

Erdene Provides Project Updates and Reports Year End Financial Results

Halifax, Nova Scotia - March 29, 2012 - Erdene Resource Development Corp. ("[Erdene](#)" or "Company") (TSX:ERD), today provided an update on the Company's principal projects in conjunction with the release of its year-end financial results.

Project Highlights and Year-end Financial Results 2011

- NI 43-101 compliant technical report received on Donkin Coal Project pre-feasibility study
 - Project NPV of \$1.06 billion (8% discount rate); supports project advancement
- Donkin Coal Project Environmental Assessment process underway
 - Environmental Impact Statement Guidelines for Environmental Assessment received
- Erdene receives 30-year mining license for Zuun Mod molybdenum-copper deposit
- Updated NI 43-101 compliant Zuun Mod resource report
 - Measured and Indicated Resource includes 274 million pounds ("M lbs") of contained [molybdenum](#) ("Mo") metal and 330.7 M lbs of contained copper ("Cu") metal; Inferred Resource includes an additional 191.8 M lbs of contained Mo metal and 240.5 M lbs of contained Cu metal.
- Altan Nar gold-silver epithermal mineralization discovered in south-western [Mongolia](#)
 - Discovery Zone with numerous significant drill intersections including 29 metres of 4.3g/t [gold](#) and 24.1g/t silver; multiple targets remain untested over a 2 kilometre by 3 kilometre area
- Aggregates USA completes construction phase on Granite Hill construction aggregates royalty project
 - Commercial production commenced January 2012
- Erdene's 2011 expenditures directed toward the advancement of the Company's primary projects; ends year with \$3.4 million in cash and cash equivalents.

Project Summaries and Updates

Donkin Coal Project

In June 2011, the Company received a NI 43-101 compliant Technical Report ("Report") for the Donkin Coal Project prepared by Marston & Marston, Inc. of St. Louis, Missouri which presents the results of the Pre-Feasibility Study ("PFS") on the Donkin Export [Coking Coal](#) Project prepared by Xstrata. The Report assesses the viability of a multiple continuous miner ("CM") underground operation, producing approximately 3.5 million tonnes per year ("Mtpa") of Run of Mine ("ROM") coal that would be subsequently washed to provide 2.75 Mtpa of product coal suitable for the international export coking and the export and domestic thermal coal markets. The report confirms the technical and economic viability of the Donkin Export Coking Coal Project and supports advancing the project to the next phase. The PFS concludes that the Donkin Project has a \$1.06 billion Net Present Value ("NPV") at an 8% discount rate based on project development capital of approximately \$500 million. This equates to an NPV of \$265 million for the Company's 25% interest in the project.

The initial step in the Environmental Assessment ("EA") process, a draft Project Description document, was filed with Federal and Provincial regulators in June 2011. The document seeks approval for the 2.75 Mtpa export coking coal project. On November 14, the Canadian Environmental Assessment Agency ("CEAA") announced their decision that the Donkin Export Coking Coal Project is to undergo a comprehensive-study-type environmental assessment. CEAA prepared draft Environmental Impact Statement ("EIS") guidelines and invited public comment. In early February 2012, CEAA issued final EIS Guidelines for the project to Xstrata, as project manager. The EIS Guidelines provide minimum information requirements for the preparation of the EA documents. The EA process is expected to be complete in Q2 2013 and upon successful completion, the Donkin Coal Project is expected to advance to the Feasibility Stage.

The Feasibility Study stage will include the initial phase of mining, referred to as the exploration phase. The exploration phase will deploy one CM in the Harbour Seam resulting in initial production of up to 500,000 tonnes of ROM coal. This program will provide the opportunity to collect information necessary to finalize the mine and plant design and the ultimate production including an evaluation of the viability of using longwall mining equipment. This first phase of underground development, along with the completion of the bankable feasibility study, is estimated to cost \$94.2M which is included in the total project capital and is forecast to be conducted over a 24-month period. Full development plans will be based on the outcome of the Feasibility Study and receipt of all government and company approvals.

