



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Intersects 63 Metres of 5.3 g/t Gold at Bayan Khundii Gold Project, Including 3 Metres of 49.4 g/t and 5 Metres of 26.8 g/t Gold (i)

Halifax, Nova Scotia - May 9, 2016 - Erdene Resource Development Corp. (TSX:ERD) ("Erdene" or "Company"), is pleased to announce 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. Drilling in Q2-2016 has intersected additional high-grade gold mineralization including 5.3 g/t gold over 63 metres in hole BKD-17 in the Striker Zone, one of multiple high-priority targets within the Bayan Khundii prospect area. The results reported today are for the first seven holes of an extensive exploration program that includes a planned 30 diamond drill holes. Included with this release, for reference, are two plan maps and two cross-sections.

Highlights (i)

- Striker Zone depth and strike extension includes:
 - Hole BKD-17: 63 m of 5.3 g/t gold beginning at 50 m down hole or approximately 35 m vertical depth
 - Includes 3 m section of 49.4 g/t and 5 m section of 26.8 g/t gold
 - Includes four 1 m samples with grades ranging from 1.2 to 2.6 ounces/tonne gold (37.5 to 81.7 g/t)
 - Hole located approximately 35 m down dip from Q4-2015 drill hole BKD-09 which returned 26 m of 5.9 g/t gold
 - High grade gold now traced over greater than 90 m down dip
 - Hole BKD-21 (located 47 m east of BKD-17) included 13 m of 2.1 g/t gold and 14 m of 2.0 g/t gold
 - Hole BKD-22 (located 40 m southeast of BKD-17 and 40 m southwest of BKD-21) included 27 m of 1.9 g/t gold including 8 m of 5.7 g/t
- New zone intersected in Gold Hill area with 12 m of 2.3 g/t gold (upper portion of BKD-17)
- Hole BKD-19, the deepest hole drilled to date, intersected high grade gold at approximately 125 m vertical depth with 1 m of 26.3 g/t gold
- Visible gold observed in majority of the drill holes, and three trenches, completed to date; results pending

(i) Reported intervals are not true width. They represent drill intersection widths from holes drilled at a 45 to 60 degree angle. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 40 to 50 degrees) perpendicular to the drill hole angle.

Table 1 – Bayan Khundii drill results, greater than 0.5 g/t gold intervals (BKD-16 to BKD-22; Results pending for BKD-23 to BKD-31)

Drill Hole	From (m)	To (m)	Interval (m)*	Gold (g/t)
Testing North of Striker Zone, under younger cover				
BKD-16	19	102	83	0.59
incl	19	24	5	3.40
incl	20	21	1	14.2
Testing Down-Dip Extension of Striker Zone				
BKD-17	0	12	12	2.35
incl	4	6	2	10.7
and	50	113	63	5.31
incl	54	69	15	11.5
incl	55	58	3	49.4
incl	82	95	13	11.3
incl	90	95	5	26.8
incl	94	95	1	81.7
Testing Gold Hill, Stockwork Zone, and deep Striker Zone				
BKD-18	9	34	25	0.56
incl	10	17	7	1.15
and	128	133	5	0.50
BKD-19	25	29	4	0.75
and	181	184	3	8.89
incl	182	183	1	26.3
Testing Eastern Extension of Striker Zone				
BKD-20	5	11	6	1.41
BKD-21	40	53	13	2.08
incl	46	48	2	11.5
incl	46	47	1	18.8
and	71	85 **	14	1.96
incl	71	75	4	6.55
BKD-22	31	39	8	1.06
and	54	81	27	1.88
incl	72	80	8	5.70
incl	77	78	1	34.5
and	114	119	5	0.51

* Reported intervals are not true width. They represent drill intersection widths from holes drilled at a 45 to 60 degree angle. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 40 to 50 degrees) perpendicular to the drill hole angle.

