



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Continues to Expand High-Grade Zones at Bayan Khundii, Including Most Significant Intersection to Date, 65 Metres of 6.3 g/t Gold, Including 12 Metres of 29 g/t Gold

Halifax, Nova Scotia – November 28, 2016 – Erdene Resource Development Corp. (TSX:ERD) ("Erdene" or "Company") is pleased to report the fourth batch of drill results from its Q3/Q4 drill campaign at its 100%-owned Bayan Khundii Gold Project ("Bayan Khundii") in southwest Mongolia.

"Today's results further support our belief that Bayan Khundii represents one of the most prospective new high-grade, near-surface gold discoveries in the industry today. Our drill program continues to push the boundaries of the mineralized system at depth and along strike, with today's results including the widest, high-grade intercepts we have witnessed to date," said Peter Akerley, Erdene's President and CEO. "We recently completed a series of drill holes on our two adjacent gold projects within the larger gold district, and have now returned to Bayan Khundii to test new areas for expansion north of the initial discovery. These holes will test targets in the area surrounding hole BKD-60, a strongly mineralized step-out hole that was announced in October."

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

- Drilling continues to extend the boundaries of gold mineralization at Bayan Khundii with several high-grade gold intersections over wide intervals with six of the 13 reported holes ending in gold mineralization
- Multiple gold-bearing structures are now being defined at Bayan Khundii, including Striker Zone, the most extensively explored zone
- Deep Striker
 - Drilling along the southern boundary of the Striker Zone, targeting extensions at depth, returns highest grade gold intercept reported to date with 65 m of 6.3 g/t gold including 37 m of 11 g/t gold (BKD-77)
- Striker North
 - New zone north of Striker is further defined with multiple, high-grade intersections over wide intervals, including 18 m of 7.1 g/t gold, within 58 m of 2.5 g/t gold (BKD-86)
 - All three holes testing a northern extension to Striker Zone ended in gold mineralization
- Striker Main
 - Drilling within the core of Striker Zone establishes further continuity of the high-grade zone with 21 m of 8.3 g/t gold, within 36.7 m of 5.0 g/t gold (BKD-84)

- Step-Out Drilling
 - Drill plan for remainder of Q4-2016 has been modified to include testing area surrounding successful step-out hole reported October 18, 2016 (BKD-60; 68 m of 2.0 g/t gold)
 - Drill rig currently active in vicinity of BKD-60; results anticipated in Q1-2017

Table 1. Results summary for holes BKD-76 to BKD-87, including an extension of hole BKD-27

Drill Hole	From (m)	To (m)	Interval (m) ⁽¹⁾	Gold (g/t)
BKD-27 (ext. ⁽³⁾)	109	134 ⁽²⁾	25	2.38
incl	110	114	4	13.8
incl	113	114	1	44.1
BKD-76	59	83	24	0.84
incl	59	66	7	1.40
BKD-77	71	136	65	6.30
incl	76	113	37	11.0
incl	76	77	1	25.1
incl	111	123	12	29.0
incl	111	112	1	306.0
and	121	122	1	30.7
BKD-78	49	138	89	0.84
incl	78	119	41	1.61
incl	109	119	10	4.01
incl	118	119	1	23.0
BKD-79	70	121	51	1.06
incl	93	101	8	2.55
incl	97	98	1	11.2
and	120	121	1	13.5
BKD-80	45	75	30	0.45
incl	66	71	5	1.32
BKD-81	53	100 ⁽²⁾	47	0.64
incl	58	77	19	1.37
BKD-82	46	80 ⁽²⁾	34	1.00
incl	48	59	11	1.54
and	73	77	4	2.90
BKD-83	24	100 ⁽²⁾	76	1.34
incl	39	56	17	4.53
incl	48	51	3	21.7
and	78	86	8	1.45
BKD-84	46	82.7	36.7	4.98
incl	61	82	21	8.34
incl	63	71	8	18.4

Drill Hole	From (m)	To (m)	Interval (m) ⁽¹⁾	Gold (g/t)
incl	63	64	1	19.7
and	66	67	1	16.1
and	70	71	1	101.0
BKD-85	36	130 ⁽²⁾	94	0.46
incl	59	69	10	2.04
incl	62	63	1	11.5
BKD-86	22	80 ⁽²⁾	58	2.51
incl	52	70	18	7.10
incl	52	57	5	23.1
incl	52	53	1	15.2
and	56	57	1	94.8
BKD-87	26	47	21	0.69
incl	41	47	6	1.21

(1) Reported intervals are not true width. At this time, there is insufficient data with respect to the shape of the mineralized system to calculate true orientations in space. They represent drill intersection widths from holes drilled at a 45 to 90 degree angle to the northeast. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 40 to 50 degrees to the southwest).

