HALIFAX, NOVA SCOTIA--(Marketwired - Sep 6, 2016) - Erdene Resource Development Corp. (TSX:ERD) ("Erdene" or "Company") is pleased to announce it has commenced its Q3-Q4 2016 drilling campaign at its 100%-owned high-grade gold projects in southwest Mongolia. Drilling commenced on September 5, 2016 at the Company' Bayan Khundii Gold Project ("Bayan Khundii"), and will be followed by drilling at the Company's Altan Nar Gold-Polymetallic Project ("Altan Nar"), 19 kilometres to the northwest of Bayan Khundii.

The first phase of Erdene's Q3-Q4 campaign will consist of approximately 5,000 metres of drilling designed to test the boundaries and build confidence in the continuity of the high-grade gold zones within the main mineralized trend at Bayan Khundii. Initial assay results from the first phase are expected in early Q4.

The size and design of the second phase of Erdene's Q3-Q4 drilling campaign will be determined following the Company's in-depth analysis of new data collected from an extensive technical evaluation completed in August 2016 at Bayan Khundii and Altan Nar. The independent geological evaluation, which was conducted by renowned consultants with expertise in epithermal and porphyry mineral deposit systems, has given Erdene valuable insights into the geology and mineralizing processes that led to the formation of the Bayan Khundii prospect and the Altan Nar deposit. It is expected that the second phase of the new drilling campaign will focus on the largely untested and highly prospective region within the 1.7 kilometre Bayan Khundii trend, and also resource expansion and scout drilling at the 5.6 kilometre Altan Nar trend.

"We are very pleased with the results of the independent expert evaluations. They provided key insights leading to the generation of new exploration targets, and further enhanced our understanding of the nature and significant exploration upside of our two flagship gold projects," said Peter Akerley, Erdene's President and CEO. "Our ongoing drill program has been designed to test these targets and better define the limits of the main mineralized zones. We anticipate the first batch of results to start arriving in early October, with results continuing throughout the fourth quarter of 2016."

At Bayan Khundii, geological, structural, petrographic, clay spectral and fluid inclusion data observations point to two separate thermal events that post-date the deposition of a thick sequence of volcanic tuffs. The first thermal event was a high-temperature metasomatic event that resulted in a widespread potassic and localized advanced argillic alteration. This was presumably associated with the emplacement of a granitic intrusion, possibly at depth below Bayan Khundii. The second, later thermal event led to the deposition of low sulphidation epithermal mineralization, with associated widespread alteration (green illite) of host tuffs and the deposition of quartz-adularia-sericite gold-silver veins and breccias. Mineralization included both very high concentrations of gold (e.g.: 187 g/t gold over 1 metre in drill hole BKD-01), and wide intervals of low to moderate concentrations of gold (e.g.: 5.3 g/t gold over 63 metres in drill hole BKD-17).

The tuffaceous units at Bayan Khundii are predominantly covered by a younger sequence of Cretaceous age sandstone-conglomerate sedimentary rocks and overlying amygdaloidal basalts. The identification of green illite-altered tuffs, exposed in erosional zones over a 750 metre by 1.5 kilometre area, coupled with strong induced polarization resistivity response at depth beneath the Cretaceous units, indicates that Bayan Khundii's epithermal system may be more widespread than the main exposed areas at surface, where much of the exploration has focused to date. Information generated in regards to potential tilting of the mineralized zone, vein intersection symmetry and structural offsets has been factored into the current drilling to test targets under Cretaceous cover and at depth below the extent of drilling in the main Bayan Khundii mineralized zone.

At Altan Nar, recent geological, structural and clay spectral observations have confirmed that the deposit is an intermediate sulphidation, base metal-carbonate, gold-silver-lead-zinc epithermal deposit. Mineralization is hosted in angular, matrix-supported hydrothermal breccias and quartz-manganese carbonate veins, with associated white mica alteration envelopes within altered andesite flows. Mineralized and hydrothermally altered vein-breccia zones are structurally controlled. Textural, mineralogical and geochemical evidence indicates that multiple mineralizing events were focused along structures.

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 in southwest Mongolia. This reconnaissance work led to the discovery of the Bayan Khundii, low sulphidation epithermal gold prospect. Gold mineralization at Bayan Khundii has been identified over a 1.7 kilometre trend, with detailed exploration only taking place over a 500 metre by 350 metre 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 metres of 5.9 g/t gold in hole BKD-10 from surface to the bottom of the hole (including 12 metres of 16.2 g/t gold), and 63 metres of 5.3 g/t gold in hole BKD-17 starting at 50 metres. Drill results and program details are included in Erdene's press releases (click here).

In Q1 2016, the Company concluded preliminary metallurgical test work at Bayan Khundii, indicating that gravity concentration and cyanidation of the gravity tails yield very good overall gold recoveries for both high-grade and low-grade composites: 99% gold recovery from the high-grade composite (24.9 g/t gold), and 92% gold recovery from the low-grade composite (0.7 g/t gold). The license has a 2% net smelter returns royalty ("NSR Royalty") in favour of Sandstorm Gold Ltd. with a buy-back option to reduce the NSR Royalty to 1%.

About the Altan Nar Gold-Polymetallic Project

Discovered in 2011, the Company's Altan Nar gold-polymetallic project (19 kilometres northwest of Bayan Khundii) hosts a total of 18 mineralized gold-silver-lead-zinc target areas within a 5.6 kilometre by 1.5 kilometre 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 over variable widths (up to 53 metres apparent width) averaging in excess of 1 g/t gold, including intervals up to 19 metres averaging 5.8 g/t gold (7.8 g/t gold equivalent*). The DZ and UN targets were the focus of an initial National Instrument 43-101 resource estimate released by the Company in Q1 2015. Altan Nar remains at an early stage of exploration with only shallow, detailed drilling of DZ and UN with the remaining 16 targets either undrilled or scout-drilled, and are considered by the Company to have good potential for hosting additional resources. The license has a 2% NSR Royalty in favour of Sandstorm Gold Ltd. with a buy-back option to reduce the NSR Royalty to 1%.

*Gold equivalent has been used to express the combined value of gold, silver, lead and zinc at Altan Nar as a percentage of gold, and is 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 $1200/ounce gold, $18/ounce silver, and $0.90/pound for lead and zinc.

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 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 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. In addition to Bayan Khundii and Altan Nar, the Company has two other exploration licenses and a mining license in southwest Mongolia. Other deposits and prospects within these licenses include: Khuvyn Khar - an early-stage, copper-silver porphyry project with multiple drill targets and significant copper intersections; Nomin Tal - a narrow, high grade copper-gold discovery; 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 Altay region of southwest Mongolia. For further information on the Company, please visit www.erdene.com. Erdene has 121,125,992 issued and outstanding common shares and a fully diluted position of 134,432,906 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.

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