

ERDENE PROVIDES UPDATE ON DARK HORSE GOLD PROSPECT EXPLORATION PROGRAM: COMMENCES FOLLOW-UP DRILLING

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Erdene Resource Development Corporation (TSX:ERD | MSE:ERDN) (“Erdene” or the “Company”) is pleased to provide an update on the Dark Horse gold prospect including reporting of remaining assay results from its Q2 2021 drill program. Dark Horse, a recent near-surface gold discovery, is located 3.5 kilometres north of the Company’s flagship Bayan Khundii project. The Q2 2021 drilling program consisted of 37 drill holes totaling 3,757 metres, including 27 drill holes totaling 2,610 metres reported herein. The Company is also pleased to announce the commencement of a 3,000 metre follow-up drill program at the Dark Horse gold prospect.

Quotes from the Company:

“Our exploration efforts, including the results reported today, continue to validate the scale of the new Dark Horse Discovery,” said Peter Akerley, Erdene’s President and CEO. “Over the past several months we have confirmed high-grade, near-surface, oxide gold zones in the southern portion of Dark Horse Mane, broad areas of low-grade material along the northern trend of this zone and multiple zones of high-grade gold along the northeast intersecting structures, while improving our understanding of the geologic and structural setting of this large target area.”

“These results have been incorporated into targeting for an additional 3,000 metre drill program now underway,” continued Mr. Akerley. “This drill program is focused on two objectives – delineating near-surface resources at Dark Horse Mane that have the potential to be incorporated rapidly into the Bayan Khundii Gold Mine development and testing highly prospective targets in the broader twelve square kilometre prospect area. We remain in the early stages of understanding the full potential of this exciting target with future exploration drilling shifting to both deeper targets and targeting structural corridors.”

Highlights¹(See the attached maps for reference):

- Drilling at the northern portion of Dark Horse Mane confirmed continuity of broad, near-surface (within 100 metres depth) zones of lower grade gold:
 - The most intense zones of alteration and mineralization were intersected in holes AAD-89, AAD-95 and AAD-98, which intercepted multiple gold bearing zones;
 - These holes are located within a 300 metre N-S zone, centred around a magnetic low feature tested by AAD-61 (130 metres of 0.5 g/t gold); and
 - Drilling in this area consistently indicated increasing gold values and thickness of the alteration zone at depths supporting further deeper drilling.
- Gold and indicator element anomalism is increasing 200 metres south of AAD-81 (39 metres of 2.7 g/t gold) at 60 to 130 metres depth, presenting a new deep drill target.
- Testing of intersecting NE structures shows significant gold mineralization with up to 7.3 g/t gold intersected over 1 metre in AAD-110, within a 7 metre gold mineralized interval.
- Launched 3,000 metre follow-up drill program at Dark Horse, drilling will focus on:
 - Delineating near surface oxide resources that could be incorporated into the Bayan Khundii Gold Project mine plan in the near term; and
 - Testing targets at depth and peripheral to Dark Horse Mane.

Dark Horse Exploration Program Summary

The drill program reported in today's release includes drilling in the northern portion (approximately 750 metres N-S) of the Dark Horse Mane prospect, with 15 of the 27 holes testing the near-surface (within 100 metres) oxide gold zone. Additionally, six wide spaced holes tested the southern continuity of the structure between the high-grade (AAD-58 and 81) Dark Horse discovery and the Bayan Khundii deposit. The six remaining holes tested parallel or intersecting northeast structures in the broader target area.

Results from the northern portion of the Dark Horse Mane area validate the continuity of near-surface, lower grade, oxide gold mineralization, complimenting the high-grade zones previously defined along the southern continuation of the structure and along the northeast trending structures to the east. Drilling in this area included fences of two holes in several areas with the deeper hole consistently indicating increased gold values and thickness of the alteration zone at increasing depths supporting deeper drilling, below the 100-metre depth tested to date. In addition, several holes intersected gold zones west of the targeted structure near the bottom of holes with grades in the 0.5 g/t to 1.5 g/t gold range over 1 to 2 metre intervals.

Table 1 - Dark Horse Q2 2021 Dark Horse Mane Drilling Highlights (select intervals)

Hole	From	To	Interval ⁽¹⁾	g/t Au
AAD-89	56	74	18	0.73
Incl	63	68	5	1.72
AAD-90	63	73	10	0.83
AAD-93	23	43	20	0.46
AAD-95	36	64	28	0.46
And	70	74	4	0.77
And	142	144	2	1.17
AAD-96	42	48	6	0.54
AAD-98	24	28	4	1.12
And	73	84	11	0.57
And	122	124	2	0.84
AAD-99	21	32	11	0.42
And	60	65	5	0.65
And	110	125	15	0.59

1 Reported intervals in this release are downhole apparent widths. Continued exploration is required to confirm anisotropy of mineralization and true thicknesses.

