

**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 15, 2020

Item Three - News Release

The attached news release was issued in Halifax, Nova Scotia on July 15, 2020, via GlobeNewswire.

Item Four - Summary of Material Change

On July 15, 2020, Erdene Resource Development Corporation (TSX:ERD; MSE:ERDN) (“**Erdene**” or the “**Company**”) announced drilling results from the Striker Southwest zone and exploration results for the new Dark Horse gold prospect on the Company’s 100%-owned Bayan Khundii Gold Project (“**Project**”).

Item Five - Full Description of Material Change

On July 15, 2020, Erdene announced drilling results from the Striker Southwest zone and exploration results for the new Dark Horse gold prospect, discovered 3.5 km north of the Bayan Khundii gold deposit, on the Project. In the attached news release, see Table 1 for Striker SW Drilling Highlights and Table 2 for Dark Horse Trench Highlights.

Drill Program Summary - Bayan Khundii Striker Zone Drilling

An 11-hole, 280-meter drill program has been completed over a 100-metre by 50-metre area to a vertical depth of 21 metres, southwest of the main Striker ore zone. The objective of the Q2 2020 drill program at Striker SW was to extend, to the west, shallow high-grade gold zones intersected in previous trenching and drilling east of this zone. This program was successful in intersecting very high gold grades on the western side of the target area, with multiple intersections exceeding 10 g/t gold, including an intersection of 353 g/t gold over 1 metre. Many of the Q2 2020 high-grade intersections occurred within portions of the deposit’s block model currently classified as low-grade or waste material. These new results have the potential to positively impact the grade of the resources developed in this portion of the deposit. The high-grade gold mineralization is hosted within a series of SSW dipping quartz adularia veins surrounded by anomalous gold hosted

within the silicified, white mica and hematite altered Bayan Khundii tuff. The Striker SW area is currently scheduled for development in year one of the planned pit. See the tables, graphics and figures in the attached news release for reference.

Dark Horse Trenching Program

The July 15, 2020 results, reporting high gold grades in trenching, confirms Dark Horse as a high priority target. Results of soil sampling, rock chip sampling, mapping and trenching have established a number of drill targets in addition to the main structure. The main structure is 1.3-kilometre long with associated soil and rock chip gold anomalism and characterized by residual quartz bodies, intense silicification and white mica alteration as well as a coincident magnetic low. These are all features characteristic of the Bayan Khundii deposit to the south. Gold mineralization is associated with strongly silicified host lithologies with epithermal style comb quartz stockwork veining and white mica alteration in relatively discreet veins.

Three trenches, KMT-01 to KMT-03, were excavated over these gold-bearing zones to allow for vein orientation measurements and better exposure for mapping/sampling. KMT-01 and KMT-03 both exhibit high-grade gold mineralization, 51 g/t gold and 45 g/t gold over 1 metre, respectively, related to comb-quartz stockwork zones (with visible gold), with a general steeply dipping NNW strike (330-340) as well as a sub N/S trending comb quartz stockwork. KMT-02 also displayed zones of comb-quartz stockwork zones but did not report anomalous gold values.

The current interpretation of Dark Horse includes a series of structurally controlled gold mineralized comb quartz stockwork zones situated along or proximal to the dominant NE trending faults, where the NE structures are intersected by opposing NW trending. The intersection of these opposing structures may result in zones of dilation creating preferential conduits for fluid flow and subsequent gold deposition.

As a large un-drill tested gold prospect, Dark Horse provides significant discovery potential along strike with a well-defined and continuous gold-in-soil anomaly along the NE trending Khar Mori structure from KMT-01 to the southwest for 1.3 kilometres. In addition, there are several isolated but intense gold in soil anomalies at or near NE-NW structural intersections, similar to the prospect at KMT-03. We now have multiple drill-ready targets, several of which contain high-grade gold in rock chip and trench samples.

Qualified Person and Sample Protocol

Peter Dalton, P.Geo. (Nova Scotia), Senior Geologist 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 from a 500 gram sample.

