluted head grade of 4.0 g/t gold, all of which are Proven and Probable Reserves. The 2023 FS is based on an open-pit mining operation targeting 650,000 tonnes per year of feed material for the processing plant. The average strip ratio of 10.9:1 (waste tonne : plant feed tonne). Mineralization starts at surface, with the majority of the deposit contained within the top 100 metres. The deposit structure, grades and depth suggest selective open cut mining will be utilized. Mining will use hydraulic excavators in backhoe configuration. Drilled and blasted material will be loaded into haul trucks, with waste rock deposited in an engineered Integrated Waste Facility ("IWF") adjacent to the pit, and ore hauled to a crusher or run-of-mine ("ROM") pad adjacent to the processing plant.

As part of the 2023 FS, an updated BK Gold Deposit Mineral Resource Estimate ("BK Mineral Resource") was prepared in accordance with NI 43-101 and CIM standards by AGP Mining Consultants Inc. ("AGP") with an effective date of April 20, 2023. The BK Mineral Resource was prepared by Paul Daigle, P.Geo., who is a qualified person ("QP") as defined by NI 43-101.

The Mineral Resource has been constrained to a conceptual pit shell and is reported at a cut-off grade of 0.40 g/t gold. The assumptions and parameters utilized to establish the cut-off grade and pit shell are reported below in notes to the resource table.

BK Gold Deposit – Mineral Resource Estimate Summary, April 2023

Resource Classification	Quantity (Mt)	Gold Grade (Au g/t)	Ounces Gold (Koz)	Silver Grade (Ag g/t)	Ounces Silver (Koz)
Measured	4.0	3.03	394	1.44	187
Indicated	3.3	2.04	219	1.22	131
M&I	7.4	2.58	613	1.34	319
Inferred	0.2	1.08	6	1.32	8

Notes:

1. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
2. Summation errors may occur due to rounding.
3. The effective date of the Mineral Resources is April 20, 2023.
4. Open pit mineral resources are reported within an optimized constraining shell.
5. Open pit cut-off grade is 0.4 g/t Au based on the following parameters:
 - Gold Price of US\$2,000/oz Au
 - Gold recovery of 95%
 - Mining Costs of US\$3.00/t
 - Milling Costs and G&A of US\$22.00/t
 - Capping of gold grades was 200 g/t Au and 50 g/t Ag on 1m composite values.
 - The density varies between 2.58 g/cm³ and 2.66 g/cm³ depending on lithology.

Dark Horse Mane Mineral Resource Estimate

As part of the 2023 FS, the Company reported the maiden mineral resource estimate for the Dark Horse Mane Gold Deposit ("Dark Horse Mineral Resource") discovered in 2021 and located just two kilometres north of the BK Gold Deposit. The Dark Horse Mineral Resource was prepared in accordance with NI 43-101 and CIM standards by RPM Global ("RPM") with an effective date of November 1, 2022.

The Dark Horse Mineral Resource is reported above a gold cut-off grade of 0.35 g/t gold for oxide and transition mineralization and 1.02 g/t gold for fresh mineralization. The Mineral Resource has been constrained to a conceptual pit shell. The assumptions and parameters utilized to establish the cut-off grade and pit shell are reported below in notes to the resource table.

Dark Horse Gold Deposit – Mineral Resource Estimate Summary, November 2022

Type	Indicated Mineral Resource			Inferred Mineral Resource		
	Tonnes (Kt)	Gold Grade g/t Au	Ounces Gold (K oz)	Tonnes (Kt)	Gold Grade g/t Au	Ounces Gold (K oz)
Oxide	578	3.0	56.2	75	1.1	2.7
Transitional	99	1.5	4.8	109	1.2	4.1
Fresh	5	4.9	0.7	-	-	-
Total	682	2.8	61.7	184	1.2	6.8

Notes:

1. The Statement of Estimates of Mineral Resources has been compiled under the supervision of Mr. Oyunbat Bat-Ochir who is a full-time employee of RPM 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.
2. All Mineral Resources figures reported in the table above represent estimates at November 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.
3. Mineral Resources are reported on a dry in-situ basis.
4. The Mineral Resource is reported using a 0.35 g/t Au cut-off grade in oxide and transition mineralisation and 1.02 g/t Au cut-off in fresh mineralisation and is constrained above conceptual optimised pit shell. Cut-off parameters were selected based on an RPM internal cut-off calculator, assuming an open cut mining method with 5% ore loss and 10% dilution, a gold price of US \$1,723 per ounce, a mining cost of US \$3 per tonne and a processing cost of US\$16 per tonne milled 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\$ 2,000 per ounce, which is 1.4 times the long-term consensus forecast price.
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.

