

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

July 10, 2019

Item Three - News Release

The attached news release was issued in Halifax, Nova Scotia on July 10, 2019, via GlobeNewswire.

Item Four - Summary of Material Change

On July 10, 2019, Erdene Resource Development Corporation (TSX: ERD) (“**Erdene**” or the “**Company**”) announced the closing of its previously announced non-brokered private placement raising gross proceeds of \$2,001,500 (the “**Offering**”).

Item Five - Full Description of Material Change

On July 10, 2019, the Company announced that it has closed the Offering. Erdene’s management, directors and employees subscribed for 8% of the Offering.

Pursuant to the Offering, Erdene has sold 10,007,500 units of the Company (the “**Units**”) at a price of \$0.20 per Unit. Each Unit consists of one common share and one-half (½) of one common share purchase warrant (the “**Warrant**”). Warrants are exercisable by the holder into one common share of the Company within two years of the closing date, at a price of \$0.30 per share. Erdene paid finder’s fees in the aggregate of \$35,760 and issued 108,800 finder’s warrants in connection with the Offering. The finder’s warrants are exercisable on the same terms as the unit Warrants.

Proceeds of the Offering will be used to fund completion of the independent Pre-Feasibility Study of the Company’s Khundii Gold Project (the “**Project**”), mining license applications for the Project’s properties, acquisition and exploration, including step-out holes to test continuity of the Bayan Khundii extension identified in Q2-2019, and for general working capital purposes.

Securities issued under the Offering are subject to a four month hold period from the closing date of the Offering.

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 11th day of July, 2019, by Robert Jenkins, Chief Financial Officer.

Press Release

Halifax, Nova Scotia
2019.07.10

Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company") is pleased to announce that it has closed its previously announced non-brokered private placement raising gross proceeds of \$2,001,500 (the "Offering"). Erdene's management, directors and employees subscribed for 8% of the Offering.

Pursuant to the Offering, Erdene has sold 10,007,500 units of the Company (the "Units") at a price of \$0.20 per Unit. Each Unit consists of one common share and one-half (½) of one common share purchase warrant (the "Warrant"). Warrants are exercisable by the holder into one common share of the Company within two years of the closing date, at a price of \$0.30 per share. Erdene paid finder's fees in the aggregate of \$35,760 and issued 108,800 finder's warrants in connection with the Offering. The finder's warrants are exercisable on the same terms as the unit Warrants.

Proceeds of the Offering will be used to fund completion of the independent Pre-Feasibility Study ("PFS") of the Company's Khundii Gold Project (the "Project"), mining license applications for the Project's properties, acquisition and exploration, including step-out holes to test continuity of the Bayan Khundii extension identified in Q2-2019, and for general working capital purposes.

Erdene launched the PFS for the Khundii Gold Project in March 2019. Managed by Tetra-Tech, Inc., with support from Sustainability East Asia LLC for Environmental and Social Impact studies, and Blue Coast Laboratories, for Metallurgical analysis. Results of the PFS are scheduled to be announced in late Q3-2019.

Results from Erdene's Q2-2019 drill program (see news release dated May 13, 2019), including the intersection of 112 metres grading 5.9 g/t gold, are amongst the strongest encountered at the Bayan Khundii project and are expected to contribute positively to the PFS. Erdene intends to use a portion of the proceeds of the Offering for step-out drilling including follow-up on a newly emerging zone of gold mineralization in southern Bayan Khundii, where Q2-2019 drilling intersected 51.9 g/t gold over one metre.

Securities issued under the Offering are subject to a four month hold period from the closing date of the Offering.

Background on the 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 Company delivered the Project's maiden mineral resource estimate in Q3 2018 with a combined Measured and Indicated resource of 751,000 ounces ("oz") gold within 10.1 million tonnes ("Mt") at an average grade of 2.3 g/t gold (Table 1). This was followed by a Preliminary Economic Assessment dated February 4, 2019 ("PEA") which returned an after-tax Net Present Value of US\$99 million, based on a 5% discount rate and a US\$1,200/oz gold price, and an Internal Rate of Return 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.

Table 1 – Khundii Gold Project Resources

Cut-off Grade	Resource Classification	Quantity (Mt)	Grade (Au g/t)	Gold (oz)
Recommended ⁽¹⁾	Measured	1.4	3.6	161,000
	Indicated	8.7	2.1	590,000
	Measured + Indicated	10.1	2.3	751,000
	Inferred	5.2	1.8	291,000

(1) RPM Global recommended cut-off grade for Bayan Khundii is 0.6 g/t gold and Altan Nar is 0.7 g/t AuEq in pit and 1.4 g/t AuEq below the same pit shell.

The PEA is by nature, a preliminary economic study, based in part on Inferred Resources. Inferred Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves which is required for a prefeasibility or feasibility study. Mineral resources that are not mineral reserves do not have demonstrated economic viability and there is no certainty that the PEA will be realized. The PEA, entitled "NI 43-101 Technical Report for the Preliminary Economic Assessment of the Khundii Gold Project", is available on SEDAR under Erdene's profile.

Peter Dalton, P.Geo. (Nova Scotia), Senior Geologist for Erdene, is a 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.

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, including statements concerning the anticipated size and closing date of the Private Placement, the intended use of proceeds from the Private Placement, and the expected impact of drilling results on the PFS. 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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