Erdene's drill core sampling protocol consisted of collection of samples over 1 or 2 metre 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

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

Item Nine – Date of Report

Dated this 16 day of July, 2020. Robert Jenkins, Chief Financial Officer

ERDENE CONFIRMS THREE NEW NEAR-SURFACE, HIGH-GRADE GOLD ZONES AT KHUNDII GOLD PROJECT

MULTIPLE TARGETS TO BE DRILLED IN Q3 2020 AS PART OF ONGOING DISTRICT EXPLORATION PROGRAM

Highlights:

- Q2 2020 exploration program returned outstanding results with near-surface, high-grade gold intersections in all targeted areas; Midfield SE, Striker SW and Dark Horse
- Intersected anomalous gold in all 11 holes in a 100m x 50m area, within 25 metres of surface at Striker SW
 - BKD-292 intersected 15 metres of 29 g/t gold beginning 0.9 metres from drill collar, including one metre of 353 g/t gold
- Along with recent results from the new Midfield SE zone, drilling has expanded gold mineralization in areas of the Bayan Khundii resource currently classified mainly as sub-grade material
- Discovery of high-grade zones in trenches confirms the Dark Horse prospect as the best on-license target since the discovery of Bayan Khundii
- Multiple highly prospective targets to be drilled as part of Q3 2020 exploration program

Press Release

Halifax, Nova Scotia
2020.15.07

Erdene Resource Development Corporation (TSX:ERD | MSE:ERDN) (“**Erdene**” or the “**Company**”) is pleased to announce drilling results from the Striker Southwest zone and exploration results for the new Dark Horse gold prospect, discovered 3.5 km north of the Bayan Khundii gold deposit, on the Company’s 100%-owned Bayan Khundii Gold Project (“**Project**”).

“The results from our Q2 2020 exploration program are outstanding, with near-surface, high-grade gold intersections in all the areas targeted,” said Peter Akerley, Erdene’s President and CEO. “Today’s results, combined with those announced recently for the new Midfield SE zone, give us three distinct new high-grade zones to target additional exploration drilling within the Bayan Khundii gold district in Q3 2020.”

“At Striker SW, we intersected one metre grading 353 g/t gold within 15 metres of 29 g/t gold in an area near the periphery of the Bayan Khundii resource. Along with the results from the new Midfield SE zone announced last week, including one metre of 582 g/t gold within an intersection of 5.5 metres grading 126 g/t gold, we have expanded mineralization in areas of the Bayan Khundii resource currently classified mainly as sub-grade. We expect to incorporate these results, along with those from the planned Q3 program in an updated resource at Bayan Khundii later this year,” said Mr. Akerley.

“The discovery of high-grade gold in trenches at Dark Horse reinforces our belief that this prospect is the best on-license target since the discovery of Bayan Khundii. We are preparing for a Q3 drill program to further unlock the potential of this very exciting new gold prospect,” added Mr. Akerley.

Summarized Exploration Results:

- Striker SW Zone Drill results:
 - Intersected anomalous gold (greater than 0.2 g/t) in all 11 holes in a 100m x 50m area within 25 metres of surface
 - BKD-290 intersected 20 metres of 5.9 g/t gold beginning 8 metres from drill collar, including one metre of 91.2 g/t gold
 - BKD-292 intersected 15 metres of 29 g/t gold beginning 0.9 metres from drill collar, including one metre of 353 g/t gold
 - BKD-297 intersected 21 metres of 4 g/t gold starting at surface, including 1 metre intervals of 38.8 g/t gold and 22.3g/t gold
 - Established continuity of very high-grade zone in an area currently classified predominantly as low-grade or below cut-off grade material, that is scheduled to be mined in the first year of the Bayan Khundii development
- Dark Horse Exploration Results:
 - Returned 6 metres grading 8.8 g/t gold, including 1 metre of 50.8 g/t gold on the main Dark Horse structure in trench KMT-01
 - Trenched 4 metres of 14 g/t gold, including 1 metre of 45.3 g/t gold at KMT-03 on a structural intersection zone 850 metres east southeast of KMT-01

