

Amulsar - summary of events from EBRD's teams perspective

Sent: 01 October 2019 19:13

Subject: RE: Amulsar gold mine in Armenia/ CEE Bankwatch [OU]

[starts]

[REDACTED] I have copied a summary of the most recent events below. The situation remains fluid.

Following the Armenian "velvet revolution" in 2018 protestors blockaded the Amulsar construction site and have remained in place since. The Amulsar Gold Mine was 80-85% constructed and was close to commencing operations, however, since 2018 the blockade has remained in place.

[REDACTED] E&S issues at Amulsar have become heavily politicised since 2018 and the project, company and government find themselves in a difficult situation without an obvious outcome at this point in time.

Since 2018 the government has initiated three separate enquiry type audits of the project. Most recently an audit was commissioned by a Special Investigation Committee and undertaken by a Lebanese firm which came up with 16 recommendations or "mitigations" to be implemented by the project to safeguard the environment. The company has responded to the committee confirming that 15 of these are already in place or in process and is reviewing the last of the recommendations.

Mid-September 2019 this appeared to settle the situation and the government were about to instruct the police to remove the blockade, however, this created a backlash from the activists and there was another apparent change in government position. The Lebanese firm also seemed to change their opinion during a discussion with the government where they stated that the ESIA was poor quality and deficient; this is inconsistent with the report that was issued which states that risks and impacts can be adequately mitigated. Late-September once again the situation seems to have changed and the PM Pashinyan announced via Facebook that the mine would now be reopened.

There are many articles and company press releases on the subject. We, of course, hope that the company will be allowed to restart operations and demonstrate that Armenia is open for business and that a world class project can be delivered. The blockade is having a negative impact as none of the management plans have been enacted and the important work around biodiversity off-setting and social investment programmes in particular have all ceased. We would therefore request that the NGOs allow this process to run its course in a legal and transparent way.

From EBRD's perspective we remain a minor shareholder in the parent company but not a lender to the project. We have monitored the project, along with the lenders, to make sure that the ESIA commitments were being implemented. An independent consultant has confirmed and verified that both the ESIA and the implementation arrangements meet the EBRD's requirements and Good International Practice.

[ends]