



ERDENE RESOURCE DEVELOPMENT CORPORATION

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2015 and 2014

Canadian dollars)
(Unaudited)

Prepared by Management – See Notice to Reader

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice to this effect. These unaudited condensed interim consolidated financial statements have been prepared by management of the Corporation. Management have compiled the unaudited condensed interim consolidated statements of financial position of Erdene Resource Development Corporation as at March 31, 2015 and December 31, 2014 and the unaudited condensed interim consolidated statements comprehensive loss, changes in equity and cash flows for the three months ended March 31, 2015 and 2014. The Corporation's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of these condensed interim consolidated financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Consolidated Statements of Financial Position

(Canadian dollars)

	Notes	March 31, 2015	December 31, 2014
ASSETS			
Current assets:			
Cash	\$	61,902	\$ 136,824
Trade and other receivables		59,647	20,674
Prepaid expenses		12,671	15,980
		134,220	173,478
Non-current assets:			
Exploration and evaluation assets		11,128,397	10,676,010
Property, plant and equipment		58,602	62,160
		11,186,999	10,738,170
TOTAL ASSETS		\$ 11,321,219	\$ 10,911,648
LIABILITIES & EQUITY			
Current liabilities:			
Trade and other payables	\$	267,377	\$ 202,004
Loan due to Teck Resources Limited	4 & 5	107,142	107,142
Convertible debenture due Tian Poh Resources	4	252,207	-
Current portion of obligations under finance leases		1,534	2,657
		628,260	311,803
TOTAL LIABILITIES		\$ 628,260	\$ 311,803
EQUITY			
Shareholders' equity:			
Share capital	\$	79,290,034	\$ 79,290,034
Contributed surplus		11,487,249	11,487,249
Accumulated other comprehensive loss		(980,899)	(1,295,742)
Deficit		(79,103,425)	(78,881,696)
		10,692,959	10,599,845
TOTAL LIABILITIES AND EQUITY		\$ 11,321,219	\$ 10,911,648

Going concern (Note 2)

Subsequent event (Note 5)

The accompanying notes are an integral part of these consolidated financial statements.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Consolidated Statements of Comprehensive Loss

(Canadian dollars)

	For the three months ended	
	March 31,	
	2015	2014
Exploration expenses	\$ 119,917	\$ 203,763
Corporate and administration	161,194	222,588
Other income	(63,052)	-
Foreign exchange loss (gain)	3,939	(6,357)
Loss from operating activities	221,998	419,994
Finance income	317	887
Finance expense	(48)	(138)
Net finance income	269	749
Net loss	\$ (221,729)	\$ (419,245)
Other comprehensive income (loss):		
Foreign currency translation difference		
arising on translation of foreign subsidiaries	314,843	(237,928)
Other comprehensive income (loss)	314,843	(237,928)
Total comprehensive income (loss)	\$ 93,114	\$ (657,173)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)
Basic and diluted weighted average		
number of shares outstanding	82,636,233	68,629,059

The accompanying notes are an integral part of these consolidated financial statements.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Consolidated Statements of Changes in Equity

(Canadian dollars)

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total equity
Balance at January 1, 2014	68,621,503	\$ 77,497,474	\$ 11,200,415	\$ (1,011,795)	\$ (76,265,143)	\$ 11,420,951
Total comprehensive loss for the period:						
Net loss		\$ -	\$ -	\$ -	\$ (419,245)	\$ (419,245)
Other comprehensive loss		-	-	(237,928)	-	(237,928)
Stock options exercised	20,000	3,400	(1,000)	-	-	2,400
Share-based compensation		-	32,500	-	-	32,500
Total transactions with owners	20,000	3,400	31,500	-	-	34,900
Balance at March 31, 2014	68,641,503	\$ 77,500,874	\$ 11,231,915	\$ (1,249,723)	\$ (76,684,388)	\$ 10,798,678
Balance at January 1, 2015	82,636,233	\$ 79,290,034	\$ 11,487,249	\$ (1,295,742)	\$ (78,881,696)	\$ 10,599,845
Total comprehensive income for the period:						
Net loss		\$ -	\$ -	\$ -	\$ (221,729)	\$ (221,729)
Other comprehensive income		-	-	314,843	-	314,843
Balance at March 31, 2015	82,636,233	\$ 79,290,034	\$ 11,487,249	\$ (980,899)	\$ (79,103,425)	\$ 10,692,959

The accompanying notes are an integral part of these consolidated financial statements

ERDENE RESOURCE DEVELOPMENT CORPORATION

Consolidated Statements of Cash Flows (Canadian dollars)

	For the three months ended	
	2015	2014
Cash flows from operating activities:		
Net loss	\$ (221,729)	\$ (419,245)
Items not involving cash:		
Depreciation and amortization	4,724	5,828
Share-based compensation	-	32,500
Net finance income	(269)	(750)
Foreign exchange loss (gain)	4,059	(3,914)
(Gain) / loss on disposal of property, plant & equipment	-	1,488
Change in non-cash working capital	279,911	(14,456)
Cash flows from operating activities	66,696	(398,549)
Cash flows from financing activities:		
Proceeds on exercise of stock options	-	2,400
Repayment of obligations under capital lease	(1,123)	(1,033)
Interest paid	(48)	(137)
Cash flows from financing activities	(1,171)	1,230
Cash flows from investing activities:		
Expenditures on exploration and evaluation assets	(137,187)	(5,621)
Proceeds from sale of property, plant and equipment	-	4,420
Interest received	317	887
Cash flows from investing activities	(136,870)	(314)
Effect of exchange rate changes on cash and cash equivalents	(3,577)	1,970
Decrease in cash and cash equivalents	(74,922)	(395,663)
Cash and cash equivalents, beginning of period	136,824	569,469
Cash and cash equivalents, end of period	\$ 61,902	\$ 173,806

The accompanying notes are an integral part of these consolidated financial statements.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements

(Canadian dollars)

For the years ended March 31, 2015 and 2014

1. Nature of operations:

Erdene Resource Development Corporation (the "Corporation") is a corporation domiciled in Canada. The address of the Corporation's registered office is 1300-1969 Upper Water Street, Halifax, Nova Scotia, B3J 2V1. The condensed interim consolidated financial statements of the Corporation as at and for the three months ended March 31, 2015 and 2014 comprise the Corporation and its subsidiaries. The principal business of the Corporation is the exploration and development of mineral deposits. The Corporation is primarily focused on the discovery of significant precious and base metal deposits in Mongolia.

2. Going concern:

These consolidated financial statements have been prepared on a going concern basis, which assumes the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. However, in making its assessment, management is aware of material uncertainties related to events or conditions that cast significant doubt upon the Corporation's ability to continue as a going concern, as described in the following paragraphs.

The Corporation is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage of exploration. These risks include, but are not limited to, dependence on key individuals, successful exploration results and the ability to secure adequate financing to meet the minimum capital required to successfully advance the projects and continue as a going concern.

The Corporation experienced significant losses and negative cash flows from operations in 2014 and 2013. Excluding the Teck loan and debenture due Tian Poh Resources (see Notes 4 and 5), the Corporation had a working capital deficit of \$130,898 at March 31, 2015 compared to a working capital deficit of \$31,183 at December 31, 2014, representing a \$99,715 increase, and has a deficit. Subsequent to March 31, 2015, the Corporation received \$500,000 from Teck (see Note 5). Management estimates current working capital is only sufficient to fund the Corporation's planned expenditures until end of the second quarter of 2015. The ability of the Corporation to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business and continue with, or expand upon its exploration programs is contingent upon securing equity financing, entering joint venture agreements or monetizing assets. The timing and availability of additional financing will be determined largely by market conditions and the results of the Corporation's ongoing exploration programs. There is no certainty that the Corporation will be able to raise funds as they are required in the future.

These consolidated financial statements do not reflect the adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate, then adjustments would be necessary to the carrying amounts of the assets, the reported revenues and expenses, and the statement of financial position classifications used.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements

(Canadian dollars)

For the years ended March 31, 2015 and 2014

3. Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting ("IAS 34"). They do not include all the disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Corporation's 2014 annual consolidated financial statements which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB")

The policies applied in these condensed interim consolidated financial statements are consistent with the policies disclosed in Notes 3 and 4 of the consolidated financial statements for the year ended December 31, 2014.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 13, 2015.

