



## **ERDENE RESOURCE DEVELOPMENT CORP.**

### **Erdene Provides Year-End Financial Results and Project Review**

**Halifax, Nova Scotia - April 01, 2014 - Erdene Resource Development Corp. (TSX:ERD)** ("[Erdene](#)" or "Company"), is pleased to provide a review of 2014 and Q1 2015 activities on the Company's principal projects in [Mongolia](#) in conjunction with its December 31, 2014 year-end financial results.

#### **Project and Financial Highlights**

##### Altan Nar Gold-Polymetallic Project (100% Erdene) – Initial Mineral Resource Estimate:

- Indicated Resource of 147,000 ounces ("oz") gold equivalent ("AuEq") averaging 2.5 g/t AuEq and Inferred Resource of 102,000 oz AuEq averaging 2.1 g/t AuEq, at a 1.0 g/t AuEq cut-off, within 1.8 million tonnes ("Mt") Indicated and 1.5 Mt Inferred, respectively
- 90% of Mineral Resource within 150 m of surface; open along strike and down dip
- Initial Mineral Resource completed for two targets (Discovery Zone and Union North) with 16 undrilled and scout-drilled target areas along the 5.6 km mineralized trend that have good potential for hosting additional resources
- Expansion drilling and preliminary scoping study planned for 2015 to consider development options including evaluating the concept of producing a high value gold, silver, lead and zinc concentrate(s) sold into neighboring China

##### Altan Nar Gold-Polymetallic Project – Drilling Highlights:

- Definition drilling at Discovery Zone returned widest and highest grade zone to date with 30 m of 5.1 g/t AuEq including 8 m of 13.6 g/t AuEq
- Drilling at the northern extent of Discovery Zone returned broad zones of low grade mineralization including 96 m of 1.0 g/t AuEq that remains open along strike and at depth
- Drilling at Union North, 1.3 km northwest of Discovery Zone, returned 22 m of 2.9 g/t AuEq and below that 12 m of 5.4 g/t AuEq, within 35 m of surface

##### Agreement with Tian Poh Resources Ltd ("Tian Poh"):

- Tian Poh was granted a period of exclusivity to exercise an option to acquire an interest in Erdene's Zuun Mod molybdenum-copper project ("Zuun Mod")
- Tian Poh can acquire and retain a 51% interest in Zuun Mod for US\$4.8 million in cash and equity in Tian Poh, and by meeting certain work commitments

### Teck Resources Limited (“Teck”) Alliance:

- Erdene continued to evaluate opportunities through its alliance with Teck, focused on regional exploration for base and precious metal targets in southwest Mongolia
- Erdene initiated an acquisition program under the alliance

### Mongolian Government Update:

- Mongolia has made, and continues to focus on, significant legislative improvements for the mining and financing sectors; reduced the gold royalty from 10% to 2.5%; extended the maximum term of an exploration license from 9 to 12 years; and re-opened the mineral license staking system after a 5-year hiatus

### Financials:

- General and administrative costs decreased 22% compared to 2013 and a total of 57% compared to 2012
- Erdene secured \$2.03 million in funding in 2014 during challenging market conditions

## **Project Summaries**

### Altan Nar Gold-Polymetallic Project

The 2014 and Q1 2015 exploration program on the Altan Nar gold-polymetallic project (“Altan Nar”) resulted in the establishment of an initial resource (“Mineral Resource”) for the two most advanced prospects, Discovery Zone and Union North, and established sixteen additional mineralized target areas within the overall 5.6 km long mineralized trend. An independent National Instrument 43-101 technical report outlining the resource estimate at Altan Nar (“Resource Report”) was completed and is available on SEDAR (click here for link).

Table 1 below shows the Indicated and Inferred Mineral Resource estimate for the Discovery Zone and Union North prospects as at February 19, 2015. The Mineral Resource was completed by RungePincockMinarco (“RPM”) in accordance with the recommended guidelines of the CIM Definition Standards references in NI 43-101. The Mineral Resources are provided at a number of AuEq cut-offs, however RPM suggests reporting the Mineral Resource at a 1.0 g/t AuEq cut-off. The 0.6 g/t AuEq and 1.4 g/t AuEq cut-off grade Mineral Resources are provided for illustrative purposes.

