



TSX:ERD | MSE:ERDN

ERDENE
RESOURCE DEVELOPMENT

DEVELOPING THE HIGH-GRADE KHUNDII GOLD DISTRICT

Precious Metals Summit - September 20-22, 2018

Peter C. Akerley, President and CEO

www.erdene.com

 @ErdeneRes

FORWARD LOOKING STATEMENTS

DEVELOPING
A NEW HIGH-GRADE
GOLD DISTRICT

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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 here in 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 news release dated September 18, 2018 for information pertaining to its Bayan Khundii mineral resource estimate. All resource estimates for Bayan Khundii reported in this presentation represent estimates as at September 18, 2018. Mineral Resources are reported on a dry in-situ basis. Mineral Resources have not been subject to detailed economic analysis and therefore, have not been demonstrated to have actual economic viability

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. Runge Pincock-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 Bayan Khundii and 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 30 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.

WHAT MAKES ERDENE UNIQUE?

**New Gold-copper
District**

**Two High-Grade
Deposits**

**Conventional
Processing**

**Experienced Board &
Management**

DEVELOPING
A NEW HIGH-GRADE
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BOARD OF DIRECTORS

Pioneers in Mongolia's Modern Exploration & Mining Era

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Pioneers in Mongolia's Modern Exploration & Mining Period

Peter Akerley
President & CEO



Mining executive/geologist with 30 years experience in exploration, corporate finance, project development & management of public resource companies.

Chris Cowan
Chairman



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

Dr. Anna Biolik
Director



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

David Mosher
Director



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

John Byrne
Director



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

Layton Croft
Director



Corporate executive, with 23 years Mongolia experience, and 14 years in the mining sector, including with Ivanhoe Mines, Rio Tinto, SouthGobi Resources, Peabody Energy, and Pancontinental Gold.

Cameron McRae
Director



Mining executive, with 28 years at Rio Tinto, including President of Oyu Tolgoi LLC where he led the construction of the US\$6 billion Oyu Tolgoi copper-gold mine in southern Mongolia.

CAPITAL STRUCTURE

Q2-2018: Two, Oversubscribed Financings for C\$5.5 Million

Q2-2018: First Foreign-Listed Company to Cross-List on the Mongolian Stock Exchange

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Share & Capital Structure

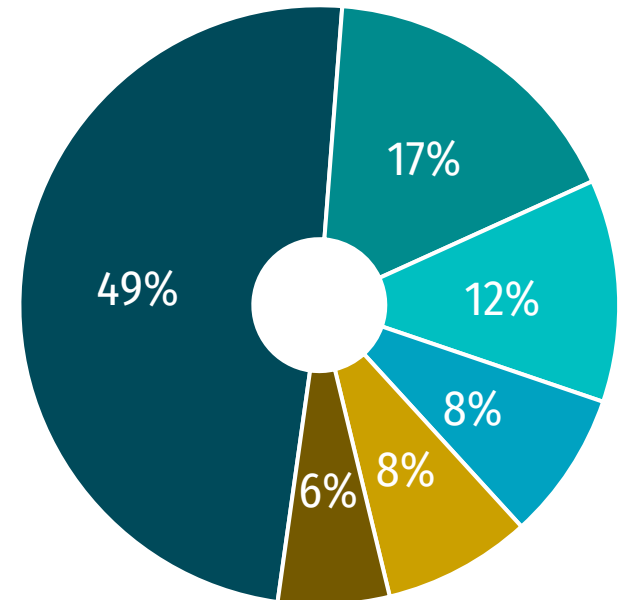
	CAD	USD
Share Price	\$0.40	\$0.31
52-Wk Range	\$0.32-\$0.83	\$0.25-\$0.64
Market Cap	\$65 mln	\$50 mln
Shares O/S	161.8 mln	-
Shares F/D	185.9 mln	-
Cash	\$4.0 mln	\$3.1 mln
Debt	nil	-

As of September 12, 2018

Stock Exchanges

Toronto Stock Exchange	ERD
Mongolian Stock Exchange	ERDN

Shareholder Summary



-  Retail
-  Institutional
-  High Net Worth Family Office
-  ERD Management and Directors
-  Teck Resources
-  Mongolian Shareholders

ERDENE AND MONGOLIA

**Erdene Has
Been Active in
Mongolia Since
2002; its
Principals Since
1997**

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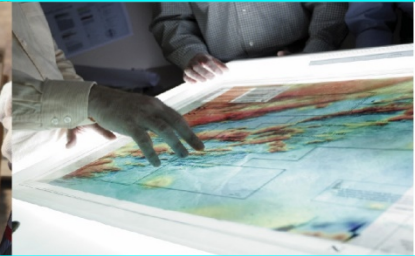
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Strong Technical and Social License to Operate



Principals in
Mongolia since 1996

Largest
proprietary
technical
database



First company cross -
listed on the MSE

Over 6,800
Mongolian
shareholders



CENTRAL ASIA OROGENIC BELT

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Prolific Metal Belt With Limited Exploration in Southwest Mongolia

- Includes some of the largest economic gold accumulations in the world, second only to Witwatersrand in South Africa for known gold resources
- Oyu Tolgoi copper-gold deposit; the most significant development project of one of the world's top mining companies



