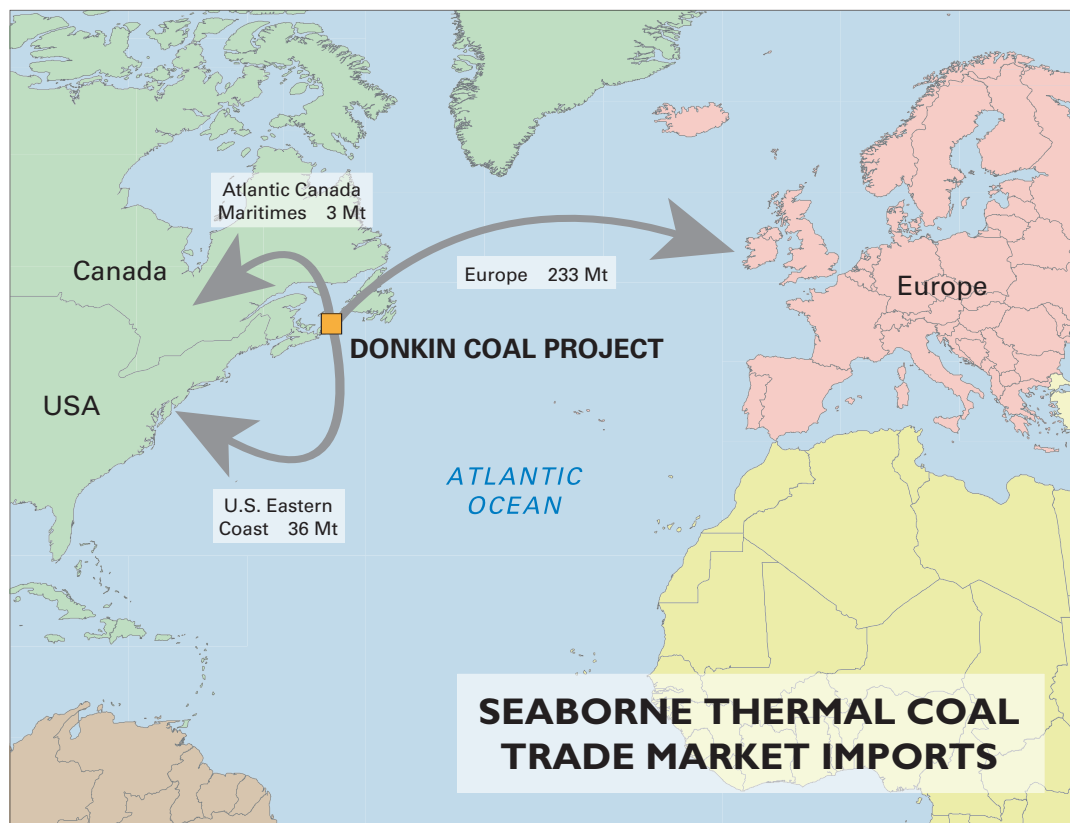


Coal

CANADA & MONGOLIA



The Donkin Coal project is located on Canada's east coast, ideally situated for the transport of the high quality Donkin coal to the local market and the growing market along the U.S eastern seaboard and/or Europe. Current and planned infrastructure will allow transportation via rail to the international coal port within 60km of the Donkin site.



Donkin Joint Venture

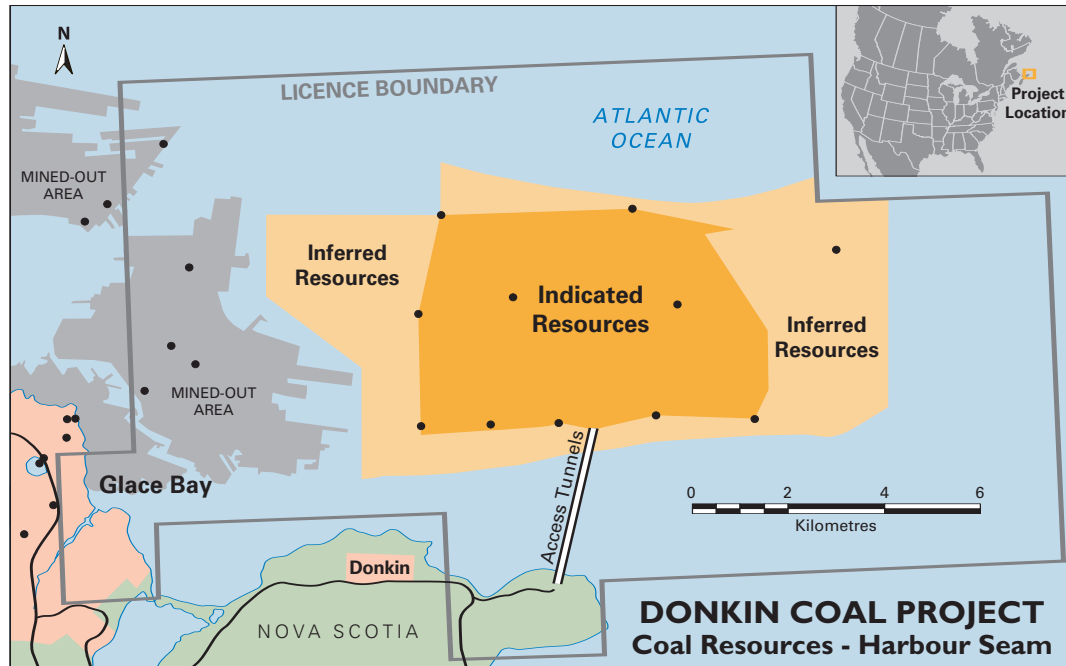
The Erdene/Xstrata Coal joint venture is determining the feasibility of bringing into production the Donkin coal resource block off the coast of Cape Breton, Nova Scotia, Canada