Table 1. Striker SW Drilling Highlights

Hole	From (m)	To (m)	Interval (m) ⁽¹⁾	g/t Gold ⁽²⁾
BKD-290	8	28	20	5.91
Incl	12	28	16	7.35
Incl	14	15	1	91.18
BKD-291	8	16	8	2.34
Incl	8	9	1	16.53
BKD-292	0.9	23	22.1	20.0
Incl	0.9	16	15.1	29.1
Incl	3	4	1	11.94
Incl	5	6	1	353.00
Incl	6	7	1	23.83
BKD-293	17	21	4	0.16
BKD-294	0	17	17	1.06
Incl	4	11	7	2.05
BKD-295	3.7	8	4.3	0.65
BKD-296	14	19	5	1.75
BKD-297	0	21	21	4.02

Incl	4	5	1	38.78
Incl	5	6	1	22.31
Incl	18	19	1	16.55
BKD-298	12	15	3	1.19
BKD-299	7.3	11	3.7	0.25
BKD-300	16	17	1	1.76

- (1) Reported intervals are downhole widths. Drill holes were oriented to intersect the SW dipping WNW trending gold veins normal to their orientation and therefore reported width are very close to true widths.
- (2) Samples that returned assays greater than 5 g/t gold were re-assayed using screen metallic analysis the results of which are reported herein.

Table 2. Dark Horse Trench Highlights

Trench	From (m)	To (m)	Interval (m) ⁽³⁾	g/t Gold ⁽²⁾
KMT-01	9	15	6	8.82
Incl	12	13	1	50.84
And	53	60	7	0.23
KMT-03	31	35	4	14.01
Incl	33	34	1	45.27
Incl	34	35	1	10.54

- (3) Reported intervals are surface widths within trenches. The orientation of the mineralized veins in these trenches is not well understood at this time although most appear to be near vertical. Additional exploration, including drilling, will be required to determine true thickness of the mineralization.

Drill Program Summary - Bayan Khundii Striker Zone Drilling (See attached figures for reference)

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Dark Horse Trenching Program

At Dark Horse, 3.5 km north of the Bayan Khundii gold deposit, a program consisting of detailed mapping, close-spaced soil and rock chip sampling and excavation of three trenches, totaling 180 metres, was completed in June 2020. Today's results, reporting high gold grades in trenching, confirms Dark Horse as a high priority target. Results of soil sampling, rock chip sampling, mapping and trenching have established

a number of drill targets in addition to the main structure. The main structure is 1.3-kilometre long with associated soil and rock chip gold anomalism and characterized by residual quartz bodies, intense silicification and white mica alteration as well as a coincident magnetic low. These are all features characteristic of the Bayan Khundii deposit to the south. Gold mineralization is associated with strongly silicified host lithologies with epithermal style comb quartz stockwork veining and white mica alteration in relatively discreet veins (see attached images).

Three trenches, KMT-01 to KMT-03, were excavated over these gold-bearing zones to allow for vein orientation measurements and better exposure for mapping/sampling. KMT-01 and KMT-03 both exhibit high-grade gold mineralization, 51 g/t gold and 45 g/t gold over 1 metre, respectively, related to comb-quartz stockwork zones (with visible gold), with a general steeply dipping NNW strike (330-340) as well as a sub N/S trending comb quartz stockwork. KMT-02 also displayed zones of comb-quartz stockwork zones but did not report anomalous gold values.

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Khundii Gold District

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 Bayan Khundii Gold Resource¹ includes 521,000 ounces of 3.16 g/t gold Measured and Indicated ("M&I")² and 103,000 ounces of Inferred resources at 3.68 g/t gold. Within the M&I resource, a proven and probable open-pit reserve totals 422,000 ounces at 3.7 g/t (see the full press release [here](#)), providing significant potential growth of reserves with the development of the remaining M&I and Inferred resources¹.

¹ For details of the Mineral Resources see Khundii Gold Project NI 43-101 Technical Report, Tetra Tech December 4, 2019 – SEDAR

² M&I: 171,000 ounces of 3.77 g/t gold Measured, and 349,700 ounces of 2.93 g/t gold Indicated