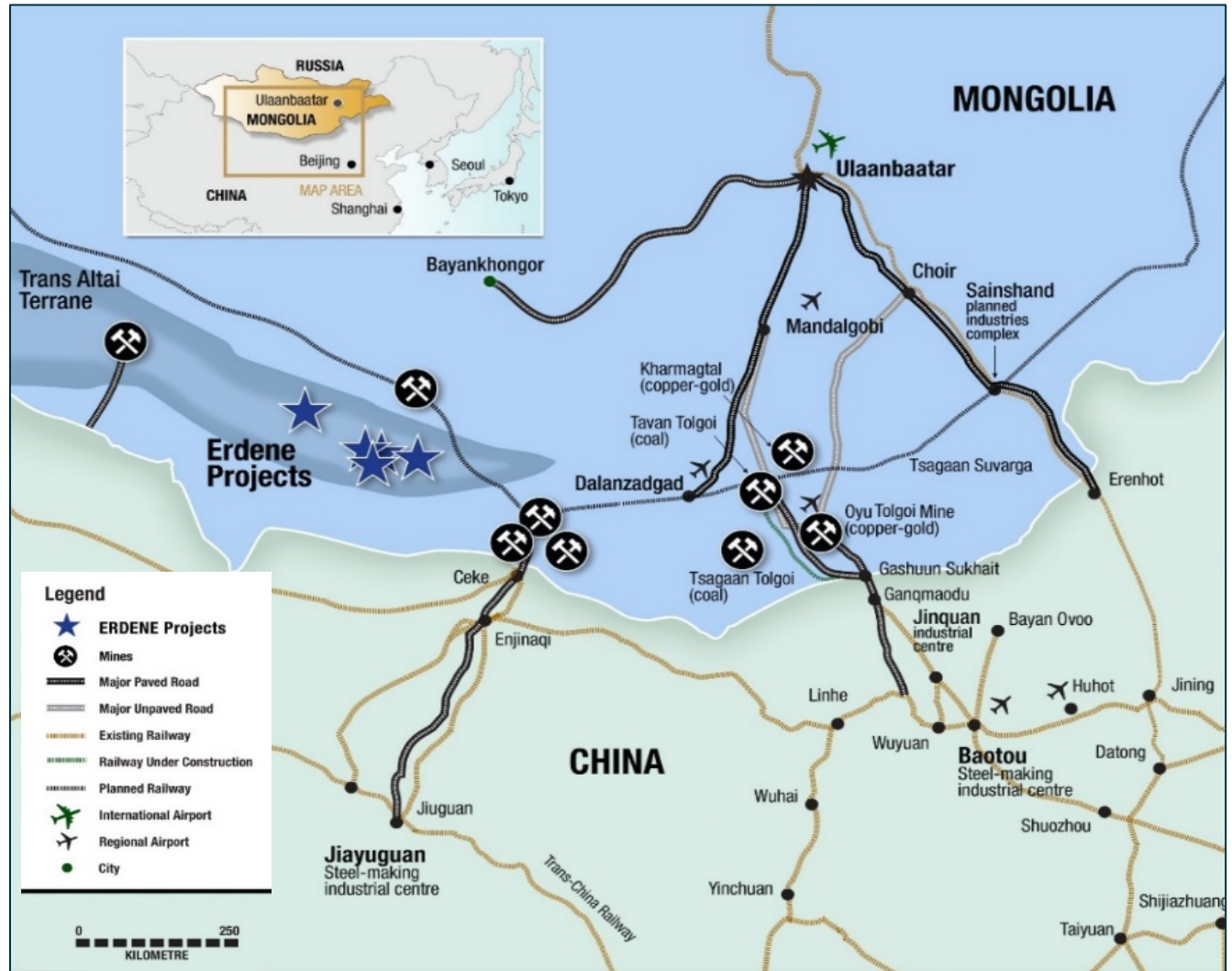
REGIONAL UPSIDE IN EXPANDING MINING DISTRICT

The **Khundii District** is at the Heart of an Emerging Resource Region

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Rapidly Expanding Infrastructure in Southern Mongolia



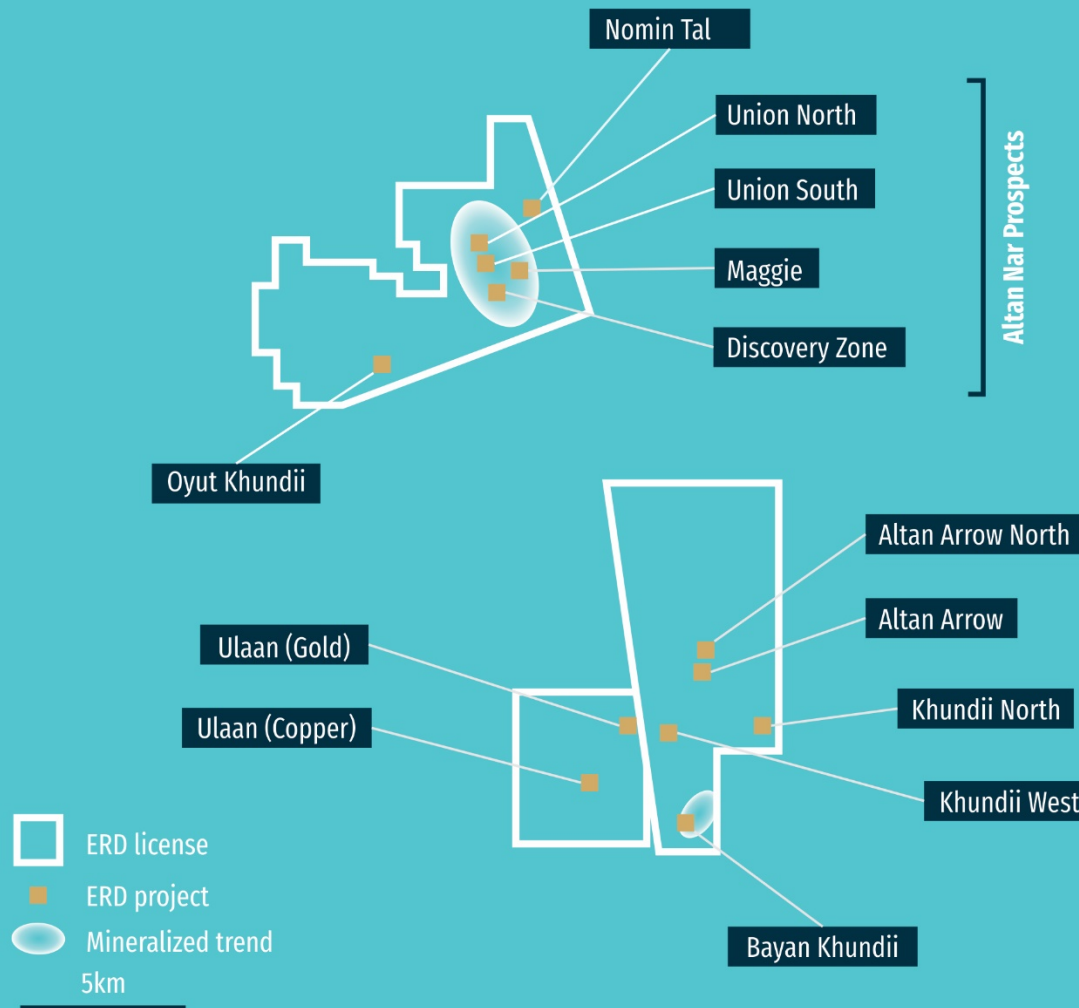
DISTRICT SCALE POTENTIAL

**Greater Than
90% of Drilling to
Date Focused on
Bayan Khundii
and Altan Nar
Projects Within
150 Metres of
Surface**

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The Khundii District - 25 x 10 km Mineralized Trend