**Table 1- Altan Nar Project – Mineral Resource Estimate Summary as at February 19, 2015**

AuEq Cut-Off g/t	Resource Classification	Tonnes Mt	Grade					Contained Metal				
			Au g/t	Ag g/t	Zn %	Pb %	AuEq g/t	Au kOz	Ag kOz	Zn Mlbs	Pb Mlbs	AuEq kOz
0.6	Indicated	3.4	1.0	9.4	0.57	0.47	1.7	112	1,014	42.4	34.8	186
0.6	Inferred	3.0	0.8	9.4	0.51	0.35	1.4	83	913	33.9	23.5	135
<b>1.0</b>	<b>Indicated</b>	<b>1.8</b>	<b>1.7</b>	<b>11.1</b>	<b>0.61</b>	<b>0.54</b>	<b>2.5</b>	<b>102</b>	<b>657</b>	<b>24.7</b>	<b>22.1</b>	<b>147</b>

<b>1.0</b>	<b>Inferred</b>	<b>1.5</b>	<b>1.5</b>	<b>10.4</b>	<b>0.54</b>	<b>0.39</b>	<b>2.1</b>	<b>72</b>	<b>498</b>	<b>17.7</b>	<b>12.8</b>	<b>102</b>
1.4	Indicated	1.3	2.3	12.1	0.61	0.58	3.1	92	486	16.8	15.9	130
1.4	Inferred	1.0	2.0	10.8	0.53	0.40	2.6	63	342	11.5	8.6	84

Notes:

1. The Mineral Resource Estimate Summary has been compiled under the supervision of Mr. Jeremy Clark who is a full-time employee of RPM and a Member of the Australian Institute of Geoscientists. Mr. Clark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined in the CIM Standards of Disclosure.
2. All Mineral Resources figures reported in the table above represent estimates as at 19th February, 2015. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
3. Mineral Resource grades are reported in accordance with the CIM Standards.
4. Mineral Resources reported on a dry in-situ basis.
5. Totals may differ due to rounding
6. Gold Equivalent ("AuEq") values were used in an effort to express the combined value of gold, silver, lead and zinc as a percentage of gold, and are provided for illustrative purposes only. No allowances have been made for recovery losses that may occur should mining eventually result. Calculations assume metal prices of US\$1,200/oz gold, US\$18/oz silver, and US\$0.90/lb for lead and zinc.

With the initial resource established, Erdene will work towards the completion of a preliminary scoping study in 2015 which will consider options for expedited development including evaluating the concept of producing a potentially high value gold, silver, lead and zinc concentrate(s) to be sold into China (rail link 175 km to the south of Altan Nar) for final processing. As stated by RPM in the Resource Report, this option has the potential to enable relatively low capital and operating costs during start up and for the generation of early cash flow. Simultaneously, in the first half of 2015, Erdene intends to complete additional evaluation of the remaining target areas to assist in determining the high priority areas for defining additional near-surface resources at Altan Nar. The potential for increasing the Mineral Resource is considered by RPM to be good, with the Discovery Zone and Union North open along strike and at depth, and multiple priority targets throughout the remaining 16 target areas.

For details on key parameters/assumptions considered in the Altan Nar Mineral Resource estimate, and for a map of the Mineral Resource area, the reader is directed to the Company's March 31, 2015 press release announcing the resource estimate; [click here](#) for link to release.

### **Agreement with Tian Poh Resources Limited**

On February 12, 2015, Erdene announced that it had granted Tian Poh Resources Limited ("Tian Poh"), a period of exclusivity to exercise an option to acquire an interest in Erdene's Zuun Mod molybdenum-copper project ("Zuun Mod") in southwest Mongolia. The exclusivity and option period expires on June 9, 2015.

Tian Poh can acquire and retain a 51% interest in Zuun Mod for US\$4.8 million in cash and equity in Tian Poh, and by meeting certain work commitments (the "Transaction"). If Tian Poh exercises its option and meets milestones to retain its 51% interest (details provided in the Company's February 12, 2015 press release; [click here](#)), it will have the right to increase its

interest to up to 100% through additional cash and/or equity payments. Erdene will retain a 1% net smelter return royalty, which will be subject to certain buy-down provisions. The Transaction is subject to approval from the Toronto Stock Exchange, the Australian Stock Exchange and Tian Poh's shareholders.

As consideration for the exclusivity period, Erdene received a non-refundable deposit of US\$50,000 paid on signing. Additionally, US\$200,000 was paid on signing pursuant to a non-interest bearing debenture ("Debenture") issued by Erdene. If Tian Poh does not exercise its option by June 9, 2015, the principal amount of the Debenture will be converted into common shares of Erdene at CDN\$0.14/share. If Tian Poh exercises its option, the Debenture will be deemed to be redeemed and the funds applied to the amount due on closing, which is expected to be on or about June 11, 2015.

### **Alliance with Teck Resources Limited**

In 2014, Erdene continued to evaluate opportunities through its alliance with Teck Resources Limited ("Teck"), focused on regional exploration for base and precious metal targets in southwest Mongolia. The exploration program identified prospects that have been recommended for acquisition. Subsequent to year-end the Mongolian mineral license staking system re-opened after a 5-year hiatus with designated areas in the western half of Mongolia available for staking. Since the opening of the licensing system, Erdene has had one exploration license application accepted with the issuance of an exploration license pending final regulatory approval. The exploration program is ongoing and has been designed to be a multi-year program. This program is being funded through the alliance with Teck.

