

ERDENE ANNOUNCES POSITIVE BANKABLE FEASIBILITY STUDY RESULTS FOR BAYAN KHUNDII GOLD PROJECT

Study demonstrates high-grade, shallow open-pit mine with strong NPV, IRR and low initial capital investment

NI 43-101 Technical Report Highlights (US\$1,400/oz Gold Price)

- Base Case after-tax Net Present Value of US\$100 million (NPV_{5%}) and 42% Internal Rate of Return (IRR), increasing to US\$216 million and 77% IRR, respectively, at current gold price of US\$1,800/oz
- Life of Mine Earnings Before Interest, Taxes and Depreciation of US\$257 million, increasing to US\$400M at a US\$1,800/oz gold price
- Total recovered gold over the initial phase of the Khundii Gold District development of 381,700 ounces
- All-in sustaining cost ("AISC") of US\$733/ounce of gold recovered and upfront capital costs of US\$59 million
- BK Measured and Indicated Resources of 521,000 ounces gold at an average grade of 3.16 g/t gold
- BK Proven and Probable Reserves of 409,000 ounces gold at an average grade of 3.71 g/t gold
- Average annual gold production of 63,500 ounces, including 77,600 ounces in Year 2
- Eight-year project, comprising one-year pre-production, six-year operating life and one-year mine closure
- Payback period of less than 2 years
- Adjacent high-grade resources and recent discoveries provide high probability growth options
- Significant benefits to Mongolia, including Life of Mine royalties and taxes of US\$103 million and approximately 400 new direct jobs in Bayankhongor Province

Press Release

Halifax, Nova Scotia
2020.07.20

Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company") is pleased to announce the results of an independent Bankable Feasibility Study ("BFS") for the 100%-owned, high-grade, open-pit Bayan Khundii Gold Project ("BK" or "Project") in southwest Mongolia. The independent BFS was prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and has incorporated detailed mine design and scheduling, front-end engineering design for the processing plant and site infrastructure, a hydrogeological assessment, mineral waste facility design, comprehensive capital and operating cost estimation, and an updated economic model. These studies have been completed by a consortium of International and Mongolian firms with significant experience operating in Mongolia and internationally. The Technical Report, prepared by the Roma Group Ltd, pursuant to NI 43-101 guidelines, will be filed on SEDAR within 45 days.

The Company will host a conference call to review the Bankable Feasibility Study results at 10:00 am EST on Tuesday, July 21, 2020. The dial-in numbers for the conference call are as follows:

North America (toll free):	1-877-703-1560
Overseas or local (Toronto):	1-647-689-5569

Participants may also join the conference call via webcast at the following link: <https://onlinexperiences.com/Launch/QReg/ShowUUID=67C7A554-57DF-4DCC-978D-4C232A233C68>

Quotes from the Company:

“The Bayan Khundii BFS results confirm the high-return nature of this project in its base case, with significant potential upside due to ongoing district-wide exploration and exposure to rising gold prices. The shallow, high grade, open-pit Bayan Khundii deposit lends itself to conventional mining and processing techniques, reducing the execution risk in bringing the project into production in an accelerated timeframe,” said Peter Akerley, President and CEO. “As a low-capex, low-opex project with a less than two-year payback and significant growth potential, Bayan Khundii offers investors and stakeholders exposure and leverage to gold as we move towards first production in early 2022.”

“Recent exploration results, including intersections of high-grade gold in the Midfield SE and Striker SW zones of the Bayan Khundii deposit, currently classified as sub-grade material, are expected to add to the Project’s robust economics,” continued Mr. Akerley. “The Bayan Khundii development is the foundation for growth in our underexplored Khundii Gold District and we see significant potential to expand resources, extending the mine life and creating value for all stakeholders. We will follow up on recent exploration success with additional drilling in Q3 2020.”

“We have recently engaged HCF International Advisers Limited (“HCF”) to secure debt financing for the project,” concluded Mr. Akerley. “Their expertise, combined with the support of the European Bank for Reconstruction and Development (“EBRD”) position us well to secure the funding to commence construction later this year.”

