

**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

March 28, 2018

Item Three - News Release

The attached news release was issued in Halifax, Nova Scotia on March 28, 2018, via Marketwired.

Item Four - Summary of Material Change

On March 28, 2018, Erdene Resource Development Corporation (TSX: ERD) (“**Erdene**” or the “**Company**”) provided details of its December 31, 2017, year-end financial results.

Item Five - Full Description of Material Change

On March 28, 2018, Erdene provided details of its financial results for year-end December 31, 2017.

For the year ended December 31, 2017, the Company recognized a net loss of \$4,027,465, or \$0.03 per share, compared to a loss of \$2,499,739, or \$0.02 per share in 2016. Exploration expenditures, including capitalized costs, totalled \$10,244,775 in 2017 compared with \$4,664,490 in 2016, an increase of 120%. The Bayan Khundii project represented \$6,109,190 or 60% of total 2017 exploration expenditures. Together, the Bayan Khundii and Altan Nar projects represented \$7,589,759 or 74% of total 2017 exploration expenditures.

Excluding non-cash share-based compensation and depreciation, the 2017 corporate and administrative expenses were \$1,495,106 compared with \$1,093,111 in 2016 and the corresponding cash exploration expenditures were \$9,625,936 in 2017 and \$4,468,154 in 2016. The corporate and administrative cash expenses represented 16% of cash exploration expenditures incurred in 2017 compared with 24% in 2016.

The Company has a current working capital position of \$2.3 million.

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 4th day of April, 2018 by Peter Akerley, President and CEO



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Provides Project Review and Year-End Financial Results; Announces Q2 Drill Program at Bayan Khundii and Regional Gold- Copper Projects

Halifax, Nova Scotia – March 28, 2018 - Erdene Resource Development Corp. (TSX:ERD) ("**Erdene**" or "**Company**"), is pleased to provide a review of its 2017 activities and an outlook for 2018, including plans for the Company's principle gold projects in southwest Mongolia. This release should be read in conjunction with the Company's 2017 Financial Statements, MD&A and AIF on the Company's website or on SEDAR.

"The past year was very successful in establishing the potential for substantial, high-grade, near-surface gold mineralization at both our Bayan Khundii and Altan Nar projects, while adding new exploration opportunities with high-grade drill intercepts on other targets within the Bayan Khundii licence area," said Peter Akerley, Erdene's President and CEO. "Our objectives are clear, advance our core gold projects through the various studies required to support development, balanced with exploration designed to bring growth through refining the potential of the known prospect areas and identifying new targets. We will also be opportunistic regarding the acquisition of additional land that compliments and brings value to our current portfolio."

Project and Financial Highlights (see map for reference)

Bayan Khundii Gold Project – 100% Erdene

- Exploration to date has established a gold mineralized body spread over a 1.4 kilometre long trend, locally coming to surface, up to 400 metres wide and 250 metres deep.
- Of the 234 holes completed, 31% have reported visible gold, with 18% intersecting greater than one ounce of gold over 1 to 2 metre intervals.
- The 2017 drill program discovered significant new zones including Midfield, Midfield North, Striker West, and between Midfield and Striker, with the following drill highlights:
- Midfield North Zone:
 - Step-out drilling north of the Midfield Zone extended mineralization for up to 280 metres, returning:
 - 2200 g/t gold over 1 metre, within 14 metres of 158 g/t gold (BKD-231);

- 108 metres of 2.8 g/t gold, including 20 metres of 7.2 g/t gold (BKD-110);
- 40 metres of 3.3 g/t gold (BKD-179);
- 120 metres of 1.14 g/t gold including 3 metres of 33 g/t gold (BKD-188); and
- 22 metres of 8.3 g/t gold, within 36.5 metres of 5.6 g/t gold (BKD-232).
- Midfield Zone:
 - Drilling established strong continuity of high-grade zones and confirmed greater depth potential, with results including:
 - 80 metres of 6.0 g/t gold (BKD-98);
 - 56 metres of 6.1 g/t gold (BKD-99); and
 - 25 metres of 5.8 g/t gold (BKD-230).
 - While most of the drilling in the Midfield Zone focused on extending the northern limits of mineralization, hole BKD-210, located 80 metres east of Midfield's eastern boundary, returned 43 metres of 1.8 g/t gold and included gold values up to 44.8 g/t.
- Striker-Midfield Zone Connection:
 - 2017 drilling successfully demonstrated continuity of Midfield down dip, vertically below the surface exposure of Striker, and has also begun to define a new, near-surface, high-grade zone between Striker and Midfield;
 - BKD-222 intersected 23 metres of 6.7 g/t gold with individual samples (1 metre) up to 139 g/t gold within 50 metres of surface with earlier, adjacent holes (BKD-86 and BKD-153) returning individual samples of 94.8 g/t gold and 31.4 g/t gold, respectively, within wider mineralized intervals up to 150 metres of 1.5 g/t gold, again within 50 metres of surface.
 - Prior to the 2017 exploration season, limited drilling had taken place in the 200-metre wide zone, separating Striker from Midfield.
- West Striker Zone:
 - 27 holes have been completed in the area west of the Striker Zone at 20 to 80 metre spacing, over a 375 by 250 metre area. Of the 27 holes, 26 have intersected anomalous gold mineralization, with 13 returning high-grade intervals of greater than 10 g/t gold.
 - In Q4-2017, step-out drilling 250 metres west of the Striker Zone returned the best intersection to date in this area with 15 metres of 9.2 g/t gold, including 1 metre of 116 g/t gold (BKD-220), further establishing the potential that exists at West Striker.
- Striker Zone:
 - While all 51 holes within the Striker Zone have intersected anomalous gold, approximately 70% have returned intervals of greater than 10 g/t gold, and up to 306 g/t gold (1 metre).

