DEVELOPING A NEW HIGH-GRADE GOLD DISTRICT
THE KHUNDII GOLD PROJECT
Q1 2020
FORWARD LOOKING STATEMENTS: This presentation contains certain forward-looking information and statements which may not be based on fact, including without limitation, statements regarding the Company’s expectations in respect of its future financial position, business strategy, future exploration and production, mineral resource potential, exploration drilling, permitting, access to capital, events or developments that the Company expects to take place in the future. All statements, other than statements of historical facts, are forward-looking information and statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will” and similar expressions identify forward-looking information and statements. In addition to the forward-looking information and statements noted above, this presentation includes those that relate to: the expected results of exploration activities; the estimation of mineral resources; the ability to identify new mineral resources and convert mineral resources into mineral reserves; ability to raise additional capital and complete future financings; capital expenditures and costs, including forecasted costs; the ability of the Company to comply with environmental, safety and other regulatory requirements; future prices of precious metals; the ability of the Company to obtain all necessary approvals and permits in connection with the development of the Khundii Project.

Such forward-looking information and statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such information and statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking information and statements. Such factors include, but are not limited to, fluctuations in the price of gold and other commodities, the inability of the Company to raise sufficient monies to carry out its business plan, changes in government legislation, taxation, controls, regulations and political or economic developments in Mongolia, the accuracy of the Company's current estimates of mineral resources and mineral grades and its preliminary economic assessment, the accuracy of the geology and vein structures at the Khundii Project, risks associated with mining or development activities, including the ability to procure equipment and supplies, including, without limitation, drill rigs, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits. Many of these uncertainties and contingencies can affect the Company’s actual performance and could cause actual performance to differ materially from those expressed or implied in any forward-looking information and statements made by, or on behalf of, the Company.

Readers are cautioned that forward-looking information and statements are not guarantees of future performance. There can be no assurance that such information and statements will prove to be accurate and actual results and future events could differ materially from those presented in such information and statements. Forward-looking information and statements is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information and statements. Such risks include, but are not limited to, the volatility of the price of gold, uncertainty of mineral resources, exploration potential, mineral grades and mineral recovery estimates, delays in exploration and development plans, insufficient capital to complete development and exploration plans, risks inherent with mineral acquisitions, delays in obtaining government approvals or permits, financing of additional capital requirements, commercial viability of mineral deposits, cost of exploration and development programs, risks associated with competition in the mining industry, risks associated with the ability to retain key executives and personnel, title disputes and other claims, changes in governmental and environmental regulation that results in increased costs, cost of environmental expenditures and potential environmental liabilities, accidents and labour disputes. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information and statements. Please see the Company's Annual Information Form dated March 27, 2019 available on the Company's website at www.erdene.com or on the Company’s SEDAR profile at www.sedar.com, for details of other risks facing the Company. The Company disclaims any intention or obligation to update or revise any forward-looking information and statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

Peter Dalton, P.Geo. (Nova Scotia), Senior Geologist for Erdene and a “Qualified Person” under National Instrument 43-101, has reviewed and approved the scientific and technical information in this presentation. All currencies are reported in Canadian dollars unless otherwise specified.
The Khundii Gold District lies within the Central Asia Orogenic Belt – host to some of world's largest copper-gold deposits (Tian Shan Belt).

KHUNDII GOLD DISTRICT
An unexplored portion of a fertile gold & copper terrane
Fast tracking to production

Deposit Type:
- Epithermal
- Porphyry
- Erdene Projects
- Khundii Gold District

www.erdene.com
Moving towards production with high-grade, near-surface, 100%-owned, gold deposits with strong economics.

A New Gold District (Khundii) provides exceptional discovery potential beyond our core projects in an expanding mining region.

