Bayan Khundii Gold Project
(Khundii Exploration License)

Bayankhongor Aimag, Southwest Mongolia

National Instrument 43-101 Technical Report

Erdene Resource Development Corporation

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1.0 Summary

The Bayan Khundii project is located on Erdene's 100% owned Khundii exploration license in Bayankhongor Aimag in south-western Mongolia, approximately 980 km southwest of Ulaanbaatar, Mongolia's capital, and 300 km south of the aimag capital, Bayankhongor City. The license is subject to a 2% Net Smelter Returns royalty in favor of Sandstorm Gold Ltd. Erdene has the option to reduce the royalty to 1% by paying $1.2 million to Sandstorm on or before April 14, 2019.

The Khundii exploration license was first acquired in December of 2010 and is currently in its eighth year of a maximum 12-year term. The license can be converted to a mining license at any time prior to the end of the twelfth year by meeting the requirements prescribed under the Minerals Law of Mongolia.

The area had been identified by Erdene as highly prospective for mineralized epithermal and porphyry systems following several years of regional prospecting in the larger Trans Altai Terrane. That extensive regional program has led to multiple gold discoveries highlighted by Erdene's Altan Nar gold deposit located 16 km north, in addition to nearby Nomin Tal and Altan Arrow prospects, and now Bayan Khundii. In addition, the recently-acquired Ulaan license, located immediately west of the Khundii license, is considered to be prospective for both epithermal and porphyry-style mineralization, and Erdene also has the Zuun Mod molybdenum-copper deposit, located 40 km to the east.

Bayan Khundii was discovered in Q2, 2015 when gold-bearing quartz veins were first sampled at what are now known as the Striker and Gold Hill zones. Initial assays returned very high grades, up to 4,380 g/t Au (141 oz./t) in chip samples from exposed veins and indicated that the majority of outcropping veins were highly auriferous. The initial sampling results were followed by geological, geochemical, geophysical, and trenching work and a 15-hole (695 m) maiden drilling program in Q3-Q4 2015. Following this work, a metallurgical testing program and a screen metallic analysis program were completed in Q4/2015 and Q1/2016 on gold mineralized samples from BK. The 2016 drilling program, which included 81 drill holes for a total of 10,645 m, confirmed strike and down-dip extensions of mineralized zones at the Striker and Gold Hill zones, as defined by the initial 2015 exploration program. In addition, drilling beneath the Cretaceous cover rocks in 2016 resulted in the discovery of the Midfield Zone, approximately 170 m northeast of Striker.

The following provides a high-level summary of work completed at Bayan Khundii in 2017:

- Drilling: A total of 138 new drill holes and 11 extensions of previously holes were drilled (Appendix 1) for a total of 26,732 metres. To date, a total of 234 diamond drill holes totaling 38,072 metres have been completed with a depth ranging from 31 m to 359 m (average 163 m). Drilling was successful in defining continuity within, and strike and depth extensions of previously-identified zones and identified new mineralized zones in the project area and successfully tested structural targets. Highlights from this work include:

- *Striker-Midfield Zones* - Holes drilled at 40-metre centers over a 180 by 100 metre area confirmed the continuity between these two zones and intersected broad zones of lower-grade gold mineralization, including a 128 metre wide zone in BKD-194 that averaged 1.1 g/t gold, including a 22 metre wide interval that averaged 3.3 g/t gold;
- *Midfield & North Midfield* - Drilling successfully extended the area of gold mineralization down dip to the south and strengthened the continuity of the high gold grades reported previously in the central Midfield area. Results included the intersection of the highest grade gold interval to date in hole BKD-231 which intersected one metre of 2,200 g/t gold and 948 g/t silver within a 14 metre interval of 158 g/t gold at 193 metres depth (140 metres vertical depth). Several holes confirmed the continuity within the Midfield and North Midfield Zones, including hole BKD-179 in the North Midfield Zone which returned 40 metres of 3.3 g/t gold, including 9 metres of 12.5 g/t gold;
- *Midfield Eastern Extension* - While most of the drilling to date in the Midfield area 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 and included gold values up to 44.8 g/t, establishing a new eastern extension to the Midfield Zone;
- *Striker West* Zone - A total of 27 holes were drilled over a 375 by 250 metre area west of the Striker Zone. 26 holes intersected anomalous gold mineralization, with 13 returning high-grade intervals of greater than 10 g/t gold. Hole BKD-220, located 250 metres west of Striker intersected the highest-grade intersection to date within this zone, 116 g/t gold over 1-metre within 15 metres averaging 9.2 g/t gold.

- Geophysics: In June 2017, the area of the magnetic survey at Bayan Khundii was extended 350 m to the east and now covers an area of 2.05 km by 1.8 km. Magnetic data over the Bayan Khundii project area defines large areas with magnetic low response interpreted as reflecting widespread magnetite destruction. In 2017, a total of 8.3 line kilometres of IP dipole-dipole were surveyed over Bayan Khundii, with coverage over the approximately 2 x 2 kilometre area at 100 metre line spacing. The Bayan Khundii project area has also been covered by an IP gradient array survey. Induced Polarization (IP) surveys, especially resistivity data, have proven very helpful in identifying zones of highly resistive, quartz-rich altered Devonian tuffs;

- Short-Wave Infrared (SWIR) Analysis: A suite of drillholes from the 2016 and early 2017 drill program were analyzed using a short-wave Infrared (SWIR) analyzer to identify alteration mineral assemblages to augment the data collected in 2016. Results from this work were used to assist in interpretation of the overall deposit geometry and for drill targeting;

- Petrography: A suite of samples was submitted for petrographic analysis to address several mineralogical issues, including the nature and distribution of various alteration types and paragenesis of mineralization. Samples from representative monzonite, syenite and granite intrusions were also submitted for analysis. Results from this work provided insights into the origin and characteristics of the Bayan Khundii mineralization;

- Deposit Type and Genesis Study: A follow-up study of the characteristics of the mineralization and alteration at Bayan Khundii was completed by J. Hedenquist Consulting in 2017. The results from this work were used for geological interpretations and to assist in drill targeting;

- Structural Analysis: A comprehensive structural interpretation of the Bayan Khundii project area, within a broad regional structural study, was completed in Q3-Q4 2017 by Armelle Kloppenberg, 4DGeo. This work indicated the low sulphidation epithermal mineralization was formed within zones of structural dilatancy within a relay ramp structure formed during a period of extensional tectonics. This information will be used for overall interpretation of structural controls on gold mineralization, and for 2018 drill targeting;

- 3-D Model: All geological, geochemical, and geophysical information from 2015, 2016 and 2017 was incorporated into a 3-D model that will be used for 2018 drill targeting and interpretation of the geology and petrogenesis of Bayan Khundii;

- Technical Studies: In support of future scoping through to feasibility studies and a mining license application, a series of geotechnical, hydrogeological and environmental base line studies were completed in 2017.

Gold mineralization is associated with: comb-textured quartz veins; multi-stage quartz-chalcedony-adularia-hematite/specularite veins; quartz-hematite/specularite breccias; and angular hematite/specularite veinlets; disseminations (commonly associated with hematite/specularite); and fracture fillings that are hosted by an intensely altered (quartz-illite) sequence of pyroclastic rocks. With the exception of very minor, finely-disseminated pyrite in a few drillholes, Bayan Khundii is devoid of sulphide minerals. The presence of disseminated hematite/specularite with rare remnant pyrite and hematite/specularite veins and veinlets are interpreted as hypogene in origin, having formed as part of the widespread quartz-illite alteration and gold mineralizing event.

Gold mineralization is present in numerous sub-parallel, NW-SE trending, SW-dipping zones that have been traced up to 200 m along strike. These zones include very high grade veins and breccias over centimeter to meter scale with gold grades locally exceeding 15g/t, and up to 2,200g/t, over 1m intervals. Enveloping these higher grade zones, are zones of lower grade mineralization typically in the 0.1 to 2g/t Au range that can extend for significant widths. The widest interval intersected in drilling to date was in the Midfield Zone where a 149-metre interval averaged 2.1 g/t Au.

Geophysical data from ground magnetics, and induced polarization (IP) gradient array and dipole-dipole surveys support the extension of the zones of intense alteration, and presumably mineralization, under Cretaceous sedimentary and basaltic rocks to the northwest, north and west of the Striker, Gold Hill and Midfield zones and to the north and east of the Northeast Zone. The three outcropping prospect areas (Striker, Gold Hill and Northeast zones) are interpreted as erosional 'windows', with the full extent of the mineralized zone under Cretaceous cover yet to be determined by drilling. Geophysical data indicate the total target area at Bayan Khundii, including areas beneath Cretaceous cover rocks, is approximately 1.8 km by 1 km. To date, a central mineralized zone has been defined by drilling, extending from Gold Hill and Striker zones to North Midfield Zone over a 1.5 by 0.4 km area.

Metallurgical work, completed in 2016 on representative composite samples from the initial 15 holes, drilled in the upper 50 metres of the Striker Zone indicates the Bayan Khundii mineralization is very amenable to a flow sheet involving a combination of gravity and cyanide leach of gravity tails, with gold recovery of 99% for a high-grade (24.9g/t gold) composite sample and 92% for a low grade (0.7g/t gold) composite. Metallurgical work completed in 2017 included:

- Master Composites - Additional metallurgical work in 2017 provided recovery data on two moderately high-grade master composites (approx. 4.4 g/t Au) and one moderate-grade (approx. 1.9 g/t Au) master composite. Analysis of master composites was designed to provide guidance for future processing at Bayan Khundii, including optimization of grind size, residence time, sodium cyanide dosage (i.e. consumption), as well as assessment of the impact on overall recoveries when initial gravity recovery was applied. Recoveries for high grade composites using a 48-hour cyanide leach were 95% and 96%, where as a combination of gravity and leach on tails for the moderate-grade composite was 92%;

- Variability Testing – Work was also completed to assess the potential impact on gold recoveries with increasing depth and variation in character of the low-grade mineralized material. The work included 16 primarily low-grade composite samples that ranged in head grade from 0.37 g/t gold to 2.29 g/t gold, with an average grade of 0.75 g/t gold. Applying standard leach parameters, gold recovery of these low-grade samples averaged 85% after 48-hour leach. Two samples of Striker Zone mineralization, without any vertical constraint and with head grades of 2.30 g/t Au and 1.18 g/t gold, returned recoveries of 93% and 91% respectively.

- Grindability Testing - Standard grindability tests were used to evaluate the energy requirement to grind material from a pre-defined feed size to a final product size. The Bond Rod Mill Work Index was recorded at 17.8 kWh/tonne and the Bond Ball Mill Work

Index at 16.1 kWh/tonne. The grindability tests indicate that Bayan Khundii is moderately hard to hard.

- Heap-Leach Amenability: A series of coarse bottle roll tests were conducted on a composite of Striker Zone material to evaluate if the material would be amenable to heap leaching. These tests were not designed to predict ultimate heap leach recovery but were designed as screening tests whereby similar recoveries across all particle sizes would suggest the material may be amenable to heap leaching techniques, while poor recovery in the coarser tests would suggest that conventional tank leaching would be preferred. Gold recoveries were 57% on the 3.35 mm material, 63% on the 1.7 mm material and 83% on the 69 micron grind size. The higher recovery associated with the finer grind size suggests that conventional tank leaching would likely yield higher overall recoveries.

The region hosting the Bayan Khundii and Altan Nar gold projects is one of the least densely populated areas globally, however, infrastructure to access south-western Mongolia's natural resources from China is developing rapidly. The Corporation's metal projects are approximately 200 kilometres northwest of the Nariin Sukhait mining complex (Ovoot Tolgoi) in Mongolia. South Gobi Resources (TSX:SGS), TerraCom Limited (ASX:TER) and MAK all produce coal in this region of south-western Mongolia and transport that product through the Ceke (PRC) / Shivee Khuren (Mongolia) border point which includes a paved eight-lane highway border crossing and a major automated railcar coal loading facility with three railway terminals at Ceke where coal trucked in from Mongolia can be loaded on train and shipped out over the Jiayuguan–Ceke Railway, Ejin–Hami Railway or Linhe–Ceke Railway. Plans are underway to extend the standard gauge rail into Mongolia's coal mining districts.

Regarding future sources and water for mine and process usage, the location of the projects in the north-western corner of the Gobi desert and the south-western extent of several large basins draining the Altai mountain system, provides potential for deep aquifers. A water resource capable of supporting a >50,000 tonne per day flotation processing operation was previously identified by Erdene approximately 70 km to the northeast of Bayan Khundii for the Zuun Mod Mo-Cu project. In 2017, Erdene, through Okhi-Us LLC, a Mongolian hydrogeological consulting company, carried out a water exploration program in two basins in the vicinity of the Bayan Khundii and Altan Nar projects. This work included the collection of geophysical data (VES and TEM) used to identify possible exploration targets as well as a series of widely spaced drill holes. The Corporation was successful in identifying a preliminary (or inferred) water resource approximately 15 km from Altan Nar and 32 km from Bayan Khundii. A potential groundwater source with a 57 liters/second supply potential was approved by Ministry of Environment and Tourism in late December, 2017. This newly identified water resource is believed to be sufficient to meet the processing needs of both projects.

In regards to electrical power sources, the Mongolian state grid has recently connected the local sub-province centre (Shinejinst) with a 35 kV line which could be extended to the project

site. In addition, the Gobi region has conditions supportive of renewable solar and wind generated power. Through an initiative of the International Finance Corporation, the Corporation has agreed to participate and co-finance the study of renewable energy supply options at the Bayan Khundii and Altan Nar 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 Mongolia's pledges towards the Sustainable Development Goals.
The 2018 technical program will focus on close-spaced drill targeting numerous high-grade gold zones in the Striker, Midfield and Midfield North zones within the Bayan Khundii project area which have been intersected in previous drilling. The purpose of this drilling is to increase continuity of gold grades and better define the extent of these zones. In addition, drilling will focus on testing additional targets based on the results from the recent structural analysis. Geotechnical, hydrological and resource estimation work will also be conducted during 2018, leading to a projected maiden resource estimate for Bayan Khundii in Q4 2018, and a subsequent mineral resource registration and mining license application.

The recommended exploration and technical program for Bayan Khundii for 2018 includes:

- Drilling: A 9,000-metre drill program is recommended for 2018 and will focus on several objectives, including:
    - Close-spaced drilling within high-grade mineralized zones to increase confidence in continuity and grade in these zones;
    - Test the application of the recently-acquired structural interpretation to target additional zones of dilatancy;
    - Test potentially under-represented vein orientations and northeast-trending extensional faults, as recommended in the structural study;
    - Test potential areas of extension outside current target area;
- Geophysics: Complete a gravity survey over the Altan Arrow to Bayan Khundii area of the Khundii license;
- Continue to acquire the required information to move towards a mineral resource registration, thus leading to a mining license application. This will include:
    - Geotechnical work;
    - Detailed review of hydrological information for the Bayan Khundii site;
    - On-going environmental and hydrological monitoring, including assessments of local wells;

Results to date from the Khundii license area support a more detailed license-wide surface exploration program to define additional target areas and a license-wide detailed mapping program is planned for 2018. Encouraging results from 2017 geological studies, including detailed geological mapping of lithologies and alteration, from across the Khundii license, including the Altan Arrow prospect, will be followed up by additional geological, geophysical and drilling in 2018.

The following table provides a summary of the budget for the recommended 2018 exploration program for the Bayan Khundii project.

Geology and Geochemical Surveys	$ 263,200
Geophysics	12,500
Drilling	1,165,900
Technical Studies	840,000
Field Support	1,444,000
Subtotal	**$ 3,725,600**
Contingency (10%)	372,600
TOTAL	**$ 4,098,200**

2.0 Introduction

This report has been prepared for Erdene Resource Development Corporation ("Erdene" or "Corporation") in support of the filing of the Annual Information Form ("AIF") for the fiscal year ended December 31, 2017 and includes technical information for the Bayan Khundii (Rich Valley) project, a property material to Erdene. This report documents and provides a summary of the work completed on the Bayan Khundii project by Erdene.

The Bayan Khundii project is a greenfield discovery made in Q2 2015 and is one of two gold projects within the Corporation's Khundii exploration license located in south western Mongolia. The other project is referred to as Altan Arrow (Fig. 2). No resource estimation is included in this report as the project has not yet advanced to the stage where sufficient information is available to calculate a resource estimate. However, it is anticipated that the project will progress to a stage in 2018 where the reporting of an initial resource estimate may be appropriate.

Michael A. MacDonald MSc, P.Geo. ("Report Author") is the Vice President of Exploration for the Corporation and is therefore not independent of Erdene. The Report Author has visited the property on a number of occasions over the last two years with the most recent personal inspection carried out between September 9 and 14, 2017. The Report Author is a qualified person as defined by National Instrument 43-101.

3.0 Reliance on Other Experts

In the preparation of this report, the Report Author has not relied on a report, opinion, or statement of another expert who is not a qualified person concerning legal, political, environmental, or tax matters relevant to the technical report.

4.0 Property Description and Location

The Bayan Khundii project is located on the Khundii exploration license in Bayankhongor Aimag in southwestern Mongolia, approximately 980 km south-west of Ulaanbaatar, Mongolia's capital, and 300 km south of the aimag capital, Bayankhongor City. The nearest towns (soum centres) are Shinejinst, located 80 km to the northeast and Bayan Undur, located 100 km to the north (Fig. 1). The project is also located 20 km southeast of Erdene's Altan Nar gold-polymetallic project.

The Khundii exploration license was first acquired in April of 2010 and is currently in its eighth year of issue (see Table 1). Exploration licenses in Mongolia are renewed annually with a maximum tenure of 12 years. At any time during the 12 year tenure, an exploration license can be converted into a mining license by meeting the requirements of the Minerals Law of Mongolia.

Figure 1 - Project Location Map

Table 1 - Exploration License Status

License Name	License Number	Province	Date of Issue dd/mm/yy	Hectares	2018 renewal fees	Minimum 2018 work requirement
Khundii	XV-015569	Bayankhongor	14/04/10	4,514.33	$6,771.50	$6,771.50

The center point of the Khundii license is located as follows:

License	Northing	Easting	UTM Zone	Long (DD)	Lat (DD)
Khundii	4,866,207	484,012	WGS 84, 47N	98.8000°	43.9488°

The Khundii exploration license is 100% owned by Erdene and is subject to a royalty agreement with Sandstorm Gold Ltd. Sandstorm has been granted a 2% net smelter returns royalty ("NSR Royalty") on the Bayan Khundii gold project. The transaction provides Erdene with a 3-year option (to April 2019) to buy-back 50% of the NSR Royalty for $1.2 million, to reduce the Sandstorm NSR Royalty to 1.0%. There are no known environmental liabilities to which the property is subject. Permits required to carry out planned exploration work on the Khundii exploration licenses include annual environmental bonds and water use permits. Similar permits have been obtained in previous years and the Corporation does not anticipate any issues with obtaining these permits for the 2018 exploration season.

5.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Khundii property can be accessed from Bayankhongor City (the provincial capital) by vehicle, 300 km to the south over unmade dirt roads. In 2012-17, a temporary landing strip located 20 km to the northwest (on the Corporation's Tsenkher Nomin exploration license, Altan Nar Project) was approved by the Mongolian Aviation Authority for light aircraft. Annual approval is required to use the temporary landing strip. The landing strip is located in the north part of the western boundary of the Tsenkher Nomin license on a dry lakebed. A private flying service is available from Ulaanbaatar and a one-way trip to Tsenkher Nomin takes approximately 3 hours. The Bayan Khundii project is located 20 km southeast of the Corporation's Tsenkher Nomin (Altan Nar) exploration license and approximately 80 km southwest of the soum center, Shinejinst.

This region hosting the Bayan Khundii and Altan Nar gold projects is one of the least densely populated areas globally, however, infrastructure to access south-western Mongolia's natural resources from China is developing rapidly. Erdene's metal projects are located approximately 200 kilometres northwest of the Nariin Sukhait mining complex (Ovoot Tolgoi) (Fig. 1). South Gobi Resources(TSX:SGS), TerraCom Limited (ASX:TER) and MAK all produce coal in this region of south-western Mongolia and transport that product through the Ceke (PRC) / Shivee Khuren (Mongolia) border point which includes a paved eight-lane highway border crossing and a major automated railcar coal loading facility with three railway terminals at Ceke where coal trucked in from Mongolia can be loaded on train and shipped out over the Jiayuguan–Ceke Railway, Ejin–Hami Railway or Linhe–Ceke Railway. Planning is underway to extend the standard gauge rail into Mongolia's coal mining districts.

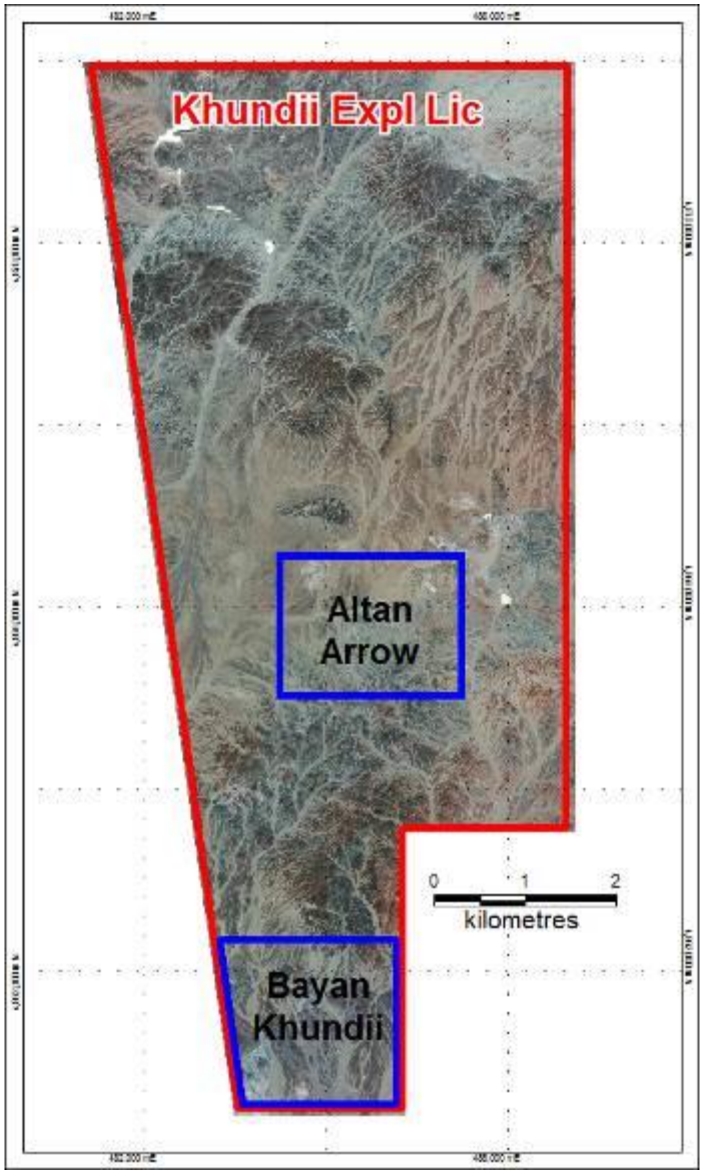

Figure 2 - Khundii License and Project Location Map (projection - UTM Zone 47N, WGS 83)

In 2017, Erdene, through Okhi-Us LLC, a Mongolian hydrogeological consulting company, carried out a water exploration program in two basins in the vicinity of the Bayan Khundii and Altan Nar projects. This work included the collection of geophysical data (VES and TEM) used to identify possible exploration targets as well as a series of widely spaced drill holes (*m). The Corporation was successful in identifying a preliminary (or inferred) water resource within the Doloony Tsenkher Basin, a large valley that is 18 km wide and extends to the NW from Altan Nar for approximately 108 km. A potential groundwater source with a 57 litres/second supply potential (P category) was approved by Ministry of Environment and Tourism in late December, 2017. This newly identified water resource is located approximately 15 km from Altan Nar and 32 km from Bayan Khundii and is believed to be sufficient to meet the processing needs of both projects. However, additional work will be required to confirm the sufficiency of the water resource and prior to when extraction approval is granted from the Ministry of Environment and Tourism.To date, power has been generated locally and water has been sourced from local wells. These sources are sufficient to carry out planned exploration work in 2018. In regards to potential future electrical power sources, the Mongolian state grid has recently connected the local sub-province centre (Shinejinst) with a 35 kV line which could be extended to the project site. In addition, the Gobi region has conditions supportive of renewable solar and wind generated power. Through an initiative of the International Finance Corporation, the Corporation has agreed to participate and co-finance the study of renewable energy supply options at the Bayan Khundii and Altan Nar 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 Mongolia's pledges towards the Sustainable Development Goals.

The topography of the Bayan Khundii project area is characterized by low hills of exposed rock and lower plains of unconsolidated and alluvial sediments. There is very little to no soil profile developed, with fresh rock generally occurring from or very near to surface, except in areas covered by Quaternary sediments where depth to bedrock is uncertain. The elevation of the landscape ranges from 1,200 m to 1,250 m above sea level. Vegetation is sparse and restricted to grasses, saxaul bushes and shrubs.

The Mongolian climate is characterized by extreme seasonal variations in temperature (-40°C to +40°C) and has an average of 250 sunny days a year. The country is subject to high wind conditions that alleviate the effects of the summer's heat but can result in extreme wind chill during the winter. Average annual precipitation is less than 100 mm, and most rain falls during the summer months of July and August, periodically producing localized flash flooding. Exploration and mining activities can be conducted all year round, only requiring proper preparation with respect to working in a remote location during extreme cold and hot weather.

6.0 History

The Bayan Khundii project is a greenfield discovery. With the exception of regional geological mapping carried out at a scale of 1:200,000 under the direction of the Mongolian government, no recorded exploration work is known to have taken place on the property.

The Khundii license was acquired in 2010 through the exploration license application process of the Government of Mongolia. The property was covered by Erdene's regional porphyry evaluation program which included a stream sediment survey and limited prospecting in the area of the Khundii exploration license. The regional stream sediment results identified an area of anomalous base metal and gold in the general area of the Khundii exploration license. The Company's extensive regional exploration program has led to multiple gold discoveries highlighted by Erdene's Altan Nar gold deposit 20 km north, Nomin Tal, Altan Arrow and now Bayan Khundii. In addition, Erdene's Zuun Mod molybdenum-copper deposit is located 40 km to the northeast.

Between 2010 and 2014, exploration on the Khundii license included property-wide geological mapping, soil sampling and a magnetic survey while more detailed exploration, including detailed geological mapping, rock chip sampling and trenching was focused on the central part of the license on a project referred to as Altan Arrow (Fig. 2).

The rock chip sampling program for the Khundii license identified a number of significant anomalies for Au and Ag, with lesser base metal anomalism. Generally, the anomalous rock chip samples were from two distinct and adjacent quartz vein systems located at Altan Arrow in the central part of the Khundii license.

1. The first is a structurally controlled (fault) northeast-trending zone, in-filled with low temperature quartz veins and breccia referred to as the Main Zone. A number of rock chip samples from this zone returned gold values ranging from 0.5 g/t to 2 g/t. Highly anomalous Pb (up to 0.5%) and Mo (up to 745 ppm) were associated with the high Ag values in rock chips.

2. The second quartz vein system is located south-east of the Main Zone and consists of widespread quartz veins and floats generally trending N-NE. Assay results show locally highly anomalous Au values including 56.6 g/t and 9.5 g/t Au. Quartz veins have epithermal features including crustiform-colloform (CC) and comb quartz textures.

The mineralized quartz vein systems were trenched in late 2013. Four trenches were excavated across the mineralized Main Zone and one trench was excavated across an area hosting high-grade gold mineralization within epithermal quartz veins.

Results indicate the Main Zone consists of a 1 m to 11 m wide quartz breccia zone. This breccia is multi-stage and has milled hydrothermal-epithermal characteristics with anomalous but somewhat low gold concentrations (7m @ 0.29g/t Au) and positive Ag-As-Sb inter-element geochemical correlations.

The Main Zone fault-related hydrothermal breccia zone divided the project area into two blocks. The NW block is pervasively and strongly altered to an assemblage of kaolinite, montmorillonite, dickite, pyrophyllite and quartz. The SE block is dominated by less altered andesite which is cut by tourmaline veins and breccias, and by quartz veins with epithermal features (CC and comb quartz textures). Rock chip and trench sampling confirmed the presence of high gold values in the quartz veins within the SE block.

While the exploration results at Altan Arrow were encouraging, most of the exploration efforts were focused on the Company's Altan Nar project. The identification of high-grade gold mineralization associated with epithermal style quartz veins, however, prompted additional prospecting and mapping in the southern portion on the Khundii exploration license. In early 2015, Erdene geologists identified, through rock chip sampling, new high-grade gold mineralization associated with a zone of intensely altered (quartz-illite) pyroclastic lithologies located ~5 km south of Altan Arrow. This area, referred to as the Bayan Khundii (Rich Valley)

Project (Fig. 2), was the focus of a detailed exploration program carried out in 2015 - 2017 that is summarized in the subsequent sections of this report.

7.0 Geological Setting and Mineralization

7.1 Regional Geology and Tectonic Setting

The Khundii exploration license is located within the Edren island arc terrane, as described by Badarch et al. (2002), which is part of the larger composite Trans Altai Terrane ("TAT") and is comprised by island arc terranes, back-arc and fore-arc basins, and ophiolite, accretionary wedge and metamorphic terranes. The TAT forms part of the western end of the large, composite, arcuate-shaped Paleozoic New Kazakh-Mongol Arc terrane ("NKMA") as described by Yakubchuk (2002). The NKMA is part of the Central Asian Orogenic Belt (CAOB; Windley et al., 2007) and extends along the southern margin of Mongolia, including the border region with China, and is host to the Oyu Tolgoi copper-gold porphyry mine to the east (Figs. 3, 4) and the Tian Shan Gold Belt to the west.

The TAT is located immediately south of the Main Mongolian Lineament (Badarch et. al., 2002) that separates the dominantly Precambrian and Lower Paleozoic terranes to the north from the dominantly Upper Paleozoic terranes to the south. The TAT consists mostly of Middle Paleozoic volcanic, sedimentary and meta-sedimentary rocks that were intruded by Middle Paleozoic calc-alkaline and alkaline plutons. The TAT in the region near Erdene's license areas is comprised of three tectono-stratigraphic terranes (Fig. 4) as defined by Badarch et. al. (2002). These include:

Zoolen Accretionary Wedge, consisting of a lowermost ophiolite sequence of mafic and ultramafic intrusive rocks that are overlain by a sequence of greenschist metamorphosed rocks including pillow lavas, intermediate volcanic and shallow marine sedimentary rocks. The middle stratigraphic portion of the Zoolen Wedge is dominated by intermediate volcanic rocks and rhyolite flows which are overlain by the uppermost sequence of non-marine sedimentary rocks.

Baraan Back-arc/Fore-arc Terrane, is dominated by a lower sequence of intermediate volcanic and pyroclastic rocks with interbedded shallow marine sedimentary rocks. The upper portion of the Baraan terrane consists of non-marine sedimentary rocks.

Edren Island Arc Terrane, consists of a lowermost minor sequence of mafic volcanic rocks that are overlain by an interbedded sequence of intermediate volcanic and pyroclastic rocks, shallow marine clastic deposits, and minor turbidite sedimentary rocks. This sequence is overlain by rhyolite and alkaline volcanic and pyroclastic rocks. The uppermost portion of the Edren terrane is dominated by non-marine sedimentary deposits.

All three tectono-stratigraphic terranes were intruded by Middle Paleozoic intrusions that are predominantly calc-alkaline and alkaline in composition, although some peraluminous and alkaline granitic intrusions have recently been identified by Erdene geologists. All three terranes are overlain by Late Paleozoic, Mesozoic and Cenozoic sedimentary rocks within a series of NW trending sedimentary basins. The geological setting of the TAT, especially the presence of Middle Paleozoic (Silurian-Devonian) island arc rocks intruded by calc-alkaline intrusions, is very similar to the geological setting for the Oyu Tolgoi mine, located approximately 670 km east of Bayan Khundii (Fig. 4).

In addition to the three main tectono-stratigraphic terranes noted above, the TAT also includes the Baytag island arc terrane, the Bidz ophiolite complex, the Tseel metamorphic terrane, and the Hovd and Turgen accretionary wedge terranes.

7.2 General Geology of Eastern Trans Altai Terrane

The general geology of the eastern TAT is outlined in a series of 1:200,000 scale geology maps available through the Mineral Resource Authority of Mongolia (MRAM). The specific maps for the eastern TAT include L-47-XXXII, L-47-XXXIII, L-47-XXXIV, K-47-II, K-47-III, and K-47-IV.

The oldest rocks in the eastern TAT include a series of Devonian to Early Carboniferous intermediate volcanic and pyroclastic rocks, minor felsic (rhyolite) volcanic and pyroclastic rocks, and sedimentary units including sandstone, conglomerate and minor limestone. Bedding orientations in sedimentary and volcanic map units are predominantly northwest-trending throughout the eastern TAT, thus paralleling the overall regional scale faults and structural trends. Primary bedding orientations on MRAM maps were interpreted from lineaments derived from air photograph interpretation, and from regional mapping.

The volcanic and sedimentary rocks were intruded by a series of Devonian and Carboniferous calc-alkaline to alkaline, granitoid plutons that range in composition from granodiorite and granite, to plagiogranite and syenite, and range in texture from fine- to coarse-grained seriate to equigranular and minor pegmatite. A few small (<5 km^2) Carboniferous age gabbro intrusions in the eastern TAT are thought to represent the most mafic end-members of intrusive suites. Late-stage dykes cross-cut both granitic intrusions and volcanic-sedimentary country rocks and range in composition from microdiorite to granite, syenite and lamprophyre. Dyke orientations may be quite variable on a local scale, as noted in the nearby Altan Nar prospect area. Devonian and Carboniferous volcanic, sedimentary and igneous rock units are locally overlain by Cretaceous sedimentary rocks including mudstone, siltstone, sandstone and conglomerate, with local amphibian and mammal fossils, or by unsorted Neogene or Quaternary age sediments including boulder, gravel, sand and talus deposits.