** End of hole

Bayan Khundii Exploration Program Q2-2016

The Q2-2016 Bayan Khundii exploration program will include 3,500 m of diamond drilling, approximately 900 soil samples over a 7.6 km by 3 km area, 35.4 line km of gradient IP geophysical surveys, 33 line km of dipole-dipole geophysical surveys, 550 m of trenching and sampling within a 2 km by 2 km area, and mineralogical studies. The majority of this work is complete with the exception of drilling; approximately 1,700 m of drilling remains in the program. Results for 1,012 m (7 holes) are being released today and approximately 700 m of drill sample material is currently being analyzed, with all results anticipated during Q2-2016. The drilling program was designed to test the strike and vertical extent of the high-grade gold mineralization discovered in Q4-2015 (previous drilling tested to less than 50 m depth). The first seven reported holes were drilled to depths of 50 to 232 m or approximately 35 to 150 m vertically. All holes are drilled perpendicular to the interpreted dip of the mineralized zones. In addition, various technical studies in support of future scoping/feasibility-level studies and a mining license application, including hydro-geological, archaeological, paleontological, and environmental base line studies, have commenced on both Bayan Khundii and the Company's Altan Nar gold-polymetallic project located 20 km to the northwest.

The following key technical observations have been made from the exploration program to date:

- High grade gold zones within the Striker Zone can be very wide, grading in excess of 5 g/t gold and greater than 50 m in width;
- Based on the drilling and surface sampling completed to date, the entire target area has a pervasive low-grade gold mineralization averaging greater than 0.1 g/t gold (excluding all zones with greater than 1 g/t gold);
- Visible gold mineralization has been observed in newly completed trenches and within unreported drill holes on the western extension of the Striker Zone, from surface to depths up to 116 m;
- Based on mapped alteration and visible gold observed in the western-most trenches and drill holes, it indicates a minimum strike length on the Striker zone of approximately 200 m;
- The near-surface, eastern extension of the Striker Zone (BKD-23 to 25) has been partially eroded or structurally displaced, based on an observed unconformity with younger sediments and volcanics. Drilling in the coming weeks will further test the down-dip extension in this area;
- The alteration and mineralization continues to the north of Striker Zone under the younger sediments and volcanics as evidenced by hole BKD-16 (83 m of 0.59 g/t);
- Trenching has uncovered several new areas of visible gold southwest of the area drilled (west of Gold Hill);
- Geophysics has established many targets within the Bayan Khundii project area (2 km by 2 km) and also outlined significant anomalies to the north where silica caps have been identified with similar geophysical signatures;
- Undrilled areas between Westridge and Gold Hill have strong gold geochemical and geophysical anomalism;

- Intense chargeability and resistivity anomalies (similar to those recognized at Striker and Gold Hill) are present at the Northeast and Northeast Extension zones located, respectively, 700 m and 1.2 km to the northeast; and
- Trenching and mapping within the Northeast zone has confirmed the same intensity of alteration with associated anomalous gold mineralization supporting a large interpreted northeast-trending zone of alteration and gold mineralization.

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, ranging from previously untested gold mineralization north of the Striker zone with 83 m of 0.59 g/t gold in hole BKD-16, to the high grade intersection in hole BKD-17. Gold mineralization is generally observed to be fine grained.

Future Plans and Results

The current drill program will include continued testing of the Striker Zone as well as Gold Hill, Westridge, Stockwork and now the newly defined Northeast Zone. It is anticipated that this phase of the Bayan Khundii exploration program will be completed in June 2016 with all results received by the end of Q2 or early Q3. On completion of the program the Erdene technical team will be interpreting all results and establishing plans for the next phase of exploration with a follow-up drill program anticipated in Q3-2016.

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 475 m by 300 m zone in the southwest prospect area, where the Company's Q4-2015 drill program (totaling 695 m) was completed. Visible gold was observed in 10 of the 15 initial drill holes and results included several high-grade intersections within a series of parallel structures exposed at surface. Results included 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. The details of that drill program can be found in Erdene's December 14, 2015 news release ([click here for link](#)).

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](#)).

