



## **ERDENE RESOURCE DEVELOPMENT CORP.**

### **Erdene Provides Corporate Update and Announces Receipt of \$1.08 Million in Warrant Proceeds**

**Halifax, Nova Scotia – November 15, 2016 – Erdene Resource Development Corp. (TSX:ERD)** ("**Erdene**" or "**Company**") is pleased to provide an update on third quarter corporate and project activities and to announce the receipt of \$1.08 million in proceeds through the exercise of warrants.

#### **Corporate Highlights**

- Company receives \$1.08 million from the exercise of 5.6 million warrants, subsequent to quarter end.
- Realized \$481,000 gain on sale of securities.
- Current cash position of \$2.1 million.
- Working capital sufficient to fund remaining 2016 drill program and G&A through Q1-2017.

#### **Bayan Khundii Gold Project Highlights – 100% Erdene**

- A total of 87 holes completed since late 2015 totaling 9,784 m with an average vertical drill depth of 87.4 m.
- Assays currently pending for 26 holes with results expected in two separate press releases between mid-November and early December.
- Additional drilling will continue through mid-December with additional results anticipated through to Q1-2017.
- Drilling continues to establish very good continuity of high-grade gold mineralization within the main Striker Zone including:
  - 63 m of 5.3 g/t gold (BKD-17)
  - 24 m of 7.5 g/t gold (BKD-49)
  - 31 m of 6.8 g/t gold (BKD-57)
- Striker Zone continuing to demonstrate good size potential as drilling also returns very wide zones of lower-grade mineralization, including:
  - 78 m of 1.0 g/t gold (BKD-28)
  - 66 m of 1.0 g/t gold (BKD-34)
  - 112 m of 1.2 g/t gold (BKD-51)
- Drilling results announced October 18, 2016 confirmed the presence of wide gold mineralized zones under thin, post mineralization cover, north of Striker Zone;
  - BKD-60, a step-out reconnaissance hole, 170 m north of the Striker Zone under 20 m of younger Cretaceous cover, intersected a new gold zone with 68 m of 2.0 g/t gold.

- BKD-60 is the most continuous gold-mineralized hole intersected to date at Bayan Khundii; 123 m of 1.3 g/t gold from the top of the zone (20 m depth) to the bottom of hole.
- Geophysical surveys support extensive zone of alteration continuing beneath the younger Cretaceous units, suggesting that Bayan Khundii's epithermal system may be more widespread than the main exposed areas at surface;
  - Strong induced polarization resistivity response (typical of Striker Zone) extends at depth to the north and west.
- Q4-2016 drilling includes continued expansion of mineralization within the Striker Zone, and the drilling of expansion/perimeter holes within the larger 1.7 km trend in order to establish potential extensions and boundaries to the gold system in advance of a resource drilling program in 2017.
- Gold mineralization begins at surface and generally dips at a 35 to 50 degree angle, to the southwest with the majority of the drilling oriented perpendicular to that dip.
- Visible gold has been observed in multiple holes.
- Sulfide minerals are largely oxidized to approximately 100 m depth, benefitting gold recovery;
  - Metallurgical testwork (completed Q1-2016) indicates 99% recovery (gravity followed by cyanide leach of the tails) in a high-grade (24.9 g/t gold) composite, and 92% recovery from a low-grade (0.7 g/t gold) composite.
- Project confirmed as low-sulphidation epithermal gold system;
  - As part of Erdene's Q3-2016 exploration program, several independent studies were commissioned, including an evaluation and site visit by consultant, Dr. Jeffrey Hedenquist, one of the world's leading experts on epithermal gold systems.
- Gold mineralization is hosted within altered Devonian volcanic units overlain in part by younger Cretaceous and Quaternary units, extending over a 1.7 km by 0.7 km trend.
- See attached maps and cross sections for reference.

## **Teck Alliance**

- In Q2-2016, the Company closed a \$500,000 private placement with Teck Resources Limited ("Teck"); 1,063,830 shares issued to Teck at \$0.47 per share.
- The 2016 Teck Alliance regional exploration program commenced in Q3-2016, and consists of regional-scale stream sediment surveys, geological mapping and prospecting, as well as analysis of remote sensing data.