BK and DH Reserve Estimate

The Bayan Khundii and Dark Horse Mineral Reserves reported in the 2023 FS have been estimated by Mr. Julien Lawrence, Director, O2 Mining Limited, a Qualified Person as defined by NI 43-101. The total Mineral Reserves for the Bayan Khundii and Dark Horse Mine deposits are shown in the tables below. Mineral Reserves are based on the BK Mineral Resource and Dark Horse Mineral Resource, reported above. Mineral Reserves estimated for the BK and DH deposits are based on Measured and Indicated Resources and have an effective date of August 1, 2023. Reserves were calculated by O2 Mining using FS level engineering designs for the pit and associated process plant operating parameters.

The cut-off grade for mineral reserve calculations is 0.63 g/t gold for the BK Gold Deposit and 0.68 g/t gold for Dark Horse Gold Deposit, based on a gold price of US\$1,816/oz. The reserves, as defined by the regularized block model, contain modelled mineral losses of 2.5% and average internal dilution of 10%, within the ultimate pit.

A summary of the Mineral Reserves estimated for the BK and Dark Horse deposits with an effective date of August 1, 2023 are as follows.

BK Gold Deposit – Mineral Reserve Summary

Classification	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Koz)	Grade (g/t Ag)	Contained Silver (Koz)
Proven	2.7	4.1	360.2	1.8	159.4
Probable	1.1	3.0	104.7	1.7	61.1
Total	3.8	3.8	464.9	1.8	220.5

Dark Horse Gold Deposit – Mineral Reserve Summary

Classification	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Koz)
Proven	-	-	-
Probable	0.2	7.0	48.8
Total	0.2	7.0	48.8

Notes:

1. The effective date of the Mineral Reserve estimate is August 1, 2023. The QP for the estimate is Mr. Julien Lawrence of O2 Mining Limited;
2. The Mineral Reserve estimates were prepared with reference to the 2014 Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards (2014 CIM Definition Standards) and the 2003 CIM Best Practice Guidelines;
3. Reserves estimated assuming open-pit mining method;
4. Waste to ore cut-offs were determined using a NSR for each block in the model. NSR is calculated using prices and process recoveries for each metal accounting for all off-site losses, transportation, smelting and refining charges;
5. Reserves are based on a gold price of US\$1,816/oz; and
6. Mineral Reserves were calculated from a diluted "mining" block model which included average dilution of 10% and losses of 2.5%.

The 2023 FS assumes processing of ROM material via a conventional crush and grind circuit and a carbon in pulp plant. Plant design by 360-Global has been based on testing at Blue Coast Research which has established optimal processing parameters, including grind size of 80% passing 60 microns; design inputs for comminution circuit, low cyanide concentration in leach circuit (0.5 g/litre sodium cyanide), 36-hour retention time, carbon adsorption parameters and detoxification reagent dosages. The process circuit has been designed to maximize water recovery with the most efficient dewatering process to achieve the targeted 15% moisture in tailings, minimize chemical and reagent usage and minimize environmental impact.

The ore-processing plant will be located adjacent to the Bayan Khundii open pit and throughput will target 650,000 ore-tonnes per year, nominally 1,935 tonnes per day. Total mineralized material from BK processed in the plant over the course of the mine life is 4.0 million tonnes at an average diluted head grade of 4.0 g/t gold. Using an estimated mill recovery of 92.7%, total recovered gold over the life of the Bayan Khundii deposit is 476,001 ounces.

Operating costs are based on the mining and processing scenarios outlined above and assume owner mining. The base case for the 2023 FS included power for operations generated through an on-site hybrid diesel and solar generation solution, provided under a power purchase agreement for the duration of the Project. However, power will now be supplied through an overhead transmission line. All other activities are assumed to be owner operated. The AISC for Bayan Khundii was estimated at US\$869/oz.

Operating Costs

	LOM (US\$ millions)	US\$/oz	US\$/tonne
Mine Operating Cost	165	347	41
Processing Cost	166	349	41
G&A	20	43	5
Total Site Operating Costs	352	739	88
Royalty and Charges	51	108	13
Sustaining Capital & Closure Costs	10	22	3
All-In Sustaining Cost	414	869	103

Note: Rounding may cause computational discrepancies

Capital Costs

Construction costs, primarily comprising the process plant and supporting infrastructure, accommodation village, and associated engineering and indirect costs are estimated at US\$88 million. Pre-production costs, including first fills and mobile site equipment total US\$2 million. Additionally, a 12% contingency, or US\$10 million, was provided in arriving at the initial capital estimate of US\$100 million. Sustaining capital of US\$4 million has been included in the mine plan and net mine closure costs are estimated at US\$5 million, accounting for salvage values. Total life of mine capital expenditures for the Bayan Khundii Gold Project were estimated at US\$109 million. Approximately US\$96 million has been incurred as at March 31, 2025. EM management is working with the EPC contractor to update its forecast to complete and sees the potential for an approximately 15% increase to capital costs. However, current financing is expected to fund construction and project commissioning.