(2) End of hole

(3) Hole BKD-27 extended from 85 m depth to 134 m depth

Discussion of Drill Results

Striker Zone – Extension at Depth

Three holes, BKD-77 to BKD-79, were drilled along the southern boundary of the Striker Zone, targeting extensions of mineralization at depth. As shown in Table 1 above, all three holes returned high-grade gold mineralization to depths of up to 136 m. Hole BKD-77 returned 65 m of 6.3 g/t gold between 71 m and 136 m depth and contained very high-grade intervals, including up to 306 g/t gold over 1 m at 111 m depth. All three holes have successfully expanded the southern boundary of the Striker Zone, which remains open in all directions. Drill hole locations are shown on the attached maps.

Striker Zone – Northern Expansion

A new gold zone, located north of and parallel to the Striker Zone, was discovered in mid-2016, and has been further defined with today's results from three drill holes, BKD-82, -83 and -86. These holes were drilled to test continuity of the new zone along strike to the northwest and southeast of the original discovery. As shown in Table 1, all three holes returned high-grade gold mineralization, including 18 m of 7.1 g/t gold (BKD-86) and 17 m of 4.5 g/t gold (BKD-83), with all holes ending in gold mineralization.

Striker Zone – Continuity of High-Grade Zone

Seven holes were drilled within the Striker Zone to test continuity of the high-grade mineralization, including an extension of hole BKD-27. The new holes include BKD-76, -80, -81, -84, -85 and -87. BKD-27 was extended from 85 to 134 m and returned 25 m (109 to 134 m) of 2.4 g/t gold. The fact that this hole ended in gold mineralization confirms the potential for additional mineralization at depth. Drilling within the Striker Zone continues to deliver significant results, with BKD-84 returning 36.7 m of 5.0 g/t gold, including 21 m of 8.3 g/t gold (see Table 1).

All holes drilled to date within the Striker Zone have intersected anomalous gold mineralization. Drill hole spacing generally ranges from 20 m to 50 m over a strike length of 250 m and a down-dip extension of up to 150 m has been established. Wider spaced holes have returned mineralization over a strike length of approximately 400 m and depths up to 200 m vertically. The majority of holes have been orientated perpendicular to the mineralized zones at 30 degrees to the NNE. The zones remains open in all directions and multiple sub-parallel zones are being drilled adjacent to the Striker Zone over a width of approximately 600 m.

Bayan Khundii Regional; Step-Out Drilling

On November 25, 2016, the Company mobilized a drill rig to test a target area approximately 200 m north of the Striker Zone, surrounding the successful step-out hole BKD-60. Results from a series of drill holes in this area are anticipated to be reported early in Q1-2017.

The decision to focus drilling in this area follows very encouraging results from BKD-60 reported on October 18, 2016 that tested a geophysical target beneath younger Cretaceous cover rocks. Hole BKD-60, drilled 170 m north of Striker, returned a very wide intersection of gold mineralization starting immediately below 20 m of Cretaceous cover and averaged 1.3 g/t gold over 123 m, that included 68 m of 2.0 g/t gold (including 30 m of 3.0 g/t gold) near the top of the hole ([click here](#) to see October 18 press release). Visible gold was observed in multiple locations, particularly between 29 and 59 m, but continued locally to a depth of 117 m. This hole suggests that significant gold mineralization continues beyond the Striker Zone under the younger Cretaceous units that lie between the main exposed area of mineralization in southwest Bayan Khundii (includes Striker Zone) and the Northeast Zone, located 750 m to the northeast, demonstrating the strong potential for expansion gold mineralization within this area. The prospectivity of this area is strengthened by geophysical surveys (strong induced polarization resistivity response typical of Striker Zone) that suggest an extensive zone of alteration continues at depth to the north and west, beneath the younger Cretaceous units, suggesting that Bayan Khundii's epithermal system may be more widespread than the main exposed areas at surface.

