
AMULSAR GOLD PROJECT

Company: Lydian Armenia CJSC
Location: Borderline of Vayots Dzor and Syunik Regions, Armenia
Project cost: USD 75 M

General information about the initiator of the project:



Lydian Armenia cjsc - an Armenian mineral exploration and development company - is a 100% owned subsidiary of Lydian International Limited (a publicly quoted company listed on the Toronto (Canada) Stock Exchange (TSX: LYD); IFC and EBRD are among institutional shareholders of the Company). Lydian Armenia cjsc is a legal successor of Geoteam cjsc that was incorporated in 2005 and after an extensive campaign of geological exploration in

Armenia discovered what is now Lydian Armenia's flagship project Amulsar Gold Mine.

The Company is carrying out geological exploration in the Amulsar area of Vayots Dzor marz since 2006. In 2014 the company was granted with mining right and environmental permit for the project construction. In 2015 Lydian International disclosed Environmental and Social Impact Assessment of Amulsar Project; its updated version was disclosed in 2016.

Lydian Armenia is committed to construct and operate Amulsar mine in line with industry best practice and IFC and EBRD Performance Standards and Requirements.

Project description:

Lydian's proposed Amulsar Gold Project comprises the extraction, via blasting and excavation, of ore from three open pits on Amulsar Mountain; crushing of the ore and transportation via conveyor to a heap leach facility where gold and silver are leached into solution using sodium cyanide; and extraction of the precious metals from the solution at an adsorption-desorption recovery plant.

Amulsar is a new gold discovery, the first over 20 years in Armenia. Amulsar gold-bearing quartzite deposit is located on the borderline of RA Vayots Dzor and Syunik Regions within the ridge area of north, north-western branching of Zangezur Range, at the elevation of 2500-2988mm. Structurally it is located on the north-eastern edge of the Zangezur ore zone and hosted by two large ore-bearing and non-metallic sequences. From all the sides the Amulsar tectonic block is confined to major faults. The deposit has independent hydrogeological conditions favorable for the mine operation, mining and drilling activities. For the extraction of the metal from the

deposit for the first time in Armenia heap leaching method is to be used, that is common in globe, yet new to Armenia.

What make the project to be compelling assets are the large scale deposit (measured and indicated resources – 3.0 M gold ozs (122 Mt @ 0.77gpt); inferred resources 2.0 M gold ozs (106 Mt @ 0.59 gpt)), low cost, high gold recovery and low strip ratio as well as the upside potential.

The project will have a life of approximately 13 years, including 2 years of construction.

The project is going to have tangible direct and indirect impact on the Country's economic development: total contribution to GDP is estimated to comprise 1.4% annually; highly paid jobs with approximately 95% of employees being Armenian nationals is to be created (over 1st 2 years of construction – 1300 workplaces, over the 11 years of operation – 770 jobs at the mine, processing facilities, laboratory and in administration).