



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Steps Out 280m from Midfield with Multiple Mineralized Holes; 60m of 1.5 g/t Gold; Bayan Khundii Strike Now Exceeding 1.3km; Strengthens Down-Dip of Midfield with 24m of 6.5 g/t Gold

Halifax, Nova Scotia – June 29, 2017 – Erdene Resource Development Corp. (TSX:ERD) ("Erdene" or "Company") is pleased to announce results from the Company's 2017 drill program at its 100% owned Bayan Khundii Gold Project ("Bayan Khundii") in southwest Mongolia.

Highlights

- Step-out drilling north of Midfield Zone extends gold mineralization a further 280 metres towards the Northeast Zone in a series of 80-metre spaced holes, effectively doubling the length of the known mineralized trend under cover;
 - 84 metres of 1.1 g/t gold, 130 metres northeast of Midfield (hole BKD-154)
 - 18 metres of 3.0 g/t gold within 60 metres of 1.5 g/t gold, 200 metres northeast of Midfield (hole BKD-140)
 - 32 metres of 1.6 g/t gold, 280 metres northeast of Midfield (hole BKD-138)
- Drilling confirms continuity of mineralization at Midfield Zone and returns 17 metres of 8.2 g/t gold within 131 metres of 1.8 g/t gold (hole BKD-150)
- Drilling confirms strong mineralization between Striker and Midfield Zones and returns 24 metres of 6.5 g/t gold, within 150 metres of 1.5 g/t gold (hole BKD-153)
- Bayan Khundii drill results to continue throughout Q3 2017

Two plan maps and a cross-section have been attached for reference.

“Drilling under cover, north and northeast of the Midfield Zone has successfully extended gold mineralization in a series of holes trending towards the Northeast Zone while follow-up drilling between Striker and Midfield continues to demonstrate down-dip continuity of Midfield mineralization,” said Peter Akerley, Erdene’s President and CEO. “The 2017 drill program has now established continuity of significant gold mineralization over a 1.3 kilometre long trend that is locally up to 450 metres wide and remains open. We are roughly half way through our initial 2017 drill program with results continuing throughout Q3 2017.”

Extension of Midfield Zone

A series of twelve, 40 to 80 metre spaced step-out holes were completed in the area north and northeast of the Midfield Zone with the majority of these holes intersecting the gold-bearing host silicified and illite-altered Devonian volcanic units (see Table 1 below). The two holes reported to contain visible gold in the Company’s June 8 news release both returned significant intersections; BKD-140 returned 35 metres of 2.1 g/t gold and BKD-154 returned 84.4 metres of 1.1 g/t gold. The most northerly hole, BKD-138,

returned 32 metres of 1.6 g/t gold. Gold mineralized volcanics have now been traced from the surface-exposed Striker Zone, to the north under the younger Cretaceous cover for 500 metres (BKD-138), to within 200 metres of the Northeast zone where BKD-122 (see June 8, 2017 release) returned the highest and widest grades reported in this area to date.

These new holes, combined with the drill holes reported on June 8, BKD-110 (108.3 metres of 2.8 g/t gold) and BKD-111 (55 metres of 2.9 g/t gold, including 25 metres of 5.3 g/t gold), located north of Midfield, now effectively double the length of the known gold mineralized trend under cover and further support the continuous extension of the north-northeast trending, high-grade corridor for over 1 kilometre from Gold Hill through Striker, Midfield, and now towards the Northeast Zone. The Company plans to further define this new area with additional closer-spaced drilling before the end of Q3 2017.

Table 1. Bayan Khundii drill highlights northeast extension of Midfield Zone

| Drill Hole | From (m) | To (m) | Interval (m) ⁽¹⁾ | Gold (g/t) |
|------------------------|----------|--------|-----------------------------|------------|
| BKD-138 | 132.3 | 220 | 87.7 | 0.79 |
| incl | 134 | 166 | 32 | 1.64 |
| incl | 136 | 137 | 1 | 33.1 |
| BKD-139 | 50 | 62 | 12 | 0.36 |
| BKD-140 | 67.3 | 127 | 59.7 | 1.47 |
| incl | 85 | 120 | 35 | 2.14 |
| incl | 100 | 118 | 18 | 3.01 |
| incl | 102 | 103 | 1 | 13.6 |
| BKD-141 | 157 | 162 | 5 | 0.40 |
| and | 216 | 218 | 2 | 1.35 |
| BKD-142 | 142.5 | 158.8 | 16.3 | 0.30 |
| BKD-147 | 153.5 | 197.8 | 44.3 | 0.81 |
| incl | 181 | 195 | 14 | 1.53 |
| BKD-151 | 107.8 | 188 | 80.2 | 0.30 |
| BKD-154 ⁽²⁾ | 83.8 | 168.2 | 84.4 | 1.14 |
| incl | 83.8 | 104 | 20.2 | 1.94 |
| incl | 99 | 100 | 1 | 11.1 |
| incl | 120 | 132 | 12 | 2.26 |
| incl | 154 | 162 | 8 | 2.52 |

(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 -55 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) BKD-154 contains 9 contiguous meters of less than 100 ppb gold

A series of holes to the northwest of the mineralized Midfield Zone, BKD-145, -146, -152, -158 and -159, all intersected strongly altered Devonian volcanic units, however, these holes did not return significant gold mineralization. Another hole, BKD-155, located northeast of Midfield intersected syenite directly below the Cretaceous unconformity.