There are several NW-SE trending sedimentary basins throughout the eastern TAT and elsewhere in the western NKMA. These basins were in-filled by Late Paleozoic, Mesozoic and Cenozoic aged sedimentary sequences, including Carboniferous, Permian and Jurassic aged coal bearing strata and overlying, unconsolidated, Quaternary age sediments. The origin of these sedimentary basins is generally thought to be associated with widespread extensional tectonics resulting in large graben structures during the Mesozoic Era. Basin margins cut across all Devonian and Carboniferous rocks including both volcanic-sedimentary map units and granite intrusions. Previous work by Erdene in the Zarman Basin to the north of Bayan Khundii, including limited drilling, geological mapping, magnetic and seismic surveys indicated the basin consists of an asymmetric wedge of Cretaceous to Quaternary sedimentary rocks that thickens towards the northern basin margins, to at least 450 m depth, and interpreted as half-graben extensional structures. Based on observations elsewhere in the eastern TAT, basin thicknesses may range from 200 m to as much as 1,500 m.

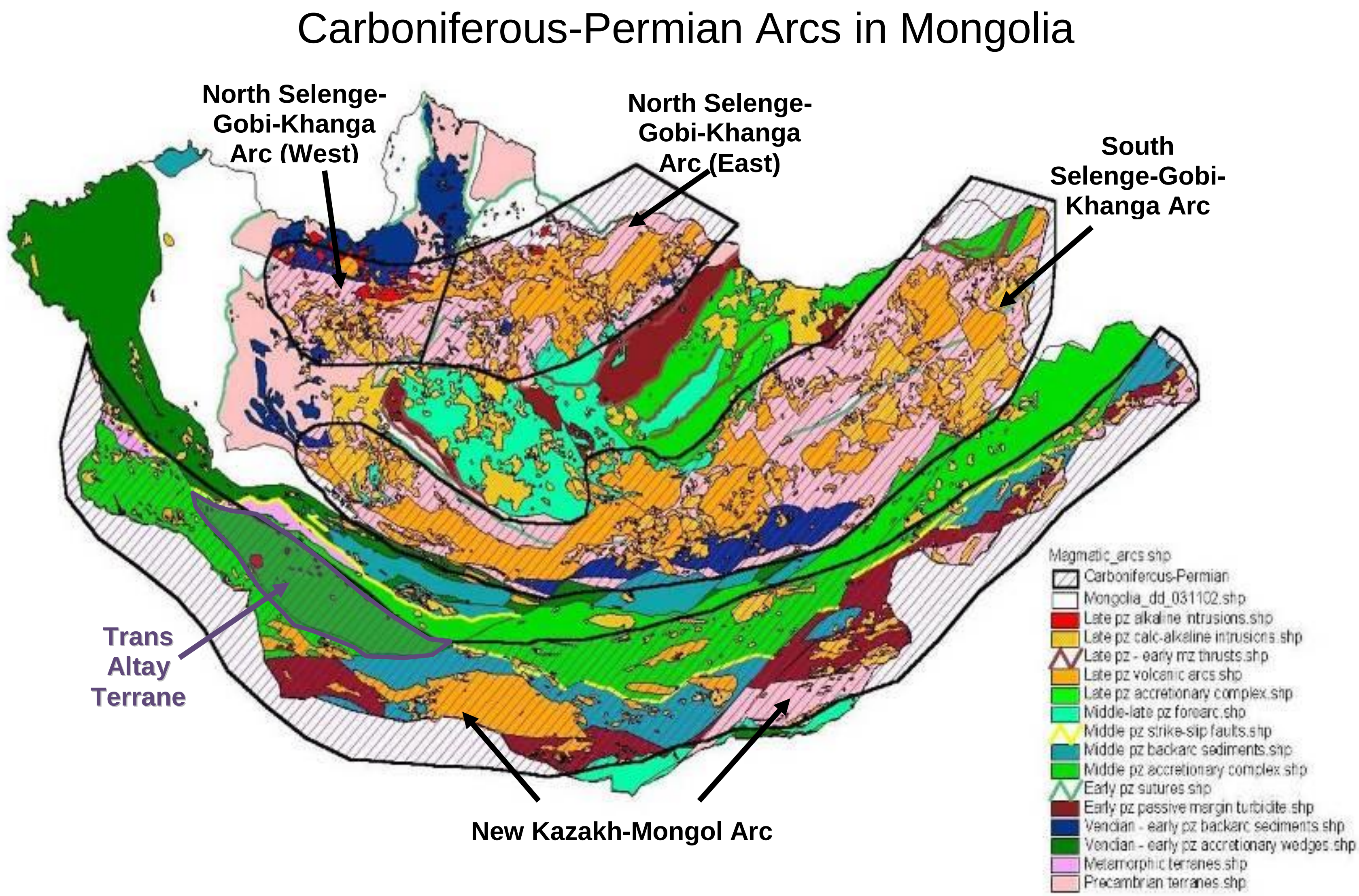

Figure 3 - Carboniferous-Permian Arcs of Mongolia showing the location of the Trans Altai Terrane (TAT)

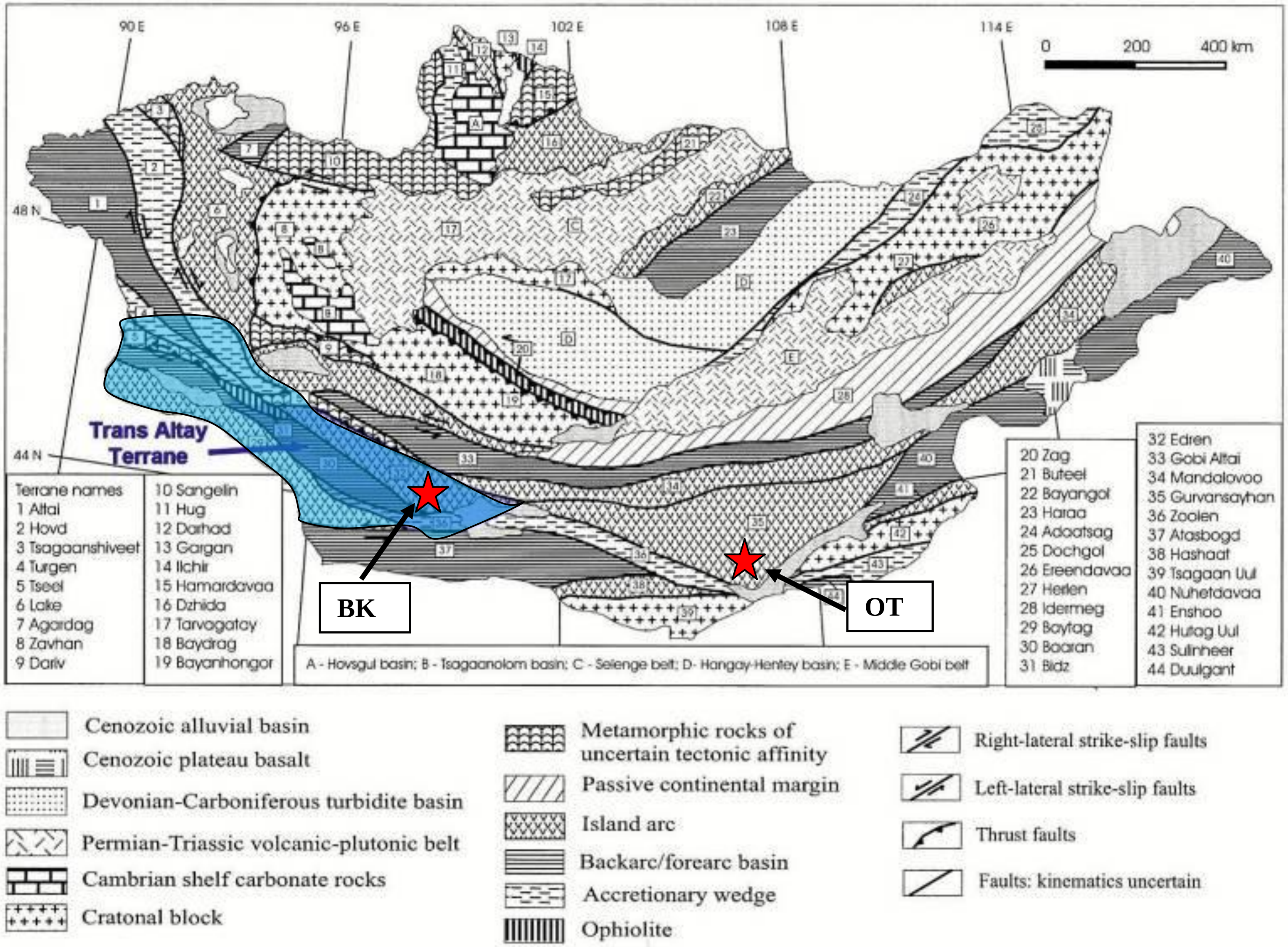

Figure 4 - Tectono-stratigraphic terrane map for Mongolia (Badarch et al 2002) with location of Trans Altai Terrane (in blue). The locations of the Bayan Khundii (BK) and Oyu Tolgoi (OT) are indicated with red stars

7.3 Geology of Khundii Exploration License

The bedrock geology of the Khundii license area (Fig. 5) is dominated by a sequence of Devonian and/or Carboniferous volcanic (andesite, andesite porphyry) and pyroclastic rocks (ash, lapilli, and block and ash tuffs) that were intruded by Carboniferous intrusions, with these rocks unconformably overlain by Cretaceous volcanic and sedimentary units, with all rock units overlain by unconsolidated sediments of Quaternary or Recent age. Geochronological constraints are based on the 1:200,000 scale regional mapping completed by the Mineral and Petroleum Authority of Mongolia (MPRAM). No detailed geochronological work has been undertaken to determine the ages of either host rocks or mineralized material at Bayan Khundii.

Carboniferous volcanic rocks are present throughout the license area and include several texturally-distinct units of intermediate composition including andesite, porphyritic andesite and basalt. A unit of block and ash tuff is the dominant lithology in the west-central part of the license area. Pyroclastic rocks, that are host to and restricted to the immediate area surrounding the Bayan Khundii mineralization, are interpreted to be Middle-Upper Devonian in age, possibly belonging to the Baruunhuurai Formation that is part of a large area of undifferentiated Devonian units to the South and West of the license area. Pyroclastic rocks include lapilli and ash tuff, and welded tuff with very minor block and ash units. Fine grained Devonian andesite to the northeast of Bayan Khundii was intruded by a series of dacite porphyry plugs which are also interpreted as Devonian.

Carboniferous granitoid rocks intrude both the Devonian and Carboniferous volcanic and pyroclastic units and have a wide range in composition from least-evolved medium and coarse grained diorite, monzodiorite, monzonite and granodiorite, to the most evolved phases of fine grained granite, granite porphyry, syenite and quartz syenite.

Most Cretaceous volcanic rocks are present in the southern part of the license area and consist mostly of basalt (commonly amygdaloidal) units. In addition, a Cretaceous sedimentary unit, consisting of a basal conglomerate and overlying red to red and white mottled sandstone and siltstone, has been mapped in the southern part of the license area where it disconformably underlies the Cretaceous volcanic rocks. Cretaceous lithologies have been observed to unconformably overly the older Devonian and Carboniferous lithologies.

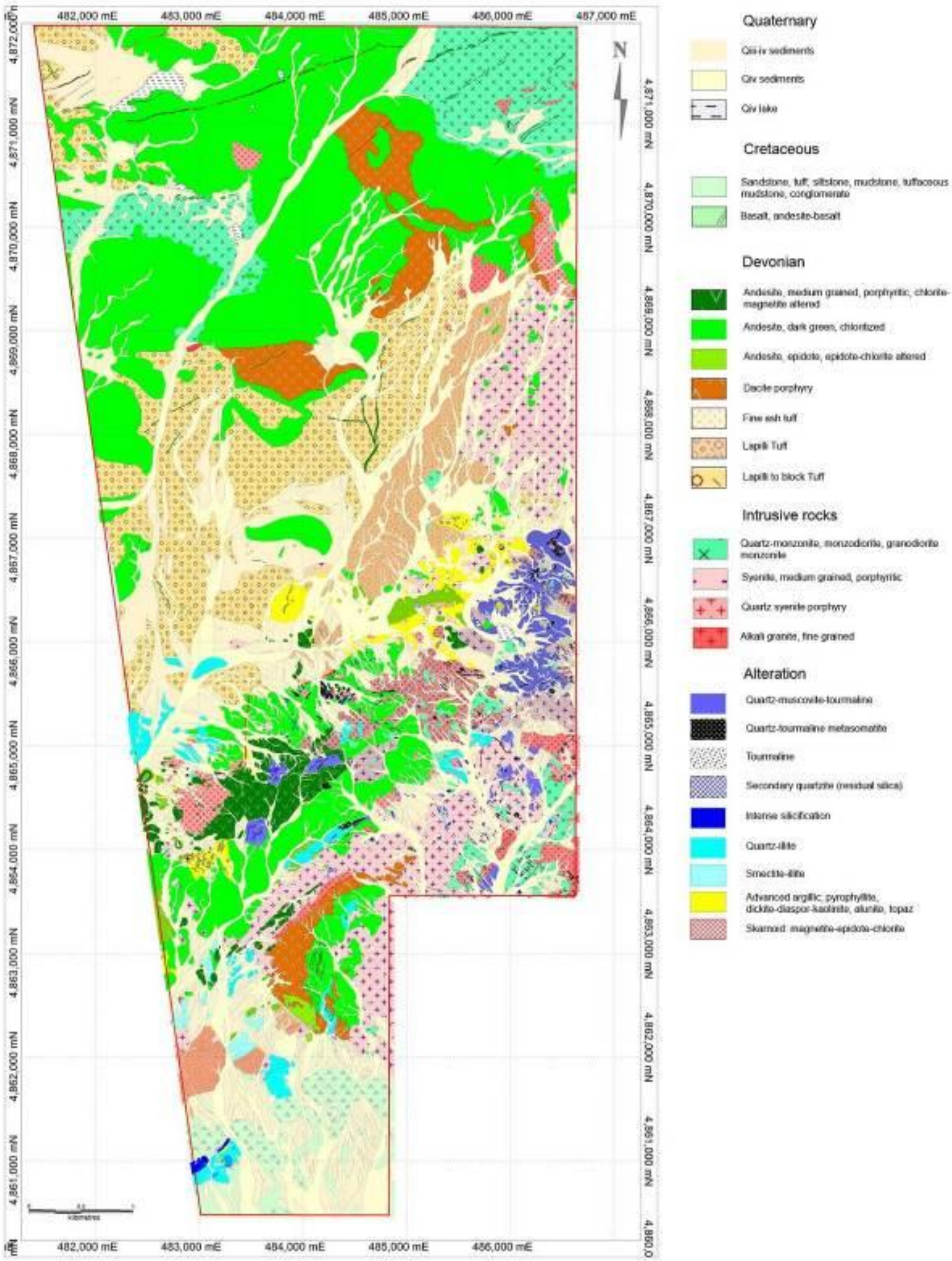

Figure 5 - Geology Map of the Khundii Exploration License

Unconsolidated Quaternary to Recent sediments are present throughout the license area with a large area of colluvial-dominated sediments in the central part of the license north of the Bayan Khundii project area. Alluvial sediment-filled stream channels are present throughout the license area and overlie all aforementioned Devonian, Carboniferous, Cretaceous and Quaternary rocks and sediments. These 'stream' channels are mostly dry, however, flash flooding associated with episodic storm events have recently been observed to deposit additional alluvial sediments.

Several northeast-, northwest- and east-west trending faults were inferred in the license area and these cross-cut, or form contacts of, Carboniferous intrusive and volcanic map units. Faults do not appear to off-set Quaternary or Recent sediment deposits; however, some inferred faults form the contacts with older Devonian, Carboniferous or Cretaceous lithologies. A detailed structural study at Bayan Khundii and surrounding areas puts these faults into a regional context and are interpreted to represent arc-parallel and arc-normal faults, including northeast-trending extensional faults interpreted as associated with the low sulphidation gold mineralization (see *Section 7.4.5 Structure* for additional details).

7.3.1 Regional Exploration on Khundii License

Based on encouraging results from previous exploration work on and around the Altan Arrow prospect the Corporation conducted a program of detailed geological mapping, grid soil surveying, IP dipole-dipole and magnetic geophysical surveying, prospecting and rock-chip sampling and scout drilling over the Khundii license area in 2017. Highlights from this work include:

- Soil Survey: Results from the grid soil survey covering the south-central portion of the Khundii license (Fig. 6) has outlined several areas with anomalous gold-in-soil results including at and near the Khundii North prospect and the Altan Arrow prospect.
- Alteration Mapping: A series of quartz-rich alteration zones have been mapped across a 3 by 6 kilometre area in the central part of the license area, extending from approximately 2 kilometres north of Bayan Khundii to the east-central part of the license, including over the Altan Arrow prospect (Fig. 5). Detailed mapping resulted in the subdivision of these altered zones into three main types including:
  - Quartz-sericite-tourmaline that may also contain discrete zones of vuggy residual quartz or massive tourmaline;
  - Advanced argillic alteration consisting mostly of kaolinite, dickite and pyrophyllite with variable amounts of Na-alunite, zunite, topaz, dumortierite or gypsum that may also contain discrete zones of vuggy residual quartz; and
  - Quartz-tourmaline zones that may contain discrete zones of tourmaline. The composition of these alteration zones are consistent with lithocaps which are commonly present above porphyry intrusions;
- Altan Arrow Prospect: Further defined as a 0.5 by 1 km target area adjacent to a major northeast-trending extensional fault containing multiple zones of epithermal quartz

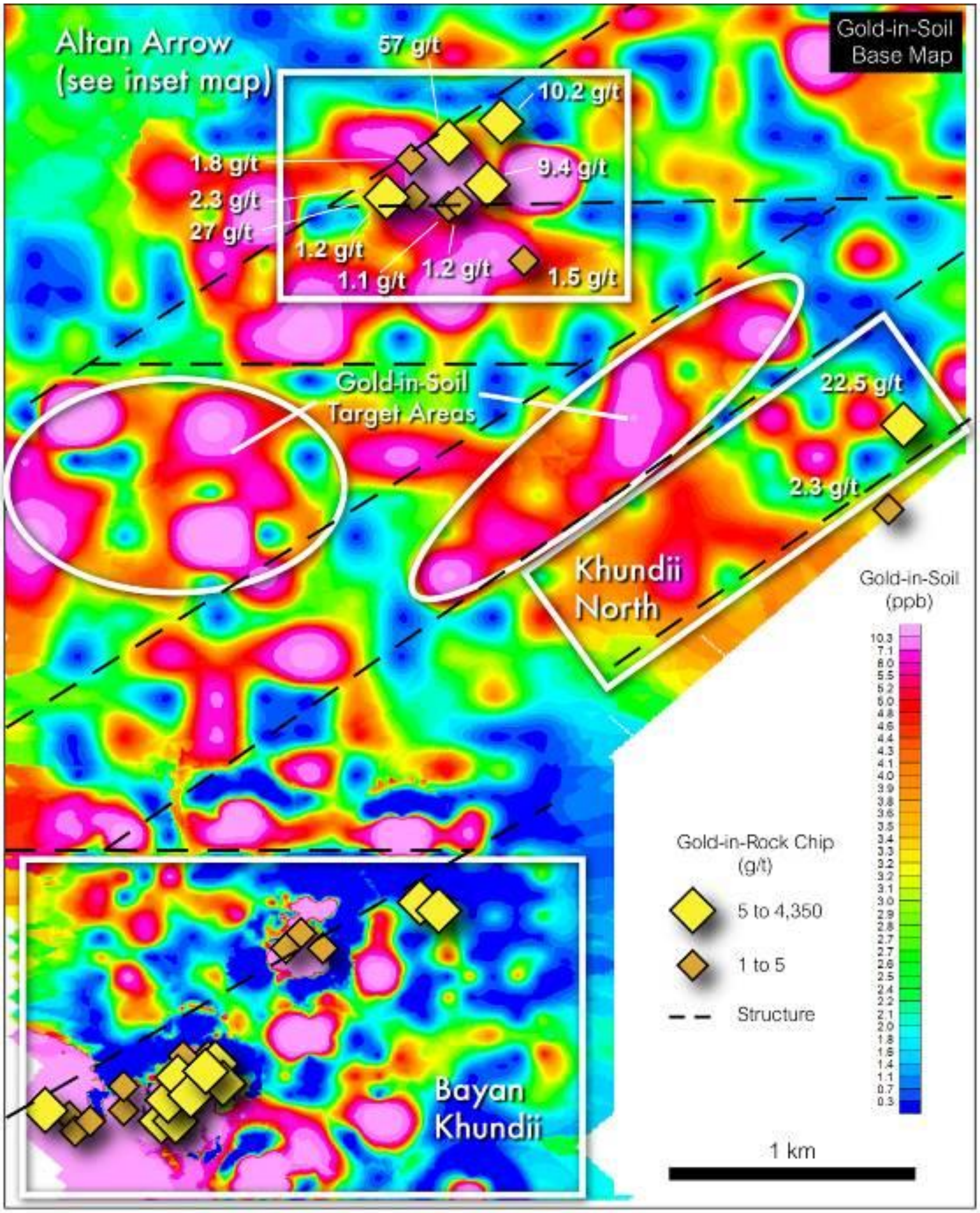

Figure 6. Gold-in-soil base map, along with rock-chip assay data, showing the locations of the anomalous gold concentrations at, and near, the Khundii North and Altan Arrow prospects. Northeast-trending structures, interpreted as extensional faults, are indicated by dashed black lines.

veining with rock chip and trench results returning several samples ranging from 5 g/t to 57 g/t gold (Fig. 7);

- Altan Arrow Drilling: Returned the highest grades to date for the prospect and demonstrated continuity of a high-grade gold zone south of the main Altan Arrow structure with 70 g/t gold over 2 metres (AAD-12);
- Drilling of a new target area 200 metres southwest of the main Altan Arrow structure and 300 metres west of AAD-12 returned 39 g/t gold over 1 metre, near-surface;
- North of the main Altan Arrow structure, a single hole (AAD–10) tested an induced polarization chargeability target with significant zones of intense advanced argillic alteration. Drillhole AAD-10 intersected intense quartz-sericite and advanced argillic alteration with abundant disseminated, vein and breccia-type pyrite throughout the hole and locally elevated copper values. Mineralization and the lithocap style alteration are consistent with alteration above a possible porphyry system at depth'

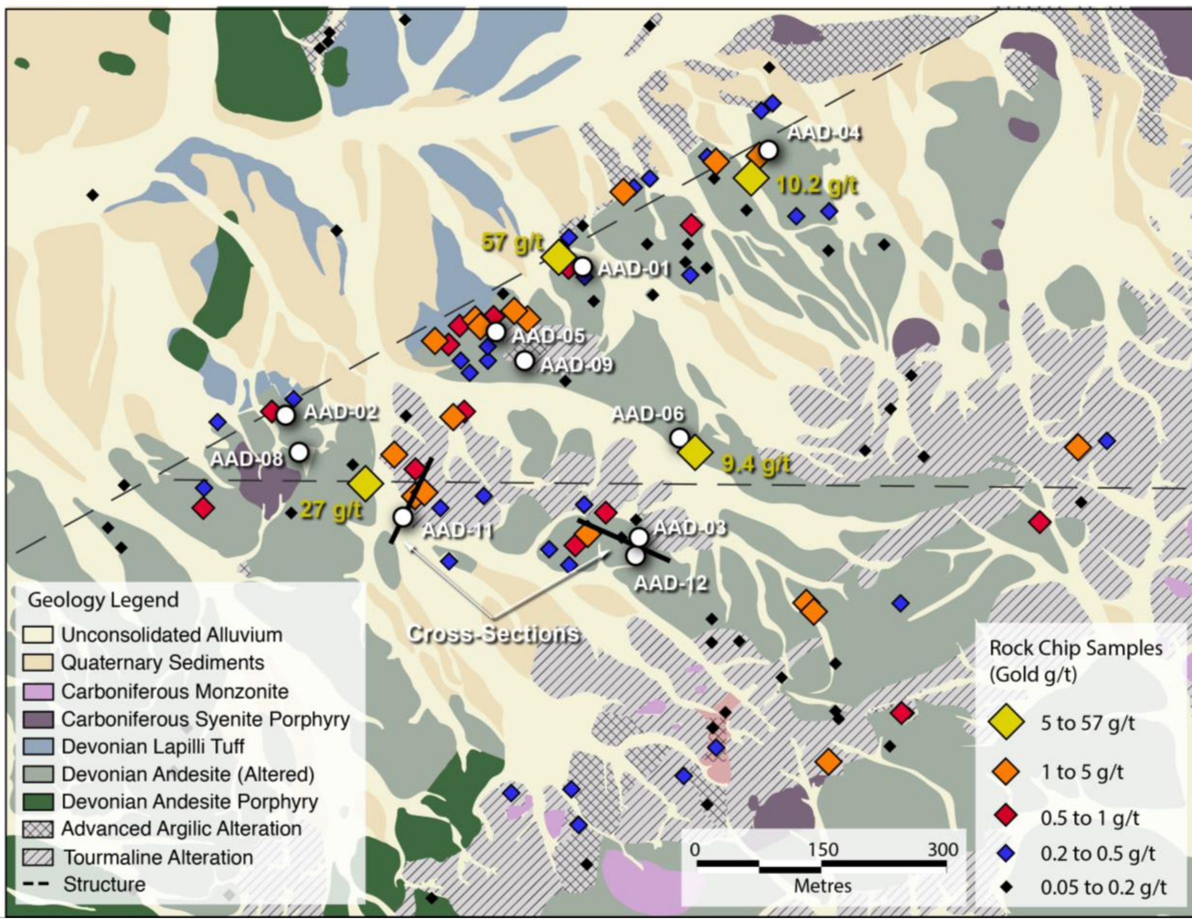

Figure 7. Geological map of the Altan Arrow prospect showing the location of the main northeast-trending fault and subsidiary east-west fault and the location of drillholes AAD-11 and AAD-12, and rock-chip assay values for all samples collected to date on the prospect.

- Khundii North Target: The northeast-trending faults running through Bayan Khundii and Altan Arrow are interpreted as part of a larger network of regional northeast-trending extensional faults that are present throughout the larger district. The thoroughgoing structure at Bayan Khundii can be traced 4.6 kilometres northeast to the untested Khundii North prospect where areas of quartz stockwork and gold-in-soil anomalism were noted. Rock chip samples of chalcedony with hematite breccia clasts from this prospect returned 5 rock samples greater than 0.5 g/t gold and up to 22.7 g/t gold.

In addition to this work on the Khundii license, a detailed exploration program was also completed over the recently-acquired Ulaan License, which contains the Ulaan Copper-Gold Project. Work included; detailed geological mapping, including alteration mapping and short-wave infrared (SWIR) analysis of altered surface samples; prospecting and rock chip sampling; a close-spaced (100 metre grid) soil geochemical survey; and a 89-line kilometre pole-dipole induced polarization survey.

7.4 Bayan Khundii Project Geology

The Bayan Khundii project and surrounding areas were mapped in detail during the 2015, 2016 and 2017 field seasons, with field data collected along foot-traverse lines. The geology map for the Bayan Khundii project area is shown in Figure 8. The following descriptions of the main geological units at Bayan Khundii are described in an interpreted sequence from oldest to youngest.

7.4.1 Devonian Altered Pyroclastic Rocks

The oldest rocks at Bayan Khundii, and the host rocks for gold mineralization, include a sequence of intensely silicified and illite-altered pyroclastic rocks. Pyroclastic lithologies include fine- and coarse-grained lapilli tuffs (i.e. containing lithic fragments <2m and >2cm respectively), ash tuffs (fragments < 2mm; some finely laminated), welded tuffs (with fiamme) and rare block and ash tuffs (with blocks >6 cm). These rocks are exposed over limited areas within the Southwest and Northeast prospect areas, however, geophysical data and drilling in 2016 and 2017 indicates these altered rocks extend beneath adjacent Cretaceous cover over an approximately 1.5 by 0.4 kilometre area (Fig. 8).

The 1:200K scale government geological map that covers the Khundii license (MPRAM map L-47-XXXIII) outlines a large area of undifferentiated Middle-Upper Devonian units to the south and west of the Khundii license that includes slate, pyroclastic sandstone and conglomerate, and granitoid intrusions. Erdene geologists interpreted the tuffaceous rocks at Bayan Khundii to be part of the Devonian Baruunhuurai Formation.

Intense quartz-illite hydrothermal alteration has replaced most primary minerals in these tuffaceous rocks, giving the lithologies a pervasive medium grey colour in outcrop, and making identification of the protoliths difficult, even in fresh drill core. Observations from outcrop and surface trenches in the Southwest Prospect area, coupled with mapping of weakly altered tuffaceous units to the north and west of the Northeast Prospect area, indicate these rocks have a dominant northeast-southwest strike trend and dip at approximately 40 to 45 degrees to the northwest. Recent structural analysis of oriented drill core from parts of the Midfield Zone, coupled with field observation in the Northeast Prospect area, indicate that lithologies may also have northwest and east-west strikes with variable dips.

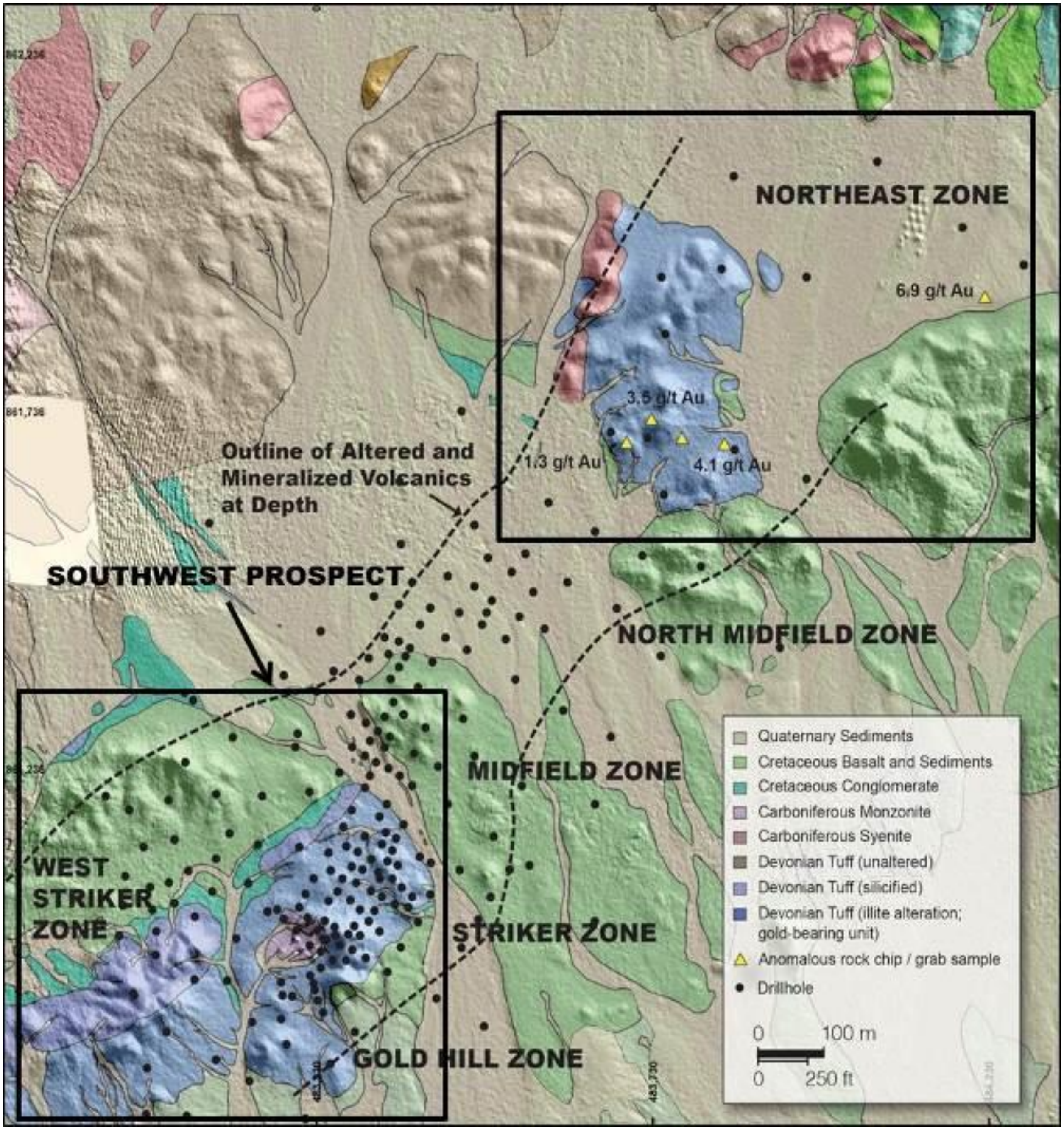

Figure 8 - Geology Map of the Bayan Khundii Project Area (on shaded relief) showing the locations of the Southwest and Northeast Prospect areas. Drillholes are indicated by black dots. Black dashed line indicates the outline of mineralized and altered Devonian tuffaceous units under Cretaceous cover rocks. Mineralized gold-bearing zones at surface are restricted to the Devonian altered (illite-quartz) pyroclastic rocks (lapilli and ash tuffs) in the Striker and Gold Hill zones and in the same rocks under Cretaceous cover in the Midfield and North Midfield zones.

The rocks underlying the Striker and Gold Hill Zones (Fig. 8) are mostly fine and coarse-grained lapilli tuffs with fine grained matrix comprised of lithic and crystal fragments. Coarse grained lapilli tuffs have common coarse (≥2 cm), round to sub-angular lithic fragments of pyroclastic rock with variable composition, and may have angular to sub-rounded quartz fragments to 1 cm (Fig. 10-1, 10-2). Lapilli tuffs have minor interbedded massive to finely-laminated ash tuff layers (Fig. 10-3). Lapilli tuffs are very poorly sorted whereas some laminated ash tuffs are well-sorted with fine laminae (1-2 mm wide). The lapilli and ash tuff units are overlain by a fine to coarse grained welded tuff unit that contains abundant angular quartz fragments, thin fiamme with >10:1 aspect ratio, medium to coarse lithic fragments, and ovoid to irregular-shaped lithophysae (i.e. in-filled gas bubbles).

