



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Intersects 110 Metres of 9.3 g/t Gold at Altan Nar Project

Halifax, Nova Scotia – December 19, 2016 – Erdene Resource Development Corp. (TSX:ERD) ("**Erdene**" or "**Company**") is pleased to announce drill results from its 100%-owned Altan Nar Gold-Polymetallic Project ("Altan Nar") and Altan Arrow Gold-Silver Project ("Altan Arrow") in southwest Mongolia.

Highlights (see attached plan maps and cross-section for reference)

- Altan Nar Gold-Polymetallic Project
 - Hole TND-101, testing a conceptual target at a structural intersection in the Discovery Zone, intersected:
 - 110 m of 9.3 g/t gold, 32 g/t silver, and 1.4% combined lead-zinc, including:
 - 14 m of 55.6 g/t gold (high of 155 g/t gold), 131 g/t silver and 5.65% combined lead-zinc, and
 - 5 m of 24.8 g/t gold (high of 86.5 g/t gold), 49.8 g/t silver and 3.48% combined lead-zinc
 - Deep drilling at Discovery Zone North (extension of hole TND-31) confirmed narrow high-grade mineralization at depth
 - Union North potential expanded with 22 m of 1.57 g/t gold equivalent* ("AuEq") at 34 m depth (for details on AuEq calculations, see footnote (2) in Table 1 below)
- Altan Arrow Gold-Silver Project
 - Maiden drill program intersected shallow, high-grade veins returning up to 2 m of 23.5 g/t gold and up to 2 m of 171 g/t silver
 - Wide intervals of near-surface, lower-grade gold-silver mineralization intersected
- Bayan Khundii Gold Project
 - Drilling recently completed for nine holes at Bayan Khundii gold project surrounding heavily mineralized step-out hole BKD-60 announced in October 2016, with results anticipated in January 2017

"Hole TND-101 was heavily mineralized from surface to 170 metres depth, and includes the highest grades and most continuous zone, laterally and vertically, intersected to date at Altan Nar," said Peter Akerley, Erdene's President and CEO. "The results are a testament to what detailed exploration can uncover as we continue to test new targets at Altan Nar and throughout the district, while advancing our flagship gold project at Bayan Khundii."

[Discussion of TND-101 Results, Discovery Zone, Altan Nar Project](#)

The Discovery Zone (“DZ”) deposit is one of 18 mineralized (gold, silver, lead and zinc) target areas that have been identified within a 5.6 km by 1.5 km mineralized corridor at Altan Nar. The deposit has been drilled over a 500 m strike length in the upper 150 m of the DZ, however, the deposit was not fully tested in the central area, due to initial low-grade results. The conceptual target tested by drill hole TND-101 was in this central area at the intersection of a northwest-trending fault with the main northeast-trending shear zone, along a major east-west-trending lithologic contact. This confluence of brittle and ductile structures was believed to form a favorable structural environment for increased fluid flow and metal deposition with multiple fluid phases and structural events coalescing in this area. This structural target was supported by increasingly strong gold mineralization (TND-69 and 90) reported in 2015 in the vicinity of the target area.

Hole TND-101 was drilled, at a 45 degree dip, to a depth of 300 m, and intersected 110 m of 10.5 g/t AuEq (9.3 g/t gold, 32.0 g/t silver, and 1.42% combined lead-zinc) from 32 to 142 m depth. This intersection included 14 m of 60.4 g/t AuEq (55.6 g/t gold, 131.1 g/t silver, and 5.65% combined lead-zinc). This hole was consistently mineralized from surface to 170 m with high gold grades not previously observed at Altan Nar (see Table 1 below for a summary of results and Table 2 for a meter-by-meter sample analyses of the 14 m intersection). Of particular note, 10 samples in the high-grade portion of hole TND-101 contained in excess of 31.1 g/t gold (i.e. 1 ounce of gold per tonne), whereas only two samples from the more than 9,000 previously assayed drill core samples from Altan Nar drilling between 2011 and 2015, exceeded this grade-threshold.

In addition to the high base metal gold zones, there is also a distinct copper event with high copper-gold that may reflect a new fluid phase at the DZ. Copper levels reached as high as 2.43%. The host rocks include lapilli tuffs and andesites that have been moderately to intensely altered (quartz, mica, pyrite), mineralized (precious metals and carbonate base metal suite), and cut by comb quartz veins, breccias and chalcedony veins.