Follow-Up Drilling at Midfield Zone

The Company completed a single follow-up hole within the south-central portion of the Midfield Zone (BKD-150) to test an area of projected shallow cover and to increase confidence in the main mineralized Midfield Zone. The hole intersected the mineralized Devonian unit at 21.5 metres depth (16 metres vertical depth), returning 131 metres of 1.8 g/t gold to 153 metres depth (111 metres vertical depth), where it ended in a post-mineralization syenite porphyry. The 131 metre interval included 15 metres of 2.1 g/t gold at 26 metres depth (19 metres vertical depth) and 17 metres of 8.2 g/t gold at 89 metres depth (65 metres vertical depth). See Table 2 below.

Table 2. Bayan Khundii drill highlights from Midfield Zone

| Drill Hole | From (m) | To (m) | Interval (m) ⁽¹⁾ | Gold (g/t) |
|------------|----------|--------|-----------------------------|------------|
| BKD-150 | 21.5 | 152.9 | 131.4 | 1.77 |
| incl | 26 | 41 | 15 | 2.10 |
| incl | 38 | 41 | 3 | 8.11 |
| incl | 39 | 40 | 1 | 18.7 |
| and | 89 | 106 | 17 | 8.22 |
| incl | 92 | 98 | 6 | 21.4 |
| incl | 96 | 98 | 2 | 53.6 |

(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 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).

Striker-Midfield Connection

The Company completed four holes, at 40-metre centres, along the north-end of the Striker Zone to test the down-dip extension of the Midfield Zone. Hole BKD-153 located in the centre of the high-grade corridor, connecting Striker with Midfield, returned 150 metres of 1.5 g/t gold. BKD-153 is bordered by previous holes on the Striker (BKD-82 extension) and Midfield side (BKD-101) with 174 metres of 0.7 g/t gold and 146 metres of 0.8 g/t gold, respectively. This area provides shallow, bulk, lower-grade gold mineralized material between the very high-grade Striker and Midfield Zones. The four holes only intersected 0 to 8.3 metres of the post-mineralization Cretaceous cover, followed by the mineralized Devonian unit, and all four holes ended in a post-mineralization syenite intrusion at 140 to 185 metres depth. See Table 3 below for results.

Table 3. Bayan Khundii drill highlights from area between Striker and Midfield Zones

| Drill Hole | From (m) | To (m) | Interval (m) ⁽¹⁾ | Gold (g/t) |
|------------|----------|--------|-----------------------------|------------|
| BKD-149 | 82 | 86 | 4 | 1.09 |
| and | 94 | 173 | 79 | 0.55 |
| incl | 95 | 104 | 9 | 1.56 |
| BKD-153 | 3 | 7 | 4 | 0.73 |
| and | 17 | 22 | 5 | 1.36 |
| and | 33 | 183 | 150 | 1.53 |
| incl | 37 | 38 | 1 | 31.4 |

| Drill Hole | From (m) | To (m) | Interval (m) ⁽¹⁾ | Gold (g/t) |
|------------|----------|--------|-----------------------------|------------|
| incl | 142 | 166 | 24 | 6.53 |
| incl | 152 | 162 | 10 | 13.8 |
| incl | 152 | 153 | 1 | 86.2 |
| incl | 161 | 162 | 1 | 33.2 |
| BKD-156 | 12 | 21 | 9 | 0.66 |
| and | 40 | 54 | 14 | 0.62 |
| and | 60 | 71 | 11 | 1.03 |
| and | 165 | 171.5 | 6.5 | 1.36 |
| BKD-157 | 0 | 5 | 5 | 1.0 |
| and | 16 | 24 | 8 | 0.28 |
| and | 59 | 64 | 5 | 0.36 |

(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 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).

