

Campaigners Dubious About Armenian Gold Mine

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Activists warn that plan might contaminate country's most important water source.

Environmental campaigners in Armenia say they are still worried about the impact of a major gold mining project even though it has been given the go-ahead by the ecology ministry.

Geoteam Company, a fully-owned subsidiary of British-based company Lydian International, received the green light earlier this year to go ahead with the project in Amulsar, 170 kilometres from the capital Yerevan.

The company says it is fully committed to the highest standards of environmental protection at the site, located on the boundary between Vayots Dzor and Syunik provinces.

However, some environmentalists fear that mining gold here could have a devastating impact not only on the surrounding villages but also on Lake Sevan, the region's major freshwater source.

Campaigners have long been raising the alarm over projects they say may contravene a special 2001 law which forbids any activity liable to damage the unique lake's ecosystem. (See Greens Say **Armenia's Prized Lake Threatened by Mining and Oil Prospecting Seen as Latest Risk to Armenian Lake**.)

Gold mining is a particular worry as it involves the use of cyanide to separate the precious metal from other ore material.

Amulsar lies between two major rivers, the Vorotan and the Arpa, which feed Lake Sevan. Campaigners warning that cyanide leaching into these rivers would have grave consequences.

"The Amulsar mine is located in the basin that feeds Lake Sevan, and will contaminate surface and subterranean waters that run into the Kechut and Spandaryan reservoirs and from there into Lake Sevan," said Nazeli Vardanyan, chair of the Forests of Armenia NGO.

Vardanyan noted that the Sevan law prohibited any kind of activity "in the central zone, areas of direct and indirect influence [or which] has a harmful impact on the ecosystem of Lake Sevan".

Karine Danielyan, the chair of the Association for Sustainable Human Development, agreed. She emphasised the danger of open-cast mining as well as the disposal of tailings, the residue left over after valuable elements are extracted from ore.

"As a result of the mine, polluted water from the Arpa river will descend through the drain into the reservoir where the Arpa-Sevan culvert [underground channel] leads into Lake Sevan, the largest reservoir of fresh water in the South Caucasus," Danielyan told IWPR.

Didier Fohlen, the executive vice-president of Lydian International Ltd, told IWPR that although the concerns were understandable given past experience in Armenia, they had no scientific foundation with regard to the present project.

He said studies undertaken by local and international experts had shown that there was no risk of Lake Sevan being contaminated as the Amulsar operation was more than 50 km away and lay on the other side of a watershed.

"Even theoretically, any contaminant going through the water tunnel will have a major dilution effect," he said in a written statement. "Additionally the processing plant is not in [the] Sevan catchment area, and that is what the law requires. However, I want to emphasise that during the design and engineering phases all modern technologies and adequate mitigation measures are being put in place to ensure that not only Sevan, but any other water basin around, is not impacted."

Fohlen also noted that this project would be the first time "heap leaching" technology was employed in Armenia. This closed production cycle is widely used in the United States, Australia, Canada and other countries, and meant that there was no possibility of discharge into the environment, he added.

In 2012, the Commission for the Protection of Lake Sevan, a group of experts attached to the Academy of Sciences, issued a report critical of the company's plans for Amulsar. In particular, the report noted that "numerous flows of subterranean water and dangerous substances will enter the river Vorotan, and then will enter Lake Sevan via the Vorotan-Arpa-Sevan culvert".

The commission also warned that the mine was in an area prone to earthquakes and said that Geoteam

had not studied how its operations would respond to seismic disturbance. It said conditions were ripe for hazardous spills to end up in Lake Sevan. However, after revising the document in March 2015, the commission noted that “the contractor had taken the suggestions into account and incorporated them into the plan”.

CLAIMS OF LACK OF CONSULTATION?

Residents of the area say Geoteam has not done enough to keep them informed and address their fears. The Women’s Community Council of Martuni, a local NGO, wrote an open letter to the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), both of which are major shareholders in Lydian International Ltd, the parent company of Geoteam. They asked for the concerns of residents of 40 settlements in the Lake Sevan basin to be taken into account, and for locals to be able to participate in public hearings.

“We are currently not only deprived of the necessary information, but also the opportunity to take part in public hearings and to express our views about the project, even though the communities adjacent to Lake Sevan are in the area directly affected by the mine,” Anahit Gevorgyan, the chairwoman of the Martuni Women’s Community Council, told IWPR. “Therefore, we demand that our voice be heard.”

She added that Armenia had joined the Aarhus Convention, which guarantees the public free access to information on environmental issues.