Item	US\$ millions
Process Plant	47
Non-Process Infrastructure	14
Construction Indirects	27
Construction Costs	88
Pre-Production Costs	2
Contingency	10
Subtotal Plant and Infrastructure	100
Sustaining Capital	4
Reclamation and Mine Closure	7
Salvage	(2)
Total	109

Note: Rounding may cause computational discrepancies

Ore-Control Drilling & Mine Planning

During Q3 2024 2,500 metres of drilling was completed, comprised of 1,050 metres of near-surface drilling to confirm high-grade ore scheduled to be mined within the first few months, approximately 450 metres of deeper drilling within the resource model, and 950 metres of drilling to test the potential for expansion of near-pit resources to the west and north of the planned Bayan Khundii open-pit.

The near surface drilling program focused on the high-grade domains in the Midfield Southeast, Striker and South Striker zones, scheduled to be developed in the first few months of mining. Results confirmed the high-grade domains in the current block model, including the following highlight interceptions:

- 30370: 6 metres of 9.52 g/t gold, beginning 4 metres downhole, including a metre of 50.70 g/t gold
- 31474: 5 metres of 21.87 g/t gold, beginning 1 metre downhole, including 2 metres of 49.35 g/t gold
- 31695: 3 metres of 70.61 g/t gold, beginning 3 metres downhole, including 2 metres of 105.85 g/t gold
- 23046: 12 metres of 6.61 g/t gold, beginning at surface, including 6 metres of 11.21 g/t gold
- 23266: 13 metres of 3.68 g/t gold, beginning 1 metre downhole, including 2 metres of 14.90 g/t gold

The 950-metre program consisted of six holes to test for expansion of near-pit resources to the west and north of the planned Bayan Khundii open-pit. All holes intersected gold mineralization, demonstrating the potential for resource growth and pit extension. Highlight intersections from this work include the following:

- BKD-377: 42 metres of 7.3 g/t gold, beginning 106 metres downhole, including 4 metres of 35.8 g/t gold
- BKD-378: 22 metres of 6.1 g/t gold, beginning 178 metres downhole, including a metre of 106.8 g/t gold

- BKD-376: 2 metres of 12.3 g/t gold within 50 metres of 0.85 g/t gold, beginning 95 metres downhole
- BKD-381: 54 metres of 4.1 g/t gold, beginning 56 metres downhole, including metre intervals of 16.9, 56.8, 78.1, and 11.1 g/t gold

During Q4 2024, EM completed the second phase of the ore-control drill program, designed to test near-surface gold mineralized zones, scheduled to be developed in the first four months of mining, and generally within 15 metres of surface. The program consisted of 106 diamond core holes totaling 1,168 metres and 812 reverse circulation holes for 12,273 metres. Results confirmed consistency of mineralization in the previously defined blocks and drilling in 10 areas intersected mineralization that has the potential to extend ore blocks. A further approximately 200 holes are planned for Q2 2025 to verify these newly identified areas. Highlights of this program include the following:

- BKGC-827: 10 metres of 79.8 g/t gold, beginning 2 metres downhole, including 1 metre of 770.0 g/t gold
- BKGC-537: 20 metres of 27.8 g/t gold, from surface, including 2 metres of 173.0 g/t gold and 2 metres of 91.1 g/t gold
- BKGC-286: 4 metres of 115.1 g/t gold, beginning 11 metres downhole
- BKGC-58: 7 metres of 59.5 g/t gold, beginning 5 metres downhole, including 4 metres of 101.0 g/t gold
- BKGC-892: 8 metres of 37.3 g/t gold, from surface, including 2 metres of 144.7 g/t gold

The output from the ore-control drilling will be incorporated into a Bayan Khundii mine plan, to be finalized in advance of initial mining in Q2 2025. The updated plan will also consider the impact of higher gold prices as the current economic pit was defined using a US\$1,800-ounce gold price and a US\$2,000-ounce pit constraining factor. At current gold prices of over US\$3,000/ounce, additional near-pit resources are expected to be incorporated in the updated mine plan.

Khundii Minerals District Exploration

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.

The Khundii mining license and adjoining Ulaan exploration license cover nearly 4,000 hectares of the Khundii-Ulaan hydrothermal alteration zone, which extends from Ulaan over 10 kilometres to the northeast. This northeast trending alteration area, which incorporates the Ulaan, Bayan Khundii, Dark Horse and other mineralized targets in the area, is associated with a regional structural dilational jog and associated major volcano-plutonic centre, along a northeast trending transform fault. The various styles of alteration and mineralization within the Khundii-Ulaan target area are consistent with a fertile magmatic island arc, with evidence for possible arc migration, and overlapping or telescoped mineralization along major structures.

