

ERDENE INTERSECTS 5.86 g/t GOLD OVER 27 METRES AND 5.63 g/t GOLD OVER 30 METRES AT DARK HORSE PROSPECT

Press Release
Halifax, Nova Scotia
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Erdene Resource Development Corporation (TSX: ERD | MSE: ERDN) (“Erdene” or the “Company”) is pleased to announce assay results from Q2 2021 drilling at the recently discovered Dark Horse prospect within its 100%-owned Khundii Mining License.

Highlights

- Multiple holes intersected high-grade mineralization (≥ 1 g/t gold) along strike and down dip in the southern portion of Dark Horse Mane, 3.5 kilometres north of the Bayan Khundii Gold deposit:
 - AAD-124 returned 27 metres of 5.86 g/t gold beginning 24 metres downhole, including 17.41 g/t gold over three metres, starting 28 metres downhole
 - AAD-126 intersected 30 metres of 5.63 g/t gold, beginning 10 metres downhole, including 24.12 g/t over six metres, starting 26 metres downhole
 - AAD-123 intercepted 30 metres of 2.86 g/t gold beginning 58 metres downhole, including 7.03 g/t gold over 11 metres, starting at 61 metres downhole
 - 20 of 23 holes in current program intersected anomalous gold mineralization (≥ 0.1 g/t gold)
- This high-grade zone in the southern portion of Dark Horse Mane has a strike length of approximately 180 metres, along a 50 metre wide trend, that remains open at depth
 - AAD-130 extended the zone of high-grade mineralization along strike an additional 65 metres south

Quotes from the Company

“These exceptional results of high-grade, near-surface oxide gold just 3.5 kilometres north of the Bayan Khundii gold deposit lend support for our mine development and demonstrate the prospectivity of the Khundii Gold District,” said Peter Akerley, Erdene’s President and CEO. “The southern portion of the Dark Horse Mane is associated with a much larger structural trend related to the most significant mineralization in the Bayan Khundii area.”

“Exploration of the Khundii Gold District is continuing on multiple fronts with results pending for our maiden drilling of the Ulaan gold target, just 400 metres west of the Bayan Khundii gold deposit,” continued Mr. Akerley. “Our team will commence a detailed geophysical program in the coming weeks to define deeper targets along the entire 1.4 kilometre Dark Horse Mane zone for drill testing in Q3.”

Summary of Drilling Results

The recently completed Dark Horse Mane delineation drill program consisted of 23 shallow holes totaling 2,053 metres. Holes were spaced at 30 to 50 metres, targeting a zone of near surface, oxide, high-grade gold mineralization.

This program successfully defined a continuous, mineralized gold zone, beginning at surface at the southern end of Dark Horse Mane that extends over a strike length of approximately 350 metres, including a high-grade zone (greater than 1 g/t gold) over a strike length of 180 metres. Dark Horse Mane remains open at depth, and deeper targets will be tested in upcoming drilling.

Geologically, the high-grade zone at Dark Horse Mane is associated with pervasively altered tuffs dominated by low temperature white mica clay alteration characteristic of epithermal systems. Gold grades within the tuff tend to be locally enriched within zones of oxidation and fracture swarms related to north-south and northeast structural intersection points. Magnetic geophysical surveys conducted over Dark Horse Mane have shown a strong correlation between the altered and mineralized host tuff unit and low amplitude magnetic signatures. 3D modeling of the magnetic data has revealed continuity to depth of the magnetic low signatures presenting multiple untested high priority targets.

A summary of assay results for the southern portion of the Dark Horse Mane prospect is provided in Table 1 below. A plan map and section illustrating the location of the drill holes is attached to this news release (Figures 2 and 3).

