



## **ERDENE RESOURCE DEVELOPMENT CORP.**

### **Erdene Provides Year-End Financial Results and Project Review**

#### **For Immediate Release**

**Halifax, Nova Scotia – April 1st, 2014 - Erdene Resource Development Corp. (TSX:ERD)** ("**Erdene**" or "**Company**"), is pleased to provide a review of 2013 activities on the Company's principal projects in Mongolia in conjunction with the release of its year-end financial results.

#### **2013 Project and Financial Highlights**

##### Altan Nar Gold-Polymetallic Project (100% Erdene):

- Twelve distinct gold-polymetallic mineralized zones identified to date along a 5.5 by 1.5 km mineralized corridor
- Trenching program uncovered high grade intersections in four areas that returned from 5 m of 5.2 g/t gold to 19 m averaging 8.9 g/t gold within broader zones up to 50 m averaging 1.1 g/t gold
- Significant silver and base metal mineralization is associated with high grade gold zones particularly in Union North where trenching returned 19 m of 8.9 g/t gold, 66 g/t silver, 7.7% lead and 2.5% zinc
- Previous drilling in the Discovery Zone returned up to 29 m of 4.3 g/t gold, and drilling at Union North (1.3 km to the northwest) returned up to 9 m of 4.4 g/t gold
- Targets remain open along strike, with confirmed lengths of up to 400 m, and at depth where the deepest intersection on the property ended in 5 m of 4.7 g/t at 230 m depth in the Discovery Zone

##### Teck Resources Limited ("Teck") and Khuvyn Khar:

- Strategic Alliance with Teck established to fund and explore Erdene's mineral tenements in southwest Mongolia, including the Khuvyn Khar copper discovery
- Exploration work completed at Khuvyn Khar identified priority drill targets with high probability for intersecting copper porphyry mineralization at relatively shallow depths
- Through an initial private placement and participation in Erdene's equity financing in November 2013, Teck is now Erdene's largest shareholder at 10.4%

## Mongolia:

- The Mongolian government approved a new Foreign Investment Law that eases restrictions on foreign investors and offers long-term tax stabilization contracts
- In January 2014, the Mongolian government reduced the gold royalty from 10% to 2.5% for gold sold through the government

## Financials:

- General and administration costs for the Company decreased 53% compared to 2012
- The Company secured \$1.69 million in financing during the year

## **Mongolia Exploration Highlights**

### Altan Nar Gold-Polymetallic Project

In 2013, a surface mapping and sampling program was undertaken at the Company's 100% owned Altan Nar project in southwest Mongolia to further define targets along the 5.5 km long mineralized corridor. This work significantly expanded the target area at Altan Nar to include 12 distinct mineralized zones. A map of these target zones can be found on the Erdene website (click [here](#) for link). In addition to this ground exploration work, metallurgical testing was completed and confirmed that the majority of gold mineralization identified to date is highly amenable to cyanide leach recovery (81%) based on bottle roll testing (click [here](#) for Erdene's June 27, 2013 press release).

In the fourth quarter, the Company completed a total of 1,877 m of trenching over priority target areas. The results uncovered multiple, high grade gold, silver and base metals zones, including a strongly mineralized system at the Union North prospect, 1.3 km northwest of the Discovery Zone, that returned 19 m of 8.9 g/t gold, 66 g/t silver, 7.7% lead and 2.5% zinc, including 7 m of 20.2 g/t gold, 138 g/t silver, 17% lead and 5% zinc. The 2013 trenching program intersected well mineralized structures at the Union North/South, Discovery Zone, Riverside, Maggie, and Northbow/Southbow prospects, with multiple areas requiring additional exploration. In conjunction with previous drill results, the trench results confirm the potential for multiple shallow, large, bulk-tonnage, gold-silver-lead-zinc mineralized targets, and give further support for the next round of prioritized drilling at Altan Nar. Plans for the 2014 exploration program are currently being finalized with field work expected to commence early in the second quarter. This program will include higher density geochemical sampling, mapping, additional trenching, an induced polarization geophysical survey, and drilling. This work should provide a greater understanding of the extent of the multiple mineralized structures identified to date and should provide a stronger base for designing a more extensive resource definition drill program to follow this phase I program.

## Khuvyn Khar Copper Porphyry Project

The 2013 exploration program carried out at Khuvyn Khar has resulted in the identification and prioritization of seven porphyry copper drill targets, three of which are considered to be high probability for intersecting copper porphyry mineralization at relatively shallow depths. Of most significance are targets characterized by the presence of previously undefined hydrothermal intrusive breccias (“HIB”). The HIBs have a copper (molybdenum) mineralized matrix and porphyry clasts and were identified in drill holes adjacent to gravity low features suggesting that granitic bodies in these locations underwent fluid-over-pressuring and associated mineralization, underscoring the high degree of prospectivity.

