

# Molybdenum

## ZUUN MOD PROJECT

The **ZUUN MOD** project is strategically located less than 200 kilometres from China where rail and power grid have recently been constructed to the border to access Mongolia's emerging mineral resources.



**Molybdenum** is a key ingredient in stainless steel, a product in high demand by China's rapidly growing economy. Molybdenum prices are strong at ~US\$30/lb.



### PROJECT HIGHLIGHTS

- Large open pit resource potential – molybdenum mineralization delineated over 3 kilometre long zone, coming to within 18 metres of surface, open to north, west and at depth
- Numerous higher zones measuring as large as 1000m x 400m currently being defined over 3 kilometre long zone
- Molybdenum mineralization ranging between 0.04% and 0.11% with higher grade zones near surface
- NI43-101 Independent Resource Estimation expected from Minarco Mineconsult in Q2, 2008
- 100% owned by Erdene subject to a 1.5% net smelter royalty

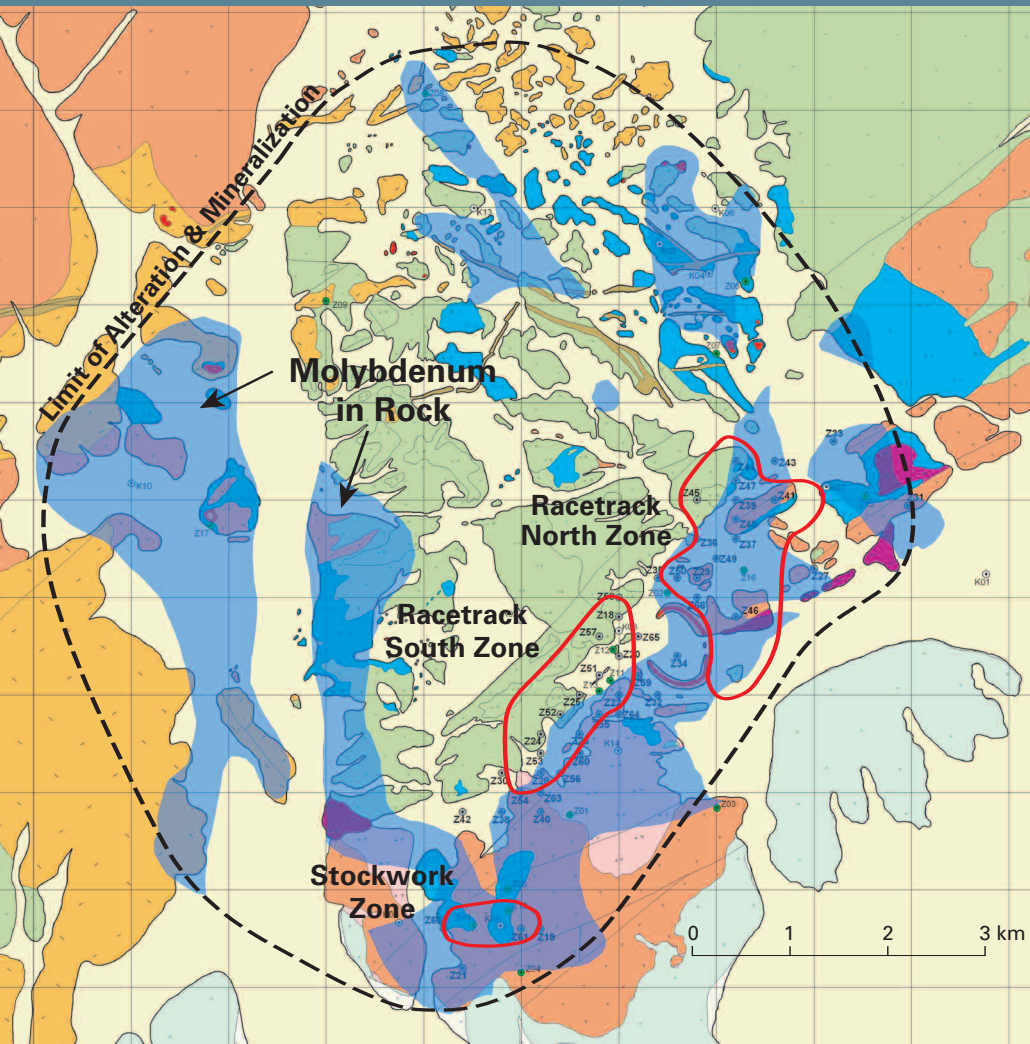
# ZUUN MOD MOLYBDENUM PROJECT

## ZUUN MOD PORPHYRY COMPLEX

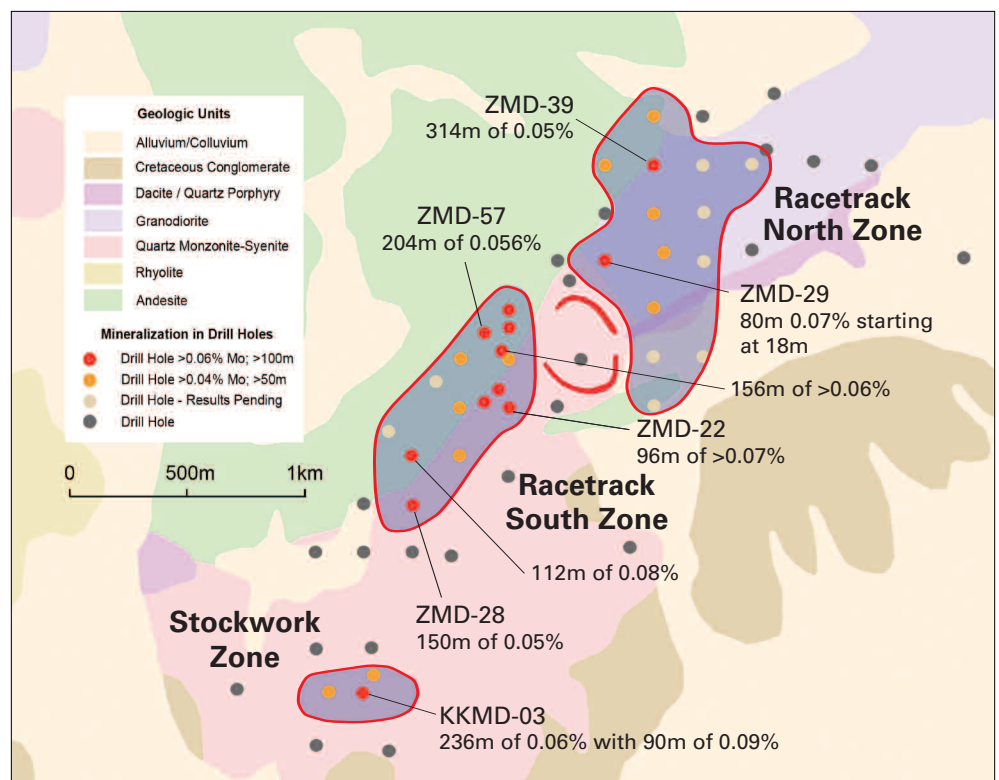
### Geological Units

- Alluvium/Colluvium
- Cretaceous conglomerate
- Quartz veins and bodies
- Post mineral dikes
- Quartz sye porphyry
- Biotite granodiorite
- Syenite
- Rhyolite
- Andesite

The Zuun Mod porphyry complex is highly prospective for the discovery of additional molybdenum resources within a broad moly-in-rock geochem anomaly covering a 12 kilometre circumference



