



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Continues to Intersect Near-Surface, High-Grade Gold at Bayan Khundii, With 8.3 Metres of 14.3 g/t Gold from Surface

Halifax, Nova Scotia – June 22, 2016 – Erdene Resource Development Corp. (TSX:ERD) ("Erdene" or "Company"), is pleased to announce drilling results from the Company's recent high-grade discovery at its 100%-owned Bayan Khundii Gold Project ("Bayan Khundii") in southwest Mongolia. Today's results continue to expand the near-surface, high-grade gold zones recently identified at Bayan Khundii. Included with this release, for reference, are two plan maps.

"Our Q2 exploration program has been a tremendous success, following up on our initial high-grade drill results announced in late 2015," said Peter Akerley, President and CEO of Erdene. "We have confirmed continuity of the very high-grade Striker Zone, identified broad zones of gold mineralization at depth, and under post mineralization cover, and identified high priority targets through reconnaissance drilling and trenching. Following a period of review and interpretation we are planning to return to drilling in Q3."

Today's results include the final five drill holes and six trenches from the Q2 exploration program designed to test areas around the periphery of the Bayan Khundii Main Zone and in the Northeast Zone 700 m to the northeast. Highlights include:

- 14.2 g/t gold over 8.3 m in BKD-44
- 0.40 g/t gold over 70 m to the end of hole in BKD-44
- Drilling continues to confirm extensions of mineralization under post-mineral cover
- Northeast Zone trenching and drilling confirms gold mineralization 700 m northeast of Striker Zone

Previously reported drill and trench results from the Q2-2016 Bayan Khundii exploration program include (see news releases dated May 9, May 24 and June 14, 2016):

- 5.3 g/t gold over 63 m and 2.3 g/t gold over 12 m in BKD-17
- 49.4 g/t gold over 3 m and 26.8 g/t gold over 5 m included in BKD-17
- 8.9 g/t gold over 3 m in BKD-19
- 8.7 g/t gold over 7 m in BKT-17 2.1 g/t gold over 13 m and 2.0 g/t gold over 14 m (including 6.5 g/t gold over 4 m) in BKD-21
- 1.9 g/t gold over 27 m, including 5.7 g/t gold over 8 m, in BKD-22
- 1.1 g/t gold over 70 m (including 23 m of 2.0 g/t gold) and 1.1 g/t over 18.2 m in BKD-28
- 1.0 g/t gold over 66 m (including 2.0 g/t gold over 26 m) in BKD-34
- 15.3 g/t gold over 2 m in BKD-40 (under younger post-mineralization cover)

Previously reported drill results from the Q4-2015 Bayan Khundii exploration program include (see news releases dated December 9 and December 14, 2015):

- 27.5 g/t gold over 7 m in BKD-01
- 9.4 g/t gold over 3 m in BKD-03
- 5.9 g/t gold over 26.4 m (including 9.9 g/t over 15 m) in BKD-09
- 5.7 g/t gold over 35 m (including 16.2 g/t over 12 m) in BKD-10

Striker Zone and Extensions Under Cover

Holes BKD-44 and BKD-45 tested the near-surface extension of the high-grade Striker Zone and extended drilling further north under post-mineralization cover to test for an extension of gold mineralization. The Striker Zone was intersected at the top of BKD-44 with 8.3 m of 14.3 g/t gold; additionally a broad zone of gold mineralization was intersected under cover, deeper in the hole from 39 m to 109 m (70 m interval) averaging 0.40 g/t gold with values ranging up to 3.9 g/t gold over 1 m and ending in mineralization. BKD-44 had moderate to intense, multi-stage silica-sericite alteration with abundant quartz veins and thin hematite veinlet stockwork throughout. A second hole, BKD-45, collared further northeast, also returned highly anomalous intervals with 42 m averaging 0.2 g/t gold.

Table 1 – Bayan Khundii drill results (BKD-41 to BKD-45)

| Drill Hole | From (m) | To (m) | Interval (m)* | Gold (g/t) |
|---|----------|--------|---------------|------------|
| Northeast Zone | | | | |
| BKD-41 | 0 | 6 | 6 | 0.28 |
| BKD-42 | 35 | 39 | 4 | 0.57 |
| and | 46 | 50** | 4 | 0.29 |
| Westridge Zone | | | | |
| BKD-43 | 1 | 8 | 7 | 0.95 |
| Striker Zone and extension to northeast under cover | | | | |
| BKD-44 | 0.7 | 9 | 8.3 | 14.2 |
| and | 39 | 109 | 70 | 0.40 |
| BKD-45 | 3 | 8 | 5 | 0.26 |
| and | 52 | 94 | 42 | 0.20 |

* Reported intervals are not true width. They represent drill intersection widths from holes drilled at a 45 to 90 degree angle. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 40 to 50 degrees) perpendicular to the drill hole angle. Hole BKD-42 is a vertical hole.