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 two commercially prepared standards and blanks. 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. Erdene has 115,185,163 issued and outstanding common shares and a fully diluted position of 131,384,791 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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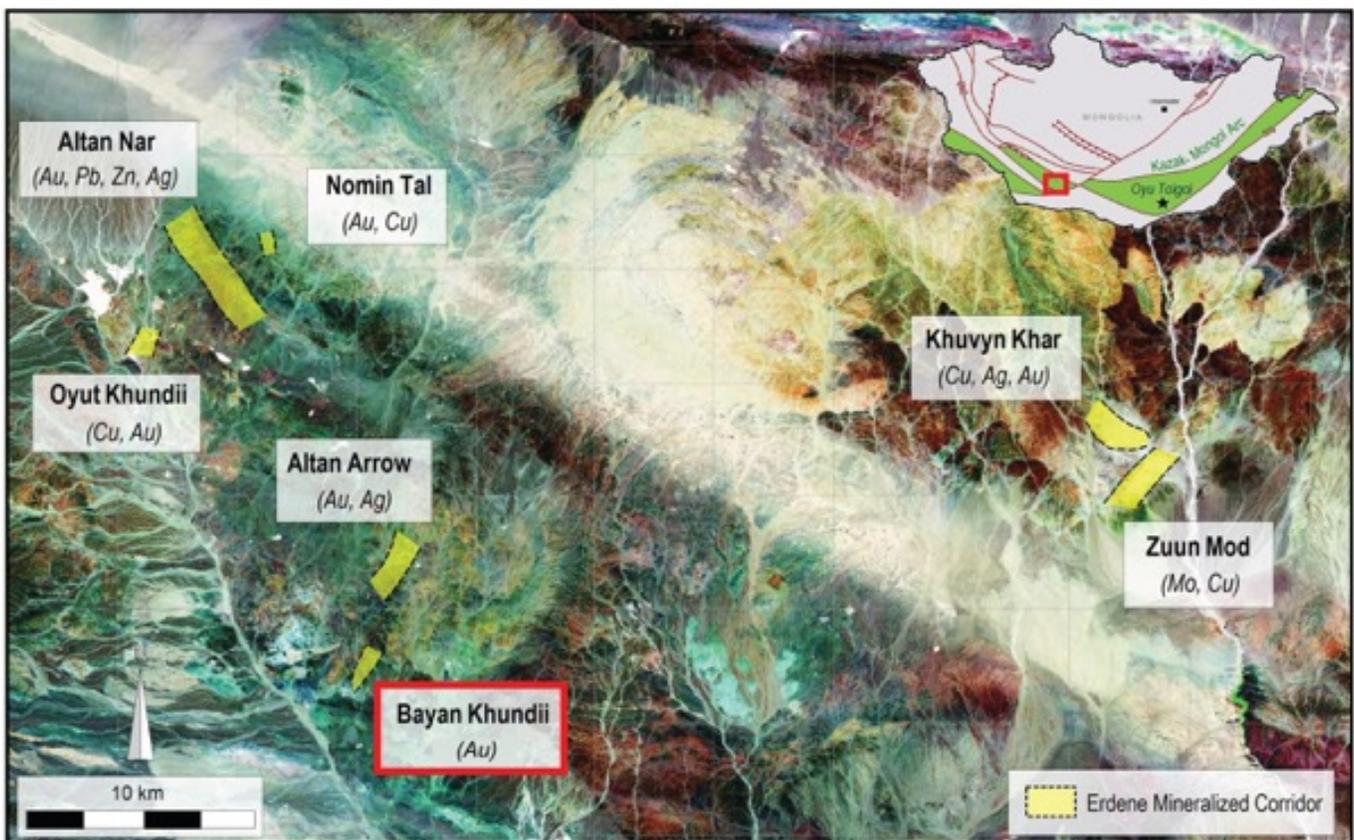
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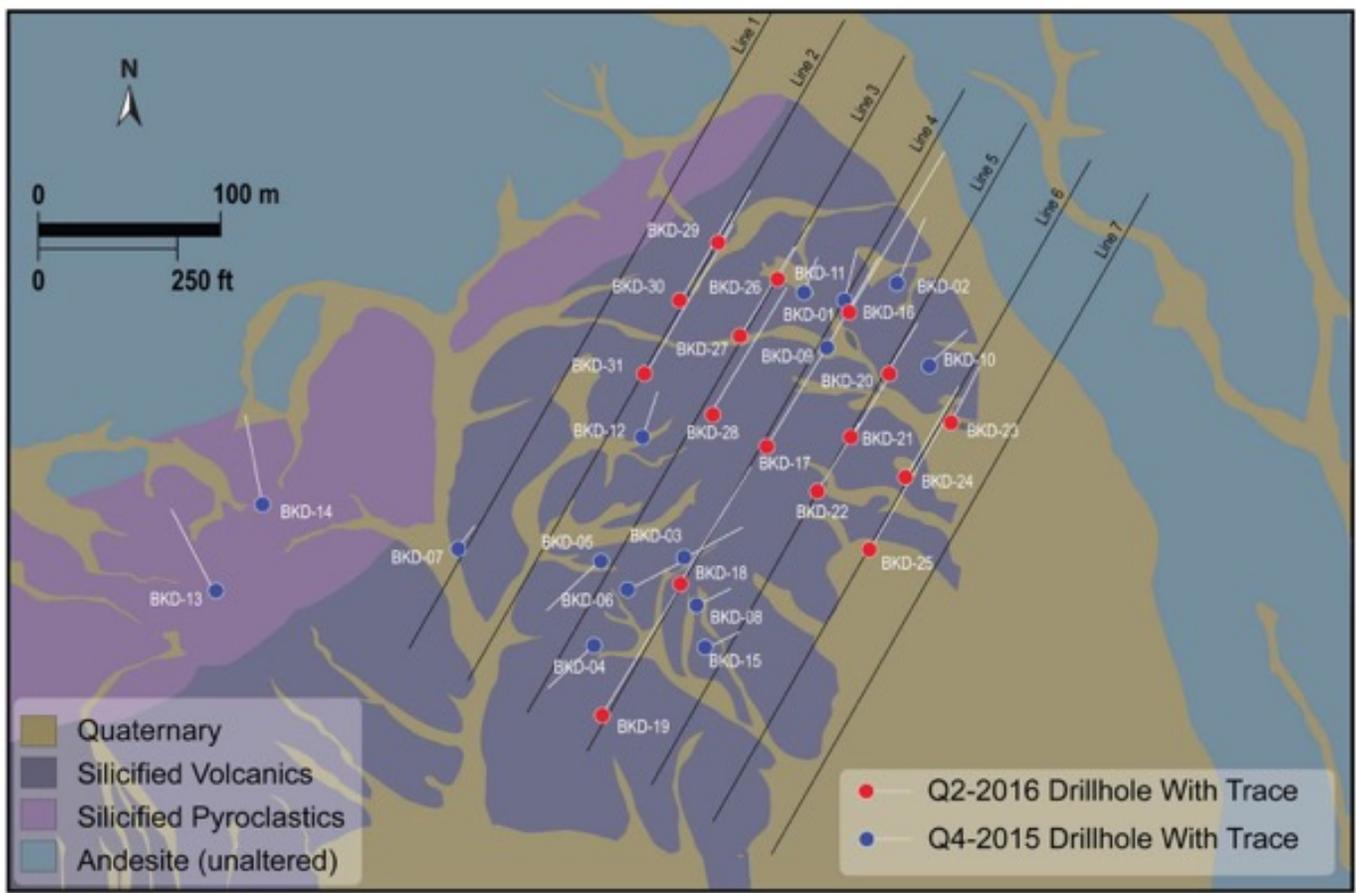
Bayan Khundii Gold Project

