**Lydian International response to the Pan Armenian Environmental Front**

23 December 2016

We remain committed to constructive dialogue with all of our stakeholders and respect the right of the Pan Armenian Environmental Front (PAEF) to scrutinise our environmental and social performance. This kind of interaction is essential to ensure that investors in major projects are properly accountable for any impacts that they may have on people or the environment.

However, we are disappointed that PAEF refuses to engage in a serious manner with the work of independent experts who have categorically confirmed that water, dust and cyanide issues can be responsibly managed at the Amulsar project. While Armenia’s mining sector has been marred by a legacy of mismanagement, there are many examples of responsible mining around the world and we firmly believe that we will be able to set a benchmark for sustainable investment in Armenia. We outlined the systems and processes that have been put in place to ensure responsible environmental stewardship in our earlier response to PAEF. These are set out in detail in our publicly-available environmental and social impact assessment (available [here](http://www.lydianarmenia.am/en/publications.html)), which addresses many of the points set out in the PAEF paper and was prepared by independent experts in accordance with international standards. During the consultation period it was subject to detailed scrutiny through presentations to and consultation with stakeholders.

The water issues around the project have, rightly, been subject to close scrutiny. Armenia’s mining regulations were deliberately tightened by the Government of Armenia to ensure that there could be no threat to the waters of Lake Sevan. Water that has contact with the mine’s infrastructure will only be discharged if it has been treated and/or tested and found to be in compliance with Armenian standards. There will be an extensive water monitoring programme throughout the life cycle of the mine to ensure that the scenarios contemplated in the PAEF statement cannot occur. Amulsar will also operate in line with the requirements of the best practice International Cyanide Management Code.

We are also disappointed that PAEF ignores the innovative steps we are taking to deliver net positive impacts. We recently announced, for example, a partnership with Armenia’s Ministry of Nature Protection to establish a new Jermuk National Park (see [here](http://asbarez.com/158079/lydian-armenia-to-invest-5-million-for-jermuk-national-park/)) to which we will contribute a $5 million investment. The park will enable us to have a ‘net positive’ impact on biodiversity and will strengthen the area’s tourism potential. This is the first time the Ministry has collaborated with a mining company on such a project and we see it as an endorsement of the fact that we are setting a higher standard for investment in Armenia. PAEF, as an organisation based in the capital Yerevan, seems to be unaware of the high levels of support that exist among communities around Amulsar who want to see the local economy revitalised.

We have been consistent exponents of Armenia’s adoption of the Extractive Industries Transparency Initiative to ensure that any revenue flowing from our operations is responsibly managed. We are happy to reflect the value of transparency more widely including through our environmental and social impact assessment, through our plans for public reporting, through subjecting our work to ongoing scrutiny by an independent panel of experts and through a programme of participatory monitoring.

Our team brings together the expertise of people who have worked for major gold mining companies around the world and leading Armenian environmental and social experts. All of these individuals are committed to ensuring Armenia’s natural environment is protected and that Amulsar provides a significant boost for the regions around the mine and for the country’s economy.

We remain open to dialogue with all of our stakeholders. Should PAEF have any specific questions regarding our approach which have not already been addressed we are very happy to provide answers to them.