



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Provides Project and Second Quarter Financial Update

Halifax, Nova Scotia – August 16, 2017 – Erdene Resource Development Corp. (TSX:ERD) ("**Erdene**" or "**Company**") is pleased to provide shareholders with an update on second quarter corporate and project activities. The Company has several significant programs underway related to expansion and delineation of gold projects, regional and district-scale exploration, and preparatory work for resource estimates, economic studies and mining license applications, summarized as follows:

Highlights

Financial

- As of August 10, 2017, the Company's working capital position is \$8.3 million, sufficient to fund the planned 2017 exploration program and extend into the 2018 program.

Bayan Khundii Gold Project

- The 2017 drill program has established continuity of gold mineralization over a 1.3 kilometre long trend that is locally up to 450 metres wide and remains open.
- On-going drill program with 14,688 metres completed in 81 holes since April 2017 bringing the total drilling since 2015 discovery to 25,988 metres in 177 drill holes.
- 85% of all holes intersected anomalous gold mineralization and 17% intersected ≥ 1 metre samples of greater than 32 g/t gold, up to 307 g/t gold.
- Drilling improved confidence in the continuity of Midfield high-grade zones with up to 80 metres of 6.0 g/t gold (BKD-98).
- New step-out discovery extended mineralization for up to 280 metres north of the Midfield Zone with up to 108 metres of 2.8 g/t gold, including 20 metres of 7.2 g/t gold (BKD-110).
- Drilling between Midfield and Striker Zones established broad zones of gold mineralization, up to 150 metres of 1.5 g/t gold (BKD-153).
- New near surface zone south of Striker being defined, including 14 metres of 2.8 g/t from surface (BKD-128).
- Area west of Striker being defined with 250 metre step-out intersecting 58 metres of 1.1 g/t gold (BKD-105).
- New zone identified in 90 metre step-out northeast of Striker with 10 metres of 12.8 g/t gold (BKD-118).
- Metallurgical testing to date has indicated Bayan Khundii material is free milling and amenable to conventional processing techniques; further metallurgical testwork results anticipated before end of August.

Altan Nar Gold Polymetallic Project

- Altan Nar drilling returned high-grade gold and base metal values at depth in Discovery Zone including 14 metres of 7.9 g/t gold, 43.7 g/t silver and 1.8% combined lead and zinc (TND-105).
- Drilling underway targeting an expansion of Q1-2015 resource boundaries and testing of newly defined geophysical targets.

Regional and District-Scale Exploration

- Both Bayan Khundii and Altan Nar are the first grassroots gold discoveries in this emerging gold district.
- Erdene has discovered multiple gold and copper occurrences within the district where it continues to evaluate new gold and copper targets for acquisition.
- Erdene plans to drill test its Altan Arrow gold-silver prospect, 3.5 kilometres north of Bayan Khundii, in Q3/Q4-2017 to test continuity of the high-grade zones identified in recent drilling.
- Detailed geologic mapping and rock chip sampling between Bayan Khundii and north of Altan Arrow has identified new epithermal and porphyry gold and copper targets for Q3-Q4 testing.
- Teck Alliance exploration program on-going in southwest Mongolia.
- Hydro-geologic drilling program underway in basins adjacent to Bayan Khundii and Altan Nar.

“With our strong financial position and experienced and focused management team we are well positioned to create further value in this emerging, under-explored gold district characterized by large, near-surface, high-grade mineralized systems,” said Peter Akerley, Erdene’s President and CEO. “We will continue to evaluate new opportunities in the district while continuing to focus on exploring and expanding both the Bayan Khundii and Altan Nar discoveries, 16 kilometres apart, as we move towards more advanced resource and economic studies in 2018. In today’s gold industry of declining reserves and grades we believe we offer a potentially unique and sought after combination that will create a compelling value opportunity.”

