

ERDENES SILVER RESOURCE SALKHIT MINE CLOSURE PLAN PILOT

Newsletter Issue 10

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PROJECT ACTIVITIES

During the month of August, the multidisciplinary mine closure planning team continued to work on writing the background chapters for the Salkhit Mine Closure Plan. These chapters include discussion on regulatory requirements, the closure planning goals and objectives developed during Stage 1, a description of the Salkhit mining area and operation, and environmental and socio-economic background. Multidisciplinary teams in mine closure planning are important to capture diverse knowledge, skills, and perspectives of professionals to develop a technically-sound and operationally feasible closure plan.

The MERIT team continued work on the stakeholder engagement strategy, a critical planning document which guides all aspects of stakeholder involvement.

The key stakeholders gathered on August 26th to receive an update on the team's work over the summer months. Topics included the stakeholder engagement strategy, presented by the MERIT stakeholder advisor, and the environmental field studies which were conducted in late June, presented by MECSZB (environmental consultant).



Figure 1. Key stakeholder meeting was organized in UB on 26 August 2022

INTRODUCTION TO THE SALKHIT MULTIDISCIPLINARY MINE CLOSURE PLANNING TEAM

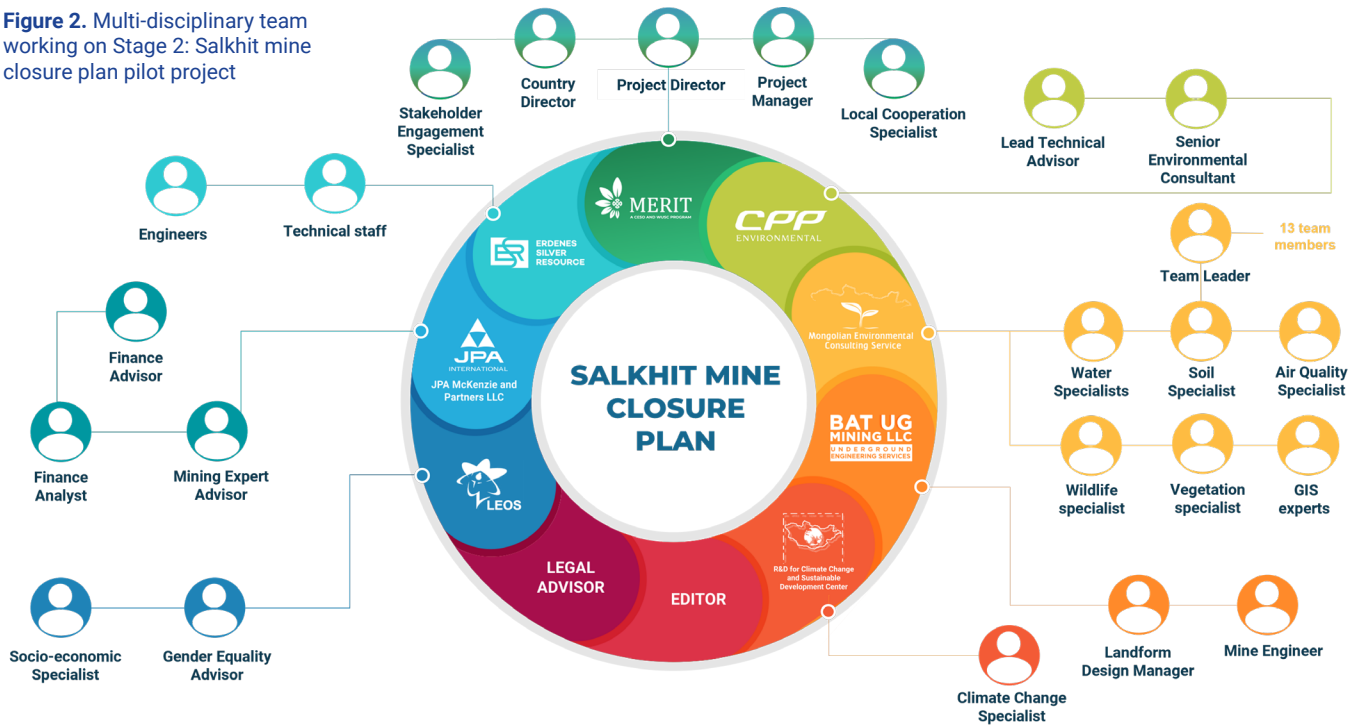
During Stage 1 of the pilot, MERIT identified an opportunity for local Mongolian consultant to participate in the development of the Salkhit Mine Closure Plan, to enhance local capacity for mine closure planning.

