

Granite Hill Quarry Commences Production Erdene Receives Minimum 2012 Royalty

Halifax, Nova Scotia - January 17, 2012 - Erdene Resource Development Corp. (TSX:ERD) ("[Erdene](#)" or "Company"), is pleased to announce that it has received notice from Aggregates USA (Sparta) LLC ("AUSA"), the lessee and operator of the Company's Granite Hill construction aggregate property, that they commenced commercial production in January from the quarry located in central Georgia, U.S. ([link to photos](#)). The Company is also pleased to report the receipt of the 2012 minimum royalty of US\$165,000 from AUSA.

The Granite Hill Project (also known as the "Sparta Quarry") consists of a 100% Erdene-owned 342-acre property in central Georgia, U.S., which contains a Class A granite aggregate resource in excess of 120 million tons. Under a mining lease, the Company has granted an exclusive right to AUSA, a major construction materials producer, to mine, process, and sell aggregate from the Granite Hill property. Construction of a rail link from the property to the existing main rail line was recently completed, allowing for market penetration throughout the southeastern U.S. AUSA is responsible for fully funding all capital and operating costs for the project. The quarry has been constructed to a design capacity of greater than 2 million tonnes of product per annum. The sale of all aggregate from the property is subject to an industry competitive royalty payable to the Company with annual minimum royalties that are inflated annually.

Construction Aggregate Market - Other Activities

The company is currently evaluating a construction aggregate marine terminal project in Nova Scotia, Canada that would target the U.S. eastern seaboard market. A deep water location on the eastern seaboard of North America provides a competitive advantage due to lower freight rates for shipping, versus the ever increasing rail and truck hauls faced by inland U.S. construction aggregate producers. The strategic location coupled with high quality granite near deep-water ice-free ports provides an ideal quarry site. Nova Scotia is one of the largest exporters of construction aggregate to the U.S. eastern seaboard and hosts one of Canada's five largest quarries. Export markets for Nova Scotia aggregate are principally in the eastern U.S., Gulf of Mexico and the Caribbean, where crushed stone is used as a major ingredient in the production of road asphalt and concrete. Long term projections for aggregate consumption in the southeastern United States are very positive reflecting the projected population growth of the region ([link to figure](#)).

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 \$3.3 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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Contact information

Erdene Resource Development Corp.
Peter C. Akerley, President and CEO

or

Ken W. MacDonald, Vice President Business Strategy and CFO

Phone: (902) 423-6419

E-mail: info@erdene.com

www.erdene.com