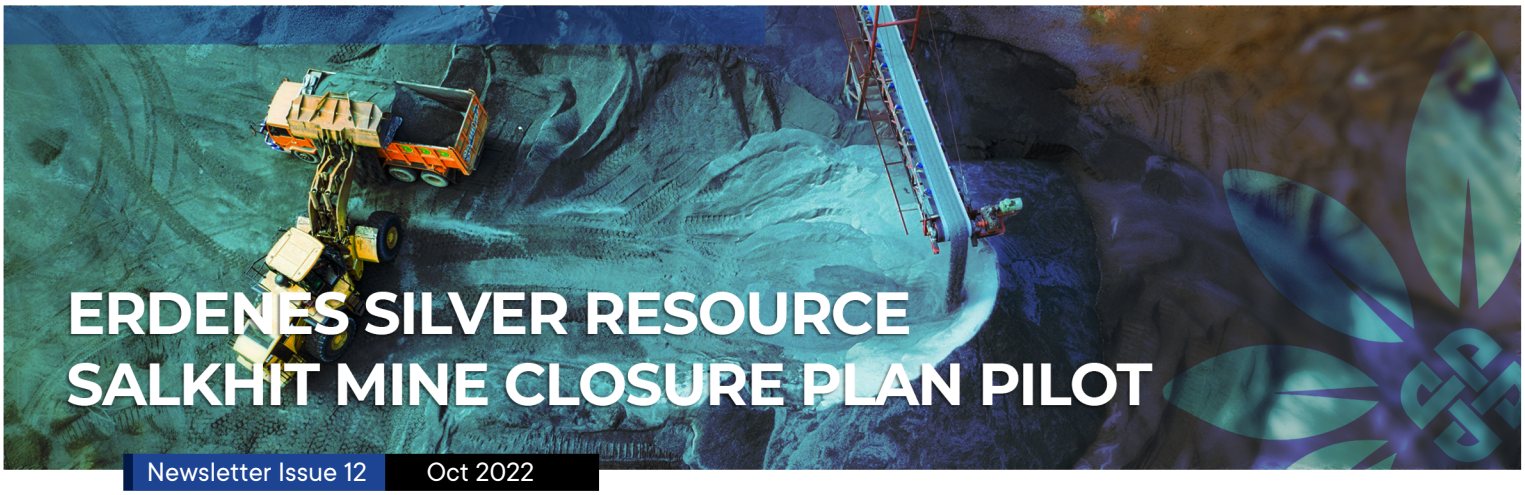


ERDENES SILVER RESOURCE SALKHIT MINE CLOSURE PLAN PILOT

Newsletter Issue 12 Oct 2022

"OPEN HOUSE" COMMUNITY ENGAGEMENT SESESION

A two-day "Open house" community engagement session to inform and collect feedback from local citizens on the Salkhit Mine Closure Plan Pilot Project was successfully held in Gurvansaikhan soum center of Dundgovi Province on September 28 and 29, 2022. The event was organized by MERIT in collaboration with "Erdenes Silver Resources" LLC, the Governor's Office of Dundgovi Province, and the Governor's Office of Gurvansaikhan Soum. Over 560 citizens, herders, public officials, and business owners participated in the open house event and received information on mine closure and provided their feedback. During the event, 4 group discussions were organized among different groups including women, business owners, Chuluut bag residents as representatives of affected community, public servants, and the community members shared their thoughts on Salkhit Mine Closure Plan.

During the two-day "Open house" event, the national consultants who are working on the development of Salkhit Mine Closure Plan met local community members and explained their roles, answered their questions, and had an open discussion. Local community members were provided with the opportunity to have a better understanding about closure plan and its importance by visiting the booths of local consultants and having conversation with them. Information was provided on the following topics: environment and reclamation, water resources, socio-economics and gender, mine closure cost estimation, laws and regulations, and climate change. Local citizens who have visited the open house event pointed out that *"The mine was not so open to the community before but from now on it is seeking to engage the local community"* and *"By participating in the event, I understood that the mine closure is not about closing now, but about planning the closure after 10 years"*.



Figure.1 Community engagement session I organized in Gurvansaikhan soum



Figure 2. Community members are visiting the information booths of the planning team members for information and providing their feedback.