NI 43-101 Technical Report Overview

The Technical Report incorporates an updated reserve estimate for Bayan Khundii. The BFS includes 3.4 million mineable tonnes from the Bayan Khundii resource at an average diluted head grade of 3.7 g/t gold, all of which are Proven and Probable Reserves.

The Technical Report envisions a high-grade, open-pit mine, beginning at surface in the southern portion of the Bayan Khundii deposit (Striker and Gold Hill), and expanding northward into adjacent zones at Midfield and Midfield NE. The development incorporates conventional crushing and grinding, leach and a Carbon in Pulp (“CIP”) plant with processing capacity of 1,800 tonnes per day.

The base case assumes a gold price of US\$1,400/oz. All references to dollars within this release are US Dollars (US\$), unless stated otherwise. The Technical Report, pursuant to NI 43-101 guidelines for the Bayan Khundii BFS will be filed on SEDAR within 45 days. Key metrics from the Technical Report are presented in Table 1 below.

Table 1. Khundii Gold Project Key Metrics

		BK BFS
Gold Price	US\$/oz	1,400
Production Profile		
Average Head Grade Over Life of Mine ¹	g/t gold	3.7
Project Life ²	years	8
Operating Life	years	6
Target Plant Feed Rate Per Day ³	tpd	1,800
Average Annual Saleable Gold	oz	63,500
Peak Annual Saleable Gold	oz	79,100
Average Gold Recovery Rate Over Life of Mine	%	93%
Strip Ratio	t:t	9.1
Operating Costs		BK BFS
Life of Mine ("LOM") Average Cash Cost ⁴	US\$/oz	731
LOM Cash Cost plus Sustaining Cost (AISC) ⁴	US\$/oz	733
Pre-Tax Net Present Value		
5% discount rate	US\$M	145
7.5% discount rate	US\$M	126
10% discount rate	US\$M	109
Pre-Tax Internal Rate of Return	%	55%
After-Tax Net Present Value		
5% discount rate	US\$M	100
7.5% discount rate	US\$M	86
10% discount rate	US\$M	73
After-Tax Internal Rate of Return	%	42%
Payback Period (After tax)	years	1.9
Capital Requirements		
Pre-production Capital Cost, including contingency	US\$M	59
Life of mine ("LOM") Remaining Capital Cost	US\$M	5

Notes:

1. Average diluted head grade of mineralized rock fed to process plant.
2. Project life comprising one-year pre-production period, approximately six-year operating life and one-year mine closure period.
3. Assumes process plant operates for 8,000 hours per annum to achieve the target production rate of 600 ktpa.
4. Operating costs reported in terms of saleable gold ounces for Bayan Khundii; costs include Royalty and Charges of US\$86/oz.

Technical Report Sensitivities

The following tables shows changes in the after-tax NPV and IRR over a range of gold prices and discount rates, demonstrating the impact of higher gold prices and the Project's resiliency to lower prices.

Table 2. Technical Report Sensitivities – After-Tax Gold Price Sensitivity Analysis

Gold Price Sensitivity Analysis	Units	US\$1,200	US\$1,400	US\$1,600	US\$1,800	US\$2,000
NPV (5% discount rate)	US\$M	43	100	158	216	274
NPV (7.5% discount rate)	US\$M	33	86	138	190	242
NPV (10% discount rate)	US\$M	25	73	120	168	215
IRR	%	22%	42%	60%	77%	93%

Bayan Khundii Mineral Resource and Reserve Estimate

The Bayan Khundii Mineral Resource Estimate (“Mineral Resource”) was prepared in accordance with NI 43-101 and CIM standards by Tetra Tech with an effective date of October 1, 2019. The details of the Mineral Resource are included in the “Khundii Gold Project NI 43-101 Technical Report” dated December 4, 2019 and authored by M. Phifer, C. Norton, Clark, A. Kelly, H. Ghaffari, M. Horan and M Fawcett (“KGP 2019 Technical Report”). The report is available on Edene’s SEDAR page ([link here](#)) and incorporated herein by reference.

