



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Provides Project Updates and Reports Year End Financial Results

For Immediate Release

Halifax, Nova Scotia – April 12th, 2011 – 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.

2011 Project Highlights and 2010 Year-end Financial Results

- Xstrata Coal delivers internal Donkin prefeasibility; Marston now working on 43-101 report
- Drilling commences on Khuvyn Khar copper discovery
- Zuun Mod resource report initiated by Runge (Minarco-MineConsult) incorporating new results
- Copper-gold drill targets established at Nomin
- Aggregates USA advancing Granite Hill royalty project to commercial production
- Aggressive drill program underway by Xanadu on Galshar coal project; Xstrata Alliance coal evaluations continue
- 60% owned Advanced Primary Minerals increases revenues by 68% year-over-year
- Erdene's 2010 expenditures directed toward the advancement of the Company's primary projects; ends year with \$8.4 million in cash and cash equivalents.

Project Summaries and Updates

Donkin Coal Project

On April 7, 2011 the Donkin Coal Project manager, Xstrata Coal Donkin Management Limited ("Xstrata"), delivered its internal pre-feasibility study to both Erdene and Marston & Marston Inc. ("Marston") which will now complete its independent National Instrument 43-101 ("NI 43-

101”) compliant report. Xstrata’s internal pre-feasibility study was delayed to allow for a revised mine plan which now includes development of both the Hub and Harbour coal seams. Under the revised scenario, production will include both washed thermal coal (25%) and metallurgical product (75%). A further project update will be provided upon release of the NI 43-101 compliant report now being completed by Marston.

Erdene has a 25% interest in the Donkin Coal Project, located on Cape Breton Island, Nova Scotia with joint-venture partner and project manager, Xstrata Coal Canada. The deposit is accessed by 3.5-kilometre twin access tunnels and is strategically located proximal to deep water with ready access to some of the world's major shipping routes. The resource includes 227 million metric tonnes ("Mt") of Indicated and 254Mt of Inferred high volatile-A bituminous (12,000-14,000 BTU/lb) coal. The processed Donkin coal also has many excellent [coking coal](#) properties including low ash, low phosphorus, high CSN (crucible swell number) and high fluidity. At full production, the Donkin Coal Project is expected to utilize four continuous miners added incrementally over the first 18 months of production. In addition, a coal wash plant will be built on site and it is proposed that coal will be transported from the mine site using a barge to ship system or by rail to Sydney Harbour. Under the revised development plan, the Donkin Coal Project is projected to produce approximately 2.75 million tonnes per annum of washed, export-grade metallurgical and thermal coal at full production, pending receipt of all government approvals.

Zuun Mod Molybdenum Project

Following the recent drilling results indicating higher molybdenum and copper grades in the South Racetrack deposit (see press release dated February 17, 2011), a new NI 43-101 compliant resource estimate is now being completed by Minarco MineConsult. Anticipated to be delivered during the second quarter, this new resource estimate and the recommended follow-up will be the basis for the next stage of development at Zuun Mod.

The Zuun Mod deposit currently contains a NI 43-101 compliant resource of 215 million pounds ("Mlbs") of molybdenum in the Measured and Indicated ("M&I") category, grading 0.054% Mo, and a further 208Mlbs in the Inferred category grading 0.051% Mo, making it one of the largest undeveloped molybdenum-copper deposits in the Asia region. Within this envelope of 0.05% Mo mineralization (0.04% Mo cut-off grade (“cog”)), are higher grade zones averaging approximately 0.07% Mo (0.06% Mo cog) totaling 69Mlbs of molybdenum in the M&I category and 44Mlbs of molybdenum in the Inferred category with similar copper grades.

In late 2010, the Zuun Mod molybdenum-copper deposit was officially registered by the Mongolian Minerals Resource Council, a prerequisite for applying for a Mining License. In early March 2011, the Corporation applied for a mining license totaling 6,456.8 hectares, a reduction from the current 30,650 hectare exploration license. The issuance of the mining license is pending approval of the Mineral Resource Authority of Mongolia. Under the Minerals

Law of Mongolia the initial term for a mining license is 30 years with an option for two 20-year extensions.

Ongoing work on the Zuun Mod molybdenum-copper project has included engineering studies, hydro-geologic drilling to identify a source for process water, a preliminary geotechnical review, a marketing study, a 3D data compilation project and additional geophysical surveys. The Corporation's independent technical consultants, Minarco MineConsult, have carried out work on a pit optimization study designed to assess various mine scheduling scenarios for a range of production profiles and molybdenum revenue rates. 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 to be carried out in 2011.

Khuvyn Khar Copper Project

Drilling commenced on April 5, 2011 at the Khuvyn Khar [porphyry copper](#) project as part of a 4,000 metre exploration program. The program will include eight to ten holes, testing geophysical and geochemical targets in the vicinity of drill hole ZMD-121. Located approximately 2.2 kilometres northwest of the main Zuun Mod molybdenum-copper deposit, ZMD-121 intersected a monzonite hosted breccia zone within a series of porphyritic volcanic lithologies. The zone returned 34 metres of 1.3% copper and 9.24 g/t silver from 308 to 342 metres. This mineralized zone included a 10 metre section of 3.1% copper and 22.2 g/t silver (maximum value for 2-metre samples was 4.1% copper and 27 g/t silver).

