

Note to editors: There are two maps associated with this press release.

[Erdene Resource Development Corp.](#) (TSX:ERD) ("Erdene" or "Company") is pleased to announce it has entered into an agreement (the "Agreement") to acquire a 51% interest in the Ulaan exploration license, adjacent to the Company's high-grade Bayan Khundii gold project, with the option to acquire up to 100%.

"Our Company is pleased to be able to provide our shareholders with additional exposure to prospective areas in the vicinity of our Bayan Khundii gold project," said Peter Akerley, Erdene's President and CEO. "Over the long-term we believe this area will become a significant gold mining district, and will continue to provide new precious and base metal opportunities. As such, we will continue seeking opportunities to further expand our land position in this very prospective area. The Ulaan license not only provides immediate discovery potential for both high-grade gold and porphyry copper, but it also provides important strategic advantages as the district emerges into a producing gold camp. Exploration programs for the Ulaan license are now being formulated, with work to commence on this new property in Q4-2017."

Ulaan License Description

The Ulaan exploration license ("Ulaan" or the "Property") covers an area of approximately 1,780 hectares. It is located immediately west of the Company's Khundii license, which hosts its 100%-owned Bayan Khundii and Altan Arrow gold projects. The most prominent feature of Ulaan is a very large and intense alteration zone measuring approximately 3 kilometres in diameter. This alteration zone has had only minimal mapping and sampling and a recently completed geophysical survey, but no history of sub-surface exploration, trenching or drilling. The license area is underlain by a variety of intrusive and extrusive igneous rocks of variable composition, including andesite, andesite porphyry, dacite, diorite and syenite. There are common intrusive dykes and plugs cross-cutting the volcanic units, and quartz veins have been observed locally within the Ulaan license.

The alteration zone is defined by QSP (quartz, sericite, pyrite) alteration where the sulphide component has been extensively oxidized by supergene processes with pyrite in surface outcrop/sub-crop now largely replaced by hematite. These features potentially support a model of a porphyry system eroded to just below the base of a lithocap into the top of the QSP alteration, below which would be the quartz stockwork zone in a typical porphyry system. Anomalous concentrations of copper and molybdenum were encountered in rock chip and stream sediment samples collected in the vicinity of the licence. A magnetic geophysical survey has outlined a broad magnetic low in the central area of the Property, which corresponds to the main body of alteration, presumably due to magnetite destruction to appreciable depths. An induced polarization survey outlined a broad chargeability anomaly across the central area of the Property, extending to approximately 200 to 300 metres depth. Narrow zones of vuggy, residual quartz that follow north-northeast trending structures, similar to the orientation of the Company's high-grade epithermal gold zone at Bayan Khundii, are also present in the centre of the alteration zone.

The Company's adjacent Bayan Khundii low-sulphidation gold system was overprinted on an earlier high-temperature alteration zone with alteration mineralogy and texture consistent with high-temperature, porphyry-style alteration. It is possible the silicic and advanced argillic alteration on the Company's Khundii license may be related to the Ulaan hydrothermal system. In addition to the large alteration zone, the Property is also host to areas of Devonian tuffaceous volcanic rocks with geophysical signatures similar to those observed within the Bayan Khundii gold project. Exploration programs are being formulated with work to commence in Q4-2017.

Two plan maps have been attached for reference:

http://media3.marketwire.com/docs/Figure1_Erdene_Emerging_Gold_District.jpg

http://media3.marketwire.com/docs/Figure2_Ulaan_License.jpg

Terms of Arrangement

Under the terms of the Agreement, Erdene will acquire 51% of the outstanding shares of Leader Exploration LLC ("Leader"), a private Mongolian company that currently owns the Property, from Erdenechuluun.Z and Erdenekhuyag.Z for US\$750,000. The closing is anticipated to occur early in September 2017. Provided Erdene spends a minimum of US\$600,000 on work expenditures on the Property over the next three years, it has the right to acquire the remaining 49% of the shares of Leader from Erdenechuluun.Z or, at Erdene's option, a portion of the Property, for the then fair market value of the Property or the portion to be acquired. Erdene may extend the option beyond three years by spending a minimum of US\$100,000 per annum on work expenditures.

Erdene will be the manager of Leader, which will constitute a Shareholders Advisory Committee to review and approve the annual exploration plans and budgets for the Property, until such time as Erdene exercises its rights to acquire the remaining

interest. The Shareholders Advisory Committee is comprised of three nominees of Erdene and two nominees of Erdenechuluun.Z. If Erdene defaults in its obligations to incur work expenditures, it forfeits its rights to the Property.

About Erdene

[Erdene Resource Development Corp.](#) is a Canada-based resource company focused on the acquisition, exploration, and development of base and precious metals in underexplored and highly prospective Mongolia. The Company has four exploration licenses and a mining license in southwest Mongolia. Exploration success has led to the discovery and definition of several 100%-owned prospects and deposits including the Company's flagship and newly discovered, high-grade, near-surface Bayan Khundii gold project; the 5.6 kilometre long Altan Nar gold-polymetallic mineralized trend that is host to 18 targets; the Altan Arrow gold-silver prospect; the Khuvyn Khar copper-silver prospect; and the Zuun Mod molybdenum-copper deposit. For further information on the Company, please visit www.erdene.com. Erdene has 145,963,086 issued and outstanding common shares and a fully diluted position of 156,592,160 common shares.

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 many 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

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