



TSX:ERD | MSE:ERDN

DEVELOPING A NEW HIGH- GRADE GOLD DISTRICT

2019 Precious Metals Summit Beaver Creek
September 12, 2019 | Beaver Creek Resort

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-  ErdeneResource
-  Erdene Resource Development Corp.
-  Erdene Resource Development

FORWARD LOOKING STATEMENTS

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This presentation contains certain forward-looking information and statements which may not be based on fact, including without limitation, statements regarding the Company's expectations in respect of its future financial position, business strategy, future exploration and production, mineral resource potential, exploration drilling, permitting, access to capital, events or developments that the Company expects to take place in the future. All statements, other than statements of historical facts, are forward-looking information and statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will" and similar expressions identify forward-looking information and statements. In addition to the forward-looking information and statements noted above, this presentation includes those that relate to: the expected results of exploration activities; the estimation of mineral resources; the ability to identify new mineral resources and convert mineral resources into mineral reserves; ability to raise additional capital and complete future financings; capital expenditures and costs, including forecasted costs; the ability of the Company to comply with environmental, safety and other regulatory requirements; future prices of precious metals; the ability of the Company to obtain all necessary approvals and permits in connection with the development of the Khundii Project.

Such forward-looking information and statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such information and statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking information and statements. Such factors include, but are not limited to, fluctuations in the price of gold and other commodities, the inability of the Company to raise sufficient monies to carry out its business plan, changes in government legislation, taxation, controls, regulations and political or economic developments in Mongolia, the accuracy of the Company's current estimates of mineral resources and mineral grades and its preliminary economic assessment, the accuracy of the geology and vein structures at the Khundii Project, risks associated with mining or development activities, including the ability to procure equipment and supplies, including, without limitation, drill rigs, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits. Many of these uncertainties and contingencies can affect the Company's actual performance and could cause actual performance to differ materially from those expressed or implied in any forward-looking information and statements made by, or on behalf of, the Company.

Readers are cautioned that forward-looking information and statements are not guarantees of future performance. There can be no assurance that such information and statements will prove to be accurate and actual results and future events could differ materially from those presented in such information and statements. Forward-looking information and statements is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information and statements. Such risks include, but are not limited to, the volatility of the price of gold, uncertainty of mineral resources, exploration potential, mineral grades and mineral recovery estimates, delays in exploration and development plans, insufficient capital to complete development and exploration plans, risks inherent with mineral acquisitions, delays in obtaining government approvals or permits, financing of additional capital requirements, commercial viability of mineral deposits, cost of exploration and development programs, risks associated with competition in the mining industry, risks associated with the ability to retain key executives and personnel, title disputes and other claims, changes in governmental and environmental regulation that results in increased costs, cost of environmental expenditures and potential environmental liabilities, accidents and labour disputes. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information and statements. Please see the Company's Annual Information Form dated March 27, 2019 available on the Company's website at www.erdene.com or on the Company's SEDAR profile at www.sedar.com, for details of other risks facing the Company. The Company disclaims any intention or obligation to update or revise any forward-looking information and statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

Michael MacDonald, P.Geo. (Nova Scotia), Vice President of Exploration for Erdene and a "Qualified Person" under National Instrument 43-101, has reviewed and approved the scientific and technical information in this presentation. All currencies are reported in Canadian dollars, unless otherwise specified.

MISSION

“Our objectives are clear - complete the studies and permitting to advance the Khundii Gold Project to development of a minimum 50,000 ounce per year, high-grade, open-pit mining operation while continuing exploration and acquisition efforts to expand the operation to more than 100,000 ounces per year.”

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VALUE

GROWTH

PEOPLE



COMPELLING INVESTMENT OPPORTUNITY IN AN EMERGING GOLD DISTRICT

Value

- Two high-grade gold deposits exposed at surface
- Triple the average grade of open-pit gold mines
- Near term, low capex, high return project with rapid payback

Growth

- Existing gold deposits have significant expansion potential
- Multiple untested prospects on license
- Experts in an under-explored portion of one of the worlds great gold belts

People

- Engaged in the community development for over a decade
- Experienced team in all aspects of development
- Over 6,000 Mongolian shareholders

VALUE



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MONGOLIA'S EMERGING MINING DISTRICT

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Rapidly expanding infrastructure in southern Mongolia



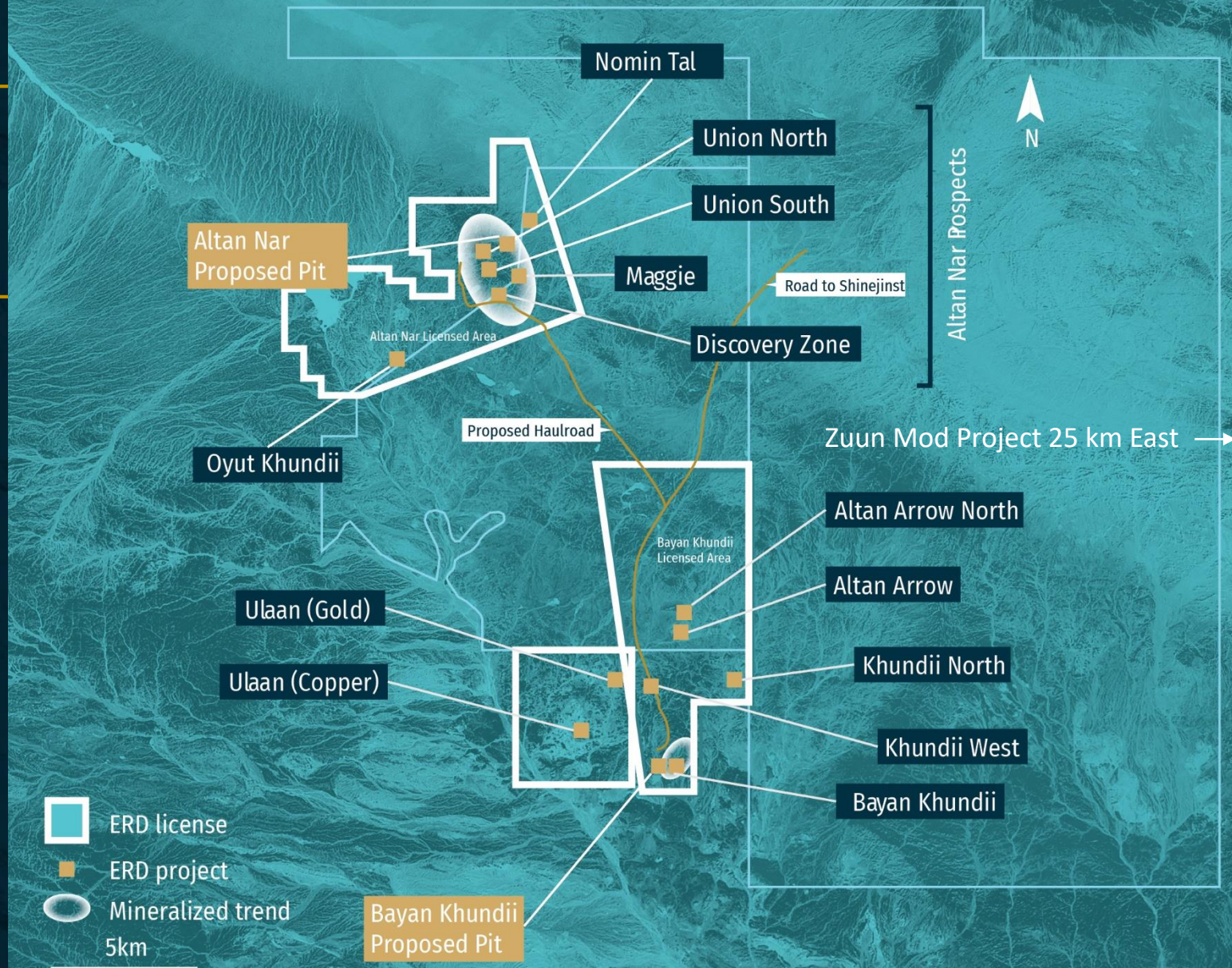
DISTRICT SCALE POTENTIAL

Greater than 90%
of drilling at Bayan
Khundii and Altan
Nar is within 150
metres of surface

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Two high-grade gold deposits and multiple prospects



ERDENE'S KHUNDII DISTRICT RESOURCES

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

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Erdene's Q3 2018 Khundii gold district resource estimate ⁽¹⁾

Cut-off grade ⁽²⁾	Resource classification	Quantity (Mt)	Gold grade (g/t)	Gold ounces (000)
0.6 / 0.7 ⁽³⁾	Measured & Indicated	10.1	2.3	751
	Inferred	5.2	1.8	291
1.0	Measured & Indicated	6.8	3.1	678
	Inferred	3.9	2.1	261
1.4	Measured & Indicated	5.5	3.7	642
	Inferred	3.4	2.3	250

