

## ERDENE SECURES MINING LICENSE FOR ALTAN NAR PROJECT, KHUNDII GOLD DISTRICT

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### Press Release

Halifax, Nova Scotia  
2020.03.10

**Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company")** is pleased to announce that the Mineral Resource and Petroleum Authority of Mongolia ("MRPAM") issued mining license MV-021547 for the Altan Nar project. The mining license is valid for 30 years, with an option to extend for up to a total of 70 years. The Altan Nar mining license is the second mining license recently granted to the Company following the issuance of the Bayan Khundii mining license in August 2019.

### Quotes from the Company:

"Securing the Altan Nar mining license is another major accomplishment in the evolution of the Khundii Gold District," said Peter Akerley, Erdene's President and CEO. "The Altan Nar license hosts high-grade resources, that is recoverable through the Bayan Khundii gold processing facility. As outlined in the recent Khundii Gold Project Technical Report, the Altan Nar Resource extends the life of the Bayan Khundii Gold Project, which is currently the subject of a Bankable Feasibility Study."

"Furthermore, the Altan Nar license shows exceptional exploration potential, as demonstrated by recent drilling results including multiple high grade, shallow intersections of up to 45 g/t gold over 7 metres," continued Mr. Akerley. "Planning is underway to prepare for 2020 exploration programs expected to commence in Q2."

### Mining License

The Altan Nar mining license, MV-021547, located approximately 16 kilometres north of the Bayan Khundii Gold Deposit, was received on March 5, 2020. (see Area Map attached). The license covers 4,668.64 hectares and contains a NI 43-101 reported Indicated gold-only resource of 317,700 ounces at a grade of 2 g/t gold and an Inferred gold-only resource of 185,700 ounces at a grade of 1.7 g/t gold (see table 1 below).

### Background on Altan Nar Project

Altan Nar is an intermediate sulphidation, carbonate-base metal gold ("CBMG") deposit, that remains open at depth and along the known 5.6-kilometre trend of the system. This deposit type includes prolific gold deposits such as Barrick Gold's Porgera mine (Papua New Guinea), Rio Tinto's formerly producing Kelian mine (Indonesia), Lundin's Fruta Del Norte deposit, and Continental Gold's Buritica project (Colombia). CBMG deposits generally occur above porphyry intrusions in arc settings and may extend for more than 500 metres vertically.

Only a small portion of the Altan Nar license has been drill tested, and 90% of the NI 43-101 Mineral Resource prepared by RPM Global in 2018 is within 150 metres of surface and primarily contained within two of the 18 targets with all zones open along strike and at depth.

In late Q4-2019, the Company drilled five holes totalling 667 metres in the Discovery Zone ("DZ"), one of 18 high-priority targets along a 5.6-kilometre mineralized trend on its 100% owned Altan Nar project. The Q4-2019

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program successfully tested a concept of a preferred high gold mineralized horizon believed to represent an epithermal boiling zone. Four holes tested the high-grade core area of the Discovery Zone that stretches over a 130-metre strike length, 70 metres of which remains untested by drilling (“Gap Zone”). The fifth hole tested the southern extension of the deposit.

Results from the Q4-2019 program, including the intersection of 45.7 g/t gold, 93.4 g/t silver, 1.54% lead and 3.40% zinc over 7 metres beginning at approximately 70 metres vertical depth, within 23 metres grading 17 g/t gold, are amongst the strongest to date. Many of the Q4-2019 high-grade intersections are locally outside or in areas of previously low-grade resource blocks and therefore expand the DZ high-grade core indicating consistency in high-grade mineralization within the identified ore horizon. The results of the Q4-2019 drilling program are expected to impact the resource at Altan Nar positively and opens the way for further expansion along strike and elsewhere in the district. The program also demonstrated continuity of anomalous gold and base metals along the structural corridor to the south of the DZ, which will be tested further in upcoming programs.

Before the Q4-2019 program, Altan Nar received limited exploration over the past two years as the Company’s resources have been focused on the Bayan Khundii discovery. At Altan Nar structural intersections or zones of dilation provide the setting for the emplacement of broader zones of mineralization along the main NNE trending structural corridor. However, recent interpretation shows that in addition, the highest grades appear to be hosted in a preferred, near horizontal zone, now believed to represent an epithermal boiling event. It is this combination of factors that creates the optimum conditions for the deposition of these high grades, as witnessed in the results of the late-2019 drilling and which will help guide future exploration in this deposit and throughout the broader 5.6 km trend.

### Altan Nar Resource Estimate

RPMGlobal (“RPM”) calculated the Mineral Resource estimate for Altan Nar in May 2018 recommending to report the Bayan Khundii Mineral Resource at a cut-off grade of 0.7 g/t AuEq (see note 8, Table 1) above a pit and 1.4 g/t AuEq below the same pit shell. For further details on the Mineral Resource estimate please see the Company’s [May 10, 2018 news release](#) and RPM’s Altan Nar Gold Project 43-101 Mineral Resource Technical Report, June 21 2018.

**Table 1 - Altan Nar Deposit – Mineral Resource Estimate Summary, May 7, 2018**

Cut-off AuEq g/t	Resource Classification	Quantity (Mt)	Grade					Contained Metal				
			Au g/t	Ag g/t	Zn %	Pb %	AuEq g/t	Au Koz	Ag Koz	Zn Kt	Pb Kt	AuEq Koz
0.7	Indicated	5.0	2.0	14.8	0.6	0.6	2.8	318	2,350	31.6	29.0	453
	Inferred	3.4	1.7	7.9	0.7	0.7	2.5	186	866	23.7	22.3	277

Notes:

- The Mineral Resources have been constrained by topography and a cut-off of 0.7 g/t AuEq above a pit and 1.4 g/t AuEq below the same pit shell.
- The Mineral Resource Estimate Summary was compiled under the supervision of Mr. Jeremy Clark who is a full-time employee of RPM and a Member of the Australian Institute of Geoscientists. Mr. Clark has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined in the CIM Standards of Disclosure.
- All Mineral Resource figures reported in the table above represent estimates as at May 7, 2018. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
- Mineral Resource grades are reported in accordance with the CIM Standards.
- Mineral Resources reported on a dry in-situ basis.
- No dilution or ore loss factors have been applied to the reported Resource Estimate.
- No allowances have been made for recovery losses that may occur should mining eventually result.
- Gold Equivalent (“AuEq”) calculations assume metal prices of US \$1,310 per ounce gold, US \$18 per ounce silver, and US \$2,400 per tonne lead and US \$3,100 per tonne zinc.

## 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.

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](http://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

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# KHUNDII GOLD DISTRICT

## Three deposits, multiple prospects, limited exploration

*Fast tracking to production*

