FORWARD-LOOKING STATEMENTS



Certain information regarding **Erdene** ("the Company") 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 the Company 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. The Company cautions that actual performance will be affected by a number of factors, many of which are beyond the Company's control, and that future events and results may vary substantially from what the Company 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 Company's 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.



Erdene Resource Development Corp.

ENERGY METALS INDUSTRIAL MINERALS

Annual General Meeting May 20, 2010

PRESENTATION OUTLINE



- Corporate Overview
- Project Updates
 - ▶ Donkin Coal Project
 - ▶ Zuun Mod Molybdenum Project
 - Xstrata Coal Alliance
 - ▶ Metals Project Generation/Exploration
 - Industrial Minerals, North America
- Summary

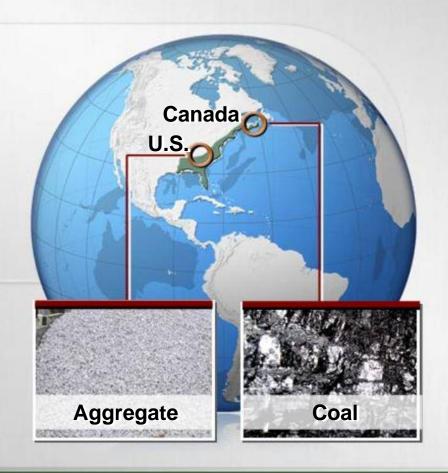
Highlights

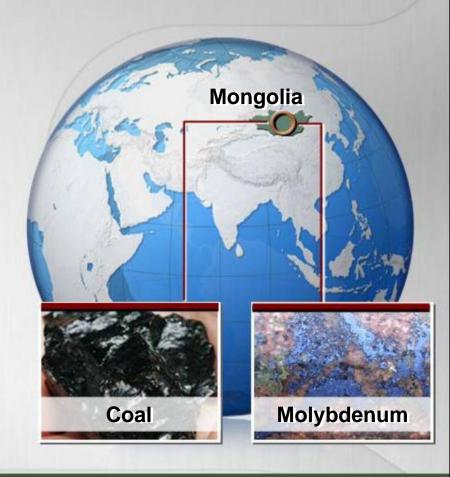


- Ownership in Major Coastal Coking and Thermal Coal Deposit
- ▶ Large 43-101 Molybdenum Resource on Mongolia-China Border
- Exciting Metal and Coal Exploration Opportunities
- Solid Industrial Mineral Asset Base
- Partnered with Xstrata in Eastern Canada and Mongolia
- Strong Financial Position

OVERVIEW







Focused on Developing Donkin Coal Project and Advancing Zuun Mod Molybdenum Project - Demonstrated Ability to Raise Capital; Strong, Diversified Asset Base and Financial Position

ERDENE MARKET FACTS

(as of May 17, 2010)



Trading Info:

TSX:ERD

Shares Outstanding:

89.23 M

FD 93.03 M

Working Capital:

Cdn ~\$12.2 M

Market Cap:

Cdn ~\$40 M



ERD 12 Month Performance Versus TSX Global Mining Index

ERDENE SHAREHOLDERS



Institutional Investors (~15)	~30%
Management & Directors Directly	~9%
Xstrata	~6%
Large Retail Investors (<15)	~8%
Gallant Minerals	~2%

Institutional Investors Include AGF, Pinetree, Asia Lion, Dynamic & Blackrock

EXECUTIVE DIRECTORS



- ▶ Peter Akerley, *President & CEO*
 - 22 yrs mining & exploration experience
 - Past President of BRM Exploration Ltd
 - Provided exploration & managerial services to junior & senior mining co's, for projects in Canada, US, Mexico, Guyana, Philippines & Mongolia
- ► Ken MacDonald, VP Business Strategy & CFO
 - > 30 yrs CA with financial & accounting experience in mining sector
 - Past VP Finance for Kaoclay Resources
 - CEO of Advanced Primary Minerals
- Chris Cowan, VP Asia
 - ▶ 45 yrs world-wide mining & exploration
 - 28 yrs with Falconbridge:
 - senior management & board roles,
 - responsible for technical direction of worldwide surface & mining exploration
 - Exploration manager in SE Asia & Chief Geologist for Sudbury operation

INDEPENDENT DIRECTORS



- ▶ William B. Burton (since 2003)
 - President & CEO of MagIndustries, with more than 30 years exploration & operating experience. Mr. Burton was previously Vice-President of Exploration for International Pursuit Corporation, evaluating gold properties in Asia, including Mongolia, and was President of Mongolian Goldfields Corporation from 1996 to 1997
- John Byrne (since 2004)
 - President Petroleum Corp of Canada Exploration Ltd, with more than 30 years of investment banking & corporate finance. Previously he established Energlus Energy Services Ltd. and served as its Vice Chairman. Mr. Byrne has also served in senior executive roles with Levesque Beaubien Geoffrion Inc. (now National Bank Financial), Mr. Byrne holds a B.A. from McGill University and an LL.B from the University of Toronto Law School. He is also a Chartered Financial Analyst
- David Carnell (since 2003):
 - Past President Bedford Capital Group; 32-year career in sales and management with bank-owned investment dealer
- Jamie Frankcombe (since 2008)
 - Mr. Frankcombe is the General Manager of the Americas for Xstrata Coal and has 28 years of experience in the mining industry. At Xstrata Coal, he is responsible for the Donkin Coal Project in Nova Scotia, Canada and for general business development opportunities in the Americas.
- Stuart Rath (since 2006)
 - President and a director of Stuco Holdings Ltd., a private investment company. From 1976 to 1985 he was the President and General Manager of Eastern Cablevision Ltd and from 1985 to 1995, he was President and Chief Operating Officer of Halifax Cablevision Ltd.,
- Philip Webster (since 2006)
 - President of Imperial Windsor Group Inc. since 1998 and Emster Holdings Inc. A director of Western Financial Group Inc. Detroit Marine Terminals Inc., Imperial Windsor Group Inc., Emster Holdings Inc., PBI Kinmont Inc., R. Howard Webster Foundation and the Zellers Family Foundation.

MONGOLIA

ED

Community Development







EXPERIENCED COMMUNITY DEVELOPMENT OFFICER

FOCUSED ON IMPROVING HEALTH & EDUCATION

COMMUNITY LIAISON COMMITTEE ESTABLISHED

NOVA SCOTIA

Community Development



- Erdene is the Presenting Sponsor of Catapult, a non-profit camp in Nova Scotia
- Focuses on enhancing leadership skills in young people before they start high school
- ▶ The program is geared toward teens who would otherwise never have the opportunity to take part in this type of learning
- ▶ For more information visit www.catapultcamp.com