1. Combined resources from Bayan Khundii and Altan Nar.
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.

KHUNDII GOLD PROJECT PEA HIGHLIGHTS

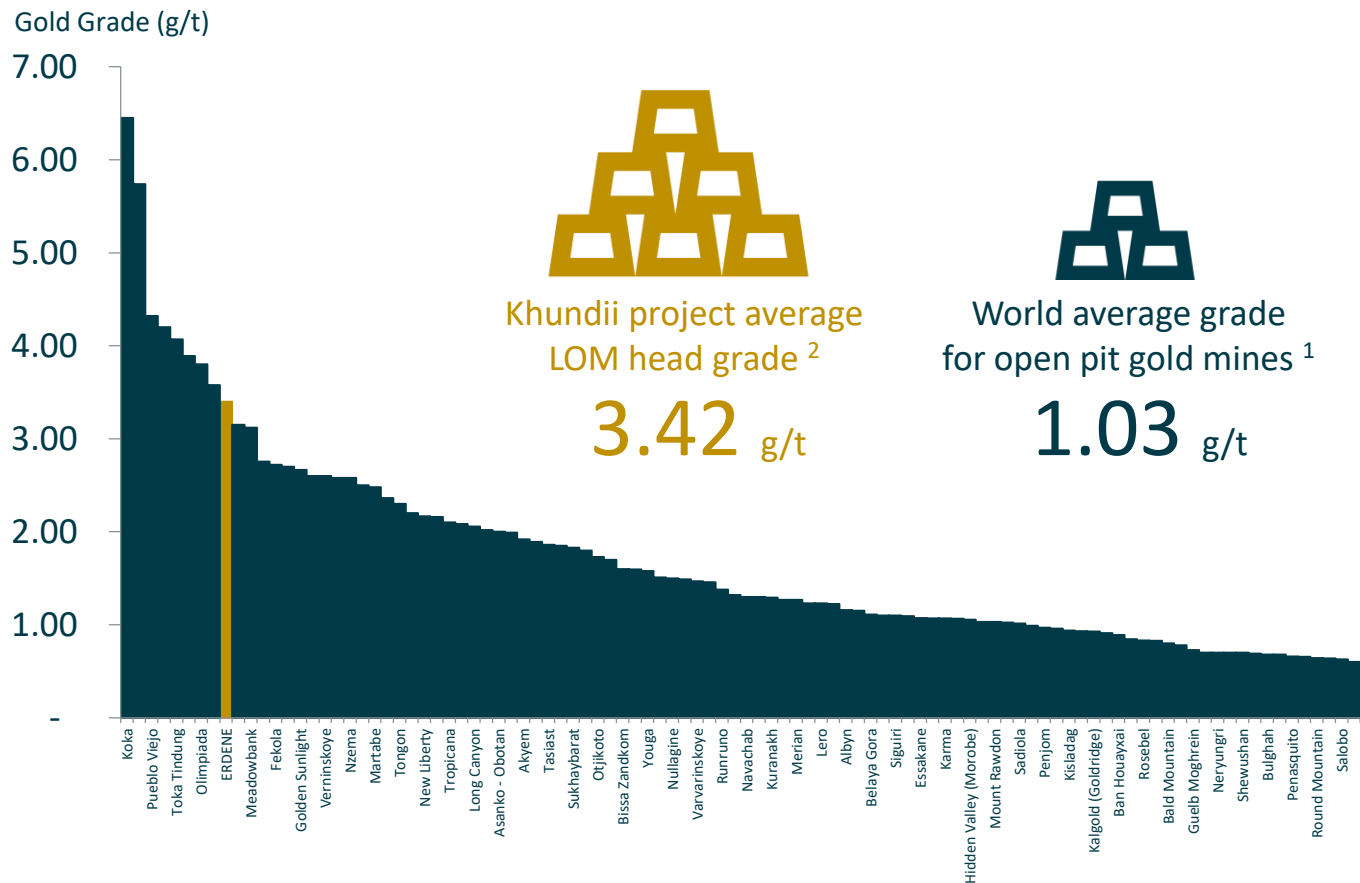
LOM gold grade is
in the **top decile** of
active open pit gold
mines ²

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Triple the average grade for open-pit gold mines

Top 100 global open pit gold mines ¹



1. Source: Wood MacKenzie Global Gold Mine Cost database for open pit gold mines, August 2018
2. Refer to Erdene's news release dated December 18, 2018 for additional information on the results of the Preliminary Economic Assessment.



Bayan Khundii
Gold Project

KHUNDII GOLD PROJECT PEA HIGHLIGHTS

600 ktpa open-pit
mine

Carbon in pulp
processing

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Open-pit mining and conventional processing

Open-pit operation

Beginning at Bayan Khundii before incorporating resources from Altan Nar or elsewhere in district

Conventional processing

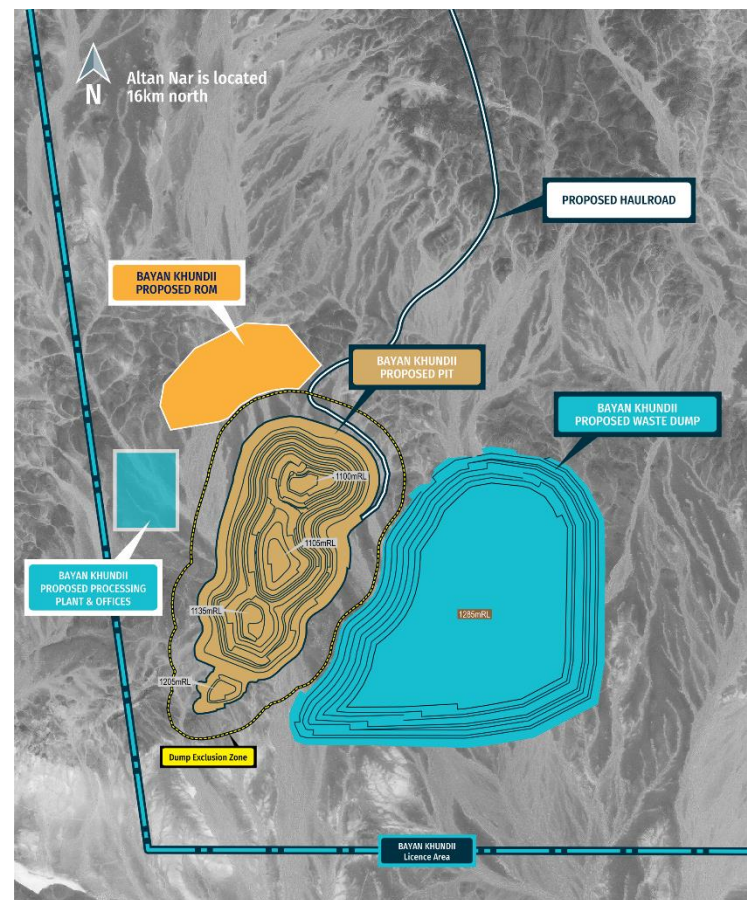
600 ktpa throughput of free-milling ore

Simple carbon in pulp processing plant

Low capital costs – US\$32m

Proximal to China and its mining industry, manufacturing and servicing centres

Readily available fleet leasing and contract miner capability in Mongolia



KHUNDII GOLD PROJECT PEA HIGHLIGHTS

Low capital intensity

Low operating cost

Rapid payback

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Preliminary economic assessment Q4 2018 - results summary

ASSUMPTIONS

Gold price - base case US \$1200/oz

PRODUCTION PROFILE

Head grade 3.42 g/t Au
Operating mine life 8 years
Production rate per day 1,800 tonnes
Avg annual gold production 51,200 oz
Peak annual gold production 68,100 oz
Total gold production LOM 412,000 oz
Strip ratio 10.5
Avg life of mine gold recovery rate 82%
LOM cash cost plus sustaining cost (AISC) US \$714/oz

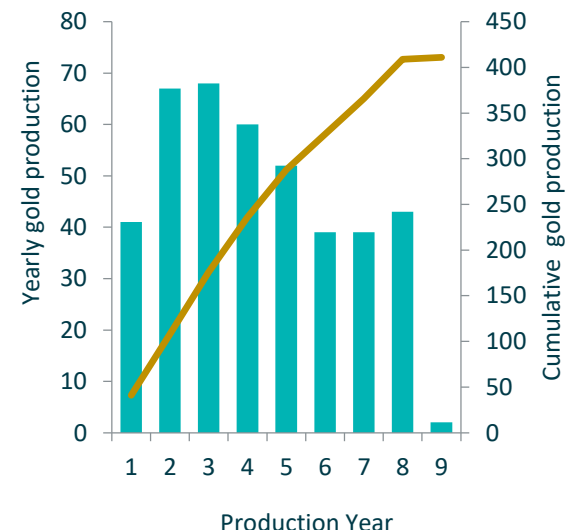
PROJECT ECONOMICS

Pre-tax NPV (5%) US \$135 mln
After-tax NPV (5%) US \$99 mln
Pre-tax IRR 70%
After-tax IRR 56%
After-tax Payback period 2 years

