



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Provides Update on Bayan Khundii Gold Project and Receives \$770,000 from Exercise of Warrants

Halifax, Nova Scotia – March 15, 2016 - Erdene Resource Development Corp. (TSX:ERD) ("**Erdene**" or "**Company**") is pleased to provide an update on its exploration plans at its 100%-owned Bayan Khundii gold project in southwest Mongolia and to announce the receipt of approximately \$770,000 in proceeds from the exercise of warrants in March 2016. The Company has also appointed prominent Mongolian business person, Bilguun Ankhbayar, as a strategic advisor to the Company, effective immediately.

Highlights

- Warrant proceeds received, totalling approximately \$770,000
- Drilling to commence at Bayan Khundii in early April
- Bilguun Ankhbayar appointed as Advisor to the Company
- Bayan Khundii Technical Report filed on Sedar

Update on Bayan Khundii Gold Project

Project Summary

In Q4-2015, Erdene announced results from an initial 15-hole, 695 m drill program at a new gold discovery identified in Q2-2015 by the Company, named Bayan Khundii ('Rich Valley'), located in southwest Mongolia within the prolific Tian Shan gold belt. Results included several high-grade intersections enveloped by wide zones of lower grade gold in a series of parallel structures exposed at surface. The widest mineralized zone from the initial drilling was encountered in hole BKD-10 where a 35 m wide intersection from surface to the bottom of the hole averaged 5.9 g/t gold, including a 12 m interval averaging 16.2 g/t gold and a 1 m wide interval that returned 167 g/t (5.4 oz/t) gold. Gold mineralization has been identified in three separate prospect areas (southwest, northeast, and northeast-extension) over a 1.7 km southwest-northeast trend, with detailed exploration only taking place in the southwest area, where 15 shallow holes (average drill depth of 46 m) were completed over a 475 by 300 metre area. [Click here](#) for Erdene's December 14, 2015 news release announcing the Bayan Khundii drill results. Geophysical data from ground magnetics, and induced polarization gradient array and dipole-dipole surveys support the extension of the

zones of intense alteration, and presumably mineralization, both to the south under Cretaceous sedimentary rocks and to the north and east under unaltered andesite. The three prospect areas are interpreted as erosional ‘windows’, with the full extent of the mineralized zone yet to be determined.

2016 Exploration Plan

Results to date from Bayan Khundii support an extensive exploration program to determine the continuity and limits of the reported high-grade gold mineralization at depth and on surface. The Company intends to complete the following exploration work in 2016:

- Additional geologic mapping;
- Infill soil sampling over specific target areas;
- Additional and expanded IP geophysical surveys as well as a gravity geophysical survey;
- Additional trenching to test continuity and extent of mineralization at surface;
- Approximately 3,500 m of diamond drilling to establish continuity within, and strike/dip extensions of, mineralized zones, and to identify additional mineralized zones;
- Mineralogical studies to better understand the mineralogy and alteration at Bayan Khundii and the characteristics of, and controls on, mineralization;
- Various technical studies in support of future scoping/feasibility-level studies and a mining license application, including hydrology, archeology, paleontological, and environmental base line studies.

The drill program is expected to commence in early April 2016.

Metallurgy

Initial independent metallurgical test work indicates the gold mineralization at Bayan Khundii is very amenable to conventional processing techniques involving a combination of gravity and cyanide leach of gravity tails, yielding 99% gold recovery for the high-grade composite sample (24.9 g/t gold) and 92% gold recovery for the low-grade composite sample (0.7 g/t gold). Blue Coast Research Ltd. of Parksville, British Columbia, carried out the metallurgical testing program, the details of which can be found in Erdene’s February 16, 2016 news release ([click here for link](#)).