Drilling south of the high-grade zone intersected in AAD-81 (39 metres of 2.7 g/t gold) and AAD-58 (45 metres of 6 g/t gold) tested two targets at 100-metre step-outs. Intense iron oxide phyllic alteration associated with the interpreted intersection of the two major faults was observed in AAD-84, 100 metres south of AAD-81, with low but anomalous gold and indicator element values over a broad zone, testing the target at 40 metres depth. Stepping out a further 100 metres south, gold and indicator element anomalism is increasing substantially in AAD-101 with intense veining and oxide and clay alteration at 60 to 130 metres down hole, presenting a new deeper drill target. Further south, a series of holes, spaced at ~250 to 300 metres, were completed to test continuity of alteration and mineralization along the main structure. Although indications of hydrothermal alteration is observed, the host rock appears less favorable for gold deposition than that in the Dark Horse Mane zone further north although additional exploration is required.

Approximately 700 metres east of the Dark Horse Mane zone, hole AAD-110 tested the eastward continuation of the NE structure that intersects N-S structure in the area of AAD-81 and identified a new gold zone with encouraging gold values near surface and at 100 metres downhole.

Table 2 - Dark Horse Mane South and East Targets Drilling Highlights (select intervals)

Hole	From	To	Interval ⁽¹⁾	g/t Au
AAD-101	81	84	3	0.39
And	107	113	6	0.32
AAD-110	5	7	2	0.34
And	94	101	7	1.46
Incl	100	101	1	7.34

June 2021 Dark Horse Exploration Program Objectives

The drill program launched this week is focused on two objectives: delineating near-surface resources that can be incorporated into the Bayan Khundii Gold Project and testing high potential expansion zones in the broader 12 square kilometre prospect.

Approximately 1,500 metres of delineation drilling is planned in areas surrounding the high-grade zones intersected at AAD-57 and AAD-58. Erdene is planning scissor holes, within the upper 100 metres, at 30-metre spacing in these zones to define potential near-surface, oxide, high-grade gold mineralization amenable for processing in the proposed Bayan Khundii Gold Project carbon in pulp processing facility.

Expansion drilling will test continuity of gold mineralization at depth within the Dark Horse Mane prospect as well as focus on neighboring structural and geophysical targets similar in nature to the Dark Horse Mane Zone.

Concurrently, controlled source audio-frequency magnetotellurics ("CSAMT") and detailed dipole-dipole induced polarization ("Dp-Dp IP") ground geophysical surveys are underway to assist in deeper targeting. These will be completed over a four square kilometre portion of the Dark Horse prospect to identify zones of sub-surface electrical resistivity and conductivity, representing silicification and clay alteration related to epithermal vein systems. The results of this program will assist in definition of future deeper drill targets within the prospect.

Dark Horse Overview

Erdene discovered the Dark Horse prospect area, 3.5 km north of the Bayan Khundii deposit, on a previously underexplored portion of the Khundii Mining License in August 2019. Surface exploration in late 2019, including detailed geologic mapping and geochemical sampling (rock chip and soil) identified multiple samples grading over 5 g/t gold, including an 87.8 g/t gold rock chip sample hosted within comb quartz adularia veins. In June 2020, the Company completed further trenching at Dark Horse, with assays returning 6 metres grading 8.8 g/t gold, including 1 metre of 50.8 g/t gold, and 4 metres of 14 g/t gold, including 1 metre of 45.3 g/t gold. Initial drilling at the Dark Horse prospect, consisting of 25 holes totaling 4,660 metres, was completed in the second half of 2020. Results from the exploration program defined a N-S trending, 1.4 km long mineralized structure, referred to as the Dark Horse Mane prospect, establishing Dark Horse as the most significant area of gold mineralization in Erdene's Khundii Gold District since the discovery of the Bayan Khundii gold deposit.

