



Amulsar Gold Project Stakeholder Engagement Plan (SEP)

Update V12
30 January 2016

ACRONYMS

Adsorption Desorption Recovery (ADR)
Amulsar Information Center (AIC)
Asian Development Bank (ADB)
Barren Rock Storage Facility (BRSF)
Compliance Advisor Ombudsman of the World Bank Group (CAO)
Community Liaison Committee (CLC)
Community Liaison Officer (CLO)
Environmental and Social Impact Assessment (ESIA)
European Bank of Reconstruction and Development (EBRD)
Environmental Impact Assessment (EIA or ShMAG - Armenian initials)
Environmental and Social Management System (ESMS)
Equator Principals Financial Institutions (EPFI)
Heap Leach Facility (HLF)
Informed Consultation and Participation (ICP)
International Finance Corporation (IFC)
International Financing Organizations (IFI)
Land Access and Livelihood Restoration Plan (LALRP)
Lydian International Limited (Lydian)
Local Community Assistant (LCA)
Local Environmental Assistant (LEA)
Memorandum of Understanding (MOU)
Ministry of Energy and Natural Resources (MENR)
Ministry of Nature Protection (MNP)
Non-Governmental Organization (NGO)
Project Affected Communities (PAC)
Stakeholder Engagement Plan (SEP)
Stakeholder Comment Report (SCR)
To be Determined (TBD)
Wardell Armstrong International (WAI)
Water Treatment Plant (WTP)
US Agency for International Development (USAID)

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1 INTRODUCTION

The Amulsar project is a gold project in development, located in central Armenia. The project is owned by Lydian International Ltd. (Lydian), through its fully owned subsidiary, Geoteam CJSC (Geoteam) in Armenia. Lydian is publicly listed on the Toronto Stock Exchange. Its major shareholders are the International Finance Corporation (IFC) (a member of the World Bank Group), the European Bank for Reconstruction and Development (EBRD), Amber Capital, Van Eck Associates, Sprott and Franklin Advisers.

Exploration activity for the project began in 2006. Drilling programmes were conducted during the summer months of each subsequent year starting from 2007. Currently, the gold reserves (measured plus indicated) are 122.4 million tonnes at 0.77 g/t Au, for 3.03M contained gold ounces, as per the recent NI 43-101 Technical Report (TR) – Amulsar Value Engineering and Optimization completed in November 2015. An amendment to the Environmental and Social Impact Assessment (ESIA) completed by Wardell Armstrong International (WAI) in Q1 2015 is being prepared in Q1 2016 to reflect the new mine layout and recent information from the TR. The ESIA complies with the IFC Performance Standards and the EBRD Performance Requirements. The initial Armenian Environmental Impact Assessment (EIA or ShMAG) was approved by the Ministry of Nature Protection (MNP) in October 2014. A revision to the EIA/ShMAG is being prepared by Geoteam working with an Armenian consulting company Eco Audit LLC, with input from Wardell Armstrong International (WAI), Golder Associates, Global Resource Engineering (GRE), Australian Mining Consultants (AMC) and Samuel Engineering (SE). The Mining Right granted per the Mining Code to Geoteam in late November 2014 needs to be amended in 2016 by the Ministry of Energy and Natural Resources (MENR), thus allowing Geoteam to proceed with construction and operation. Additional permits will be applied for in line with Armenia requirements.

This Stakeholder Engagement Plan (SEP) has been developed in order to guide stakeholder consultations and communications during the development and execution of the Project, while also meeting the IFC and EBRD requirements. The SEP will be updated annually, to provide a roadmap for engagement. The Company is fully committed to the integration of environmental and social considerations in the design and development of the Amulsar Project, as well as establishing and maintaining constructive relationships with all stakeholders, including the communities surrounding the Amulsar area.

During the exploration, pre-feasibility and feasibility phases, the main aim of stakeholder engagement has been to establish two-way communication between Geoteam and stakeholders at national, regional and local levels to ensure stakeholder views are incorporated into the ESIA, the project design and the Feasibility Study.

The SEP outlines how stakeholders have been and will be informed and consulted on the impact assessment process and its various stages. During the upcoming construction and operation phases, stakeholder engagement activities will focus on keeping stakeholders

informed and receiving feedback about the project activities, and engaging with them in terms of disseminating and discussing information on impacts, mitigation measures, monitoring and environmental management. Feedback on stakeholder concerns is received through a variety of mechanisms, including the Amulsar Information Centre (open since April 2013 in Gndevaz), the community grievance mechanism, and ongoing engagement with communities through formal and informal consultation events and meetings, together with dialogue and information exchange events and focus group meetings at the national level. All concerns raised are registered and tracked in Geoteam Environmental and Social Management System (ESMS): they are considered by the Company management and/or respective team/office and addressed through follow up meetings; additional consultation events; monthly Community Liaison Committee (CLC) meetings; monthly Community Newsletters or through other means (in particular the Geoteam and Lydian website).

2 SEP OBJECTIVES AND STRUCTURE OF THIS PLAN

This SEP addresses the stakeholder engagement requirements outlined in the IFC's Performance Standard 1 and EBRD's Performance Requirement 1 (for more information see Appendix 1).

From a practical perspective, the SEP communicates the approaches used by Geoteam to engage with communities and other interested or affected stakeholders. Broadly, Geoteam seeks to keep stakeholders informed of social and environmental performance of the project, to support capacity building, to promote sustainable development, minimise conflict using a grievance mechanism, and receive feedback from stakeholders, including questions and concerns.

This plan is structured as follows:

- ✓ Project Background
- ✓ Project Setting
- ✓ Legislation, policies and guidelines
- ✓ Project stakeholders
- ✓ Overview of previous engagement
- ✓ Stakeholder engagement programme
- ✓ Social investment and stakeholder engagement
- ✓ Grievance mechanism
- ✓ Monitoring and evaluation
- ✓ Staffing, responsibilities and contact details

3 PROJECT BACKGROUND & DESCRIPTION

3.1 Background

Lydian plans capital investments of approximately \$370 million in the construction of the Amulsar Gold Project in 2016-2017. The total financing requirement to fund the Amulsar Project is estimated to be \$395 million, consisting of initial capital costs of \$370 million plus an estimated \$25 million for financing and other construction-period costs.

In November 2015⁴, Lydian had completed a technical report for the Amulsar Gold Project. The results of the study demonstrate that Amulsar is a compelling opportunity to develop a large-scale, low cost operation with substantial upside potential throughout mine life extension.

Results of the value engineering program per the Technical Report include:

- ✓ Initial capital costs of \$370 million, a \$56 million reduction from the October 2014 technical report (the "2014 Technical Report");
- ✓ All-in sustaining costs reduced to \$585/oz of gold, down from \$701/oz of gold based on the 2014 Technical Report;
- ✓ Operating cost reductions reflecting a lower 2.4:1 W:O stripping ratio and decreases in key consumables including electricity, diesel and reagents;
- ✓ Total recoverable gold of 2.1 million ounces over a 10 year mine life;
- ✓ Gold production averaging 243,000 ounces per year during the first five years and an overall average of 211,000 ounces per year over the life of mine;
- ✓ Accelerated after-tax cash flows of \$567 million during the first five years of operations to support early payback of project debt and equipment financing;
- ✓ Over 100 million tonnes of inferred mineral resources and potentially mineralized zones adjacent to and below currently defined mineral resources and reserves; and

After-tax unleveraged IRR of 21.6% and NPV of \$338 million based on a discount rate of 5% and a gold price of \$1,150 per ounce.

The main project components will include the following elements:

- ✓ Open pits (Tigranes, Artavazdes and Erato);
- ✓ Barren rock storage facility (BRSF);
- ✓ Crushing plant;
- ✓ Run of mine (ROM) ore stockpile;
- ✓ Haul and access roads;
- ✓ Overland conveyor and truck stacking system;
- ✓ Heap Leach Facility (HLF); including:
 - Heap leach pad
 - Solution ponds and storm water event pond
 - Adsorption desorption recovery (ADR) Plant
- ✓ Maintenance workshop and offices;

- ✓ Domestic wastewater treatment;
- ✓ Landfill of domestic and hazardous industrial wastes;
- ✓ Explosives magazine;
- ✓ Passive water treatment facility at the HLF;
- ✓ Temporary accommodation camp for 600 construction workers (to be confirmed); and
- ✓ Hotel accommodation for 300 construction workers and about 250 operations' workers in Jermuk

3.2 Land Acquisition

The land required for the construction and operation of Amulsar project is located in the communities of Gndevaz, Saravan and Gorayk. Private land required for mine infrastructure is located in Gndevaz: the Project affects a total of 274 private land plots for all Phases (roughly 155 landowners) and a total surface area of private land of total 152 hectares, including arable lands; orchards (mainly apricots), pasture and hay fields.

Initiated in April 2014 the land acquisition process is designed to fully comply with Armenian laws and IFC PS5 and EBRD PR 5 standards related respectively to Land Acquisition and Involuntary Resettlement and Involuntary Resettlement. The key approaches are provided below:

- ✓ Land access is based on negotiated settlements (PS5); land is purchased from private owners in willing seller-willing buyer transactions with expropriation used as a last resort only if all avenues for amicable settlement have been exhausted;
- ✓ Identification of affected plots & landowners is based on official cadastral information, complemented by ground-truthed through field surveys;
- ✓ Physical displacement will be avoided (i.e. no physical resettlement) as nobody will have to move as a result of the Project, thus causing only economic displacement with impacts to livelihoods;
- ✓ Compensation for affected land and crops (trees, annual crops, structures) is calculated at replacement value and paid before land is taken;
- ✓ A land-for-land option is available and encouraged (with improvement of infrastructure, e.g. irrigation);
- ✓ Affected people have access to a grievance mechanism; Impacts to livelihoods are assessed, mitigated, and monitored.

During the preparation stage (April 2014 – December 2014) for the land acquisition, three key documents have been prepared to summarize the findings during the valuation stage, to formulate the acquisition strategy and communicate the process to the affected communities:

1. Land Acquisition Road Map (April 2004) – covers the acquisition strategy and timetable; it is an internal document for Geoteam staff.

2. Guide for Land Access and Compensation (GLAC, July 2014, revised in December 2014) which covers the basic principles of the land acquisition; disclosed to stakeholders through Geoteam website, community Newsletter and Gndevaz AIC. It is a public document.
3. Land Access and Livelihood Restoration Plan (LALRP, February 2015) which details the execution strategy to include compliance with the Armenian legislation, IFC and EBRD performance standards; implementation schedule and execution plan, land and crop valuation approaches; staffing and monitoring and oversight. It is a public document.
4. Addendum to the LALRP is prepared to reflect land acquisition required per the new mine layout freeze in November 2015, consistent with the LALRP principals, approaches, in compliance with IFC and EBRD performance standards, to be disclosed early February 2016.5. Livelihood Restoration Plan (LRP) – finalized in November 2015, as required by the LALRP, to summarize Company approaches for LRP, activities, restrictions, budget estimate and duration of LRP activities. This is an internal document that will be followed upon regularly.

The 2015 initial LALRP and the 2016 Addendum to the LALRP are publicly available documents and form part to the ESIA (named v10) completed in February 2016 as Appendix 8.23.

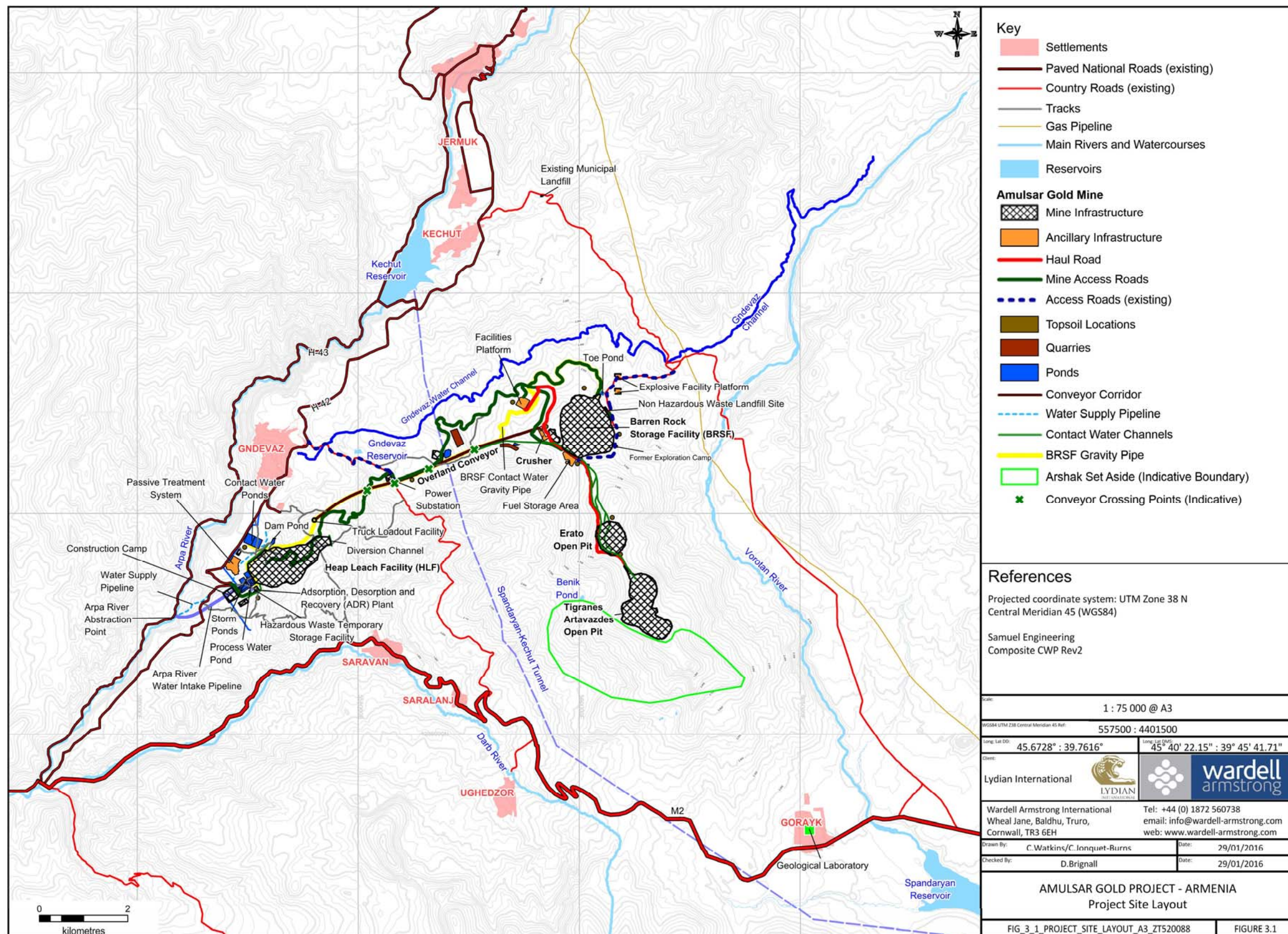


Figure 3-1: Project Site Layout

3.3 Description

The proposed site layout of all facilities is also shown on the General Arrangement map provided in Figure 3-1. The majority of the proposed facilities will be north and west of the three open pit locations.

Mining of the Amulsar deposit will use conventional open pit mining methods. Mining will be undertaken over a 10-year period, covering the Artavazdes, Tigranes and Erato ore bodies. Artavazdes and Tigranes areas will be mined in advance of the Erato area.

The proposed HLF is located on the western side of Amulsar Mountain, approximately 1.2km south of Gndevaz at its closest point, and approximately 6 km in a direct line from the open pits. The HLF will be located in a valley fill area and is anticipated to have a capacity of approximately 106 million tonnes (106Mt). The drainage basin of the HLF is located within the Arpa River catchment and downstream of Kechut Reservoir. It includes collection ponds and the ADR gold recovery plant adjacent to the pad.

Access to the site will be via a partially paved road on the outskirts of Gndevaz which links to the main road linking Gndevaz and Jermuk. The road that continues east up the valley will become the main access for construction, operation and maintenance of the HLF. The existing power lines which run down the western edge of the site will need to be relocated.

Located about 1 km north-east of the Erato pit will be the crushing and screening facility, overland conveyor, maintenance workshops, mine office building and other smaller facilities to assist in the operation of the project. The proposed HLF site is located 6km to the west of the crushing plant. A suitable conveyor route is available from the crusher due to the topography of the west-trending ridgeline that runs at a relatively consistent gradient down to the centre of the HLF.

Crushed ore will be transported approximately 6.5 km on a covered overland conveyor. Ore will be distributed from the centre of the leach pad, via trucks. The ore will be stacked in 8m lifts up to a maximum height of 100m above the liner.

The BRSF is proposed to be located on the north side of Amulsar Mountain, approximately 1.5 km north of Erato. The BRSF will consist of a barren rock dump and a holding located down gradient of the BRSF.

A road will be constructed to run parallel to the proposed conveyor route to provide vehicular access for maintenance/monitoring of the conveyor as well as access to the crusher and production infrastructure at the top of the mountain.

4 PROJECT SETTING

The project is situated in an area characterised by mountains, undulating hills, river valleys and gently inclined plateaus at lower elevations. The slopes of the project area contribute to the catchments of the rivers Arpa, Darb and Vorotan. Of these, the Vorotan River is the most important, and flows to the east of the deposit where it is fed by numerous tributaries within the licence area. The project area comprises Sub-Alpine and Alpine landscape, which typically supports diverse flora and fauna.