We are the longest-standing international mining & exploration company in Mongolia with a Mongolia-focused team and a strong social license to operate.
Leading prospector in southwest Mongolia for over a decade
- Staked licenses covering 542,000 ha
- Compiled largest proprietary geologic database of the region
- Interpreted landsat and aster data
- Analyzed 975 stream sediment and 350 rock chip samples

Established three greenfield gold and copper deposits
- Zuun Mod – 2011
- Altan Nar – 2015
- Bayan Khundii – 2018

Supportive government policies and improved access to Chinese markets
**KHUNDII GOLD DISTRICT**

Three deposits, multiple prospects, limited exploration

*Fast tracking to production*

ERD License

Mineralized trend

- **Altan Nar** (Au, Ag, Zn, Pb)
- **Oyut Khundii**
- **Ulaan**
- **Altan Arrow North**
- **Altan Arrow**
- **Khar Mori**
- **Khundii North**
- **Bayan Khundii** (Au)
- **Khuvyn Khar**
- **Zuun Mod** (Cu, Mo)

*Proposed Haulroad*  
*Road to Shirejinst*  
*Altan Nar Prospects*  

**Map Details:**
- Three deposits, multiple prospects, limited exploration
- Fast tracking to production
- ERD License
- Mineralized trend
- **Altan Nar** (Au, Ag, Zn, Pb)
- **Oyut Khundii**
- **Ulaan**
- **Altan Arrow North**
- **Altan Arrow**
- **Khar Mori**
- **Khundii North**
- **Bayan Khundii** (Au)
- **Khuvyn Khar**
- **Zuun Mod** (Cu, Mo)

*Scale:* 0, 5, 10 kilometers
Cut-off grades for Altan Nar are 0.7 g/t AuEq above a pit and 1.4 g/t AuEq below the same pit shell and for Bayan Khundii are gold only 0.6 g/t gold for 2018 and 0.55 for 2019.
Our objective is to become a major regional gold producer, initially through development of a 60,000 ounce per year, high-grade, open-pit mine at Bayan Khundii, while continuing exploration and acquisition efforts to significantly expand operations.

BAYAN KHUNDII GOLD PROJECT

HIGH-GRADE, NEAR SURFACE GOLD DISCOVERY

Northeast zone
Midfield zone
Striker zone
Gold Hill zone

Bayan Khundii – Mongolian for “Rich Valley” Looking Northeast through Striker Zone (2 km)
Erdene intersected 112 Metres grading 5.9 g/t gold at Bayan Khundii’s Midfield Zone in Q2 2019

BAYAN KHUNDII
Exceptionally high grades near surface
Fast tracking to production

Cross-Section - Looking northwest through Midfield Zone
BAYAN KHUNDII DEPOSIT

**Diluted Head Grade**: 3.7 g/t
**Stripping Ratio**: 10.5:1
**Mine Feed**: 422,000 ounces

**Recovery**: 91%
**382,000 ounces** production
**Avg 61,000 oz/annum** (~7 year mine life)

**Striker**
- 6.8 g/t Au/31m
- 11 g/t Au/37m

**Midfield**
- 5.2 g/t Au/41m
- 6.0 g/t Au/80m

**North Midfield**
- 5.6 g/t Au/37m
- 5.3 g/t Au/25m

**Avg 61,000 oz/annum (~7 year mine life)**
SITE LAYOUT PLAN:

1800 tpd CIP PLANT

KHUNDII GOLD PROJECT
BAYAN KHUNDII
SITE PLAN
1800 tpd CIP PLANT
**Initial Capex (Million US$)**