- Closer-spaced drilling to establish continuity of a very high-grade domain returned multiple, high-grade intervals (1 metre) of between 19 g/t and 111 g/t gold, within a broader interval of 61 metres averaging 4.2 g/t gold (BKD-227), supporting continuity of the very high-grade zone intersected in adjacent holes.
- During 2017, Erdene completed 138 drill holes at Bayan Khundii, totalling 25,567 metres, bringing the total drilled since the Q4-2015 discovery hole to 234 diamond drill holes, totalling 38,072 metres.
- Metallurgical testing in 2017 on two master composites yielded similar results to previous metallurgical testing, indicating Bayan Khundii is free milling and amenable to conventional processing techniques, with recoveries ranging from 91% to 99%.
- * *Reported intervals at Bayan Khundii are not true width. At this time, there is insufficient data with respect to the shape of the new mineralized zones to calculate true orientations in space.*

Altan Nar Gold-Polymetallic Project – 100% Erdene (16 kilometres north of Bayan Khundii)

- Exploration has established 18 gold-silver-base metal target areas within a 5.6 by 1.5 kilometre mineralized corridor.
- Drilling in 2017 focussed on further defining and expanding the two most advanced targets, Discovery Zone (“DZ”) and Union North (“UN”), while completing limited drilling on other high priority targets.
- Drilling at the DZ deposit intersected high-grade gold-polymetallic zones including 5 metres of 29.7 g/t gold within a 20 metre interval of 10.3 g/t gold (TND-110). This zone remains open at depth.
- In 2017, Erdene completed 31 diamond holes at Altan Nar totalling 5,794 metres.

Altan Arrow and Khundii North Gold Prospects – 100% Erdene

- Significant exploration was completed during 2017 within the 11.4 kilometre long Bayan Khundii license, with a focus on the Altan Arrow and Khundii North target areas.
- The Altan Arrow prospect, 3.5 kilometres north of Bayan Khundii, is a 0.5 by 1 kilometre epithermal gold target area with multiple zones of epithermal quartz veining.
- 2017 drilling at Altan Arrow returned 70 g/t gold over 2 metres (AAD-12), and drilling of a new target area 300 metres west of AAD-12 returning 39 g/t gold over 1 metre, near-surface (AAD-11).
- The Khundii North target, 2.5 kilometres east of Altan Arrow, has now been traced over 1 kilometre through gold-in-soil anomalism with rock chips samples returning values up to 22 g/t gold.

Ulaan Copper-Gold Porphyry Prospect – 51% Erdene

- In Q3-2017 Erdene announced the acquisition of a 51% interest, with the option to acquire up to 100%, in the Ulaan license, located immediately west of its Bayan Khundii license.
- Ulaan hosts a very large, 3-kilometre diameter, intense alteration zone with characteristics thought to be related to a porphyry complex at depth as well as epithermal gold targets peripheral to the porphyry centre.
- In 2017 Erdene conducted an initial exploration program at Ulaan, consisting of geological mapping, prospecting, rock chip sampling, soil-grid geochemical sampling, and an induced polarization geophysical survey, which has produced several drill targets.

