



ERDENE RESOURCE DEVELOPMENT
TSX:ERD



DEVELOPING A NEW **GOLD** DISTRICT IN SOUTHWEST MONGOLIA

CORPORATE UPDATE | SEPT 2017

Forward Looking Statements

Certain information regarding Erdene ("the Company") 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 the Company 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. The Company cautions that actual performance will be affected by a number of factors, many of which are beyond the Company's control, and that future events and results may vary substantially from what the Company 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 Company's 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 subject to change after that date.

Unless otherwise indicated, all dollar values herein are in C\$.

DRILLHOLE INTERVALS

Reported intervals in this presentation are not true width. At this time, there is insufficient data with respect to the shape of the mineralized system to calculate true orientations in space. At the Company's Bayan Khundii project, reported intervals represent drill intersection widths from holes drilled at a 45 to 60 degree angle (occasionally 90 degree angle). The Bayan Khundii mineralization is moderately dipping (approximately 40 to 50 degrees), approximately perpendicular to the drill hole angle.

Reported drill hole intervals at the Company's Altan Nar project represent drill intersection widths with most holes drilled at a 45 degree angle. For the Discovery Zone, the orientation of the mineralization is near vertical and

therefore true width is interpreted to be approximately 70% of the reported intervals. For Union North the

mineralized zone has an interpreted dip of 45 degrees therefore true width is close to reported drill hole intervals. All holes in Union North were drilled perpendicular to the trend of mineralization.

TECHNICAL REPORTS

For the Bayan Khundii project, please refer to the Company's National Instrument 43-101 technical report, available on the Company's profile at www.sedar.com. There is no resource estimate included in the report.

For the Altan Nar project, please refer to the NI 43-101 compliant mineral resource report for Altan Nar, dated March 24, 2015, entitled "Altan Nar Gold Project, National Instrument 43-101 Mineral Resource Technical Report", available on the Company's profile at www.sedar.com, as well as the Company's news release dated March 31, 2015, for further details on the Altan Nar mineral resource estimate. All Mineral Resources for Altan Nar reported in this presentation represent estimates as at 19th February, 2015. RungePincoveck-Minarco ("RPM") have considered the costs, recoveries and dilutions expected by comparing with other similar deposits in the region and adjusted these by considering the location of the Project and the deposit characteristics. Mineral Resource grades are reported in accordance with the CIM Standards.

Mineral Resource Estimates for Altan Nar are reported on a dry in-situ basis. Gold equivalent ("AuEq") values are used in an effort to express the combined value of gold, silver, lead and zinc as a percentage of gold, and are provided for illustrative purposes only. No allowances have been made for recovery losses that may occur should mining eventually result. Calculations use metal prices of US \$1,200/oz gold, \$18/oz silver, and \$0.90/lb for lead and zinc.

QUALIFIED PERSONS

Michael MacDonald, P.Geo. (Nova Scotia), Vice President 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 presentation.

Results for the metallurgical test programs summarized in this release were reviewed and approved by Andrew

Kelly, P.Eng., of Blue Coast Research Ltd., a Qualified Person for the purpose of National Instrument 43-101.

The Mineral Resource estimates for Altan Nar have been 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 mineralisation 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.

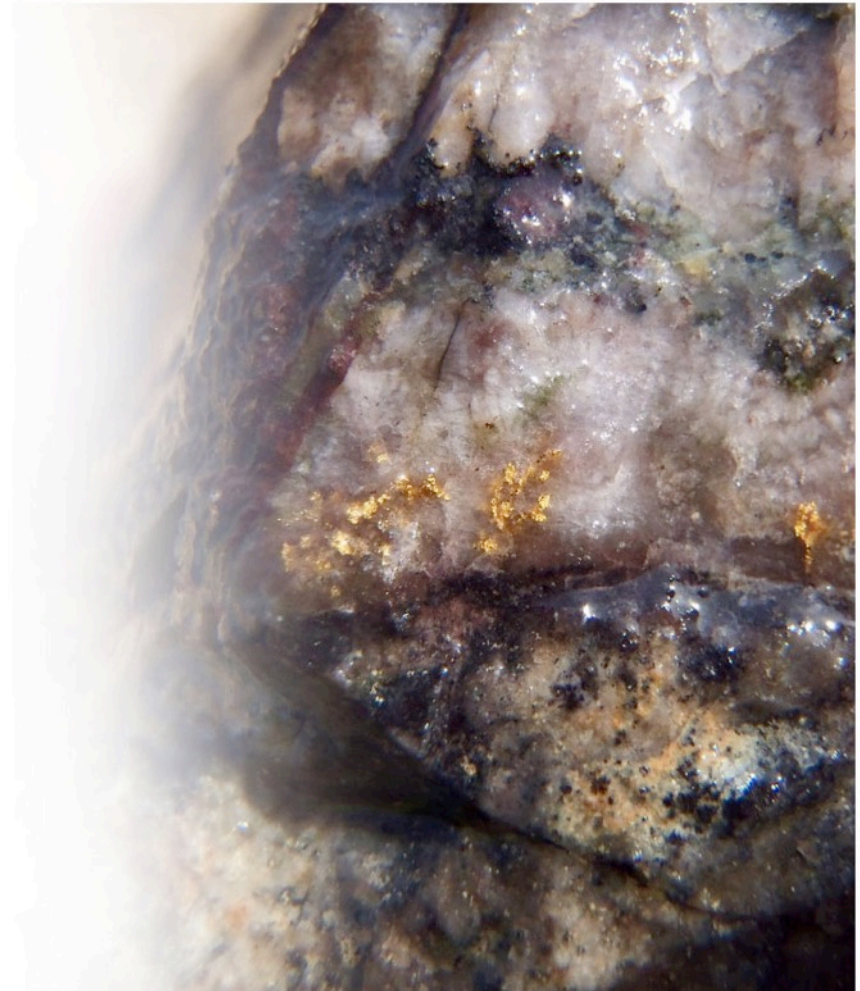
SAMPLE PROTOCOL

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 metre 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 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.

All metallurgical testing and analysis was carried out by Blue Coast Research Ltd. at their facility in Parksville, British Columbia.

Investment Highlights

- 100% Ownership in Several High-Grade, Near-Surface Gold Projects
- Large Land Position with High Expansion and Discovery Potential
- >24,000 Metre Drill Program Underway with Results to Continue Throughout Q4
- Extensive Regional Copper Exploration Program Funded by Teck Resources
- Strong Mongolia-Focused Board and Management Team
- Well Financed; \$13.8 Million Bought Deal Financing in Q1-2017

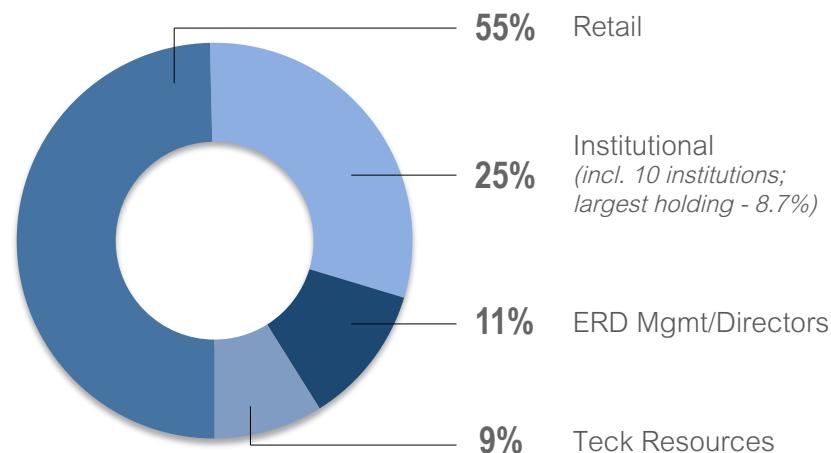


Corporate Snapshot

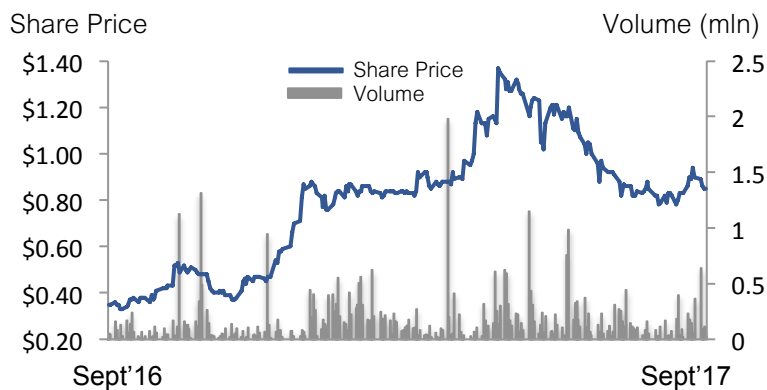
Share Structure

Exchange: Symbol	TSX: ERD
Share Price (08-Sep-2017)	\$0.86
52-Week Range	\$0.31 - \$1.40
Market Capitalization	\$125 million
Shares Outstanding	145.9 million
Shares Fully Diluted	156.6 million
Working Capital	\$6.5 million
Debt	nil

Shareholder Summary



Share Price Performance - 1 Year



Recent Financings

Date	Structure	Proceeds
Feb 23, 2017 <i>(Paradigm/ Canaccord)</i>	17.9 M shares @ \$0.77 <i>(no warrant)</i>	\$13.8 M
Mar 21, 2017 <i>(Teck)</i>	0.54 M shares @ \$0.90	\$0.50 M

Highly Experienced, Mongolia-Focused Board



Peter Akerley, President & CEO

Mining executive/geologist with 25+ years experience in mineral exploration, corporate finance, project development & management of publicly listed resource companies.



John Byrne

Finance industry professional with 30+ years experience in Canadian banking industry. President of Petroleum Corp of Canada Exploration since 1997.



Chris Cowan, Chairman

Mining executive/engineer with 40+ years in senior industry positions, including 28 years with Falconbridge in a variety of senior management and board positions.



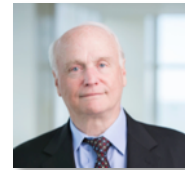
Layton Croft

Corporate executive with 12+ years in senior roles with several Mongolia focused companies, including Oyu Tolgoi as Executive VP Corporate Affairs and Social Responsibility.



Dr. Anna Biolik

One of the foremost Canadian experts on Central Asian business and diplomacy. Former Canadian Ambassador to Mongolia, Kazakhstan, Kyrgyzstan & Tajikistan.



David Mosher

Geologist/mining executive with 35 years international experience; President/CEO of High River Gold Mines; developed gold mines in Burkina Faso and Russia.



William Burton

Mining industry executive, 30 years experience. Former CEO of MagIndustries Corp (1997-2010) & VP Exploration for International Pursuit, evaluating gold properties in Asia (incl. Mongolia).

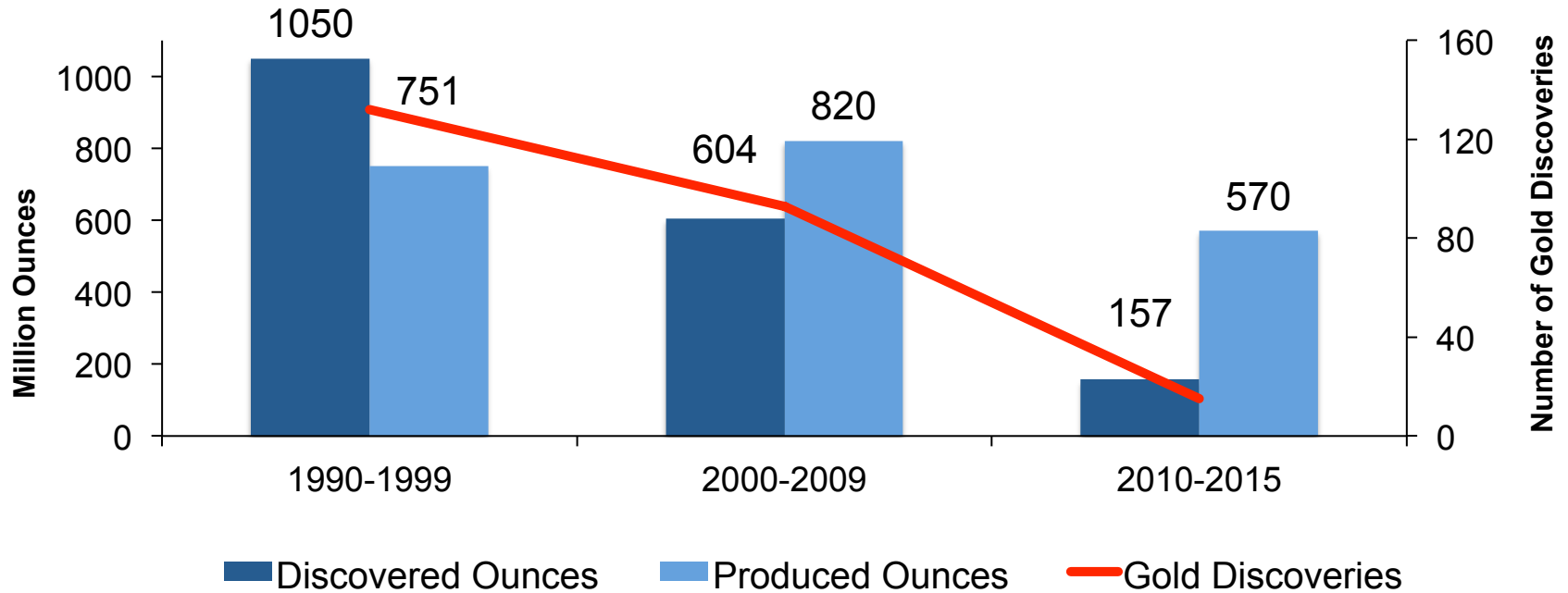


Phillip Webster

President of Imperial Windsor Group since 1998. Trustee of the R. Howard Webster Foundation, the Zeller's Family Foundation and the Constance Lethbridge Foundation.

