

July 26, 2012

## Erdene Provides Donkin Export Coking Coal Project Update

**Halifax, Nova Scotia July 26, 2012 - Erdene Resource Development Corp. (TSX:ERD) ("Erdene" or "Corporation")** is pleased to provide an update on the Donkin Export Coking Coal Project ("Donkin Project") located on Cape Breton Island, Nova Scotia, Canada. The Donkin Project is owned through a 75:25 joint venture between Xstrata Coal Donkin Limited ("Xstrata") and Erdene with Xstrata recently announcing their intent to sell their entire interest.

### Environmental Impact Statement for the Donkin Export Coking Coal Project

The Environmental Impact Statement ("EIS") for the Donkin Project was filed on July 16, 2012 with the Canadian Environmental Assessment Agency ("CEAA") by Stantec Inc., on behalf of Xstrata Donkin Coal Management Limited. In association with the filing, Xstrata hosted community meetings in both Donkin and Sydney, Nova Scotia. The objective of these meetings was to provide the public with an opportunity to learn more about the Donkin Project and the environmental assessment process.

The Donkin Project is subject to both the *Canadian Environmental Assessment Act* and Nova Scotia's *Environment Act* and is undergoing a cooperative environmental assessment process. It is anticipated that this process will conclude by the second quarter, 2013 with a decision from the federal and provincial environment ministers.

The Donkin Project proposal includes the construction and operation of an underground coal mine with a lifespan in excess of 30 years. Underground operations would include multiple continuous-miners producing approximately 3.6 million tonnes per annum ("Mtpa") of run-of-mine ("ROM") coal. A coal handling and processing plant capable of processing the ROM coal will be constructed to produce approximately 2.75 Mtpa of product coal suitable for international coking coal markets as well as international and domestic thermal coal markets. It is anticipated that the coal will be transported to international markets via a newly constructed barge-to-ship load-out facility.

CEAA and the Nova Scotia environment department are inviting comments from the public on the proposed Donkin Project. Written comments must be sent by September 14, 2012. More information and copies of the various reports can be accessed from the [CEAA](#) website. Contact Erdene's office at the phone number below for further details on how to obtain these documents.

### Xstrata Donkin Sale Process

The Xstrata Donkin Sale Process, announced April 26, 2012 ([see release](#)), is anticipated to be concluded before the end of 2012. This process is expected to culminate with the selection of a company with the mining experience, technical expertise and financial capability to operate the proposed Donkin underground mine, safely and efficiently. Erdene has a 60 day Right of First Refusal ("ROFR") to acquire the Xstrata interest by matching the terms of any offer recommended for acceptance by Xstrata. Erdene has entered into discussions with multiple parties to assess various options to participate in the Xstrata sale process including acting on its right of first refusal. The Donkin Project provides a unique combination of geographic advantage in relation to proximity to ocean transportation, large resource, long mine-life, high-energy coal and favorable coking coal qualities. These attributes are increasingly sought after in international coal markets.

### **About Erdene**

Erdene Resource Development Corp. is a diversified resource company with metal and coal interests in Mongolia as well as the Donkin Coal Project and industrial mineral assets in North America. Erdene has 95,802,901 common shares issued and outstanding and a fully diluted position of 103,215,901 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 Corporation 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**

**Contact information**

**Erdene Resource Development Corp.**

Peter C. Akerley, President and CEO

or

Ken W. MacDonald, Vice President Business Strategy and CFO

Phone: (902) 423-6419

E-mail: [info@erdene.com](mailto:info@erdene.com)

[www.erdene.com](http://www.erdene.com)