Please refer to the Company’s Q2-2017 financials and MD&A, posted to the Company’s website and SEDAR, for additional details on the following summary. Three plan maps have been attached for reference:

Advancing the Bayan Khundii Gold Project – 100% Erdene

- The 2017 drill program has included 14,688 metres in 81 holes since April 2017, establishing continuity of gold mineralization over a 1.3 kilometre long trend that is locally up to 450 metres wide and remains open. Highlights include:
 - Striker Zone:
 - Drilling along the northern Striker boundary successfully connected a 100-metre wide, untested area with Midfield, where several holes returned broad, lower grade mineralization, including 146 metres of 0.8 g/t gold (BKD-101), as well as

- higher grade zones, including 24 metres of 6.5 g/t gold within 150 metres of 1.5 g/t gold (BKD-153).
- Near-surface zone south of Striker was further defined with 14 metres of 2.8 g/t gold from surface (BKD-128).
 - Midfield Zone:
 - Drilling improved confidence in the continuity of Midfield high-grade mineralization, demonstrated greater depth potential, and established the presence of wider, higher-grade quartz adularia “feeder” veins. Results included 80 metres of 6.0 g/t gold (BKD-98) and 56 metres of 6.1 g/t gold (BKD-99).
 - Northern Midfield Extension:
 - A series of 40 to 80 metre spaced step-out holes were completed in areas north and northeast of Midfield.
 - Majority of these holes intersected gold-bearing host silicified and illite-altered Devonian volcanic units, extending mineralization for up to 280 metres north of Midfield Zone, doubling the length of the known mineralized trend under cover.
 - Results include up to 108 metres of 2.8 g/t gold, including 20 metres of 7.2 g/t gold (BKD-110); 55 metres of 2.9 g/t gold, including 25 metres of 5.3 g/t gold (BKD-111); and 60 metres of 1.5 g/t gold including 18 metres of 3.0 g/t gold (BKD-140).
 - On August 14, 2017, results were released for a series of step-out holes north of Midfield that included: 40 metres of 3.3 g/t gold, including 9 metres of 12.5 g/t gold (BKD-179); and 72 metres of 1.6 g/t gold, including 19 metres of 4.6 g/t gold (BKD-178).
 - Western Extension of Striker and Midfield Zones:
 - Fourteen holes were completed at 50 to 100-metre spacing; all holes except one intersected anomalous gold mineralization.
 - Results include 58 metres of 1.1 g/t gold (BKD-105), 21 metres of 1.3 g/t gold (BKD-107), and 28 metres of 1.4 g/t gold (BKD-172).
 - Eastern Extension:
 - Step-out hole BKD-118, 90 metres east of Striker, returned 10 metres of 12.8 g/t gold, opening a large untested area east of Striker for additional exploration.
 - Northeast Zone:
 - Eight holes have been completed to date over a 600 metre by 400 metre area.
 - Hole BKD-122, on the southern boundary of the Northeast Zone (500 metres northeast of Midfield), returned 14 metres of 0.75 g/t gold from surface, including 2 metres of 4.4 g/t gold, and 21 metres of 0.72 g/t gold at 65 metres depth.
 - Two rock chip samples collected 600 metres northeast of hole BKD-122 returned gold assay values of 6.9 g/t and 0.4 g/t gold.
 - On-going Q3-Q4 Bayan Khundii drill program to include testing of six target areas within the broader 2.0 by 1.8 kilometre prospect area, as well as continued definition, with close-spaced drilling, of recently discovered targets north of Midfield Zone and west of Striker-Midfield Zones.

- Based on upcoming Q3/Q4-2017 drill results, and on drilling completed in 2015 and 2016, the Company anticipates generating a maiden resource estimate for Bayan Khundii in 2018.