Sharp Decline in Major⁽¹⁾ Gold Discoveries

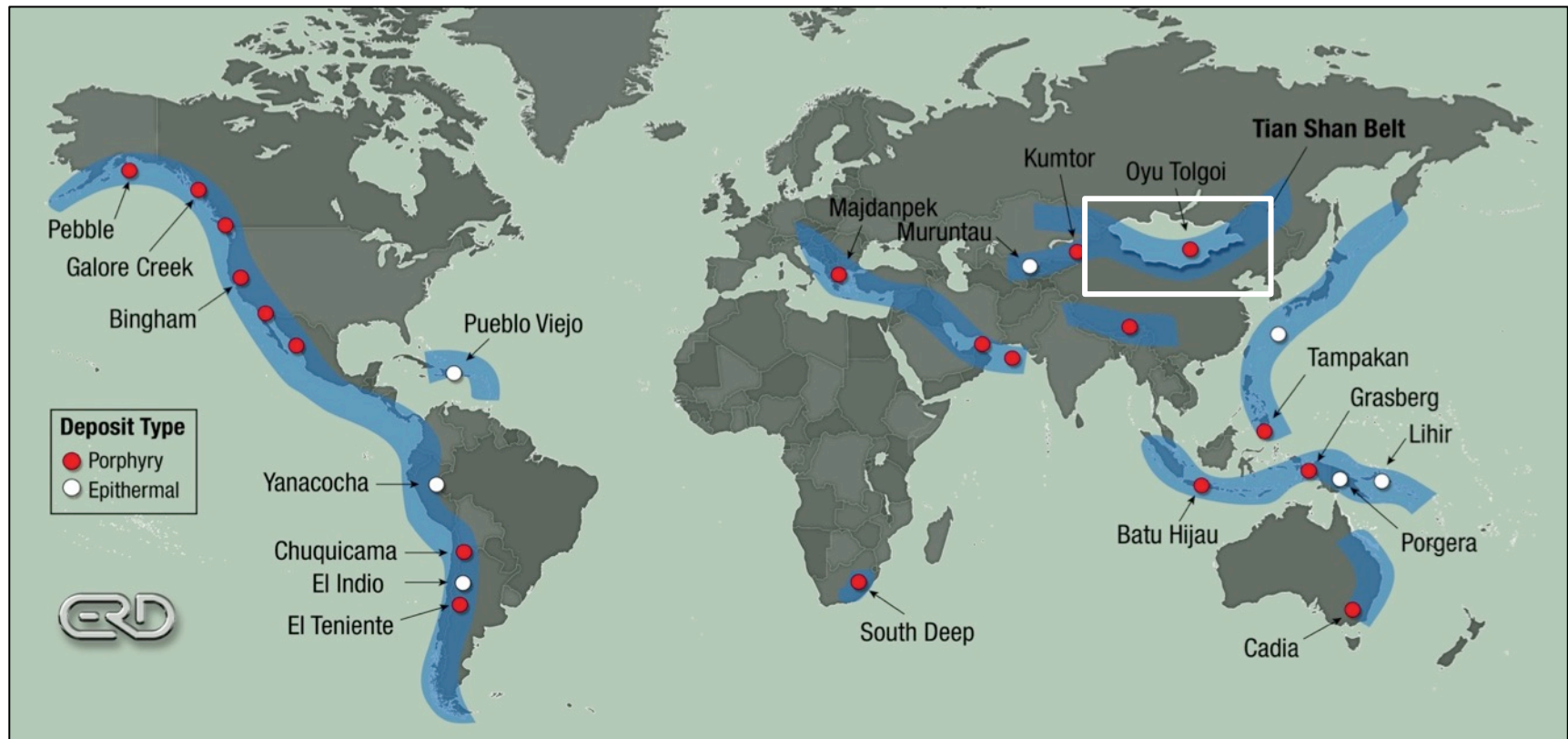
Discovered vs. Produced Ounces



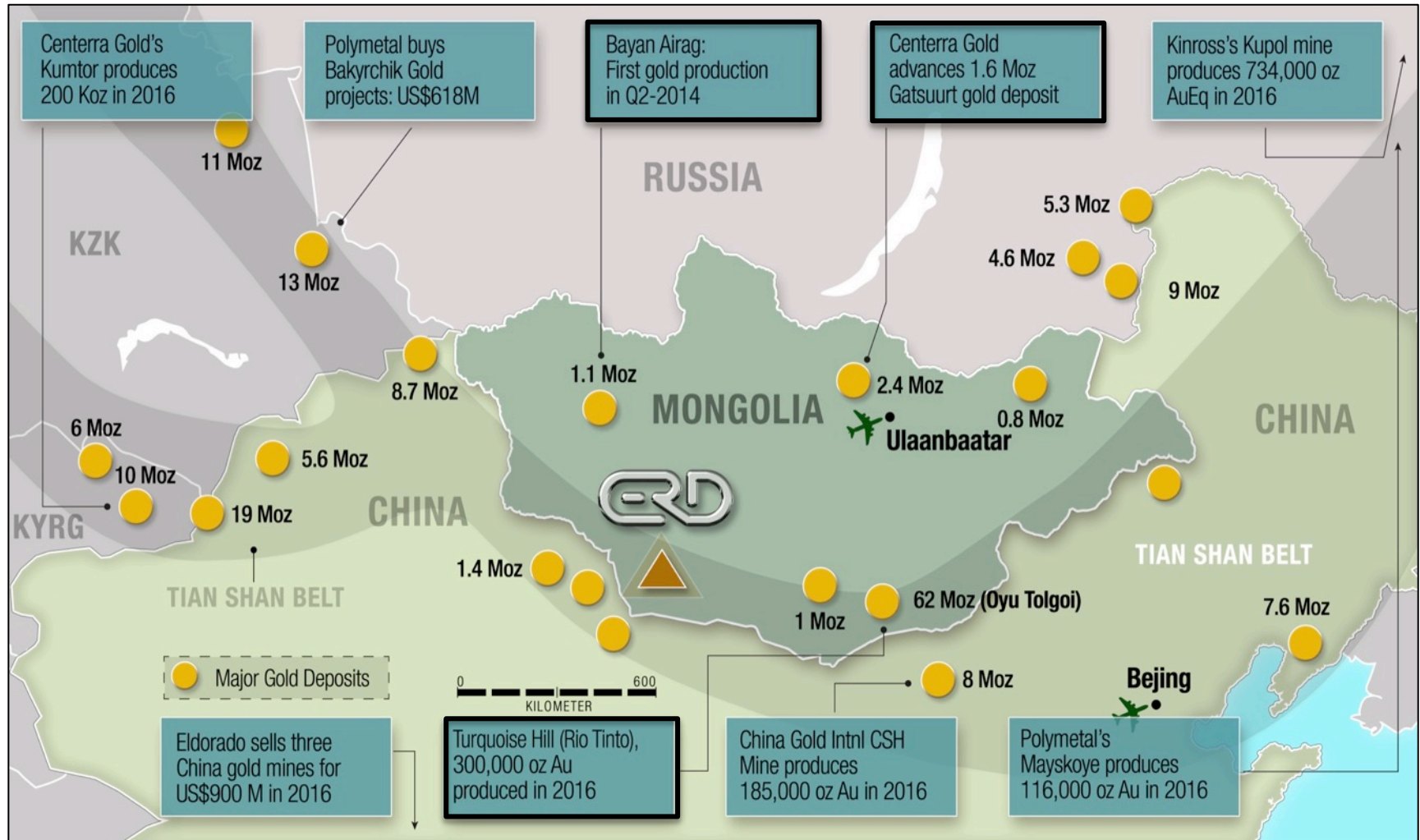
Discovery/production ratio has decreased from 1.4x in the 1990's to 0.3x today

Prolific Tian Shan Gold Belt

Includes some of the largest economic gold accumulations in the world, second only to Witwatersrand in South Africa for known gold resources



Regional Gold Production/Development



A New Metals District - Proximal to China Rail & Highway

Located in Area of Increasing Mining Activity & Regional Infrastructure Build-Up



An Emerging Gold & Copper District

45 km x 25 km District of Significant Arc-Related Metal Projects



BAYAN KHUNDII GOLD PROJECT

HIGH-GRADE, NEAR-SURFACE GOLD DISCOVERY

Northeast
Zone



Midfield
Zone



Striker
Zone



Gold Hill
Zone



Bayan Mongolian word for Rich | **Khundii** Mongolian word for Valley

Discovery

- Discovered by Erdene in Q2-2015; surface samples returned up to 4,380 g/t gold
- First drill hole in Q4-2015: 7 m of 27 g/t gold at 14 m depth

Drilling

- 198 holes completed between October 2015 and Sept 12, 2017 totalling 30,728 m
- 102 holes completed in 2017; 19,310 m

Success Rate

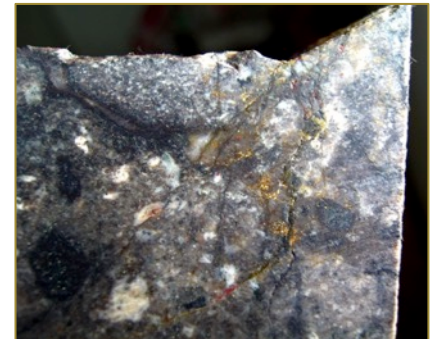
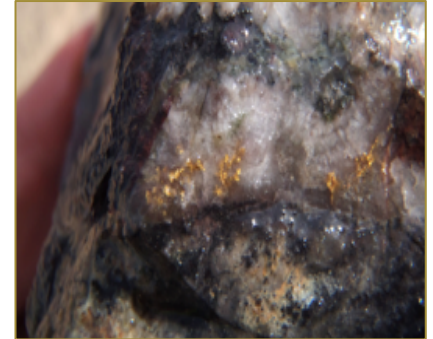
- 82% of holes have intersected anomalous gold mineralization
- 18% of holes have intersected 1+ m samples of greater than 32 g/t gold, up to 307 g/t gold