ERDENE FINANCIAL 2009 Financial Reporting



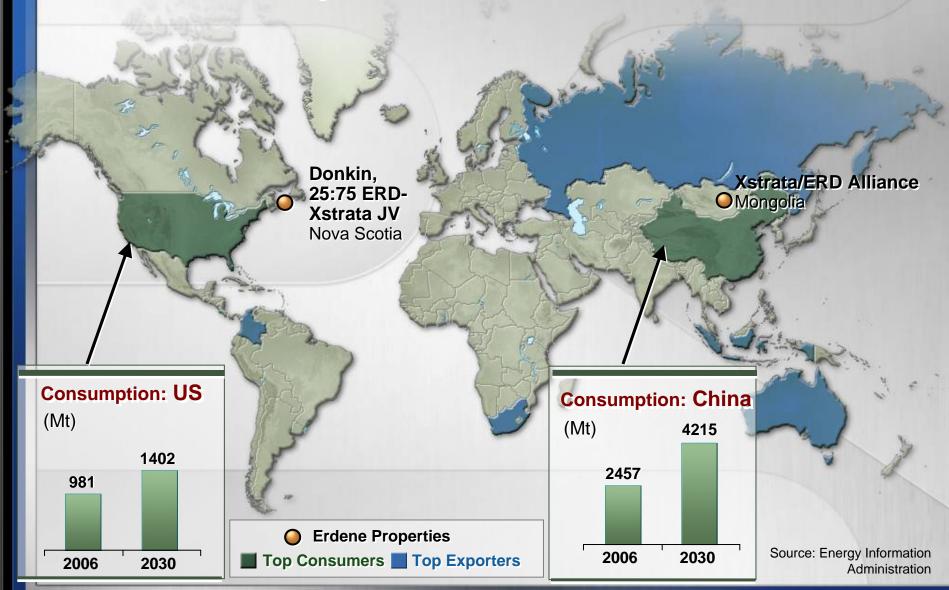
ERD 2009 Financial Reporting	2009	2008	Change
Consolidated Balance Sheet			
Assets	\$58,646,633	\$60,497,457	-\$1,850,824
Consolidated Statements of Operations and Deficit			
(Deficit Year-end) Expenses	\$32,337,479	\$30,160,422	\$2,177,057
Consolidated Statements of Cash Flow			
Cash and cash equivalents	\$13,764,186	\$16,195,175	-\$2,430,989

Note: May 17, 2010, cash and cash equivalents: \$12.2M

WORLD COAL MARKETS

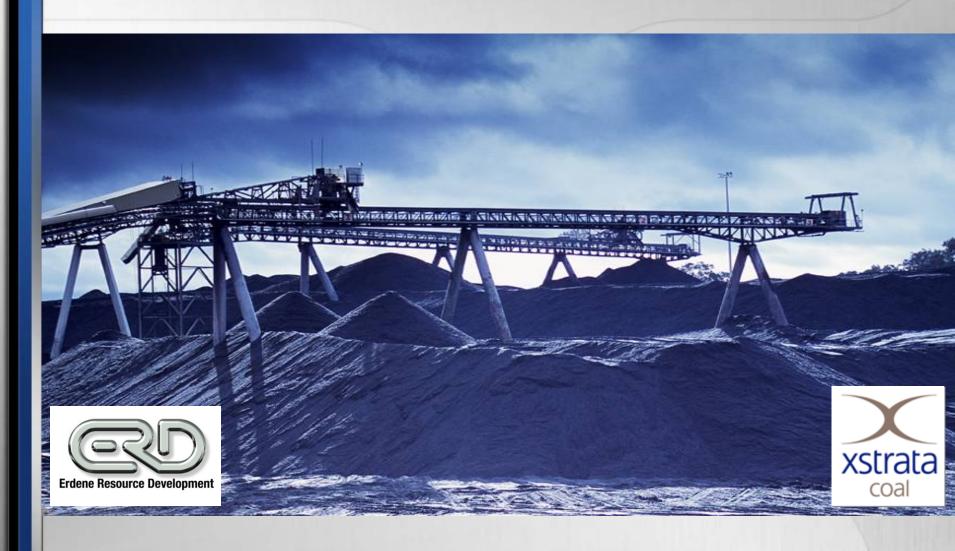






Xstrata-Erdene Joint Venture Donkin Coal Project





DONKIN COAL PROJECT Historical Production









ALLIANCE:

JV Erdene - Xstrata Coal: 25% - 75%

COMMODITY:

- Thermal & Metallurgical Coal
- 227Mt Indicated & 254Mt Inferred
- Positive Characteristics:
 - high energy (12,000-14,000 btu/lb),
 - low ash,
 - low phosphorus,
 - high CSN & fluidity

PRIORITY MARKETS:

Global Export Markets

DONKIN UPDATE

February 11, 2010



- Xstrata and Erdene to proceed with development of metallurgical coal mine in Nova Scotia
 - ▶ Production plans are for 2.75Mt of washed met coal per annum, to be sold into global met coal markets
 - Plans include onsite wash plant and barging to offshore docking / ship-loading facility
 - Operating costs estimated to be in lowest quartile for underground mining globally
 - ▶ Capital estimate of \$350M to be spread over three year period
 - ▶ Favorable outlook for met coal demand with price expected to be >US\$100
 - ▶ It is anticipated that Donkin metallurgical coal will be sold as a semi-soft metallurgical coal blend product

DONKIN UPDATE (cont'd)



- Civil works-
 - ▶ Site development has commenced with the awarding of a construction contract for the 2.5km-long access road; expected completion date, mid-July 2010
- Engineering Mine Design & Pre-feasibility -
 - Initiated studies to add a CHPP wash plant, design the offshore transportation system and prepare prefeasibility studies
- Permitting, Regulatory & Government Consultation -
 - ➤ The Donkin project has previously received all necessary approvals for production of 350Kt. Federal & Provincial government meetings have taken place to expedite the process of securing operating permits. The intention is to file all applications within the next 12 months

DONKIN UPDATE (cont'd)

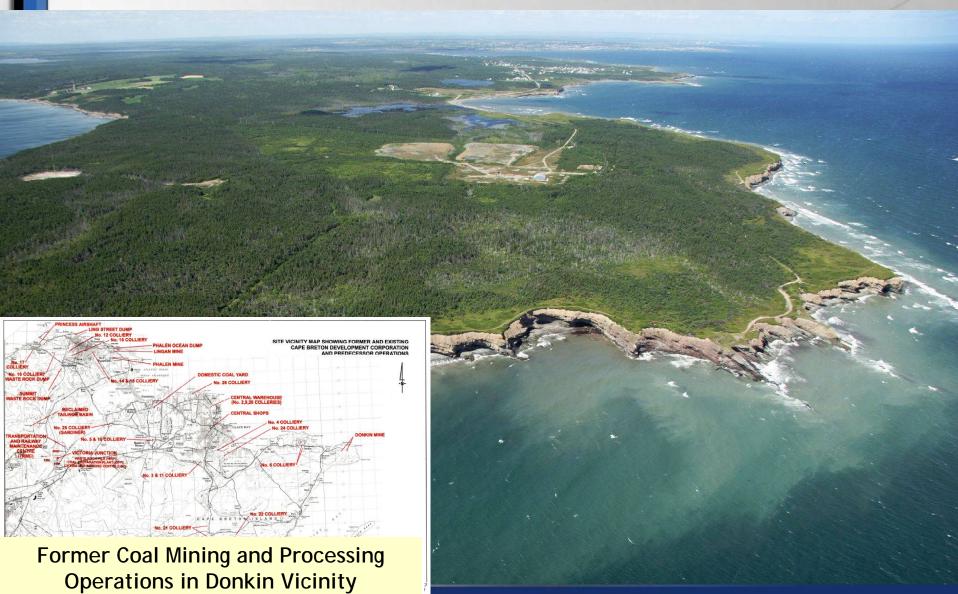


Project Funding

- ▶ \$100M previously spent by the federal government to construct twin tunnels which extend for 3.5km from surface
- Additionally, the JV has spent approximately \$25M
- ▶ The anticipated budget for 2010 will be ~ \$10M, including all engineering design work, environmental permitting, civil engineering work, surface construction & tunnel refurbishment
- ▶ Erdene will fund its \$2.5M share of the budget from current working capital
- Upon bankable feasibility the funding of the initial \$40M spend will be provided by Xstrata





