



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Expands Bayan Khundii Mineralization with 43m of 1.8 g/t Gold East of Midfield, Including 1m of 45 g/t Gold, and 20m of 2.8 g/t Gold West of Striker, Including 1m of 51 g/t Gold

Halifax, Nova Scotia – Oct 31, 2017 – Erdene Resource Development Corp. (TSX:ERD) ("**Erdene**" or "**Company**") is pleased to provide an update on its gold exploration projects in southwest Mongolia, including additional assay results from the Company's 2017 drill program at its 100%-owned Bayan Khundii Gold Project ("Bayan Khundii").

"Today's results further demonstrate the growth potential at Bayan Khundii with holes west of Striker and east of Midfield providing the widest gold mineralized intersections in those areas to date, along with some of the very high grades observed in Striker and Midfield," said Peter Akerley, Erdene's President and CEO. "In addition to the Bayan Khundii drilling program and those at the neighboring Altan Nar project, surface exploration programs have been successfully generating new targets elsewhere within an area up to 8 kilometres north of Bayan Khundii and along the 6 kilometre long trend of gold prospects at Altan Nar. Over the next two months we will continue drilling at Bayan Khundii and Altan Nar, continuing to test the perimeters of the main mineralized areas and improving confidence in the ultra-high-grade zones at Bayan Khundii within which almost 20% of our holes have returned intersections of 30 to 300 g/t gold."

Summary of Results

Twenty holes (BKD-199 to BKD-218) and five-hole extensions (BKD-27, -29, -68, -85 and -176), totalling 4,355 metres, were drilled throughout the Bayan Khundii project area in mid Q3 and are included in this update. For reference see Table 1 and attached plan maps below.

Highlights

Expansion East of Midfield Zone: While most of the drilling in Midfield has focused on pushing the northern limits of the gold mineralized zone towards the Northeast Zone, hole BKD-210, located 80 metres east of Midfield's eastern boundary, returned 43 metres of 1.8 g/t gold (BKD-210) and included gold values up to 44.8 g/t, establishing a new eastern extension to the Midfield Zone that justifies further follow-up drilling.

Multiple Mineralized Intersections West of Striker Zone: The area west of Striker continued to be a focus of the recent expansion drilling program with new holes returning the widest and highest-grade intersections to date in this area, justifying further follow-up drilling. Hole BKD-216, located along the western portion of the target area, 240 metres west of the Striker Zone, returned a 20 metre intersection of 2.8 g/t gold, including up to 50.5 g/t gold over 1 metre, and hole BKD-211, located 200

metres west of the Striker Zone, returned 63 metres of 1.1 g/t gold. In addition, three new holes and two extension holes (BKD-204, -205, -212; extensions BKD-68 and -176) were drilled in this area returning multiple zones of lower grade gold mineralization.

Striker Zone - Extensions at Depth Toward Midfield: Recent drilling in the northwest Striker area, where early, shallow holes had not intersected significant mineralization, returned an extension of mineralization below previous drilling with 58 metres of 1.2 g/t gold, including 16 metres of 2.8 g/t gold (BKD-30ext.) (see Sept 12, 2017 news release). Today's results include three additional hole extensions in this area; BKD-27, -29, and -85. Hole BKD-27ext. returned 55 metres of 1.2 g/t gold from 109 to 164 metres, followed by 20 metres of 0.74 g/t gold to 222 metres depth with the other two extension holes intersecting wide zones of highly anomalous gold, further confirming the extension of gold mineralization at depth between Striker and Midfield. These extended holes also continue to support the down-dip extension of mineralization from Midfield toward the west side of Striker.

Further Continuity in area North of Midfield Zone: Five holes were completed in this area and continue to support continuity of the gold mineralization in this zone discovered earlier in 2017, north of the Midfield Zone (BKD-199, -200, -209, -217, and -218). These holes were spaced at approximately 40 metre intervals and provided a number of wide gold mineralized intersections including hole BKD-199 which intersected a thick sequence of mineralized volcanics, returning 88 metres of 1.1 g/t gold at 74 metres depth. Hole BKD-217 also intersected a thick sequence of altered tuffs, with an 18 metre wide zone averaging 0.74 g/t gold. Hole BKD-218, drilled 80 metres northeast of BKD-217, intersected an 81 metre wide zone that returned 0.65 g/t gold and included a 20 metre zone that averaged 1.5 g/t gold. These results confirm continuity within this zone north of Midfield, extending it closer to the Northeast Zone.

