



Yerevan, 23 June 2018

Press Release: Statement by Bronozian Consultants

We have met with officials from the Armenian government, with Lydian Armenia, and have visited the Amulsar Project site during our week in Armenia. Acid drainage from the site remains the number one environmental concern with developing the Amulsar Project. Our key findings are the following:

- **We remain convinced that the Amulsar Project has a high risk of generating acid drainage for many generations. This acid drainage would put the Arpa, Darb, and Vorotan rivers and the local environment at risk.**
- During our meeting with Lydian Armenia and their consultants we learned of their new plans to characterize and mitigate acid drainage. These represent significant departures from their Environmental and Social Impact Assessment (ESIA) release in 2016. These changes should be submitted to the government of Armenia for their review and approval before mining begins.
- Lydian told us that they re-evaluated their approaches based in part on our evaluations. Their change in approach is an acknowledgement that their previous methods were inadequate to control acid drainage at the site.
- We discussed the new approaches and have concluded that they are unconventional, unproven, and do not follow established international best practices. The sensitive nature of the site requires great assurance that no acid drainage will be released either during mine operations or after closure. The experimental nature of the measures does not give that assurance.
- Our conclusion remains that most of the rock at Amulsar will generate acid drainage, but Lydian plans to add chemicals to prevent acid drainage to only a small portion of the wastes.
- We evaluated Lydian's approach to treat acid drainage and remain unconvinced that it will be effective. Lydian assured us that they will consider our recommendation to treat acid drainage with a conventional lime treatment plan if their proposed treatment system fails.
- The financial assurance proposed by Lydian does not cover the cost of building and operating a lime treatment plant. We recommend that the government of Armenia require a larger financial assurance that would cover these costs.
- We recommend that the government of Armenia require Lydian to produce a plan that will identify actions that will be taken if impacts are detected. This plan must define triggers that will indicate impacts and the actions to remedy the problems. The plan should be evaluated and approved by the government of Armenia before mining begins.
- The government of Armenia needs to impose strict deadlines on Lydian to demonstrate whether their unconventional approaches will be effective at preventing water contamination at Amulsar. If Lydian cannot demonstrate the viability of these approaches, the government of Armenia should require them to adopt conventional international best practices.



The water resources of Armenia are at risk from development of the Amulsar Project. This sensitive and highly prized part of Armenia should not be a testing ground for Lydian's experimental methods. We hope that the government of Armenia is fully committed to protecting this area from potential impacts from the Amulsar Project.

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