Since initial drilling in August 2020, the Company has completed 10,342 metres of drilling in 71 holes at the Dark Horse prospect, covering an area approximately 4.6 kilometres (E-W) by 2.6 kilometres (N-S). The drill hole vertical depths ranged from 35 to 292 metres and averaged only 112 metres. Intersection highlights include:

- 1.18 g/t gold over 48 metres, beginning 194 metres downhole, including 30 metres of 1.74 g/t gold (AAD-57)
- 5.97 g/t gold over 45 metres, beginning 10 metres downhole, including 8 metres of 27.07 g/t gold (AAD-58)
- 0.53 g/t gold over 130 metres, beginning 10 metres downhole, located 500 metres north of AAD-58 (AAD-61)
- 1.31 g/t gold over 14 metres, beginning 53 metres downhole and 1.74 g/t gold, over 20 metres beginning 112 metres downhole (AAD-66)
- 2.65 g/t gold over 35 metres, beginning 4 metres from surface, including 12 metres of 5.10 g/t gold (AAD-81)

During the first quarter of 2021, Erdene completed a 1,900 metre scout drill program at Dark Horse, followed by a further 3,575 metres of drilling in April 2021, the final results of which are being announced today. A table of highlight drill intersections to date is included as Table 3 of this release.

Concurrently, an evaluation and interpretation program at Dark Horse, including geophysics, clay mineral analysis, petrography, mineralogy, fluid inclusion work and 3-D modelling was completed to refine targeting in advance of further drilling.

Mongolia COVID-19 Update

Daily health and safety briefings, body temperature checks, enhanced hygiene protocols, rapid testing, and additional personal protective equipment have been instituted in all of the Company's operations in Mongolia. The Company maintains a dedicated, registered nurse at the project site to administer COVID-19 testing and implement health and safety procedures during exploration. With these measures, our team continues to carry out field work without significant disruption. The Company's corporate and administrative teams continue to work on modified schedules and have adopted enhanced hygiene measures that allow operations to continue without significant disruption. All Erdene and Contractor staff operating in Bayankhongor have received two doses of a COVID vaccine. Staff and contractors were required to provide a negative COVID 19 test prior to travelling to the exploration camp and upon arriving at camp, staff and contractors received a second rapid COVID test to confirm earlier results.

Khundii Gold District

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 southwest 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 Bayan Khundii Gold Resource¹ includes 521,000 ounces of 3.16 g/t gold Measured and Indicated ("M&I")² and 103,000 ounces of Inferred resources at 3.68 g/t gold. Within the M&I resource, a proven and probable open-pit reserve totals 409,000 ounces at 3.7

g/t (see the full press release [here](#)), providing significant potential growth of reserves with the development of the remaining M&I and Inferred resources².

In July 2020, Erdene announced the results of an independent Feasibility Study for the Bayan Khundii Gold Project ([press release here](#)). The Feasibility Study results include an after-tax Net Present Value at a 5% discount rate and a US\$1,400/oz gold price of US\$100 million and Internal Rate of Return (“IRR”) of 42%. The Feasibility Study envisions an open-pit mine at Bayan Khundii, producing an average of 63,500 oz gold per year, for seven years, at a head grade of 3.71 g/t gold, utilizing a conventional carbon in pulp processing plant. Production is expected to commence in early 2022 based on the current project schedule.

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 three mining licenses and two exploration licenses 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 the Mongolian 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.

Qualified Person and Sample Protocol

Peter Dalton, P.Geo. (Nova Scotia), Senior Geologist for Erdene, is the Qualified Person as that term is defined in National Instrument 43-101 and has reviewed and approved the technical information contained in this news release. All samples have been assayed at SGS Laboratory in Ulaanbaatar, Mongolia. In addition to internal checks by SGS Laboratory, the Company incorporates a QA/QC sample protocol utilizing prepared standards and blanks. All samples undergo standard fire assay analysis for gold and ICP-OES (Inductively Coupled Plasma Optical Emission Spectroscopy) analysis for 33 additional elements. For samples that initially return a grade greater than 5 g/t gold, additional screen-metallic gold analysis is carried out which provides a weighted average gold grade from fire assay analysis of the entire +75 micron fraction and three 30-gram samples of the -75 micron fraction from a 500 gram sample.

Erdene’s drill core sampling protocol consisted of collection of samples over 1 or 2 metre intervals (depending on the lithology and style of mineralization) over the entire length of the drill hole, excluding minor post-mineral lithologies and un-mineralized granitoids. Sample intervals were based on meterage, not geological controls or mineralization. All drill core was cut in half with a diamond saw, with half of the core placed in sample bags and the remaining half securely retained in core boxes at Erdene’s Bayan Khundii exploration camp. All samples were organized into batches of 30 including a commercially prepared standard, blank and either a field duplicate, consisting of two quarter-core

¹ For details of the Mineral Resources see Khundii Gold Project NI 43-101 Technical Report, Tetra Tech December 4, 2019 – SEDAR

² M&I: 171,000 ounces of 3.77 g/t gold Measured, and 349,700 ounces of 2.93 g/t gold Indicated

intervals, or a laboratory duplicate. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene's logistical contractor, Monrud Co. Ltd.