** End of hole

Table 2 – Bayan Khundii trenching results (BKT-18 to BKT-22)

| Trench ID | From (m) | To (m) | Interval (m)*** | Gold (g/t) |
|----------------|----------|--------|-----------------|------------|
| Westridge Zone | | | | |
| BKT-18 | 30 | 36 | 6 | 0.64 |
| West of BKT-16 | | | | |
| BKT-19 | 32 | 36 | 4 | 0.63 |

| Stockwork Hill Zone | | | | |
|---------------------|----|------|----|------|
| BKT-20 | 38 | 41 | 3 | 0.56 |
| Northeast Target | | | | |
| BKT-21 | 0 | 34** | 34 | 0.37 |
| incl | 20 | 22 | 2 | 1.53 |
| BKT-22 | 32 | 36** | 6 | 0.24 |

** End of trench

*** Reported intervals are not true width. They represent intersection from horizontal trenches on surface. The Bayan Khundii mineralization is interpreted to be moderately dipping (approximately 40 to 50 degrees) perpendicular to the trend of the trenches.

Northeast Target

The Northeast Target area, located 700 m northeast of Striker Zone, is characterized by similar alteration and surface mineralization as the Bayan Khundii Main Zone and is well defined by gold-in-soil anomalism. In addition, geophysical resistivity anomalism suggests the silicified zone is continuous between the two zones, under younger cover. Two shallow (50 m vertical) holes (BKD-41 & 42) and two trenches (BKT-21 & 22) tested the Northeast Target area, spaced at approximately 250 m, and both areas returned highly anomalous gold zones. BKD-42 intersected intensely silicified tuff and coarse pyroclastic rocks with zones of sulphide (mainly pyrite) veinlets and quartz-sulphide veinlets with gold values up to 1.7 g/t (over 1 m). Locally massive chalcedony veins and intense hematite and specularite veins and veinlets, were widespread throughout the hole which also intersected increasing sulphide at the bottom of the hole with coincident gold, ending in 4 m of greater than 0.2 g/t gold. The trench (BKT-22) returned 6 m of 0.24 g/t gold at the north-end as the zone continued under cover.

The second target area tested in the Northeast included trench BKT-21 that was consistently mineralized throughout, including 34 m of 0.37 g/t gold (highest value 1.85 g/t gold over 1 m). Also of interest, every sample returned assays above the detection limit for silver (2 g/t), with an average grade of 6.3 g/t silver (range 2-13 g/t). Silver has not been observed at these consistent levels in the Bayan Khundii Main Zone. Hole BKT-41, drilled in the same area, intersected intensely altered host rocks that are similar to the Bayan Khundii Main Zone along with several post mineralization dykes that were not evident at surface. BKD-41 contained some elevated gold near-surface with 6 m of 0.28 g/t gold.

Westridge Zone

The most southwestern hole in the Q2-2016 drill program was at the Westridge Zone and was a reconnaissance hole designed to test the lithologic units in this area. BKD-43 intersected 7 m of 0.95 g/t gold at the top of the hole.

Bayan Khundii – Next Steps

In addition to the 3,845 m of diamond drilling, the Company's Q2-2016 Bayan Khundii exploration program also included: infill (25 m spacing) and reconnaissance (100-200 m spacing) soil sampling (1,088 samples) over specific target areas; 35 line km of IP gradient array geophysical surveys; 20 line km of IP dipole-dipole geophysical surveys; and detailed geologic mapping.

Over the next 60 days, the Company will complete 3-D modeling work on Bayan Khundii, have a structural geologist on site to complete a structural mapping and interpretation program, and complete a spectral mineralogical study, all in advance of the next drill program. In addition, studies to examine the characteristics of mineralization and alteration at Bayan Khundii have been initiated.

These studies will be reviewed and drilling plans established in mid Q3-2016, immediately followed by the commencement of a third round of drilling at Bayan Khundii.

About the Bayan Khundii Gold Project

In Q2-2015, Erdene conducted an initial exploration program on the southern portion of the Company's 100%-owned Khundii license. This reconnaissance work led to the discovery of the Bayan Khundii ('Rich Valley') gold prospect, located 20 km southeast of the Company's Altan Nar gold-polymetallic project. Gold mineralization at Bayan Khundii has been identified over a 1.7 km trend, with detailed exploration only taking place over a 500 m by 350 m zone in the southwest prospect area, where the Company's Q4-2015 and Q2-2016 drill programs have focused. Visible gold was observed in multiple drill holes and results include several high-grade intersections within a series of parallel structures exposed at surface. Results include up to 35 m of 5.9 g/t gold in hole BKD-10 (including 12 m of 16.2 g/t gold) from surface to the bottom of the hole, and 63 m of 5.3 g/t gold in hole BKD-17 from 50 to 113 m depth. Initial drill results and program details are included in Erdene's December 14, 2015, May 9, 2016, May 24, 2016 and June 14, 2016 press releases ([click here](#) for link). The license has a 2% net smelter returns royalty ("NSR Royalty") in favour of Sandstorm Gold with a buy-back option to reduce the NSR Royalty to 1%.

Qualified Person and Sample Protocol

Michael MacDonald, P.Geo. (Nova Scotia), Director of Exploration 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.

