

## ERDENE CONSOLIDATES KHUNDII GOLD DISTRICT – ACQUIRES 100% OF THE ULAAN EXPLORATION LICENSE

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### Press Release

Halifax, Nova Scotia  
2020.12.10

Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company") is pleased to announce the acquisition of a 100% interest in the Ulaan exploration license, adjacent to its Bayan Khundii Gold deposit, with the purchase of the remaining 49% interest in Leader Exploration LLC, a private Mongolian company.

### Highlights:

- Ulaan is one of multiple porphyry and epithermal targets in the Khundii District (see map below)
  - The Ulaan license hosts a very large hydrothermal alteration system, consistent with a porphyry system eroded to just below the base of a lithocap with the following attributes:
    - Intense phyllic (quartz-sericite-pyrite) alteration over an area 3 kilometres in diameter
    - Peripheral gold-copper mineralization associated with tourmaline breccia
    - Gold identified in quartz veins within illite altered volcanics adjacent to the phyllic zone
- Consolidates 100% interest in the majority of the Khundii-Ulaan alteration system hosting multiple epithermal gold and porphyry copper (gold) targets
  - Ulaan license immediately west of the Bayan Khundii deposit, and Dark Horse and Altan Arrow gold prospects
  - Expands Erdene's holdings in the highly prospective Khundii Gold District to 17,004 ha (170 km<sup>2</sup>)
- Minimal exploration to date, but significant geologic potential
  - Mapping and sampling, geophysical surveying and limited drilling, over the past three years
  - Surface sampling program recently completed and drilling planned for mid Q1 2021

### Quotes from the Company:

"Erdene is the leading explorer of epithermal and porphyry mineral deposits in the under-explored western Mongolian portion of one of the world's most prolific gold and copper belts," said Peter Akerley, Erdene's President and CEO. "The Ulaan license, as well as the broader Khundii District show potential for significant epithermal gold and porphyry copper discoveries. We look forward to exploring aggressively with our acquisition of the Ulaan license now complete."

“We recently completed a surface sampling program on the Ulaan license in advance of planned drilling in mid Q1 2021,” continued Mr. Akerley. “While we remain focused on advancing the Bayan Khundii Gold Project to production, we will continue to explore adjacent areas as we seek to expand resources in this exciting new gold district.”

## Ulaan License

The Ulaan exploration license is located immediately west of Erdene’s Bayan Khundii mining license. The license covers an area of 1,780 hectares, hosting a large and intense phyllic style quartz-sericite-pyrite (QSP) alteration zone (approximately 3 kilometres in diameter) with characteristics of a porphyry copper and epithermal gold system.

Ulaan lies at the SE end of a major alteration zone, extending for over 10 kilometres to the northeast. This alteration trend has a central zone of intense secondary silica with a peripheral halo of sericite alteration, and an outer zone of white mica and sericite, which hosts the Bayan Khundii gold deposit. This NE trending alteration area, which incorporates the Ulaan, Bayan Khundii and other mineralized targets in the area (including Erdene’s Dark Horse and Altan Arrow prospects), is associated with a regional structural dilational jog and associated major volcano-plutonic centre, along a NE trending transform fault. The various styles of alteration and mineralization within the Ulaan target and the adjacent zone of alteration are consistent with a fertile magmatic island arc, with evidence for possible arc migration, and overlapping or telescoped mineralization along major structures.

Since Erdene’s acquisition of a 51% interest in the property in Q3 2017, the Company has completed detailed surface mapping, geochemical sampling and geophysical programs. Erdene has also drilled five wide spaced holes, totaling 1,750 metres in the central portion of the license. Alteration and mineralization identified to date include a central QSP zone flanked by an outer zone of propylitic alteration along with Au, Cu, Mo soil and rock chip anomalism with locally near-vertical sheeted and stockwork quartz-pyrite veins (D veins), with locally abundant disseminated pyrite and quartz-chalcedony-pyrite matrix crackle breccia. This style and distribution of alteration is consistent with a porphyry system eroded to just below the base of a lithocap into the top of QSP alteration, below which would be the mineralized quartz stockwork zone in a typical porphyry system. On the northern flank of the QSP zone, recent drilling intersected a gold and copper mineralized tourmaline breccia. Surface sampling has also identified peripheral zones of illite altered volcanics with gold bearing quartz veins.

