



Erdene Resource Development Corp.

ENERGY

METALS

INDUSTRIAL MINERALS

4th Quarter Update 2009

PRESENTATION OUTLINE



- ▶ **Corporate Overview**
- ▶ Metals
 - ▶ Metals Exploration, Mongolia
 - ▶ Zuun Mod Project, Mongolia
- ▶ Coal
 - ▶ Xstrata Alliance Mongolia
 - ▶ Donkin Coal Project
- ▶ Industrial Minerals
 - ▶ Kaolin (APD-TSX-V)
 - ▶ Construction Aggregate
- ▶ Summary

CORPORATE SUMMARY



- ▶ Our Mission
 - ▶ To identify and develop unique opportunities in strategic locations that create value for our shareholders
- ▶ Advanced Stage World Class Projects
 - ▶ Donkin Coal Project
 - ▶ Zuun Mod Mo-Cu Project
- ▶ Near-term Cashflow
 - ▶ Granite Hills Project
 - ▶ Advanced Primary Minerals - Primary Kaolin
- ▶ Project Generation
 - ▶ Metals Projects Mongolia
 - ▶ Coal Projects Mongolia
 - ▶ Industrial Mineral Projects North America

ERDENE MARKET FACTS



Trading Info:

TSX:ERD

Shares Outstanding:

89.2 M

Working Capital:

Cdn ~\$15 M

Market Cap:

Cdn ~\$25 M



EXECUTIVE DIRECTORS



- ▶ Peter Akerley, *President & CEO*
 - ▶ 20 yrs mining & exploration
 - ▶ Past President of BRM Exploration Ltd
 - ▶ Provided exploration & managerial services to junior & senior mining co's, for projects in Canada, US, Mexico, Guyana, Philippines & Mongolia

- ▶ Ken MacDonald, *VP Business Strategy & CFO*
 - ▶ 30 yrs financial & accounting experience in mining sector
 - ▶ Prior VP Finance for Kaoclay Resources
 - ▶ CEO of Advanced Primary Minerals

- ▶ Chris Cowan, *VP Asia*
 - ▶ 45 yrs world-wide mining & exploration
 - ▶ 28 yrs with Falconbridge, senior management & board roles, responsible for technical direction of worldwide surface & mining exploration
 - ▶ Exploration manager in SE Asia & Chief Geologist for Sudbury operation

INDEPENDENT DIRECTORS



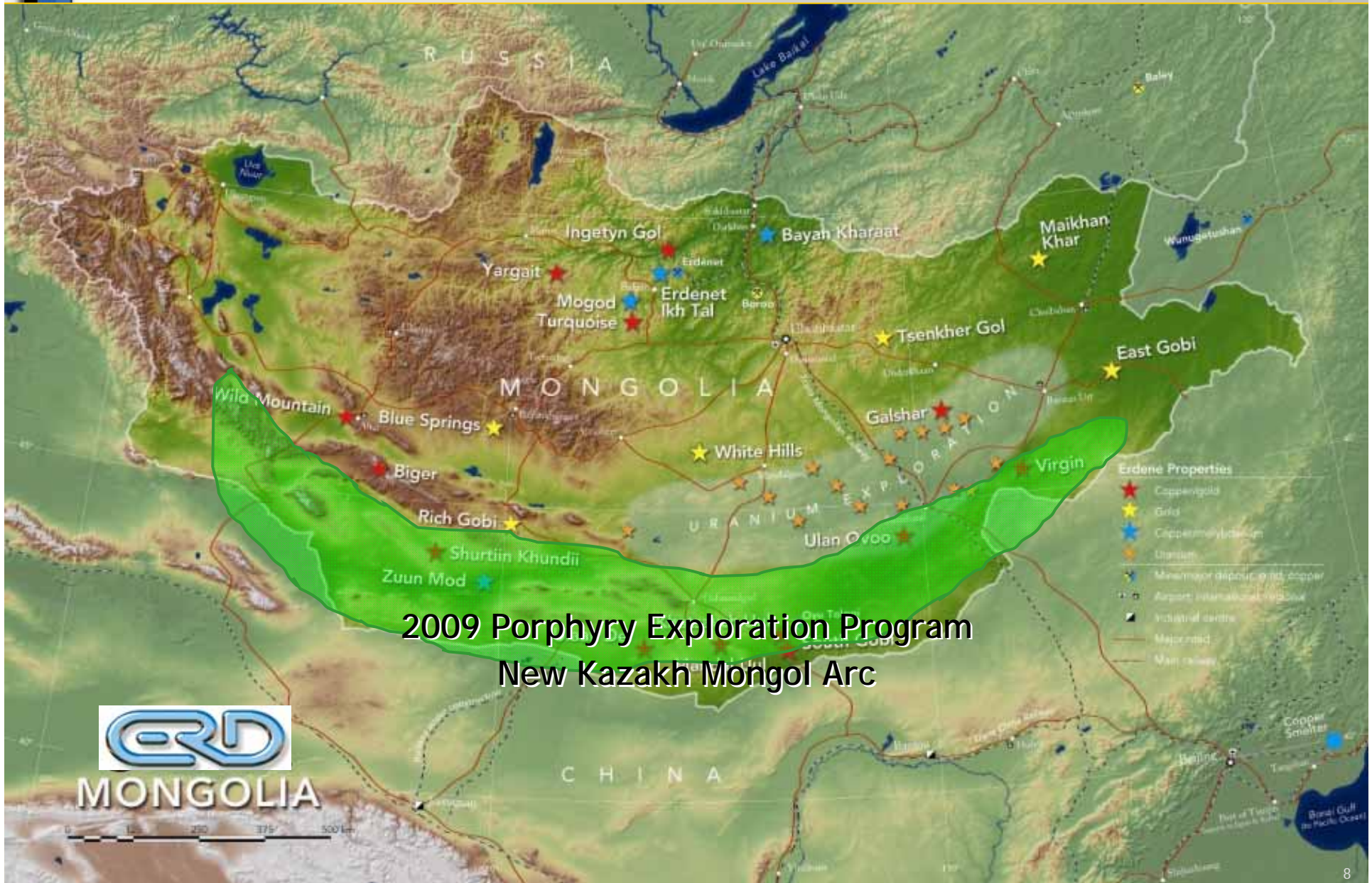
- ▶ William B. Burton (*since 2003*)
 - ▶ President & CEO of MagIndustries, with more than 30 years exploration & operating experience
- ▶ John Byrne (*since 2004*)
 - ▶ President - Petroleum Corp of Canada Exploration Ltd, with more than 30 years of investment banking & corporate finance
- ▶ David Carnell (*since 2003*)
 - ▶ Past President - Bedford Capital Group
- ▶ Jamie M. Frankcombe (*since 2008*)
 - ▶ GM of the Americas for Xstrata Coal, with 28 yrs experience in mining & responsible for Donkin Coal project & business development in Americas
- ▶ Stuart Rath (*since 2006*)
 - ▶ President - Stuco Holdings Limited
- ▶ Philip Webster (*since 2006*)
 - ▶ President - Imperial Windsor Group Inc.

