

ERDENE PROVIDES BAYAN KHUNDII GOLD PROJECT DRILLING UPDATE CONFIRMS NEW NEAR-SURFACE GOLD ZONE EAST OF MIDFIELD OREBODY

Press Release

Halifax, Nova Scotia

2020.06.18

Erdene Resource Development Corporation (TSX:ERD | MSE:ERDN) (“Erdene” or the “Company”) is pleased to provide a drilling update for the Company’s 100%-owned Khundii Gold Project.

“The current drill program has confirmed continuity of a new near-surface gold zone, southeast of the main Midfield orebody, with multiple intersections containing visible gold,” said Peter Akerley, Erdene’s President and CEO. “The success of this drilling program demonstrates the potential for isolated gold intersections adjacent to the existing reserves to be expanded, which could add very-high grade resources in the near-surface. Samples have been collected and shipped to SGS Laboratories for analysis, with results expected early in Q3. Results will be used to plan future drill programs.”

Drill Program Summary (See attached figures for reference)

The current drilling program is designed to test for mineralization in zones classified as waste or low-grade stockpile material identified as having the potential to add significant value at the earliest stages of mining. The first area tested is southeast of the main Midfield orebody where previous drilling (BKD-262) identified a high-grade intersection within 10 metres of surface that returned 3 metres* of 52.9 g/t gold but was relatively isolated. This intersection is located at the northern corner of the current eighteen-hole drill program designed to cover an area of approximately 50 metres by 50 metres south and east of BKD-262.

Drilling has intersected two parallel veins and alteration zones beginning within 5 metres of surface and continuing to the maximum vertical depth of the target area tested during this drill program, approximately 30 metres, and along a strike length of approximately 50 metres where it remains open. Visible gold has been observed in multiple holes hosted in quartz adularia veins, fault related breccia and in the iron oxide cement of these breccias (secondary enrichment (supergene)). The near north-south orientation of this zone is oblique to the general strike of the main ore zones (NE-SW) and remains open to the south.

This target area is interpreted as a cross structure with gold in quartz adularia veins that have been subjected to post mineralization faulting and secondary enrichment. This quartz rich zone appears to be a resistive ridge on a paleo erosional surface. This has resulted in a reinterpretation of this erosional surface, or unconformity, and has extended the potential gold bearing zone. The visible gold zone follows the contour of the Jurassic unconformity and can now be traced through largely untested near-surface areas to the south along the eastern edge of the Striker orebody.

From the northern extent of the mineralized zone (intersection in BKD-262), the target area is now expanded to a total strike length of 200 metres. The northern 50 metres has been tested by the current

drilling program, and the southern 50 metres was partially tested by previous trenching and drilling, leaving approximately 100 metres in the centre untested. Reported intersections on the southern 50 metres include 1 metre* of 55.6 g/t gold within 3 metres* of 18 g/t gold in trench BKT-06 and 35 metres* of 5.7 g/t gold including 1 metre* of 194 g/t gold in drill hole BKD-10. One additional hole drilled along the target structure (BKD-45) intersected fault breccia with anomalous gold near the surface, but was not designed to test the newly identified zone of mineralization.

Samples have been transferred to SGS Laboratory in Ulaanbaatar with results anticipated in July. Drilling has now shifted to a near-surface target at the south-western corner of the Striker zone. Additional drilling will be planned on receipt of drill results.

*Previous results in this release are stating apparent thicknesses

Khundii Gold District

Erdene's deposits are located in the Edren Terrane, within the Central Asian Orogenic Belt, host to some of the world's largest gold and copper-gold deposits. The Company has been the leader in exploration in southwest Mongolia over the past decade and is responsible for the discovery of the Khundii Gold District comprised of multiple high-grade gold and gold/base metal prospects, two of which are being considered for development: the 100%-owned Bayan Khundii and Altan Nar projects. Together, these deposits comprise the Khundii Gold Project.

The Bayan Khundii Gold Resource¹ includes 521,000 ounces of 3.16 g/t gold Measured and Indicated ("M&I")² and 103,000 ounces of Inferred resources at 3.68 g/t gold. Within the M&I resource, a proven and probable open-pit reserve totals 422,000 ounces at 3.7 g/t (see the full press release [here](#)), providing significant potential growth of reserves with the development of the remaining M&I and Inferred resources.

