



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Provides Highlights of AGM and Project Updates

For Immediate Release

Halifax, Nova Scotia June 19th, 2014 – Erdene Resource Development Corp. (TSX:ERD) ("**Erdene**" or "**Company**"), is pleased to provide an update on activities as presented (copy available on the Company's website [here](#)) at the Company's Annual and Special Meeting of Shareholders ("AGM") held on June 17th, 2014 in Halifax, Nova Scotia and to announce its shareholders voted in favor of all items of business brought before them.

“During one of the most challenging times in decades for financing in the junior mining sector, our Company has made a significant new high-grade gold and base metal discovery, partnered with a major mining company on our copper exploration efforts, restructured and streamlined our Company, and secured funding in multiple financings while maintaining a relatively tight share structure,” said Peter Akerley, President and CEO. “I would like to thank our excellent technical and administrative teams for their dedication, our directors for their guidance and our shareholders for their support. There are multiple indications of an improving environment in our sector and I am very excited that, from a project and corporate perspective, Erdene is very well positioned moving forward which will bring benefits to all of our stakeholders.”

Highlights of AGM

- Q2 drilling at the Company’s 100% owned Altan Nar gold project returned the best drill intersection to date; 19 m of 5.8 g/t gold, including 5 m of 17.7 g/t gold
- Trenching at Altan Nar over the Union North target, 1.2 km north of the high-grade drill intersection, returned the best trench intersection to date; 19 m of 8.9 g/t gold, including 7 m of 20.2 g/t gold
- The 2013-2014 results provide support for a delineation drilling program at Altan Nar planned for the third quarter
- The near-surface high-grade Altan Nar system is open in all directions, including at depth, and remains relatively untested over its 5.6 km strike length
- The Khuvyn Khar copper exploration program (Teck Alliance) identified multiple copper porphyry style mineralization targets now subject to follow-up exploration
- Company directors were re-elected with greater than 99% of shareholder vote

- The Company exceeded its targeted 43% reduction in 2013 general and administrative costs by achieving a 53% reduction from the prior year
- Erdene raised \$3.72 million of equity between December 2012 and May 2014 at a weighted average share price of \$0.16
- Teck is Erdene's largest shareholder by virtue of participation in three financings since April 2013 totaling \$1.5 million
- During the past 12 months Mongolia has made, and continues to focus on, significant legislative improvements for the mining and financing sectors

Results of AGM

Appointment of Board and Executive

At the AGM, shareholders voted in favor of Erdene management's nominees to the board of directors, with details of the vote as follows:

Nominee	Votes For	% For	Votes Withheld	% Withheld
Peter Akerley	21,727,133	99.84	33,800	0.16
William Burton	21,729,708	99.86	31,225	0.14
John Byrne	21,741,708	99.91	19,225	0.09
Chris Cowan	21,729,708	99.86	31,225	0.14
Philip Webster	21,730,708	99.86	30,225	0.14

Following the AGM, Erdene's board of directors confirmed the re-appointment of its executive officers, namely: President and Chief Executive Officer - Peter Akerley; Vice President Asia - Chris Cowan; Vice President Business Strategy and Chief Financial Officer - Ken MacDonald; and Corporate Secretary - Suzan Frazer. The board also elected Mr. Philip Webster, an independent director, as chairman of the board.

Auditor Re-Appointed

KPMG LLP has been re-appointed Auditor of the Company to hold office until the next AGM or until its successor is duly appointed.

Shareholder Rights Plan Affirmed

At the AGM, shareholders also affirmed the continuance and amendment and restatement of the shareholder rights plan ("Rights Plan") that had been approved by shareholders at the annual shareholders meetings in May 2008 and June 2011. The Rights Plan was adopted by Erdene's board of directors to ensure the fair treatment of shareholders in connection with any takeover

offer for the Corporation. Under the rules of the Toronto Stock Exchange the shareholders of Erdene must affirm the Rights Plan every three years.

Mongolia Project Update

Altan Nar

During the second quarter, the Company reported its best results to date from drilling at the Altan Nar (Golden Sun) project in southwest [Mongolia](#). These included the highest grade gold interval drilled at Altan Nar with 17.7 g/t gold over 5 m, within 19 m of 5.8 g/t gold, 37 g/t silver and 2.49% combined lead and zinc, intersected in the Discovery Zone (“DZ”), and up to 24 m exceeding 2 g/t gold at the Union North target, located over one kilometer north of the DZ. Click [here](#) to read the Company’s press release that presents the DZ results, and [here](#) to read the Company’s press release that presents the Union North results. These near-surface mineralized zones have also been exposed at surface through trenching. The DZ strike length was extended to 450 m and is still open to the northeast and at depth where drilling returned 6 m of 4.8 g/t gold at 235 m. Union North has been tested over a 150 m strike length through trenching and drilling and remains open in all directions.

During the second quarter the Company also completed an expanded surface exploration program, an induced polarization (“IP”) geophysical survey, close-spaced infill geochemical soil sampling, and rock chip sampling. Results from this program support the continued expansion of the gold-polymetallic mineralization within the 5.6 km by 1.5 km target area at Altan Nar and has resulted in improved definition of 12 highly prospective targets. Two of these targets, the DZ and Union North, have been shown to host significant near-surface mineralization while the remaining ten targets are relatively un-tested by trenching and drilling. These zones have the potential to significantly expand the areas of known gold-polymetallic mineralization at Altan Nar with further exploration. The Erdene technical group is currently compiling, reviewing and interpreting results of the second quarter 2014 program which will be incorporated in the design of the next exploration phase to commence in the third quarter. Exploration, including delineation and exploration drilling, trenching and expanded geotechnical surveys is expected to continue at Altan Nar during the remainder of 2014 with the goal of establishing a maiden National Instrument 43-101 compliant resource and the identification of further gold, silver, lead and zinc mineralization amenable to open pit development.

