

HALIFAX, NOVA SCOTIA--(Marketwired - Apr 11, 2016) - [Erdene Resource Development Corp.](#) (TSX:ERD) ("Erdene" or "Company") is pleased to announce it has signed financing agreements ("Transaction") with [Sandstorm Gold Ltd.](#) ("Sandstorm") (NYSE MKT:SAND)(TSX:SSL) that provide total consideration of C\$2.5 million to Erdene to advance exploration and development programs on the Company's gold projects in southwest Mongolia.

The Transaction is subject to approval from the Toronto Stock Exchange.

Transaction Highlights

- Provides funding to Erdene for 2016 projects, specifically drilling of the high-grade Bayan Khundii gold project
- Sandstorm will provide cash consideration of C\$1.0 million through a private placement of 5 million common shares of Erdene at \$0.20 per share
- Sandstorm will provide consideration of C\$1.5 million in common shares of Sandstorm for the purchase of a 2% net smelter returns royalty ("NSR Royalty") on the Company's Bayan Khundii gold project and Altan Nar gold-polymetallic project
- Erdene has a three year option to buy-back 50% of the NSR Royalty for C\$1.2 million to reduce the NSR Royalty to 1%
- Sandstorm to hold the Erdene shares for a minimum of 18 months

"We welcome Sandstorm as an investor in Erdene and view this Transaction as an endorsement of the quality and potential of our Company's flagship gold projects," said Peter Akerley, Erdene's President and CEO. "This financing allows us to create value by completing a detailed evaluation and drilling program at Bayan Khundii in a manner that balances our need for capital with preserving shareholder ownership in what we believe could be a very significant new gold district."

Transaction Summary

The Sandstorm transaction includes both equity of Erdene and Sandstorm and royalty components that provide total cash and securities consideration of C\$2.5 million to Erdene. The financing 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 equity private placement for a minimum of 18 months. The royalty in favor of Sandstorm is a 2.0% NSR Royalty on the Company's two flagship gold projects in southwest Mongolia; Bayan Khundii and Altan Nar (see project summaries below). The Transaction provides Erdene with a 3-year option to buy-back 50% of the NSR Royalty for C\$1.2 million, reducing 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 Transaction is subject to approval from the Toronto Stock Exchange.

Bayan Khundii Gold Project

Discovered in Q2-2015 with initial drill results reported in Q4-2015, Bayan Khundii has rapidly become the highest priority project for the Company based on its very high grades (up to 12 metres of 16 g/t gold from 11 to 23 metres depth; [click here for link](#)), favorable metallurgy (99% gold recovery from high-grade composite using gravity and leach; [click here for link](#)), and size potential (shallow average drill depth of 46 metres). An exploration program is now being launched which includes a 3,500 metre drill program (commenced April 8, 2016; [click here for link](#)), extensive geophysical and geochemical testing, as well as multiple studies in advance of a mining licence application and economic evaluation. Results of these programs are expected to be available in late Q2 and Q3 2016. The program is designed to determine the continuity, grade and extent of the gold mineralization at Bayan Khundii and is anticipated to result in a maiden resource estimate.

Altan Nar Gold-Polymetallic Project

Discovered in 2011, Altan Nar hosts a total of 18 mineralized (gold, silver, lead and zinc) target areas within a 5.6 by 1.5 km mineralized corridor. Two of the early discoveries, Discovery Zone ("DZ") and Union North ("UN"), are the most advanced targets, hosting wide zones of high-grade, near-surface mineralization, and were the focus of an initial National Instrument 43-101 resource estimate released in Q1-2015 ([click here for March 31, 2015 news release](#)). The remaining 16 targets are either undrilled or scout-drilled and are considered by Erdene to have good potential for hosting additional resources. The 2016 exploration programs at Altan Nar may be influenced by results from Bayan Khundii in that certain synergies could exist in various areas of the project that assist in prioritizing what programs will be completed at Altan Nar. Studies related to a mining licence application at Altan Nar, similar to those being carried out at Bayan Khundii, are expected to commence in Q2-2016.

Qualified Person

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

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 Ltd.](#) 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 109,876,030 issued and outstanding common shares and a fully diluted position of 124,583,316 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.

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