Erdene’s adjacent Bayan Khundii low-sulphidation gold system overprints earlier, and higher-temperature, potassic and phyllic alteration zones which are consistent with porphyry-style alteration. Given the proximity of the two areas, it is likely that the silica and advanced argillic alteration on the Khundii license is related to the interpreted Ulaan porphyry. In addition, an apparent northwest tilt of the mineralized zone at Bayan Khundii provides targets at depth along the eastern boundary of the Ulaan license. Erdene will begin to test these concepts through drilling scheduled for Q1 2021.

The Company paid the Mongolian Tugrik equivalent of US\$750,000, inclusive of applicable payments to the Mongolian tax authorities, for the remaining 49% interest in Leader Exploration LLC, holder of the Ulaan exploration license in early December 2020. The license will not carry any residual interest in favor of the seller; however, Sandstorm Gold Royalties will hold a 1% NSR on the license. The Ulaan exploration license is in its sixth year of a maximum 12-year term. The exploration license can be converted to a mining license

at any time before the end of the twelfth year by meeting the requirements prescribed under the Mineral Law of Mongolia.

## District Scale Potential

Erdene's projects are located in the eastern portion of the Central Asian Orogenic belt (see map below). This belt hosts several giant gold and gold-copper deposits including, Kumtor (14 million ounces Au), Almayk (25 million ounces Au), Muruntau (140 million ounces Au) and Oyu Tolgoi (62 million ounces Au). Deposits on this belt; orogenic, porphyry and epithermal, are typically associated with the same major metallogenic and tectonic processes related to late Paleozoic arc structural environments. Such deposits often occur in clusters where transform faults are the centres for volcano-plutonic activity, resulting from offset of regional faults, and potentially associated with a mantle plume developed during the subduction processes. Throughout the belt, NE transform structures are observed to play a major role in gold and copper deposit genesis.

Over the past decade, Erdene has emerged as the premier explorer in southwestern Mongolia with multiple greenfield discoveries. The Company's exploration approach included research into the controlling features of the major deposits, including those noted above, and evaluation of all Paleozoic Arc terranes in Mongolia. This has resulted in our focus on the 400 kilometre long Edren Terrane (ET) based on the geologic and structural setting and fertility. Exploration work in the eastern part of the ET has identified multiple high priority, proprietary target areas. To date, exploration of the highest priority targets has resulted in the establishment of three separate mineral resources within the area now known as the Khundii District. These include the greenfield discoveries of the Altan Nar (AN) Au-polymetallic deposit and the Bayan Khundii (BK) Au-Ag deposits, along with the discovery of numerous Au and Cu prospects and showings (e.g. Altan Arrow, Dark Horse, Khuvyn Khar and Oyuut Khundii). The third mineral resource was established at the Zuun Mod Mo-Cu porphyry deposit approximately 35 km east of BK. The Khundii District includes the full spectrum of arc related mineral systems, porphyry copper & copper-molybdenum, intermediate sulfidation, high sulfidation and low sulfidation often associated with the same favorable regional structural trends.

Based on encouraging results to date, Erdene considers the potential for additional gold and copper discoveries in the Khundii District to be excellent and is continuing its systematic evaluation, exploration and development of the newly discovered mineralized district.

## 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. 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, two of which are being considered for development: the 100%-owned Bayan Khundii and Altan Nar gold deposits.

Erdene Resource Development Corp. is listed on the Toronto and the Mongolian 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.

### Qualified Person

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.