Before Stage 2 started, MERIT held an open bid competition for qualified local consultants– a business practice commonly applied in mature resource jurisdictions for consulting contracts. As a result, six local consultants were hired to join the multidisciplinary closure planning team, and each bring unique and valuable knowledge, experience, and perspectives to the mine closure planning process. The local consultants, international advisors, MERIT team and Erdenes Silver Resource LLC are working collaboratively on Stage 2 Salkhit mine closure plan project as a multidisciplinary planning team.

A brief introduction of the multidisciplinary planning team including their names and roles are shown below.

- Dr. Anarmaa Sharkhuu, Climate Change Specialist (R&D Center for Climate Change and Sustainable Development NGO)
- Davaasuren Myagmar, (MA & MLIS), Editor
- BAT UG mining LLC, Landform Design- two members
- JPA McKenzie and Partners LLC, Reclamation Cost Estimate team- three members (member of the JPA global network of public accounting, tax and advisory firms)
- MECSZB LLC, A Group of Environmental Specialists including air quality expert, soil scientist, zoologist, botanist, environmental expert and GIS expert- 13 members
- Liberal Women's Brain Pool (LEOS), Socio-economic and Gender Equality Specialists- three members
- MERIT team –project management and stakeholder engagement- 4 members
- Mike Poscente, Lead Environmental Advisor, CPP Environmental, Canada
- Rachel Noble-Pattinson, Senior Environmental and Project Management Advisor, CPP Environmental, Canada
- Erdenes Silver Resource LLC, receive and review Salkhit mine closure plan, and responsible for update and implementation of the mine closure plan.

Figure 2. Multi-disciplinary team working on Stage 2: Salkhit mine closure plan pilot project



Technical capacity building sessions will be provided over the next four months for the planners, MERIT, and ESR members on the mine closure planning. The capacity sessions provide information on international best practice, technologies and processes that support producing the Salkhit Mine Closure Plan.

■ STAKEHOLDER AND COMMUNITY ENGAGEMENT PLANNING UPDATE

The MERIT team developed a stakeholder engagement plan to properly scope and manage all activities related to stakeholder and community engagement for Stage 2 of the Salkhit Mine Closure Plan Pilot.

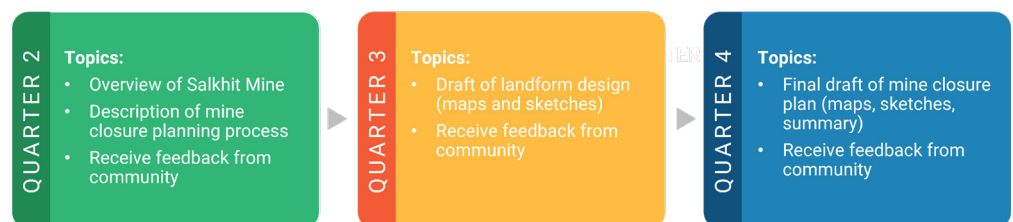
The objectives of the stakeholder engagement plan are:

- Plan all stakeholder engagement activities
- Allocate resources to achieve effective stakeholder participation
- Provide key information to stakeholders and document concerns and interests of affected communities for the multidisciplinary closure planning team.

Since the Salkhit Mine Closure Plan is the first to be written by Mongolian consultants, designed to meet the requirements of the Mongolian Regulation on Rehabilitation and Closure of Mines and Concentration Plants, there are high expectations from senior government officials and ESR executives. MERIT aims to meet these expectations through regular communication with stakeholders, listening to feedback and addressing concerns of stakeholders in a responsible manner.

Community engagement at key stages of resource development projects is an international best practice, in which companies provide project-related information to affected communities and interested groups. Emphasis is placed on community engagement during Stage 2. This means that the MERIT team and key members of the multidisciplinary closure planning team will visit communities affected by a future closure of the Salkhit mine to explain the mine closure planning process and obtain local input into the plan. Community engagement requires key members of the planning team to travel to communities affected by the Salkhit Mine. MERIT is planning community visits to coincide with key milestones of the closure planning process, which is illustrated below. MERIT will work with the communities to tailor the visits to their requirements, while focussing on the topic of the Salkhit Mine Closure Plan.

Figure 3. Stage 2 Stakeholder engagement plan topics and schedules



CONTACT INFORMATION

For more information about the Pilot, please contact

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