Although the project is registered in the province of Vayots Dzor, it straddles two Marzer (Provinces), namely Vayots Dzor Marz (the capital of which is Yeghegnadzor) and Syunik Marz (the capital of which is Kapan). The closest settlements are the city of Jermuk, and three rural villages: Saravan, Gndevaz and Gorayk. Jermuk is located approximately 7 km from the closest piece of Project infrastructure (the BRSF) and approximately 10km from the nearest open pit. Saravan (including Saralanj and Ughedzor) is approximately 4km from the open pits and 2km from the nearest project infrastructure. Gndevaz is 7km from the open pits and 1km to the north of the nearest project infrastructure (the HLF). Gorayk, located in Syunik Marz is approximately 5 km from the nearest open pits. The project infrastructure and nearest settlements are presented in Figure 3-1.

All villages are administered by local municipalities, consisting of a village Mayor, accountant, land manager, water manager, and head of community centre. Each village has a secondary school, pre-school (except for Saravan) and a primary health care post. Seasonal pastoralists or herders (from adjacent areas in Armenia, including Vayk, Goris, Malishka, Khndzoresk) annually frequent the project area during the summer months (four to six months on average, depending on the location and weather), renting municipal land to graze their cattle.

Agriculture and animal husbandry are the main sources of livelihood in the nearby rural villages, including food and fodder production, livestock, produce-based small-scale businesses (cheese, butter), whereas formal employment such as education, health or government positions is limited.

Economic activity in Jermuk centres on tourism, mineral water treatment, spa facilities and mineral water bottling facilities which is exported internationally.

5 RELEVANT LEGISLATION, POLICIES AND GUIDELINES

5.1 Armenian Legislation

The mining sector in Armenia is regulated by the Mining Code, which was adopted in January 2012. The Mining Code is administered by the MENR. A recent law amending the Mining Code enacted in August 2014 brings consistency between various legal requirements.

The key permit is the Mining Right, which triggers the process for getting other permits required for the operations phase. Under the Mining Code, the applicant should submit to the MENR a Mining Permit application consisting of four separate documents: (1) Mining Plan, (2) EIA, (3) Technical Safety Program, and (4) Mine Closure Plan. Application for the Rock Allocation Area (RAA) certificate is submitted after approval of the Mining Plan. When a positive resolution from the ministries reviewing the application documents is issued, the applicant starts preparing a Mining Agreement and within a period of 20 days negotiates and signs the Mining Agreement with the MENR. Once the Mining Permit is granted and the Mining Agreement including the RAA is executed, the applicant is issued the formal Mining Right.

The Law on Environmental Impact Assessment and Expert Examination (EIA Law adopted in 2014) stipulates Armenian regulatory requirements in terms of stakeholder engagement. According to the law, project proponents intending to start up a project, are required to hold public hearings to notify stakeholders about their intention and to provide relevant documents for the proposed project. The public hearings on the intended activity are organized in cooperation with the MNP to present the EIA/ShMAG report. There are two public hearings to be held: the first is to present the project description and the environmental impact assessment outcomes, and the second is to be held after the MNP experts' review. After each public hearing, minutes are submitted to the MNP. Key documents regarding the EIA approval process are made available to the public in Armenian on the MNP website - see <http://www.mnp.am//images/files/ezrakacutyun/geotim.PDF>.

Changes to the Project design as a result of the VE and Optimisation work have resulted in the need to prepare a revision to the new EIA approved in October 2014 and amend the ESIA completed and disclosed in April 2015. Lydian is in the process of preparing a new EIA and to apply to government for a new MR, both expected for approval in the second quarter of 2016

5.2 International Standards

The IFC Performance Standards on Environmental and Social Sustainability are regarded as the benchmark for internationally accepted practice. The EBRD Performance Requirements have similar concepts and wording.

The IFC requirements for project information disclosure exceed the requirements of Armenian laws and regulations. The IFC Performance Standards, which form the basis of public disclosure requirements for the Equator Principles Financial Institutions (EPFIs), stress that public consultation should be started early in project development and that engagement with interested parties at every stage should be:

- ✓ “Free” (free of coercion, intimidation or inappropriate incentives for the affected population);

- ✓ “Prior” (timely disclosure of information to allow for meaningful influence on project implementation); and
- ✓ “Informed” (relevant, understandable and accessible information).

Specific requirements set forth in IFC Performance Standard 1 and in EBRD Performance Requirement 1 are summarised in Appendix 1.

Geoteam shall carry out meaningful consultation with affected people and other concerned stakeholders, including civil society, and facilitate their informed participation. Meetings have been organized and will continue to present the land acquisition process, compensation and valuation process, seek their feedback and answer their questions.

5.3 Lydian Corporate Policies

Lydian Code of Conduct provides guidance in translating the Company’s core values into how the Company, its personnel and its Business Partners conduct themselves in the workplace, marketplace, and in the environment and communities where the Company operates. The core values include:

- ✓ Honest and ethical conduct in everything we do;
- ✓ A workplace where all individuals are treated with respect and dignity, free from discrimination, harassment and violence;
- ✓ Compliance with applicable laws, rules and regulations;
- ✓ Avoidance and ethical handling of conflicts of interest;
- ✓ Understandable, accurate and timely public disclosure of information; and
- ✓ Mutual respect and understanding in partnering for sustainable development.

Figure 5-1 provides a graphical representation of the Lydian governance framework.

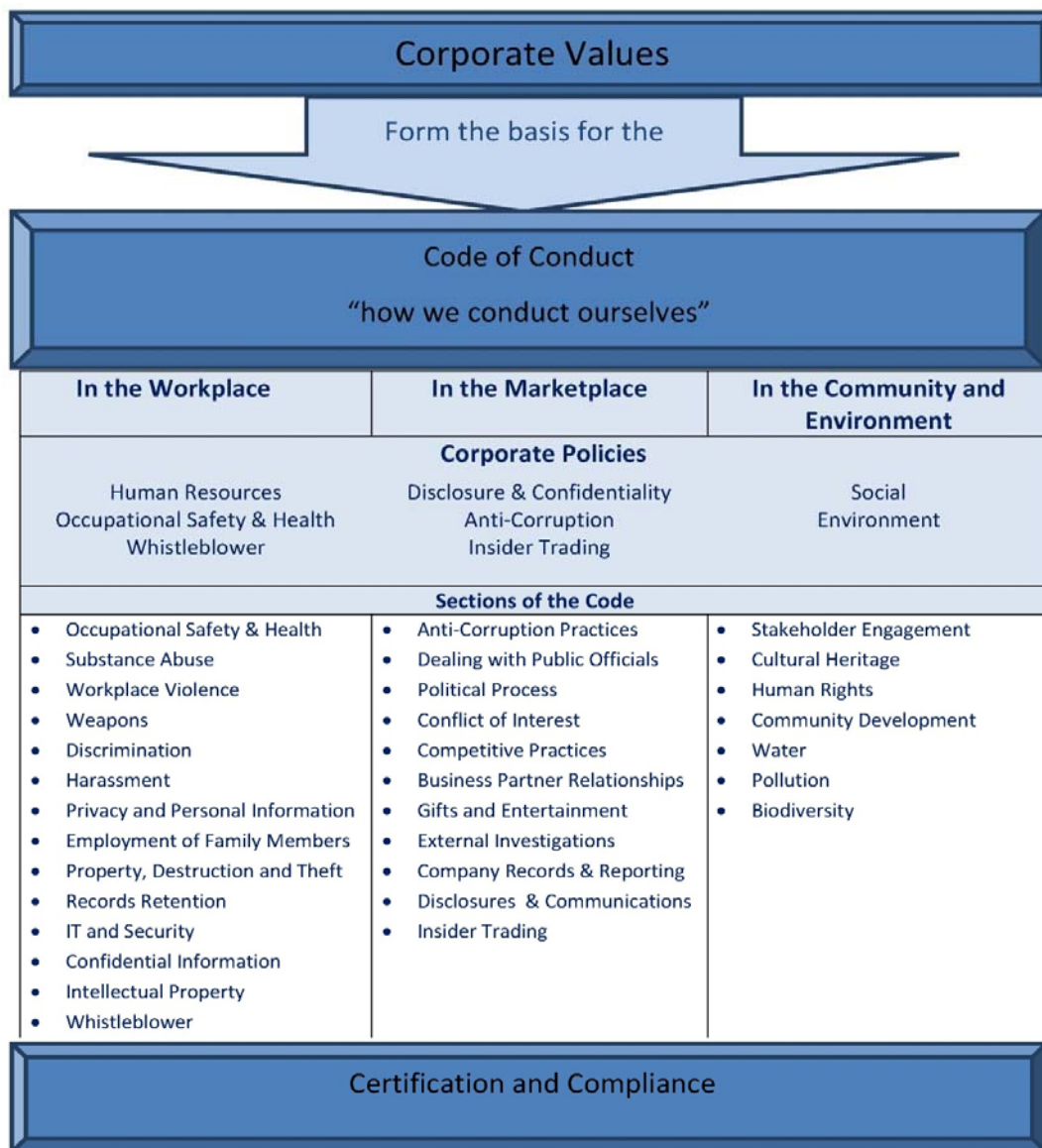


Figure 5-1: Lydian governance framework

In its social policy, Lydian recognizes good management of social considerations as a highest corporate priority and is committed to the establishment of sustainable relationships with its stakeholders, in particular with those communities surrounding its projects. Lydian seeks relationships which demonstrate mutual respect and understanding, active partnership and long-term commitment.

The Company implements a social management program for its operations which seeks to minimise, mitigate and compensate any adverse social impacts generated by its activities, and to enhance beneficial social impacts where possible and in accordance with internationally recognised business best practice.

The Company also recognises that at every stage of operation and development, potential negative effects may occur due to lack of communication and poor stakeholder engagement

and makes efforts to incorporate feedback from relevant stakeholders in project design. For example, as a result of 2015 ESIA disclosure and consultations, a community representative from Gndevaz raised an issue of a specific type of an Armenian snake: he claimed that this type was not included in the ESIA studies. Geoteam organized a group of experts (including the local biology teacher who raised the issue)

The Social Policy includes a commitment to comply with the requirements of the World Bank Group and the EBRD, in particular the IFC Performance Standards (PS) and the EBRD Performance Requirements (PR).

The Company realises that it is operating in environments with diverse cultures, lifestyles and heritage and thus manages community relationships based on respect for these communities, with full transparency and openness in communication.

Lydian's environmental, health and safety, social and human resources policies were formally approved by its Board of Directors in May 2014 and is available at <http://www.geoteam.am/en/corporate-governance/social-policy.html>

6 PROJECT STAKEHOLDERS

Stakeholders are individuals, groups and organisations whose interests or rights may be affected by a proposed project, or who may have an ability to influence decisions concerning the siting, construction and operations of the project. Key stakeholders that are directly impacted (positively or negatively) by the project, include:

- ✓ Project-affected communities, individual residents as well as non-organised groups with particular areas of interest, vulnerable groups (i.e., elderly, people with disabilities, ethnic minorities, etc.);
- ✓ Government authorities at the national, regional and local levels;
- ✓ Multi-national and international organizations (i.e., United Nations, World Bank Group, EBRD, European Union, bilateral donors, etc.);
- ✓ Non-commercial, non-governmental and public organisations at all levels, including community-based organisations or interest groups (i.e., labour, youth, businesses, environmental, etc.); Commercial organizations and business associations;
- ✓ Project employees; and
- ✓ Media.

To identify stakeholders for this project, a map of the project indicating communities and social infrastructure in the project site was combined with a preliminary project impact assessment (identifying potential impacts to communities) to identify directly impacted stakeholders. Based on this stakeholder mapping assessment, the three villages of Gorayk, Gndevaz and Saravan, and the town of Jermuk (including the village of Kechut), were identified as potentially impacted communities.

The nature of the anticipated impact varies for each project affected community, as summarized below. Only the key impacts are summarized below, with completed descriptions being provided in the ESIA.

- ✓ **Gndevaz** – Gndevaz will be the most significantly impacted village during operations, with impacts likely to include land acquisition and loss of access to land and its associated impact to livelihoods; increased employment and training opportunities; potential in-migration; local inflation; nuisance levels of noise and dust; and visual impacts (the Project will be visible from some parts of the village). However, the village will also experience increased employment and training opportunities.
- ✓ **Saravan** – Some visual impacts will be experienced by Saravan, however they will also benefit from increased employment and training opportunities.
- ✓ **Jermuk** and **Kechut** – Visual impacts will be experienced in some parts of these communities; increased employment and economic opportunities linked to the Project; potential in-migration; local inflation and development of new accommodation for workers in Jermuk.
- ✓ **Gorayk** – The most significant impact is expected to be linked to employment and training opportunities. Gorayk will also receive land rental payments from the project due to land required for the project.
- ✓ **Herders** – Land acquisition and restrictions to access will impact some seasonal and residential herders by reducing land availability for pasture. These changes may result in impacts to herder livelihoods. A dedicated consultation is available including mitigation measures for herders - Appendix 2.
- ✓ **Downstream Users of Arpa River** - With the new location and design of the Heap Leach Facility, new key stakeholders include the owner of the fish farm on the Arpa River and any downstream farmers that could use the river for irrigation.

Vulnerable groups within these communities have been identified through various assessments conducted both by local organizations and by the Company. These groups are being included in different social projects within the Company's social projects. For example, through Livelihood surveys in 2014/15, roughly 20 households were identified as vulnerable based on few factors: isolated elderly; women headed families; families with several minors; health issues, etc. In 2015 alone, several of them were involved in "**Livelihood through new technologies**" program; several are enrolled in **Skills learning** program within Livelihood restoration plan; few hired in Tree nurseries; some received financial support to address health issues of their family members.

The location of these four (4) communities is indicated in Figure 3-1.

Because in the past years, Lydian/Geoteam had mainly focused its work on exploration activities, technical studies and FS/ESIA preparation done in close cooperation with local

communities, more attention has been given during 2014 to relationships with various stakeholders outside the project impacted area to broaden engagement in Armenia and abroad. It has been done while keeping the previous level of consultation and disclosure locally.

The following key stakeholder categories were identified:

- ✓ State government (business climate in Armenia, permitting)
- ✓ Local government and communities (job supply, land acquisition, social development)
- ✓ Business organizations (supporters, FDI, contracts, services)
- ✓ Diaspora (influential Armenian diaspora in particular in the US, EU and Russia)
- ✓ Media (quite influential in shaping the public opinion)
- ✓ Civil society representing NGOs, environmentalists (“public voice”) and activists.

Traditionally Lydian/Geoteam has worked with a number of the above mentioned stakeholders since its inception. However, as the Amulsar Project is entering a new stage with the project development including the construction phase, more engagement with a wider group of stakeholders named “Broad Stakeholder” is now taking place. Additional attention is also given to international advocacy groups who may have potential to influence the Project.

Finally in order to ensure that all local stakeholders gain a clear understanding of the Project, further attention is given to information disclosure and consultation in Jermuk, including proactively visiting specific stakeholders and/or businesses that may have potential to influence the Project.

7 OVERVIEW OF PREVIOUS STAKEHOLDER ENGAGEMENT

7.1 Stakeholder engagement activities to date

Stakeholder engagement for the Amulsar project was initiated in 2006. The level of engagement has been designed to be commensurate with the project’s risks and impacts, and concerns raised by the project-affected people (PAP) and other stakeholders. Since 2006, the Company has made consistent efforts to proactively work with the city authorities in Jermuk and the three villages. Community Liaison Committees (CLCs) were established in each of the villages in 2010 and in Jermuk in 2011. CLC members volunteer to disclose information and provide Geoteam with feedback from residents in the potentially affected communities.

A stakeholder log and database are regularly updated to demonstrate the continuous efforts made to inform stakeholders about project developments, as well as to document issues, and concerns about the project. These issues are analysed and, as possible, addressed through face-to-face meetings, the Geoteam website and community newsletters. A comprehensive list of issues, questions and concerns, along with responses provided, are summarized as a section 4.20.2 of the ESIA completed at the end of January 2016.

| Table 7-1: Public meetings and consultations held with Amulsar Project Stakeholders | | | |
|---|--|---|--|
| Consultation | Number | Locations | Comments |
| Official Public Hearings per the EIA Law | 12 in total between November 2009 and September 2014 | Yeghegnadzor, Saravan, Gndevaz - Vayots Dzor, Gorayk – Syunik and at MNP in Yerevan | Present EIAs for various components of the mine for exploration, development and exploitation stages |
| Government Consultation | 11 meetings on presentation, discussion and introduction to the Project, mine design and concept for operations | Yerevan | Presentations on EIA progress and the ore extraction and processing methods |
| Community Consultation and Disclosure | Over 160 meetings since 2009 with Geoteam Community Liaison Officer (CLO) and social development team | Gndevaz, Gorayk, Ughedzor, Saravan, Jermuk | Monthly meetings with CLCs (121 to date) in four communities and regular engagement with host communities |
| Initial Informal Scoping | 5 in total between June and July 2010 | Gndevaz, Gorayk, Ughedzor, Saravan, Jermuk | FS/ESIA process and progress together with the initial findings |
| Formal Consultation | 10 in total between May 2011 and February 2016, more to come in the next 3 months | Gorayk, Gndevaz, Saravan, Jermuk, Syunik, Vayots Dzor, Yerevan | Project and ESIA progress updates and spreading information on the Project |
| Land acquisition meetings | At least 8 formal meetings between March 2013 - February 2016. In addition, meetings have been held with Village Mayor & land owners. | Gndevaz | Meetings were held with village Mayor, landowners to provide updates; share project maps; present compensation rates & collect feedback. |
| Note: | “EIA” means consultations required by the Armenian legislation of the environmental impacts assessment and permitting process. “ESIA” means consultations to meet the requirements of international funders. | | |

7.2 EIA Consultations

Key methods of engagement for the EIA process include and have included Public Hearings as required by the EIA regulations during the Mining Right Permitting Process in Q3-Q4 2014.