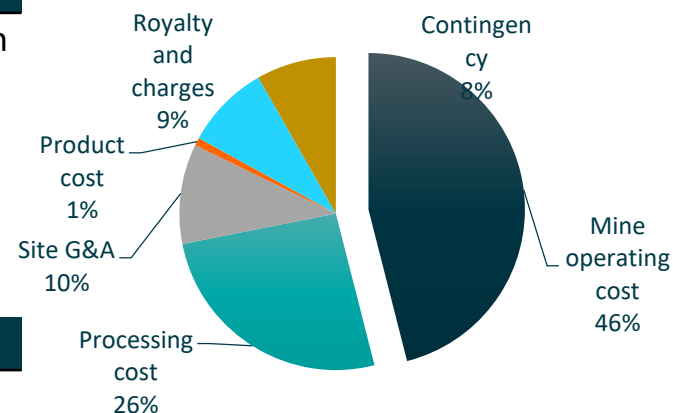
CAPITAL REQUIREMENTS

Initial capital cost, incl. 20% contingency US \$32.2 mln
LOM remaining capital cost US \$7.8 mln

GOLD PRODUCTION (KOZS)



OPERATING COSTS (\$US/oz)



KHUNDII GOLD PROJECT PEA HIGHLIGHTS

70% Pre-tax IRR

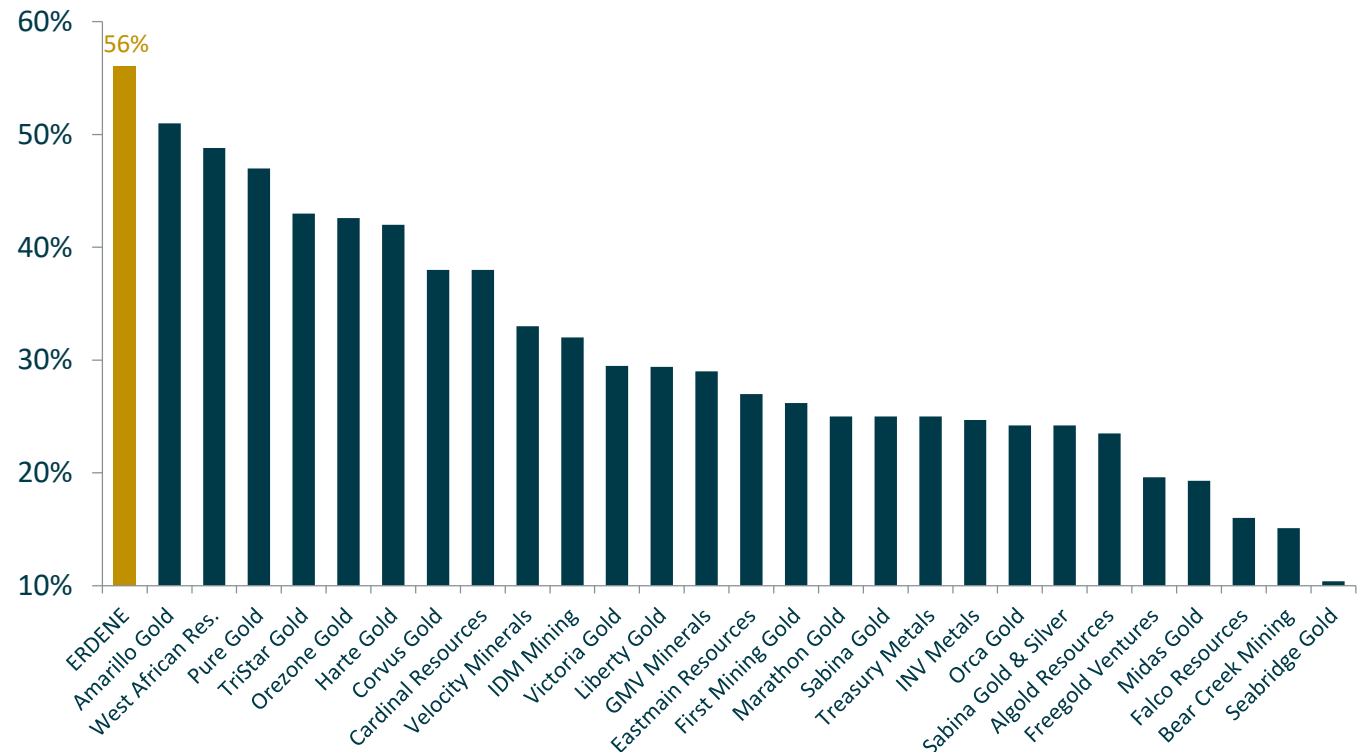
56% After-tax IRR

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Highest IRR project in peer group

After-tax IRR for pre-development stage, TSX/TSXV listed gold companies ¹



1. Source: Public company filings

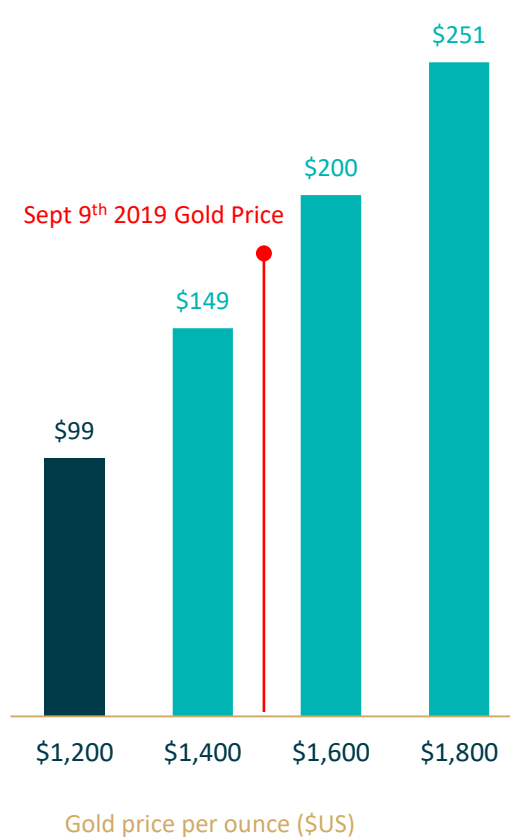
KHUNDII GOLD PROJECT PEA HIGHLIGHTS

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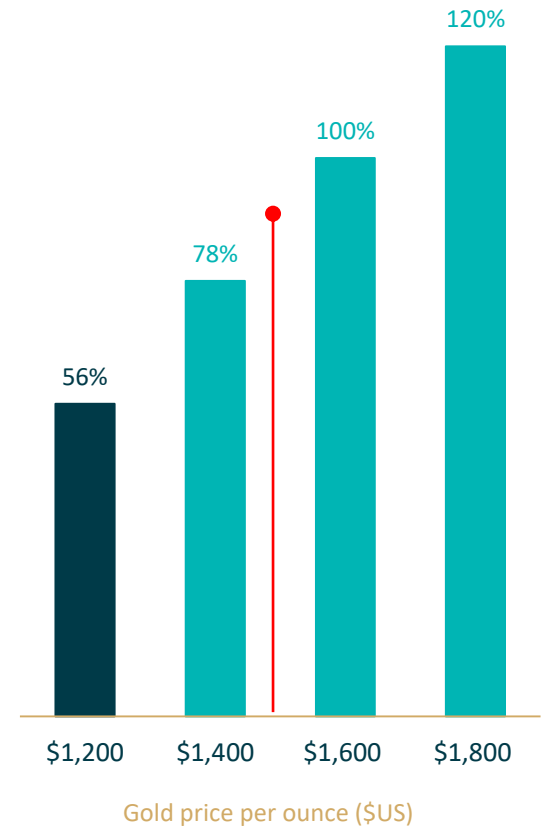
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Financial sensitivity - strongly benefits from higher gold price

After-tax NPV_{5%} (million USD)



After-tax IRR (%)



KHUNDII GOLD PROJECT PEA HIGHLIGHTS ROADMAP

Refine economics and engineering and acquire key permits in 2019









Construction in 2020

First gold pour in 2021

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Near-term production

	2018				2019				2020	2021
Key Milestones	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Resource Estimate			✓							
Khundii Project PEA Study					✓					
Bayan Khundii Mining License					✓					
ESIA & Mongolian Feasibility										
Khundii Pre-Feasibility Study										
Bankable Feasibility Study										
Earthworks & Construction										
Production										

 Completed
 Planned
 In progress

MINING STUDIES TEAM

Experienced in
Construction

Built Four Major
Mines in the Region

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Cameron McRae

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



Julien Lawrence

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



Paul Korpi

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



Tetra-Tech, Inc

Tetra Tech is a leading provider of consulting, engineering, program management, construction management and technical services worldwide. Tetra Tech will develop a NI 43-101 Pre-Feasibility Study for the Khundii Gold Project

Blue Coast Group

Blue Coast Group is a mineral processing laboratory, supporting Khundii Gold Project's PFS metallurgical analysis.