Nomin Copper-Gold Prospect

A geophysical program over the Nomin copper-gold prospect was successful in identifying drill targets including anomalies coincident with the areas of mineralization on surface. The program included 200 line-kilometres of magnetic survey over 19.5 square kilometres and a five-line, 15-kilometre pole-dipole induced polarization survey. The Nomin copper-gold prospect is a new, previously undocumented mineral occurrence in south-western Mongolia. The prospect includes ancient workings (shallow pits) and samples from these pits returned an average of 2.2% copper and 1.7g/t gold from several samples taken over a strike length of 250 metres. Several other mineral occurrences have been found on this property including a second similar occurrence, 1.2 kilometres south-southwest of the main occurrence which returned assays of 1.6% copper and 1.15g/t gold. The mineralization is hosted in Palaeozoic intermediate to felsic volcanics and intrusive units within the Southwest Gobi Island Arc Terrane. It is anticipated that the target will be drill tested during the second quarter.

Coal Projects in Mongolia

Erdene is involved in a comprehensive coal generative and acquisition program in Mongolia that evaluates numerous prospective metallurgical and high-quality thermal coal deposits. The

program is being fully funded by the Company's partner, Xstrata Coal, with whom it is coordinating operations. During 2010, Erdene conducted numerous property evaluations and exploration in the Zarman basin with the project reaching the drill-tested stage. Erdene will continue property evaluation work on the Zarman properties and will seek to identify and secure high-quality, large-tonnage coal deposits.

On March 8th, 2011 Xanadu Mines Ltd. commenced an extensive drilling programme at its Galshar coal project in South East Mongolia, 250km South East of Ulaanbaatar. As announced previously, Galshar has a coal exploration target on the area and the aim of the current drilling programme is to enhance and extend that target into a JORC code compliant resource. Erdene holds a royalty interest from any coal mined from the property.

Granite Hill Aggregate Project

Erdene's Granite Hill project (also known as the "Sparta Quarry") is a former producing granite aggregate quarry in central Georgia. Erdene owns the 342-acre property, which holds in excess of a 120 million-ton resource and is situated on an existing rail line allowing for market penetration throughout the south eastern United States. The quarry is currently being developed by Aggregates USA (Sparta), LLC, ("AUSA"), a major construction materials producer, which is responsible for fully funding all capital and operating costs for the project. Erdene will receive an industry competitive royalty on sales from the quarry. Commercial production is anticipated in the first quarter of 2012 but could begin as early as the fourth quarter of 2011. AUSA's quarry development plan provides for an estimated start-up production rate of one million tons of granite aggregate per year, with a design capacity of up to 2.5 million tons. Based on current production projections, the Granite Hill project will have an estimated lifespan in excess of 30 years.

Advanced Primary Minerals Corp.

Erdene controls 60% of TSX-V listed Advanced Primary Minerals Corporation ("APM") which reported clay sales of \$526,593 (2009 - \$167,957) from its operations in Dearing, Georgia for the year ended December 31, 2010. APM continues to build on its customer base through sales and customer trials in the manufacture of value-added products for the ceramics, paint and paper industries. APM's goal is to be North America's leading specialized primary kaolin producer with its unique, high quality primary clay deposits and modern processing facility focussing on small to moderate-volume opportunities and high-margin specialty products.

Year End Financial Results Summary

Erdene's year end 2010 financial statements and Management's Discussion and Analysis were filed with regulatory authorities on March 31, 2011 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, 2010, exploration and operating expenses amounted to \$2,763,595, compared to \$2,386,308 in fiscal 2009. Including deferred expenditures and excluding partner recoveries, exploration and operating expenses were \$6,884,928 for 2010 and \$6,039,987 in 2009.

Expenditures were primarily directed toward the continued advancement of the Company's core projects: the Donkin Coal Project and the Zuun Mod molybdenum-copper project. Specifically, expenditures by project were as follows:

- Zuun Mod: \$1,562,205 for the 12 months ended December 31, 2010 (2009 - \$876,619).
- Donkin: \$1,099,027 for the 12 months ended December 31, 2010 (2009 - \$834,576).
- Coal exploration in Mongolia funded by Xstrata Coal: \$1,436,861 for the 12 months ended December 31, 2010 (2009 – \$759,161).

Combined administrative expenses, including those of its controlled subsidiary APM, totalled \$2,707,779 for 2010 (including \$698,106 in non-cash stock based compensation and \$43,361 in depreciation), compared to \$2,040,955 in 2009 (including \$184,398 in non-cash stock based compensation and \$52,997 in depreciation).

The Company recorded a loss of \$3,567,559, or \$0.04 per share, in fiscal 2010 compared with a loss of \$2,177,057, or \$0.02 per share, in fiscal 2009. At December 31, 2010, Erdene had approximately \$8.3 million in working capital, including that of its controlled subsidiary APM, compared to \$14.0 million at December 31, 2009.

About Erdene

Erdene Resource Development Corp. is a diversified resource company with multiple projects at various stages of development from exploration to production; all projects are focused on high-growth commodities. Erdene has a current working capital position of approximately \$7.1 million, including that of its controlled subsidiary Advanced Primary Minerals Corp., with 90,313,377 common shares issued and outstanding and a fully diluted position of 97,841,377 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. Erdene 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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