

**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

May 8, 2018

Item Three - News Release

The attached news release was issued in Halifax, Nova Scotia on May 8, 2018, via Marketwired.

Item Four - Summary of Material Change

On May 8, 2018, Erdene Resource Development Corporation (TSX: ERD) (“**Erdene**” or the “**Company**”) reported results for the first series of drill holes from its Q2-2018 drill program at its 100%-owned Bayan Khundii gold project (“**Bayan Khundii**”) in southwest Mongolia.

Item Five - Full Description of Material Change

On May 8, 2018, Erdene reported results for the first series of drill holes from its Q2-2018 drill program at its Bayan Khundii project.

The results are for the first six holes (BKD-235 to BKD-240), totalling 1,423 metres, which were completed at the North Midfield Zone. Holes BKD-235 to BKD-238 were drilled to test continuity and potential extensions of the high-grade mineralization in the North Midfield target area. Hole BKD-236 was also drilled to test the interpreted controlling structure on the western boundary of the gold mineralization and a sub-set of gold-bearing, north-south trending veins, approximately perpendicular to the main trend of mineralization (azimuth of 108 degrees). Holes BKD-239 and BKD-240 were step-out holes, located near previously completed hole BKD-232 that returned 36.6 metres of 5.6 g/t gold.

Table 1 in the attached news release includes Bayan Khundii drill result highlights of these six holes. The six drill holes were designed as follow-up drilling to establish continuity and potential extensions of the high-grade mineralization, along with the testing of additional structural targets within the North Midfield Zone discovered in mid-2017.

The named zones within the Bayan Khundii prospect are relatively distinct gold mineralized zones that potentially developed around individual feeder structures, which have resulted in very

high-grade cores to multiple zones, the most prominent being Striker, Midfield and North Midfield. Considering the results, and defined by a 0.2 g/t gold mineralized shell, North Midfield is contained within a 150 metre thick package of intensely altered Devonian volcanics within which a high-grade quartz adularia vein, breccia system, continues approximately 250 metres along its southeast strike, over a distance of 150 metres down-dip to the southwest. The holes were collared within a 150 by 90 metre area in the western portion of the North Midfield target area.

A recent independent structural analysis of the Bayan Khundii project was considered in the planning of the current drill program. Results of that study suggest mineralization is related to bounding faults of a relay ramp structure where a series of southwest-dipping structures have been intersected by a deep seated fault, allowing gold-bearing fluids to migrate upward along the bounding faults, with the main feeder zones occupying the intersections of the bounding faults and major structure. This Q2 drill program is designed to test these structural targets in an effort to extend and develop continuity within these high-grade zones where previous drilling has returned values up to 2,200 g/t gold over 1 metre within 14 metres of 158 g/t gold in previously-reported hole BKD-231.

The current drilling program has provided evidence to support the presence of feeder zones in the vicinity of the western boundary of the North Midfield Zone. This includes multi-stage, brecciated, dark chalcedony-quartz-adularia zones in the westernmost holes (BKD-236 and BKD-237) locally with abundant visible gold intersected, including up to 2 metres of 33.8 g/t gold. Moving east within the Midfield North Zone, along the southwest-dipping structures, the gold-bearing zones are characterized by sugary-textured, recrystallized comb-textured quartz veins, as observed in hole BKD-238 from 152 to 170 metre depth, which averaged 21.6 g/t gold with abundant visible gold, and hole BKD-239 from 146 to 147 metre depth, which averaged 54.8 g/t gold within quartz-hematite-green illite veins, again with abundant, fine-grained visible gold. The results of this program will both expand and provide higher confidence to the North Midfield Zone in regards to the resource reporting that is scheduled for Q3-2018, as well as provide guidance for future targeting within and distal to the Bayan Khundii gold system.

Bayan Khundii Q2-2018 Drill Program

The remainder of the Bayan Khundii drill program (approximately 3,000 metres; 15 holes) will focus on completing closer-spaced drilling in the North Midfield, Midfield, Striker and West Striker zones to establish stronger continuity of some of the very high-grade domains in order to provide higher levels of confidence in domain definition and overall gold grades for incorporation in the Company's anticipated Q3-2018 maiden mineral resource estimate at Bayan Khundii.