ERDENE'S KHUNDII DISTRICT DEPOSITS

**642,000 ounces
gold @ 3.7 g/t
gold in
Measured and
Indicated**

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Erdene's Khundii Gold District Resource Estimate ¹

Cut-Off Grade ⁽²⁾	Resource Classification	Quantity (Mt)	Gold Grade (g/t)	Gold Ounces (000)	AuEq Grade (g/t)	AuEq Ounces (000)
0.2	Measured & Indicated	23.6	1.2	904	1.4	1,046
	Inferred	16.8	0.8	416	1.0	511
0.4	Measured & Indicated	15.1	1.7	824	2.0	965
	Inferred	8.6	1.2	342	1.6	436
0.6 / 0.7 ⁽³⁾	Measured & Indicated	10.1	2.3	751	2.7	886
	Inferred	5.2	1.8	291	2.3	382
1.0	Measured & Indicated	6.8	3.1	678	3.7	803
	Inferred	3.9	2.1	261	2.9	349
1.4	Measured & Indicated	5.5	3.7	642	4.3	755
	Inferred	3.4	2.3	250	3.0	333

1. Combined resources from Bayan Khundii and Altan Nar. See Appendix for more detail.
2. Cut-off grades for Altan Nar are AuEq and for Bayan Khundii are gold only.
3. RPMGlobal recommended cut-off grade for Bayan Khundii is 0.6 g/t gold and Altan Nar is 0.7 g/t AuEq above a pit and 1.4 g/t AuEq below the same pit shell.

HIGH-GRADE, NEAR- SURFACE DEPOSITS

Gold Grades are
in the **Top**
Decile of Active
Open Pit Gold
Mines ²

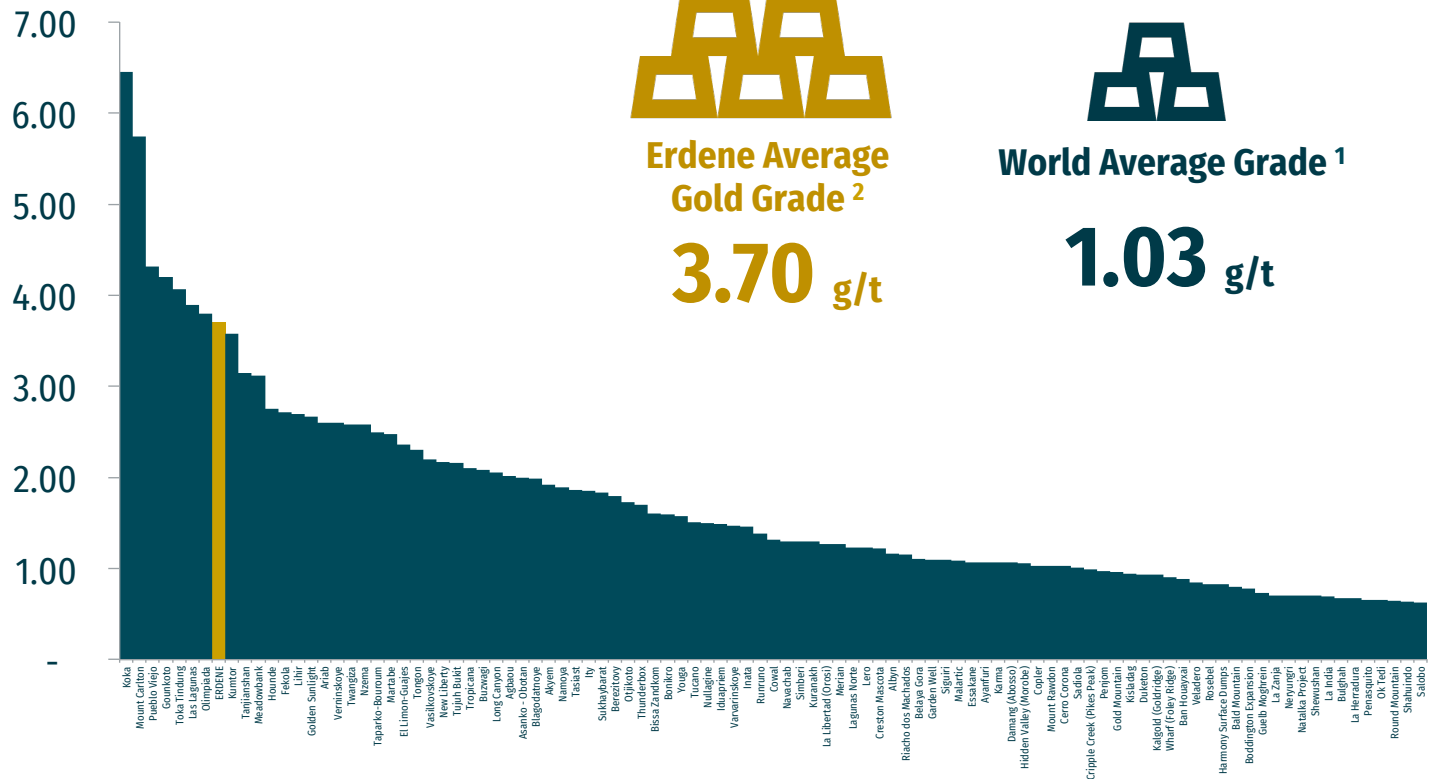
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Triple the Average Grade for Open Pit Gold Mines @ 1.4 g/t Cut-Off

Top 100 Global Open Pit Gold Mines Producing >70K oz Per Year ¹

Gold Grade (g/t)



1. Source: Wood MacKenzie Global Gold Mine Cost database for open pit gold mines, August 2018
2. Combined grade of Bayan Khundii and Altan Nar deposits, M&I @ 1.4g/t cut-off. See Erdene News Release, September 2018 announcing Bayan Khundii Resource Estimate