Exploration results to date suggest the greater Khundii-Ulaan alteration zone and known gold occurrences are part of the same, large, gold-bearing hydrothermal system which remains largely under-explored. Gold mineralization identified to date is hosted within an expansive, white mica and silica altered tuffaceous sequence exposed around the periphery of the Khundii-Ulaan hydrothermal alteration system. Quartz vein textures and clay alteration compositions indicate a large-scale epithermal type gold mineralizing environment existed within the Khundii-Ulaan system with the tuffaceous lithologies acting as preferred hosts for gold mineralization. Exploration planning is currently underway to test multiple high-priority geological, geochemical and geophysical targets across the Khundii-Ulaan target area.

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.

Greater Dark Horse Prospect

The Greater Dark Horse prospect area (approximately 20 square kilometres) is located in the northern portion of the Khundii mining and Ulaan exploration licenses and is characterized by elevated gold in soil anomalism with multiple surface rock-chip, trench and drill core samples assaying greater than 1 g/t gold. Trace element anomalism, geophysical anomalies related to alteration and mineralization, structures interpreted to represent conduits for mineralizing fluids, and alteration signatures supporting an epithermal mineralization model characterize the Greater Dark Horse prospect area. To date, the Company has

completed 25,132 metres of drilling in 236 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. Erdene discovered Dark Horse Mane, two kilometres north of the Bayan Khundii deposit, 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. Highlight interceptions at Dark Horse Mane since the initial discovery include:

- AAD-126: 30 metres of 5.6 g/t gold, beginning 10 metres downhole, including 24.1 g/t over six metres, starting 26 metres downhole
- AAD-137: 24.5 metres of 9.4 g/t gold beginning 1.5 metres downhole, including 13.5 metres of 16.1 g/t gold
- AAD-138: 25 metres of 6.1 g/t gold beginning 18 metres downhole, including 8 metres of 17.1 g/t gold
- AAD-177: 23 metres of 11.4 g/t gold beginning 1 metre downhole, including 4 metres of 59.8 g/t gold within 8 metres of 32.2 g/t gold
- AAD-178: 15 metres of 42.8 g/t gold beginning 11 metres downhole, including 3 metres of 160.4 g/t gold within 5 metres of 123.5 g/t gold
- AAD-218: 12 metres of 20.2 g/t gold beginning at surface, including 6 metres 39.6 g/t gold

The Dark Horse Mane deposit is associated with a north-south trending, linear structural corridor which intersects deep seated northeast trending transform faults, believed to be a conduit for primary mineralizing fluids. The N-S structure has been traced over five kilometres, from the southern portion of the Bayan Khundii deposit to the northern extension of Dark Horse Mane. Gold mineralization is hosted within strongly altered tuffaceous and volcanoclastic rocks, crosscut by quartz and quartz-hematite veins and stockwork zones. 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; however, the core of the near-surface mineralization forms the basis of the Dark Horse Mane Reserve estimate that forms part of the BK Project.

The near surface oxide gold zones discovered at Dark Horse Mane are the result of oxidation of sulfide bearing epithermal veins and hydrothermal breccias within white mica altered host lithologies. Limited deeper drilling has gold bearing epithermal veins and associated white mica and sulfide alteration zones to a depth of up to 230 metres vertically, that remains open at depth. The gold mineralization near surface at Dark Horse Mane is related to broader areas of structurally controlled alteration and mineralization believed to be connected to feeder structures distributing gold bearing fluids over a wide area as these fluids approached the paleo surface. Evidence for these feeder structures includes a series of exposed residual quartz lithocaps, associated locally with increasing copper anomalism at depth interpreted to predate the gold mineralization. These lithocaps are distributed along dominant NE trending structures believed to represent transform faults and potentially feeder conduits from a magmatic porphyry source at depth. The highest-grade gold bearing oxide zones at the southern end of the Dark Horse Mane are located proximal to the residual quartz lithocaps and hosted within tuffaceous to porphyritic volcanoclastic units.

Last year Erdene 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 gold prospects.

Work in 2025 is expected to include trenching and drilling within the Greater Dark Horse area focusing on expansion of Dark Horse Mane deposit, continued definition of the Altan Arrow fault and identification of parallel structures east of Dark Horse Mane.

Ulaan Southeast

In June 2021, the Company completed the maiden gold exploration program in the southern portion of the Ulaan license, 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 Erdene's Bayan Khundii epithermal gold deposit, located just east on the Khundii mining license. Structural controls are also similar with northwest striking, southwest dipping veins hosting the gold and intensifying adjacent to bounding structures and/or feeder conduits typically oriented northeast or north. Gold mineralization, particularly the low-grade envelope, also appears to be partially controlled by lithology with low permeability silicified ash tuffs focusing fluid flow and coarser lapilli tuffs acting as a preferred host to mineralization, stratigraphically dipping to the northwest.