4. Exploration and evaluation

	Zuun Mod Moly/Copper	Altan Nar Gold	Other	Total
Balance, January 1, 2014	\$ 10,760,501	\$ 11,280	\$ 87,994	\$ 10,859,775
Additions	130,888	6,543	5,379	142,810
Disposals	-	-	(45,086)	(45,086)
Effect of movements in exchange rates	(277,375)	(1,109)	(3,005)	(281,489)
Balance, December 31, 2014	\$ 10,614,014	\$ 16,714	\$ 45,282	\$ 10,676,010
Balance, January 1, 2015	\$ 10,614,014	\$ 16,714	\$ 45,282	\$ 10,676,010
Additions	15,569	121,618	-	137,187
Effect of movements in exchange rates	312,029	2,389	782	315,200
Balance, March 31, 2015	\$ 10,941,612	\$ 140,721	\$ 46,064	\$ 11,128,397

The Corporation's mineral exploration and mining licenses in Mongolia are held by its subsidiaries, Erdene Mongol LLC, and Anian Resources LLC. Mineral exploration licenses are valid for a period of twelve years, subject to minimum work requirements. Mining licenses are issued for an initial term of 30 years with two 20-year extensions possible. These rights are held in good standing through the payment of an annual license fee.

Zuun Mod/Khuvyn Khar

The Zuun Mod property contains a molybdenum-copper resource and consists of two contiguous mining licenses. The property is located in Bayankhongor Province southwest of Ulaanbaatar. Beginning July 1, 2007, the Corporation's Zuun Mod molybdenum project met the Corporation's criteria to begin capitalizing exploration and evaluation costs associated with the project. One mining license was issued in 2011 (consisting of 6,041 hectares) and the second contiguous mining license was issued in the third quarter 2012 (consisting of 358 hectares).

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements

(Canadian dollars)

For the years ended March 31, 2015 and 2014

4. Exploration and evaluation (continued)

Zuun Mod/Khuvyn Khar (continued)

Together these mining licenses contain all of the reported mineral resources at Zuun Mod. The Mining Licenses are valid for an initial 30-year term with provision to renew the license for two additional 20-year terms.

On February 12, 2015, the Corporation announced it granted Tian Poh Resources Ltd. ("Tian Poh") a period of exclusivity to exercise an option to acquire an interest in the Zuun Mod project ("Project"). Tian Poh can acquire and retain a 51% interest in the Project for US\$4.8 million in cash and equity in Tian Poh, and by meeting certain work commitments (the "Transaction").

Significant Terms of the Transaction

Consideration for Exclusivity Period:

1. Non-refundable exclusivity fee of US\$50,000.
2. Receipt of cash of US\$200,000 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 will be converted into common shares of the Corporation 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 ("Closing").

Additional Consideration to Acquire and Retain a 51% Interest

In order to acquire a 51% interest in the Project, Tian Poh must deliver on Closing, US\$250,000 of shares and US\$200,000 cash by the deemed redemption of the Debenture. In order to retain its 51% interest, Tian Poh must make further cash payments and issue shares of Tian Poh to Erdene and incur certain work expenditures, as defined in the agreement, as follows:

Cash Payments and Share Issuances

- On the 1st anniversary of the Closing, US\$200,000 cash and US\$500,000 of shares;
- On the 2nd anniversary of the Closing, US\$200,000 cash and US\$500,000 of shares;
- On the 3rd anniversary of the Closing, US\$200,000 cash and US\$750,000 of shares;
- On the 4th anniversary of the Closing, US\$200,000 cash and US\$750,000 of shares; and
- On the 5th anniversary of the Closing, US\$1,000,000 of shares.

Work Expenditures

- US\$1,500,000 within 30 months of Closing or an additional payment of US\$250,000 is due.
- US\$10,000,000 on or before the 6th anniversary of the Closing.

If Tian Poh does not meet these obligations, its interest in the Project will be diluted pro rata to the value of the cash paid, shares issued and expenditures incurred and the Corporation will have the option to buy back Tian Poh's interest in the Project for an amount equal to 50% of Tian Poh's total consideration paid and work expenditures incurred.

ERDENE RESOURCE DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements

(Canadian dollars)

For the years ended March 31, 2015 and 2014

4. Exploration and evaluation (continued)

Additional Terms

1. Tian Poh will have the right:

- (a) to secure a 70% interest in the Project by incurring work expenditures totalling US\$20,000,000.
- (b) to secure a 90% interest in the Project by incurring work expenditures totalling US\$30,000,000; and
- (c) to increase its interest in the Project to 100% at any time by paying to the Corporation the amount of US\$10,000,000, payable in cash and/or shares of Tian Poh plus 50% of any remaining amount of the 51% earn-in consideration.

2. If Tian Poh exercises its option, Erdene shall be granted a 1% net smelter return royalty ("NSR"), payable after Tian Poh receives a return of the value of its consideration paid and work expenditures made. Once Tian Poh has fulfilled all of its obligations to earn its 51% interest, it shall have the right to reduce Erdene's NSR:

- (i) from 1.0% to 0.5% for consideration of US\$1,500,000 of cash and/or shares of Tian Poh, at any time; and
- (ii) from 0.5% to 0 for consideration of US\$2,000,000 of cash and/or shares of Tian Poh, at any time.

3. Tian Poh is required to maintain the Project licences in good standing.

4. Tian Poh will assume responsibility to pay the existing royalty payable to Gallant Minerals Limited in connection with the Project.

Tskenher Nomin and Other Licenses

The Corporation has two exploration licenses located in Bayankhongor and Gobi Altai provinces in Mongolia covering 9,183 hectares. The 4,669 hectare Tshekhher Nomin license includes the Altan Nar gold, silver, lead, zinc prospect. The license renewal date for Tsenkher Nomin is December 2015 and the other license is April 2015. Beginning the first quarter of 2015, after receiving the initial resource estimate for the Altan Nar prospect, the Corporation obtained the confidence to begin capitalizing exploration costs on the property. Prior to 2015, the Corporation only capitalized the license costs associated with property.

Teck Alliance

In April 2013, the Corporation entered into an agreement with Teck Resources Limited ("Teck"), to fund and explore the Corporation's mineral tenements in the Trans Altay region of southwest Mongolia. Teck has the option to acquire additional shares of the Corporation until it has invested at least \$3 million or has acquired 19.9% of the outstanding shares of the Corporation, whichever occurs first. Including the \$500,000 invested subsequent to March 31, 2015 (see Note 5), Teck has invested a total of \$2.0 million and currently owns approximately 15.1% of the Corporation. Teck must subscribe to a minimum \$500,000 on each anniversary to maintain its option.

5. Subsequent event

On April 27, 2015 the Corporation closed a private placement financing with Teck Resources Limited ("Teck"). The Corporation issued 2,826,310 shares at a price of \$0.139 for gross proceeds of \$392,857. The private placement funds will be used for exploration of the Corporation's Teck-Alliance projects in Mongolia. In addition to the private placement, Teck was issued 1,071,429 shares on the exercise of warrants with an exercise price of \$0.10 per share, for gross proceeds of \$107,143. Proceeds of the warrants were used to repay a \$107,142 loan to Teck.



ERDENE RESOURCE DEVELOPMENT CORPORATION

Management's Discussion and Analysis Quarter ended March 31, 2015

This Management Discussion and Analysis ("MD&A"), dated May 13, 2015, relates to the operating results and financial condition of Erdene Resource Development Corporation ("Erdene" or the "Company" or the "Corporation") and should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended December 31, 2014, unaudited condensed interim consolidated financial statements for the period ended March 31, 2015 and 2014 and the notes thereto. The consolidated financial statements of the Corporation have been prepared in Canadian dollars in accordance with International Financial Reporting Standards ("IFRS").

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address reserve potential, exploration drilling, exploitation activities, budgeted financial results and events or developments that the Corporation expects, are forward-looking statements. Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. 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 risk factors identified above are not intended to represent a complete list of the factors which could affect the Corporation. Additional factors are noted under "Risk Factors" in the Corporation's Annual Information Form for the year ended December 31, 2014, a copy of which is available on the Corporation's SEDAR document page at www.sedar.com.

First Quarter 2015 Highlights

Initial Resource Established at the Altan Nar Gold-Polymetallic Project

The Corporation has established an initial resource for the Altan Nar project within two of a total of 18 mineralized targets identified to date within the overall 5.6 km target area.

