

June 28, 2012

Erdene to Separate into Two Public Companies focused on Donkin Coal Development and Mongolia Exploration

Halifax, Nova Scotia June 28, 2012 - Erdene Resource Development Corp. (TSX:ERD) ("Erdene" or "Corporation") announced today that an agreement in principle has been reached whereby Advanced Primary Minerals Corp. (TSXV-APD) ("**APM**") will acquire all of Erdene's North American interests, comprised primarily of Erdene's interest in the Donkin Coal Project ("**Donkin**").

[Erdene](#) will receive shares of APM in consideration for the sale of its North American interests. These shares, together with the 60% of the issued and outstanding shares of APM currently owned by Erdene, will ultimately be delivered to the Erdene shareholders.

The transaction is subject to signing a definitive agreement and receipt of approvals from the TSX, the TSX-V, the Nova Scotia Supreme Court, the shareholders of Erdene and the minority shareholders of APM, as well as compliance with all other requirements governing related-party transactions.

On behalf of the Corporation, an independent committee of Erdene's board of directors was authorized to negotiate the terms of the proposed transaction with APM, including an appropriate structure and share exchange ratio.

Erdene intends to schedule a special meeting of shareholders to obtain the required approval. Full details of the proposed transaction will be contained in future news releases and the notice of meeting, management information circular and supporting documents that will be mailed to shareholders in due course.

The objective of this proposed transaction is to unlock and maximize shareholder value by creating two strategically-positioned public companies, one focused on Donkin and the other focused on [Mongolia](#) minerals exploration and development. Given Xstrata's announcement of its intent to sell its interest in Donkin, the project is expected to go through a transformational ownership process later this year, which is anticipated to bring the project to production.

Recently, Erdene has concentrated much of its Mongolian exploration efforts on a new [gold](#) discovery, Altan Nar, and advancement of the Zuun Mod copper-molybdenum project. Having these assets in a separate public company will result in a dedicated Mongolia management team with greater flexibility to access capital for future programs.

APM recently announced the sale of its kaolin production assets and associated mining operation, which is scheduled to close on June 29, 2012. In addition to its kaolin assets, APM also has a significant land ownership in the State of Georgia. The proposed transaction will provide the current minority shareholders of APM with exposure to Donkin, a world-class coal project with exceptional upside potential.

About Erdene

Erdene Resource Development Corp. is a diversified resource company with metal and coal interests in Mongolian 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 102,915,901 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

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