

ERDENE RESOURCE DEVELOPMENT CORP. ("Company")

AUDIT COMMITTEE CHARTER

I. Purpose

The Audit Committee ("Committee") is a standing committee of the Board of Directors ("Board") charged with assisting the Board in fulfilling its responsibility to the shareholders and investment community. Its role is to:

- Serve as an independent and objective party to monitor the Company's financial reporting process and internal control system.
- Review and appraise the audit efforts of the Company's external auditors.
- Provide an open avenue of communication among the external auditors, financial and senior management and the Board.

II. Authority

The Board authorizes the Committee, within the scope of its responsibilities, to:

- Seek any information it requires from any employee (and all employees are directed to co-operate with any request made by the Committee).
- Engage independent counsel and other advisors as it determines necessary to carry out its duties.
- Set and pay the compensation for any advisors employed by the Committee.
- Communicate directly with the internal and external auditors.

III. Composition

The Committee will be comprised of at least three directors. Each Committee member will be independent of management and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. All members shall be financially literate in finance and accounting practices or become financially literate within a reasonable period of time after his or her appointment.

The Committee members shall be elected annually.

IV. Responsibilities

Responsibilities of the Committee include:

- Review and assess the adequacy of this Mandate annually.
- Make recommendations to the Board regarding the selection and compensation of the external auditor to be engaged to prepare or issue an auditor's report or perform other audit, review or attest services for the Company. The external auditor shall be accountable to the Board and the Committee.
- Meet with the external auditor and financial management of the Company to review the scope of the proposed audit for the current year and the audit procedures to be used and oversee the work of the external auditor engaged to prepare or issue an auditor's report or perform other audit, review or attest services for the Company, including the resolution of any disagreements between management and the external auditor regarding financial reporting.
- Pre-approve all non-audit services to be provided to the Company or any of its subsidiaries by the Company's external auditor.
- Obtain a written statement from the external auditors annually disclosing all relationships that the auditors have with the Company. Discuss with the external auditors any relationships or services disclosed that may impact their objectivity and independence. Recommend that the Board take action, where appropriate, to satisfy itself of the external auditors' independence.
- Review the performance of the external auditors.
- Review with management and the external auditors:
 - The Company's audited financial statements and footnotes, MD&A and any annual or interim earnings press releases before the Company publicly discloses this information.
 - Any significant changes required in the external auditors' audit plan and any serious difficulties or disputes with management encountered during the course of the audit.
 - Other matters related to the conduct of the audit that are to be communicated to the Committee under generally accepted auditing standards.
- Make a recommendation to the Board concerning the inclusion of the audited financial statements in the Company's Annual Report.
- Review with the external auditors and management the adequacy and effectiveness of the financial and accounting controls of the Company.
- Review with the external auditors and management the quality of the Company's accounting principles as applied in its financial reporting process and any proposed changes in accounting principles.
- Inquire of management and the external auditors about significant risks or exposures and assess the steps taken by management to minimize such risks to the Company.

- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and for the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.
- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

V. Meetings

The Committee will meet regularly at times necessary to perform the duties described above in a timely manner, but not less than once a quarter. Special meetings may be held at any time deemed appropriate by any member of the Committee.

These meetings may be with representatives of the external auditors and appropriate officers or members of management, either individually or collectively as may be required by the Chairman of the Committee.

The external auditors will have access to the Committee at their own initiative.

The Chairman of the Committee will report periodically its findings and recommendations to the Board.

As amended June, 2009.