- Gold equivalent ("AuEq") Indicated Resource of 147,000 ounces ("oz") gold averaging 2.5 g/t AuEq and AuEq Inferred Resource of 102,000 oz gold averaging 2.1 g/t AuEq, at a 1.0 g/t AuEq cut-off (see table 2 on page 6 for details)
 - Including an Indicated Resource of 1.8 million tonnes ("Mt") with a gold grade of 1.7 g/t and an Inferred Resource of 1.5 Mt with a gold grade of 1.5 g/t, equating to 102,000 oz gold and 72,000 oz gold respectively
 - In addition to the gold, the Indicated Resource includes 24.7 million pounds ("Mlbs") zinc, 22.1 Mlbs lead and 657,000 oz silver, while the Inferred Resource contains 17.7 Mlbs zinc, 12.8 Mlbs lead and 498,000 oz silver

Zuun Mod Molybdenum Project Activity

- The Corporation granted Tian Poh Resources Ltd. (“Tian Poh”) a period of exclusivity to exercise an option to acquire an interest in the Corporation’s Zuun Mod molybdenum-copper project (Khuvyn Khar Mining Licenses) in exchange for cash consideration of US\$250,000.

Teck Alliance

- The Corporation continued to evaluate opportunities through its alliance with Teck Resources Limited, focused on regional exploration for base and precious metal targets. The Corporation initiated an acquisition program under the alliance and will begin field work in late May 2015.

Company Overview and Strategy

Erdene is a resource exploration and development corporation listed on the Toronto Stock Exchange (TSX:ERD) focused on base and precious metals exploration in Mongolia. The Corporation’s projects include the Altan Nar Gold-Polymetallic project, the Zuun Mod/KhuvynKhar Molybdenum-Copper project, as well as other early stage prospects. The current focus is the exploration and development of the Altan Nar Gold-Polymetallic property. This 100% owned property includes 20 gold and base metal targets identified to date, and of those, only two, the Discovery Zone and Union North, have been subject to detailed exploration.

During the first quarter, an independent National Instrument 43-101 technical report outlining the initial resource estimate at Altan Nar for the Discovery Zone and Union North deposits was completed and is available on SEDAR. See Table 2 below for a summary of the reported resource.

With the initial resource established, the Company will look towards the completion of a scoping study in 2015 which will consider options for 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) for final processing. This option has the potential to have low capital and operating costs and for the generation of early cash flow.

Simultaneously, in the first half of 2015, the Company plans to evaluate the remaining target areas to assist in determining the high priority areas for defining additional near-surface resources at Altan Nar.

In addition to the Altan Nar Project, the Company is active through its alliance with Teck Resources Limited in assessing regional opportunities and acquiring new licences through the Alliance’s area of interest in southwestern Mongolia particularly now that the Mongolian exploration licencing system has re-opened.

During the first quarter, the Company announced the granting to Tian Poh Resources Limited (“Tian Poh”) of a period of exclusivity to exercise an option to acquire an interest in the Zuun Mod Khuvyn Khar mining licenses (the “ZM Property”) in exchange for cash consideration of US\$250,000 on signing. On the exercise of the option, Tian Poh will acquire a 51% interest in the ZM Property for US\$200,000 cash and US\$250,000 of shares of Tian Poh and may retain this interest for US\$4.3 million in cash and equity in Tian Poh (over 6 years) and by meeting certain work commitments (See “Agreement with Tian Poh Resources Limited” for further details). If Tian -Poh exercises its option and meets milestones to retain its 51% interest in the ZM Property 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 exclusivity and option period expires on June 9, 2015.

Alliance with Teck Resources Limited

In April 2013, an alliance was formed by the signing of option and private placement agreements (collectively, "Agreement") with Teck Resources Limited ("Teck") to fund and explore the Corporation's mineral tenements in the Trans Altay region of southwest Mongolia. Under the terms of the Agreement, Teck agreed to subscribe for up to \$3 million of Erdene shares by way of a non-brokered private placement. The initial tranche, which closed on April 22, 2013, resulted in the issuance of five million shares priced at \$0.20 per share for aggregate proceeds of \$1 million. Eighty five percent of the proceeds from the private placement were committed to exploration work.

On November 7, 2013, Teck purchased an additional 2,142,857 shares at \$0.07, for cash consideration of \$150,000 and on April 21, 2014, Teck purchased 2,000,000 shares at \$0.175 for cash consideration of \$350,000.

On August 29, 2014 the Corporation received a \$107,142 loan from Teck to fund ongoing exploration programs under the Agreement.

On April 24, 2015, the Corporation closed a private placement with Teck for \$392,857 at \$0.139 per share and received \$107,143 on the exercise of \$0.10 warrants. The private placement funds will be used for exploration of the Corporation's Teck Alliance projects. The proceeds from the warrants were used to repay the \$107,142 loan mentioned above.

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. To the date of this MD&A, Teck owns 15.1% of the Corporation's issued and outstanding common shares.

Agreement with Tian Poh Resources Limited

On February 12, 2015, the Corporation announced that it had granted Tian Poh Resources Ltd a period of exclusivity to exercise an option to acquire an interest in the Corporation's Zuun Mod molybdenum-copper project ("Project"). Tian Poh can acquire and retain a 51% interest in the Project by paying Erdene US\$4.8 million in cash and equity in Tian Poh, and by meeting certain work commitments (the "Transaction").

Significant Terms of the Transaction

Consideration for Exclusivity Period:

1. Non-refundable exclusivity fee of US\$50,000 paid on signing.
2. US\$200,000 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 the Company 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 ("Closing").

Consideration to Acquire and Retain 51% Interest

In order to acquire a 51% interest in the Project, Tian Poh must deliver on Closing, US\$250,000 of shares of Tian Poh, listed on the Australian Stock Exchange, and US\$200,000 cash by the deemed redemption of the Debenture. In order to retain its interest, Tian Poh must make further cash payments and issue shares of Tian Poh to Erdene and incur certain work expenditures, as defined in the agreement, as follows:

Cash Payments and Share Issuances

- On the 1st anniversary of the Closing, US\$200,000 cash and US\$500,000 of shares;
- On the 2nd anniversary of the Closing, US\$200,000 cash and US\$500,000 of shares;
- On the 3rd anniversary of the Closing, US\$200,000 cash and US\$750,000 of shares;
- On the 4th anniversary of the Closing, US\$200,000 cash and US\$750,000 of shares; and
- On the 5th anniversary of the Closing, US\$1,000,000 of shares.

Work Expenditures

- US\$1,500,000 within 30 months of Closing or an additional payment of US\$250,000 is due; and
- US\$10,000,000 on or before the 6th anniversary of the Closing.

Additional Terms

1. Tian Poh will have the right;
 - (a) to secure a 70% interest in the Project by incurring work expenditures totaling US\$20,000,000;
 - (b) to secure a 90% interest in the Project by incurring work expenditures totaling US\$30,000,000; and
 - (c) to increase its interests in the Project to 100% at any time by paying to the Company the amount of US\$10,000,000, payable in cash and/or shares of Tian Poh plus 50% of any remaining amount of the 51% earn-in consideration;
2. If Tian Poh exercises its option, Erdene shall be granted a 1% net smelter return royalty ("NSR"), payable after Tian Poh receives a return of the value of its consideration paid and work expenditures made. Once Tian Poh has fulfilled all of its obligations to earn its 51% interest, it shall have the right to reduce Erdene's NSR:
 - (i) from 1.0% to 0.5% for consideration of US\$1,500,000 of cash and/or shares of Tian Poh, at any time; and
 - (ii) from 0.5% to 0 for consideration of US\$2,000,000 of cash and/or shares of Tian Poh, at any time.
3. Tian Poh is required to maintain the Project licences in good standing.
4. Tian Poh will assume responsibility to pay the existing royalty payable to Gallant Minerals Limited in connection with the Project.

If Tian Poh does not meet these obligations, its interest in the Project will be diluted pro rata to the value of the cash paid, shares issued and expenditures incurred and the Corporation will have the option to buy back Tian Poh's interest in the Project for an amount equal to 50% of Tian Poh's total consideration paid and work expenditures incurred.

Project Summaries

The following is a summary of the exploration programs carried out on the Corporation's properties.

Altan Nar Gold-Polymetallic Project

The Altan Nar ("Golden Sun") prospect is located on Erdene's Tsenkher Nomin exploration license located in southwestern Mongolia. The exploration license is in its sixth year of a maximum 12-year term. The license can be converted to a mining license at any time prior to the end of the twelfth year by meeting the requirements prescribed under the Minerals Law of Mongolia. The 4,669 hectare Tsenkher Nomin license is 100% owned by Erdene and is not subject to any royalty agreements.