In October of 2019, Erdene announced the results of an independent Technical Report for the Khundii Gold Project (press release [here](#)), which included a Pre-feasibility Study (“PFS”) for the Bayan Khundii deposit and an updated Preliminary Economic Assessment (“PEA”) for the Altan Nar deposit. The PFS and the updated PEA results include an after-tax Net Present Value at a 5% discount rate and a US\$1,300/oz gold price of US\$97 million and US\$24 million, Internal Rate of Return (“IRR”) of 42% and 90% for Bayan Khundii and Altan Nar deposits, respectively. The PFS envisions an open-pit mine at Bayan Khundii from Years 0-7, producing an average of 61,000 oz gold per year at a head grade of 3.73 g/t gold, and an open-pit operation at Altan Nar during Years 7-10, for an average annual production of 48,000 oz gold at an average head grade of 3.46 g/t gold, utilizing a conventional carbon in pulp processing plant at the Bayan Khundii mine. Erdene has secured a mining license for the Bayan Khundii deposit in August of 2019 and plans to start producing gold at Bayan Khundii in late 2021. The Altan Nar 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 pre-feasibility 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.

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 three mining licenses and three exploration licenses 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 the Mongolian 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.

Qualified Person and Sample Protocol

Peter Dalton, P.Geo. (Nova Scotia), Senior Geologist 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. 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 from a 500 gram sample.

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laboratory duplicate. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene's logistical contractor, Monrud Co. Ltd.

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 the ability to obtain required third party approvals, 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

Erdene Contact Information

Peter C. Akerley, President and CEO, or
Robert Jenkins, CFO

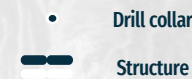
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LinkedIn: <https://www.linkedin.com/company/erdene-resource-development-corp-/>
YouTube: <https://www.youtube.com/channel/UCILs5s9j3SLmya9vo2-KXoA>

New Khundii District Gold Targets – Q2 Exploration Results

DARK HORSE (KHAR MORI) GOLD PROSPECT

BAYAN KHUNDII GOLD DEPOSIT:

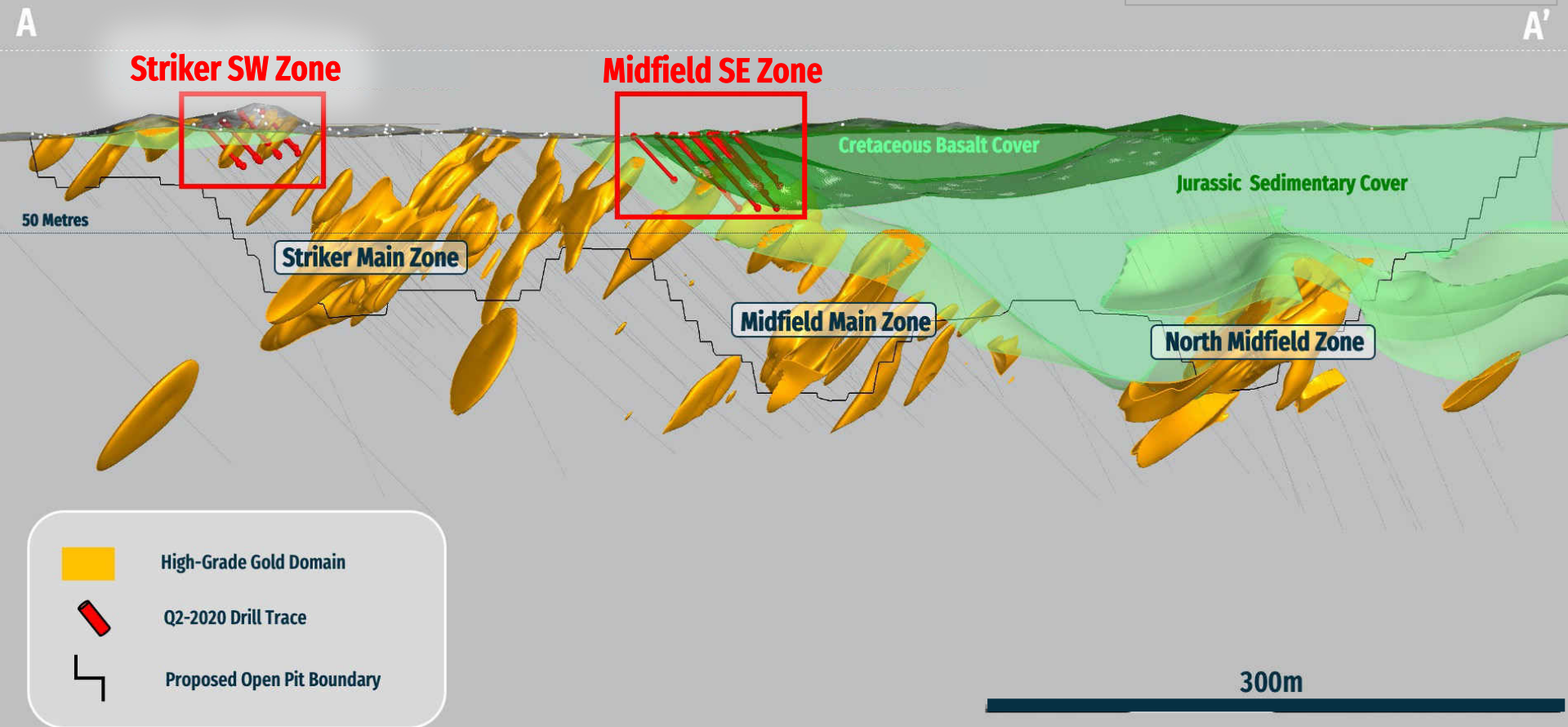
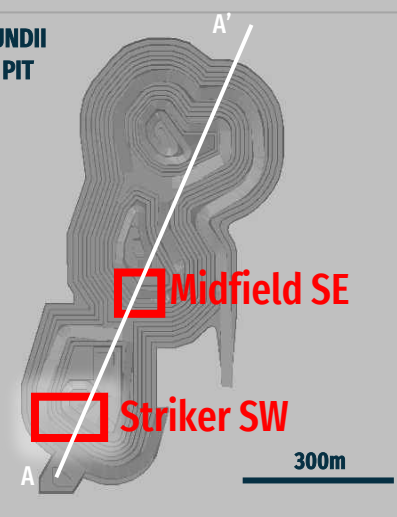
Striker SW Gold Zone



