

October 9, 2012

Erdene Commences Drill Program on the Altan Nar Gold Project Multiple New Targets to be Tested over a 5 Kilometre Strike Length

Halifax, Nova Scotia - October 9, 2012 - Erdene Resource Development Corp. ("[Erdene](#)" or the "**Company**") (TSX:ERD) is pleased to announce the initiation of a further round of drilling on the Company's 100% owned Altan Nar project in southwestern [Mongolia](#).

"Results from the Altan Nar gold project continue to surpass our expectations with recently completed surveys having identified multiple new drill targets", said Peter Akerley, President and CEO. "With this round of drilling, we are targeting areas along a 5 kilometre strike length with a coincident geochemical and geophysical signature similar to the one over the Discovery Zone where we have drilled off an area of significant gold-bearing epithermal mineralization."

The current drilling program was started on October 7 and is expected to include up to 20 shallow holes, totalling approximately 2,500 metres. Fifteen (15) exploration targets have been identified over a 5 kilometre by 1.5 kilometre area following the completion of a detailed soil geochemical survey and an induced polarization ("IP") gradient array survey over the Altan Nar project. Most of these drill targets lie outside the 1 km² area drill-tested to date, which significantly expands the potential of identifying additional gold-bearing epithermal mineralization on the Altan Nar property. Many of the new exploration targets have a geophysical and geochemical signature similar to the Discovery Zone ("DZ") where drilling to date has identified an area approximately 300 metres by 150 metres defined by significant gold-silver mineralization associated with epithermal quartz veins and breccias. The objective of this new phase of drilling is to determine which of these multiple target areas warrant detailed follow-up drilling, in addition to infill drilling at the DZ, and the prioritization of such drilling. It is anticipated that the results from the detailed follow-up drilling program will be used for a National Instrument 43-101 compliant resource estimate for the Altan Nar project.

Previous DZ drilling intersected multiple, shallow (surface to 150 metres depth) mineralized zones greater than 30 metres (apparent thickness) grading more than 1 g/t gold. Results at the south end of the DZ included 29 metres averaging 4.3 g/t gold and 24.1 g/t silver from hole TND-19 which was drilled 50 metres below the mineralization intersected in TND-09 that averaged 1.02 g/t gold and 12 g/t silver over 55 metres. Drilling at the northern end of the DZ intersected a broad mineralized zone that included 29 metres of 1.1 g/t [gold](#) and higher grade zones including 4 metres of 10.5 g/t gold and 56 g/t silver. The south end of the DZ appears to be structurally displaced but is open at depth and to the north.

The recently completed detailed soil geochemical survey, in conjunction with surface rock chip sampling that has generated assay results commonly in the range of 1 g/t gold to 27 g/t gold, has identified multiple gold and associated metal anomalies. Of the 249 rock chip samples collected, 135 samples returned greater than 0.1 g/t gold and averaged 2.2 g/t gold. There is a strong correlation between the geochemical results and geophysical data including IP gradient array chargeability highs and magnetic low anomalies. All of these data, along with the mapped geology, were used to identify priority exploration drill targets. The current drilling program, designed to test the identified targets outside of the DZ, was started on October 7 and is expected to include up to 20 shallow holes, totalling approximately 2,500 metres.

Analysis of results from the drilling completed to date continues. This work includes studies to characterize the ore mineralogy. Petrographic work has been carried out at SGS Lakefield while metallurgical work is being carried out by ALS Ammtec in Australia. Preliminary metallurgical results, on a relatively high grade sample, indicate that gold recoveries between 90% and 95% can be achieved from Altan Nar samples using established processing techniques. Additional work will be required to confirm these results and to identify the most efficient and effective mineral processing methodology.

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 and ALS Ammtec in Perth, Australia. In addition to internal checks by these laboratories, 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 metal and coal interests in Mongolia, as well as the Donkin Coal Project and industrial mineral assets in North America. Erdene has 95,802,901 common shares issued and outstanding and a fully diluted position of 100,555,901 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 subject to change after that date.

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