### 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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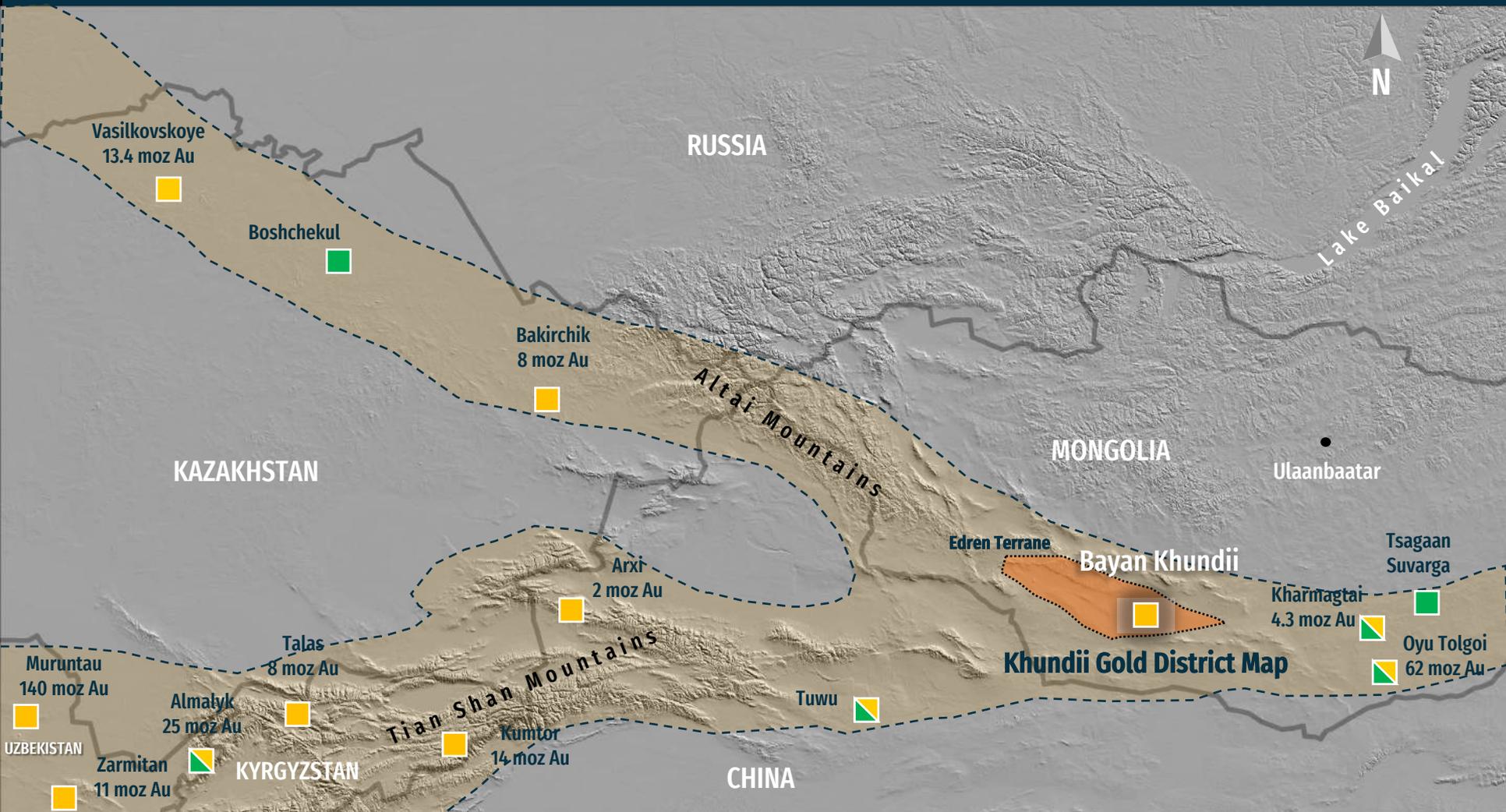
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# GOLD DEPOSITS OF THE EASTERN PORTION OF THE CENTRAL ASIAN OROGENIC BELT