Highlight interceptions at Ulaan SE since the initial discovery include:

- UDH-14: 217 metres of 1.1 g/t gold beginning 188 metres downhole, including 3.5 g/t gold over 53 metres
- UDH-21: 335 metres of 1.1 g/t gold beginning 115 metres downhole, including 8.7 g/t gold over 27 metres within 77 metres of 3.2 g/t gold
- UDH-22: 152 metres of 1.7 g/t gold beginning 85 metres downhole, including 3.1 g/t gold over 65 metres
- UDH-35: 23 metres of 13.7 g/t gold within 41 metres of 8.1 g/t gold, beginning 187 metres downhole
- UDH-36: 179 metres of 1.2 g/t gold, beginning 72 metres downhole, including several one-metre intervals, ranging from 10 to 33 g/t gold, and ending in mineralization at 350 metres
- UDH-53: 2 metres of 24.9 g/t gold within 27 metres of 3.5 g/t gold, beginning 248 metres downhole

Together with the Bayan Khundii deposit and Dark Horse prospect, 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.

Altan Nar

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. Many of the 2019 high-grade intersections are locally outside or in areas of previously low-grade resource blocks and therefore expand the DZ high-grade core indicating consistency in high-grade mineralization within the identified ore horizon. These results are expected to positively impact the resource at Altan Nar and open the way for further expansion along strike and

elsewhere in the district. The program also demonstrated continuity of anomalous gold and base metals along the structural corridor to the south of the DZ, which will be tested further in upcoming programs.

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. RPMGlobal calculated the mineral resource estimate for Altan Nar in May 2018 at a number of gold cut-offs, however, RPM recommends reporting the Altan Nar mineral resource at cut-off of 0.7 g/t AuEq2 (see definition for AuEq2 in note 8 below) above a pit and 1.4 g/t AuEq2 below the same pit shell. For further details on the Altan Nar mineral resource estimate, please see the Company's Altan Nar Gold-Polymetallic Project NI 43-101 Technical Report dated March 29, 2021.

Cut-off AuEq2 g/t	Resource Classi- fication	Quantity (Mt)	Grade					Contained Metal				
			Au g/t	Ag g/t	Zn g/t	Pb g/t	AuEq2 g/t	Au Koz	Ag Koz	Zn Kt	Pb Kt	AuEq2 Koz
0.7	Indicated	5.0	2.0	14.8	0.6	0.6	2.8	318	2,350	31.6	29.0	453
	Inferred	3.4	1.7	7.9	0.7	0.7	2.5	186	866	23.7	22.3	277

Notes:

- (1) The Mineral Resources have been constrained by topography and a cut-off of 0.7 g/t AuEq2 above a pit and 1.4 g/t AuEq2 below the same pit shell.
- (2) The Mineral Resource Estimate Summary was compiled under the supervision of Mr. Jeremy Clark who is a full-time employee of RPM and a Member of the Australian Institute of Geoscientists. Mr. Clark 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 Resource figures reported in the table above represent estimates as at May 7, 2018. Mineral Resource estimates are not precise calculations, 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 Resource grades are reported in accordance with the CIM Standards.
- (5) Mineral Resources reported on a dry in-situ basis.
- (6) No dilution or ore loss factors have been applied to the reported Resource Estimate.
- (7) No allowances have been made for recovery losses that may occur should mining eventually result.
- (8) For the AN resource estimate Gold Equivalent ("AuEq2") calculations assume metal prices of US \$1,310 per ounce gold, US \$18 per ounce silver, and US \$2,400 per tonne lead and US \$3,100 per tonne zinc.

Further details on Altan Nar can be found in "Altan Nar Gold-Polymetallic Project, Bayankhongor Aimag, Southwest Mongolia, National Instrument 43-101 Technical Report" dated March 29, 2021, filed on SEDAR+.

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 and 215 kilometres from railhead on the Mongolia-China border at Ceke. 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, and has an initial term of 30 years that can be extended for up to 70 years. 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 Sandbox Royalties, subject to a buy-down provision.

In 2011, the Corporation released a NI 43-101 resource estimate for Zuun Mod containing a Measured and Indicated Resource of 218 million tonnes ("Mt") at an average grade of 0.057% molybdenum, and 0.069% copper at a cut-off grade ("COG") of 0.04% molybdenum. This equates to 273.5 million pounds ("Mlbs") of contained molybdenum and 330.7 Mlbs of contained copper. In addition, there is a 168 Mt Inferred Resource at an average grade of 0.052% molybdenum and 0.065% copper, equating to a further 191.8 M lbs of contained molybdenum and 240.5 Mlbs of contained copper. RPMGlobal has been contracted to prepare an updated mineral resource report for ZM which is expected to be delivered in mid-2025.