Several siliceous zones were observed (Fig. 8), including a zone at Gold Hill (~75m x 125m), where they form prominent topographic high features (Fig. 9). Smaller and less intense silicified zones (~10m x 50m) were also observed in Striker Zone. Despite a general lack of 'vuggy' texture, these siliceous zones are interpreted as representing residual quartz alteration zones (see discussion of alteration below in *Section 5.7.3 Alteration*).

The area to the southwest of Gold Hill is dominated by medium grey massive lapilli tuff with minor inter-layered ash tuff beds. There are several intensely silicified zones between Gold Hill and Striker zones that form prominent topographic highs similar to Gold Hill.

There is a northeast-trending unit of welded tuff along the northwest margin of the Southwest Prospect area that varies from approximately 20 to 75 metres in width. Rocks are light buff to grey in colour and commonly have a pervasive fabric, as defined by parallel aligned and stretched fiamme, consisting mostly of medium to dark grey quartz-rich fragments, in a light grey tuffaceous matrix. A northeast-trending intensely silicified zone (~150 m by 30m) that forms a prominent topographic high, is present along the southern margin of the welded tuff (Fig. 10-4). A zone of tourmaline alteration was noted adjacent to the silicified zone, extending over much of the welded tuff unit. Tourmaline is present both as narrow veins (<0.5 cm wide) and as widespread alteration 'spots' (<1 cm). One wide tourmaline vein was noted to contain angular fragments of quartz vein material and also displayed comb-textured overgrowths on tourmalinized wall-rock fragments indicating a complex relationship between tourmaline alteration and veins, and quartz vein formation.

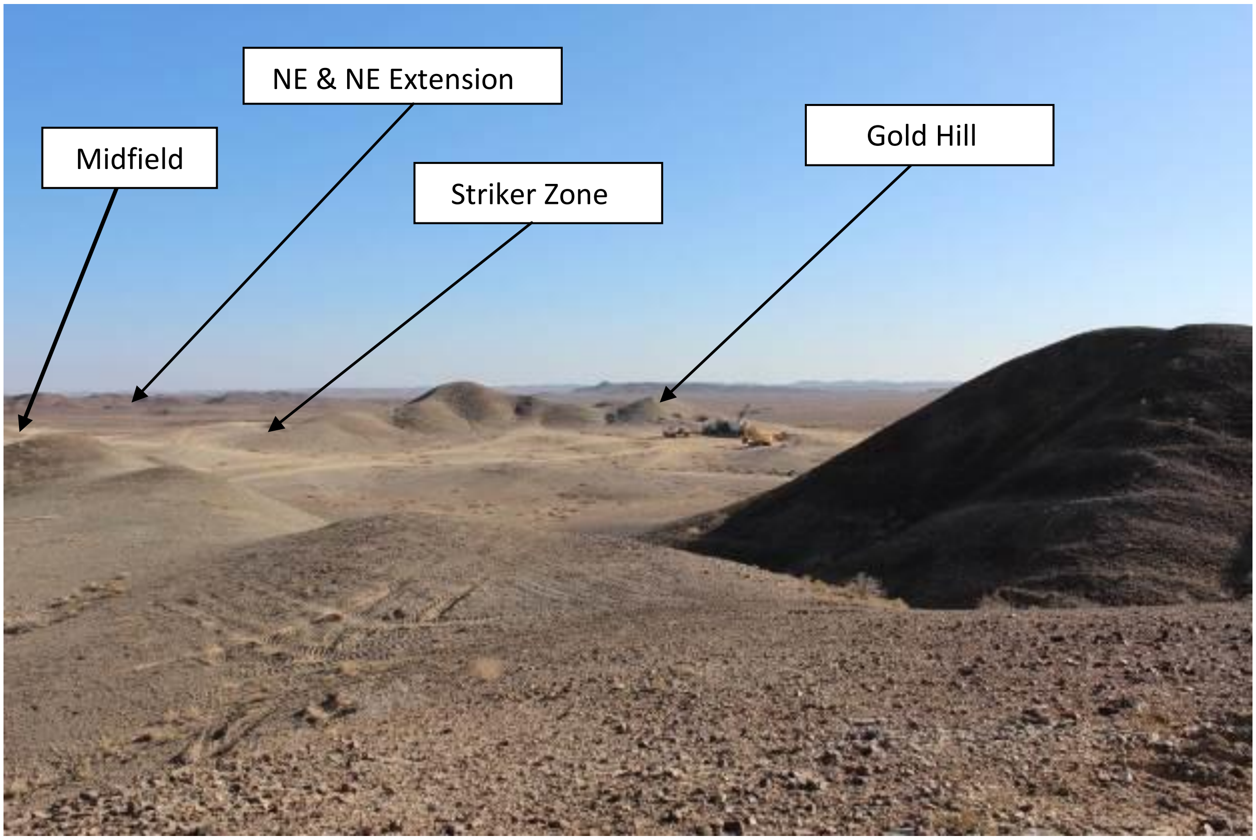

Figure 9 - Photo of Bayan Khundii Project area looking northeast from west ridge showing the location of the Gold Hill, Striker and Midfield zones and the Northeast Prospect in background Several silicified zones form prominent hills within the Southwest Prospect area, including the area between Striker and Gold Hill zones.

The zones of intense silicification at Bayan Khundii have replaced most of the pre-existing rock (e.g. fine- and coarse-grained lapilli tuff, ash tuff, welded tuff) resulting in massive, light grey coloured, very fine grained to slightly saccharoidal textured quartz rich zones that are provisionally interpreted as 'lithocap zones'.

The coarse size of lithic rock fragments (up to >6 cm) in some Devonian tuffs suggests possible proximity to a volcanic vent; however, there are no obvious vectors based on observations to date. Additional work is required to test this hypothesis.

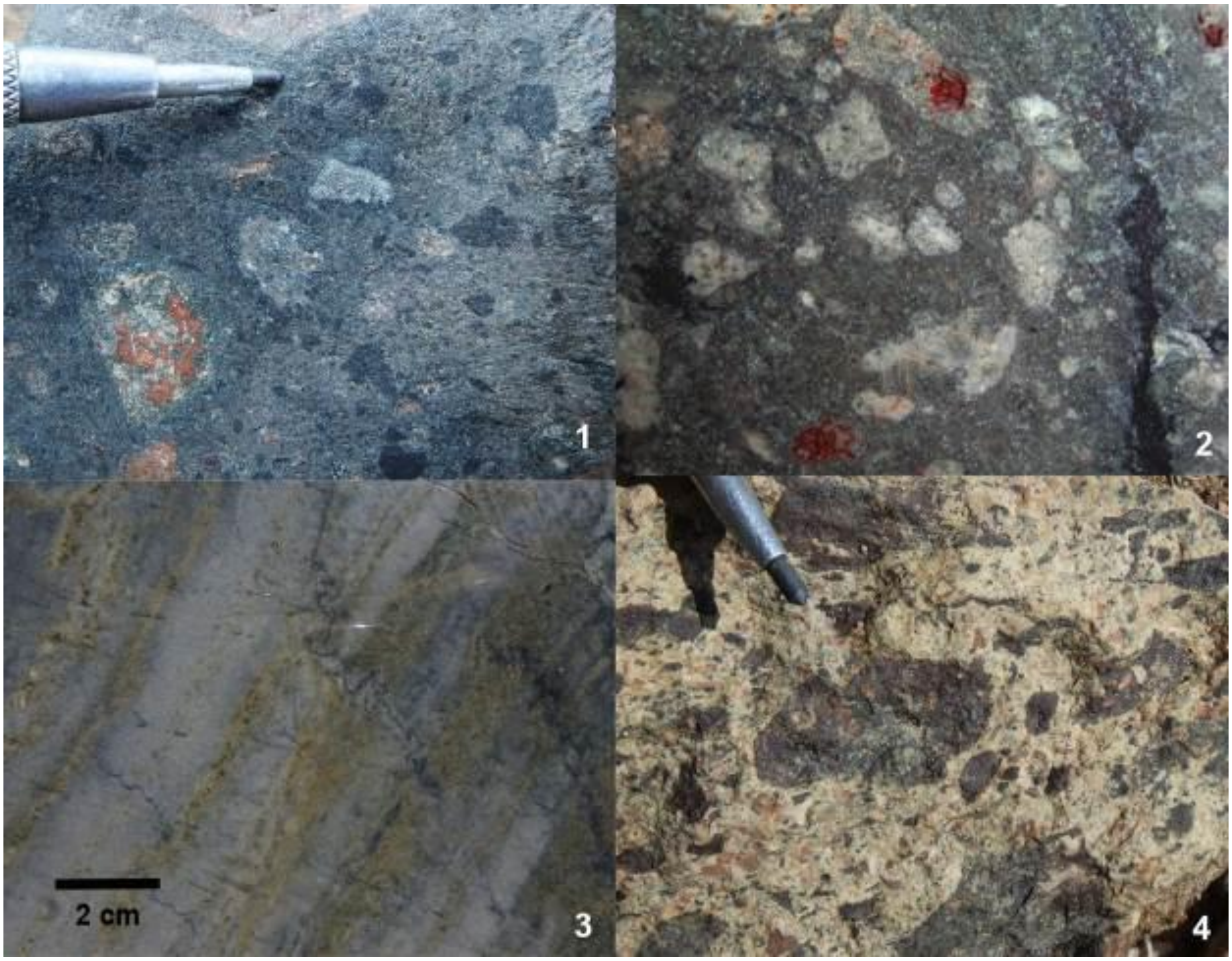

Figure 10 – Photographs of lithologies including: 1) weakly altered (chloritized) coarse-grained lapilli tuff from an outcrop 500 m north of the Northeast Zone; 2) strongly altered (illite-quartz) coarse-grained lapilli tuff from the Striker Zone; 3) Finely laminated and variably altered ash tuff interbedded with welded tuff to the northwest of Striker Zone in drillhole BKD-40; 4) Welded tuff with angular quartz fragments and coarse lithic and chalcedony fragments from an outcrop approximately 400 metres north of the Northeast Zone.

7.4.2 Intrusive Rocks

A small intrusion of medium grained equigranular hornblende monzonite ($\leq$100 m diameter) outcrops in the centre of the Southwest Prospect area, to the west of Gold Hill (Fig. 8). This monzonite was intersected in the top of several drillholes including BKD-12, -34, -46 and -55 where sharp intrusive contacts were observed with lapilli tuff. There were three monzonite porphyry dikes, ranging in thickness from 2 to 27 metres, in drillhole BKD-67 located near the southern contact of, and presumably originating from, the monzonite intrusion. The monzonite is fine to medium grained and has hornblende and two feldspars in a very fine grained matrix, with minor euhedral feldspar phenocrysts. A fine grained chilled margin was noted adjacent to the host pyroclastic rocks indicating the monzonite is younger than the pyroclastic rocks. The monzonite has several brick-red coloured zones of hematization, including a 2-metre wide contact zone. Tourmaline alteration of monzonite was observed in a three metre wide zones at the contact zone, with tourmaline present both as narrow veins (<0.5 cm wide) and as alteration 'spots' (<1 cm). Similar monzonite was encountered in the bottom 15 metres of drillhole BKD-38, located approximately 250 metres east of the Striker Zone. Based on drilling results to date, these monzonite intrusions are interpreted to be narrow separate plugs with steep contacts and limited lateral extent. Both monzonite intrusions have positive magnetic signatures as determined by a previous ground magnetic survey. Monzonite is interpreted to be Carboniferous and post-dated the gold mineralization event.

Most drillholes in 2016 and 2017 intersected fine- and medium-coarse-grained beneath the Bayan Khundii mineralized zones (Fig. 13), which is interpreted as a widespread post-mineralization intrusion. The NE-trending syenite intrusion that cross-cuts the Northeast Zone (Fig. 8) is interpreted as a surface exposure of this underlying intrusion. Drillhole BKD-96 which was drilled in 2016 and intersected several metres of syenite, was extended for approximately 100 metres in 2017 with the extension intersecting syenite to the bottom of the hole. Accordingly, the syenite intersected in drilling to date is interpreted as the top of a large intrusion, although the possibility of it being a thick sill cannot be ruled out. Syenite rocks generally have a low magnetic susceptibility response (e.g. < 0.2); although some syenite may have high readings (up to 23.0), and generally do not have a positive response in the ground magnetic survey. Zones of magnetite alteration were observed to straddle the syenite-tuff contact in several holes, with alteration extending for several metres either within the syenite or host tuffs. This alteration is not associated with an increase in gold grades and is interpreted as a post-mineral contact metamorphic effect (i.e. skarn).

Several fine grained aplite and porphyritic granite dykes were intersected throughout the Bayan Khundii area including two granite porphyry dykes (0.8 and 17m wide) and an 8 metre interval at the bottom of drillhole BKD-41 in the Northeast Zone and several dykes in the Midfield Zone, ranging in thickness from 1 to 12 metres wide, (drill holes BKD-60, -95, -98, -99) and two separate narrow aplite dykes in holes located several hundred metres east and west of the Striker Zone (BKD-38 and -39 respectively). The granitic dykes in BKD-98 and -99 are proximal to large quartz-adularia veins with abundant visible gold and were observed to be moderately altered. Similarly, the large dyke in BKD-60 was noted to be altered and had gold mineralization, suggesting that these dykes may have been either pre- or syn-mineral in origin. Some of the aplite, quartz syenite and granite porphyries may be late differentiates from the underlying syenite intrusion at depth. The syenite intrusion that underlies the mineralized tuffs is interpreted as post-mineral and possibly of Carboniferous age, whereas the age of the altered dykes is unclear although the presence of gold mineralization the dyke in in BKD-60 suggests a Devonian age.

Numerous andesite porphyry dikes have been logged throughout the Bayan Khundii prospect. These are thought to be Devonian in age, and have formed along with the deposition of the tuffaceous units.

7.4.3 Cretaceous Rocks

7.4.3.1 Sedimentary Rocks

Cretaceous red-bed sedimentary rocks unconformably overlie the altered Devonian tuffaceous rocks at Bayan Khundii. Lithologies include coarse-grained, poorly sorted hematitic sandstone and mudstone with a very coarse-grained basal conglomerate commonly developed at the unconformity with the Devonian tuffs. Individual strata are very well indurated and have well-developed primary bedding that has an average 108^{o} strike and shallow dips to the south (from 10-25^{o}, avg. ~ 18^{o}). Most sedimentary rocks are red coloured, presumably reflecting the presence of hematite in the matrix, however, in more widespread areas, such as along the south side of the Southwest Prospect, the rocks vary from red to whitish or light grey and have a mottled appearance. These sedimentary lithologies are interpreted as part of the Upper Cretaceous Bayanshiree Formation, according to the Mongolian Stratigraphic classification. Several drillholes intersected very coarse grained conglomerate with angular clasts of altered Devonian tuff (to 2-5 cm), with several intervals containing anomalous Au values (>1 g/t Au) although it is unclear whether the Au is within the altered clasts or in the sedimentary matrix. This will be further evaluated in 2018.

7.4.3.2 Basalt

The Cretaceous sedimentary sequence is unconformably overlain by unaltered massive and amygdaloidal basalt. The primary S_o orientation in the basalt flows differs from the underlying red-beds, having an average NE-SW strike (051^{o}) and an average dip of 14^{o} to the SE. Accordingly, the contact between this basalt and the underlying red-beds is interpreted as an angular unconformity.

7.4.4 Quaternary Unconsolidated Sediments

Topographic low areas at Bayan Khundii are underlain by unconsolidated Quaternary and Recent sediments. The pattern and distribution of various facies of Quaternary deposits reflects modern and paleo-drainage systems. There is a prominent southeast orientation to many of the small Quaternary sediment-filled valleys at Bayan Khundii that are sub-parallel to the main auriferous quartz vein orientation. Larger NW-SE, N-S and E-W trending linear valleys may reflect contact zones or structures, possibly faults.

7.4.5 Structure

In Q3-Q4 2017 Dr. Armelle Kloppenberg, 4DGeo, was engaged to complete a comprehensive structural analysis of Bayan Khundii and the surrounding region including the area around Erdene's Tsenkher Nomin license which hosts the Company's Altan Nar deposit. The following are highlights from this structural analysis:

- *Overall Structural Model*: Consists of a series of tilted, extensional, domino-style fault blocks with NE-trending, SE-verging extensional faults;
    - The main NNE-trending mineralized Striker-Midfield-North Midfield zone is interpreted as a 'relay ramp' (Fossen and Rotevatn, 2016) whereby stress is transferred from the ends ('tip points') of adjacent NE-trending, SE-verging extensional faults via a series of parallel structures (Fig. 11);
    - The formation of the parallel structures within the relay ramp is thought to explain the SSE-trending, SW dipping 'stacked vein zones' at Bayan Khundii;
    - The limited post-Cretaceous tilting observed in the volcanic and sedimentary units (~10-25^{o} SW) also modified the dip of the epithermal veins, currently ~45^{o};
    - The proposed model of NE-trending / SE-dipping extensional faults and 'domino-style' fault blocks at BK can be used to explain the abrupt changes in alteration and geochemistry observed between Striker West and Striker-Midfield zones (e.g. white mica/illite alteration intensity, K2O concentration), with successive blocks to the southeast representing down-faulted blocks;
- *NW-trending Structure between Striker and Midfield zones:* A major NW-trending fault through the NE end of the Striker Zone is interpreted to have formed over a basement structure with individual N-trending en-echelon faults at surface that are interpreted to coalesce at depth. The structural report proposes that the Midfield block was down-faulted with respect to the Striker Zone along this fault;
- *Fault Timing*: Many of the faults at BK are thought to have been active in Devonian and were re-activated such that they displaced Cretaceous sedimentary and volcanic units. The report suggests that the NE-trending faults were the earliest faults and NW-trending faults are younger and have off-set the earlier NE faults. The report also suggests that Cretaceous units may have in-filled fault-bounded paleo-valleys;
- *Under-represented Veins*: The report notes that there is a NE-trending/SE-dipping vein set (dip= Az. 120^{o}/50^{o}; strike =030^{o}) that is sub-parallel to the predominant azimuth of Erdene's drilling to date and is therefore an under-represented vein set. Edene plans to drill several holes in the 2018 drill programs to test the abundance of these veins (see Recommendations Section 18.0);
- *NE Extensional Faults*: The report suggested that the NE-trending, SE-verging extensional faults that bound the Striker-Midfield zones may have been active during the mineralizing event and may host auriferous veins. A hole was drilled during the Q4 2017 program to test this hypothesis, although no evidence for mineralized veins in NE faults were observed;
- *Metre-scale Veins in Midfield*: The multiple metre-scale veins in Midfield (e.g. in drillholes BKD-98, BKD-99) are interpreted as forming at the intersection of the NE-trending/SE-verging and NW-trending/NE-verging extensional faults and are thought to represent zones of dilatancy;
- *Bedding Orientation*: Data from outcrop and oriented core measurements indicate that bedding in Striker and peripheral areas of BK have NE strike and NW dips whereas the lithologies in the NE and Midfield zones have NW-trending/SW-dipping orientations.

The report suggests that these SW dips may reflect deposition in active (re-activated) half grabens and do not represent a widespread (i.e. terrane-wide) tilting event;

- *Cretaceous*: Flood basalt flows were interpreted as being deposited in fault-bounded paleo-valleys. The NW-trending valley fill shows tilting of the basalts, indicating reactivation of extensional faults (i.e. to form half-grabens). These Cretaceous faults have offset the Bayan Khundii mineralised system;

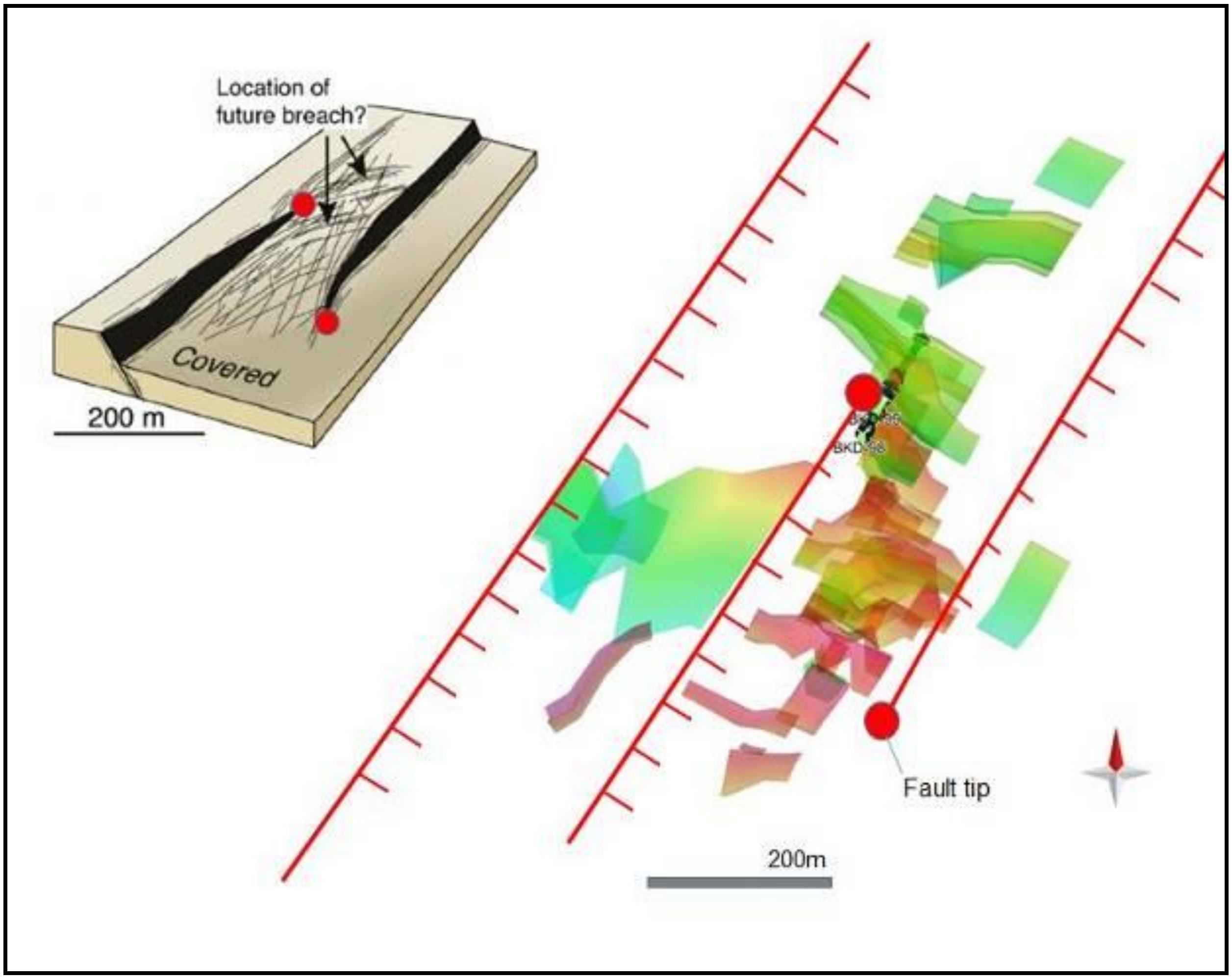

Figure 11. Proposed model for explaining the NNE trend of the high-grade Striker-Midfield mineralized zone. Cartoon in upper left is from Fossen and Rotevatn (2016). The model consists of a 'relay ramp' where stress is transferred between the fault tips on 2 adjoining extensional faults. Extensional faults are not likely to be straight, and probably consist of a series of structures within a fault zone, rather than one single discrete fault plane. This proposed model explains the limited lateral extent of SSE-trending, SW-dipping mineralized zones.

7.5 Mineralization

Mineralization at Bayan Khundii consists of gold (Au) ± silver (Ag) in massive-saccharoidal, laminar and comb-textured quartz± hematite veins, multi-stage quartz-adularia-chalcedony± hematite veins, quartz-hematite breccias, along late fractures (±hematite/ specularite), and as disseminations within intensely illite-quartz altered pyroclastic rocks, where it is commonly associated with hematite that partially or completely replaced pyrite grains. No Au± Ag mineralized veins or breccias have been noted in the unconformably overlying Cretaceous sedimentary rocks or basalt, indicating these rocks represent an unmineralized cover sequence. Some Au± Ag enrichment has been noted in basal conglomerate containing angular, altered, and possibly mineralized Devonian tuff clasts, near the unconformity. This mineralization may represent the incorporation of mineralized material from nearby Devonian tuffs, although it is possible that it may represent paleo-placer Au in the conglomerate matrix. A strongly mineralized 1-metre interval (51.2 g/t gold) of basal conglomerate was intersected directly above altered and mineralized tuff in the Midfield Zone (BKD-95). Petrographic analysis by New Zealand-based petrographic consultants, APSAR, identified several gold grains associated with acicular tourmaline within iron-magnesian-calcium carbonate facies that have replaced the matrix of the basal conglomerate. The origin of this gold mineralization is unclear, however, the petrographic evidence suggests the gold mineralization is 'paragenetically associated with tectonic and hydrothermal overprinting of the thermally metamorphosed and metasomatized sedimentary rock' (APSAR, 2017). The gold mineralization and associated carbonate-tourmaline alteration is restricted to the Devonian-Cretaceous contact zone and may reflect post Cretaceous hydrothermal activity along the contact.

Gold mineralization at surface is present in three separate areas over a 1.7 km northeast trend. These include the Southwest Prospect area (550m x 300m), the Northeastern Prospect area (300 m x 300 m), located approximately 0.7 km to the northeast, and the NE Extension located an additional 500 m to the northeast. Most of the exploration work to date has focussed on the Gold Hill, Striker, Midfield and Midfield North zones and the results from recent drilling in these zones is presented below in Section 10.0. Encouraging assays were also received for mineralized rock chip samples from the Northeast Prospect (e.g. 3 samples returned from 1.3 to 4.1 g/t gold), and two rock chip samples collected from the NE Extension area returned Au assay values of 6.9 and 0.4 g/t Au (Fig. 8). Seven holes were drilled in and around the Northeast Zone in 2017 with some encouraging results. For example hole BKD-122 contained a 2 m wide zone that averaged 4.43 g/t Au within a 14 metre interval averaging 0.75 g/t Au and a separate 21 m wide zone that averaged 0.72 g/t Au. Similarily, holes BKD-121, -123 and -186 returned anomalous Au values with numerous 1 and 2 metre-wide zones returning low gold concentrations (e.g. 0.1 to 0.3 g/t Au). The Northeast, and Northeast Extension Prospect areas will be investigated further during the 2018 exploration program. The remainder of observations in this section are based on mapping, trenching and drilling within the Gold Hill, Striker, Midfield and Midfield North zones.

An initial program of surface mapping, prospecting and rock chip sampling in Q2 2015 returned assays of up to 4,380 g/t Au (141 oz/t), and a subsequent trenching program in Q3 2015 outlined several mineralized zones, including a 30 m wide trench interval that averaged 2.7 g/t Au (including 2 m @ 11.2 g/t Au). An initial 15-hole drill program, completed in Q4 2015, identified multiple, high-grade intersections over a 475 m by 300 m area. Visible gold was observed in numerous drill holes, with no significant sulphide material present except for very minor, finely disseminated pyrite encountered in a few drillholes.

A total of 138 new drill holes and 11 extensions of previously holes were drilled in 2017 for a total of 26,732 metres. Details of the drill program are given in Section 10 of this report. Results from the 2017 drill program: 1) confirmed the orientation, grade and continuity of mineralization between the Striker and Midfield zones; 2) extended gold mineralization down-dip to the south within the Midfield and North midfield zones; 3) discovered a new zone to the east of Midfield Zone beneath Cretaceous cover rocks; and 4) established continuity of grade within the West Striker Zone.

Gold mineralization is mostly hosted in parallel NW-SE, moderately-dipping (~45^{o}) zones that range in width from 4 to 149 metres (Fig. 13). Drilling in 2015, 2016 and 2017 has confirmed that gold mineralization in Bayan Khundii consists of a series of high-grade mineralized zones with good continuity that occur within broad low-grade halos as shown in Figure 13 and outlined in Table 2. Several wide mineralized zones were encountered in the 2017 drilling, including: 131.5 metres averaging 3.86 g/t Au in BKD-98; 105.4 metres averaging 3.55 g/t Au in BKD-98; 108.3 metres averaging 2.82 g/t Au in BKD-110; and 75 metres averaging 2.20 g/t Au in BKD-222.

7.5.1 Visible Gold

Visible gold (VG) was noted in 31% of the holes drilled to date at Bayan Khundii (N=73). It should be noted that visible gold is not always a good indicator of gold grade as numerous samples have returned moderate to high gold values for samples where no visible gold was noted during logging. Visible gold was observed in several modes of occurrence (Fig. 12), including:

1. In quartz veins with a range of textures including:
   a. Whitish-grey comb-textured quartz veins (mostly <1 – 2 cm wide), commonly with hematite ±specularite and/or open space in vein centres. Within these veins gold is present: 1) along prismatic quartz grain boundaries; 2) within the vein centres ±hematite/specularite; and 3) along vein margins at contact with host tuffs (Fig. 12-1);
   b. Multi-stage composite quartz-chalcedony-adularia± hematite veins, commonly with a mottled-texture (mostly <1 -10 cm wide) with sub-round 'clasts' or fragments of milky light grey-buff quartz-adularia or dark-coloured chalcedony, some having very abundant disseminated gold, commonly rimmed by euhedral adularia crystals (Fig. 12-2);

c. Multi-stage quartz-adularia-chalcedony veins with bladed calcite, now pseudomorphed by quartz (i.e. boiling textures) and medium-dark grey Au-rich vein margins (Fig. 12-3);
d. Large composite veins (up to ≥1 m wide) composed of a, b and c veins described above and commonly with evidence of brecciation with hematite matrix;

2. In quartz-hematite breccias (from ~5 to 40 cm wide) that contain sub-angular to sub-rounded fragments of quartz or tuffaceous rocks in a hematite ±specularite matrix (Fig. 12-4).
3. Along late angular fractures, micro-fractures and joints, commonly associated with hypogene hematite and/or specularite; and
4. As very fine grained disseminations in host tuffaceous rocks, frequently associated with hematite partially or totally replacing early-stage pyrite.

7.5.2 Quartz veins and Breccia Zones

Quartz veins and hematite and/or quartz breccias were observed to have variable orientations and commonly form irregular networks of quartz and hematite veins and breccias within SE-NW and E-W trending, SW-dipping, structures. Individual quartz veins, commonly with comb-textures, were observed to vary in width from <1 mm to 2-3 cm over 10 to 30 cm along individual veins. Some quartz veins were noted to form bifurcating veins sets, whereas other veins were noted to form along parallel fractures with common 'jump over' structures. The vein orientations are thought to reflect the orientation of pre-existing fractures, with comb-textured veins possibly representing open-space infillings of structuraly-controlled void spaces within a main relay ramp extensional structure as noted in Section 7.4.5 above.

Several large composite quartz veins (≤2 m wide) were noted to include comb-textured quartz±adularia, brecciated and mottled-textured massive quartz, and minor chalcedony with hematite ±specularite veins and veinlets and, in a few veins, hematite breccias. These large composite veins are interpreted as forming from multiple pulses of silica and Fe-oxide rich auriferous fluids. The two largest multi-stage auriferous quartz-adularia-chalcedony veins were intersected in drillholes BKD-98 and BKD-99 (2.0 and 1.7 m wide respectively). These two drillholes were drilled near the intersection of a major NW-trending fault and the NE-trending faults interpreted as forming extensional strucures within a relay ramp as described in Section 7.4.5 above.

An irregular-shaped, sinuous, SE-trending hydrothermal quartz breccia was mapped for approximately 125 m through the Striker Zone (Fig. 8). Other quartz-breccia zones throughout the Southwest Prospect area, are interpreted to be linear-shaped, however, surface exposure is somewhat limited and these breccia zones may prove to be irregular-shaped as more mapping and drilling information is acquired.

Some quartz veins have narrow (<1-2 mm wide) illite-quartz alteration selvages; however, most quartz veins at Bayan Khundii do not have alteration selvages.

Some tourmaline breccias and tourmaline alteration zones to the west of the Striker Zone contain brecciated fragments of quartz veins and also comb-textured quartz overgrowths on tourmalinized fragments, suggesting a complex inter-relationship between quartz veining and tourmaline alteration events. The relationship between gold mineralization and tourmaline is unclear, however, most tourmaline was observed to the west of the Striker Zone where limited Au mineralization has been encountered to date and there is only rare to trace tourmaline in the Striker and Midfield zones, suggesting these features may be from separate events.