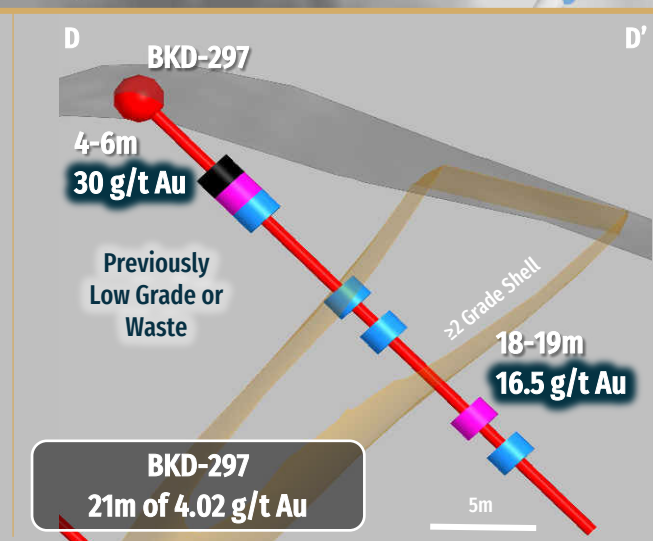
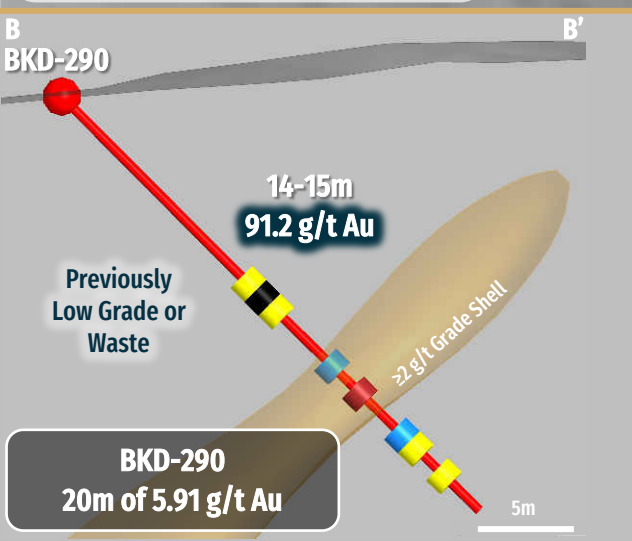
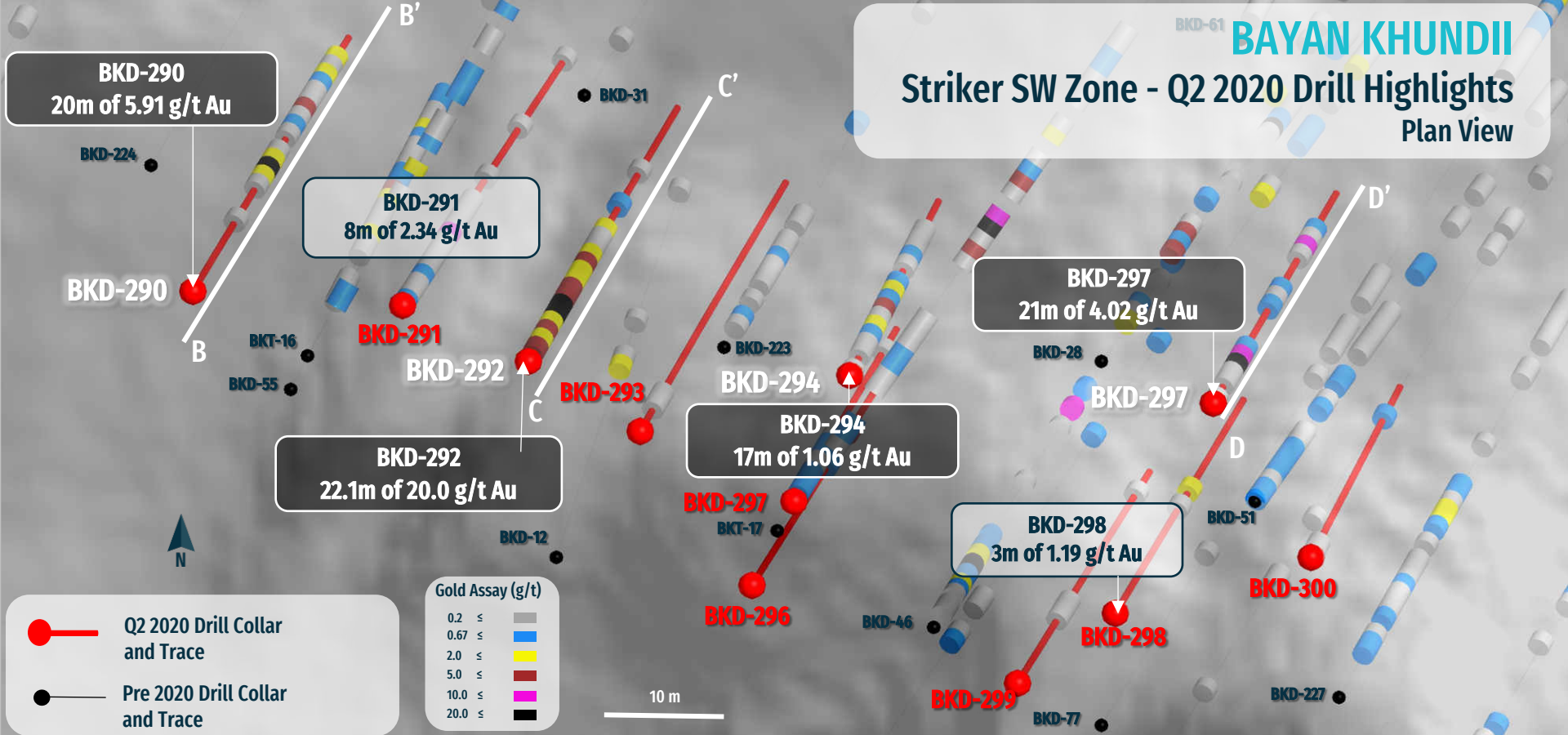
BAYAN KHUNDII

