
Erdene update on Zuun Mod molybdenum exploration project

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Erdene Resource Development has announced that it signed contracts with two Mongolian consulting companies to assist with the application to convert the current Zuun Mod molybdenum exploration license into a mining license.

Under the Minerals Law of Mongolia, the initial term for a mining license is 30 years with an option for two 20 year extensions. The Zuun Mod project is a porphyry molybdenum deposit and consists of a single license totaling 49,538 hectares. It is located in Bayankhongor province approximately 950 kilometers southwest of Ulaanbaatar and 215 kilometers from railhead on the Mongolia-China border at Ceke. The railhead is located 20 kilometers south of the Nariin Sukhait and Ovoot Tolgoi coal mines.

Mr Peter Akerley president & CEO of Erdene said that "As we mark a full year since the global economic events of late 2008, we find ourselves in a much improved environment in regards to raw material consumption and price outlook. We are currently witnessing a major upswing in interest in the commodities on which we have maintained our focus and now find ourselves in a strong position to move the Zuun Mod molybdenum project toward pre feasibility. In addition to the global economic improvement, we have witnessed a positive change in the political environment in Mongolia with the signing of the investment agreement on the Oyu Tolgoi project. This has given us the confidence to accelerate our property acquisition program in Mongolia."

He added that "Over the past few years, political issues in Mongolia had caused us to maintain a cautious stance in regards to new opportunities; however, with the positive events of the past 60 days we have begun to act on opportunities generated during that period."

Recently, Erdene has applied for 5 exploration licenses totaling over 400,000 hectares and has plans to continue to increase our staking and acquisition activity. In Mongolia, Erdene is partnered with Xstrata Coal on a comprehensive coal generative and acquisition program. The Company has conducted numerous property evaluations for prospective metallurgical and high quality thermal coal deposits. Xstrata Coal is fully funding the exploration programs through to completion of feasibility to earn a 75% interest in the projects funded. In regards to our metals exploration program, in addition to Zuun Mod, Erdene is focused on porphyry style copper, gold and molybdenum prospects and have been very active in the evaluation of these during the past two years.

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