Sustainability East Asia LLC

Sustainability East Asia LLC provides expert consultancy services in environmental , training and occupational health and safety. Sustainability East Asia is supporting Environmental and Social Impact studies of Khundii Gold Project's PFS.

GROWTH



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Experts in an under-explored portion of a prolific metal belt

- Central Asia Orogenic Belt includes the largest known economic gold accumulations after South Africa
- Southeast Mongolia hosts significant copper and gold deposits including Oyu Tolgoi
- Focused on southwest Mongolia for over a decade; defined three deposits, several prospects and a number of targets



DISTRICT SCALE POTENTIAL

Greater than 90%
of drilling at Bayan
Khundii and Altan
Nar is within 150
metres from
surface

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The Khundii District – 25 x 10 km mineralized trend



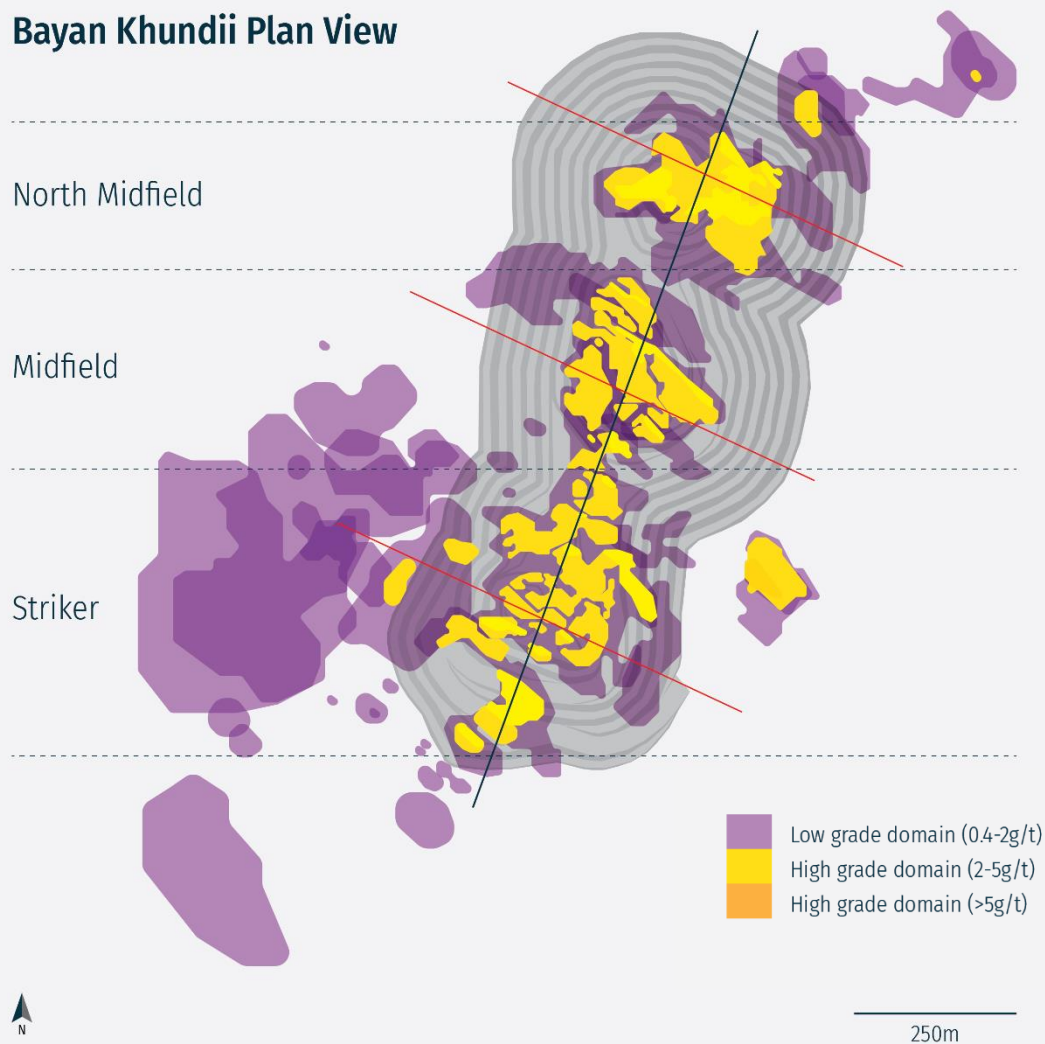
EXPLORATION POTENTIAL:

Deposits are in highly prospective region subjected to limited exploration with priority areas expected to come to tender in 2019

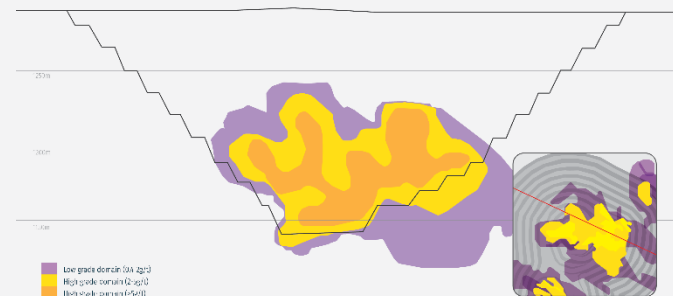
Development opportunities beyond projected open pit area

BK PEA In-pit resource: 306,000 @ 3.6g/t; 98% M&I; 130,000 oz of indicated resources grading over 4 g/t are outside the KP pits

