



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Provides Exploration and Corporate Update Commences Trenching Program at Khuvyn Khar Copper Project and Altan Nar Gold Project

For Immediate Release

Halifax, Nova Scotia August 25th, 2014 – Erdene Resource Development Corp. (TSX:ERD) ("[Erdene](#)" or "Company") is pleased to provide an update on the Company's principal metals projects in [Mongolia](#) and a corporate review.

Highlights

Altan Nar Gold Base Metal Project

- Q2 drilling at the Discovery Zone resulted in highest grade gold interval intersected to date at Altan Nar; 17.7 g/t gold over 5 m, within 19 m of 5.8 g/t gold, 37 g/t silver and 2.6% combined lead and zinc within 60 m of surface
- Q2 drilling at Union North, 1.3 km northwest of the Discovery Zone, returned 22 m of 2.1 g/t gold and below that 12 m of 4.0 g/t gold, 10 g/t silver and 2.5% combined lead and zinc within 35 m of surface
- Twenty individual targets, all exhibiting gold and base metal mineralization at surface, have been established and prioritized for additional evaluation
- Trenching program to commence in September to better assess potential of new targets and increase confidence in areas planned for resource definition drilling

Khuvyn Khar Copper Porphyry Project

- Geochemical rock chip sampling, vein density mapping, and geophysical modeling completed during Q2 has resulted in the identification of new targets
- Trenching program, testing both the western targets as well as the main Khuvyn Khar copper prospect, commenced on August 18th as part of the Company's alliance with Teck Resources

Financial Results

- Corporate & administrative expenses continue to decrease as a percentage of exploration costs

Altan Nar Gold Base Metal Project

Diamond drilling during the Company's Q2 2014 exploration program on the Altan Nar Gold Base Metal Project, located in southwest Mongolia, provided the widest zones of high-grade mineralization to date for the project's two most advanced mineralized zones; the Discovery Zone, with 19 m of 5.8 g/t gold, 37 g/t silver and 2.6% combined lead-zinc; and Union North, located 2.1 km northwest of the Discovery Zone, with 12 m of 4.0 g/t gold, 10 g/t silver and 2.5% combined lead-zinc (see attached maps). The exploration program also established lateral and vertical continuity of those zones, which remain open in all directions, and expanded the known size of the 5.6 km long Altan Nar trend.

The combination of detailed surface mapping, geochemical analysis of soil and rock samples, along with IP and magnetic geophysical surveys, has resulted in the identification of 20 highly prospective targets within the Altan Nar license, 18 of which are within the Altan Nar main trend (see attached map). With the exception of the Discovery Zone and Union North these targets remain relatively un-tested, and thus have the potential to significantly expand the areas of known gold and base metal mineralization at Altan Nar with further trenching and drilling.

The Company's near-term objective is to establish initial, independently reported, near surface, high-grade, open pitable resources at both the Discovery Zone and Union North in late 2014/early 2015. Simultaneously, the Company expects to complete additional evaluation of the remaining targets to assist in determining the highest priority areas and assessing potential additional near surface resources. Plans include trenching, commencing in September 2014, to evaluate new target areas, improve drill targeting and increase confidence for resource estimation at both the Discovery Zone and Union North. This program would be followed by resource definition drilling in Q4 2014. During these programs, trenching and reconnaissance drilling to further evaluate and prioritize remaining targets will be completed.

Teck Alliance

The Company continues to be active through the Teck Alliance in assessing the porphyry copper potential of the Khuvyn Khar Copper Project and assessing regional opportunities through the Alliance's area of interest, particularly now that the Mongolian licensing system is about to re-open.

During Q2 2014, work on the Khuvyn Khar Copper Project included field evaluation of seven porphyry copper drill targets identified during the 2013 program and geophysical

characterization studies of drill core to provide further definition and confidence in the modelling of potential mineralization at Khuvyn Khar. This work has resulted in the identification of new, partially buried targets at Khuvyn Khar which are the subject of a large trenching program that commenced August 18, 2014. The ongoing exploration program continues to confirm the potential for copper porphyry style mineralization within the Khuvyn Khar target area.

