

ERDENES SILVER RESOURCE SALKHIT MINE CLOSURE PLAN PILOT

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SUCCESSFUL COMPLETION OF MINE CLOSURE PLAN HANDOVER CEREMONY

A significant milestone was reached during the Mine Closure Plan (MCP) Handover Ceremony held on July 2 and 3. This special gathering brought together 70 participants from diverse backgrounds, including representatives from the Cabinet of Secretariat, the Canadian Embassy, MMHI, MET, local governments, mining companies, and educational institutions.

The primary purpose of the conference was to formally transfer the completed mine closure plan from MERIT to ESR, marking the end of MERIT's role in the project and designating ESR as the entity responsible for submitting the plan to the government for approval. Additionally, this conference provided a platform to present key recommendations to government officials and industry stakeholders, outlining best practices and strategies for the widespread implementation of effective mine closure planning throughout the mining sector.



Figure 1: MERIT is signing MOU with MMHI, MET and ESR LLC to officially handover the mine closure plan

INSIGHTFUL PANEL DISCUSSIONS



Figure 2: Implementation result of the Salkhit mine closure plan pilot project - Panel Discussion

Two informative sessions facilitated discussions and knowledge sharing. The first centered on the lessons learned from the MCP pilot project, while the second focused on ensuring the long-term sustainability of the MCP. Representatives from Chuluut bagh, a local community, voiced their concerns about the social and economic aspects of mine closure and post-closure monitoring.

Mr. Narantsogt from Erdenes Mongol made a heartfelt commitment to institutionalize the MCP not just for the current project but also for future endeavors. Mr. Mendbayar expressed his appreciation for the extensive stakeholder engagement and the heightened awareness of the MCP's importance among participants. Mr. Bayarmunkh, representing ESR LLC, emphasized their responsibility in crafting a model plan for Mongolia and the growing interest from other private mining companies eager to learn from their MCP planning experience.

IMPLEMENTING AND INSTITUTIONALIZING MINE CLOSURE PLANNING WITHIN THE MONGOLIAN MINING SECTOR

MERIT prepared a report, "Recommendations for Implementing Mine Closure Planning in Mongolia" that was presented to government and stakeholders in July 2023. The report provides twenty recommendations to prompt discussion, decisions, and actions for five key stakeholder groups as represented by senior government officials (state, central and local), mining company executives, community leaders, academia leaders and consultancy owners. Each stakeholder group has a role to implement and institutionalize MC planning throughout the Mongolian mining industry.



Figure 3: Mike Poscente, Lead Advisor to the Salkhit mine closure plan is introducing Recommendations to implement and institutionalize the mine closure plan in Mongolia during the conference

The recommendations are summarized below based on three main themes:

Government Oversight

- Ministries of Mining and Heavy Industry (MMHI) and Environment and Tourism (MET) are jointly responsible for developing an implementation plan and tracking the progress of achieving the recommendations (1 recommendation).
- MET should develop compliance assurance policies and procedures for mine closure planning (1 recommendation).
- MET and MMHI should collaborate on the update of laws and regulations guiding MC planning towards outcome-based approaches (1 recommendation).

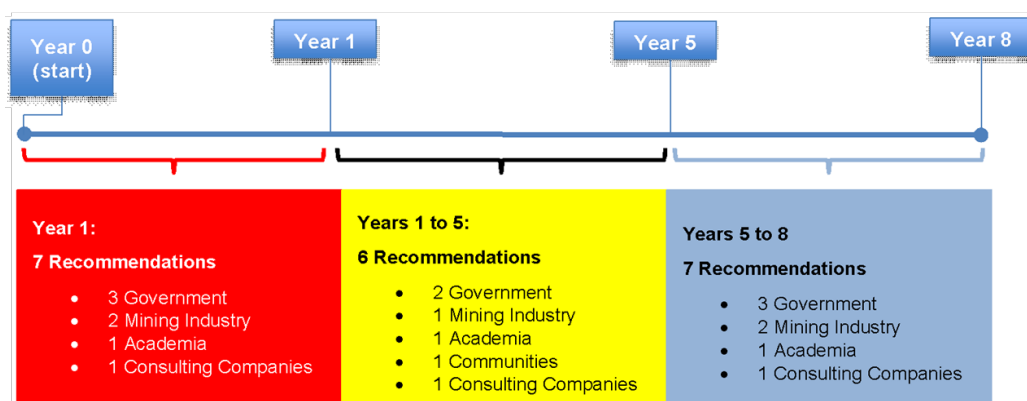
Capacity Building

- Local government representatives at the aimag and soum levels should assess the capability of their communities to meaningfully engage in mine closure planning consultation and take steps to communicate shortfalls to the local mining companies to address within their engagement processes (1 recommendation).
- Government, mining companies and consultancies should assess the capability of their employees to conduct MC planning and their employees understanding of planning processes and closure best practices (4 recommendations). As a result of this assessment proper training can be provided.
- Academia, through post secondary institutions should develop a short course module for upgrading the knowledge and skills of existing workers involved in MC planning. Also, current programs and curriculum should be updated to accommodate relevant closure best practices and planning processes that meet internationally accepted norms (2 recommendations).
- Mining companies should enhance the involvement and input of local communities in MC planning, including gender-based approaches, and address capacity building within their community engagement (2 recommendations).
- MMHI should ensure the Mine Life Cycle training program, previously developed by MERIT, is provided in each community directly impacted by mining (1 recommendation).
- Mining companies should provide site tours for community representatives early in the MC planning process so they understand the issues and context of closure planning and can meaningfully provide input based on actual site conditions (1 recommendation).

Resources

- The mining industry, through industry associations, should lead a gap analysis to define the necessary guidance documents needed for effective MC planning (2 recommendations).
- The mining industry, through industry associations and with the involvement of stakeholders, should lead the development of guidance documents to support process and technical aspects of MC planning (1 recommendation).
- The MMHI should make a request to the International Council of Mining and Minerals to translate the Mine Closure, Good Practice Guide for use as a local MC planning resource (1 recommendation).
- Mining companies should assess their closure planning needs and provide adequate resources for planning and reclamation security funds (1 recommendation).
- Consulting companies should invest in GIS software and increase their ability to provide detailed spatial data analysis and mapping products to support MC planning (1 recommendation).

A realistic timeline of eight years is proposed for full implementation, as measured from the official implementation date yet to be announced. The image below portrays the timeline and the number of recommendations to be implemented by each stakeholder group.



Implementing comprehensive closure planning across the Mongolian mining sector is a new approach, especially for small and mid-sized mines. Challenges are related to the current capacity and capability of conducting MC planning in Mongolia. Opportunities are related to improvement of policy instruments, upgrading the skills of closure planners, development of guidance documents and improving social responsibility within the mining sector. Successful implementation of MC can result in improvement to Mongolia's global reputation in regard to responsible development of mineral resources.

CONTACT INFORMATION

Merit aims to provide engaging and relevant content on the Salkhit mine closure plan project. We value our stakeholders feedback and would like to hear from you on how we can improve our newsletter.

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