AMEP
Australia Mongolia Extractives Program

NEWSLETTER

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INTERACTIVE ISSUE

AMEP 2 helped develop methodological guidelines for exploration and reporting for 12 out of 30 minerals that Mongolia has identified as important for its economic growth. These are copper, gold, coal, iron, fluorspar, salt, aluminum, carbonate, graphite, lithium and caesium, sand and gravel, and rare earth elements. Developing methodological guidelines that meet international standards is important for Mongolia as it strives to improve its competency in attracting foreign investment in the extractives sector.

In this newsletter, you will learn more about how methodological guidelines help standardize prospecting, exploring, and reporting practices in Mongolia. Furthermore, the Ministry of Mining and Heavy Industries has seen improvement in consistency and quality of minerals reporting since the guidelines were developed. Lastly, please visit our website to view and download all the recommendations in English and Mongolian.

A. Delgersaikhan: Systematic recommendations for geological exploration improve investment

AMEP 2 spoke with Mr. Delgersaikhan, Division Head of Geological Exploration and Planning at the Ministry of Mining and Heavy Industry (MMHI).

-What is a methodological recommendation in plain terms?

- In short, it is a reference that helps enterprises holding mining licenses, geologists and miners with preparing reports on estimation and evaluation of mineral deposit reserves, registering those reserves at the national integrated mineral reserve database, or making any changes to the previously registered reserves. Therefore, it is one of the materials that any expert or consultant in geological sector should know.

-There are now seven recommendations developed with the help of AMEP. What was the rationale behind selecting these minerals?

- Our plan is to develop, first, over 30 methodological recommendations that play important role in Mongolia's geological survey, mining industry, and economy. This includes high technology raw materials, elements with prospects and potential, and common minerals. AMEP developed methodological recommendations on rare earth elements, which are essential for technological advancement. Lithium is used in batteries to store energy.

- How have these recommendations been used?

- Adopting these recommendations helps resolve any disputes that might arise between geologists and the Professional Minerals Council of Mongolia. It enables effective processes and ensures high-quality exploration work that attracts investment.

Click here to read the full interview with Mr. Delgersaikhan.

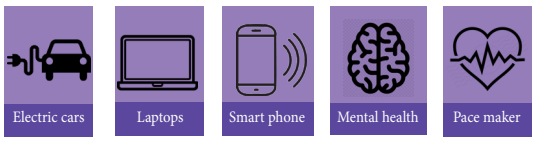
Critical minerals

What are they used for?

Lithium

Resources - 2803kt

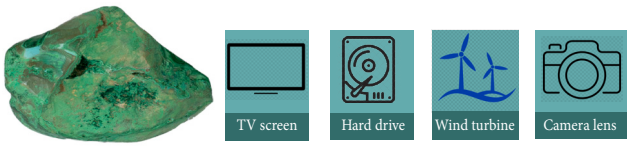
Concentrated markets: Australia, Chile, China



Rare earth elements

Resources - 3270kt

Concentrated markets: China, Australia, USA



Niobium

Concentrated markets: Brazil, Canada, other

Resources - 216kt

Graphite

Resources - 7140kt

Concentrated markets: China, Brazil, Canada

Source: Minerals Council of Australia

AMEP ACTIVITIES FOR 2021-2022

The Australian Department of Foreign Affairs and Trade and Mongolia's Ministry of Finance have approved AMEP 2's annual plan for 2021-2022. Below is the list of ten activities AMEP 2 will be implementing with its government, civil society, and industry partners.

1. Planning and facilitation of public consultation on the draft Minerals Law. Partner: Ministry of Mining and Heavy Industry (MMHI)
The MMHI will lead consultation on the new Minerals Law in October before it is debated in Parliament in the autumn session. AMEP 2 is working with the MMHI to plan and facilitate a consultation process that will help to ensure that the public and key stakeholders are well informed about the new law and have a range of opportunities to provide feedback. AMEP 2's assistance will include: preparation and distribution of material to explain the law in plain language; English translation of the law; coordination and facilitation of public meetings in UB and selected aimags; collation of feedback and preparation of a summary of the consultation to assist the MMHI to prepare possible amendments.

2. Incorporation of private sector geo-science data into the National Geo-science Data Base (NGDB). Partner: National Geological Survey (NGS)
A team of geologists engaged by AMEP 2 will process reports from privately funded exploration activities to prepare key data sets for entry into the NGDB and MonGeoCat. AMEP 2 will also engage a lawyer to analyse the confidentiality status of private sector reports and assist NGS staff to negotiate with licence holders for consent to release geo-science data. Expanding access to geo-science data reduces risks and costs associated with mineral exploration and attracts investment.