Two public hearings were conducted in August 25, 2014 in Gndevaz and September 27, 2014 in Gorayk to inform the communities about the new mine design, locations of infrastructure vis-a-vis the communities, and the permitting process. The hearing in Gndevaz presented different aspects of the EIA and studies conducted; economic gains for the region and country; expected jobs, investment and skills development for local people. Questions raised by the audience were addressed pertaining to HLF location; apricot orchards; cyanide solution & mitigation measures; project risks & experience from other countries.

The public hearing in Gorayk went over questions raised in local NGO Ecolur's article on its website on Amulsar one by one; each issue was addressed by different national and international experts present at the hearing (biodiversity, bird watchers, mammal specialists, National power station, etc.). The article was posted September 26, 2014, in the evening before the hearing. Ecolur finally did not attend the public hearing in Gorayk.

The hearings were attended by the Sevan Technical Committee representative as well. The representative expressed that the EIA document reflects all previously raised issues and the Committee had given a positive conclusion/opinion on the Mine design and the EIA.

The attending experts each presented his/her area of involvement in the project, provided details and supported their presentations by facts, figures and statistics. The presentations were followed by Q&A where the participants (122) asked questions and were then provided with detailed answers.

A new set of public hearings is required by Armenian law to meet the requirement for a revision of the EIA approved in October 2014. They will be announced at least three weeks prior to the event to ensure interested stakeholders have time to plan for the meetings. The first meeting announcing the upcoming EIA took place in Gndevaz on December 17th, 2015, with a second one took place on February 1st, 2016 in Gorayk; the third public hearing on EIA took place on March 1, 2016 in Gndevaz. The forth public hearing was held in Saravan, on April 21, 2016 to present the modified EIA. Information from ESIA was disclosed and discussed in 3 public hearings on EIA, presenting different aspects of it. Additional public hearings are planned on ESIA in May 31, June 1 and 2, 2016.

7.3 Other Method of Engagement

In addition to monthly meetings with CLCs in four communities, the Geoteam Community Liaison Officer (CLO) regularly visits all nearby communities to follow up on issues raised, organize public events, meetings with Mayors or other community members. Since early 2012, the CLO has been supported by five Local Community Assistants (LCAs), who serve as local liaisons in the villages to help the CLO disseminate Community Newsletters, coordinate public events, conduct field works in different socio-economic surveys, and visit community development projects implemented by the Geoteam partners. The paragraphs below summarize the various methods on engagement implemented to date and to be used in the future.

✓ Corporate Lydian and Geoteam website

The corporate Geoteam (as well as Lydian) website provides announcements, project documents, ESIA and EIA/ShMAG reports, stakeholder comments and contact details for requesting more information. www.geoteam.am and

www.lydianinternational.co.uk

✓ **Community Liaison Committees (CLC)**

In August 2010, CLCs consisting of representatives of the community (identified by the community) were set up in the three communities and since 2011 in the town of Jermuk. The composition of the current CLCs is presented in Table 7- below. CLC meetings are held monthly in each community: minutes are taken for each meeting, which are then summarized in the social management system log. CLC meetings are logged in the system. CLC meetings serve as a forum to collect feedback from communities, their concerns and issues, as well clarify their questions, and provide project related materials as needed.

| Table 7-2: Community Liaison Committees | |
|---|--|
| Committee | Members |
| Gorayk CLC | Mrs. Harutyunyan Kristina (nurse local primary health care) Mr. Tadevosyan Martun (head of School) Mrs. Grigoryan Marieta (municipal employee) Mrs. Agadjanyan Neli (village nurse) |
| Saravan CLC | Mr. Hakopyan Vanuhi (head of cultural center) Mr. Karapetyan Gurgen (shopkeeper) Mr. Ghazaryan Robert (municipal employee) Mrs. Asatryan Ruzanna (Local government accountant) Mr. Pandunts Ashot (School principal) |
| Gndevaz CLC | Mr. Exyan Vardan (villager) Mr. Nikoloyan Nairi (employee of the municipality village) Mrs. Mkrtchyan Alvard (villager) Mr. Mkrtchyan Vahan (physics teacher) Mr. Mkhitar Arshakyan (biology teacher) Mrs. Ofelya Janoyan (Local government employee) |
| Jermuk CLC | Mr. Sargsyan Vardan (head of the local hospital) Mr. Zohrabyan Vanik (private entrepreneur, tourism) Mr. Ayvazyan Mkhitar (owner of hotel) Ter Hayr Galust (Priest) Mrs. Laura Bagdasaryan, School Principal |

The purpose of these committees is to:

- ✓ Secure on-going communication, continuous engagement and collaboration between the Amulsar Project and the communities;
- ✓ Ensure that different sections of the communities are included in communications: (health, education, local government, etc.);
- ✓ Collect insights from communities and incorporate them in social programs;
- ✓ Where practical, use the human resources for different community-based surveys or monitoring of social projects;
- ✓ Use CLC as means for information dissemination in the community (word of mouth).

Amulsar Information Center

Geoteam established the **Amulsar Information Center (AIC)** in Gndevaz in April 2013.



Figure 7-1: The Amulsar Information Centre

The AIC hosts a variety of information, videos, posters, electronic and other hard copy data and free internet access for stakeholder residents in nearby communities. The AIC is staffed with three local women working five days a week, from 9-5 pm, contacted through mobile phones. They are guided to serve stakeholders and familiarize guests with the information. While staff may not have knowledge of all technical aspects, they document all questions and concerns to make sure stakeholders receive responses to all issues, concerns and questions. This updated SEP will also be made available to stakeholders at the AIC. Social Manager keeps monthly log of all AIC visits, as integral part of the social management system.

✓ **Message Boards**

Geoteam recognizes that many residents do not have easy access to the internet and has set up community message boards in the municipal offices of the four nearest communities. These message boards (located in each of the four villages) provide general information about the company and project, as well as information on how to contact members of the CLC or Geoteam staff. A shorter version of this SEP was disclosed through Geoteam monthly Newsletter (1000 copies) and disclosed in the website, as well distributed to 1000 people. The updated version of the SEP will also be summarized in the upcoming monthly Newsletter in 2016, posted in the website. Normally, the four local Social Assistants, based in Gorayk, Saravan and Gndevaz arrange posting of news or project materials in the village message boards as they are published.

✓ **Community Newsletters**

To enhance information dissemination in the local communities, a monthly Community Newsletter is displayed in the AIC and is hand-delivered to the population,

as well as being posted on the Geoteam website.

1,000 copies of each Community Newsletter are printed and delivered in Gndevaz, Saravan, Gorayk and Jermuk communities. The Newsletters inform and update the communities about the Amulsar environmental and social programs. They include important announcements, including job openings for the project, upcoming public hearings or events; they are used to elaborate or address environmental issues or questions raised during CLC or other meetings (Questions/Answers). The Newsletters also are used to post community stories or articles on perceptions or feedback on different projects.

✓ **Media Advertisements and Press Releases**

Invitations to public hearings, public consultation meetings and other events are advertised in newspapers, radio stations and television, as appropriate and on the village message boards. Press releases are disclosed through the company website.

✓ **Annual Updates**

Geoteam has held presentations at least once a year in nearby villages for the wider community. These meetings will continue past the impact assessment phase and eventually include updates on environmental, health, safety and social performance throughout the project development phases. Future updates will include progress reports on items contained within the environmental and social action plan (ESAP) which are relevant to local stakeholders.

7.4 Summary of Engagement to Date

Stakeholder engagement which has occurred to date can be broadly broken down into two categories: regular engagement with host communities; and engagement related to the environmental and social permitting of the Amulsar project. Two tables are provided below, with the first providing a summary of the engagement which has occurred with host communities through the CLC process (2). This engagement has focused on building and maintaining a relationship with the host communities. In these meetings, Geoteam has presented information on the Project and its activities on a regular basis and has sought feedback from the host communities on their views and concerns.

Table 7-3: Regular Community Engagement with Host Communities 2010 onwards

| When | Who/Where | What |
|--|--|---|
| CLC & other meetings in Gndevaz | | |
| 17.02.2016 | Gndevaz CLC, CLO, local Assistants | <p>CLO briefed the CLC about the works underway or planned: environmental field works are underway; drilling works will resume in early summer; social programs are planned & will be discussed today; Phase 3&4 land acquisition will continue in Gndevaz; the company started livelihood restoration (LRP) programs in Gndevaz (Skills learning). Questions raised & discussed:</p> <p>Non affected landowners would also like to be engaged in LRP Programs; A. P. clarified that LRP is designed for the affected land owners, however, social programs will target non-affected farmers and LRP can also include non-affected farmers if they meet the requirements of a given program.</p> <p>CLC members wanted to know when will the lands be acquired under the conveyor so they can plan field works;</p> <p>When will the project start and people recruited for jobs?</p> |
| 29.10.2015 | Gndevaz CLC, CLO, local Assistants | <p>Social programs are underway; land acquisition is in progress. Questions on land acquisition were discussed: what about the land plots under Phase 3? Concern over the delay on the construction works – youth leaves the village to find jobs elsewhere.</p> |
| 25.08.2015 | Gndevaz CLC, landowners, Ted Paulett, Social manager, local Assistants, Mayor of Gndevaz | <p>Ted Paulett, within land acquisition audit met with a group of landowners to inquire about the LA process, disclosed materials, perception of landowners on the process. Related topics discussed: compensation amounts; how it was used; need to guide landowners on efficient use of the compensation amount; expectations for jobs & need to manage it. Ted P. then met separately with Gndevaz Mayor to hear his input: Mayor was satisfied with the land valuation with regard to different fields & taking into account the condition of the fields at the time of the valuation; level of information & consultations with landowners. Mayor expressed his concern over jobs & start of construction; suggested that irrigation upgrade in Northern Gndevaz would be a good LRP activity for the entire village</p> |
| 12.05.2015 | Gndevaz, Annual information meeting with Geoteam Director H.A. | <p>H.A. presented company's projections for the year in land acquisition, construction & project implementation. Vocational skills program will be implemented for villagers in preparation for work. ESIA will be disclosed soon to give enough time for them to review & provide feedback. Community member M.N. expressed his concern over the HLF location, waste water management. A.H. raised his concern over the cyanide management; Mayor was concerned that Northern Gndevaz lacks irrigation water, while it has good potential for starting new orchards. H.A. and others addressed the questions raised during the meeting.</p> |
| 28.04.2015 | Gndevaz CLC, CLO, local Assistants | <p>Environmental works are underway, geological works have not started yet. List of social programs was presented (Greenhouse, Fruit dryer, waste disposal, Wiki-summer camp program. Land valuation is underway. 4000 tree plants were planted in tree nurseries. There was possibility of organizing community waste collection through local individual, however, a license will be needed for that. Other questions raised were about the start of the construction period for the Project. CLC members expressed willingness to visit the project sites where main operations were underway.</p> |

Table 7-3: Regular Community Engagement with Host Communities 2010 onwards

| When | Who/Where | What |
|------------|--|--|
| 24.03.2015 | Gndevaz CLC, CLO, local Assistants | Environmental activities are ongoing, social projects will restart soon, land acquisition process is underway. Within the scope of our education projects, 2 children from each community will participate in Wikimedia educational camp this year. Questions discussed: how were the lands assessed; when will phase 2 start for LA. |
| 19.02.2015 | Gndevaz CLC, CLO & social manager | Update CLC on current environmental and social activities carried out by the company. Discuss the social programs to implement in Gndevaz community during 2015. The main activity carried out by the company is the land acquisition in Gndevaz. Some land plots have already been acquired, the process is ongoing. In early summer, the construction will start, and it will involve 1300 employees. Questions were raised on land acquisition: what will happen to land plots in immediate proximity to the Project footprint; will expenses on land cultivation be compensated. |
| 26.12.2014 | Gndevaz, CLC meeting, CLO, local assistant | Discussion on the land acquisition & related issues: what will happen to landowners not willing to sell their land; is land for land option available; how the December inflation would affect the compensation rates. The group asked about the 2015 social programs & their requests (health support program to address health issues); including village youth in mine workforce; there's a lot of interest among village people & youth to engage in the project as employees. The group thanked Geoteam for the New Year event organized for children. |
| 28.11.2014 | Gndevaz, CLC meeting, CLO, local assistant | Update the CLC members about the mine permit / license granted by the GOA; summarizing the social programs in Gndevaz supported the Geoteam; Land acquisition process is underway, preparations works in progress to start the negotiations late December – January, 2015. Construction planned to start summer 2015, expected to have 1300-1500 jobs. Discussion on land acquisition compensation rates: CLO clarified that feedback from land owners has been considered & rates revised accordingly; the payments will be done by 10-90% approach; new trees planted after the survey will not be compensated. CLO updated the group about Company's plans to design & implement skills training program to raise capacities of local work force. |
| 28.10.2014 | Gndevaz, CLC meeting, CLO | Mine project received permit from GOA; social programs are coming to an end. The land acquisition activity is underway with preparation phase; land & crops wer valued separately; construction is planned to start next summer. Questions were raised on land acquisition (timing, compensation rates, students' program, jobs & inclusion of youth, etc.) |
| 22.10.2014 | Gndevaz, CLC meeting, CLO, local assistant | Update on EIA & positive decision by the government of Armenia; for the construction of the HLF lands will be acquired from the community; preparation works are underway for land acquisition along with Livelihood survey. Questions were asked by CLC members: timing of the mine start up, number of jobs created; concerns over the land acquisition; land for land option & its availability |

Table 7-3: Regular Community Engagement with Host Communities 2010 onwards

| When | Who/Where | What |
|-------------------|--|---|
| 05.09.2014 | Gndevaz, Info meeting, CLO, social /environmental managers, village Mayor, D.F, experts (Ted Pollett, Barb Filas, Mike Vint) | Purpose: for the experts to hear from the village reps about the project, its implementation & their issues. Items discussed: stakeholder engagement & how the Company is handling it. Positive feedback was provided by all participants about their level of engagement, frequency of meetings, awareness on project progress, the role of AIC, study tour to the US & sharing of observations in the village by the Mayor. General areas of concern - HLF & its location, impact on the village; jobs to keep the youth in the village, questions on land acquisition; women interested in getting jobs with Amulsar project. |
| 15.07.2014 | Gndevaz, Info meeting, CLO, Village Mayor, CLC & other members of the village | CLO presented a Map with the conveyor, discussing the Company's plans to build passages under/above the conveyor for people, vehicles and cattle. Preliminary marks were put for cattle; it was agreed to do physical visit to the area with a few villagers & the Mayor for them to show where they want those passages. It was agreed that after the site visit, the Mayor will provide Village Council decision on the location for the passages. |
| 19.06.2014 | Gndevaz, Information meeting, CLO, CAO reps (Alyona Horova, Ruben Jinishyan) | Discussion about NGO complaint to IFC on the project: community reps expressed their dissatisfaction – NGOs living in Yerevan should not decide about the future of the village, rather the villagers who live there & want jobs with the mine Project and decent living. Village reps summarized their interaction with NGOs & response to NGOs when they wanted to talk to them or hold a meeting in the community. |
| 26.05.2014 | Gndevaz, CLC meeting, CLO, local Assistant | CLO provided project update: environmental and social works progress. Rehab works to start in June; few social programs underway (Fruit drying, school repair). CLC members asked about the possibility of HLF site change; jobs for youth. |
| 06.05.2014 | Gndevaz, Annual meeting: Geoteam General Director, CLO, Social Manager | Geoteam Director presented the project current stage, explained why the delays occurred and the government decree on Sevan resulting in change of mine design, with suggested HLF closer to Gndevaz village. Explained that the new government views the project as one of the most important investments; Geoteam will apply for permits soon. Community members expressed concerns about their orchards that are in the suggested HLF site; about the cyanide, and health and safety of the community. Geoteam Managing Director explained the ESIA is underway conducted by international independent experts and that it has all the details and will be available for the communities; explained how HLF works technically. |
| 11.04.2014 | Gndevaz, Information meeting, CLO, Social Manager, Land use experts Frederic G., Lela S., village Mayor | Discuss land use issue, approaches (rent, buy) for community and private land parcels; Mayor inquired about air, wind direction, advised that most people would prefer to sell their lands. |
| 19.03.2014 | Gndevaz, CLC meeting, CLO | Update on current social programs; upcoming mine conference in Yerevan where reps from all communities will be invited. CLC reps asked about the location of the new mine design & jobs: concerns people will leave without jobs. |
| 28.03.2014 | Gndevaz, Information/assessment meeting, CLO, Social manager, Tax revenue | Initial appraisal meeting with Mayor & village Council members to inquire about the local economic & social situation, local government & how it discloses information. Overall purpose – advice on local government capacity building. |