Zuun Mod Molybdenum-Copper Project

In June 2011, the Company announced the receipt of an updated resource estimate for the Zuun Mod project by independent technical consultants, Minarco MineConsult (Runge). Their revised resource estimate included an increase in the Measured and Indicated resources by 38 million tonnes as well as an increase in the average grade. The updated Zuun Mod

molybdenum-copper resource estimate has a Measured and Indicated ("M&I") resource of 218 million tonnes ("Mt") at an average grade of 0.057% Mo, and 0.069% Cu at a cut-off grade ("cog") of 0.04% Mo. This equates to 273.5 M lbs of contained Mo metal and 330.7 M lbs of contained Cu metal. In addition, there is a 168 Mt Inferred resource at an average grade of 0.052% Mo and 0.065% Cu, equating to a further 191.8 M lbs of contained Mo metal and 240.5 M lbs of contained Cu metal.

Also in June, the Company was granted a 30-year Mining License for the Zuun Mod project by the Mongolian Government. The Zuun Mod Mining License covers an area of 6,041 hectares and contains the South Racetrack and North Racetrack deposits, which hosts all of the Measured and Indicated resources at Zuun Mod. The Mining License also contains the Khuvyn Khar copper prospect. Approval of an application for a second contiguous Mining License, south of the approved Mining License, is pending. This license application covers 358 hectares and contains the Stockwork deposit which hosts 17.8 percent of the Inferred resource at Zuun Mod.

At year-end, the Company's independent technical consultant, Minarco MineConsult (Runge), continued to carry out work on a pit optimization study. Once completed, this study will provide high level production scheduling, a review of operating and capital costs, and economic modeling, and will be used to determine the parameters of additional pre-feasibility level studies expected to be carried out in 2012-2013.

Altan Nar Gold-Silver Prospect

In 2011, exploration work was carried out on the Company's Tsenkher Nomin property in south-western Mongolia. Exploration work on this license has identified a number of previously unknown gold, silver and base metal mineral occurrences. The Company has carried out initial scout drilling on two of these prospects, Nomin Tal and Altan Nar, (located 2.5 kilometres apart) and has reported very encouraging initial results.

At Nomin Tal, drilling has intersected copper-gold mineralization in a series of drill holes along a 750 metre strike length, including 2.7g/t gold, 0.9% copper and 6g/t silver over 6 metres (48 to 54 metres) in TND-06, drilled under historic workings where mineralization is exposed on surface. Narrow high-grade zones included 13.3g/t gold over 0.5 metres in TND-06 and 6% copper over 2 metres in TND-02.

The Altan Nar prospect consists of a broad (2 kilometre by 3 kilometre) polymetallic-gold-in-soil anomaly identified during a regional soil survey. Follow-up mapping, prospecting and rock-chip sampling confirmed the presence of multiple prospects, containing gold-bearing epithermal-style quartz veins, within the large soil anomaly. Geophysical surveys over the Altan Nar prospect aided in indentifying scout-drilling targets.

A series of 24 holes were drilled over a one square kilometre area of the Altan Nar prospect and the presence of anomalous gold-bearing mineralized zones in 15 of the 24 holes confirmed the widespread nature of the Altan Nar mineralized system. In one area, where multiple holes have been drilled in close proximity, results have confirmed the lateral and vertical continuity of mineralized zones. Hole TND-19 was drilled 50 metres below the mineralization intersected in TND-09 (55 meters of 1.02g/t gold and 12g/t silver), and intersected 29 metres averaging 4.3g/t gold and 24.1g/t silver, suggesting an increase in intensity of gold mineralization at depth. Additional drill intersections, northeast from TND-09 along a magnetic low feature, suggests single or multiple mineralized zones over a 300 metre strike length. The lateral and vertical extent of mineralization in this area, termed the 'Discovery Zone', remains untested.

The 2012 field program at Tsenkher Nomin is expected to start in early April and will include delineation drilling of the Discovery Zone and additional scout drilling to follow-up on encouraging preliminary drill results and numerous untested geochemical and geophysical targets. Additional field work, including close-spaced soil and rock geochemical sampling and geophysical surveys is expected to start once ground conditions permit.

Granite Hill Construction Aggregate Project

The Granite Hill property is under long term lease to Aggregates USA (Sparta), LLC ("AUSA") and the Company earns a royalty on all sales. Throughout 2011, project development was carried out by AUSA including site preparation (installation of processing and shipping infrastructure) and construction of a rail link under Georgia Highway 16 connecting the aggregate quarry site to the existing rail-line. Construction was completed by the end of 2011 and commercial production commenced in January 2012. AUSA is targeting markets in the Southeastern U.S.

Advanced Primary Minerals Corp.