Background on Bayan Khundii Gold Project

In Q2-2015, Erdene conducted an initial exploration program on the southern portion of the Company's 100%-owned Khundii exploration license in southwest Mongolia. This reconnaissance

work led to the discovery of the Bayan Khundii, low sulphidation epithermal gold prospect. Gold mineralization at Bayan Khundii has been identified over a 1.7 km trend, with detailed exploration only taking place over a 500 m by 350 m zone in the southwest portion of the prospect area, where the Company's drill programs have focused (includes Striker Zone). Visible gold was observed in multiple drill holes, and results include several high-grade intersections within a series of parallel structures exposed at surface. Results include:

Drill Hole	From (m)	To (m)	Interval (m) ⁽¹⁾	Gold (g/t)	Results Reported
BKD-01	14	21	7	27.5	Dec 9, 2015
BKD-09	33	59	26	5.90	Dec 14, 2015
incl	34	49	15	9.90	
BKD-10	0	35	35	5.70	Dec 14, 2015
incl	11	23	12	16.2	
BKD-17	50	113	63	5.31	May 9, 2016
incl	54	69	15	11.5	
incl	82	95	13	11.3	
BKD-28	42	120 ⁽²⁾	78	1.00	May 24, 2016
BKD-34	76	142	66	1.01	June 14, 2016
BKD-44	0.7	9	8.3	14.2	June 22, 2016
BKD-46	2.3	19	16.7	4.65	October 4, 2016
incl	8	15	7	10.2	
and	100	108	8	5.61	
BKD-49	45	116	71	3.06	October 4, 2016
incl	74	98	24	7.52	
BKD-51	0	112	112	1.17	October 4, 2016
incl	76	106	30	3.23	
incl	100	103	3	19.8	
BKD-57	36	126 ⁽²⁾	90	2.51	October 18, 2016
incl	62	93	31	6.80	
incl	66	73	7	26.0	
BKD-60	20	143	123	1.32	October 18, 2016
incl	24	92	68	1.96	
incl	29	59	30	2.98	

(1) Reported intervals are not true width. At this time there is insufficient data with respect to the shape of the mineralized system to calculate true orientations in space. They represent drill intersection widths from holes drilled at a 45 to 90 degree angle. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 35 to 50 degrees).

(2) End of hole

In Q1-2016, the Company concluded preliminary metallurgical test work at Bayan Khundii, indicating that gravity concentration and cyanidation of the gravity tails yield very good overall gold recoveries for both high-grade and low-grade composites: 99% gold recovery from the high-grade composite (24.9 g/t gold), and 92% gold recovery from the low-grade composite (0.7 g/t gold).

The license has 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%.

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 acquisition, exploration, and development of base and precious metals in underexplored and highly prospective Mongolia. In addition to Bayan Khundii and Altan Nar, the Company has three other exploration licenses and a mining license in southwest Mongolia. Other deposits and prospects within these licenses include: Khuvyn Khar – an early-stage, copper-silver porphyry project with multiple drill targets and significant copper intersections; Nomin Tal – a narrow, high grade copper-gold discovery; Zuun Mod – a large molybdenum-copper porphyry deposit; and Altan Arrow – an early-stage, high-grade, gold-silver project. 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.