The Altan Nar Property is located in the Tian Shan Gold Belt, part of the Central Asian Orogeny and host to some of the world's largest gold deposits. Although epithermal gold and porphyry copper deposits are well documented across the border in China and along the westward trend, limited exploration has taken place in southwestern Mongolia due to its isolation, geographically and politically, until the early 1990's. Exploration since that time in southeastern Mongolia has resulted in the discovery of the world-class Oyu Tolgoi gold-copper deposit containing over 60 million ounces of gold. However, systematic regional exploration in the southwest part of Mongolia has been largely absent with the exception of the work undertaken by Erdene over the past five years which has resulted in the discovery of multiple gold and copper occurrences including the discovery at Altan Nar.

Altan Nar is predominantly an intermediate sulfidation, carbonate base metal gold system, a style of deposit which has close magmatic relationships often being base metal rich and locally associated with porphyry deposits. This style of gold mineralization represents the most prolific style of gold mineralization in the southeast Asia region and includes the Kelian mine in Indonesia, (now closed but formerly operated by Rio Tinto) and Porgera gold mine Papua New Guinea operated by Barrick Gold Corporation, and elsewhere in the world, Fruta del Norte, Ecuador, operated by Lundin Gold Inc., Cripple Creek & Victor Gold Mine, Colorado operated by AngloGold Ashanti and Rosia Montana, Romania operated by Rosia Montana Gold Corporation and in Mexico five of the world's top silver producing mines including Penasquito, operated by Goldcorp Inc. They are often associated with breccia pipes (diatremes) and can extend vertically for greater than 1 kilometre. The Kelian open pit, for example, is 500 metres deep.

Exploration carried out by Erdene over the past three years has established Altan Nar as a significant new epithermal gold-silver-lead-zinc mineralized system. Exploration, specifically the 2013 and 2014 trenching programs and 2014 surface mapping, geochemical and geophysical surveys and a multi-stage scout and resource delineation drilling program, has greatly expanded the areas of known mineralization with 20 targets areas now documented over a 6 km x 10 km area with the main structural trend and primary location of carbonate, gold-silver-base metal mineralization being approximately 5.6 km x 1.5 km.

The Altan Nar prospect hosts multi-phase epithermal gold-silver-lead-zinc mineralization dominated by an intermediate carbonate, base metal gold phase within Late Paleozoic (Devonian-Carboniferous) andesitic volcanic rocks. Mineralization is associated with comb quartz and chalcedony veins, quartz breccias, sulfide matrix breccia and quartz-poor breccia zones with associated phyllic alteration zones (quartz-sericite-pyrite), and locally potassic altered zones, all

within widespread propylitic (epidote-chlorite-montmorillonite/illite) alteration of host trachy-andesite, andesite and andesite tuff units.

Discovery Zone and Union North

Resource Estimate

During the first quarter, an independent National Instrument 43-101 technical report (“Altan Nar Report”) outlining the initial resource estimate at Altan Nar for the Discovery Zone (“DZ”) and Union North (“UN”) deposits was completed and is available on SEDAR.

Table 2 below shows the Indicated and Inferred Mineral Resource (“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 National Instrument 43-101 (“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 2 - Altan Nar Project –Mineral Resource Estimate Summary as at February 19, 2015

AuEq Cut-off g/t	Classification	Tonnes Mt	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	185
0.6	Inferred	3.0	0.8	9.4	0.51	0.35	1.4	83	913	33.9	23.5	139
1.0	Indicated	1.8	1.7	11.1	0.61	0.54	2.5	102	657	24.7	22.1	147
1.0	Inferred	1.5	1.5	10.4	0.54	0.39	2.1	72	498	17.7	12.8	102
1.4	Indicated	1.3	2.3	12.1	0.61	0.58	3.1	92	486	16.8	15.9	124
1.4	Inferred	1.0	2.0	10.8	0.53	0.40	2.6	63	342	11.5	8.6	83

Notes:

1. The Statement of Estimates of Mineral Resources 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

To assist in reporting the Mineral Resources in a transparent manner, Erdene requested that RPM report a AuEq value in an effort to express the combined value of gold, silver, lead and zinc as a percentage of gold, and is provided for illustrative purposes only. No allowances have been made for recovery losses that may occur should mining eventually result. Calculations use metal prices of US \$1,200/oz gold, US \$18/oz silver, and US \$0.90/lb for lead and zinc.

The Mineral Resource was completed by RPM using ordinary kriging and inverse distance squared interpolation methods. The Mineral Resource is reported using a cut-off grade which is deemed appropriate for the style of mineralization and the current state of the Mineral Resources. Of importance for mine planning, the model accommodates in situ and contact dilution but excludes mining dilution. Block size (25 x 5 x 5 m, sub-blocked to 3.25 x 1.25 x 1.25 m) is similar to the expected small-mining units conventionally used in this type of deposit, and appropriate for an open pit mine.

Exploration Work

Drilling to date at the DZ has identified a minimum strike length of 500 m. Thirty-one, mostly shallow (<150 m vertical extent) drill holes, on nominal 50 m to 100 m spacing along strike with some local areas infilled with a single hole on several 25 m spaced section line, and five trenches across zones of surface mineralization, have demonstrated vertical and lateral continuity of gold, silver, lead and zinc mineralization. Exploration work has identified north-northeast trending, sub-vertical zones of gold and silver mineralization over variable widths (up to 50 m apparent width) averaging in excess of 1 g/t gold, including intervals up to 29 m averaging 4.3 g/t gold and 24.1 g/t silver in Discovery Zone South. During the fourth quarter 2014, drilling at Discovery Zone North returned the highest grade intersection to date in TND-70, 30 m of 4.2 g/t gold, 21 g/t silver and 1.2% combined lead and zinc including 8 m of 11.4 g/t gold with 63 g/t silver and 1.5% combined lead and zinc.

Within the DZ, gold mineralization appears to be both structurally controlled and related to an andesite porphyry stock with associated hydrothermal breccia zones that are steeply dipping to sub-vertical. The DZ remains open along strike to the north and at depth. Drilling has tested the mineralization to a vertical depth of 175 m (Discovery Zone South) and to vertical depth of 230 m (Discovery Zone North). The deepest hole on the Altan Nar property (TND-58) at 230M, intersected 6 m of 4.8 g/t gold, 9.3 g/t silver and 1.4% combined lead and zinc near the bottom of the hole.

At UN, a series of six trenches and 10 drill holes, at 50 m to 100 m spacing, have identified mineralization associated with a structural dilation zone on a large northeast-southwest trending structure, that hosts wide, parallel zones of intensely altered and mineralized breccias. Previous drilling (2012) included a single hole (TND-46) at Union North which intersected 47 m of 1.3 g/t gold, including 9 m of 4.3 g/t gold, 12 g/t silver, and 1.7% combined lead-zinc. Drilling during the second quarter 2014 returned the widest zone of higher grade mineralization to date and an indication of intensifying grades at depth, including 22 m of 2.1 g/t gold and 25 m vertically below expanding to 24 m of similar grade with a high grade core of 12 m of 4 g/t gold, 10 g/t silver and 2.5% combined lead and zinc. Trenching in Q3, designed to test a geophysical anomaly located 170 m southeast of the main Union North target area returned multiple mineralized zones. Trench ANT-37, positioned over the eastern-most portion of the geophysical anomaly, where soil geochemistry returned high gold and base metal values, uncovered multiple zones of alteration and mineralization averaging greater than 1 g/t gold equivalent over a combined length of 22 m, with one section returning 12 m of 3.7 g/t gold. The western portion of the anomaly trends under a deeper drainage basin and bedrock is beyond the depth accessible through trenching. Union North remains open to the north, south (Union South prospect) and at depth.

Outside of the DZ and UN, scout drilling (2011-2012), trenching (2013, Q3 2014) and target drilling (Q2 and Q4 2014) have been carried out over a 5.0 km portion of the Altan Nar property to test a number of high priority targets. See "*Priority Target Summaries*" below.

Geophysical Survey

The aerial extent of ground geophysical surveys at Altan Nar was expanded in 2014, with 20 line kilometres of induced polarization ("IP") dipole surveys completed along 100 m spaced lines over an area covering the North Bow, South Bow, Riverside, Union North, Union South and Maggie prospect areas. To date, high chargeability anomalism has been an important guide for successful targeting of the gold mineralized zones. A previous IP gradient-array survey identified a series of high chargeability anomalies, up to 190 m wide that are interpreted as representing

broad zones of sulphide mineralization. Many of these IP anomalies have corresponding surface geochemical anomalies (in both rock and soil). The morphology of these IP anomalies, coupled with the geometry of the lineaments evident on satellite imagery, suggests mineralization may be associated with dilation zones. The second quarter 2014 survey results show the presence of multiple, locally intense, chargeability high anomalies, extending from near-surface to depth, often continuing below the IP survey detection limit of approximately 150 m. Anomalies beneath the North Bow/South Bow and Union North, Union South target areas are particularly intense. The majority of these geophysical targets have yet to be drill tested.

