CHAPER 2 GEOGRAPHY OF THE PROJECT AREA

2-1 Location and Accessibility

The Western Erdenet area is located in the Erdenet city of the Bulgan District in the northern-central part of Mongolia. The project covers a total area of 5,500 km². The distance from the Capital Ulaanbaatar to the Erdenet city is about 340 km. Mobilization by vehicles from Ulaanbaatar to the project area takes approximately 10 hours.

2-2 Topography and Drainage System

The topography consists generally of a gentle hillside and flat grassland within elevations from 1,000m to 2,000mASL. The land is covered by plain and forest with very few outcrops of rocks. The main rivers in the area are the Okhon River running northeast in the southern part, and the Selenge River running east in the northern part. Prominent ridges and valleys trending NS to NW-SE develop in the crossing of these rivers.

2-3 Climate and Vegetation

The weather consists of a typical continental climate. This area presents few rainfalls and a dry weather. As shown in Table I-2-1, the temperature presents a great difference between summer and winter, as well as between day and night. In winter, minimum temperature is under -40 °C. Snow damage has been a seriously issue in recent years. The period when the main survey was carried out is the best season for the survey as it becomes pleasant from summer to autumn.

Table I-2-1 Mean monthly Temperature and Precipitation of Bulgan in Mongolia.

| Province center | Jan | Feb | Mar | Apr | May | June | July | Aug | Sep | Oct | Nov | Dec |
|--------------------|-------|-------|------|-----|------|------|------|------|------|------|-------|-------|
| Temperature (°C) | | | | | | | | | | | | |
| Bulgan | -21.3 | -19.2 | -9.5 | 0.8 | 8.6 | 14.7 | 16.3 | 14.4 | 7.5 | -1.3 | -11.4 | -19.2 |
| Precipitation (mm) | | | | | | | | | | | | |
| Bulgan | 1.4 | 2.1 | 3.9 | 9.4 | 24.5 | 57.1 | 10.1 | 77.9 | 30.2 | 11.4 | 3.6 | 1.8 |