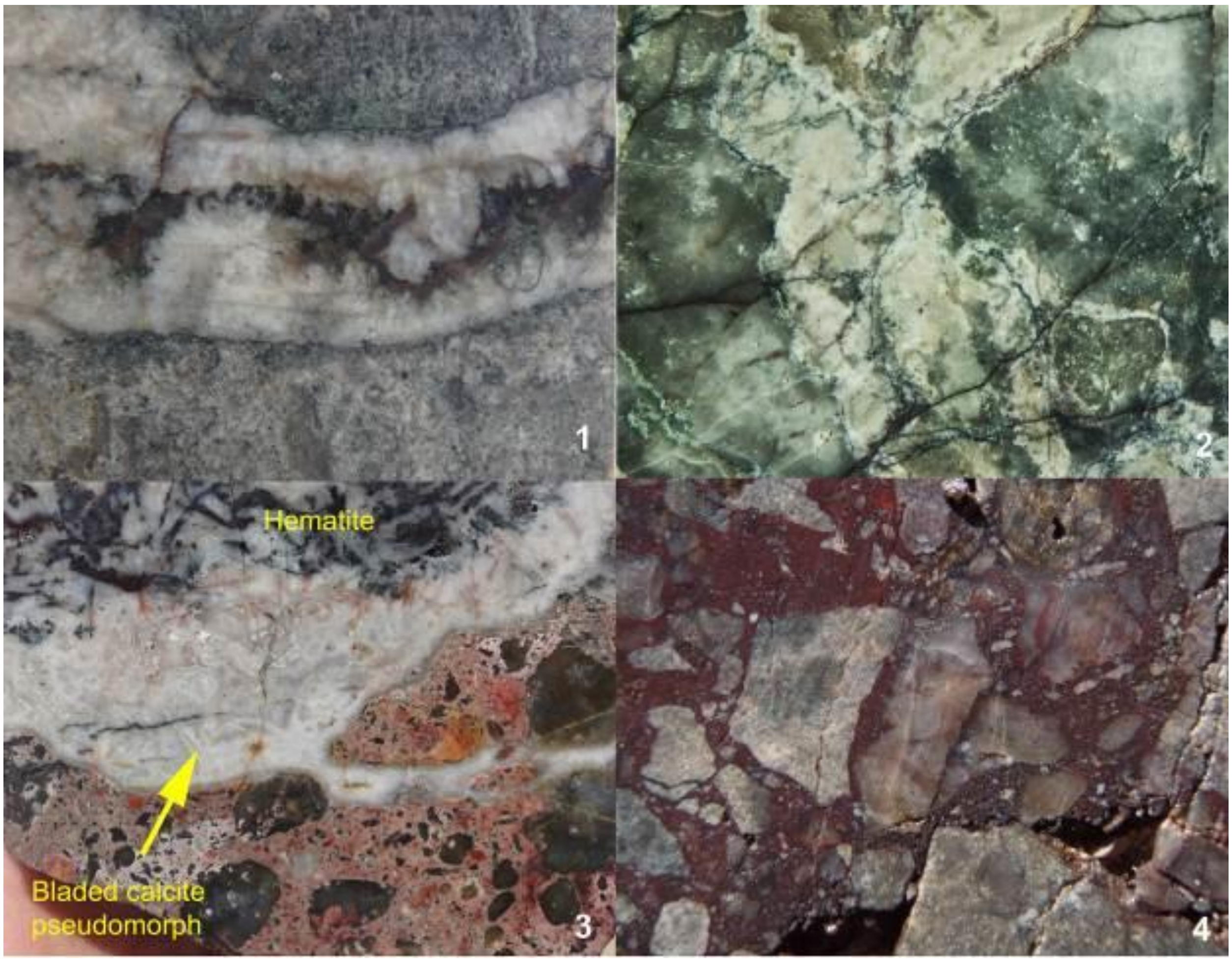

Figure 12 – Photographs of gold-bearing veins and breccias, including: 1) Comb-textured quartz-hematite/specularite vein from BKD-02; 2) Composite multi-stage quartz-chalcedony-adularia vein from BKD-01; 3) Composite quartz-adularia-chalcedony vein from outcrop with bladed calcite (i.e. 'boiling') textures, now pseudomorphed by quartz; and 4) Hematite-specularite-quartz breccia from BKD-60.

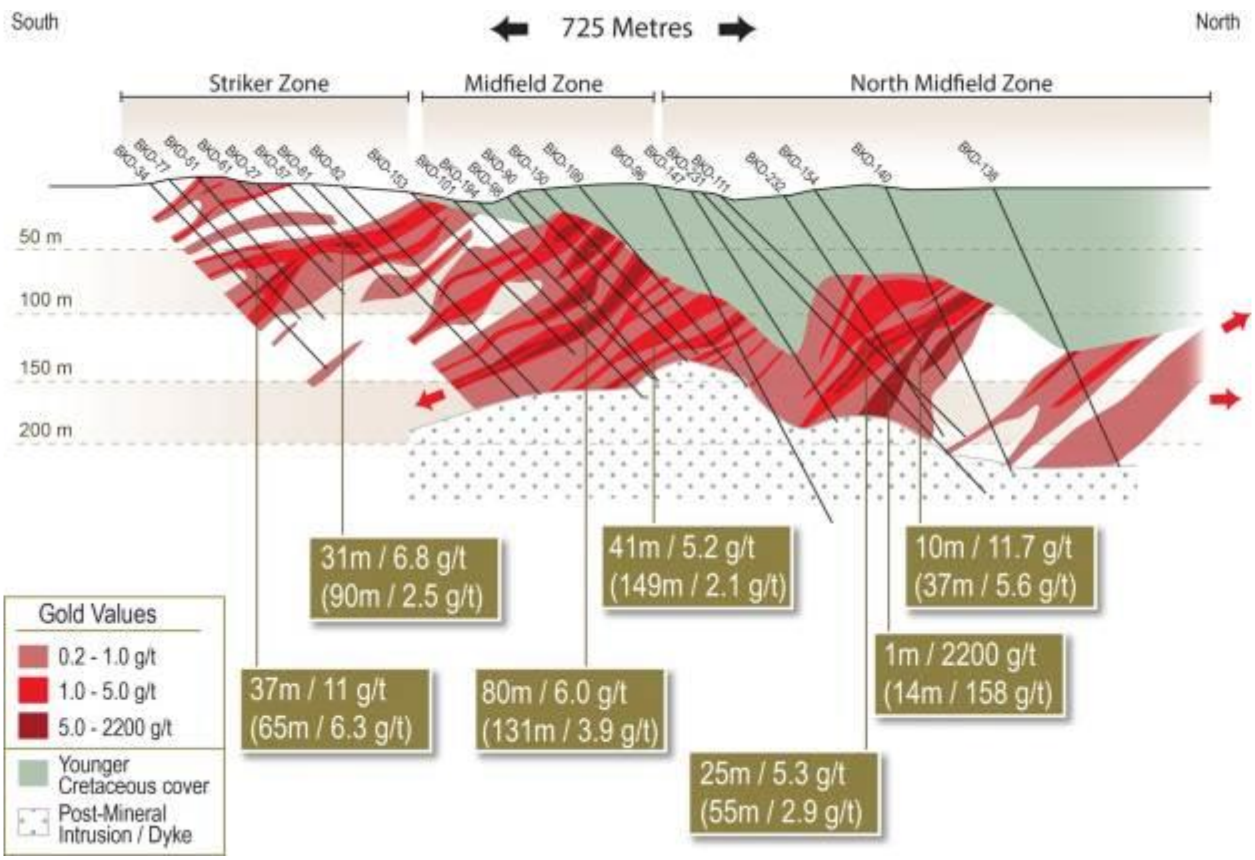

Figure 13 - NE-SW trending cross section through the Striker and Midfield zones at Bayan Khundii showing the results from 2015, 2016 and 2017 drilling. Note the consistent moderate SW dip to the parallel mineralized zones. Overlying Cretaceous cover rocks are indicated in green colour and post-mineralization syenite intrusion is indicated by stippled pattern.

Table 2 **– Drilling Intersection Highlights from 2017**

Drill Hole	From (m)	To (m)	Interval (m) (1)	Gold (g/t)
BKD-98	39	170.5	131.5	3.86
incl	42	122	80	6.03
incl	112	114	2	192
BKD-99	53	158.4	105.4	3.55
incl	56	112	56	6.13
incl	87	91	4	69
BKD-101	54	200.4	146.4	0.84
incl	134	144.1	10.1	4.84
BKD-110	97.7	206	108.3	2.82
incl	97.7	153	55.3	2.83
incl	144	145	1	115
incl	177	178	1	108
BKD-111	130.6	186	55.4	2.86

incl	150	175	25	5.29
incl	150	151	1	44
incl	162	163	1	33.1
BKD-118	106	116	10	12.8
incl	113	114	1	121
BKD-128	0	14	14	2.81
incl	0	8	8	4.45
BKD-129	90	110	20	2.57
incl	98	106	8	5.69
incl	104	105	1	18.8
BKD-150	21.5	152.9	131.4	1.77
incl	26	41	15	2.1
incl	96	98	2	53.6
BKD-179	106	146	40	3.26
incl	106	115	9	12.5
incl	111	112	1	89.6
BKD-182	70	109	39	2.12
incl	88	97	9	8.17
incl	90	91	1	65.5
BKD-188	110	230	120	1.14
incl	176	179	3	33.1
BKD-194	49	177.3	128.3	1.14
incl	88	89	1	11.9
incl	115	137	22	3.33
incl	123.9	125	1.1	43.5
BKD-196	112	134	22	2.36
incl	118	119	1	43.1
BKD-197	130	136	6	2.69
BKD-198	144	169	25	1.37
incl	145	148	3	7.81
incl	147	148	1	16
BKD-199	74	162.3	88.3	1.08
incl	148	149	1	15.2
and	153	154	1	16.6
BKD-210	89	131.8	42.8	1.75
incl	105	118	13	4.89
incl	106	107	1	44.8
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	153	173	20	2.83
incl	153	163	10	5.52
incl	156	157	1	50.5
BKD-220	130	165	35	4.08
incl	130	148	18	7.72
incl	139	142	3	44
incl	141	142	1	116
BKD-222	29	104	75	2.2
incl	41	64	23	6.68
incl	42	43	1	139
BKD-227	54	115	61	4.22
incl	54	56	2	19.6
incl	67	75	8	14.9
incl	68	69	1	111
BKD-228	93.2	186	92.8	1.51
incl	94	142	48	2.36
incl	94	95	1	15.6
BKD-230	31	158.5	127.5	1.8
incl	73	98	25	5.84
incl	95	98	3	36.8
BKD-231	193	207	14	158.3
incl	193	194	1	2,200.0

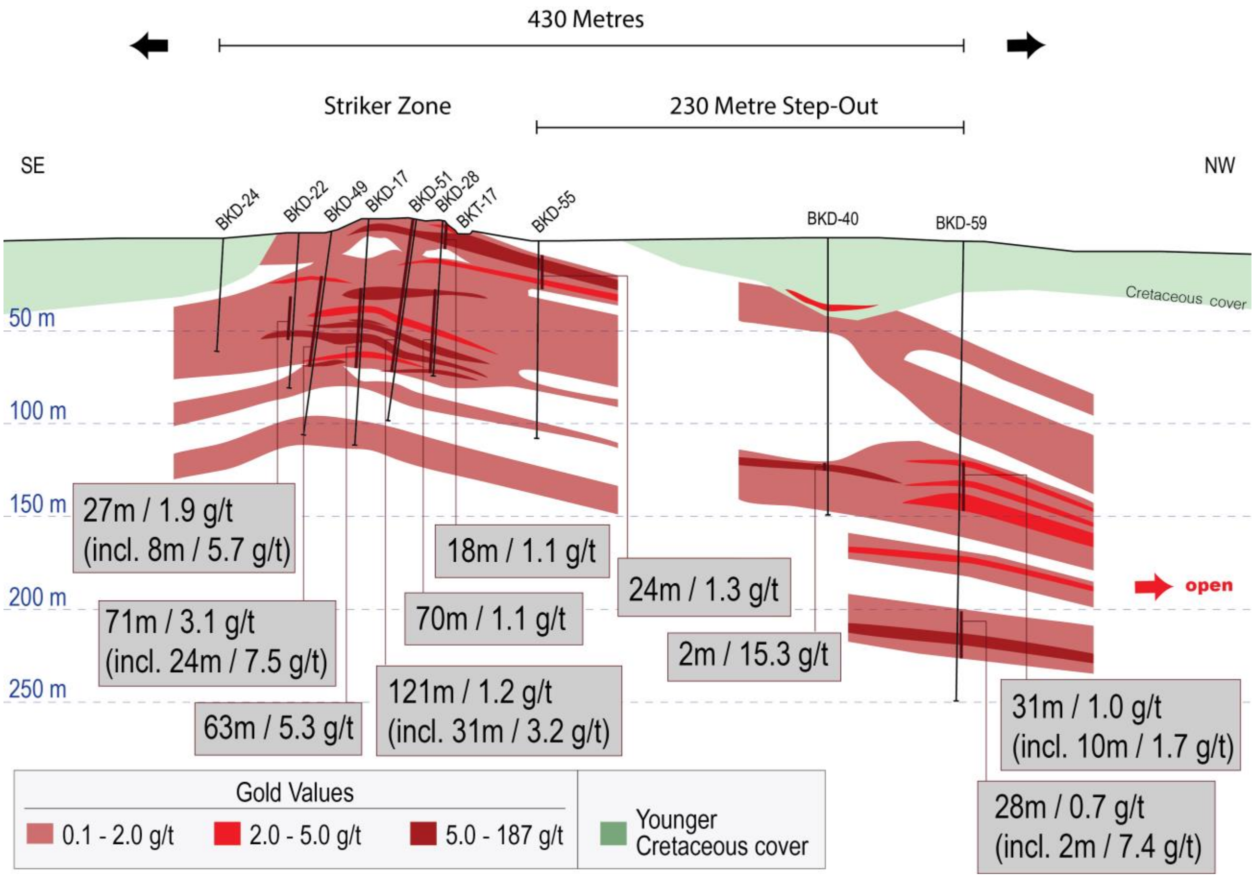

Figure 14 - NW-SE longitudinal-section (looking southwest) through the Striker Zone showing results from 2016 drilling. Note the gentle NW dip to the mineralized zones.

7.5.3 Alteration

Perhaps one of the most striking features of Bayan Khundii is the intense alteration that overprints all Devonian tuffaceous rocks at Bayan Khundii, including the outcropping Southwest and Northeast Prospects that is evident on high resolution satellite images (e.g. GeoEye). This alteration is in sharp contrast to the relatively unaltered unconformably overlying Cretaceous sedimentary rocks and basalt. In many locations at Bayan Khundii it is difficult to identify the protolith, as virtually all primary minerals have been variably replaced by quartz and illite.

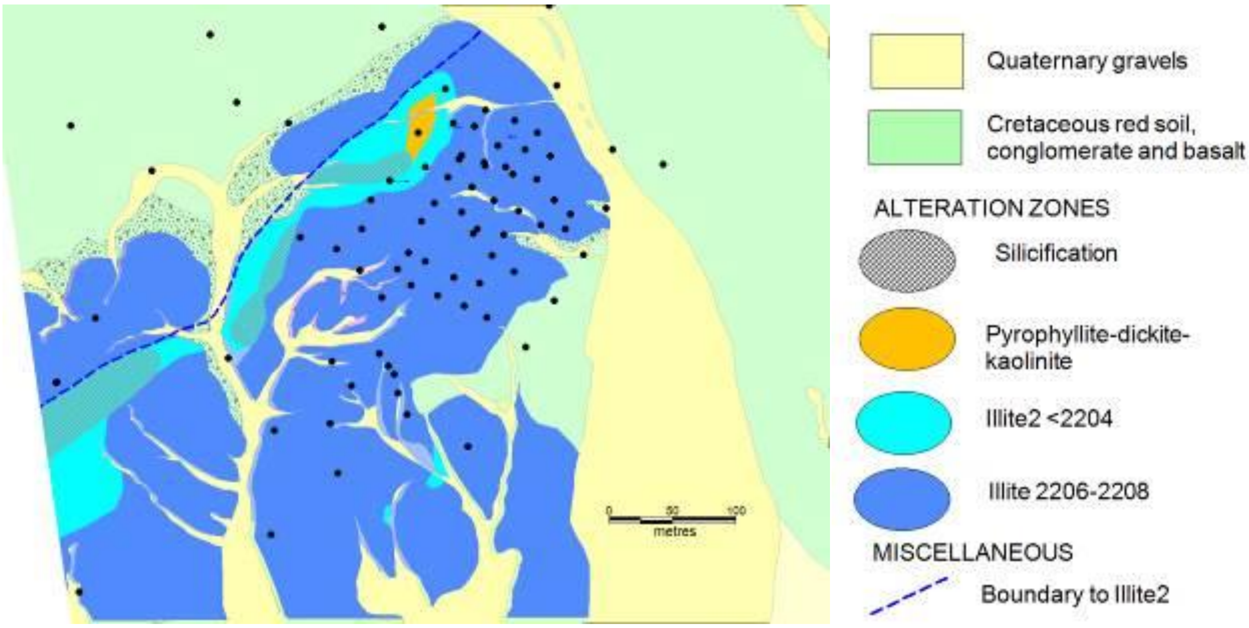

Figure 15 - Map of the Southwest Prospect area showing the distribution of alteration zones, as defined by Short-Wave Infrared (SWIR) Analysis

Based on the results from a Short-Wave Infra-red (SWIR) analysis of select surface outcrop and drill holes the Southwest Prospect is pervasively altered and has several discrete alteration zones (Fig. 15), including:

1. Widespread and intense illite alteration with Al-OH absorption values of 2206-2208 nanometers that is present throughout the Gold Hill and Striker zones. SWIR analysis of patchy (i.e. 'gusano') style replacement textures, interpreted as forming during an earlier alteration event, indicates a pervasive illite alteration both within dark replacement spots and in the matrix. This suggests the pervasive illite alteration represents a late overprinting alteration event that is interpreted to be associated with the low-sulphidation gold mineralizing event.
2. A discrete, NE-trending zone of white-mica alteration with Al-OH absorption values ranging from 2196-2204 is developed along the margin of the Striker Zone and is interpreted to be of lower temperature epithermal origin that the widespread illite alteration. This alteration type is referred to as illite2<2204 in Figure 15. This zone is parallel to the strike of the tuffaceous lithologies in the Southwest Prospect area and may represent preferential alteration of a specific lithology.
3. A small zone of advanced argillic alteration (i.e. pyrophyllite-dickite-kaolinite) is situated within the illite2 alteration on the NW edge of the Striker Zone (Fig. 15). As with the gusano replacement style alteration noted above, the advanced argillic alteration is interpreted as forming from an earlier high-temperature alteration event, however, here it was preserved and not overprinted by the later widespread illite alteration event.

4. Several quartz-rich alteration zones are present within the Southwest Prospect area, as observed at Gold Hill, and form prominent topographic high features. Several 'siliceous' alteration zones were observed within the illite2 alteration zone (Fig. 15). These siliceous alteration zones have well-developed saccharoidal (i.e. 'sugary') textures, and very poorly-developed 'vuggy' texture in part, and are provisionally interpreted as representing lithocaps that were presumably developed during the early high-temperature alteration event that also formed the gusano and advanced argillic alteration.
5. Tourmaline alteration as replacement spots and also as fracture fillings. The most intense tourmaline alteration was noted in the western part of the Southwest Prospect area where it is mostly restricted to welded tuff lithologies. Some tourmaline zones were noted to contain angular xenoliths of quartz veins and in the same sample fragments of tourmaline-rich rock displayed comb-textured quartz overgrowths. This suggests a complex history of tourmalinization, brecciation and quartz vein emplacement.

Chlorite ±pyrite ±magnetite ±K-feldspar ±biotite alteration was observed in deeper part of several drillholes below or adjacent to the pervasive illite alteration. As for the replacement (i.e. gusano), advanced argillic and siliceous alteration, this alteration assemblage is thought to have formed during an early high temperature alteration event, presumably above a shallow (i.e. 'porphyry') intrusion. Alteration at Bayan Khundii can be grouped into two main events, based on observed textures and mineralogical studies. These include:

1. An early high-temperature alteration event that formed poorly-developed vuggy quartz lithocaps and underlying well-developed gusano (i.e. 'wormy') replacement textures and small isolated zones of advanced argillic alteration (pyrophyllite-dickite-kaolinite) in the vicinity of the Striker Zone. Widespread chlorite-pyrite-magnetite-K-feldspar-biotite alteration that is easily recognized outside the illite alteration zone is considered to have formed during this early alteration event. Fluid inclusion results have identified a hypersaline population of inclusions that may be associated with this early alteration event, possibly associated with a porphyry intrusion at depth;

2. A later, lower temperature pervasive illite-quartz alteration event that is interpreted as part of the low-sulphidation epithermal mineralization at Bayan Khundii. There is a second population of lower-temperature aqueous fluid inclusions that are interpreted as forming during this alteration/mineralizing event. There is no chlorite, pyrite, or magnetite, or obvious K-feldspar, within the illite alteration zone, although there is some 'retrograded' alkali feldspar that was identified in thin section.

The chlorite ±pyrite ±magnetite ±K-feldspar ±biotite alteration assemblage that surrounds the mineralized and illite altered zones at Bayan Khundii are thought to represent a widespread propylitic alteration that may have formed either during the early intrusion-related alteration, or perhaps as a distal alteration assemblage related to the deposition of the low sulphidation gold mineralization and associated illite alteration.

7.5.4 Sulphide Minerals

The majority of the Southwest Prospect area at Bayan Khundii is either devoid or contains only trace modal amounts of sulphide minerals, including pyrite, sphalerite, galena and chalcopyrite. This is reflected in the geochemistry of the deposit where relatively low concentrations of Pb (16 ppm avg.; <2-249 ppm range), Zn (77 ppm avg.; <2-2,749 ppm range; only 3 samples > 1,000 ppm) and Cu (20 ppm avg.; <1-3,107 ppm range; only 2 samples > 1,000 ppm) were encountered in the 20,739 samples of drill core analyzed in 2015, 2016 and 2017. Despite these generally low elemental concentrations, locally-elevated levels of Mo, S and As were noted the large dataset (N=20,739). For example, the average concentration of Mo in the entire dataset is 3 ppm, with many samples containing less than detection limit of 1 ppm. Anomalous concentrations of molybdenum (Mo), presumably reflecting the presence of molybdenite, were noted in some samples with a maximum concentration of 551 ppm and 11 samples containing more than 100 ppm Mo. Similarly, the average concentration of arsenic (As) is generally low (70 ppm) with many samples containing less than detection limit of 3 ppm, although the maximum value was 10,800 ppm As with 45 samples returning more than 1,000 ppm, presumably reflecting the presence of either arsenopyrite or perhaps arsenian-pyrite . The average concentration for sulfur (S) is generally low, with an average concentration of 0.12% and many samples containing less than the detection limit of 0.01%. Despite these low average results the maximum S concentration for the entire dataset is 5.00%, with 414 samples (2% of samples) containing more than 1.0% S and 1,368 samples (6.6% of samples) containing more than 0.5% S. Clearly, based on geochemistry, there are sulphide-rich zones at Bayan Khundii that presumably contain As-, Mo-, Cu-, Zn- and to a lesser extent P-bearing mineral species.

Most drillholes at Bayan Khundii, especially within the intensely illite-altered areas within the Gold Hill-Striker-Midfield-North Midfield zones, contain only trace to minor amounts of disseminated pyrite. Some zones were noted to contain 1-2% pyrite, as noted in BKD-32 located to the northwest of Striker Zone where disseminated and/or vein type pyrite was identified in 48 of 107 sample intervals. Most pyrite-bearing zones have low gold concentrations and a general antithetic relationship between pyrite and gold concentration was noted in the 234 holes drilled to date. This relationship is interpreted as reflecting the replacement of pyrite by hematite as part of the low-sulphidation gold mineralizing event.

Petrographic work has identified relict disseminated pyrite that has been mostly replaced by hypogene hematite/specularite and has associated visible gold. This relict pyrite may have been associated with the early high-temperature alteration or perhaps it may have formed during an early stage of the low sulphidation gold event that was then overprinted and replaced by Fe-oxides during late stages of the low-sulphidation alteration/mineralization event.

As noted in *Section 9.3.2 Induced Polarization (IP) Surveys*, there are several induced polarization (IP) chargeability anomalies at Bayan Khundii that may reflect the presence of disseminated specularite, as noted in some zones intersected in drilling to date, or conversely could be caused by sulphide rich rocks below the current erosional level at Bayan Khundii.

7.5.5 Fe-Oxide Minerals

Hematite, often with associated specularite, is a ubiquitous feature at Bayan Khundii, and was observed in surface outcrop, trenches and in drill core, where it is present as:

1) Fracture/vein infilling, commonly within very sharp-sided angular fractures or veins that may contain wallrock fragments;
2) as central vein infilling and vein margins in comb-textured quartz veins;
3) as matrix in quartz-hematite breccias, commonly with angular fragments of illite-quartz altered wall-rock;
4) as rare round disseminations that are interpreted as pseudomorphic replacement of early pyrite; and
5) alteration selvages along the margins of fine grained dark grey quartz or chalcedony veins.

In drillhole BKD-01 there are several narrow specularite veinlets (<1-2 mm wide) with wide medium grey alteration selvages (≤2 cm) consisting of intense silicification and illite alteration. The lack of hematite alteration selvages surrounding quartz-hematite veins at Bayan Khundii, where hematite may reside in the central parts of comb-textured veins, or as vein-parallel bands near vein margins, supports a hypogene versus supergene origin for the iron-oxide minerals at Bayan Khundii. The presence of visible gold in some hematite veinlets establishes a genetic relationship between the gold and hematite-forming fluids. Accordingly, hematite is considered to be associated with the intense silica-illite alteration and deposition of low-sulphidation gold mineralization. The presence of hematite (and minor specularite) indicates oxidizing conditions and suggests the mineralizing fluids at Bayan Khundii may have interacted with oxygenated surface (i.e. meteoric) waters.

8.0 Deposit Type

Several features support a low sulphidation model for the Bayan Khundii mineralization, including: the presence of quartz-adularia-sericite (illite) veins and adularia alteration zones in gold mineralized zones; the low Ag : Au values (0.1->5, avg. ~1) local colloform bands of chalcedony (often with finely disseminated gold), bladed calcite (now pseudomorphed by quartz) textures that indicate boiling; the generally low concentrations of base metals, widespread intense illite-quartz alteration zones; the ubiquitous presence of hypogene hematite as fractures, veins and breccias; and the presence of comb-textured quartz veins and chalcedony, albeit minor in abundance.

Pre-epithermal alteration is present, including chlorite, K-feldspar, biotite and granular quartz with hypersaline inclusions. This alteration assemblage was followed by tourmaline and magnetite along with a muscovite alteration overprint and structurally-controlled advanced argillic alteration and residual quartz alteration. This high-temperature alteration, characteristic of intrusion-centred systems at depths >1km, was uplifted, eroded and potentially tilted prior to initiation of the subsequent low-sulphidation epithermal system, including the formation of low-temperature illite-quartz alteration and deposition of quartz cement in brecciated structures along with adularia and gold (electrum). The general absence of smectite at Bayan Khundii suggests erosion to at least 150 m depth below the paleo-groundwater table.

Based on the features and discussion above, Bayan Khundii gold±silver mineralization is considered to be a low sulphidation epithermal type gold deposit.

9.0 Exploration

While Erdene has held the Khundii exploration license since 2010, and has carried out license wide geological mapping, soil geochemical sampling and magnetic surveys, detailed work between 2010 and 2014 was focused on the Altan Arrow property in the north central portion of the property (see section *6.0 History* for further details). In mid-2015, Erdene geologists identified, through rock chip sampling, new high-grade gold mineralization associated with a zone of intensely altered (silica and sericite) volcanic lithologies located ~3.5 km south of Altan Arrow. This area, referred to as the Bayan Khundii (rich valley) project has been the focus of the 2015 to 2017 exploration programs. The following sections provide a summary of the activity, including methodologies and results, for the exploration work carried out on the Bayan Khundii project to date.

9.1 Geological Mapping

A detailed geological mapping program was initiated in June 2015 over the Bayan Khundii project area with additional mapping taking place in July –August 2017. This work has been principally carried out by G. Bat-Erdene, one of Erdene's senior exploration geologists. Bat-Erdene, with the assistance of other Erdene geologists, has carried out systematic geological mapping over a 2 km by 2km area as shown in Figure 6. A detailed description of the geology at Bayan Khundii is provided in *Section 7.4 – Bayan Khundii Project Geology*. In addition, more detailed mapping of the entire Khundii license was carried out in 2017 resulting in the greater understanding of the distribution of lithological units and zone of alteration across the Khundii license. See Figure 5.

9.2 Rock Geochemical Surveys

In 2015, rock-chip (outcrop) and rock-grab (float) samples were collected from across the Bayan Khundii project area as part of the geological mapping and prospecting programs. No grid-based rock sampling programs have been carried out to date. Results from all rock samples taken from 2010 to the date of this report are included herein.

All rock sample locations were determined by hand-held GPS units with approximately 3 m location accuracy. All samples were sent to SGS Laboratory in Ulaanbaatar for analysis. All samples were assayed for Au (fire assay) and a 32 element suite (ICP). See *"Section 10.0 - Sample Preparation, Analyses and Security"* for more details.

9.2.1 Southwest Prospect Area

A total of 78 rock chip and grab samples from surface outcrop and sub-crop, and channel samples from trenches were collected, principally from quartz veins within multiple mineralized areas across the Southwest Prospect, a 550 m by 300 m area, with the majority returning highly anomalous values, and over 20% of the samples returning values in excess of 3.0 g/t gold (Table 3). A map showing the sample locations has been included for reference (Fig. 16).

Table 3 - Rock chip and grab sample gold and silver assay results greater than 3.0 g/t gold

Sample Number	Au g/t	Ag g/t
26881	4,380	570
26861	1,790	230
26864	110.0	26
26867	73.8	120
26863	66.5	11
26862	62.3	12
26854	58.8	24
26852	45.8	20
26888	10.2	0
26885	9.81	2

Sample Number	Au g/t	Ag g/t
26890	7.13	2
26875	6.28	0
27272	6.26	0
26859	5.40	3
26878	4.75	0
26898	4.35	0
27260	4.08	0
26892	4.07	5
27287	4.06	2
26874	3.03	3

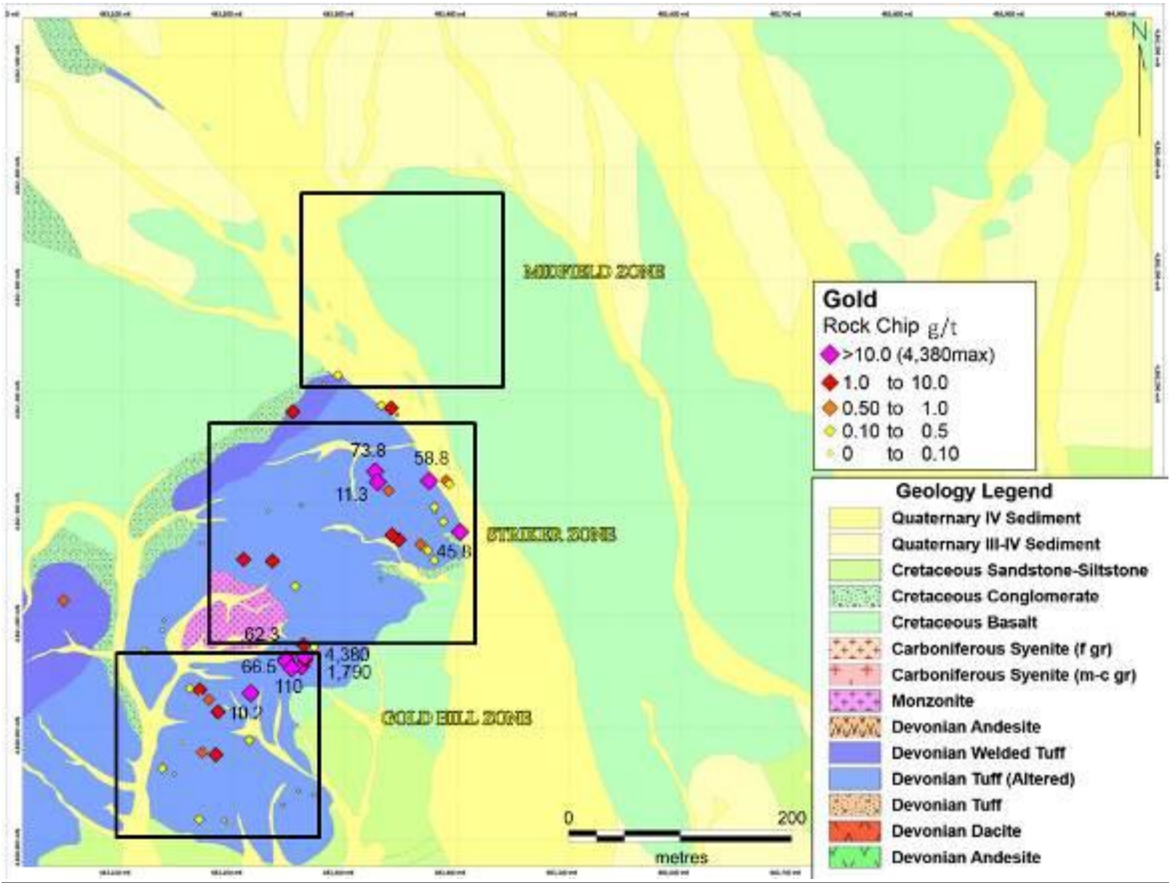

Figure 16 – Southwest Prospect area geology map with location of 78 rock chip and rock grab samples, with labels for gold assay values >10 g/t Au

9.2.2 Northeast Prospect

While highest grade gold mineralization identified to date is located within the Southwest Prospect, an area located approximately 700 m to the northeast, and aptly named the Northeast Prospect (300 m x 300 m), returned numerous anomalous gold assays (>200 ppb) from mineralized rock chip samples (up to 4.1 g/t Au), and two rock grab samples (from float material) collected a further 500 m to the northeast (NE Extension) returned Au assay values of 7.0 g/t and 0.4 g/t Au (Fig. 17). These areas will be investigated in future (see recommendations).