Geochemical Soil Survey

A total of 858 soil samples were collected at 12.5 m intervals along 50 m spaced infill lines over a 1.0 square km area at Altan Nar. The objective of the soil program was to provide greater definition of gold, base-metal and associated alteration-element soil anomalies, which have proven to be very effective in identifying mineralized trends. Approximately 15% of the samples collected (128 samples) returned values greater than 10 ppb gold and are considered to be anomalous based on a regional average of 2.3 ppb gold. One soil sample collected over the Maggie prospect returned a highly anomalous value of 1.04 g/t (1,040 ppb) gold. The new soil data has been compiled and integrated with other geochemical data as well as geophysical and geological data sets and new targets generated (see below).

Geologic Mapping and Prospecting

Based on a better understanding of the surface expression of the mineralized zones, (low relief with thin cover and very limited quartz or iron-oxide rubble) the geotechnical team has refined its mapping techniques, resulting in the discovery of new zones and expansion of the known zones of mineralization. Sampling of quartz rubble material has confirmed these mineralized trends in several new locations. To date, numerous rock chip samples have returned gold values between 1.0 g/t and 41.3 g/t across the 5.6 km by 1.5 km overall target area.

Surface Exploration Results

The characterization of high-grade gold, silver, lead and zinc mineralization in drill holes and trenches has provided an improved understanding of mineralization at Altan Nar and therefore improved targeting utilizing mapping, geochemical and geophysical data. Higher-grade zones are typically associated with broad zones of hydrothermal and sulfide matrix breccia with intense phyllic alteration (quartz-sericite-pyrite) that result in IP chargeability highs and magnetic lows. These zones of alteration are mostly preferentially weathered, resulting in little or no surface expression. Even the remnants of highly resistive quartz breccia zones may be reduced to rubble. The combination of detailed surface mapping, geochemical analysis of soil and rock samples, along with IP and magnetic geophysical surveys has resulted in the identification of 20 highly prospective targets within the Altan Nar license, 18 of which are within the Altan Nar main trend. With the exception of the DZ and UN these targets remain relatively un-tested. These target zones have the potential to significantly expand the areas of known gold-polymetallic mineralization at Altan Nar.

Priority Target Summaries

Maggie

Located 1 km north of the Discovery Zone and 700 m east of the Union North prospect, the Maggie target area is a 500 m x 400 m triangular shaped area at the intersection of a major NE structure and bounded to the east by a large granite sill/stock. This target is characterized by a

10 to 40 m wide linear phyllic alteration zone with gold, silver, lead and zinc mineralization traced for over 300 m on a NE trend through the center of the target. Approximately 50% of the target area is under recent sedimentary cover. Trenching uncovered a well mineralized zone, 38 m wide and hosted by an altered andesite cut by two barren post-mineral dykes (7 m and 2 m wide). Excluding the 9 m of post mineralization dyke, the central mineralized zone returned 17 m of 3.4 g/t gold, 4.9 g/t silver and 1.41% combined lead-zinc. Drilling of this target during the Q2 2014 program returned two narrower zones with mineralization apparently displaced by a post-mineral porphyry dyke. These two zones, 3 m and 5 m wide and located on either side of the dyke, returned greater than 1 g/t gold, and up to 36 g/t silver and 1.5% combined lead and zinc. North and southeast of the trench and drill hole, extensive gold, lead, zinc and locally molybdenum soil anomalism occurs and in the southern most portion, a coincident chargeability high and transitional vertically plunging resistivity feature exists. Two new trenches completed in Q3 tested northeast and southwest of the previous trench and drill hole and established a 120 m strike length that remains open. Results included 8 m of 2 g/t gold equivalent to the northeast and 5 m of 1.2 g/t gold equivalent to the southwest.

North Bow

The North Bow target area is located 600 m to the west of Union North. Northbow, extends 600 m on a NE trend and adjoining the South Bow prospect located to the south. The target is characterized by two or more parallel zones of phyllicly altered volcanics/hydrothermal breccias traced over 400 m and open. The main alteration zone has been tested by two trenches which are approximately 100 m apart along the NE trend testing an area of quartz vein rubble at surface returning up to 9 m of 1.3 g/t gold and 1.3% combined lead and zinc. Large portions of the target area are under cover. The priority area remaining to be tested is the NE extension from the trenched areas over a strike length of approximately 200 m. A large soil anomaly, up to 200 m wide, is present in this area with high gold, up to 0.2 g/t, and highly anomalous molybdenum (up to 0.7%). Molybdenum has proven to be a good pathfinder element for the highest intensity gold mineralization. In addition, evidence of phyllic alteration and quartz veining in the surface rubble and evidence of a structural flexure support the high priority assigned to this target area. The recently completed induced polarization study displays moderate chargeability and resistivity anomalies coming to surface through low resistivity cover and broadening and intensifying significantly moving north and at depth. A magnetic low anomaly is located on the east side of the target area. Q3 Trenching in the North Bow area, identified broad zones of mineralization, with four zones, totaling 34 m, returning an average of 0.4 g/t gold equivalent, while approximately 300 m to the south, a second trench returned 10 m of 0.75 g/t gold equivalent.

Junction

The Junction target area is located adjacent and to the northeast of the DZ. This 400 m by 400 m area has been largely defined by very intense soil anomalism including gold, lead, zinc and locally molybdenum. It is also characterized by a complex dyke swarm. In the center of the target area multiple quartz veins and vein-rubble areas are evident and, at the southernmost extent, rock samples have returned up to 11.2 g/t gold. However, much of the area is in low relief with recent sedimentary cover. Geophysical surveys indicate a structural break near the centre of the target area with a coincident magnetic low, gradient resistivity high and moderate chargeability high. In the western portion of the target, under recent sedimentary cover, the Q2 IP dipole study identified a vertically plunging resistivity low with adjacent high chargeability with lower chargeability at depth, similar in nature to the cupola feature identified at DZ North. Quartz/breccia rubble is present in an area of gold, lead, zinc soil anomalism along the eastern

side of the covered drainage area. Trenching in Q3 tested the northeast portion of this target area and intersected a broad zone of base metal mineralization that included 4 m of 3.7% zinc, 1.2% lead, 16 g/t silver, and 0.1 g/t gold, within a 26 m interval of 0.8% zinc and 0.5% lead. This target has not been drill tested.

South Bow

The South Bow target area is a 600 m long target extending south from North Bow where the most southerly trench returned 9 m of 1.3 g/t gold, 6.6 g/t silver and 1.32% combined lead-zinc. Continuing south from the trench, the North Bow / South Bow targets are overlain by recent sedimentary cover which buries the most intense chargeability anomaly on the property. One area of minor quartz rubble in the central portion of the South Bow target area is coincident with zinc soil anomalism. Although soil values are very low in this area of thick cover, there are still a few gold, molybdenum and zinc anomalies along the trend of the gradient chargeability high anomaly. Given the intensity of chargeability anomaly and known relationship between high chargeability and areas of mineralization, the subtle geochemical anomaly's poking through cover and evidence of a structural break, the South Bow target is highly ranked. Trenching will be attempted along the entire trend; however, the depth to bedrock is unknown at this point.

Union South

This target area is largely a linear N-S feature which continues over 700 m from just south of TND-30 to the north banks of the E-W drainage adjoining the Union North target. Underlying the main trend there are zones of intense dipole chargeability highs extending to surface that are most pronounced in the north portion of the target area (near the south end of the Union North target) where there is evidence of a structural offset. Gold values up to 15.4 g/t have been returned from rock samples from this area associated with an area of strong phyllic alteration. In the southern portion, drilling has identified two parallel, 10 m wide zones, with 1.5 g/t and 2.3 g/t gold equivalent (\$1250 per ounce gold/\$18 per ounce silver and \$0.90 per pound lead and zinc). High grade mineralization was also discovered in trenching (ANT-24) in the southern area with 10 m of 4.46 g/t gold, 8.9 g/t silver and 2.2% lead. However, continuity has not been well established albeit with limited drilling (four holes in south and one in north). Although one hole (TND-52) has tested the eastern portion of the northern part of the target area, it was targeting a parallel zone of near surface mineralization which did not extend to depth and this drill hole was not long enough to reach the main Union South target located further west. Trenching is planned for both the southern and northern portions of the target area.