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METALS EXPLORATION MONGOLIA



MONGOLIA

ZUUN MOD MO-CU PROJECT

Metals: Molybdenum & Copper



RESOURCE:

134 M lbs of M&I and 97M lbs Inf.
grading ~0.06% Mo, equiv. copper,
open pit mineable target

MARKET:

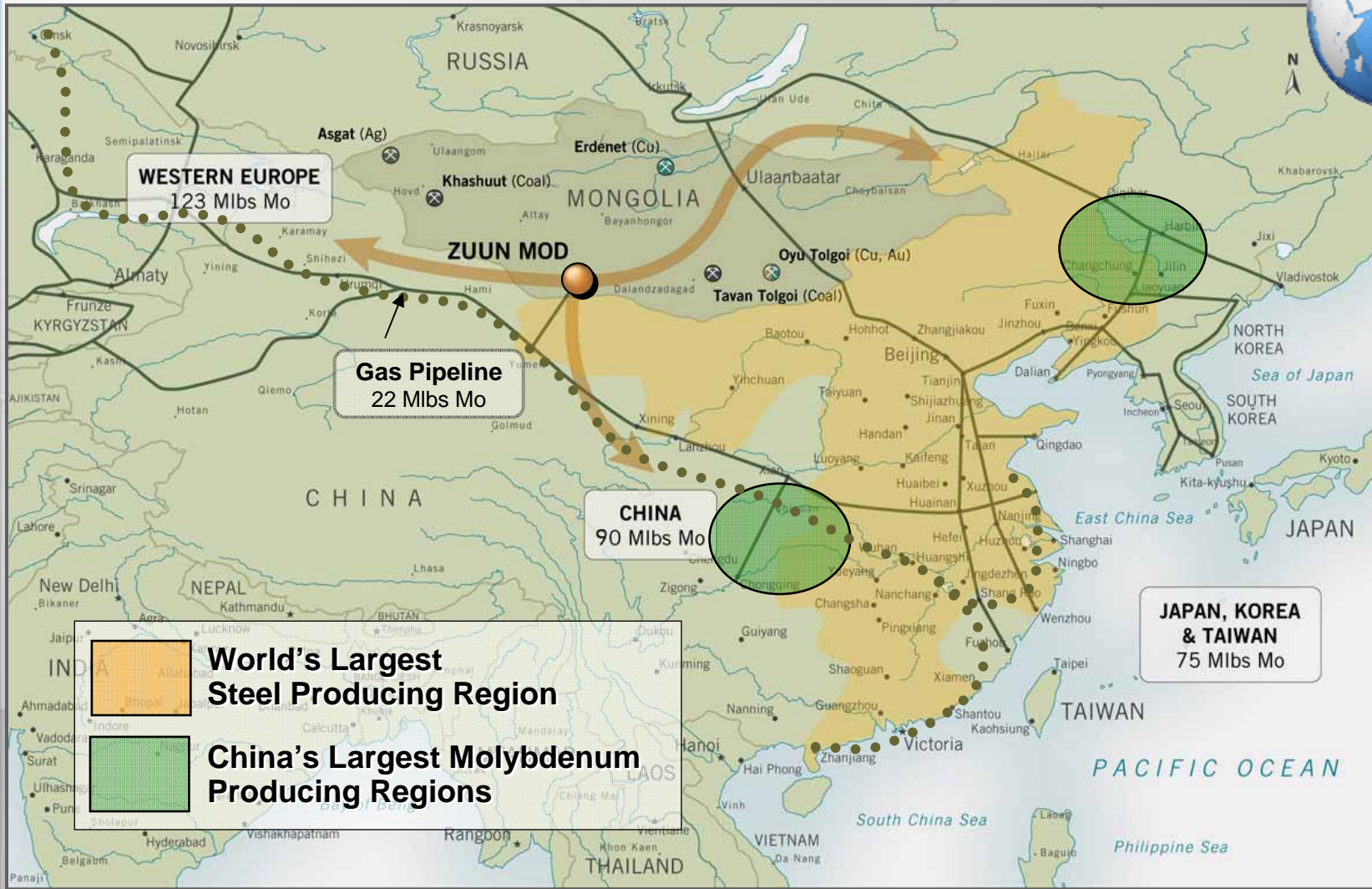
Asia-Pacific region ~35% of Mo world
consumption and fastest growing

PROJECT:

Zuun Mod: Wholly owned;
advanced stage; ~200km
from China border and rail

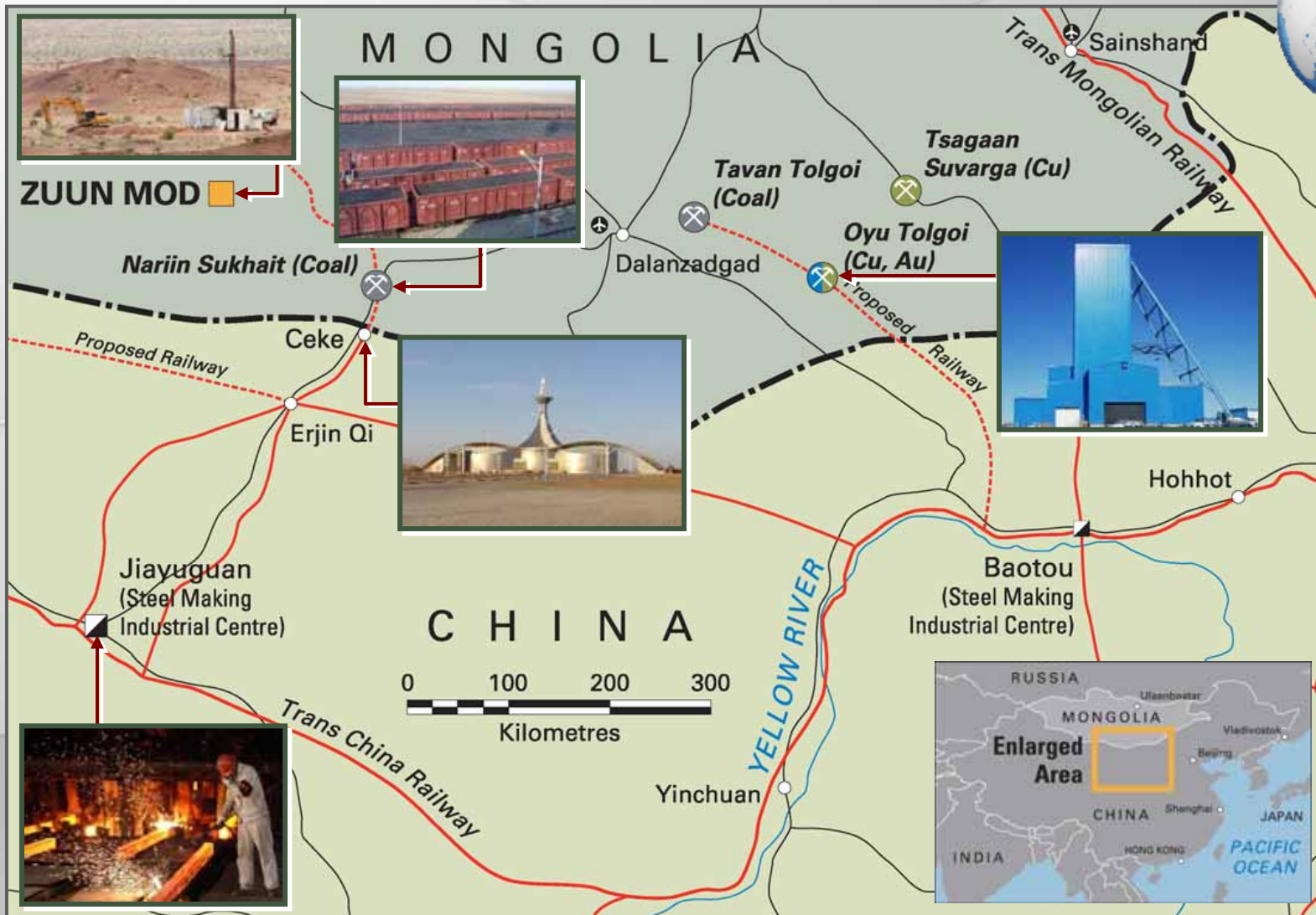
ZUUN MOD MO-CU PROJECT

Regional Moly Consumption & Steel Production



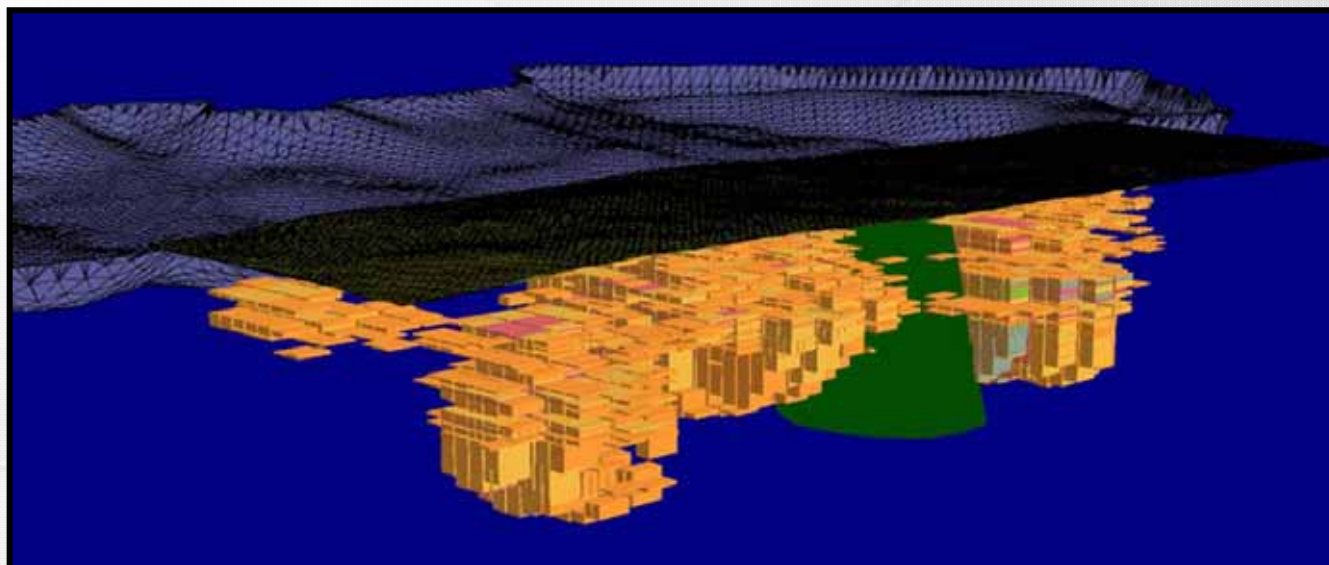
ZUUN MOD MO-CU PROJECT

Infrastructure Building



ZUUN MOD MO-CU PROJECT

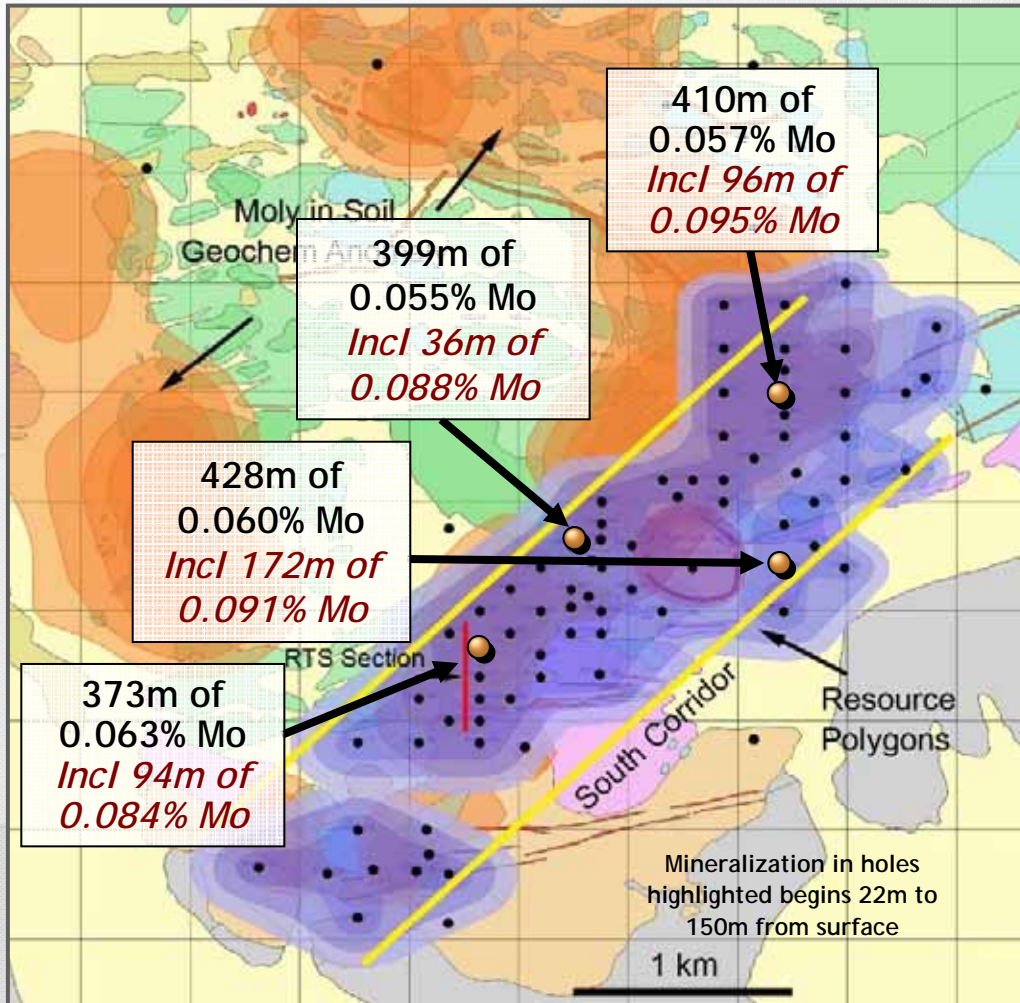
August 2009 NI 43-101 Resource Estimate



Cut-off Grade Mo%	Resource Category	Resources Mt	Cu%	Mo%	Contained Mo Metal Mlbs
0.05%	Total Measured & Indicated	98	0.067	0.062	134
0.05%	Total Inferred	73	0.065	0.060	97