In 2023, Erdene completed a twelve hole, approximately 4,100 metre drill program at Zuun Mod. Five holes, totaling 2,476 metres, were drilled to confirm continuity of higher-grade mineralization in the central part of the deposit (ZMD-131) and to expand continuity of Indicated Resources at the periphery of the deposit (ZMD-132 to 135). A further seven holes, totaling 1,619 metres (ZMD-136 to 142) tested targets across the greater Zuun Mod porphyry complex.

Hole ZMD-131 intersected a very wide zone of mineralization, returning 374 metres averaging 0.053% Mo and 0.072% Cu, with multiple zones (28 to 74 metres wide) averaging greater than 0.080% Mo, including a 28-metre interval (252 to 280 metres) averaging 0.140% Mo and 0.121% Cu. All four holes on the periphery of Zuun Mod's Indicated Resources (ZMD-132 to 135), intersected resource-grade mineralization

(>0.04% Mo) ranging in thickness from 40 to 187 metres. Several of the exploration holes (ZMD-140 to 142) within the northern Zuun Mod porphyry complex returned anomalous copper mineralization (greater than 0.05% Cu). Approximately one kilometre west of the main deposit area, three holes (ZMD-136 to 138) in a 600-metre east-west target area, returned anomalous molybdenum, copper and silver. In addition, an exploration hole, ZMD-139, located 1.7 kilometres north of the main molybdenum orebody (currently defined by ZMD-135), intersected a significant interval of molybdenum mineralization, (12 metres of 0.067% Mo) hosted by porphyritic granodiorite, typical of the Zuun Mod porphyry complex. No drilling has been carried out between the Zuun Mod deposit and hole ZMD-139, opening up a large area of potential expansion.

In addition to the molybdenum-copper porphyry deposit, the license hosts a large copper-silver prospect, approximately 2.2 kilometres north of the Zuun Mod deposit. Exploration work at the copper-silver prospect has included geological mapping, vein density mapping, geochemical sampling, geophysical surveys, and wide spaced drilling. Previous drilling intersected 34 metres of 1.3% copper and 9.24 g/t silver from 308 to 342 metres (ZMD-121). The prospect has a very large copper mineralized zone trending over 900 metres with multiple zones in three drill holes returning assays in excess of 0.2% copper over significant widths (12 to 42 metres).

In 2024 a new gold prospect was discovered 4.5 kilometres west of the Zuun Mod molybdenum-copper deposit on the license. Surface sampling returned gold mineralization up to 3.2 g/t gold, contained within a series of steeply dipping, east-west trending sheeted quartz veins, and iron oxide stockworks. Mineralized quartz veins reaching thicknesses of 20 centimetres have been mapped up to 500 metres along strike. The new gold prospect area is currently focused within an approximate 500-metre x 500-metre area, but expansion is likely as the sheeted vein targets remain open in all directions. A total of 31 samples were collected in the second quarter, with 20 samples returning anomalous gold.

This new gold prospect hosts the highest gold concentrations discovered to date on the Zuun Mod mining license and may indicate a geochemical shift from the Mo/Cu porphyry defined in the east to a more gold-rich environment in the west. Follow-up work planned for later this year includes detailed mapping, geophysical surveys and trenching. Additionally, a 10,000-metre drill program has been designed to further expand the known Zuun Mod deposit, with the timing of this program to be confirmed.

Further details on the Zuun Mod resource can be found in the "Technical Report Zuun Mod Porphyry Molybdenum-Copper Project, South-Western Mongolia, National Instrument 43-101 Independent Technical Report" dated June 2011, filed on SEDAR+.

Acquisitions

Mongolia's Ministry of Mining and Heavy Industry periodically issues areas for exploration. Erdene has established the largest proprietary geologic database of Southwest Mongolia with a priority list of acquisition targets. The Company 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 longest tenured foreign explorer operating in Mongolia, the Company will selectively evaluate precious and industrial metal opportunities across the Country.

Discussion of Operations

Three months ended March 31, 2025 and 2024

The following table summarizes exploration and evaluation expenses for the three months ended March 31, 2025 and 2024.

	For the three months ended March 31,		
	2025	2024	Change
Direct costs	\$ 109,486	\$ 175,712	\$ (66,226)
Employee compensation costs	841,499	485,436	356,063
Share-based compensation	330,750	352,950	(22,200)
Costs reimbursed by associate	(308,145)	(230,942)	(77,203)
	\$ 973,590	\$ 783,156	\$ 190,434

Exploration and evaluation expenses totaled \$973,590 for the three months ended March 31, 2025, compared to \$783,156 for three months ended March 31, 2024.

Direct costs for the three months ended March 31, 2025 were \$66,226 less than those in the prior year comparative quarter due to a reduction in international travel and community support programming.

