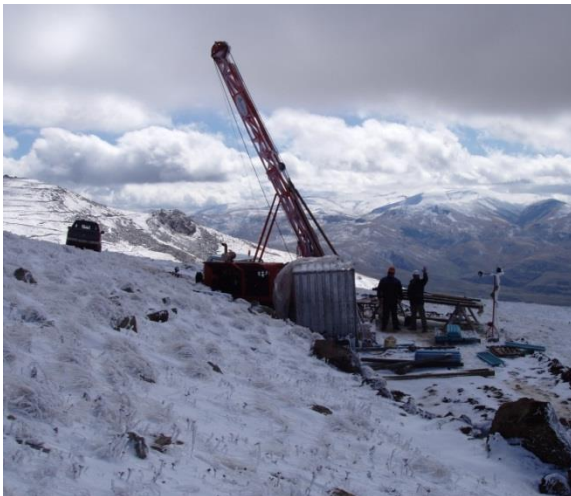


Overview

What is an ESIA?

An Environmental and Social Impact Assessment (ESIA) predicts and assesses a project's potential impacts and risks on the surrounding environment and communities. It also sets out management measures to avoid, minimise or offset these impacts and risks. Included in this is a review of the national and international policies, laws and regulations that apply to the project and an evaluation of its compliance.

ESIAs are used for identifying risks and impacts at major projects around the world. They are a key aspect of good practice for environmental and social decision-making. Companies, such as Lydian, which are part-financed by the International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD) are required to complete ESIAs for their projects. Consultation is a central element of an ESIA process.



Amulsar Gold Project

The Amulsar Gold Project is a planned gold and silver mining development in Armenia. It will span two provinces: Vayots Dzor Marz and Syunik Marz. There are three village communities in the ESIA study area (Saravan, Gndevaz and Gorayk) as well as the town of Jermuk-Kechut.

The project will last for over 12 years, including 2 years of construction. Once mining ends, the site will be reclaimed, closed and rehabilitated which takes about 5 years to complete.

How is it different from an EIA?

The ESIA contains much of the same information as the Environmental Impact Assessment (EIA) required under Armenian law. It covers a broader scope when assessing impacts and mitigation.

In addition to Armenian environmental requirements, an ESIA adheres to stringent international standards and includes assessments of social impacts.

Once operational, the project will consist of:

- Three open pits, called Artavazdes, Tigranes and Erato
- Crushing and screening facilities, housed in enclosed purpose-built buildings
- A covered conveyor transporting ore from the processing area to the heap leach facility (HLF)
- A heap leach pad for extraction
- A recovery plant (Adsorption Desorption Recovery)
- A barren rock storage facility (BRSF)