



LYDIAN
ARMENIA

Amulsar Gold Project
November 2017

**Challenges and Opportunities from
Mainstreaming the Biodiversity
Mitigation Hierarchy**

Lydian Armenia is a leading Armenian mineral development company with a broad international investor base

- **Amulsar** Project discovered in 2005, first since independence by a group of Armenian and British geologists
- **Lydian International**, TSX listed, is the 100% shareholder of **Lydian Armenia**
- **ORION, RCF (US)** are our largest shareholders. Others include large global funds and institutional and private investors such as EBRD, Amber Capital, Franklin Resources, etc.
- Commitment to comply with **IFC and EBRD standards**



Investment in improving standards and practice for biodiversity: why?

- Social license to operate, access to finance and legal right to mine all depended critically on management of biodiversity risk
- Demand from civil society to improve environmental health and protect values and have access to compensation
- Little provision for biodiversity/ ecosystem services in national policy and laws. New national legislation needed to mainstream the mitigation hierarchy, eg permitting arrangements for set-asides or translocation of rare plants.
- Limited capacity to undertake Critical Habitat Assessments or develop practical mitigation strategies, eg because key national institutions have had limited investment in the previous decade.
- Limited understanding of what good practice looks like and this creates a non-level playing field
- Lack of trust between communities, companies and government, efforts to put a robust mitigation strategy in place sometimes treated with suspicion.



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COMMITMENT TO REAL ENGAGEMENT AND MAINSTREAMING

- Company management on the Executive and BOD level has been supportive of transparent engagement with all stakeholders on biodiversity management issues
- CEO, a BOD member talked to the local media emphasizing biodiversity projects
- Educational opportunities were offered not just to immediate stakeholders but to the wider public:
 - Media tours to cover biodiversity projects
 - Documentaries on biodiversity issues and specific projects
 - Frequent interviews with visiting experts
 - Participation at roundtable discussions
- Independent advisory panel and regular audits

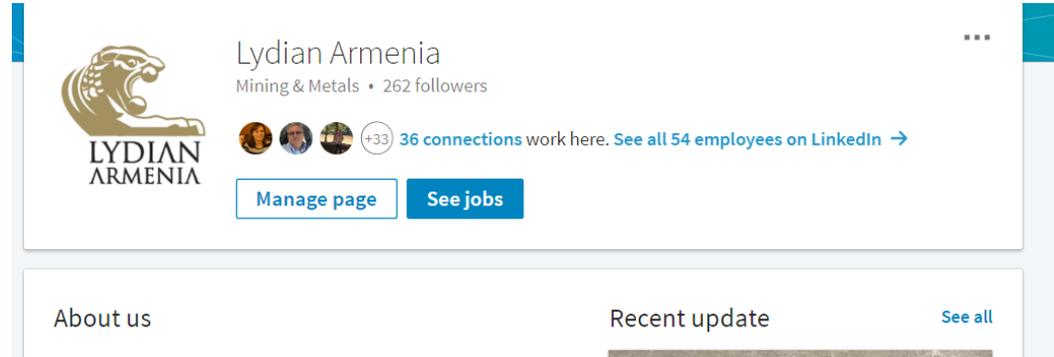
WHAT DID WE DO TO STRENGTHEN?

Enlightened self-interest resulted in Lydian working closely with government partners to:

- Seek proactive engagement since 2010 to champion good practice for biodiversity
- Develop robust biodiversity baselines and share data openly
- Raise awareness of lender requirements and good practice within company, within government, within communities eg TV campaigns
- Convince communities of good intentions
- Consult openly. eg regarding Ecosystem Service dependences and concerns around biodiversity
- Invested in capacity building eg for national research institutes and local ecologists
- Committed to long term comprehensive research programmes and a significant natural habitat offset to ensure NNL/NG



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