

ERDENES SILVER RESOURCES SALKHIT MINE CLOSURE PLAN PILOT

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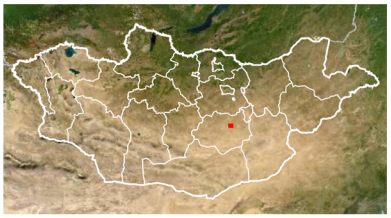
INTRODUCTION

The Erdenes Silver Resources Salkhit Mine Closure Plan Pilot (hereafter referred to as 'the Pilot') is a multi-stakeholder collaboration managed by MERIT, a project funded by the Government of Canada, executed by Erdenes Silver Resources LLC (owner/operator of the Salkhit Silver Mine) and supported by multiple government ministries at the national, provincial, and district levels.

With the participation of the leading Mongolian mine closure consultancy, QMC, and Canadian environmental consultancy, CPP Environmental Corp., MERIT aims to develop a mine closure framework that can be implemented in future Mongolian mine closure projects.



BACKGROUND





The Salkhit Silver Mine is located in Gurvansaikhan district of Dundgovi province, 280 km south of Ulaanbaatar (Erdenes Silver Resources - http://erdenessilver.mn/62/single). Erdenes Silver Resources recognizes the opportunity it has to show ownership and leadership in implementing national environmental, mine closure, and liability policies and legislation. The Salkhit Silver Mine will continue to operate for approximately eight years, however, Mongolian law now requires closure planning to be conducted well before the mine closes. Further details follow.

MINE CLOSURE PLANNING IN BRIEF

Mine closure planning is the process in which a mining company prepares scientifically-sound and operationally-feasible decommissioning and reclamation and environmental monitoring plans, in order to achieve successful reclamation outcomes at the end of a mine's operational life. Mongolian law now requires mining companies to conduct life-cycle closure planning, and as such, mining companies need to integrate closure into the mining company's business and financial planning cycles.

PILOT PURPOSE

The purpose of the Pilot is four-fold:

1 ▸ Build technical capacity within Mongolia specific to mine closure requirements and practices.

2 ▸ Meaningfully engage, inform, and obtain input from stakeholders during the mine closure planning process.

3 ▸ Produce a scientifically and technically sound Mine Closure Plan for the Salkhit Silver Mine, which meets current Mongolian laws and regulations, and incorporates International Best Practices, where appropriate.

4 ▸ Identify gaps and provide recommendations for improvement of Mongolian mine closure policies and practices.

PILOT STAGES

The Pilot will be conducted in two stages, each with several milestones. The final product of Stage 2 will be the Salkhit Mine Closure Plan for submission to government.

Stage 1

1. Review of all applicable Mongolian legislation and policy, and of relevant international best practices.
2. Collection of background information from Erdenes Silver Resources, specific to the Salkhit Mine.
3. Baseline environmental sampling, analysis, and mapping.
4. Stakeholder engagement, to develop the goals and objectives for the closure plan.
5. Risk identification and assessment, based on information from previous steps.

Stage 2

1. Additional baseline environmental sampling, analysis, and mapping, if necessary, based on results from Stage 1.
2. Writing the draft mine closure plan.
3. Stakeholder engagement to present and receive input on the draft closure plan.
4. Writing final closure plan for submission to government by Erdenes Silver Resources.

ACTIVITIES



From L-R: **Munkhbat Tsagaankhuu,** Governor of Dundgovi province; **Bayarmunkh Sengee**, CEO, Erdenes Silver Resource LLC; **Jennifer Adams**, Project Director, MERIT; and **Tsogtbaatar Choijiljav,** Head of Technology Division, Mining Policy Department, Ministry of Mining and Heavy Industry.

The Salkhit Mine Closure Plan Pilot was officially launched on 24 September, 2021. The key stakeholders included the Ministry of Mining and Heavy Industry (MMHI), Erdenes Silver Resources, the Ministry of Environment and Tourism (MET) and the Minerals, Resources, Petroleum Authority of Mongolia (MRPAM). The MERIT team presented the overall project along with the key milestones for Stage One of the pilot. This was accompanied by a discussion on stakeholder's roles and responsibilities. The successful launch of the pilot resulted in a common understanding of the objectives and consensus on the process.

CONTACT INFORMATION

For more information about the Pilot, please contact
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