



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Intersects 20 Metres of 10.3 g/t Gold at Altan Nar Project and Expands Bayan Khundii and Altan Nar Drilling Program to 33,000 Metres

Halifax, Nova Scotia – October 12, 2017 – Erdene Resource Development Corp. (TSX:ERD) ("**Erdene**" or "**Company**") is pleased to provide an exploration update on its gold projects in southwest Mongolia, including drill results from its 100%-owned Altan Nar Gold-Polymetallic Project ("Altan Nar"), and an update on its flagship, 100%-owned Bayan Khundii Gold Project ("Bayan Khundii"), 16 kilometres southeast of Altan Nar, where drilling is on-going with results pending.

"Today's results from Altan Nar are a further testament to the exceptional fertility of this emerging gold district," said Peter Akerley, Erdene's President and CEO. "These results demonstrate significant expansion potential for the existing deposit areas and provide exciting new discovery opportunities within the greater 5.6 kilometre Altan Nar trend. Our continued exploration success at both the Bayan Khundii and now the Altan Nar gold projects has led to a decision to significantly increase our 2017 drill program. When considered in the broader district-scale context, we believe the success rate experienced by our company at the grassroots drilling stage is a good indication of the region's potential for additional discoveries."

News Release Highlights

Altan Nar Highlights (see attached plan maps and cross-section for reference)

- New, high-grade core at Discovery Zone returns 5 metres of 29.7 g/t gold within a 20 metre interval of 10.3 g/t gold (11.8 g/t gold equivalent) at 97 metres depth (TND-110).
- Shallow, gold-bearing structure identified to the west of Discovery Zone over 100 metre strike length with up to 14.6 g/t gold (1 metre) within zones of greater than 15 metres of greater than 1 g/t gold (TND-113 and 114).
- Northeast extension to Discovery Zone traced over 150 metres with three holes intersecting individual 1-metre samples with up to 7.6 g/t gold (TND-111); 37 g/t silver (TND-111); 8.8% zinc (TND-111); and 3.6% lead (TND-117) within gold-bearing, broad phyllic alteration zones.
- Deep drilling intersected multiple mineralized zones with high-grade veins as deep as 382 metres returning up to 2.7 g/t gold, 49 g/t silver, 6.5% lead and 2.2% zinc (TND-129).
- Scout drilling at the Maggie prospect, 800 metres north of Discovery Zone, returned 5 metres of 4.8 g/t gold at 31 metres depth.
- Step-out drilling at Union North significantly extended mineralization, with 14.5 metres of 1.5 g/t gold equivalent (0.9 g/t gold, 7 g/t silver, 0.89% lead-zinc) in a 200 metre step-out hole (TND-

121) and 5 metres of 3.2 g/t gold equivalent (1.1 g/t gold, 29 g/t silver, 3.3% lead-zinc) in a 340 metre step-out hole (TND-120).

- High-grade veins discovered 200 metres southeast of Union North; 7% zinc, 2.6% lead, 23 g/t silver and 1.4 g/t gold over 1 metre (TND-122).

Exploration Update

- Erdene's 2017 drill program has been increased from 24,000 to 33,000 metres.
- Expanded drill program includes expansion and definition drilling at Bayan Khundii, regional scout drilling at newly identified targets on the Bayan Khundii licence, and follow-up drilling at Altan Nar.
- Drilling continues at Bayan Khundii with 18 holes completed since Erdene's September 12, 2017 Bayan Khundii drill update; results pending.

Exploration Program Update

Based on 2017 drill results the Company has increased its 2017 drill program from 24,000 metres announced in April 2017, to 33,000 metres to accommodate additional drilling at Bayan Khundii, Altan Nar, and other new targets identified on the Bayan Khundii licence. The Company will also complete surface exploration at its newly acquired Ulaan exploration license, located immediately west of Bayan Khundii.

Altan Nar Drilling - Discussion of Results

Twenty-two holes, totalling 3,968 metres, were completed over a 1.8 by 1.5 km portion of the 5.6 km long Altan Nar trend. The objective of the drill program was to test new targets and to complete step-out drilling in areas adjacent to the Discovery Zone and Union North deposits where the Company previously reported a NI 43-101 mineral resource estimate (see Erdene news release dated March 31, 2015 for details on resource estimate).

