

Amulsar Gold Project Armenia



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ENVIRONMENT POLICY

Lydian's Commitment to Sustainable Development

Lydian International Ltd and its controlled affiliates (the "Company" or "Lydian") aims for sustainable development¹ outcomes and is committed to the integration of environmental, health, safety and social considerations into its procedures for project development and operation at all stages.

As part of its commitment, Lydian has therefore developed a Social Policy, an Environment Policy, an Occupational Health and Safety Policy and a Human Resources Policy.

Lydian Environment Policy

Lydian aims to minimize and mitigate adverse environmental impacts in accordance with internationally recognized business best practice. The implementation of this Environmental Policy and the Company's associated environmental management procedures is a key requirement during all stages of project development.

Lydian will work with regulatory agencies and other stakeholders, including local communities affected by its activities to address environmental priorities and concerns in a transparent, participatory, open and constructive manner.

As part of its commitment to sustainable development outcomes, Lydian will provide adequate resources to meet its environmental management obligations during the design, development, operation and closure of each of its operations. These obligations will reflect the outcomes of an adaptive management process and the appropriate application of the mitigation hierarchy, with an emphasis on avoidance of adverse environmental impacts at source. The Company also aims to promote the efficient use of water, energy, materials and other resources during its operations, as far as economically justifiable.

Associated with this Environment Policy, the Company has developed strategies for some specific aspects of environmental management to establish key requirements and to ensure compliance with international policies and standards. These include Pollution Prevention and Control, Biodiversity and Water Management.

Compliance

The company will design and manage its activities to comply with all applicable local and state laws and regulations relating to the environment where it operates and will adhere to the requirements of the World Bank Group/International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD).

¹ "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

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Lydian requires its consultants, contractors, suppliers and subsidiaries to adopt the principles of this Environmental Policy as a minimum standard. In addition to this minimum requirement, the Company may elect to make voluntary commitments to comply with other, more stringent requirements.

Communication and awareness

The Company will communicate the Policy to its employees, contractors and suppliers to ensure that they are aware of the Company's commitments and their responsibilities. The Company will provide staff training to promote good practice as well as awareness of the policy's requirements. The Company expects all its contractors to take similar action.

Continuous Improvement

The Company will review its Environment Policy on a periodic basis and update it as necessary. It will also regularly update or improve its Environmental, Social Health and Safety Management System by performing periodic, systematic, internal environmental audits. It will use the results as a basis for continuous improvement in environmental performance through an adaptive management process.

Pollution Prevention

Lydian will actively plan for exploration, construction, operation, closure and reclamation of each new project from the design stage. We will aim to integrate pollution controls and minimize our impact on the environment by implementing a number of Environmental Management Plans. These plans contain procedures covering all aspects of operations, and are aimed at ensuring compliance with legislation and the requirements of the Company. Lydian commits to managing its environmental footprint to avoid, where possible, legacy contamination from its sites.

Water

Lydian recognises the importance of conservation and responsible management of water as a key business, environmental and societal issue. It therefore aims to develop projects which do not degrade water resources and their dependant ecosystems, including those on which they depend for operational success, those on which others depend for their wellbeing or livelihood and ecosystems which rely on water.

Lydian will actively plan to minimise the use of water during the exploration, construction, operation, closure and reclamation of each new project at the design stage. We will integrate management measures to minimise our impact on water resources. Lydian aims to achieve no significant impact on water resources as a result of its operations and commits to managing its water footprint to avoid, where possible, changes to existing water resources that impact on other users of those resources or water dependant ecosystems.

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Biodiversity

Lydian recognises the importance of the conservation and responsible management of biological diversity as a key business and societal issue. Lydian's approach is one of responsible stewardship. It therefore aims to develop projects which do not degrade ecosystems, either those on which they depend for operational success or those on which others depend for their wellbeing or livelihood. Specifically, Lydian aims to achieve "No Net Loss" (NNL) of biodiversity or of priority ecosystem services as a result of its operations.

Lydian is committed to the integration of biodiversity conservation considerations into environmental and social decision making and in the search for sustainable development outcomes.