Steppe Gold Secures Initial Tranche of Debt Funding for Phase 2 Expansion

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Ulaanbaatar, September 29, 2020 - Steppe Gold Ltd. (TSX: STGO) ("Steppe Gold" or the "Company") is extremely pleased to announce that it has secured an initial tranche of project financing for its Expansion Project at the ATO Gold Mine with the intention of increasing gold production to 150,000 oz equivalent per annum.

The Gold-2 Program financing, facilitated through the Central Bank of Mongolia, was provided by the Trade and Development Bank of Mongolia ("TDB") in the initial amount of MNT 30 billion, approximately US$10.5m).

After taking account of this new loan, the Company currently has cash available of approximately US$34.5m.

Steppe Gold President and CEO, Bataa Tumur-Ochir, noted, "We are delighted to secure this initial tranche of project finance debt through the Gold-2 Program. With the expansion of the ATO Gold Mine now well underway, we are keen to ensure our financing arrangements allow us to move quickly to construction and then to production. We would particularly like to thank the Government of Mongolia and the government agencies for facilitating this program in support of safe, responsible gold production in Mongolia"

Enkhtaivan Ganbold, Deputy Governor of the Central Bank of Mongolia, commented, "The Central Bank of Mongolia is supporting leading responsible mining companies and projects through commercial banks of Mongolia to accelerate gold production and export in Mongolia. Gold production and export plays a vital role in the Mongolia economy, and we are pleased to support and finance the second phase of Steppe Gold's development programs through the Government's Gold-2 Program."

Mr. Orkhon Onon, CEO of TDB commented, "We are very pleased to support our leading gold producers in the Gold-2 Program. Steppe Gold is a great success story in the Mongolian mining industry, showing leadership in safety, community support and environmental stewardship. We are glad to support Steppe Gold's exciting expansion plans."

The proceeds from the financing will be used for development of the ATO Gold Mine expansion with longer lead time items being ordered in the coming months.

About the "Gold-2 Program"

The "Gold-2 Program" was approved by the Government of Mongolia in 2017. The purpose of the "Gold-2 Program" is to ensure the sustainable development of the gold sector in the short-term to long-term, increase exploration efforts, maintain legal stability and promote environmentally responsible mining. A number of government agencies including the Ministry of Mining and Heavy Industry, Ministry of Finance, Ministry of Environment and Tourism and Central Bank of Mongolia, commercial banks and the private sector are cooperating as part of the program.

Steppe Gold Ltd.

Steppe Gold is Mongolia's premier precious metals company.

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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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