

August 22, 2012

Erdene Provides Update on Mongolian Metals Projects Gold-Bearing Veins and Breccias Now Traced over 5km Strike at Altan Nar

Halifax, Nova Scotia - August 22, 2012 - Erdene Resource Development Corp. ("[Erdene](#)" or the "**Company**") (TSX:ERD) is pleased to provide an update on the 2012 project activities in [Mongolia](#).

Highlights

- Gold-bearing surface quartz veins and breccias at Altan Nar have now been identified over a strike length of greater than 5 kilometres
- An expanded gradient array geophysical survey at Altan Nar has defined multiple new targets coincident with rock and soil geochemical anomalies that require drill testing
- Northern extension of Altan Nar target area has returned multiple samples exceeding 5g/t gold along 2.6 kilometre strike in area untested by drilling
- A second, contiguous mining license that hosts 17.8% of the 168 million tonne Inferred Resource at Zuun Mod was issued on July 20; all resources are now under long-term license
- An Environmental Impact Study for the Zuun Mod project, prepared by EcoTrade LLC, has been approved by the Mongolian Ministry of the Environment
- A rock geochemical survey has identified a new high-grade gold and silver discovery at Altan Arrow, 15 kilometres south-southeast of Altan Nar, along a 1 kilometre strike length

Altan Nar

Exploration work at Erdene's 100% owned Altan Nar project in southwestern Mongolia continues to expand the areal extent of mineralization. The target is now defined over an area 1.5 kilometres wide and 5 kilometres in strike length, based on an expanded surface-rock geochemical sampling program of gold-bearing veins and breccias. Although detailed work to date has been restricted to the Discovery Zone, the recent exploration success demonstrates the potential for multiple zones similar to the initial discovery area. The Discovery Zone measures approximately 300 metres by 150 metres defined by significant gold-silver mineralization associated with epithermal quartz veins and breccias.

On average, the Discovery Zone drilling has returned mineralized zones totalling greater than 30 metres of greater than 1 g/t [gold](#) and remains open at depth and along trend to the northeast. Since October 2011, 33 relatively shallow holes, totalling 5,742 metres have been drilled over a one square kilometre area of the Altan Nar prospect and anomalous gold-bearing mineralized zones have been intersected in 24 of the 33 holes, confirming the continuity and widespread nature of the Altan Nar mineralized system. Results included 29 meters averaging 4.3 g/t gold and 24.1 g/t silver from hole TND-19 which was drilled 50 metres below the mineralization intersected in TND-09, 55 meters of 1.02 g/t gold and 12 g/t silver. The Discovery Zone appears to be structurally displaced to the south but is open at depth and to the north where a broad mineralized zone intersected 74 metres of 0.6 g/t gold with 29 metres of 1.1 g/t gold with higher grades zones including 4 metres of 10.5 g/t and 56 g/t silver in an adjacent hole.

Results from the new northwest extension include an area where 10 of 15 samples returned an average of 5.95 g/t gold and 23.1 g/t silver. Multiple other areas returned rock samples with assays of greater than 1 g/t gold and up to 11.9 g/t gold. This rock geochemical survey was part of the 2012 exploration program at Altan Nar, which included expanded geochemical and geophysical surveys along trend from the Discovery Zone.

The areal extent of geophysical surveys at Altan Nar has also been expanded, including IP gradient array and magnetic coverage. Preliminary results received for the gradient array survey have identified multiple new targets coincident with rock and soil geochemical anomalies that require drill testing. The Altan Nar prospect now consists of a large 1.5 by 5 kilometre zone of gold-bearing epithermal-style quartz veins and breccias with an associated polymetallic-gold-in-soil anomaly.

Metallurgical and petrographic studies are currently being carried out to characterize the ore mineralogy. The metallurgical work is being carried out by ALS Ammtec in Australia. Additional results from soil geochemical sampling and IP gradient array and magnetic geophysical surveys are pending.

A presentation outlining the Altan Nar project 2012 exploration results is available under the *Featured Items* section of the company website at www.erdene.com.

Zuun Mod Molybdenum-Copper Project

The Zuun Mod molybdenum-copper project, located approximately 40 kilometres east of Altan Nar in southwestern Mongolia, is an advanced, 100% Erdene-owned development project, subject to a 1.5% net smelter royalty. During the second quarter 2012, the Environmental Impact Study for the Zuun Mod project, as prepared by Mongolia-based EcoTrade LLC, was approved by the Mongolian Ministry of the Environment. Also during the second quarter, the Company's independent technical consultant, Minarco-MineConsult ("MMC"), part of the Runge Group, was finalizing a pit optimization study. Once completed, this study will provide high-level production scheduling, a review of operating and capital costs, and economic modeling and will be used to determine the parameters of future pre-feasibility level studies. In June 2011, the Company was granted a 30-year mining license for 6,041 hectares, covering most of the Zuun Mod project, by the Mongolian government. A second mining license, located south of the June 2011 mining license, was received on July 20, 2012. This mining license covers a 358 hectare area that hosts 17.8% of the 168 million tonne Inferred Resource at Zuun Mod. All of the reported Zuun Mod [molybdenum](#) and copper resources lie within the boundaries of the two contiguous mining licenses.

Khuvyn Khar

The Zuun Mod licence areas cover a large porphyry system with multiple exploration targets beyond the main Zuun Mod molybdenum-copper deposit. One such target is the Khuvyn Khar copper prospect located 2.2 kilometres northwest of the Zuun Mod deposit. Previous drilling in 2011 at Khuvyn Khar intersected 34 metres of 1.3% copper and 9.24 g/t silver from 308 meters to 342 meters. This hole lies within a very large copper mineralized zone trending over 900 meters with multiple zones in three drill holes returning assays in excess of 0.2% copper. This zone remains untested to the south where it trends under andesite cover.

In late 2011, an orientation mobile-metal-ion ("MMI") soil survey, designed to identify sub-surface mineralization, was carried out over the Khuvyn Khar prospect. This survey successfully identified copper and silver anomalies previously intersected in drilling. In June 2012, an expanded MMI survey was carried out over a one square-kilometre area at Khuvyn Khar and results are pending. Additional 2012 work included a review of all technical data, reprocessing of geophysical data, as well as a review of all surface and drill-hole geological data. The goal of this work is to identify targets for a follow-up drilling program.

Altan Arrow

Early-stage surface exploration on a new prospect, located on the 100% Company-owned Altan Arrow exploration licence 15 kilometres south-southeast of Altan Nar, has identified significant gold and silver mineralization associated with epithermal quartz veins over a one square kilometre area. Results include an average grade from rock chip samples of 3.5 g/t gold and 60 g/t silver over a one kilometre strike length, including samples with up to 57 g/t gold and 416 g/t silver. Additional prospecting and geophysical surveys will be carried out at Altan Arrow in the third quarter.

Qualified Person

J.C. (Chris) Cowan, P. Eng. (Ontario) is a Qualified Person as that term is defined in National Instrument 43-101 and has reviewed and approved the technical information contained in this news release. Sample analyses have been carried out at SGS Laboratory in Ulaanbaatar, Mongolia. In addition to internal checks by SGS Laboratory, the company incorporates a QA/QC sample protocol utilizing prepared standards, blanks and duplicates.

About Erdene

Erdene Resource Development Corp. is a diversified resource company with metal and coal interests in Mongolia, as well as the Donkin Coal Project and industrial mineral assets in North America. Erdene has 95,802,901 common shares issued and outstanding and a fully diluted position of 103,215,901 common shares.

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 subject to change after that date.

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