Table 7-3: Regular Community Engagement with Host Communities 2010 onwards

| When | Who/Where | What |
|-----------------------|---|--|
| | expert Fernando M. (IFC) | |
| 06.02.2014 | Gndevaz, CLC meeting, CLO | Update on current status of 2014 social programs (those underway & planned); CLC members inquired about the lands to be used for the new mine design. CLO informed about the upcoming public hearing. |
| 15.01.2014 | Gndevaz, Information meeting, CLO, Mayor of Gndevaz | Provide update on current activities; 2014 social programs for each community; respond to questions. Exploration activities are completed; environmental programs are underway; social programs for 2013 are completed. |
| 22.12.2013 | Gndevaz, CLC meeting, CLO and Social Manager | Update on 2014 plans: key expectation for 2014 is obtaining government permits on the project. Company's approach for co-financing for social programs from respective local administrations. |
| 14.10.2013 | Gndevaz, CLC meeting, CLO and Social Manager | Update on environmental & social programs: geotechnical works are underway, studies for potential new sites for the plant & other infrastructure. Bird watchers' team is doing the field work. Negotiations with government reps are underway. |
| 24.09.2013 | Gndevaz, CLC meeting, CLO | Update on negotiations with government reps on the new HLF site. |
| September 2013 | Gndevaz, meeting with herders, Geoteam, WAI | Update on project activities; discuss the potential for economic displacement |
| 15.08.2013 | Gndevaz, CLC meeting, CLO and Social Manager | Update on environmental & social programs: environmental works are underway; planned social programs are on hold given the delays with permits; Government determined 3 km buffer zone near Arpa-Sevan tunnel; Geoteam had to lay off staff. |
| August 2014 | Meeting with 20 herders | Geoteam management discussing land acquisition process, compensation rates & collecting feedback |
| 16.05.2013 | Gndevaz, CLC meeting, CLO | Update on the new mine plant location; Estimated 450 jobs to be created for plant; on land use &/or acquisition, alternate land plots will be offered not to affect livelihoods. |
| 04.04.2013 | Gndevaz, Information meeting – H. Aloyan, CLO, Social/Environmental Manager, Social manager | To summarise 2012 & 2013 plans; increased employment; Change in infrastructure location; Grievance mechanism; Social programs; Land lease. |
| 12.03.2013 | Gndevaz, Information meeting – Frederick G. (livelihood restoration/land use expert), CLO & Social manager | Update CLC & other community members & Village Mayor on general procedures for land acquisition: land evaluation, approaches. |
| 06.02.2013 | Gndevaz, CLC meeting - Lydian Board Director Gordon Wylie, Environmental & Social Manager, CLO & Social Manager | Met with CLC members: Director summarized the key findings of the environmental assessment. Director and Geoteam staff answered questions and provided some basic figures on noise, uranium, etc. |
| 19-23.07. 2012 | Gndevaz, Information meeting: CLC & community members | Discuss seasonal herders; update on plans for seasonal herders' survey. |
| 1-3.07.2012 | Gndevaz, IFC & Geoteam – IFC annual | Discuss community concerns (dust, uranium, radioactivity, wind, etc.); answer question. |

Table 7-3: Regular Community Engagement with Host Communities 2010 onwards

| When | Who/Where | What |
|---|--|---|
| Throughout 2010 - 2012 held on monthly basis | visit with CLC & Mayor | |
| | Gndevaz, Information meeting with Gndevaz CLC, community members & Mayor | Regular meetings |
| CLC & other meetings in Saravan | | |
| 18.02.2016 | Saravan CLC | CLO briefed the CLC about the works underway or planned: environmental field works are underway; drilling works will resume in early summer; social programs are planned & will be discussed today; Phase 3&4 land acquisition will continue in Gndevaz. Construction works are planned to start in summer (employment scheme was presented in general terms). Social projects are planned for Saravan: dance group cannot continue this year as most participants dropped leaving only 5 children (in which case we cannot secure a dance tutor). Questions raised & discussed: milk collection/processing facility would benefit the community a lot; when employing people, can they be hired with their equipment (trucks, etc.)? Will women be eligible for works in the mine? Will the local employees have permanent (not temporary) employment (social benefits, etc.)? |
| 26.11.2015 | Saravan CLC | Information was provided about the job provisions and numbers in construction period; lists will be provided with occupations and skills needed. CLC informed that the priority projects for the village are the community building, street repair/asphalt. CLC members asked about the jobs for locals – it was clarified that people from the affected villages will be hired first (if available) before expanding the geography of search. |
| 29.10.2015 | Saravan CLC | CLO provided summary of the ongoing social projects in the community, including details on the upgrade of irrigation system. CLC informed that Geoteam land tax payment money is used to renovate the village administration building; a request on health care project (eye care); concern over jobs & delay of the project. |
| 25.08.2015 | Saravan CLC | CLC inquired about the start of construction works; thanked for the investments in social programs – playground for children was very much needed; space for dance classes might be a problem since the community center is currently being renovated where dance classes were held, |
| 09.07.2015 | Saravan, Project & CLC meeting, CLO, Social Manager, Ecosystem's Survey team | CLO first provided update on social & environmental works. The second part of the meeting was devoted to the ecosystem survey - discuss the participants' perceptions and use of ecosystem; collect their feedback in terms of prioritizing ecosystem sectors most used by them (milk, hunting, cattle breeding, etc. |
| 12.05.2015 | Annual information meeting with H.A. | H.A. presented company's projections for the year in land acquisition, construction & project implementation. Vocational skills program will be implemented for villagers in preparation for work. ESIA will be disclosed soon to give enough time for them to review & provide feedback. Rock allocation area has been changed, decreasing the amount of land to be leased by the Company. Questions raised in the meeting: the salary levels during the construction; # of people to be hired in each community during the construction period; will the jobs be temporary or permanent; |

Table 7-3: Regular Community Engagement with Host Communities 2010 onwards

| When | Who/Where | What |
|-------------------|--|---|
| | | people are concerned that due to temporary works, villagers are unemployed in winter. |
| 28.04.2015 | Saravan CLC | CLO presented the current geological, environmental & social programs. Geoteam is considering co-funding irrigation system upgrade; playground for children; Wiki-media, etc. In May Geoteam Director H.A. will update the community about the construction works. Questions raised: is it possible to rent vehicles from the village; when would the nurseries start their work - there's a concern that with the delay many will leave for Russia in search for jobs. |
| 26.03.2015 | Saravan CLC | Environmental activities are ongoing, geological works will start in May this year. The dance group will continue with Mr. Hakobyan. A request was made to start health care projects was raised. |
| 25.12.2014 | Saravan CLC meeting, CLO, Local assistant | Environmental & social programs in 2014 were summarized; requests discussed by CLC members for next year: support health issues; street lights & paving, New Year program for children, etc. inquired about jobs & start of construction. |
| 26.11.2014 | Saravabm CLC meeting, CLO, Local assistant | CLO went through the social programs in 2014 supported by Geoteam & discussed their progress; collected feedback from the group on village needs & priorities for 2015: sewage system upgrade, playground for children; internet supply for the school; construction of kindergarten; heating in school. |
| 23.10.2014 | Saravan, CLC meeting, CLO, Local assistant | CLO provided update on EIA & its approval / clearance b the Government of Armenia; plans for construction start up; number of jobs during the construction & operation phases; main infrastructure & their location. Questions were asked about jobs & salaries, to keep the youth in the village; Local government rep briefed about their plans for social programs for 2015 & asked if it's possible to finance them jointly. |
| 06.05.2014 | Saravan, Annual meeting: Geoteam General Director, CLO, Social Manager, PR manager | Geoteam Director presented the project current stage, explained why the delays occurred and the government decree on Sevan resulting in change of mine design. Explained that the new government views the project as one of the most important investments; Geoteam will apply for permits soon. The community members were concerned about the project delay and employment issues resulting in out-migration. Some community members working in Geoteam raised concerns about the salary. Geoteam Director explained that the Company does not have any profit, yet has been investing in the project for years. After the permits are obtained and constructions start, there will be an evaluation of salaries. He also mentioned that ongoing and future training and education programs Geoteam offers to the communities will help them obtain qualification for better paid jobs. |
| 19.03.2014 | Saravan, CLC meeting, CLO | Update on current programs; CLO suggested to include more people in CLC meetings to wider coverage and awareness. Talked about outmigration trends – many will leave if no Geoteam jobs. |
| 28.03.2014 | Saravan, Information/assessment meeting, CLO, Social manager, Tax revenue expert Fernando M. (IFC) | Initial appraisal meeting with Mayor & village Council members to inquire about the local economic & social situation, local government & how it discloses information. overall purpose – advice on local government capacity building. |

Table 7-3: Regular Community Engagement with Host Communities 2010 onwards

| When | Who/Where | What |
|----------------------|---|---|
| 06.02.2014 | Saravan, CLC meeting, CLO, Mayor | Update on 2014 social programs; Mayor's position on co-financing for social projects – would address community issues without co-financing; status of health fund initiated by Geoteam. |
| 15.01.2014 | Saravan, Information meeting, CLO, Mayor of Saravan | Provide update on current activities; 2014 social programs for each community; respond to questions. Exploration activities are completed; environmental programs are underway; social programs for 2013 are completed. |
| 23.12.2013 | Saravan, CLC meeting, CLO and Social Manager | Update on 2014 plans: key expectation for 2014 is obtaining government permits on the project; explained Company expectations on co-financing social programs (10%). |
| 18.11.2013 | Saravan, CLC meeting, CLO & Social manager | Update on geotechnical & geological works; environmental studies & social programs. |
| 28.10.2013 | Saravan, CLC meeting, CLO & Social manager | Update on geotechnical works, environmental works (bird watchers); the new HLF location, social programs status. |
| 24.09.2013 | Saravan, CLC meeting, CLO | Update on negotiations with government reps; Geoteam & government reps are discussing the location of the factory; social programs status. |
| 15.08.2013 | Saravan, CLC meeting, CLO | Update on environmental & social programs: planned social programs are on hold given the delays with permits; current social programs status. Government determined 3 km buffer zone near Arpa-Sevan tunnel; Geoteam had to lay off staff; a Working Group of 6 established that works jointly with GOA reps. |
| 16.05.2013 | Saravan, CLC meeting, CLO | Update on environmental & social programs; change in mine plant location where the plant will be closer to Gndevaz. Exploration works & social programs are underway. |
| 04.04.2013 | Saravan, Information meeting – H. Aloyan, Social/Environmental Manager, Social manager, CLO | Sum of 2012 & 2013 plans; increased employment; Infrastructure location; Grievance mechanism; Social programs; Land lease. |
| 12.03.2013 | Saravan, Information meeting – Frederick G. (livelihood restoration/land use expert), CLO & Social manager | Met with CLC & other community members & Village Mayor, to clarify procedures for land acquisition: land evaluation, approaches. Community reps suggested that more information be provided on land acquisition (details on procedures, negotiations with land owners, etc.) |
| 06.02.2013 | Saravan, CLC meeting, Lydian Board Director W. Gordon, Environmental & Social Manager, CLO & Social Manager | Met with the Mayor: Gordon summarized the key findings of the environmental assessment: noise, dust, water, radiation, etc. |
| 19-23.07.2012 | Saravan, Information meeting: CLC & community members | Discuss seasonal herders; update on plans for seasonal herders' survey. |
| 12.07.2012 | Vayk, Information meeting: CLCs, Mayors, community members from Saravan, Gndevaz & Gorayk WAI & Geoteam | Discuss community contribution; social programs; upcoming plans; introduce local assistants (from Saravan & Gorayk). |

Table 7-3: Regular Community Engagement with Host Communities 2010 onwards

| When | Who/Where | What |
|---|---|---|
| 1-3.07.2012 | Saravan, Information meeting, IFC & Geoteam – IFC annual visit with CLC & Mayor | Discuss community concerns (dust, uranium, radioactivity, wind, etc.); answer questions; visit social programs. |
| Throughout 2010 - 2012, monthly | Saravan, Information meetings with CLC, community members & Mayor | Regular meetings |
| CLC & other meetings in Gorayk | | |
| 29.10.2015 | Gorayk, CLC, Mayor | Summary of social programs: delay with the dentistry due to legal paper work (ownership of the equipment to be provided); government made some changes in rock allocation area, which will affect the amount of lands leased from Gorayk (decrease). The Mayor informed that Geoteam land tax payment money is used to renovate the sewage system; concern was raised over the idea of cheese producers' cooperative & competition with Ashtarak Kat; the broccoli project has good potential and real outcome in terms of income & new skills and new product in the village. |
| 25.08.2015 | Gorayk, CLC, Mayor | The Mayor expressed satisfaction from social programs: summer camp went very well, children were happy. There is a concern over the new rock allocation area, as it will greatly impact the village administrative budget. Delay of the project is a serious concern in the village, as youth is leaving to find jobs elsewhere. |
| 12.05.2015 | Annual information meeting with H.A. & other Geoteam management | H.A. presented company's projections for the year in land acquisition, construction & project implementation. Vocational skills program will be implemented for villagers in preparation for work. ESIA will be disclosed soon to give enough time for them to review & provide feedback. Rock allocation area has been changed, decreasing the amount of land to be leased by the Company. Questions raised in the meeting: what infrastructure will be located in Gorayk; do the local contractors have chance to be part of the construction works; will the company issue a list of needed professions for construction period; what would the salary levels be compared to previous years. H.A. addressed the questions and provided clarifications. |
| 28.04.2015 | Gorayk, CLC, Mayor | CLO presented the status of geological, environmental & social programs. Details were provided on social programs: artificial insemination, Schools for sport & peace, Wiki-media summer camp, waste collection, dentistry, broccoli production, etc. CLO informed that government has modified rock allocation surface, so land rental agreements will be modified. Geoteam Director Hayk Aloyan visits all communities in May and provided more details. |
| 25.03.2015 | Gorayk, CLC, Mayor | Social projects in the community were launched. The list of professions to be employed during the construction phase of the Project will be ready in March or April. Vocational trainings will take place in Jermuk, Yeghegnadzor, Vayq, Sisian. In 2015, the following social projects will be carried out in Gorayk: Football Federation project, artificial insemination training, and the opening of a dentistry in the healthcare unit. Some documents are pending; when they are ready, the dentistry will be opened officially. |
| 12.02.2015 | Gorayk, CLC, Mayor | Update people on current environmental, geological and social activities carried out by the company. Discuss the social programs to implement in Gorayk community during 2015. In March or April, |

Table 7-3: Regular Community Engagement with Host Communities 2010 onwards

| When | Who/Where | What |
|------------|---|---|
| | | the list of professions necessary in construction phase will be ready. The lists will be available in all communities. Subsequently, all the relevant professionals will participate in vocational trainings. The trainings will be held in Jermuk, Eghegnadzor, Vayq and Sisian cities. |
| 26.12.2014 | Gorayk, CLC meeting, CLO, Village Mayor | CLO updated the group about recent developments & progress: mine got the license; construction works are planned to start next summer. The CLC members expressed their satisfaction for the license; they look forward to continue partnership with Company within social program and the mine operations. |
| 26.11.2014 | Gorayk, CLC meeting, CLO | CLO presented current status of environmental & social programs; summarized social programs implemented in 2014. Discussed potential programs & requests for Geoteam support for social programs. |
| 23.10.2014 | Gorayk, CLC meeting, CLO, Village Mayor | CLO provided update on EIA & its approval / clearance b the Government of Armenia; plans for construction start up; number of jobs during the construction & operation phases; main infrastructure & their location. Village Mayor briefed about their plans for social programs in 2015 (sewage & drinking water); questions were asked about jobs, involvement of women in the mine project. |
| 09.07.2014 | Gorayk, Project & CLC meeting, CLO, Social manager, Ecosystem survey team | First, CLO provided update on social & environmental works; second, the Ecosystem survey team did its survey, inquire the participants about their perceptions & use of ecosystem services around their community as source of livelihood & other factors (herbs, cattle, milk products, etc.). |
| 06.05.2014 | Gorayk, Annual meeting: Geoteam General Director, CLO, Social Manager, PR manager | Geoteam Director presented the project current stage, explained why the delays occurred and the government decree on Sevan resulting in change of mine design, with suggested HLF closer to Gndevaz village. Explained that the new government views the project as one of the most important investments; Geoteam will apply for permits soon. Gorayk residents were generally thankful to the company for the social projects but were looking forward for the job opportunities and the start of the project. They were also interested in continuation of social projects: animal husbandry and green houses. |
| 19.03.2014 | Gorayk, CLC meeting – CLO | Update on current social programs; in the upcoming mine conference Gorayk reps will be invited. Land categories that Company will rent will change and affect the village budget. Questions were raised on use of land rent amounts for other communities. |
| 28.03.2014 | Gorayk: Information/assessment meeting, CLO, Social manager, Tax revenue expert Fernando M. (IFC) | Initial appraisal meeting with Mayor & village Council members to inquire about the local economic & social situation, local government & it discloses information. overall purpose – advice on local government capacity building. |
| 06.02.2014 | Gorayk, CLC meeting – CLO | Geotechnical works stopped since Oct. 19; social programs for 2013 are all completed; co-financing for social projects is approved by the Mayor for 2014. CLC members expressed their needs for children program (dance classes, etc.) |
| 15.01.2014 | Gorayk, Information meeting, CLO, Mayor of | Provide update on current activities; 2014 social programs for each community; respond to questions. Exploration activities are |

