



## **ERDENE RESOURCE DEVELOPMENT CORP.**

### **Erdene Extends Bayan Khundii Gold Mineralization at Depth; 26 m of 2 g/t Within 66 m of 1.0 g/t; and at Surface With 37 m of 2.1 g/t in Trench**

**Halifax, Nova Scotia – June 14, 2016 - Erdene Resource Development Corp. (TSX:ERD) ("Erdene" or "Company")**, is pleased to announce additional results from follow-up drilling on the recent high-grade discovery at the Company's 100%-owned Bayan Khundii Gold Project ("Bayan Khundii") in southwest Mongolia. Today's results are for the third batch of drill results (9 holes; 1,403 m) from the Company's Q2-2016 drill program. A fourth and final batch of results for the final five holes is expected to be released before the end of Q2-2016. Included with this release, for reference, are a plan map and three cross-sections.

"Today's results confirm our stated objectives of confirming continuity of gold mineralization in the main zones, including the Striker Zone, and extending mineralization through reconnaissance drilling outside the previous known limits. The results confirm the extension of significant gold mineralization at depth in the Striker Zone, the identification of a new zone at surface and the discovery of broad zones of mineralization under cover," said Peter Akerley, President and CEO. "We will now dedicate additional resources to improving our understanding of the controls on mineralization in this large system prior to a return to drilling in mid third quarter."

#### **Highlights (i)**

- High grade gold ranging from 11.2 to 30.3 g/t was returned from multiple step-out and extension holes and surface trenching
- BKD-34, 40 m south of BKD-28 (23 m of 2.0 g/t gold within 70 m of 1.1 g/t gold) has provided the deepest continuity of the Striker Zone to date with a 66 m section of 1.0 g/t gold, including 26 m of 2.0 g/t gold (hole ended in 2 m of 0.4 g/t gold at 200 m depth (140 m vertical depth))
- Intense alteration and gold mineralization under younger cover, 140 m northwest of Striker (BKD-32) with 115 m of 0.43 g/t gold from 65 m to bottom of hole at 180 m depth (126 m vertical)
- Gold discovered in overlying younger sediments: 2 m of 4.1 g/t gold (BKD-32)
- High grade gold under younger cover in BKD-40, 180 m west of Striker Zone, with 2 m of 15.3 g/t gold at 124 m depth (vertical hole) and 18 m of 0.4 g/t gold
- Hole extension in northeast Striker Zone returns 2 m of 10.0 g/t gold (BKD-20)
- Trenching in new zone northwest of Gold Hill returned 7 m of 8.7 g/t gold within 37 m of 2.1 g/t gold (BKT-17)

(i) Reported intervals are not true width. They represent drill intersection widths from holes drilled at 45 to 90 degree angles and horizontal trench intersections. The mineralization at Bayan Khundii is interpreted to be moderately dipping (approximately 40 to 50 degrees to the southwest), approximately perpendicular to drill hole angles.

Table 1 – Bayan Khundii drill results (BKD-32 to BKD-40)

Drill Hole	From (m)	To (m)	Interval (m)*	Gold (g/t)
Testing extension of the Striker Zone to the northeast				
BKD-20 ext.	50	52	2	10.0
and	72	88	16	0.31
Testing western extension, 150 m northwest of Striker Zone under overlying younger rocks				
BKD-32	52	54	2	4.20
and	65	180**	115	0.43
Testing eastern extension of Striker Zone				
BKD-33	162	170**	8	0.20
Testing deeper western extension of Striker Zone				
BKD-34	24	30	6	0.45
and	76	142	66	1.01
incl	116	142	26	2.15
incl	118	120	2	14.8
and	198	200**	2	0.36
Testing Stockwork Zone				
BKD-35	31	100**	69	0.20
BKD-36	60	62	2	3.59
BKD-37	10	14	4	1.56
BKD-38	Tested geophysical anomaly 260 m east of Striker Zone under cover; no anomalous assays			
Testing area under cover 160 m northwest of Striker Zone				
BKD-39	89	98	9	0.21
and	111	125	14	0.25
Testing target 180 m west of Striker Zone				
BKD-40	32	50	18	0.41
And	124	126	2	15.3
And	134	150**	16	0.14

\* Reported intervals are not true width. 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 40 to 50 degrees) perpendicular to the drill hole angle. Holes BKD-39 and BKD-40 were vertical holes. The location of holes BKD-38 and BKD-39 are not shown on the accompanying 'Plan Map of Drill-Trench Locations' as they are located outside the map area.

