



**ERDENE RESOURCE DEVELOPMENT CORP.**

**Erdene Completes Drill Program at Zuun Mod Project, Mongolia**

**Initial Results Include 300 metres of 0.071% Molybdenum and 0.11% Copper**

For Immediate Release

**Halifax, Nova Scotia – January 5, 2011 - Erdene Resource Development Corp. ("Erdene") (TSX:ERD)** is pleased to provide an update on the recently completed drill program on its Zuun Mod molybdenum-copper project, located 215 kilometers from a railhead on the Mongolia-China border.

Drilling at Zuun Mod was completed on December 24, 2010. The program included eight new holes and eight deepened holes for a total of 4,802 metres. A drill rig remains on stand-by at the Zuun Mod site for the resumption of drilling. Analytical results have been received from the first two new holes.

**Highlights include:**

- ZMD-115:
  - 300 metres averaging 0.071% molybdenum and 0.110% copper
  - Includes 66 metres of 0.108% molybdenum and 0.129% copper
- ZMD-116:
  - 336 metres averaging 0.062% molybdenum and 0.071% copper
  - Includes 78 metres of 0.102% molybdenum and 0.099% copper

“The Zuun Mod complex continues to provide exciting new results,” said Peter Akerley, President and CEO. “While testing the western boundary of the South Racetrack deposit we have been extremely impressed with the high grade of molybdenum over wide intervals and also with the unusually high amounts of associated copper. Results like these can only enhance the economics of the Zuun Mod deposit as we continue to advance the project. We look forward to receiving the additional results which will assist us in our current pit optimization work and also help define the next stages of drilling.”

**Results from Western Boundary/Infill Testing:**

<b>Hole #</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Cu (%)</b>	<b>Mo (%)</b>
ZMD-115	108	501.8	393.8	0.098	0.060
Including	194	494	300	0.110	0.071
Including	240	258	18	0.100	0.109
Including	382	448	66	0.129	0.108
ZMD-116	164	500	336	0.071	0.062
Including	188	346	158	0.083	0.084
Including	196	274	78	0.099	0.102

The current Zuun Mod drill program is designed to more fully outline the molybdenum-copper resource in areas expected to be initially developed for mining and to expand resources in the higher grade zones in the North Racetrack deposit area. The information derived from this program will be used to define a more extensive prefeasibility drill program designed to upgrade Inferred resources to Measured and Indicated resource categories.

The Zuun Mod deposit currently contains a National Instrument 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.

Maps showing the location of the current drilling program are available on Erdene's website at [www.erdene.com](http://www.erdene.com). Specifically, the program had the following objectives:

1. Western boundary testing- South Racetrack deposit: Designed to test for expansion of the resource at depth and for higher grade zones within 100m of the western most drilling of the South Racetrack deposit (infill). The South Racetrack deposit plunges under andesite cover along this western boundary. Results will be incorporated into the pit optimization study to maximize the western extension of the pit wall and be incorporated into any future revised resource estimate. This testing program consisted of three holes (ZMD-115, 116 and 119) totalling 1,502 metres. Results for the first two holes are reported herein, the results for the third hole are pending.
2. Confirming continuity of grade at depth - South Racetrack deposit: Through a series of eight deepened holes (KKMD-08, ZMD-20,23,25,26,51,73,92) totalling 1,222 metres, the South Racetrack deposit is being tested at 100 metre intervals to a depth of 500 metres. This should allow for an increased level of confidence in resource classification at depths between 350 and 500 metres, which are, for the most part, currently classified as Inferred resources. The additional data will also assist in the determination of the ultimate economic pit limits, currently under review. Results are pending.
3. Eastern boundary – Ring Dyke area – North Racetrack deposit: The south eastern boundary of the North Racetrack deposit, in an area known as the Ring Dyke, has produced some of the best results to date. For example, ZMD-79 returned 428 metres averaging 0.06% Mo starting at 22 metres depth with two higher grade zones; 66 metres of 0.10% Mo and 70 metres of 0.11% Mo. However, limited drilling has taken place in the vicinity of this drill hole. Two new holes (ZMD-117,118) totalling 1,000 metres have been drilled to test the continuity of the mineralized zones with the potential to expand the high-grade zones in this area. Results are pending.
4. New copper-molybdenum targets: The Zuun Mod porphyry complex measures 12 kilometres in circumference in an annular feature defined by a series of intrusive bodies surrounding a core of altered andesite. Very limited drilling has taken place outside an area known as the South Corridor, a 3.2 kilometre long, 400 metre wide mineralized zone which hosts the currently defined Zuun Mod molybdenum-copper deposit. As part of a regional exploration program, two holes were drilled to test geophysical targets

approximately 1 and 2.2 kilometres north and northwest of the main deposit and one to test a geophysical anomaly 1.3 kilometres southwest of the South Racetrack Deposit. The three holes (ZMD-120, 121, 122) totalled 1,078 metres and analytical results are pending.

Erdene controls the Zuun Mod deposit through a single exploration license totaling 49,538 hectares, located in Bayankhongor Province in Mongolia, approximately 950 kilometers southwest of Ulaanbaatar and 215 kilometers from railhead on the Mongolia-China border at Ceke. The railhead is located 20 kilometers south of the Nariin Sukhait and Ovoot Tolgoi coal mines.

### **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 projects are focused on high-growth commodities. Erdene has a current working capital position of approximately \$7.9 million, including that of its controlled subsidiary Advanced Primary Minerals Corp., with 89,688,377 common shares issued and outstanding and a fully diluted position of 93,731,377 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**

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