Table 7-3: Regular Community Engagement with Host Communities 2010 onwards

| When | Who/Where | What |
|--------------------------|---|--|
| | Gorayk | completed; environmental programs are underway; social programs for 2013 are completed. |
| 23.12.2013 | Gorayk, CLC meeting – CLO & Social Manager | Update on end of year activities: social programs; Company's approach on co-financing by local administration (10%) for vested interest and sustainability. |
| 28.11.2013 | Gorayk, CLC meeting – CLO & Social Manager | Update on environmental & social programs: the environmental works are close to completion. The Company is designing 2014 social programs based on feedback from community. |
| 18.10.2013 | Gorayk, CLC meeting – CLO & Social Manager | Update on environmental & social programs: geotechnical works are suspended since Oct. 19 (end of season); the environmental works are underway partially; the new HLF will be in a slightly different location & more expensive. The Company is waiting for permit on construction of the HLF. |
| 24.09.2013 | Gorayk, CLC meeting – CLO | Update on current social programs; few suspended due to delays in permits; The final location of plant is not determined yet; the previous potential/suggested site for the plant was rejected; discussions on this issue are underway with government reps. |
| 15.08.2013 | Gorayk, CLC meeting – CLO | Update on environmental & social programs: environmental works are underway; planned social programs are on hold given the delays with permits; Government determined 3 km buffer zone near Arpa-Sevan tunnel; Geoteam laid off staff; a Working Group of 6 established to work jointly with GOA reps. |
| August 2013 | Meeting with herders in the camp (roughly 18-20) & consultants | Within the Ecosystem survey ask them questions about the use of land; and discuss the potential of their economic displacement and collect their feedback. |
| 16.05.2013 | Gorayk, CLC meeting – CLO | Update on environmental & social programs; change in mine plant location – the new plant will be closer to Gndevaz; & related infrastructure may be in Gorayk, such as car park, offices. Exploration works & social programs are underway. |
| 04.04.2013 | Gorayk, Information meeting, H. Aloyan, Social/Environmental Manager, Social manager, CLO | Summary of 2012 achievements & 2013 plans; employment; change in infrastructure location; Grievance mechanism; Social programs; land lease. |
| 12.03.2013 | Gorayk, Information meeting – Frederick G. (livelihood restoration/land use expert), CLO & Social manager | Met with CLC & other community members & Village Mayor, clarified procedures for land acquisition: land evaluation, approaches. Community reps expressed their concern on land acquisition by the mine project, since land is a major factor that keeps people attached to their village. |
| June 2012 | Meeting with 20 herders (WAI) | Meetings were held within the Herder's survey. |
| August 2012 | Meeting with 70 herders | The meetings were held within the Herder's Survey. |
| 1-3.08.2012 | Gorayk, EBRD annual visit with Gorayk CLC | Discuss Amulsar project, social programs; visit social programs. |
| 19-23.07. 2012 | Gorayk, Information meeting: CLC & community members | Discuss seasonal herders; update on plans for seasonal herders' survey. |
| 1-3.07.2012 | Gorayk, IFC & Geoteam – IFC annual visit with CLC & Mayor | Discuss community concerns (dust, uranium, radioactivity, wind, etc.); answer questions; visit social programs, talk to Geoteam partner in Gorayk. |
| Throughout 2010 - | Gorayk, Information meetings with CLC, | Regular meetings |

Table 7-3: Regular Community Engagement with Host Communities 2010 onwards

| When | Who/Where | What |
|---|---------------------------|---|
| 2012, monthly | community members & Mayor | |
| CLC & other meetings in Jermuk | | |
| 18.02.2016 | Jermuk CLC | Social programs are planned for Jermuk; geological works will start later in spring. Questions: Jermuk Municipality is collecting applications for mine works, is it how recruitment will be managed? A.P. clarified that it is the Municipality initiative and local recruitment will be managed by the company; an Information Center will be opened in Jermuk that will help coordinate that process. CLC members were concerned that Contractors will bring their own employees and ignore the local workforce. Another question was on accommodation and if the company has a plan for that. |
| 28.10.2015 | Jermuk CLC | Environmental works are underway; social programs are either completed or in progress. CLC inquired about the start of the Project (construction); as well about social programs planned for 2016. CLC expressed concern over the start of the construction works. |
| 29.04.2015 | Jermuk CLC | Feedback & opinions was collected about the social programs: positive feedback on skills learning program (From waste to souvenirs); Children's choir program is successful. CLC expressed its concern that health programs are scarce in Jermuk. |
| 26.03.2015 | Jermuk CLC | Environmental activities are ongoing, social projects will restart soon in all communities. A concern was expressed that with the delay of construction works, many residents will leave Jermuk for temporary works. What are the plans for Jermuk Information Center? What are the social projects planned for Jermuk in 2015? |
| 20.02.2015 | Jermuk CLC | The purpose of the meeting was to update people on current environmental, geological and social activities carried out by the company. Questions were asked about the start of constructions; opening of Jermuk Information Center. |
| 27.12.2014 | Jermuk, CLC meeting, CLO | The group thanks CLO for social investments in 2014 in Jermuk; in addition to that, Geoteam is supporting building a fence around the city waste. The group inquired if the Choir program will continue in 2015; offered to consider Information Center in Jermuk; the group asked about the construction time period & interest of Jermuk residents to work in the mine. |
| 28.11.2014 | Jermuk, CLC meeting, CLO | CLO briefed about the mine permit /license. The group congratulated the license; discussed requests for social projects for next year; provided ideas (Information Center in Jermuk, etc.); |
| 23.10.2014 | Jermuk, CLC meeting, CLO | CLO provided update on EIA & its approval / clearance b the Government of Armenia; plans for construction start up; number of jobs during the construction & operation phases; main infrastructure & their location. Questions were asked about jobs; need to have an Information center in Jermuk to update population about the project, jobs, etc. |
| 16.07.2014 | Jermuk, CLC meeting, CLO | CLO provided update on environmental & social works & programs. CLC reps asked about the progress in permit & that Jermuk people are looking for its start to get jobs. They asked about the Skills Survey & its purpose. CLO explained why it was done & company's plans to design Skills training program for the local residents. |
| 20.03.2014 | Jermuk, CLC meeting - CLO | CLC reps asked about social programs: school sanitation will start soon; Jermuk choir package is sent to Social manager for |

| Table 7-3: Regular Community Engagement with Host Communities 2010 onwards | | |
|--|---|--|
| When | Who/Where | What |
| | | consideration. inquired about the location of the new mine design – plant, other infrastructure. Jermuk reps will be invited to the upcoming mine conference in Yerevan. |
| 07.02.2014 | Jermuk, CLC meeting – CLO | Geotechnical works are stopped since Oct. 19; the environmental works are underway partially; social programs for 2013 are completed; plans for 2014 social projects. CLC members inquired about jobs. |
| 14.10.2013 | Jermuk, CLC meeting – CLO and Social Manager | Update on negotiations with government reps on the new Site (for HLF). License for exploration for Site 28 is obtained for 480 ha; the new site will cost USD 50 million more; waiting for construction permit; |
| 27.09.2013 | Jermuk, CLC meeting - CLO | Update on negotiations with government reps on the new Site for HLF and the location for the factory to be finalized in October. Status of social programs. |
| 16.08.2013 | Jermuk, CLC meeting – CLO | Update on environmental & social programs: environmental works are underway; planned social programs are on hold given the delays with permits; social programs status. |
| 13.06.2013 | Jermuk, Project meeting, IFC, EBRD, regional and local governments of two marzes, Lydian /Geoteam management, consultants | Project update: potential area for the HLF; current studies; Biodiversity issues; ESIA current status |
| 17.05.2013 | Jermuk, CLC meeting – CLO | Update on environmental & social programs; change in mine plant location where the new plant will be closer to Gndevaz. Exploration works & social programs are underway. |
| 06.02.2013 | Jermuk, CLC meeting, Lydian Board Director W. Gordon, Environmental & Social Manager, CLO & Social Manager | Gordon summarized key findings of the environmental assessment & impact on Jermuk: noise, dust, water, radiation. CLC members suggested a more rigorous communication program with Jermuk. Armen S. elaborated on dust, noise and wind issues, showed diagrams on noise impact; shared examples of similar mines elsewhere via Internet. |
| 06.10. 2012 | Mayor of Jermuk Director of WWF-Armenia | Discuss Project progress & areas of cooperation. Project progress & areas of cooperation. |
| 30.08.2012 | Mayor of Jermuk | Project progress & areas of cooperation. |
| 10/23.01. 2012 | Mayor of Jermuk | Letter communication between Mayor of Jermuk and Lydian. |
| Throughout 2012, monthly | Jermuk, Information meeting, CLC members | Present studies on dust, wind, blasting, radiation, noise. |
| 23.11. 2011 | Jermuk, Mayor of Jermuk | Disclose preliminary impact report prepared by WAI; Meeting with Lydian CEO to discuss the preliminary Project impacts & the areas of cooperation. |
| October 2011 | Mayor of Jermuk | Geoteam and IFC representatives attend presentation of the film “Amulsar Gold Rush” at Ani Plaza, which was organized by Ecolur; interview to local TV channel “Ar”. |
| December 2010 | Mayor of Jermuk | Introduction of Geoteam and Amulsar Project to Jermuk city. |

Table 7- provides a summary of the engagement activities which have been undertaken with

specific reference to the environmental and social permitting processes. Included within this process has been the dissemination and sharing of baseline information as it has become available. The Project needs to meet the requirements of national EIA consultation; international ESIA consultation and disclosure and to respond to stakeholder concerns as required. The documents used in the events listed below consist of preliminary project information available between 2009 and 2015 as part of the initial design and permitting phases of the mine development.

Table 7-4: Environmental and social permitting related consultation 2007-2016

Past Engagement related to EIA process; EIA public meetings

| | | |
|-------------------|--------------------------------|---|
| 01.02.2016 | Gorayk Public hearing on EIA | <p>Gorayk Mayor started the hearing & briefed about its purpose. H.A. then informed about the funding progress of the Project. The Ministry of Nature protection rep & Ecoaudit introduced the project changes & respective implications: roads & conveyor will be shortened leading to taking less area & budget cut. Conveyor will be shortened too, built over the ground – this would create obstacles for passages, which will be mitigated through few crossings over the conveyor. Instead of 3 crushers, 2 will be built and 19 mm pieces will be produced vs. 12 (less dust).</p> |
| 21.04.2016 | Saravan, Public hearing on EIA | <p>H.A. presented the purpose of the public hearing – introduce & discuss the changes in EIA; Ecoaudit made a presentation and walked through the changes: roads (shortened); conveyor length is shorter as well; there will be 2 crushers instead of 3; the size of the crushing will be 19 (vs12); the location of the plant is changed too; cyanide solution will be of less concentration. No changes in water use.</p> <p>Questions raised: migration routes of animals – how will they be affected; the ESIA is the best ESIA as per a local independent expert, although it has some shortcomings as well (monitoring is weak); how will the pastures be affected in Saravan area; what will the salary level be in the company; will Geoteam support new students to study geology; etc.</p> <p>H. Stevenson thanked everybody for their attendance; summarized the project gains to date & commitment of the company for high standards.</p> |
| 03.03.2016 | Gndevaz, Public Hearing on EIA | <p>H.A. presented the purpose of the public hearing – introduce & discuss the changes in EIA; Ecoaudit made a presentation and walked through the changes: roads (shortened); conveyor length is shorter as well; there will be 2 crushers instead of 3; the size of the crushing will be 19 (vs12); the location of the plant is changed too; cyanide solution will be of less concentration. No changes in water use. Questions raised: what water system use will be applied on the heap leach to prevent any water leakage; how are all the changes justified? Where will the BRSF be located? What will happen to the orchards in south Gndevaz?</p> |
| 01.02.2016 | Gorayk, Public Hearing on EIA | |
| 17.12.2015 | Gndevaz, Public Hearing on EIA | <p>At the beginning of 2016, the Company was able to secure USD 325 million for the project. Changes in the project design are reflected in the revised EIA/ESIA presented to Gndevaz community. The main changes are on roads, crushing facilities, and conveyor. The addendum to EIA will be ready in few months; stakeholders can present their questions until Dec. 25, that will be responded in about 10 days. V. Tevosyan presented the main changes and their impact: roads (shortened); conveyor length is shorter as well; there will be 2 crushers instead of 3; the size of the crushing will be 19 (vs12); the location of the plant is changed too; cyanide solution will be of less concentration. D.F. presented changes in the ESIA.</p> <p>Main questions raised: why doesn't the Company respond to articles on negative impacts of mines on the environment; response of the Geoteam to Gndevaz community complaint (letter) was not satisfactory for them.</p> |

Table 7-4: Environmental and social permitting related consultation 2007-2016

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| | | <p>IFC written response on cyanide code and its application also was not satisfactory for the community: it talks about animals, birds, but not people.</p> <p>A.S. suggested to agree on a format of meetings (smaller group, made of Geoteam & Gndevavz community reps).</p> |
| 27.09.2014 | Gorayk, Public Hearing on EIA | All questions raised in Ecolur's article on Amulsar were addressed by different national and international expert present at the hearing. The invited experts presented their studies, provided details, and statistics. The presentations were followed by Q&A where the participants (122) asked questions and were provided with detailed answers. |
| 25.08.2014 | Gndevaz, Public Hearing on EIA | Gndevaz presented different aspects of the EIA and studies conducted; economic gains for the region and country; expected jobs, investment and skills development for local people. Questions raised by the audience were addressed pertaining to HLF location; apricot orchards; cyanide solution & mitigation measures; project risks & experience from other countries. |
| 12.11.2013 | MNP, Jermuk, with Deputy Prime Minister, Jermuk Mayor & Lydian/Geoteam management | Joint trip for an opening ceremony for two social project opening ceremony. |
| 18.09.2013 31.07.2013 | MNP, Yerevan: reps from the Ministry of Economy, Energy & Natural Resources, Urban Development, Lydian and Geoteam management. | Series of 8 Working Group meetings held to discuss potential heap leach facility locations |
| 11.07.2013 | Gndevaz, Public hearing, Geoteam | Disclosure of C-EIA, the suggested new location of the infrastructure; Gndevaz community approved the C-EIA (gold extraction from the ore of the Amulsar gold-bearing quartzite gold mine through heap leaching method). |
| 03.07.2013 | MNP, Yerevan | Establishment of Working Group with Government of Armenia and Geoteam management representatives |
| 09.04.2013 | Gndevaz, Opening of Amulsar Information Center, with regional and local government representatives, Lydian and Geoteam management | Materials provided: Frequently Asked Questions booklet; brochures on Heap Leaching, Cyanide, Environmental and Social Management System, social development projects; posters: HLF, operations, ESIA. |
| July 2012 | Gndevaz | Public Hearing of the EIA on Artavazdes & Tigranes Open Pit & Barren Rock Storage Facility (BRSF) |
| 30. 07. 2012 | Yerevan, Public hearing, MNP, Geoteam | Respond to the stakeholders' questions (conveyed by MNP); MNP approved the EIA on July 31, 2012. |
| 18.04.2012 | Yerevan, Public discussion, MNP, Geoteam | Discuss the EIA; Geoteam recorded issues & questions raised by stakeholders (Sevan preserve committee, NGOs, activists, etc.). |

Table 7-4: Environmental and social permitting related consultation 2007-2016

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| 16.04.2012 | Gorayk, Public Hearing, Geoteam | Present the EIA on the exploration license “Khachakar”. |
| 30.03.2012 | Gorayk, Public Hearing, Geoteam | Present findings & conclusions of the independent experts involved in EIA review on Artavazdes & Tigranes Open Pit & Barren Rock Storage Facility |
| 12.03.2012 | Saravan, Public Hearing, Geoteam | Present EIA on Artavazdes & Tigranes Open Pit & Barren Rock Storage Facility. |
| 22.02.2012 | Yerevan, Public discussion, MNP, Geoteam | Present EIA document for the Artavazdes & Tigranes open pit. |
| 28.11.2011 | Gorayk, Public Hearing, Geoteam | Present program of ore processing operations conceptual design (crushing, conveying, heap leaching & ARD (EIA). |
| 10.10.2011 | Yerevan, MNP | Present EIA on the Programme of Ore to MNP: Processing (crushing, conveying, HL & ARD). |
| April 2011 | Gorayk, Public Hearing | Present EIA on the exploration license “Khachakar” |
| Feb. 2011 | Yerevan, MNP | Submission of Amulsar Open Pit Gold Project Scoping Report |
| 24.03.2010 | Saravan, Public Hearing, Geoteam | Present the EIA report to stakeholders (exploration activities on Saravan license). |
| 05.11.2009 | Yeghegnadzor, Public Hearing, Geoteam | Present the <i>EIA</i> report to stakeholders (Tigranes open pit) |