PROJECT HIGHLIGHTS

- NI 43-101 compliant Indicated Resource of 227 Mt with 254 Mt of Inferred Resource of High Volatile A Bituminous Coal with excellent thermal as well as metallurgical (coking) properties
- 3-5 Mtpa high quality coal per year for export via rail and shipping, >30 year mine life
- Partnered with Xstrata, the world's leading exporter of thermal coal; 25% Erdene, 75% Xstrata
- Positive Independent Preliminary Assessment received Nov/07 from Norwest Corporation - base case Net Present Value US\$195M (\$49M – Erdene's 25%)



COAL PROJECTS – EASTERN CANADA & MONGOLIA



PROJECT SUMMARY

- Twin-3.5km tunnels to access the targeted Harbour seam constructed at a cost of approximately \$100M (DEVCO, early 1980's)
- Dewatering and refurbishment of access tunnels complete (August, 2007)
- Internal project evaluation complete (Donkin Coal Alliance, June, 2007)
- Independent evaluation by Norwest Corporation (November, 2007)
- Prefeasibility; 10,000 metre exploratory in-seam drilling program underway and bulk sampling program initiated

DONKIN

Coal Project – Eastern Canada

RESOURCE ESTIMATE

Independent NI 43-101 compliant resource estimate (McElroy Bryan, 2007):

- Donkin Resource Block: 227 Mt Indicated, 254 Mt Inferred
- Targeted Harbour Seam Resource: 101 Mt Indicated, 115 Mt Inferred
- Coal quality: High Volatile and sulphur A Bituminous, excellent thermal and metallurgical characteristics including ~14,000 BTUs, low ash, low moisture

VALUATION

Independent Preliminary Assessment (Norwest, 2007); Business case for production of 3-5 Mtpa, >30 years:

BASE CASE

Coal Price	US\$52/tonne
Projected Costs	US\$23.12/tonne
Longwall Startup	2015
Discount Rate	10%
NPV Project (US\$)	US\$195M
NPV Erdene (25%)	US\$49M

DONKIN COAL PROJECT TIMELINE

Prefeasibility completion expected – MID 2008
 Feasibility completion expected – END 2008
 Production Decision – EARLY 2009
 1st Development Coal – END 2009
 Full Longwall Production Startup – 2012-2015





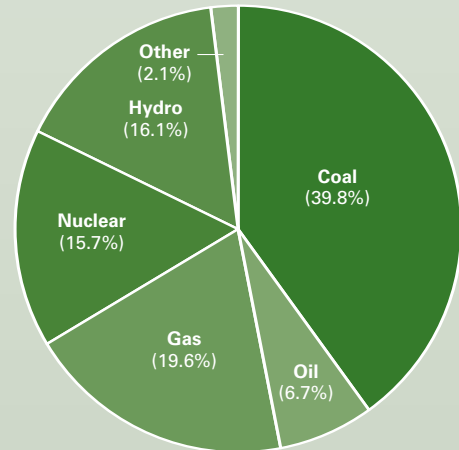
Mongolian coal enroute to China

GALSHAR

Coal Project – Mongolia

- The Galshar Coal project is strategically located just 65km from Trans-Mongolian railway spur, approximately 250km to China
- Potential for large-scale open-pit thermal coal mining operation
- Coal seam ranging from 4 to 47 metres thick successfully traced over distance of 3.6 kilometres
- Drilling results include 22 metres of ~10,000 BTU/lb coal, low ash (6%), low sulphur (0.4%)
- Based on results from 2006 drilling, a 30 hole delineation drilling program was completed in late 2007
- Alliance with Xstrata Coal provides 100% funding of all exploration for coal opportunities in Mongolia through to feasibility

China is the world's largest consumer of coal and consumption is expected to double over the next 20 years. With Chinese imports growing rapidly, Mongolia is on the verge of becoming a major exporter of coal into this growing market. Mongolia has very large, high-quality resources conducive to open pit mining located near current and planned railway links to China.



2004 WORLD ELECTRICITY GENERATION

Strong Market Fundamentals

- Coal fuels 40% of electricity worldwide
- Coal is 1/4 to 1/5 the cost per energy unit for electrical generation
- China relies on coal for 77% of its electricity and the U.S. relies on coal for 50% of its electricity
- China has become a net importer of coal
- Steel producers doubled their coal consumption from 2001-2006
- Thermal coal price has jumped to record high this year because of tight markets and new developments such as; power crisis and export restrictions in China and bottlenecks in Australia and South Africa
- Desulphurization conversions in the U.S. will enable an additional 300M tonnes of Donkin quality coal by 2014
- Seaborne thermal coal trade growth of 7% per annum for last 20 years



Thick seams of coal, Mongolia



SOCIAL RESPONSIBILITY

Erdene is committed to operate ethically and with internationally recognized standards for health, safety, environment and community responsibilities (HSEC).

- Health – promote well-being
- Safety – working safely as a condition of employment
- Environment – efficient use of natural resources and limit harm to the environment
- Community – promote health, education & culture

Erdene is an active and enthusiastic sponsor of community-based efforts

Erdene supports and encourages employee involvement in local communities

Erdene makes all efforts to hire and train locally

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



Priority Funding Categories

- Education- computers, teaching supplies, books, furniture, musical instruments and training for teachers
- Health – hospital supplies, furniture and bedding
- Secure Livelihoods – sustainable development programs such as farming animals, trade labour training



Investor Contact:

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

Erdene Market Facts (January, 2008)

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



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