Reconnaissance Drilling

A series of six holes (BKD-125, -126, -136, -137, -143, -144) were drilled over a 400 by 200 metre area east of the Midfield Zone, with holes spaced at approximately 80 to 150 metres (see attached plan map). Several holes intersected weakly altered Devonian rocks with thicknesses up to 67 metres, locally with anomalous gold, up to 0.9 g/t gold over a 2 metre interval in BKD-125 (200 metres northeast of BKD-118 which returned 10 metres of 12.8 g/t gold). These holes intersected the Cretaceous unconformity at depths ranging from 62 to 168 metres (true vertical depth) with some intersecting syenite directly below the unconformity. Drill results indicate this area represents a pre-Cretaceous syenite ridge with evidence suggesting that altered Devonian units thicken further to the east, where strong geophysical resistivity high coincident with magnetic low responses have been identified. These geophysical anomalies may reflect altered and potentially mineralized Devonian tuffaceous rocks below cover, and will be targeted in Q3 2017 drilling.

In the area south-southwest of Gold Hill, a series of six holes (BKD-130 to 135) were drilled over an area approximately 200 by 200 metres at 80 to 100 metre spacing. These holes intersected moderately silica-illite altered and weakly mineralized Devonian tuffaceous units with intensity of quartz veining increasing towards the zone west of Striker with up to 0.9 g/t gold over 2 metres in BKD-134. All holes ended in syenite at vertical depths ranging from 110 to 180 metres. Drilling is continuing west of this area where the more intense alteration trends and recent drilling has established significant zones of gold mineralization (BKD-105: 58 metres of 1.05 g/t gold).

Reconnaissance drilling testing conceptual targets supported by structural information, geophysics and modeling will continue throughout Q3 2017.

2017 Bayan Khundii Drill Program Summary

The Q2-Q3 2017 exploration program at Bayan Khundii, which commenced in mid-April and will include a projected 20,000 metres of diamond drilling was designed to expand areas of gold

mineralization surrounding the Gold Hill, Striker and Midfield zones and to identify new zones elsewhere within the larger 2-kilometre by 1.8-kilometre Bayan Khundii project area. Thus far in 2017, the Company has released results for 11,053 metres of drilling (63 holes). Once this Q2-Q3 program is complete, the new or expanded zones will receive more detailed drilling, anticipated to take place in Q4 2017, to increase confidence in advance of an eventual resource estimate.

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. An early rock-chip sampling program revealed multiple very high-grade surface quartz veins that returned up to 4,380 g/t gold, leading to a comprehensive exploration program 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; and the completion of 22,819 meters of drilling in 159 drill holes (as of June 29, 2017). 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. Drilling has revealed the presence of very high gold grades, with up to 306 g/t gold over 1-metre intervals, within broad mineralized envelopes, up to 131 metres of 3.9 g/t gold, including 80 metres of 6.0 g/t gold. Detailed studies indicate the mineralized zones can be characterized as low-sulphidation, quartz-illite-adularia type mineralization that was presumably formed in a back-arc 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.

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 145,550,586 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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Erdene Contact Information

Peter C. Akerley, President and CEO

or

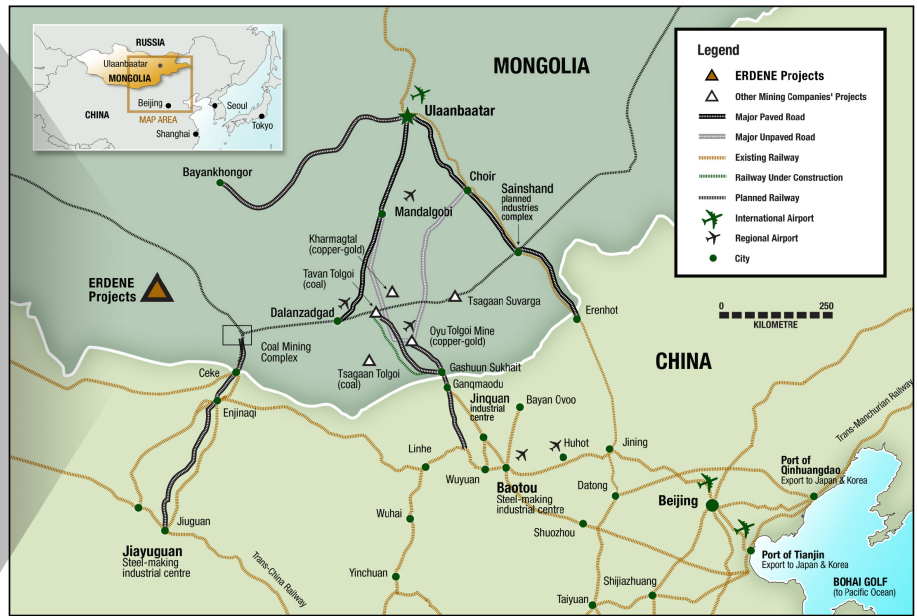
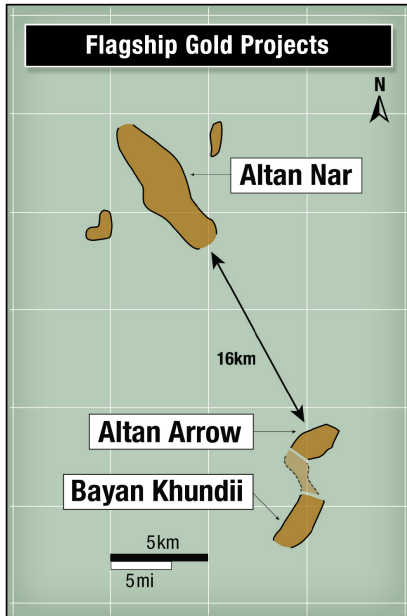
Ken W. MacDonald, Vice President and CFO