The Mineral Resource has been constrained to a conceptual pit shell and is reported at a cut-off grade of 0.55 g/t gold. The assumptions and parameters utilized to establish the cut-off grade and pit shell are reported below in notes to Table 3. Tetra Tech recommends reporting the Bayan Khundii Mineral Resource at a 0.55 g/t gold cut-off, however a sensitivity analysis of the grade and tonnage relationships at different cut-off grades is shown for reference in Table 3.

Table 3. Bayan Khundii Gold Deposit –Mineral Resource Estimate Summary, October 1, 2019

Cut-off Grade ⁽¹⁾	Resource Classification	Quantity (Mt)	Grade (Au g/t)	Gold (Koz)
0.4	Measured	1.7	3.15	176
	Indicated	4.6	2.45	364
	Measured & Indicated	6.4	2.64	540
	Inferred	1.1	3.10	106
0.55	Measured	1.4	3.77	171
	Indicated	3.7	2.93	350
	Measured & Indicated	5.1	3.16	521
	Inferred	0.9	3.68	103
1.0	Measured	0.7	7.31	153
	Indicated	1.7	5.56	304
	Measured & Indicated	2.3	6.05	457
	Inferred	0.4	6.83	93
1.4	Measured	0.5	9.09	148
	Indicated	1.4	6.40	294
	Measured & Indicated	1.9	7.10	441
	Inferred	0.4	7.61	91

Notes:

1. The Statement of Estimates of Mineral Resources has been compiled under the supervision of Mr. Cameron Norton who is a full-time employee of Tetra Tech and a P. Geo. Mr. Norton has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined in the CIM Standards of Disclosure.
2. All Mineral Resource figures reported in the table above represent estimates based on drilling completed up to April 22, 2019. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and

continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

3. Mineral Resources are reported on a dry in-situ basis.
4. The Mineral Resources is reported at a 0.55 g/t Au cut-off. Cut-off parameters were selected based on Tetra Tech's internal cut-off calculator, which indicated that a break-even cut-off grade of 0.55 g/t Au, assuming an open cut mining method, a gold price of USD \$1,350 per ounce, an open pit mining cost of USD \$2 per tonne, a processing cost of USD \$16 per tonne milled, a G&A cost of \$5 per tonne, and a gold recovery of 95%.
5. The mineral resource estimate has been constrained to a preliminary optimized pit shell which assumed a gold price of USD \$2,000 and the economic potential tested using the above parameters.
6. The mineral resource estimate assumes an average density of 2.66 t/m³ for the mineralized domains.
7. Mineral Resources referred to above, have not been subject to detailed economic analysis and therefore, have not been demonstrated to have actual economic viability.
8. Measured and Indicated mineral resources do not have demonstrated economic viability. Inferred mineral resources have a greater amount of uncertainty as to their existence and potential economic and legal feasibility, do not have demonstrated economic viability, and are exclusive of mineral reserves.

BK Reserve Estimate

The Bayan Khundii, BFS Mineral Reserve has been estimated by Qualified Person, Mr. Anthony Keers, Director, Auralia Mining Consulting, using the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves to conform to the Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects. The total Mineral Reserve for the Bayan Khundii deposit is shown in Table 4. The Mineral Reserve is based on the October 1, 2019, Mineral Resource, reported herein. The Mineral Reserve includes both Proven and Probable Mineral Reserves that were converted from Measured and Indicated Mineral Resources. Tonnes and grades were calculated for the mining blocks, and allowances for dilution and mining recovery were applied to the estimate for the Mineral Reserve Statement. The effective date of the Mineral Reserve statement is July 1, 2020.

Table 4. Bayan Khundii Gold Deposit – Mineral Reserve Statement, July 1, 2020

	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Proven Mineral Reserves	1.2	4.2	166
Probable Mineral Reserves	2.2	3.5	244
Mineral Reserve	3.4	3.7	409

Notes:

1. The effective date of the Mineral Reserve estimate is July 1, 2020. The QP for the estimate is Mr. Anthony Keers of Auralia Mining Consulting
2. The Mineral Reserve estimates were prepared with reference to the 2014 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards (2014 CIM Definition Standards) and the 2003 CIM Best Practice Guidelines.
3. Reserves estimated assuming open pit mining methods.
4. Waste to ore cut-offs were determined using a NSR for each block in the model. NSR is calculated using prices and process recoveries for each metal accounting for all off-site losses, transportation, smelting and refining charges.
5. Reserves are based on a gold price of \$1,400/oz.
6. Mineral Reserves were calculated from a diluted "mining" block model which included average dilution of 9% and losses of 1%.