BAYAN KHUNDII GOLD PROJECT

**System Size: 1.5
km by 0.4 km**

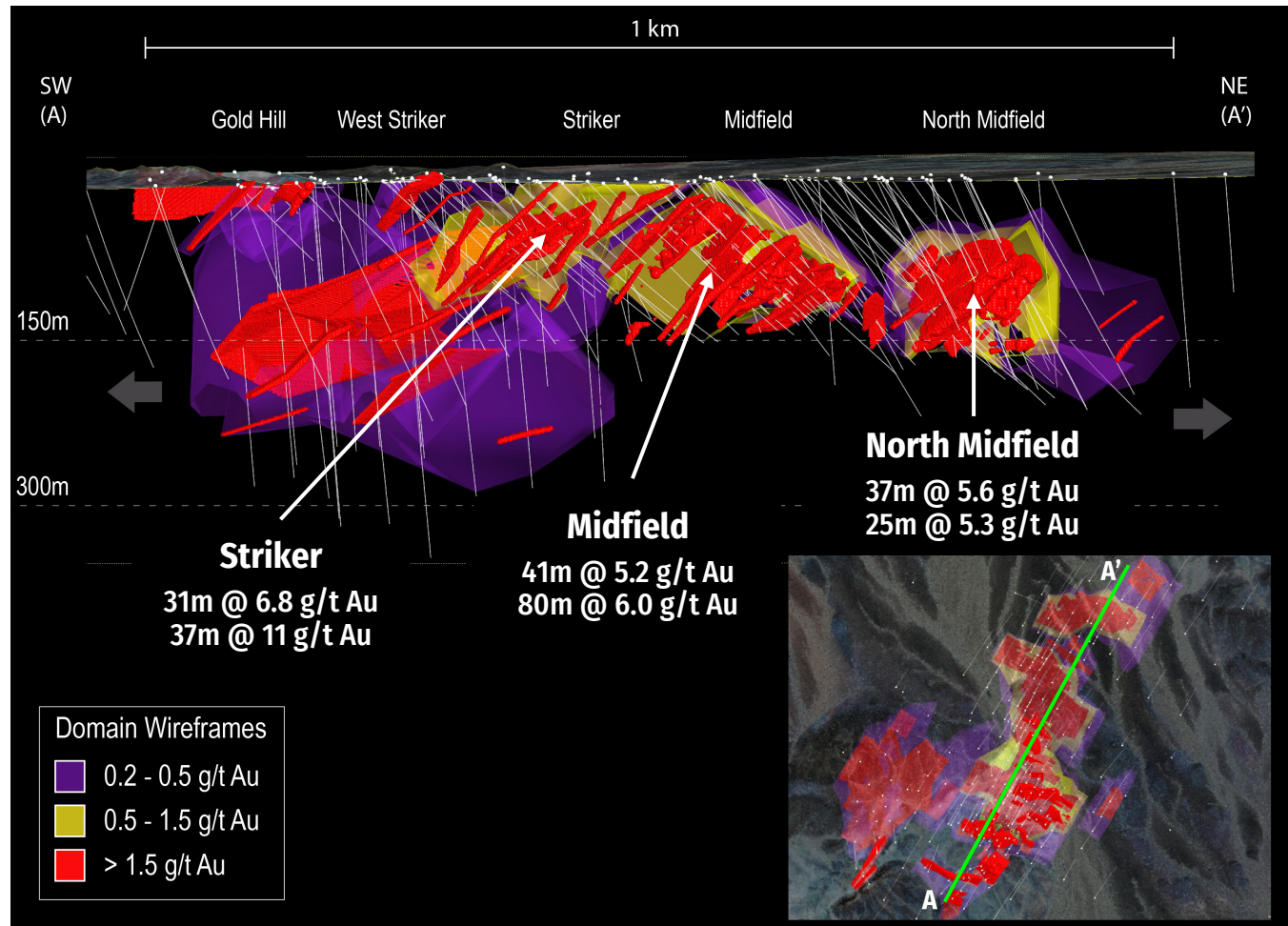
**Average of 162 m
Drill Depth of (60
Degree Dip)**

**255 Diamond Drill
Holes**

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Shallow, Broad Au Mineralized Envelope Around High-Grade Zones



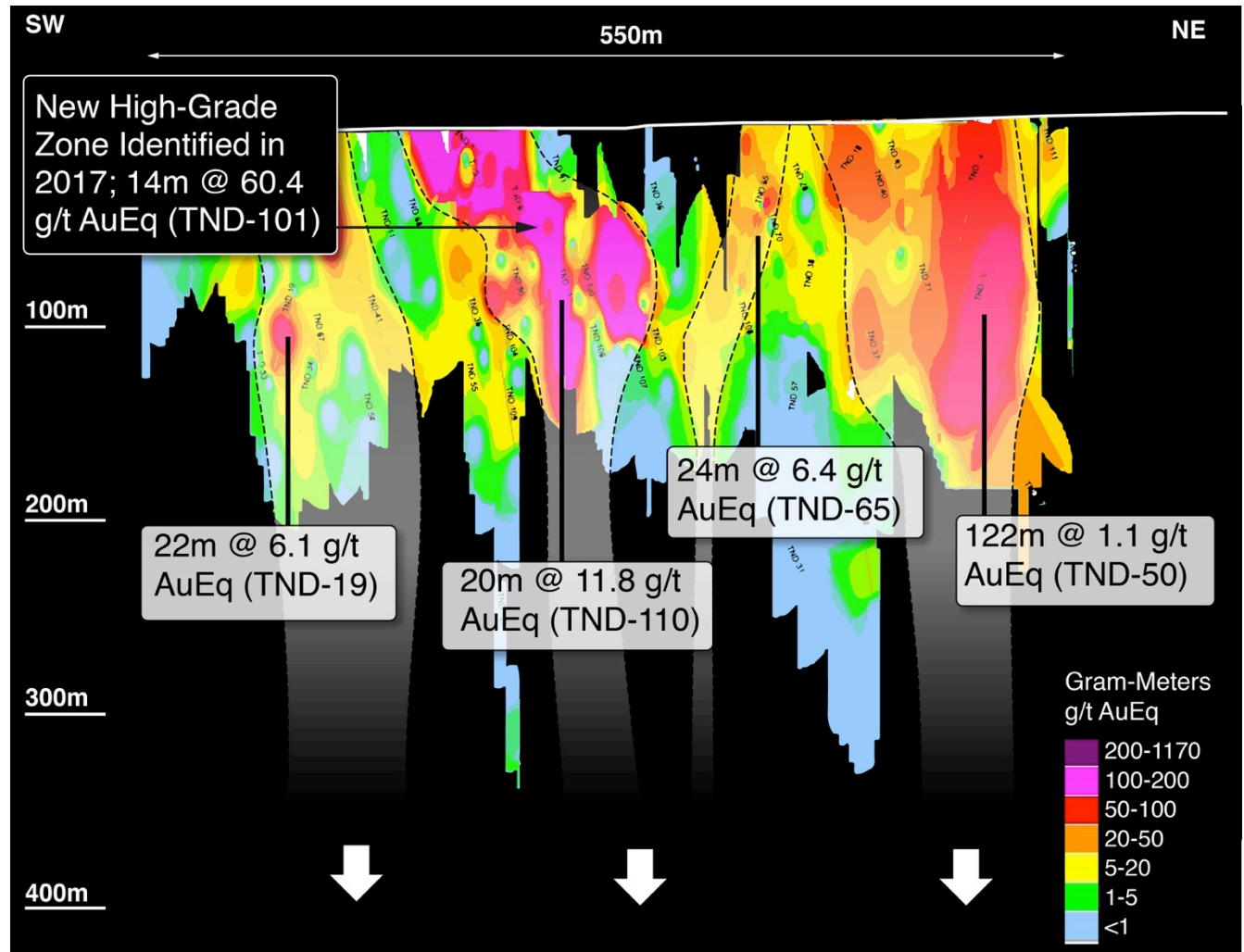
ALTAN NAR GOLD PROJECT

**High-Grade
Central Core to
Discovery Zone
Identified in 2017**

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High-Grade Core with Significant Exploration Upside at Depth



