



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Announces Listing on the Mongolian Stock Exchange, Offering and Private Placement and Provides Project Update

Halifax, Nova Scotia – May 31, 2018 – Erdene Resource Development Corp. (TSX:ERD) ("**Erdene**" or "**Company**") is pleased to announce that it has received approval from the Financial Regulatory Commission of Mongolia for a secondary listing of its common shares on the Mongolian Stock Exchange ("**MSE**") and today has launched an offering of common shares to Mongolian residents ("**Mongolia Offering**") as well as a concurrent non-brokered private placement ("**Private Placement**"), which in combination are expected to raise up to \$4.4 million.

"Today's news is the result of close and productive collaboration with the Mongolian Stock Exchange, the Financial Regulatory Commission of Mongolia, and the Government of Mongolia through active support from the Ministry of Mining and Heavy Industry," said Peter Akerley, President and CEO of Erdene. "Erdene is grateful to the leaders of those institutions, and strongly believes the MSE listing will increase opportunities for more Mongolians to tangibly benefit from the development of their nation's mineral endowment. Through the MSE listing, we will be providing an opportunity for Mongolians to directly participate in the exciting high-grade gold deposits we have discovered in the southwest of the country. Our cross listing on both a foreign exchange and the MSE, the first of its kind in Mongolia, is a demonstration of our commitment to creating lasting benefits in Mongolia. Those benefits go beyond the direct financial upside and include strengthening Mongolia's emerging capital markets, improved local water supply, educational training, cleaner energy systems and local employment initiatives. As the longest-standing, foreign-invested company continuously operating in Mongolia's exploration and mining sector, we believe it is important that we continue to seek ways in which we can create sustainable, positive impacts for Mongolia."

Financing Terms

Pursuant to the Mongolia Offering, Erdene will sell 4,000,000 common shares at a price of \$0.34 per share for gross proceeds of C\$1,360,000. The Mongolia Offering will be completed on a firm commitment underwritten basis by BDSec SC JSC under a prospectus prepared pursuant to Mongolian laws. The underwriters of the Mongolia Offering will receive a cash commission equal to 7% of the gross proceeds raised. In addition to the Mongolia Offering, Erdene has also launched a concurrent Private Placement whereby Erdene will sell up to 8,000,000 units at a price of \$0.38 per unit for gross proceeds of up to \$3,040,000. Each unit will consist of one common share of the Company and one common share purchase warrant ("**Warrant**"). Each Warrant entitles the holder to purchase one common share of the Company at a price of \$0.60 for 30 months from the closing

date. The Company has agreed to pay finder's fees equal to 6% of the gross proceeds of the Private Placement and to issue warrants equal to 6% of the number of units issued in the Private Placement. Each finder's warrant will be exercisable into one common share of the Company at \$0.60 per share, for a period of up to 30 months from the closing date.

Proceeds of the Mongolia Offering and the Private Placement are anticipated to fully fund the Company into 2019, and will be used to advance the Company's Bayan Khundii and Altan Nar gold projects, and to further explore and develop the Company's other gold properties in southwest Mongolia, as well as for working capital and general corporate purposes.

The transactions are expected to close on or before June 14, 2018, and are subject to certain conditions, including, but not limited to, the receipt of all necessary approvals including the approval and acceptance by the Toronto Stock Exchange and Mongolian Stock Exchange. All securities to be issued pursuant to the Mongolia Offering and the Private Placement will be subject to a four-month hold period in Canada from the applicable closing date.

Exploration Update

Since the Company last reported drill results from its 100% owned Bayan Khundii gold project ("Bayan Khundii") ([see May 8 news release](#)), an additional 15 holes have been completed totalling 3,072 metres. These holes have been drilled in five distinct areas over a 1 kilometre length of the gold mineralized corridor. This phase of drilling has been successful in intersecting the expected targets in each of the areas tested with strong continuity of the gold-bearing alteration zones in the targeted feeder zones in Midfield, visible gold identified in the West Striker area and the Northeast Midfield Zone, and in expansion drilling in a new area identified in 2017, east of Midfield and Northeast of Striker. Results for these holes are pending and will be provided following the completion of today's announced financings. Upcoming drilling, to be completed in June, will focus on further Bayan Khundii expansion targets, and on the testing of several regional targets elsewhere on the Company's exploration prospects within the surrounding Khundii Gold District.

Following the completion of additional drilling at Bayan Khundii, Erdene intends to announce a Global Resource Estimate, for both Bayan Khundii and Altan Nar, in Q3-2018. The Global Resource Estimate will include a maiden resource estimate for Bayan Khundii and the recently updated resource estimate for Altan Nar, 16 kilometres northwest of Bayan Khundii. On May 10, 2018, Erdene released an updated Altan Nar resource estimate that included an Indicated Resource of 452,900 ounces ("oz") gold equivalent ("AuEq") averaging 2.8 g/t AuEq, and an Inferred Resource of 277,100 oz AuEq averaging 2.5 g/t AuEq, within a total resource of 5.0 million tonnes ("Mt") Indicated and 3.4 Mt Inferred. [Click here](#) to read the Company's May 10, 2018 news release.

Michael MacDonald, P.Ge. (Nova Scotia), Vice President Exploration 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 on behalf of Erdene.

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 interests in four exploration licenses and a mining license in southwest Mongolia, where exploration success has led to the discovery and definition of several prospects and deposits including: Bayan Khundii – the Company’s flagship and newly discovered, high-grade, near-surface gold project; Altan Nar – an extensive, high-grade, near-surface, gold-polymetallic project located 16 kilometres northwest of Bayan Khundii; Altan Arrow – an early-stage, high-grade gold-silver project 3.5 kilometres north of Bayan Khundii; Ulaan – a recently acquired copper-gold porphyry prospect adjacent to Bayan Khundii; Khuvyn Khar – an early-stage, copper-silver porphyry project; Nomin Tal – a narrow, high-grade copper-gold discovery; and Zuun Mod – a large molybdenum-copper porphyry deposit. In addition to the above projects, Erdene has an Alliance with Teck Resources Limited on regional copper-gold exploration in the prospective Trans Altai region of southwest Mongolia. The Bayan Khundii and Altan Nar licenses have a 2% net smelter returns royalty (“NSR Royalty”) in favour of Sandstorm Gold Ltd. with a buy-back option to reduce the NSR Royalty to 1%. For further information on the Company, please visit www.erdene.com. Erdene has 146,400,586 issued and outstanding common shares and a fully diluted position of 156,992,160 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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