

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item One – Name and Address of Company

Erdene Resource Development Corporation
99 Wyse Road
Suite 1480
Dartmouth NS B3A 4S5

Item Two - Date of Material Change

August 14, 2017

Item Three - News Release

The attached news release was issued in Halifax, Nova Scotia on August 14, 2017, via Marketwire.

Item Four - Summary of Material Change

On August 14, 2017, Erdene Resource Development Corporation (TSX: ERD) (“**Erdene**” or the “**Company**”) provided additional assay results from the Company’s 2017 drill program at its 100% owned Bayan Khundii Gold Project (“**Bayan Khundii**”) in southwest Mongolia.

Item Five - Full Description of Material Change

On August 14, 2017, Erdene provided additional assay results from the 2017 drill program at Bayan Khundii.

Five holes totalling 1,120 metres were completed north of the Midfield Zone, with four of those holes returning significant gold mineralization. Consistent with other areas of Bayan Khundii, drilling results have revealed the presence of very high-grade gold veins, up to 89.6 g/t gold over 1 metre, within broad mineralized envelopes of lower grade mineralization ranging up to 71.6 metres of 1.56 g/t gold. See Table 1 in the news release attached hereto for Bayan Khundii drill highlights.

Erdene first announced results from drilling north of the Midfield Zone in June 2017, and since that time has outlined a 280 metre by 80 metre area of gold mineralization trending under younger cover, with drill hole spacing ranging from 20 metres to 80 metres. The majority of the holes completed in this area intersected the gold-bearing silicified and illite-altered Devonian volcanic host units. Gold mineralized volcanic rocks have now been traced from the outcropping Gold Hill and Striker Zones through the Midfield Zone to the north under the younger Cretaceous cover for approximately 700 metres. A further 200 metres to the north lies the Northeast Zone where hole BKD-122 returned the highest and widest grades reported in this area

to date and beyond that, 600 metres further northeast high-grade gold-in-rock chip samples have been collected.

The Company has completed a total of 15,808 metres in 2017 at Bayan Khundii (86 drill holes), for a total of 27,574 metres (182 drill holes) since the first drill hole in Q4-2015.

Qualified Person and Sample Protocol

Michael MacDonald, P.Geo. (Nova Scotia), Vice President 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 the attached news release. 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.

Erdene's sampling protocol for drill core consisted of collection of samples over 1 metre or 2 metre 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 samples including a commercially prepared standard, blank, and either a field duplicate, consisting of two ¼ core intervals, or a laboratory duplicate. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene's logistical contractor, Monrud Co. Ltd.

Item Six – Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable.

Item Seven - Omitted Information

Not Applicable.

Item Eight - Executive Officer

Peter Akerley, President and CEO (902) 423-6419.

Item Nine – Date of Report

Dated this 16th day of August, 2017 by Peter Akerley, President and CEO



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Intersects 40 Metres of 3.3 g/t Gold and 72 Metres of 1.6 g/t Gold in Step-Out Drilling North of Midfield Zone at Bayan Khundii Gold Project

Halifax, Nova Scotia – August 14, 2017 – Erdene Resource Development Corp. (TSX:ERD) ("**Erdene**" or "**Company**") is pleased to announce additional assay results from the Company's on-going 2017 drill program at its 100%-owned Bayan Khundii Gold Project ("Bayan Khundii") in southwest Mongolia.

Highlights

- Step-out drilling north of Midfield Zone returns several high-grade intersections, including:
 - 40 metres of 3.3 g/t gold, including 9 metres of 12.5 g/t gold, 165 metres north of the Midfield Zone (BKD-179)
 - 71.6 metres of 1.6 g/t gold, including 19 metres of 4.6 g/t gold, 80 metres north of the Midfield Zone (BKD-178)
 - 39 metres of 2.1 g/t gold, including 9 metres of 8.2 g/t gold, 200 metres north of the Midfield Zone (BKD-182)
- On-going Q3/Q4 drill program to include testing of six target areas in the broader 2 by 1.8 kilometre Bayan Khundii prospect area, as well as continued definition of recently discovered targets north of Midfield Zone and west of Striker-Midfield Zones with closer-spaced drilling
- Three drill rigs are operational, including one rig conducting a hydro-geologic program, with drill results to continue throughout Q3 and Q4