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. 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 for 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.

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 14th day of May, 2018 by Peter Akerley, President and CEO



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Establishes Strong Continuity of High-Grade Zones, Including 18 Metres of 21.6 g/t Gold at Bayan Khundii Gold Project

Halifax, Nova Scotia – May 8, 2018 - Erdene Resource Development Corp. (TSX:ERD) ("**Erdene**" or "**Company**"), is pleased to report results for the first series of drill holes from its Q2-2018 drill program at its 100%-owned Bayan Khundii Gold Project ("Bayan Khundii") in southwest Mongolia.

"Our initial phase of 2018 drilling in the Midfield North Zone was very successful in extending the gold mineralized zone, improving the continuity of the ultra high-grade mineralization and increasing our understanding of the controlling structures and associated feeder zones," said Peter Akerley, Erdene's President and CEO. "We are continuing to target extensions to high-grade zones in other areas of Bayan Khundii, and following this program will drill test more distal targets at our neighboring Altan Arrow, Khundii North and new Ulaan project."

Highlights

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

- Strong continuity was established within the North Midfield high-grade zone with all six holes intersecting visible gold mineralization with assays ranging from 22 to 169 g/t gold.
- The core of the North Midfield Zone continued to display very high grades with hole BKD-238 returning 18 metres of 21.6 g/t gold, including 2 metres of 169 g/t gold.
- All holes intersected broad gold mineralized zones enveloping the high-grade cores, ranging from 16 metres to 102 metres of greater than 1 g/t gold.
- BKD-235 extended the zone down-dip with 16 metres of 3.8 g/t gold, where it remains open.
- Evidence of gold-bearing feeder zones intersected in holes BKD-236 and BKD-237 testing the western hanging wall structure.
- Additional Bayan Khundii drill results will continue throughout Q2.
- Bayan Khundii drill program will be followed by drill testing of follow-up targets at Erdene's neighbouring Altan Arrow, Khundii North and Ulaan projects later in Q2.

Summary of Bayan Khundii Drill Program

The Company's Q2-2018 drill program, which commenced on April 11, 2018, is designed to test high priority structural targets, principally within the North Midfield and Midfield zones,

complete closer-spaced drilling within the Striker, West Striker, Midfield, and North Midfield zones, and to test select areas within the larger 1.4 kilometre trend that demonstrate good potential for establishing additional extensions to gold mineralized zones.

Today's results are for the first six holes (BKD-235 to BKD-240), totalling 1,423 metres, which were completed at the North Midfield Zone. Holes BKD-235 to BKD-238 were drilled to test continuity and potential extensions of the high-grade mineralization in the North Midfield target area. Hole BKD-236 was also drilled to test the interpreted controlling structure on the western boundary of the gold mineralization and a sub-set of gold-bearing, north-south trending veins, approximately perpendicular to the main trend of mineralization (azimuth of 108 degrees). Holes BKD-239 and BKD-240 were step-out holes, located near previously completed hole BKD-232 (Q1-2018) that returned 36.6 metres of 5.6 g/t gold.

Table 1 below includes drill result highlights of these six holes, followed by a description of results. For reference see the attached plan maps and cross-section.

Table 1. Bayan Khundii drill highlights

Drill Hole	From (m)	To (m)	Interval (m) ⁽¹⁾	Gold (g/t)
BKD-235	151	168	17	0.96
and	205	262	57	1.27
incl	205	221	16	3.83
incl	208	209	1	23.4
incl	214	215	1	23.3
BKD-236	138	154	16	1.05
and	181	189	8	3.75
incl	185	186	1	22.1
BKD-237	94	196	102	1.44
incl	102	106	4	5.14
incl	165	178	13	6.78
incl	169	171	2	33.8
BKD-238	115	134	19	0.52
and	152	170	18	21.6
incl	152	154	2	169.2
incl	156	158	2	22.0
BKD-239	109.4	123.4	14	0.80
and	136	172	36	3.78
incl	146	160	14	8.64
incl	146	147	1	54.8
incl	154	155	1	14.7
incl	159	160	1	23.6
BKD-240	99.9	134	34.1	1.90
incl	128	129	1	25.7

(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 -57 degrees and oriented to the north-northeast, with the exception of BKD-236, which was drilled at a 108 degree azimuth. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 40 to 50 degrees to the southwest).