High Grade

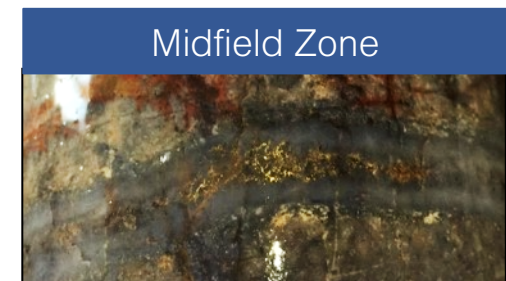
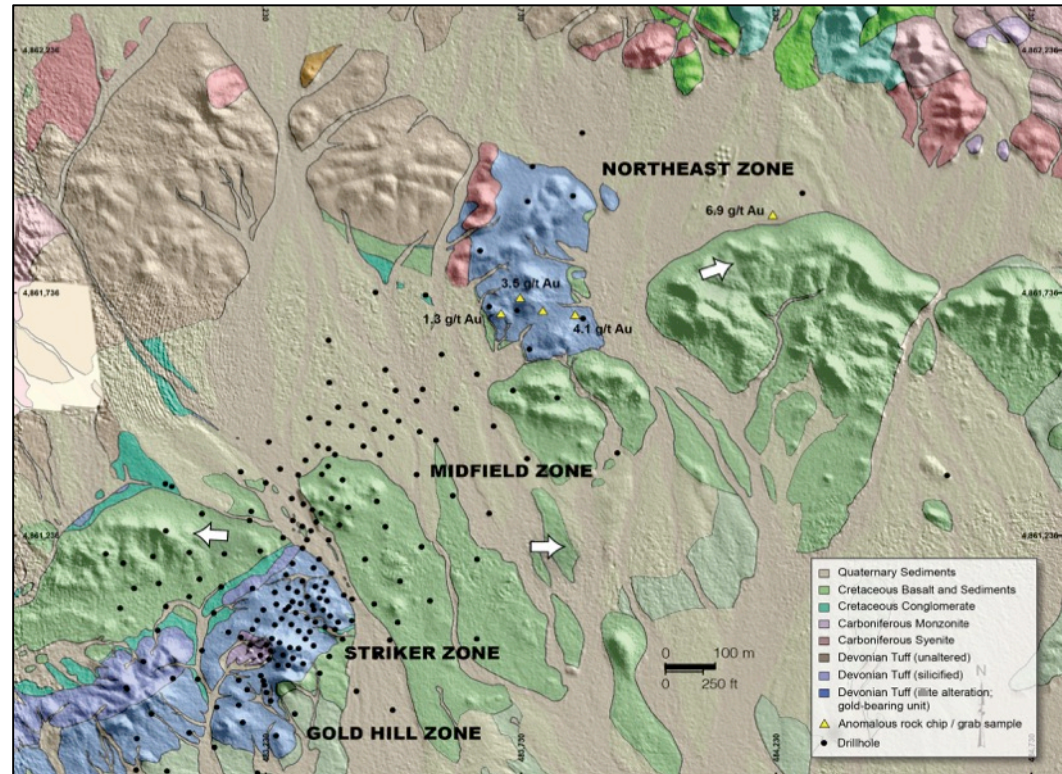
- High-grade zones (up to 8 m of 51 g/t gold) within broad mineralized zones (up to 131 m of 3.9 g/t gold)

Size Potential

- Several untested targets throughout 1.8 km by 2 km prospect area



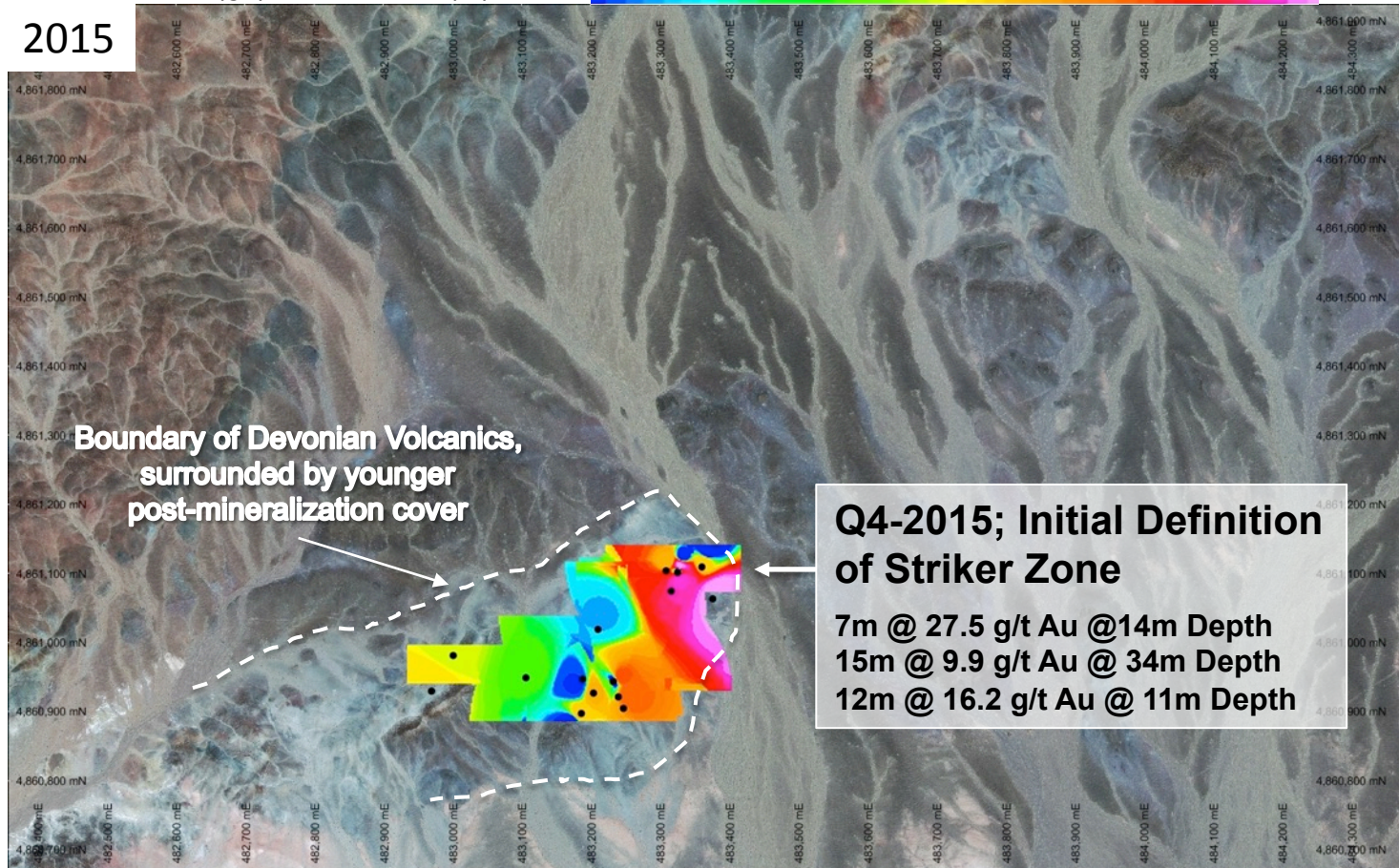
- Mineralization hosted within altered Devonian volcanics (blue)
- Locally intruded by post-mineral granites and syenites (pink)
- Overlain by post-mineralized Cretaceous/Quaternary units (green/brown)
- Structural control includes SW dipping veins and mineralized zones
- Known mineralized trend now measures 1.2 km, and locally up to 400 m wide



Q4-2015: 695 metres of drilling over 300 x 150 m area

Gram-Meter Contour
Grade (g/t) x Thickness (m)

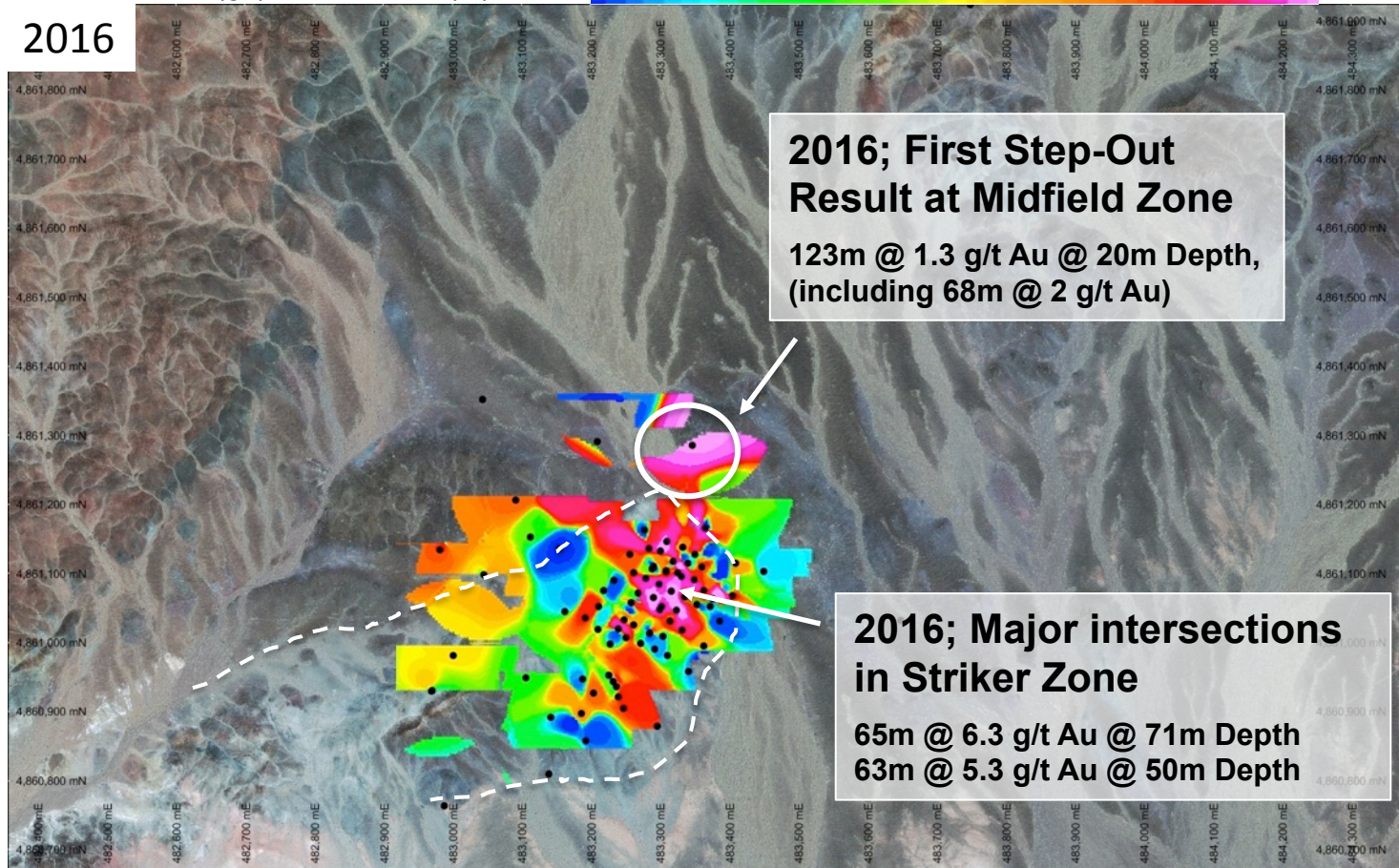
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2016: 9,696 metres of drilling over 500 x 350 m area

Gram-Meter Contour
Grade (g/t) x Thickness (m)

