

DIF - Lydian (Amulsar Gold Mine)

Country: Armenia

Project number: 42182

Business sector: Natural resources

Public/Private: Private

Environmental category: B

Board date:

Status: Signed

PSD disclosed: 27 Apr 2012

Project Description

Support continued exploration and development programme of Lydian's Amulsar gold project in Armenia (drilling and feasibility studies).

Transition Impact

The transition impact potential for the project is derived from:

i) Support to private sector development

The Company is one of the few private mining companies undertaking exploration in Armenia. The Bank is supporting Foreign Direct Investment (FDI) in the extractive industry in the region and the development of a private sector start-up company contributing to the economic development of Armenia. The EBRD financing will be important to the Company as it grows through its early stages, thanks notably to the enhancement of its reputation externally with investors. The project may serve as a model for similar privately owned companies to enter the Armenian market.

ii) Setting standards for corporate governance and business conduct

The Bank's early stage involvement will allow shaping the Company's standards, with in particular the adoption of corporate governance and transparency standards required as a consequence of its listing on the main board of the Toronto Stock Exchange, facilitated by the appointment of EBRD Board Nominee. The adoption of these standards could also have a positive demonstration effect in the region. Lydian is committed to adopting applicable EBRD requirements for environmental, social, health and safety standards.

The Client

Lydian International Limited is a public limited company, registered in Jersey and listed on the Toronto Stock Exchange. Lydian owns a mining and a number of exploration assets in Armenia.

EBRD Finance

CAD 5.8 million equity financing.

Environmental Impact

The project has been categorised “B” in accordance with the EBRD’s Environmental & Social Policy 2008 (ESP). As an exploration project, the environmental and social impacts are site-specific, readily identified, and able to be avoided or controlled with appropriate mitigation measures and best practices.

The Bank’s investment includes participation in the company’s equity capital. The Subscription Agreement under which the Bank made its investment requires the Company to carry out this project and future projects in accordance with the Bank’s Performance Requirements (PRs).

As of early 2012, the Company is planning future development of the Amulsar deposit. An international consultant has been retained to characterize baseline conditions of environmental and social resources and to prepare an Environmental and Social Impact Assessment that meets international standards. This ESIA is expected to be completed and disclosed for public review and comment in summer 2012.

Technical Cooperation

None.

Company Contact

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Business opportunities

For business opportunities or procurement, contact the client company.

General enquiries

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

Public Information Policy (PIP)

The PIP sets out how the EBRD discloses information and consults with its stakeholders so as to promote better awareness and understanding of its strategies, policies and operations.
[Text of the PIP](#)

Project Complaint Mechanism (PCM)

The EBRD has established the Project Complaint Mechanism (PCM) to provide an opportunity for an independent review of complaints from one or more individuals or from organisations concerning projects financed by the Bank which are alleged to have caused, or likely to cause, harm. The Rules of Procedure governing the PCM can be found at www.ebrd.com/downloads/integrity/pcmrules.pdf, the Russian version can be accessed at <http://www.ebrd.com/downloads/integrity/pcmrulesr.pdf>

Any complaint under the PCM must be filed no later than 12 months after the last distribution of EBRD funds. You may contact the PCM officer (at pcm@ebrd.com) or the relevant EBRD Resident Office for assistance if you are uncertain as to the period within which a complaint must be filed.

Project Summary Documents are created before consideration by the EBRD Board of Directors. Details of a project may change following disclosure of a Project Summary Document. Project Summary Documents cannot be considered to represent official EBRD policy.

Last updated 27 April 2012