\*\* End of hole

Ext.: Extension of previous hole

Table 2 – Bayan Khundii trenching results (BKT-16 and BKT-17)

Trench ID	From (m)	To (m)	Interval (m)***	Gold (g/t)
BKT-16	4	29	25	0.57
incl	4	6	2	1.11
incl	15	24	9	0.98
BKT-17	7	44	37	2.12
incl	24	31	7	8.68

\*\*\* Reported intervals are not true width. They represent intersection from horizontal trenches on surface. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 40 to 50 degrees) perpendicular to the trend of the trenches.

### Bayan Khundii Exploration Program Q2-2016

The Q2-2016 exploration program, which included 3,845 m of diamond drilling in 30 drill holes, was designed to test both the continuity and extent of mineralization in the main zones, including the Striker Zone, and to explore the possible limits of mineralization through reconnaissance drilling. Today's results include up to hole BKD-40 with five holes remaining to be reported. Initial drill results and program details are included in Erdene's May 9, 2016 and May 24, 2016 press releases ([click here](#) for link). Partial results for the 2016 trenching program have also been received.

Key technical observations since the May 24, 2016 press release update include:

- High grade gold in multiple new holes and trenches, ranging from 11.2 to 30.3 g/t gold;
- BKD-34, collared approximately 40 m south of BKD-28 (23 m of 2.0 g/t gold within 70 m of 1.1 g/t gold) has provided the deepest continuity of the Striker zone to date with a 66 m section of 1.0 g/t gold to 142 m with increasing grade at depth;
- A step-out hole (BKD-32), collared approximately 140 m northwest of the westernmost drilling in the Striker Zone, returned a broad, gold mineralized zone totaling 115 m of 0.43 g/t gold (ranging up to 1.3 g/t gold) and ending at 180 m depth with 2 m of 0.73 g/t gold;
- Step-out drilling (BKD-39), further northwest, 170 m from the next nearest hole (BKD-29) returned anomalous gold intervals confirming the continuation of the gold-bearing alteration system (e.g. 14 m of 0.25 g/t gold);
- Trenching intersected a new zone near the top of holes BKD-17 and BKD-28, with 7 m of 8.7 g/t gold within a 37 m interval of 2.1 g/t gold;
- Drilling in the Stockwork Hill area returned multiple gold zones in holes BKD-35, -36 and -37 including greater than 3 g/t gold over 2 m in both BKD-36 and BKD-37 and broad low-grade mineralization in BKD-35 with 60 m of 0.22 g/t gold to the end of hole at 100 m depth; and
- The extension of BKD-20 in northeastern Striker Zone returned a high-grade interval of 2 m of 10.0 g/t gold.

## **Geology**

Bayan Khundii is a low sulfidation epithermal gold system with all of the primary lithologies (volcanic tuff and andesite) pervasively altered by multi-stage, locally intense, silica and sericite alteration. The locally intense silica-sericite alteration (SS2) overprints the pervasive silica sericite alteration (SS1) and commonly forms selvages (halos) around quartz veins, fractures, and hematite/specularite veinlets, as well as selvages surrounding disseminated hematite and other inclusions. Extensive hypogene hematite and specularite mineralization occurs as veinlets, mineralized fractures, locally disseminated, and infilling of breccia zones, including common hematite-quartz breccias. Quartz veins and breccias occur within all altered lithologies and include comb textured quartz, saccharoidal (sugary) quartz, recrystallized quartz (intensely silica altered) as well as chalcedonic quartz. The gold mineralization is associated with quartz veins, quartz breccias, within hematite-specularite veins and fractures, within altered host rocks including along margins (alteration selvages) of quartz veins and disseminated within the altered host rocks, often, but not always, associated with disseminated hematite-specularite mineralization. Gold grades within the host rocks, excluding the greater than 1 g/t material, average 0.1 to 0.2 g/t gold. The recent drilling supports much wider zones of gold mineralization than previously recognized, including previously untested gold mineralization west of the Striker Zone with 66 m of 1 g/t gold in hole BKD-34. Gold mineralization is generally observed to be fine grained.

## **Initial Metallurgy**

Initial independent metallurgical test work, completed by Erdene in February 2016, indicates the gold mineralization at Bayan Khundii is very amenable to conventional processing techniques involving a combination of gravity and cyanide leach of gravity tails, yielding 99% gold recovery for the high-grade composite sample (24.9 g/t gold) and 92% gold recovery for the low-grade composite sample (0.7 g/t gold). Blue Coast Research Ltd. of Parksville, British Columbia, carried out the metallurgical testing program, the details of which can be found in Erdene's February 16, 2016 news release ([click here for link](#)).

