

ERDENE ADDS SECOND RIG AND COMMENCES DRILLING ULAAN GOLD TARGET ADJACENT BAYAN KHUNDII GOLD DEPOSIT

Press Release
Halifax, Nova Scotia
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Erdene Resource Development Corporation (TSX: ERD | MSE: ERDN) (“Erdene” or the “Company”) is pleased to report the commencement of drilling on the Ulaan Gold Target, located 350 metres west of the Bayan Khundii Gold deposit.

Quotes from the Company:

“We are excited to test the potential of the southern portion of the Ulaan license area following the acquisition of 100% of the property in late 2020,” said Peter Akerley, Erdene’s President and CEO. “This license, adjacent our Bayan Khundii Project, is part of the broader Ulaan-Khundii alteration system. Based on the trend of mineralization from the Bayan Khundii gold deposit, supporting surface alteration and anomalous geochemical survey test results, we believe there is a high probability that the mineralization defined at Bayan Khundii continues onto the Ulaan License. We expect to report initial drill results from the Ulaan exploration drilling in mid Q3 2021.”

Ulaan Target Overview and Drill Program Plans

Following the discovery of the Company’s 100%-owned Bayan Khundii gold deposit in 2015, the Company initiated a land consolidation effort leading to the acquisition of a 51% interest in the adjacent Ulaan license in 2017. The remaining 49% interest in the Ulaan license was acquired in December 2020.

The northern portion of the 1,780 hectare Ulaan license is situated along the western boundary of Erdene’s Khundii license. The southern area of the Ulaan license is approximately 350 metres west of the Bayan Khundii gold deposit, separated by the Khuren Tsav license held by the Mongolian government-owned gold company, Erdenes Alt LLC (EA). (See appendices).

Based on Erdene’s drilling near the western Khundii license boundary, satellite imagery, geophysical analysis and surface alteration, the hydrothermal system that hosts the Bayan Khundii gold deposit is expected to extend W-SW of the Bayan Khundii deposit across the Khuren Tsav license and along the southern boundary of the Ulaan license. Drilling results along the western boundary of Khundii license intersected thick sequences of gold mineralization, locally beginning at surface, with highest grades at 100 to 160 metres depth. Highlight intersections from drilling near the border include 7 metres of 18 g/t gold in BKD-220; 5 metres of 25 g/t gold in BKD-265; and 28 metres of 2.4 g/t gold in

BKD-334, the latter of which is located to the north of and outside the reported resource at Bayan Khundii.

Further supporting this hypothesis, in 2020, prior to the issuance of the Khuren Tsav license to Erdenes Alt LLC, the Mongolian National Geological Survey conducted diamond drilling on the portion of license situated between Erdene's Bayan Khundii and Ulaan licenses. Though details of this drilling have not been publicly announced, in early 2021 Erdenes Alt LLC announced plans to undertake further drilling and geologic work on the property. Erdene has been in discussions with Erdenes Alt LLC since the company was granted the license on opportunities to develop the property in the best interests of all stakeholders.

The Company has established a series of drill targets in the southern portion of the Ulaan license. Initial drilling will be wide spaced, testing targets over an approximately 2 kilometre strike length to a maximum depth of 350 meters. The target area (see maps below) is underlain by the same lithologic units associated with the Bayan Khundii gold deposit, namely, Carboniferous volcanic tuffs and intrusive rocks (syenites and monzonite). These units display similar alteration styles as at Bayan Khundi, silicification and clay (illite/sericite) alteration with gold bearing quartz veins (up to 13 g/t gold in grab samples) observed along the western extent of the area. Approximately 50% of the target area is covered by recent sediments or younger lithologies, however, there is strong gold in soil anomalism in the target area.

Khundii Gold District

Erdene's deposits are 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 resources¹.

