

July 3, 2012

Erdene Completes US\$3.35 Million Sale of the Granite Hill Quarry Property Provides Results of AGM

Halifax, Nova Scotia - July 3, 2012 - Erdene Resource Development Corp. ("Erdene" or "Company") (TSX:ERD), is pleased to announce it has completed the sale of its real estate and associated royalty interest in the Granite Hill property located in Hancock County, Georgia, USA, for US\$ 3.35 million cash on closing.

Under the terms of the Asset Sale Agreement, the Company's 100% interest in the 339 acre parcel of land and the associated lease and royalty was sold for US\$3.35 million to an arm's length, third party. This transaction has increased the Company's working capital position to ~\$5.0 million.

Appointment of Board and Executive

At the Annual General Meeting ("AGM"), the shareholders elected a board, of nine directors: Peter Akerley, John Budreski, Bill Burton, John Byrne, Dave Carnell, Chris Cowan, Ken MacDonald, Stuart Rath and Philip Webster to hold office until their successors are duly elected or appointed.

The board would like to thank Mr. Malcolm Cox, who did not offer for re-election, for his contributions to the Company during the two years he served on the board of directors.

Following the AGM, the Erdene board of directors confirmed the appointment of its executive officers, namely: President and Chief Executive Officer - Peter Akerley; Vice President Asia - Chris Cowan; Vice President Business Strategy and CFO - Ken MacDonald; and Corporate Secretary - Suzan Frazer.

Auditor Re-Appointed

KPMG LLP was re-appointed Auditor of the Corporation to hold office until the next annual meeting of shareholders or until its successor is duly appointed.

About Erdene

Erdene Resource Development Corp. is focused on the development of the Donkin coking coal project in eastern Canada and advancing its portfolio of metals projects in southern Mongolia. Erdene has 95,802,901 common shares issued and outstanding and a fully diluted position of 102,915,901 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.

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

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