## **Future Plans and Results**

The results of the recently completed drill program will be received prior to the end of Q2-2016 at which time a compilation and interpretation program will take place that will evolve into additional field studies in July and August. This work will include 3-D modelling, structural mapping and interpretation, petrographic studies and spectral analysis. These studies will be reviewed and drilling plans established in mid Q3-2016 to be immediately followed by the commencement of a third round of drilling.

## **About the Bayan Khundii Gold Project**

In Q2-2015, Erdene conducted an initial exploration program on the southern portion of the Company's 100%-owned Khundii license. This reconnaissance work led to the discovery of the Bayan Khundii ('Rich Valley') gold prospect, located 20 km southeast of the Company's flagship Altan Nar gold-polymetallic project. Subsequently, gold mineralization at Bayan Khundii has been identified in three separate prospect areas over a 1.7 km trend, with detailed exploration only taking place over a 500 m by 350 m zone in the southwest prospect area, where the Company's Q4-2015 and Q2-2016 drill programs have focused. Visible gold has been observed in multiple drill holes and results include several high-grade intersections within a series of parallel structures exposed at surface. Results include up to 35 m of 5.9 g/t gold in hole BKD-10 (including 12 m of 16.2 g/t gold) from surface to the bottom of the hole, and 63 m of 5.3 g/t gold in hole BKD-17 from 50 to 113 m depth. Initial drill results and program details are included in Erdene's May 9, 2016 and May 24, 2016 press releases ([click here](#) for link). The license has a 2% net smelter returns royalty ("NSR Royalty") in favour of Sandstorm Gold 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 the Company'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. The Company holds four exploration licenses and a mining license in southwest Mongolia. These include: Altan Nar – an extensive, high-grade, near-surface, gold-polymetallic project that the Company is advancing toward a production decision, however the Company has not yet completed a mining study to support the technical feasibility and economic viability of Altan Nar; Bayan Khundii – an

