

**ERDENE RESOURCE DEVELOPMENT CORP. (“Corporation”)
POLICY ON DIVERSITY OF THE BOARD OF DIRECTORS AND EXECUTIVE
OFFICERS**

DEFINITIONS

“Board” means the Corporation’s board of directors.

“Director” means a member of the Corporation’s Board.

“Executive Officer” means an individual who is:

- (a) a chair, vice-chair or president;
- (b) a chief executive officer or chief financial officer;
- (c) a vice-president in charge of a principal business unit, division or function; or
- (d) performing a policy making function at the Corporation.

“Policy” means this policy regarding diversity on the Board and in Executive Officer positions.

PURPOSE

This Policy sets forth the Corporation’s approach to achieving and maintaining diversity on its Board and in Executive Officer positions.

POLICY STATEMENT

The Corporation believes that decisions regarding the nomination of Directors and the appointment of Executive Officers should be based on merit and remains committed to selecting the best persons to fulfill these roles. At the same time, the Corporation recognizes that diversity among its Directors and Executive Officers will support balanced debate which, in turn, will enhance decision making.

The Corporation recognizes “diversity” as any dimension that can be used to differentiate groups and people from one another including gender, ethnicity, disability and geographical backgrounds. The Corporation recognizes and acknowledges the important role that people from these diverse groups but with appropriate and relevant skills and experience, play in contributing to the Corporation’s stewardship and management.

BOARD APPOINTMENTS

The responsibilities of the Board’s Corporate Governance and Disclosure Policy Committee include:

- (a) Overseeing the preparation and adoption of criteria regarding the composition of the Board and Board committees.

- (b) Reviewing the qualifications of candidates for Board membership and the slate of candidates for directors to be nominated for election by shareholders at annual general meetings of shareholders.
- (c) Overseeing the development and implementation of a process for assessing the effectiveness of the Board, its size and composition and its committees.

When searching for qualified persons to serve on the Board, the Board and the Corporate Governance Committee will strive for the inclusion of diverse groups, knowledge, and viewpoints. In connection with the Corporation's objective to create and maintain a diverse Board, the Corporate Governance and Disclosure Policy Committee will:

- (a) Develop recruitment protocols that seek to include diverse candidates in any Director search. These protocols will take into account that qualified candidates may be found in a broad array of organizations, including academic institutions, privately held businesses, non-profit organizations, and trade associations, in addition to the traditional candidate pool of corporate directors and officers.
- (b) Periodically review Board recruitment and selection protocols to ensure that diversity remains a component of any Director search.
- (c) In order to promote diversity, consider the level of diversity on the Board in identifying and nominating candidates for election and re-election to the Board. While the primary consideration in Board composition will remain ensuring any vacancies are filled with the best possible candidate having the required skills and experience, the Board will include due consideration for diverse representatives in the director nomination process by proactively searching for, or requesting a search firm to provide diverse candidates in the solicitation process. While the Corporation will strive for diversity, it will not apply targets for any category of diversity on the Board due to the prime requirement of appointment based on merit.

To accomplish this, an executive search firm may be retained to help meet the Board's skill's and diversity objectives.

MECHANISMS OF BOARD RENEWAL

Periodically, but at least once every 5 years, the Board shall consider the need for a renewal program intended to achieve what the Board believes to be a then desirable representation of diversity and, if deemed necessary or desirable, embark upon a program to effect concomitant changes in Board composition.

EXECUTIVE OFFICER APPOINTMENTS

In fulfilling its role, the Corporate Governance and Disclosure Policy Committee and any other person or committee of the Board who nominates Executive Officers for appointment shall:

- (a) Consider candidates that are highly qualified based on their experience, education, expertise, personal qualities, and general and sector-specific knowledge.
- (b) Review potential candidates from a variety of backgrounds and perspectives, with the Corporation's diversity objectives in mind including, without limiting the generality of the foregoing, the specific objectives of national, ethnic and gender diversity.
- (c) Consider the level of diversity in Executive Officer positions when making Executive Officer appointments.

REVIEW

On a periodic basis, the Corporate Governance and Disclosure Policy Committee shall:

- (a) Assess the effectiveness of the nomination and appointment processes at achieving the Corporation's diversity objectives outlined in this Policy.
- (b) Review best practices with respect to diversity on Boards and in Executive Officer positions in junior mining exploration companies.
- (c) Review this Policy, including an assessment of the effectiveness of this Policy, and recommend any changes to this Policy to the Board.
- (d) Monitor the implementation of this Policy.

(Adopted by the Board of Directors of Erdene Resource Development Corporation effective April 30, 2015 and reviewed and updated by the Corporate Governance and Disclosure Policy Committee in May, 2020.)