"We are very pleased to have this continued level of success in step-out drilling north of Midfield where we are starting to see a sizable system take shape under cover," said Peter Akerley, Erdene's President and CEO. "Although we are still in the early stages of defining Bayan Khundii's true extent, we are consistently adding to the size potential of this newly discovered gold system. We envision a productive third and fourth quarter, as we continue to test newly discovered, high-grade mineralization encountered in Q2-Q3, as well as a series of geophysical and geochemical targets within the larger Bayan Khundii prospect area. This work will be completed in conjunction with our on-going regional, district-scale exploration program that includes continued drilling of our neighboring Altan Nar and Altan Arrow gold projects."

Discussion of Drill Results

Five holes totalling 1,120 metres were completed north of the Midfield Zone, with four of those holes returning significant gold mineralization (see Table 1 below and attached plan map for hole locations). Consistent with other areas of Bayan Khundii, drilling results have revealed the presence of very high-grade gold veins, up to 89.6 g/t gold over 1 metre, within broad mineralized envelopes of lower grade mineralization ranging up to 71.6 metres of 1.56 g/t gold.

Table 1. Bayan Khundii drill highlights

Drill Hole	From (m)	To (m)	Interval (m) ⁽¹⁾	Gold (g/t)
BKD-178	136.5	208.1	71.6	1.56
incl	167	186	19	4.58
incl	178	180	2	23.5
BKD-179	106	146	40	3.26
incl	106	115	9	12.5
incl	111	112	1	89.6
and	160	192	32	0.62
incl	167	180	13	1.00
BKD-180	132	220.6	88.6	0.37
incl	156	185	29	0.51
incl	212	220.6	8.6	0.62
BKD-181	No significant gold mineralization			
BKD-182	70	109	39	2.12
incl	88	97	9	8.17
incl	90	91	1	65.5

(1) Reported intervals are not true width. At this time, there is insufficient data with respect to the shape of the mineralized system to calculate true orientations in space. They represent drill intersection widths from holes drilled at a dip of -45 to -65 degrees and oriented to the north-northeast. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 40 to 50 degrees to the southwest).

These latest drill results add to the size potential as well as establishing greater confidence in the continuity of gold mineralization within and north of the Midfield Zone, when combined with results from previous drilling completed during Q2-2017, which include:

- Midfield: 80 metres of 6.03 g/t gold (hole BKD-98)
- Midfield: 56 metres of 6.13 g/t gold (hole BKD-99)
- North of Midfield: 108 metres of 2.8 g/t gold, including 20 metres of 7.2 g/t gold (hole BKD-110)
- North of Midfield: 55 metres of 2.9 g/t gold, including 25 metres of 5.3 g/t gold (hole BKD-111)
- North of Midfield: 88 metres of 0.8 g/t gold, including 32 metres of 1.6 g/t gold (hole BKD-138)
- North of Midfield: 18 metres of 3.0 g/t gold within 60 metres of 1.5 g/t gold (hole BKD-140)

- North of Midfield: 84 metres of 1.1 g/t gold (hole BKD-154)

Erdene first announced results from drilling north of the Midfield Zone in June 2017, and since that time has outlined a 280 metre by 80 metre area of gold mineralization trending under younger cover, with drill hole spacing ranging from 20 metres to 80 metres. The majority of the holes completed in this area intersected the gold-bearing silicified and illite-altered Devonian volcanic host units. Gold mineralized volcanic rocks have now been traced from the outcropping Gold Hill and Striker Zones through the Midfield Zone to the north under the younger Cretaceous cover for approximately 700 metres. A further 200 metres to the north lies the Northeast Zone where hole BKD-122 returned the highest and widest grades reported in this area to date (see June 8, 2017 release) and beyond that, 600 metres further northeast high-grade gold-in-rock chip samples have been collected.

