



Erdene Commences Khundii Gold Project Drilling Program

Halifax, Nova Scotia – April 9, 2019 - Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company") is pleased to announce the commencement of the 2019 drill program at its 100%-owned Khundii Gold Project (“Khundii Project”).

“Since the grassroots discovery at Bayan Khundii three years ago, the Khundii Project has rapidly moved through exploration, drilling, resource definition and Preliminary Economic Assessment (“PEA”), and has recently entered the prefeasibility and permitting stage. The current drilling program will provide further confidence in continuity within the ultra-high-grade gold zones, test for areas where pit limits could be expanded and explore expansion opportunities outside the current resource perimeter,” said Peter Akerley, Erdene’s President and CEO. “We see the rapid move towards the development of a moderate size, high-grade open pit mine with low processing and capital costs as the best path to enhance shareholders’ value and position the Company for growth in this exciting new gold district.”

2019 Khundii Project Drilling Program

The 2019 drilling program is separated into two phases. The first phase will include approximately 1,800 metres and focus on increasing confidence in the resource, confirming ultra-high gold grades and expanding the Bayan Khundii deposit to support the recently launched Prefeasibility study (“PFS”) led by Tetra Tech, Inc., a global engineering firm. A second phase, scheduled for later in the year, will focus on regional targets. Further details on the first phase are as follows:

1. Extend the open pit perimeter: Approximately 25% of total Bayan Khundii gold resources at a 1g/t gold cut-off, representing approximately 55,000 ounces of Indicated and 60,000 ounces of Inferred Resources, averaging greater than 3 g/t gold, are located outside the mineable open pit of the PEA. Drilling will seek to extend the continuity, and potentially increase the grade, of high-grade resources outside, or projected to extend outside, the current pit perimeter at North Midfield and Midfield. Extending the continuity and grade of these zones could lead to an expansion of the pit perimeter defined in the PEA, as part of the PFS pit optimization work.
2. Increase average grades and continuity in the highest grade zones: The highest gold values in the resource block model in the PEA are 55 g/t gold, while more than 40 intersections ranging from 50 g/t to 2200 g/t gold were encountered during drilling at Bayan Khundii. These very high grades are often located along the western bounding structure of Midfield and North Midfield where structural intersections are present. Several holes will target these structures to test for greater continuity and ideally expand their size and grade.
3. Expand the Resource: Targeting areas outside the resource, mainly to the south and southwest of, and extending at depth from Midfield and Striker West, has the potential to expand the resource.

Ultra-high-grade intersections (greater than 50 g/t gold) in Midfield have been terminated on the west by the intersection of a post mineral intrusion. Based on continuity of these zones to the southeast, and results from surrounding holes, the intrusive may be an isolated body. Drilling will test the potential to expand the pit and the resource to the south-southwest of Midfield. Previous drilling at Striker West returned several high-grade gold intervals (20 – 105 g/t gold). Current results suggest the potential for increased continuity and expansion of high-grade gold in this area. The Striker West zone will be explored further through the current drill program to strengthen continuity of mineralization and increase resource confidence.

4. Develop further near surface targets: Although the Midfield high-grade intersections begin near 50 metres depth, mineralization has been modelled to start 20 metres from surface on the east side of the zone. Drilling at Midfield is designed to confirm this near surface mineralization, continuing through the high-grade zones, penetrating the proposed pit wall, and continuing beyond the bounds of the resource blocks. This drilling is intended to enhance our understanding of all the above-mentioned variables while providing greater clarity on the near-surface resources available in the initial open pit development in the Midfield area. Additionally, in the Striker West area, a near-surface, gold-bearing zone has been identified but has yet to be fully tested. This zone will be targeted as part of the current drilling program.

In addition, a new water resource exploration program has been initiated and will include 11 drill holes totaling 1,375 metres. This program is designed to identify sufficient process-water resources within approximately 5 kilometers of the proposed Khundii Gold Project processing plant location. TetraTech, Inc. will incorporate these results into the PFS for the Khundii Gold Project.

Background on the Khundii Gold Project

Erdene's deposits are located in the Edren Terrane, within the Central Asian Orogenic Belt, host to some of the world's largest gold and copper-gold deposits. The company has been the leader in exploration in southwestern Mongolia over the past decade and is responsible for the discovery of the Khundii Gold District comprised of multiple high-grade gold and gold/base metal prospects, two of which are being considered for development: the 100% owned Bayan Khundii and Altan Nar projects. Together, these deposits comprise the Khundii Gold Project (the "Project").

The Company delivered the Project's maiden mineral resource estimate in Q3 of 2018 with a Measured and Indicated ("M&I") resource of 751,000 oz gold at an average grade of 2.3 g/t gold and Inferred resource of 291,000 oz gold at an average grade of 1.8 g/t gold. (cut-off grade of 0.7 g/t gold). This was followed by a National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") Preliminary Economic Assessment in December 2018 which returned an after-tax Net Present Value at a 5% discount rate ("NPV5%") and a US\$1,200/oz gold price of US\$99 million and Internal Rate of Return ("IRR") of 56%. The initial development has a life of mine head grade of 3.42 g/t gold with an average annual gold production of 51,200 ounces ("oz") over an eight-year mine life

Qualified Person

Michael MacDonald, P.Geo. (Nova Scotia), Vice President Exploration for Erdene, is the Qualified Person as that term is defined in National Instrument 43-101 and has reviewed and approved the technical information contained in this news release on behalf of Erdene.

About Erdene

Erdene Resource Development Corp. is a Canada-based resource company focused on the acquisition, exploration, and development of precious and base metals in underexplored and highly prospective Mongolia. The Company has interests in four exploration licenses and a mining license in southwest Mongolia, where exploration success has led to the discovery and definition of the Khundii Gold District. Erdene Resource Development Corp. is listed on the Toronto and Mongolia stock exchanges. Further information is available at www.erdene.com. Important information may be disseminated exclusively via the website; investors should consult the site to access this information.

Forward-Looking Statements

Certain information regarding Erdene contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although Erdene believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Erdene cautions that actual performance will be affected by a number of factors, most of which are beyond its control, and that future events and results may vary substantially from what Erdene currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and is subject to change after that date. The Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENTS OF THIS RELEASE

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