Four plan maps have been attached for reference:

Discovery Zone – New High-Grade Core

Over the past 10 months the Company has identified a previously un-tested high-grade core in the central portion of the Discovery Zone deposit that remains open at depth. This discovery was made subsequent to the establishment of a NI 43-101 mineral resource for the Discovery Zone that was based on pre-2015, near-surface drilling (less than 150 metres depth), which included a low-grade central core. Table 1 below displays results from the most recent drilling (TND-110) as well as highlights of other post-resource drilling.

Table 1. Drill Highlights from Central Discovery Zone

Hole No.	Date Reported	Intersection Depth (m)	Interval (m) ⁽¹⁾	Gold (g/t)	Silver (g/t)	Copper (%)	Lead (%)	Zinc (%)	Gold Equiv. (g/t) ⁽²⁾
TND-90	Oct-15-2015	92 m	5.8 m	5.4	53.1	0.03	0.51	0.97	7.0
TND-101 ⁽³⁾	Dec-19-2016	96 m	15 m	52.3	125	0.69	2.49	2.87	56.9
TND-104	May-20-2017	133 m	8 m	6.21	91.6	0.04	1.15	1.29	8.84
TND-105	May-20-2017	100 m	14 m	7.92	43.7	0.23	0.67	1.16	9.52
TND-110	Oct-10-2017	97 m	20 m	10.3	37.5	0.13	0.79	0.93	11.8

(1) Reported intervals are not true width. At this time, there is insufficient data with respect to the shape of the mineralized zones to calculate true orientations in space.

(2) Gold equivalent (“AuEq”) has been used to express the combined value of gold, silver, lead and zinc as a percentage of gold, and is provided for illustrative purposes only. No allowances have been made for recovery losses that may occur should mining eventually result. Calculations use metal prices of US \$1200/oz gold, \$18/oz silver, and \$0.90/lb for lead and zinc.

(3) Hole TND-101 was an exploratory hole drilled a low, oblique angle to the mineralized Discovery Zone trend, and was oriented perpendicular to a cross-cutting structure observed in geophysical surveys. See Erdene’s Dec 19, 2016 news release for additional technical information on TND-101 (click [here](#)).

Hole TND-110, announced today, further increases Erdene’s understanding of the high-grade core to the Discovery Zone and supports the carbonate base metal deposit model given the elevated concentrations of base and precious metals, including copper. In addition to the post-resource high-grade gold intervals reported in Table 1 above, TND-110 also intersected elevated base metal veins containing up to 6.2% lead, 3.8% zinc, and up to 0.85% copper, see Table 2 below. The high-grade precious and base metal intercepts identified at the Discovery Zone remain open at depth and demonstrate exceptional down-dip potential at this new high-grade zone, which will be further defined through detailed drilling.

Table 2. Drill Highlights from Central Discovery Zone

Drill Hole	From (m)	To (m)	Interval (m) ⁽¹⁾	Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Gold Eq. (g/t) ⁽²⁾
TND-109	162	170	8	2.71	10.6	0.11	0.32	3.09
TND-110	62	63	1	0.16	16	6.18	3.80	5.54
and	97	117	20	10.3	37.5	0.79	0.93	11.8
incl	106	111	5	29.7	44.6	0.86	1.85	31.8
incl	106	107	1	101.0	84	2.01	3.26	105.0

(1) (2) See Footnotes under Table 1 above.

Discovery Zone Extensions – Along Strike and at Depth

Eight holes totalling 1,645 metres were completed within and along potential extensions and subsidiary structures at the Discovery Zone, and all holes were successful in expanding mineralization and identifying follow-up drill targets.

A new parallel structure was discovered 100 metres northwest of the Discovery Zone with two holes (TND-113 and -114) intersecting high-grade gold and base metal mineralization, including individual 1-metre samples with up to 14.6 g/t gold, 2.4% zinc and 3.8% lead, within 20 metres of 1.1 g/t gold at 79 metres depth (TND-113), and up to 17 metres of 1.0 g/t gold at 91 metres depth (TND-114).