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

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

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 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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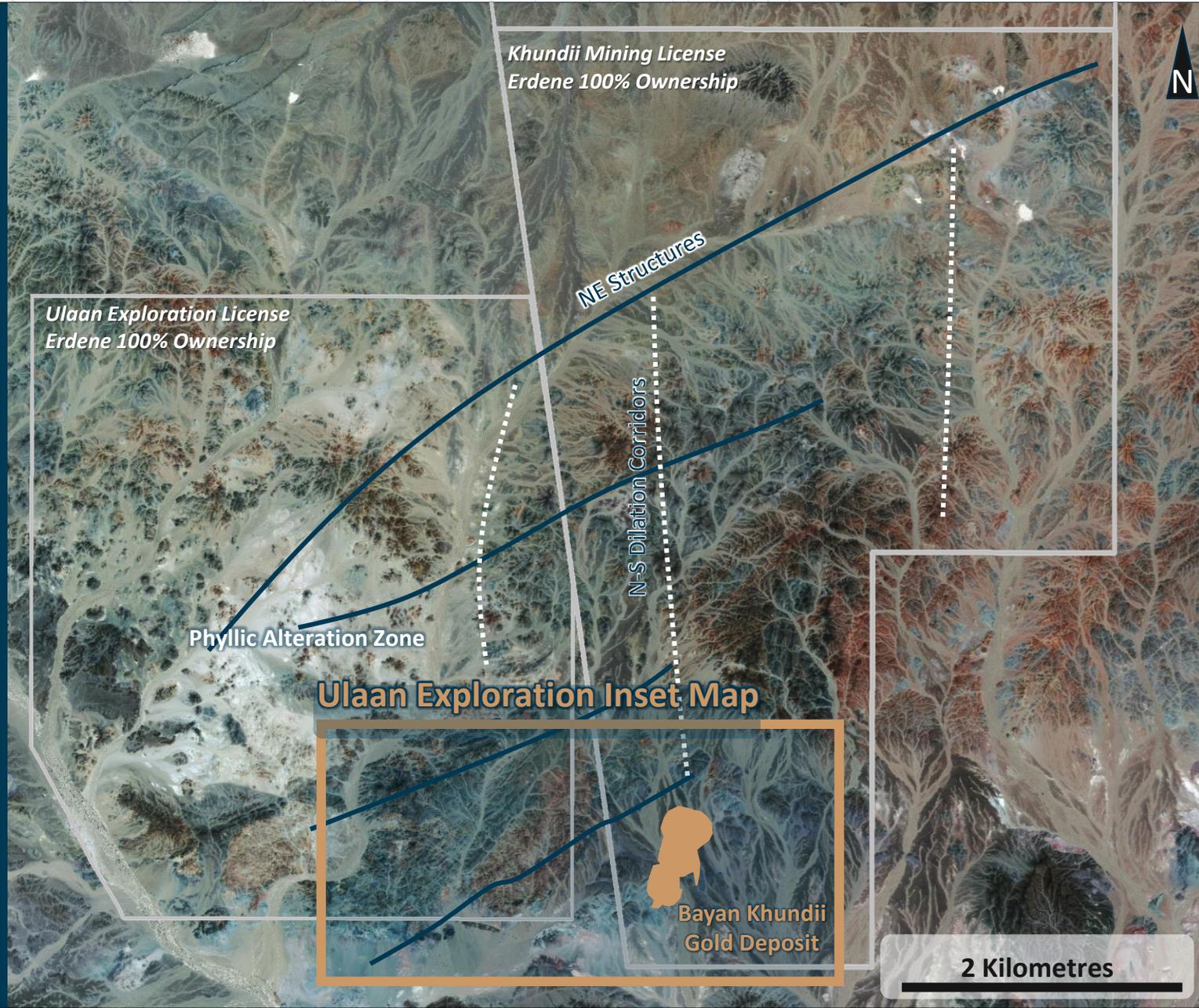
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Ulaan–Khundii Location Map



Ulaan Exploration Target

Bayan Khundii Gold Trend Interpretation