Riverside

This target area is characterized by an 800 m long gradient IP and geochemical anomaly that follows the trend of phyllic alteration, quartz/breccia rubble fields and porphyry dykes which follow the same structural pathway. The northern portion exhibits multiple quartz veins in andesite although much of the target area is covered by recent sediments. Trenching in this area, located approximately 200 m south of Union North, returned 6 m of 3 g/t gold. A single hole (TND-51) tested this area of the target and returned anomalous gold and base metals in multiple zones (32 m of 0.3 g/t gold equivalent). At the southern end of the target, drill hole TND-45 returned 19 m of 1 g/t gold equivalent. The induced polarization study completed during the second quarter 2014 indicates moderate chargeability at depth although increasing in the northern portion of the target area and an intense magnetic low feature in the northern half trending into Union North. Although exploration to date has failed to confirm continuity of higher grade mineralization, the target still

ranks in the top eight of the 20 identified to date and additional trenching work is expected to be completed in 2015.

Other Target areas

Of the remaining 12 targets, two are outside the main mineralized trend and are of different styles of mineralization albeit with high grades of copper and gold mineralization over narrow widths. Within the main mineralized trend, a number of other targets are at a low level of understanding and may improve in ranking as additional data is generated; however, all display evidence of gold and base metal mineralization at surface.

Metallurgical Testing

Two series of metallurgical tests have been carried out on drill core from the Altan Nar property. Bottle roll cyanide leach testing was completed in 2013 on a series of drill core composites from drill holes from across the Altan Nar property. Excluding two high-Arsenic samples, 12 samples returned an average gold recovery of 81% after a 24 hr cyanide leach test. Future testing will be required to maximize recoveries through additional grind size and retention time studies. Samples representing the high-Arsenic material underwent five separate sample preparation / acid digestion procedures designed to characterize the gold mineralization and identify processing options. The test work indicated that recovered gold is mostly associated with arsenopyrite and that recovery rates of greater than 90%, possibly up to 95%, are achievable for this type of high arsenopyrite-gold mineralization using established, albeit more complex, processing techniques.

Subsequent to the end of the first quarter, a series of 21 composite samples, each representing from 2 to 5 m intervals, were selected from within the resource areas of the DZ (8 from DZ North and 7 from DZ South) and UN (6 sample) deposits. These samples have been submitted to Actlabs (Activation Laboratories Ltd.) and will undergo bottle roll cyanide leach analysis to determine gold recovery rates. This work is being carried out, in part, in preparation for a more fulsome metallurgical study designed to determine overall recovery of gold, silver and base metals from the Altan Nar deposits. This study will include floatation testing to produce metal concentrates. It is expected that this phase of the metallurgical test work will be undertaken in late Q2 2015.

Summary

The 2014 exploration program on the Altan Nar Gold Base Metal project has resulted in the establishment of an initial resource for the two most advanced prospects, Discovery Zone and Union North, established continuity of these zones and expanded their known size. The Altan Nar resource includes an Indicated Resource of 1.8 million tonnes ("Mt") averaging 2.5 g/t AuEq (147,000 oz gold) and an Inferred Resource of 1.5 Mt averaging 2.1 g/t AuEq, (102,000 oz gold) at a 1.0 g/t AuEq cut-off.

In addition, drilling and trenching of a number of other target areas, including Maggie and Union South prospects, confirmed continuity of mineralization at depth from trenches, established significant strike lengths and returned very encouraging results. In addition, the greater detail in data provided by the surface program has allowed for identification of new targets and better definition of existing targets. Given the multitude of targets, Altan Nar has now been established as a very significant new gold, silver and base metal discovery. Altan Nar's location relative to China, where plant and operating equipment can be accessed and where potential final processing facilities are located, has advantages for moving rapidly to initial production.

Zuun Mod Molybdenum Project

The Zuun Mod Molybdenum Project is a porphyry molybdenum-copper deposit located in Bayankhongor Province, Mongolia, approximately 950 km southwest of Ulaanbaatar and 215 km from railhead on the Mongolia-China border at Ceke. The railhead is located 50 km south of the Nariin Sukhait and Oyuut Tolgoi coal mines. The property consists of two contiguous mining licenses totaling 6,399 hectares. The mining licenses are registered in the name of Anian Resources LLC, a wholly owned subsidiary of the Corporation and have an initial term of 30 years. This project was acquired from Gallant Minerals Limited in 2005 and is subject to a net smelter royalty of 1.5%, subject to a buy-down provision.

In early June, 2011, the Corporation released the May 2011 Zuun Mod molybdenum-copper deposit National Instrument 43-101 compliant resource estimate which has a measured and indicated resource of 218 million tonnes ("Mt") at an average grade of 0.057% molybdenum, and 0.069% copper at a cut-off grade ("cog") of 0.04% molybdenum. This equates to 273.5 million pounds ("M lbs") of contained molybdenum metal and 330.7 M lbs of contained copper metal. In addition, there is a 168 Mt Inferred Resource at an average grade of 0.052% molybdenum and 0.065% copper, equating to a further 191.8 M lbs of contained molybdenum metal and 240.5 M lbs of contained copper metal. All of the reported Zuun Mod molybdenum and copper resources lie within the boundaries of the two contiguous mining licenses.

Recent market demand and pricing conditions for molybdenum have been generally depressed although the price of molybdenum oxide exceeded US\$14 per pound in June 2014. Improvement in the molybdenum market is an important factor in the advancement of the Zuun-Mod molybdenum-copper deposit. Subsequent to year-end, the Corporation announced the granting to Tian Poh Resources Limited ("Tian Poh") a period of exclusivity to exercise an option to acquire an interest in the Zuun Mod mining licenses ("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. (See "Agreement with Tian Poh Resources Limited" for further details). If Tian Poh exercises its option and meets milestones to retain its 51% interest in Zuun Mod 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 exclusivity and option period expires on June 9, 2015.

In 2014, while limited work was completed by the Corporation on the Zuun-Mod molybdenum-copper deposit, exploration work was carried out elsewhere on the property, in particular, on the Khuvyn Khar copper prospect located 2.2 km NW of the main deposit. Discovery of additional significant copper mineralization at Khuvyn Khar could provide synergies for the advancement of the Zuun Mod molybdenum deposits.

Khuvyn Khar

The Khuvyn Khar copper prospect is located on the Zuun Mod property which covers a large porphyry system. Exploration work at Khuvyn Khar has included geochemical sampling, geophysical surveys as well as wide spaced drilling. Hole ZMD-121, which was drilled to test a geophysical target, intersected 34 m of 1.3% copper and 9.24 g/t silver from 308 m to 342 m. Additional drilling on the Khuvyn Khar prospect has defined a very large copper mineralized zone trending over 900 m with multiple zones in three drill holes in excess of 0.2% copper over significant widths (12 m to 42 m).

In 2013, the Corporation partnered with Teck Resources Limited (See “Alliance with Teck Resources Limited”) to carry out exploration in the Trans Altai region, including additional exploration of the Khuvyn Khar prospect. The 2013 exploration program carried out at Khuvyn Khar included a property-wide gravity survey, an expansion of the mobile-metal-ion (“MMI”) geochemical survey, re-logging of all drill holes and alteration mapping, including spectral analysis of drill core. This program resulted in the identification and prioritization of seven porphyry copper drill targets, three of which are considered high-priority with strong probability of intersecting copper porphyry mineralization at relatively shallow depths.

2014 Exploration Program

In 2014, work on the Zuun Mod / Khuvyn Khar project included rock chip sampling, geophysical modeling, detailed vein and alteration mapping of high priority areas and a 1,532 m trenching program designed to identify the geology, alteration and mineralization in area of poor outcrop exposure located within high priority target areas. The data collected from this exploration work has provided further definition and confidence in the modelling of potential mineralization at Khuvyn Khar. The 2014 work program has culminated in the identification of new, partially buried high priority drill target in the north-central Khuvyn Khar area as well as a new target in the western portion of the Khuvyn Khar property. The ongoing exploration program continues to confirm the potential for copper-rich porphyry style mineralization within the Khuvyn Khar target area. This conclusion is supported by high-grade copper-silver mineralization intersected by Erdene in previous drilling (34 m of 1.34% copper and 9.24 g/t silver).