Formal ESIA consultations

| | | |
|-------------------|--|---|
| 22.07.2015 | <i>ESIA disclosure in Jermuk:</i> Jermuk Mayor, Lydian & Geoteam management | Presentation on the ESIA: IFC & EBRD PSs & ESIA compliance; information on extraction technique supported by computer model of the project; 3 main phases of the project: 2 years of construction period (1300 jobs); an 11-year mining operations (700 jobs); 5-year post closure period. ESIA is available for everybody's review, comments & suggestions. Technical aspects of the ESIA were covered: impact on waters, monitoring activities, biodiversity, cyanide management; visual impact; land take & livelihoods; noise impact; community health effects; cultural heritage. Questions raised: cyanide & how it'll be managed; what is “weak” concentration of cyanide; any assessments on chemical or natural disasters and how they will impact the project & environment; difference between emigrant & local workers (salaries); studies on Jermuk ground waters and how they will be impacted by the Project; Potentilla & its translocation; dust studies & its impact on communities; timeframe for construction & operations. |
| 21.07.2015 | <i>ESIA disclosure in Saravan,</i> Lydian & Geoteam management | David B. from WAI made a presentation on the ESIA: IFC & EBRD PSs & ESIA compliance; Amulsar technical information on extraction technique supported by computer model of the project; 3 main phases of the project: 2 years of construction period (1300 jobs); an 11-year mining operations (700 jobs); 5-year post closure period. ESIA is available for everybody's review, comments & suggestions. Technical aspects of the ESIA were covered: impact on waters, monitoring activities, biodiversity, cyanide management; visual impact; land take & livelihoods; noise impact; community health effects; cultural heritage. Questions were discussed in the area of jobs & their nature (permanent or |

Table 7-4: Environmental and social permitting related consultation 2007-2016

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|-------------------|--|---|
| | | temporary); will workers have official registration during their work with the Company; list of necessary professions & its availability; health insurance for workers; women health care, etc. |
| 21.07.2015 | <i>ESIA disclosure</i> in Gndevaz, Lydian & Geoteam management | Lydian (through David B./ WAI) made a presentation on the ESIA: IFC & EBRD PSs & ESIA compliance; Amulsar technical information on extraction technique supported by computer model of the project; 3 main phases of the project: 2 years of construction period (1300 jobs); an 11-year mining operations (700 jobs); 5-year post closure period. ESIA is available for everybody's review, comments & suggestions. Technical aspects of the ESIA were covered: impact on waters, monitoring activities, biodiversity, cyanide management; visual impact; land take & livelihoods; noise impact; community health effects; cultural heritage. Questions discussed &/or raised: cyanide management & technique; impact on bears was discussed, how about the impact on people; harmful impacts of gold extraction; health of communities; ground water & how they will be impacted; emissions of hydrogen gases; suggestion to meet in a smaller group & discuss technical aspects of the project; land acquisition & compensations, valuation. |
| 20.07.2015 | <i>ESIA disclosure</i> in Yerevan, Lydian & Geoteam management, NGOs | The purpose of the meeting is to present the ESIA, finalized by WAI: studies were conducted by local & international experts & consultants. The EIA was approved on Oct. 17, 2014, that confirms the requirements of the international document (ESIA). PP was then done on ESIA: project will contribute an estimated \$485 m in revenue to the government of Armenia. Project footprint was shown with details on infrastructure. Process of the mine operations was demonstrated on slides through 3D model; permitting process; project phases & jobs in each; alternative analysis; water, landscape, visual impact; potential impacts of mining; community health; biodiversity, cultural heritage, etc. Questions raised: how was the public informed about this meeting; will Gndevaz population be relocated? What studies were done on ground waters and Jermuk springs; will land be acquired from Kechut? All questions were elaborated by Lydian, Geoteam & WAI. |
| 05.06.2015 | Gndevaz, ESIA presentation: CLC, CLO, Social manager, PR, Environmental Manager, other staff | ESIA presentation that complies with international performance standards. Among other shareholders are IFC & EBRD who are kin on PSs. Volume 1 - Non-technical description of the project; Volume 2 - ESIA main reports comprised of 7 sections on PSs, criteria; Volume 3 - Environmental & social management plan; Volume 4 - Appendices to Environmental & social management plan; Volume 5 - Appendices to ESIA (alternatives). ESIA has been compiled by WAI, which is available in English & Armenian in Geoteam website, Yerevan office & AIC. Questions & suggestions can be made in Geoteam website. The audience was encouraged to read the ESIA chapters & pose their questions & suggestions. Questions raised during the meeting: what will happen to other metals during extraction (other than gold); what is the visual impact of the project, will Amulsar have the same view as now? How will the extraction done? We need more development programs, long term & sustainable; jobs are key for youth. |
| 05.06.2015 | Gorayk, ESIA presentation: CLC, CLO, Social manager, PR, | ESIA presentation that complies with international performance standards. Among other shareholders are IFC & EBRD who are kin on PSs. Details were provided on key aspects of the ESIA: Volume 1 - Non-technical description of the project; Volume 2 - ESIA main |

Table 7-4: Environmental and social permitting related consultation 2007-2016

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|------------------------|---|--|
| | Environmental Manager, other staff | reports comprised of 7 sections on PSs, criteria; Volume 3 - Environmental & social management plan; Volume 4 - Appendices to Environmental & social management plan; Volume 5 - Appendices to ESIA (alternatives). ESIA has been compiled by WAI, which is available in English & Armenian in Geoteam website, Yerevan office & AIC. Questions & suggestions can be made in Geoteam website. The audience was encouraged to read the ESIA chapters & pose their questions & suggestions. Questions raised during the meeting: when are the construction works planned to start; we are concerned that there are no jobs yet for us; "just tell me if I should buy tickets to Russia or if I should stay due to jobs with your company". |
| 05.06.2015 | Jermuk, ESIA presentation: CLC, CLO, Social manager, PR, Environmental Manager, other staff | ESIA presentation that complies with international performance standards. Among other shareholders are IFC & EBRD who are kin on PSs. Details were provided on key aspects of the ESIA: Volume 1 - Non-technical description of the project; Volume 2 - ESIA main reports comprised of 7 sections on PSs, criteria; Volume 3 - Environmental & social management plan; Volume 4 - Appendices to Environmental & social management plan; Volume 5 - Appendices to ESIA (alternatives). ESIA has been compiled by WAI, which is available in English & Armenian in Geoteam website, Yerevan office & AIC. Questions & suggestions can be made in Geoteam website. The audience was encouraged to read the ESIA chapters & pose their questions & suggestions. Questions raised during the meeting: any progress on establishing Jermuk Information Center; what are the plans for start of construction works; what is the impact of the Project on Jermuk underground waters; |
| 05.06.2015 | Saravan, ESIA presentation: CLC, CLO, Social manager, PR, Environmental Manager, other staff | Presentation was made on ESIA prepared by local & international experts, as per international performance standards. Among other shareholders are IFC & EBRD who are kin on PSs. Details were provided on key aspects of the ESIA: Volume 1 - Non-technical description of the project; Volume 2 - ESIA main reports comprised of 7 sections on PSs, criteria; Volume 3 - Environmental & social management plan; Volume 4 - Appendices to Environmental & social management plan; Volume 5 - Appendices to ESIA (alternatives). ESIA has been compiled by WAI, which is available in English & Armenian in Geoteam website, Yerevan office & AIC. Questions & suggestions can be made in Geoteam website. The audience was encouraged to read the ESIA chapters & pose their questions & suggestions. Questions raised during the meeting: impact on waters (A.S. provided detailed clarifications on water sampling, findings & participatory monitoring; impact on air & environment. |
| 13.06.2013 | Jermuk, Project meeting, IFC, EBRD, regional and local governments of two marzes, Lydian /Geoteam management, consultants | Project update: potential area for the HLF; current studies; Biodiversity issues; ESIA current status |
| Q4 2011: 28.11.2011 | Jermuk, public consultation, Geoteam & WAI | Present an update on the ESIA ; Summarise the results of the baseline studies completed; information available from the Feasibility Study, such as mine design, operating specifics & timelines. |

Table 7-4: Environmental and social permitting related consultation 2007-2016

| | | |
|--|--|---|
| Q4 2011: 28.11.2011 | Gorayk public consultation, Geoteam & WAI | Update on ESIA progress and preliminary impacts on noise, uranium, visual impact, dust, etc. |
| 13.05.2011 | Public consultation & formal presentations in Gorayk, Gndevaz, Saravan & Jermuk: administrative leaders, 'Ecolur' NGO, WAI & Geoteam | Present the Scoping Study results & the concept of the ESIA , baseline conditions & mine plan. |
| June & July 2010 | informal scoping meetings in Gndevaz, Gorayk, Ughedzor, Saravan, Jermuk, WAI & Geoteam | Introduce the concept of ESIA & discuss socio-economic issues, environmental & social concerns. |
| ESIA Stakeholder Consultations and meetings with NGOs | | |
| May 2013 | Ecolur, Geoteam, media and interested parties at Ecolur hosted press conference | Biodiversity issues around Amulsar |
| April 2013 | Caucasus Nature Fund and Geoteam | Presentation of project and discussion around opportunities for cooperation |
| November 2012 | Armenian Environment Network, Geoteam | Solid waste management education programmes in Armenia |
| August 2012 | Yeghegnadzor, Governor of Vayots Dzor | Project progress & areas of cooperation. |
| June 2012 | Jermuk Development Centre hosted a forum about Amulsar (held in Yerevan) | Geoteam and IFC participated and responded to questions about the Project |
| May 2012 | Geoteam hosted discussion at Marriot Hotel for civil society representatives | Concerns about the projects were raised and responded to |
| March 2012 | Union of Greens and Geoteam Management | Initial meeting to introduce the project and discuss the potential impacts |
| November 2011 | Young Lawyers of Armenia and Geoteam | Initial meeting to introduce the project and discuss the potential impacts |
| October 2011 | Ecolur hosted film screening in Yerevan, with civil society and Geoteam present | Geoteam Environment Manager responded to questions raised by the film on Amulsar (prepared by Ecolur) and other questions from the audience |
| September 2011 | Diaspora Armenia Tree Project (ATP), Geoteam | Partnership opportunities discussed around tree planting, environmental education and awareness |
| May 2011 | Mayor of Jermuk, Ecolur, Jermuk Development Centre and Geoteam | Geoteam responded to questions raised by these groups |
| April 2011 | Yerevan, Ministry of | Presentation on heap leach technology. |

**Table 7-4: Environmental and social permitting related consultation 2007-2016**

| | | |
|----------------------------------|---|--|
| | Energy & Natural resources | |
| December 2010, April 2011 | Jermuk, NGO Ecolur (for April meeting) | Introduce Project and discuss concerns raised by Ecolur (dust, presence of uranium, etc.). |
| October 2010 | Regional office of Environmental Inspection | Present Geoteam and become registered. |

7.5 Key stakeholder issues

Below is a summary of the most common stakeholder issues raised in previous engagements and the responses provided.

All stakeholders are encouraged to submit additional comments and questions.

| Issues | Primary Group of Interested Stakeholders |
|--|---|
| Uranium - Background uranium levels in the area do not pose a risk to human health; tests have shown concentrations are below strictest environmental standards for industrial and residential areas in the world – US EPA: over 2000 soil and rock samples were compared to US EPA. Average concentrations are lower than typical mean values reported for soils across Armenia. | Affected communities |
| Dust – Dust modeling is undertaken as a key element of the environmental and social impact assessment for the Project. Modelling will take into consideration dust generated from controlled blasting; haulage; conveying and deposition activities. The results of all studies will be shared with potentially affected communities through public consultation processes and community feedback will be used to inform detailed project design. Geoteam will apply measures to minimize dust impact: visual barriers, water trucks, enclosed conveyer, and enclosed crushers. | Affected communities |
| Water – Detailed hydrological and hydrogeological investigations have been carried out. There is no flow of surface water or aquifers on or around Amulsar towards the source of mineral water at Jermuk. Amulsar's groundwater flows south; with Jermuk 14 km away to the North from the Amulsar pits. The Amulsar Project has also been designed so that mineral processing facilities are located outside of the Lake Sevan Immediate Impact Zone. | Jermuk and National level stakeholders including NGOs |
| Visual impact – Detailed visual impact assessments are being undertaken as part of the environmental and social impact assessment. Viewpoints within neighbouring communities have been identified to assess the visual impact of the Project. The results of all studies will be shared with potentially affected communities through public consultation processes. To mitigate visual impacts, Geoteam has planted over 4,000 trees and has developed 3 tree nurseries with over 60,000 plants. | Affected communities |
| Noise – Noise studies have been conducted and will be repeated to accommodate changes to project design. The results of all studies will be shared with potentially affected communities through public consultation | Affected communities |



| Issues | Primary Group of Interested Stakeholders |
|---|--|
| processes and community feedback will be used to inform detailed project design. | |
| Biodiversity – Extensive flora and fauna studies have been undertaken by the Project, using Armenian and international biodiversity experts. A detailed assessment of the potential impacts to biodiversity and mitigation measures put in place to minimise these impacts is described in the environmental and social impact assessment. | National level stakeholders including NGOs |
| Seismicity - The most recent earthquake within 100 km of the site was in 2008. The closest fault to the site is between 10 -13 km from the mine infrastructure. Seismic concern is usually focused on the Heap Leach and Barren Rock Storage Facility. Both have been designed to withstand 6.3 -6.5 magnitude events. | National level stakeholders |
| Cyanide management - Lydian/Geoteam will be signatory to the International Cyanide Management Code. The heap leach pad and ponds have been designed to have zero discharge. | National level stakeholders, Gndevaz |
| Lake Spandaryan and Lake Kechut - None of the Project facilities will be located in the Lake Sevan immediate impact zone. | National level stakeholders |
| Arpa River - thorough explanation of the mine, including the use and management of cyanide at the heap leach site upstream of the fish farm | Downstream Users |
| Use of local resources as suppliers for the mine - Geoteam supported the establishment of a sawing shop in the village, which is operational now, employing six local persons and run by a local person: they provide sampling bags for the Amulsar project. Geoteam established two tree nurseries that are employing 12 local persons, most of them are women. Geoteam may commence a local training programme in 2016 to prepare local residents to improve their skills for construction and operations, as well as supporting the development of Small and Medium Enterprises (SMEs) around linkages mining activities. | Affected communities and broad area of influence |
| Impact on tourism in Jermuk – The Amulsar project is 14 km away from Jermuk. A full set of visual impacts mitigation measures are being developed. It is unlikely that dust, blasting or noise affect Jermuk. Geoteam are sensitive to potential impacts on tourism, but believe that mining and tourism can be complementary as long as all environmental and social impacts are sufficiently mitigated. | Jermuk |
| Land use in Gndevaz – land owners in Gndevaz are concerned about the sale of private lands, currently used as fruit orchards or agricultural land. Geoteam has held meetings in Gndevaz, Gorayk and Saravan in 2013, 2014 and 2015 to discuss land use and land acquisition with farmers, village Mayors and other community members explaining the general approaches for land issues (compensation, livelihood restoration plan, herders). | Gndevaz |
| Formal Complaints: Livelihoods, environmental contamination, employee healthcare, inadequate project information, insufficient community engagement | |
| In April 2014 a complaint went to CAO responsible by two residents of Gndevaz and Jermuk villages with support from nine NGOs with regard to IFC's investment in Lydian International: the complainants claim that the cattle do not eat the local feed; agricultural produce is hard to sell, cyanide leaching being 2 km away from the village that will have “lethal” effect on the people of Gndevaz. | Gndevaz |

| Issues | Primary Group of Interested Stakeholders |
|--|--|
| In July 2014, CAO received a second complaint, submitted by 147 local residents of Gndevaz raising concerns about project impacts on livelihoods, the environment and on community health. The complaint alleges lack of adequate project information, including information about land acquisition and resettlement plans; potential environmental contamination from the project's cyanide leaching system; dust pollution affecting fields, livestock and farmland; employee healthcare; and insufficient community engagement. | Gndevaz |

7.6 Commitments from the Impact Assessment

Various social and environmental commitments have been developed as part of the ESIA to manage and minimise potentially significant adverse effects to acceptable levels and to enhance Project benefits.

The ESIA is accompanied by a Commitments Register (CR) as an internal document which lists in one place all of the actions that need to be undertaken by the Project with respect to environmental and social issues. For the purpose of implementing community development activities, a number of commitments are listed below, which reflect relatively standard good practice management measures, already included or to be included in the various social plans, biodiversity plans and environmental management plans per the ESMS. Key commitments from Lydian pertaining to the SEP are listed below:

- ✓ Effective communication strategies to manage expectations and perceived impacts from the project will be important to address at the local level with stakeholders.
- ✓ Effective communication programmes with the local community on the use, handling and risks of cyanide will be implemented during construction and operation.
- ✓ Promote improved community cohesion in the PACs so that self-regulation of potential social ills is promoted. These can include promotion of healthy lifestyle activities or sporting events, etc.
- ✓ Effective communication strategies will be developed on the role and responsibility of the Project in supporting health-care service delivery in the area.
- ✓ The widely disclosed and effectively managed grievance mechanism will be maintained for communities to register complaints or contribute information important in the event of any strain on resources.
- ✓ Continued consultation will take place with the nominated CLC groups, which will be used as a formal procedure for soliciting information on unanticipated indirect impacts from influx and accommodation.
- ✓ Lydian will provide assistance to village administrators to plan for population growth in their communities, including considerations of potential impacts to services.
- ✓ All jobs will be advertised at the Amulsar Information Centre (AIC) in Gndevaz and in Jermuk for at least two weeks prior to closing dates.