Mining

The BK BFS is based on an open-pit mining operation targeting 600,000 tonnes per year of feed material for the processing plant. The total mineable mineralized plant feed is 3.4 million tonnes at an average diluted head grade of 3.7 g/t gold and average strip ratio of 9.1:1 (waste tonne: plant feed tonne). Mineralization starts at surface, with the majority of the deposit contained within the top 100 metres. The deposit structure, grades and depth suggest selective open cut mining will be utilized. Mining will use hydraulic excavators in backhoe configuration. Drilled and blasted material will be loaded into haul trucks, with waste rock deposited in an engineered Integrated Waste Facility ("IWF") adjacent to the pit, and ore hauled to a crusher or run-of-mine ("ROM") pad adjacent to the processing plant.

The BK BFS has assumed contract mining based on methodology and costing contained in proposals received from contractors with suitable experience in Mongolia in similar open-pit mining environments. In this scenario the contractor provides the full fleet and personnel to operate the project on a schedule of rates (US\$/tonne material moved) basis. The contractor is proposing a total of 4 x excavators (2 x ore, 2 x waste), 10 x 55t payload trucks, 3 x blasthole drills and a fleet of ancillary and support equipment to deliver the required material movement. The contractor's workforce peaks at approximately 190 personnel to deliver the required schedule of production.

Processing

The BFS assumes processing of ROM material via a conventional crush and grind circuit and a carbon in pulp plant. Plant design by 360-Global has been based on testing at Blue Coast Research which has established optimal processing parameters, including; grind size of 80% passing 60 microns; design inputs for comminution circuit, low cyanide concentration in leach circuit (0.5 g/litre sodium cyanide); 36 hour retention time; carbon adsorption parameters and detoxification reagent dosages. The process circuit has been designed to maximize water recovery with the most efficient dewatering process (ceramic disc filters) to achieve targeted 15% moisture in tailings, minimize chemical and reagent usage and minimize environmental impact.

The ore-processing plant will be located adjacent to the Bayan Khundii open pit and throughput will target 600,000 ore-tonnes per year, nominally 1,800 tonnes per day. Total mineralized material from BK, processed in the plant over the course of the mine life, is 3.4 million tonnes at an average diluted head grade of 3.7 g/t gold. Using an estimated mill recovery of 93.1%, total recovered gold over the life of the Bayan Khundii deposit is 381,700 ounces.

Operating Costs

Operating costs are based on the mining and processing scenarios outlined above and assumes contract mining. Power for operations will be generated through a hybrid diesel and solar generation solution, provided under a power purchase agreement for the duration of the Project. All other activities are assumed to be owner-operated. The AISC for Bayan Khundii is estimated at \$733/oz.

Table 5. Operating Costs

	LOM (\$ millions)	US\$/oz	US\$/tonne
Mine Operating Cost	133	350	39
Processing Cost	96	252	28
G&A	13	33	4
Total Site Operating Costs	242	635	71
Royalty and Charges	32	86	10
Sustaining Capital & Closure Costs	5	12	1
All-In Sustaining Cost	279	733	82

Capital Costs

Construction costs (Year 0), primarily comprising the process plant and supporting infrastructure, accommodation village, and associated engineering and indirect costs is estimated at US\$46 million. Pre-production costs, including construction readiness, mobile site equipment and pre-strip total \$8M. The capital cost estimate includes a 10% contingency. Sustaining capital of US\$4 million has been included in the mine plan and net mine closure costs are

estimated at US\$1 million, including salvage values. Total life of mine capital expenditures for the Bayan Khundii Gold Project are estimated at US\$64 million.