The 2014 exploration program on the Zuun Mod – Khuvyn Khar property met the objectives of the program, namely, to better define high-priority drill targets for follow-up exploration on the Khuvyn Khar copper porphyry target and to complete work on the Zuun Mod molybdenum-copper deposit required to maintain the mining licenses in good standing, including annual license payments, ongoing environmental review requirements and community development work.

Outlook

General

Management’s long term focus remains the discovery and development of significant precious and base metal deposits in Mongolia. Our immediate focus will continue to be the evaluation and potential development of the Altan Nar Gold-Polymetallic project.

The Corporation has working capital sufficient to meet its budgeted expenditures until the end of the second quarter 2015. The ability of the Corporation to continue beyond this point is contingent upon equity financing, entering joint venture agreement(s), reduction of expenditures, asset sales, or a combination thereof.

Altan Nar

With the completion of the initial mineral resource for Altan Nar, the Company intends to evaluate near-term development options and advance the project based on the outcome of this work.

The 2015 exploration program has been designed to both advance the project towards initial development through the completion of a scoping study and initiation of environmental review and permitting and expand mineral resources in the area of the DZ and Union North while identifying

the highest priority targets for resource drilling in the remaining 18 target areas. Initial work includes:

- Studies to further characterize the ore and establish a metallurgical and process framework.
- Desktop and field evaluations to improve our understanding of the structural controls of the greater Altan Nar target area with a focus on the DZ and UN areas focussed on improving drill targeting
- Petrographic/mineralogic and fluid inclusion studies to improve our understanding of the style of mineralization (depth of emplacement etc.) providing insight into focussing exploration
- Compile and interpret all data producing a recommended expansion drill and regional exploration program

The completion of this initial work will lead to decisions on the next phase that could include one or both of preliminary development work and/or the exploration expansion phase. Estimated costs for the remainder of 2015 are outlined in the table below. Costs associated with the Expansion phase would be dictated by results from the studies above.

Development Phase

1. Metallurgical Study: Flotation (base and precious metal concentrate) and leaching
2. Infill drilling with 35 m spacing to move the inferred material into indicated
3. Hi-level Scoping Study
4. Environmental and Permitting Programs

Expansion Phase

1. Extension drilling of DZ and UN
2. Resource drilling of other targets
3. Further scout drilling to identify new areas

The budget for the 2015 program is outlined below. Implementation of the budget will be contingent on the Corporation securing additional financing. See “Outlook - General”.

Engineering/Process Testwork	\$247,000
Exploration/Field Support	130,000
Drilling Program	350,000
Analytical	75,000
Permitting/Environmental	85,000
Community Development	25,000
TOTAL	<u>\$912,000</u>

Zuun Mod/Khuvyn Khar

Management believes that the Zuun Mod molybdenum-copper deposits have significant potential for development with improved molybdenum prices. The Corporation will continue to complete

evaluations towards optimizing project economics as new information is received in regards to technology and/or additional exploration information. Discovery of additional significant copper mineralization at Khuvyn Khar could provide synergies for the advancement of the Zuun Mod molybdenum deposits. In 2014, high priority targets were subjected to detailed surface mapping and geophysical characterization studies and trenching. Several high-priority drill targets have been identified as a result of this work.

Should Tian Poh exercise its option to acquire an interest in the Zuun Mod property by the June 9, 2015 deadline, they are required to complete US\$1.5 million in work expenditures within the first 30 months or make an additional payment of US\$250,000 to the Corporation and carry out work required to maintain the licenses in good standing. Total work expenditures of US \$10 million are required by Tian Poh on or before the 6th anniversary of the closing in order to retain a 51% interest. It is anticipated that if Tian Poh exercises its option to acquire an interest in the Zuun Mod property they will carry out work in 2015 towards the next stage of development, namely a pre-feasibility study.

Regional Exploration

Regional exploration, designed to identify additional porphyry and porphyry related mineralization in south-western Mongolia is ongoing and has been designed to be a multi-year program. This program is being funded through the alliance with Teck Resources Limited. The budget for the 2015 exploration program is \$306,000 and will be financed out of proceeds from the April 2015 Teck private placement. The 2014 regional exploration program in south-western Mongolia has 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. At the present time, designated areas in the western half of Mongolia are available for staking. To date, the Corporation has had two exploration license application accepted with the issuance of an exploration license pending final regulatory approval.

Selected Annual Information

The following information has been extracted from the Corporation's audited consolidated financial statements.

Expressed in thousands of Canadian dollars except per share amounts.

Fiscal Year Ended December 31	2014	2013	2012
Revenues	\$ Nil	\$ Nil	\$ Nil
Loss for the year	\$ 2,617	\$ 2,760	\$ 7,345
Basic and diluted loss per share	\$ 0.04	\$ 0.05	\$ 0.15
Total assets	\$ 10,912	\$ 11,586	\$ 13,315
Total long-term liabilities	\$ Nil	\$ 3	\$ 7
Cash dividends declared	\$ Nil	\$ Nil	\$ Nil

Discussion of Operations

Three months ended March 31, 2015 and 2014

Exploration expenses totaled \$119,917 for the three months ended March 31, 2015 compared to \$203,763 for the same period in 2014. This excludes the capitalized costs on Zuun Mod and Altan outlined in the table below. After receiving an initial resource estimate on the Altan Nar property (see "Project Summaries" for more details), the Corporation began to capitalize exploration expenses on Altan Nar.

	Zuun Mod Moly/Copper	Altan Nar Gold	Other projects	Total
E&E assets, January 1, 2015	\$ 10,614,014	\$ 16,714	\$ 45,282	\$ 10,676,010
Exploration expenditures				
Drilling, trenching, sampling and assaying	-	36,246	1,897	38,143
Geological services, camp and field	15,569	85,372	94,536	195,477
Mongolian office costs	-	-	23,484	23,484
Total exploration expenditures	15,569	121,618	119,917	257,104
Deferred expenditures	(15,569)	(121,618)	-	(137,187)
Exploration expenses incurred in 2015	-	-	119,917	119,917
Effect of movements in exchange rates	312,029	2,389	782	315,200
E&E assets, March 31, 2015	\$ 10,941,612	\$ 140,721	\$ 46,064	\$ 11,128,397

Corporate & administrative expenses were \$161,194 for the three months ended March 31, 2015 compared to \$222,588 for the same period in 2015. Management has continued to rationalize overhead and administrative costs where possible.

In the first quarter of 2015, the Corporation recognized other income of \$63,052 (2014 – Nil) from an exclusivity fee from Tian Poh Resources.

For the three months ended March 31, 2015, the Corporation recognized a net loss of \$221,729, or \$0.00 per share compared to a loss of \$419,245 or \$0.01 per share for the same period in 2014.

Summary of Quarterly Results

Expressed in thousands of Canadian dollars except per share amounts

	Fiscal 2015	Fiscal 2014				Fiscal 2013		
	Q1 Mar	Q4 Dec	Q3 Sep	Q2 Jun	Q1 Mar	Q4 Dec	Q3 Sep	Q2 Jun
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	\$222	\$733	\$535	\$930	\$419	\$721	\$606	\$758
Basic and diluted loss per share	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.01	\$0.02
Total Assets	\$11,321	\$10,912	\$10,763	\$10,812	\$10,932	\$11,586	\$11,315	\$12,908

All financial data has been prepared in accordance with IFRS.

The Corporation's expenditures vary from quarter to quarter largely depending on the timing of its Mongolian exploration programs. The Corporation is not aware of any other specific trends which account for fluctuations in financial results from period to period.

Liquidity and Capital Resources

At March 31, 2015, excluding the Teck loan and convertible debenture due Tian Poh, the Corporation had a working capital deficit of \$130,898 compared to working capital deficit of \$31,183 at December 31, 2014, representing a \$99,715 increase in the deficit.

In the first quarter, the Corporation received a US\$250,000 payment from Tian Poh. Subsequent to March 31, 2015, the Corporation closed a private placement with Teck Resources by issuing 2,826,310 shares at \$0.139 per share for gross proceeds of \$392,857. The funds will be used for exploration under the Teck Alliance. The Corporation also received \$107,143 from Teck on the exercise of 1,071,429 \$0.10 warrants. Funds from the warrants were used to repay the \$107,142 Teck loan.

Current working capital is only sufficient to fund the Corporation's budgeted expenditures until the end of the second quarter 2015. The ability of the Corporation to continue with its exploration programs beyond this point is contingent upon securing additional funds through asset sales, formation of alliance, option, and/or joint venture agreements, equity financing and/or expenditure reductions. The timing and availability of additional equity financing will be determined largely by market conditions and the results of the Corporation's ongoing exploration programs.