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 the ability to obtain required third party approvals, 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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Table 3 - Dark Horse 2021 Drilling Highlights (intervals averaging greater than 0.3 g/t gold)

Hole	From	To	Interval ⁽¹⁾	g/t Au ⁽²⁾
AAD-57	52	68	16	0.58
And	160	180	20	0.45
And	194	242	48	1.18
Incl	202	232	30	1.74
AAD-58	10	55	45	5.97
Incl	32	54	22	11.98
Incl	36	37	1	21.18
Incl ⁽³⁾	41	49	8	27.07
Incl	43	44	1	82.53
AAD-61	10	140	130	0.53
Incl	14	40	26	1.06
Incl	92	96	4	1.25
Incl	120	129	9	1.07
AAD-65	113	120	7	1.15
And	128	142	14	0.51
And	196	205	9	0.69
AAD-66	53	67	14	1.31
And	112	132	20	1.74
And	137	139	2	0.96
AAD-67	110	116	6	0.32
AAD-68	192	194	2	1.41
And	250	252	2	0.47
AAD-70	52	53	1	0.66
And	64	66	2	4.24
And	110	116	6	0.33
AAD-74	36	37	1	0.38
AAD-75	37	38	1	0.33
And	45	48	3	0.32
And	120	121 (EOH)	1	0.38
AAD-76	56	58	2	0.35
AAD-77	62	72	10	0.37
And	135	138	3	0.30
AAD-79	31	39	8	1.81
Incl	32	36	4	3.23
AAD-80	11	12	1	0.97
AAD-81	4	39	35	2.65
Incl	5	17	12	5.10
Incl	5	6	1	19.11
Incl	12	13	1	14.04
AAD-82	39	48	9	0.30
And	75	76	1	0.31
AAD-83	239	241	2	0.73
AAD-84 ⁽⁴⁾	48	52	4	0.32
AAD-87 ⁽⁴⁾	6	7	1	0.36
And	83	87	4	0.33

Hole	From	To	Interval ⁽¹⁾	g/t Au ⁽²⁾
AAD-89 ⁽⁴⁾	56	74	18	0.73
Incl	63	68	5	1.72
And	87	88	1	0.41
And	124	125 (EOH)	1	0.45
AAD-90 ⁽⁴⁾	63	73	10	0.83
AAD-93 ⁽⁴⁾	17	49	32	0.35
Incl	23	43	20	0.46
AAD-94 ⁽⁴⁾	15	16	1	0.44
And	36	38	2	0.43
AAD-95 ⁽⁴⁾	21	27	6	0.30
And	36	64	28	0.46
And	70	74	4	0.77
And	93	95	2	0.31
And	104	105	1	0.39
And	114	121	7	0.38
And	142	144	2	1.17
AAD-96 ⁽⁴⁾	42	48	6	0.54
AAD-97 ⁽⁴⁾	11	13	2	0.84
AAD-98 ⁽⁴⁾	24	28	4	1.12
And	73	84	11	0.57
And	122	124	2	0.84
AAD-99 ⁽⁴⁾	21	32	11	0.42
And	60	65	5	0.65
And	110	125	15	0.59
AAD-100 ⁽⁴⁾	37	42	5	0.40
AAD-101 ⁽⁴⁾	81	84	3	0.39
And	107	113	6	0.32
AAD-110 ⁽⁴⁾	5	7	2	0.34
And	94	101	7	1.46
Incl	100	101	1	7.34

¹ Reported intervals are apparent thicknesses (i.e., downhole widths). Insufficient drilling has been completed at Dark Horse to determine orientation of the mineralized zones and therefore true widths cannot be determined at this time. Exploration drill holes are typically oriented normal to (at a right angle to) the trend of potential mineralized targets and holes dips range from 45 to 75 degrees.

² Reported grades for intervals are weighted averages based on length of sampling intervals, typically 1 to 2 metres. No top cut has been applied; however, intervals greater than 10 g/t gold are reported separately for clarity.

