

ERDENE INITIATES STRATEGIC REVIEW OF KHUVYN KHAR MOLYBDENUM-COPPER PROJECT

Press Release
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Erdene Resource Development Corporation (TSX: ERD | MSE: ERDN) (“Erdene” or the “Company”) has initiated a strategic review of its 100%-owned¹ Khuvyn Khar Molybdenum-Copper Project (“Project”) in southwest Mongolia, located 30 kilometres east of the Khundii Gold District. The Khuvyn Khar license hosts the Zuun Mod Molybdenum-Copper deposit, one of the largest undeveloped molybdenum-copper resources in Asia, as well as multiple copper and molybdenum prospects.

Project Highlights

- Erdene holds a 100% interest in the 6,041-hectare Khuvyn Khar mining license, with a remaining term of up to 60 years.
- The license contains a large-scale porphyry system, hosting Zuun Mod, one of Asia’s largest undeveloped molybdenum-copper projects, as well as multiple copper prospects.
- Zuun Mod contains an NI 43-101 Measured and Indicated Resources of 273.5 million pounds molybdenum and 330.7 million pounds copper, and Inferred Resources of 157.7 million pounds molybdenum and 197.7 million pounds copper².
- Drilling 2.2 kilometre northwest of Zuun Mod has intersected 34 metres of 1.3% copper and 9.2 g/t silver – the majority of the license area remains under explored.
- The Project is situated 180 kilometres northwest of China, the world’s largest copper and molybdenum consumer and steel producer.

Quotes from the Company

“With the recent increase in demand for copper and molybdenum, and the positive longer term outlook for these commodities, Erdene has initiated a strategic review of its Khuvyn Khar Project,” said Peter Akerley, President and CEO of Erdene. “As one of the largest undeveloped molybdenum-copper projects in Asia, with significant potential to expand resources, the Company sees several paths to unlock the value of the Project for our shareholders. This strategic review will consider multiple avenues to optimize the Project’s value, including a sale, joint venture partnership, or spinout.”

¹ Khuvyn Khar Project is subject to a net smelter royalty of 1.5%, subject to a buy-down provision.

² NI 43-101 Technical Report, Zuun Mod Porphyry Molybdenum-Copper Project, Minarco-MineConsult, June 2011

About Khuvyn Khar Molybdenum-Copper Project

The Khuvyn Khar Molybdenum-Copper Project is located in Bayankhongor Province, Mongolia, approximately 180 kilometres north of the Mongolia-China border and the Nariin Sukhait coal mine complex. The 6,041-hectare Khuvyn Khar mining license, underpinning the Project, was issued in 2011 and is valid for up to an additional 60 years. The Project is located approximately 30 kilometres east of Erdene's Bayan Khundii Gold Project.

Exploration work on the property began in 2002, with a joint venture between WMC Resource Project Ltd (WMC) and Gallant Minerals Mongolia Ltd (Gallant). This work identified a large porphyry complex with significant copper-molybdenum-rhenium (Cu-Mo-Re) mineralization intersected in limited drilling in the southeast and northern portions of the complex. After acquiring the rights to the Project from Gallant in 2005, Erdene undertook a multi-year exploration program outlining the Zuun Mod molybdenum-copper deposit and multiple copper and molybdenum prospects, within the outer rim of the 16 kilometer circumference porphyry complex.

In 2011, Minarco-MineConsult (now RPMGlobal) prepared an NI 43-101 resource estimate for a three-kilometre portion of the porphyry system, hosting the Zuun Mod deposit. In total, the Zuun Mod molybdenum-copper deposit resource estimate has a Measured and Indicated ("M&I") resource of 218 million tonnes ("Mt") at an average grade of 0.057% molybdenum ("Mo"), and 0.069% copper ("Cu") at a cut-off grade ("cog") of 0.04% Mo. This equates to 273.5 million pounds ("M lbs") of contained Mo metal and 330.7 M lbs of contained Cu metal. In addition, there is a 138 Mt Inferred Resource at an average grade of 0.052% Mo and 0.065% Cu, equating to a further 157.7 M lbs of contained Mo metal and 197.7 M lbs of contained Cu metal.

