



## **ERDENE RESOURCE DEVELOPMENT CORP.**

### **Erdene Continues to Build Confidence at Bayan Khundii with 56 Metres of 2.1 g/t Gold; Modifies Plans for Further Q4 Expansion Drilling**

**Halifax, Nova Scotia – November 17, 2016 – Erdene Resource Development Corp. (TSX:ERD)** ("**Erdene**" or "**Company**") is pleased to report the third batch of drill results from its Q3/Q4 drill campaign at its 100%-owned Bayan Khundii Gold Project ("Bayan Khundii") in southwest Mongolia.

"Bayan Khundii continues to provide results supporting the emergence of a high quality gold discovery with all of those attributes desired to drive success. These include high grades, wide zones of gold mineralization, a gold system that is open in all directions supporting significant size potential, ease of processing supported by early metallurgical work, and mineralized zones exposed at surface," said Peter Akerley, Erdene's President and CEO. "We look forward with excitement to the additional drilling and results expected in the coming weeks and months as we explore below the high-grade zone at Striker, step out into the basin north of Striker, and explore the greater district potential."

#### **Highlights**

- Striker Zone drilling continues to provide impressive intersections with good continuity and high grades over broad intervals, including;
  - 56 m of 2.1 g/t gold in southeast Striker (BKD-74), including 3 m of 22.7 g/t gold; and
  - 71 m of 1.1 g/t gold along eastern end of Striker (BKD-73).
- As part of the Company's Striker Zone expansion program, drilling has further defined a new gold zone north of Striker with;
  - 6 m of 9.0 g/t gold (BKD-63); and
  - 19 m of 1.6 g/t gold (BKD-65).
- Q4-2016 drilling continues with results anticipated through early Q1-2017.
- Drill plan for remainder of Q4-2016 modified to include testing area surrounding successful step-out hole (BKD-60; 60 m of 2 g/t gold) reported October 18, 2016.
- Multiple holes, for which results are still pending, contain visible gold, including holes drilled under hole BKD-17 which returned 63 m of 5.3 g/t gold.

#### **Q3-Q4 2016 Drill Program Results (Batch 3)**

Since September 5, 2016, 42 diamond drill holes, totaling 5,243 m, have been completed at Bayan Khundii. This brings total drilling at Bayan Khundii, since discovery drilling in Q4-2015, to 9,784 m (87 holes; average drill depth of 87.4 m). Today's release includes results for 13 holes; BKD-62 through BKD-74. Results are pending for holes BKD-75 to BKD-87. The following is a summary of the results being reported today.

## Drill Results from Striker Zone

Four holes tested the Striker Zone, the most extensive and well mineralized zone identified to date at Bayan Khundii, with the objective of increasing confidence in the continuity of the high-grade gold zones. Two holes, BKD-73 and BKD-74, tested the east-central portion of Striker and returned very wide zones of gold mineralization, ranging from 1 to 2 g/t over intervals of 71 m and 56 m, respectively. High-grade zones were also intersected in BKD-74 with up to 22.7 g/t gold over 3 m. BKD-64, which tested continuity within central Striker, was also well mineralized over a wide interval but without the very high grades reported in adjacent holes, returning 19 m of 1 g/t gold. BKD-70 tested the northeast portion of Striker where intensity of mineralization tends to be less consistent.

Table 1 – Striker Zone drill results

Drill Hole	From (m)	To (m)	Interval (m)*	Gold (g/t)
BKD-64	50	82	32	0.74
incl	63	82	19	1.00
BKD-70	22	65	43	0.30
BKD-73	29	100	71**	1.13
incl	35	45	10	3.94
incl	43	44	1	17.8
and	53	83	30	1.10
incl	55	56	1	16.0
BKD-74	6	13	7	3.07
and	44	132	88	1.47
incl	44	100	56	2.09
incl	63	71	8	9.35
incl	68	71	3	22.7

\* 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 45 to 90 degree angle to the northeast. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 40 to 50 degrees to the southwest).

\*\* Includes a continuous 8 m interval, representing greater than 10% of the reported interval, that returned less than 0.10 g/t gold

## Drill Results from North of Striker Zone

A new zone is now being defined north of Striker. Drill holes BKD-63 and BKD-65, previously noted to have intersected zones with visible gold, are now confirmed to include wide zones of gold mineralization. BKD-63 returned 34 m of 1.7 g/t gold including 6 m of 9.0 g/t gold, and BKD-65 returned 19 m of 1.6 g/t gold. The potential of this new zone is strengthened by field reports of visible gold in adjacent holes where results are still pending (BKD-82 and BKD-85). The area northeast of Striker was also tested with two holes; BKD-66 returned up to 2 m of over 1 g/t gold but included mostly lower levels of anomalous gold, albeit ending in anomalous material; and BKD-71 returned only anomalous lower grade gold zones before intersecting an intrusive at 53 m depth.

