

NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES AND DOES NOT CONSTITUTE AN OFFER OF THE SECURITIES DESCRIBED HEREIN.

[Erdene Resource Development Corp.](#) (TSX:ERD) ("Erdene" or "Company") is pleased to announce that it has entered into an agreement whereby Paradigm Capital Inc. as lead underwriter and Canaccord Genuity Group Inc. (collectively, the "Underwriters") have agreed to purchase, on a bought deal basis, 12,988,000 common shares of the Company ("Shares") at a price of C\$0.77 per Share for gross proceeds to the Company of C\$10,000,760 ("Offering").

The Company has also granted the Underwriters an over-allotment option to increase the size of the Offering by up to an additional 15%, such option being exercisable in whole or in part at any time on or before 48 hours prior to the closing of the Offering ("Closing").

The Company intends to use the net proceeds of the Offering to advance its 100%-owned, high-grade Bayan Khundii and Altan Nar Gold Projects, and to further explore and develop the Company's other gold properties in southwest Mongolia, as well as for working capital and general corporate purposes.

The Closing is expected to occur on or about February 23, 2017 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange.

In consideration for their services, the Underwriters will receive a cash commission of 6% of the gross proceeds of the Offering and shall receive such number of compensation options as is equal to 6% of the Shares issued pursuant to the Offering.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This news release does not constitute an offer to sell or a solicitation to buy any securities in any jurisdiction.

About Erdene

[Erdene Resource Development Corp.](#) is a Canada-based resource company focused on the acquisition, exploration, and development of precious and base metal prospects in underexplored and highly prospective southwest Mongolia. Exploration success has led to the discovery and definition of several 100%-owned prospects and deposits including the Company's flagship and newly discovered, high-grade, near-surface Bayan Khundii gold project; the 5.6 km long Altan Nar gold-polymetallic mineralized trend that is host to 18 targets; the Altan Arrow gold-silver prospect and the Zuun Mod molybdenum-copper deposit. 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 126,885,031 issued and outstanding common shares and a fully diluted position of 134,431,281 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

Contact

[Erdene Resource Development Corp.](#)

Peter C. Akerley, President and CEO, or
Ken W. MacDonald, Vice President and CFO
(902) 423-6419

info@erdene.com / www.erdene.com

Twitter: <https://twitter.com/ErdeneRes>