ZUUN MOD MO-CU PROJECT

Project Status



2010 Plans

- ▶ Mining License Application
- ▶ Economic Assessment Study
- ▶ Partnership Evaluation

ZUUN MOD MO-CU PROJECT



Comparable Moly Companies

	ERD	Adanac	Creston Moly	Moly Mines
SYMBOL	ERD:TSX	AUA:TSX	CMS:TSXV	MOL:TSX
MKT CAP	\$24.1M	\$12.0M	\$58.5M	\$113.7M
SHARES OUTSTANDING	89.2M	114.6M	208.9M	94.0M
PROJECT	Zuun Mod	Ruby Creek	Creston	Spinifex Ridge
M+I RESOURCE	134 Mlbs Mo @ 0.062%	407 Mlbs Mo @ 0.067%	264 Mlbs Mo @ 0.077%	562 Mlbs Mo @ 0.060%
INF RESOURCE	97 Mlbs Mo @ 0.060%	53 Mlbs Mo @ 0.062%	15.3 Mlbs Mo @ 0.061	30 Mlbs Mo @ 0.054%

PRESENTATION OUTLINE



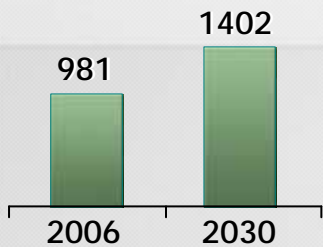
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WORLD COAL MARKETS

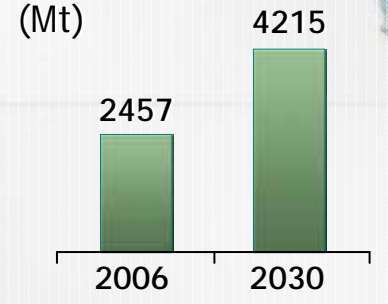
Erdene's Coal Project Locations



Consumption: US
(Mt)



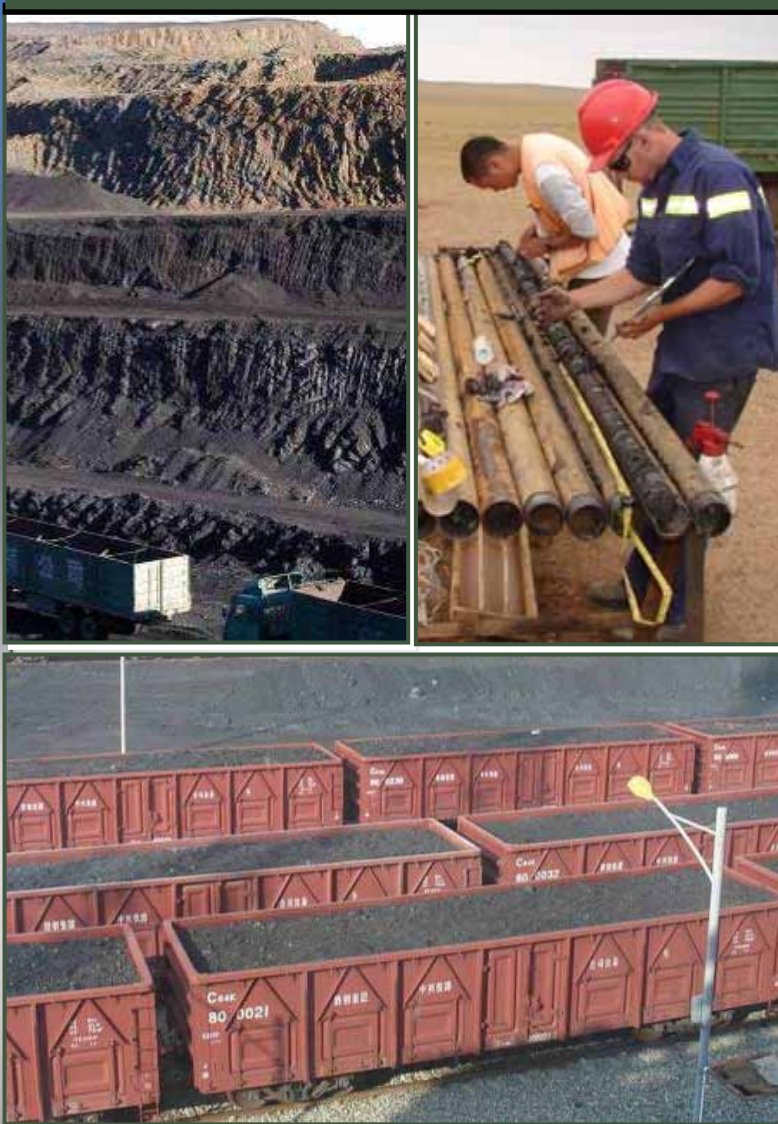
Consumption: China
(Mt)



Erdene Properties
 Top Consumers Top Exporters

Source: Energy Information Administration

MONGOLIA COAL



ALLIANCE:

Erdene - Xstrata Coal

XSTRATA TERMS:

Option to earn up to 75% of any coal opportunity in Mongolia

Must fund all work through to completion of feasibility study

PRIORITY TARGETS:

High Quality Thermal & Metallurgical
(open pit, <5:1, 200Mt+,
>5800 kcal/kg GAR)

DONKIN COAL PROJECT



ALLIANCE:

JV Erdene- Xstrata Coal: 25%/75%

COMMODITY:

Thermal Coal, High-energy (14000 btu), 227MT Indicated & 254MT Inferred



PRIORITY MARKETS:

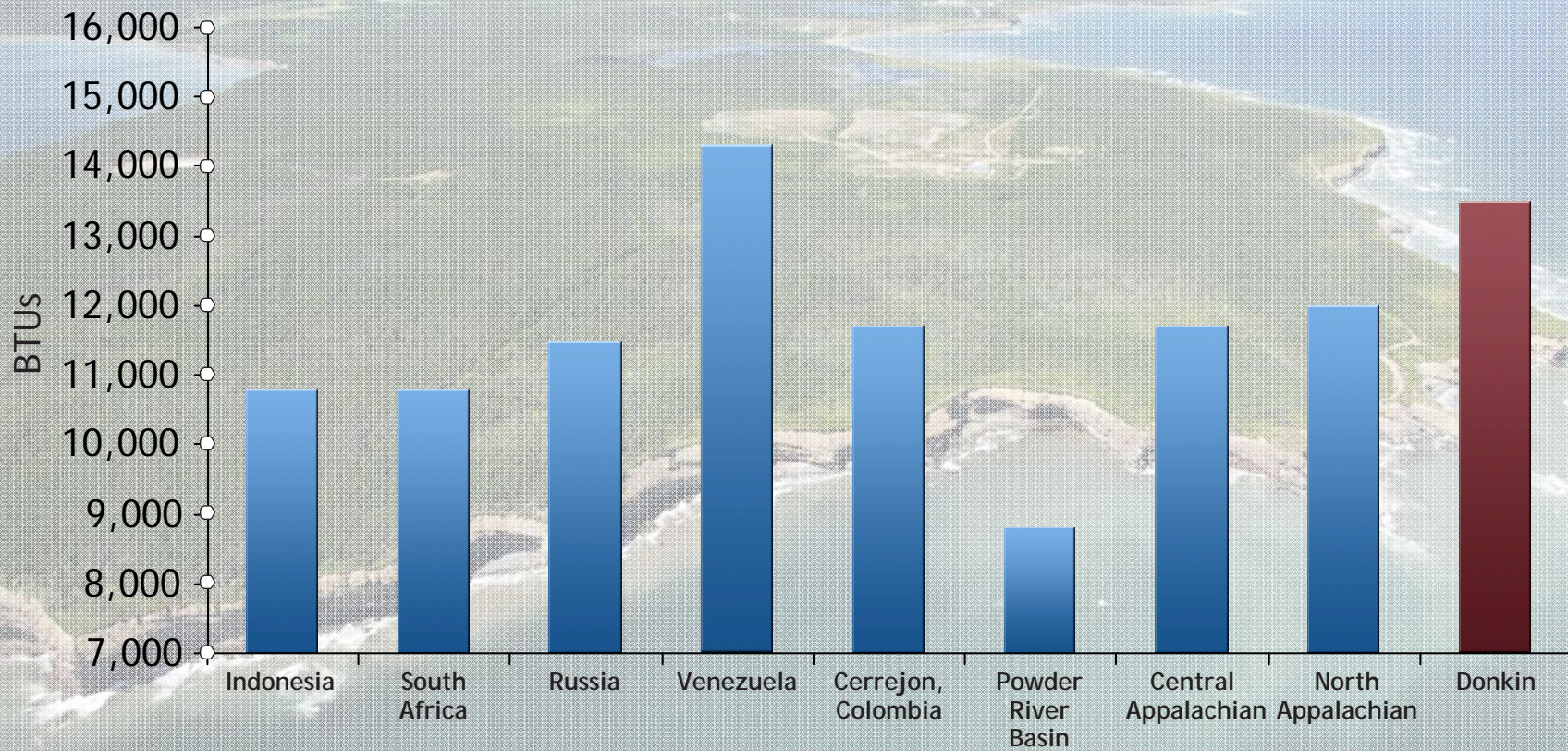
Nova Scotia & Atlantic Seaborne

DONKIN COAL PROJECT

Coal Quality vs. Competition



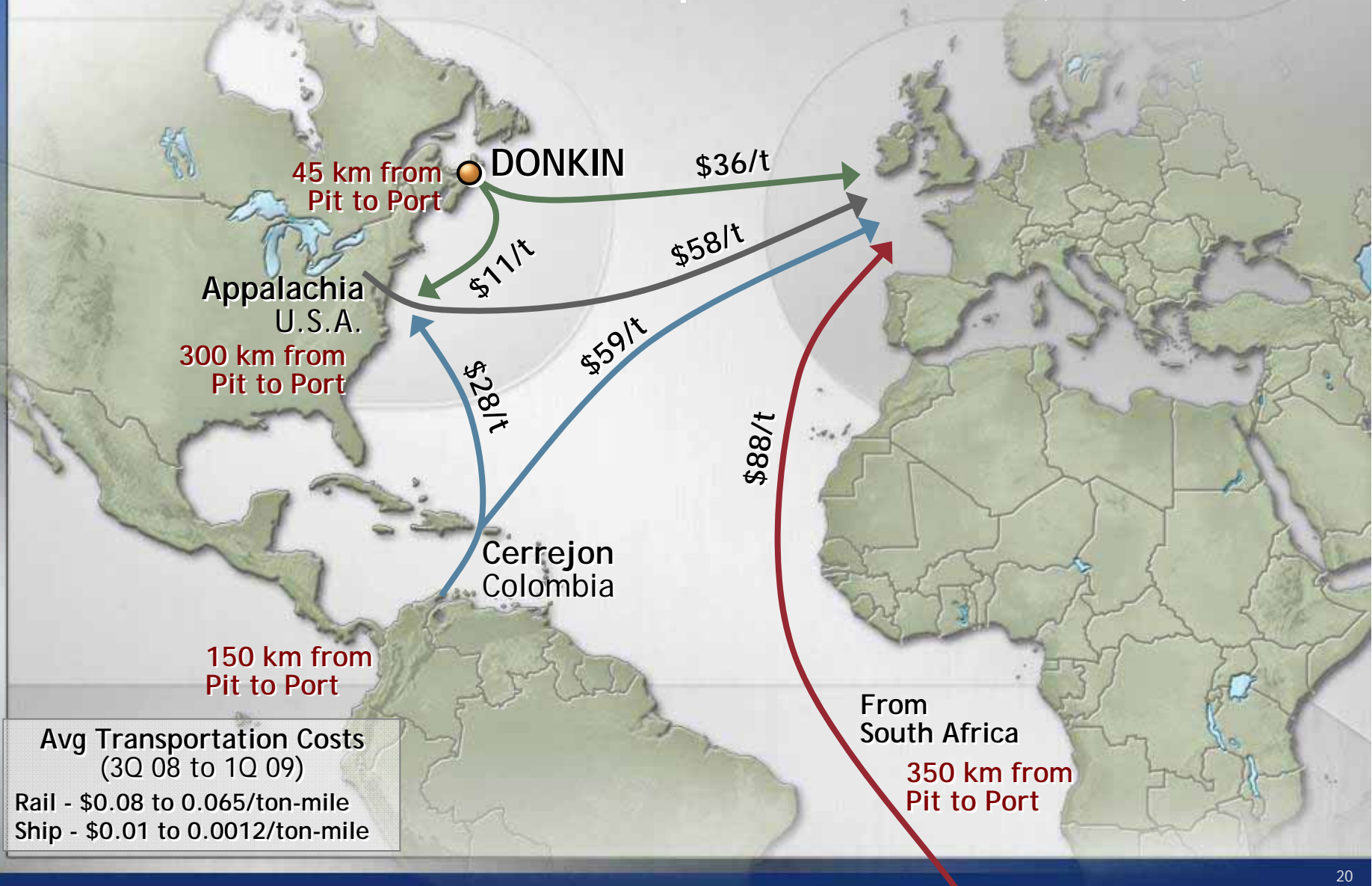
Average Coal Quality - World Coal Resources