## Highlighting Mongolia's Edren Terrane and Khundii Gold District



- Gold Deposit
- Copper Deposit
- Copper-Gold Deposit

500 km

# KHUNDII DISTRICT PLAN MAP

## Landsat with Regional Structure (after Kloppenburg) and Major Mineral Occurrences/Deposits

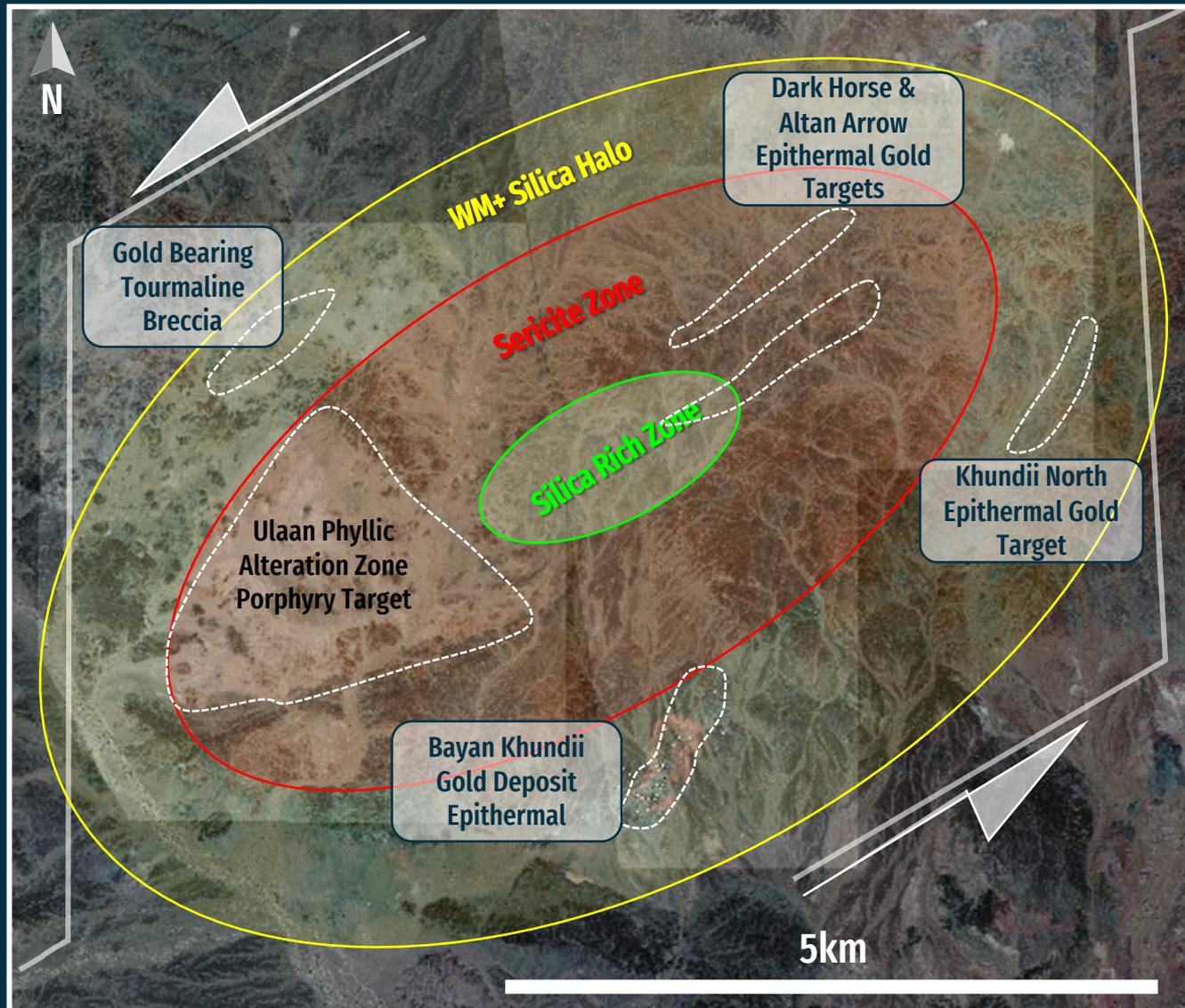


10 km

	ERD License		Gold
	Deposit		Copper
	Prospect		Molybdenum

# BAYAN KHUNDII – ULAAN ALTERATION ZONE

Landsat, with Conceptual Structural Jog, Gold Deposit and Au-Cu Prospects



# LOOKING NW FROM KHUNDII LICENSE TO ULAAN ALTERATION ZONE