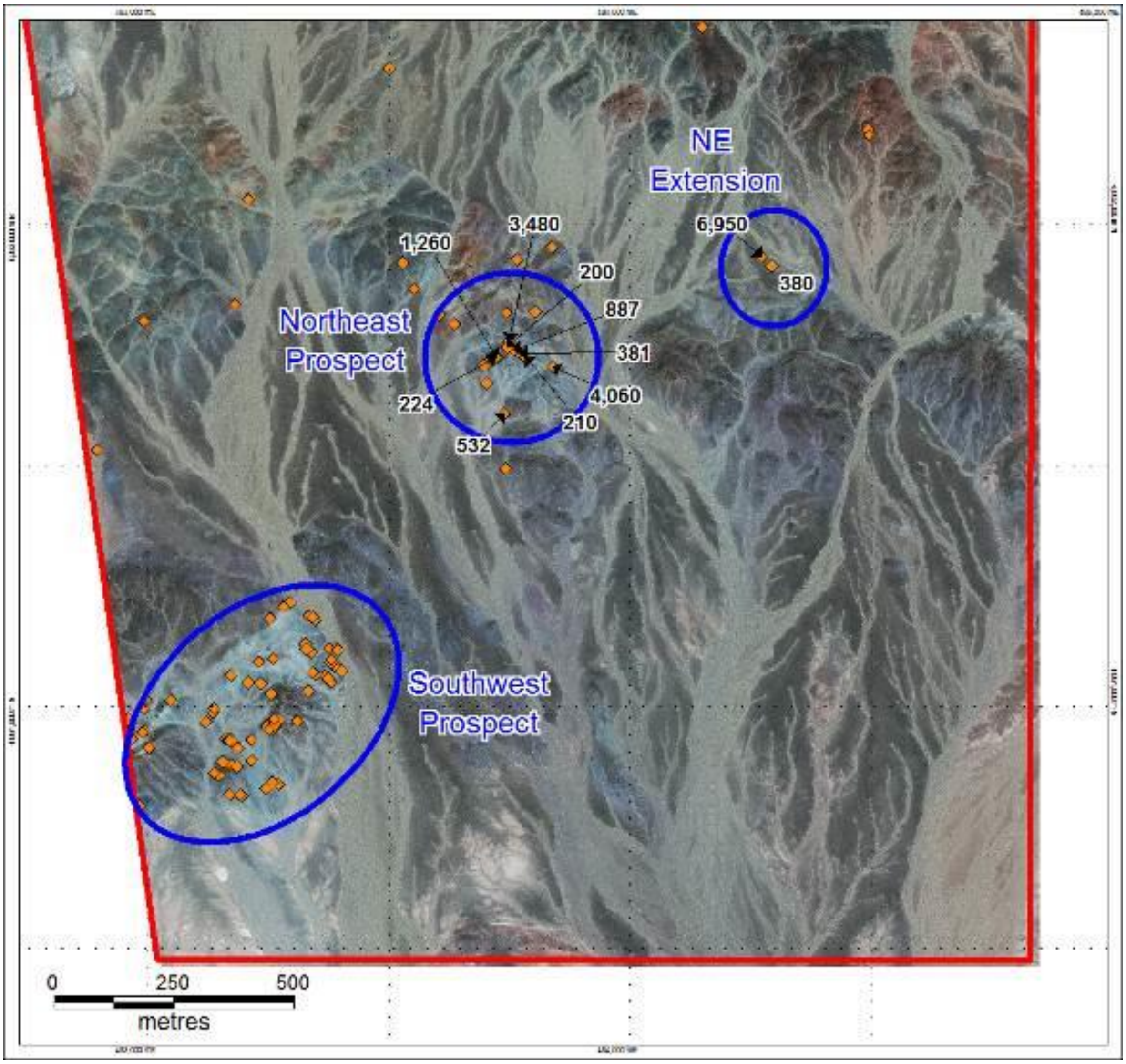

Figure 17 - Gold values (ppb) for rock chip and rock grab samples from the Northeast and NE Extension Prospect areas with labels for gold assay values >200 ppb

9.3 Soil Geochemical Sampling

A grid based soil sampling program was carried out in April and May 2016. The entire area on the Khundii license, from Bayan Khundii to Altan Arrow (an area approximately 4 km by 6 km) was samples at a 200 m spacing (infilling from a previous 400 m spaced soil sampling grid) with the 2 km x 2 km Bayan Khundii project area covered by a 100 m grid and areas of altered pyroclastics exposed on surface, namely the Southwest and Northeast prospect areas, covered by 25 m spaced grid sampling.

A total of 1,088 samples were collected. All samples were sent to SGS Laboratory in Ulaanbaatar for analysis. All samples were assayed for Au (fire assay) and a 32 element suite (ICP). See *"Section 10.0 - Sample Preparation, Analyses and Security"* for more details. Gold assay results ranged from below detection limit (1 ppb Au) to a high of 1,570 ppb Au (1.6 g/t). Figure 18 shows the distribution of the anomalous soil geochemical results, which are mainly focused in and around the two areas of exposed, altered, Devonian pyroclastics at the Southwest and Northeast prospects.

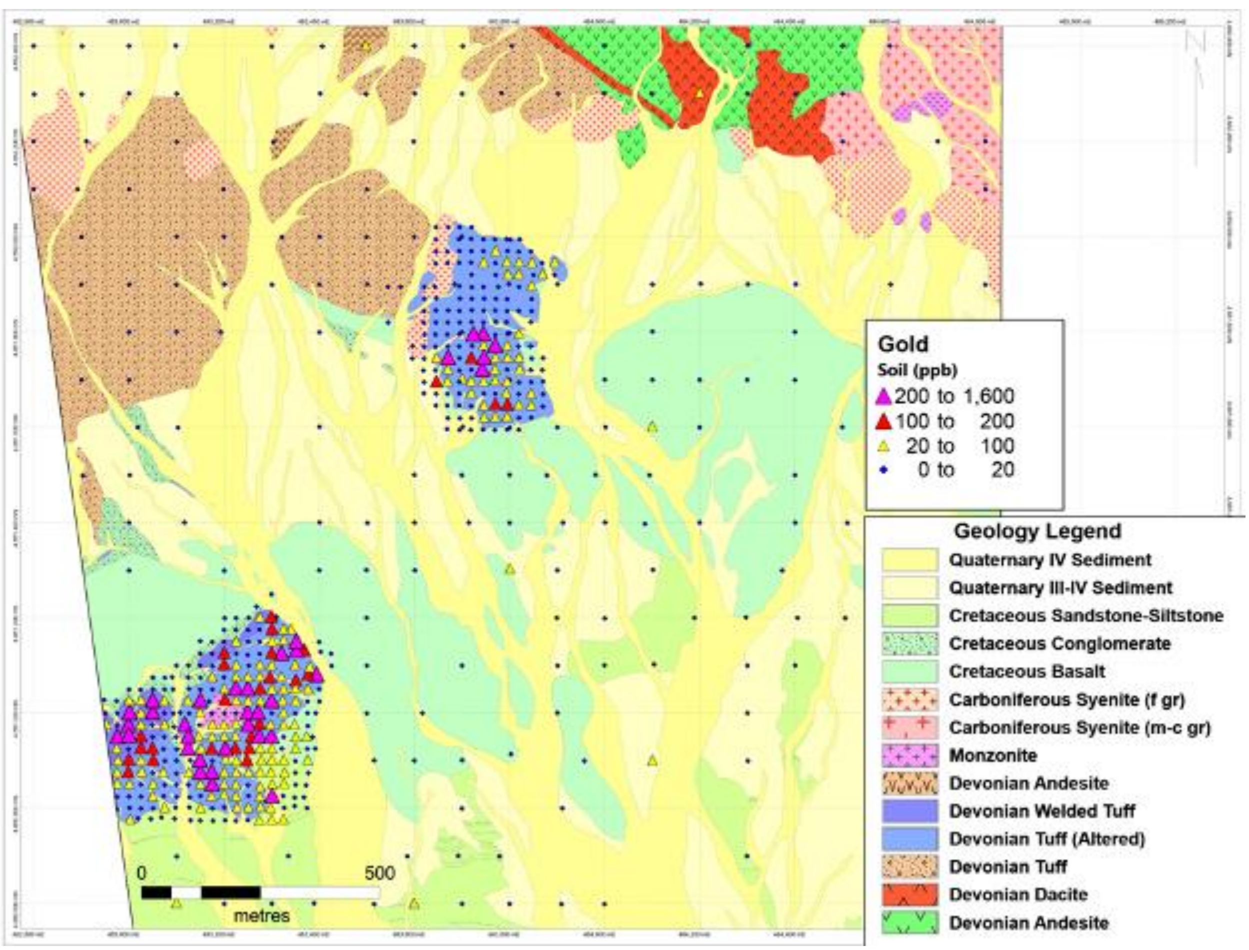

Figure 18 – Soil geochemistry results for gold

9.4 Geophysical Surveys

9.4.1 Magnetic Survey

In 2012, a license wide magnetic survey (100 m line spacing) was completed over a 28 km^2 area covering most of the Khundii exploration license. In October 2015, a detailed (25 m line spacing), magnetic survey was carried out over the Bayan Khundii project area (1.7 km by 1.8 km). In June 2017, the area of the magnetic survey at Bayan Khundii was extended 350 m to the east to now cover an area of 2.05 km by 1.8 km. All of the magnetic surveys have been conducted by Erdenyn Erel LLC, a Mongolian geophysical consulting firm based in Ulaanbaatar. In 2015, Erdenyn Erel used a team of geophysicists and assistants who operated the following equipment:

Mobile magnetometer (4): GEM GSM-19 / SCINTREX, ENVI magnetometer
Base station magnetometer: GEM GSM-19 / SCINTREX, ENVI magnetometer

The daily magnetic control measurements were conducted using the base station and measuring points were located by DGPS. Magnetic field measurements were taken on a continuous basis with a two-second cycle time whereas daily magnetic variation (Base Station) was measured at a three-second cycle time. All instruments were synchronized as per manufacturer's specifications. All magnetic data was processed, or corrected, for diurnal variation.

Data from the detailed 2015 and 2017 surveys were processed, including quality control analysis, by geophysicist Chet Lide of Zonge International Inc. of Reno NV, USA. Mr. Lide compiled all magnetic datasets and produced the following magnetic map products for the Bayan Khundii map area: 1) Total Magnetic Intensity, Reduced to North Magnetic Pole (RTP), (UC2 and UC10); 2) Calculated First Vertical Derivative of the RTP-TMI (UC10 and UC20); 3) Tilt Derivative of the RTP TMI (UC3); 4) Analytical Signal of the Total Magnetic Field (UC2); 5) Pseudogravity Transform of the Total Magnetic Intensity; and 6) Horizontal Gradient Magnitude of the Pseudogravity.

The various magnetic map products provide insight into the geology of Bayan Khundii. The analytical signal of the total magnetic field provides the magnetic response for near-surface rock units and outlines the distribution of the Cretaceous basalt. In contrast, other magnetic products including Reduced to Pole (RTP), 1^{st} Derivative RTP, and Pseudo-gravity provide magnetic response for at-depth rock units.

Gold mineralization at Bayan Khundii is associated with intensely altered (silica-illite) Devonian pyroclastic lithologies. Magnetic susceptibility measurements from drill core have demonstrated that these units have a low magnetic response, interpreted as reflecting the destruction of primary magmatic magnetite present in unaltered pyroclastic lithologies.

Low magnetic response, or 'quiet zones' in the Bayan Khundii project area are interpreted as reflecting areas of magnetite destruction from hydrothermal alteration. Figure 19 shows the RTP (UC10) magnetic response for the Bayan Khundii project area, and shows the locations of the known zone of mineralization, Gold Hill, Striker, Midfield, North Midfield, West Striker and Northeast prospects. A broad zone of low magnetic response is outlined (black dashed line) in Figure 19, measures approximately 1.8 km by 1 km and reflects the extent of the exploration target area at Bayan Khundii. In addition, the outline of the intensely altered Devonian pyroclastic units, as defined by surface mapping, is shown with white dashed lines.

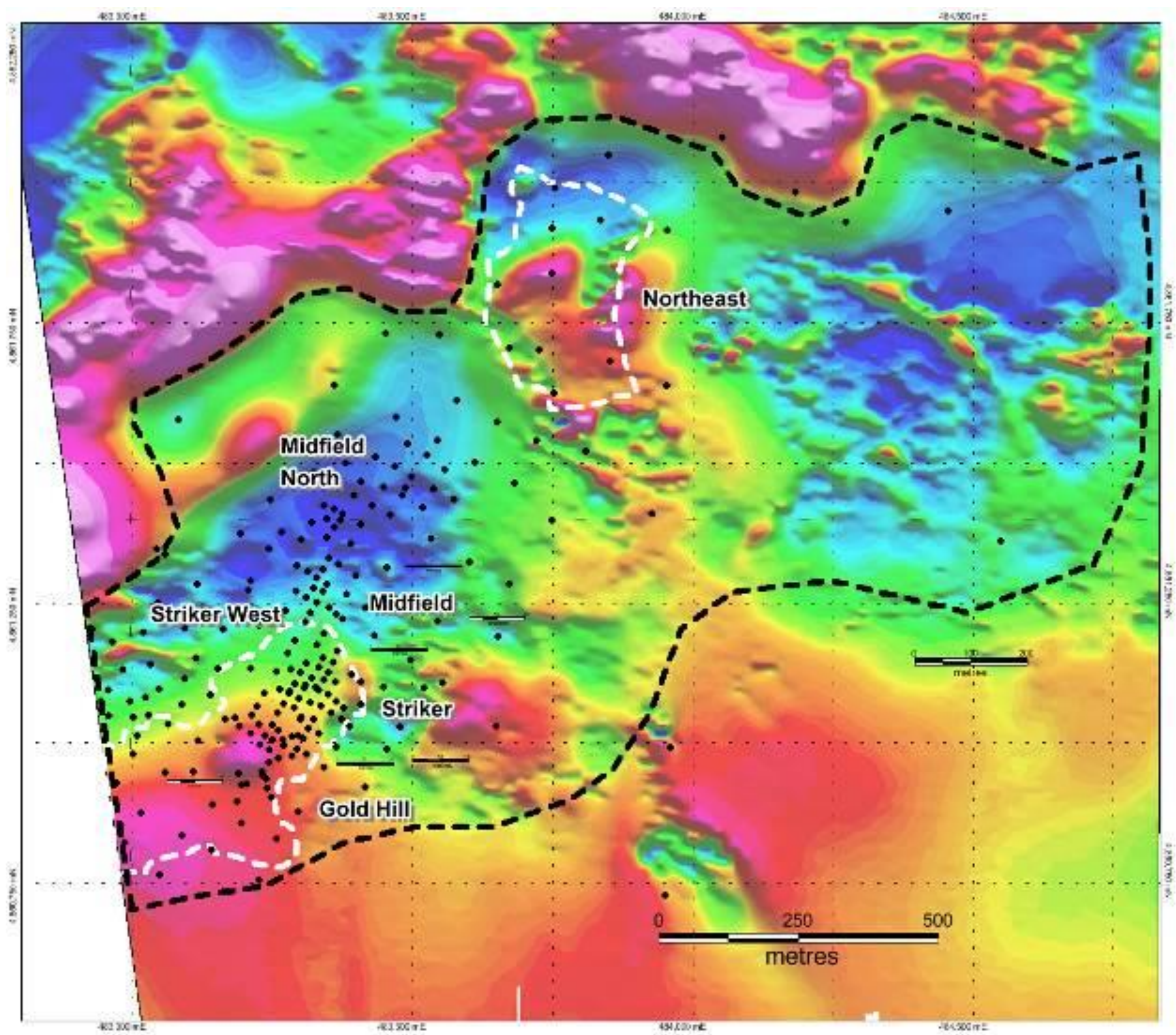

Figure 19 Reduced to pole (RTP-UC 10) magnetic response for the Bayan Khundii Project area, showing the locations of the Gold Hill, Striker, Midfield, North Midfield, West Striker and Northeast prospect areas at Bayan Khundii. Broad zone of magnetic low response (outlined by black dashed line) is interpreted as representing area of altered Devonian pyroclastic units (outcropping within area of white dashed line), mostly hidden under Cretaceous lithologies and Quaternary sediments

Several smaller areas of moderate to higher magnetic response are observed within the broader low-response area. These have been interpreted, based on results from drilling and geological mapping, as most likely related to post mineral intrusions (monzonite) near Gold Hill, east of Striker and in the southern part of Northeast prospect; and younger Cretaceous volcanic (basalt) unit, located south-southeast of the Northeast prospect, that unconformably overly the Devonian lithologies (possibly masking underlying altered Devonian lithologies) (see Figure 19).

9.4.2 Induced Polarization (IP) Surveys

To date, both IP gradient array and IP dipole-dipole ("Dp-Dp") surveys have been completed on the Bayan Khundii Project. All of the IP surveys were carried out by Erdenyn Erel LLC, a Mongolian geophysical contractor based in Ulaanbaatar. The work was performed using Zonge Universal IP/R equipment and supporting equipment (generator, cables, electrodes etc). The surveys were conducted under the direction of geophysicist Chet Lide of Zonge International Inc. of Reno NV, USA, who also completed all of the post-acquisition data processing, quality control and interpretation. The surveys were conducted in November 2015 and April-May 2016.

9.4.2.1 Gradient Array Survey

The IP gradient array survey was completed over a 2 km by 2 km area. The survey was carried out as four separate grids 1 km by 1km and then compiled into a single file. Survey lines were oriented N-S and spaced at 100 m intervals. Plots of the IP gradient array results for Bayan Khundii are shown in Figures 20 (resistivity) and 21 (chargeability).

Gradient array induced polarization (IP) data (Fig. 20) show a correlation between the intense alteration zone at the Southwest and Northeast prospects (outlined on Fig. 20) and a positive resistivity response that is interpreted as reflecting the intense silicification of host volcanic rocks. The transition from low to high IP resistivity response (red-pink-purple) along the southern margin of the Southwest prospect and between the Southwest and Northeast prospects reflects the mapped Cretaceous volcanic and sedimentary units that unconformably overlie the strongly altered (quartz-illite) Devonian pyroclastic units mapped at surface. The high resistivity responses in the northern third of the survey area correspond to an area in and around the Northeast prospect where limited work has been carried out to date and much of this area has little or no outcrop. Additional work will be required to determine the reason for the high resistivity response in this area.

A plot of IP gradient array chargeability data for the Bayan Khundii project area is given in Figure 21. There is a moderate intensity, positive chargeability anomaly (≤ 9 mSec) that corresponds to the Southwest Prospect and has a similar size and orientation as the resistivity data described above. As noted in *Section 7.5 Mineralization*, there are very few sulphide minerals observed either at surface or in drill core. Specularite has been documented to be a weak charge source for IP chargeability surveys. Specularite commonly accompanies hematite in veins, but is also present as fine disseminations within altered host rocks, and is considered a possible source for the chargeability anomalies. Similarly, clay minerals that are present throughout the alteration zone may also provide a charge source at Bayan Khundii. The moderate chargeability responses over the mineralized and altered rocks in the Southwest Prospect are believed to be related to either specularite or possibly clay minerals. There is a stronger IP chargeability response associated with the Northeast Prospect. This is interpreted to reflective of an increase is sulphide content (pyrite) observed in limited drilling in this area.

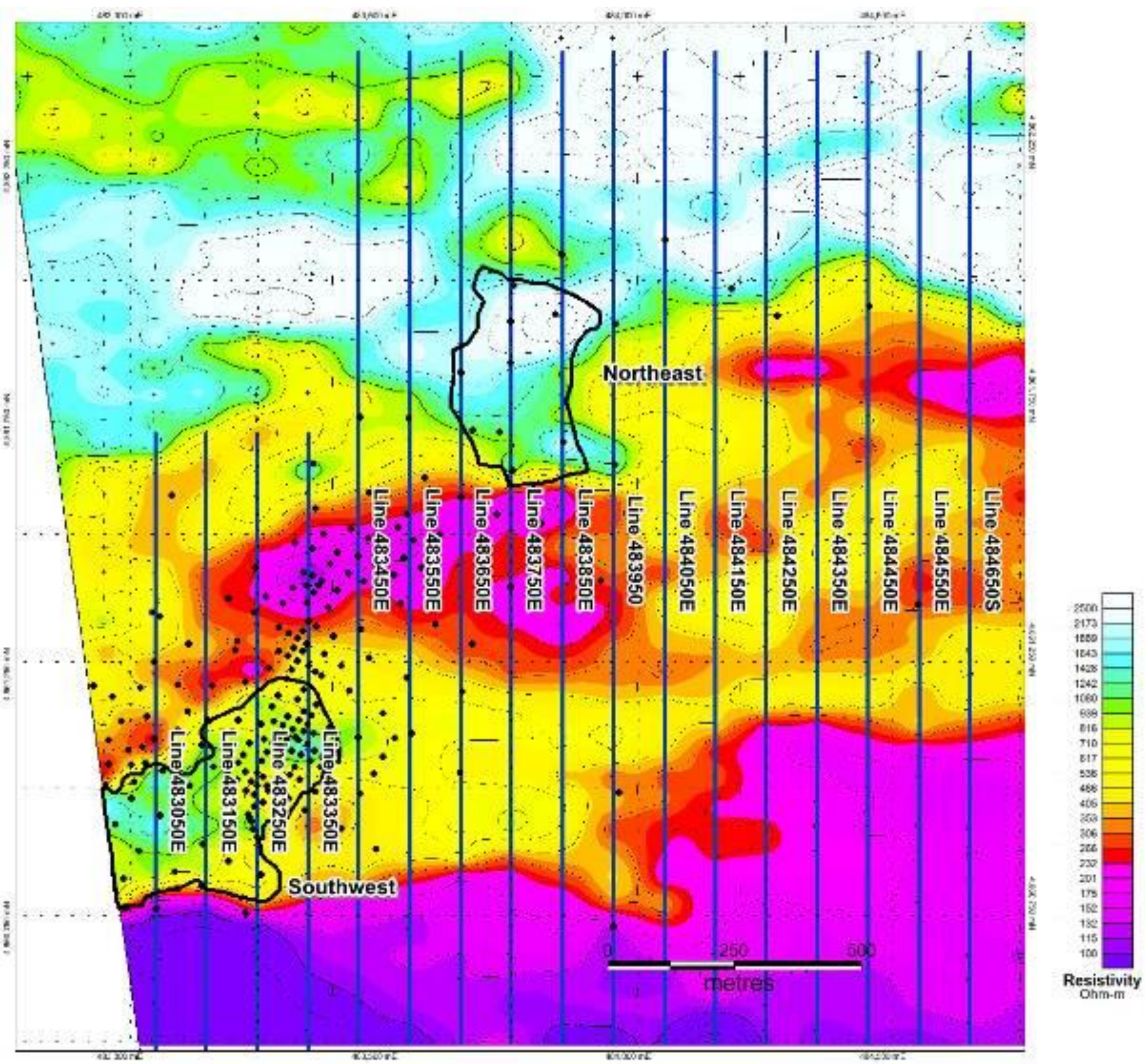

Figure 20 – IP Gradient Array Resistivity plot for the Bayan Khundii project area showing the locations of outcropping, altered Devonian pyroclastic units (black outline). N-S oriented Dipole-Dipole survey lines show the location of the inversion sections in Figure 22

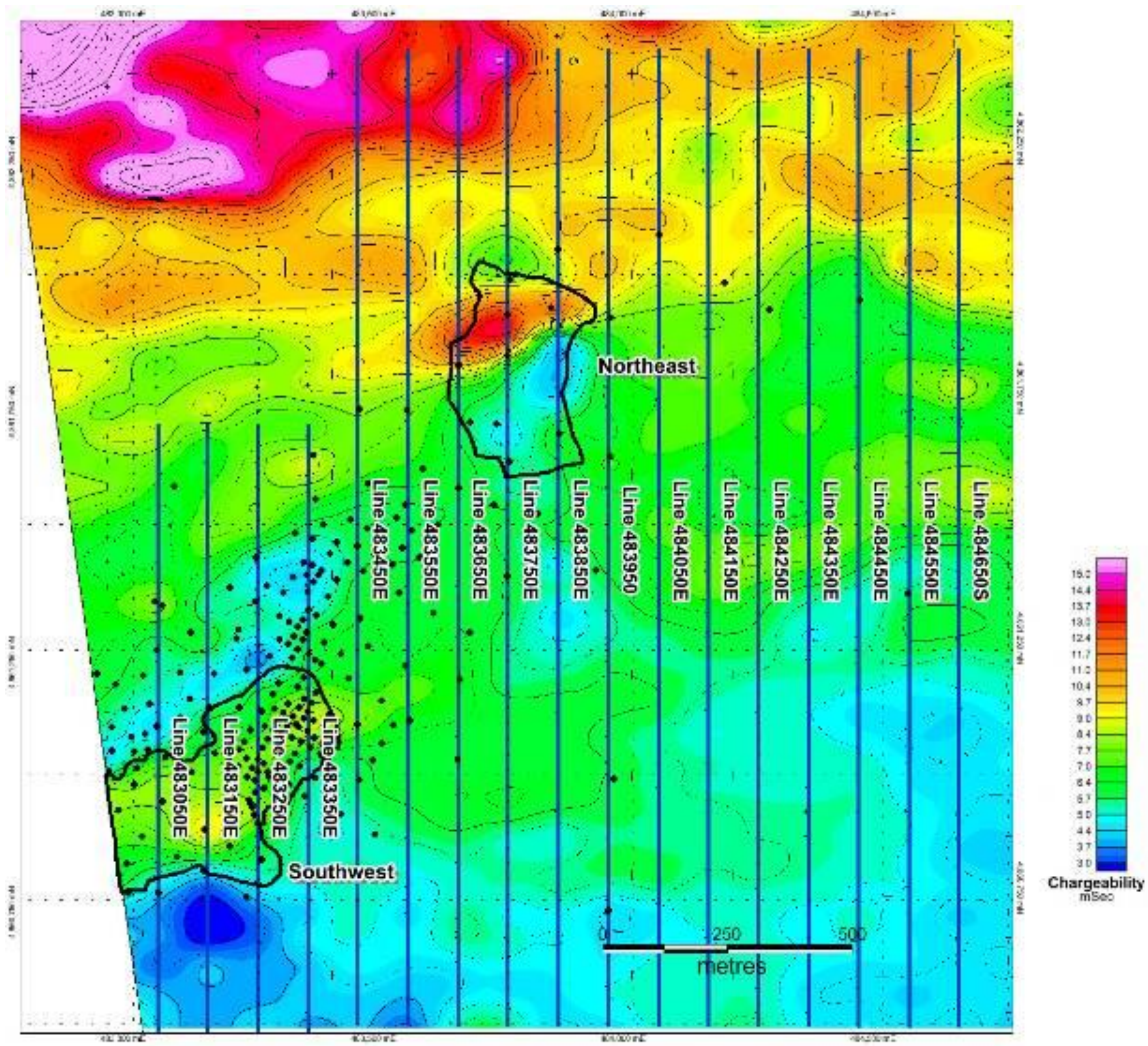

Figure 21 - IP Gradient Array Chargeability plot for the Bayan Khundii project area showing the locations of outcropping, altered, Devonian pyroclastic units (black outline). N-S oriented Dipole-Dipole survey lines show the location of the inversion sections in Figure 23.

9.4.2.1 Dipole-Dipole Survey

The dipole-dipole survey consisted of a series of 17, north-south oriented lines, spaced 100 m apart, with 50m spacing of dipoles along the survey lines with a total of 31.0 line-km surveyed. The location of the IP Dp-Dp survey lines are included on the plan maps of the gradient array IP survey (Figures 20 and 21). Stacked inverted sections for the 17 IP Dp-Dp survey lines completed over the Bayan Khundii prospect area are provided in Figures 22 (resistivity) and 23 (chargeability). A dashed black line representing the unconformity surface between the Cretaceous lithologies at surface (poorly resistive) and the quartz-illite altered Devonian tuffs at surface and below the unconformity (highly resistive) has been drawn on each of the DpDp section based on the interpretation of the resistivity signature, drill hole data and surface mapping.

On the south side (south is to the bottom of Figure 22) of the Southwest prospect (Lines 483050 to 483350) resistivity data show a sharp transition from low resistivity material (red-pink-purple), which is interpreted as Cretaceous volcanic (basalt) and sedimentary rocks, to moderate to high resistivity rocks (green-blue white) interpreted as intensely quartz-illite altered Devonian pyroclastic lithologies, that outcrop on surface and host the gold mineralization at Bayan Khundii. These data, together with results from drill holes, confirm the extension of the quartz-illite alteration zone beneath the Cretaceous lithologies. The shallow dip of the unconformity, towards the north, beneath the Cretaceous rocks, as seen on a number of lines and is similar to the 10^{o} to 25^{o} dips for Cretaceous sedimentary strata observed during geological mapping. In some area the unconformity contact appears to be more irregular, likely reflecting undulations in the pre-Cretaceous paleo-surface.

Based on the Dp-Dp resistivity data and drilling data to date, the quartz-illite altered Devonian units, outcroping at the Southwest Prospect, extend to the north beneath Cretaceous lithologies up to and beyond the Northeast Prospect, a distance of approximately 1 km. Dp-Dp resistivity data can also be used to estimate the average vertical thickness of the overlying Cretaceous lithologies in this area, which is interpreted to be approximately 40 - 75 metres.

As can be seen in Figure 23, there is generally a higher chargeability response within the altered Devonian units that outcrop at surface in the Southwest and Northeast prospects and underlie the interpreted unconformity (dashed black line). Several low to moderate positive IP chargeability responses on the dipole-dipole stacked sections generally correlate to the resistivity high response anomalies above. Chargeability high responses, though sometimes small and shallow, generally correlate to the Striker, Gold Hill, and Midfield zones, despite the general lack of sulphide minerals, as noted above. At present, the observed chargeability responses are thought to reflect specularite-rich or clay-rich zones. Chargeability response in the Northeast Prospect is notably higher. This may be a reflection of an increase in sulphide (pyrite) content in this area as noted in limited drilling.

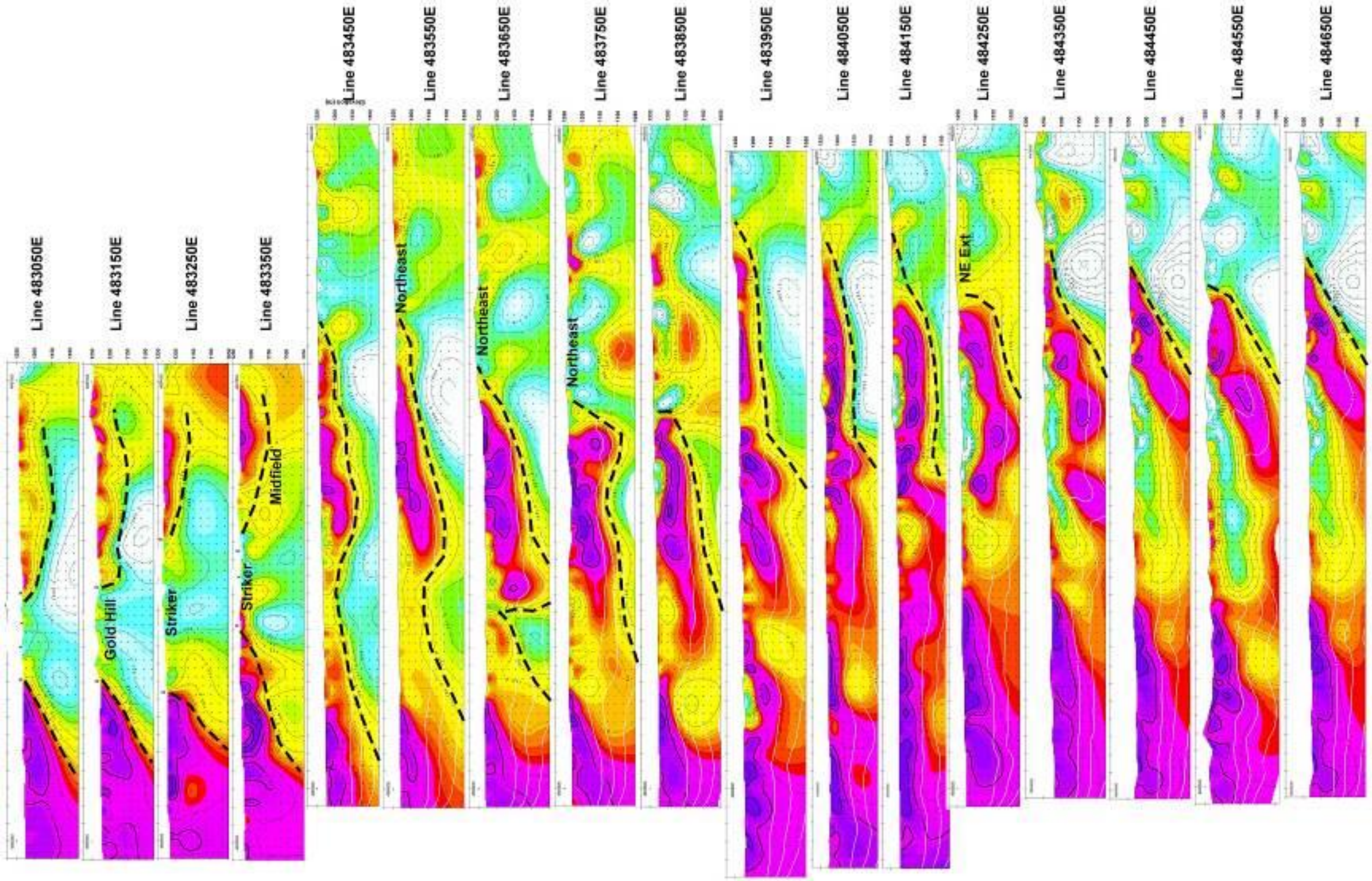

Figure 22 –Stacked IP Dp-Dp Resistivity Inversion sections (looking north with westerly most line on the left), Bayan Khundii Project. Black dashed line indicating possible location of unconformity surface between altered Devonian lithologies at depth and Cretaceous lithologies at surface.