Employee compensation costs for the three months ended March 31, 2025 exceeded those of the prior year quarter by \$356,063 primarily due to an increase in annual incentive bonus payments in the current year period, the transfer of staff from EM to the Company in mid-2024 following the close of the Strategic Alliance, as well as an increase in the accrual of first gold bonuses for senior staff in advance of anticipated gold production from Bayan Khundii in Q3 2025.

Non-cash share-based compensation for the three months ended March 31, 2025 was \$22,200 less than the prior year comparative quarter due to a reduction in the number of incentive stock options granted to employees in the current year period, partially offset by the timing of discretionary DSU grants, which were made in Q1 2025 versus Q2 of 2024.

The Corporation and its associate, EM, are parties to an agreement under which EM reimburses the Corporation US\$1 million per annum, less applicable withholding taxes, for the provision of geologic and technical services. Costs reimbursed by associate for the three months ended March 31, 2025 were \$77,203 greater than the prior year quarter due as this period included the reimbursement of costs incurred by EM for Erdene's Zuun Mod project in 2023.

The following table summarizes corporate and administration expenses for the three months ended March 31, 2025 and 2024.

	For the three months ended March 31,		
	2025	2024	Change
Administrative services	\$ 539,450	\$ 417,742	\$ 121,708
Directors fees and expenses	27,500	31,250	(3,750)
Financing costs	-	1,269,124	(1,269,124)
Investor relations and marketing	76,203	107,875	(31,672)
Office and sundry	37,576	36,283	1,293
Professional fees	88,946	90,298	(1,352)
Regulatory compliance	72,066	63,674	8,392
Share-based compensation	599,425	686,296	(86,871)
Travel and accommodations	59,689	75,046	(15,357)
	\$ 1,500,855	\$ 2,777,588	\$ (1,276,733)

Corporate and administrative expenses totaled \$1,500,855 for the three months ended March 31, 2025, compared to \$2,777,588 for the three months ended March 31, 2024.

Administrative services expenditures for the three months ended March 31, 2025, were \$121,708 greater than those in the prior year comparative quarter due to an increase in annual incentive bonuses in the current year, accrual of first gold bonuses for senior staff in the current year, as well as cost of living salary adjustments, as compared to the prior year.

Financing costs for the three months ended March 31, 2024 of \$1,269,124 relate to the write-off of previously deferred project finance and other arrangement costs following the termination of project finance diligence due to the Bayan Khundii shareholder loan agreement with MMC, and expenditures related to the close of the Strategic Alliance.

Investor relations and marketing expenditures for the three months ended March 31, 2025, were \$31,672 less than in the prior year quarter as an IR consultant was engaged in Q1 2024 but not the current year quarter.

Non-cash share-based compensation for the three months ended March 31, 2025 was \$86,871 less than the prior year comparative quarter as fewer incentive stock options were granted to employees in the current year quarter, partially offset by the timing of discretionary DSU grants which were issued in Q1 of 2025 and Q2 of 2024 respectively.

Travel and accommodations for the three months ended March 31, 2025 were \$15,357 less than the prior year quarter due to a reduction in travel in support of corporate and investor relations activities.

Directors' fees and expenses, Office and sundry, Professional fees and Regulatory compliance expenditures for the three months ended March 31, 2025, were not materially different from those incurred in the prior year comparative quarter.

Summary of Quarterly Results

Expressed in thousands of Canadian dollars except per share amounts

	Fiscal 2025		Fiscal 2024		Fiscal 2023			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	Mar	Dec	Sep	June	Mar	Dec	Sep	Jun
Net loss	\$4,501	\$2,011	\$1,688	\$1,869	\$2,678	\$1,176	\$1,200	\$2,508
Basic loss per share	\$0.01	\$0.01	\$0.00	\$0.00	\$0.01	\$0.00	\$0.01	\$0.01
Total assets	\$62,655	\$63,000	\$55,729	\$57,189	\$57,820	\$59,063	\$60,663	\$62,478

For the three months ended March 31, 2025, the Corporation recognized a net loss of \$4,500,861 compared to a net loss of \$2,678,373 for the same quarter in 2024.

The Corporation's expenditures vary from quarter to quarter, largely due to the timing of its Mongolian exploration and evaluation and development programs. 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 \$6.2 million of cash and working capital of \$5.4 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 minimal sources of income. It is therefore difficult to identify any meaningful trends or develop an analysis from the Corporation's cash flows. The Corporation is 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

Authorized

An unlimited number of common shares with no par value.