High Grade Gold Zones
Near Surface at Midfield SE and Striker SW

BAYAN KHUNDII
PROPOSED PIT
Plan View



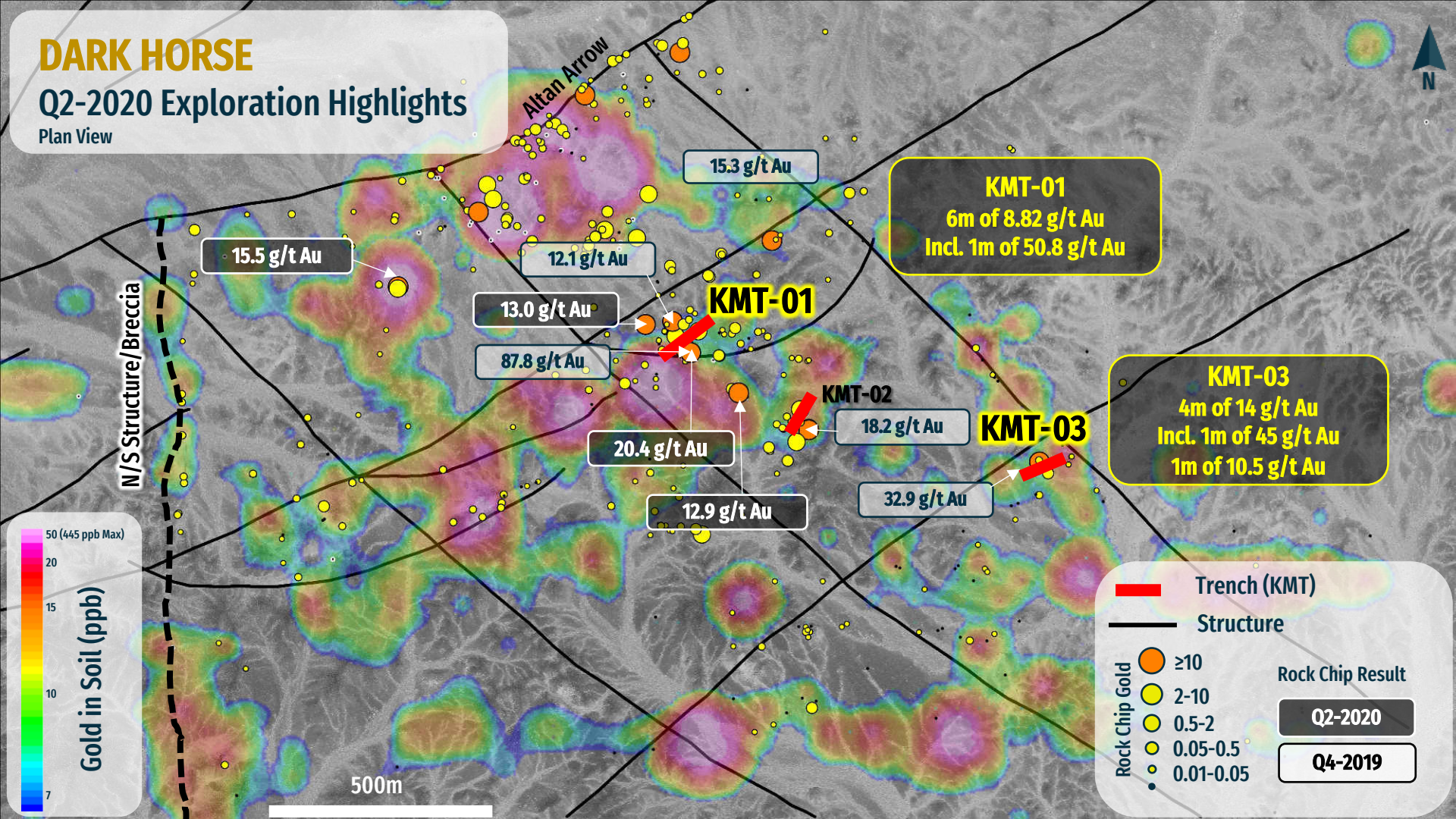
Striker SW Zone - Q2 2020 Drill Highlights Plan View



DARK HORSE

Q2-2020 Exploration Highlights

Plan View



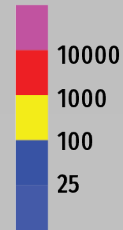
DARK HORSE (KHAR MORI) GOLD PROSPECT

3D Magnetic Model and Structural Interpretation
High Priority Targets Along Strike and Depth