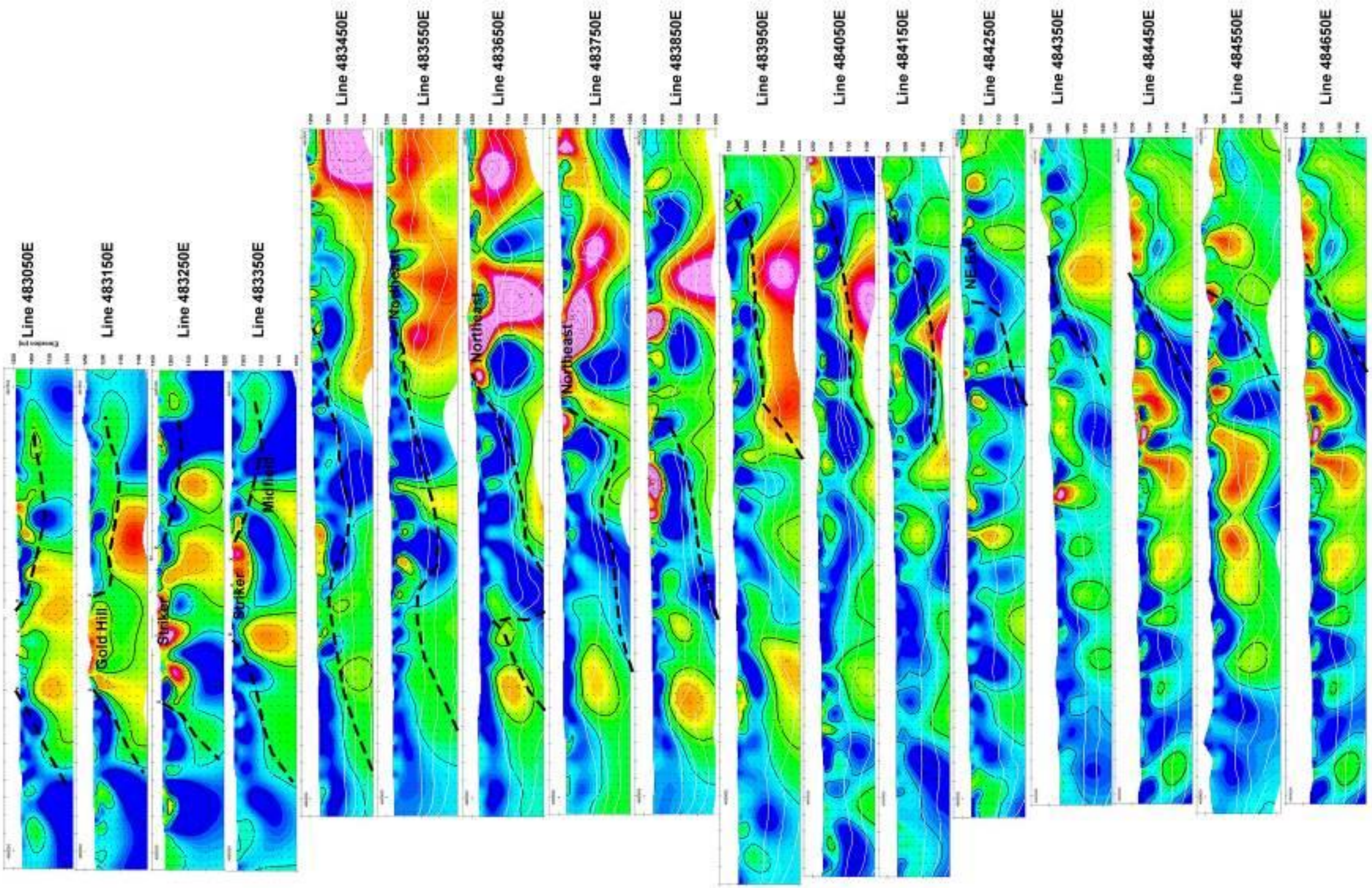

Figure 23 - Stacked IP Dp-Dp Chargeability Inversion sections (looking north with westerly most line on the left), Bayan Khundii Project. Black dashed line indicating possible location of unconformity surface between altered Devonian lithologies at depth and Cretaceous lithologies at surface.

9.5 Trenching Program

In August 2015 and May 2016, Erdene carried out a trenching program across the Southwest and Northeast Bayan Khundii prospects that included a series of 22 trenches, totaling 1060 m and ranging in length from 8 m to 94 m. The principal objectives of the trenching program were to further define the near-surface mineralization identified through rock chip sampling, improve the understanding of the gold mineralized system and prioritize areas for the planned maiden drilling program.

Trenching was carried out over a four day period in August 2015 and a six day period in May 2016, with Falcon Drilling supplying the excavator (Hyundai 290), operator and assistants. Trench locations were selected by Erdene's exploration team, oriented normal to the projected trend of mineralization. Trenches were excavated to a depth of between <1 and 2m. Trench samples were collected at 1m or 2m intervals, as determined by the senior project geologist, based on the lithology and mineralization. Samples were chipped from the base of the trench walls and care was taken to ensure each sample was representative of the entire interval being sampled. Representative hand samples for each interval were also collected for reference.

All trench samples were organized into batches of 20 and included a commercially prepared certified reference standard and an analytical blank. Each batch was stored in the field camp in sealed bags. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene's logistical contractor, Monrud Co. Ltd.

All trench samples are analyzed for gold (fire assay) and a suite of 32 elements using 4 acid digestion with ICP-OES finish (SGS analytical code ICP40B). For details of analytical protocols and detection limits please refer to "*Section 11 – Sample Preparation, Analysis and Security*".

One of the objectives of the trenching program was to determine if the gold mineralization was restricted to the quartz veins or if the host rock was also carrying gold mineralization. The program was successful in demonstrating wide zones of lower grade gold mineralization in the wall rock and confirming the intensity of mineralization in narrow, high-grade veins, as well as demonstrating continuity over a wide area. For example, trench BKD-17, returned 37 m of 2.12 g/t gold and included a 7 m interval of 8.68 g./t Au. Table 4 below summarizes significant mineralized zones (see Figure 24 for trench locations).

Table 4 – Bayan Khundii Trench Results

Trench	From (m)	To (m)	Interval (m)*	Gold (g/t)
BKT-01	6	8	2	2.98
and	36	66	30	2.70
incl	40	46	6	5.74
incl	42	46	4	7.36
incl	56	64	8	4.52
incl	62	64	2	11.20
BKT-02	0	11	11	0.77
incl	8	10	2	2.64
and	62	72	10	2.93
incl	66	72	6	4.72
incl	68	70	2	10.10
BKT-03	10	24	14	2.29
incl	16	22	6	5.04
incl	17	19	2	9.42
BKT-06	2	28	26	2.47
incl	10	13	3	19.93
incl	12	13	1	55.60
BKT-08	2	8	6	1.56
incl	5	7	2	3.77
BKT-13	12	31	19	0.56
incl	28	31	3	2.01
And	59	64	5	3.36
incl	60	62	2	8.26
BKT-16	4	29	25	0.57
incl	15	24	9	0.98
BKT-17	7	44	37	2.12
incl	24	31	7	8.68
BKT-21	0	34	34	0.37

* Reported intervals represent horizontal surface intersection within trenches. The orientation of the mineralized zones varies and therefore the true widths have not yet been determined.

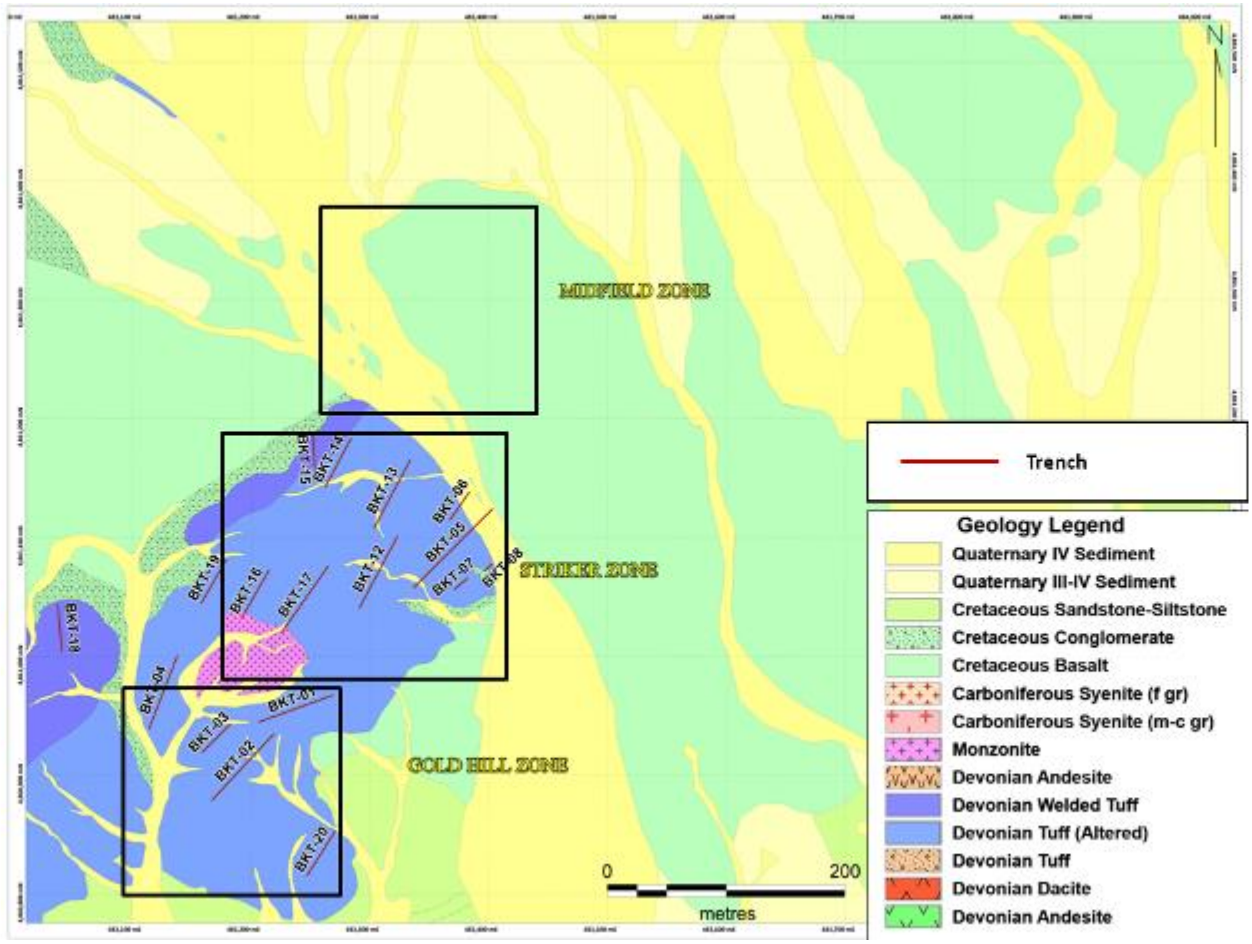

Figure 24 – Southwest Prospect trench location map on geology

10.0 Drilling

The drill program at Bayan Khundii was initiated on November 8, 2015 (15 holes). In 2016, the number of holes was expanded to 96 (81 additional holes). In 2017, the drilling program was further expanded with 138 new and 11 extended infill and exploration drill holes. To date, a total of 234 diamond drill holes totaling 38,072 metres have been completed with a depth ranged from 31 m to 359 m (average 163 m). The large majority of holes were drilled at an azimuth of 030 degrees, normal to the orientation of the main mineralized veins and at an dip angle of -45 to -85 degrees. The drilling program was carried out by the Corporation's independent drilling contractor, Falcon Drilling Ltd. All holes were diamond drilled using a truck mounted Longyear 44 wireline drilling rig. Core was PQ size for the first 15 holes with all remaining holes HQ size. Down-hole orientation surveys were carried out by Falcon at 50 m intervals and/or at the bottom of each hole. For holes BKD-46 to BKD-234, down-hole reading were also taken at approximately 12m depth to confirm orientation of drill rig set-up. Down-hole readings included both dip and azimuth of the hole at the recorded depths. Core recovery averaged greater than 95%.

The drill program was designed and carried out under the direction of Erdene's senior technical staff, including the Report Author and Michael Gillis, Vice President of Operations. In the field, the drilling program was under the supervision of the Report Author, Mr. Gillis and Erdene senior geologists G. Bat-Erdene and J. Lkhagvasuren, who together were responsible for communicating and confirming the program's technical details with the drilling contractor.

All drill-core was delivered to Erdene's exploration camp where it was logged, photographed and sampled by Erdene's technical staff. Detailed logs identifying lithology, alteration and mineralization were completed. In addition, from September 2016 (BKD-46), the drilling program used an oriented core system (Reflex Act3 instrument) allowing geologist to measure and record true orientation of veins, bedding and structural features, including faults and joints. These data are being used to assist with interpretation of the mineralized system at Bayan Khundii and to guide additional, follow-up drilling programs.

Since drilling the first hole in Q4 2015 to the end of the last drill program in Q4 2017, the Corporation has completed 234 diamond drill holes (45 to 85 degree angles) at Bayan Khundii totaling 38,072 metres, with the majority of holes intersecting anomalous gold mineralization.

Striker Zone

Since the first hole at Bayan Khundii in Q4 2015 (BKD-01: 7 metres of 27.5 g/t gold at 14 metres depth; northern Striker Zone), the Striker Zone has received more than 70 drill holes. The Corporation has identified very good continuity of multiple, near-surface, high-grade gold zones, including both very high concentrations of gold (e.g. 306 g/t gold over 1 metre; hole BKD-77), wide intervals of high-grade gold (e.g. 5.3 g/t gold over 63 metres; hole BKD-17), and broad, lower grade intervals surrounding the high-grade mineralization (ex. 1.2 g/t gold over 112 metres; hole BKD-51).

In 2017, the Corporation completed several holes at 40-metre centres along the northern end of Striker to test between the very high-grade Striker and Midfield Zones. The holes were completed over a 180 by 100 metre area between Striker and Midfield and all intersected broad zones of lower-grade gold mineralization beginning at shallow depths. Additional holes drilled in Q3-Q4 2017, including the extension of several previous holes, confirmed the continuity of mineralization between Striker and Midfield zones, including a 128 metre wide zone of mineralization in BKD-194 that averaged 1.1 g/t gold, including a 22 metre wide interval that averaged 3.3 g/t gold.

Midfield and North Midfield Zones

As drilling results continued to be received and interpreted throughout 2017, and in conjunction with independent technical experts, a greater understanding of the controls on mineralization at Bayan Khundii was conceived. As a result, high priority drill targets were indentified in Q4 2017. These included: testing the recently discovered North Midfield Zone with more detailed, closer-spaced drilling and testing structural concepts and extensions at depth; testing the Midfield area for the presence of shallower zones of mineralization; and testing the continuity of broad mineralized zones in the central portion of the North Midfield target area (Fig. 25).

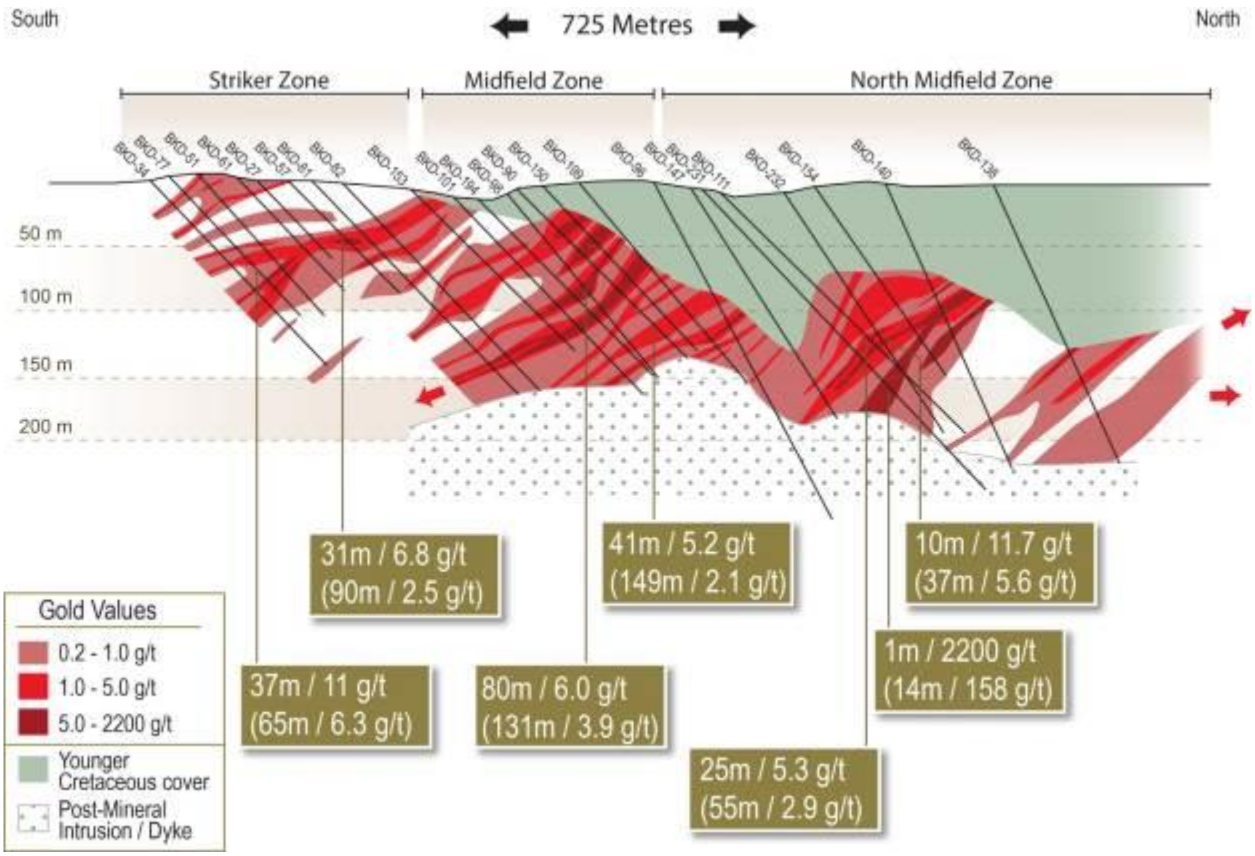

Figure 25 - Bayan Khundii Cross Section 2017 with Selective Results Highlighted

Drilling within the Midfield and North Midfield Zones in 2017 extended the area of gold mineralization down dip to the south and strengthened the continuity of the high gold grades reported previously in the central Midfield area. Results included the intersection of the highest grade gold interval to date in hole BKD-231 which intersected one metre of 2,200 g/t gold and 948 g/t silver (Fig. 26) within a 14 metre interval of 158 g/t gold at 193 metres depth (140 metres vertical depth). The results support the observation that this area contains the most intense hydrothermal activity and the most pervasive gold mineralization at Bayan Khundii. Several holes confirmed the continuity within the Midfield and North Midfield Zones. BKD-179 returning 40 metres of 3.3 g/t gold, including 9 metres of 12.5 g/t gold, which was drilled in the North Midfield Zone, 165 metres to the northeast of the main Midfield Zone. Hole BKD-178, drilled 80 metres north of the main Midfield Zone, returned 71.6 metres of 1.6 g/t gold, including 19 metres of 4.6 g/t gold, and hole BKD-182, drilled 200 metres north of Midfield returned 39 metres of 2.1 g/t gold, including 9 metres of 8.2 g/t gold.

In Q4 2017, the Corporation intersected a new extension to the east of Midfield. While most of the drilling in the Midfield area 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 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.

Six holes (BKD-229 to BKD-234), totaling 1,192 metres, were completed at Bayan Khundii in November. Two of these holes (BKD-231 and BKD-232) were completed in the North Midfield Zone to test the down-dip extension of the high-grade gold intervals in this area. Hole BKD-231 intersected one metre of 2,200 g/t gold and 948 g/t silver within a 14 metre interval of 158 g/t gold at 193 metres depth (140 metres vertical depth). The mineralization was hosted by multi-phase quartz-adularia-specularite veins and hematite breccia, with abundant fine-grained visible gold. This high-grade intersection confirms strong continuity down-dip from earlier holes, including BKD-110, 30 metres north, which intersected 1 metre of 115 g/t gold and 1 metre of 108 g/t gold, and BKD-111, 30 metres northwest, which intersected 1 metre of 44 g/t gold and 1 metre of 33 g/t gold. The discovery of this high-grade vein represents an important new target area that will require additional, closer-spaced drilling in 2018.

Picture 1-5 Drill Core Photo showing visible gold in BKD-231; 2,200 g/t Au over 1 m

Figure 26 - Drill Core Photo showing visible gold in BKD-231; 2,200 g/t Au over 1 m

Hole BKD-232 was completed approximately 65 metres north of BKD-231 and 100 metres north of the Midfield Zone, within an area that previously had 80-metre hole spacing and relatively lower grade results. This hole returned 22 metres of 8.3 g/t gold, and included multiple zones grading over 10 g/t gold. The top of the mineralized interval was intersected at 90.5 metres depth (74 metres vertical depth).

In Q4 2017, three holes were completed along the south and southeast end of the Midfield Zone (BKD-229, 230 and 233). Hole BKD-230, completed near the center of Midfield, intersected a continuously mineralized 127 metre interval starting at 31 metres depth (24 metres vertical) that averaged 1.8 g/t gold, and included a 25 metre wide interval that averaged 5.8 g/t gold. Two additional holes (BKD-229 and BKD-233) successfully intersected high-grade gold mineralization, and in the case of BKD-233, although lower grade, expanded the southeast boundary of the Midfield Zone which remains open to the east while BKD-229 intersected gold mineralization at the shallowest levels to date.

West Striker Zone

Erdene has completed a total of 27 holes in the area west of the Striker Zone at 20 to 80 metres spacing, over a 375 by 250 metre area. The depth of drilling has ranged from 97 to 340 metres vertical depth, with an average of 223 metres. Of the 27 holes, 26 have intersected anomalous gold mineralization, with 13 returning high-grade intervals of greater than 10 g/t gold. In Q4 2017, the Corporation reported results for three holes (BKD-219 to 221) including the highest-grade intersection to date within this zone, 116 g/t gold over 1-metre within 15 metres averaging 9.2 g/t gold in hole BKD-220, 250 metres west of the Striker zone, further establishing the potential that exists at West Striker to identify additional significant high-grade zones.

Results to date from the drill program have: 1) confirmed the orientation, grade and continuity of mineralization intially identified through mapping and trenching; 2) extended the area of known gold mineralization to include the Midfield and Midfield North Zones beneath Cretaceous cover rocks; 3) discovered significant additional gold mineralization west of Striker, also under Cretaceous cover rocks; and 4) identified Au mineralization in ash and welded tuff host rocks up to 1.3 km northeast of the Striker Zone.

Gold mineralization is mostly hosted in parallel NW-SE, moderately-dipping (~45^{o}) zones that range in width from 4 to 174 metres (see Figure 25). Drilling results indicate that individual higher-grade mineralized zones can be correlated between drill holes as shown in Figure 25. Higher-grade Au± Ag intersections are located within widespread lower-grade envelopes, for example hole BKD-90 has several high-grade intervals including a 41 metre wide high grade zone (41 m @ 5.2 g/t Au) within a 149 metre wide mineralized envelope that averages 2.1 g/t Au (Fig. 25).

See *Section 7.5 Mineralization* for a further description of the drilling results.

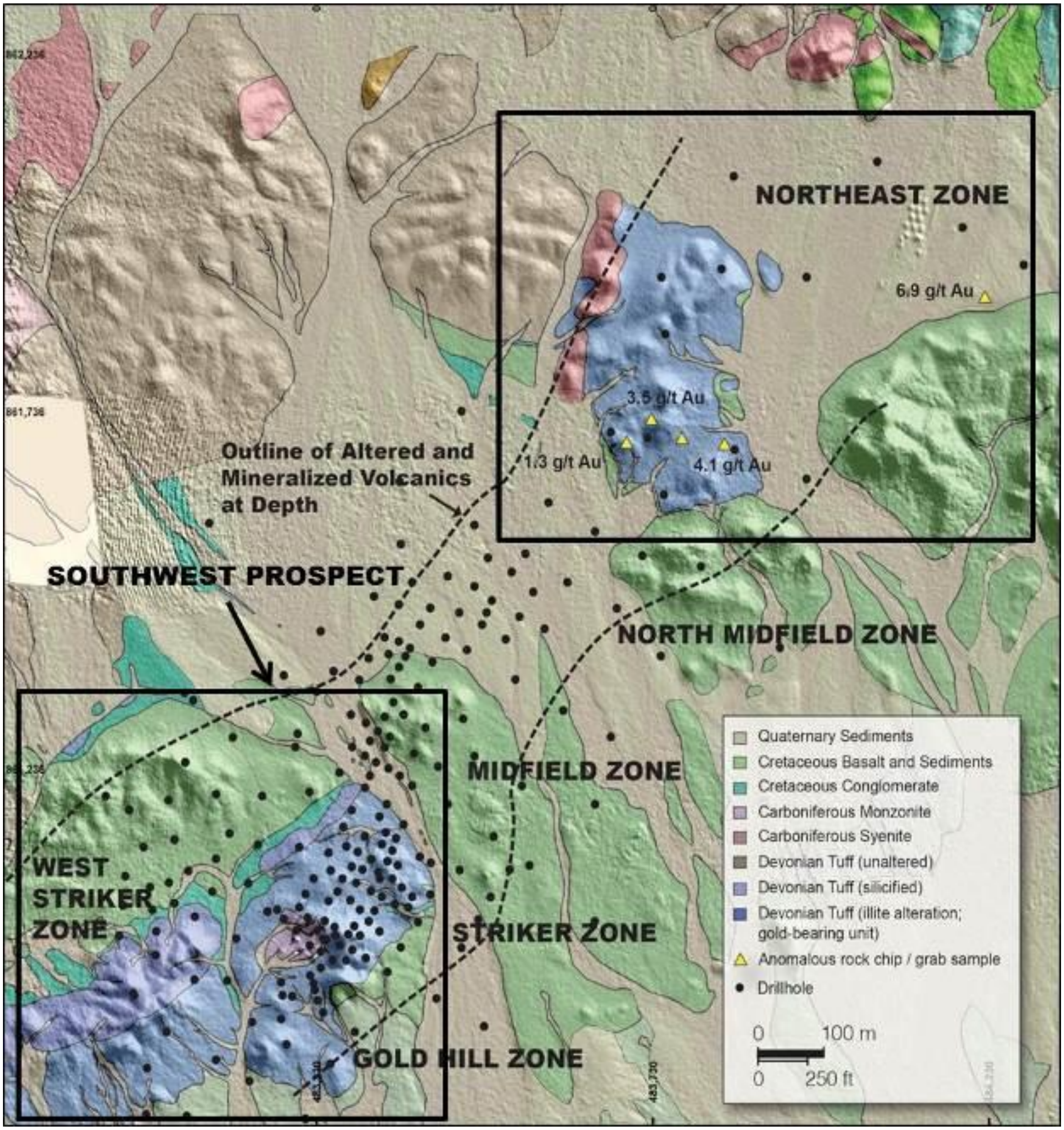

Figure 27 – Location of Bayan Khundii drill holes on geology map (Collar location, dip and azimuth information provided in Appendix 1).

11.0 Sample Preparation, Analyses and Security

This section provides the relevant details of the sample preparation, analytical methodology and sample security protocols in place for rock, soil, trench and drill-core samples from the exploration programs carried out in 2015 on the Bayan Khundii prospect.

Rock chip and rock grab samples were taken from outcrop / sub-crop, respectively, by Erdene's geologists with locations determined by hand-held GPS devices (with ±3 m accuracy). Samples were taken from mineralized and un-mineralized surface rocks that are, as much as possible, representative of the lithological unit identified while in the field. No grid-based rock chip sampling was carried out over the prospect areas.

Soil samples were collected at defined sample sites (based on 200m, 100m or 25m grids), crews used a metallic shovel to dig 20-30cm deep sample pits. Sample material was dry sieved using a steel 20 mesh (0.85mm) screen. Collected -20 mesh sample material had a mass of ~300-400g. Material for each sample was retained in a sealed paper envelope. Each sample was given a unique six digit number. Samples were organized sequentially into batches of 30 with each batch including: 1 standard (OREAS 65a), 1 blank (coarse silica sand) and 1 field duplicate.

All trenches were excavated to bedrock. Trench samples were collected at 1 m or 2 m intervals, as determined by the senior project geologist, based on the lithology and mineralization. Samples were chipped from the base of trench walls and care was taken to ensure each sample was representative of the entire interval being sampled. Representative hand samples for each interval were also collected for reference.

Erdene's sampling protocol for drill core consisted of routine collection of samples at 1 m or 2 m intervals (depending on the lithology and style of mineralization) over the entire length of the drill hole. All sample intervals were based on meterage, not geological controls or mineralization. For example, all mineralized and strongly altered zones were sampled at 1 m intervals while un-mineralized material was sampled at 2 m intervals. Drill core recovery was excellent and did not impact the accuracy and reliability of the assay results. All drill-core was sawn in half using a rock saw and it is the Report Author's opinion that the samples assayed are representative with no sampling bias.

Drill core was delivered directly from the drill site to the Corporation's exploration camp at the end of every shift. All logging and sampling was done in camp by Erdene geologists. Drill core was logged for geology and RQD, and sample intervals were marked. Core was then photographed before being sawn in half using a core saw, after which, half-core samples were bagged. Magnetic susceptibly readings were taken for each sample interval. The remaining half-core is securely stored at the Corporation's Bayan Khundii exploration camp.

All rock, trench and 2015-2016 drill core samples were organized into batches of 20, while all soil sample and 2017 drill core samples were organized into batches of 30. All sample batches included two commercially-prepared certified reference material (CRMs) standards, including a gold standard (generally alternating between a high-level gold-bearing standard and low-level gold bearing standard) and a 'blank' consisting of either 'basalt blank chip' (2015) with very low gold concentration (<1 ppb Au) or coarse silica sand (OREAS 24p, 2016-17). Both of these samples were used as an analytical blank for gold. Batches with 30 samples (all soil and 2107 drill core) included duplicate samples. For soil samples, this included duplicate samples taken from the same location. For drill core batches in 2017, duplicate samples alternated between a field duplicate, consisting of two ¼ core samples from the same interval, or a laboratory duplicate, consisting of duplicate pulps created from the same coarse grind material. Each batch was stored in the field camp in sealed bags. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene's logistical contractor, Monrud Co. Ltd.

At SGS, all rock samples (drill core, chip and grab) are handled as follows:

- Samples as received are initially sorted and verified against the client Sample Submission Form.
- Samples are air dried at 90°C.
- All samples are crushed to 3.35 mm using a jaw crusher and Boyd crusher in a two-stage process.
- Samples were then split by rotary sample divider to 600-700 g, with reject retained.
- Whole samples are pulverised to 90% <75 µm.
- The pulverised samples are mixed and divided manually, with approximately 200 g retained for the client and 300 g retained for laboratory analysis.
- Gold analysed by fire assay 30 g.
- All other metals analysed by ICP40B, 4 acid digestion with ICP OES finish (see Table 5 for details).

At SGS, all soil samples are handled as follows:

- Samples as received are initially sorted and verified against the client Sample Submission Form.
- Samples are air dried at 90°C.
- Whole samples are pulverised to 90% <75 µm.
- Gold analysed by fire assay 30 g.

All other metals analysed by ICP40B, 4 acid digestion with ICP OES finish (see Table 5 for details).

Table 6 provides a summary of the analytical methods used by SGS to analyze all of the samples. All drill core sample rejects are saved and stored at a secure facility and are available to carry out check-analyses as necessary.

Standard analyses were monitored by Erdene and if SGS analysis varied from the determined assay value by more than 15% for one or more elements then Erdene's protocol is to request that the entire batch be re-analyzed. The average difference between gold assay values and gold certificate values for the Bayan Khundii drilling program was -2.9 %. No re-analysis has been required to date.

At SGS, all client-submitted material is retained under cover in the secure Ulaanbaatar facility where 24 hour security is maintained. Sample integrity is maintained during the analysis process by laboratory LIMS generated sample labeling throughout the analytical process. SGS's QA/QC protocols included a 10% internal QC run on analysis; so that each 50-sample batch consists of 45 samples, two duplicates, two standards and one blank. The SGS Ulaanbaatar laboratory is accredited to ISO17025.

The Report Author is of the opinion that adequate procedures for sample preparation, security and analysis are in place, and were used, to ensure accuracy of analytical results.

Table 5 - SGS Analytical Methods and Detection Limits

Gold Analysis

			Detection Limits	
SGS Code	**Description**	**Element**	**LDL**	**UDL**
FAE303	Fire Assay, Solvent Extraction, AAS[1] finish, 30g sample	Au	1 ppb	10000 ppb
FAA303	Fire Assay, AAS[1] finish, 30g sample	Au	0.01 ppm	1000 ppm
FAG303	Fire Assay, gravimetric, 30g sample	Au	0.03 ppm	100,000 ppm

Multi (33) Element Analysis

SGS Code	Description	Element: LDL-UDL;
ICP40B	4 acid digestion[2] with ICP OES[3] finish	Ag: 2 ppm – 50 ppm; Al: 0.03% - 15%; As: 5 ppm - 1%; Ba: 5 ppm - 1%; Be: 0.5 ppm - 0.25%; Bi: 5ppm - 1%; Ca: 0.01% - 15%; Cd: 1 ppm - 1%; Co: 1 ppm - 1%; Cr: 10 ppm - 1%; Cu: 2 ppm - 1%; Fe: 0.1% - 15%; K: 0.01% - 15%; La: 1 ppm - 1%; Li: 1 ppm - 1%; Mg: 0.02% - 15%; Mn: 5 ppm - 1%; Mo: 2 ppm - 1%; Na: 0.01% - 15%; Ni: 2 ppm - 1%; P: 0.01% - 15%; Pb: 2 ppm - 1%; S: 0.01% - 5%; Sb: 5 ppm - 1%; Sc: 0.5 ppm - 1%; Sn: 10 ppm - 1%; Sr: 5 ppm - 1%; Ti: 0.01% - 15%; V: 2 ppm - 1%; W: 10 ppm - 1%; Y: 1 ppm - 1%; Yb: 0.5 ppm to 1000 ppm; Zn: 5 ppm - 1%; Zr: 3 ppm - 1%

1 AAS: Atomic Absorption Spectrophotometer
2 4-Acid Digest: Same as 3-acid plus Hydrofluoric (HF)
3 ICP OES: Inductively Coupled Plasma Optical Emission Spectrometry
LDL Lower Detection Limit
UDL Upper Detection Limit

12.0 Data Verification

The Report Author reviewed all QA/QC procedures carried out by Erdene including a review of logging, sampling and sample preparation procedures; reviewed all technical data including geophysical and geochemical data; carried out an analysis of the analytical QA/QC results; and compared data sets with observations made in the field. Third party verification of assay results was completed at ALS Chemex Laboratory ("ALS") in Ulaanbaatar, Mongolia, with results presented in the following section. The Report Author is satisfied that QA/QC procedures carried out by Erdene conform to generally accepted industry standards and that the data used in this report is reliable. In addition, results from analysis of Certified Reference Materials (CRMs) were reviewed and are considered to be within acceptable limits.