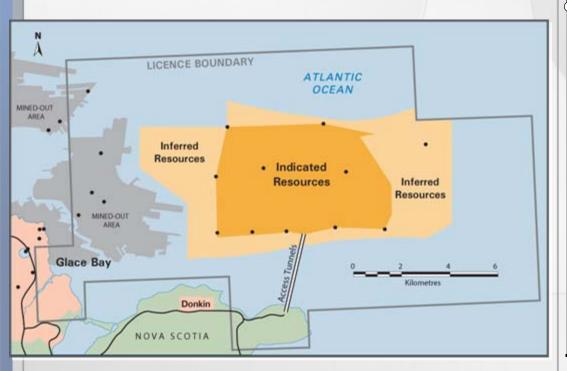


Resources - Indicated & Inferred



Harbour Seam

High volatile-A bituminous, medium sulphur, low ash, high CSN & fluidity coal



Seam	Indicated (Millions of Me	
Lloyd Cove	53	82
Hub	73	57
Harbour	101	115
TOTAL	227	254



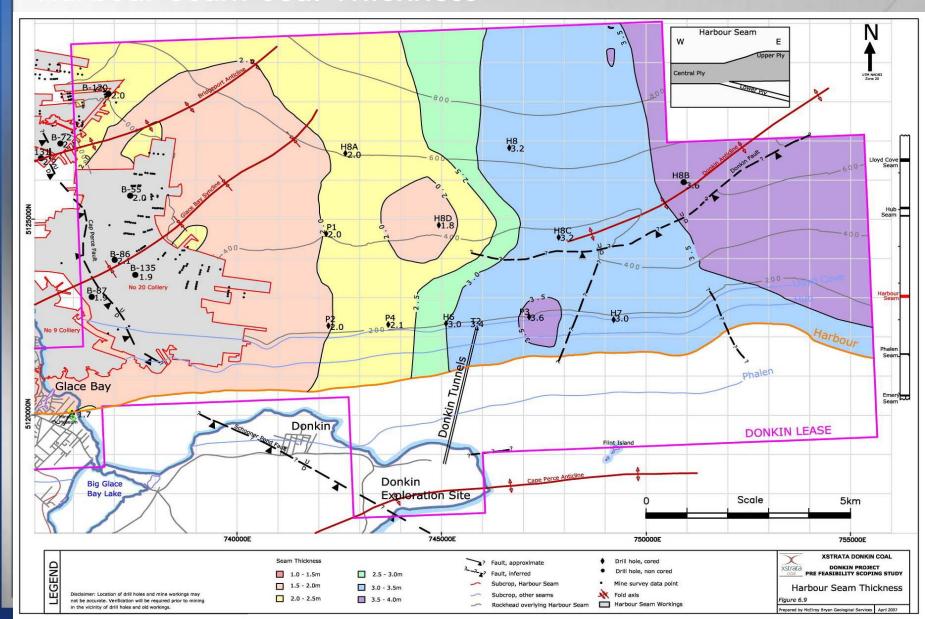
Coal Quality

- MBGS report:
 - ▶ Donkin Coal Resource Block contains an average 4.5% sulphur and 12% ash and is classified as high volatile A bituminous, high sulphur, medium ash coal.
- Results of Processing at the Victoria Junction Coal Preparation Plant during the Devco pilot scale study*
 - ▶ 70% to 75% recovery of metallurgical product
 - ash 3%,
 - ▶ total sulphur (TS) content of 2.1%.
- The metallurgical product has low phosphorus, high CSN & fluidity
- Harbour seam coal previously sold as washed metallurgical product into global steel markets

^{*} Additional testing, mine plan and wash plant design will determine ultimate specification of metallurgical product however the medium to high sulphur content will result in a blend product.