Issued and Outstanding Share Capital

	May 12, 2025	December 31, 2024
Common shares issued and outstanding	364,926,958	362,136,958
Options outstanding	22,280,000	22,445,000
DSU's outstanding	10,294,332	9,991,248
Total instruments outstanding	397,501,290	394,573,206

Contractual Obligations

The following table summarizes the maturity of the Corporation's contractual obligations at March 31, 2025:

	Total	Less than one year	1 - 2 years
Accounts payable and accrued liabilities	\$ 974,554	\$ 974,554	\$ -
	\$ 974,554	\$ 974,554	\$ -

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's Mongolian subsidiary, Erdene Mongol LLC. 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 providing the funding for construction of the Bayan Khundii gold mine and processing complex. The loan may be drawn in up to five tranches, in multiples of at least US\$5 million. The loan will mature five years from the date of first draw and accrue interest at a rate of 13.8% per annum, paid quarterly in arrears. EM has the option to capitalize the first four interest payments. The loan will be repayable in full upon maturity. A further US\$30 million, under the same terms, is available at MMC's discretion. As at March 31, 2025, EM has drawn US\$49 million of the shareholder loan, and the balance outstanding was US\$54 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 will bear interest at a rate of 13.3% per annum and is secured by Bayan Khundii's process plant assets. As at March 31, 2025, EM has drawn US\$20 million of the facility.

Sandstorm Gold Ltd. Royalty Agreement

Sandstorm Gold Ltd. ("Sandstorm") holds a 1% net smelter returns royalty ("NSR Royalty") on EM's Altan Nar, Khundii and Ulaan licenses, guaranteed by Erdene. Sandstorm has been given a 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 March 31, 2025, 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, 2024. 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, its Mongolian subsidiary, 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.

Adoption of New Accounting Standards and Future Changes in Accounting Policies

Erdene has adopted the following amendments, effective January 1, 2025. These changes were made in accordance with applicable transitional provisions.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued amendments to IAS 21 Effects of Changes in Foreign Exchange Rates, to help entities assess exchangeability between currencies and to determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The application of the amendment has been made on a prospective basis and did not have an impact on the Corporation.

The following new standards, and amendments to standards and interpretations under IFRS, are not yet effective for the year ending December 31, 2025, and have not been applied in preparing Erdene's consolidated statements.

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.

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 Company is currently assessing the effect of these amendments 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 March 31, 2025 and three months ended March 31, 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 March 31, 2025, \$79,568 or 1% of the balance of cash was held in banks outside Canada (December 31, 2024 - \$121,756 or 2%).

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, accounts payable and accrued liabilities, as well as the Corporation's net investment in its Mongolian associate.

The Corporation's exposure to US dollar currency risk was \$266,170 as at March 31, 2025 (December 31, 2024 - \$401,688). A 10% change in the US dollar exchange rate would affect net loss and comprehensive loss and deficit by approximately \$26,600 (December 31, 2024 – \$40,200).

The Corporation's exposure to Mongolian Tugrik currency risk was \$26,729 as at March 31, 2025 (December 31, 2024 - \$25,393). A 10% change in the Mongolian Tugrik would affect net loss and comprehensive loss and deficit by approximately \$2,700 (December 31, 2024 – \$2,500).

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 significant 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 Controls 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 March 31, 2025 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 controls over financial reporting. Erdene’s internal controls 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 controls over financial reporting as of March 31, 2025. 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 March 31, 2025, Erdene’s internal controls 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

Peter Dalton, P.Geol. (Nova Scotia) is a qualified person under NI 43-101 and supervises the Corporation’s exploration programs. Samples are assayed at 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. Geol., who is not independent of the Corporation.

The information in this MD&A that relates to the financial models for the Bayan Khundii Feasibility Study Update is based on information compiled and reviewed by Mark Reynolds, engaged through O2 Mining Limited. The information in this MD&A that relates to the capital and operating cost estimation for the Bayan Khundii Feasibility Study is based on information compiled and reviewed by Julien Lawrence, who is a FAusIMM and the Director of O2 Mining Ltd. The information in this MD&A that relates to the process design and recovery methods for the Bayan Khundii Feasibility Study is based on information compiled and reviewed by Jeffrey Jardine, who is a FAusIMM. and is engaged through O2 Mining Ltd. The information in this MD&A that relates to the BK Resource Estimate is based on information compiled and reviewed by Paul Daigle, who is a P.Geol. and is an employee of AGP Mining Consultants Inc. The information in this MD&A that relates to the Dark Horse Resource Estimate is based on information compiled and reviewed by Oyunbat Bat-Ochir who is a full-time employee of RPM Global and a Member of the Australian Institute of Geoscientists. The information in this MD&A that relates to the Bayan Khundii reserve estimate is based on information compiled and reviewed by Julien Lawrence. Each of Mr. Reynolds, Mr. Lawrence, Mr. Jardine, Mr. Daigle and Mr. Bat-Ochir has sufficient experience, which is relevant to the style of mineralization and type of deposit 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. Each of Mr. Reynolds, Mr. Lawrence, Mr. Jardine, Mr. Daigle and Mr. Bat-Ochir is not aware of any potential for a conflict of interest in relation to this work with Erdene.

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.