



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Provides Project Updates and Third Quarter Financial Results

Donkin Environmental Assessment Process Advances to Next Stage

For Immediate Release

Halifax, Nova Scotia – November 15, 2011 – Erdene Resource Development Corp. ("Erdene" or "Company") (TSX:ERD), today provided an update on the Company's principal projects in conjunction with the release of its third quarter financial results to September 30, 2011.

Highlights

- A new gold-base metal discovery (Altan Nar) on the Company's Tsenkher Nomin property was announced with significant results including a 55 metre intersection of 1.02g/t [gold](#) and 12g/t silver and a 70 metre wide alteration zone with multiple gold-bearing zones over a 100 metre strike length; follow-up drilling is currently underway
- Donkin environmental assessment process advances toward the next stage as the Canadian Environmental Assessment Agency issues a draft Environmental Impact Statement for a comprehensive-study-type environmental assessment for the Donkin Export Coking Coal Project
- The optimization study for the Zuun Mod molybdenum-copper project is in the process of being updated by Minarco MineConsult, incorporating the new NI 43-101 compliant molybdenum and copper resource estimate issued in June
- Construction phase for royalty-generating construction aggregate quarry in Georgia, USA, nearing completion; commercial production expected to commence the first quarter of 2012
- Erdene ends quarter with \$3.6 million in working capital

Project Summaries and Updates

Donkin Coal Project

In June 2011, the initial step in the Environmental Assessment ("EA") process, a draft Project Description document, was filed with Federal and Provincial regulators. The document seeks approval for the 2.75 Mtpa export [coking coal](#) project. On November 14, subsequent to the end

of the quarter, the Canadian Environmental Assessment Agency (“CEAA”) announced their decision that the Donkin Export Coking Coal Project is to undergo a comprehensive-study-type environmental assessment. CEAA has prepared draft Environmental Impact Statement (“EIS”) guidelines and has invited public comment. Any comments will be reviewed and considered before the document is finalized and issued to Xstrata Coal, as project manager. The deadline for receiving comments is December 29, 2011.

In June 2011, the Company received a NI 43-101 compliant Technical Report (“Report”) for the Donkin Coal Project prepared by Marston & Marston, Inc. of St. Louis, Missouri. The Report presents the results of the Pre-Feasibility Study (“PFS”) on the Donkin Export Coking Coal Project prepared by Xstrata. The Report assesses the viability of a multiple continuous miner (“CM”) underground operation, producing approximately 3.5 million tonnes per year (“Mtpa”) of Run of Mine (“ROM”) coal that would be subsequently washed to provide 2.75 Mtpa of product coal suitable for the international export coking and thermal coal markets and domestic thermal coal markets. The report confirms the technical and economic viability of the Donkin Export Coking Project and supports advancing the project to the next phase. The PFS concludes that the Donkin Project has a \$1.06 billion Net Present Value (“NPV”) at an 8% discount rate based on project development capital of approximately \$500 million. This equates to an NPV of \$265 million for the Company’s 25% interest in the project.

The Feasibility Study stage will include the initial phase of mining, referred to as the exploration phase. The intent is to deploy one CM section in the Harbour Seam within one year of the Manager securing necessary approvals and an off-take agreement for the ROM coal. Permits are currently in place for this initial exploration phase. The exploration phase will result in initial production of up to 600,000 tonnes of ROM coal and will provide the opportunity to collect information necessary to finalize the mine and plant design and the ultimate production including an evaluation of the viability of using longwall mining equipment. This first phase of underground development along with the completion of the bankable feasibility study is estimated to cost \$94.2M which is included in the total project capital and is forecast to be conducted over a 24-month period. Full development plans will be based on the outcome of the Feasibility Study and receipt of all government and company approvals.

Zuun Mod Molybdenum Project – [Mongolia](#)

During the third quarter, the Corporation's independent technical consultant, Minarco MineConsult (Runge), continued to carry out work on a pit optimization study incorporating the updated resource estimate released in June. 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 additional pre-feasibility level studies expected to be carried out in 2011/2012.