Erdene's Emerging Gold District in Southwest Mongolia



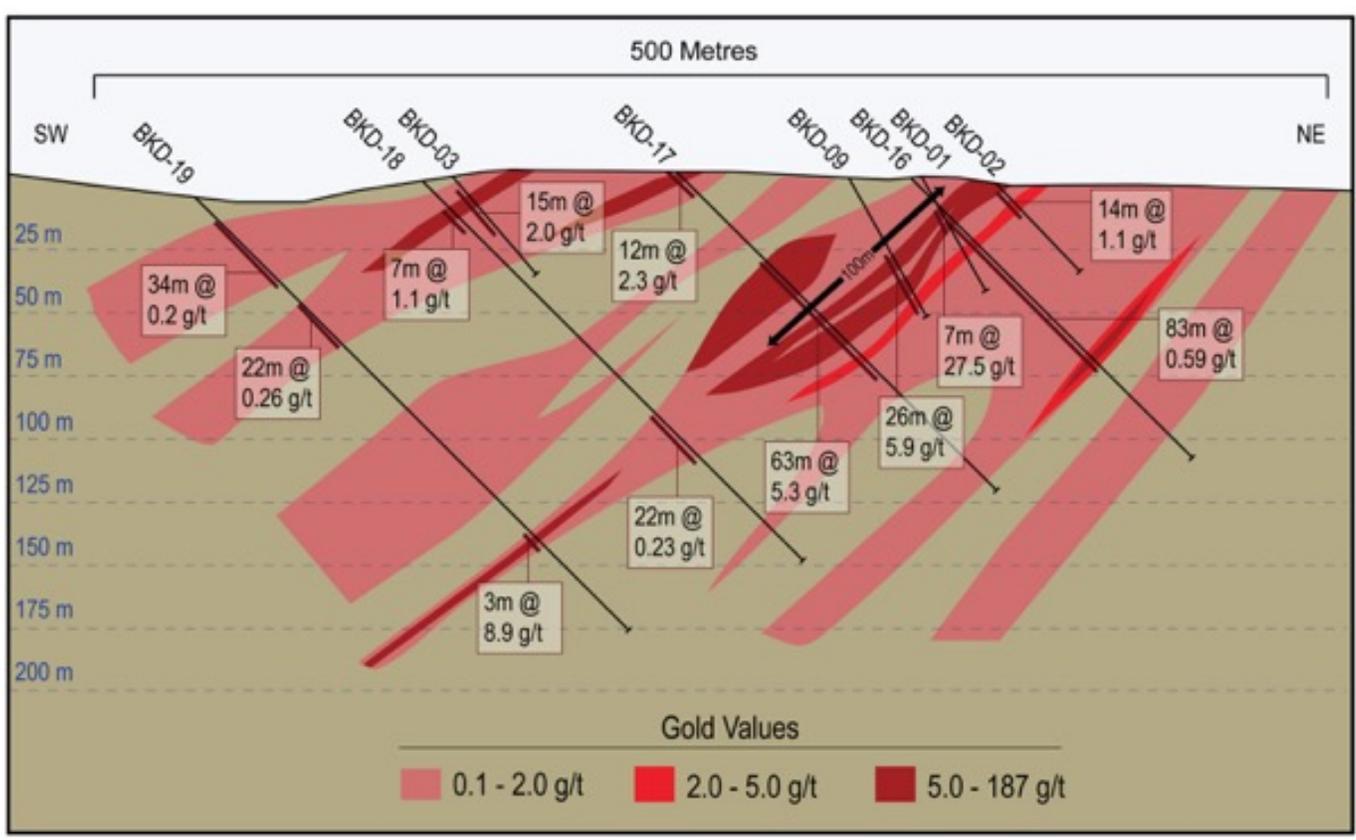
Bayan Khundii Gold Project

Drill Plan Map of Q4-2015 & Q2-2016 Drilling



Bayan Khundii Gold Project

Cross-Section - Line 4



Bayan Khundii Gold Project

Cross-Section - Line 5