Table 1: Dark Horse Mane (South) Q3 2021 Drilling Highlights (All intervals averaging greater than 0.30 g/t gold)

Hole	From	To	Interval ⁽¹⁾	g/t Au
AAD-120	83	84	1	0.67
And	178	180	2	0.37
AAD-121	38	40	2	0.46
And	48	58	10	1.01
AAD-122	80	85	5	2.13
AAD-123	58	88	30	2.86
Incl	61	72	11	7.03
Incl	63	64	1	17.59
Incl	67	68	1	16.50
AAD-124	18	19	1	1.74

And	24	51	27	5.86
Incl	28	31	3	17.41 ⁽²⁾
Incl	33	34	1	14.03
Incl	37	38	1	25.37
Incl	42	43	1	10.08
Incl	46	47	1	11.51
And	60	61	1	0.36
AAD-125	65	72	7	3.65
And	100	101	1	0.32
AAD-126	10	40	30	5.63
Incl	21	33	12	13.38
Incl	26	32	6	24.12 ⁽³⁾
AAD-127	60	67	7	2.33
Incl	65	66	1	10.24
And	71	72	1	6.22
AAD-128	38	39	1	0.47
And	47	51	4	0.58
And	55	63	8	0.36
AAD-129	4	37	33	2.05
Incl	14	26	12	5.07
Incl	17	18	1	38.44
AAD-130	9	45	36	1.39
Incl	23	40	17	2.46
Incl	24	25	1	10.74
AAD-132	42	53	11	0.54
AAD-133	3	4	1	0.31
And	11	18	7	0.32
And	20	21	2	0.42

1. Reported intervals in this release are downhole apparent widths. Continued exploration is required to confirm anisotropy of mineralization and true thicknesses.

2. Includes three contiguous samples all >10 g/t gold; range is 13.78 to 21.71 g/t gold.

3. Includes six contiguous samples all >10 g/t gold; range is 13.97 to 36.49 g/t gold.

In addition to the results noted above, drilling in the northern portion of the Dark Horse Mane structure intersected significant near-surface, oxide gold mineralization. As is characteristic of the Dark Horse prospect, the gold mineralization in this area is associated with altered tuffs and corresponding magnetic low features. The magnetic lows extend to depth and remain largely untested. Results from the northern holes are provided in Table 2.

Table 2: Dark Horse Mane (North) Q3 2021 Drilling Highlights (All intervals averaging greater than 0.30 g/t gold)

Hole	From	To	Interval ⁽¹⁾	g/t Au
AAD-112	58	60	2	0.39
And	98	100	2	0.48
And	104	131	27	0.51
AAD-113	75	101	26	0.66
Incl	77	87	10	1.35
AAD-114	16	22	6	0.74
AAD-115	21	30	9	0.29
And	58	76	18	0.33
AAD-116	1	11	10	0.49
AAD-117	22	48	26	0.35
AAD-118	19	42	23	0.39

1. Reported intervals in this release are downhole apparent widths. Continued exploration is required to confirm anisotropy of mineralization and true thicknesses.

Moving Forward

Results from this drill program, coupled with exploration activities to date, demonstrate that the Khundii Gold District hosts multiple zones of epithermal gold mineralization over a wide area. Host volcanic lithologies, generally andesitic in composition and ranging from sub-volcanic to tuffaceous units, have been hydrothermally altered by an earlier high-temperature event which has been overprinted by low temperature epithermal alteration associated with significant gold mineralization. As is typical with this type of environment, structures play an important role in focusing mineralizing fluid and deposition of gold mineralization. Geophysical surveys have and continue to be carried out to assist in the identification of both structures and areas of hydrothermal alteration, making these excellent tools to identify high-priority drill targets. With each round of drilling, Erdene is able to refine the Company's geological model and focus exploration programs further.

The Company will focus future drilling on expansion and confirmation of mineralization, including depth potential, with the eventual goal of establishing a resource estimate for Dark Horse area, including Altan Arrow. A geophysical survey consisting of both controlled source audio-frequency magnetotellurics ("CSAMT") and detailed dipole-dipole induced polarization ("Dp-Dp IP") surveys are currently underway to assist in defining deeper targets. These surveys will be completed over a four-square kilometre portion of the Dark Horse prospect to identify zones of sub-surface electrical resistivity and conductivity, representing silicification and clay alteration related to epithermal vein systems. The results will be incorporated into our geological modelling program, together with geochemical, structural and magnetic data, and used to identify high priority drill targets both near surface and at depth.