BAYAN KHUNDII GOLD PROJECT

High Yields:

High-Grade
Master
Composite - 99%

Low-Grade
Master
Composite - 92%

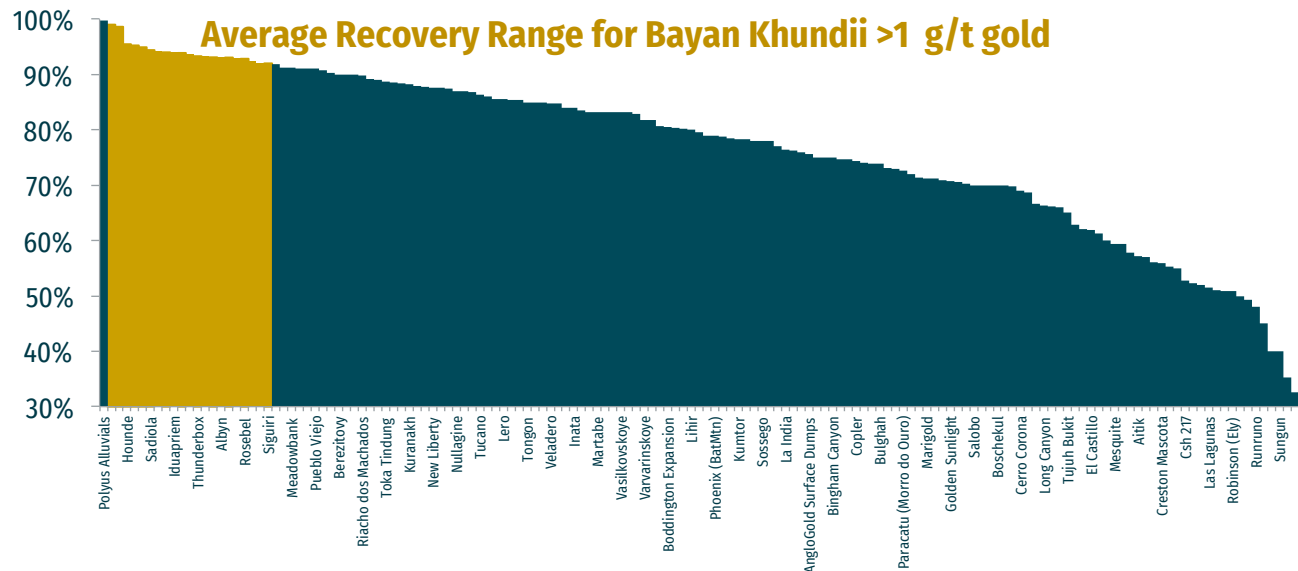
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High Recovery Rates Through Simple Processing

- Free milling and amenable to conventional processing ¹
- High-grade composite had a high response to gravity separation ¹
- Characterized by Au-rich quartz-adularia veins within a disseminated gold-bearing, altered volcanic host defined by hypogene and supergene iron oxides, silification and illite alteration

Metallurgical Recoveries for Global Open Pit Gold Mines Producing >70K oz Per Year ²



- See Erdene news releases, dated February 16, 2016, and September 14, 2017 for summaries of metallurgical testing
- Based on Wood MacKenzie Global Gold Mine Cost database for global open pit gold mines producing >70K oz/yr (Aug 2018)