Exploration at the northern extension of the Discovery Zone had previously identified mineralization as plunging at depth to the north, however results from recent drilling now also show a bifurcation of the mineralized area to the northeast. Drill holes TND-111, -112, -116 and -117 all intersected zones of gold-polymetallic mineralization, adding approximately 150 metres of additional strike length to the Discovery Zone. Multiple high-grade veins were intersected with results from 1-metre samples returning up to 7.6 g/t gold, 37 g/t silver, 3.3% lead and 8.8% zinc in hole TND-111 and 0.6 g/t gold, 126 g/t silver, 0.3% copper, 3.6% lead, and 3.1% zinc in hole TND-117. These high-grade veins were intersected within broad phyllic alteration zones that returned up to 145 metres of 0.41 g/t AuEq (0.2 g/t gold, 3 g/t silver, 0.36% lead-zinc) in hole TND-111 and 80 metres of 0.53 g/t AuEq (0.4 g/t gold, 2 g/t silver, and 0.2% lead-zinc) in hole TND-116. All intersections within this area were within 132 metres vertical depth.

A single deep hole (TND-129) was drilled under the Discovery Zone to a depth of 450 metres (390 metres vertical depth). TND-129 intersected multiple mineralized zones including 1-metre intervals up to 2.7 g/t gold, 49 g/t silver, 6.5% lead and 2.2% zinc at 382 metres depth (331 metres vertical). One previous deep hole tested the Discovery Zone at depths similar to TND-129; hole TND-31 was extended from 190 to 450 metres in late 2016 and confirmed that high-grade precious and base metal mineralization extends below the depths previously tested. TND-31 returned 1-metre samples up to 18.3 g/t AuEq at 370 metres depth (320 metres vertical depth) and up to 6.9 g/t AuEq at 401 metres depth (347 metres vertical depth).

Union North Deposit

The Union North deposit was discovered and drilled in the 2012 to 2014 period with an initial NI 43-101 mineral resource established in Q1-2015. Since that time 14 holes have been drilled with three completed along a 400 metre eastern extension target in the most recent drill program (TND-119 to 121) and one hole completed 200 metres southeast of Union North that intersected high-grade base metal veins (TND-122) (Table 3). The three, eastern step-out holes clearly demonstrate that Union North mineralization expands significantly to the east and remains open. This area will receive additional drilling in advance of a revised resource estimate for the deposit.

Table 3. Drill Highlights from Union North

Drill Hole	From (m)	To (m)	Interval (m) ⁽¹⁾	Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Gold Eq. (g/t) ⁽¹⁾
TND-119	38.4	42	3.6	0.06	5.3	0.44	0.78	0.76
TND-120	36.9	42	5.1	1.08	29.4	1.05	2.25	3.22
incl	39	40	1	2.43	55	1.70	3.10	5.72
TND-121	89.5	104	14.5	0.93	6.8	0.47	0.42	1.49
TND-122	105	132	27	0.14	3.0	0.19	0.53	0.56
incl	128	129	1	1.36	23.0	2.60	6.98	6.63

(1) (2) See Footnotes under Table 1 above.

Maggie Prospect

The Maggie prospect is located 800 metres north of the Discovery Zone and 600 metres southeast of Union North. Drilling targeted the extension of a magnetic low feature that was previously drill-tested approximately 100 metres to the southeast (TND-64). Maggie has only received two drill holes and one trench since discovery in 2013. Hole TND-123, announced today, is located at the northeast edge of a large phyllic alteration zone, associated with anomalous rock chip results that include up to 15.4 g/t gold. Results from TND-123 included 5 metres of 5.3 g/t AuEq (4.8 g/t gold, 10.4 g/t silver, and 0.8% lead-zinc) at 31 metres depth, including 1 metre of 23.8 g/t AuEq (22.3 g/t gold). The previously completed drill hole at Maggie (TND-64) returned 22 metres of 1.1 g/t gold at 38 metres depth. The nearest drill hole to these two scout holes is located at Union North, 450 metres to the west. A follow-up program for Maggie is being designed.