ZUUN MOD MOLYBDENUM PROJECT  
**DRILL HOLES AND ZONES OF SIGNIFICANT MINERALIZATION OVER A 3 KILOMETRE DISTANCE**



## Racetrack North

Drill Hole	From (m)	To (m)	Width (m)	Mo (avg%)
<b>ZMD-29</b>	18	288	270	0.044
Including	46	172	126	0.063
Including	82	118	36	0.103
<b>ZMD-39</b>	40	350	310	0.053
Including	58	128	70	0.070
Including	224	350	126	0.071
Including	310	346	36	0.112
<b>ZMD-46</b>	32	250	218	0.041
Including	184	242	58	0.061

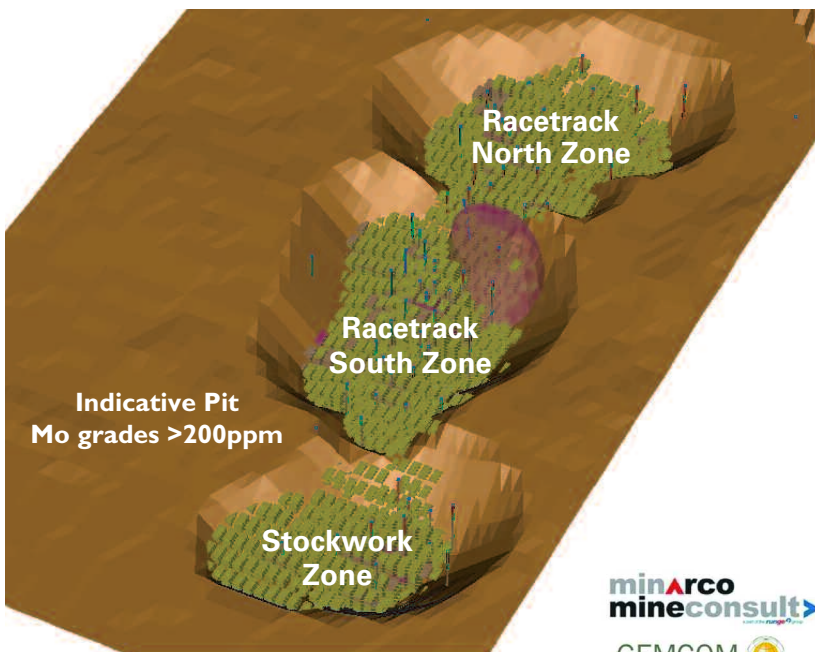
## Racetrack South

Drill Hole	From (m)	To (m)	Width (m)	Mo (avg%)
<b>ZMD-22</b>	62	334	272	0.051
Including	144	308	164	0.063
<b>ZMD-24</b>	119	350	231	0.064
Including	181	215	34	0.101
and	227	251	24	0.101
<b>ZMD-28</b>	52	276	224	0.052
Including	82	202	120	0.060
Including	234	276	42	0.062
<b>ZMD-57</b>	146	350	204	0.056
Including	182	350	168	0.060
Including	194	214	20	0.104
Including	274	288	14	0.104

## PROJECT SUMMARY

- The Zuun Mod Molybdenum Project is located within 200km of recently constructed rail from Chinese steel making industry
- Molybdenum mineralization ("Mo") has been traced over a zone greater than 3km long
- Multiple near-surface higher grade zones including: Racetrack North Zone (within 18m of surface) Racetrack South Zone (within 34m of surface)
- Intersections of significant grade and thickness in each zone:  
Racetrack North: 126 metres of 0.071% Mo (ZMD-39)  
Racetrack South: 231 metres of 0.064% Mo (ZMD-24)  
Stockwork: 236 metres of 0.06% Mo (KKMD-03)
- Mineralization remains open to north, west and at depth offering significant resource expansion potential
- Greater than \$7 million spent on exploration at Zuun Mod since discovery, with 81 diamond drill holes to the end of 2007 drilling totaling >26,000 metres.
- Additional drill targets generated by recently completed expanded surface exploration program across the entire Zuun Mod complex
- 100% owned by Erdene subject to 1.5% net smelter royalty