Table 6. Capital Costs

Item	\$ millions
Process Plant	24
Non-Process Infrastructure	10
Accommodation Village	2
Construction Indirects	6
Engineering & Support	4
Construction Costs	46
Pre-Production Costs	8
Contingency	5
Subtotal Plant and Infrastructure	59
Sustaining Capital	4
Reclamation and Mine Closure	3
Salvage	(2)
Total	64

Note: Rounding may cause some computational discrepancies

Opportunities to Enhance Project Value

The Company sees the following opportunities to enhance value at the Khundii Gold Project:

- Additional Resources at Bayan Khundii:
 - The Bayan Khundii Resource includes measured and indicated resources of 521,000 ounces at an average grade of 3.16 g/t gold, and Inferred Resources of 103,000 ounces of gold at a grade of 3.68 g/t gold which could potentially be added to open-pit reserves through both additional drilling and rising gold prices.
 - Recent drilling at the Midfield SE and Striker SW zones of the Project area intersected exceptionally high-grade gold, including one metre of 582 g/t gold within an intersection of 5.5 metres grading 126 g/t at Midfield SE, in areas of the resource currently classified as waste or sub-grade material. The areas are expected to provide additional high-grade feed in the early phases of development.
 - Additionally, very high gold grades observed in drilling in the Striker West portion of the deposit have the potential to provide additional high-grade resources should closer spaced drilling improve continuity.
 - The reported resource is pit constrained based on multiple parameters (Table 1, note 4) including a US\$1350 gold price. Multiple high-grade intersections outside the pit provide expansion targets requiring additional drilling in a rising gold price environment.
 - Further drilling is planned for Q3 2020 to confirm the existence of high-grade material within the Bayan Khundii project area.
- Exploration: The Bayan Khundii deposit is situated in a highly prospective region that has received minimal historical exploration. On the Bayan Khundii property, multiple high-grade targets have been established through limited shallow drilling and surface sampling within 4 kilometres of the deposit, including the Khar Mori (Dark Horse) prospect identified in late 2019.

- Erdene recently trenched new gold zones at Dark Horse, with assays returning 6 metres grading 8.8 g/t gold, including 1 metre of 50.8 g/t gold, and 4 metres of 14 g/t gold, including 1 metre of 45.3 g/t gold. As a large untested prospect, Dark Horse provides significant discovery potential along strike with a well-defined and continuous gold-in-soil anomaly along a NE trending structure for 1.3 kilometres. In addition, there are several isolated but intense gold-in-soil anomalies at or near NE-NW structural intersections. Drilling is planned for Q3 2020.
- Recoveries: Although a 93% gold recovery has been utilized for the BFS, testing of a recent master composite sample, representative of the BK ore, with a head grade of 3.6 g/t gold, returned recoveries averaging 95% indicating an opportunity for increased recoveries in the plant.
- Higher Grade Upside: The very high-grade nature of the Bayan Khundii deposit provides upside should continuity of the ultra high-grade zones (greater than 20 g/t gold) be established during mining.
- Underground Potential: Further underground mining potential has been identified in conceptual studies for Midfield North and Striker West which, if proven economical through further studies, could lead to a further increase in the economic reserve of the Bayan Khundii Project.
- Additional Resources at Altan Nar: Erdene's Altan Nar deposit, located approximately 16km north of Bayan Khundii, has an established Indicated Resource of 5.0 Mt grading 2.0 g/t gold (318,000 ounces of contained gold) and an Inferred Resource of 3.4 Mt grading 1.7 g/t gold (186,000 ounces of contained gold). Approximately 250,000 ounces of the current Altan Nar resource could potentially be processed by the Bayan Khundii Project processing facility at modest incremental capital cost (see "KGP 2019 Technical Report"). A number of development options for Altan Nar are under consideration.

Environmental and Permitting

In June 2020, Erdene completed an independent Environmental and Social Impact Assessment in accordance with the Performance Requirements of the European Bank for Reconstruction and Development ("EBRD"). The study was led by Sustainability East Asia LLC, in consortium with Eco Trade LLC and Ramboll Australia Pty Ltd. Concurrently, the Mongolian statutory Detailed Environmental Impact Assessment ("DEIA") for the Project has been prepared by Eco Trade LLC in accordance with the applicable national standards. Local stakeholder consultations on the DEIA are planned for Q3 2020. Following the consultations, the company will submit its statutory DEIA to the Ministry of Environment and Tourism of Mongolia for approval.