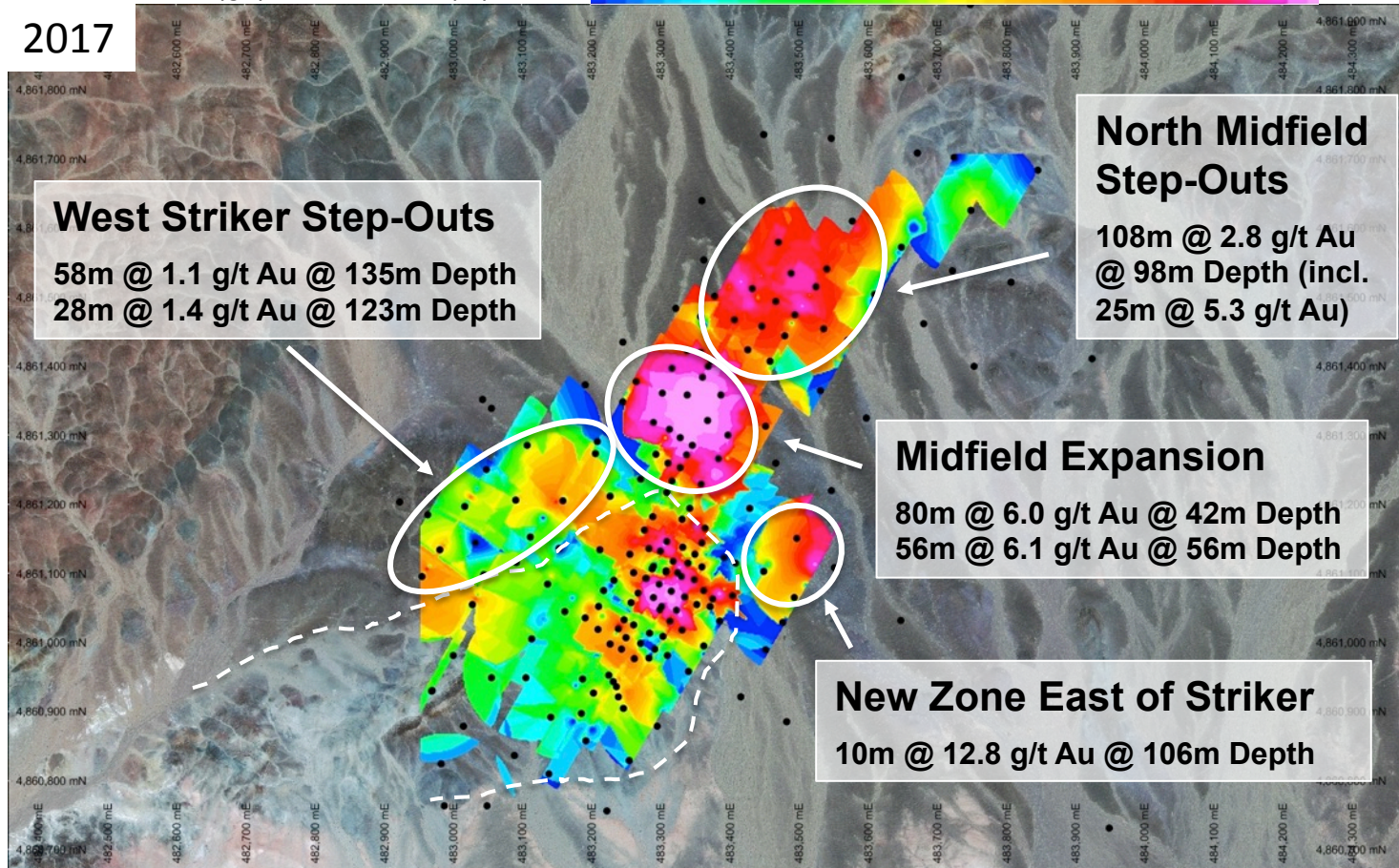
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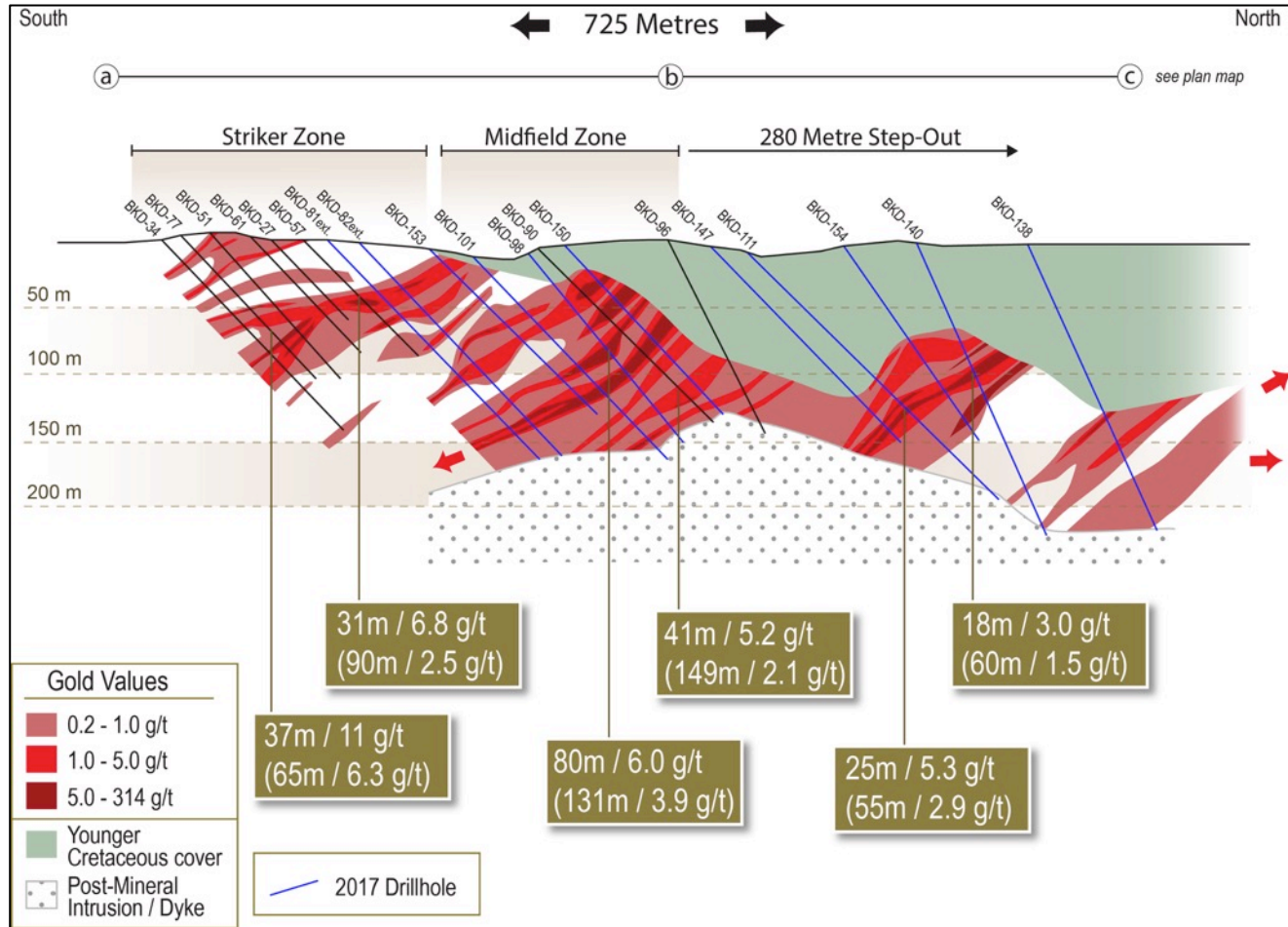
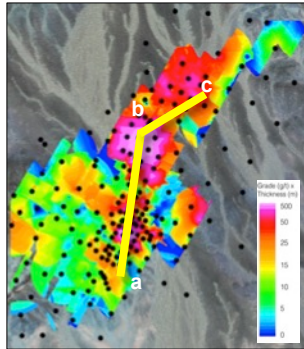
2017: 20,500 metres of drilling over 1.2 km x 400 m area

Gram-Meter Contour
Grade (g/t) x Thickness (m)

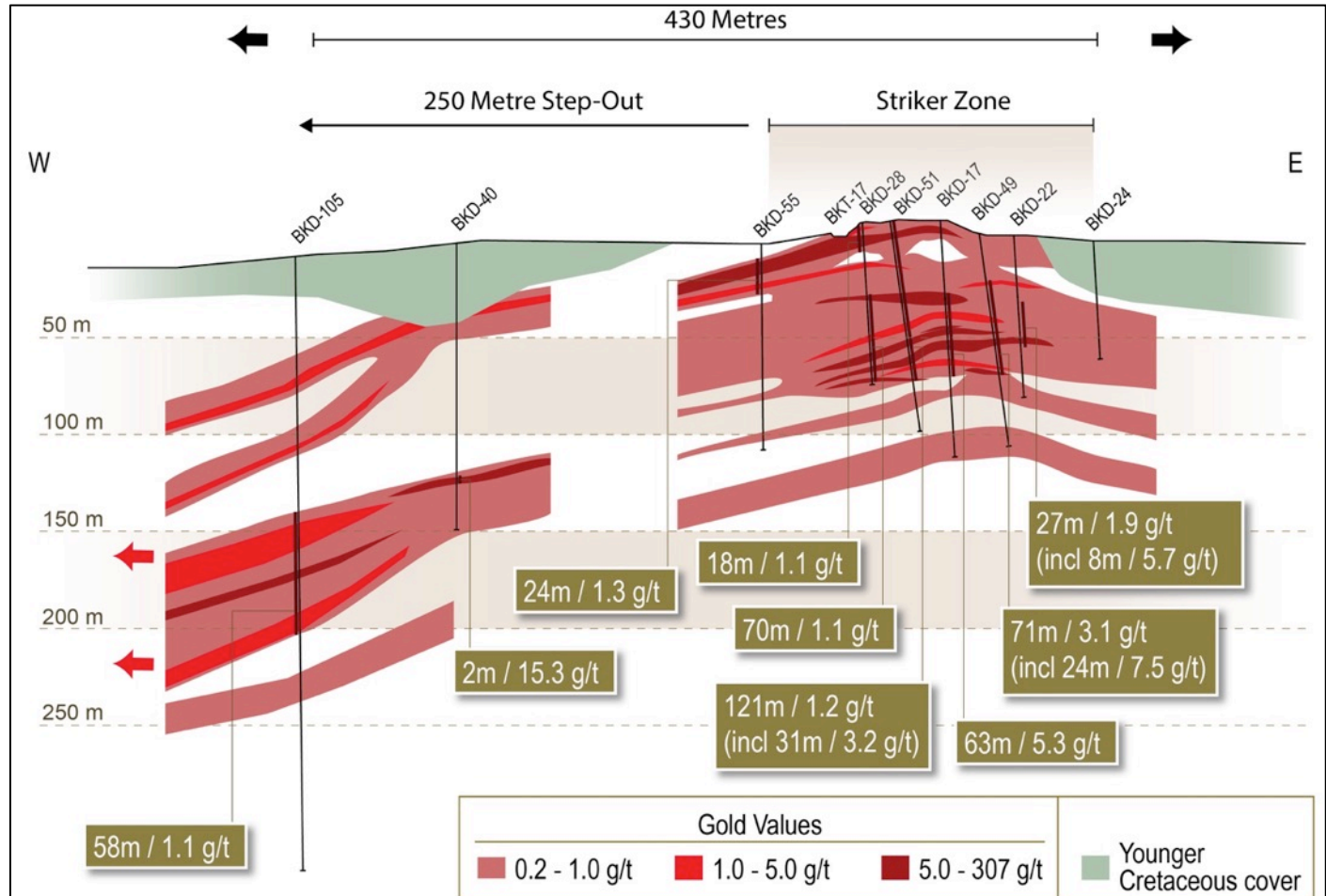
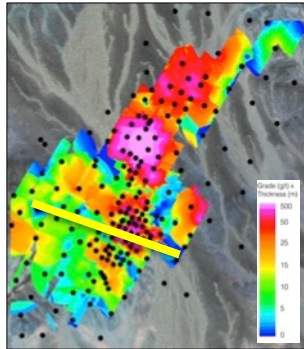
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Cross-Section: Looking West from Striker to Midfield

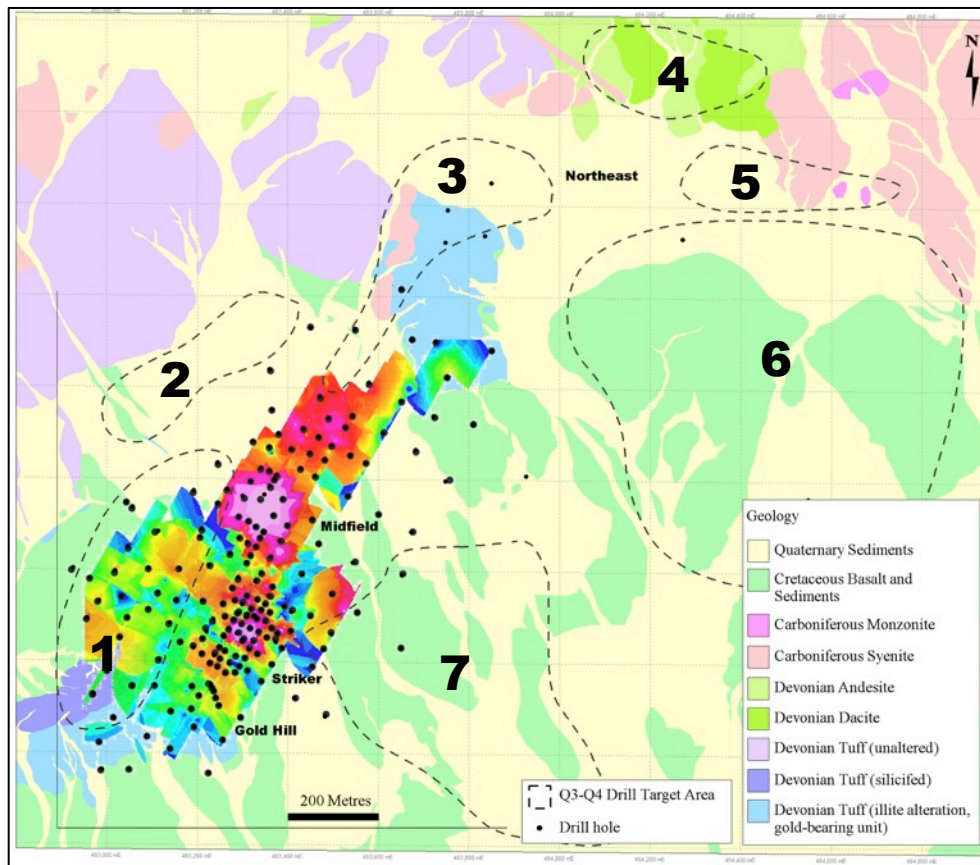


Long-Section: Looking North Through Striker Zone and Western Extension



>20,000m of drilling in fully-funded Phase I exploration program

Bayan Khundii 2017 Drill Program



STRIKER ZONE

- Definition drilling
- Deep drilling
- Lateral extensions in all directions

MIDFIELD ZONE

- Definition Drilling
- Lateral extensions to the west, north, and east
- Down-dip extension south and west of Midfield