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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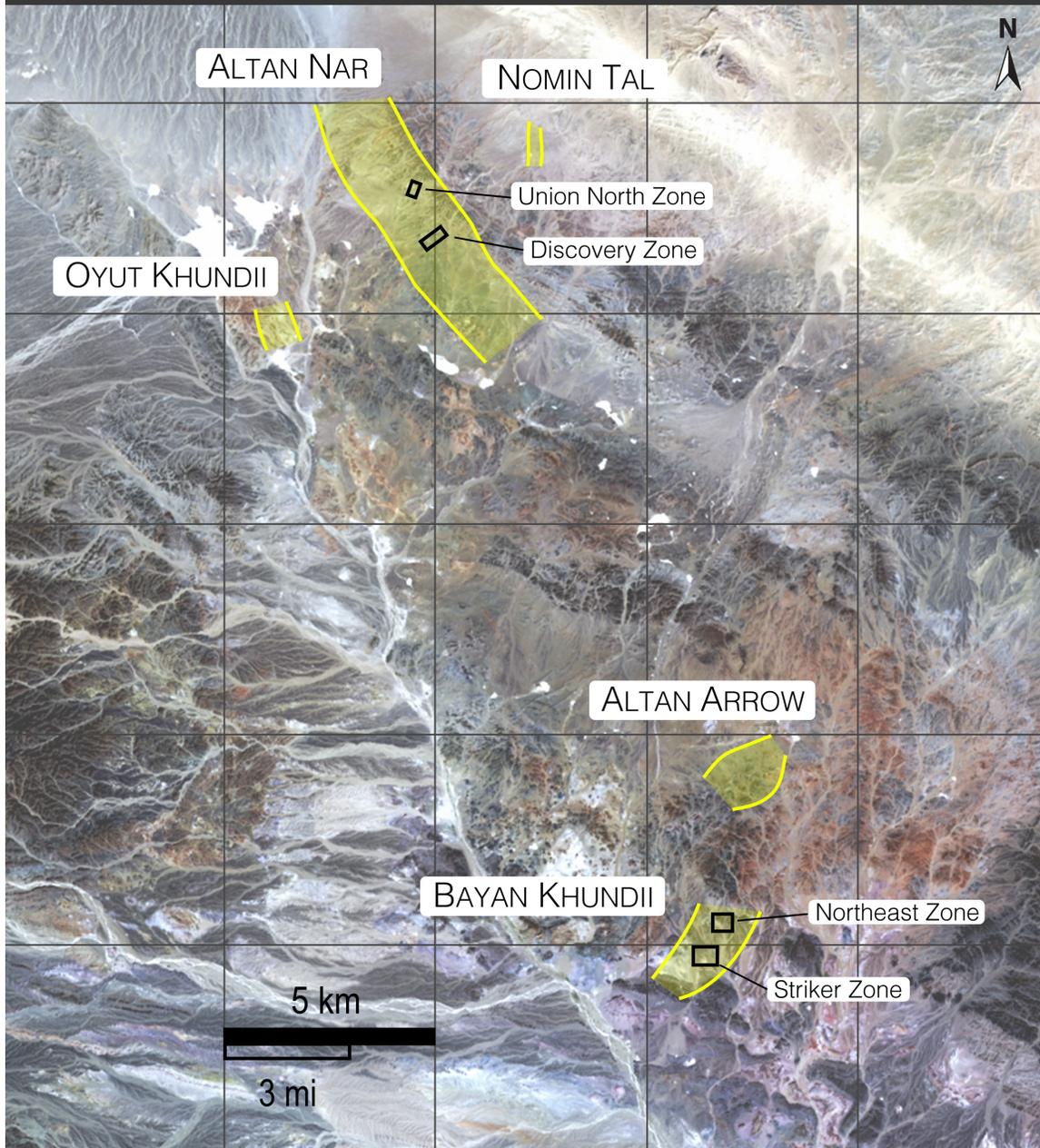
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