TND-101 was an exploratory hole drilled perpendicular to a cross-cutting feature observed in geophysical surveys but at a low oblique angle to the mineralized DZ trend and to the lithologic boundary. The hole was oriented to test the intersection of these three structures, and to test possible extensions of mineralization at depth under DZ North. See the attached plan and cross-section for reference. Due to the hole orientation, and the complex structural setting, the true width of the intersected zone is unknown, however, adjacent holes reported in 2015, immediately south of TND-101 (TND-69 and 90), returned some of the most continuous zones of mineralization at the DZ, including 51 m of 2.5 g/t AuEq and 43 m of 2.4 g/t AuEq respectively. These holes were drilled at a 45 degree dip, perpendicular to the interpreted vertical structure, implying a true width to the NE trending mineralized zone in the range of approximately 25 to 35 m. For details on gold equivalent calculations, see footnote (2) in Table 1 below.

Altan Nar is considered to be a carbonate-base metal gold deposit, a style of deposit that includes the most prolific gold producers in the southwest Pacific rim and includes well-known deposits such as Porgera (Papua New Guinea) and Kelian (Indonesia). Carbonate-base metal, and intermediate

sulphidation, gold deposits generally occur above porphyry intrusions in arc settings and typically contain gangue of a carbonate, base metal mineral assemblage and form as fracture/vein/breccias. Altan Nar has this typical gangue mineral assemblage. Mineralized zones in these deposits are commonly restricted to fault/fracture zones and also within phreatomagmatic breccia zones or pipes that may extend for more than 500 m vertically as at the former-producing Kelian mine.

Table 1. TND-101 Drill Results Summary

Drill Hole	From (m)	To (m)	Interval (m) ⁽¹⁾	Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Gold Eq. (g/t) ⁽²⁾
TND-101	3	12	9	0.72	6.9	0.28	0.23	1.08
and	32	142	110	9.26	32	0.65	0.77	10.46
incl	39	62	23	2.69	40.9	0.71	0.61	3.98
incl	73	78	5	24.8	49.8	1.08	2.40	27.3
incl	96	110	14	55.6	131.1	2.64	3.01	60.4
and	157	170	13	2.23	13.8	0.37	0.38	2.83

Table 2. Detailed one-metre results from TND-101; 96 m to 110 m depth

Drill Hole	From (m)	To (m)	Interval (m) ⁽¹⁾	Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Gold Eq. (g/t) ⁽²⁾
TND-101	96	97	1.0	109.0	89	4.20	7.34	116.3
TND-101	97	98	1.0	37.4	31	0.85	1.55	39.1
TND-101	98	99	1.0	114.0	165	5.77	8.54	123.8
TND-101	99	100	1.0	155.0	148	4.08	6.11	162.5
TND-101	100	101	1.0	49.9	41	1.85	2.53	52.8
TND-101	101	102	1.0	44.0	127	1.92	1.08	47.4
TND-101	102	103	1.0	77.5	130	2.48	4.89	83.2
TND-101	103	104	1.0	21.1	26	0.29	0.44	21.9
TND-101	104	105	1.0	12.1	31	0.16	0.41	12.9
TND-101	105	106	1.0	1.84	7	0.05	0.14	2.04
TND-101	106	107	1.0	1.66	6	0.07	0.19	1.88
TND-101	107	108	1.0	25.3	338	4.55	3.05	34.3
TND-101	108	109	1.0	57.0	358	4.40	2.06	65.7
TND-101	109	110	1.0	72.1	339	6.36	3.79	82.4

(1) Reported intervals are not true width. At this time, there is insufficient data with respect to the shape of the new mineralized zones intersected in TND-101 to calculate true orientations in space.

(2) Gold Eq. (“gold equivalent”) has been used to express the combined value of gold, silver, lead and zinc as a percentage of gold, and is provided for illustrative purposes only. No allowances have been made for recovery losses that may occur should mining eventually result. Calculations use metal prices of US \$1200/oz gold, \$18/oz silver, and \$0.90/lb for lead and zinc.

Deep Drilling - Discovery Zone North, Altan Nar Project

Hole TND-31 was extended from 190 m depth to 450 m depth (390 m vertical depth) below the DZ North deposit area. The extension of the hole confirmed that high-grade precious and base metal mineralization extends below the depths previously tested, returning 1 metre samples up to 18.3 g/t

AuEq at 370 m depth and up to 6.90 g/t AuEq at 401 m depth. The deepest hole at Altan Nar prior to extending TND-31, was TND-58 which was drilled to 270 m vertical depth, and returned 6 m of 4.8 g/t gold, 9.3 g/t silver and 1.4% combined lead and zinc near the bottom of the hole. As demonstrated by TND-101, the potential exists for these narrow high-grade zones to be enhanced greatly in size and grade in favorable structural settings within the district.