¹

In October of 2019, Erdene announced the results of an independent Technical Report for the Khundii Gold Project (press release [here](#)), which included a Pre-feasibility Study ("PFS") for the Bayan Khundii deposit and an updated Preliminary Economic Assessment ("PEA") for the Altan Nar deposit. The PFS and the updated PEA results include an after-tax Net Present Value at a 5% discount rate and a US\$1,300/oz gold price of US\$97 million and US\$24 million, Internal Rate of Return ("IRR") of 42% and 90% for Bayan Khundii and Altan Nar deposits, respectively. The PFS envisions an open-pit mine at Bayan Khundii from Years 0-7, producing an average of 61,000 oz gold per year at a head grade of 3.73 g/t gold, and an open-pit operation at Altan Nar during Years 7-10, for an average annual production of 48,000 oz gold at an average head grade of 3.46 g/t gold, utilizing a conventional carbon in pulp processing plant at the Bayan Khundii mine. Erdene has secured a mining license for the Bayan Khundii deposit in August of 2019 and plans to start producing gold at Bayan Khundii in late 2021. The Altan Nar PEA is by nature, a preliminary economic study, based in part on Inferred Resources. Inferred Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral

¹ For details of the Mineral Resources see Khundii Gold Project NI 43-101 Technical Report, Tetra Tech December 4, 2019 – SEDAR

² M&I: 171,000 ounces of 3.77 g/t gold Measured and 349,700 ounces of 2.93 g/t gold Indicated

reserves, which is required for a pre-feasibility or feasibility study. Mineral resources that are not mineral reserves do not have demonstrated economic viability, and there is no certainty that the PEA will be realized.

Erdene Resource Development Corp. is a Canada-based resource company focused on the acquisition, exploration, and development of precious and base metals in underexplored and highly prospective Mongolia. The Company has interests in three mining licenses and three exploration licenses in Southwest Mongolia, where exploration success has led to the discovery and definition of the Khundii Gold District. Erdene Resource Development Corp. is listed on the Toronto and the Mongolian stock exchanges. Further information is available at www.erdene.com. Important information may be disseminated exclusively via the website; investors should consult the site to access this information.

Qualified Person and Sample Protocol

Peter Dalton, P.Geol. (Nova Scotia), Senior Geologist for Erdene, is the Qualified Person as that term is defined in National Instrument 43-101 and has reviewed and approved the technical information contained in this news release. All samples have been assayed at SGS Laboratory in Ulaanbaatar, Mongolia. In addition to internal checks by SGS Laboratory, the Company incorporates a QA/QC sample protocol utilizing prepared standards and blanks. All samples undergo standard fire assay analysis for gold and ICP-OES (Inductively Coupled Plasma Optical Emission Spectroscopy) analysis for 33 additional elements. For samples that initially return a grade greater than 5 g/t gold, additional screen-metallic gold analysis is carried out which provides a weighted average gold grade from fire assay analysis of the entire +75 micron fraction and three 30-gram samples of the -75 micron fraction from a 500 gram sample.

Erdene's drill core sampling protocol consisted of collection of samples over 1 or 2 metre intervals (depending on the lithology and style of mineralization) over the entire length of the drill hole, excluding minor post-mineral lithologies and un-mineralized granitoids. Sample intervals were based on meterage, not geological controls or mineralization. All drill core was cut in half with a diamond saw, with half of the core placed in sample bags and the remaining half securely retained in core boxes at Erdene's Bayan Khundii exploration camp. All samples were organized into batches of 30 including a commercially prepared standard, blank and either a field duplicate, consisting of two quarter-core intervals, or a laboratory duplicate. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene's logistical contractor, Monrud Co. Ltd.

