

Erdene Confirms Continued Widespread Gold Mineralization at Altan Nar

Recent Drilling Identifies Near-Surface High Grade Zone and Confirms Expanded Gold Mineralization

Halifax, Nova Scotia - January 26, 2012 - Erdene Resource Development Corp. ("[Erdene](#)" or "Company") (TSX:ERD), is pleased to announce receipt of final assay results from a 20-hole scout drill program at the Company's 100% owned Altan Nar (Golden Sun) property in southwest Mongolia.

"Altan Nar has now demonstrated it hosts widespread gold mineralization including wide, near-surface zones potentially conducive to bulk mining, coupled with zones of higher grade mineralization that appear to become more substantial at depth," said Peter Akerley, President and CEO. "These initial results suggest that Altan Nar has the potential to host a significant gold-polymetallic deposit and we are planning an aggressive evaluation program in 2012."

Highlights

- Drilling has confirmed the presence of gold-polymetallic mineralization throughout a 1 square kilometre area;
- Drilling has identified a wide (up to 125 metres) gold-bearing polymetallic epithermal system along a strike length of greater than 300 metres;
- Drilling has outlined steeply-dipping mineralized zones that suggest an increase in gold mineralization at depth;
- Mineralization is open at depth and along strike;
- Anomalous gold-bearing mineralized zones intersected in 15 of 24 holes;
- High grade zones come to surface in the northern portion of discovery zone: TND-28, 5.2 g/t gold and 75 g/t silver over 4 metres;
- Two zones of greater than 1 g/t gold and 10 g/t silver in TND-28 measuring 21 and 12 metres in width.

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 (1.1 by 0.9 kilometres) 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. This drilling followed up on encouraging results from an initial 4-hole drill program (previously reported in Oct 12, 2011). Drill results of the first 11 of 20 holes were previously reported in a press release on January 18, 2012.

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.

Tables 1 and 2 present new assay highlights from the Altan Nar drilling. Hole TND-28 was drilled within the Altan Nar discovery zone, defined as an area greater than 300 metres long with significant gold, silver and base metal mineralization that has been tested by six holes (TND-09, 10, 11, 12, 18, 19 and 28).

Table 1

| Hole # | Total Depth (m) | Depth (m) | | Width* (m) | Au (g/t) | Ag (g/t) | Pb (%) | Zn (%) |
|--------|-----------------|-----------|-----|------------|----------|----------|--------|--------|
| | | From | To | | | | | |
| TND-28 | 100 | 0 | 21 | 21 | 1.20 | 17.5 | 0.14 | 0.23 |
| Incl | | 12 | 19 | 7 | 3.35 | 46.9 | 0.14 | 0.27 |
| Incl | | 14 | 18 | 4 | 5.15 | 74.5 | 0.19 | 0.31 |
| And | | 60 | 100 | 40 | 0.54 | 6.4 | 0.18 | 0.19 |
| Incl | | 77 | 89 | 12 | 1.16 | 9.9 | 0.18 | 0.22 |

*Note: TND holes were drilled at 45 to 60 degree dip and intersected zones interpreted to be steeply-dipping to vertical. Additional information is required to determine true widths.

Table 2 provides highlights of the remaining holes which tested targets over a 1.1 kilometre by 0.9 kilometre portion of the larger Altan Nar gold-in-soil geochemical anomaly. Highlights include the discovery of several new zones of gold mineralization located:

- 700 metres northwest of the discovery zone, in TND-29 and 30;
- 490 metres south of discovery zone, in TND-32 (below gold bearing quartz veins exposed on surface); and
- 510 metres southeast of the discovery zone, in TND-25.

Table 2

| Hole # | Total Depth (m) | Depth (m) | | Width* (m) | Au (g/t) | Ag (g/t) | Pb (%) | Zn (%) |
|------------------------|-----------------|-----------|----|------------|----------|----------|--------|--------|
| | | From | To | | | | | |
| TND-25 Incl | 150 | 29 | 36 | 7 | 0.68 | 3.7 | 0.07 | 0.33 |
| | | 34 | 35 | 1 | 2.86 | 9 | 0.08 | 0.31 |
| TND-29 Incl Incl | 200 | 64 | 82 | 18 | 0.52 | 2.1 | 0.36 | 0.62 |
| | | 64 | 65 | 1 | 3.11 | 6 | 1.07 | 1.58 |
| | | 70 | 74 | 4 | 1.03 | 6.5 | 1.18 | 1.94 |
| TND-30 | 160 | 52 | 53 | 1 | 0.56 | 1.0 | 0 | 0.01 |
| | | 65 | 68 | 3 | 2.23 | 1.3 | 0.16 | 0.3 |
| TND-32 | 120 | 52 | 54 | 2 | 2.07 | 15.5 | 3.81 | 6.28 |

**Note: TND drill holes were drilled at 45 to 60 degree dip and intersected zones interpreted to be steeply-dipping to vertical. Additional information is required to determine true widths.*

Summary of Drilling to Date

The presence of anomalous gold-bearing mineralized zones in 15 of the 24 holes drilled to date at Altan Nar (TND-09, 10, 11, 12, 15, 16, 17, 18, 19, 25, 28, 29, 30, 31, 32), many within wider zones of lead and zinc mineralization, confirmed the widespread nature of the Altan Nar mineralized system. In the few areas where multiple holes have been drilled in close proximity, assay results have confirmed the lateral and vertical continuity of mineralized zones. Hole TND-19 was drilled 50 metres below the discovery zone in TND-09, and intersected 29 metres averaging 4.3 g/t gold and 24.1 g/t silver (previously reported on January 18, 2012), indicating an increase in intensity of gold mineralization at depth. Gold-polymetallic mineralization intersected in holes TND-09, 10, 11, 12, 18, 19 and 28 are located along a northeast-trending magnetic low feature, and have coincident gold- and base-metal-in-soil anomalies, suggesting a single or multiple mineralized zones over a 300 metre strike length. The lateral and vertical extent of mineralization intersected in isolated, or widely spaced, drill holes (e.g. TND-25, 29, 30, 32) remains untested by drilling.

Exploration Plans

The results of all exploration activities to date at Altan Nar are currently being reviewed to characterize the nature of, and factors controlling mineralization, and to develop a model for future exploration and drill targeting. Detailed mineralogical studies of a suite of mineralized samples have now been initiated at SGS Canada Inc. facilities in Lakefield, Ontario, with additional petrographic analysis at the Mongolian University of Science and Technology in Ulaanbaatar, Mongolia. This work will provide important information to characterize the ore mineralogy in preparation for future geological and metallurgical studies.

It is anticipated that additional field work, including close-spaced soil and rock geochemical sampling and 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 commence 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 \$3.1 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.

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

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