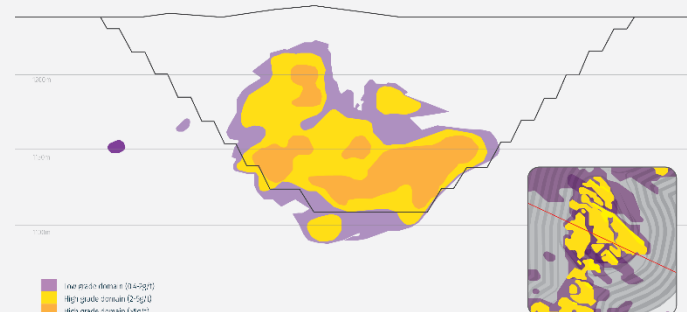
Bayan Khundii Plan View



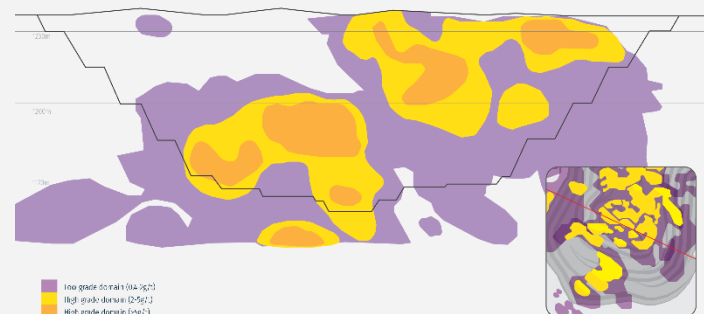
North Midfield /50m Section/



Midfield /50m Section/



Striker /50m Section/



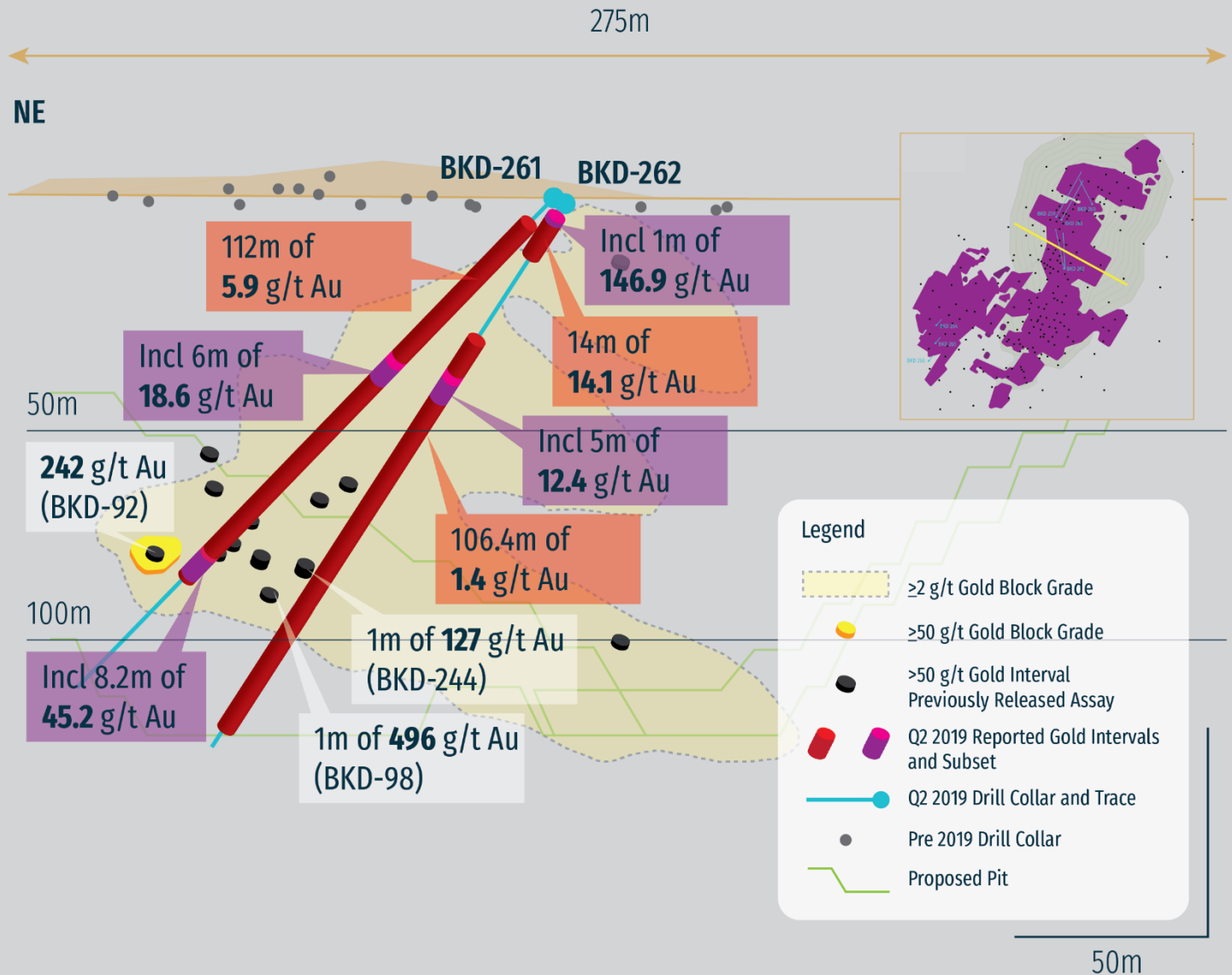
**BAYAN KHUNDII
APRIL 2019
DRILL RESULTS**

Higher Grade
Upside: Block
model is
capped at 55
g/t compared
to intersections
up to 2,200 g/t

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Q2 drilling intersected 112M grading 5.9 g/t gold



DISTRICT SCALE POTENTIAL

Low sulphidation
epithermal gold
deposit discovered
by ERD in 2015

High-grade and
exposed at surface

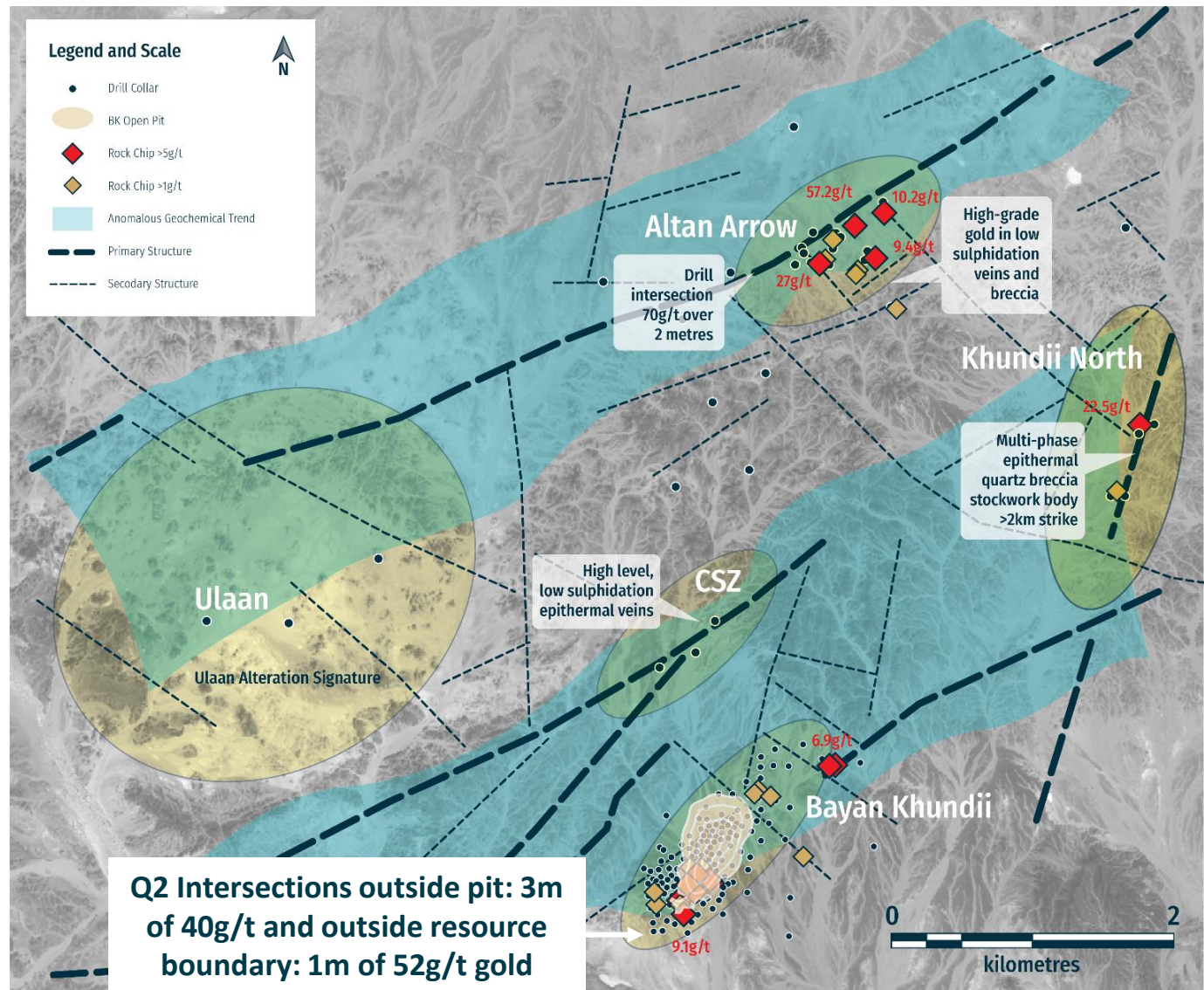
43 km of drilling in
two years

92-99% recovery
and free milling

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Multiple gold targets throughout the Khundii license