<table>
<thead>
<tr>
<th>Project</th>
<th>Initial Capex ($M)</th>
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<tbody>
<tr>
<td>Bayan Khundii - PFS</td>
<td>$40</td>
</tr>
<tr>
<td>Golden Summit - PEA</td>
<td>$88</td>
</tr>
<tr>
<td>Madsen - FS</td>
<td>$95</td>
</tr>
<tr>
<td>Rosino - PEA</td>
<td>$98</td>
</tr>
<tr>
<td>Goldstrike - PEA</td>
<td>$102</td>
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<tr>
<td>Mina Nsai - PFS</td>
<td>$113</td>
</tr>
<tr>
<td>Mexican Hat - PEA</td>
<td>$123</td>
</tr>
<tr>
<td>Eau Claire - PEA</td>
<td>$130</td>
</tr>
<tr>
<td>Tijirit - PEA</td>
<td>$135</td>
</tr>
<tr>
<td>Bombo - FS</td>
<td>$146</td>
</tr>
<tr>
<td>Cañedo &amp; Sonsi - PEA</td>
<td>$153</td>
</tr>
<tr>
<td>Sanbrado - DFS</td>
<td>$184</td>
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<tr>
<td>Railroad-Pinion - PFS</td>
<td>$186</td>
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<td>Northbullfrog - PEA</td>
<td>$194</td>
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<tr>
<td>Eagle - BFS</td>
<td>$259</td>
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<tr>
<td>Back River - FS</td>
<td>$289</td>
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<td>Valentine - PEA</td>
<td>$310</td>
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<td>Namdini - PFS</td>
<td>$319</td>
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<td>Springpole - PEA</td>
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<td>Mada - FS</td>
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<td>Golden Summit - PEA</td>
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<td>Skelle - PFS</td>
<td>$586</td>
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<td>Honor 5 - FS</td>
<td>$802</td>
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<tr>
<td>Stibnite - PFS</td>
<td>$970</td>
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**After-tax IRR (%)**

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<th>After-tax IRR (%)</th>
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<td>Sanbrado - DFS</td>
<td>62%</td>
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<td>Bombo - FS</td>
<td>51%</td>
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<td>Mina Nsai - PFS</td>
<td>44%</td>
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<td>Mexican Hat - PEA</td>
<td>43%</td>
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<td>Eau Claire - PEA</td>
<td>42%</td>
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<td>Tijirit - PEA</td>
<td>38%</td>
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<td>Railroad-Pinion - PFS</td>
<td>38%</td>
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<tr>
<td>Northbullfrog - PEA</td>
<td>36%</td>
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<td>Eagle - BFS</td>
<td>33%</td>
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<td>Mada - FS</td>
<td>33%</td>
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<tr>
<td>Back River - FS</td>
<td>30%</td>
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<td>Valentine - PEA</td>
<td>29%</td>
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<td>Skelle - PFS</td>
<td>27%</td>
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<tr>
<td>Golden Summit - PEA</td>
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<td>Honor 5 - FS</td>
<td>25%</td>
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<tr>
<td>Springpole - PEA</td>
<td>24%</td>
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<td>Stibnite - PFS</td>
<td>24%</td>
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<td>Northbullfrog - PEA</td>
<td>20%</td>
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<td>Golden Summit - PEA</td>
<td>19%</td>
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<tr>
<td>Mina Nsai - PFS</td>
<td>15%</td>
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<tr>
<td>Eagle - BFS</td>
<td>8%</td>
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Source: Select public company filings, development stage gold companies
3X the average grade of open-pit mines globally

Fast tracking to production

Bayan Khundii deposit
average LOM head grade

3.73 g/t

World average grade
for open pit gold mines

1.03 g/t

2. Refer to Erdene’s news release dated October 21, 2019 for additional information on the Pre-Feasibility Study.

www.erdene.com
Exceptional returns (PFS) with rising gold prices
Fast tracking to production

BAYAN KHUNDII
AFTER-TAX NPV 5% (million USD)

BAYAN KHUNDII
AFTER-TAX INTERNAL RATE OF RETURN (%)

Exceptional returns (PFS) with rising gold prices
Fast tracking to production

BAYAN KHUNDII
AFTER-TAX NPV 5% (million USD)

BAYAN KHUNDII
AFTER-TAX INTERNAL RATE OF RETURN (%)