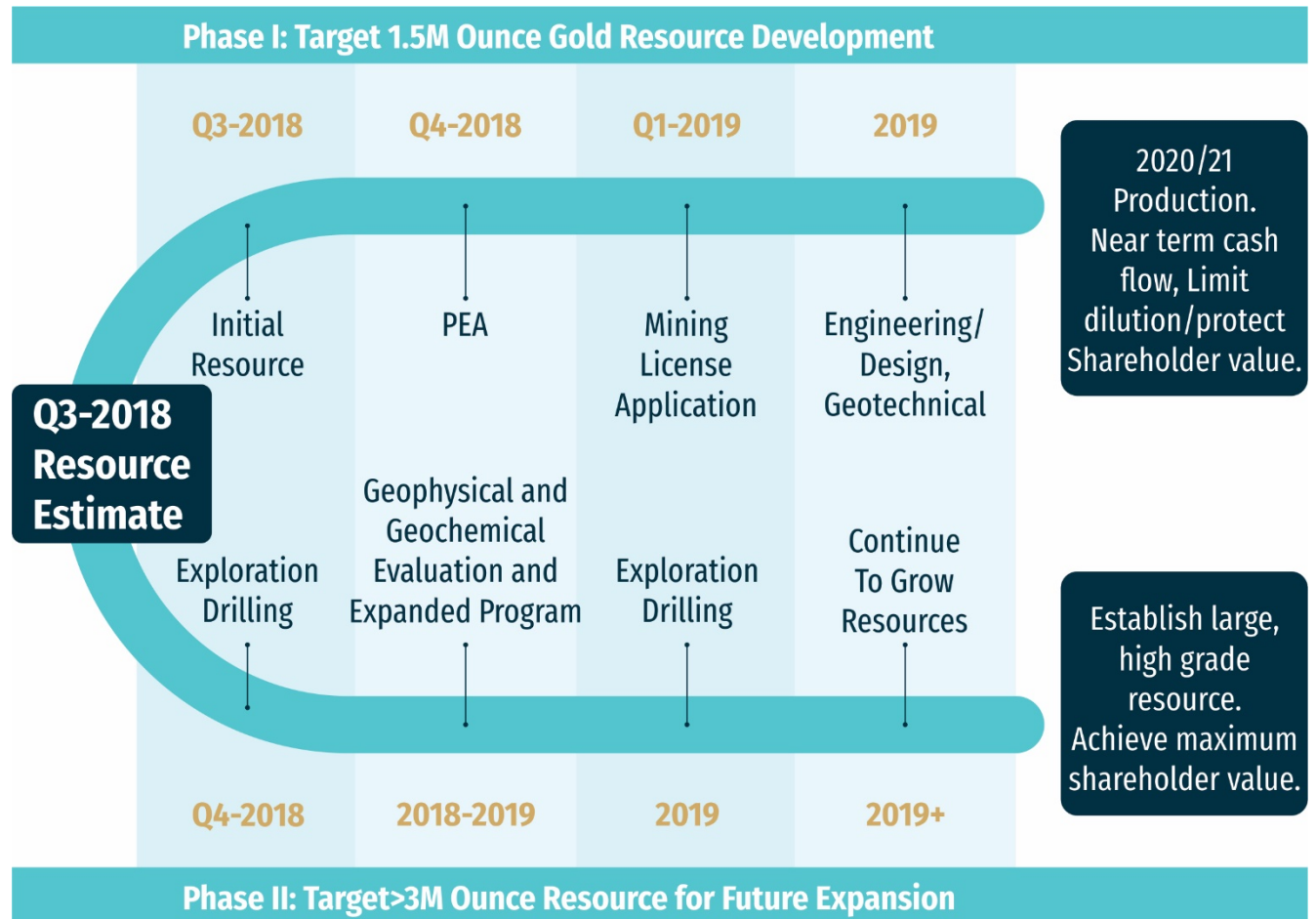
VALUE ACCRETION ROADMAP

Cash flows from
Khundii will
support further
exploration

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Balance Between High-Grade Mine Development & Exploration Upside



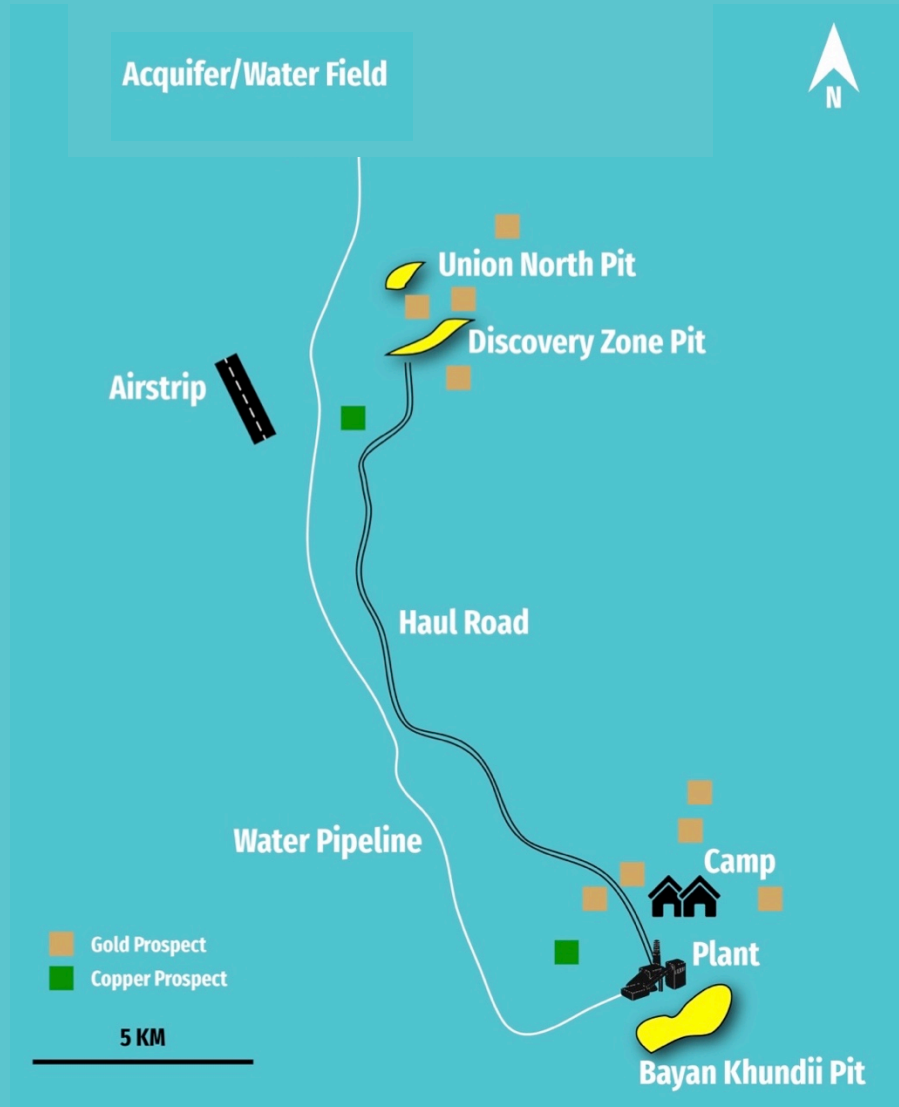
CONCEPTUAL DEVELOPMENT PLAN

**PEA Study
Expected in
Q4-2018**

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The Khundii Gold District Conceptual Development Plan



Focused on the development of three initial open pits at Bayan Khundii, Discovery Zone, and Union North

Preliminary economic studies are underway including development plans and schedules

MINING STUDIES GROUP

Experienced in
Construction

Built Four Major
Mines in the
Region

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Cameron McRae
Erdene Director

Former President of Oyu Tolgoi LLC where he led the construction and start-up of the US\$6 billion Oyu Tolgoi copper-gold mine in southern Mongolia.



Julien Lawrence
Erdene Advisor

Mining Engineer & qualified Project Manager with over 15 years experience in mine development across Asia, including Mongolia



Paul Korpi
Erdene Advisor

Metallurgical Engineer & Mining Consultant with over 40 years experience; 22 years with Newmont; and 4 years with Centerra Gold managing the Boroo Mine in Mongolia that produced over 250,000 ounces per year



David Mosher
Erdene Director

Geologist and former President and CEO of High River Gold Mines where he developed gold mines in Burkina Faso and Russia



Chris Cowan
Erdene Chairman

Mining executive & engineer with over 40 years experience in senior industry positions, including 20 years with Falconbridge Ltd.