Union North Deposit Area, Altan Nar Project

In addition to DZ, one of the early discoveries at Altan Nar was Union North (“UN”), 1.3 km north of the DZ. Both DZ and UN host wide zones of high-grade, near-surface mineralization, and were the focus of an initial NI 43-101 resource estimate released by Erdene in Q1-2015.

The latest Q4-2016 drill program significantly expanded the size potential of the UN mineralized system. Step-out hole TND-97, located 155 m east of the Company’s Q1-2015 UN mineral resource boundary, returned 22 m of 1.57 g/t AuEq starting at 34 m depth, under a trench that had previously returned 28 m of 2.5 g/t AuEq. This new mineralized zone is open to the east and at depth, and will require additional drilling by the Company in advance of any revised resource estimate for UN.

Future Exploration, Altan Nar Project

The new discovery at the intersection of major structures provides strong support for additional drilling at Altan Nar. Future exploration will focus on establishing continuity of this new high-grade zone and exploring areas where zones of structural dilation, or offset, may have provided a favorable setting for the concentration of these metal-rich solutions over wider intervals. In addition, a high-resolution magnetic survey is planned for Altan Nar and the results will be used to evaluate the potential for similar cross-cutting structures at the 17 other target areas within the mineralized corridor.

Altan Arrow Gold-Silver Project - Discussion of Drill Results

Maiden drilling at the Company’s Altan Arrow gold-silver project (13 km southeast of Altan Nar) was designed to test epithermal gold-silver targets previously sampled at surface over a 1 square km area of epithermal quartz veins. Drilling consisted of a total of 590 m in seven holes at an average spacing of 200 m, completed to an average vertical depth of 58 m. Drill results confirmed the presence of high-grade veins, including 23.5 g/t gold over 2 m at 76 m depth, and up to 171 g/t silver in separate holes. Results also indicate a wide gold-silver mineralized alteration zone associated with the main northeast-trending mineralized structure. The two southwestern holes, spaced at approximately 300 m along the main mineralized structure returned intervals of 28 m of 0.45 g/t AuEq and 17 m of 0.43 g/t AuEq, including values of up to 2.4 g/t gold and 171 g/t silver in AAD-02 and AAD-05, respectively.

These results confirm the presence of both high-grade gold bearing veins and broad structurally controlled lower-grade zones with similar style to the Company’s Bayan Khundii gold project (3.5 km south), albeit with higher silver values. A 2017 follow-up program will include additional exploration of the Altan Arrow prospect as well as follow-up of the large gold-in-soil anomaly displayed in the

attached map.

Erdene's Emerging Gold District

Since Q4-2015 Erdene has largely focused on its new 100%-owned high-grade Bayan Khundii gold discovery, however, in late Q3-2016 the Company expanded its exploration program to include regional targets within the 20 km long district. This work has focused on the Company's Altan Nar and Altan Arrow projects, 16 km northwest and 3.5 km north of Bayan Khundii, respectively. Previous work has included extensive mapping, soil geochemical surveys, rock chip sampling and geophysical surveys and the work of several experts in epithermal deposits who focused on the style and paragenesis of mineralization, spectral analysis of alteration mineralogy, structural geology and drilling at Altan Nar and Altan Arrow. This latest program included initial drill testing of new target areas at Altan Arrow and extensions of known mineralization at Altan Nar. The wider District, although still in its infancy in regards to modern exploration, is now known to host the full spectrum of arc-related base and precious metal systems, including copper-silver and molybdenum-copper porphyries, intermediate sulphidation / carbonate base metal gold deposits, and low sulphidation epithermal gold and gold-silver systems within an approximately 40 km by 60 km area.

Qualified Person and Sample Protocol

Michael MacDonald, P.Geo. (Nova Scotia), Director of Exploration for Erdene, is the Qualified Person as that term is defined in National Instrument 43-101 and has reviewed and approved the technical information contained in this news release. All samples have been assayed at SGS Laboratory in Ulaanbaatar, Mongolia. In addition to internal checks by SGS Laboratory, the Company incorporates a QA/QC sample protocol utilizing prepared standards and blanks.