- ✓ The project already has a participatory water-monitoring programme in place and this will be continued, with participation from Gndevaz and herder representatives to the extent that they are available.
- ✓ Further focus-group meetings will be held in Gndevaz during the construction phase to review i) cyanide management, ii) water management, iii) seasonal herders activities, and iv) ecosystem services available, in particular to review implications for livelihood and wellbeing.
- ✓ Lydian/Geoteam will organize meetings and workshops as needed to explain the construction activities and schedule from April 2016 until mid 2018 in the Gndevaz AIC and the municipality of each village (Jermuk, Saravan and Gorayk) as well as in Yerevan.
- ✓ Noisy construction activities will be scheduled so that when new activities commence, local communities have been made aware of the activity in advance, through existing stakeholder engagement mechanisms. In particular information will be provided in advance to nearby residents on the timing and frequency of planned blasting.
- ✓ Training will be provided for local communities to increase their skills. Training is being designed to target operations roles, as these provide a longer-term opportunity than the short-term construction roles.

8 STAKEHOLDER ENGAGEMENT PROGRAMME: FUTURE PLANS & METHODS

Continuous stakeholder engagement in the future will take place regularly during the next phases of the project, namely:

- ✓ EIA public hearings, meetings and consultations;
- ✓ ESIA disclosure;
- ✓ Permits required to build and operate the Project;
- ✓ Specific consultation required per international standards;
- ✓ Construction;
- ✓ Operations; and
- ✓ Decommissioning and Closure.

In parallel Geoteam has developed a detailed plan for implementation in 2015, 2016 and 2017 to engage with a range of broad stakeholders such as:

- ✓ Government of Armenia: Prime Minister; Ministry of Economy; Ministry of Energy and Natural Resources; Ministry of Nature Protection; Ministry of Territorial Administration; Ministry of Urban Development
- ✓ Armenian Diaspora
- ✓ Multi-national and international organizations (i.e., United Nations, World Bank Group, EBRD, European Union, ADB, bilateral donors, etc.);

- ✓ Non-commercial, non-governmental and public organisations at all levels, including community-based organisations or interest groups (i.e. NGOs, labour, youth, businesses, environmental, etc.);
- ✓ Commercial organizations, local entrepreneurs and business associations;
- ✓ Project employees and contractors; and
- ✓ Media.

8.1 Methods of engagement

This section briefly outlines the main methods of engagement that will be used in each phase of the project. These methods have been used during Project development and future engagement processes are based on the successful engagement techniques used in the past. All the methods described in section 7.3 will keep on being implemented throughout the life of the Project.

ESIA Consultations

ESIA Consultations are coordinated by Geoteam and its consultants to present and discuss/receive feedback about the environmental and social impact assessment to interested stakeholders. This is described in greater detail in section 8.2.

Additional public hearings required per Armenian regulations are anticipated to be required for the EIA and construction permits needed in 2016.

Currently it is planned that the final ESIA will be published on the Lydian and Geoteam websites by mid May 2016. Non-technical, summary "factsheets" will follow in parallel to better explain the main issues coming from the ESIA mitigation measures. In addition, introduction meeting is planned for ESIA on May 18, 2016 to include representatives from all communities, present final changes of the project design.

In the second and third quarter of 2016 there will be public consultation events in the four local communities and in Yerevan with NGOs, CSOs and respective government authorities:

- ✓ First information meetings in Gndevaz, Saravan, Goryak and Jermuk for ESIA disclosure availability;
- ✓ Post Disclosure ESIA Roundtable in Yerevan organized with NGOs;
- ✓ Information meeting on ESIA in Yerevan with local representatives of IFIs, Embassies, International Organizations and business partners;
- ✓ Focus-group discussions will be arranged in the Project area and in Yerevan on specific issues as
- ✓ deemed necessary.
- ✓ Post ESIA Disclosure Consultation Meeting in Gndevaz, Saravan, Goryak and Jermuk; and
- ✓ Additional ESIA disclosure and information meetings as required.

A number of events took place in 2015 during the disclosure period of the previous version ESIA.



Project Information Meetings and Technical Workshops

Project information meetings are the most common method of engagement. Such meetings include the regular meetings that have been taking place since 2011 between Geoteam staff and Armenian authorities, as well with communities on different topics such as land use, EIA disclosure, ESIA process and preparation, pre-baseline survey meetings; and meetings with IFC/EBRD reps with communities (CLC and wider population) during the IFC/EBRD annual visits, etc.

Geoteam recognizes that many topics related to mining and the management of environmental and social impact may be new to PAPs and other stakeholders. To address this, the company invites any stakeholder to present requests for technical workshops or seminars. Such workshops will be developed as needed. If required, Geoteam will invite relevant national and international consultants to participate in technical workshops.

Geoteam will present a summary of anticipated environmental and social impacts and the proposed mitigation measures of the ESIA during the first quarter of 2016. In parallel Geoteam will present the ESIA Non-Technical Executive Summary (NTS). These consultation meetings will be organised by Geoteam at various locations around the project site. The current version of the ESIA in Armenian and English, including the NTS will be available for public review at least 14 days prior to the first consultation meeting. The summary will be accompanied by a pro forma inviting stakeholders to comment on the draft documents by the given deadline, likely 30 April 2016.

These will be led by Geoteam with the support of WAI as the independent international consultant completing the ESIA. The events will take place as a series of meetings in nearby communities of Gorayk, Saravan, Gndevaz, Kechut and Jermuk, as well as in Yerevan.

Technical workshops and focus group meetings will be organized and facilitated by Geoteam, with the participation of CLO, Social Manager, and invited experts (for example, on land acquisition, livelihood restoration, biodiversity and cyanide & water management). These meetings are directed to those that are relevant for a given meeting and its purpose: for example, several meetings were being held during 2015 in Gndevaz with landowners, to talk about the land acquisition process; sharing maps indicating affected land plots. Likewise, meetings have been held with affected herders in Gndevaz and Xndzoresk, in cooperation with and participation of respective Mayors, to consult with them about the land /pasture use during the upcoming 2-3 years, suggested alternate areas and crossings over the conveyor to mitigate the restricted areas around the Conveyor.

It is anticipated that several focus-group meetings to explain sensitive issues around impact and mitigation (cyanide and water management, biodiversity, noise-dust-vibration, visual and ecosystems services) will be organized after the public disclosure of the ESIA.

The summary and pro forma will also be produced as flyers and posted to principal stakeholders in the project area, together with individual invitations to the consultation event for other key stakeholders, such as NGOs, media, company suppliers and partner organizations from outside the project area, and Ministerial Department representatives. This will be achieved through the Geoteam website; Gndevaz AIC and postal deliveries direct to key stakeholders.

Geoteam also recognises that some stakeholders will have different engagement requirements, e.g., herders. To ensure effective engagement with the groups, engagement approaches will be modified, including visiting herding areas as required. On land acquisition, besides general consultations with affected land owners and village administration, Geoteam will have individual consultations with each landowner prior signing of sale Agreements. The 2015 engagement plan for the herders following the ongoing land acquisition is provided in Appendix 2.

8.2 Engagement after the ESIA Disclosure Process

Engagement after the ESIA disclosure process will continue through the second half of 2016 and in 2017.

The AIC will continue serving as a cornerstone in the stakeholder engagement and disclosure process that provides easy access to updated information for residents in potentially affected communities.

In addition to continuing consultation by the Geoteam CLO, LCAs and Social Development Manager, the ESIA stakeholder engagement programme includes a number of formal stakeholder engagement events. This will include one public consultation in each community (four consultations); at least one meeting with local NGOs; and information meetings with respective government officials and bodies.

Disclosure of ESIA information is part of the process of identification of impacts and risks. As the Project is expected to create ongoing impacts and risks which will be properly mitigated and managed as explained in the impact assessment, Geoteam will continue to provide information during the life of the Project. Landowners and affected individuals such as herders will be invited to those meetings.

The final ESIA will be made available in Armenian and English on the Geoteam and Lydian websites as well as at the AIC. Comments will be collected by e-mail or through the offices and staff in Yerevan and Gndevaz.

The CLO will also disseminate the planned programme for ongoing consultation meetings during the construction phase in the project-affected communities via the established AIC,

CLC, and LCAs and the Community Newsletter. All identified stakeholders will be targeted, including seasonal herders. Advertisements for the consultation events will be provided in Armenian and placed in an appropriate venue in each community (such as the municipality buildings). They will also be accessible online at the Geoteam website (in Armenian and English).

In addition to the events described above, the following on-going methods will be continued throughout the ESIA process:

- ✓ Grievance mechanism;
- ✓ Corporate Geoteam and Lydian Website;
- ✓ Amsular Information Center;
- ✓ Message Boards; and
- ✓ Media Advertisements and Press Releases.

8.3 Engagement during Construction and Operations

Engagement during the construction and operation process aims to maintain links with all stakeholders to ensure that impact mitigation is being implemented as planned. During this period stakeholder engagement will also be conducted to inform, and seek feedback from communities on social and environmental progress of the project, address questions, etc., as done during CLC and other community meetings and as summarized in SEP objectives. The frequency of stakeholder engagement will be maintained or increased as the project transitions from construction to operations. It is envisioned that during the construction phase the stakeholder engagement activities will be expanded to address specific issues such as local labour recruitment and training opportunities. Key methods such as the maintenance of the grievance mechanism will be used to identify and solve any impacts or problems that were not foreseen by the ESIA and associated management planning process.

Project Information Meetings and Technical Workshops will take place during the construction period. In addition to monthly CLC meetings, as part of its planned and ongoing stakeholder engagement, Geoteam will organize regular meetings (and workshops as needed) to explain the construction activities and schedule from mid 2016 until early 2018 in Q1/2 of 2016 in the Gndevaz AIC and municipality regarding with the participation of Geoteam Managing Director, CLO, Permitting and Sustainability Manager, Social Development Manager, and local and international consultants.

The preparation of the final Contractor Management Framework (CMF) consistent with the ESMP commitments will follow-through on requiring adequate stakeholder engagement by all contractors, in particular through consultation with local stakeholders before initiating important activities (with the involvement of Geoteam staff).

Throughout the construction and operations phase of Amulsar, the company intends to

develop the following through its recruitment and training practices:

- ✓ The Company will give preference to the employment of citizens of the Republic of Armenia as much as possible, including preparing a detailed training program for construction and operations with a view to ensuring the development of suitable and qualified Armenian personnel over time at all levels;
- ✓ Improvement of local skills through training in order to maximize local employment and facilitate economic development initiatives that benefit both Amulsar and the local community;
- ✓ Development and dissemination of international best practices to the company and contractor workforces: this refers to working conditions, health and safety and overall management practices;
- ✓ Investment in local businesses, mainly Small and Medium Enterprises (SMEs) to upgrade their ability and increase the amount of goods and services sourced from local communities around the mine; and
- ✓ Use of Local Goods and Services as the Company plans to develop a “Supply Chain & Logistics Local Business Initiative Program” in order to provide opportunities for local Armenian business participation with the Company’s endeavours.

The SEP will be updated periodically and in accordance with major project changes to reflect engagement activities that may be required during the life of the project.

Key methods of engagement for construction and operations will include: CLC monthly meetings; annual updates on progress with the actions items outlined in the Amulsar Environmental and Social Management Plan; information meetings in Gndevaz AIC and other communities; Geoteam website; message boards and media advertisements and press releases.

8.4 Specific consultation required per international standards

Biodiversity-related consultation should take place with Project Affected Communities to review proposed actions for sustaining priority ecosystem services.

Consultation is also needed with herders in Jermuk National Park regarding their potential involvement in conservation management actions for natural vegetation, bear and other natural habitat offset features. Initial engagement took place in 2014 and 2015 during the preparation of the biodiversity offset planning. Engagement is needed to discuss payments for ecosystem services or other alternative livelihood interventions to allow them to reduce livestock numbers without losing income.

Finally, active engagement is needed with government and other national level stakeholders regarding proposed Jermuk National Park and Offsets. It will take place during 2016

8.5 Engagement during Decommissioning and Closure

The objective of stakeholder engagement during the decommissioning and closure phase is to ensure stakeholders are well informed about closure plans in order to reduce the impacts related to closure, especially any social or environmental legacy issues. No specific details of the frequency and schedule are possible now, but such details would be added during the periodic revision of the SEP and when the decommissioning schedule is set.

Well in advance of project closure, several workshops will be held with the Community Liaison Committees to discuss:

- ✓ End land uses;
- ✓ Environmental and ecological rehabilitation;
- ✓ Retrenchment and compensation strategies; and
- ✓ Alternative income generation strategies.

General community meetings will be held at least two years before the decommissioning of operations to present the closure plan. Comments and suggestions from the stakeholders will be heard and where possible included in the final Closure Plan.

The final Closure Plan will be presented to the MNP and MENR two years prior to the actual closure as mentioned in the paragraph above. The expertise will require several Public Hearings before approvals.

8.6 Independent Advisory Panel

Lydian recognises the importance of earning and maintaining stakeholder confidence. In order to provide independent input to, and scrutiny of, the operations at Amulsar, the company intends to appoint an independent advisory panel consisting of a mixture of Armenian and international experts. Its objective will be to support the implementation of international best practice standards in Armenia; to provide independent and authoritative advice on social development, biodiversity conservation and risk management; and to monitor the company's planned stakeholder engagement activities. The panel will provide periodic advice on the full range of sustainability issues, including environmental, social, human rights and governance topics, to the Lydian senior management. The panel will enjoy direct and timely access to Lydian's Chief Executive Officer. It will be able to comment on issues that it sees as important or on which it is asked for advice by the company and may also choose to respond to requests from third parties. Its terms of reference, detailed reporting arrangements and support arrangements will be discussed and agreed with its Chair and members and they will be published. The panel will meet at least 3 times per year.

8.7 Community Participatory Monitoring

Participatory monitoring is a collaborative process of collecting and analyzing data and communicating the results to interested and affected stakeholders in an attempt to build

confidence and identify and solve problems together. It includes a variety of people in all stages of the monitoring process and incorporates methods and indicators meaningful to the appropriate stakeholders. Traditionally, a company like Lydian/Geoteam and Armenian regulatory agencies will initiate and undertake monitoring. Participatory monitoring requires changing the dynamic so that a wider range of stakeholders assume responsibility for these tasks and learn, scrutinise and benefit from the results. Participatory monitoring is not only scientific, but also social, political, and cultural. It requires openness, a willingness to listen to different points of view, a recognition of the knowledge and role of different participants, the ability to give credit where credit is due and, in some circumstances capacity building so as to enable groups to maximise the effectiveness of their participation.

As publicly announced in Yerevan in March 2014, Geoteam commits to have community water monitoring which involves gathering rigorous, scientific samples, data and information about water quality and quantity. Participatory water monitoring strives to not only generate credible data and information, but also to build trust and help resolve or avoid conflict surrounding perceived or actual impacts.

9 SOCIAL INVESTMENT AND STAKEHOLDER ENGAGEMENT

Lydian has developed a new Social Investment Strategy at the end of 2015. The Company is committed to investing in social development programs for the affected communities across the life of the Project. Social programs seek to minimize, mitigate and compensate any adverse social impacts generated by its activities, and to enhance beneficial social impacts where possible and in accordance with internationally recognized business best practice. Specific measures have been identified through the ESIA and parallel studies (e.g., the livelihood restoration plan) to manage and address adverse impacts and the budget for these activities is managed external to the social investment strategy. The social investment programs which are the topic of this summary focus on those programs which are designed to enhance beneficial social impacts.

Investment in social programs needs to be strategic in order to deliver a valuable business proposition. Strategic investment is that which meets the following criteria (note, not all programs will meet all criteria, but all should meet at least one):

- Build upon core competencies held by the Company (eg, earthmoving or technical training);
- Address key development challenges in affected communities that are consistent with Company Social Strategy and Community Development areas;
- Promote development (economic and social) in affected communities which will in turn reduce dependency upon the Project;

- Increase capacity within affected communities to allow for stronger, more balanced partnerships between the Project and its affected communities; and
- Enhance the company's reputation in affected communities.

Improving the strength and resilience of affected communities will deliver considerable business benefits to the Project.

The focus areas for investment are identified through a two- step process:

- Identification of community needs: community involvement in identifying development needs has taken place as part of ESIA consultation and social baseline data collection. This is an on-going process which is primarily managed through Community Liaison Committee (CLC), local government and community at large engagement; and
- Mapping of community needs against business needs and priorities: for example, social programs which support the improvement of agricultural livelihoods will in turn reduce dependency on the mine for employment and will contribute to the maintenance of a diversified local economy, which will contribute to a more stable and secure operating environment for the Project.