Phone: (902) 423-6419

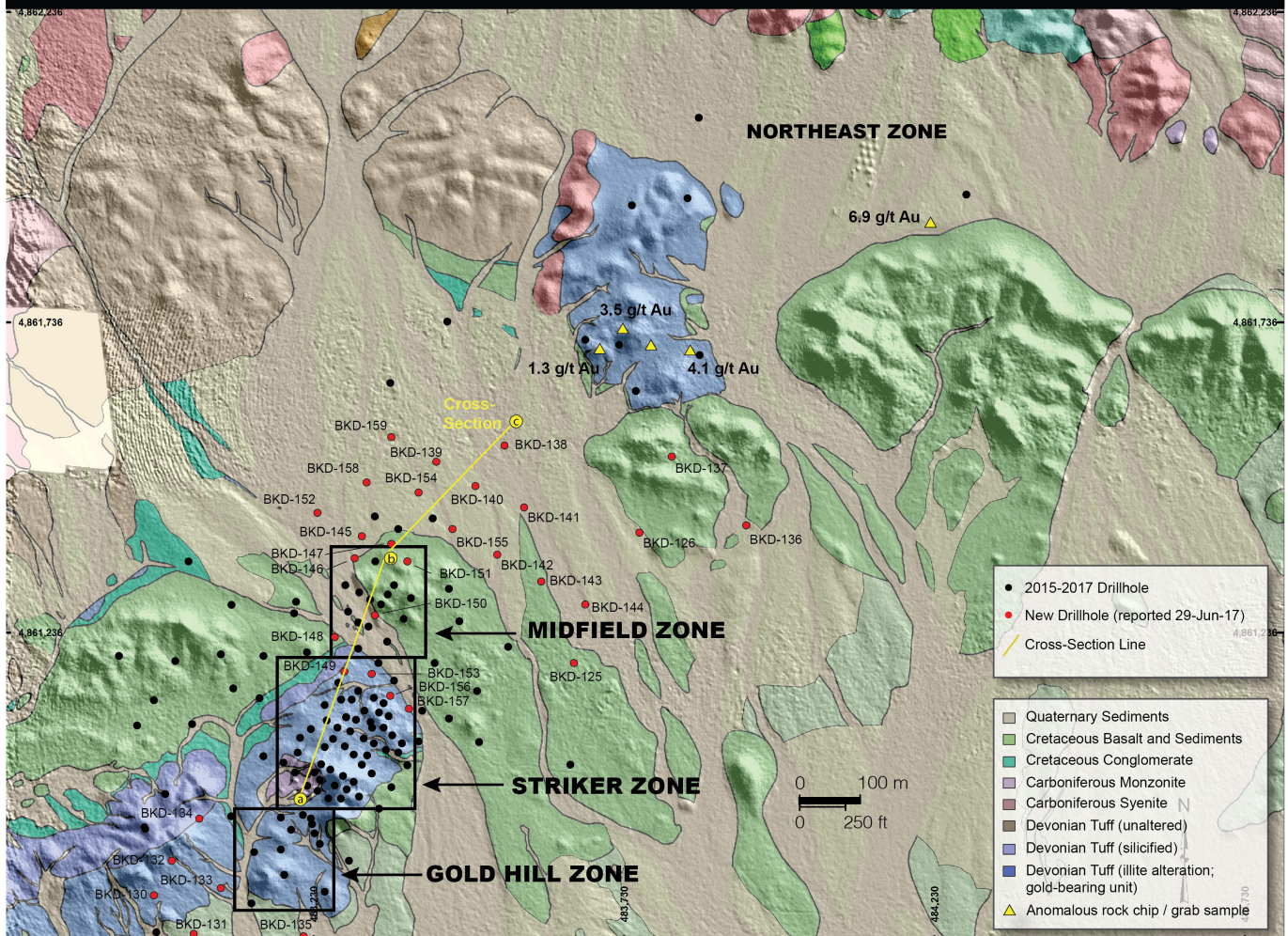
E-mail: info@erdene.com

Website: www.erdene.com

Twitter: <https://twitter.com/ErdeneRes>



Bayan Khundii Plan Map Showing New Drill Holes and Cross-Section



Bayan Khundii Cross-Section (Looking West)

South

← 725 Metres →

North

(a) ————— (b) ————— (c) see plan map