Erdene has obtained many of the key permits required to construct the Bayan Khundii Gold Project over the past year. In August 2019, the company received the Bayan Khundii Mining License, securing the site for 30 years, with the option to extend for 70 years. Additionally, the Company's Statutory Technical and Economic Assessment ("Mongolian Feasibility Study") was approved by the Mineral Resource and Petroleum Authority in early 2020. The Mongolian Ministry of Environment and Tourism approved a water reserve and flow rate to be utilized for the planned processing plant and infrastructure of the Khundii Gold Project. Additionally, the Project's Land Arrangement Plan has been approved by the local community, granting access to the 100-hectare area required to construct the BK open-pit and associated surface infrastructure. Permission to construct is expected to be received following approval of the Mongolian DEIA.

Project Finance and Next Steps

The Company has engaged HCF to act as Project Finance advisor, with primary responsibility for securing debt. HCF is a leading independent corporate finance advisory boutique based in London, focused on the global natural resources and infrastructure sectors. HCF provides strategic and financial advice to companies and financial institutions across the complete life cycle of a project, including structuring of debt finance. HCF possess significant Mongolian experience, having acted as an advisor on the financing of Oyu Tolgoi, Mongolia's largest mining project,

and has strong relationships with the EBRD, a strategic investor in Erdene and one of Mongolia's largest foreign investors. HCF is working with Erdene to secure the full financing package by the end of 2020. It is anticipated that senior debt financing could comprise as much as 70% of the total financing package given the Project's strong cashflows.

In addition to project financing, over the coming months, project development work will be focused on:

- Securing approval of Erdene's Board of Directors to begin construction;
- Completing the DEIA and obtaining necessary permits to commence construction;
- Drilling at Bayan Khundii to incorporate recent discoveries into an updated resource
- Optimization of the project execution schedule, including procurement and permitting;
- Ongoing documentation to support the update and filing of existing permits and filing for additional permits that may be required; and
- Completion of detailed engineering and design.
- Initiation of early works in support of full construction

Study Consultants

The BFS and associated Front-End Engineering and Design ("FEED") work has been completed by a consortium of International and Mongolian firms with significant experience operating in Mongolia:

- Roma Group Ltd. ("Roma"), a leading company in the region in engineering, business and asset valuations, risk advisory, corporate and M&A advisory services led the BFS preparation is responsible for coordinating all Qualified Persons to produce the final NI 43-101 BFS Technical Report. Roma also led the hydrology-hydrogeological and geotechnical studies, cost estimation and financial modelling study workstreams. Roma is listed on the Hong Kong Stock Exchange and has extensive experience working with major regional mining and financial firms leading technical studies and valuation projects for mining projects in Asia, including Mongolia.
- Several Mongolian companies provided in-country services and support for the BFS and FEED Study, including: Soil Trade LLC ("Soil Trade"), a geotechnical engineering firm; LOBO Erdene LLC ("LOBO"), an engineering and construction firm, Project Mining LLC ("Project Mining"), a mining engineering consulting firm; and Eco Trade LLC ("Eco Trade"), an environmental consulting firm. Erdene works closely with local specialists to ensure compliance with Mongolian regulations.
- O2 Mining Ltd. ("O2") assisted with the BFS mine design and planning (including closure) and co-led the FEED Study non-process infrastructure and Mongolian construction permitting workstreams. O2 is a Hong Kong-based engineering firm with principals who have over 13 years of Mongolian mining experience and a team with significant experience in mine development in Australasia, including the design, construction, commissioning and operation of gold, coal, base metals and industrial mineral mines and processing facilities.
- Auralia Mining Consulting ("Auralia"), confirmed mineral reserve modelling and mine design optimization. Auralia, are a Perth, Australia-based consulting firm with expertise in mine engineering and resource modelling and extensive experience with gold projects with companies such as Barrick and Gold Road Resources.
- 360-Global Inc. ("360-Global") carried out process plant design and engineering for the BFS and FEED Studies. 360-Global is a consulting firm based in the Philippines, specialized in full cycle design services and experienced with gold processing infrastructure globally, including Mongolia, China, Canada, Australia and Africa.