Dark Horse Overview

Erdene discovered the Dark Horse prospect area, 3.5 km north of the Bayan Khundii deposit, on a previously underexplored portion of the Khundii Mining License in August 2019. Surface exploration in late 2019, including detailed geologic mapping and geochemical sampling (rock chip and soil) identified multiple samples grading over 5 g/t gold, including an 87.8 g/t gold rock chip sample hosted within comb quartz adularia veins. In June 2020, the Company completed further trenching at Dark Horse, with assays returning 6 metres grading 8.8 g/t gold, including 1 metre of 50.8 g/t gold, and 4 metres of 14 g/t gold, including 1 metre of 45.3 g/t gold. Initial drilling at the Dark Horse prospect, consisting of 25 holes totaling 4,660 metres, was completed in the second half of 2020. Results from the exploration program defined a N-S trending, 1.4 km long mineralized structure, referred to as the Dark Horse Mane prospect, establishing Dark Horse as the most significant area of gold mineralization in Erdene's Khundii Gold District since the discovery of the Bayan Khundii gold deposit.

Since initial drilling in August 2020, the Company has completed 12,395 metres of drilling in 94 holes at the Dark Horse prospect, covering an area approximately 4.6 kilometres (E-W) by 2.6 kilometres (N-S). The drill hole vertical depths ranged from 35 to 292 metres and averaged only 100 metres. In addition to those reported today, intersection highlights include:

- 1.18 g/t gold over 48 metres, beginning 194 metres downhole, including 30 metres of 1.74 g/t gold (AAD-57)
- 5.97 g/t gold over 45 metres, beginning 10 metres downhole, including 8 metres of 27.07 g/t gold (AAD-58)
- 0.53 g/t gold over 130 metres, beginning 10 metres downhole, located 500 metres north of AAD-58 (AAD-61)
- 1.31 g/t gold over 14 metres, beginning 53 metres downhole and 1.74 g/t gold, over 20 metres beginning 112 metres downhole (AAD-66)
- 2.65 g/t gold over 35 metres, beginning 4 metres from surface, including 12 metres of 5.10 g/t gold (AAD-81)

In 2021, Erdene has completed three rounds of drilling at Dark Horse – a 1,909-metre scout drill program in February, followed by a further 3,373 metres of drilling in March-April, and the 2,053 metres announced today (see [June 15, 2021](#) press release).

Mongolia COVID-19 Update

During the second quarter of 2021, Mongolia reported a significant increase in the number of cases of COVID-19 throughout the country. In response, restrictions were placed on the movement of goods and people throughout the country. Furthermore, in late June 2021, Bayankhongor province and the sub-province of Shinejinst, the communities in which Erdene operates, imposed states of emergency due to the community spread of COVID in the area. The Company temporarily halted field exploration activity on June 28 in response. Restrictions have since been lifted, and Company staff and contractors will be returning to site in the coming days to complete the planned exploration programs.

While undertaking field operations, daily health and safety briefings, body temperature checks, enhanced hygiene protocols, rapid testing, and additional personal protective equipment have been instituted in all of the Company's operations in Mongolia. The Company maintains a dedicated, registered nurse at the project site to administer COVID-19 testing and implement health and safety procedures during exploration. The Company's corporate and administrative teams continue to work on modified schedules and have adopted enhanced hygiene measures that allow operations to continue without significant disruption.

All Erdene and Contractor staff operating in Bayankhongor have received two doses of a COVID vaccine. Staff and contractors will be required to provide a negative COVID-19 test prior to travelling to the exploration camp for the upcoming field work and upon arriving at camp, staff and contractors will receive a second rapid COVID test to confirm earlier results. With these measures the Company does not foresee a significant impact on planned field operations as a result of COVID-19.

