



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Provides Update on Donkin Export Coking Coal Project Production Plans Include 2.75 Million tonnes of Semi-hard Coking coal

For Immediate Release

Halifax, Nova Scotia – February 16th, 2011 - Erdene Resource Development Corp. ("Erdene") (TSX:ERD), is pleased to provide an update on the Donkin Coal Development Project.

“The Donkin pre-feasibility study is expected to be completed within the next 45 days and although the delivery date has been extended, our confidence in the viability of the project only continues to grow as we witness the changing market factors influencing the global demand for this product,” said Peter Akerley, President and CEO. “Donkin presents a very exciting opportunity with its strategic location directly on the Atlantic seaboard coal route, strong infrastructure and workforce base, local thermal coal markets, a history of coking coal exports, along with a very large coal resource with excellent coking coal properties. The ability to rapidly and economically transport product from mine to market is increasingly rare in the global coal industry. With markets tightening and the predicted continuation of strong prices, the opportunity to advance Donkin to production continues to improve.”

Prefeasibility Study Update

The project manager, Xstrata Coal Donkin Management Limited (“Xstrata”) has been working with Marston & Marston, Inc. (“Marston”) to evaluate and prepare a National Instrument 43-101 compliant Technical Report based on the Xstrata Coal Pre-Feasibility Study for the Donkin Export Coking Coal Project. The study will focus on approximately 2.75 million tonnes per annum saleable export coking coal operation. Xstrata is currently completing revisions to the production profile and execution plan as well as evaluations at the Donkin site which will be finalized this month and delivered along with the independent marketing study to Marston. It is anticipated that upon delivery of that report, Marston will require 2 to 4 weeks to finalize the NI 43-101 report.

Feasibility/Development

Upon receipt of a positive prefeasibility and subject to the approval of the respective Boards of Directors, it is anticipated that feasibility will commence. Incorporated in this feasibility stage will be initial underground development which is expected to commence with a single continuous miner, contingent on receipt of necessary approvals. This feasibility stage will serve to provide greater detail on the geology, structure and quality of the resource which, due to its sub-sea location, is not conducive to extensive drill testing. Along with plant trials, the

information gathered during this phase will provide the data necessary to further refine the mine plan and secure sales. Currently, the prefeasibility is considering a room and pillar continuous miner coking coal operation. However, should the initial underground program confirm acceptable conditions and sales and marketing research confirm sufficient demand for the Donkin product, it is possible the project could eventually convert to a longwall operation.

Project Funding

To December 31, 2010, approximately \$30.2 million has been spent through the joint venture on the Donkin Coal Project (46% Erdene and 54% Xstrata) while over \$100 million was spent previously on the project by a Crown Corporation, the Cape Breton Development Corporation, including constructing the twin tunnels which extend for 3.5 kilometres from surface to the Harbour seam coal face.

Donkin Coal Project Background

Erdene has a 25% interest in the Donkin Coal Project, located on Cape Breton Island, Nova Scotia with joint-venture partner and project manager Xstrata Coal Canada ("Xstrata Coal"). Located in Eastern Canada, the Donkin Coal Project was acquired by the joint-venture partners in late 2005. Since that time, work has been carried out to de-water and maintain the previously established 3.5-kilometre twin access tunnels. The deposit is strategically located proximal to deep water with ready access to some of the world's major shipping routes. The resource includes 227 million metric tonnes ("Mt") of Indicated and 254Mt of Inferred high volatile-A bituminous (12,000-14,000 Btu) coal. The processed Donkin coal also has many excellent coking coal properties including low ash, low phosphorus, high CSN (crucible swell number) and high fluidity. At full production, the Donkin Coal Project is expected to utilize four continuous miners added incrementally over the first 18 months of production. In addition, a coal wash plant will be built on site and it is proposed that coal will be transported from the mine site using a barge to ship system or by rail to Sydney Harbour. Under the revised development plan, the Donkin Coal Project is projected to produce approximately 2.75 million tonnes per annum of washed, export-grade metallurgical coal at full production, pending receipt of all government approvals.

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.

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 \$7.6 million, including that of its controlled subsidiary Advanced Primary Minerals Corp., with 90,118,377 common shares issued and outstanding and a fully diluted position of 93,731,377 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 subject to change after that date.

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

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