Expanding the Altan Nar Gold-Polymetallic Project – 100% Erdene

- Erdene has designed a follow-up drill program for the Altan Nar gold-polymetallic project, 16 kilometres northwest of Bayan Khundii. The program will test new targets and complete step-out drilling in areas adjacent to the deposits previously reported NI 43-101 mineral resource estimate at Altan Nar (see Erdene news release dated March 31, 2015).
- Subsequent to Altan Nar's Q1-2015 resource estimate, several holes successfully intersected high-grade mineralization and expanded original resource boundaries;
 - Q2-2017 drilling in the central area of the Discovery Zone deposit, where mineralization was previously thought to narrow, suggests an increase in intensity of the gold-polymetallic mineralization at depth. Evidence of this comes from hole TND-105, with 14 metres of 7.9 g/t gold, 43.7 g/t silver, and 1.8% combined lead-zinc, and from hole TND-104, with 16 metres of 3.6 g/t gold, 50.5 g/t silver, and 1.4% combined lead-zinc. Additional drilling in this area will be conducted in Q3/Q4-2017.
 - At the Union North deposit, step-out hole TND-97 (completed in Q4-2016), located 155 metres east of the Q1-2015 Union North mineral resource boundary, returned 22 metres of 1.08 g/t gold, 5 g/t silver and 0.81% combined lead-zinc at a depth of 34 metres. Additional drilling in this area will be conducted in Q3/Q4-2017.
- In Q2-2017, Erdene completed the following geophysical surveys at Altan Nar:
 - A high-resolution ground magnetic survey using 10 metre-spaced lines over the entire Altan Nar project area. It provided increased detail, including identifying areas of low magnetic response interpreted as altered mineralized zones.
 - A six-line, 12-kilometre induced polarization dipole-dipole survey over the Discovery Zone to enable follow-up drilling of deep, high-grade gold-copper targets.
- Based on upcoming Q3/Q4-2017 drill results, and drilling completed in 2015 and 2016, the Company anticipates generating a revised resource estimate at Altan Nar in 2018, in addition to a maiden resource estimate for Bayan Khundii.
- Drilling is now underway on the Altan Nar project targeting an expansion of known deposit areas and testing of newly defined geophysical targets.

Regional and District Scale Exploration

- The Company plans to drill test its Altan Arrow epithermal gold-silver prospect ("Altan Arrow"), 3.5 kilometres north of the Bayan Khundii project, in Q3/Q4-2017 to test continuity of the high-grade zones identified in recent drilling, 23.5 g/t gold over 2 metres (AAD-03), and on surface, with up to 57 g/t gold in hand samples and 1 metre of 31.4 g/t gold and 6 metres of 4.5 g/t gold in trenching.
- Drilling is planned to test several new targets in the area between Bayan Khundii and north of Altan Arrow in Q3/Q4-2017, where detailed geologic mapping and rock chip sampling has identified new epithermal gold and porphyry gold and copper targets for Q3-Q4 testing.

- Since 2008, Erdene has undertaken systematic regional exploration work in southwest Mongolia, an under-explored region of the prolific Tian Shan Gold Belt and part of the Central Asian Orogeny that hosts some of the world's largest gold deposits. As a result, Erdene has discovered multiple gold and copper occurrences within the district where it continues to evaluate new gold and copper targets for acquisition.
- The 2017 Teck Alliance exploration program was funded through a non-brokered private placement with Teck Resources Limited ("Teck"), which involved the issuance of 543,478 shares to Teck at a price of \$0.92 per share, for gross proceeds of \$500,000. The program is underway and consists of follow-up work on anomalous targets identified during the 2016 program, including surface geochemical sampling, geological mapping/prospecting, ground-verification of multispectral anomalies and sampling of alteration zones for hyper-spectral analysis.

Independent Consultants

- In Q2-2017, Dr. Jeffrey Hedenquist, an Ottawa-based independent consultant and one of the world's leading experts on epithermal gold systems, worked for a second consecutive year at Erdene's gold projects. He provided ongoing geological interpretation and drill targeting expertise.
- Also in Q2-2017, Mr. Imants Kavalieris of Plus Minerals LLC, who specializes in alteration studies of epithermal and porphyry systems, also worked for a second consecutive year at Erdene's gold projects. He completed field and drill core evaluations, and identified alteration zonation within the hydrothermal systems for future drill targeting.
- Erdene has also engaged a number of consulting firms in preparation for eventual mining license applications, resource estimates and preliminary economic studies.