3.Data processing and quality assurance to support rock sample geo-database Partner: National Geological Survey
This activity will add the geochemical/geochronological/geophysical/petrographic analysis relating to each sample in the rock sample collection into the geo-database, NGDB, and MonGeoCat. The existing laboratory analysis will be updated using new technology if necessary. This will enable better assessments to be made about prospectivity and support more targeted exploration activities. There will be a particular focus on samples with rare earth mineralization potential. AMEP 2 will assist the NGS to procure new equipment to enhance its capability for petrographic analysis.

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AMEP Activities for 2021-2022 (Cont.)

4.Development of regulation and guidance material for implementing the new Minerals Law. Partner: MMHI

Well-drafted regulations are essential for the consistent, transparent, and efficient implementation of the new Minerals Law. AMEP 2 will work with the MMHI, professional associations, technical experts, industry, and civil society to develop regulations relating to important phases of the mining lifecycle, for example geological survey, exploration and mining licencing, feasibility studies, mine planning, rehabilitation and closure. Regulations govern administration, decision-making and enforcement. Guidance material helps professionals and mining companies follow process and fulfill their legal obligations.

5. Supporting public participation in Environmental Impact Assessment (EIA). Partner: Ministry of Environment and Tourism (MoET)

This activity builds on AMEP 2's 2020-21 activity with MoET. It will develop guidance material to support local officials to carry out their role in facilitating public participation in the EIA process. On-line training about best practice for public participation will also be provided for local officials and communities. AMEP 2 will work with MoET to assess its existing information systems/databases for EIAs, Environmental Management Plans (EMP), rehabilitation reports etc. and develop a roadmap for integration and greater public access. This will include the potential for digital tools to assist MoET with evaluation and enforcement of EIAs and EMPs.

6. Advice to inform the revision of the Law on Sub Soil. Partner: MMHI and Working Group

A multi-ministry working group has been formed to revise the Law on Sub Soil to improve the coherence of laws relating to geology, mining, petroleum, and other land-based activities. AMEP 2 will support this process by engaging experts to produce analysis and key documents including, for example, an impact assessment and concept note for a new law. The result is in the hands of the Working Group but could have implications for the operations of the National Geological Survey.

7. Support to MONVAL Committee – production of guidance material for mineral valuation plus training. Partner: MONVAL Committee (Mongolian Institute of Certified Appraisers and Mongolian Professional Institute of Geology and Mining)

The new Law on Asset Valuation expected before parliament in 2021 recognises mineral valuation as a distinct specialty. AMEP 2 will engage an international expert to work with the MONVAL Committee to produce guidance material to help Mongolian valuers carry out valuations in accordance with the law. With the help of AMEP 2, the MONVAL Committee will also partner with AusIMM (Australia's peak body for mining professionals) to deliver training on valuation methodologies and the MONVAL Code for valuers and related professions.

8. Development of guidelines for prospecting, exploration and reporting of resources and reserves for five selected minerals Partner: MMHI

In partnership with the MMHI, AMEP will engage the Center for Mineral Resources, Geo-information and Training of the Mongolian University of Science and Technology to develop methodological guidelines for geologists to standardize exploration techniques and reporting of five key minerals, namely cobalt-nickel, manganese, beryllium, chromium, and phosphate. The widespread use of such standardised reporting of mineral reserves and resources based on these guidelines will contribute to greater efficiency, transparency, and clarity of the reserve and resource registration process.

9. Development of e-learning program on gender issues in the mining sector. Partner: "Women Association in Mineral Sector" NGO and MMHI

In 2019, the MMHI adopted a Gender Policy, and this activity aims to raise awareness of the policy and give companies in the mining sector tools to operationalize the policy's key measures. A series of handbooks was produced by the Canadian SESMIM project, and this activity will transform that content into e-learning modules. This will enable the training material to have greater reach and flexibility. AMEP 2 will look to incorporate lessons from Australia's Workforce Gender Equality Agency and gender equality initiatives in the Australian mining industry where relevant.

10. Improved geo-science data for coal bed methane (CBM). Partner: Mineral Resources and Petroleum Authority of Mongolia (MRPAM)

There are coal basins in Mongolia and a history of coal mining but while geo-science data relating to coal exists, there is a lack of information specifically targeting the characteristics indicative of CBM available for investors to judge Mongolia's potential. This activity will screen existing data and collect data sets relevant to CBM to enable a prospectivity analysis. The activity will be designed to build the capability of MRPAM and other professionals in the emerging area of CBM.

Australian Aid

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