

## **ERDENE CLOSSES \$20 MILLION FINANCING TO ADVANCE EXPLORATION AND DEVELOPMENT OF THE KHUNDII GOLD DISTRICT LED BY \$15 MILLION STRATEGIC INVESTMENT FROM ERIC SPROTT**

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### **Press Release**

Halifax, Nova Scotia

2020.08.12

**Erdene Resource Development Corporation** (TSX:ERD | MSE:ERDN) (“**Erdene**” or the “**Company**”) is pleased to announce the closing of the previously announced non-brokered private placement of approximately C\$20 million (“**Private Placement**”), led by a \$15 million investment by Mr. Eric Sprott.

“We are very pleased to close this financing led by Mr. Sprott,” said Mr. Peter Akerley, Erdene’s President and CEO. “Funds will be focused on expanding high-grade resources in our Khundii Gold District and allow us to initiate early works at the Bayan Khundii Gold Project, following the recent announcement of Bankable Feasibility Study results.”

As announced on July 23 and 30, 2020, the Private Placement consisted of the sale of 33,333,333 subscription receipts (“**Subscription Receipts**”) at a price of \$0.45 per Subscription Receipt, to 2176423 Ontario Ltd., an entity controlled by Mr. Eric Sprott, and the concurrent sale of 11,111,108 units of the Company (“**Units**”) at a price of \$0.45 per Unit. Each Unit consists of one common share of the Company (“**Common Share**”) and one Common Share purchase warrant (“**Warrant**”), with each Warrant exercisable into one Common Share within two years of the closing date, at a price of \$0.60 per Common Share. The Subscription Receipts were converted to Units on August 11, 2020, following the receipt of approvals from shareholders holding more than 50% of the Common Shares by written consent in accordance with the requirements of the TSX and the European Bank for Reconstruction and Development.

Securities issued under the Private Placement are subject to a four month hold period from the closing date of the Private Placement. Erdene will pay finder’s fees in the aggregate of up to \$907,625 and issue up to 400,611 finder’s warrants in connection with the Private Placement. The finder’s warrants are exercisable on the same terms as the Warrants.

Prior to the Private Placement, Mr. Sprott did not beneficially own or control any securities of the Company. Following completion of the Private Placement and the conversion of the Subscription Receipts, Mr. Sprott beneficially owns and controls 33,333,333 Common Shares and 33,333,333 Warrants representing approximately 14.0% of the issued and outstanding common shares of the Company on a non-diluted basis and 24.6% of the issued and outstanding common shares on a partially-diluted basis assuming exercise of the Warrants forming part of the Units.

Mr. Sprott acquired the Subscription Receipts and Units through 2176423 Ontario Ltd. for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities of the Company on the open market or through private acquisitions, or sell securities of the Company on the open market or through private dispositions in the future depending on market conditions. A copy of

2176423 Ontario Limited's early warning report will appear on the Company's profile on SEDAR and may also be obtained by calling (416) 945-3294 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J1).

## About Erdene

Erdene Resource Development Corp. is a Canada-based resource company focused on the acquisition, exploration, and development of precious and base metals projects in underexplored and highly prospective Mongolia. The Company is advancing the high-grade, low-cost and low capital intensity Bayan Khundii Gold Project targeting first gold production in early 2022. The Project is located in Southwest Mongolia where the Company has interests in three mining licenses and three exploration licenses in the highly prospective Khundii Gold District. Erdene Resource Development Corp. is listed on the Toronto and the Mongolian stock exchanges. Further information is available at [www.erdene.com](http://www.erdene.com). Important information may be disseminated exclusively via the website; investors should consult the site to access this information.

## 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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