

July 2, 2013

## Erdene Provides Highlights of AGM and Project Update

Halifax, Nova Scotia July 02, 2013 - Erdene Resource Development Corp. (TSX:ERD) ("[Erdene](#)" or "Company"), is pleased to announce its shareholders voted in favor of all items of business brought before them at the Company's Annual and Special Meeting of shareholders ("**AGM**") held 27 July 2013 in Halifax, Nova Scotia and to provide a summary of the CEO's address to shareholders.

A copy of the AGM presentation is available on the Company's website [here](#).

### 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 Peter Akerley, William Burton, John Byrne, Chris Cowan, and Philip Webster re-elected to the board. Details of the vote are as follows:

<u>Nominee</u>	<u>Votes For</u>	<u>% For</u>	<u>Votes Withheld</u>	<u>% Withheld</u>
Peter Akerley	11,582,448	94.77	639,091	5.23
William Burton	11,463,273	93.80	758,266	6.20
John Byrne	11,643,273	95.27	578,266	4.73
Chris Cowan	11,642,844	95.26	578,696	4.74
Philip Webster	11,643,844	95.27	577,696	4.73

Following the AGM, the Erdene 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 CFO - Ken MacDonald; and Corporate Secretary - Suzan Frazer.

#### Auditor Re-Appointed

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

#### Approval of Unallocated Options under the Company's Incentive Stock Option Plan

At the AGM, shareholders also approved all unallocated options issuable under the Company's 10% "rolling" incentive stock option plan in accordance with the rules and policies of the Toronto Stock Exchange.

#### Amendment to By-Law No. 1

At the AGM, shareholders approved an amendment to By-Law No. 1 whereby advance notice must be provided to the Company when nomination of persons for election to the board of directors are made by shareholders. The purpose of the By-Law Amendment is to treat all shareholders fairly by ensuring that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. A copy of the Amendment, containing the full details of the advance notice provisions has been filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### Project Update

During the 2nd quarter work commenced on the Company's Altan Nar gold project, the Khuvyn Khar copper porphyry project and a regional program focused on our gold-copper targets in the Trans Altai region of south western Mongolia. Surface mapping and rock sampling was completed to further define the targets identified at Altan Nar. This work has provided additional control for defining the next phase of drilling. Results indicate that in addition to the Discovery Zone, the Union South, Union North, Southbow and Riverside Zones offer the highest prospectivity (click [here](#) to access project maps). In addition to ground exploration, metallurgical work was also recently completed (click [here](#) for Erdene June-27 press release) which has confirmed the majority of gold mineralization identified to date is highly amenable to cyanide leach recovery based

on bottle roll testing. These results will now be considered in conceptual mining scenarios for the Discovery Zone.

A surface exploration program to define drill targets is underway at the Company's Khuvyn Khar copper porphyry prospect, located 40 kilometres west of the Altan Nar gold project. The program, consisting of detailed mapping, core re-logging and geophysics, is a follow-up to drilling completed by the Company in 2011 which intersected 34 metres of 1.3% copper and 9 g/t silver. Over the past several years, Erdene has carried out regional exploration in an area of southwestern Mongolia designated as the Trans Altai Project Area generating multiple gold and base metal targets. The Teck-Erdene Alliance is now evaluating both the Khuvyn Khar and Trans Altai areas.

### **Significant Cost-Saving Initiatives**

The Company also presented information during the AGM regarding significant cost-saving initiatives undertaken during the past year and planned for the remainder of 2013 and 2014. In summary, the Company entered 2012 with the target to reduce General and Administration expenditures ("G&A") by 18% and that target was met. For 2013-2014 that target is a 43% reduction or greater. Erdene is below average on G&A in our peer group and bottom 10th percentile in terms of G&A of internationally listed exploration companies active in Mongolia and in the top third for ratio of Exploration & Development ("E&D") to G&A. Through the use of incentive stock options and deferred share units, the Company has also secured a significant reduction in executive and management salaries which also aligns the interest of directors and staff with that of our shareholders. In addition, through joint ventures, the Company has redirected a significant portion of its project funding costs, and is maintaining a reduced budget for the Altan Nar gold project until additional funds are accessed.

### **Deferred Share Units Granted**

In an effort to reduce cash outflows and eliminate certain future commitments, the Company is utilizing the deferred share unit program to more closely align the Company's compensation plan with shareholder expectations. Effective July 1, 2013, senior management has elected to further reduce cash compensation and the executive have surrendered their rights to future severance in return for the issuance of deferred share units. On June 30, 2013 and July 1, 2013, the Company granted a combined 900,297 Deferred Share Units ("DSU") at \$0.12 per share to certain officers, directors and employees of the Company.

### **About Erdene Resource Development Corp.**

Erdene is a Canada-based junior resource company focused on the acquisition, exploration, and development of base and precious metals in underexplored and highly prospective Mongolia. Our strength comes from a major new gold discovery, a large molybdenum-copper porphyry resource, and a recent alliance with Teck Resources to fund and explore a new copper porphyry discovery and Erdene's large land holding, 200 kilometres from the China border in southwest Mongolia. These projects are managed by a highly experienced management team with over 15 years' experience in the country, providing the Company with a unique opportunity to participate in this period of unprecedented economic growth in Mongolia. This growth is fuelled by proximity to China and 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. For further information on the Company, please visit [www.erdene.com](http://www.erdene.com). Erdene has 58,785,299 issued and outstanding common shares and, a fully diluted position of 66,535,716 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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