Reconnaissance Drilling in Northeast Zone Demonstrates Continuity: A series of reconnaissance holes were drilled north and northeast of the main Bayan Khundii trend with one of these step-out holes, BKD-214, located 130 metres east of the Northeast Zone and 650 metres northeast of the Midfield Zone, returning an altered volcanic sequence with anomalous gold intersections, including 31 metres of 0.24 g/t gold at 48 metres depth. The result, although low-grade, is important as it provides evidence of continuity of the gold mineralizing fluids beyond the areas defined to date.

The following table includes drill result highlights of the holes discussed above.

Table 1. Bayan Khundii drill highlights

Drill Hole	From (m)	To (m)	Interval (m) ⁽¹⁾	Gold (g/t)
East of Midfield Zone				
BKD-210	89	131.8	42.8	1.75
incl	105	118	13	4.89
incl	106	107	1	44.8
West of Striker Zone				
BKD-204	70	87	17	0.89
incl	74	81	7	1.70
BKD-205	12	15	3	0.70
and	107	131	24	1.21
incl	120	127	7	3.59
incl	122	123	1	12.7
and	159	196	37	0.57
incl	183	195	12	1.34
BKD-211	100	163	63	1.09
incl	101	114	13	3.99
incl	101	102	1	17.9
and	106	107	1	12.2
BKD-216	29	50	21	0.48
and	153	173	20	2.83
incl	153	163	10	5.52
incl	156	157	1	50.5
BKD-68 ext.	128	130	2	20.5
North of Midfield Zone				
BKD-199	74	162.3	88.3	1.08
incl	148	149	1	15.2
and	153	154	1	16.6
BKD-200	110.4	190	79.6	0.64
incl	110.4	136	25.6	1.18
and	210.7	223.5	12.8	0.47
BKD-209	136.5	153	16.5	0.62
BKD-217	179	197	18	0.74
incl	189	197	8	1.58
BKD-218	141	222	81	0.65
incl	202	222	20	1.46
Striker Zone Hole Extensions				
BKD-27 ext. ⁽²⁾	109	164	55	1.21
and	202	222.3	20.3	0.74
BKD-29 ext.	175	191	16	0.31
incl	175	181	6	0.51
BKD-85 ext.	148	170	22	0.34

Drill Hole	From (m)	To (m)	Interval (m) ⁽¹⁾	Gold (g/t)
and	177	213.4	36.4	0.47
incl	182	195	13	0.84
Northeast Zone				
BKD-214	48	79	31	0.24

(1) Reported intervals are not true width. At this time, there is insufficient data with respect to the shape of the mineralized system to calculate true orientations in space. They represent drill intersection widths from holes drilled at a dip of -45 to -65 degrees and oriented to the north-northeast. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 40 to 50 degrees to the southwest).

(2) Previously reported in 2016, 57m to 85m (end of hole), 28m of 0.51 g/t gold.

Going Forward – Q4-2017 Drill Program at Bayan Khundii

Since the beginning of the year, the Company has completed a total of 22,710 metres with 122 new drill holes and 10 extended drill holes at Bayan Khundii, and is expected to reach over 26,000 metres by year-end. Since the first drill hole in Q4-2015, the Company has drilled a total of 35,085 metres in 218 drill holes.

For the remainder of Q4, the Company's drilling program at Bayan Khundii will be focused on further defining boundaries and increasing confidence through a series of holes across the Bayan Khundii mineralized area including Striker, Midfield, and the areas north of Midfield and west of Striker. The Q4 drill program is expected to include an additional 4,000 metres, to be completed at Bayan Khundii and at the Company's Altan Nar gold-polymetallic project, 16 kilometres northwest. There will also be some additional reconnaissance drilling in target areas within both licences over the next two months. Those targets are still being defined as exploration results are continuing to be evaluated.

Ultra, High-Grade Areas

Bayan Khundii has a very significant high-grade component with over 20% of the 218 reported drill holes having one or more intersections of 30 g/t to 300 g/t gold. These 50+ intersections have an average grade of 78 g/t gold and their contribution to the eventual resource will be very significant. Therefore, ensuring these zones are well defined with sufficient data to provide accurate levels of influence and control for any proposed capping of these grades is of primary importance to the quality of the eventual resource estimate. Higher definition drilling of these ultra-high-grade zones has been recommended by an independent technical consultant and will be designed to assist in resource modeling.