Geology

The Bayan Khundii project area consists of a 1.7 km southwest-northeast trend containing intensely silicified and sericitized volcanic and volcanoclastic units. Gold mineralization begins at surface and is associated with quartz breccia and comb-quartz veins within altered volcanic host rocks with extensive hypogene hematite in veins and fractures, some of which are gold-bearing. With the exception of some anomalous silver, and very minor, finely disseminated pyrite in a few drill holes,

Bayan Khundii is devoid of sulphide minerals, including copper, lead and zinc-bearing sulphide minerals. Visible gold was observed in 10 of the 15 drill holes, as irregular-shaped grains, up to 2 mm. Gold mineralization is associated with quartz veins and/or hematite within, or along, the boundary of quartz-hematite veins and veinlets. The intensely altered host volcanic units also carry anomalous gold mineralization (varying from 0.1 to 1.0 g/t gold over wide areas) associated with fine quartz and/or hematite veinlets. The strong, pervasive alteration and widespread hypogene hematite indicate a large intense alteration system that has positive implications for the potential size of the system.

Technical Report

Erdene filed on SEDAR a National Instrument 43-101 technical report for its Bayan Khundii gold project on March 3, 2016. There is no resource estimate included in the report, which was prepared by the Company in support of disclosure to be used within its Annual Information Form. The Report is available on SEDAR under the Company's profile ([click here for link](#)).

Warrants

The Company received approximately \$770,000 in proceeds from the exercise of warrants in March 2016. The warrants had an expiry date of March 15, 2016 and an exercise price of \$0.16. All of the Company's remaining outstanding warrants, totaling 8.77 million, expire during 2016 and have an average exercise price of \$0.20 (ranging from \$0.16 to \$0.24).

Appointment of Strategic Advisor

Erdene has appointed prominent Mongolian business person, Bilguun Ankhbayar, as a strategic advisor to the Company, effective immediately.

“We are very pleased to have Bilguun join the Erdene team,” said Peter Akerley, Erdene's President and CEO. “With our gold project development accelerating rapidly it is important for us to have experienced individuals on the ground in Mongolia, and Bilguun brings experience in many areas including international and domestic capital markets, government affairs and operational experience in contract support for mining and infrastructure projects in Mongolia.”

Mr. Ankhbayar is a Mongolian mining and business finance professional, based in Ulaanbaatar, Mongolia, with North American and Mongolian capital markets experience. Since returning to Mongolia from Canada in 2010 Bilguun has had the roles of CEO of Monrud LLC and Secretary General of “Discover Mongolia” International Mining Investors Forum in Ulaanbaatar and, over the past four years, CEO of Mongolian Investment Banking Group (“MIBG”). MIBG is a domestic investment dealer which enabled its Mongolian clients to access international capital markets while advising international institutional investors on gaining exposure to Mongolia. As the CEO of

MIBG, Bilguun worked closely with TSX and ASX listed companies in financing and in a general advisory capacity. Bilguun graduated from Saint Mary's University in Halifax, Nova Scotia with B.Comm in Finance in 2007 and was employed by the Investment Banking division of Toll Cross Securities, a former Toronto-based boutique investment bank focusing on financing and M&A advisory for TSX listed mining and exploration companies.

Qualified Person

Michael MacDonald, P.Geo. (Nova Scotia), Director of Exploration 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 drill result 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 metallurgical testing and analysis was carried out by Blue Coast Research Ltd. at their facility in Parksville, British Columbia.

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 holds four exploration licenses and a mining license located in southwest Mongolia. These include: Altan Nar – an extensive, high-grade, near-surface, gold-polymetallic project; Bayan Khundii – a high-grade gold discovery made in Q2-2015 that the Company is currently exploring; Khuvyn Khar – an early-stage, copper-silver porphyry project with multiple drill targets and significant copper intersections; Zuun Mod – a large molybdenum-copper porphyry deposit; and Altan Arrow – an early-stage, high-grade, gold-silver project. In addition to the above properties, the Company has an Alliance with Teck Resources Limited on regional, copper-gold exploration in the prospective Trans Altai region of southwest Mongolia. For further information on the Company, please visit www.erdene.com. Erdene has 105,060,005 issued and outstanding common shares and a fully diluted position of 124,720,102 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 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

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