DONKIN COAL PROJECT



Atlantic Seaborne Coal Transportation Costs (Q3 08)



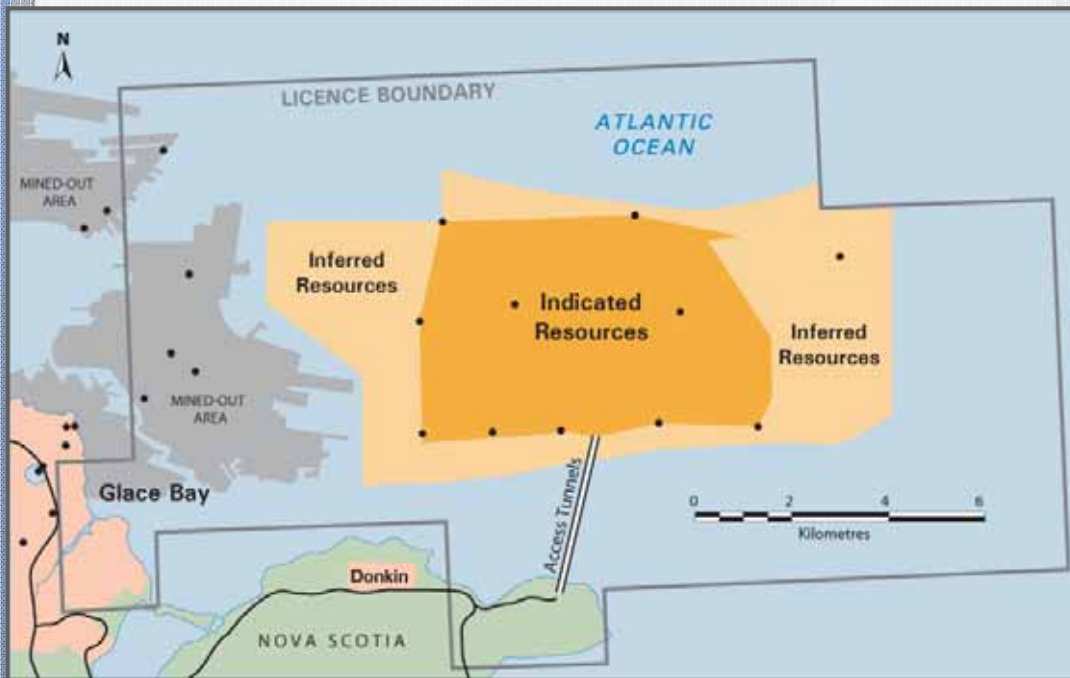
DONKIN COAL PROJECT

Resources - Indicated & Inferred



Harbour Seam

High volatile-A bituminous (12,000 - 14,000 Btu),
high sulphur, medium ash coal

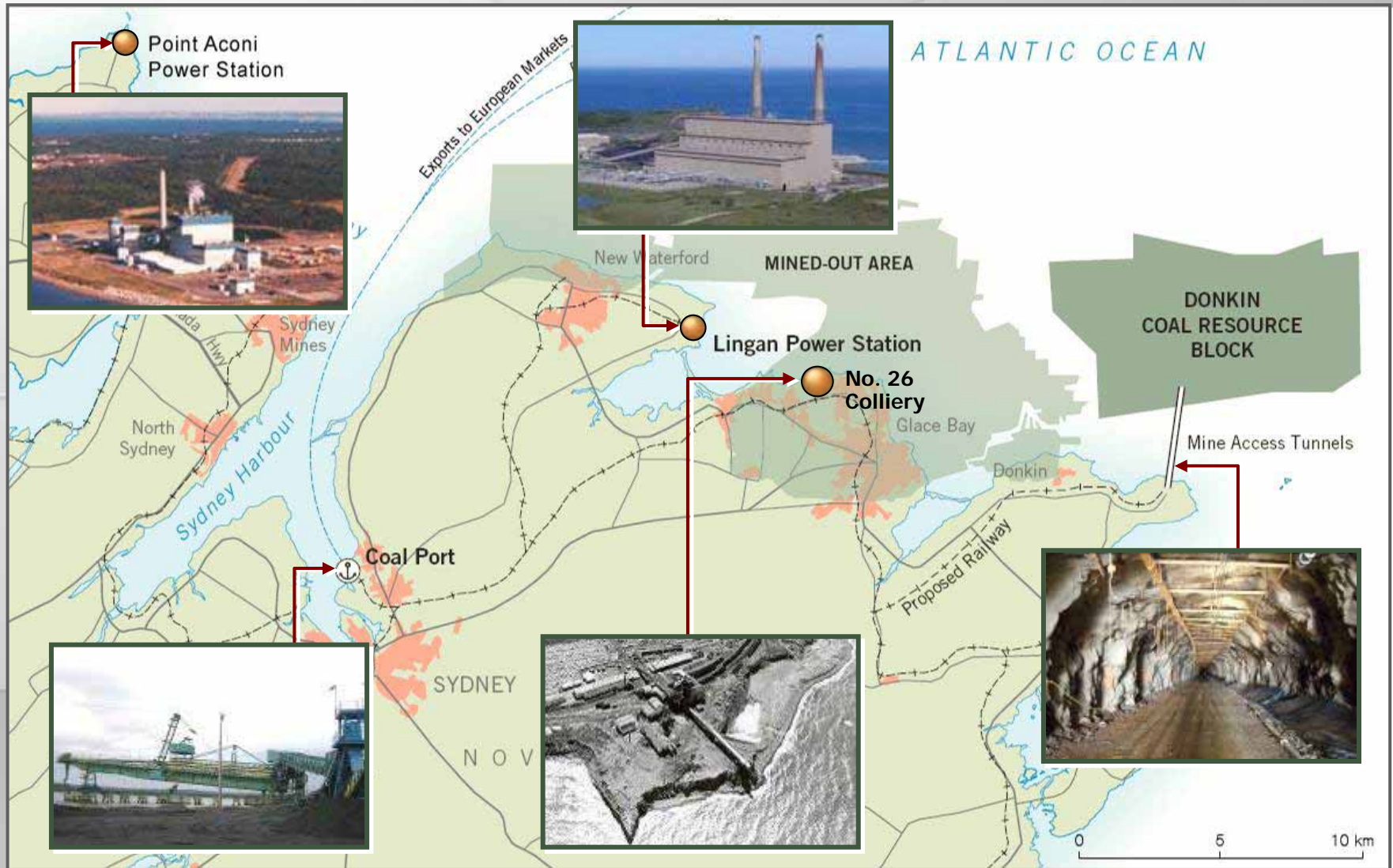


Seam	Indicated (Millions of Metric Tonnes)	Inferred (Millions of Metric Tonnes)
Lloyd Cove	53	82
Hub	73	57
Harbour	101	115
TOTAL	227	254