RECONNAISSANCE

- Several geophysical and geochemical targets throughout 2 km basin

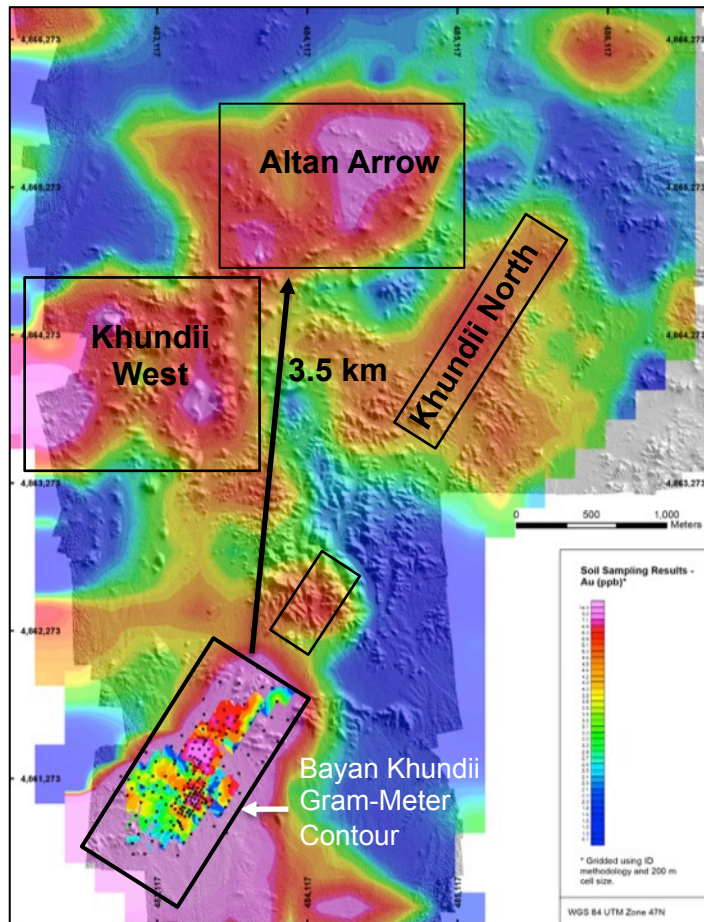
REGIONAL GOLD DISTRICT

SEVERAL GOLD-COPPER PROJECTS WITHIN
A 40 KM BY 20 KM DISTRICT



Multiple Gold-in-Soil
Geochemical Anomalies

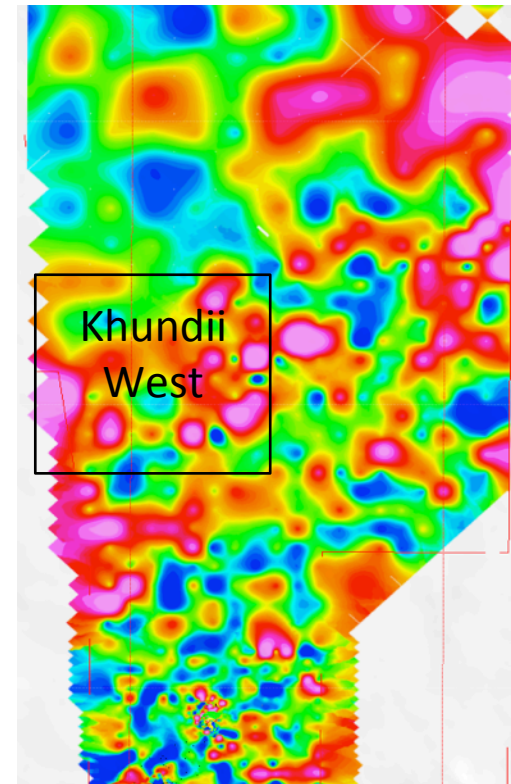
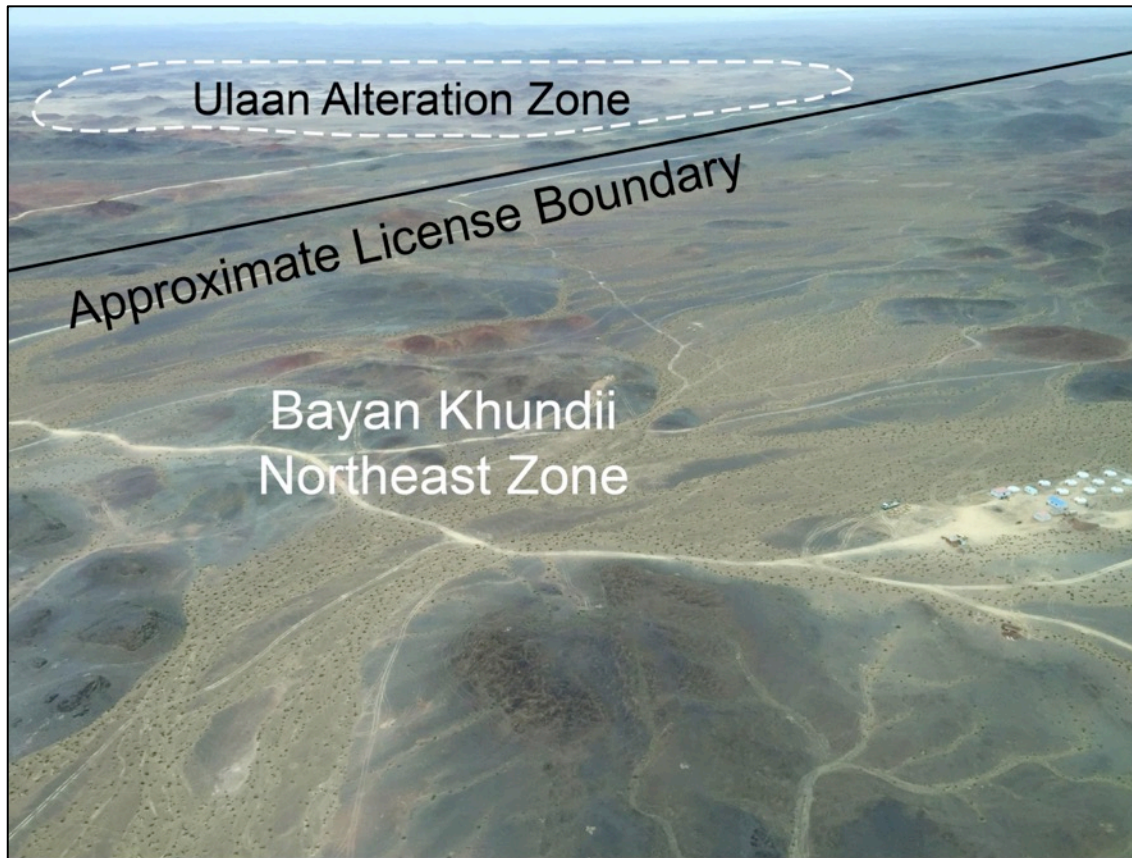
Early-stage epithermal gold-silver targets
over large area (~5 km X 4 km)



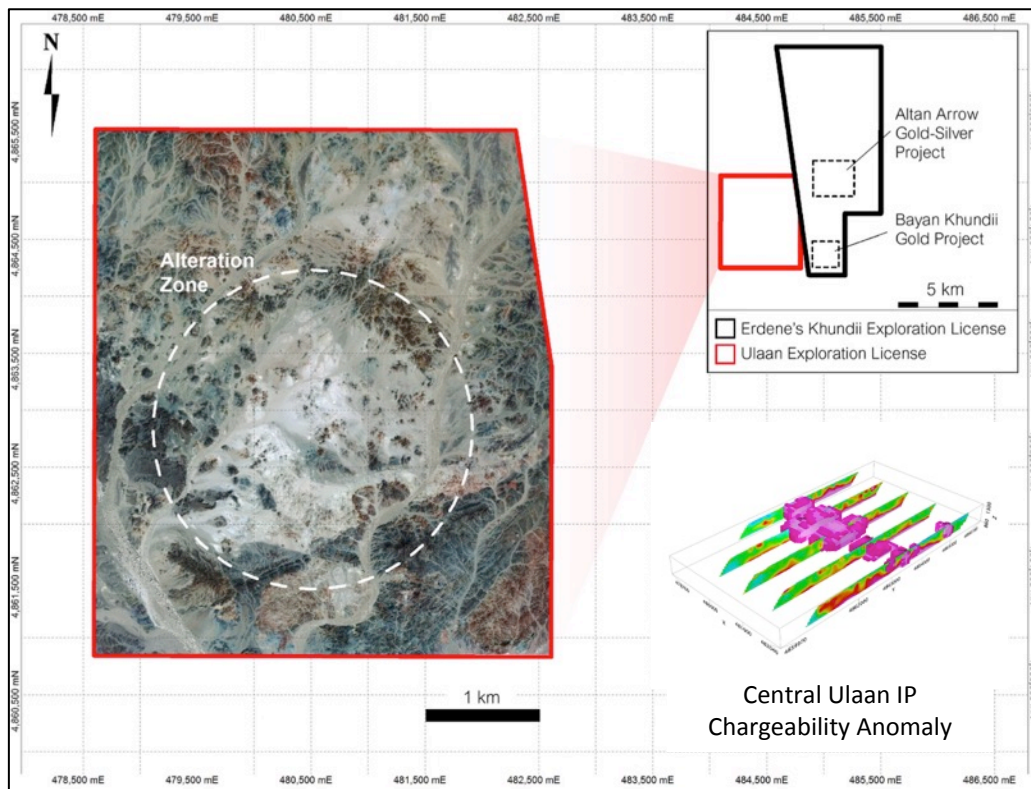
- **Khundii North:** 800m X 500m prospect area along trend of BK structure; multiple anomalous gold samples up to 0.9g/t, altered intrusive host with stockwork veining; magnetic low anomaly
- **Altan Arrow (AA):** High grade gold and silver epithermal veins over 2km * 1km area
 - Limited shallow drilling
 - 24g/t gold over 2 metres
 - 171g/t silver over 2 metres
 - Broad low grade zones 28 metres of 0.45 g/t Au Eq
 - Additional drilling planned for Q3/Q4-2017
- **Khundii West:** Anomalous gold and copper, advanced argillic alteration and vuggy quartz locally

