

**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, 2019

Item Three - News Release

The attached news release was issued in Halifax, Nova Scotia on May 8, 2019, via GlobeNewswire.

Item Four - Summary of Material Change

On May 8, 2019, Erdene Resource Development Corporation (TSX: ERD) (“**Erdene**” or the “**Company**”) announced its financial and operating results for 2019 Q1.

Item Five - Full Description of Material Change

On May 8, 2019, the Company announced financial and operating results for the three months ended March 31, 2019.

The Company completed an 1,800 metre drill program in April 2019 at Bayan Khundii to support the Khundii Gold Project Pre-Feasibility Study (“**PFS**”). Erdene raised C\$2.53 million in February 2019 to launch the PFS, mining license applications, the repurchase of the Sandstorm NSR royalty and general working capital. Current working capital of \$1.1 million is expected to fund operations through early Q3-2019. The Company repurchased 50% of the Khundii NSR Royalty from Sandstorm Gold on April 12, 2019. The fair value of the NSR royalty implied by the Khundii Gold Project PEA is well in excess of the C\$1.2 million repurchase price.

The Company recognized a net loss of \$516,687 for the three months ended March 31, 2019, compared to a loss of \$701,663 for the comparative period in 2018. Erdene incurred exploration expenditures, including capitalized costs of \$941,083 compared to \$717,906 in 2018, due to increased activity associated with the finalization of the Khundii Gold Project PEA. Erdene’s corporate and administrative expenses, excluding non-cash share-based compensation and depreciation were \$296,330 in the quarter versus \$378,955 in the comparative period due to reduced marketing and lower professional fees.

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

Robert Jenkins, Chief Financial Officer (902) 423-6419.

Item Nine – Date of Report

Dated this 14th day of May, 2019 by Robert Jenkins, Chief Financial Officer

ERDENE PROVIDES PROJECT AND FIRST QUARTER FINANCIAL UPDATE

Press Release

Halifax, Nova Scotia
2019.05.08

Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company") is pleased to announce financial and operating results for the three months ended March 31, 2019 and to provide an update on progress and plans for its Khundii Gold Project. This release should be read in conjunction with the Company's Q1-2019 Financial Statements, MD&A and Annual Information Form, available on the Company's website or on SEDAR.

Quotes from the Company:

"Erdene continues to make solid progress developing the high-grade, open-pit Khundii Gold Project," said Peter Akerley, Erdene's President and CEO. "During the first quarter we awarded the Khundii Gold Project Pre-Feasibility Study ("PFS") contract to Tetra Tech, Inc. and engaged Sustainability East Asia LLC to lead the Environmental and Social Impact Assessment. Mining license applications are well underway, and we recently received government approval of registration of the Bayan Khundii deposit, the major milestone in the license application process."

"In April, the Company launched an 1,800 metre drilling program focused on increasing confidence in the Khundii Gold Project resource, confirming ultra-high gold grades and expanding the Bayan Khundii deposit to support the PFS," continued Mr. Akerley. "Drill samples have been sent to the laboratory for analysis and we expect to share results by mid-May."

Q1-2019 Highlights and Subsequent Events:

Operational Highlights

- > Commenced a NI 43-101 Pre-Feasibility Study ("PFS") for Khundii Gold Project:
 - > Tetra Tech, Inc., a global engineering firm, is managing the study and leading its process and engineering workstreams.
 - > Blue Coast Research is performing metallurgical testing.
 - > Sustainability East Asia LLC is conducting the Environmental and Social Impact Assessment in compliance with applicable international and Mongolian standards.
- > Received Mineral Resources Professional Council approval for Bayan Khundii resource registration:
 - > Bayan Khundii mining license expected to be received by end of June.
 - > Altan Nar mining license application is underway.
- > Completed an 1,800 metre drill program in April 2019 at Bayan Khundii to support the PFS:
 - > Focused on extending the open-pit perimeter, increasing the continuity of the highest-grade zones and expanding the resource.
 - > Samples are at the laboratory for analysis and results are expected to be announced in mid-May.

Financial and Corporate Update

- > Raised C\$2.53 million in February 2019 to launch the Khundii Gold Project PFS, mining license applications, the repurchase of the Sandstorm NSR royalty and general working capital:
 - > Current working capital of \$1.1 million is expected to fund operations through early Q3-2019.
- > Repurchased 50% of the Khundii NSR Royalty from Sandstorm Gold on April 12, 2019:
 - > Fair value of the NSR royalty implied by the Khundii Gold Project PEA is well in excess of the C\$1.2 million repurchase price.
- > Recognized a net loss of \$516,687 for the three months ended March 31, 2019, compared to a loss of \$701,663 for the comparative period in 2018.
 - > Incurred exploration expenditures, including capitalized costs, of \$941,083 compared to \$717,906 in 2018, due to increased activity associated with the finalization of the Khundii Gold Project PEA.
 - > Corporate and administrative expenses, excluding non-cash share-based compensation and depreciation were \$296,330 in the quarter versus \$378,955 in the comparative period due to reduced marketing and lower professional fees.

Review of Khundii Gold Project Development

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 "Project").

The Company delivered the Project's maiden mineral resource estimate in Q3 2018 with a Measured and Indicated ("M&I") resource of 751,000 ounces ("oz") gold at an average grade of 2.3 g/t gold and an Inferred resource of 291,000 oz gold at an average grade of 1.8 g/t gold (cut-off grade of 0.7 g/t gold). This was followed by a National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") Preliminary Economic Assessment in December 2018 which returned an after-tax Net Present Value at a 5% discount rate ("NPV5%") and a US\$1,200/oz gold price of US\$99 million and Internal Rate of Return ("IRR") of 56%. The initial development has a life of mine head grade of 3.42 g/t gold with an average annual gold production of 51,200 oz over an eight- year mine life. Based on the potential for additional discovery and expansion on the current license areas the planned development is considered as a foundation for growth.

Erdene initiated a NI 43-101 Pre-Feasibility Study ("PFS") for the Khundii Gold Project in March 2019. Led by Tetra-Tech, Inc., with support from Sustainability East Asia LLC for Environmental and Social Impact studies, and Blue Coast Laboratories, for Metallurgical analysis, the PFS is scheduled to be announced in Q3-2019.

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 four exploration licenses and a mining license 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 Mongolia 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 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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