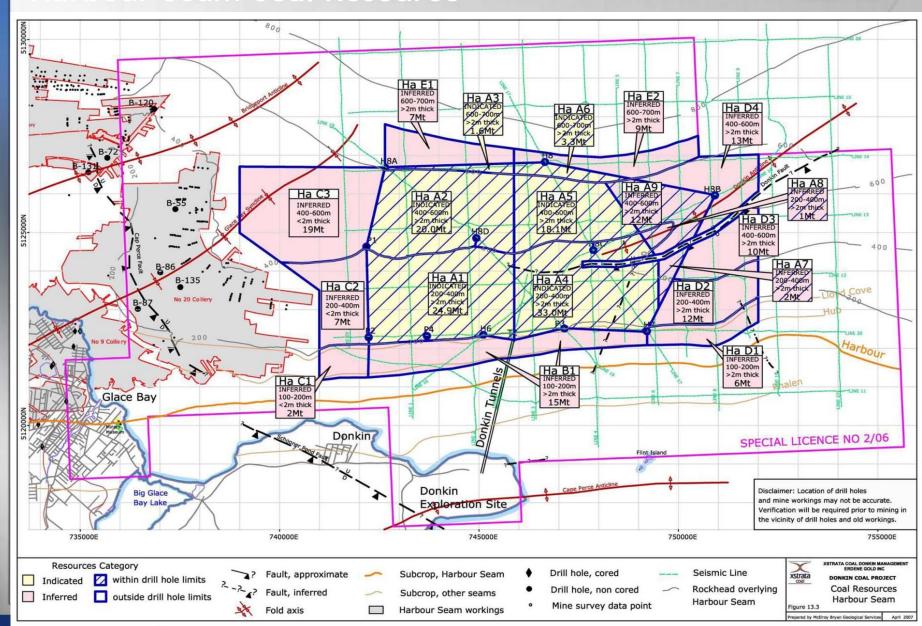
Harbour Seam Coal Thickness





Harbour Seam Coal Resource

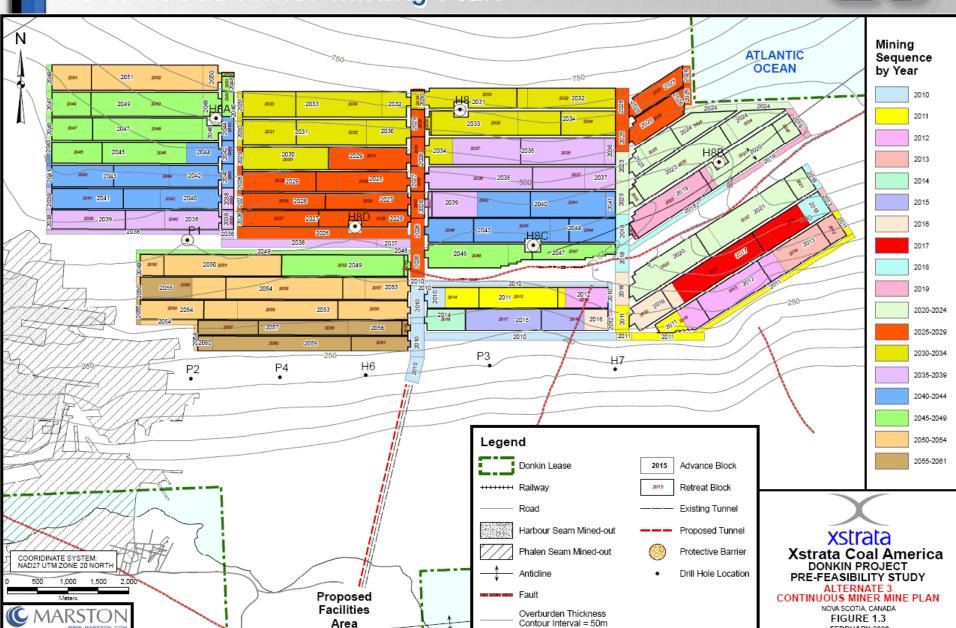




Continuous-Miner Mining Plan



FEBRUARY 2008

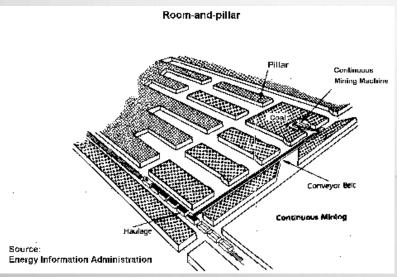


Mining Methods



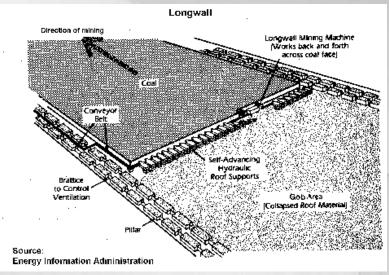
Continuous Miner - Room and Pillar





Longwall





Example Coal Handling Facility





Coal-handling and preparation plant with maximum feed capacity of 4.5 Mtpa of ROM coal, producing semi-soft metallurgical coal and thermal product coal, which will be placed in separate product coal stockpiles

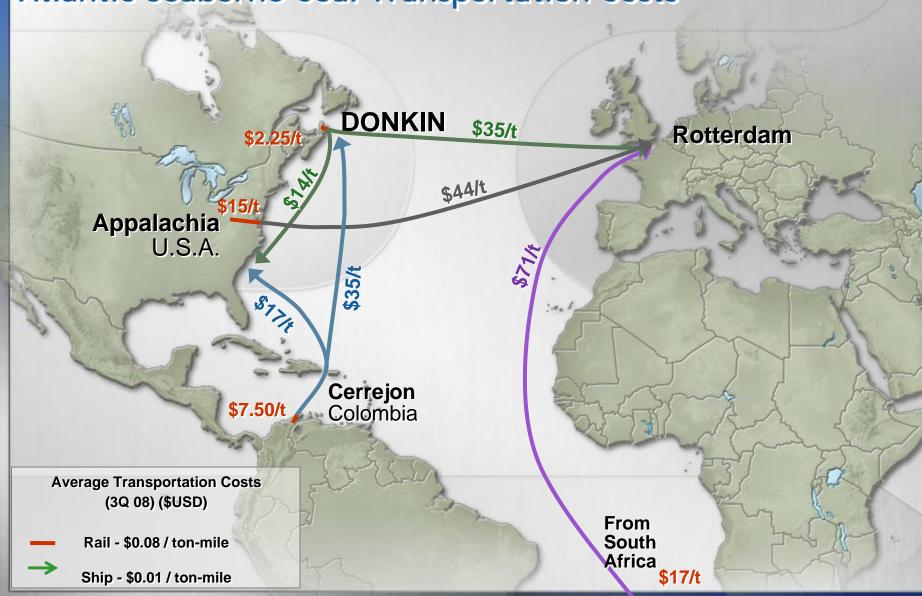






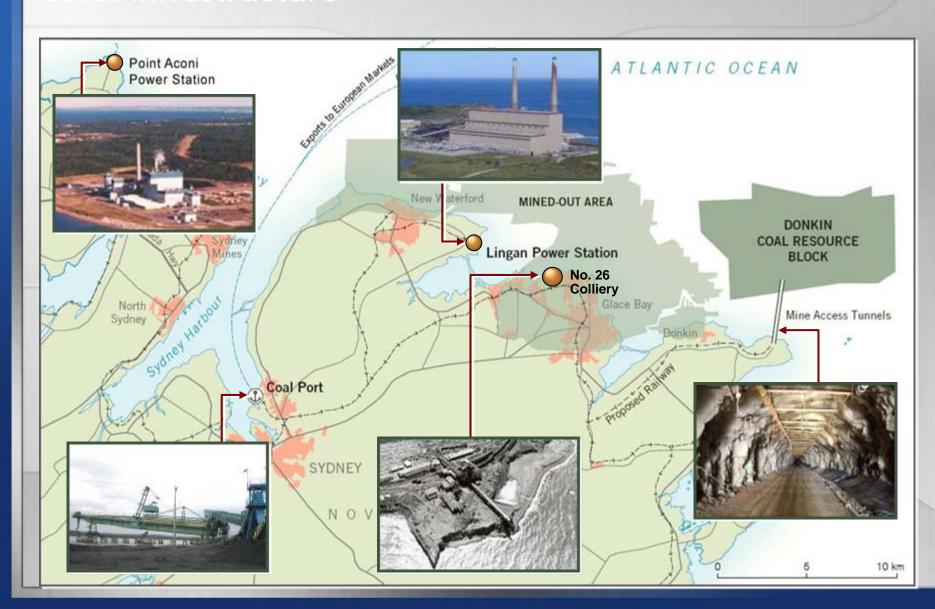


Atlantic Seaborne Coal Transportation Costs



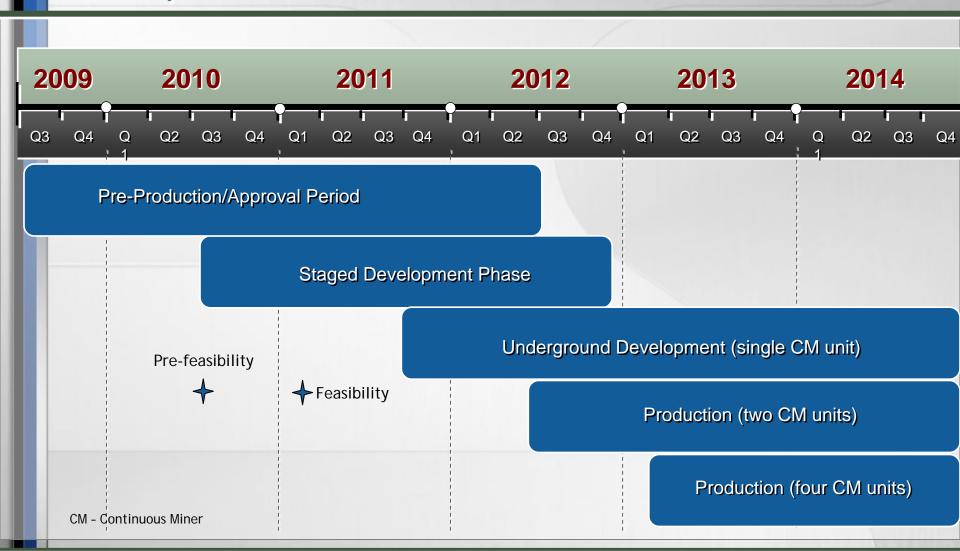
ED

Local Infrastructure





Development Timeline



COAL INDUSTRY NEWS



BHP Billiton

 Mar 6/10 - secures US\$200/t quarterly contract with Japanese firm, a 55% premium

Gloucester Coal

 Apr 15/10 - secures contract for \$180/T for semi-hard metallurgical coal, with 5th largest steel firm in Japan