Immediately West of Flagship Bayan Khundii Gold Project

Khundii Licence
Western Copper
Anomaly



Intense Alteration Zone Measuring 3 KM in Diameter

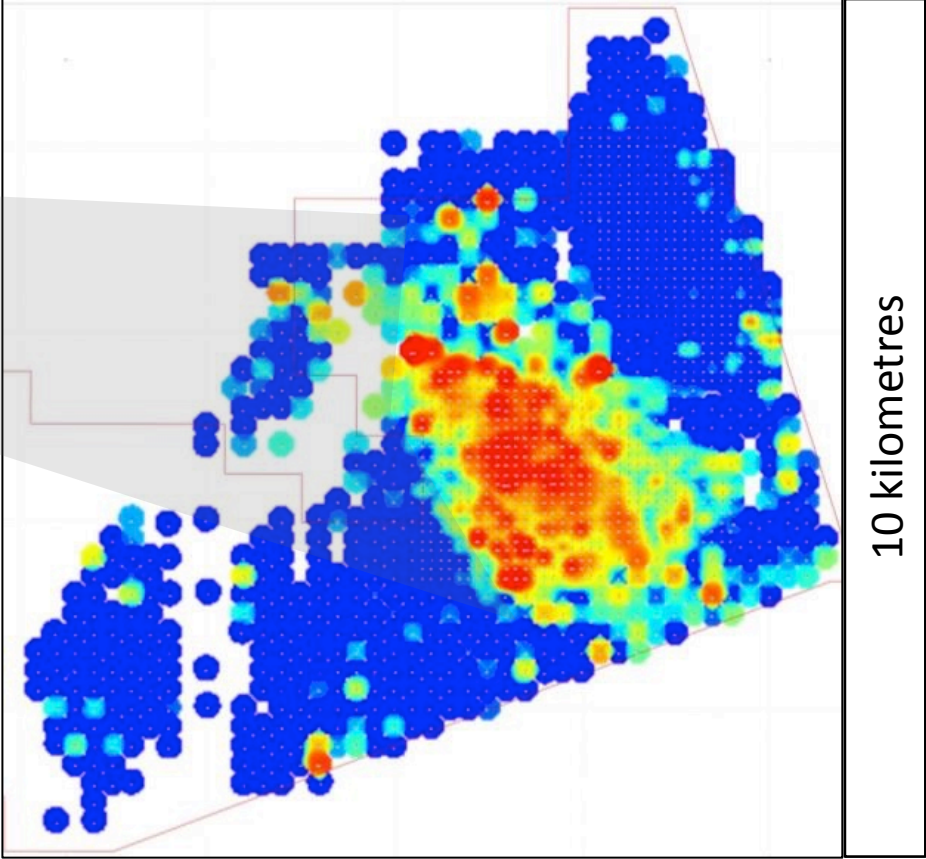
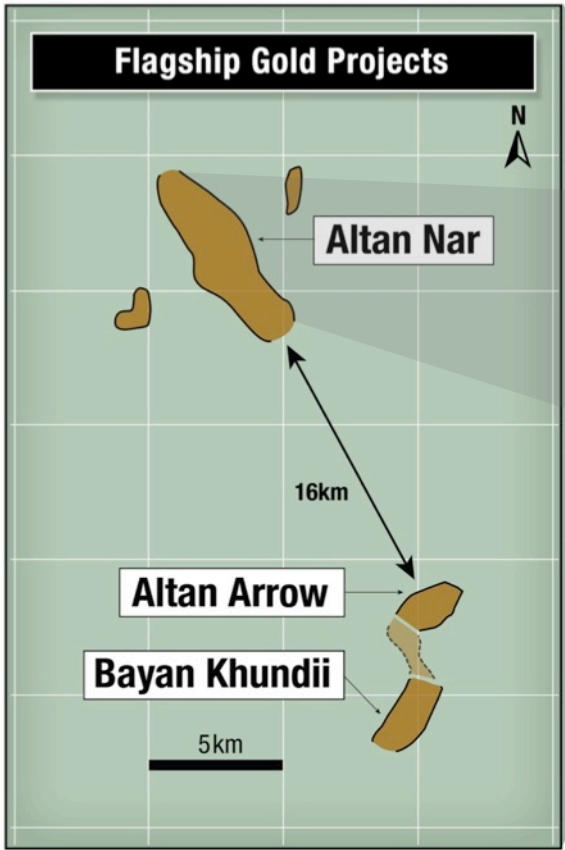


Ulaan Property Highlights

- Alteration, geochemical and geophysical signature consistent with porphyry-style mineralization
- Epithermal quartz veining and silicification and clay alteration similar to that at Bayan Khundii
- No history of drilling or trenching on property
- Exploration program underway

Altan Nar 16 KM North
of Bayan Khundii

High-Grade Au-Ag-Pb-Zn System; Soil
Anomaly

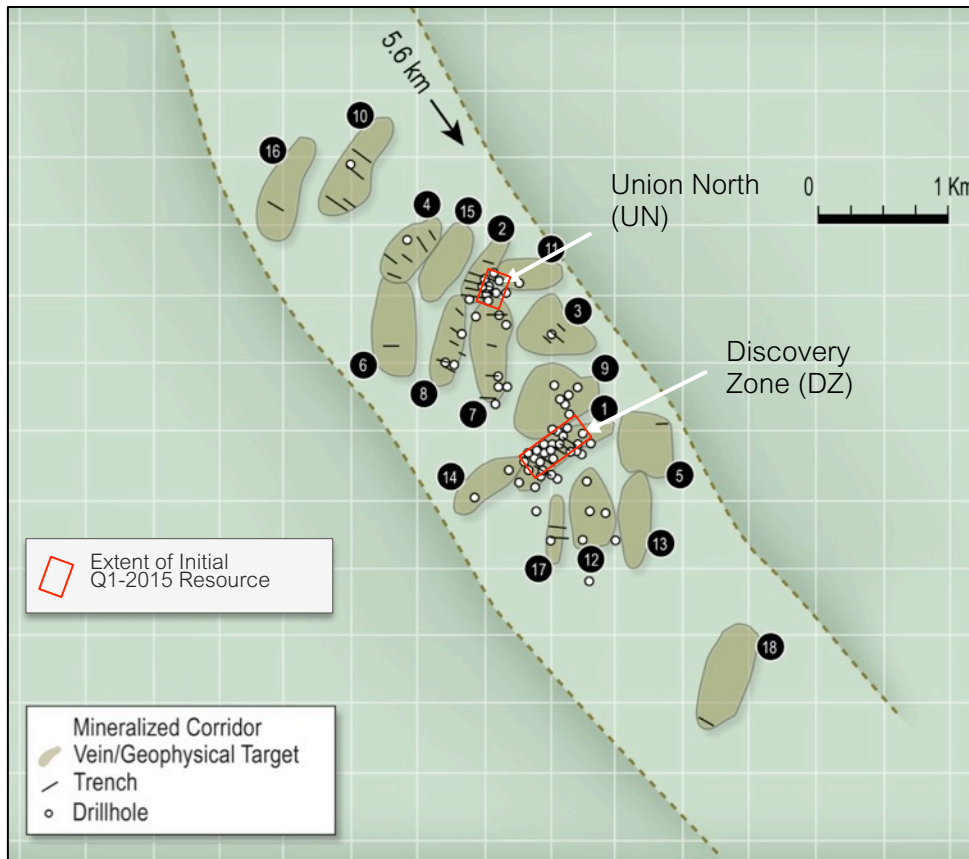


Altan Nar Gold-Polymetallic Project Highlights

First Hole at Altan Nar Returned 21m @ 3.0 g/t AuEq Within 50m of Surface, and 50m Vertically Below the Discovery Hole 16m @ 7.1 g/t AuEq



Altan Nar 5.6 KM Mineralized Trend

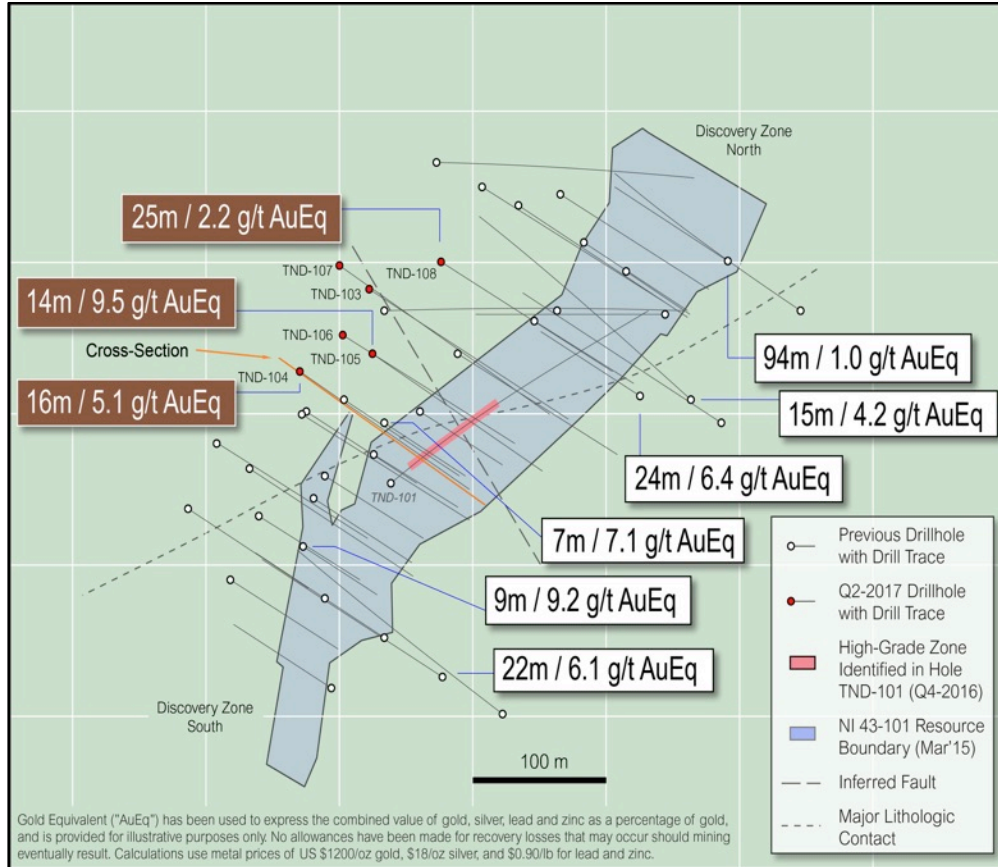


High-Grade Au-Ag-Pb-Zn System

- Initial, shallow NI 43-101 resource established on first 2 of 18 targets:
 - 147k oz Indicated @ 2.47 g/t AuEq and 102k oz Inferred @ 2.12 g/t AuEq (1.0 g/t AuEq cut-off) ¹
 - 90% of mineral resource is <150 m of surface; all zones open along strike and at depth
- Significant exploration potential within 5.6 km mineralized trend
- Initial metallurgy yields 88% gold recovery (Discovery Zone North)

1) See Forward Looking Statements on slide 2 for cautionary statements regarding Gold Equivalent calculations

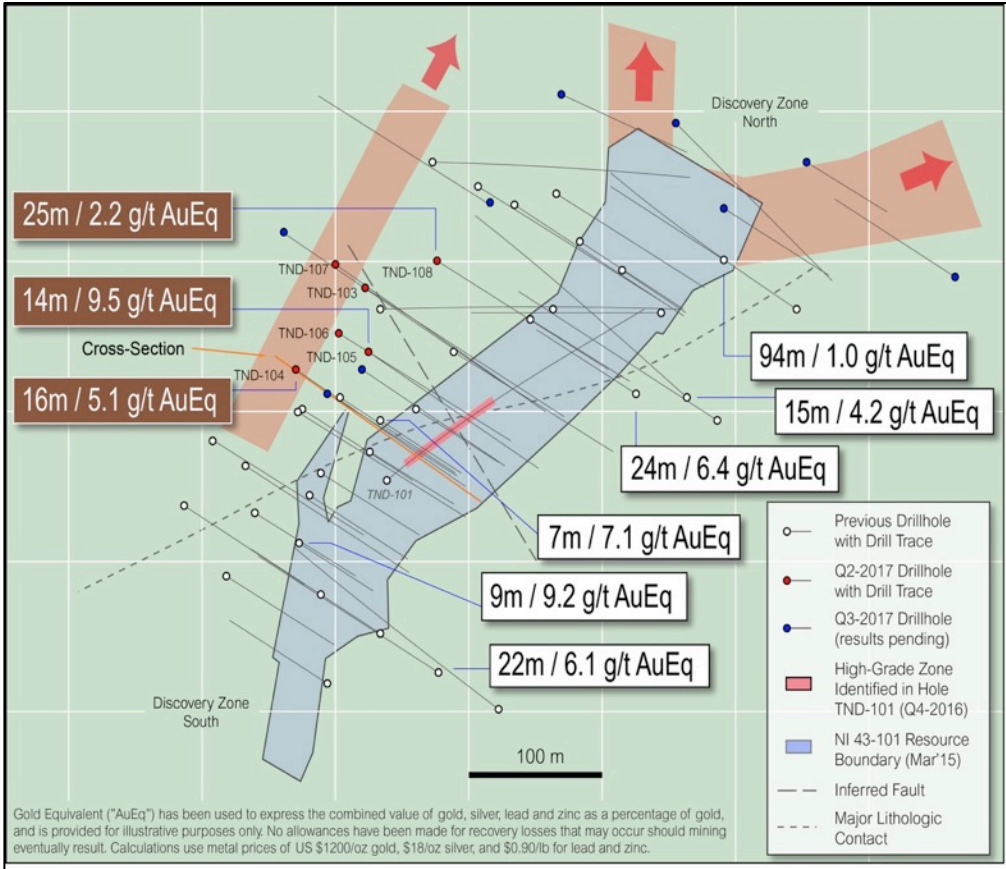
Plan Map



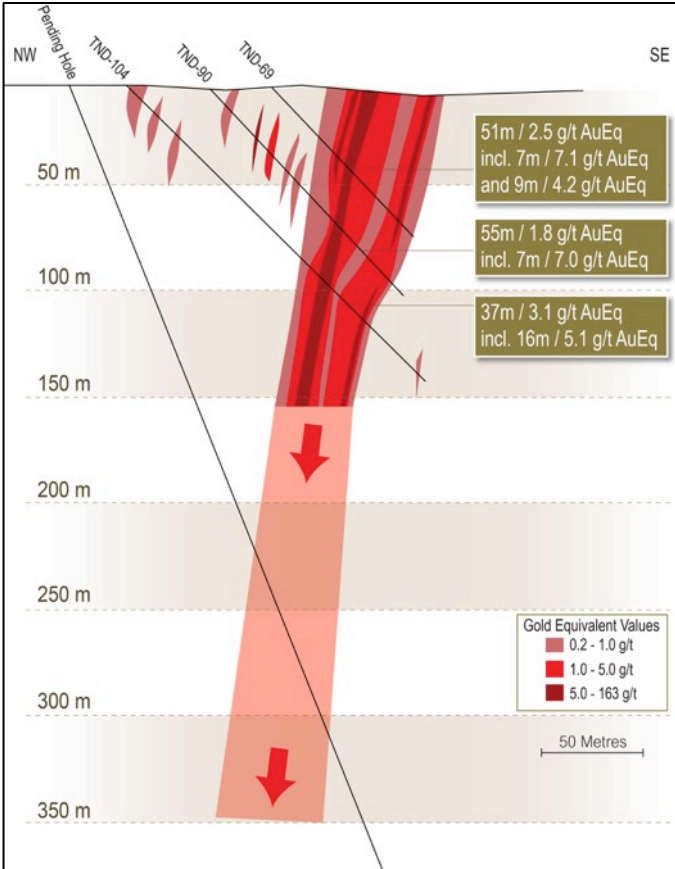
Highlights

- Exposed at surface
- Minimum strike length of 500 metres
- Broad, near-surface zones of high-grade gold and base metal mineralization
- New high-grade zone identified in Q4-2016 in central DZ
- Q2-2017 drilling returned up to 14 m of 9.5 g/t AuEq
- Mineralization remains open at depth
- Geophysical surveys have defined multiple drill targets throughout the 5.6 km trend
- Follow-up drill program underway

