

## ERDENE SECURES MINING LICENCE FOR THE HIGH-GRADE BAYAN KHUNDII GOLD PROJECT

---

### Press Release

Halifax, Nova Scotia  
2019.08.06

**Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company")** is pleased to announce that the Mineral Resource and Petroleum Authority of Mongolia ("MRPAM") issued Mining License MV-021444 for Erdene's Bayan Khundii resource on August 5, 2019.

### Quotes from the Company:

"Receipt of the Bayan Khundii Mining License is a major milestone in the development of the high-grade, open-pit Khundii Gold Project," said Peter Akerley, Erdene's President and CEO. "Securing this license provides us long-term tenure over the Bayan Khundii resource that will form the cornerstone of the project."

"With the mining license in hand, we are focused on completing the NI 43-101 Pre-Feasibility Study ("PFS"), Mongolian Feasibility Study, Environmental and Social Impact Assessment ("ESIA") and Mongolian Detailed Environmental Impact Assessment ("DEIA") for the Khundii Gold Project in 2019. Work is well progressed on the PFS, with preliminary results received for the resource estimate, mining, geotechnical, metallurgical, processing, waste rock and hydrogeological workstreams," continued Mr. Akerley. "We are rapidly advancing towards initial production of 50,000 ounces per year, while continuing to expand resources through exploration and acquisition within the Khundii Gold District."

### Mining Licence

The Bayan Khundii mining license covers 2,309 hectares, including the Bayan Khundii Resource reported in "Bayan Khundii Gold Project, Bayankhongor Aimag, Southwest Mongolia, National Instrument 43-101 Mineral Resource Technical Report", dated November 1, 2018 and prepared by RPMGlobal Asia Limited. Additionally, the mining license includes Erdene's highly prospective Altan Arrow, Khundii North and Khundii West targets. The mining license is valid for an initial term of 30 years with the ability to extend to 70 years. Erdene maintains an exploration license for the remaining 2,205 hectares of the legacy Bayan Khundii exploration license that were not converted to a mining license as part of its application.

Erdene discovered Bayan Khundii in 2015 and following extensive drilling, the Company announced a NI 43-101 Resource Estimate for the property in September 2018, followed by a Preliminary Economic Assessment in December 2018. In September 2018, Erdene initiated the Bayan Khundii mining license application process, contracting Tsenkher Tzolmon LLC to oversee resource estimation and modelling, Project Mining LLC to lead the Mongolian Pre-Feasibility Study and Ecotrade LLC to prepare the environmental baseline study for the Final Geological Report ("FGR"). In November 2018, the MRPAM appointed a panel of experts to oversee the development of the FGR. The FGR was finalized and submitted to the Mineral Resource Council of Mongolia in early April 2019, along with an Environmental Screening Document from the Ministry of Environment and Tourism, and a reference letter from the local government. The final application, comprised of the

forementioned documents, was submitted to the MRPAM on July 16, 2019, and the Mining License was granted on August 5, 2019.

## Review of the Khundii Gold Project Development

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 Company delivered the Project's maiden mineral resource estimate in Q3 2018 with a combined Measured and Indicated resource of 751,000 ounces ("oz") gold within 10.1 million tonnes ("Mt") at an average grade of 2.3 g/t gold (Table 1). This was followed by a Preliminary Economic Assessment dated February 4, 2019 ("PEA") which returned an after-tax Net Present Value of US\$99 million, based on a 5% discount rate and a US\$1,200/oz gold price, and an Internal Rate of Return of 56%. The initial development has a life of mine head grade of 3.42 g/t gold with an average annual gold production of 51,200 oz over an eight- year mine life. Based on the potential for additional discovery and expansion on the current license areas, the planned development is considered as a foundation for growth.

Table 1 – Khundii Gold Project Resources

Cut-off Grade	Resource Classification	Quantity (Mt)	Grade (Au g/t)	Gold (oz)
Recommended <sup>(1)</sup>	Measured	1.4	3.6	161,000
	Indicated	8.7	2.1	590,000
	<b>Measured + Indicated</b>	<b>10.1</b>	<b>2.3</b>	<b>751,000</b>
	Inferred	5.2	1.8	291,000

(1) RPM Global recommended cut-off grade for Bayan Khundii is 0.6 g/t gold and Altan Nar is 0.7 g/t AuEq in pit and 1.4 g/t AuEq below the same pit shell.

The 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 reserves which is required for a prefeasibility 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. The PEA, entitled "NI 43-101 Technical Report for the Preliminary Economic Assessment of the Khundii Gold Project", is available on SEDAR under Erdene's profile.

Peter Dalton, P.Geo. (Nova Scotia), Senior Geologist for Erdene, is a Qualified Person as that term is defined in National Instrument 43-101 and has reviewed and approved the technical information contained in this news release.

## About Erdene

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 four exploration licenses and a mining license 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 Mongolia stock exchanges. Further information is available at [www.erdene.com](http://www.erdene.com). Important information may be disseminated exclusively via the website; investors should consult the site to access this information.

## 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, including statements concerning the anticipated size and closing date of the Private Placement, the intended use of proceeds from the Private Placement, and the expected impact of drilling results on the PFS. Although Erdene believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Erdene cautions that actual performance will be affected by a number of factors, most of which are beyond its control, and that future events and results may vary substantially from what Erdene currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and is subject to change after that date. The Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

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

### Erdene Contact Information

Peter C. Akerley, President and CEO, or  
Robert Jenkins, CFO

Phone: (902) 423-6419  
Email: [info@erdene.com](mailto:info@erdene.com)  
Twitter: <https://twitter.com/ErdeneRes>  
Facebook: <https://www.facebook.com/ErdeneResource>  
LinkedIn: <https://www.linkedin.com/company/erdene-resource-development-corp/>  
YouTube: <https://www.youtube.com/channel/UCILs5s9j3SLmya9vo2-KXoA>