The Company, through its controlled subsidiary, Advanced Primary Minerals ("APM"), operates a kaolin processing plant in Dearing, Georgia, USA. To date, despite encouraging results from product trials, securing new customers has been slower than initially forecast resulting in sales levels and cash flows below the budget targets. The ability of APM to generate positive cash flows is dependent on securing new sales, which is uncertain. APM continues to seek additional market commitments for its specialty primary kaolin products with numerous product trials to target customers ongoing and through sales growth within its current customer base. Erdene extended a promissory note with APM until August 31, 2012 to allow APM the time necessary to restructure its operations. Restructuring could include renegotiating a new credit facility or the monetization of non-core or operating assets.

Review of Capital Structure

In January 2012, the Company announced that the Board has commenced a review to explore and evaluate potential alternatives in order to maximize shareholder value. Newly appointed director, Mr. John Budreski, will be working with CEO, Mr. Peter Akerley and the executive team, reviewing various options including separation of the Mongolian and North American assets in separate public companies, sale of subsidiaries, strategic investments, project financing and other corporate and financial transactions. It is anticipated that this process will continue throughout the first half of 2012.

Year End Financial Results Summary

Erdene's year end 2011 financial statements and Management's Discussion and Analysis were filed with regulatory authorities on March 29, 2012 and are available on the Company's website at www.erdene.com and on SEDAR at www.sedar.com.

For the 12 months ended December 31, 2011, revenues were \$882,828 compared to \$584,629 in fiscal 2010. Cost of sales was \$5,166,644 in 2011 compared to \$1,410,842 in 2010, leading to a gross operating loss of \$4,283,816 in 2011 compared to a loss of \$826,213 in 2010. Cost of sales includes an APM impairment charge of \$3,917,790 in 2011 (2010 - nil). Persistent operating losses in APM, a drop in sales to a key customer, and a lack of success in having the McDuffie land permitted, caused the Company to assess the recoverable amount of the assets associated with the clay operations. This assessment deemed there to be an impairment which was recognized in the fourth quarter of 2011. Excluding the 2011 APM impairment charge, the gross operating loss reduced by \$460,187 or 56%, largely due to improved performance in the Company's kaolin clay operations where sales were up 28%. Unfortunately, the kaolin operations continue to generate negative cash flows and APM is in the process of restructuring its operations.

Exploration expenses totalled \$3,943,421 in fiscal 2011 compared to \$1,310,288. Including capitalized costs and excluding partner recoveries, exploration costs amounted to \$6,207,531 in 2011 compared to \$5,487,783 in 2010.

Expenditures were primarily directed toward the continued advancement of the Donkin Coal Project, Zuun Mod molybdenum-copper project, as well as the new gold-silver discovery at Altan Nar. Specifically, expenditures by project were as follows:

- Zuun Mod: Approximately \$774,000 for the 12 months ended December 31, 2011 (2010 - \$1.64 million).
- Donkin: \$1.18 million for the 12 months ended December 31, 2011 (2010 - \$1.10 million).
- Altan Nar (Tsenkher Nomin): \$1.4 million for the 12 months ended December 31, 2011 (2010 - \$50,000)

Combined administrative expenses, including those of APM, totalled \$5,632,809 for 2011 (including \$3,146,422 in non-cash stock based compensation and \$44,309 in depreciation & amortization), compared to \$2,750,244 for 2010 (including \$590,078 in non-cash stock based compensation and \$43,361 in depreciation & amortization).

The Company recorded a loss to Erdene equity holders of \$11,861,320, or \$0.13 per share in fiscal 2011 compared with a loss of \$4,088,680, or \$0.05 per share in fiscal 2010. At December 31, 2011, Erdene had approximately \$3.4 million in working capital, including that of its controlled subsidiary APM, compared to \$8.3 million at December 31, 2010.

About Erdene

Erdene Resource Development Corp. is a diversified resource company with multiple projects at various stages of development from exploration to production; all focused on high-growth commodities. Erdene has a current cash position of \$2.5 million with 95,802,901 common shares issued and outstanding and a fully diluted position of 103,410,901 common shares.

Qualified Person

J.C. (Chris) Cowan, P. Eng. (Ontario) 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. Sample analyses have been carried out at SGS Laboratory in Ulaanbaatar, Mongolia. In addition to internal checks by SGS Laboratory, the company incorporates a QA/QC sample protocol utilizing prepared standards, blanks and duplicates.

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

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