Discussion of Drill Results

The six drill holes discussed herein were designed as follow-up drilling to establish continuity and potential extensions of the high-grade mineralization, along with the testing of additional structural targets within the North Midfield Zone discovered in mid-2017.

The named zones within the Bayan Khundii prospect are relatively distinct gold mineralized zones that potentially developed around individual feeder structures, which have resulted in very high-grade cores to multiple zones, the most prominent being Striker, Midfield and North Midfield. Considering today's results, and defined by a 0.2 g/t gold mineralized shell, North

Midfield is contained within a 150 metre thick package of intensely altered Devonian volcanics within which a high-grade quartz adularia vein, breccia system, continues approximately 250 metres along its southeast strike, over a distance of 150 metres down-dip to the southwest. Today's holes were collared within a 150 by 90 metre area in the western portion of the North Midfield target area (see attached plan map).

A recent independent structural analysis of the Bayan Khundii project was considered in the planning of the current drill program. Results of that study suggest mineralization is related to bounding faults of a relay ramp structure where a series of southwest-dipping structures have been intersected by a deep seated fault, allowing gold-bearing fluids to migrate upward along the bounding faults, with the main feeder zones occupying the intersections of the bounding faults and major structure. This Q2 drill program is designed to test these structural targets in an effort to extend and develop continuity within these high-grade zones where previous drilling has returned values up to 2,200 g/t gold over 1 metre within 14 metres of 158 g/t gold in previously-reported hole BKD-231.

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Bayan Khundii Q2-2018 Drill Program

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Regional District Exploration

Over the past several years 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, and which are being advanced toward a global mineral resource estimate in 2018; Bayan Khundii and Altan Nar.

During 2018, in addition to drilling at Bayan Khundii, the Company intends to complete additional drilling at its early-stage Altan Arrow gold-silver project, 3.5 kilometres north of Bayan Khundii, to follow-up on high-grade results intersected from reconnaissance drilling in Q4-2017. This drilling included hole AAD-12 which intersected 70 g/t gold over 2 metres, and drilling of a new target area 300 metres west which returned 39 g/t gold over 1 metre, near-surface (hole AAD-11).

The Company will also complete follow-up, surface exploration work at its Khundii North gold prospect, 2.5 kilometres east of Altan Arrow, where gold-in-soil anomalism has now been traced over 1 kilometre, containing areas of quartz stockwork, chalcedonic quartz with hematite breccia clasts that have returned up to 22 g/t gold from initial rock chip sampling. Several areas of strong illite alteration, resembling the alteration at the Bayan Khundii project, located 3.5 kilometres to the southwest, were noted along a major northeast-trending structure to the northwest of the main quartz breccia zone.

In addition to the Company's 100%-owned gold projects, it has recently acquired a 51% interest, with the option to acquire up to 100%, in the Ulaan license, a 1,780 hectare exploration property, located immediately west of its Bayan Khundii license. The license has no history of trenching or drilling, and is host to a very large, 3-kilometre diameter, intense alteration zone with characteristics thought to be related to a porphyry complex at depth. The Company intends to complete a maiden drill program at Ulaan in late Q2-2018.

Through its Alliance with Teck Resources Limited, Erdene also intends to continue to assess regional opportunities for porphyry and porphyry-related mineralization within the larger Edren Terrane and intends to pursue acquisitions as opportunities arise in the Alliance's area of interest in southwest Mongolia. Erdene's Bayan Khundii, Altan Nar, Altan Arrow, Ulaan, Khuvyn Khar and Zuun Mod properties are excluded from the Teck Alliance areas of interest.

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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 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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