Regional District Exploration Programs

In addition to drilling at Bayan Khundii, significant work has been completed in a series of projects within the larger developing district, including detailed geological mapping, soil geochemical sampling, rock chip geochemical sampling and geophysical programs over the entire Khundii license, north of the Bayan Khundii project. Final results are pending but several areas of intense alteration with associated anomalous gold in rock chip samples have been identified, including a zone along trend from Bayan Khundii, three kilometres to the northeast. It is anticipated that, the priority targets generated will be identified and drilled in Q4-2017 or early 2018.

2018 Resource Estimate

During Q1-2018 the Company's technical team will assess the 2017 program and determine what additional drilling may be required prior to an independent resource evaluation. Timing of the eventual resource studies for both Bayan Khundii and Altan Nar will be influenced by that determination, however it is anticipated that the studies will be completed between Q2 and Q3 2018.

Background on Bayan Khundii Gold Project

In Q2-2015, Erdene conducted an initial exploration program on the southern portion of the Company's 100%-owned Khundii exploration license in southwest Mongolia where an early rock-chip sampling program revealed multiple very high-grade surface quartz veins that returned up to 4,380 g/t gold. Since that time, drilling has revealed the presence of very high gold grades, with up to 306 g/t gold over 1-metre intervals, within broad mineralized zones, with up to 131 metres of 3.9 g/t gold, including 80 metres of 6.0 g/t gold. In addition to the drilling discussed above, the Company has completed a comprehensive exploration program at Bayan Khundii that has included: geological mapping; soil geochemical surveys; additional surface rock chip sampling; a ground magnetic survey; gradient array and dipole-dipole induced polarization surveys. In addition to this work, a series of detailed follow-up studies have also been completed, predominantly on drill core and minor surface outcrop, including: petrographic and mineralogical analyses; a fluid inclusion study; SEM gold composition analysis; Short-Wave Infra-Red Analysis (SWIR); structural analysis; and overall petrogenetic analysis. Detailed studies indicate the mineralized zones can be characterized as low-sulphidation, quartz-illite-adularia type mineralization that was presumably formed in an extensional environment.

In Q1-2016, the Company concluded preliminary metallurgical test work at Bayan Khundii, indicating that gravity concentration and cyanidation of the gravity tails yield very good overall gold recoveries for both high-grade and low-grade composites, yielding 99% gold recovery from the high-grade composite (24.9 g/t gold) and 92% gold recovery from the low-grade composite (0.7 g/t gold). Additional metallurgical work is underway with completion anticipated in Q3-2017.

The Bayan Khundii license has a 2% net smelter returns royalty ("NSR Royalty") in favour of Sandstorm Gold Ltd. with a buy-back option to reduce the NSR Royalty to 1%.

Qualified Person and Sample Protocol

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. 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.

Erdene's sampling protocol for drill core consisted of collection of samples over 1 metre 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 samples including a commercially prepared standard, blank, and either a field duplicate, consisting of two ¼ core intervals, or a laboratory duplicate. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene's logistical contractor, Monrud Co. Ltd.

About Erdene

Erdene Resource Development Corp. is a Canada-based resource company focused on the acquisition, exploration, and development of base and precious metals in underexplored and highly prospective Mongolia. The Company has four exploration licenses and a mining license in southwest Mongolia. In addition to the Bayan Khundii and Altan Nar projects, other deposits and prospects within these licenses include: Khuvyn Khar – an early-stage, copper-silver porphyry project with multiple drill targets and significant copper intersections; Nomin Tal – a narrow, high grade copper-gold discovery; Zuun Mod – a large molybdenum-copper porphyry deposit; and Altan Arrow – an early-stage gold-silver project. In addition to the above properties, the Company has an Alliance with Teck Resources Limited on regional copper-gold exploration in the prospective Trans Altai region of southwest Mongolia. For further information on the Company, please visit www.erdene.com. Erdene has 145,963,086 issued and outstanding common shares and a fully diluted position of 156,592,160 common shares.

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 many 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.

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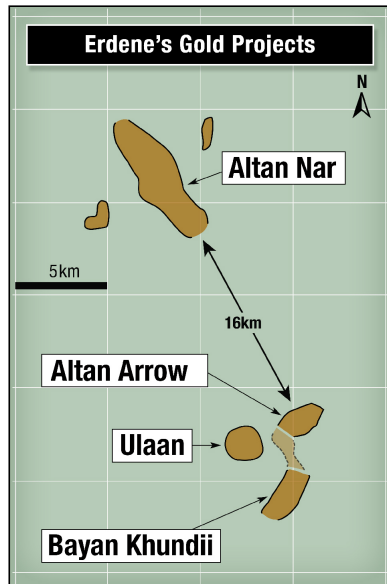
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Bayan Khundii Plan Map With Geology and Drill Holes