Water, Energy and Environment

- Erdene has commenced a 12-hole, 1,800-metre, water exploration program in two basin areas proximal to the Bayan Khundii and Altan Nar projects. Both sites have the potential to host water resources (in subsurface aquifers) to support mineral processing requirements. Drill targets were identified following an IP geophysical survey carried out in Q4-2016.
- The environmental and social baseline data collection program initiated in 2016 for the Altan Nar and Bayan-Khundii continues under the direction of EcoTrade LLC, a specialized Mongolian contractor permitted to undertake environmental impact assessments of mining projects, compiled field-based and secondary source information. Baseline data covers the key areas of land use conditions, air quality, flora and fauna, water, cultural heritage, and socio-economic conditions. The current work underway will also result in a complete land condition audit report, required by the Government of Mongolia before mine development. Moving forward, the Corporation plans to initiate a gap analysis of baseline data with a view to working towards compliance with international performance standards for managing the potential environmental and social impacts of future mine development and operation at Altan Nar and Bayan Khundii. Energy

- Mongolia, including the Oyu Tolgoi copper gold processing operation, is dependent on its neighboring countries for peak and base load electricity supply. The Corporation has initiated an assessment of the viability of procuring electricity from the Central Energy System through a dedicated, new grid connection. The grid viability assessment is designed to inform future mine planning and enable the Corporation to benefit from early integration of optimal energy supply solutions. In addition, through an initiative of the International Finance Corporation, the Corporation agreed to participate and co-finance the study of renewable energy supply options at Altan Nar and Bayan Khundii projects. The renewable energy study is expected to result in a preliminary, site-specific business case for renewable energy as well as the potential co-benefits of integrating renewables into a future mine in terms of supporting the country's pledges towards the Sustainable Development Goals.

Financial and Corporate Summary

- As of August 10, 2017, the Company has a working capital position of \$8.3 million.
- Erdene's Q2-2017 financial statements and Management Discussion and Analysis were filed with regulatory authorities on August 14, 2017 and are available on the Company's web site and on SEDAR.
- For the six months ended June 30, 2017, the Company recognized a net loss of \$2,664,797, or \$0.02 per share, compared to a loss of \$1,935,432, or \$0.02 per share for the same period in 2016.
- Exploration expenditures, including capitalized costs, totalled \$4,799,360 for the first six months of 2017 compared with \$1,916,425 for the same period in 2016, an increase of 150%. Erdene's 2017 exploration programs are expected to be the largest carried out in the Company's history.
- The Khundii license expenditures (Bayan Khundii and Altan Arrow projects) represented \$3,278,508 of exploration expenditures year-to-date 2017 compared with \$1,492,830 for the first six months of 2016. The Tsenkher Nomin license (Altan Nar project) expenditures accounted for another \$475,438 in the first six months of 2017 compared to \$161,623 in 2016.
- Corporate and administrative expenses were \$1,725,192 for the six months ended June 30, 2017 compared to \$932,140 in 2017. Excluding non-cash share-based compensation and depreciation, the year to date June 30, 2017 corporate and administrative expenses were \$904,207 compared with \$631,766 in 2016.
- Although the cash spent on corporate and administration expenses has increased largely because of the need for additional management services to manage programs, investor relations to communicate to stakeholders and higher regulatory costs, the percentage of corporate and administrative cash expenses relative to cash exploration expenditures incurred decreased to 21% at June 30, 2017 compared to 35% at June 30, 2016, which compares favourably with our peers.

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.