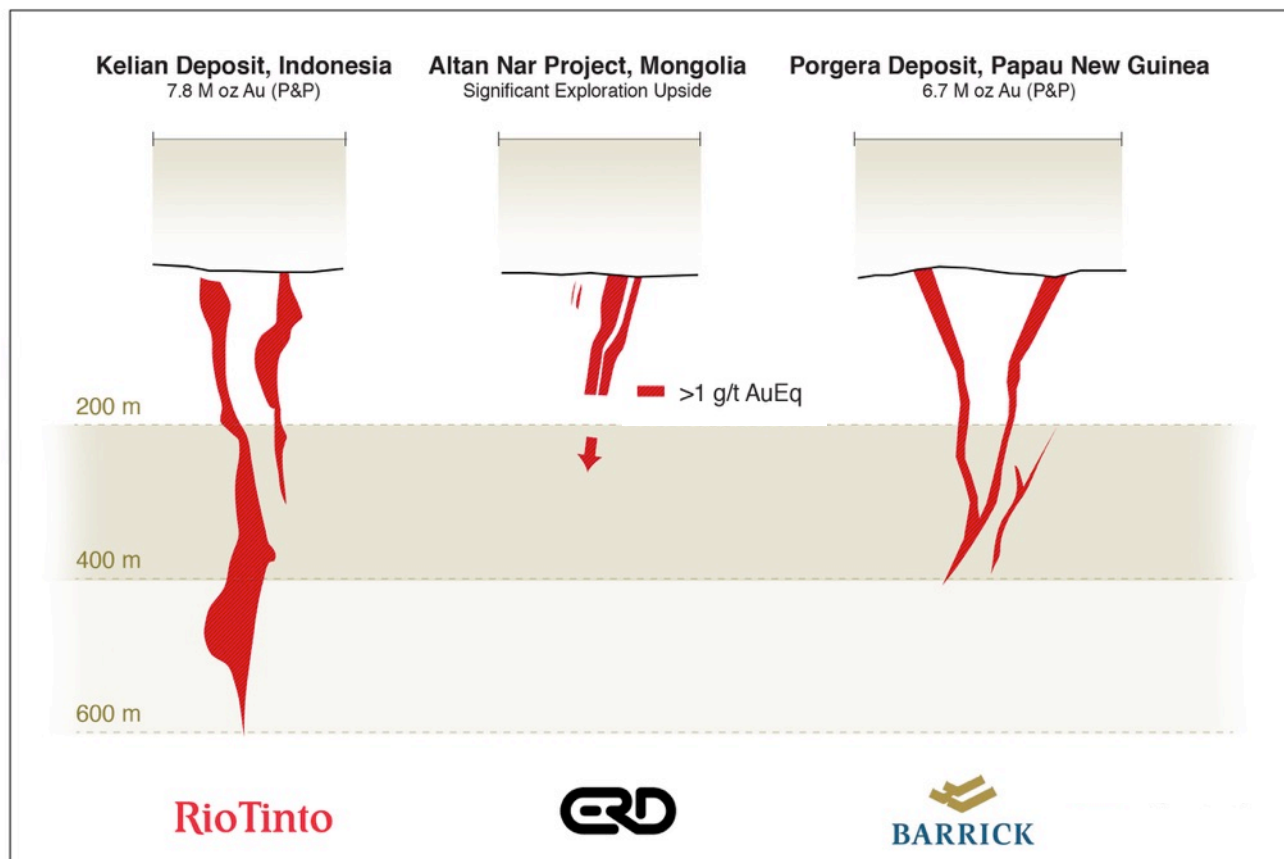
Plan Map



Cross-Section (Looking southwest)

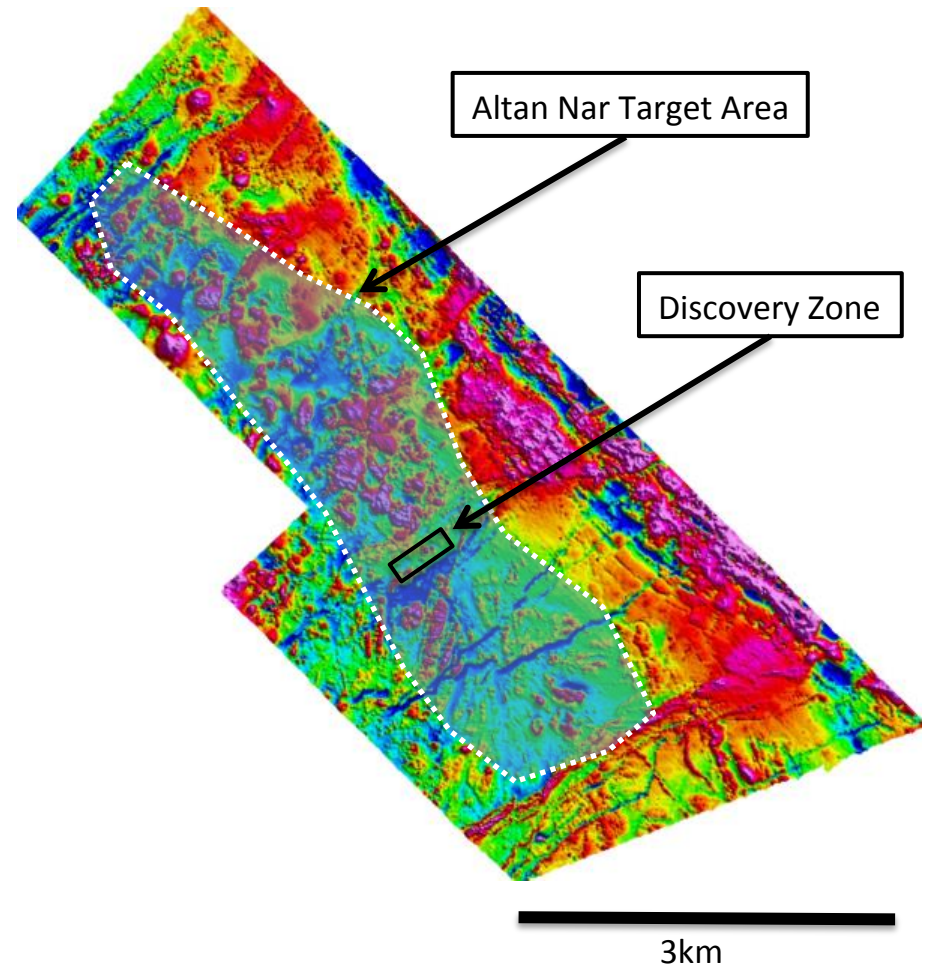


High Grade, Steeply Dipping Zones, Open at Depth and Along Strike



Magnetite destruction associated with mineralized vein/breccia zones

- High Resolution Ground Magnetic Survey: 1,000 line-km magnetic survey completed in Q2 outlining zones of magnetite destruction associated with mineralized vein/breccia zones
- Structural Interpretation: Dr Armelle Kloppenburg of 4DGeo is on site developing a structural framework model
- Logantek Mongolia to complete a Downhole Geophysics Pilot Survey on Discovery Zone
- Drilling in Q3-Q4 2017 to follow up on multiple targets



A Fertile New Gold-Copper Terrane – Satellite Image

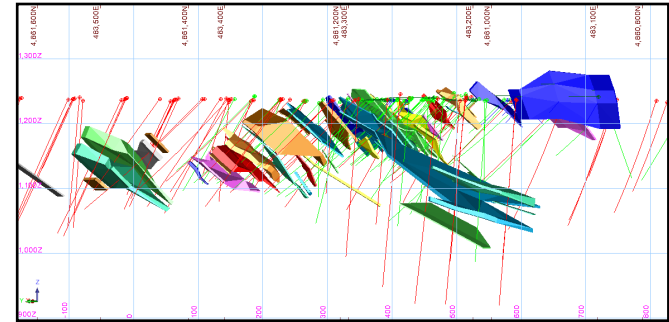
Au (gold), Cu (green), Mo (blue) Deposits & Advanced Prospects



Bayan Khundii & Altan Nar Gold Projects

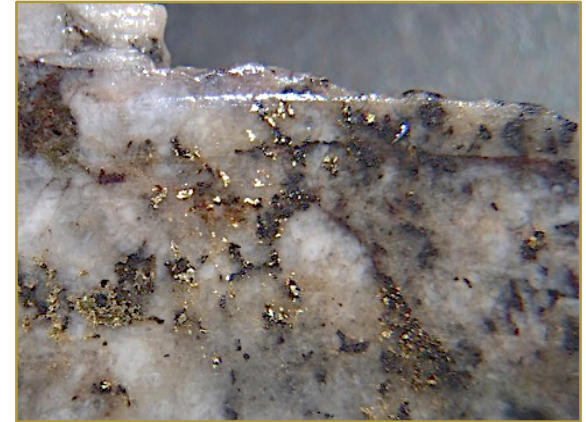
Advancing Toward Development

- Near surface, open pit developments
- Potential for central processing facility
- Environmental baseline studies underway
- Water reserve established within 40 km
- Power assessment underway, including assessment of renewable energy viability
- Maiden resource estimate for Bayan Khundii and updated resource for Altan Nar anticipated in 2018
- Economic analyses, open pit design and use of centralized processing facility for Bayan Khundii and Altan Nar to be developed in 2018



Bayan Khundii Project

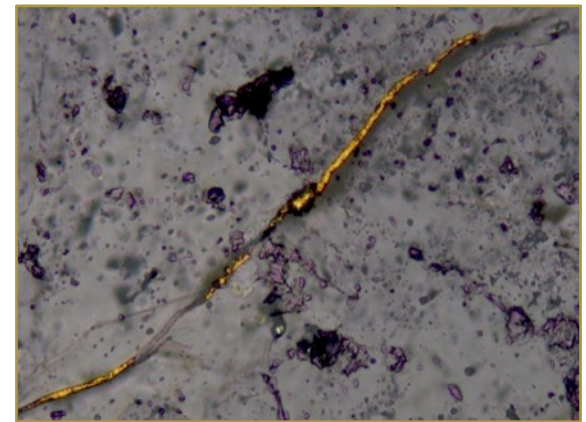
- Free milling and amenable to conventional processing
- Master composites ranging from 0.7 g/t to 24.9 g/t gold
 - Up to 99% recovery
 - Standard 60 to 75 micron particle size and 48-hr bottle roll
- Grindability studies
 - Bond Rod Mill Work Index of 17.8 kWh/tonne
 - Bond Ball Mill Work Index of 16.1 kWh/tonne
- Additional metallurgical work to be initiated in Q4-2017 on Master Composites in the 1.5 g/t to 3 g/t range



Drill core sample (Bayan Khundii)