Quarter Ended June 30, 2014 Financial Summary

Erdene's second quarter 2014 financial statements and Management's Discussion and Analysis were filed with regulatory authorities on August 15, 2014 and are available on the Company's website at www.erdene.com and on SEDAR at www.sedar.com.

For the three months ended June 30, 2014, exploration expenses totaled \$660,767 compared to \$480,324 for the same period in 2013. Corporate and administrative expenses amounted to \$268,526 for the three months ended June 30, 2014 compared to \$284,433 for the same period in 2013.

As outlined within the project update above, the Company carried out a drill program on the Altan Nar project in Q2 2014. Drilling, assaying and geophysical costs were in excess of \$235,000. This is noteworthy when you consider exploration costs for the six months ended June 30, 2014 were only \$42,000 higher than the prior year. The savings generated from continued expense rationalization paid for a significant portion of the Altan Nar program.

On April 21, 2014 and May 13, 2014 the Company closed two non-brokered private placements. The first for \$350,000, from Teck Resources, represented funds dedicated to licence renewal and surface exploration programs. The second for \$685,520 was primarily for the drill program on the Company's Altan Nar project (see Project Summary above).

Erdene reduced its corporate and administrative expenses in fiscal 2013 by 53% compared to the prior year, and expect to maintain or decrease overhead costs further in fiscal 2014. The Company's significant cost savings is evidence of management's continued focus on the reduction of overhead and administrative expenses.

About Erdene

Erdene Resource Development Corp. is a Canada-based resource company focused on the acquisition, exploration, and development of base and precious metals in underexplored and highly prospective Mongolia. For further information on the Company, please visit www.erdene.com. Erdene has 75,833,470 issued and outstanding common shares and a fully diluted position of 89,253,051 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.

-30-

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

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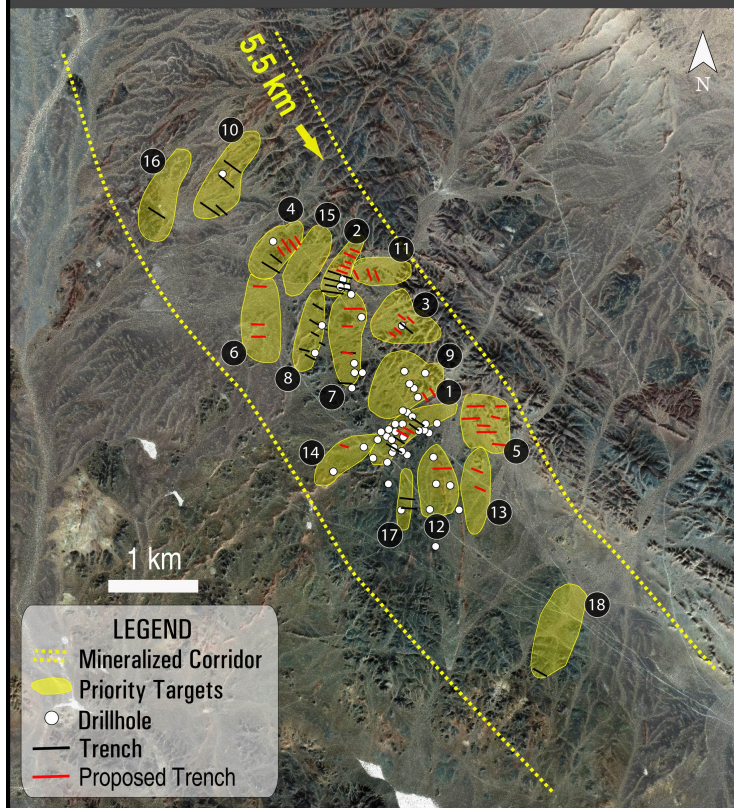
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Altan Nar Mineralized Trend: Multiple, Large, Gold and Base Metal Targets