Forward-Looking Statements

Certain information regarding Erdene contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although Erdene believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Erdene cautions that actual performance will be affected by a number of factors, most of which are beyond its control, and that future events and results may vary substantially from what Erdene currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements

include the ability to obtain required third party approvals, market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and is subject to change after that date. The Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENTS OF THIS RELEASE

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BAYAN KHUNDII GOLD PROJECT Midfield SE Gold Discovery

**BKD-278 @ 6 metres
down hole, gold bearing
quartz adularia vein**

BAYAN KHUNDII GOLD PROJECT Midfield SE Gold Discovery

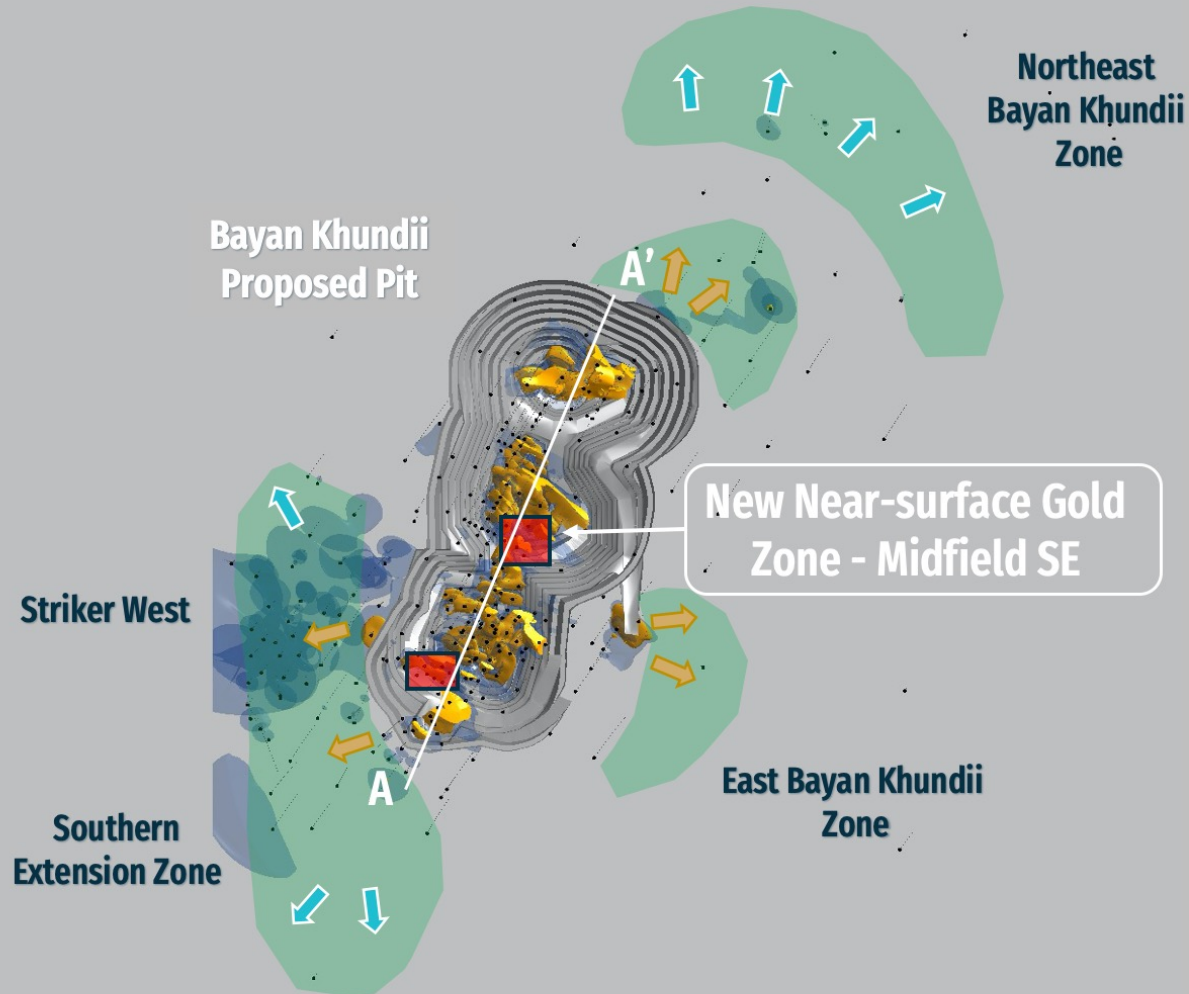
**BKD-288 @ 12 metres
down hole, gold bearing
iron oxide zone
(supergene)**



BAYAN KHUNDII

Areas for Expansion Adjacent to Open Pit

Fast tracking to production



Bayan Khundii Extension and Exploration Zones

- Q2-2020 Condemnation Drill Area
- High-Grade Gold Domain
- Low-Grade Gold Domain
- Exploration-Expansion Zone