- ATC Williams Pty Ltd, (“ATCW”) undertook mineral waste and tailings facility design and management and mine closure planning. ATCW is based in Melbourne, Australia and has extensive experience in mineral waste and tailings transport, storage, closure and water management, including at the Oyu Tolgoi project in Mongolia.
- Blue Coast Research Ltd (“BCR”) continued to provide metallurgical testing support for the Khundii Gold Project. BCR have extensive experience with gold deposits and have carried out all of the Bayan Khundii and Altan Nar metallurgical test work to date.
- Sustainability East Asia, Ramboll, and Eco Trade LLC delivered the Environmental and Social Impact Assessment announced on June 4, 2020 (see full press release [here](#)).

Qualified Person and Sample Protocol

The information in this press release that relates to the financial models for the Bayan Khundii Feasibility Study is based on information compiled and reviewed by Kenny Li, CFA, who is an employee of ROMA Group Ltd. The information in this press release that relates to the capital and operating cost estimation for the Bayan Khundii Feasibility Study is based on information compiled and reviewed by Julien Lawrence, who is a FAusIMM and the Director of O2 Mining Ltd. The information in this press release that relates to the process design and recovery methods for the Bayan Khundii Feasibility Study is based on information compiled and reviewed by Jeffrey Jardine, who is a FAusIMM, and is engaged through O2 Mining Ltd. The information in this press release that relates to the Bayan Khundii resource estimate is based on information compiled and reviewed by Mr. Cam Norton, who is a P.Geo, and is an employee of Tetra Tech Inc. The information in this press release that relates to the Bayan Khundii reserve estimate is based on information compiled and reviewed by Mr. Anthony Keers, who is an MAusIMM (CP Mining) and a Director, Auralia Mining Consulting. Each of Mr. Li, Mr. Lawrence, Mr. Jardine, Mr. Norton and Mr. Keers has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they have undertaken to qualify as a Qualified Person, as that term is defined by National Instrument 43-101. Each of Mr. Li, Mr. Lawrence, Mr. Jardine, Mr. Norton and Mr. Keers is not aware of any potential for a conflict of interest in relation to this work with Erdene.

Peter Dalton, P.Geo. (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 non-BFS information and the non-Bayan Khundii Mineral Resource and Reserves estimate technical information contained in this news release on behalf of Erdene. All 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 samples undergo standard fire assay analysis for gold and ICP-OES (Inductively Coupled Plasma Optical Emission Spectroscopy) analysis for 33 additional elements. For samples that initially return a grade greater than 5 g/t gold, additional screen-metallic gold analysis is carried out which provides a weighted average gold grade from fire assay analysis of the entire +75 micron fraction and three 30-gram samples of the -75 micron fraction from a 500 gram sample.

Erdene’s drill core sampling protocol consisted of collection of samples over 1 or 2 m intervals (depending on the lithology and style of mineralization) over the entire length of the drill hole, excluding minor post-mineral lithologies and un-mineralized granitoids. Sample intervals were based on meterage, not geological controls or mineralization. All drill core was cut in half with a diamond saw, with half of the core placed in sample bags and the remaining half securely retained in core boxes at Erdene’s Bayan Khundii exploration camp. All samples were organized into batches of 30 including a commercially prepared standard, blank and either a field duplicate, consisting of two quarter-core intervals, or a laboratory duplicate. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene’s logistical contractor, Monrud Co. Ltd.

Khundii Gold District

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 Bayan Khundii Gold Resource includes 521,000 ounces of 3.16 g/t gold Measured and Indicated ("M&I") and 103,000 ounces of Inferred resources at 3.68 g/t gold. Within the M&I resource, a proven and probable open-pit reserve totals 409,000 ounces at 3.7 g/t, providing possible significant growth of reserves with the potential development of the remaining M&I and Inferred resources.

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 three mining licenses and three exploration licenses 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 the Mongolian stock exchanges. Further information is available at 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. 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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