In April 2013, the Teck alliance was formed by the signing of option and private placement agreements (collectively, "Agreement") with Teck to fund and explore the Company's mineral tenements and to evaluate acquiring new mineral tenements in the Trans Altay region of southwest Mongolia.

Teck has the option to acquire additional shares of Erdene, until it has invested \$3 million or acquired through subscriptions 19.9% of the outstanding shares of Erdene, whichever occurs first. A minimum of \$500,000 is to be subscribed on each anniversary date of the closing of the initial tranche. At the time of this press release, Teck owns 11.1% of the Company's issued and outstanding common shares.

### **Mongolia Update**

In 2014, Mongolia made, and continues to focus on, significant legislative improvements for the mining and financing sectors. In January 2014, the Mongolian Government announced the passing of an amendment to the Mineral Law reducing the royalty for gold from 10% to 2.5% under the condition that producers sell their output to Mongolia's central bank. In July 2014, the

Parliament of Mongolia passed the Law of Mongolia on Amending the Minerals Law (the "Amendment") amending the 2006 Minerals Law. The Amendment introduced 13 new provisions and altered a number of existing provisions of the Minerals Law with the aim of improving the existing legal framework relating to mining. The maximum term for an exploration license was extended from nine to 12 years.

Subsequent to year-end the Mineral Resources Authority of Mongolia (MRAM) re-opened the mineral license staking system after a 5-year hiatus, further signaling the Country's efforts to reignite foreign direct investment in the mining sector.

In addition to the legislative changes, the Mongolian government has signaled that one of its top priorities is to approve the terms with Turquoise Hill Resources Ltd. and Rio Tinto plc for advancing the Oyu Tolgoi project to the multi-billion dollar phase II development stage. In 2014, the mine produced 598,000 ounces of gold and 148,400 tonnes of copper which is forecast to be exceeded in 2015. This development is expected to benefit all stakeholders from the perspective of improved investor sentiment, infrastructure and services.

## **Financial Results Summary**

Erdene's year-end 2014 financial statements, Management's Discussion and Analysis and Annual Information Form were filed with regulatory authorities on March 31, 2015 and are available on the Company's website [here](#), and on [SEDAR](#).

For the 12 months ended December 31, 2014, the net loss was \$2,616,553 or \$0.04 basic and diluted loss per share compared to \$2,760,423 or \$0.05 basic and diluted loss per share in 2013.

Exploration expenditures, including capitalized costs, totaled \$2,043,461 in fiscal 2014 compared to \$1,916,116 in fiscal 2013. Expenditures were primarily directed toward the Altan Nar project and the Zuun Mod/Khuvyn Khar license under the Teck-Erdene alliance. Direct expenditures by project were as follows:

- Altan Nar: Approximately \$1,107,000 for the 12 months ended December 31, 2014 (2013 - \$692,000)
- Zuun Mod/Khuvyn Khar: Approximately \$791,000 for the 12 months ended December 31, 2013 (2013 - \$849,000)
- Regional and Other: Approximately \$145,000 for the 12 months ended December 31, 2013 (2013 - \$375,000)

Although year-over-year total expenditures remained similar, the Company was able to invest approximately \$500,000 more on field work including drilling, assaying, analytical and preparing resource estimates in 2014 from the savings generated with reduced personnel, general and administrative costs.

Total 2014 general and administrative cash costs were \$624,535. Total cash and non-cash administrative expenses totaled \$729,074 in 2014 compared to \$939,455 in 2013 and \$1,678,298 in 2012. Management has remained focused on rationalizing and streamlining operations and was successful in reducing overhead costs by 22% in 2014 on top of the 44% reduction in 2013.

The Company was successful in securing funding totaling approximately \$2.03 million during 2014, in challenging market conditions. \$1,630,678 was raised via private placements; \$293,303 was raised via the exercise of options and warrants, and \$107,142 was raised on signing a loan with Teck (the loan will be settled with the issuance of shares at a future date).

### **Qualified Person**

J.C. (Chris) Cowan, P. Eng. (Ontario), VP Asia for Erdene, is a 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.

### **About Erdene**

Erdene Resource Development Corp. is a Canada-based resource exploration company focused on the acquisition, exploration, and development of base and precious metals in underexplored and highly prospective Mongolia. For further information on the Company, please visit [www.erdene.com](http://www.erdene.com). Erdene has 82,636,233 issued and outstanding common shares and, a fully diluted position of 93,317,283 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.

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CONTENTS OF THIS RELEASE**

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