Khundii Gold District

Erdene's deposits are 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 also has a 100% interest in the Khuvyn Khar licence which hosts the large Zuun Mod molybdenum-copper deposit and multiple copper and molybdenum porphyry targets, 30 kilometers east of the Khundii gold district.

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 409,000 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.

In July 2020, Erdene announced the results of an independent Feasibility Study for the Bayan Khundii Gold Project ([press release here](#)). The Feasibility Study results include an after-tax Net Present Value at a 5% discount rate and a US\$1,400/oz gold price of US\$100 million and Internal Rate of Return ("IRR") of 42%. The Feasibility Study envisions an open-pit mine at Bayan Khundii, producing an average of 63,500 oz gold per year, for seven years, at a head grade of 3.71 g/t gold, utilizing a conventional carbon

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 pulp processing plant. Production is expected to commence in early 2023 based on the current project schedule.

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 three mining licenses and two 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.

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.

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

Phone: (902) 423-6419

Email: info@erdene.com

Twitter: <https://twitter.com/ErdeneRes>

Facebook: <https://www.facebook.com/ErdeneResource>

LinkedIn: [https://www.linkedin.com/company/erdene-resource-development-corp-/](https://www.linkedin.com/company/erdene-resource-development-corp/)

Figure 1: Dark Horse Prospect Location Map

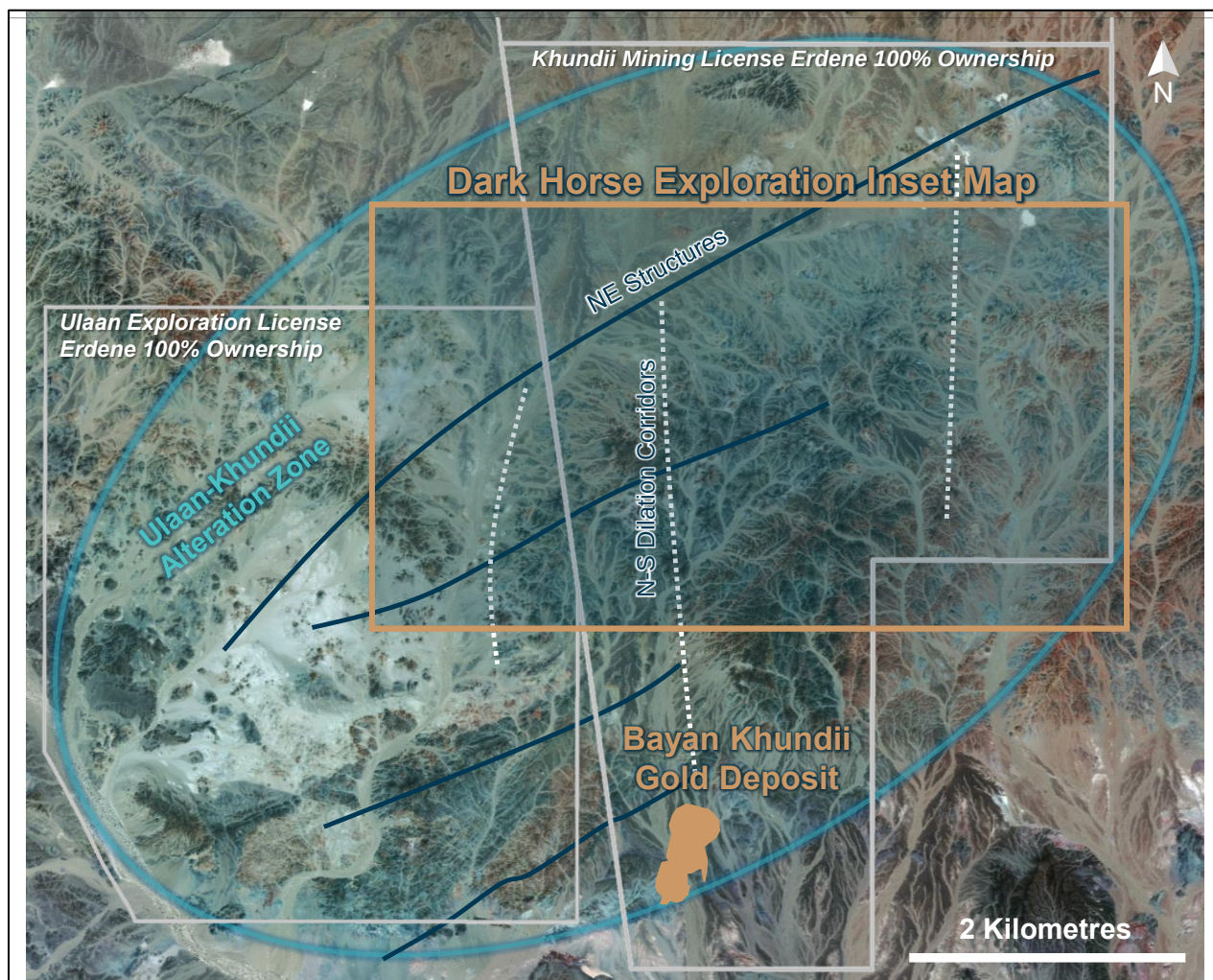


Figure 2: Dark Horse Exploration Highlights – 2021

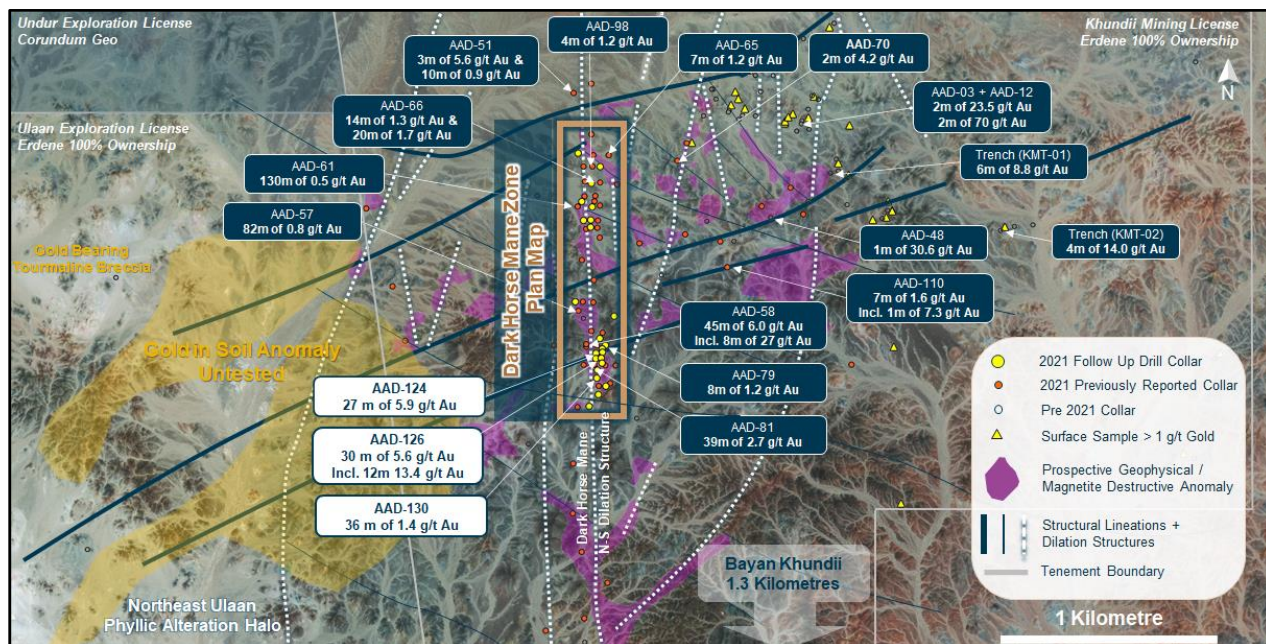


Figure 3: Dark Horse Plan and Sections Map