## **Financing and Corporate**

- In April 2016, the Company closed a transaction with Sandstorm Gold Ltd. ("Sandstorm") and received total consideration valued at \$2.5 million.
- In May 2016, the Company issued 1,801,475 shares to Tian Poh Resources Limited and discharged the convertible debenture of \$252,207.
- In June 2016, the Company appointed Dr. Anna Biolik and David Mosher to its board of directors;

- Dr. Anna Biolik has over thirty years of public and private sector experience and is one of the foremost Canadian experts on Central Asian business and diplomacy, having acted as Canada's first resident Ambassador in Mongolia; and
- David Mosher is a gold mining executive with over thirty-five years of experience in mine and company building in foreign jurisdictions, including Russia and Burkina Faso.
- During 2016, the Company received gross proceeds of \$2.6 million from the exercise of 13.9 million warrants and options at an average price of \$0.19 per share.
- Erdene filed its Q3-2016 Financial Statements and MD&A on SEDAR on November 14, 2016.

## Drilling Update and Plans

Between September 5, 2016, and November 3, 2016, Erdene completed 42 drill holes at Bayan Khundii for a total of 5,243 m. Assays are pending for 26 of these holes (2,869 m), with results expected to be issued in two separate press releases between mid-November and early December.

With the Company's improved cash position and the recently announced success of hole BKD-60 (step-out hole 170 m north of Striker Zone, targeting a geophysical anomaly), which represents the most continuous gold-mineralized hole to date at Bayan Khundii, the Company is currently re-evaluating the balance of this year's drill program. Geophysical targets, similar to that within the Striker Zone, extend at depth beneath the younger Cretaceous units suggesting that Bayan Khundii's epithermal system may be more widespread than the main exposed areas at surface where the majority of drilling has focused.

Additional drill results and an update on planned drilling for the remainder of the 4th quarter will be included in an upcoming press release.

Drilling to date at Bayan Khundii has identified very good continuity of multiple, near-surface, high-grade gold zones, as demonstrated by the table below.

Table summarizing high-grade and broad, lower grade intersections at Bayan Khundii.

Drill Hole	From (m)	To (m)	Interval (m)*	Gold (g/t)	Results Reported
BKD-01	14	21	7	27.5	Dec 9, 2015
BKD-09	33	59	26	5.90	Dec 14, 2015
incl	34	49	15	9.90	
BKD-10	0	35	35	5.70	Dec 14, 2015
incl	11	23	12	16.2	
BKD-17	50	113	63	5.31	May 9, 2016
incl	54	69	15	11.5	
incl	82	95	13	11.3	
BKD-28	42	120**	78	1.00	May 24, 2016
BKD-34	76	142	66	1.01	June 14, 2016
BKD-44	0.7	9	8.3	14.2	June 22, 2016
BKD-46	2.3	19	16.7	4.65	October 4, 2016
incl	8	15	7	10.2	
and	100	108	8	5.61	

BKD-49	45	116	71	3.06	October 4, 2016
incl	74	98	24	7.52	
BKD-51	0	112	112	1.17	October 4, 2016
incl	76	106	30	3.23	
incl	100	103	3	19.8	
BKD-57	36	126**	90	2.51	October 18, 2016
incl	62	93	31	6.80	
incl	66	73	7	26.0	
BKD-60	20	143	123	1.32	October 18, 2016
incl	24	92	68	1.96	
incl	29	59	30	2.98	

\* 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. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 35 to 50 degrees).

\*\* End of hole

### **Altan Arrow and Altan Nar Gold Projects – 100% Erdene**

The Company plans to drill test its Altan Arrow epithermal gold prospect (“Altan Arrow”) in Q4-2016 with shallow, low-angle holes to test continuity of the high-grade zones from surface. Altan Arrow is situated on the Bayan Khundii license, 3.5 km north of the Bayan Khundii project, and 15 km southeast of the Company’s Altan Nar gold-polymetallic project (“Altan Nar”). Previous exploration at Altan Arrow identified an approximately one square-km area of anomalous gold-silver mineralization in quartz veins that returned up to 57 g/t gold in hand samples and 1 m of 31.4 g/t gold and 6 m of 4.5 g/t gold in trenching.