Erdene's sampling protocol for drill core consisted of collection of samples over 1 m or 2 m 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 the Company's Bayan Khundii exploration camp. All samples were organized into batches of 20 samples including a commercially prepared standard and blank. Sample batches were periodically shipped directly to SGS in Ulaanbaatar via Erdene's logistical contractor, Monrud Co. Ltd.

About Erdene

Erdene Resource Development Corp. is a Canada-based resource company focused on the acquisition, exploration, and development of base and precious metals in underexplored and highly prospective

Mongolia. The Company holds four exploration licenses and a mining license in southwest Mongolia. These include: Altan Nar – an extensive, high-grade, near-surface, gold-polymetallic project that the Company is advancing toward a production decision, however the Company has not yet completed a mining study to support the technical feasibility and economic viability of Altan Nar; Bayan Khundii – an earlier-stage, high-grade gold discovery made in Q2-2015; Khuvyn Khar – an early-stage, copper-silver porphyry project with multiple drill targets and significant copper intersections; Zuun Mod – a large molybdenum-copper porphyry deposit; and Altan Arrow – an early-stage, high-grade, gold-silver project. In addition to the above properties, the Company has an Alliance with Teck Resources Limited on regional, copper-gold exploration in the prospective Trans Altay region of southwest Mongolia. For further information on the Company, please visit www.erdene.com. Erdene has 121,040,992 issued and outstanding common shares and a fully diluted position of 134,495,406 common shares.

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 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

Ken W. MacDonald, Vice President Business Strategy and CFO

Phone: (902) 423-6419

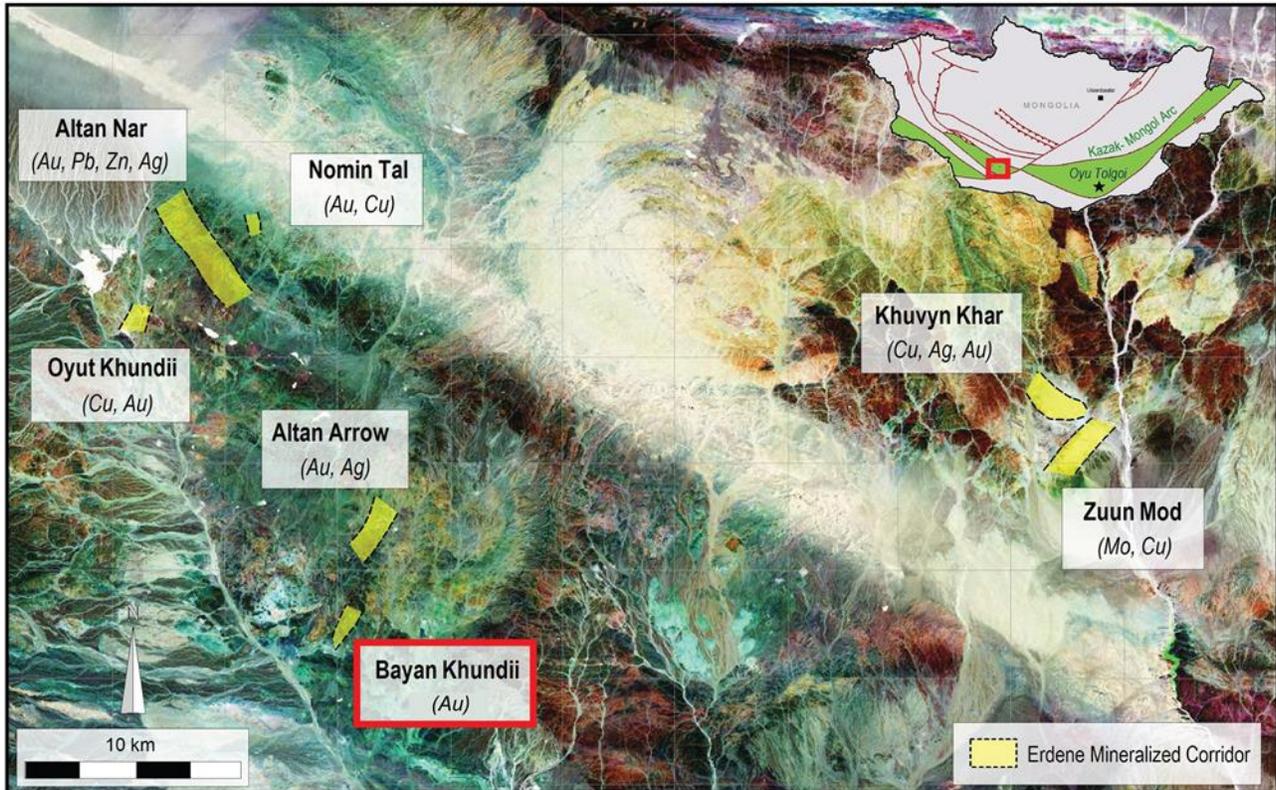
E-mail: info@erdene.com

Website: www.erdene.com

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

Bayan Khundii Gold Project

Erdene's Emerging Gold District in Southwest Mongolia



Bayan Khundii Gold Project

Plan Map of Drill-Trench Locations