Gold Price
AISC (US$)
Per troy ounce
US$ 746

www.erdene.com
<table>
<thead>
<tr>
<th>Key Milestone</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<td>Resource Estimate</td>
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<td>Khundii Project PEA Study</td>
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<td>Bayan Khundii Mining License</td>
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<td>Mongolian Feasibility</td>
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<td>Q3</td>
<td>Q4</td>
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<td>Khundii Pre-Feasibility Study</td>
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<td>Q2</td>
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<td>ESIA &amp; DEIA</td>
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<td>Q1</td>
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<tr>
<td>Bankable Feasibility Study</td>
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<td>Project Finance</td>
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<td>Construction Permits</td>
<td></td>
<td></td>
<td>Q1</td>
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<td>Earthworks and Construction</td>
<td></td>
<td></td>
<td></td>
<td>Q1</td>
<td></td>
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<tr>
<td>Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Q1</td>
</tr>
</tbody>
</table>

- **Completed**: Green check mark
- **Planned**: Blue bar
- **In Progress**: Brown bar

www.erdene.com
- Bayan Khundii Measured & Indicated resources of 521,000 oz @ 3.16 g/t gold
  - High-grade indicated resources are sitting outside PFS pits
- Inferred resource of 103,000 oz @ 3.68 g/t gold
- Potential extensions north and south of the pit
Q2 Intersections outside pit:
- 3m of 40g/t and outside resource boundary: 1m of 52g/t gold

**BAYAN KHUNDII**

**Multiple prospects on license**

Fast tracking to production

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**KHUNDII PROSPECTS**

High grade gold mineralization relative to NE and NW bounding structural environments and magnetite destructive alteration zones
KHUNDII GOLD DISTRICT

Three deposits, multiple prospects, limited exploration

Fast tracking to production
- Eighteen targets over a 5.6km trend
  - Exploration has been focused on Union North and Discovery Zone prospects
  - Gold anomalies located along structural trend east of Discovery Zone are most prospective

- Intermediate sulphidation epithermal style deposit with significant depth potential
  - Average drill depth of 150 metres
  - Several intense geochemical and geophysical anomalies remain untested

<table>
<thead>
<tr>
<th>Resource</th>
<th>Category</th>
<th>Au Oz (1.9g/t)</th>
<th>Ag Oz (~10g/t)</th>
<th>Pb lbs (~0.6%)</th>
<th>Zn lbs (~0.6g/t)</th>
</tr>
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<tbody>
<tr>
<td>Altan Nar 0.7g/t AuEq cut-off</td>
<td>Indicated</td>
<td>318,000</td>
<td>2,350,000</td>
<td>63,800,000</td>
<td>69,520,000</td>
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<tr>
<td></td>
<td>Inferred</td>
<td>186,000</td>
<td>866,000</td>
<td>49,060,000</td>
<td>52,140,000</td>
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</table>
The Altan Nar – Discovery Zone resource remains open along strike and at depth
- Discovery Zone is one of 18 high-priority targets on the Altan Nar license

Limited historical drilling of the high-grade central zone but extremely promising results
- TND-110 – 20m of 10.3 g/t gold
- TND-105 – 14m of 7.9 g/t gold
- TND-101 – 15m of 52.3 g/t gold

Central zone gap drilling in late Q4-2019
- Results expected in Q1-2020
MONGOLIAN AND INTERNATIONAL STAKEHOLDERS
Support from the EBRD and Mongolian investors

Fast tracking to production

EBRD Financing (2019)

- Secured US$5 million convertible loan from the European Bank for Reconstruction and Development\(^1\) in November 2019
- The EBRD is one of the largest foreign investors in Mongolia, has invested over €1.7 billion to date
- The EBRD’s investment followed extensive technical, environmental and social due diligence.