An updated resource estimate for the Zuun Mod project was issued in June by independent technical consultants, Minarco MineConsult. Their revised resource estimate included an increase in the Measured and Indicated resources by 38 million tonnes as well as an increase in the average grade. The updated Zuun Mod molybdenum-copper resource estimate has a Measured and Indicated (“M&I”) resource of 218 million tonnes (“Mt”) at an average grade of 0.057% molybdenum (“Mo”), and 0.069% copper (“Cu”) at a cut-off grade (“cog”) of 0.04% Mo. This equates to 273.5 million pounds (“M lbs”) of contained Mo metal and 330.7 M lbs of contained Cu metal. In addition, there is a 168 Mt Inferred Resource at an average grade of

0.052% Mo and 0.065% Cu, equating to a further 191.8 M lbs of contained Mo metal and 240.5 M lbs of contained Cu metal.

Also in June, the Corporation was granted a 30-year Mining License by the Mongolian Government for the Zuun Mod project. The Zuun Mod Mining License covers an area of 6,041 hectares and contains the South Racetrack and North Racetrack deposits, which hosts all of the Measured and Indicated resources at Zuun Mod. The Mining License also contains the Khuvyn Khar copper prospect. Approval of an application for a second contiguous Mining License, south of the approved Mining License, is pending. This license application covers 358 hectares and contains the Stockwork deposit which hosts 17.8 percent of the Inferred resource at Zuun Mod.

Tsenkher Nomin Property (Nomin Tal and Altan Nar prospects)

The Tsenkher Nomin property was acquired in 2009 following a regional exploration program focused on discovering porphyry related mineralization. Exploration work on this license has identified a number of previously unknown gold and base metal mineral occurrences. The Corporation has carried out initial scout drilling on two of these prospects (Nomin Tal and Altan Nar) and has reported very encouraging initial results.

Initial drilling at Nomin Tal identified narrow, steeply dipping, parallel zones of high-grade gold, silver and copper bearing massive sulphide along a north-south strike length of approximately 150 metres to a vertical depth between 30 metres to 60 metres. Assay results included 2.7 g/t gold, 0.9% copper and 6 g/t silver over 6 metres (TND-06), 0.2 g/t gold, 3.2% copper and 8 g/t silver over 3 metres (TND-05) and 0.7 g/t gold, 1.8% copper and 5 g/t silver over 8 metres (TND-02).

During the third quarter, drilling at Nomin Tal extended mineralization intersected in drill holes (0.55 g/t gold, 0.60% copper and 0.07% molybdenum over 3.45 metres in TND-8) 600 metres north of previously identified copper-gold mineralization extending the strike length of the mineralized structure to 750 metres.

The Altan Nar prospect, located 2.5 kilometres to the southwest of Nomin Tal, consists of a broad soil geochemical anomaly over a 3 by 2 kilometre area. Assays returned highly anomalous values in soil for gold (up to 1.5 g/t) and lead (up to 2.6%) and associated anomalies for zinc, molybdenum, silver and copper. Geological mapping and prospecting has confirmed the presence of multiple gold-bearing epithermal-style quartz veins, within the large soil anomaly at Altan Nar. Geophysical surveys have identified multiple anomalies, some over 1 kilometre in length, which are proximal to the polymetallic gold-in-soil anomalies and epithermal veins.

During the third quarter, a four-hole scout drilling program was completed with results reported subsequent to the end of the quarter. Results included a 55 metre intersection of 1.02 g/t gold and 12 g/t silver, including 23 metres of 2.07 g/t gold and 23 g/t silver (TND-09). In addition, a 70 metre wide alteration zone with multiple gold-bearing zones was intersected in the four holes over a 100 metre strike length which is open along strike and at depth.

Additional geochemical and geophysical programs have been carried out over the Altan Nar prospect. The results of these surveys are being used in conjunction with previously completed geochemical, geophysical and geological surveys to define additional drill targets. A 3,000 metre follow-up drilling program was initiated in early November.

Coal Projects in Mongolia

Erdene continues to carry out work as part of a comprehensive coal generative and acquisition program in Mongolia that evaluates numerous prospective metallurgical and high-quality thermal coal deposits. The program is being fully funded by the Company's partner, Xstrata Coal, under an Alliance Agreement with whom it is coordinating operations.

Xanadu Mines Ltd. has carried out an extensive drilling program at its Galshar coal project in southeast Mongolia, 250 kilometres southeast of Ulaanbaatar, with a total of 74 diamond and PCD (mud rotary) holes drilled for a total of 8,707.2 metres. A resource estimate in accordance with the JORC code is expected to be issued in the fourth quarter, 2011. Erdene holds a royalty interest on any coal mined from the property.