Western Coal

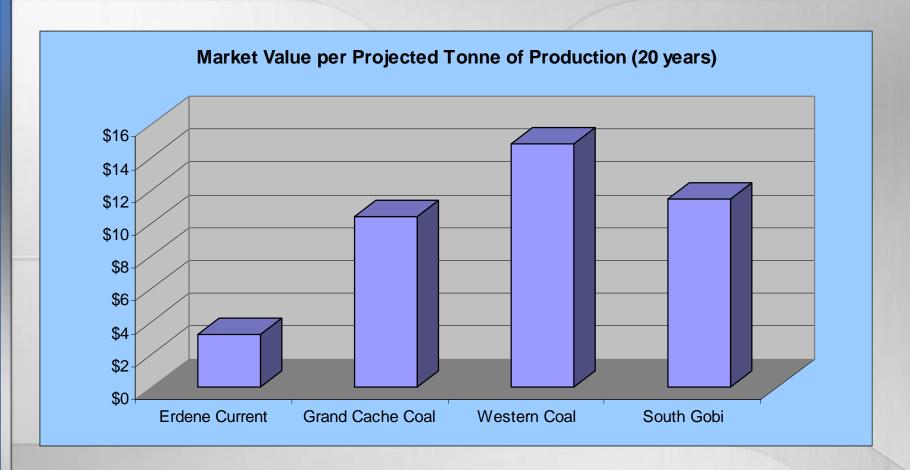
 Mar 16/2010 - to date, WTN has negotiated US\$200/t for the majority of its hard metallurgical coal sales in Asia for fiscal 2011

JSW Steel

 May 3/10 - said it would acquire metallurgical coal assets with resources of 123 million tonnes in US for a cost of US\$100M

ERD COMPARATIVE MARKET VALUE Passed on Projected Mine Life Coal Production

Based on Projected Mine Life₁ Coal Production [10/05/10]



Comparative Basis Ratio: 3.8:1

1. assume 20 year mine life, flat production of 0.7M, 3M, 4.8M and 8M respectively



Erdene MONGOLIA







MONGOLIA EXPERIENCE



- Erdene executives have over 30 years of combined experience in Mongolia
- ► The company acquired Muhammed Al Fayad's Gallant Minerals in 2005
- Erdene has introduced major mining company Xstrata to the country who has as a result become one of the company's largest shareholder and is now committing significant expenditures
- ▶ The Company employs 14 full time and up to 100 seasonal personnel in Mongolia
- Mongolian related expenditures over the past five years total >CDN\$20M

MONGOLIA - MAJOR DEPOSITS





MONGOLIA - POSITIVE NEWS



- Tax Law Reform
- ▶ The Abolishment of the Windfall Tax
- Signing of the Oyu Tolgoi Agreement
- Government Efforts to Develop World Class Mining Industry



Metals: Molybdenum & Copper





RESOURCE:

>180,000 tonnes (>400Mlbs) of contained moly at >0.05%, with similar copper content

MARKET:

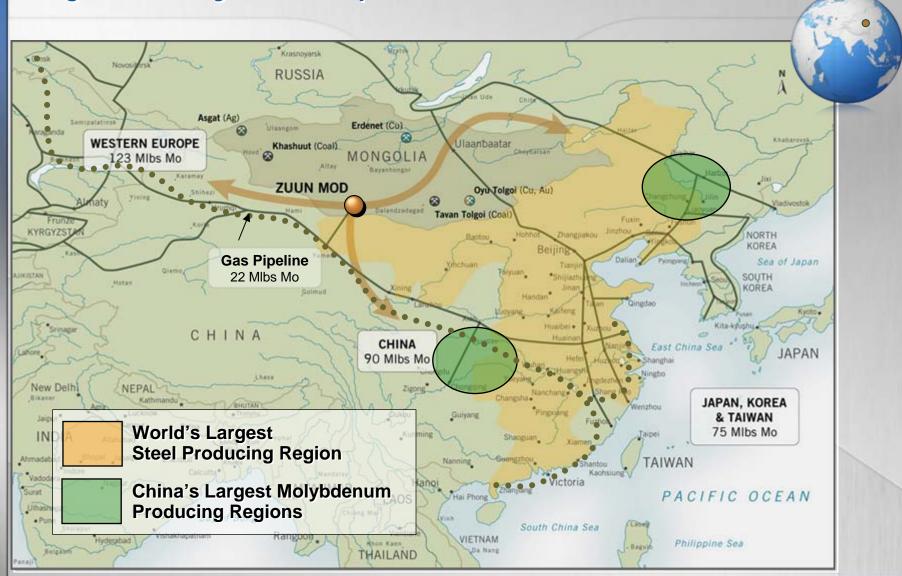
Asia-Pacific region ~35% of Mo world consumption and fastest growing

PROJECT: Zuun Mod

- Wholly owned
- ~ 200km from China border,
- Advanced stage,
- Open pit mineable target



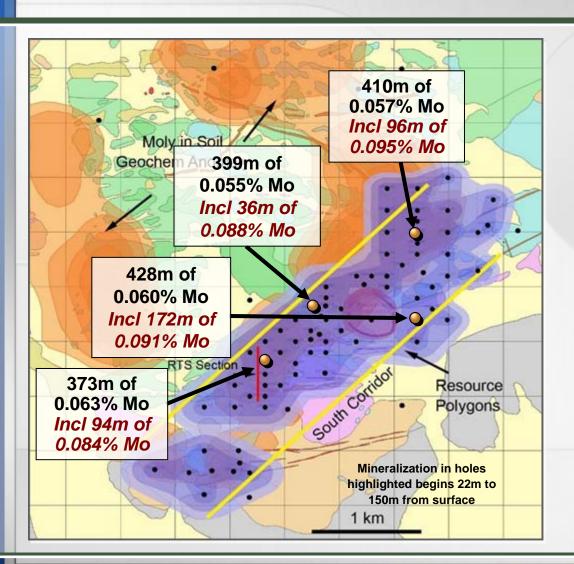
Regional Moly Consumption & Steel Production



ZUUN MOD MO-CU PROJECT Infrastructure Building Trans Mongolian Raily MONGOL Tsagaan Suvarga (Cu) Tavan Tolgoi **ZUUN MOD** (Coal) Oyu Tolgoi Nariin Sukhait (Coal) Dalanzadgad (Cu, Au) Proposed Railway Ceke Erjin Qi Hohhot Baotou Jiayuguan (Steel Making (Steel Making Industrial Centre) Industrial Centre) 200 RUSSIA Trans China Railway MONGOLIA **Kilometres Enlarged** Area Yinchuan CHINA Shanghai PACIFIC INDIA