earlier-stage, high-grade gold discovery made in Q2-2015; Khuvyn Khar – an early-stage, copper-silver porphyry project with multiple drill targets and significant copper intersections; 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](http://www.erdene.com). Erdene has 121,040,992 issued and outstanding common shares and a fully diluted position of 132,432,906 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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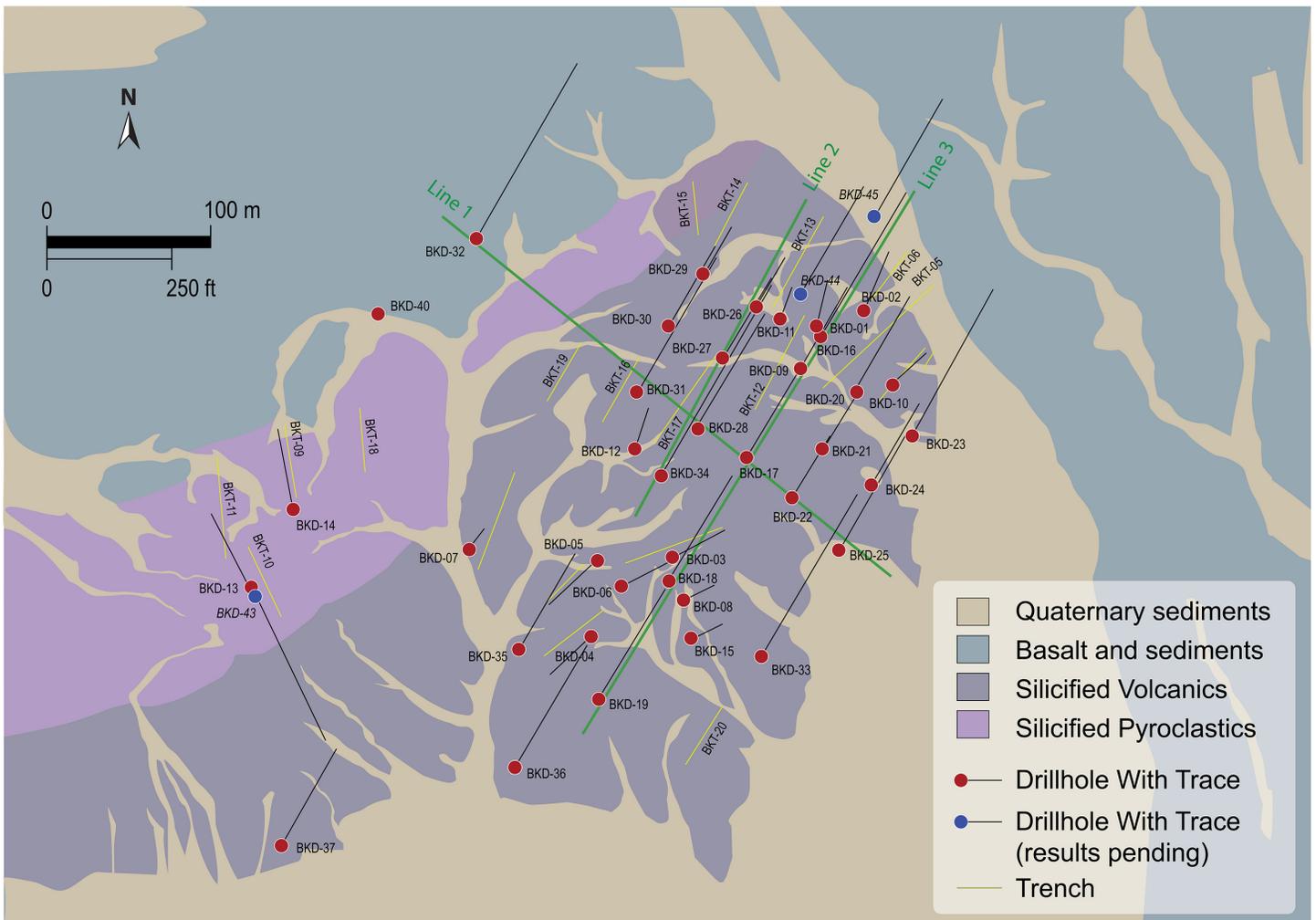
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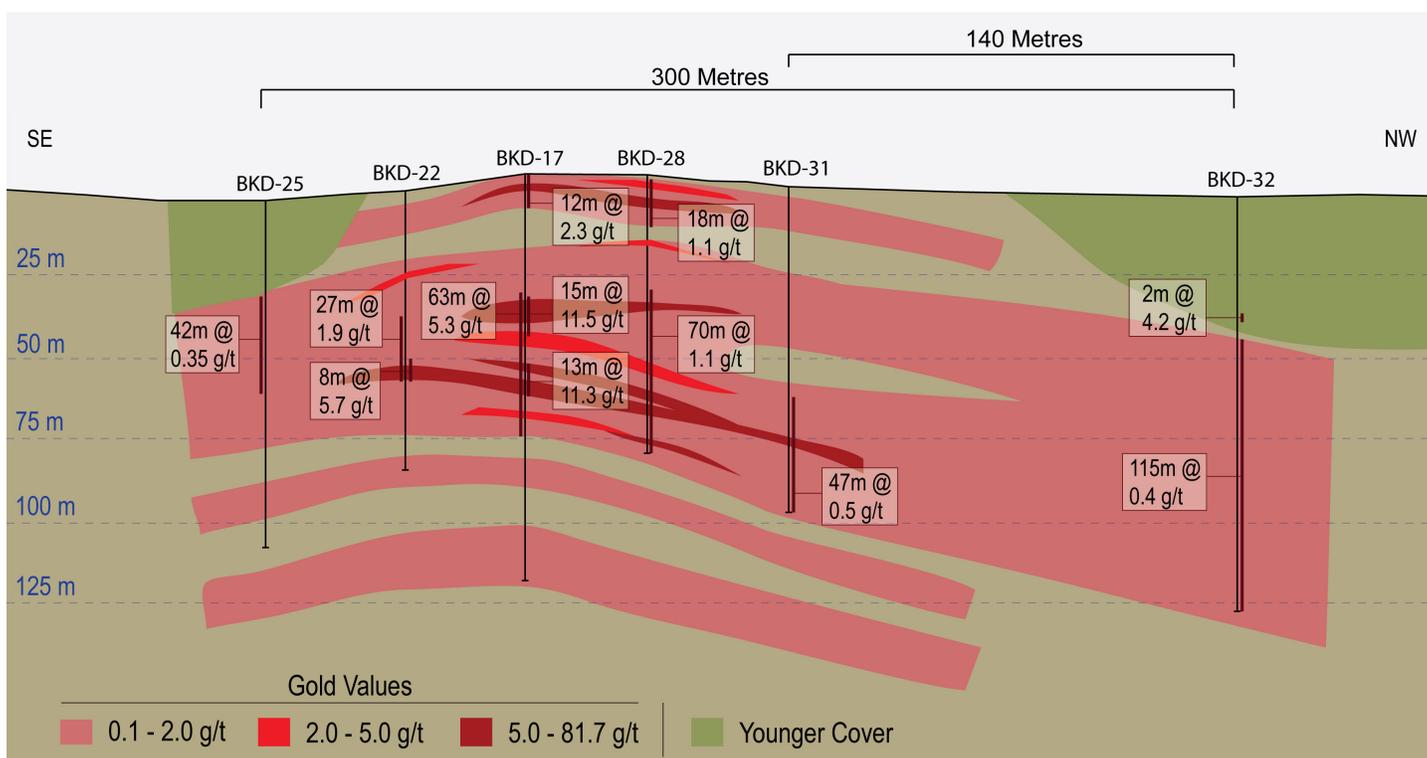
# Bayan Khundii Gold Project

