



## **ERDENE RESOURCE DEVELOPMENT CORP.**

### **Erdene Drilling Confirms Significant Epithermal Gold Mineralization Near Surface in Southwest Mongolia**

**Intersects 55 metres of 1.02g/t Gold Including 23 metres of 2.07g/t Gold and 23g/t Ag Silver**

#### **For Immediate Release**

**Halifax, Nova Scotia – October 12th, 2011 - Erdene Resource Development Corp.** ("Erdene") (**TSX:ERD**), is pleased to announce results from the first drill program at the Company's 100% owned Altan Nar (Golden Sun) property in southwest Mongolia. These encouraging polymetallic-gold assay results are from a shallow, four-hole drill program, focused on epithermal-style [gold](#), silver and base metal mineralization.

"Altan Nar is proving to be an exceptional new discovery based on the size of the system and the extensive precious and base metal mineralization now confirmed through drilling," said Peter Akerley, President and CEO. "We are very encouraged by these initial, near surface, drilling results and look forward to the continued exploration of this exciting prospect."

#### **Highlights**

- Target area measuring 3 kilometres x 2 kilometres contains multiple prospects defined by geochemistry and geophysics with several gold-bearing epithermal-style quartz vein/breccia zones;
- Initial hole intersects 55 metres of 1.02g/t gold and 12g/t silver, including 23 metres of 2.07 g/t gold and 23 g/t silver;
- 70 metre-wide alteration zone with multiple gold-bearing zones intersected in four holes over 100 metre strike length, open to the north, south, and at depth;
- Gold-bearing epithermal quartz breccia system has been tested to vertical depth of 85 metres with geophysical anomalies suggesting continuity and local intensification at depth;

#### **Altan Nar Epithermal Polymetallic-Gold Prospect - Drilling Results**

A four-hole, 406 metre diamond drill program, completed in mid-September, tested a 100 metre portion of a chargeability anomaly that extends for over 1 kilometre and is one of multiple anomalies within the target area. The program was designed to test one of the coincident soil

and geophysical anomalies in an area measuring approximately 3 kilometres by 2 kilometres with abundant gold bearing epithermal veining at surface.

All four holes were drilled at 45 degree angles and all intersected zones of epithermal quartz breccia and comb-quartz veining with associated phyllic, propylitic and minor potassic alteration of host andesite and andesitic tuff. Surface expression and drilling indicate a 70 metre-wide mineralized alteration zone with widespread galena and sphalerite (up to 1.50% zinc and 0.39% lead over 21 metres in TND-12). In contrast, assay results (Table 1) indicate that gold mineralization was mostly restricted to zones of quartz breccia and comb-quartz and chalcedony veins, interpreted to be oriented from vertical to steeply northwest-dipping.

**Table 1**

<b>Drilling Highlights</b>								
Hole #	Total Depth (m)	Depth (m)		Width (m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
		From	To					
TND-09	111	20	75	55	1.02	12	0.26	0.47
incl.		50	73	23	2.07	23	0.26	0.59
incl.		55	63	8	3.90	17	0.15	0.42
TND-10	75	0	40	40	0.32	3	0.40	0.23
incl.		15	19	4	0.96	12	2.17	0.37
TND-11	120	48	66	18	0.56	6	0.26	0.50
incl.		48	51	3	1.21	3	0.65	1.04
incl.		62	64	2	1.24	17	0.39	0.60
TND-12	100	28	76	48	0.51	9	0.24	0.84
incl.		36	46.5	10.5	1.20	16	0.17	0.41
incl.		50	71	21	0.21	4	0.39	1.50

*Note: All drill holes were orientated at 45 degrees and intersected zones interpreted to be steeply-dipping to vertical. Additional information is required to determine true widths.*

### **Altan Nar Epithermal Polymetallic-Gold Prospect - Exploration**

A broad polymetallic-gold-in-soil anomaly was identified during a regional soil survey which was initiated after the discovery of gold-copper mineralization at the company's Nomin Tal prospect, 2.5 kilometres to the northeast of Altan Nar (as reported in September 7, 2011 press release). Previous scout drilling at Nomin Tal intersected high grade gold and copper mineralization below ancient pits, including 0.5 metres of 13.3g/t gold, 3.0% copper and 26g/t silver. Recent drilling at Nomin Tal has extended the mineralization (0.55 g/t gold, 0.60% copper and 0.07% molybdenum over 3.45 metres) 600 meters north of previous drilling, increasing the strike length of the mineralized structure to 750 metres.

