

May 22, 2012

Erdene Announces Sale of its Land and Royalty Interest at the Granite Hill Quarry

Halifax, Nova Scotia - May 22, 2012 - Erdene Resource Development Corp. ("Erdene" or "Company") (TSX:ERD), is pleased to announce it has entered into a definitive agreement ("Asset Sale Agreement"), through its wholly owned subsidiary, ERD Aggregate Corp., to sell its real estate and associated royalty interest in the Granite Hill property (the "Sparta Quarry") for US\$3.35 million, cash on closing, to an arm's length, third party.

"The sale of our Granite Hill property is part of the strategic plan to focus our resources on the development of the Donkin Coal Project and the advancement of our Mongolian metals projects," said Peter Akerley, President and CEO. "Although we have a positive outlook for the Granite Hill operation, we believe the ability to monetize this non-core asset, improve our working capital position, and avoid dilution is in the best interest of our shareholders."

Under the terms of the Asset Sale Agreement, the Company's 100% interest in the 339 acre parcel of land and the associated lease and royalty will be purchased for US\$3.35 million. Closing of the transaction is expected to take place within the next 40 days.

About Erdene

Erdene Resource Development Corp. is focused on the development of the Donkin coking coal project in eastern Canada and advancing its portfolio of metals projects in southern Mongolia. Erdene has 95,802,901 common shares issued and outstanding and a fully diluted position of 103,110,901 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 subject to change after that date.

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENTS OF THIS RELEASE

Contact information

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

www.erdene.com