

Erdene Extends Epithermal Gold Mineralization at Altan Nar Intersects 29 metres of 4.3 g/t Gold and 24.1 g/t Silver

Halifax, Nova Scotia - January 18, 2012 - Erdene Resource Development Corp. ("[Erdene](#)" or "Company") (TSX:ERD), is pleased to announce results from drilling at the Company's 100% owned Altan Nar (Golden Sun) property in southwest Mongolia.

Highlights

- Assay results confirm the gold-polymetallic mineralization, previously intersected in four drill holes, continues along strike (greater than 300 metres) with gold and silver mineralization increasing in intensity at depth;
- TND-19 was drilled 50 metres below the discovery zone in TND-09 (55 metres of 1.02 g/t gold and 12 g/t silver) and intersected a significant increase in gold values:
- TND-19 intersected 29 metres averaging 4.3 g/t gold and 24.1 g/t silver, including 11 metres of 9.1 g/t gold and 22.7 g/t silver;
- Drilling 300 metres along strike from the discovery hole has demonstrated lateral continuity with TND-18 intersecting a wide zone of gold and base metal mineralization: 125 metres averaging 0.35 g/t gold, including 23-metre and 12-metre zones averaging 1 g/t gold and 0.8 g/t gold respectively;
- Ten of the 11 new holes intersected varying grades and widths of highly anomalous gold, silver, lead, zinc and copper mineralization;
- Two holes (TND-15 and TND-16) drilled 500 metres north of the discovery hole indicate another very wide mineralized zone (0.2% zinc over approximately 200 metres) with multiple gold zones including six widely spaced 1 metre samples of 0.5 g/t to 1.9 g/t gold.

Altan Nar Epithermal Gold-Polymetallic Prospect - Drilling Results

A 20-hole, 3,307 metre, diamond drill program was carried out in November-December over an area approximately 1 kilometre square within a larger area measuring approximately 3 kilometres by 2 kilometres with numerous coincident soil and geophysical anomalies and gold bearing epithermal veining at surface.

To date, assay results have been received for 11 of the 20 new drill holes. Ten of the 11 holes returned anomalous polymetallic mineralization. Significant gold mineralization was returned in holes TND-18 and TND-19 and is summarized in Table 1. Assay results from previously reported holes, TND-09 to TND-12, are included in Table 2.

Table 1

Drilling Highlights								
Hole #	Total Depth (m)	Depth (m)		Width (m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
		From	To					
TND-18	200	12	137	125	0.35	3.8	0.34	0.34
incl.		20	43	23	0.99	10.0	0.97	0.67
incl.		20	23	3	4.5	8.7	0.69	0.68
Incl.		55	57	2	2.1	35.0	4.11	4.16
TND-19	220	128	157	29	4.3	24.1	0.13	0.44
incl.		141	152	11	9.1	22.7	0.20	0.73
incl.		144	147	3	16.1	11.7	0.22	0.88

Note: All drill holes were orientated at 45 degrees and intersected zones interpreted to be steeply-dipping to vertical. Additional information is required to determine true widths.

Table 2

Drilling Highlights								
Hole #	Total Depth (m)	Depth (m)		Width (m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
		From	To					
TND-09	111	20	75	55	1.02	12	0.26	0.47
incl.		50	73	23	2.07	23	0.26	0.59
incl.		55	63	8	3.90	17	0.15	0.42
TND-10	75	0	40	40	0.32	3	0.40	0.23
incl.		15	19	4	0.96	12	2.17	0.37
TND-11	120	48	66	18	0.56	6	0.26	0.50
incl.		48	51	3	1.21	3	0.65	1.04
incl.		62	64	2	1.24	17	0.39	0.60
TND-12	100	28	76	48	0.51	9	0.24	0.84
incl.		36	46.5	10.5	1.20	16	0.17	0.41
incl.		50	71	21	0.21	4	0.39	1.50

Note: All drill holes were orientated at 45 degrees and intersected zones interpreted to be steeply-dipping to vertical. Additional information is required to determine true widths.

Results from the remaining holes, returned to date, demonstrate high potential for additional discovery in the Altan Nar area. Most significantly, two holes located 500 metres north of the discovery hole (TND-15 and 16) were drilled from the same collar location, one oriented east and the other west. When combined, these holes intersected a very wide zone of mineralization; greater than 200 metres of 0.2% zinc with multiple anomalous gold zones including six widely spaced 1-metre samples of 0.5 g/t to 1.9 g/t gold. In addition, individual 1-metre samples returned up to 5.27% lead, 2.1% zinc and 16 g/t silver.

A presentation outlining the drilling results to date from the Altan Nar gold-polymetallic epithermal prospect is available under the *Featured Items* section of the company website at www.erdene.com.

Altan Nar Epithermal Gold-Polymetallic Prospect - Exploration

During the latter half of 2011 a property wide soil geochemical survey at Altan Nar outlined a 3 kilometre by 2 kilometre area with highly anomalous values for gold (up to 1.5 g/t) and lead (up to 2.6%) and associated anomalies for zinc, molybdenum, silver and copper. Follow-up mapping and prospecting confirmed the presence of multiple prospects, containing gold-bearing epithermal-style quartz veins, within the large soil anomaly at Altan Nar. Geophysical surveys (IP gradient array, IP dipole-dipole and magnetics) outlined anomalies, in some instances over 1 kilometre in length, which are proximal to polymetallic-gold-in-soil anomalies and epithermal veins at surface.

Several factors support the significant exploration potential of the Altan Nar area:

- Drilling has now confirmed a wide (up to 125 metres) gold-bearing polymetallic epithermal system along a strike length of greater than 300 metres;
- Drilling has identified steeply-dipping mineralized zones that suggest an increase in gold mineralization at depth;
- Mineralization intersected to date in drilling is open at depth and along strike;
- Multiple gold prospects within the large (3 kilometres by 2 kilometres) regional target, as defined by soil geochemistry, geophysical surveys (IP and magnetics) and prospecting have yet to be drill tested;
- The polymetallic geochemical signature (Au-Ag-Pb-Zn-As-Sb-Mo) coupled with the presence of quartz breccia, comb-

quartz and chalcedony veins and stockworks, supports a highly prospective epithermal origin for mineralization.

Exploration Plans

Results are pending for nine of the 20 recently completed drill holes. Once all results are received, analytical data will be reviewed, along with geological and geophysical datasets, to identify the factors controlling mineralization. This information, coupled with results from on-going lithochemical and petrographic studies will be used to develop a model for Altan Nar to guide future drilling. In addition, detailed mineralogical studies have now been initiated to characterize the ore mineralogy in preparation for future metallurgical studies.

It is anticipated that additional field work, including close-spaced soil and rock geochemical surveys, as well as additional geophysical surveys, will be carried out at the Altan Nar property once ground conditions permit, presumably early in the second quarter. Additional drilling is expected to be carried out once compilation and analysis of all technical information is complete.

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. All samples have been assayed 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.

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 working capital position of \$3.3 million with 95,802,901 common shares issued and outstanding and a fully diluted position of 103,410,901 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 Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

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