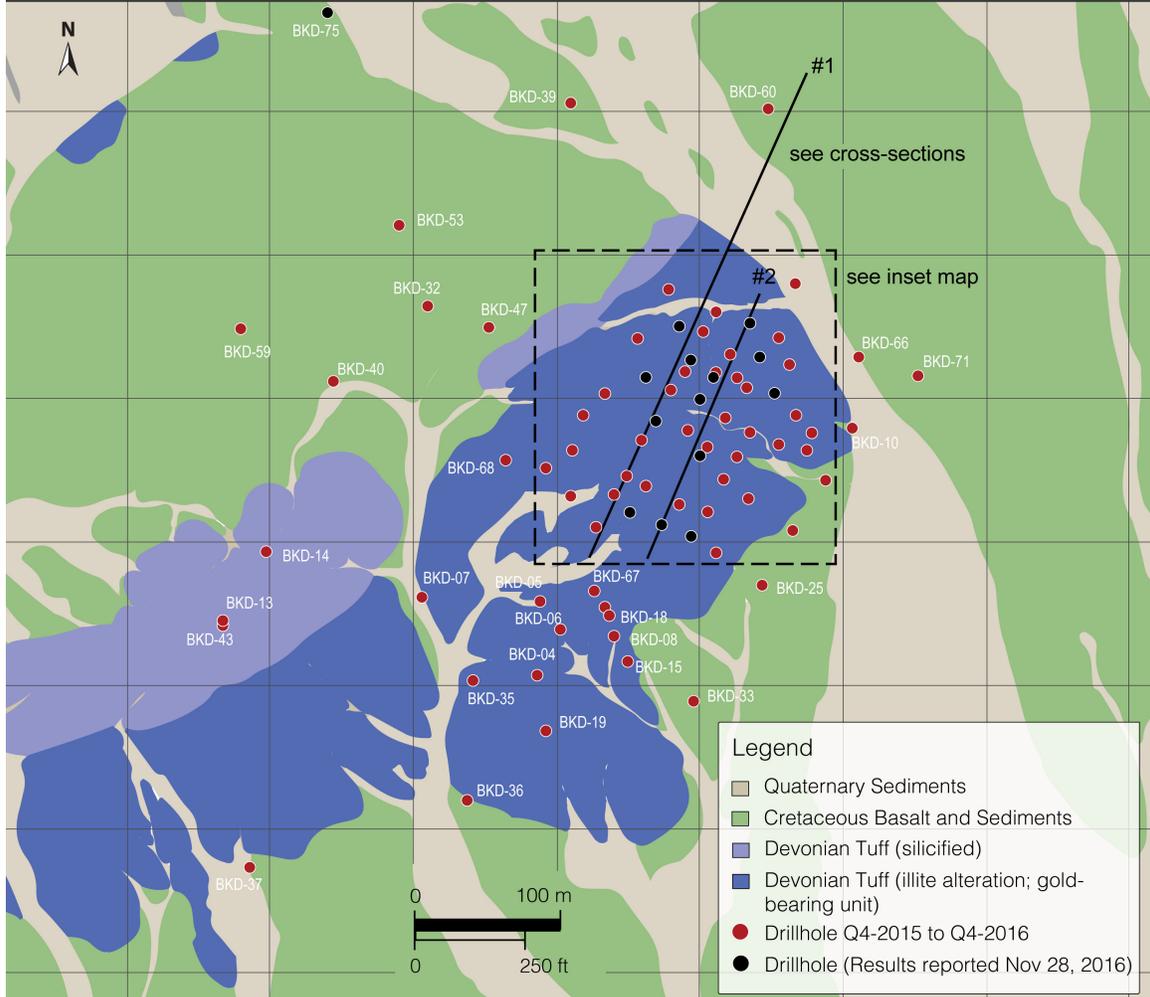
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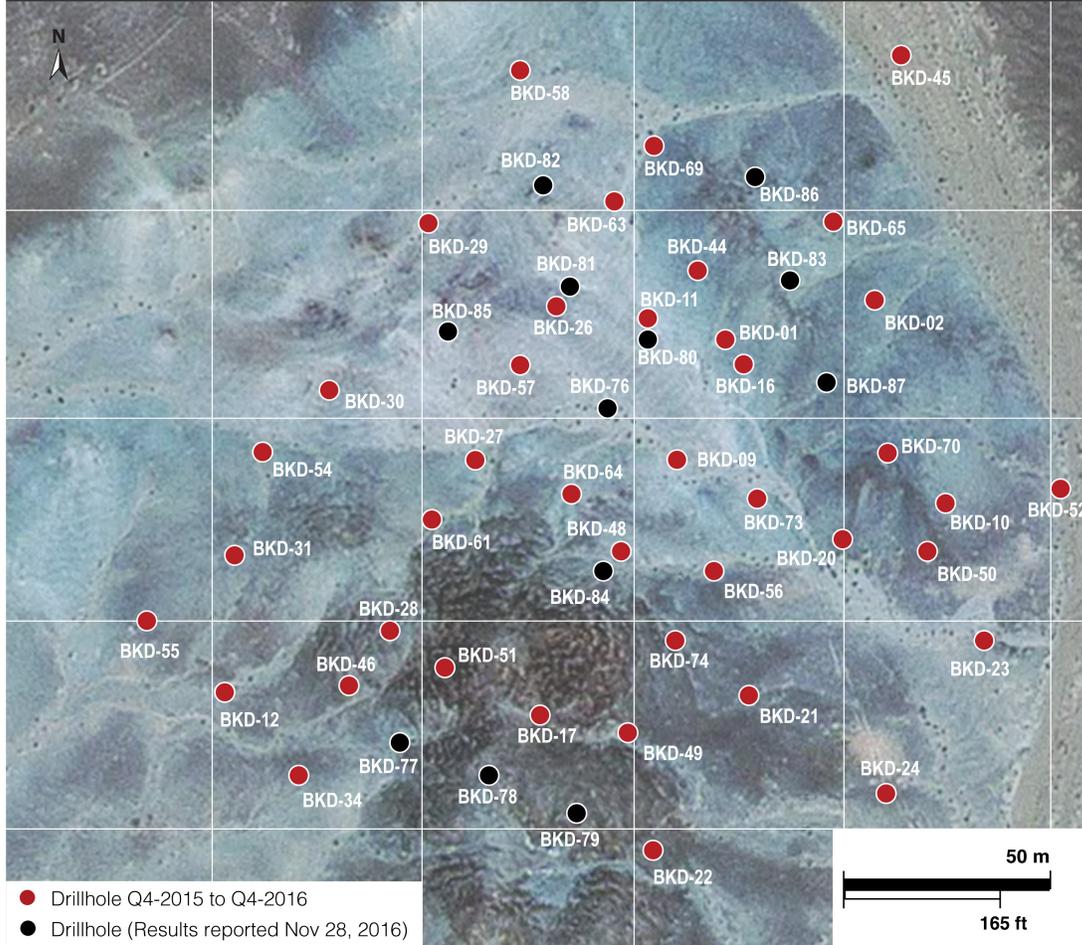
Erdene's Emerging Gold District