Altan Nar Project

- Discovery Zone North (40% of Total Resource):
 - 88% gold recovery from cyanidation
 - High-grade gold-lead-silver concentrates (229 g/t gold, 62% lead, 1,029 g/t silver) from flotation with reasonable overall recoveries (75% gold, 74% lead, 64% silver) using conventional lead-zinc differential flotation.
 - Additional Metallurgical Work in 2018

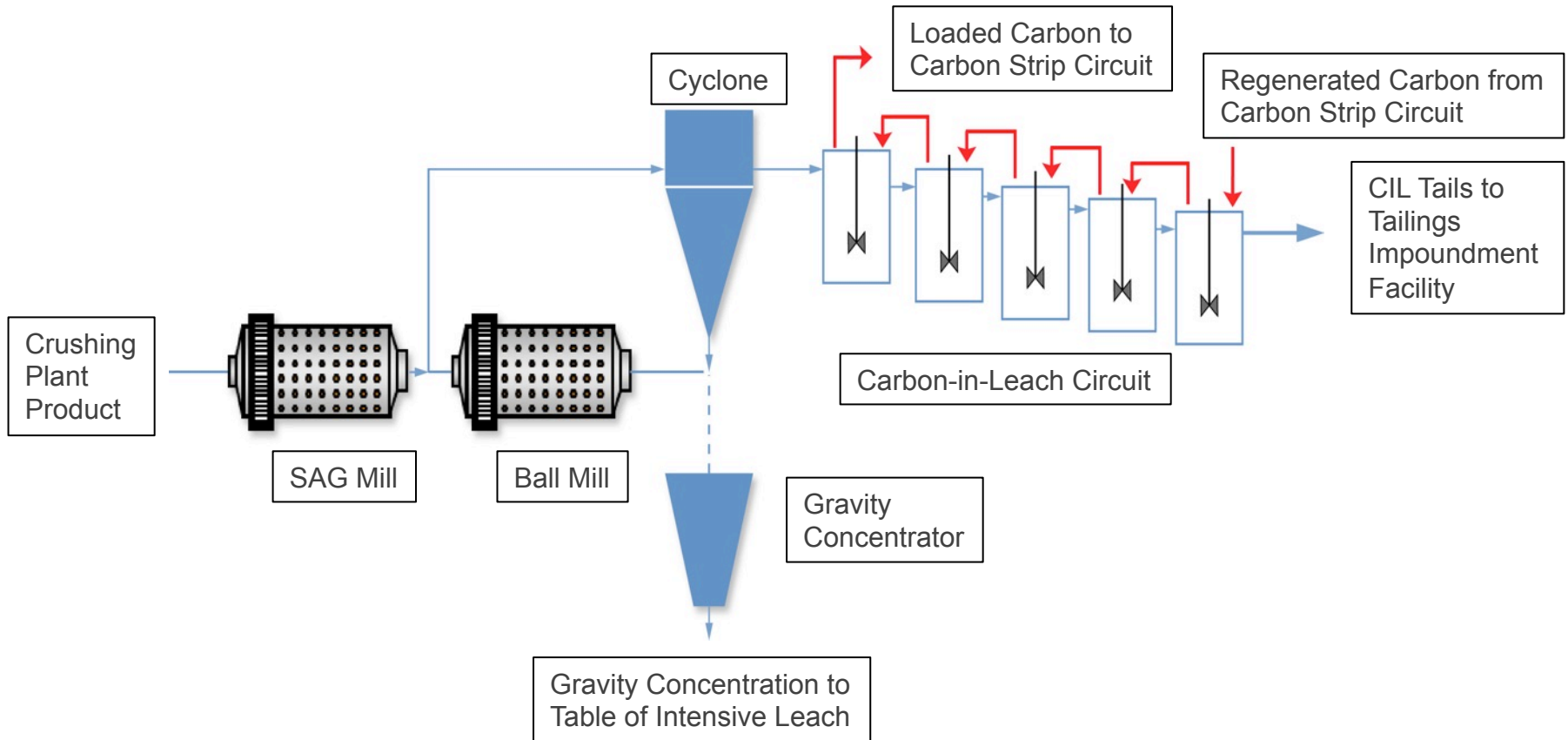


Petrographic sample (Bayan Khundii)

Bayan Khundii Gold Project

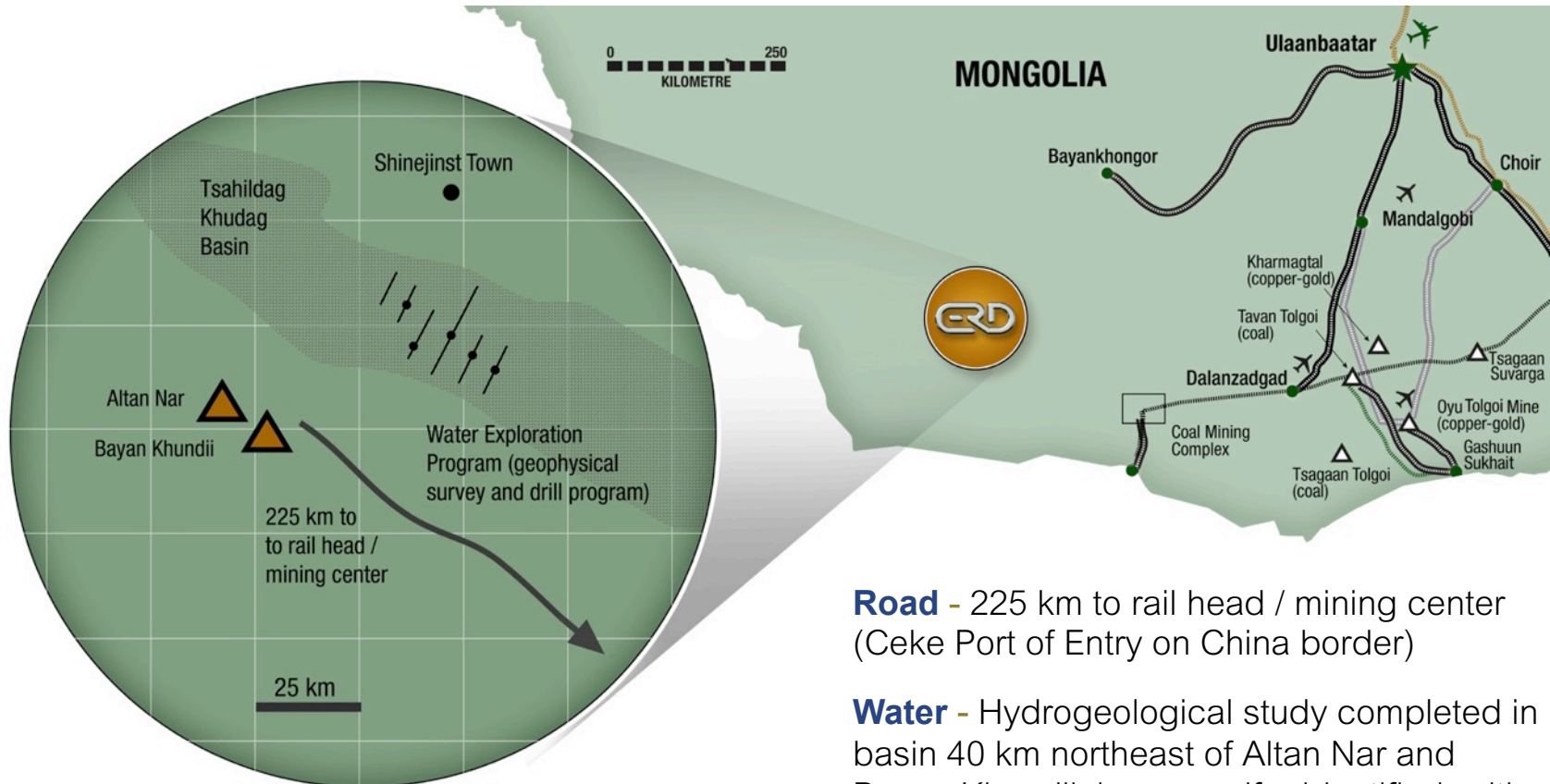
Potential Process Flowsheet

Bayan Khundii material is free milling and is anticipated to be processed with conventional CIL and gravity separation



Bayan Khundii & Altan Nar Gold Projects

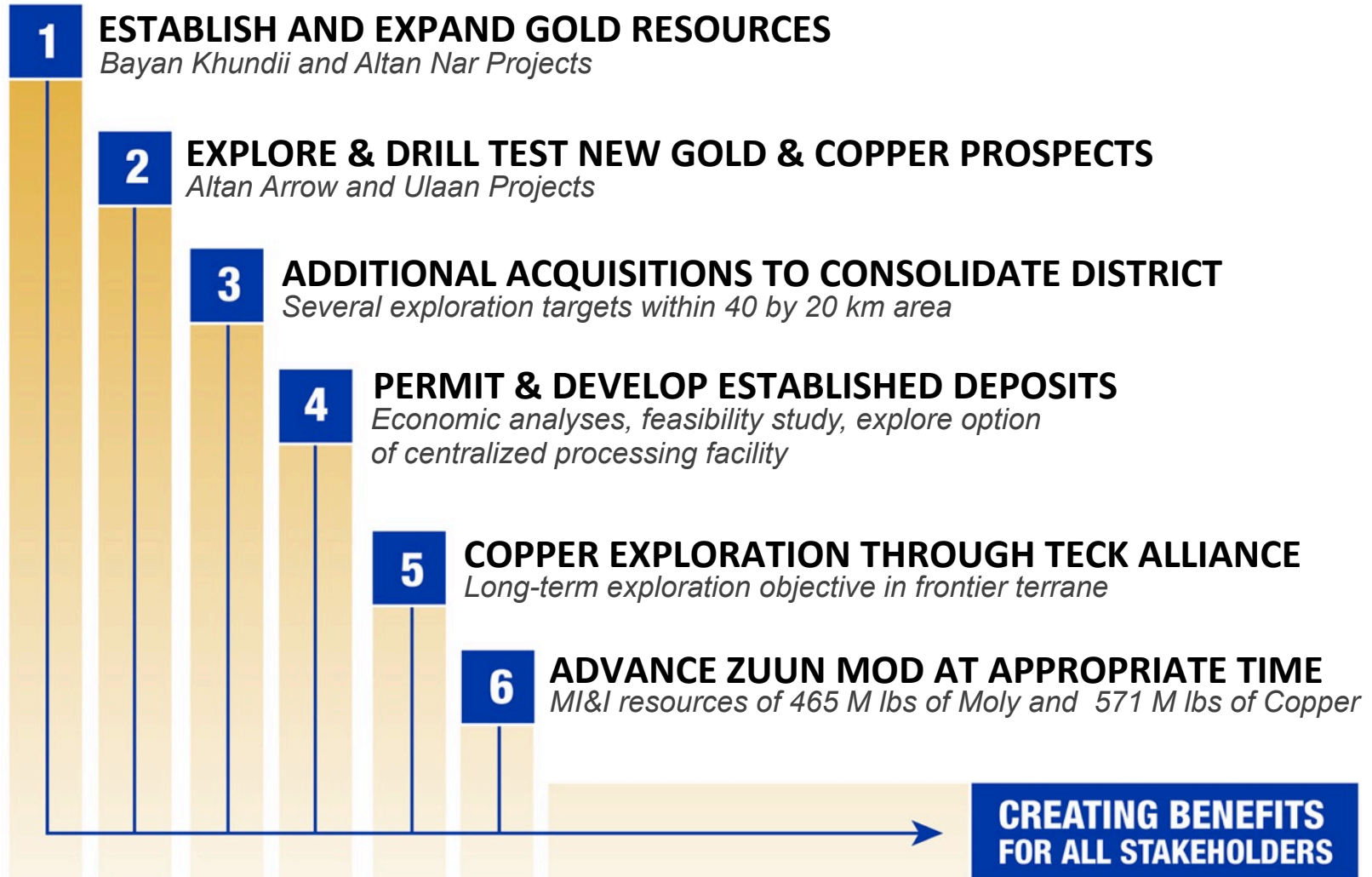
Regional Infrastructure



Road - 225 km to rail head / mining center (Ceke Port of Entry on China border)

Water - Hydrogeological study completed in basin 40 km northeast of Altan Nar and Bayan Khundii; large aquifer identified, with estimated water resource at 116 L/sec

Power - 35 kV electrical grid located 70 km north-northeast at town of Shinejinst



- **High-Grade Gold Projects**
- **First Mover in New Metals District**
- **Early in Discovery Phase**
- **Near-Surface**
- **100% Ownership**
- **Good Metallurgy**
- **Significant Expansion Potential**
- **Well Financed**
- **Strong Board and Management**





ERDENE RESOURCE DEVELOPMENT

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