About Erdene

Erdene Resource Development Corporation 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 100% ownership of four exploration licenses and one mining license in southwestern Mongolia. In addition to the flagship Bayan Khundii gold project and Altan Nar gold-polymetallic project, Erdene's other 100%-owned greenfield projects, prospects and discoveries 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 project; and Altan Arrow, an early stage gold-silver prospect near Bayan Khundii. In addition to the above assets, the Company has a Strategic Alliance with Teck Resources Limited on regional copper-gold exploration in the prospective Trans Altai region of southwestern 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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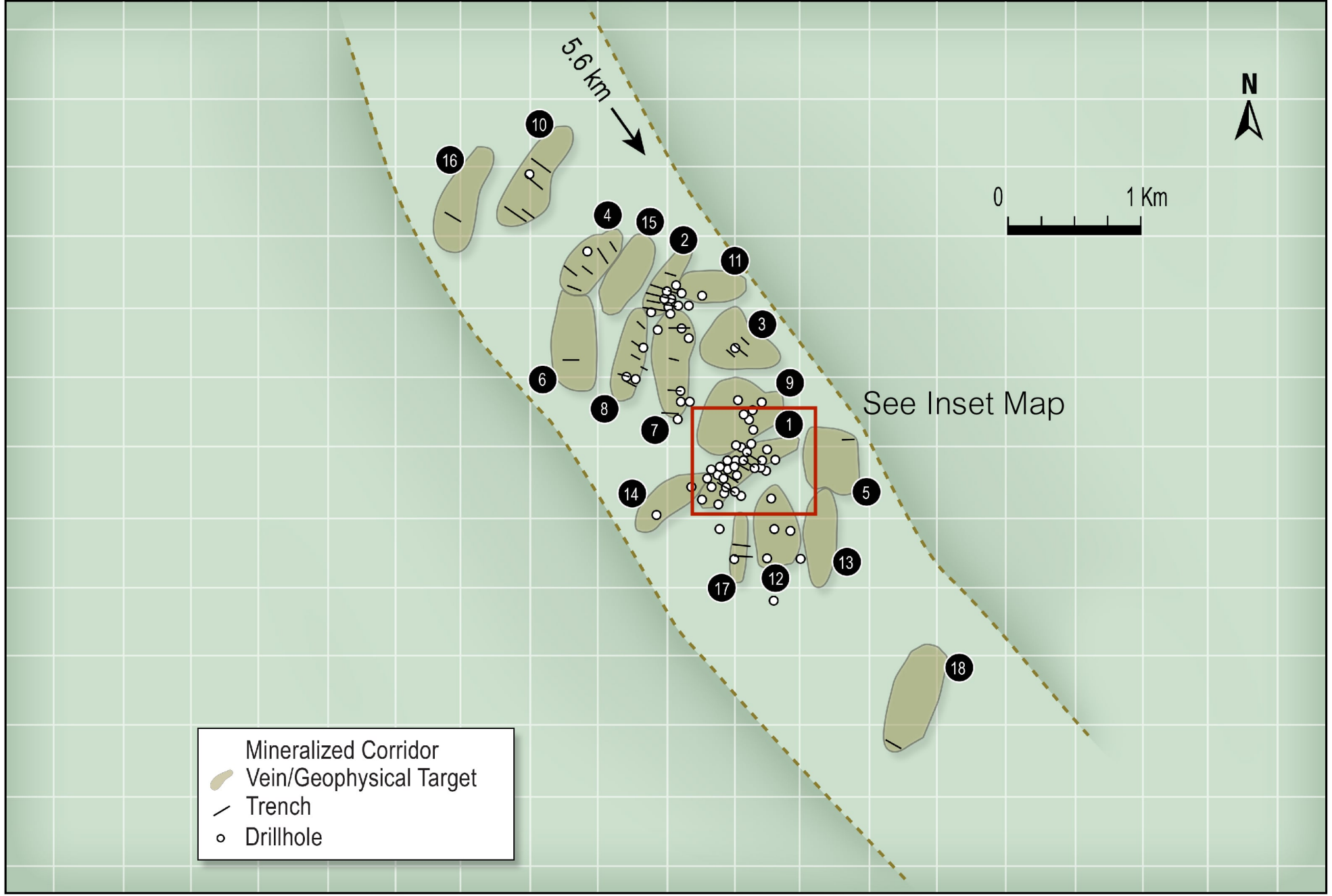
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Erdene Resource Development Corp.

- Q3-Q4 Drill Target Area
- Drill hole

- ### Geology
- Quaternary Sediments
 - Cretaceous Basalt and Sediments
 - Carboniferous Monzonite
 - Carboniferous Syenite
 - Devonian Andesite
 - Devonian Dacite
 - Devonian Tuff (unaltered)
 - Devonian Tuff (silicified)
 - Devonian Tuff (illite alteration, gold-bearing unit)

Bayan Khundii Gold Project Geology Map

Scale: 1:5000
Date: 15-August-2017

200 Metres