12.1 Third Party Verification Analysis

In late 2017, a series of 500 samples were selected for analysis by ALS Chemex Laboratory ("ALS") in Ulaanbaatar, Mongolia. The samples selected were duplicate pulps prepared by SGS as part of the regular sample preparation process, where SGS has been instructed to prepare duplicate pulps for all samples ending in the number eight (8) and then place them in secure storage for future use, including third party analysis. The ALS facility in Ulaanbaatar is ISO certified. All samples were analyzed for Au from pulp material using the same methodology as the original assays at SGS, i.e. 30 g fire assay with AAS finish. The results show a high degree of precision between the two data sets with 88.8% having a precision difference of <10% while 97% has a precision difference of <20%. Figure 28 shows a graph of the original assay versus the repeat assays for the 500 tested samples.

12.1 Screen Metallic Analysis

In the early stages of the exploration program a screen metallic analysis program was undertaken. Due to some very high-grade gold values and abundant visible gold in a number of drill core samples, it was decided that additional analysis should be carried out to determine if the standard fire assay analysis was accurately reflecting the amount of gold in higher grade samples and to determine if there was a 'nugget effect', that is, anomalously high gold grades due to non-uniform distribution of high-grade gold nuggets in the sample material. In order to assess the accuracy of the standard fire assay results, all samples (n=30) which returned an initial assay greater than 2 g/t were selected for screen metallic analysis. In addition, 12 samples that were logged as containing visible gold, but returned assay of less than 2 g/t, were also included in the screen metallic analysis.

Screen metallic ("SM") analysis used 500 grams of minus 3.35 mm material that was crushed/pulverized to 90% <75um. The total sample was then screened to create a +75um and a -75um fraction, and each fraction was weighed. All of the +75 um fraction, that will contain all of the coarse gold, was then analyzed by fire assay (FA). For the -75um fraction, three

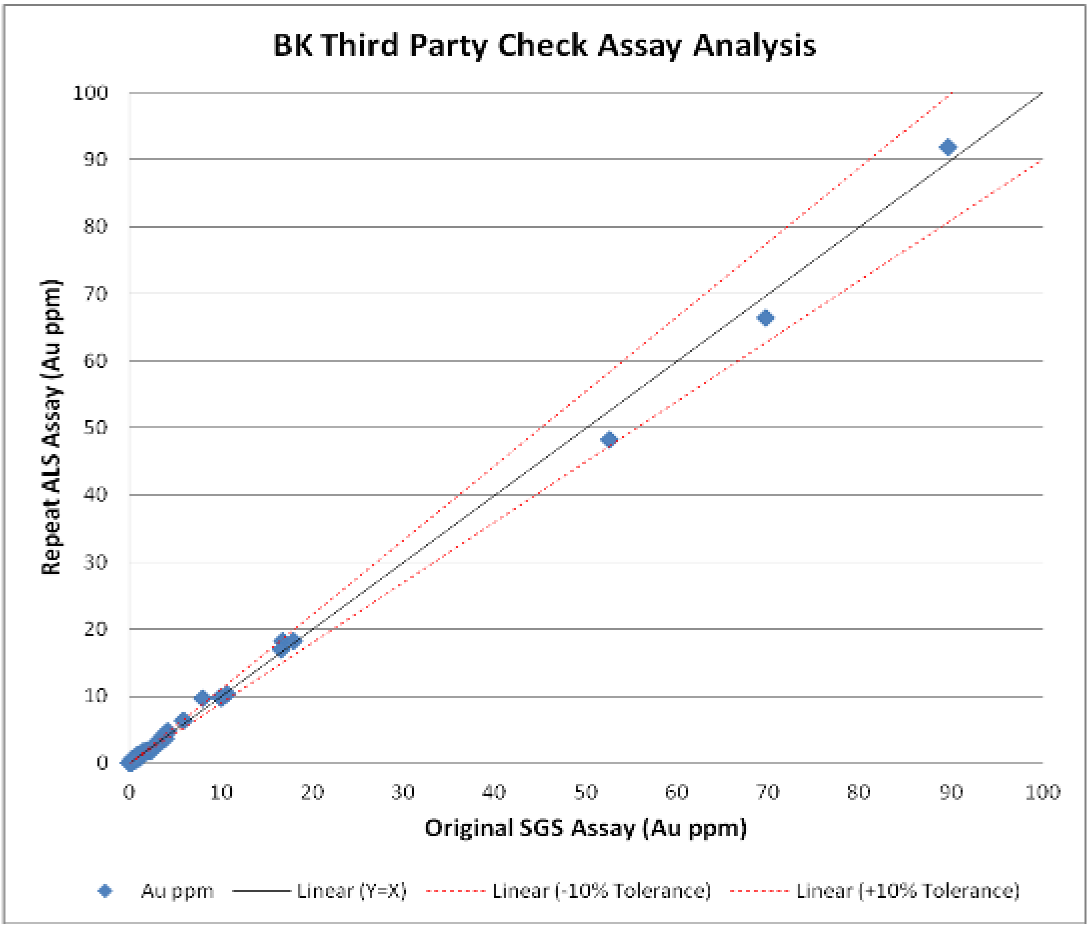

Figure 28 - Third Party Check Assay Analysis

individual subsamples (30 g) were analyzed by FA methods. The total gold content for the sample was calculated by using the weighted average of the +75um fraction results and the mean of the three -75um results.

For the 30 high-grade samples, the difference in the overall average grade from the original assays to the screen metallic assays was -2%. So, on average, the screen metallic assays were the same as the original assays. For all 42 samples, the difference in the overall average grade from the original assays to the screen metallic assays was only +8.4%.

These results suggest that there is no significant 'nugget effect' for the Bayan Khundii samples. While assay results for individual samples did vary by as much as +/-70%, if the gold at Bayan Khundii was coarse and 'nuggety', the variability would be much higher.

In addition, the metallurgical results from 2016 indicate that a large portion of the gravity recoverable gold is present in the finer size fractions (See *Section 13.1.1 Mineral Processing and Metallurgy Testing – 2016 Metallurgical Testing – Gravity Recovery*). This conclusion is also supported by the SM results which showed that, on average, the -75um fraction contained 81% of the gold while representing 91% of the sample material. While there is still a disproportionate amount of gold in the +75um fraction (19% of the gold in 9% of the sample) this does not represent a nugget effect.

However, because the SM results show that the +75um fraction, on average, contains a disproportionately higher percentage of the Au, caution should be exercised. Results from the duplicate-sample testing program initiated in 2017 does show that there is some variability between duplicate samples, particularly for field duplicate (1/4 core) samples. For pulp duplicate samples greater than 200 ppb Au, the average difference between duplicates is 5.8% (n=61 pairs) while for field duplicated >200 ppb the average difference is 47.5% (n=79 pairs). Additional work is required to better understand the reasons for the observed differences in field duplicates, including possible re-testing using screen metallic assays.

13.0 Mineral Processing and Metallurgical Testing

A metallurgical testing program was carried out by Blue Coast Research Ltd. ("BCR") of Parksville, British Columbia, under the direction of Andrew Kelley, P.Eng., Vice President, Technical Services. The program was designed to provide an initial scoping level characterization of both gravity and cyanide recovery techniques. Initial testwork was carried out in 2016 on coarse reject material from drill core samples and consisted of a high-grade and a low-grade sample that underwent a combination of gravity and cyanidation analysis. A second round of metallurgical testing was carried out in 2017 and included both ¼ core and coarse reject material composites. A series of tests were carried out to including variability testing of grid size, cyanide dosage, cyanide retention time, sample depth, sample location, amenability for heap leach, grindability, etc.

13.1 2016 Metallurgical Testing

In 2016, as an initial approach to metallurgical testing, two 75 kg composite samples were prepared from coarse reject material from individual one-metre drill core samples. The composites are representative of high and low grade mineralization within the main mineralized zones over the entire 550m by 300m area of the Bayan Khundii Southwest Prospect. The first sample, BK-Met-15-01, is a high-grade composite sample with a head grade of 24.9 g/t Au which was made from 25 one-metre intervals, with representation from 11 of the 15 holes. The second sample, BK-Met-15-02, is a low-grade composite with a head grade of 0.7 g/t Au and was made from 25 one-metre samples (ranging from 0.3 g/t to 1.5 g/t Au), with representation from all 15 holes.

Composite head-grades reported by BCR matched the average of the original individual sample assays very closely at 24.9 g/t Au and 0.7 g/t Au versus the average of the original assays which were 25.3 g/t Au and 0.7 g/t Au for the high and low grade samples, respectively.

13.1.1 Gravity Recovery

Extended Gravity Recoverable Gold tests (E-GRG) were conducted on both composites. The E-GRG test determines the gravity recoverable gold in a sample. The test is based on progressively finer size fractions using gravity recovery at each stage. Prior to starting the test, a grind calibration is conducted to determine grind times required to reach target grind sizes for each stage (850 µm, 250 µm and 75 µm). Gravity tests were conducted using a laboratory-scale Knelson MD-3 centrifugal concentrator. Concentrates and tails are collected and screened. Size-by-size gold assays are analyzed for each screen fraction.

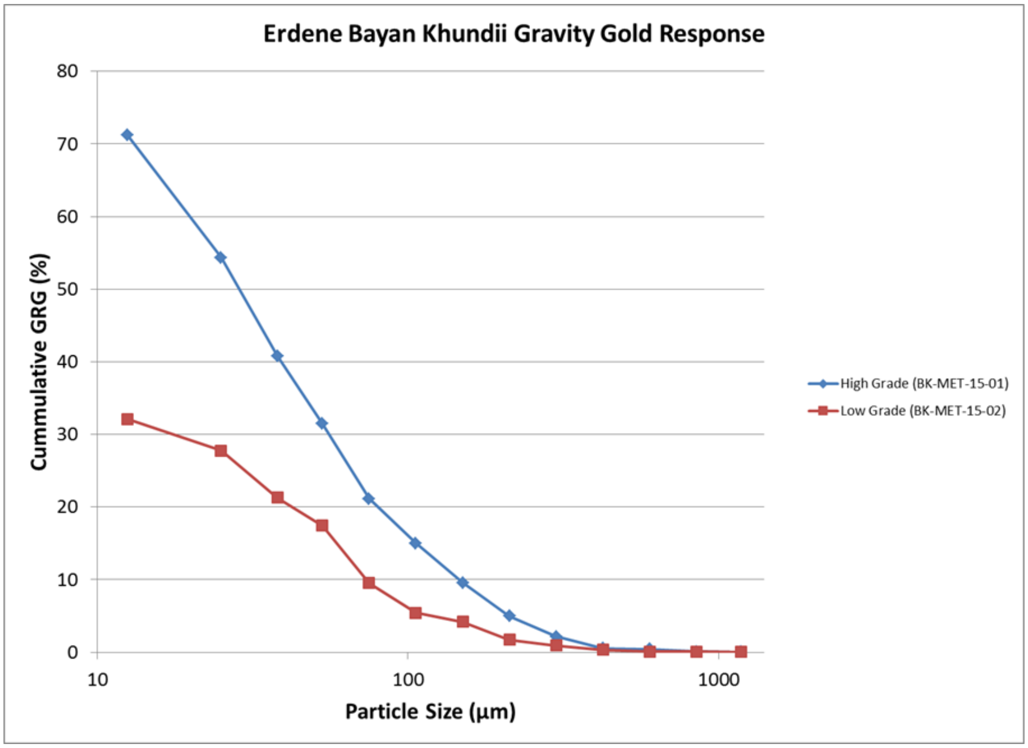

Figure 28 - Bayan Khundii metallurgical sample gravity-gold-recovery size fraction recovery graph

The high-grade composite had a high response to gravity separation, with recoveries of 71% for gold and 27% for silver, as presented in Table 6 below. This type of response is typical of a material considered to have good gravity amenability. The gravity gold response curve indicates a large portion of the gravity-recoverable gold is present in the finer size fractions (Fig. 29). The high-grade gravity concentrate represents 1.2% of the original sample mass and contains 1380.9 g/t gold and 200 g/t silver.

Table 6 - Gravity recoverable gold

Composite	Au Recovery (%)	Ag Recovery (%)
High Grade (BK-MET-15-01)	71	27
Low Grade (BK-MET-15-02)	32	10

The low-grade gravity concentrate represents 1.1% of the original sample mass and contains 21.2 g/t gold and 11.9 g/t silver. The lower grade composite (BK-MET-15-02) displayed a low to average gravity response for both gold and silver (Table 6).

13.1.2 Bottle Roll Tests (Cyanidation)

Standard bottle roll tests were completed on the gravity tails of each composite. The high-grade composite (BK-MET-15-01) tails represent 98.8% of the original sample mass and had an average grade of 6.8 g/t gold. The low-grade composite (BK-MET-15-02) tails represent 98.9% of the original sample mass and had an average grade of 0.5 g/t gold.

Results are very encouraging with very high gold recoveries noted in both the high-grade and low-grade composites. Leach extractions of the gravity tails are summarized in Table 7 below.

Table 7 - Bottle roll recovery for gold

Test	Composite	Au Recovery (%)	Ag Recovery (%)
CN-1	High Grade (BK-MET-15-01)	95	44
CN-2	Low Grade (BK-Met-15-02)	86	40

13.1.3 Overall Recovery Measurement for a Gravity plus Cyanidation Flowsheet

A flowsheet employing both gravity concentration and cyanidation of the gravity tails yields very good overall gold recoveries for both the high-grade and low-grade composites. This suggests that gold from Bayan Khundii is free milling and amenable to conventional processing techniques. Overall circuit recoveries are summarized in Table 8 below.

Table 8 - Overall recovery for a gravity plus cyanidation flowsheet

Composite	Overall Au Recovery (%)	Overall Ag Recovery (%)
High Grade (BK-MET-15-01)	99	61
Low Grade (BK-MET-15-02)	92	20

13.2 2017 Metallurgical Testing

The 2017 metallurgical program provided:

- recovery data on two moderately high-grade master composites (approx. 4.4 g/t Au) and one moderate-grade (approx. 1.9 g/t Au) master composite;
- assessment of recovery variability of the low-grade material to assist in determining optimal cut-off grades;

- grindability data; and
- an initial assessment on the amenability of the low-grade material to heap leach processes.

13.2.1 Master Composite Testing

Three master composite samples were collected from throughout the Striker Zone down to a vertical depth of 100 metres. Individual samples were collected from split drill core from more than 20 different drill holes in each sample with a total combined sample weight of 41 kilograms per composite. The head grades for the composite samples were 4.30 g/t gold (BK-16-03), 4.47 g/t gold (BK-16-04) and 1.88 g/t gold (BK-16-01). As the Company advances Bayan Khundii and gains a better understanding of potential mineralized domains it will complete further testwork on material representative of the expected grade of the deposit as determined by a resource estimate completed under NI 43-101 guideline, which is expected to be completed in Q2-Q3 2018.

Analysis of master composite sample BK-16-04 was carried out first and this composite received full optimization testwork, including variation on grind size, residence time, and sodium cyanide dosage (consumption) as well as assessment of the impact on overall recoveries when initial gravity recovery was applied. The optimization testwork for master composite sample BK-16-01 included variation on grind size, sodium cyanide dosage (consumption) as well as cyanidation retention time. Master composite BK-16-03 received only cyanidation testing, including retention time analysis.

Table 9 - Overall Circuit Recoveries for the two Master Composites, 48 hr. leach

Master Composite	Head Grade	Gravity	48 hr. Leach	Combined
BK-16-01	1.88	-	95%	95%
BK-16-03	4.30	-	96%	96%
BK-16-04	4.47	41%	88%*	92%

** % of the gold remaining in the gravity tails*

Sample BK-16-04

Primary Grind Size

As expected, the highest recovery is associated with the finest grind. An additional 4% in recovery is gained from decreasing the particle size from 160 micron to 60 micron. Gold recovery with a primary grind size of 80% passing 161 micron was 87%. A primary grind of 80% passing 60 micron resulted in an average gold recovery of 91%. Further evaluation of the primary grind size should be conducted on a lower grade composite.

Effect of Cyanide Dosage

A series of tests was conducted at variable cyanide (NaCN) dosages (0.5 g/l, 1.0 g/l, 2.0 g/l and 4.0 g/l) at a target grind size of 80% passing 60 microns with a 48 hour retention time. There was no significant increase in recovery with increased cyanide dosage. A dosage of 1.0 g/l was determined to be sufficient for all subsequent testwork.

Extended Cyanidation Residence Time

A single test was conducted for a total leach time of 96-hours. The material was ground to 80% passing 60 micron prior to the bottle roll. The standard cyanidation conditions used 40% solids, 1.0 g/L NaCN. Gold recovery after 48-hours was 93.4%, with overall gold recovery of 95% after 96-hours, indicating a 48-hour period will recover most of the available gold, as was noted for sample BK-16-03 (see below).

Gravity and Cyanidation Test

A combined gravity and cyanidation test was conducted to determine if the addition of gravity ahead of cyanidation would yield any additional recovery. For this work a 10-kilogram test charge was ground in a laboratory rod mill to 80% passing 60 micron. The ground charge was processed through a laboratory-scale Knelson centrifugal concentrator (MD-3). 41% of the gold reported to the gravity concentrate at a grade of 205 g/t. A subsample of the gravity tails was then leached in a standard bottle roll for 48-hours (40% solids; 1.0 g/L NaCN). Gold recovery through cyanidation was 88%. Combining the results of both tests resulted in an overall gold recovery of 92%. This is in line with the baseline cyanidation results and suggests that initial gravity separation will not increase the overall gold recovery, but could be incorporated into the Bayan Khundii flowsheet to ensure the coarsest gold is removed early in the process and minimize the amount of gold that could be caught in gold traps throughout the plant.

Sample BK-16-01

Primary Grind Size

Unlike the higher grade composite BK-16-04, composite sample BK-16-01 appears relatively insensitive to grind size. No significant differences in recoveries were noted by decreasing the particle size from 80% passing 164 microns (91.7% recovery) to 80% passing 56 microns (90.4% recovery). These results suggest that a coarser grind size is acceptable for this composite and may be acceptable for the overall metal recovery process. Further testing (leach tests) carried out on BK-16-01 were carried out at a targeted test size of 80% passing 170 microns. Further evaluation of the primary grind size should be conducted on additional composites.

Effect of Cyanide Dosage

A series of tests was conducted at variable cyanide (NaCN) dosages (0.5 g/l, 1.0 g/l, 2.0 g/l and 4.0 g/l) at a target grind size of 80% passing 170 microns with a 48 hour retention time. There was no significant increase in recovery with increased cyanide dosage. A dosage of 1.0 g/l was determined to be sufficient for all subsequent testwork.

Cyanidation Test

A single cyanidation test was completed on sample BK-16-01 as a 96-hour leach test with a grind size of 80% passing 170 micron, 40% solids and 1.0 g/L NaCN. Gold recovery after 48-hours was 94% whereas the 96-hour gold recovery was 95%, indicating a 48-hour period will recover most of the available gold. It is notable that this test was done at a coarser grind size than master composite BK-16-03 but had comparable recovery of gold.

Sample BK-16-03

Cyanidation Testwork

Following the variability testwork completed on BK-16-04, a single test was completed on sample BK-16-03, as a single 96-hour leach test with a grind size of 80% passing 60 micron, 40% solids and 1.0 g/L NaCN. Gold recovery after 48-hours was 96% whereas the 96-hour gold recovery was 97%, indicating a 48-hour period will recover most of the available gold.

13.2.2 Variability Testing of Low-Grade Material

The 2017 metallurgical program included a study assessing the potential impact on gold recoveries with increasing depth and variation in character of the low-grade mineralized material. The work included 16 primarily low-grade composite samples that ranged in head grade from 0.37 g/t gold to 2.29 g/t gold, with an average grade of 0.75 g/t gold.

Applying standard leach parameters, gold recovery of these low-grade samples averaged 85% after 48-hour leach. Two samples of Striker Zone mineralization, without any vertical constraint and with head grades of 2.30 g/t Au and 1.18 g/t gold, returned recoveries of 93% and 91% respectively. These tests targeted primary grind sizes of 80% passing 60 micron.

Very low-grade material from eight composite samples with an average head grade of 0.55 g/t gold returned a recovery of 84% after 48-hour bottle roll tests at a particle size of 58.4 micron. There was some indication that the areas under younger, post-mineralization cover to the north of the Striker Zone may be slightly harder than the Striker Zone area (as evidenced by coarser grind sizes), however, recoveries remained consistent, supporting recommended additional study on optimizing the primary grind size.

Results from the master composite samples, and from lower grade Striker Zone material unconstrained vertically, indicate that good recoveries can be gained from sample material collected from throughout the vertical sequence, however, in the very low-grade material there does appear to be a decrease at greater vertical depth which will need further study once expected head grades are established.

13.2.3 Heap Leach Amenability Testing

A series of coarse bottle roll tests were conducted on a composite of Striker Zone material to evaluate if the material would be amenable to heap leaching. These tests were not designed to predict ultimate heap leach recovery. They were designed as screening tests whereby similar recoveries across all particle sizes would suggest the material may be amenable to heap leaching techniques, while poor recovery in the coarser tests would suggest that conventional tank leaching would be preferred.

These tests were conducted as 72-hour bottle rolls with sodium cyanide addition of 2.0 g/L. The material for the three tests was prepared as 100% passing 6 mesh (3.35 mm), 100% passing 10 mesh (1.7 mm) and 80% passing 69 micron. Gold recoveries were 57% on the 3.35 mm material, 63% on the 1.7 mm material and 83% on the 69 micron grind size. The higher recovery associated with the finer grind size suggests that conventional tank leaching would likely yield higher overall recoveries.

13.2.4 Grindability Testing

Standard grindability tests were used to evaluate the energy requirement to grind material from a pre-defined feed size to a final product size. The Bond Rod Mill Work Index was recorded at 17.8 kWh/tonne and the Bond Ball Mill Work Index at 16.1 kWh/tonne. The grindability tests indicate that Bayan Khundii is moderately hard to hard.

13.3 Recommendations for Further Work

Based on the success of the 2017 metallurgical testing program, it has been recommended that additional tests be carried out to better study the metallurgical characteristics of Bayan Khundii and further optimize recoveries. It is anticipated that the following studies will be initiated in 2018:

- Additional cyanidation process development work on lower grade composites that reflect the average grade of the Bayan Khundii deposit;
- Further variability testing, including optimal grid size analysis, incorporating composites that represent the full range of head grades and depths within Bayan Khundii;
- An extended gravity recoverable gold (E-GRG) test on a sample representing the average grade of the deposit.

14.0 Mineral Resource Estimates

While results to date are very encouraging, the prospects located on the Khundii license (Bayan Khundii and Altan Arrow) are at an early stage of exploration and sufficient work to determine resource estimates has not yet been completed.

15.0 Adjacent Properties

There are no adjacent properties with similar mineralization to provide comparative mineralization characteristics.

16.0 Other Relevant Data and Information

In the opinion of the Report Author, all relevant data and information has been included in this report and no additional information is required to make the technical report understandable and not misleading.

17.0 Interpretation and Conclusions

Following the discovery of gold-bearing mineralized quartz veins in Q2 2015, Erdene has completed a comprehensive exploration program at Bayan Khundii that included: geological mapping, rock chip sampling, trenching, detailed ground magnetics, IP gradient array, IP dipole-dipole sections, and a 234-hole (26,732 m) drilling program. In 2016 and 2017 a metallurgical testing program and a screen metallic analysis program were completed on gold mineralized samples from Bayan Khundii. In addition to the above work, detailed investigations were completed, including: petrographic and fluid inclusion studies, structural analysis, an alteration study using short-wave infra-red analysis, development of a 3-D geological model, and an assessment of the deposit type and geological parameters controlling mineralization.

Gold mineralization at Bayan Khundii is hosted by an intensely quartz-illite altered sequence of Devonian age pyroclastic rocks (lapilli tuffs, massive and layered ash tuffs, welded tuffs). Mineralization has been identified to date in separate zones over a 1.7 km strike length, termed the Gold Hill, Striker, Midfield, North Midfield, Striker West and Northeast zones. Most of the exploration work completed to date has focused on and near the first four of these zones with limited work external to these zones and in the Northeast Zone.

Gold mineralization, commonly as visible gold, is associated with comb-textured quartz± specularite veins, multi-stage quartz-adularia± specularite veins, quartz-hematite/specularite breccias, hematite veins and fracture fillings, and fine disseminations within a series of parallel, southwest-dipping zones that vary in apparent width from several metres to 150 m. Bayan Khundii is mostly devoid of sulphide minerals; with the exception of a few isolated zones in several drillholes that contained up to 2% pyrite. An exception is drillhole BKD-32 that has vein and disseminated pyrite over a wide (110 m) interval. No base metal sulphide minerals have been observed in any of the surface work or drilling to date, which is supported by the generally low concentrations of Cu, Pb and Zn in rock chip and drill core samples. Conversely, localized zones with elevated concentrations of base metals, including Zn, Cu, As and Mo, indicate zones that may contain appreciable sulphide minerals. A ubiquitous feature at Bayan Khundii is the presence of hematite and lesser specularite veins, veinlets, and breccias, including crackle breccias that commonly contain angular fragments of wall rock and/or quartz, with trace visible gold. Much of the hematite and specularite is interpreted as hypogene in origin, although supergene hematite was observed in numerous holes, extending up to approximately 100m depth.

A sequence of Cretaceous sedimentary and volcanic rocks unconformably overlies the altered and mineralized Devonian pyroclastic rocks. The lower portion of the Cretaceous sequence consists of a basal conglomerate with overlying sandstone and siltstone. A series of amygdaloidal basalts overlies the sedimentary units, with a low-angle unconformity separating these rock sequences. Outcropping areas of altered and mineralized Devonian tuffs are interpreted as erosional ‘windows’ through the younger Cretaceous rocks.

A detailed ground magnetic survey (20 m spaced N-S lines) was completed over a 2.05 by 1.8 km area at Bayan Khundii. Several magnetic map products provide insight into the geology of Bayan Khundii. The analytical signal of the total magnetic field provides the magnetic response for near-surface rock units and outlines the distribution of the Cretaceous basalt. In contrast, other magnetic products including Reduced to Pole (RTP), 1st Derivative RTP, and Pseudo-gravity provide magnetic response for at-depth rock units. These map products indicate a large low magnetic response, or ‘quiet magnetic areas’, to the north of the Midfield Zone, and the east of the NE Prospect areas. The broad magnetic low response area (1.8 x 1 km), which is partially masked by overlying moderate-response basalt, is interpreted as reflecting a large zone of alteration, where primary magnetite was destroyed by altering fluids. In addition, restricted areas with moderate-high magnetic response in the Striker and Northeast zones are interpreted to reflect post-mineral monzonite intrusions.

Induced polarization (IP) surveys were completed at Bayan Khundii, including a 2 km by 2 km gradient array survey (100 m spaced N-S lines), and 17 100-metre spaced N-S dipole-dipole (Dp-Dp) lines (31.0 line kilometres) over the project area. Strong positive resistivity anomalies (>1,000 ohm m) in the gradient array data correspond very closely to the exposed intensely altered (quartz-illite) tuffs in the SW and Northeast Prospect areas and are thought to reflect intense silicification. The Dp-Dp data provide additional insight into the extensions of the highly resistive alteration beneath the Cretaceous cover rocks throughout the project area. The general lack of sulphide minerals in the prospect mostly resulted in low IP chargeability response, both for gradient array and Dp-Dp surveys. There is also very poor correlation between the observed IP chargeability response and gold grades in the drilling to date. The low to moderate chargeability response over the Southwest Prospect area may reflect disseminated specularite.

A trenching program consisting of 22 trenches (1060 m) was completed over the SW and Northeast prospect areas in 2015 and 2016. The program was designed to further define the near-surface mineralization identified through rock chip sampling. The program was successful in demonstrating wide zones of lower grade gold mineralization at surface in the wall rock and confirming the intensity of mineralization in narrow, high-grade veins, as well as demonstrating continuity over a wide area.

A 234-hole (26,732 m) drill program was completed at Bayan Khundii in 2015, 2016 and 2017. The program was designed to test both the down-dip extensions of mineralized zones defined at surface by prospecting and trenching, and the extension of altered and mineralized tuffs beneath the Cretaceous cover. Drilling confirmed continuity of mineralization in the Gold Hill, Striker, Striker West, Midfield and North midfield zones, with the latter two zones being entirely beneath the Cretaceous cover rocks. Gold mineralization is present in numerous sub-parallel, NW-SE trending, SW-dipping zones that have been traced up to 200m along strike, remaining open in several directions. These zones include very high grade veins and breccias over cm to m scale with gold grades locally exceeding 15g/t, and up to 2,200g/t, over 1m intervals. Enveloping these higher grade zones, are zones of lower grade mineralization typically in the 0.1 to 2g/t Au range that can extend for significant widths. The widest interval intersected in drilling to date was in the Midfield Zone where a 149 metre interval averaged 2.1 g/t Au.

Metallurgical work, completed in 2016 on representative composite samples from the initial 15 holes, drilled in the upper 50 metres of the Striker Zone indicates the Bayan Khundii mineralization is very amenable to a flow sheet involving a combination of gravity and cyanide leach of gravity tails, with gold recovery of 99% for a high-grade (24.9g/t gold) composite sample and 92% for a low grade (0.7g/t gold) composite. Metallurgical work completed in 2017 included:

- Master Composites - Additional metallurgical work in 2017 provided recovery data on two moderately high-grade master composites (approx. 4.4 g/t Au) and one moderate-grade (approx. 1.9 g/t Au) master composite. Analysis of master composites was designed to provide guidance for future processing at Bayan Khundii, including optimization of grind size, residence time, sodium cyanide dosage (i.e. consumption), as well as assessment of the impact on overall recoveries when initial gravity recovery was applied. Recoveries for high grade composites using a 48-hour cyanide leach were 95% and 96%, where as a combination of gravity and leach on tails for the moderate-grade composite was 92%.

- Variability Testing – Work was also completed to assess the potential impact on gold recoveries with increasing depth and variation in character of the low-grade mineralized material. The work included 16 primarily low-grade composite samples that ranged in head grade from 0.37 g/t gold to 2.29 g/t gold, with an average grade of 0.75 g/t gold. Applying standard leach parameters, gold recovery of these low-grade samples averaged 85% after 48-hour leach. Two samples of Striker Zone mineralization, without any vertical constraint and with head grades of 2.30 g/t Au and 1.18 g/t gold, returned recoveries of 93% and 91% respectively.

- Grindability Testing - Standard grindability tests were used to evaluate the energy requirement to grind material from a pre-defined feed size to a final product size. The Bond Rod Mill Work Index was recorded at 17.8 kWh/tonne and the Bond Ball Mill Work Index at 16.1 kWh/tonne. The grindability tests indicate that Bayan Khundii is moderately hard to hard.

- Heap-Leach Amenability: A series of coarse bottle roll tests were conducted on a composite of Striker Zone material to evaluate if the material would be amenable to heap leaching. These tests were not designed to predict ultimate heap leach recovery but were designed as screening tests whereby similar recoveries across all particle sizes would suggest the material may be amenable to heap leaching techniques, while poor recovery in the coarser tests would suggest that conventional tank leaching would be preferred. Gold recoveries were 57% on the 3.35 mm material, 63% on the 1.7 mm material and 83% on the 69 micron grind size. The higher recovery associated with the finer grind size suggests that conventional tank leaching would likely yield higher overall recoveries.

A 42-sample screen metallic (SM) program was conducted in light of the very high gold grades encountered in both rock chip sampling (4,380 g/t Au) and initial drilling (187 g/t Au over 1 metre), coupled with the abundance of visible gold. The SM results indicate there is no significant nugget effect at Bayan Khundii. In addition, the composite head-grades determined during metallurgical analysis, were very similar to the average of the original sample assays (24.91 g/t Au vs 25.30 g/t Au, and 0.71 g/t vs 0.70 g/t for the high and low grade composites respectively) thus confirming the accuracy and reliability of the original fire assay data.

A comprehensive structural interpretation of the Bayan Khundii project area, within a broad regional structural study, was completed in Q3-Q4 2017. This work indicated the low sulphidation epithermal mineralization was formed within zones of structural dilatancy within a relay ramp structure formed during a period of extensional tectonics. This information will be used for overall interpretation of structural controls on gold mineralization, and for 2018 drill targeting. In addition, this new structural model will guide exploration work designed to identify additional mineralization in and around the main Bayan Khundii project area.

18.0 Recommendations

The recommended technical program for 2018 will focus on close-spaced drill targeting numerous high-grade gold zones in the Striker, Midfield and Midfield North zones within the Bayan Khundii project area which have been intersected in previous drilling. The purpose of this drilling is to increase continuity of gold grades and better define the extent of these zones. In addition, drilling will focus on testing additional targets based on the results from the recent comprehensive structural analysis of Bayan Khundii and surrounding areas. Geotechnical, hydrological and resource estimation work will also be conducted during 2018, leading to a projected maiden resource estimate for Bayan Khundii in Q4 2018, and a subsequent mineral resource registration and mining license application in late 2018 or early 2019.

The recommended exploration and technical program for Bayan Khundii for 2018 includes:

- Drilling: A 9,000-metre drill program is recommended for 2018 and will focus on several objectives, including:
    - Close-spaced drilling within high-grade mineralized zones to increase confidence in continuity and grade in these zones;
    - Test the application of the recently-acquired structural interpretation to target additional zones of dilatency;
    - Test potentially under-represented vein orientations and northeast-trending extensional faults, as recommended in the structural study;
    - Test potential areas of extension outside current target area;
- Geophysics: Complete a gravity survey over the Altan Arrow to Bayan Khundii area of the Khundii license;
- Continue to acquire the required information to move towards a mineral resource registration, thus leading to a mining license application. This will include:
    - Geotechnical work;
    - Detailed review of hydrological information for the Bayan Khundii site;
    - On-going environmental and hydrological monitoring, including assessments of local wells;

Results to date from the Khundii license area support a more detailed license-wide surface exploration program to define additional target areas and a license-wide detailed mapping program is planned for 2018. Encouraging results from 2017 geological studies, including detailed geological mapping of lithologies and alteration, from across the Khundii license, including the Altan Arrow prospect, will be followed up by additional geological, geophysical and drilling in 2018.