ALTAN NAR LICENSE PROSPECTS

18 targets over 5.6
km trend

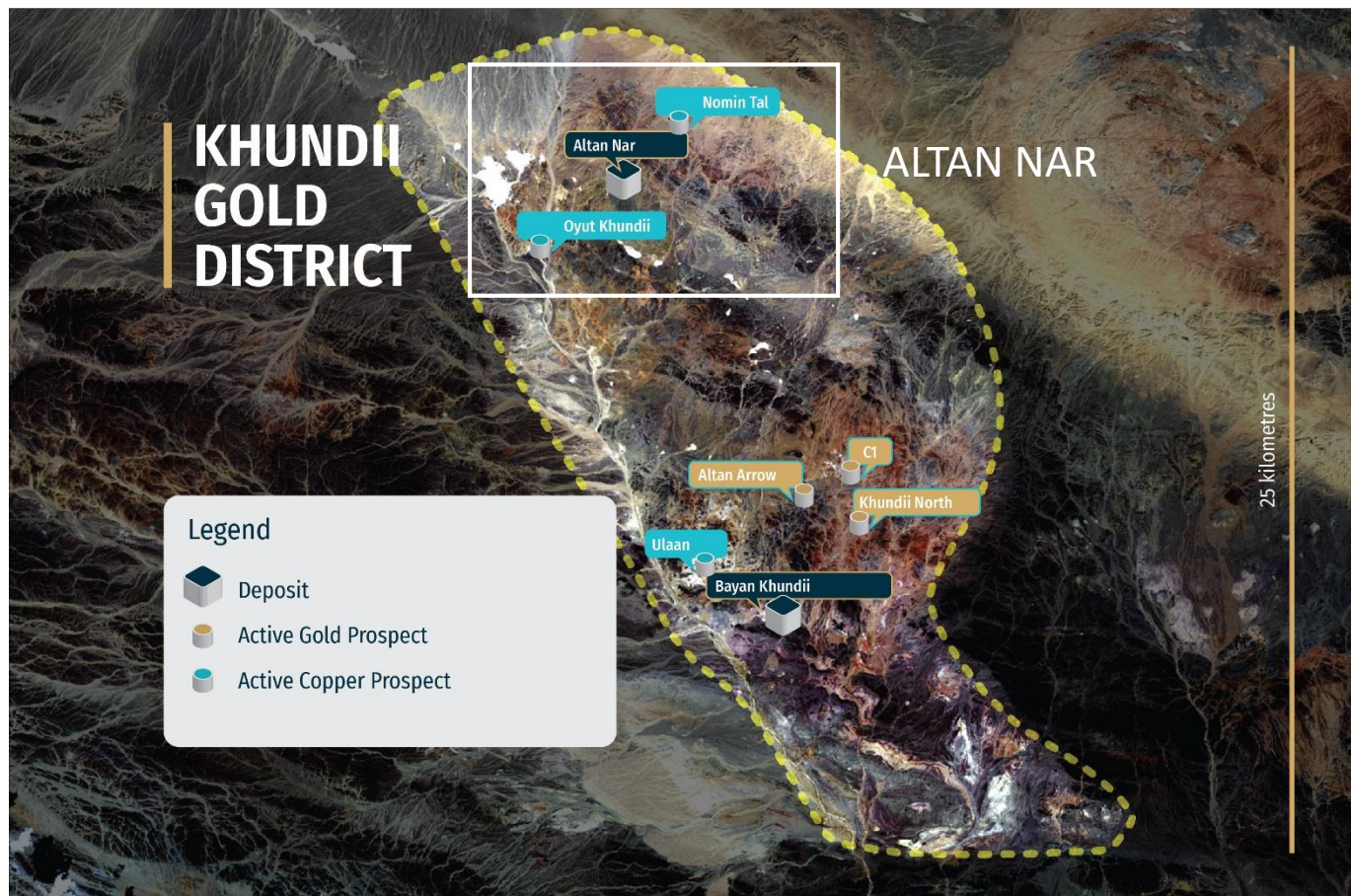
Discovery Zone &
Union North are the
most advanced
targets

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Altan Nar Gold-Polymetallic Project Resource

Project	Category	Au Oz (1.9g/t)	Ag Oz (~10g/t)	Pb lbs (~0.6%)	Zn lbs (~0.6g/t)
Altan Nar 0.7g/t AuEq cut-off	Indicated	318,000	2,350,000	63,800,000	69,520,000
	Inferred	186,000	866,000	49,060,000	52,140,000



ALTAN NAR GOLD PROJECT

Intermediate
sulphidation
epithermal gold-
silver-lead-zinc

Discovered in 2011

18 targets over 5.6
km trend

19 km of drilling

Discovery Zone &
Union North are the
most advanced
targets

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5.6 km trend, high-grade, Au-Ag-Pb-Zn system

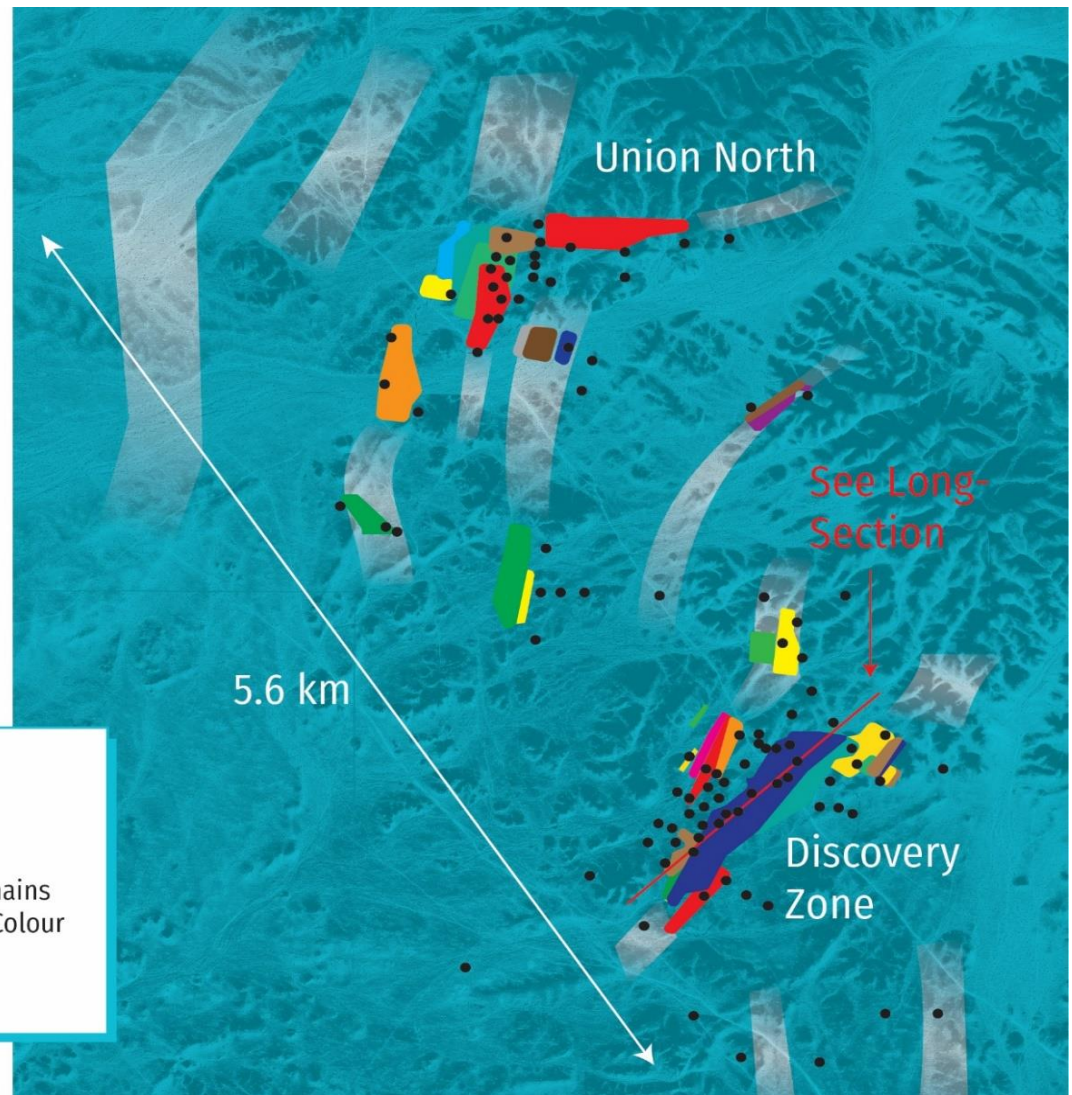
High probability of
further discovery
at Altan Nar

Many intense gold
and geophysical
anomalies remain
untested

Gold anomalies
located along
structural trend
East of Discovery
Zone are of
particular interest