Table 2 – North of Striker Zone drill results

Drill Hole	From (m)	To (m)	Interval (m)*	Gold (g/t)
BKD-63	42	76	34	1.77
incl	54	60	6	9.01
incl	59	60	1	46.7
BKD-65	25	44	19	1.63
incl	34	38	4	6.64
incl	36	37	1	22.9
BKD-66	23	50	27	0.29
BKD-69	47	62	15	0.84
BKD-71	21	53	32	0.17

\* 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 45 to 90 degree angle to the northeast. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 40 to 50 degrees to the southwest).

### Gold Hill and West Gold Hill

The Gold Hill area, south of the Striker Zone, has been host to some of the highest-grade surface samples at Bayan Khundii (up to 4,380 g/t gold) but has not been extensively drill tested. Hole BKD-67 intersected limited high-grade veins that were interrupted by intrusive dykes, and hole BKD-68 tested the far west Gold Hill area with a high of 0.6 g/t gold over 2 m. This zone warrants additional drilling and will be tested further during the Company's 2017 drill program.

Table 3 – Gold Hill drill results

Drill Hole	From (m)	To (m)	Interval (m)*	Gold (g/t)
BKD-67	7	8.65	1.65	6.70
incl	11.50	12.25	0.75	9.44
BKD-68	14	50	36	0.13

\* 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 45 to 90 degree angle to the northeast. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 40 to 50 degrees to the southwest).

### Reconnaissance Holes

Approximately 1 km northeast of the Striker Zone, holes BKD-62 and 72 tested geophysical targets on the northern side of the Northeast Zone and returned a high of 2 m of 2.3 g/t gold, near-surface, in BKD-72. Slightly anomalous gold values were intersected near the end of both holes, and highly anomalous molybdenum values as well, with a high of 0.055%, and higher than normal arsenic, manganese, sulphur, and iron with high amounts of pyrite.

### **Drilling Plans Modified Following Success of BKD-60 to Shift Focus to Basin North of Striker**

Following a review of recent drill results, geophysics and an interpretation of the probable trends of the mineralization, additional drilling has now been designed for the target area under younger cover, north of the Striker Zone. This decision follows very encouraging results from a drill hole that tested a geophysical target that was reported October 18, 2016. Hole BKD-60, drilled 170 m north of Striker returned a very wide intersection of gold mineralization starting immediately below 20 m of younger Cretaceous cover, averaged 1.3 g/t gold over 123 m and included 30 m of 3.0 g/t gold near the top of the hole. Visible gold was observed in multiple locations, particularly between 29 and 59 m, but continued locally to a depth of 117 m. This hole suggests that significant gold mineralization continues beyond the Striker Zone under the younger Cretaceous units that lie between the main exposed area of mineralization in southwest Bayan Khundii (includes Striker Zone) and the Northeast Zone, located 750 m to the northeast, demonstrating the strong potential for expansion of the gold mineralized zones. Geophysical surveys (strong induced polarization resistivity response typical of Striker Zone) suggest an extensive zone of alteration continues at depth to the north and west, beneath the younger Cretaceous units, suggesting that Bayan Khundii's epithermal system may be more widespread than the main exposed areas at surface. Drilling is expected to return to this area in early December.

### **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 license in southwest Mongolia. This reconnaissance work led to the discovery of the Bayan Khundii, low sulphidation epithermal gold prospect. Gold mineralization at Bayan Khundii has been identified over a 1.7 km trend, with detailed exploration only taking place over a 500 m by 350 m zone in the southwest portion of the prospect area, where the Company's drill programs have focused. Visible gold was observed in multiple drill holes, and results include several high-grade intersections within a series of parallel structures exposed at surface. Results include up to 35 m of 5.9 g/t gold in hole BKD-10 from surface to the bottom of the hole (including 12 m of 16.2 g/t gold), and 63 m of 5.3 g/t gold in hole BKD-17 starting at 50 m. Drill results and program details are included in Erdene's press releases ([click here](#)).

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: 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).

The 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), Director of 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 m or 2 m 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 20 samples including a commercially prepared standard and blank. 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. In addition to Bayan Khundii and Altan Nar, the Company has two other exploration licenses and a mining license in southwest Mongolia. 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, high-grade, 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 Altay region of southwest Mongolia. For further information on the Company, please visit [www.erdene.com](http://www.erdene.com). Erdene has 126,810,031 issued and outstanding common shares and a fully diluted position of 134,431,281 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 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 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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