The Company also plans to drill at Altan Nar in Q4-2016 targeting both resource expansion and the testing of new targets. Exploration carried out by Erdene over the past four years has established Altan Nar as a significant new epithermal gold-silver-lead-zinc mineralized system. Exploration work, specifically the 2013 through 2015 programs, including mapping, geochemical and geophysical survey programs, and a multi-stage scout and resource delineation drilling program, have greatly expanded the areas of known mineralization with 20 target areas now documented over a 6 km x 10 km area, with the main mineralized, structural trend and primary location of carbonate, gold-silver-base metal mineralization being approximately 5.6 km x 1.5 km, consisting of 18 of the 20 target areas.

### **Financial Results Summary**

Erdene's Q3-2016 financial statements and Management Discussion and Analysis were filed with regulatory authorities on November 14, 2016 and are available on the Company's website here, and on SEDAR.

At September 30, 2016 the Company had cash of \$2,088,323 compared with \$675,790 on the same date in the prior year. Working capital was \$1,764,625 at September 30, 2016 compared with \$308,341 on the same date in the prior year.

For the nine months ended September 30, 2016, the Company recorded a net loss of \$2,008,148 or \$0.02 per basic and fully diluted share compared to \$1,131,628 or \$0.01 per share for the same period in 2015. Included in the results for the nine months ended September 30, 2016 is a gain of \$481,064 on the sale of Sandstorm Gold Ltd. (“Sandstorm”) shares, received as consideration for the sale of a royalty to Sandstorm in Q2-2016.

Exploration expenditures, including capitalized costs, totaled \$3,020,794 for the nine months ended September 30, 2016 compared to \$1,441,018 for the same period in 2015. Expenditures in 2016 have primarily been directed toward Bayan Khundii and, to a lesser extent, the Teck Alliance work.

Corporate and administrative costs were \$1,165,907 for the nine months ended September 30, 2016 compared to \$536,234 for the same period in 2015.

Please refer to the Company’s Q3-2016 Management’s Discussion and Analysis for further commentary on the Company’s results.

### **Background on Erdene’s Emerging Gold District in Southwest Mongolia**

Since 2008, Erdene has undertaken systematic regional exploration work in southwest Mongolia, an underexplored region of the prolific Tian Shan Gold Belt, part of the Central Asian Orogeny that is host to some of the world’s largest gold deposits. This work has resulted in the discovery of multiple gold and copper occurrences by the Erdene team, including Bayan Khundii, Altan Nar and Altan Arrow. Project summaries are provided below.

#### 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 Bayan Khundii, a 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. Recent step-out drilling to the north of this area, targeting geophysical anomalies under younger cover, has significantly enlarged the prospect area. Erdene’s near-term objective at Bayan Khundii is to continue to expand mineralization within the Striker Zone, and to continue drilling expansion and perimeter holes throughout the 1.7 km Bayan Khundii trend in order to establish potential extensions and boundaries to the gold system in advance of a resource drilling program in 2017.

Visible gold has been 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%.

### Altan Nar Gold-Polymetallic Project

The Company's Altan Nar gold-polymetallic project, located 19 km northwest of Bayan Khundii, hosts a total of 18 mineralized gold-silver-lead-zinc target areas within a 5.6 km by 1.5 km mineralized corridor. Two of the early discoveries, Discovery Zone ("DZ") and Union North ("UN"), are the most advanced targets, hosting wide zones of high-grade, near-surface mineralization over variable widths (up to 53 m apparent width) averaging in excess of 1 g/t gold, including intervals up to 19 m averaging 5.8 g/t gold (7.8 g/t gold equivalent\*). The DZ and UN targets were the focus of an initial National Instrument 43-101 resource estimate released by the Company in Q1-2015. Altan Nar remains at an early stage of exploration with only shallow, detailed drilling of DZ and UN with the remaining 16 targets either undrilled or scout-drilled, and are considered by the Company to have good potential for hosting additional resources. The license has a 2% NSR Royalty in favour of Sandstorm Gold Ltd. with a buy-back option to reduce the NSR Royalty to 1%.

\*Gold equivalent has been used to express the combined value of gold, silver, lead and zinc at Altan Nar as a percentage of gold, and is provided for illustrative purposes only. No allowances have been made for recovery losses that may occur should mining eventually result. Calculations use metal prices of US \$1200/ounce gold, \$18/ounce silver, and \$0.90/pound for lead and zinc.