Erdene's sampling protocol for drill core consisted of collection of samples over 1 m or 2 m intervals (depending on the lithology and style of mineralization) over the entire length of the drill hole, excluding minor post-mineral lithologies and un-mineralized granitoids. Sample intervals were based on meterage, not geological controls or mineralization. All drill core was cut in half with a diamond saw, with half of the core placed in sample bags and the remaining half securely retained in core boxes at Erdene's Bayan Khundii exploration camp. All samples were organized into batches of 20 samples including a commercially prepared standard and blank. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene's logistical contractor, Monrud Co. Ltd.

About Erdene

Erdene Resource Development Corp. is a Canada-based resource company focused on the exploration and development of precious and base metal prospects in the Edren Terrane of Mongolia since 2009. Exploration success has led to the discovery and definition of several 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 126,810,031 issued and outstanding common shares and a fully diluted position of 134,431,281 common shares.

The Bayan Khundii, Altan Nar and Altan Arrow projects have a 2% net smelter returns royalty (“NSR Royalty”) in favour of Sandstorm Gold Ltd. with a buy-back option to reduce the NSR Royalty to 1%.

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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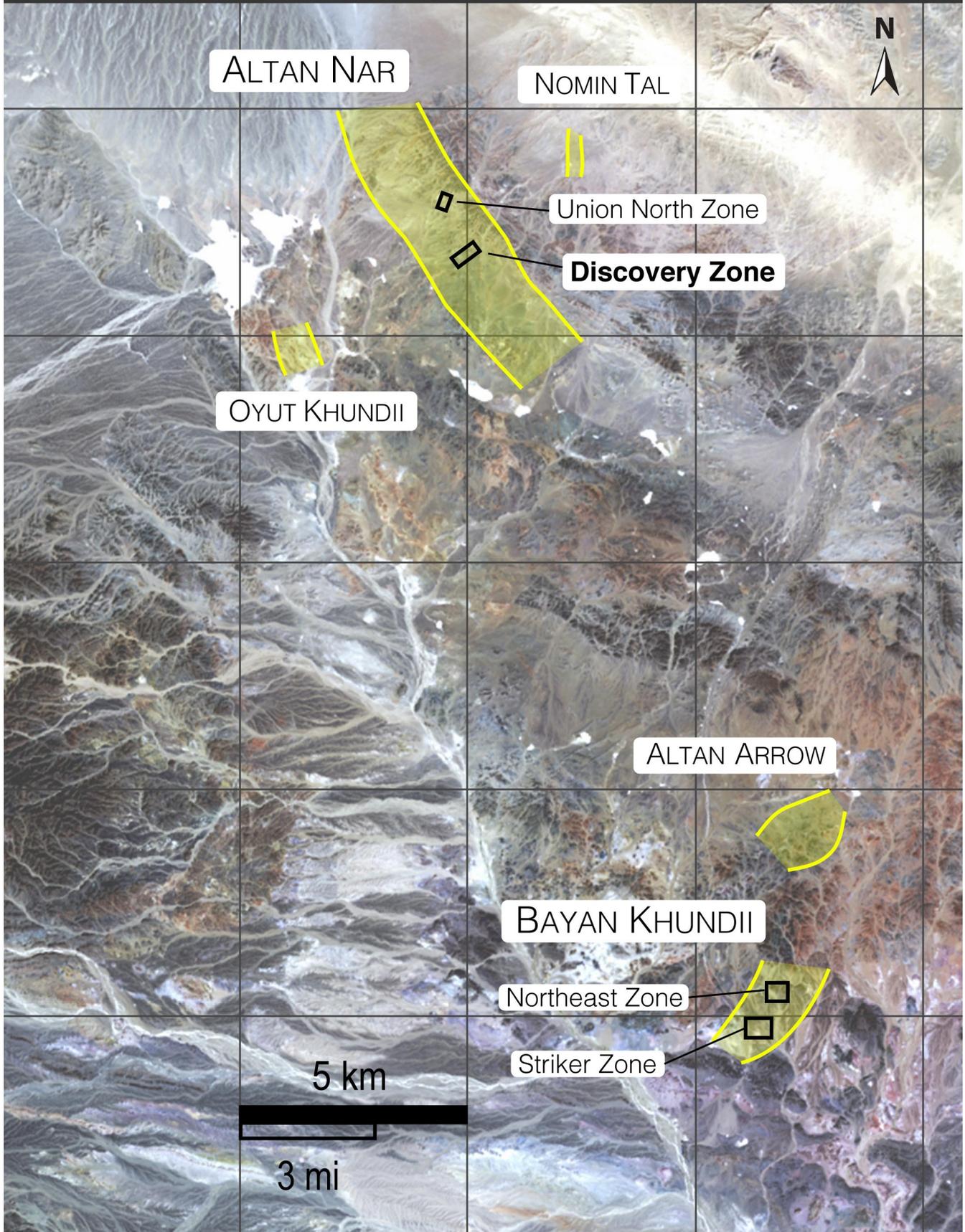
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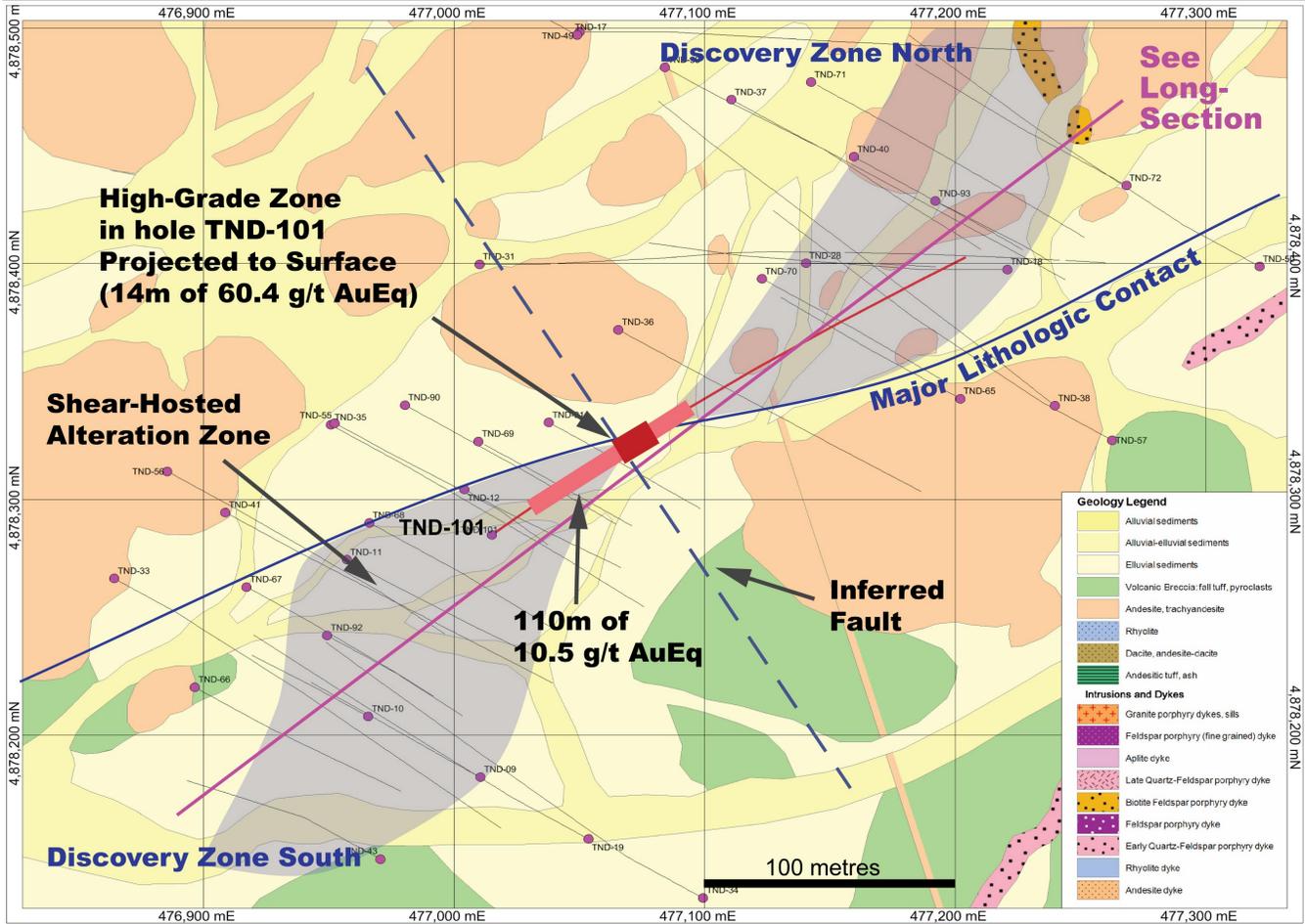
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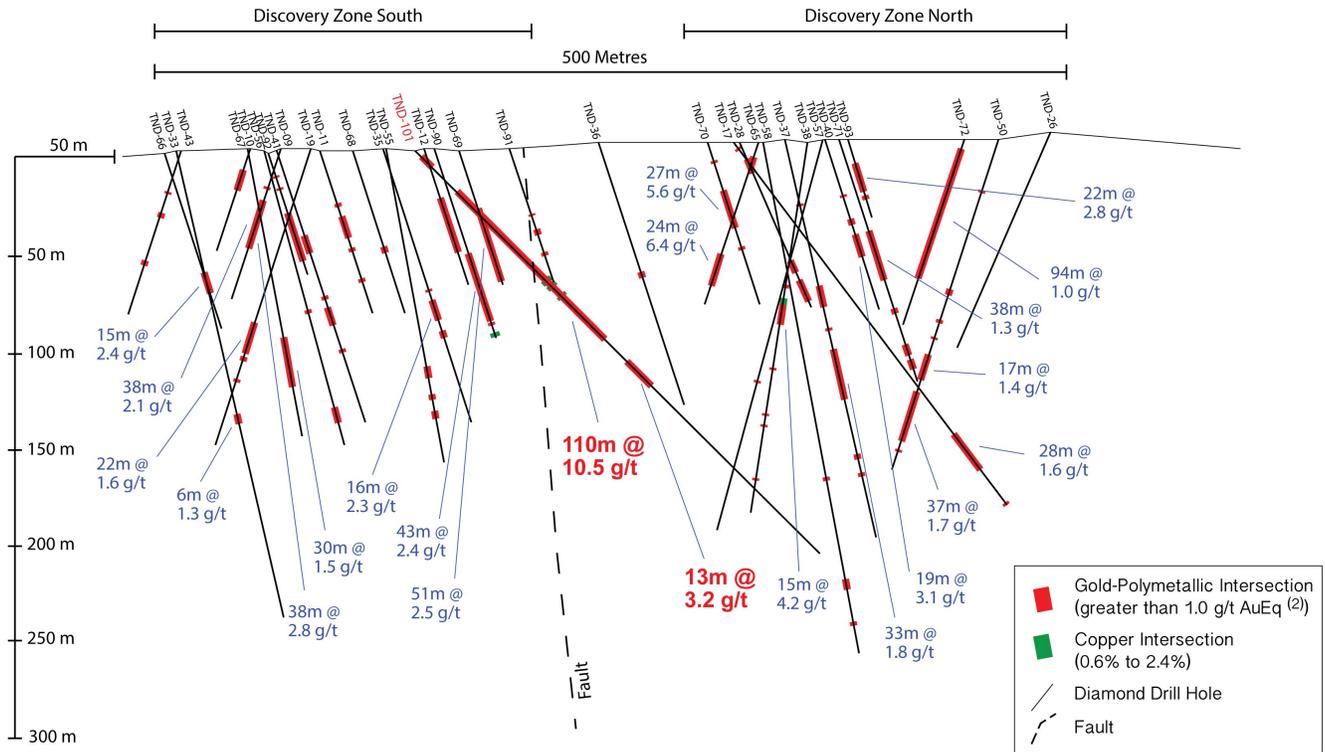
Erdene's Emerging Gold District



Plan Map of the Discovery Zone, Altan Nar Project
Includes Drill Holes (TND-101), Geology and Cross-Cutting Structures



Long-Section Through the Discovery Zone, Altan Nar Project (Looking Northwest)
Including Mineralized Intersections Greater than 1.0 g/t Gold Equivalent ^{(1) (2)}



Notes

- (1) As part of Erdene's reporting guidelines, no more than 10% of any reported interval grades below 0.1 g/t gold
- (2) Gold Equivalent ("AuEq") calculations have been used to express the combined value of gold, silver, lead and zinc as a percentage percentage of gold, and is provided for illustrative purposes only. No allowances have been made for recovery losses that may occur should mining eventually result. Calculations use metal prices of US \$1200/oz gold, \$18/oz silver, and \$0.90/lb for lead and zinc.

Erdene Resource Development

**Long-Section Through Discovery Zone
Looking Northwest
(Altan Nar Gold-Polymetallic Project)**

Date: 15-Dec-2016

Bayan Khundii - Altan Arrow Gold Trend