The following table provides a summary of the budget for the recommended 2018 exploration program for the Bayan Khundii project.

Table 10 – Bayan Khundii Exploration Program Budget 2018

Geology and Geochemical Surveys	$ 263,200
Geophysics	12,500
Drilling	1,165,900
Technical Studies	840,000
Field Support	1,444,000
Subtotal	**$ 3,725,600**
Contingency (10%)	372,600
TOTAL	**$ 4,098,200**

Certificate of Qualification

I, Michael A. MacDonald, do hereby certify that:

1. I am Vice President Exploration for Erdene Resource Development Corporation and I reside at 15 Stephen Street, Dartmouth, Nova Scotia.

2. This certificate applies to the Report entitled "Bayan Khundii Gold Project, (Khundii Exploration License), Bayankhongor Aimag, Southwest Mongolia, National Instrument 43-101 Technical Report ("Technical Report")", with an effective date of March 1, 2018.

3. I am a member of the Association of Professional Geoscientists of Nova Scotia. I graduated with a Bachelor of Science Degree from St. Francis Xavier University in 1977 and a Master of Science Degree in Geology from Dalhousie University in 1981. I have worked as a geoscientist for a total of 37 years since my graduation from university. My relevant experience is as follows:

   a. 1981 to 1982 – Well-site geological consultant for Crowdis Oil Consultants, based in Alberta. Provide on-site consulting services for oil and gas exploration.
   - 1982 to 1985 – Consulting geochemist, Natural Resources Canada, based in Nova Scotia. Responsible for planning and implementing regional geochemical stream and lake sediments surveys.
   - 1985 to 1997 – Project Geologist, Industry Liaison Geologist, Manager Geological Mapping Section, Nova Scotia Department of Natural Resources based in Nova Scotia.
   - 1997 to 1998 – Regional Exploration Manager, based in Mongolia and Indonesia. Provide geological consulting services to International Pursuit Corporation and Java Gold Corporation on gold and copper exploration.
   - 1998 to 2009 – Manager Geological Mapping Section, and Director Geological Services Division, Nova Scotia Department of Natural Resources. Responsible for managing geological mapping and geoscience research projects for Nova Scotia.
   - 2009 to 2011 – Executive Director, Minerals Branch, Nova Scotia Department of Natural Resources. Responsible for mining and mineral exploration policy, and geoscience research, for the Nova Scotia government.
   - 2011 to Present – Director of Exploration, Mongolia, and Vice President Exploration for Erdene Resource Development Corporation. Provide guidance for gold and base metal mineral exploration activities in Mongolia.
   - 2012 to Present – Vice President, Morien Resources Corporation. Provide geological services for exploration and development of mineral projects in Nova Scotia and other global locations.

4. I am a Qualified Person for the purposes of National Instrument 43-101.

5. I have visited the Khundii property on a number of occasions, most recently between September 9 to 14, 2017.

6. I am responsible for the preparation or the supervision and final editing of all portions of the Technical Report.

7. I am not independent of Erdene Resource Development Corporation.

8. I have read National Instrument 43-101 and Form 43-101F1, and hereby certify that the Technical Report has been prepared in compliance with the requirements thereof.

9. As of the effective date of the Technical Report and to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Respectfully submitted,

Michael A. MacDonald, MSc, P.Geo. (Nova Scotia)

March, 2018

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Appendix 1 – Drill collar information for drillholes BKD-01 to BKD-234

Hole_ID	Easting	Northing	Elevation	Latitude	Longitude	Azimuth	Dip	EOH	Year Drilled
BKD-01	483,326	4,861,100	1236.68	43 54 10.15	98 47 32.51	17.1	-58.8	50.10	2015
BKD-02	483,361	4,861,109	1236.21	43 54 10.43	98 47 34.08	20.7	-43.7	50.10	2015
BKD-03	483,233	4,860,942	1236.49	43 54 05.02	98 47 28.37	57.2	-40.9	60.00	2015
BKD-04	483,187	4,860,896	1235.79	43 54 03.53	98 47 26.30	229.3	-43	50.00	2015
BKD-05	483,188	4,860,946	1235.19	43 54 05.14	98 47 26.35	226.3	-44.1	50.22	2015
BKD-06	483,204	4,860,926	1235.45	43 54 04.50	98 47 27.06	61.1	-43.7	50.10	2015
BKD-07	483,107	4,860,948	1234.04	43 54 05.20	98 47 22.70	45.9	-43.5	40.10	2015
BKD-08	483,241	4,860,921	1235.54	43 54 04.32	98 47 28.71	58.4	-42.9	34.10	2015
BKD-09	483,317	4,861,073	1235.97	43 54 09.27	98 47 32.10	29.2	-59.8	59.40	2015
BKD-10	483,377	4,861,062	1236.85	43 54 08.93	98 47 34.81	51.5	-43.1	35.00	2015
BKD-11	483,309	4,861,103	1236.54	43 54 10.25	98 47 31.75	17.3	-59.8	35.00	2015
BKD-12	483,210	4,861,018	1237.14	43 54 07.47	98 47 27.35	18.6	-45.5	40.00	2015
BKD-13	482,970	4,860,929	1245.98	43 54 04.57	98 47 16.59	336.1	-44.5	70.40	2015
BKD-14	483,001	4,860,980	1243.59	43 54 06.23	98 47 17.98	351.2	-42.2	40.00	2015
BKD-15	483,248	4,860,904	1234.59	43 54 03.78	98 47 29.04	60.5	-44.7	31.10	2015
BKD-16	483,331	4,861,094	1236.50	43 54 09.96	98 47 32.75	27.9	-44.3	150.00	2016
BKD-17	483,285	4,861,013	1246.40	43 54 07.31	98 47 30.69	34.7	-45	175.00	2016
BKD-18	483,237	4,860,936	1236.80	43 54 04.80	98 47 28.56	33.9	-46.7	265.00	2016
BKD-19	483,193	4,860,857	1235.25	43 54 02.26	98 47 26.59	29.3	-44.9	231.00	2016
BKD-20	483,353	4,861,054	1235.91	43 54 08.65	98 47 33.75	33.9	-43.1	100.10	2016
BKD-21	483,332	4,861,017	1236.32	43 54 07.46	98 47 32.80	31.1	-43.1	85.00	2016
BKD-22	483,311	4,860,980	1238.47	43 54 06.26	98 47 31.85	33	-43.3	120.00	2016
BKD-23	483,387	4,861,030	1233.45	43 54 07.89	98 47 35.26	34	-43.8	150.00	2016
BKD-24	483,364	4,860,994	1234.12	43 54 06.70	98 47 34.23	37.2	-45.9	85.20	2016
BKD-25	483,342	4,860,957	1235.07	43 54 05.52	98 47 33.23	32.5	-45.1	150.00	2016
BKD-26	483,289	4,861,106	1237.24	43 54 10.34	98 47 30.86	32	-46	50.00	2016
BKD-27	483,269	4,861,071	1237.98	43 54 09.20	98 47 29.98	36.1	-45.7	237.00	2016
BKD-28	483,249	4,861,032	1245.25	43 54 07.92	98 47 29.06	33	-41.7	120.00	2016
BKD-29	483,257	4,861,127	1237.57	43 54 11.02	98 47 29.41	32.3	-43.4	201.50	2016
BKD-30	483,234	4,861,089	1240.30	43 54 09.79	98 47 28.40	28.2	-42.5	163.00	2016
BKD-31	483,212	4,861,051	1240.62	43 54 08.55	98 47 27.41	33.6	-42.1	140.00	2016
BKD-32	483,113	4,861,151	1236.30	43 54 11.79	98 47 22.97	35.4	-59.9	180.30	2016
BKD-33	483,296	4,860,878	1232.73	43 54 02.94	98 47 31.20	33.7	-42.6	170.00	2016
BKD-34	483,228	4,860,997	1238.10	43 54 06.78	98 47 28.13	34.5	-41.9	200.00	2016
BKD-35	483,143	4,860,891	1234.19	43 54 03.35	98 47 24.32	40.7	-45.3	100.00	2016
BKD-36	483,140	4,860,809	1232.40	43 54 00.68	98 47 24.21	34.5	-44.3	120.05	2016
BKD-37	482,989	4,860,763	1232.68	43 53 59.18	98 47 17.44	32.2	-59.3	140.00	2016
BKD-38	483,649	4,861,031	1232.16	43 54 07.92	98 47 46.98	319.3	-87.8	146.00	2016
BKD-39	483,210	4,861,290	1237.32	43 54 16.29	98 47 27.31	29.1	-46.5	197.00	2016
BKD-40	483,046	4,861,097	1235.48	43 54 10.02	98 47 19.97	115.4	-88.6	150.00	2016
BKD-41	483,726	4,861,702	1243.38	43 54 29.68	98 47 50.38	16.6	-45.3	75.00	2016
BKD-42	483,835	4,861,934	1251.63	43 54 37.23	98 47 55.24	167.9	-88.2	50.00	2016
BKD-43	482,971	4,860,929	1245.95	43 54 04.58	98 47 16.63	158.8	-60.4	150.00	2016
BKD-44	483,320	4,861,117	1237.48	43 54 10.69	98 47 32.23	31	-44.2	109.00	2016
BKD-45	483,366	4,861,165	1234.24	43 54 12.24	98 47 34.30	33	-44.6	120.08	2016
BKD-46	483,237	4,861,013	1240.25	43 54 07.33	98 47 28.53	31.7	-65.5	201.20	2016

Hole_ID	Easting	Northing	Elevation	Latitude	Longitude	Azimuth	Dip	EOH	Year Drilled
BKD-47	483,152	4,861,133	1236.07	43 54 11.20	98 47 24.73	43.4	-84.8	158.00	2016
BKD-48	483,301	4,861,047	1238.54	43 54 08.42	98 47 31.38	31.2	-44.8	151.00	2016
BKD-49	483,304	4,861,009	1241.03	43 54 07.18	98 47 31.5	35.3	-46.8	151.00	2016
BKD-50	483,373	4,861,043	1234.57	43 54 08.30	98 47 34.6	38.4	-44.9	100.00	2016
BKD-51	483,260	4,861,022	1247.92	43 54 07.61	98 47 29.5	35.3	-45.5	151.00	2016
BKD-52	483,407	4,861,069	1233.38	43 54 09.1	98 47 36.14	28.9	-44.5	50.23	2016
BKD-53	483,093	4,861,204	1240.10	43 54 13.50	98 47 22.05	43.0	-84.9	200.00	2016
BKD-54	483,221	4,861,065	1238.97	43 54 09.00	98 47 27.8	41.5	-85.5	113.00	2016
BKD-55	483,191	4,861,030	1236.79	43 54 07.85	98 47 26.46	27.3	-45.2	151.00	2016
BKD-56	483,322	4,861,043	1236.62	43 54 08.31	98 47 32.3	32.9	-44.5	150.00	2016
BKD-57	483,279	4,861,089	1238.28	43 54 09.77	98 47 30.42	28.8	-44.0	125.50	2016
BKD-58	483,277	4,861,161	1236.63	43 54 12.1	98 47 30.33	29.7	-44.9	100.00	2016
BKD-59	482,983	4,861,132	1236.59	43 54 11.14	98 47 17.12	39.9	-85.5	251.00	2016
BKD-60	483,346	4,861,284	1237.53	43 54 16.10	98 47 33.41	31.1	-71.7	149.00	2016
BKD-61	483,259	4,861,055	1240.40	43 54 08.68	98 47 29.52	27.9	-45.0	121.00	2016
BKD-62	483,850	4,862,050	1247.12	43 54 40.98	98 47 55.89	0.7	-86.3	175.00	2016
BKD-63	483,299	4,861,125	1236.50	43 54 10.96	98 47 31.32	27.6	-45.3	76.00	2016
BKD-64	483,287	4,861,062	1237.88	43 54 08.92	98 47 30.79	29.4	-45.3	151.00	2016
BKD-65	483,349	4,861,126	1237.67	43 54 10.99	98 47 33.56	33.3	-46.3	100.00	2016
BKD-66	483,407	4,861,109	1233.68	43 54 10.44	98 47 36.16	29.7	-46.0	50.20	2016
BKD-67	483,231	4,860,950	1237.18	43 54 05.26	98 47 28.27	30.5	-45.3	75.00	2016
BKD-68	483,164	4,861,042	1236.47	43 54 08.25	98 47 25.26	28.8	-45.0	169.00	2016
BKD-69	483,310	4,861,143	1235.71	43 54 11.53	98 47 31.79	34.6	-45.5	219.80	2016
BKD-70	483,363	4,861,074	1238.19	43 54 09.30	98 47 34.17	28.9	-45.8	76.00	2016
BKD-71	483,449	4,861,100	1234.06	43 54 10.1	98 47 38.02	33.8	-70.4	71.00	2016
BKD-72	483,748	4,861,919	1250.89	43 54 36.74	98 47 51.36	8.0	-69.2	150.60	2016
BKD-73	483,335	4,861,067	1235.50	43 54 09.06	98 47 32.92	31.2	-43.6	100.00	2016
BKD-74	483,313	4,861,027	1240.75	43 54 07.77	98 47 31.93	31.6	-43.5	152.00	2016
BKD-75	483,043	4,861,347	1239.56	43 54 18.12	98 47 19.79	31.8	-75.8	200.00	2016
BKD-76	483,296	4,861,081	1236.72	43 54 09.51	98 47 31.19	31.2	-45.6	130.00	2016
BKD-77	483,249	4,861,006	1241.32	43 54 07.09	98 47 29.08	31.5	-45.3	150.00	2016
BKD-78	483,270	4,860,995	1245.92	43 54 06.74	98 47 30.02	32.4	-44.7	151.00	2016
BKD-79	483,293	4,860,990	1243.00	43 54 06.60	98 47 31.10	32.8	-44.4	151.00	2016
BKD-80	483,307	4,861,097	1236.62	43 54 10.06	98 47 31.67	29.1	-45.0	100.00	2016
BKD-81	483,289	4,861,106	1237.54	43 54 10.33	98 47 30.87	27.0	-45.4	231.00	2016
BKD-82	483,283	4,861,132	1237.29	43 54 11.16	98 47 30.58	30.5	-44.8	226.00	2016
BKD-83	483,341	4,861,113	1238.81	43 54 10.55	98 47 33.18	31.6	-45.2	100.00	2016
BKD-84	483,299	4,861,044	1239.25	43 54 08.32	98 47 31.30	34.7	-55.2	101.00	2016
BKD-85	483,262	4,861,097	1240.18	43 54 10.03	98 47 29.66	31.6	-44.4	222.60	2016
BKD-86	483,331	4,861,135	1237.46	43 54 11.27	98 47 32.74	33.4	-44.9	80.00	2016
BKD-87	483,348	4,861,088	1237.47	43 54 09.74	98 47 33.52	32.8	-44.6	100.00	2016
BKD-88	483,381	4,861,265	1237.43	43 54 15.49	98 47 34.98	23.9	-47.4	157.00	2016
BKD-89	483,312	4,861,306	1236.48	43 54 16.83	98 47 31.87	30.0	-46.3	184.00	2016
BKD-90	483,329	4,861,252	1235.66	43 54 15.06	98 47 32.62	30.7	-44.6	184.00	2016
BKD-91	483,399	4,861,299	1242.72	43 54 16.60	98 47 35.75	32.5	-45.1	167.84	2016
BKD-92	483,291	4,861,271	1236.19	43 54 15.67	98 47 30.95	29.0	-44.7	190.00	2016
BKD-93	483,225	4,861,211	1237.79	43 54 13.72	98 47 27.99	34.5	-60.3	148.90	2016
BKD-94	483,367	4,861,320	1242.80	43 54 17.27	98 47 34.31	33.8	-60.8	157.40	2016
BKD-95	483,363	4,861,230	1235.29	43 54 14.36	98 47 34.18	33.7	-45.3	165.90	2016

Hole_ID	Easting	Northing	Elevation	Latitude	Longitude	Azimuth	Dip	EOH	Year Drilled
BKD-96	483,348	4,861,366	1238.55	43 54 18.78	98 47 33.46	32.4	-61.5	292.50	2016; Ext 2017
BKD-97	483,360	4,861,640	1241.25	43 54 27.65	98 47 33.96	8.5	-84.4	200.00	2017
BKD-98	483,310	4,861,261	1235.99	43 54 15.36	98 47 31.78	29.7	-49.4	181.40	2017
BKD-99	483,328	4,861,295	1238.57	43 54 16.47	98 47 32.60	30.5	-51.4	169.30	2017
BKD-100	483,292	4,861,317	1236.56	43 54 17.19	98 47 30.99	31.3	-55.2	139.40	2017
BKD-101	483,308	4,861,216	1235.52	43 54 13.90	98 47 31.71	29.4	-45.2	210.90	2017
BKD-102	483,341	4,861,195	1234.98	43 54 13.23	98 47 33.19	28.0	-45.0	195.80	2017
BKD-103	483,161	4,861,203	1237.59	43 54 13.47	98 47 25.09	36.8	-84.8	194.00	2017
BKD-104	483,206	4,861,273	1237.02	43 54 15.75	98 47 27.13	31.3	-85.0	146.10	2017
BKD-105	482,957	4,861,094	1236.67	43 54 09.93	98 47 15.96	33.1	-85.4	318.60	2017
BKD-106	483,114	4,861,284	1238.47	43 54 16.08	98 47 23.01	35.2	-85.3	245.00	2017
BKD-107	483,019	4,861,198	1239.67	43 54 13.31	98 47 18.75	32.2	-83.6	320.00	2017
BKD-108	482,926	4,861,203	1242.99	43 54 13.45	98 47 14.60	39.0	-82.9	97.00	2017
BKD-109	483,256	4,860,829	1234.44	43 54 01.36	98 47 29.41	32.1	-46.1	177.90	2017
BKD-110	483,341	4,861,425	1238.29	43 54 20.67	98 47 33.17	32.5	-44.5	253.00	2017
BKD-111	483,375	4,861,409	1238.08	43 54 20.15	98 47 34.69	35.9	-45.0	190.00	2017
BKD-112	483,428	4,861,424	1237.95	43 54 20.66	98 47 37.06	32.4	-62.3	145.90	2017
BKD-113	483,453	4,861,313	1237.28	43 54 17.05	98 47 38.19	35.1	-70.5	121.90	2017
BKD-114	483,469	4,861,258	1236.74	43 54 15.27	98 47 38.92	27.4	-60.1	121.40	2017
BKD-115	483,431	4,861,192	1235.38	43 54 13.13	98 47 37.21	33.8	-62.4	97.80	2017
BKD-116	483,496	4,861,148	1234.36	43 54 11.72	98 47 40.15	38.7	-60.7	160.80	2017
BKD-117	483,543	4,861,218	1234.85	43 54 13.98	98 47 42.23	29.9	-70.7	127.80	2017
BKD-118	483,496	4,861,061	1233.93	43 54 08.89	98 47 40.16	29.5	-59.6	193.80	2017
BKD-119	483,243	4,860,987	1238.78	43 54 06.48	98 47 28.81	31.7	-47.7	190.10	2017
BKD-120	484,272	4,861,930	1247.39	43 54 37.11	98 48 14.83	30.5	-83.5	65.00	2017
BKD-121	483,851	4,861,682	1241.89	43 54 29.04	98 47 55.98	30.9	-83.8	59.00	2017
BKD-122	483,752	4,861,625	1242.16	43 54 27.18	98 47 51.57	30.0	-83.6	176.00	2017
BKD-123	483,673	4,861,705	1245.56	43 54 29.79	98 47 48.01	30.5	-84.6	173.00	2017
BKD-124	483,451	4,861,731	1241.64	43 54 30.60	98 47 38.05	29.7	-85.4	200.00	2017
BKD-125	483,652	4,861,191	1234.43	43 54 13.12	98 47 47.11	35.0	-84.2	155.90	2017
BKD-126	483,748	4,861,397	1235.77	43 54 19.81	98 47 51.43	26.9	-85.9	197.00	2017
BKD-127	483,950	4,860,729	1226.82	43 53 58.16	98 48 0.521	34.2	-56.4	63.00	2017
BKD-128	483,260	4,860,973	1243.26	43 54 06.02	98 47 29.56	27.2	-44.3	171.60	2017
BKD-129	483,285	4,860,976	1241.51	43 54 06.13	98 47 30.68	33.2	-48.6	169.00	2017
BKD-130	482,986	4,860,822	1235.61	43 54 01.11	98 47 17.32	33.6	-71.9	184.9	2017
BKD-131	483,049	4,860,764	1233.30	43 53 59.24	98 47 20.15	31.0	-70.5	148.50	2017
BKD-132	483,016	4,860,876	1237.65	43 54 02.86	98 47 18.66	29.9	-71.0	200.20	2017
BKD-133	483,088	4,860,835	1233.29	43 54 01.53	98 47 21.87	26.2	-71.4	122.00	2017
BKD-134	483,058	4,860,947	1236.59	43 54 05.15	98 47 20.52	27.7	-69.9	218.00	2017
BKD-135	483,226	4,860,756	1230.40	43 53 58.97	98 47 28.07	26.6	-71.0	200.00	2017
BKD-136	483,926	4,861,409	1236.31	43 54 20.20	98 47 59.36	30.5	-64.7	157.50	2017
BKD-137	483,809	4,861,521	1240.29	43 54 23.83	98 47 54.12	29.4	-64.4	160.50	2017
BKD-138	483,543	4,861,540	1238.58	43 54 24.43	98 47 42.19	36.3	-65.5	225.00	2017
BKD-139	483,433	4,861,511	1239.00	43 54 23.47	98 47 37.28	34.3	-65.9	118.50	2017
BKD-140	483,497	4,861,475	1238.19	43 54 22.23	98 47 40.14	31.6	-65.9	232.5	2017
BKD-141	483,572	4,861,435	1237.12	43 54 21.02	98 47 43.52	31.2	-64.9	229.5	2017
BKD-142	483,532	4,861,364	1236.52	43 54 18.72	98 47 41.73	33.8	-66.0	166.5	2017
BKD-143	483,601	4,861,323	1235.88	43 54 17.41	98 47 44.81	29.2	-65.4	184.5	2017

Hole_ID	Easting	Northing	Elevation	Latitude	Longitude	Azimuth	Dip	EOH	Year Drilled
BKD-144	483,672	4,861,285	1234.75	43 54 16.16	98 47 48.02	28.9	-64.5	160.5	2017
BKD-145	483,319	4,861,395	1237.79	43 54 19.71	98 47 32.16	32.1	-46.8	201.00	2017
BKD-146	483,300	4,861,363	1237.03	43 54 18.67	98 47 31.33	29.7	-45.9	184.00	2017
BKD-147	483,360	4,861,385	1238.40	43 54 19.37	98 47 33.99	36.2	-56.3	202.00	2017
BKD-148	483,273	4,861,237	1236.07	43 54 14.58	98 47 30.11	29.9	-46.5	145.00	2017
BKD-149	483,290	4,861,184	1236.70	43 54 12.85	98 47 30.89	32.2	-46.2	201.00	2017
BKD-150	483,339	4,861,271	1237.31	43 54 15.69	98 47 33.08	30.5	-46.6	169.30	2017
BKD-151	483,388	4,861,357	1239.68	43 54 18.46	98 47 35.29	39.6	-61.4	202.60	2017
BKD-152	483,245	4,861,435	1238.16	43 54 20.99	98 47 28.85	35.0	-55.9	172.00	2017
BKD-153	483,329	4,861,176	1235.72	43 54 12.60	98 47 32.64	35.1	-43.1	186.5	2017
BKD-154	483,407	4,861,466	1238.23	43 54 22.01	98 47 36.13	29.5	-54.7	175	2017
BKD-155	483,459	4,861,407	1237.53	43 54 20.10	98 47 38.44	28.2	-65.1	154.5	2017
BKD-156	483,357	4,861,144	1235.73	43 54 11.58	98 47 33.91	32.1	-44.2	177.5	2017
BKD-157	483,391	4,861,121	1233.82	43 54 10.84	98 47 35.42	30.7	-44.5	156.5	2017
BKD-158	483,323	4,861,483	1238.89	43 54 22.57	98 47 32.32	29.1	-65.4	183.5	2017
BKD-159	483,365	4,861,552	1240.08	43 54 24.79	98 47 34.20	29.0	-65.3	199.5	2017
BKD-160	483,470	4,861,582	1239.66	43 54 25.78	98 47 38.92	32.7	-65.9	120.5	2017
BKD-161	483,579	4,861,612	1240.09	43 54 26.75	98 47 43.81	29.3	-65.4	220	2017
BKD-162	483,650	4,861,573	1239.33	43 54 25.50	98 47 46.98	32.8	-65.9	199.5	2017
BKD-163	483,721	4,861,539	1241.05	43 54 24.41	98 47 50.16	31.8	-65.3	190.15	2017
BKD-164	483,609	4,861,501	1238.12	43 54 23.15	98 47 45.17	29.2	-64.9	200.50	2017
BKD-165	483,682	4,861,465	1237.20	43 54 21.99	98 47 48.43	32.4	-65.3	200.00	2017
BKD-166	483,244	4,861,346	1237.18	43 54 18.12	98 47 28.80	29.7	-46.2	178.00	2017
BKD-167	483,192	4,861,374	1237.99	43 54 19.01	98 47 26.47	31.9	-55.6	205.50	2017
BKD-168	483,453	4,860,991	1232.64	43 54 06.60	98 47 38.21	32.9	-60.3	191.00	2017
BKD-169	483,414	4,860,921	1231.71	43 54 04.35	98 47 36.49	28.2	-60.2	109.50	2017
BKD-170	483,482	4,860,881	1231.52	43 54 03.06	98 47 39.54	32.1	-60.3	175.00	2017
BKD-171	483,117	4,861,005	1235.07	43 54 07.05	98 47 23.16	31.2	-45.5	190.00	2017
BKD-172	483,029	4,861,051	1237.13	43 54 08.52	98 47 19.19	29.8	-85.4	250.50	2017
BKD-173	483,140	4,861,084	1235.60	43 54 09.62	98 47 24.16	27.9	-84.8	188.00	2017
BKD-174	483,211	4,861,133	1239.93	43 54 11.21	98 47 27.37	31.7	-46.1	153.50	2017
BKD-175	483,032	4,861,141	1236.33	43 54 11.45	98 47 19.34	32.7	-84.6	250.40	2017
BKD-176	482,964	4,861,182	1239.19	43 54 12.76	98 47 16.28	29.0	-84.3	359.00	2017
BKD-177	483,046	4,861,250	1246.08	43 54 14.98	98 47 19.93	31.1	-85.0	300.00	2017
BKD-178	483,370	4,861,399	1238.00	43 54 19.8	98 47 34.5	32.5	-52.6	217.00	2017
BKD-179	483,481	4,861,443	1237.75	43 54 21.3	98 47 39.4	29.7	-66.4	203.00	2017
BKD-180	483,526	4,861,514	1238.10	43 54 23.6	98 47 41.4	31.9	-66.4	226.60	2017
BKD-181	483,359	4,861,471	1238.75	43 54 22.2	98 47 34.0	25.8	-47.3	250.00	2017
BKD-182	483,468	4,861,493	1238.25	43 54 22.9	98 47 38.8	28.4	-62.2	238.60	2017
BKD-183	483,057	4,861,338	1239.50	43 54 17.8	98 47 20.4	25.1	-86.5	287.00	2017
BKD-184	483,548	4,861,729	1242.10	43 54 30.5	98 47 42.4	25.1	-85.4	110.00	2017
BKD-185	483,650	4,861,818	1246.80	43 54 33.4	98 47 47.0	30.6	-85.3	107.00	2017
BKD-186	483,753	4,861,990	1246.90	43 54 39.0	98 47 51.6	29.5	-84.7	200.00	2017
BKD-187	483,553	4,861,108	1233.60	43 54 10.4	98 47 42.7	32.3	-84.8	170.00	2017
BKD-188	483,359	4,861,419	1238.05	43 54 20.5	98 47 34.0	28.8	-46.5	289.00	2017
BKD-189	483,266	4,861,377	1237.40	43 54 19.1	98 47 29.8	27.8	-47.1	169.00	2017
BKD-190	483,379	4,861,500	1238.80	43 54 23.1	98 47 34.9	29.5	-47.4	300.50	2017
BKD-191	483,490	4,861,534	1238.60	43 54 24.2	98 47 39.8	29.4	-61.1	229.60	2017
BKD-192	483,448	4,861,457	1238.00	43 54 21.7	98 47 37.9	29.5	-61.3	109.60	2017

Hole_ID	Easting	Northing	Elevation	Latitude	Longitude	Azimuth	Dip	EOH	Year Drilled
BKD-193	483,537	4,861,453	1237.40	43 54 21.6	98 47 41.9	28.8	-65.7	220.80	2017
BKD-194	483,318	4,861,233	1235.40	43 54 14.5	98 47 32.2	26.7	-44.8	187.00	2017
BKD-195	484,549	4,861,362	1238.00	43 54 18.7	98 48 27.3	358.8	-84.5	57.50	2017
BKD-196	483,281	4,861,092	1238.25	43 54 09.9	98 47 30.5	30.6	-60.8	193.60	2017
BKD-197	483,478	4,861,028	1233.20	43 54 07.8	98 47 39.3	30.4	-60.7	178.60	2017
BKD-198	483,093	4,861,115	1235.40	43 54 10.6	98 47 22.1	29.9	-60.8	187.60	2017
BKD-199	483,339	4,861,310	1240.10	43.904711	98.79252	27.2	-49.8	187.20	2017
BKD-200	483,350	4,861,330	1240.40	43.904885	98.79266	29.2	-51.1	229.20	2017
BKD-201	483,082	4,861,576	1240.50	43.907096	98.789313	32.1	-85.4	200.10	2017
BKD-202	483,748	4,861,838	1245.80	43.909468	98.797594	33.5	-83.8	105.70	2017
BKD-203	484,454	4,861,949	1247.00	43.91049	98.806389	41.9	-84.8	119.10	2017
BKD-204	483,088	4,861,068	1245.56	43.902523	98.789404	31.2	-65.2	229.60	2017
BKD-205	483,007	4,861,014	1255.21	43.902037	98.788401	32.6	-85.1	284.00	2017
BKD-206	483,955	4,861,915	1244.60	43.910168	98.80017	27.7	-85.7	152.00	2017
BKD-207	484,052	4,862,080	1248.50	43.911659	98.801381	29.9	-85.3	101.00	2017
BKD-208	484,182	4,861,984	1248.00	43.910797	98.803003	39.7	-86.2	101.00	2017
BKD-209	483,407	4,861,390	1237.70	43.905434	98.793371	30.9	-65.4	172.60	2017
BKD-210	483,415	4,861,241	1235.80	43.90409	98.793476	30.1	-65.5	143.00	2017
BKD-211	482,996	4,861,075	1236.50	43.90259	98.78825	35.5	-85.6	341.00	2017
BKD-212	483,063	4,861,034	1236.33	43.90222	98.78909	30.9	-65.2	247.60	2017
BKD-213	483,960	4,860,991	1227.00	43.90185	98.80026	29.8	-85.7	200.00	2017
BKD-214	483,953	4,861,637	1239.88	43.90767	98.80016	26.1	-85.1	125.00	2017
BKD-215	483,519	4,861,099	1233.20	43.90281	98.79477	29.9	-60.4	181.20	2017
BKD-216	482,951	4,861,007	1238.24	43.90197	98.7877	29.3	-85.2	290.00	2017
BKD-217	483,517	4,861,421	1237.08	43.90571	98.79474	30.8	-64.5	214.70	2017
BKD-218	483,556	4,861,489	1237.66	43.90632	98.79522	30.9	-65.7	226.60	2017
BKD-219	483,001	4,861,047	1237.50	43 54 08.4	98 47 18.0	32.4	-85.3	300.00	2017
BKD-220	482,957	4,861,049	1237.50	43 54 08.5	98 47 15.9	39.5	-84.6	269.00	2017
BKD-221	483,023	4,861,081	1236.00	43 54 09.5	98 47 18.9	31.1	-86.5	254.00	2017
BKD-222	483,340	4,861,152	1235.00	43 54 11.8	98 47 33.1	30.6	-45.6	210.80	2017
BKD-223	483,225	4,861,033	1241.00	43 54 07.9	98 47 27.9	30.6	-45.4	100.00	2017
BKD-224	483,183	4,861,045	1237.00	43 54 08.4	98 47 26.1	30.8	-61.7	50.00	2017
BKD-225	483,244	4,860,965	1240.50	43 54 05.7	98 47 28.9	31.8	-44.5	70.00	2017
BKD-226	483,194	4,860,925	1236.00	43 54 04.5	98 47 26.6	29.8	-46.4	50.00	2017
BKD-227	483,268	4,861,006	1246.50	43 54 07.1	98 47 29.9	29.7	-47.2	150.00	2017
BKD-228	483,487	4,861,456	1238.00	43 54 21.7	98 47 39.7	29	-67.1	212.00	2017
BKD-229	483,350	4,861,241	1235.41	43 54 14.7	98 47 33.6	31.2	-46.1	178.00	2017
BKD-230	483,322	4,861,276	1236.40	43 54 15.9	98 47 32.4	30.7	-51.0	175.50	2017
BKD-231	483,347	4,861,400	1237.9	43 54 19.9	98 47 33.4	28.2	-46.5	301.00	2017
BKD-232	483,394	4,861,443	1238.30	43 54 21.3	98 47 35.5	29.1	-56.1	211.50	2017
BKD-233	483,375	4,861,221	1235.40	43 54 14.1	98 47 34.7	28.9	-46.2	175.00	2017
BKD-234	483,295	4,861,013	1245.00	43 54 07.3	98 47 31.1	30.6	-45.2	151.00	2017