Table 1. Zuun Mod Project Mineral Resource Estimate as at June 2011

Cut-off Grade Mo%	Resource Category	Quantity Mt	Mo %	Contained Mo Metal Mlbs	Cu %	Contained Cu Metal Mlbs
0.03%	Measured	55	0.050	61.1	0.060	73
	Indicated	260	0.050	287	0.065	373.6
	M&I	315	0.050	348.1	0.064	446.6
	Inferred	275.4	0.043	262.1	0.061	373.7
0.04%	Measured	40	0.056	49.5	0.064	57
	Indicated	178	0.057	224	0.070	273.7
	M&I	218	0.057	273.5	0.069	330.7
	Inferred	138	0.052	157.7	0.065	197.7
0.05%	Measured	25	0.063	34.5	0.068	37.5
	Indicated	105	0.066	152.5	0.074	171
	M&I	130	0.065	187	0.073	208.5
	Inferred	64	0.060	85.0	0.067	94.9

Source: NI 43-101 Technical Report, Zuun Mod Porphyry Molybdenum-Copper Project, Minarco-MineConsult, June 2011

Beyond the Zuun Mod Deposit, the broader Khuvyn Khar license hosts several high-potential copper and molybdenum prospects. The Khuvyn Khar prospect, located in the northern portion of the Zuun Mod porphyry complex hosts a large area of disseminated copper mineralization within several kilometres of phyllic and potassic altered quartz monzonite and granodiorite intrusives. Multiple copper mineralized zones have been intersected in wide-spaced drilling, including 34 metres of 1.3% copper and 9.24 g/t silver from 308 to 342 metres (hole ZMD-121). This zone remains untested at depth and to the southwest where it trends under andesite cover.

Khuvyn Khar Molybdenum-Copper Project Strategic Review

Since the discovery of the Khundii Gold District, Erdene has focused on the exploration and development of precious metals deposits in the region. However, in light of recent developments, Erdene has initiated a process to reevaluate the molybdenum and copper potential of the Khuvyn Khar license for the following reasons:

- Copper and molybdenum prices have increased significantly over the past year and are forecast to remain strong for the foreseeable future;
- China is more reliant on molybdenum imports owing to a 24% increase in internal demand since 2017 and an 8% decline in internal molybdenum supply during the same period;
 - Net molybdenum imports increased to 100 million pounds in 2020 from 1.4 million pounds in 2019; and
 - Molybdenum imports are sourced from South America, Armenia and North America.
- Improved infrastructure in southwest Mongolia and northwest China;
 - Expanded blacktop highway near the Mongolian and Chinese borders; and
 - Rail projects have been announced with planned routes in close proximity to the Zuun Mod Project.

About Molybdenum

The global molybdenum market in 2020 totaled 546 million pounds with an estimated value at today's price of US\$10.2 billion³. Molybdenum is classified as a minor metal and is a ductile and malleable metallic element primarily used in alloy steels to increase hardness, strength, corrosion resistance and electrical conductivity. Engineering steel, stainless steel and chemicals sectors account for approximately 75% of molybdenum demand.

Molybdenum extraction is highly concentrated with the top five producing countries (China, Chile, United States, Peru and Mexico) accounting for greater than 90% of global production in 2020. North and South America account for 22.9% and 29.3%, respectively, and China is the largest producer accounting for 40% of 2020 global supply.

³ Source: Macquarie Group Limited and the London Metal Exchange

China is also the largest molybdenum consumer. In 2020, China's net imports of molybdenum surged to 100 million pounds from only 1.4 million pounds in 2019. China's molybdenum deficit has been sourced from the United States, Peru and Armenia.

About Erdene

Erdene Resource Development Corporation is a Canada-based resource company focused on the acquisition, exploration, and development of precious and base metals in underexplored and highly prospective Mongolia. Erdene's deposits are located in southwestern Mongolia's 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 the region over the past decade and is responsible for the discovery of the Khundii Gold District with interests in three mining licenses and two exploration licenses hosting multiple high-grade gold and gold/base metal prospects, one of which is being developed: the 100%-owned Bayan Khundii Gold Project.

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

Peter Dalton, P.Geo. (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.

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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Figure 1: Zuun Mod Project Location & Eurasian Molybdenum Supply & Demand