Legend

- Drillhole
-  Resource Domains Identified by Colour
-  Target Area



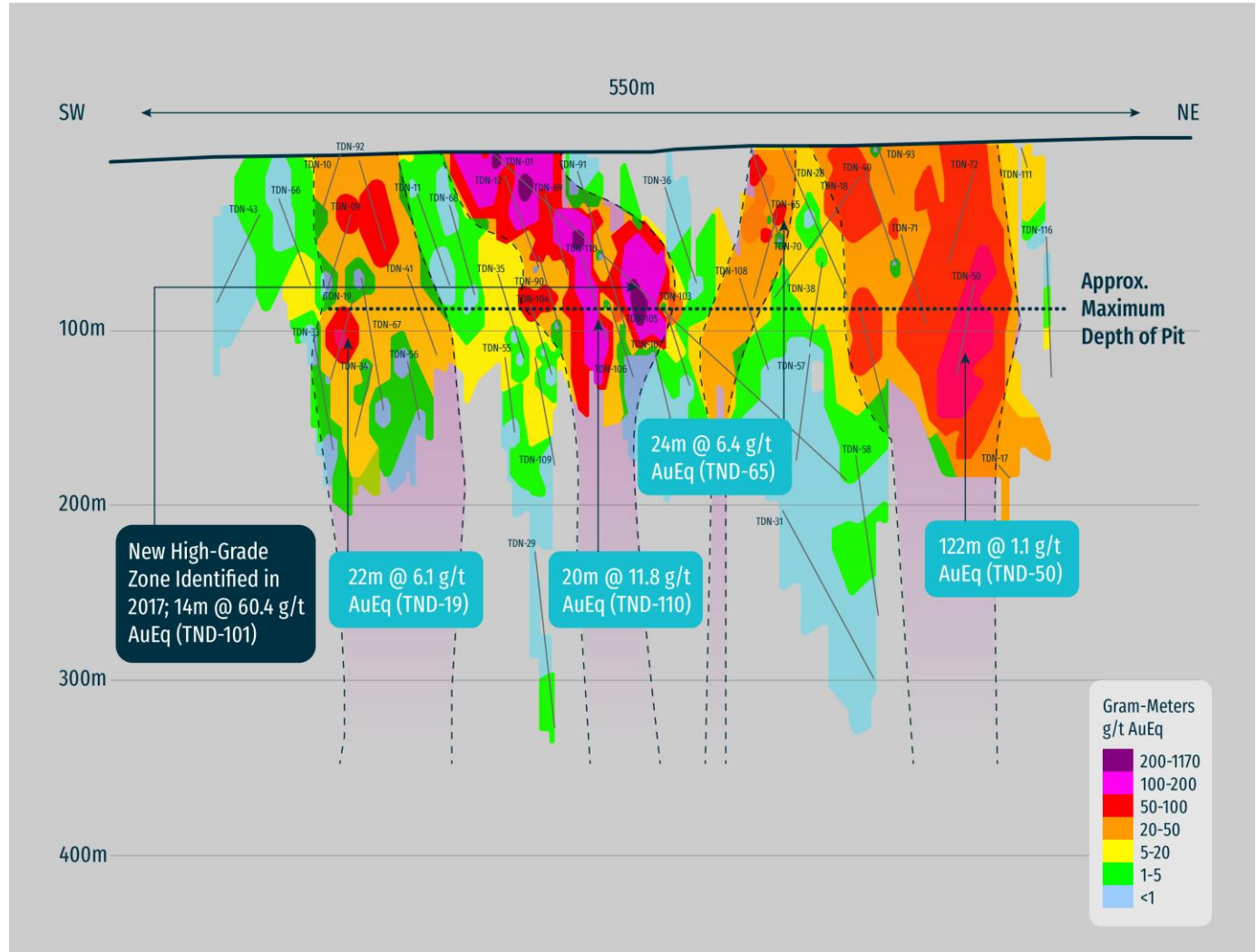
ALTAN NAR GOLD PROJECT

Deposit remains
open at depth

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Exploration upside at depth

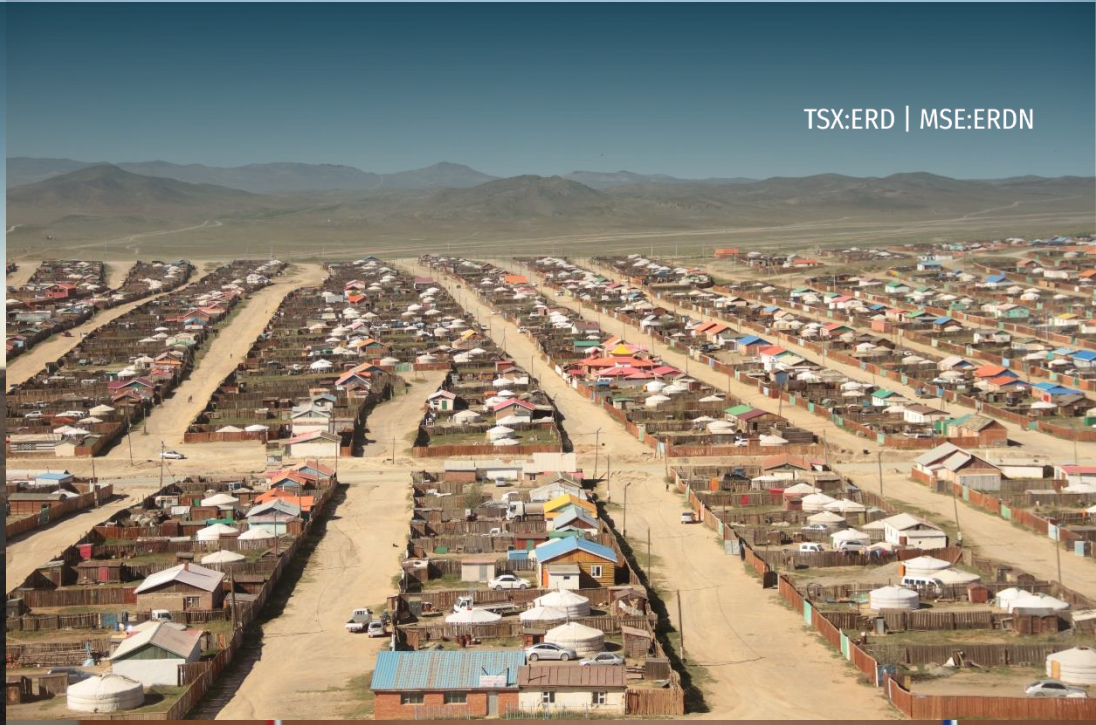


PEOPLE



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Social License to Operate
COMMUNITY RELATIONS

Pre-drilling ceremony with local
monks, Bayan Khundii, April
2019

BOARD OF DIRECTORS

Pioneers in Mongolia's modern exploration period

Peter Akerley
President & CEO



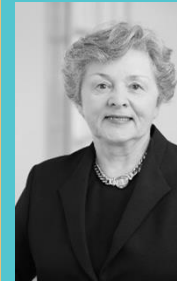
Mining executive/geologist with 25 years experience in exploration, corporate finance, project development & management of public resource companies.

Layton Croft
Chairman



23 years of management experience in Mongolia, 14 years in the mining sector, with Ivanhoe Mines, Rio Tinto, SouthGobi Resources, Peabody Energy Pancontinental Gold.

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.

Kenneth MacDonald
Director



A Chartered Professional Accountant with 34 years of mining finance experience, including 17 years as Executive VP and CFO of Erdene.

Cameron McRae
Director



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

Strong technical and social license to operate

ERDENE AND MONGOLIA

Active in Mongolia since 2002; its principals since 1997

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Principals in Mongolia since 1997

Largest proprietary technical database



First company cross-listed on the MSE

Over 6,800 Mongolian shareholders



VALUE ACCRETION ROADMAP

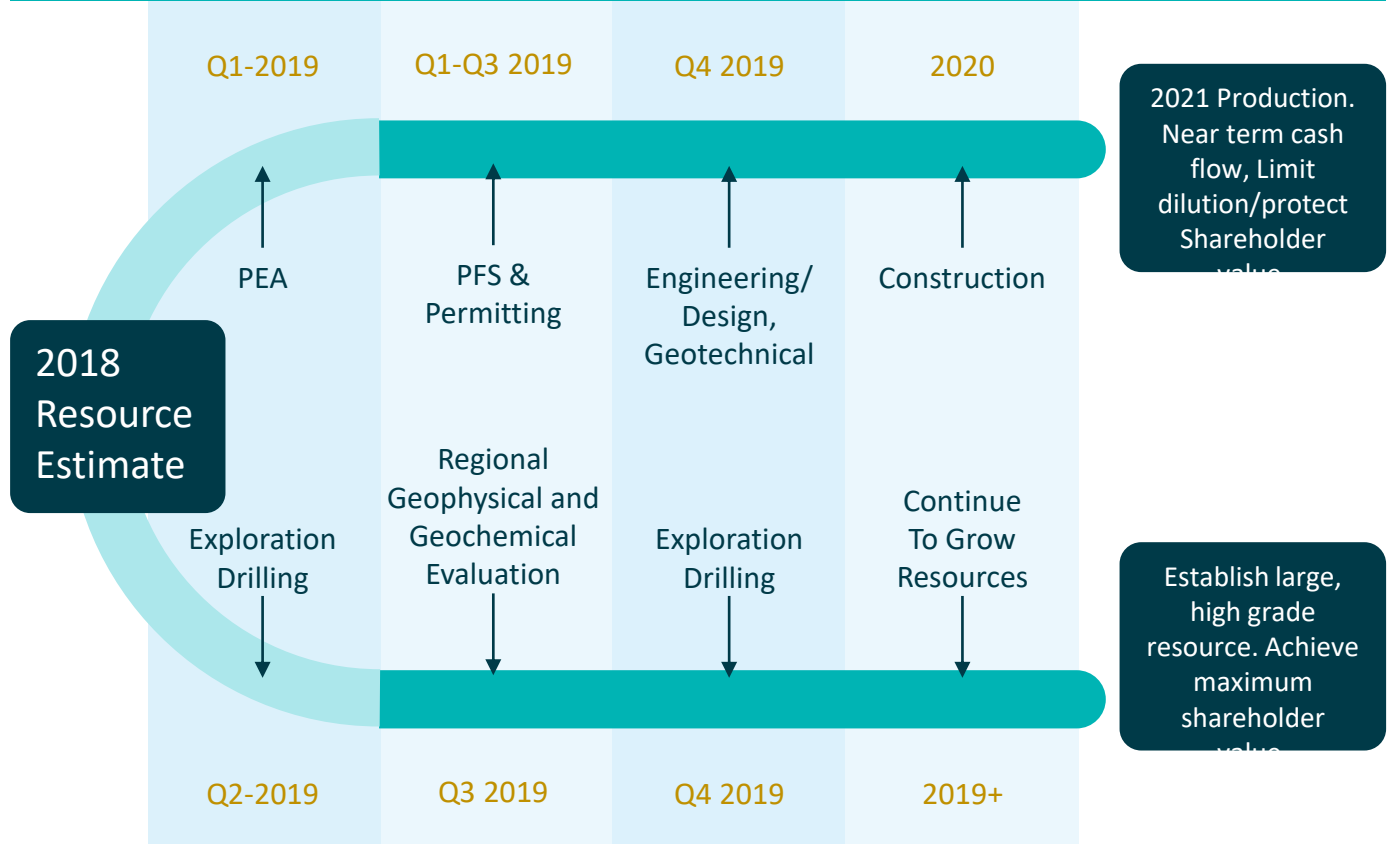
Cash flows from
Khundii to support
further exploration