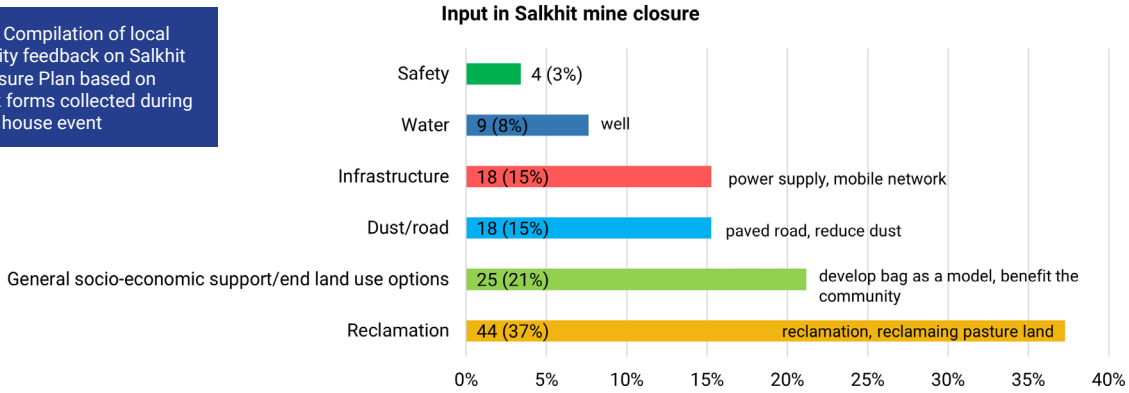
Moreover, citizens provided their feedback related to Salkhit Mine Closure Plan by participating in group discussions, meeting the planning team members, and by filling out feedback forms. The summary of feedback from the local community on the mine closure plan are as follows (See Figure 3).

Reclamation: Planting native plants and reclaiming the land as pasture is a priority.

Infrastructure: After the mine closure, developing Chuluut bag as a model bag center taking advantage of electricity supply and developing small and medium industries based on the mine infrastructure, improving the mobile phone network, planning the mine closure to benefit the local community, construction of paved roads linking the mine and the soum center.

Water resources: Implement proper water resources management and pay special attention to increasing water levels by restoring the water resources.

Figure 3. Compilation of local community feedback on Salkhit Mine Closure Plan based on feedback forms collected during the open house event



PROJECT STAKEHOLDER MEETING

A regular meeting of the key stakeholders was held on 25 October 2022. During the meeting, the project progress update, and the study on current socio-economic background of Salkhit Mine, and the results of community engagement session in Gurvansaikhan soum were presented to the key stakeholders.

The meeting was attended by the technical team of "Erdenes Silver Resource" LLC, MERIT project team, the international advisors (Canadian environmental consulting company "CPP Environmental"), the mine closure planning team of local consultants, and representatives from Ministry of Mining and Heavy Industry, Ministry of Environment and Tourism, Mineral Resources and Petroleum Authority of Mongolia, Water Agency, General Agency of Specialized Inspection, Mining Journal and local representatives including Governor's Office of Dundgovi aimag, Environment and Tourism Department of Dundgovi aimag, Specialized Inspection Department of Dundgovi aimag, Governor's office of Gurvansaikhan soum and Head of Citizen Representative's Khural of Gurvansaikhan soum.

The stakeholders highly valued the importance of local community engagement, regular communication and cooperation and also highlighted the application of this pilot project best practice to other mining companies.

LANDFORM DESIGN WORKING SESSION

The multidisciplinary landform design team had three working sessions in October. The landform design criteria for the Salkhit mine were discussed and agreed upon. Landform design criteria are required in order that the closure landscape fulfill the objectives for the Salkhit Mine Closure Plan. These criteria include:

- Maximum acceptable slope of a landform
- Minimum depth of topsoil to be placed on a final landform
- Minimum depth of capping material (how much clean overburden required to "cap" tailings)
- Mining material list with volumes (includes overburden, topsoil)
- Reclamation material balance (how much topsoil is available and how much is needed to cover the reclaimed mine)
- Surface water management (erosion prevention and pollution mitigation)
- End pit lake (shoreline slope and length)
- Reclamation standards to ensure compliance with the Mongolian National Standards

Additionally, the landform design manager presented initial conceptual designs for the waste rock dump and the end pit lake. Team members discussed the designs, brainstormed potential improvements, and provided feedback to the landform design manager.

CAPACITY BUILDING SESSIONS

- The Water Management Capacity Building Session was held on the October 19. Participants learned about the importance of identifying and managing water-related risks (pollution and aquifer changes) during mine operations, to prepare for mine closure. In addition, typical monitoring, and decommissioning requirements for the post closure of surface and ground water resources were discussed.
- Climate Change capacity building sessions were held on October 21 and 27, to present historical climate trends and potential climate change risks for the reclamation works in the Mongolia's central steppe region. The planning team works to define reclamation strategies to ensure reclamation is resilient to predicted climate change impacts.

PLANNED ACTIVITIES FOR NOVEMBER:

- November 3, 4, and 16, 2022: Multidisciplinary planning team meetings to finalize landform designs
- November 1 and 8, 2022: "Post-closure monitoring" capacity building sessions
- November 15, 2022: "Adaptive Management" capacity building session

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.

CONTACT INFORMATION

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