MSE Listing (2018)

- Erdene was the first company to cross-list on the Mongolian Stock Exchange\(^2\)
- Over 6,000 Mongolian shareholders, including all residents in the local community, as well as major Mongolian institutions
- Oversubscribed Mongolian financing in 2018 (C$1.38 million)

\(^1\) See Company’s October 15, 2019 news release
\(^2\) See Company’s June 8, 2018 and June 14, 2018 news releases
Pioneers in Mongolia’s modern exploration period

**Fast tracking to production**

**Peter Akerley**
President & CEO

Mining executive and geologist with 25 years experience in exploration, corporate finance, project development & management of public resource companies.

**Layton Croft**
Chairman

25 years of leadership and management experience in Mongolia, 16 years of global mining experience with Ivanhoe Mines, Rio Tinto, Peabody Energy and Pancontinental Resources.

**Dr. Anna Biolik**
Director

Diplomat with 30+ years experience including acting as Canadian Ambassador to Mongolia, Kazakhstan, Kyrgyzstan & Tajikistan.

**David Mosher**
Director

Mining executive and geologist with 35 years international experience. Former President & CEO of High River Gold Mines where he developed gold mines in Burkina Faso and Russia.

**John Byrne**
Director

Finance professional with 30+ years experience in the Canadian banking industry. President of Petroleum Corp of Canada Exploration since 1997.

**Kenneth MacDonald**
Director

A Chartered Professional Accountant with 34 years of mining finance experience, including 17 years as Executive VP and CFO of Erdene.

**Hedley Widdup**
Director

Geologist and investment manager with 20 years experience in the evaluation and development of mining projects.

**Cameron McRae**
Director

Mining executive, with 28 years at Rio Tinto, including as President of Oyu Tolgoi where he led construction of the US$6 billion copper-gold mine in southern Mongolia.

www.erdene.com
INVESTMENT PROPOSITION

Fast tracking to production

Refer to Erdene’s news release dated October 21, 2019 for additional information on the results of the Pre-Feasibility Study.
1. US$5M convertible loan from the European Bank for Reconstruction and Development ("EBRD"). Conversion of the loan principle by the EBRD would result in the issuance of approximately 33M shares.

**Capital structure (January 16, 2020)**

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<th>CAD</th>
<th>USD</th>
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<tbody>
<tr>
<td>Share price</td>
<td>$0.22</td>
<td>$0.17</td>
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<tr>
<td>52-Wk range</td>
<td>$0.16-$0.26</td>
<td>$0.12-$0.20</td>
</tr>
<tr>
<td>Market cap</td>
<td>$42.0 M</td>
<td>$32.1 M</td>
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<tr>
<td>Shares O/S</td>
<td>191.1M</td>
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<tr>
<td>Options</td>
<td>12.5M / Proceeds: $5.3M</td>
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<tr>
<td>Warrants</td>
<td>30.3M / Proceeds: $14.3M</td>
<td></td>
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<tr>
<td>DSU</td>
<td>5.0M</td>
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<tr>
<td>Shares F/D</td>
<td>238.9M</td>
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<tr>
<td>Cash</td>
<td>$5.0M</td>
<td>$3.8M</td>
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<tr>
<td>Convertible Loan(1)</td>
<td>$6.6M</td>
<td>$5.0M</td>
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**Shareholder summary**

- **35%** ERD Management and Directors
- **44%** Institutional & Family Office
- **8%** Teck Resources Limited
- **7%** Mongolian Shareholders
- **6%** Retail

**Tickers – TSX: ERD | MSE: ERDN**

[www.erdene.com]
VALUE

- Two high-grade gold deposits exposed at surface
- Triple the average grade of open-pit gold mines
- Near term, low capex, high return project with rapid payback

GROWTH

- Existing gold deposits have significant expansion potential
- Multiple untested prospects on license
- Experts in an under-explored portion of one of the world's great gold belts

PEOPLE

- Engaged in the community development for over a decade
- Experienced team in all aspects of development
- Over 6,800 Mongolian shareholders

www.erdene.com