### Altan Arrow Gold Project

The Altan Arrow gold prospect is situated on the Bayan Khundii license, 3.5 km north of the Bayan Khundii project and 15 km southeast of Altan Nar. Previous exploration by Erdene in the Altan Arrow prospect area confirmed the presence of high-grade gold within epithermal quartz veins and the potential for broader mineralized zones. Erdene geologists identified an approximate one square-km area of anomalous gold-silver mineralization in quartz veins that returned up to 57 g/t gold in hand samples and 1 m of 31.4 g/t gold and 6 m of 4.5 g/t gold in trenching. 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 a 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, Altan Nar, and Altan Arrow, 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; and Zuun Mod – a large molybdenum-copper porphyry deposit. 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**

**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](mailto:info@erdene.com)

Website: [www.erdene.com](http://www.erdene.com)

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



Figure 1 - Erdene's Emerging Gold District

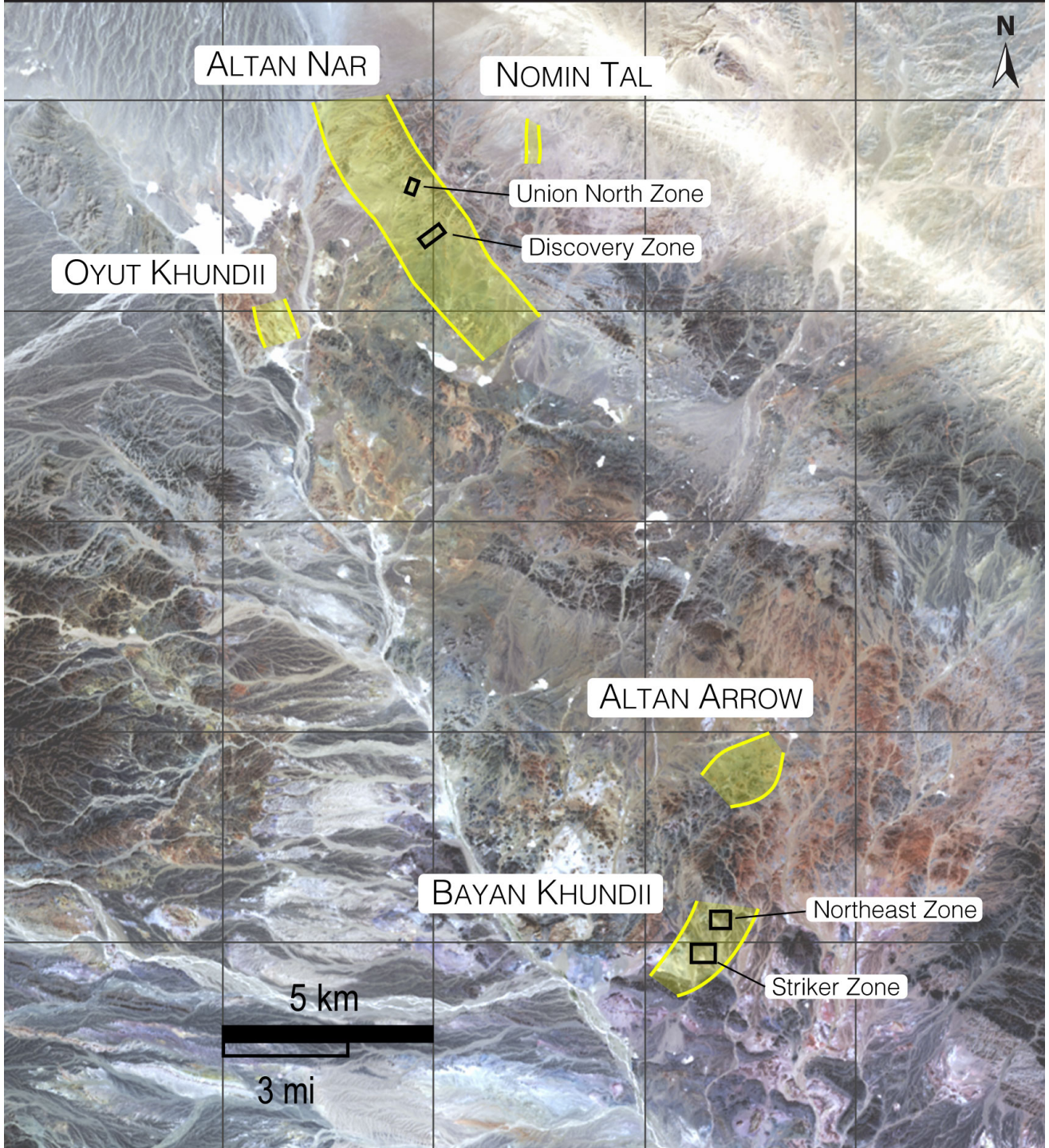
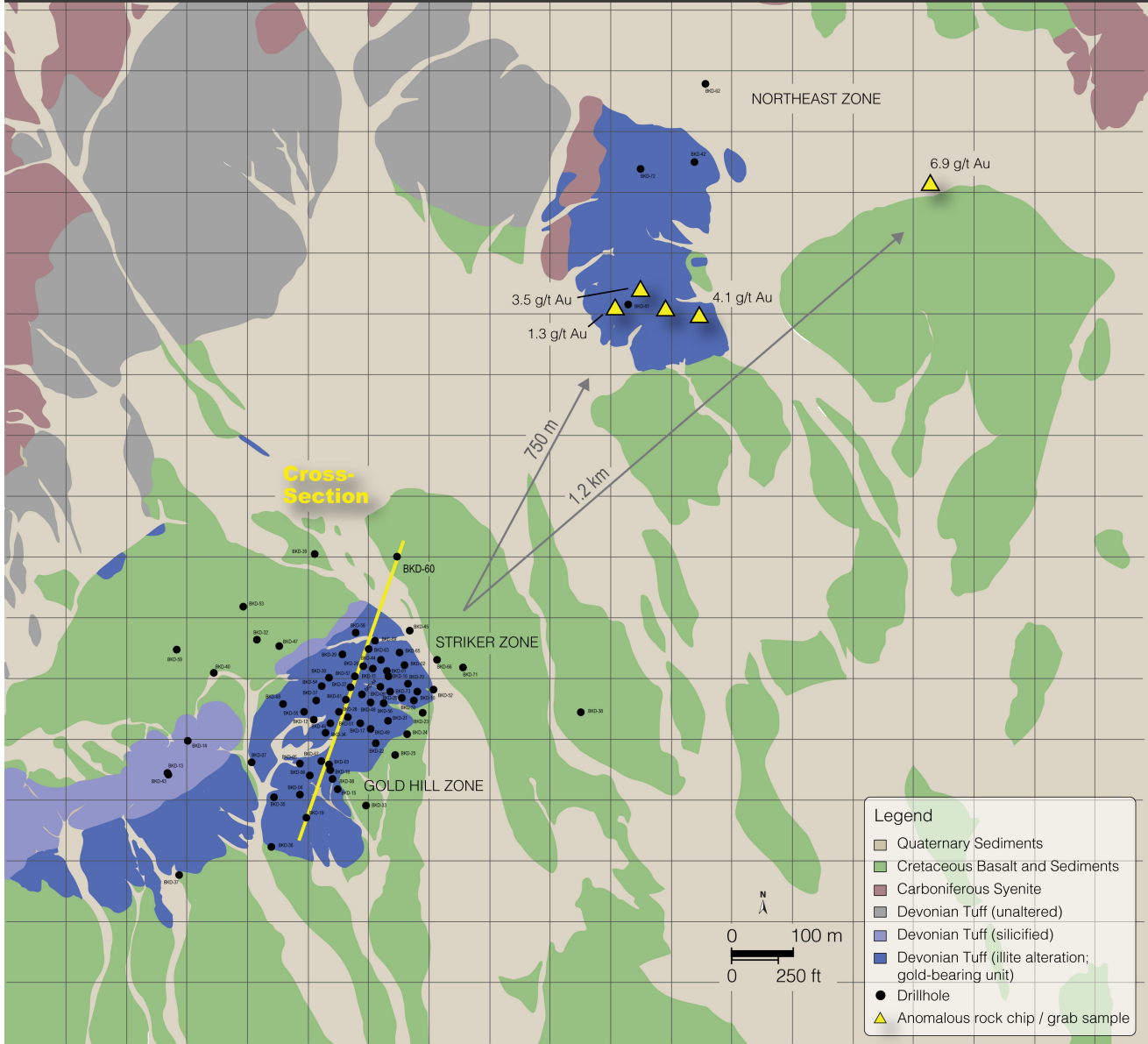


Figure 2 - Plan Map of the Bayan Khundii Gold Project



**Figure 3 - Cross-Section Through Striker Zone with 170 Metre Step-out Hole (BKD-60)**