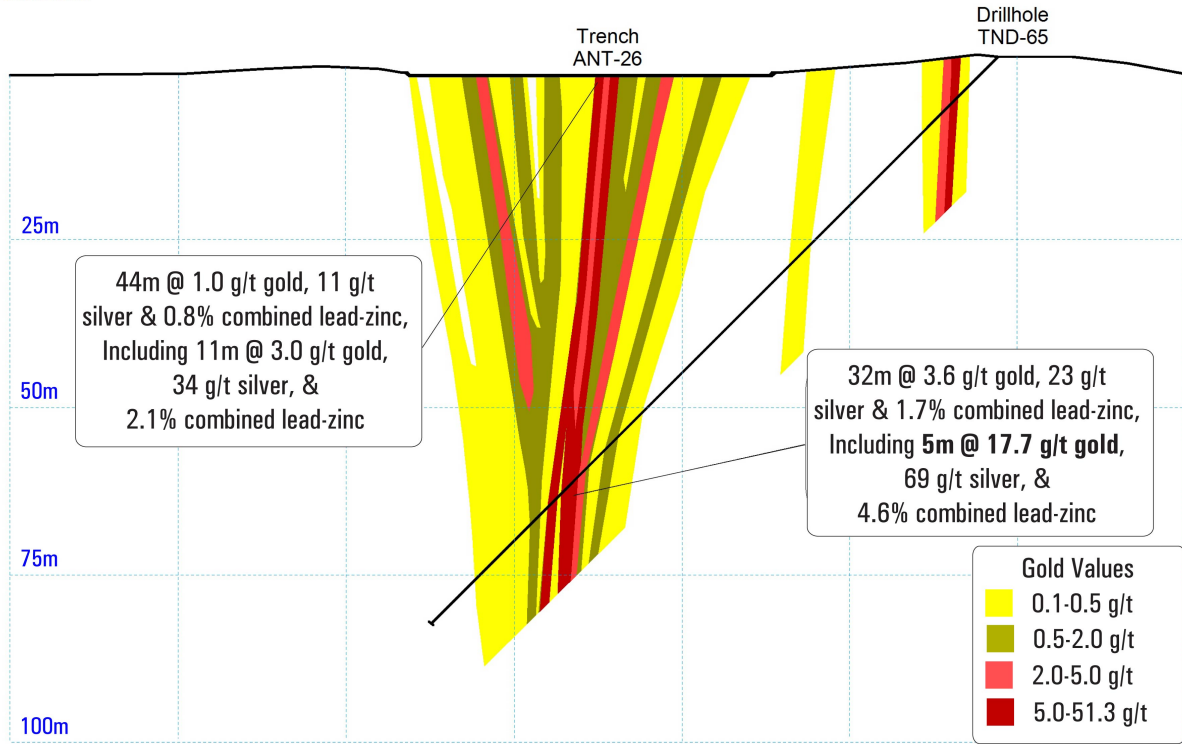
Priority Targets

- 1 Discovery Zone;** most advanced target; 450m strike, open; high-grade zones of > 3 g/t gold up to 35 m wide zones, including 32m @ 3.6g/t gold
- 2 Union North;** 1.2km NW of DZ; high-grade, near surface mineralization over 150m strike length tested to date includes 19m @ 8.9g/t gold in trenches
- 3 Maggie;** 500m² target with high-grade trenching results; coincident chargeability high
- 4 Northbow;** intense phyllic alteration and breccia zone over 400m strike; most intense gold-molybdenum anomaly at Altan Nar
- 5 Junction;** very intense, widespread gold-lead-zinc soil anomalism; rock samples returning up to 11.2 g/t gold; coincident geophysical targets
- 6 Southbow;** most intense chargeability anomaly at Altan Nar; 600m long buried target

Altan Nar Cross-Section of Discovery Zone North: Recent High Grade Drilling Results

Northwest

Southeast



Altan Nar Cross-Section of Union North: Recent High Grade Drilling Results

