

## ERDENE RESOURCE DEVELOPMENT CORP. ("Company")

### COMPENSATION COMMITTEE CHARTER

#### Appointment

The Compensation Committee ("**Committee**") is a standing committee of the Board of Directors ("**Board**") hereby constituted with all the powers and duties conferred on it by the laws governing the Company and such powers and duties as may be conferred on it from time to time by resolution of the Board. The Board shall appoint at least three directors to serve on the Committee at the first meeting of the Board following each annual meeting of the shareholders of the Company, to hold office, subject to paragraph 3 of the Committee Qualifications and Procedure section, until the next annual shareholders meeting.

#### Mandate

The Committee shall discharge the following responsibilities to review, monitor and, where specified, approve matters relating to the compensation and development of the Company's CEO and senior executives:

1. Review the Company's management compensation philosophy, policies, plans and guidelines annually;
2. Review remuneration and ad hoc compensation plans (base pay, incentive plans and equity-based pay) on an annual basis;
3. Review remuneration package for the CEO and senior executives on an annual basis and recommend changes, if any, to the Board. In making recommendations, the Committee shall:
  - (a) consider the individual's performance measured against his or her goals and performance objectives; and
  - (b) consider the remuneration and incentives paid to senior executives at comparable companies;
4. Review any proposals concerning the Company's Incentive Stock Option Plan or any other equity compensation plans including grant proposals for approval by the Board and, as appropriate, by the shareholders. Ensure the proper administration of any stock option, stock purchase or stock ownership plans;
5. Review and recommend all executive benefits plans and executive perquisites for approval by the Board;
6. Review all material proposed actions with respect to executive pension plans for approval by the Board; and
7. Review annual CEO and executive succession plans for approval by the Board.

The Committee shall prepare an annual report to shareholders concerning executive compensation for inclusion in the Company's annual Management Information Circular.

**Committee Qualifications and Procedures**

1. Each director who is a member of this Committee shall be independent of management and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgement as a member of the Committee.
2. The Committee shall elect from its members a Chairman.
3. Any member of the Committee may be removed or replaced at any time by the Board. A member shall cease to be a member of the Committee upon ceasing to be a director of the Company.
4. Meetings of the Committee shall be called by the Chairman of the Committee. Meetings shall be held when requested by any Committee member and at least once a year.
5. The majority of the Committee shall constitute a quorum for the purposes of conducting the business of the Committee. Notwithstanding any vacancy on the Committee, a quorum may exercise all of the powers of the Committee.
6. Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.
7. A record of the minutes of, and the attendance at, each meeting of the Committee shall be kept. The approved minutes of the Committee shall be circulated to the Board forthwith.
8. The Committee shall report to the Board on all proceedings and deliberations of the Committee at the first subsequent meeting of the Board, and at such other times and in such manner as the Board may require or as the Committee in its discretion may consider advisable.
9. The Committee shall review annually its Mandate and all guidelines, procedures, policies or other documents used by it in fulfilling its responsibilities.
10. The Committee shall assess the performance of the Committee and each of its members on an annual basis in accordance with any performance assessment guidelines provided by the Audit and Corporate Governance Committee.
11. In the performance of its duties and responsibilities, the Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and may discuss with the officers and auditors of the Company such accounts, records, documents and other matters considered appropriate.
12. The Committee may retain such outside consultants and advisors, at Company expense, as it deems necessary from time to time to fulfill its duties and responsibilities.

As amended June, 2009