The Corporation has minimal sources of income. It is therefore difficult to identify any meaningful trends or develop an analysis from the Corporation's cash flows. The Corporation is dependent primarily on the issuance of share capital to finance its exploration and development programs.

Other than as discussed herein, the Corporation is not aware of any trends, demands, commitments, events or uncertainties that may result in the Corporation's liquidity or capital resources materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in the Corporation's liquidity and capital resources will be substantially determined by the success or failure of the Corporation's Mongolian exploration and development programs and its ability to obtain sufficient equity financing.

Contractual Obligations

The following table summarizes the Corporation's contractual obligations at March 31, 2015:

Contractual Obligations	Total	Less than one year	1-3 years	4-5 years	More than 5 years
Office leases	\$ 94,443	\$ 66,666	\$ 27,777	\$ -	\$ -
Finance leases	1,534	1,534	-	-	-
Accounts payable and accrued liabilities	267,377	267,377	-	-	-
Convertible loan due Tian Poh	252,207	252,207	-	-	-
Due to Teck Resources	107,142	107,142	-	-	-
	\$ 722,703	\$ 694,926	\$ 27,777	\$ -	\$ -

Gallant Minerals Limited is entitled to a 1.5% net smelter return royalty on the Zuun Mod License, subject to a buy-down provision. There are no minimum work commitments for the Zuun Mod mining license.

On April 27, 2015, the \$107,142 loan from Teck was repaid.

On or before June 9, 2015, the debenture from Tian Poh will be settled. If Tian Poh exercises their option, the loan will be redeemed and the funds applied to amounts due on closing. If Tian Poh does not exercise their option, the principle amount will be converted into shares of Erdene at \$0.14 per share.

Off-Balance Sheet Arrangements

As at March 31 2015, the Corporation had no material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risks to the Corporation.

Critical Accounting Estimates

Estimate of recoverability for non-financial assets

Events or changes in circumstances, may give rise to significant impairment charges or reversals of impairment in a particular year.

In accordance with the Corporation's accounting policy, each non-financial asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash generating unit is measured at the higher of fair value less costs to sell and value in use. Impairment testing is also performed annually for goodwill.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, and is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal. Value in use is also generally determined as the present value of the estimated future cash flows, but only those expected to arise from the continued use of the asset in its present form and its eventual disposal. Present values are determined using a risk-adjusted pre-tax discount rate appropriate to the risks inherent in the asset.

Future cash flow estimates are based on expected production and sales volumes, mineral prices (considering current and historical prices, price trends and related factors), resources, operating costs, restoration and rehabilitation costs and future capital expenditures. This policy requires management to make these estimates and assumptions which are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be impaired and the impairment would be charged against the income statement.

Share-based payments

Equity-settled share-based payments issued to employees are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. Fair value is measured using the Black-Scholes pricing model and requires the exercise of judgment in relation to variables such as expected volatilities and expected lives based on information available at the time the fair value is measured.

Fair value of financial instruments, including embedded derivatives

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provisions for site restoration

The Corporation records provisions which include various estimates, including the Corporation's best estimate of the future costs associated with settlement of the obligation, and discount rates applied. Such estimates are necessarily calculated with reference to external sources, all of which are subject to annual review and change.

Taxation

The Corporation's accounting policy for taxation requires management's judgment in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet. Deferred tax assets, including those arising from tax loss carry-forwards, capital losses and temporary differences are recognized only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, mineral prices, reserves, operating costs, restoration and rehabilitation costs, capital expenditures, dividends and other capital management transactions.

Judgments are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the balance sheet and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or all of the carrying amount of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

Adoption of New Accounting Standards

The accounting policies applied in the consolidated financial statements for the year ended March 31, 2015 are consistent with those used in the Corporation's Consolidated Financial Statements for the year ended December 31, 2014.

Future Changes in Accounting Policies

The following new standards, and amendments to standards and interpretations under IFRS, are not yet effective and have not been applied in preparing the consolidated statements:

Amendments to IFRS 9 - Financial Instruments

The IASB has issued IFRS 9, Financial Instruments, which replaces IAS 39, Financial Instruments: Recognition and Measurement. The objective of IFRS 9 is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

The Corporation intends to adopt IFRS 9 for the annual period beginning January 1, 2018, and does not expect IFRS 9 to have a material impact on the financial statements. The classification and measurement of the Corporation's financial assets is not expected to change under IFRS 9 because of the nature of the Corporation's operations and the types of financial assets it holds.

Financial Instruments and Other Risks

The Corporation's financial instruments consist of cash and cash equivalents, trade and other receivables, trade and other payables, accrued liabilities and obligations under finance leases. Management does not believe these financial instruments expose the Corporation to any significant interest, currency or credit risks. The fair market value of these financial instruments approximates their carrying values, unless otherwise noted.

In conducting its business, the principal risks and uncertainties faced by the Corporation relate primarily to exploration results and, to a lesser extent, metal and commodity prices. Exploration for minerals and development of mining operations involve many risks, many of which are outside the Corporation's control. In addition to the normal and usual risks of exploration and mining, the Corporation works in remote locations that lack the benefit of infrastructure and easy access.

At this stage in the Corporation's development, it relies on equity financing for its working capital and capital requirements to fund its exploration and development programs. Future equity financing could be adversely or positively affected by many factors outside the Corporation's control such as market or commodity price changes, changes in the value of the Canadian dollar against the US dollar and/or the Mongolian Tugrik, general economic conditions, exploration results or political or economic changes in the jurisdictions in which the Corporation operates. The Corporation does not have sufficient funds to put any of its properties into commercial production from its current financial resources. There is no assurance that such financing will be available to the Corporation when required, or that it will be available on acceptable terms.

Outstanding Share Data

Issued and Outstanding Share Capital

On April 27, 2015, the Corporation closed a private placement with Teck and issued 2,826,310 shares at \$0.139 per share for gross proceeds of \$392,857. In addition to the private placement, the Corporation issued 1,071,429 shares at \$0.10 per share on the exercise of warrants.

To the date of this MD&A, the Corporation had 86,533,972 shares issued and outstanding.

Stock Options

On April 15, 2015, 373,000 options with an average exercise price of \$0.48 expired.

As of the date of this MD&A, the Corporation has 3,773,750 outstanding stock options with a weighted average exercise price of \$0.20, all of which are exercisable.

Warrants

On April 27, 2015, 1,071,429 warrants were exercised at \$0.10, for gross proceeds of \$107,143

To the date of this MD&A, the Corporation has 5,462,871 outstanding warrants with a weighted average exercise price of \$0.20, all of which are exercisable.

Deferred Share Units

No DSUs have been granted in fiscal 2015. The plan reached the maximum number available in the fourth quarter of 2014.

To the date of this MD&A, the Corporation has a balance of 2,384,752 DSUs outstanding.

Disclosure Controls and Internal Controls over Financial Reporting

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) released the updated *Internal Control-Integrated Framework* (2013 Framework) in May 2013. COSO announced that the 2013 Framework will supersede the original 1992 Framework. The Corporation has not yet adopted the new framework and used the 1992 Framework in 2014. The Corporation intends to adopt the new framework in 2015.

Management is responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Corporation, including its consolidated subsidiaries, is made known to the Corporation's certifying officers. The Corporation's Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Corporation's disclosure controls and procedures as at March 31, 2015 and have concluded that these controls and procedures are effective.

The Corporation's management, under the supervision of its Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The CEO and CFO have concluded that internal controls over financial reporting were effective as of March 31, 2015.

There have been no material changes in the Corporation's internal control over financial reporting during the quarter ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

Qualified Person

J. Christopher Cowan, P.Eng., is a qualified person under NI 43-101 and supervises all of the Corporation's exploration programs. Samples are assayed at SGS Laboratory in Ulaanbaatar, Mongolia or Tianjin China, Central Geological Laboratory in Ulaanbaatar or ALS Chemex in Vancouver, Canada. In addition to internal checks by SGS Laboratory, Central Geological

Laboratory and ALS Chemex, the Corporation incorporates a QA/QC sample protocol utilizing prepared standards, sample splits and duplicates.

The disclosure in this MD&A of scientific or technical information about mineral projects on the Corporation's properties has been reviewed by J. Christopher Cowan, P.Eng., who is not independent of the Corporation.

Other Information

Additional information regarding the Corporation, including the Corporation's Annual Information Form, is available on SEDAR at www.sedar.com and on the Corporation's website at www.erdene.com.