DONKIN COAL PROJECT

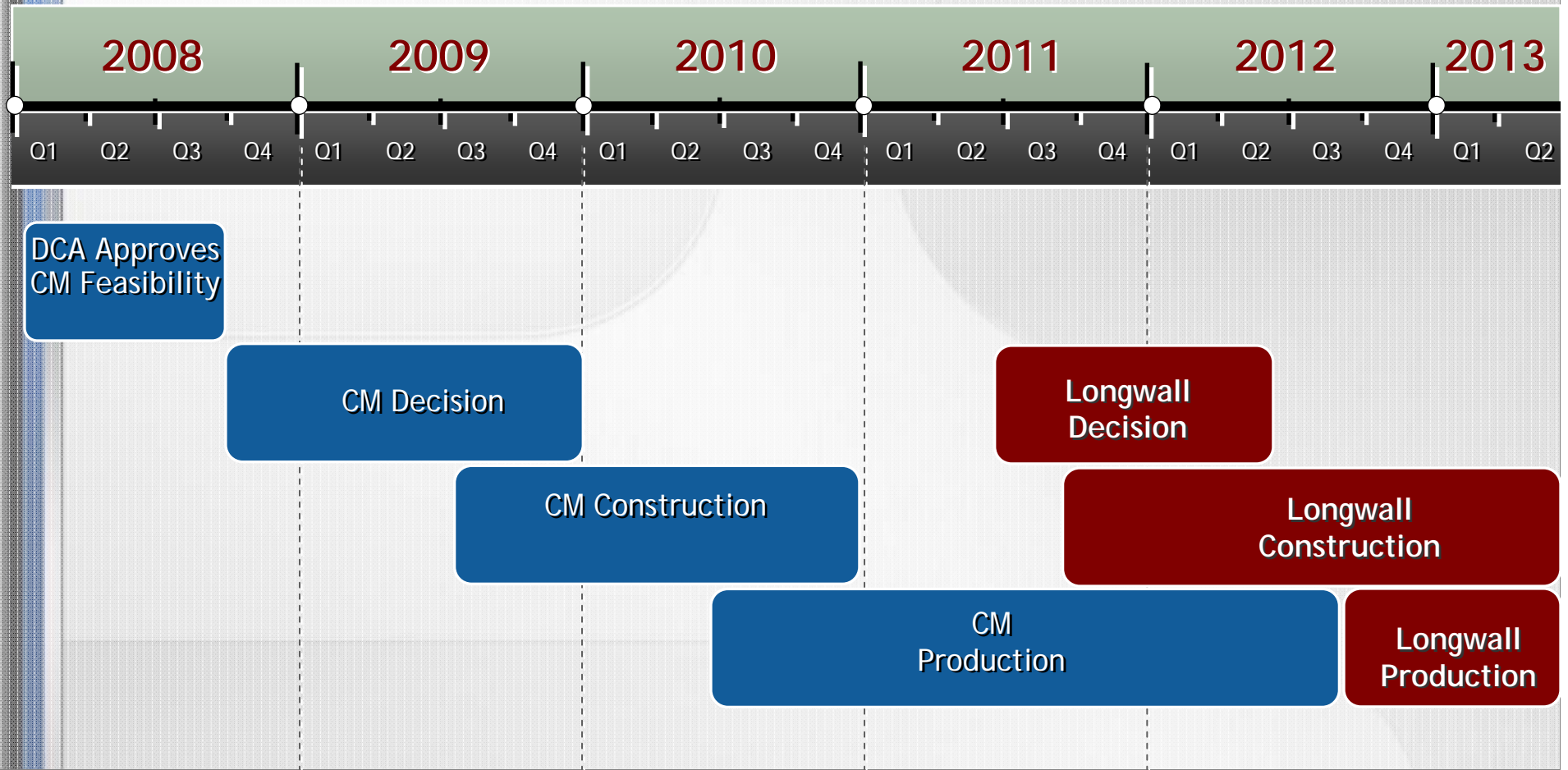


Local Infrastructure



DONKIN COAL PROJECT

Timeline



CM: Continuous Miner Evaluation & Development Program

DONKIN COAL PROJECT



Valuation

Factor	Base Case \$52/Mt Price 2015 Start-up 10% Discount	Sensitivity Price (\$57/Mt)	Sensitivity Start-up (2012)	Sensitivity Discount (8%)	Sensitivity Discount and Price
NPV ERDENE (25%) (US\$)	\$49M	\$68M	\$66M	\$78M	\$106M
<p>Erdene's Average Net Cash Flow \$CDN after Taxes and Royalties (Norwest) First 20 years of full production</p>				<p>>\$20M per annum</p>	

Source: Norwest Preliminary Assessment Nov. 07

CURRENT THERMAL COAL PRICE: \$60 - \$80/tonne

Source: Energy Information Administration

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INDUSTRIAL MINERALS

Aggregate and Kaolin



ALLIANCE:

Majority ownership of TSX-V listed
Advanced Primary Minerals &
Lease-royalty arrangement with
Ready Mix USA

COMMODITY:

Kaolin used for paper coating and
ceramics &
Crushed stone for construction uses

PRIORITY MARKETS:

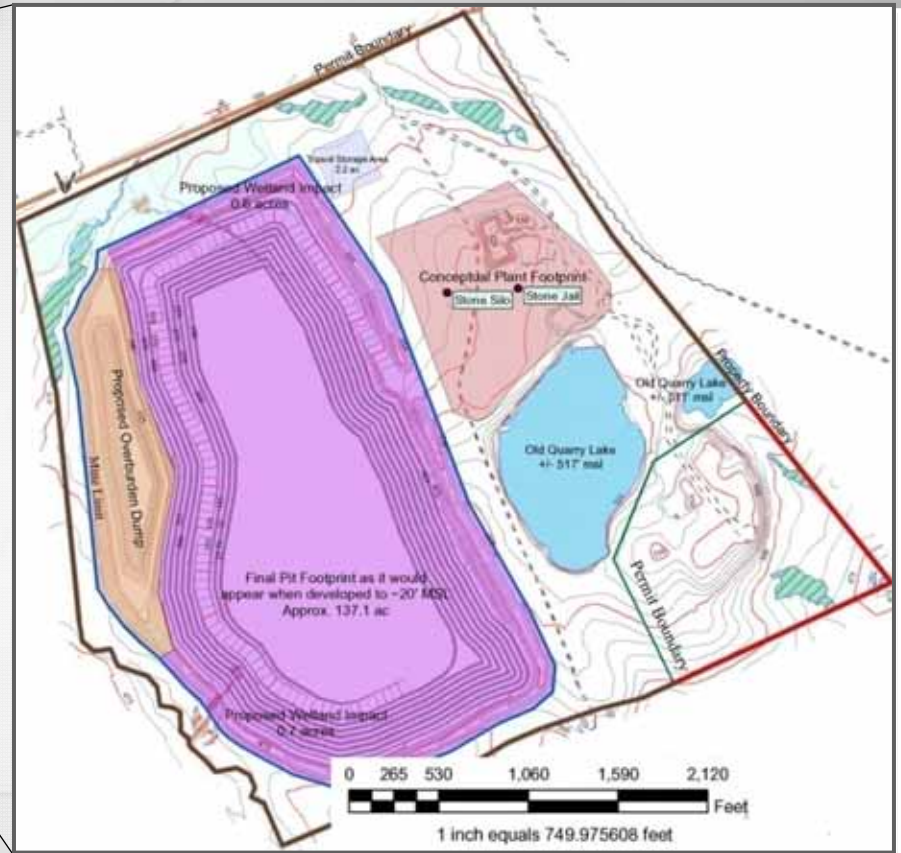
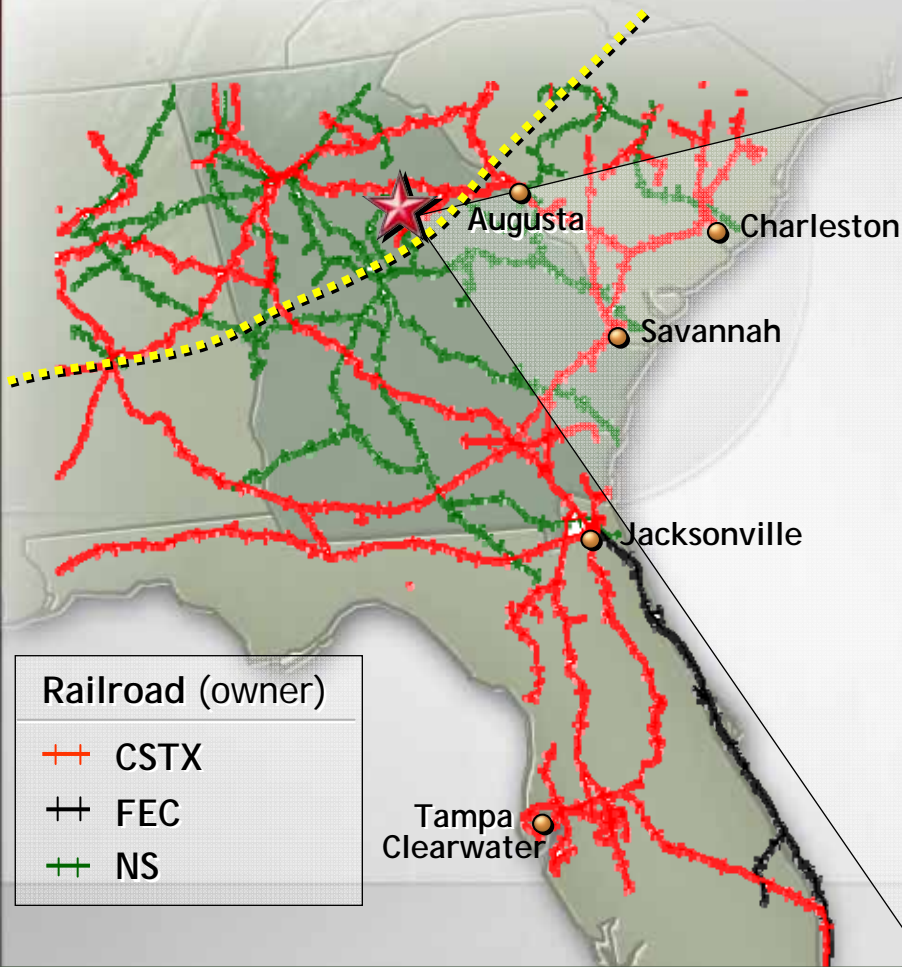
Eastern United States

CONSTRUCTION AGGREGATE

Granite Hill Project



Ready Mix USA Royalty Agreement



CASH FLOW PENDING PRODUCTION DECISION 2009

APM CORPORATION

Overview



- ▶ TSX Venture listing (TSXV:APD)
- ▶ ERD controls ~ 62% of issued common shares (opportunity to increase to 77%)
- ▶ GOAL - Become North America's leading specialized primary kaolin producer
- ▶ Current market cap \$6M

APM CORPORATION

Highlights



- ▶ In commercial production
- ▶ Targeting 30,000 to 50,000 tonnes per annum - Phase I
- ▶ Plant construction capital of \$1.3M
- ▶ Phase I - Projecting annual cashflow of \$1M to \$1.5M over 3 to 5 years
- ▶ Phase II -150,000 tonne expansion plan being developed



ERD SUMMARY



▶ Metals

- ▶ One of the largest molybdenum deposits in Asia located 200km from China, the leading steel producing country and the fastest growing molybdenum consumer
- ▶ Major Regional Porphyry Exploration Program (Cu-Au-Mo)

▶ Coal

- ▶ Highest quality coal resource in close proximity to deep ocean port in Atlantic Region led by worlds largest producer of thermal coal
- ▶ >\$20M/annum Cashflow to ERD full production
- ▶ Advancing Opportunities in Mongolia with Xstrata

▶ Industrial Minerals

- ▶ Interests in established development or producing projects in Eastern US Royalty based production projected for 2010

ERD OUTLOOK



▶ Metals

▶ Zuun Mod

- ▶ 2010: Zuun Mod mining licence and prefeasibility level studies
- ▶ 2011: Zuun Mod partnership
- ▶ 2013-2014: Zuun Mod feasibility/Production Decision

▶ Regional Exploration

- ▶ 2010-2011: Expand Porphyry Cu-Au-Mo Exploration

▶ Coal

▶ Donkin

- ▶ 2009 - 2012: Advance Donkin coal mine to continuous miner production and complete longwall feasibility
- ▶ 2013: Donkin Longwall Production establishing significant cash-flow

▶ Mongolia

- ▶ 2010: Advance projects under Xstrata Alliance
- ▶ 2010: Assist partners in advancing Galshar project

▶ Industrial Minerals

▶ Kaolin/APM

- ▶ 2010-2011: Gain commercial acceptance for specialized primary kaolin products
- ▶ 2011: Establish significant cash-flow for Company and Investors
- ▶ 2012: Expand business through development of Phase II program

▶ Construction Aggregate

- ▶ 2010: Project royalty cash-flow from Granite Hill



Sustaining
GROWTH



Maintaining
STABILITY

VALUE CREATION



FORWARD-LOOKING STATEMENTS



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.