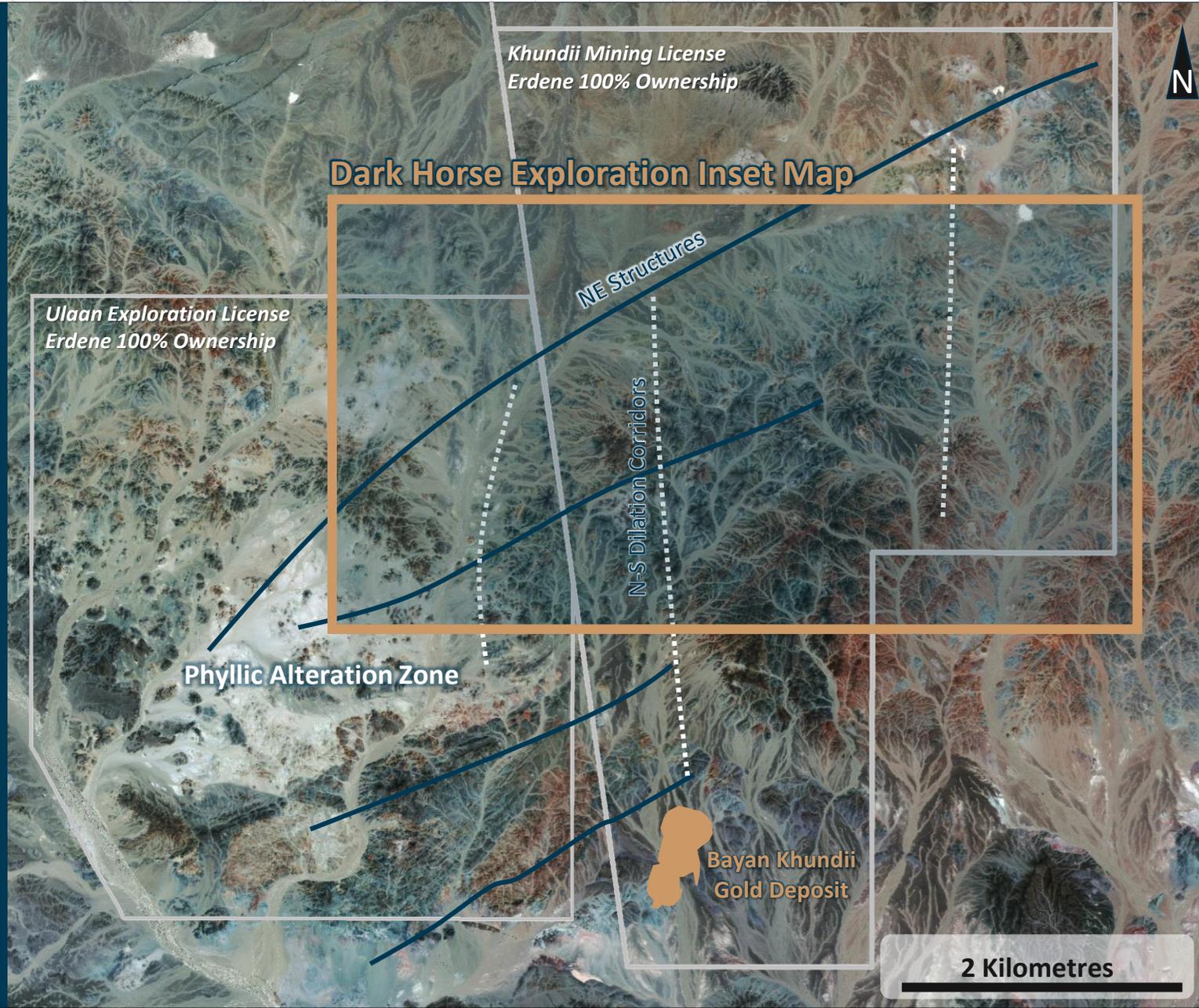
³ Seven of the eight 1-metre samples in this interval returned assays greater than 10 g/t gold, the eighth sample returned an assay of 9.5 g/t gold. The highest grade interval (43-44 metres) is reported separately.

⁴ Newly reported hole

EOH – End of hole (reported mineralization continued to the end of the hole – holes may be extended to determine extent of mineralization)

Note: The majority of exploration holes not listed intersected anomalous gold and/or zones anomalous in pathfinder elements (arsenic, molybdenum and antimony) but no significant intervals greater than 0.3 g/t gold.

Dark Horse Prospect Location Map



Dark Horse Exploration Highlights – 2021