## Plan Map of Drill-Trench Locations



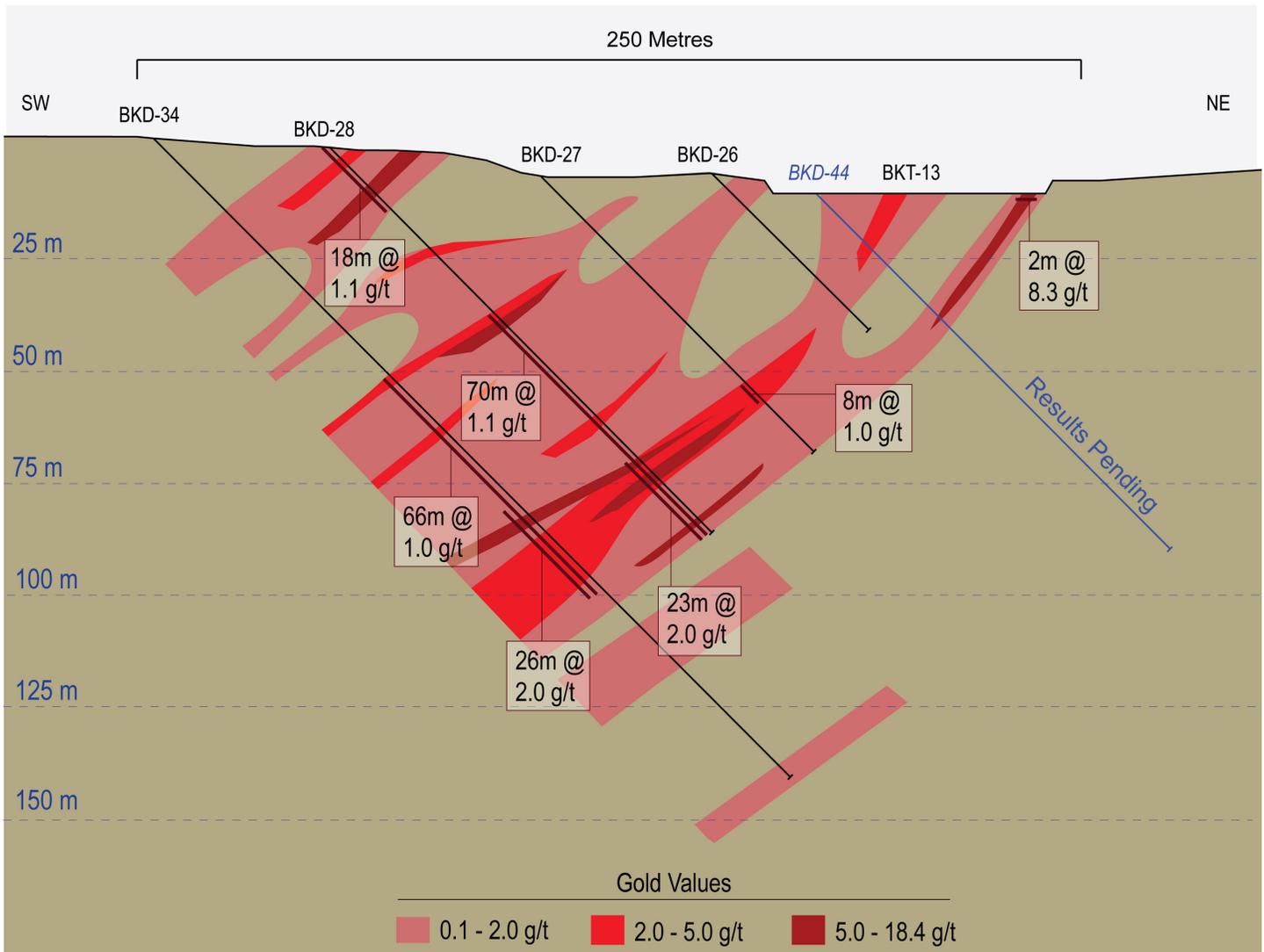
# Bayan Khundii Gold Project

## Cross-Section Line 1 - Extension Under Cover



# Bayan Khundii Gold Project

## Cross-Section Line 2



# Bayan Khundii Gold Project

## Cross-Section Line 3