The regional 400 metre-spaced soil survey at Altan Nar, coupled with follow-up soil sampling at 200 metre and 100 metre spacing, has outlined a 3 kilometre by 2 kilometre area with highly anomalous values for gold (up to 1.5 g/t) and lead (up to 2.6%) and associated anomalies for

zinc, molybdenum, silver and copper. Follow-up mapping and prospecting has confirmed the presence of multiple prospects, containing gold-bearing epithermal-style quartz veins, within the large soil anomaly at Altan Nar. An IP gradient array survey over the Altan Nar prospect outlined chargeability and associated resistivity anomalies in some instances over 1 kilometre in length, which are proximal to polymetallic-gold-in-soil anomalies and epithermal veins at surface.

Several factors support the significant exploration potential of the Altan Nar area:

- Drilling confirms a wide zone (greater than 50 metres) of gold bearing epithermal quartz breccia system in the first target area tested;
- Initial drilling has been shallow (less than 85 metre depth) and indicates continuity from surface, in steeply-dipping mineralized zones that are open at depth and along strike to the north and south;
- Multiple gold prospects exist within a large (3 kilometres by 2 kilometres) regional target, as defined by soil geochemistry, geophysical surveys (IP and magnetics) and prospecting;
- Drilling shows the hydrothermal quartz breccia system can be traced laterally for 100 metres and confirms the correlation between mineralized epithermal quartz breccias and positive IP gradient array and dipole-dipole chargeability anomalies;
- The polymetallic geochemical signature (Au-Ag-Pb-Zn-As-Sb-Mo) and style of mineralization, including quartz breccia, comb-quartz and chalcedony veins and stockworks, supports an epithermal origin.

To view a detailed presentation of the Altan Nar polymetallic-gold epithermal prospect, please visit the *Featured Items* section of our website at [www.erdene.com](http://www.erdene.com).

## **Exploration Plans**

Additional in-fill soil sampling to better define the regional extent of the soil anomalies at Altan Nar is underway as well as detailed geological mapping which will further refine the geological setting and controls for the epithermal mineralization. The company is also extending the regional magnetic survey (100 metre line spacing) to aid in interpretation of the geological setting. Additional geophysical work over the central portion of the Altan Nar prospect is currently underway and includes a detailed magnetic survey (25 metre line spacing), an extension of the existing IP gradient array (100 metre line spacing) and additional dipole-dipole IP lines. The expanded geophysical program will be used to refine drill targets for future drill programs. Additional geophysical and soil geochemical information is expected to be received throughout October and early November. Additional drilling is expected to commence on completion of the above work programs.

## **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. All samples have been assayed 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 multiple projects in Mongolia, Canada, and the USA, at various stages of development, from exploration to production; all projects are focused on high-growth commodities. In Mongolia, Erdene's principals have over 14 years of experience in the country's resource sector. A dedicated technical and management team have assembled a strong portfolio of molybdenum-copper, copper-gold, and coal projects throughout the country. These projects, and our in-country experience, provide the Company with a unique opportunity to participate in this period of unprecedented economic growth in Mongolia. This growth is fuelled by the discovery and development of a number of World-class mineral projects that are transforming the country into one of Asia's natural resource capitals.

Erdene has a current working capital position of \$3.5 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 97,931,377 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 is subject to change after that date. The Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

**NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENTS OF THIS RELEASE**

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