



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Closes Oversubscribed \$13.8 Million Bought Deal Financing

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Halifax, Nova Scotia – February 23, 2017 – Erdene Resource Development Corp. (TSX:ERD) ("**Erdene**" or "**Company**") is pleased to announce the closing of its previously announced bought deal financing for gross proceeds to the Company of C\$13.8 million (the "**Offering**"). The Offering was led by Paradigm Capital Inc., with a syndicate including Canaccord Genuity Corp. (collectively, the "**Underwriters**").

The Company issued an aggregate of 17,922,077 common shares ("**Shares**") at a price of C\$0.77 per Share, including the full exercise of the Underwriters' 15% over-allotment option. The Offering was oversubscribed with participation from multiple institutional investors from Canada and abroad.

In consideration for their services, the Underwriters received a cash commission of \$828,000 representing 6% of the gross proceeds of the Offering and 1,075,324 compensation warrants (the "**Compensation Warrants**") representing 6% of the Shares issued pursuant to the Offering. Each Compensation Warrant is exercisable for a period of 24 months from closing and entitles the holder to purchase one Share for \$1.20 per share.

All Shares issued in connection with the Offering are subject to a four-month hold period expiring June 24, 2017. The Company intends to use the net proceeds of the Offering to advance its 100%-owned, high-grade Bayan Khundii and Altan Nar Gold Projects, and to further explore and develop the Company's other gold properties in southwest Mongolia, as well as for working capital and general corporate purposes. An approximate 20,000 metre drill program at Bayan Khundii is expected to commence in April 2017.

"We are extremely pleased with the strong interest shown in the financing which was significantly oversubscribed. It is our pleasure to welcome these high caliber shareholders into Erdene", said Peter Akerley, Erdene's President and CEO. "We now have the financial capacity to significantly advance our promising gold projects in southwest Mongolia."

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S Securities Act**"), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This news release does not constitute an offer to sell or a solicitation to buy any securities in any jurisdiction.

About Erdene

Erdene Resource Development Corp. is a Canada-based resource company focused on the acquisition, exploration, and development of precious and base metal prospects in underexplored and highly prospective southwest Mongolia. Exploration success has led to the discovery and definition of several 100%-owned prospects and deposits including the Company's flagship and newly discovered, high-grade, near-surface Bayan Khundii gold project; the 5.6 km long Altan Nar gold-polymetallic mineralized trend that is host to 18 targets; the Altan Arrow gold-silver prospect and the Zuun Mod molybdenum-copper deposit. In addition to the above properties, the Company has an Alliance with Teck Resources Limited on regional copper-gold exploration in the prospective Trans Altay region of southwest Mongolia. For further information on the Company, please visit www.erdene.com. Erdene has a working capital position of approximately \$13.3 million, 144,847,108 issued and outstanding common shares and a fully diluted position of 153,428,682 common shares, after giving effect to the Offering.

Forward-Looking Statements

Certain information regarding Erdene contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although Erdene believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Erdene cautions that actual performance will be affected by a number of factors, most of which are beyond its control, and that future events and results may vary substantially from what Erdene currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and is subject to change after that date. The Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENTS OF THIS RELEASE

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