Junction Prospect

The Junction prospect is located 600 metres east of the Discovery Zone and is characterized by anomalous rock chip samples (up to 11.2 g/t gold) and soil geochemistry within a 350 by 450 metre area overlying a large gradient IP chargeability anomaly. Hole TND-127, announced today, is the first drill hole completed at Junction and intersected strongly silicified volcanic breccias cut by chalcopyrite mineralized, sheeted and stockwork quartz veins, returning 12 metres of 0.3% copper, 0.14 g/t gold and 7.5 g/t silver at 150 metres depth. Multiple targets in this prospect remain untested. The increased concentration of copper in this, and the adjacent Southgate target areas (up to 4.4% copper over a 1-metre interval in TND-48), suggests this region of Altan Nar may represent a higher temperature portion of the broader mineralized zone. This new zone will be a priority for the Company in future drill programs.

Altan Nar Deposit Model

Altan Nar is considered to be a carbonate-base metal gold (“CBMG”) deposit, and is characterized by multiple, sub-parallel, moderately- to steeply-dipping, epithermal vein and breccia zones that in all cases remain open at depth and along strike. CBMG deposits are a sub-class of epithermal deposits that include the most prolific gold producers in the southwest Pacific Rim including well-known deposits such as Barrick Gold’s Porgera mine (Papua New Guinea), Rio Tinto’s formerly producing Kelian mine (Indonesia), and Continental Gold’s Buritica project (Columbia). CBMG deposits generally occur above porphyry intrusions in arc settings and typically contain gangue of a carbonate, base metal mineral assemblage and form as fracture/vein/breccias. Altan Nar has this typical gangue mineral assemblage. Mineralized zones in these deposits are commonly restricted to fault/fracture zones and also within phreatomagmatic breccia zones or pipes that may extend for more than 500 metres vertically as at the former-producing Kelian mine.

Altan Nar Future Exploration

The Company will complete a follow-up drill program at Altan Nar in Q4 2017, focused on numerous targets within the 5.6 km long mineralized trend, including testing extensions of the high-grade central Discovery Zone at depth and along strike to the north and northeast. Based on upcoming 2017 drill results, and drilling completed subsequent to the March 2015 resource estimate, the Company anticipates

generating a revised resource estimate for Altan Nar in 2018, in conjunction with a maiden resource estimate for Bayan Khundii, where drilling is underway.

Altan Nar Background

Exploration carried out by Erdene over the past four years has established Altan Nar as a significant new carbonate base metal gold system. Exploration work on the entire exploration license, specifically the 2013 through 2016 programs, including mapping, geochemical and geophysical survey programs, and a multi-stage scout and resource delineation drilling program, has greatly expanded the areas of known mineralization with 20 target areas now documented over a 6-kilometre by 10-kilometre area. The Altan Nar prospect consists of the main mineralized, structural trend and primary location of gold-silver-lead-zinc mineralization being approximately 5.6-kilometre by 1.5-kilometre, consisting of 18 of the 20 target areas. Previous work has included extensive mapping, soil geochemical surveys, rock chip sampling and geophysical surveys and the work of several experts in epithermal deposits who focused on the style and paragenesis of mineralization, spectral analysis of alteration mineralogy, structural geology and drilling (122 diamond drill holes totaling 18,987 metres). The Altan Nar 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 m 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 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 exploration and development of precious and base metal prospects in the Edren Terrane of Mongolia since 2009. Exploration success has led to the discovery and definition of several prospects and deposits including the Company’s flagship and newly discovered, high-grade, near-surface Bayan Khundii gold project; the 5.6 km long Altan Nar gold-polymetallic mineralized trend that is host to 18 targets; the Altan Arrow gold-

silver prospect and the Zuun Mod molybdenum-copper deposit. In addition to the above properties, the Company has an Alliance with Teck Resources Limited on regional copper-gold exploration in the prospective Trans Altay 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.

The Bayan Khundii, Altan Nar and Altan Arrow projects 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%.

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.

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