Granite Hill Aggregate Project

The Granite Hill Project (also known as the "Sparta Quarry") consists of a 100% Erdene-owned 342-acre property in central Georgia, USA, which holds a Class A granite aggregate resource in excess of 120 million tons. Under a mining lease, the Company has granted an exclusive right to Aggregates USA (Sparta), LLC, ("AUSA"), a major construction materials producer, to mine, process, and sell aggregate from the Granite Hill property. The property is situated on an existing rail line allowing for market penetration throughout the south eastern United States. AUSA is responsible for fully funding all capital and operating costs for the project. The sale of all aggregate from the property is subject to an industry competitive royalty payable to the Company.

During the third quarter, site preparation continued with rail load-out tunnel and bins being installed. A rail link from the property to the existing main line was also under construction and is expected to be completed by the end of 2011. Aggregate was produced for on-site construction allowing the quarry pit to be opened up. This will aid the production process once commercial production begins. As planned, external sales are expected to commence in the first quarter 2012.

Advanced Primary Minerals Corp.

The Company, through its 60% controlled subsidiary Advanced Primary Minerals Company ("APM"), operates a primary kaolin processing plant in Dearing, Georgia, USA. APM recognized clay sales of \$174,888 for the third quarter of 2011 (2010 - \$132,972), an increase of almost 32%. For the nine months ended September 30, 2011 APM's sales were \$556,738 (2010 - \$358,603) which represented an increase of 55% over the same period in 2010. APM continues to carry out work to secure additional commitments for its primary kaolin products through advanced product trials currently underway with target customers and through sales growth from within its current customer base. On October 21, 2011 APM announced its application for a Conditional Use Permit to mine kaolin from its Cofer and surrounding properties in McDuffie County, Georgia was denied by the McDuffie County Board of Commissioners. This decision does not affect the ability of APM to supply products to its existing customers as it will continue to source the kaolin for these products from its Tudor Mine. The permit was being sought to add to APM's permitted resource base for strategic purposes. APM is evaluating its options in light

of this decision, which includes filing an appeal of the decision, re-application at a later date or selling some or all of the 328 acre property.

On November 8, 2011 APM closed the previously announced commitment to sell non-core real estate in Eatonton, Georgia (APM's former lab and pilot plant) for US\$350,000.

Quarter ended September 30, 2011 Financial Summary

Erdene's third quarter financial statements and Management's Discussion and Analysis were filed with regulatory authorities on November 14, 2011 and are available on the Company's website at www.erdene.com and on SEDAR at www.sedar.com.

For the three months ended September 30, 2011, revenues amounted to \$222,903, compared to \$132,926 in 2010. Cost of sales amounted to \$325,750 for the three months ended September 30, 2011 compared to \$320,930 in the prior year.

Exploration expenses amounted to \$762,111 in the third quarter of 2011, compared to \$324,435 in 2010. Capitalized exploration and evaluation expenses for the quarter totalled \$435,377 compared to \$465,640 in 2010.

Mongolian exploration expenditures for the quarter were primarily directed toward drilling programs carried out at the Nomin Tal and Altan Nar projects (details of the programs are discussed above). The Company also continued to advance its core projects: the Donkin Coal Project and the Zuun Mod molybdenum-copper project. Specifically, expenditures by project were as follows:

- Nomin Tal and Altan Nar: \$382,638 for the three months ended September 30, 2011 (2010 – Nil)
- Zuun Mod: \$95,122 for the three months ended September 30, 2011 (2010 - \$210,493)
- Donkin: \$340,255 for the three months ended September 30, 2011 (2010 - \$255,147)

Corporate & administrative expenses totalled \$544,583 for the three months ended September 30, 2011, compared to \$432,404 in the third quarter of 2010.

The Company recorded a loss of \$1,355,188, or \$0.01 per share, in the third quarter of 2011 compared with a loss of \$834,437, or \$0.01 per share, for the same period in 2010. At September 30, 2011, Erdene had approximately \$3.6 million in working capital, including that of its controlled subsidiary APM, compared to \$8.3 million at December 31, 2010.

About Erdene

Erdene Resource Development Corp. is a diversified resource company with multiple projects at various stages of development from exploration to production; all projects are focused on high-growth commodities. Erdene has a current working capital position of approximately \$2.9 million, including that of its controlled subsidiary Advanced Primary Minerals Corp., with 90,323,377 common shares issued and outstanding and a fully diluted position of 97,841,377 common shares.

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.

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. Erdene does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

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