Going Forward – Q3-Q4 2017 Drill Program

The Company has completed a total of 15,808 metres in 2017 at Bayan Khundii (86 drill holes), for a total of 27,574 metres (182 drill holes) since the first drill hole in Q4-2015. For the remainder of Q3, and into Q4, the Company's drilling program at Bayan Khundii will be focused on further delineation of newly discovered high-grade mineralization encountered during the Q2-Q3 2017 exploration program and exploring a series of geophysical and geochemical targets within the larger 2-kilometre by 1.8-kilometre Bayan Khundii target area. In advance of this drilling, additional geophysical work was completed in Q2-Q3 2017, including induced polarization dipole-dipole and ground magnetic surveys, which have further defined these new target areas.

In addition to the on-going Bayan Khundii drill program, the Company will complete regional drilling between Bayan Khundii and its Altan Arrow gold-silver project, located 3.5 kilometres north of Bayan Khundii. The Company has also designed a follow-up drill program for its neighboring Altan Nar gold-polymetallic project, located 16 kilometres northwest of Bayan Khundii. This program will include testing of newly defined geophysical targets and completion of step-out drilling in areas adjacent to its previously reported NI 43-101 mineral resource estimate at Altan Nar (see Erdene news release dated March 31, 2015). Based on upcoming Q3/Q4 2017 drill results, and on drilling completed at Altan Nar in 2015 and 2016, it is anticipated that a revised resource estimate at Altan Nar will be completed in 2018 in addition to a maiden resource estimate for Bayan Khundii.

Background on Bayan Khundii Gold Project

In Q2-2015, Erdene conducted an initial exploration program on the southern portion of the Company's 100%-owned Khundii exploration license in southwest Mongolia where an early rock-chip sampling program revealed multiple very high-grade surface quartz veins that returned up to 4,380 g/t gold. Since that time, drilling has revealed the presence of very high gold grades,

with up to 306 g/t gold over 1-metre intervals, within broad mineralized zones, with up to 131 metres of 3.9 g/t gold, including 80 metres of 6.0 g/t gold. The Company has completed a comprehensive exploration program at Bayan Khundii that has included: geological mapping; soil geochemical surveys; additional surface rock chip sampling; a ground magnetic survey; gradient array and dipole-dipole induced polarization surveys; and the completion to date of 27,574 meters of drilling in 182 diamond drill holes. In addition to this work, a series of detailed follow-up studies have also been completed, predominantly on drill core and minor surface outcrop, including: petrographic and mineralogical analyses; a fluid inclusion study; SEM gold composition analysis; Short-Wave Infra-Red Analysis (SWIR); structural analysis; and overall petrogenetic analysis. Detailed studies indicate the mineralized zones can be characterized as low-sulphidation, quartz-illite-adularia type mineralization that was presumably formed in an extensional environment.

In Q1-2016, the Company concluded preliminary metallurgical test work at Bayan Khundii, indicating that gravity concentration and cyanidation of the gravity tails yield very good overall gold recoveries for both high-grade and low-grade composites, yielding 99% gold recovery from the high-grade composite (24.9 g/t gold) and 92% gold recovery from the low-grade composite (0.7 g/t gold). Additional metallurgical work is underway with completion anticipated in Q3-2017.

The Bayan Khundii license has 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%.

Qualified Person and Sample Protocol

Michael MacDonald, P.Geo. (Nova Scotia), Vice President 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 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.

Erdene’s sampling protocol for drill core consisted of collection of samples over 1 metre or 2 metre 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 samples including a commercially prepared standard, blank, and either a field duplicate, consisting of two ¼ core intervals, or a laboratory duplicate. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene’s logistical contractor, Monrud Co. Ltd.

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. In addition to the Bayan Khundii and Altan Nar projects, other deposits and prospects within these licenses include: Khuvyn Khar – an early-stage, copper-silver porphyry project with multiple drill targets and significant copper intersections; Nomin Tal – a narrow, high grade copper-gold discovery; Zuun Mod – a large molybdenum-copper porphyry deposit; and Altan Arrow – an early-stage 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 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

Erdene Contact Information

Peter C. Akerley, President and CEO

or

Ken W. MacDonald, Vice President and CFO

Phone: (902) 423-6419

E-mail: info@erdene.com
Website: www.erdene.com
Twitter: <https://twitter.com/ErdeneRes>