Sam Walker, EBRD senior advisor on environment and sustainability, told IWPR that Lydian had originally received permission to develop the mine in the Vorotan valley in 2001, following thorough engineering, geotechnical and environmental studies. At the time, the valley was not part of a designated “immediate impact zone” around the lake, and ore processing was permitted.

After the Armenian government enlarged the Lake Sevan Immediate Impact Zone in 2012, Lydian agreed to move the ore processing facility to the current proposed location south of the village of Gndevaz.

“As a result, communities residing within the vicinity of Lake Sevan are, of course, considered to be interested stakeholders but not directly affected by the project,” Walker wrote in a statement to IWPR. “It is typical for a company to focus their consultation on affected population and groups. For others in the wider geographical area that has been shown not to be affected directly by the project, information is available and comments are welcomed, but there would normally not be the same level of consultation as with those directly affected.

Walker noted that the company had carried out an environmental and social impact assessment, in line with international standards, and that “these studies have been publically disclosed and are available for review by all interested parties”.

“The potential impacts to Lake Sevan have been assessed in detail [in these studies] and it is important to note that as a result of these studies, no residual impacts to Lake Sevan are anticipated during the development or operation of the mine, or after the mine closure,” he said.

He noted that public hearings had been scheduled in Gorayk, Gndevaz, Saravan, Jermuk and Yerevan.

Fohlen, too, emphasised that the company was sharing all relevant information and that “each and every citizen of Armenia is welcome to participate” in its public hearings.

“Whether or not a community is considered to be affected is a sole decision of the government of Armenia, according to national laws and regulations. So far we understand they are not affected. Again it is the government of Armenia, not us, who set criteria,” he continued.

Satik Badeyan, the director of the Centre for Regional Development and Research NGO, said her group had backed the letter of the Community Council of Martuni Women.

“The only reason we came to live here was because of Lake Sevan. Otherwise it would be really hard to live in a harsh climate like this. People’s livelihoods here depend on the lake: the purity of the water, fish stocks, and attraction for tourism. However, if the Amulsar operation is allowed to go ahead, we might be deprived of our only source of income,” she told IWPR.

Badeyan also warned that pollution risked completely destroying rare fish species listed in the Red Book, the list of threatened plants and animals.

However, Fohlen said that Lydian had conducted a detailed, four-year study on the mine’s possible impact and identified all potential threats to the area’s biodiversity.

Bardukh Gabrielyan, the director of the Scientific Centre of Zoology and Hydrology, helped compile this survey. He said that the company had considered the results of the research and taken the proposals into account. The expert group gave a detailed assessment of the potential impact on biodiversity in local

communities.

“In the first study, we found that on the hills [around] Amulsar there are flora and fauna species which require protection. As a result, the company changed their programme and will not drill on these precious hills,” he told IWPR.

George Fayvush, a senior researcher at the Institute of Botany, also took part in the study. He said that the region was home to porphyritic cinquefoil, a rare plant also listed in the Red Book.

He said that the mining company was ready to allocate several hundred thousand dollars to conserve this plant species, which grows only in three countries.

“We are currently researching the conservation of this type of plant,” Fayvush told IWPR. “We are trying to work out if it can be relocated.”

BOOST FOR ARMENIAN ECONOMY

The mine’s developers point out that it offers major economic benefits for the country.

Howard Stevenson, head of Lydian, told a May meeting of the EBRD in Tbilisi that the Amulsar development would contribute 488 million US dollars to the Armenian treasury in taxes and royalties alone throughout the life of the mine.

“The direct effect of the Amulsar programme on Armenia’s GDP, according to the calculation of the group of independent experts, is estimated to be 120 million dollars annually. We believe that we will be among the top five largest taxpayers in Armenia,” he told the annual meeting.

But campaigners say that this revenue boost will not be worth the toll it may take on the local area.

Levon Galstyan, of the All-Armenian Ecological Front, said that the country simply could not accommodate any more mining projects without suffering serious environmental damage.

“Any exploitation of new deposits could be destructive for our country, and promising economic calculations should not matter,” he said. “Armenia is becoming an ecological disaster zone, because it is simply barbaric to have so many mines in such a small country.”

The US government has given the Amulsar project its backing. US ambassador Richard Mills joined Prime Minister Hovik Abrahamian and Energy and Natural Resources Minister Yervand Zakharian on a visit to the Amulsar site on August 15.

“The Amulsar project is the largest international investment in Armenia,” a statement from the embassy said. “Ambassador Mills emphasised that the opening of this mine is an important economic opportunity for Armenia, and underscored the equal importance of ensuring that potential harm to the environment is minimised.... In that regard, Ambassador Mills mentioned that Lydian International is known for utilising responsible mining practices that adhere to international environmental standards.”

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