Project Status

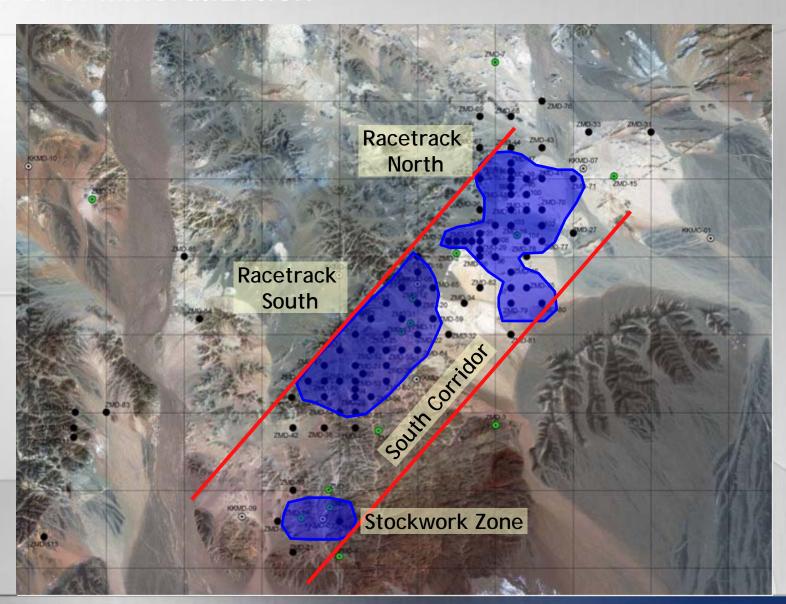




PHASED DRILLING PROGRAM

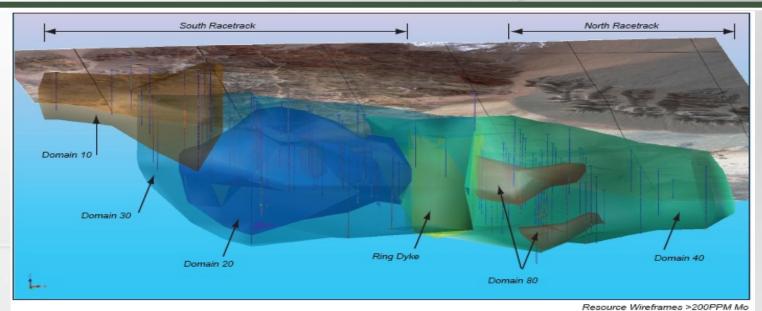


Zones of Mineralization





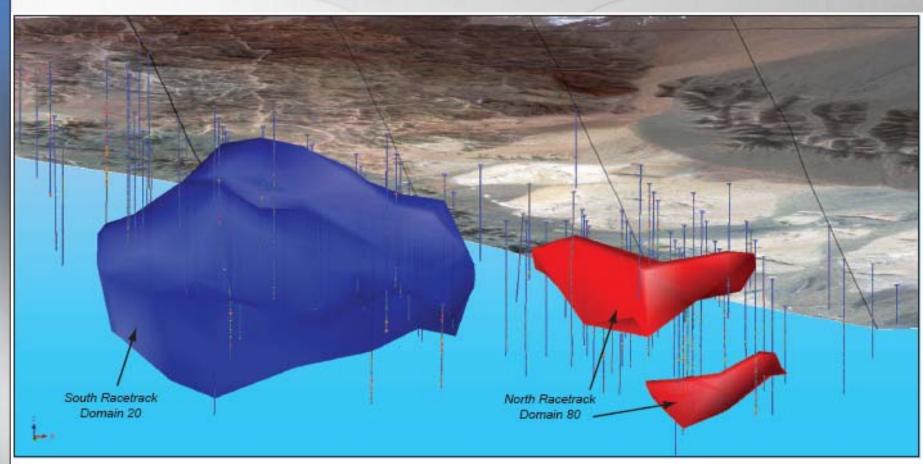
June 2009 NI 43-101 Resource Estimate



Cut-off Resources Contained Resource Category Cu% Mo% **Grade Mo%** Mt Mo Metal Mlbs **Total Measured** 180 0.064 215 0.04% 0.054 & Indicated **Total Inferred** 0.04% 185 0.066 0.051 208



High Grade Zones



High Grade Domains >400PPM Mo



Minarco Preliminary Assessment



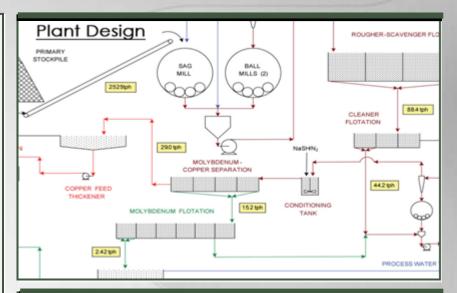
Erdene Gold Inc

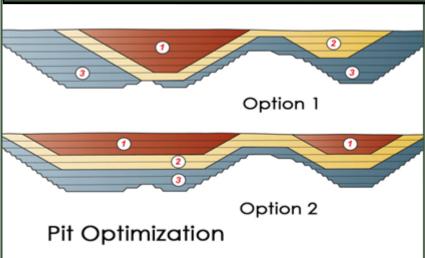
Zuun Mod Molybdenum-Copper Project Bayankhongor Aimag, Mongolia

Preliminary Assessment

Draft



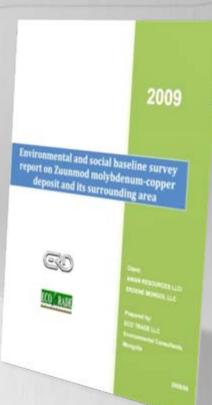




ED

Resource Registration

- Application submitted 2010
- Submission included:
 - Preliminary hydro-geological study
 - Environmental assessment report
 - Geological report
 - Mongolian compliant resource estimate
 - Mongolian compliant pre-feasibility study
- Work conducted by team of Mongolian consultants led by AMC and Ecotrade
- Experts appointed by Mineral Council have completed review
- Resource registration a prerequisite for conversion of exploration license to mining license



MOLYBDENUM RELATED NEWS



- Mar 5th/10 (Reuters UPDATE) General Moly taps Chinese funding; shares soar; Hanlong to make \$80 million equity investment in company
- Mar 11th /10 (CPM/AMM) Moly demand expected to rise 12.5%; Improved demand from the steel industry and consumer restocking will lead to a global molybdenum demand recovery and bullish pricing this year
- Apr 2nd/10 -Metals Place) China, became a net importer of molybdenum in 2009, with it's total exports declining by 66%, while imports rose to 35,307mt, 9.5 times the import volume in 2008
- Apr 21st/10 (Metals Place) Rio Tinto to invest \$340M in the construction of a new molybdenum facility
- May 4th/10 (China Daily) Hanlong plans to invest \$5billion in steel-related materials including molybdenum, manganese & renewable energy projects

ZUUN MOD – Moly Peer Group Comparison (As of May 17, 2010)



	ERD	General Moly	Creston Moly	Moly Mines
PROJECT	Zuun Mod	Mt. Hope	Creston	Spinifex Ridge
SYMBOL	ERD:TSX	GMO:TSX	CMS:TSXV	MOL:TSX
SHARES OUTSTANDING				
	89.2M	76M	234.9M	156.7M
SHARE PRICE	\$0.46	\$4.30	\$0.27	\$0.75
MARKET CAP	\$40	\$327	\$63	\$117

ZUUN MOD SUMMARY



- One of the largest molybdenum deposits in Asia
- On the doorstep of the world's largest steel producing region
- Established >400 Mlbs of molybdenum resource
- **▶** Goals
 - Secure Mining License
 - ▶ Implement feasibility studies
 - Strategic Partner Discussions



MONGOLIA COAL XSTRATA ALLIANCE









PRIORITY TARGETS:

High Quality Thermal & Metallurgical (open pit, <5:1, 200Mt+, >5800 kcal/kg GAR)

XSTRATA TERMS:

- Option to earn up to 75% of any coal opportunity in Mongolia
- Must fund all work through to completion of feasibility study