### ZUUN MOD MOLYBDENUM PROJECT CONCEPTUAL OPEN PIT PLAN



## Zuun Mod 2008

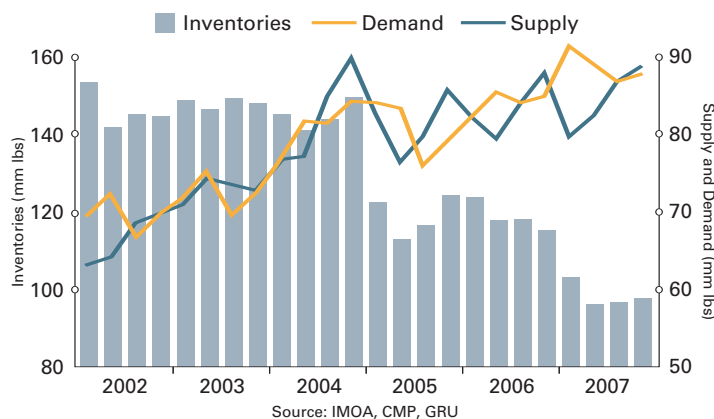
- National Instrument 43-101 compliant molybdenum resource expected in Q2
- Continuation of Phase II 100 metre spaced drilling to further define discovered mineralized zones
- Follow-up drilling on additional targets recently generated by the detailed surface exploration program throughout the 12 kilometre circumference of the Zuun Mod system



# MOLYBDENUM MARKET OVERVIEW



## MOLYBDENUM INVENTORIES & SUPPLY VS. DEMAND



## Market Factors

- The price of molybdenum oxide remains strong, in the US\$25 to \$35 per pound range
- Prices driven by China's demand for steel in machinery, infrastructure and the oil & chemical processing sector
- China's molybdenum consumption leads growth globally
- China's molybdenum export and foreign investment restrictions could impact world supply
- Reserves are being depleted at many key operations due to high grading in previous years
- Top ten companies control 65% of molybdenum market
- 20M lb shortfall each year beginning in 2012 assuming continued 3.5% growth

### What is the typical grade of molybdenum deposits?

Deposit Name	Tonnes <sup>(1)</sup>	Grade	Location	Dev. Stage
Endako <sup>(2)</sup>	607,000,000	0.051	Canada	Operating
Thompson Creek <sup>(2)</sup>	331,000,000	0.083	USA	Operating
Ruby Creek <sup>(2)</sup>	302,000,000	0.054	Canada	Start up 2009
Spinifex Ridge	469,000,000	0.058	Australia	Start up 2008
Mt. Hope <sup>(2)</sup>	1,076,000,000	0.064	USA	Start up 2010

<sup>(1)</sup> Tonnage is for measured and indicated categories or equivalent  
<sup>(2)</sup> Includes both resource and reserve estimates

## DISCOVERING TOGETHER

ERDENE IS COMMITTED TO CONTINUALLY IMPROVING THE LIVES OF THOSE WHO WORK FOR US, PARTNER WITH US AND HOST US IN THEIR COMMUNITIES

### Erdene:

- promotes health, education, safety and culture
- contributes to social infrastructure
- hires local workforce
- builds relationships based on honesty, openness, mutual trust and involvement
- is an active and enthusiastic sponsor of community-based efforts
- develops partnerships that focus on creating sustainable value for everyone



### Investor Contact:

**Diane Webber, P.Geo**  
 Director of External Relations and Communications

### Erdene Market Facts (January, 2008)

COMMON SHARES ISSUED & OUTSTANDING	<b>70.2 million</b>
SHARES FULLY DILUTED	<b>79.8 million</b>
WORKING CAPITAL	<b>\$10.5 million</b>
TSX SYMBOL	<b>ERD</b>



### Erdene

Metropolitan Place, Suite 1480, 99 Wyse Rd.  
 Dartmouth, Nova Scotia, Canada B3A 4S5  
 tel: 902.423.6419 fax: 902.423.6432  
 toll free: 800.261.1422  
[www.erdene.com](http://www.erdene.com)