

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 23, 2020

Item Three - News Release

The attached news release was issued in Halifax, Nova Scotia on July 23, 2020, via GlobeNewswire.

Item Four - Summary of Material Change

On July 23, 2020, Erdene Resource Development Corporation (TSX:ERD; MSE:ERDN) (“**Erdene**” or the “**Company**”) announced a non-brokered private placement of approximately C\$20 million (“**Private Placement**”), led by a \$15 million strategic investment from Mr. Eric Sprott.

Item Five - Full Description of Material Change

On July 23, 2020, Erdene announced the approximately C\$20 million Private Placement, led by a \$15 million strategic investment from Mr. Eric Sprott. Paradigm Capital acted as lead financial advisor to Erdene on the transaction. Haywood Securities acted as co-advisor.

The Private Placement will consist of the sale of 33,333,333 subscription receipts (“**Subscription Receipts**”) at a price of \$0.45 per Subscription Receipt, to an entity controlled by Mr. Eric Sprott and the concurrent sale of up to 11,111,111 units of the Company (“**Units**”) at a price of \$0.45 per Unit. Each Subscription Receipt will be convertible into Units, and each Unit consists of one common share and one Warrant (“**Warrants**”), with each Warrant exercisable into one common share of the Company within two years of the closing date, at a price of \$0.60 per share.

Proceeds of the Private Placement will be used by the Company to advance exploration and development of the Bayan Khundii Gold Project, as well as for working capital and general corporate purposes. Proceeds from the sale of Subscription Receipts will be placed in escrow on the closing date, to be released to Erdene on the receipt of all necessary shareholder and regulatory approvals, and the approval of the European Bank for Reconstruction and Development (the

“**Approvals**”). Upon receipt of the Approvals, each subscription receipt will automatically convert into a Unit, for no additional consideration. In the event that the Approvals are not obtained by October 31, 2020, each Subscription Receipt will be cancelled, and the subscription funds will be returned. Mr. Sprott currently does not own any securities of the Company.

All securities to be issued pursuant to the Private Placement will be subject to a four month hold period from the closing date under applicable securities laws in Canada.

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 29 day of July, 2020. Robert Jenkins, Chief Financial Officer

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ERDENE ANNOUNCES \$20 MILLION FINANCING LED BY \$15 MILLION STRATEGIC INVESTMENT FROM ERIC SPROTT

FINANCING WILL SUPPORT EXPLORATION AND DEVELOPMENT OF THE KHANDII GOLD DISTRICT

Press Release

Halifax, Nova Scotia
2020.07.23

Erdene Resource Development Corporation (TSX:ERD | MSE:ERDN) (“**Erdene**” or the “**Company**”) is pleased to announce a non-brokered private placement of approximately C\$20 million (“**Private Placement**”), led by a \$15 million strategic investment from Mr. Eric Sprott. Paradigm Capital acted as lead financial advisor to Erdene on the transaction. Haywood Securities acted as co-advisor.

“We are very pleased to have Mr. Sprott as a significant shareholder of Erdene,” said Mr. Peter Akerley, Erdene’s President and CEO. “His investment is a strong endorsement of Erdene’s high-grade Bayan Khundii Gold Project and the prospectivity of our 100% owned Khundii Gold District. Funds from this financing will be used to initiate early construction works at Bayan Khundii and continue exploration to expand our high-grade resources.”

The Private Placement will consist of the sale of 33,333,333 subscription receipts (“**Subscription Receipts**”) at a price of \$0.45 per Subscription Receipt, to an entity controlled by Mr. Eric Sprott and the concurrent sale of up to 11,111,111 units of the Company (“**Units**”) at a price of \$0.45 per Unit. Each Subscription Receipt will be convertible into Units, and each Unit consists of one common share and one Warrant (“**Warrants**”), with each Warrant exercisable into one common share of the Company within two years of the closing date, at a price of \$0.60 per share.

Proceeds of the Private Placement will be used by the Company to advance exploration and development of the Bayan Khundii Gold Project (“**Project**”), as well as for working capital and general corporate purposes. Proceeds from the sale of Subscription Receipts will be placed in escrow on the closing date, to be released to Erdene on the receipt of all necessary shareholder and regulatory approvals, and the approval of the European Bank for Reconstruction and Development (the “**Approvals**”). Upon receipt of the Approvals, each subscription receipt will automatically convert into a Unit, for no additional consideration. In the event that the Approvals are not obtained by October 31, 2020, each Subscription Receipt will be cancelled, and the subscription funds will be returned. Mr. Sprott currently does not own any securities of the Company.

All securities to be issued pursuant to the Private Placement will be subject to a four month hold period from the closing date under applicable securities laws in Canada.

This news release does not constitute an offer to sell or a solicitation of an offer to purchase any securities in the United States. The securities being offered in the Private Placement have not been and will not be registered under the U.S. Securities Act, or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Erdene

Erdene Resource Development Corp. is a Canada-based resource company focused on the acquisition, exploration, and development of precious and base metals projects in underexplored and highly prospective Mongolia. The Company is advancing the high-grade, low-cost and low capital intensity Bayan Khundii Gold Project targeting first gold production in early 2022. The Project is located in Southwest Mongolia where the Company has interests in three mining licenses and three exploration licenses in the highly prospective 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.

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 (including the Approvals), the completion of the Private Placement, 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

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Robert Jenkins, CFO

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