



European Bank
for Reconstruction and Development

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EBRD's position regarding concerns raised in reports on the Amulsar Gold Mine Project in Armenia

At the European Bank for Reconstruction and Development (EBRD) we appreciate the opportunity to outline our position and provide responses to concerns about the Amulsar Gold Mine Project in Armenia, such as the concerns included in a report produced by Harry Bronozian and a consortium of associated specialists and published on the website of the Armenian Environmental Front (AEF).

The Amulsar Gold Mine Project is being developed by the mining company Lydian International. The EBRD is a minority shareholder and has provided equity financing to Lydian International, which is earmarked for Environmental and Social Mitigation Measures including the financing of a biodiversity off set programme and the construction of water treatment facility and related activities.

We would like to emphasise that the Amulsar Gold Mine Project is being developed in line with the policies of its shareholders through which the shareholders, including the EBRD, commit to integrating environmental, social and governance matters into their investment processes and ownership activities in line with international best practice. As such, the EBRD is committed to the highest environmental and social standards in line with its 2014 Environmental and Social Policy (ESP) and associated Performance Requirements (PRs).

EBRD has carefully assessed any potential environmental and social impacts of this project, as is the case for any mining operation, rigorously assessing expected benefits and potential risks, and ensuring that appropriate mitigation measures are put in place where necessary.

The application of standards and performance requirements is monitored regularly by EBRD staff and independent specialists, which have confirmed that all aspects of the ESP are met in the Amulsar Gold Mine Project. In addition and autonomously from the Bank's project appraisal, an Independent Panel of Experts (IPoE), which is comprised of distinguished professionals from across the world, including Armenia, has been convened to provide oversight to the project, independent of the Company and the shareholders.



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With specific regard to the reports produced by Mr Bronozian and associated specialists, in particular the concerns relating to the potential for Acid Rock Drainage (ARD), Lydian International has presented a technical paper responding to the claims point by point. EBRD's internal specialists have reviewed these responses and also sought independent technical and environmental advice. The experts have confirmed that the potential for ARD occurring has been appropriately addressed and that the Company's response was based on sound technical and environmental grounds.

Overall, EBRD is confident that the Amulsar Gold Mine Project's design, management systems and stakeholder engagement activities align with industry best practice and Lydian International has committed to continue to comply with international standards throughout construction, operation and closure of the mine.

EBRD recognises that public opinion is divided over the Amulsar Gold Mine Project. We understand that Lydian International has recently offered a further opportunity to meet and discuss the findings of the various technical and environmental studies as an attempt to alleviate the concerns using sound scientific basis for the discussion, which was declined by Mr Bronozian and associated specialists. Notwithstanding, the Bank remains committed to a continued dialogue with any stakeholders engaging in constructive discussions and EBRD will assure that Lydian International continues to do so as well.

We encourage anyone who is interested in the Amulsar Gold Mine Project to review the project website for the latest updates on social and environmental activities (<http://www.lydianarmenia.am/en>) and to contact Lydian International or the EBRD for any further queries.