PATH FORWARD

Resources are in place to support exploration and development

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Permitting

Mining permit studies underway for completion in 2018

Environmental and social baseline completed



Power

Excellent solar resource, remote island mode setting

Conceptual plan to develop hybrid diesel-solar system on site

Infrastructure

Major rail head / mining center
~ 200km SE
(Ceke port of entry on Chinese border)



Community

Local cooperation agreement with local government

Granted scholarships to 43 students from soums since 2012



Water

Water resource established within 5 km of Altan Nar and 20 km of Bayan Khundii

Labor

Seasonal field labor and vocational training support

94% Mongolian workforce at OT (2017)



INVESTMENT PROPOSITION

Project
Milestones
Present Re-
Rating
Opportunities

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Roadmap to Commercial Operation

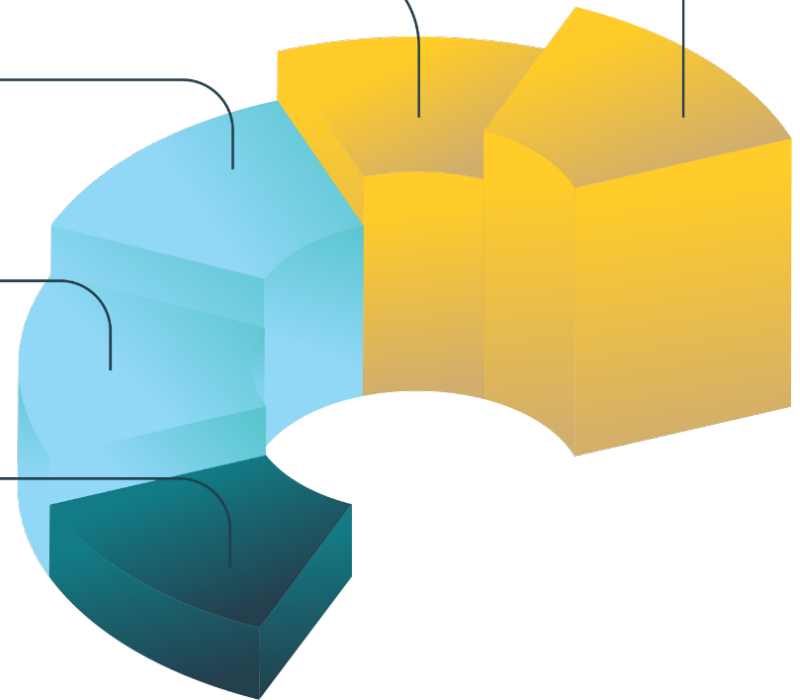
PROJECT **FINANCE & DEVELOPMENT**
decision (2019)

MINING & PRE-FEASIBILITY
study result (2019)

REGIONAL DRILLING
program results (Q4-2018)

PEA
delivery (Q4-2018)

BK MAIDEN RESOURCE
delivery (Q4-2018)





DISTRICT SCALE POTENTIAL

**FOCUSED ON THE NEWLY DISCOVERED
KHUNDII DISTRICT WITHIN THE VERY PROSPECTIVE
CENTRAL ASIAN OROGENIC BELT**

SOUTHERN MONGOLIA METALS DISTRICT

**High Fertility
District**

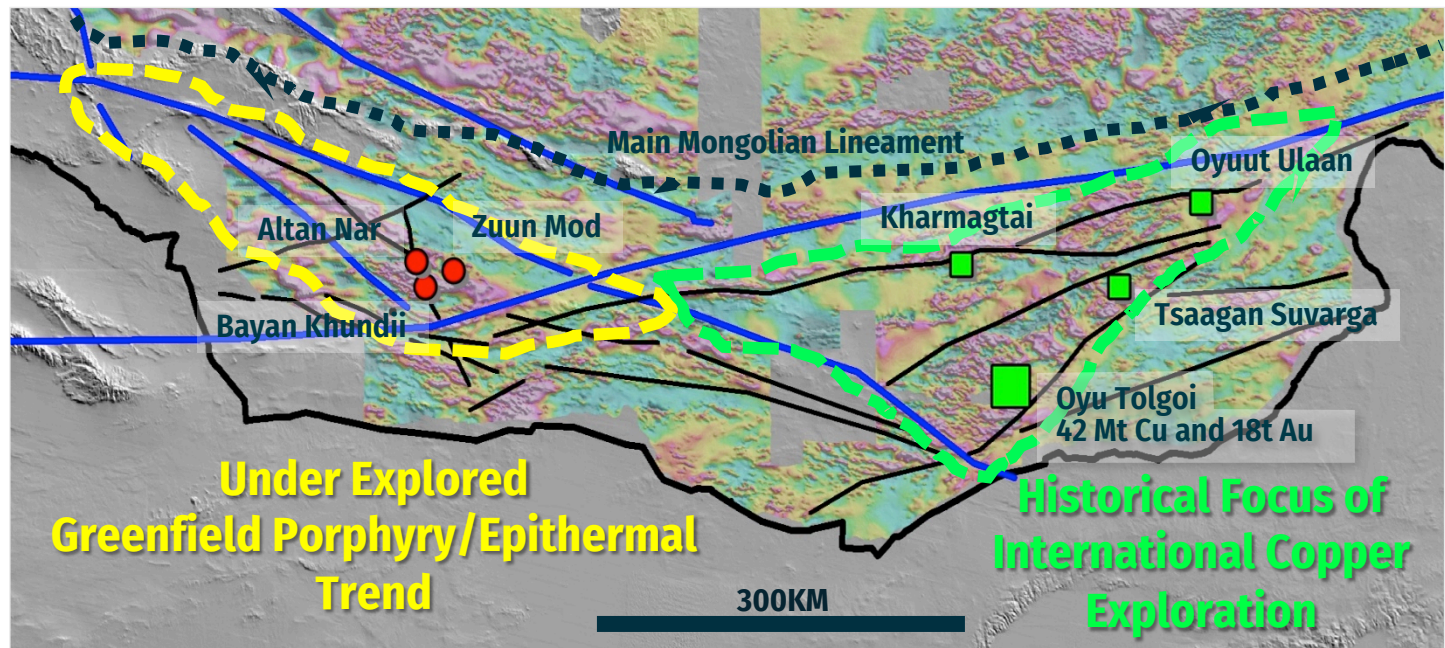
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New Metal Deposits in a Previously Unexplored Fertile Au-Cu District

The Late Paleozoic to Early Mesozoic Island Arcs in southeast Mongolia, although subject to limited exploration, have produced multiple significant copper and gold discoveries including Rio Tinto's Oyu Tolgoi

Erdene, and its principals, active in the country since the Oyu Tolgoi discovery, have focussed efforts on similar geologic terranes in under-explored southwest Mongolia





DISTRICT SCALE POTENTIAL

**Expanding
Region of Gold
Mineralization
North of Bayan
Khundii**

**Several Untested
and Newly
Discovered
Targets Within
Broader District**

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Newly Discovered District Within an Emerging Mining Region