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Balancing mine development and exploration upside

Phase I: 50,000 Ounce Per Year Initial Development



Phase II: Target >3M Ounce Resource for Future Expansion

CAPITAL STRUCTURE

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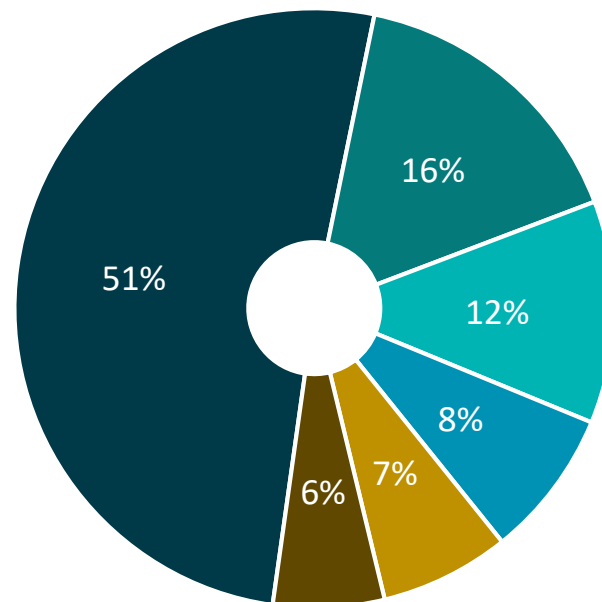
Share & capital structure

	CAD	USD
Share price	\$0.24	\$0.18
52-Wk range	\$0.16-\$0.44	\$0.12-\$0.33
Market cap	\$44.2 M	\$33.2 M
Shares O/S	184.7M	
Options	12.5M / Proceeds: \$5.3M	
Warrants	27.7M / Proceeds: \$13.3M	
DSU	4.5M	
Shares F/D	229.5M	
Cash	\$1.4M	\$1.1M
Debt	-	-

Stock Exchanges

Toronto Stock Exchange	ERD
Mongolian Stock Exchange	ERDN

Shareholder summary



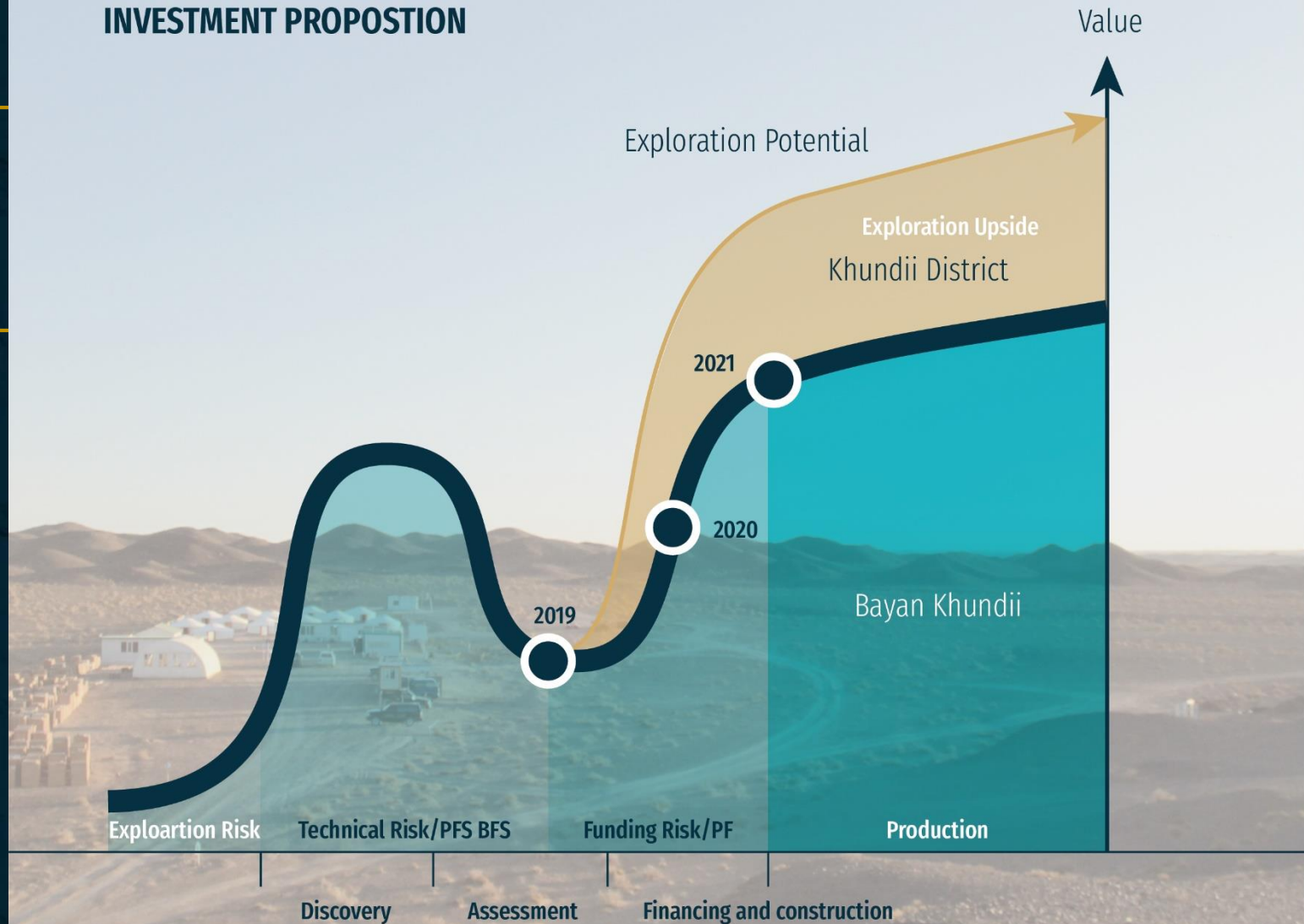
- Retail
- Institutional
- High Net Worth Family Offices
- ERD Management and Directors
- Teck Resources Limited
- Mongolian Shareholders

MINING PROJECT LIFE-CYCLE

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PROJECT LIFE CYCLE AND INVESTMENT PROPOSITION



¹ Refer to Erdene's news release dated December 18, 2018 for additional information on the results of the Preliminary Economic Assessment

WHAT MAKES ERDENE UNIQUE?

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Compelling investment opportunity in an emerging gold district

PEA INDICATES ROBUST ECONOMICS – NEAR TERM PFS COMPLETION

Bottom quartile cash costs, low capex & rapid payback

HIGH-GRADE AND OPEN PIT

Head grade of 3.4 g/t gold with recent drilling establishing stronger continuity

EXPERIENCED MINING GROUP

Locally-experienced, international mine builders leading technical efforts

STRONG COMMITMENT TO MONGOLIA

Principles working in country since 1997; over 6000 Mongolian shareholders


EXCEPTIONAL EXPANSION & DISCOVERY UPSIDE

Continued near-pit expansion, regional exploration and acquisition


GROWING INFRASTRUCTURE

Rapidly expanding mining region



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 Erdene Resource Development Corp.

 Erdene Resource Development

