



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Closes \$2.5 Million Financing With Sandstorm Gold

Halifax, Nova Scotia - April 21, 2016 - Erdene Resource Development Corp. (TSX:ERD) ("Erdene" or "Company") is pleased to announce it has closed its transaction with Sandstorm Gold Ltd. ("Sandstorm") (NYSE MKT:SAND, TSX:SSL) for total consideration of C\$2.5 million to Erdene ("Transaction"). The proceeds will fund the Company's 2016 exploration projects, specifically drilling of the high-grade Bayan Khundii gold project, which commenced on April 8, 2016.

The Transaction included the issuance of equity of Erdene and Sandstorm, and royalty components that resulted in total cash and securities consideration of C\$2.5 million to Erdene. The Transaction includes the purchase by Sandstorm, by way of private placement, of five million common shares of Erdene at \$0.20 per share. Sandstorm has committed to hold the Erdene shares issued under the private placement for a minimum of 18 months. In addition, Sandstorm has issued common shares of Sandstorm to Erdene for total consideration of C\$1.5 million, the price being based on the 10-day volume weighted average price of Sandstorm common shares as at April 14, 2016. In exchange, Sandstorm has been granted a 2% net smelter returns royalty ("NSR Royalty") on Erdene's two flagship gold projects in southwest Mongolia; the Bayan Khundii gold project and Altan Nar gold-polymetallic project. The Transaction provides Erdene with a 3-year option to buy-back 50% of the NSR Royalty for C\$1.2 million, to reduce the Sandstorm NSR Royalty to 1.0%. Erdene has granted to Sandstorm a right of first refusal on future stream and/or royalty financings related to the Bayan Khundii and/or Altan Nar projects. No fees or warrants are associated with the Transaction.

The Company launched an exploration program at its 100% owned Bayan Khundii gold project on April 8, 2016. The program includes a 3,500 metre drill program, extensive geophysical and geochemical testing, as well as multiple studies in advance of a mining license application and economic evaluation. Results of these programs are expected to be available in late Q2 and during Q3, 2016. The program is designed to determine the continuity, grade and extent of the high-grade gold mineralization intersected in the Company's maiden Q4-2015 Bayan Khundii drill program. Details of that drill program can be found in Erdene's December 14, 2015 news release; [click here](#).

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 holds four exploration licenses and a mining license located in southwest Mongolia. These include: Altan Nar – an extensive, high-grade, near-surface, gold-polymetallic

project; Bayan Khundii – a high-grade surface gold discovery made in Q2-2015 that the Company is currently exploring; 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 Altai region of southwest Mongolia. For further information on the Company, please visit www.erdene.com. Erdene has 114,876,030 issued and outstanding common shares and a fully diluted position of 131,384,791 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>