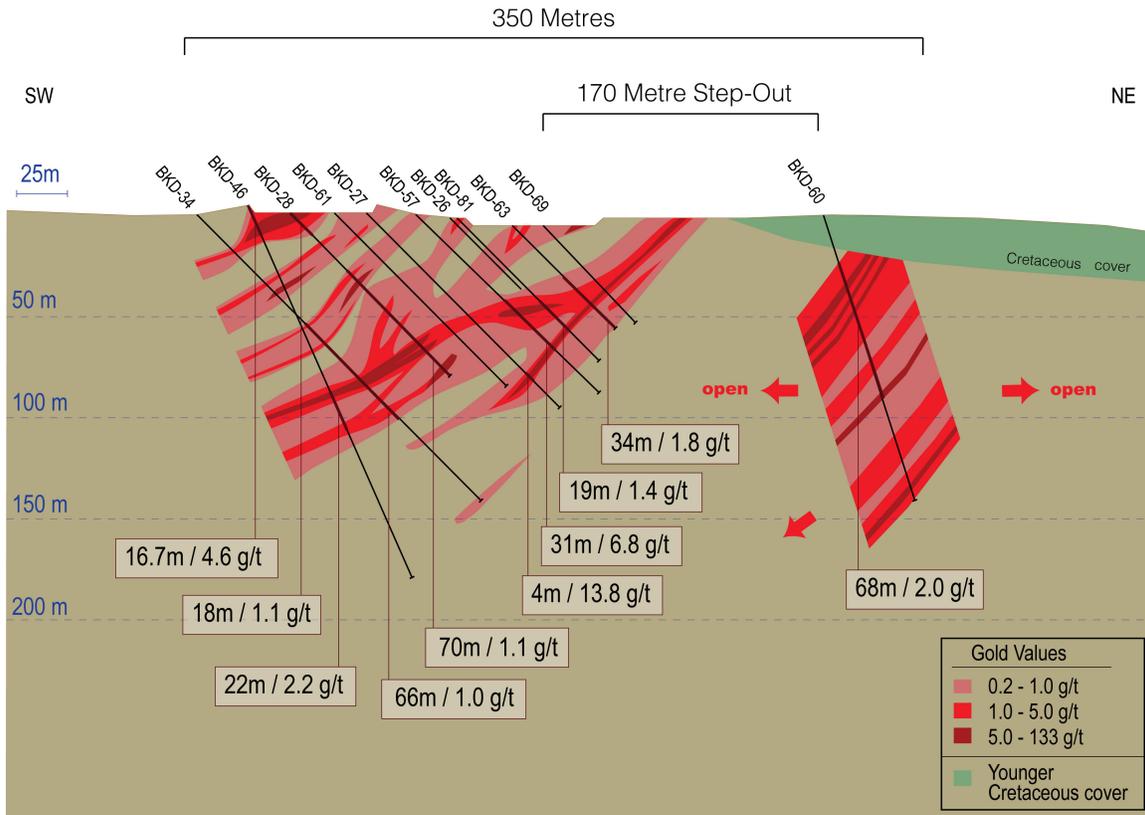
Southwest Bayan Khundii - Drill Hole Plan Map



Striker Zone - Drill Hole Plan Map



Cross Section No.1 - Striker Zone Heading Northeast Under Younger Cover



Cross Section No.2 - Striker Zone Heading Northeast Under Younger Cover