	Altan Arrow Au-Ag Prospect	<ul style="list-style-type: none"> • 3.5 km north of Bayan Khundii hosting up to 70 g/t gold over 2 metres • Multiple parallel structures hosting anomalous gold with similar alteration and geology to Bayan Khundii
	Khundii North Au Prospect	<ul style="list-style-type: none"> • 2.5 km north east of Altan Arrow, traced over 1 km through Au-in-soil anomalism • Reconnaissance samples up to 22 g/t in rock chip
	Oyut Khundii Cu Prospect	<ul style="list-style-type: none"> • High-grade copper prospect, 5 km southwest of Altan Nar • Limited exploration to date
	Ulaan Cu Prospect	<ul style="list-style-type: none"> • 51% interest acquired by ERD in 2017 • Hosts 3 km diameter alteration zone • Intense geophysical targets • Initial drilling Q3 2018
	Zuun Mod (Khuvyn Khar) Mo-Cu Deposit	<ul style="list-style-type: none"> • Zuun Mod: Advanced-stage moly-copper porphyry deposit, 40 km east of Bayan Khundii • Khuvyn Khar: copper porphyry system that has returned up to 34m @ 1.34% Cu

DISTRICT SCALE POTENTIAL

3 km West of
Bayan Khundii
Deposit

Ulaan Copper
Porphyry
Prospect

Results Pending

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Sept 2018 Drilling: Sheeted Quartz-Sulphide Veins & Stockwork



DISTRICT SCALE POTENTIAL

3 km Northeast
of Bayan Khundii
Deposit

Khundii North
Prospect

Results Pending

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Sept 2018 Drilling: Epithermal Quartz Stockwork



DISTRICT SCALE POTENTIAL

1 km Northwest
of Bayan Khundii
Deposit

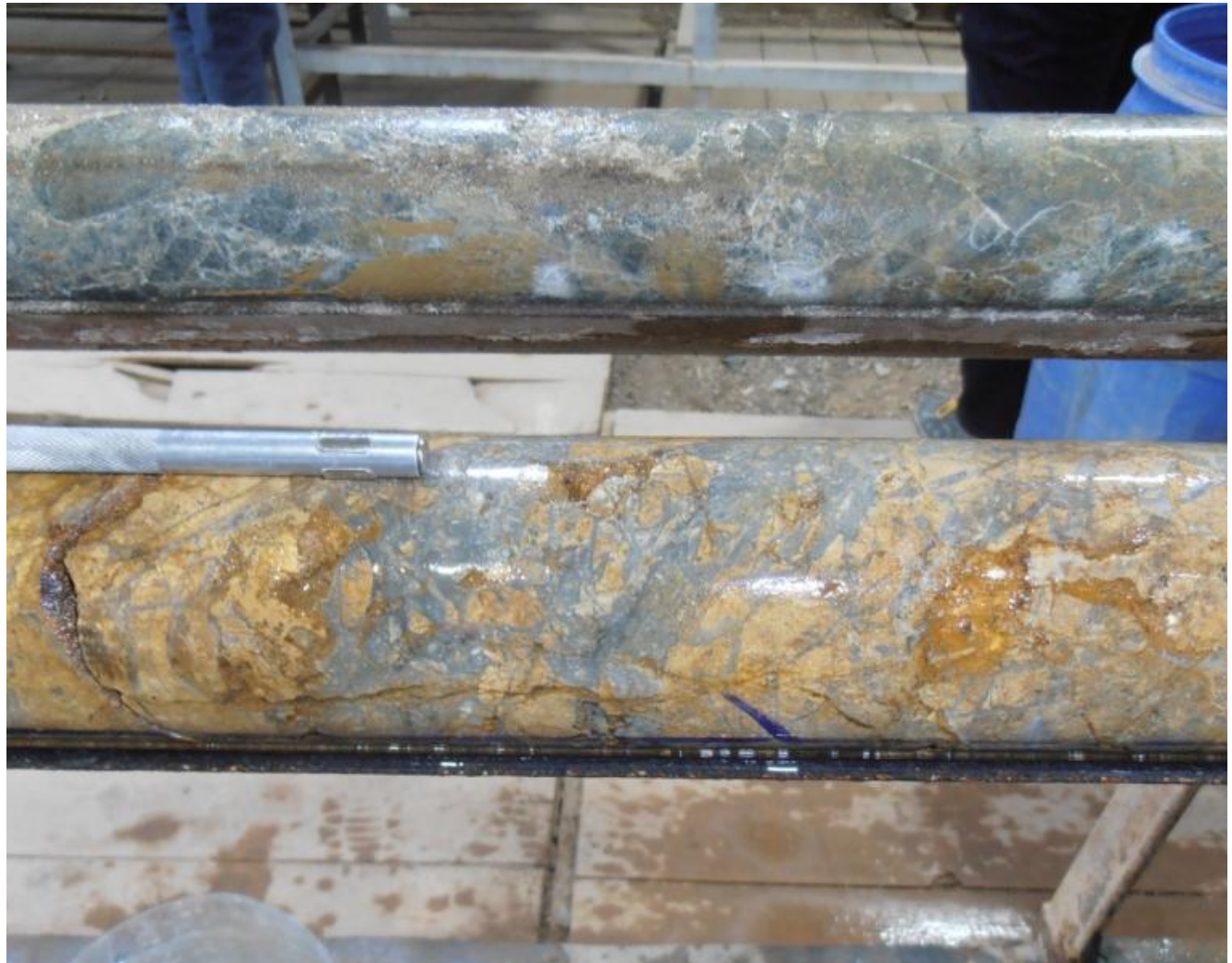
CSZ Prospect

Results Pending

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Sept 2018 Drilling: Quartz Breccia Vein and Stockwork



COMPELLING INVESTMENT OPPORTUNITY

**Erdene is
uniquely
positioned to
succeed**

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Unique Investment Opportunity in an Emerging District

100% ownership of the Khundii Gold Project

- High-grade, open pit gold resources, exposed at surface
- Development ready
- Access to low cost contract mining in growing mining region
- Tremendous exploration upside in the district

Highly prospective region for discovery and development

- Historically politically and geographically isolated
- One of the least densely populated places on earth
- Hosts one of the largest recent gold-copper discoveries globally
- Licensing system is set to re-open

Strong social license to operate in Mongolia

- Erdene's principals have been present for over 20 years
- 6,800 local shareholders through MSE listing
- Partners in the communities where we operate



www.erdene.com

 @ErdeneRes