Oblique Section Looking NNE

Dark Horse Prospect

RCGold_pbb



Altan Arrow

KMT-01

6m of 8.82 g/t Gold

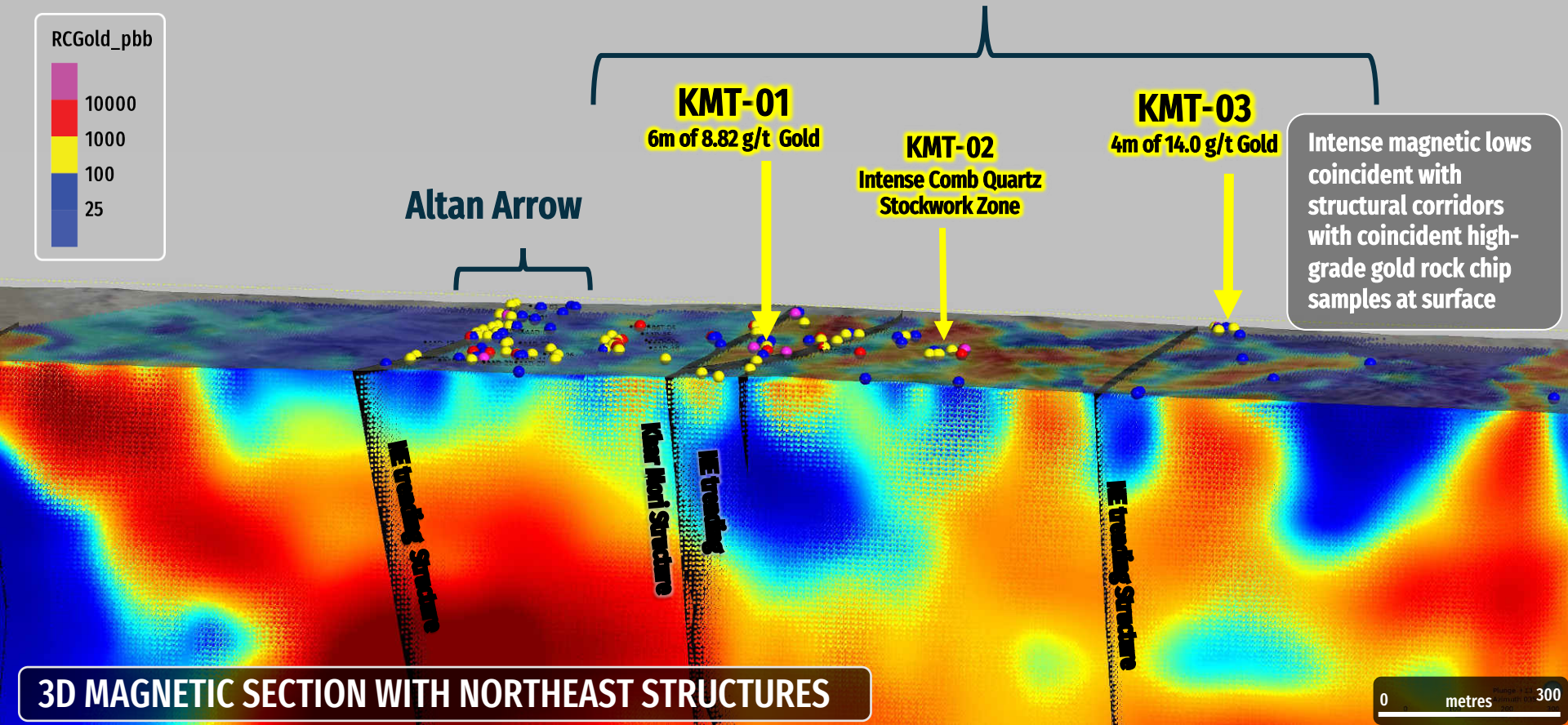
KMT-02

Intense Comb Quartz
Stockwork Zone

KMT-03

4m of 14.0 g/t Gold

Intense magnetic lows
coincident with
structural corridors
with coincident high-
grade gold rock chip
samples at surface



3D MAGNETIC SECTION WITH NORTHEAST STRUCTURES

0 metres 300