The intersections of HIB were also located adjacent to, or within, the two largest, high intensity copper-in-soil anomalies. The target area in the northern portion of the license is also characterized by the most significant mobile-metal-ion copper and multi-element geochemical anomaly. Two drill holes on the perimeter of the target area returned wide intervals of significant copper mineralization. The 2013 exploration program confirmed that the potential for copper-rich, porphyry style mineralization, within the Khuvyn Khar - Zuun Mod complex, is considered to be very favorable, a conclusion supported by high grade copper-silver mineralization intersected by previous drilling. Exploration plans for 2014 include detailed surface mapping and geophysical characterization studies during the second quarter prior to the final design of drill plans and submission to the Teck-Erdene Alliance for approval of a 2014 drill program.

## Altan Arrow Gold Project

During the fourth quarter of 2013, trenching confirmed the presence of high grade gold within epithermal quartz veins and the potential for broader mineralized zones on the Company’s 100% owned Altan Arrow licence, located 15 km southeast of the Altan Nar project. Exploration included a series of trenches over an 800 m strike length. The trenches tested two styles of mineralized quartz; narrow epithermal quartz veins, and a hydrothermal quartz vein/breccia zone. Results from the epithermal veins included 6 m of 4.5 g/t gold (includes 1 m of 16.7 g/t gold) in trench AAT-02, however trench mapping suggests the auriferous vein is oriented sub-parallel to the trench thereby influencing reported width. A second trench testing epithermal veins, 300 m to the south of AAT-02, returned 31.4 g/t gold over 1 m. Trenching results over the south-western end of the hydrothermal quartz vein/breccia zone intersected a 7 m wide quartz vein/breccia zone that together with stockwork quartz veins within a wide zone of phyllic and argillic alteration, averaged 0.18 g/t gold over 17 m.

## **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 reducing 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.

## **Year-End Financial Results Summary**

Erdene's year-end 2013 financial statements, Management's Discussion and Analysis and Annual Information Form were filed with regulatory authorities on March 31, 2014 and are available on the Company's website [here](#), and on [SEDAR](#).

For the 12 months ended December 31, 2013, the net loss was \$2,760,423 or \$0.05 basic and diluted loss per share compared to \$7,345,810 or \$0.15 basic and diluted loss per share in 2012.

In the prior year, the Company successfully completed a Plan of Arrangement with Advanced Primary Minerals Corporation. As a result of the transaction, the Company distributed its North American assets: its 25% interest in the Donkin Coal Project and Nova Scotia Aggregate interests, to Shareholders via the distribution of shares of Morien Resources Corp.. The revenues and expenses associated with the North American assets are categorized under Loss from Discontinued Operations in the Consolidated Statements of Loss and related notes.

Exploration expenses totaled \$1,701,911 in fiscal 2013 compared to \$3,167,762 in 2012. Expenditures were primarily directed toward the Altan Nar gold discovery as well as the continued work on the Zuun Mod/Khuvyn Khar license under the Teck-Erdene alliance. Specifically, direct expenditures by project were as follows:

- Altan Nar: Approximately \$453,000 for the 12 months ended December 31, 2013 (2012 - \$2.0 million)
- Zuun Mod/Khuvyn Khar: Approximately \$615,000 for the 12 months ended December 31, 2013 (2012 - \$445,000)
- Regional and Other: Approximately \$848,000 for the 12 months ended December 31, 2013 (2012 - \$1.0 million)
  - Exploration Projects: Approximately \$254,000 for Altan Arrow, Teeg Uul and the Trans Altai projects for the 12 months ended December 31
  - General: Approximately \$345,000 including \$152,000 in share based payments for the 12 months ended December 31

- Mongolia Office: Approximately \$249,000 for the 12 months ended December 31

Administrative expenses totaled \$939,455 in 2013 (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). Cash administration costs decreased \$771,220, or 53%, compared to the prior year, evidence of management's continued focus on the reduction of overhead and administrative costs and uptake of equity based compensation in lieu of cash.

Net loss from continuing operations was \$2,623,066, or \$0.04 per share in fiscal 2013 compared with a loss of \$4,641,082, or \$0.09 per share in fiscal 2012.

### **Qualified Person**

J.C. (Chris) Cowan, P. Eng. (Ontario), VP Asia for Erdene, 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 Canada-based resource exploration 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](http://www.erdene.com). Erdene has 68,641,503 issued and outstanding common shares and, a fully diluted position of 80,080,692 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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