Water, Energy, Permitting and HSEC

- Water: In 2017, a preliminary water resource was identified approximately 15 kilometres from Altan Nar, which is believed to be sufficient to meet the processing needs of both projects (Altan Nar and Bayan Khundii). Additional work will be required in 2018-19 to better define the water resource.
- Energy: Through an initiative of the International Finance Corporation, the Company is participating in a co-financed study of renewable energy supply options at Bayan Khundii and Altan Nar, which is expected to result in a site-specific business case for renewable energy and the potential co-benefits of integrating renewables into future mine planning.
- Permitting: In 2017, Erdene engaged several consulting firms in preparation of anticipated resource estimates and preliminary economic studies, mining license applications, and geological modeling and targeting for the Bayan Khundii and Altan Nar projects. Erdene also continued to update the baseline surveys at Bayan Khundii and Altan Nar to fulfill Mongolian regulatory requirements for registering mineral resources.
- HSEC: In 2017, Erdene approved contributions for over ten different initiatives at the county and province levels focused on improving local livelihoods, basic education and public health.

Teck-Erdene Alliance

- Separate from its 100%-owned gold projects, Erdene continued to be active through its Alliance with Teck Resources Limited (“Teck”) in assessing regional base and precious metal opportunities in southwest Mongolia’s prolific Tian Shan copper-gold belt.
- With the completion of a \$500,000 private placement by Teck and the renewal of the Alliance agreement on March 21, 2017, the Alliance’s 2017 exploration program commenced in Q2-2017, consisting of follow-up work to assess anomalous targets identified during the 2016 exploration program.

Corporate Update

- In Q1-2018, Erdene strengthened its Board with the addition of Cameron McRae and Byambasaikhan Bayanjargal;
 - Mr. McRae brings 28 years experience with Rio Tinto including the role of President for Oyu Tolgoi LLC where he led the construction and start-up of the Oyu Tolgoi copper-gold mine.
 - Mr. Bayanjargal is a prominent Mongolian businessman with an impressive background, both in Mongolia and central Asia, including serving as the former CEO of Erdenes Mongol, Mongolia's state-owned resource development company.

Financial Performance - Year-End Financial Results Summary

- Erdene's year-end 2017 Financial Statements, Management Discussion & Analysis and Annual Information Form were filed with regulatory authorities on March 27, 2018 and are available on the Company's website and on SEDAR.
- For the year ended December 31, 2017, the Company recognized a net loss of \$4,027,465, or \$0.03 per share, compared to a loss of \$2,499,739, or \$0.02 per share in 2016.
- Exploration expenditures, including capitalized costs, totalled \$10,244,775 in 2017 compared with \$4,664,490 in 2016, an increase of 120%. The Bayan Khundii project represented \$6,109,190 or 60% of total 2017 exploration expenditures. Together, the Bayan Khundii and Altan Nar projects represented \$7,589,759 or 74% of total 2017 exploration expenditures.
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Financial Position and Financing

The Company funded its 2017 operations as follows:

- Proceeds from a bought deal private placement financing in February 2017 for net proceeds of \$12.8 million (gross proceeds of \$13.8 million); and
- Proceeds from a non-brokered private placement financing with Teck in April 2017 for net proceeds of \$0.5 million.
- The Company has a current working capital position of \$2.3 million.

Outlook

Erdene has discovered a new gold district (“The Khundii Gold District”) in southwest Mongolia that includes seven targets, two of which are considered significant prospects for development: Bayan Khundii and Altan Nar. Over the past two years Bayan Khundii has rapidly advanced from the discovery of very high-grade gold samples at surface to the Company’s flagship asset. Drilling and surface exploration have also defined multiple targets in the surrounding areas, adjacent to and further north on the Bayan Khundii license, that have significant potential for additional gold resources. The near-term objectives of the Company are to complete the necessary drilling to allow for the completion in Q3-2018 of a maiden resource estimate at Bayan Khundii and an updated resource estimate for Altan Nar, while continuing to advance exploration on various targets within the larger Khundii Gold District, most importantly Altan Arrow, Khundii North and Ulaan.

In Q2-2018, Erdene will commence a 5,400 metre drill program at Bayan Khundii to establish continuity and extent of recent high-grade intersections identified in 2017. This will be followed by a 1,000 metre drill program at Ulaan and an approximately 1,000 metre drill program at Altan Arrow to follow-up on recent high-grade zones discovered in 2017. Results of the Q2 Bayan Khundii drilling will be included in the anticipated Q3 maiden resource estimate. Following the completion of the resource estimates the Company will advance the projects into the studies phase for both scoping through feasibility and for securing the necessary licenses and permits to move the projects toward commercial production.

In addition the Company will continue with its regional, district-scale exploration program to identify additional high-grade precious and base metal projects and will consider opportunities to consolidate the district with future acquisitions like the Ulaan acquisition in Q3-2017.

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 20 samples 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.

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 five 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 156,792,160 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 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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