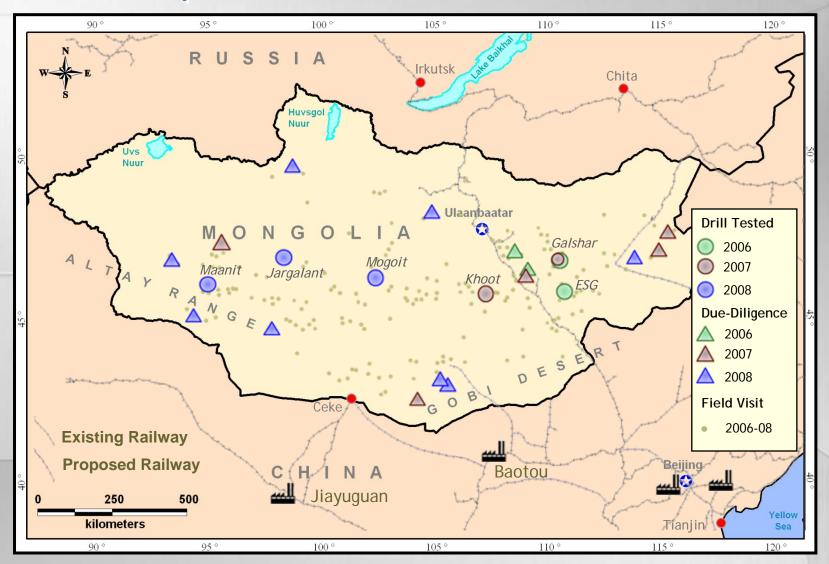
2010 PROGRAM:

\$1.9M field program to explore newly acquired 400,000 ha Zarman basin commences in May; acquisition due diligence continues

ERDENE COAL MONGOLIA



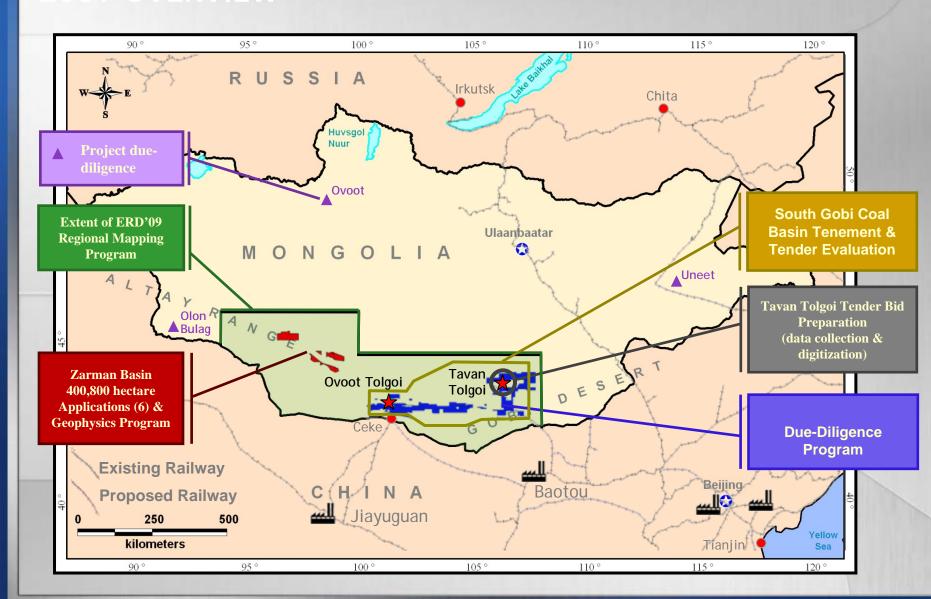
Extent of Exploration



ERDENE COAL MONGOLIA

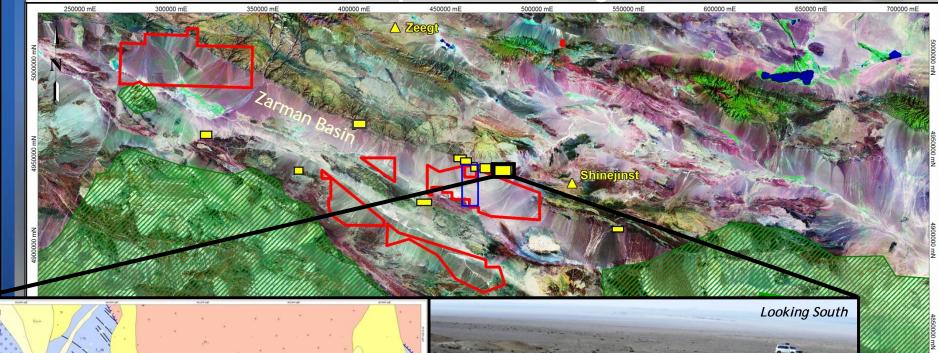
2009 OVERVIEW

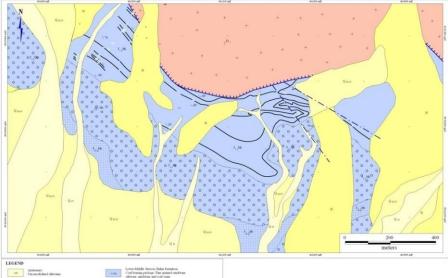




ERDENE COAL MONGOLIA Zarman Basin - 2010 Exploration Target





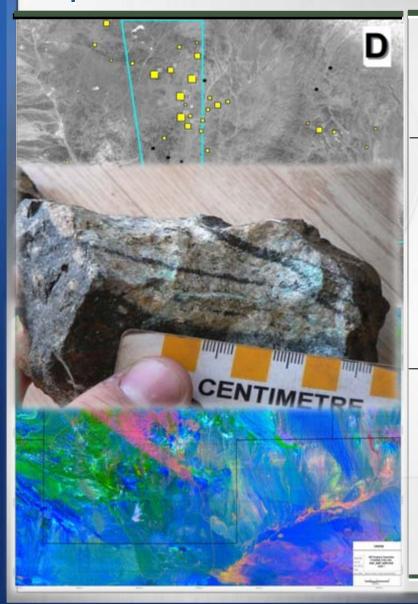




ERDENE METALS MONGOLIA

Exploration for Cu-Au-Mo - 100% ERD





TARGET:

World Class Copper-Gold-Molybdenum Porphyry Deposits

EXPLORATION PROGRAMS:

Multi-million dollar program in South Gobi exploring for porphyry copper, gold, moly systems over 5 years, \$1M in regional Exploration 2009

2010 PROGRAM:

Exploration commences in May on new copper-gold discovery at Altan-Arrow; additional acquisitions planned

ERDENE METALS EXPLORATION

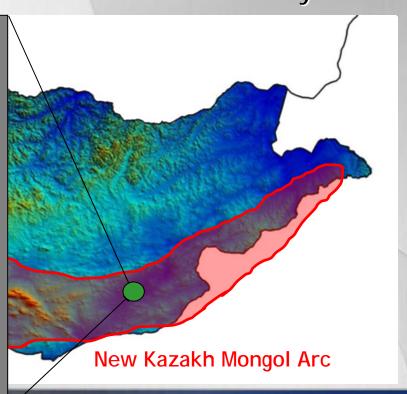
ED)

Project Generation

- Purpose of conducting regional scale exploration in Southern Mongolia with a specific interest in Cu-Au-Mo porphyry systems
- Goal of defining specific areas conducive to hosting mineralized porphyry related environments and systems

Oyu Tolgoi Copper Gold Deposit:

- the world's largest untapped copper and gold resource.
 - •81.3 billion pounds of copper (est value ~ US\$256 billion)
 - •46.4 million ounces of gold (est value ~ US\$58 billion)
- •\$4.6 billion capital investment before commercial output starts in 2012/13
- •Plan to produce 1.2 billion pounds of copper annually (~ US\$3.8 billion)
- •Plan to produce more than 650,000 ounces of gold annually (~US\$813M)
- •may allow operations to continue for 59 years