Khuvyn Khar Copper Porphyry Project

The 2014 exploration program at the Company’s Khuvyn Khar copper project, located 40 km east of the Altan Nar project, has included field evaluation of the seven porphyry copper drill targets identified during the 2013 program and geophysical characterization studies of drill core

to provide further definition and confidence in the modelling of potential mineralization at Khuvyn Khar. Geochemical rock chip sampling, vein density mapping, and geophysical modeling completed during the second quarter has resulted in the identification of new, partially buried targets in the western and central portion of the Khuvyn Khar target area. Plans are now being developed for additional work for the remainder of 2014. The ongoing exploration program continues to confirm the potential for copper-rich porphyry style mineralization within the Khuvyn Khar target area. This conclusion is supported by high-grade copper-silver mineralization intersected by Erdene in previous drilling (34 m of 1.34% copper and 9.24 g/t silver).

Regional Exploration

The Company continues to evaluate metal opportunities throughout Mongolia, through both the Teck Alliance and independently, but has largely concentrated in the southwest and predominantly on gold and base metals. This includes the Company's 100% owned Altan Arrow license, located 15 km southeast of the Altan Nar project, where recent trenching confirmed the presence of high-grade gold, with 6 m of 4.5 g/t gold (including 1 m of 16.7 g/t gold) and 1 m of 31.4 g/t gold within epithermal quartz veins and the potential for broader mineralized zones.

Zuun Mod Molybdenum Resource

The Company controls a very large, NI 43-101 compliant molybdenum and copper resource in southwestern Mongolia. Although molybdenum prices have been under downward pressure in recent years, the improving global economy and ongoing shift in China from infrastructure industrialization to urbanization/modernization has resulted in increasing demand for stainless steel of which molybdenum is the third most widely used alloying element. Molybdenum has one of the highest melting temperatures of all the elements, yet unlike most other high-melting point metals, its density is only 25% greater than iron's. Its coefficient of thermal expansion is the lowest of the engineering materials, while its thermal conductivity exceeds all but a handful of elements. As such, it is being used in many key areas in the urbanization and modernization area including high strength steels allowing for weight reduction in automobiles, piping for the oil and gas industry, desalination and supercritical power plants and in many everyday uses in residential and industrial construction. This increasing demand, in the face of recent production decreases globally, has resulted in a rebounding price for molybdenum in recent months with between 30% and 50% increases over the low price reached in 2012. The Zuun Mod project, based on its location relative to the China market, its proximity to infrastructure, its very large resource, and its potential for further exploration success represents an exceptional development opportunity as the Molybdenum markets rebound.

Teck Alliance

In April 2013 the Company formed an Alliance with Teck Resources Ltd. (“Teck”) under which Teck would subscribe for up to \$3 million of the Company’s equity through subscriptions or 19.9% of the outstanding shares of Erdene, whichever occurs first. Share purchases are priced at the then current market plus 10%. Teck has participated in three subscriptions totaling \$1.5M invested to date and currently owns 12.2% of the outstanding shares of Erdene. Erdene is committing 85% of the proceeds of the Teck private placements to exploration work to be directed by a technical committee, with the remaining 15% to be used for general corporate purposes. Once Erdene has spent the proceeds from the Teck financings on the initial program, Teck will have the option to acquire up to a 75% interest in designated projects through a two-stage option process by funding exploration expenditures of up to \$10 million on the Company’s Khuvyn Khar project and up to \$5 million on each of the other existing or acquired projects (excluding Altan Nar and Zuun Mod) so designated within the Trans Altai project area of southwest Mongolia. Projects are currently underway in the Trans Altai area on regional properties and the Khuvyn Khar copper project.

Mongolia Update

In an effort to improve the investment climate for foreign investors, the Mongolian government in October 2013 passed, with 83% parliamentary approval, a new Foreign Investment Law that eases restrictions on foreign investors and offers long-term tax stabilization contracts. In January 2014, the Mongolian government announced the passing of an amendment to the Minerals Law that reduced the royalty for gold from 10% to 2.5% under the condition that producers sell their output to the Mongolian central bank. In addition to these positive legislative changes, it is anticipated that Phase II funding for Rio Tinto’s Oyu Tolgoi copper-gold project will be approved in 2014, allowing it to advance to underground development. It is expected that the approval of the underground phase of this world-class project will be a positive stimulus for the mineral exploration and mining sector in Mongolia.

Significant Cost-Saving Initiatives

During the AGM, the Company presented details of significant cost-saving initiatives undertaken during the past year. At the 2013 AGM, the cost-saving target presented was a minimum 43% reduction in G&A during fiscal 2013. That target was exceeded with cash administration costs decreasing by \$771,220, or 53%, compared to the prior year. This significant cost saving is evidence of management’s continued focus on the reduction of overhead and administrative expenses and the increase of equity-based compensation in lieu of cash. In 2013, administrative expenses totaled \$939,455 (including \$225,626 in non-cash stock based compensation), compared to \$1,678,298 in 2012 (including \$186,559 in non-cash stock based compensation).

Options

Following the AGM, the Company's board granted an aggregate of 1,090,000 incentive stock options to an aggregate of 21 directors, officers and employees of and consultants to the Company. The options are exercisable for 5 years at an exercise price of \$0.16.

About Erdene

Erdene Resource Development Corp. is a Canada-based resource company focused on the acquisition, exploration, and development of base and precious metals in underexplored and highly prospective Mongolia. For further information on the Company, please visit www.erdene.com. Erdene has 74,956,612 issued and outstanding common shares and a fully diluted position of 89,653,051 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.

-30-

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CONTENTS OF THIS RELEASE**

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