

Steppe Gold Starts Drawdowns - US\$9.6M from US\$150M Phase 2 Project Financing Package

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Ulaanbaatar, October 16, 2023 - [Steppe Gold Ltd.](#) (TSX: STGO) (OTCQX: STPGF) (FSE: 2J9) ("Steppe Gold" or the "Company") is pleased to provide an update on the Phase 2 expansion.

Phase 2 Expansion Updates:

- Steppe Gold draws down \$9.6m from a US\$150m financing package in October to accelerate the construction and development of Phase 2 Expansion.
- EPC arrangements are in the final stages, partnering with leading international engineering firms and construction teams in Mongolia.
- EPC arrangements and selected parties will be announced shortly, with long lead items to be ordered this November.
- Engineering drawings and permits completed to connect to the state power grid for plus 10Mw. It is estimated to save ~\$100 per oz in operating costs, lowering estimated AISC \$900 per oz to \$800 per oz.
- The Company is exploring the option of a 100% renewable energy in the camp expansion already underway.

Following the announcement of \$150m Phase 2 Expansion financing in July, the Company is now pleased to announce that initial drawdowns have commenced, with major work streams now starting across the expansion project. Funds are being drawn from the first tranche of \$50m provided by the Trade and Development Bank of Mongolia with an initial drawdown of approximately \$10m.

Mr Bataa Tumur-Ochir, Steppe Gold Chairman and CEO commented, "With our landmark financing package secured and drawdowns now commenced, we are very excited to accelerate development of Phase 2 Expansion and soon order the long lead items. With our Phase 2 expansion fully financed and under development, the Company is increasing its annual production from approximately 30koz in 2023 and 2024 to over 100koz Au Eq by the end of 2025."

About ATO Gold Mine:

ATO Gold Mine is Steppe Gold's 100% owned flagship project with 1.67M oz AuEq in reserves located in Dornod province, Mongolia.

Phase 1 of the ATO Gold Mine - De-risked and in Production.

- Phase 1 of the ATO Gold Mine - heap leach operations was built from project to production within 18 months, including all permitting.
- The ATO Gold Mine has produced 99,338oz of gold and generated over \$183m in gross revenue, with a further 65,000 oz till the end of 2025.
- Drilling programmes are ongoing at the ATO Gold Mine, focusing on additional oxide zones.

Phase 2 Expansion of the ATO Gold Mine - Financing fully secured and under construction

- The financing for Phase 2 Expansion of US\$150m is fully secured, and drawdowns commenced this October.
- Phase 2 expansion is estimated to be complete by the end of 2025 and commence commercial production by 2026.
- Phase 2 Expansion will increase our production three times to over 100,000 ounces per annum for 12 years and produce over 1.2 million ounces of gold equivalent on a recovered basis.

Production from the Phase 1 heap leach operations is ongoing, with production from the third quarter at

7,587 oz of gold and 20,757 oz of silver. This brings the year-to-date total to 20,686 oz of gold and 57,995 oz of silver.

The Company continues exploration and drilling programmes in the ATO license area of 5,500 hectares. Drilling programmes are ongoing at the ATO, focusing on additional oxide zones. The Company has explored less than 10% of the license area.

[Steppe Gold Ltd.](#)

Steppe Gold is Mongolia's premier precious metals producer, with approximately 4.5M ounces Au Eq in resources. The Company is expanding its production on its 100% owned ATO Gold Mine from 30,000 to over 100,000 ounces of gold equivalent per annum from 2026 for 12 years at approximately US\$900 per ounce Au Eq.

For Further information, please contact:

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Cautionary Note Regarding Forward-Looking Statements:

The above contains forward-looking statements that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward-looking statements. Factors that could cause such differences include: changes in world commodity markets, equity markets, costs and supply of materials relevant to the mining industry, change in government and changes to regulations affecting the mining industry. Forward-looking statements in this release include, among other things, statements regarding the trading of the Common Shares and business, economic, and political conditions in Mongolia. Although we believe the expectations reflected in our forward-looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements. We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

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