ERDENE METALS EXPLORATION

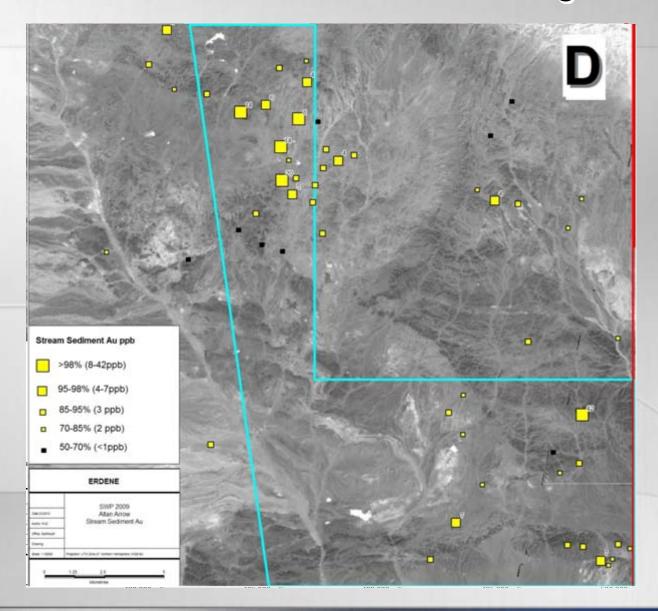


2009 Exploration Activities

- Approximately \$1million spent in South Gobi exploring for porphyry copper/gold/moly systems in 2009
- Using exploration methods such as Landsat spectral analysis, systematic stream sediment sampling and geologic prospecting/mapping proved to be highly effective in outlining zones of anomalous mineralization and prospective geology
- ▶ Area explored as part of 2009 metals exploration program was over 35,000 square km
- Erdene has identified multiple significant gold and copper geochemical anomalies; property acquisition underway

ALTAN ARROW: New Cu-Au Target





MONGOLIA SUMMARY



- Mongolia presents one of the most prospective geologic regions globally for the discovery of world-class copper-molybdenum-gold porphyry deposits
- ▶ Erdene and its principals have been involved in Mongolia for 14 years demonstrating long term commitment to the country
- Steps have been made in the past 12 months to improve the regulatory system and the perception of Mongolia as a mining jurisdiction
- ▶ Erdene is in the process of converting its Zuun Mod Exploration Licence to a Mining Licence so that investment can continue and the project can be moved towards production
- ▶ Erdene has been evaluating large areas of the south Gobi region for potential Cu-Au-Mo opportunities and has begun making acquisitions

INDUSTRIAL MINERALS

Aggregate and Kaolin





Interests:

- Majority ownership of Kaolin producer, TSX-V listed Advanced Primary Minerals
- Lease-royalty arrangement with Aggregates USA

COMMODITY:

- Kaolin used for paper coating and ceramics
- Crushed stone for construction uses targeting Florida Market

Objectives:

- Develop company into North America's leading specialty kaolin producer
- Receive royalty stream of US\$1M to US\$2M annually for >30 years

APM CORPORATION





- Overview
 - TSX Venture listing (TSXV:APD)
 - ▶ ERD controls ~ 62% of issued common shares (opportunity to increase to 77%)
 - GOAL Become North America's leading specialized primary kaolin producer
 - 22.9 million tons of premium quality NI 43-101 compliant primary kaolin resource
 - Current market cap ~\$4M

APM CORP.

New Processing Plant - Dearing, GA.







Advanced Primary Minerals

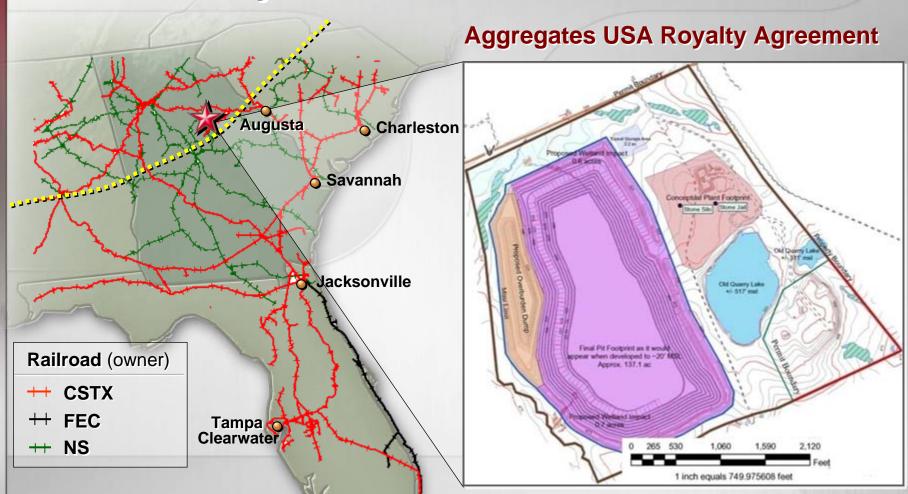


- ▶ Patent pending DHS (Differential Hardness Separation) primary kaolin dry processing plant commissioned in October 2009
- ▶ Favourable market reaction from targeted ceramics industry to newly developed primary kaolin products
- ▶ 18 companies approached and over 60 product trials at various stages of evaluation
- Fundamental assumptions of APM business model confirmed
- ▶ 2010 plans include:
 - ▶ Permit remaining McDuffie County properties (~12MM tons)
 - Phase II feasibility study on expanded wet processed product line
 - Projected tripling of dry processed sales to over 20,000 tons

CONSTRUCTION AGGREGATE



Granite Hill Project



CASH FLOW PENDING PRODUCTION Q4 2010

GRANITE HILL PROJECT



- ▶ Target production of 1-3Mt/yr
- Average sale price \$6-12/t
- ▶ Minimum 40-year mine life
- ▶ ERD receives competitive royalty rate
- Aggregates USA plans to fast track Granite Hill as one of their top priorities
- ▶ Recently expanded site clearing from 19 to 43 acres to include plant, compound, and rail access areas
- ▶ Development is underway and projections for mine development scheduled to begin by mid 2010 with production start late 2011

2010 ERD Budget



Area	2010
Donkin Coal Project	(\$2,500,000)
Zuun Mod	(\$853,164)
Mongolia Metals Exploration*	(\$1,481,448)
Mongolia Coal Exploration (funded)	(\$2,052,823)
Aggregate	(\$525,880)
Corporate Administration	(\$1,293,912)
Sub-Total	(\$8,707,227)
Other Cash Inflows - Outflows (Predominantly Partner Funding)	\$1,840,635
Total Net Expenditure	(\$6,866,592)
Projected Cash Balance Year-End (beginning=\$13,693,457)	\$6,826,865
Projected Cash & Securities (Equity and Debt Interest in APM [May 10th])	\$9,326,865

^{*} Largely contingent in completing targeted acquisitions

Summary



- Ownership in Major Coastal Coking and Thermal Coal Deposit
- Large 43-101 Molybdenum Resource on Mongolia-China Border
- Exciting Metal and Coal Exploration Opportunities
- Solid Industrial Mineral Asset Base
- Partnered with Xstrata in Eastern Canada and Mongolia
- Strong Financial Position



Sustaining GROWTH



Maintaining STABILITY

VALUE CREATION