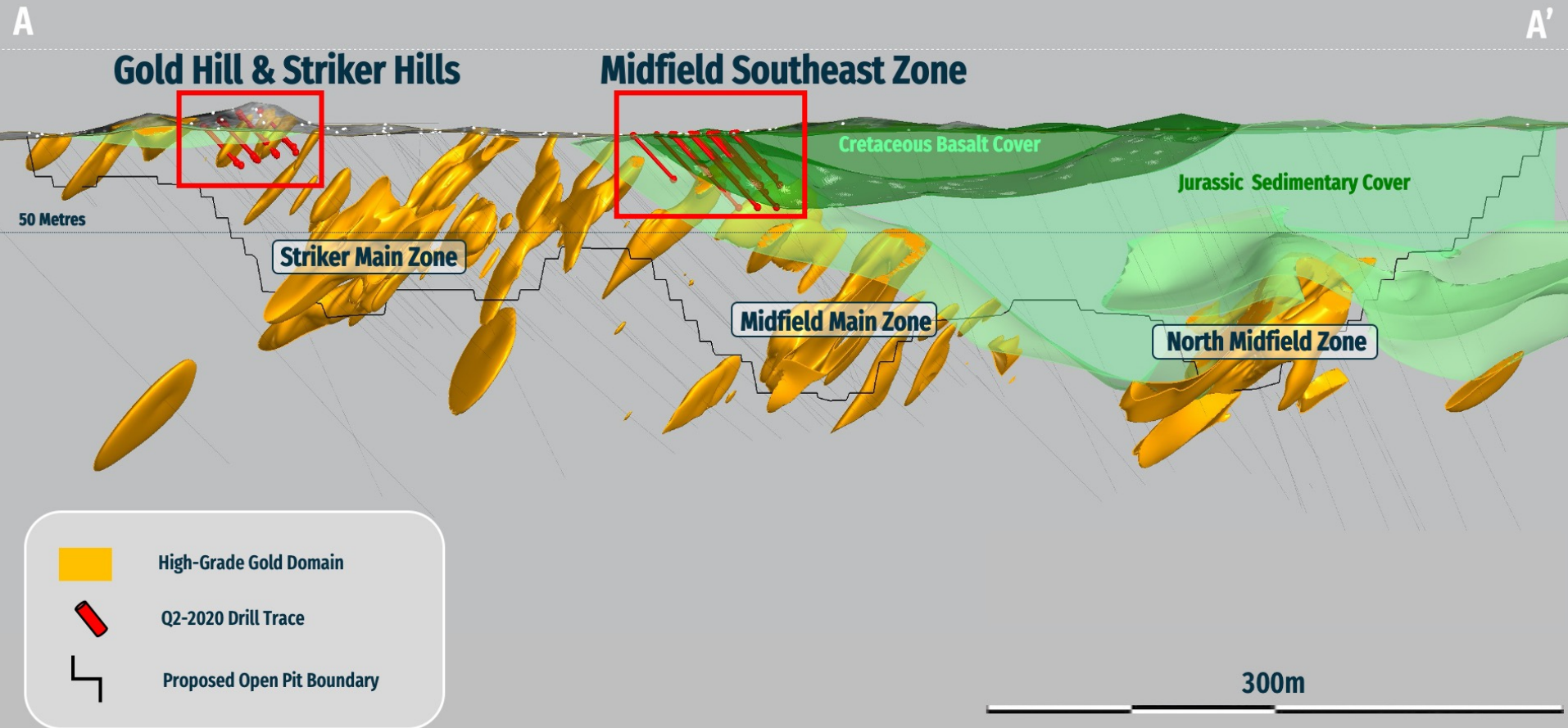
500m



BAYAN KHUNDII DEPOSIT

Near Surface Drill Program Q2-2020

SECTION LOOKING WNW



BAYAN KHUNDII

Midfield Southeast

Target Area

Q2-2020 Drilling



BKD-262

BKD-278







BKD-288

BKD-45

BKT-06

BKD-10

Largely Untested from Surface to 50 metres depth

-  High-Grade Gold Domain (50 metres from Surface)
-  Q2-2020 Drill Trace
-  Previous Collar
-  Visible Gold Q2 2020 Drilling
-  Sedimentary Cover
-  Trend of New Midfield SE Gold Target

50m