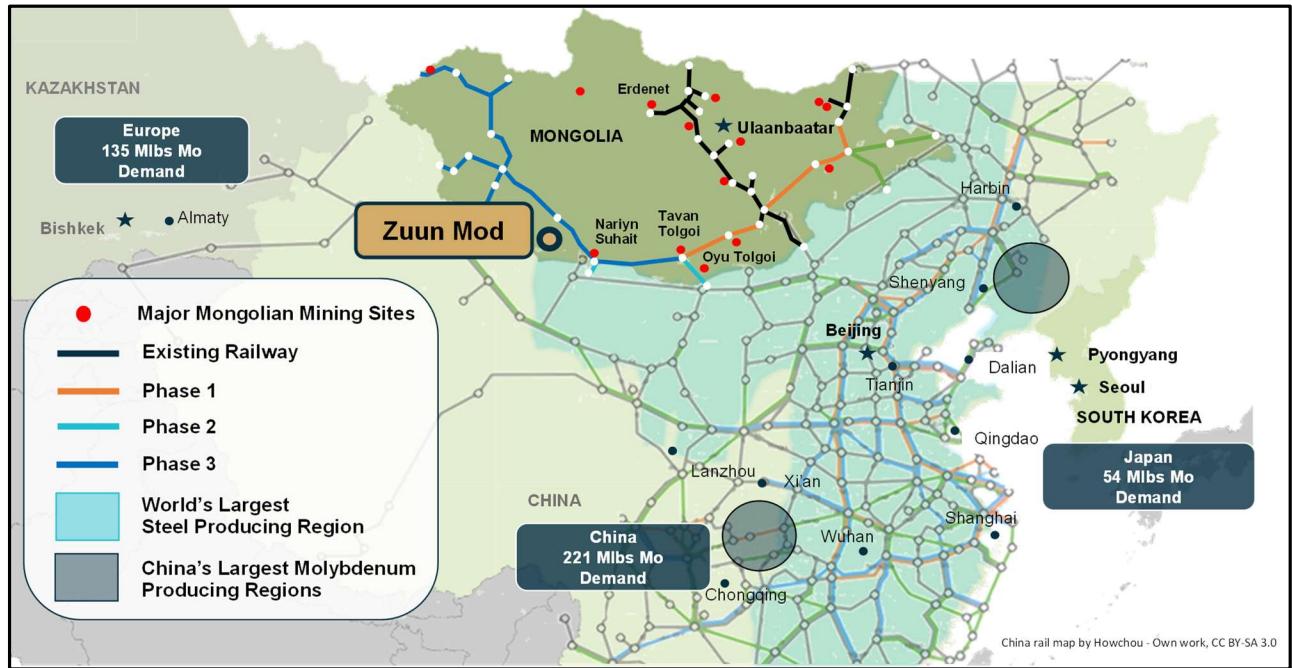


Figure 2: Erdene – Gold, Copper & Molybdenum Deposits and Prospects – SE Edren Terrane

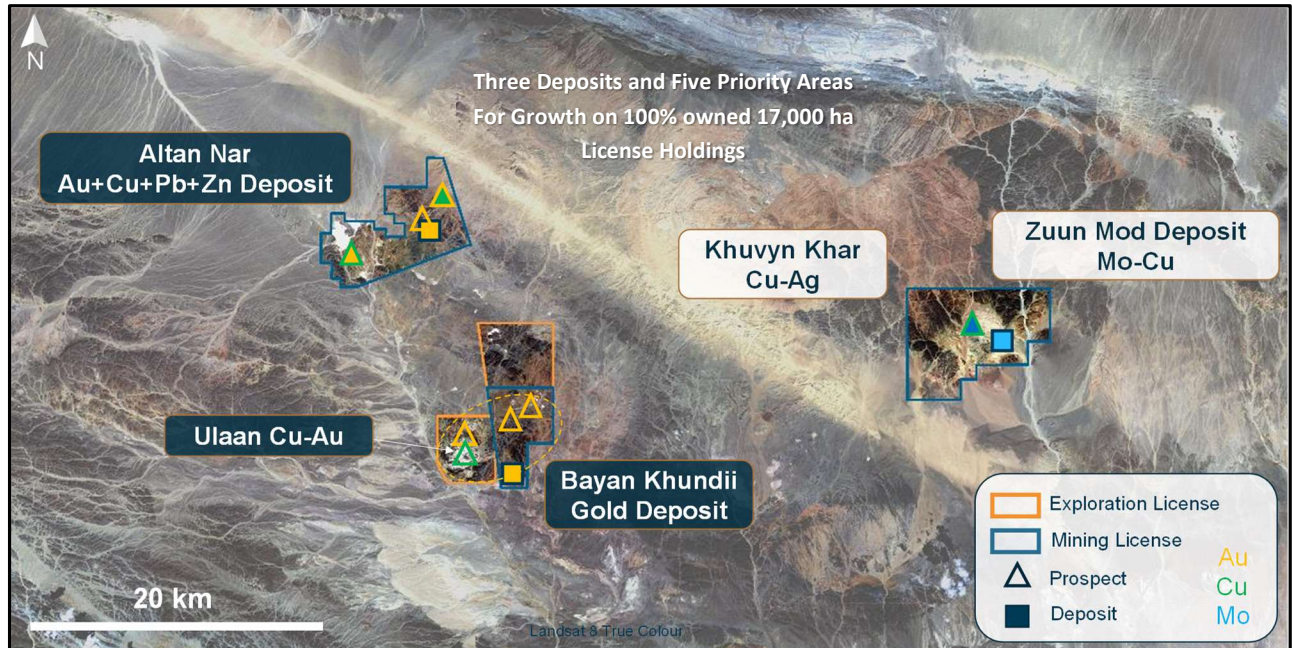


Figure 3: Khuvyn Khar Porphyry Complex