Using this analysis, projects proposed by the community and by the Company are reviewed to ensure that they are realistic in terms of timing, availability of funds, and preparedness of respective communities. Beneficiaries (and/or village administration) are expected to contribute to the social programs they will receive, either through cash, labour or other in-kind contributions. The Table 8.1 summarizes the main areas of involvement and illustrative programs during the construction period.

| Areas of involvement | Illustrative types of programs | Contribution to Amulsar Project |
|----------------------------|--|---|
| Improved rural environment | <p>Rural/social infrastructure aimed to raise living standards, improve lifestyle and conditions for given area.</p> <p>Longer term improvements in traditional livelihood areas: pasture management and control improved infrastructure for livestock</p> | Improved rural livelihoods will a) reduce the risk of a loss of traditional lifestyles (an impact identified in ESIA) and b) maintain and build a diversified economy in the affected areas. |
| Local capacity building | <p>Capacity building & technical assistance (TA) in agriculture & related areas as key sectors to sustain & improve traditional livelihoods as a source of income and wellbeing.</p> <p>Support for the establishment of local organisations (e.g. Cooperatives, Associations, etc.)</p> <p>Provision of technical assistance to support</p> | <p>Improved rural livelihoods will a) reduce the risk of a loss of traditional lifestyles (an impact identified in ESIA) and b) maintain and build a diversified economy in the affected areas.</p> <p>The development of local organisations will facilitate engagement between the Company and the communities.</p> <p>SMEs may be capable of becoming suppliers to</p> |

| | | |
|-------------------------|--|---|
| | development of small & medium size businesses (SMEs) Skills training and vocational learning related to agriculture and livestock and other topics as agreed | the Project, potentially reducing Project operating costs. |
| Economic development | Livestock development, cattle breeding to improve farming practices, enhance knowledge on animal health, nutrition, etc., aimed at increased milk production and improved genetics. Tourism development: illustrative examples include supporting redevelopment of Jermuk town park; improving basic hotel services (English & computer language skills, etc.). | Contributing to economic growth in the affected communities will assist in the management of localized inflation and minimize the potential impact of Dutch Disease. |
| Education and awareness | Awareness Campaigns: healthy life style, waste management, etc. Education Support: support for local students in technical education fields; and supporting school level education more generally. | Improved health in local communities will improve health of workforce etc. Improved educational attainment amongst local schools will improve opportunities for local recruitment during operations. |

Social investment programs will be implemented with partners where possible. Effective partnerships have already demonstrated many advantages, namely:

- risk sharing;
- ability to leverage expertise, skills and resources;
- scalability and continuous presence;
- extended reach and added value;
- enhanced likelihood of successful outcomes; and
- increased sustainability.

10 GRIEVANCE MECHANISM

The grievance mechanism is a formal procedure through which communities and individuals affected by Geoteam's activities can formally communicate their specific concerns and grievances to the company and facilitate resolutions that are mutually acceptable by the parties and within a reasonable timeframe. The grievance procedure may be used by anyone without any concern or fear of retribution.

All stakeholders are encouraged to submit written grievances to the CLO, LCAs or leave their grievances in Grievance Boxes in the four communities, located in public areas close to local government offices, or other public sites accessible and visible to population. Where contractors do not have their own grievance mechanism, the Geoteam grievance mechanism will be used by those Contractors.

The Grievance mechanism is elaborated and posted on the Geoteam website in Armenian and English, allowing anyone to convey their grievance on-line; and was communicated with

communities through the Geoteam Community Newsletter published in March-April 2013 and through discussions in the CLCs. The mechanism provides details on timing for grievances starting from filing the grievance, to then taking actions by the Company within certain time period. The CLO handles the grievances with the help of the four local Assistants; and Social Manager who then logs all grievances (and other requests collected from the Grievance boxes from 4 communities) in the social management system which forms part of the ESMS. CLO, Social Development manager or respective head of a department (responsible for the given area, for example, health and safety), follow on the grievances with or without the contractors (as applicable) and take respective actions,

Printed hard copies of the Grievance Mechanism are available in the AIC for people's use; and the four LCAs have been guided to properly collect grievances from community members.

Stakeholders outside the area of influence can obtain knowledge of and access to the grievance mechanism from Geoteam website; Gndevaz AIC, as well request information from CLO or other Geoteam staff.

All formal grievances will receive a formal written reply within ten (10) working days. In all cases the Company will state the date of the resolution. The final response will provide additional information or, if appropriate, further instructions on proposed measures to resolve the issues. The company will make concerted efforts to resolve grievances amicably; yet, if a grievance cannot be resolved, Geoteam will seek to involve other external experts, neutral parties or local and regional authorities, as necessary.

Written grievances may be submitted with the form on the following page or by including the following information in a letter or e-mail:

- ✓ Name;
- ✓ Organisation and position, if relevant;
- ✓ Address;
- ✓ Telephone/Fax and e-mail;
- ✓ Most effective means to send a response; and
- ✓ Details of the grievance (any important details; date of the incident, location, etc.)

Geoteam – Grievance Submission Form

| | | | |
|--|----------------|--|--|
| Name | | | |
| Organisation/Position | | | |
| Address: | Telephone/Fax: | | |
| | E-mail: | | |
| Most effective means to send a response: | | | |

| |
|---|
| Details of the grievance (any important details; date of incident, location, etc.): |
|---|

To date, roughly a total of 105 entries have been registered in the SEP log (for period 2011 – December 20154): this number is based on actual notes (hard copies, written by stakeholders). Approximately 30% of these submissions are thank you notes and requests for social projects; 35% are personal requests; 20% are requests for job opportunities; and the rest are general questions about health or environmental impacts of the project.

In addition, in 2015 alone, the Grievance log registered roughly 20-21 entries, of which 85% (19 notes/letters) requested financial support to address family/individual health conditions: all but 3-4 requests were satisfied through “Healthy communities foundation.” One of the entries was a group letter/complain by a group of Gndevaz residents, who raised their concerns on environmental impacts of the Project. In 2015 only one entry was around land acquisition, whereby the landowners were negotiating over a higher price for compensation. Additional formal meetings were held with land acquisition management and landowners, resulting in positive outcome.

The Land Access and Livelihood Restoration Plan – LALRP, section 8.3 elaborates on grievance during the land acquisition.

The Grievance management system is guided by the following principles:

- ✓ Accessible and easy to use;
- ✓ Transparent and accountable;
- ✓ Warrant appropriate protection to complainants through a commitment to keeping grievances confidential.

Geoteam will apply the following principles in respect of grievance management and redress in the context of the Amulsar project:

- ✓ Any grievance will be registered, acknowledged receipt of within 7 calendar days of its receipt, responded to within 30 calendar days of its receipt, and tracked until it is closed;
- ✓ The grievance management arrangement will include two tiers of extra-judicial, amicable review and settlement, with the first one internal to the implementing agency, and the second one either fully external or as a minimum with involvement of external parties; the third tier of the mechanism is the judicial system;
- ✓ The overall objective is to avoid resorting to the formal judicial system for as many grievances as possible.

Anticipated Categories of Grievances

In practice, grievances and disputes that may be anticipated for the Amulsar land acquisition programme are the following:

- ✓ Misidentification of properties (allocation of a property to the wrong owner due to wrong cadastral information and/or deliberately misleading statements);
- ✓ Disputes over plot limits, between affected person and Project or between two neighbours;
- ✓ Disputes over the ownership of a given property (two or more individuals claim to be the owner of this property);
- ✓ Disagreement over the valuation (either unit rate applied or count) of a plot, crop or structure;
- ✓ Post cut-off establishment of a plantation, structure or other asset, whether deliberate (opportunistic occupation in anticipation of compensation) or not;
- ✓ Absentee landowners;
- ✓ Confusion between legal occupants and informal occupants;
- ✓ Forged documents (identification, ownership or others);
- ✓ Deceased estates and unresolved successions, divorces, and other family issues, resulting in disputes between heirs or shareholders in the disputed property, particularly when such occur after identification and before payment;
- ✓ Damages occurring during construction;
- ✓ Unsatisfactory reinstatement of temporarily used land.

11 MONITORING AND EVALUATION

The stakeholder engagement activities will be periodically evaluated by the senior management of Geoteam and Lydian, assisted by the social development team (Social Development Manager, CLO and LCAs). The following indicators will be used for evaluation:

- ✓ Level of understanding of the project by stakeholders as determined through random surveys conducted in the affected communities on a bi-annual basis using a short questionnaire;
- ✓ Monthly review of grievances received and how they have been addressed, including analysis of the time taken to resolve the grievances; number of grievances resolved to the satisfaction of the original party; categorisation in themes of complaints identifying areas for improvements. This will include grievances submitted directly to Geoteam and also those submitted to contractors; and
- ✓ Level of involvement of affected people in committees and joint activities and in the project itself.

In order to measure these indicators the following data will be used:

- ✓ Issues and management responses linked to minutes of meetings;
- ✓ Feedback from primary stakeholder groups (through interviews with sample of affected people); and

- ✓ Grievance registers from Geoteam and contractors.

These evaluation reports will be presented to Lydian (and Geoteam) Board of Directors on a quarterly basis. A summary of the results will be provided for the annual report.

A three-yearly evaluation will be conducted by an external consultant using a perception survey, which uses the same set of questions over time to achieve continuity. Analysis of the survey will be presented to the Geoteam management. The first survey will be conducted during the exploration period to provide a baseline for community perceptions.

It is expected that the first external evaluation will take place in mid 2016.

The Social Development Manager will ensure continued updates of the stakeholder data base, and keep track of the grievance data base; update the 'social' sections of the annual Lydian reports for shareholders and investors.

Finally, the Project is currently considering the establishment of a “Stakeholder Advisory Board’ to provide guidance on improving relationships with all stakeholders. More details will be provided as the Project Implementation Plan develops in the first half of 2015. Additional attention must be given to international advocacy groups who may have potential to influence the Project.

12 STAFFING, RESPONSIBILITIES AND CONTACT DETAILS

The team in charge of stakeholder engagement is accountable to the Chief Executive Officer (CEO) of Lydian and ultimately to the Board of Directors. The collective responsibility on stakeholder relations is currently managed by a team comprised of Lydian Executive Vice President,: Geoteam Managing Director: Hayk Haloyan, Sustainability and Permitting Senior Manager: Armen Stepanyan, Social Development Manager: Nara Ghazarian, supported by Public Relations Manager: Anna Saghabyan, the CLO: Aram Parunakyan, who conducts the CLC meetings; the LCAs: Anna Agajanyan and Lilit Mkrtchyan in Gorayk, Zara Gevorgyan in Saravan, Lilit Mkrtchyan and Satenik Vardazaryan in Gndevaz.

Additional staff resources will be hired to address potential grievances during the land acquisition and construction phases.

Geoteam local community assistants are based in the villages of Gorayk and Saravan (since 2011), and in Gndevaz (since March 2013). These staff members serve as local liaisons and local resource with the following key functions:

- ✓ Support the CLO engage with the larger community: organize public events and meetings, disseminate monthly Newsletters and other public information;

- ✓ Collect feedback from community members (concerns, issues, questions), register them and convey to Geoteam CLO and Social Manager;
- ✓ Draft articles or stories from community members for use in Newsletters or public sites;
- ✓ Work closely with CLC group and Geoteam partner organizations to track progress of social programs, attend and monitor project activities;
- ✓ Participate in different surveys: training, data collection and data capture.

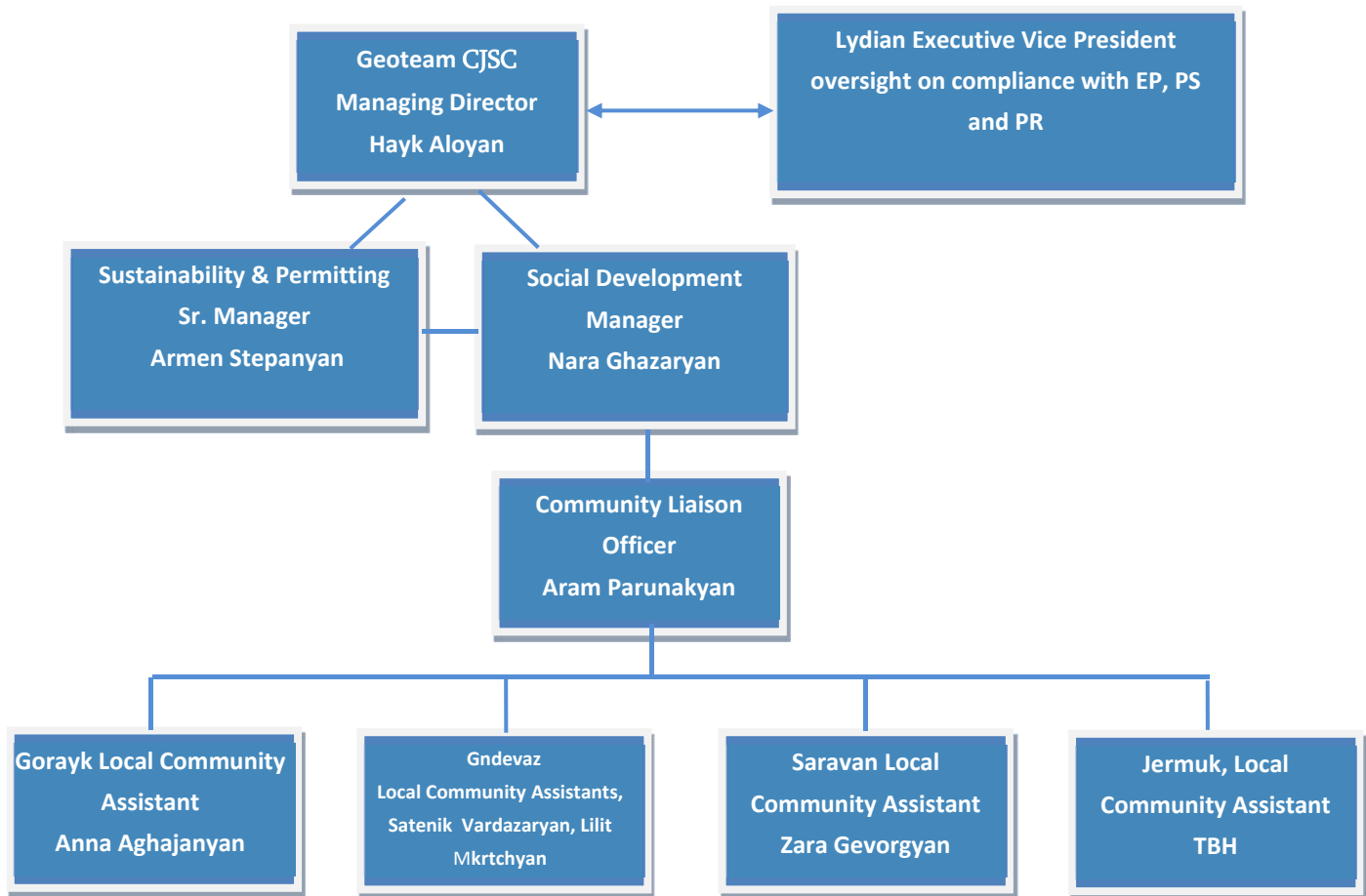


Figure 12-1: Overview of Staffing and Responsibilities in 2016

Within the SEP, the CLO's main functions include the following:

- ✓ Stakeholder engagement & interaction with affected communities (CLC, information meetings, public hearings, etc.)
- ✓ Outreach and communication - assist organizing and administering surveys and studies: questionnaire, data collection and capture, field work coordination
- ✓ oversee performance of local Social Assistants and the operations of Gndevaz AIC;
- ✓ work with village Mayors to promote project-related information provision, collection of data (for example, on vulnerable groups or lands);
- ✓ oversee community development programs implemented in communities.

Social manager's functions within the SEP include:

- ✓ Lead design, management, implementation & evaluation efforts for Community Development Projects;
- ✓ Monitor project implementation (assessments, evaluations, CDPs, etc.) through site visits, regular meetings with stakeholders; as needed, make adjustments to program/evaluation scopes to improve performance, establish a timeline for program evaluation;
- ✓ Track, update the stakeholder data base, the grievance data base, follow up actions;
- ✓ Prepare newsletters and other materials for community disclosure.

Any suggestions related to Geoteam's activities, as well as grievances, can be sent to:

Address: Hanrapetutyan 37, 4th floor
Yerevan, 0010, Armenia

Tel: + 374 10 58 60 37

Fax: + 374 10 54 60 37

Email: info@geoteam.am

Contact person: Aram Parunakyan, Community Liaison Officer

Stakeholders are invited to review and provide feedback on this SEP, available in Armenian. All comments and questions can be sent to the contacts detailed in the Table 12-1 below.

| Table 12-1: Contact Details | |
|--|--|
| Name, position | Contacts |
| Lydian Executive Vice President, Sustainability and Governance | to be appointed |
| Armen Stepanyan, Sustainability and Permitting Sr. Manager | armen@lydianinternational.co.uk |
| Nara Ghazarian, Social Development Manager | nara@lydianinternational.co.uk |
| Anna Saghabalyan, Public Relations Manager | Anna.saghabalyan@lydianinternational.co.uk |
| Aram Parunakyan, Community Liaison Officer (CLO) | Aram.parunakyan@lydianinternational.co.uk |
| Anna Agajanyan, Gorayk, Local Community Assistant (LCA) | AnnaAghajanyan91@mail.ru |
| Lilit Mkrtchyan, Gorayk, LCA | Lalyok90@mail.ru |
| Zara Gevorgyan, Saravan, LCA | Zaragev.85@mail.ru |
| Lilit Mkrtchyan, Gndevaz, LCA | m.2013@inbox.ru |
| Satenik Vardazaryan, Gndevaz, LCA | satenik.vardazaryan@mail.ru |
| Garegin Karapetyan, Saravan, Local Environmental Assistant (LEA) | garik.karapetyan.1989@bk.ru |
| Garik Yeghyan, Gndevaz, LEA | gexiyan@mail.ru |

APPENDIX 1 KEY STAKEHOLDER ENGAGEMENT REQUIREMENTS IN INTERNATIONAL STANDARDS

The key requirements related to stakeholder engagement from IFC Performance Standard 1 are summarised below:

Identify affected communities and other stakeholders that may be interested in a Project and consider how to facilitate a dialog with all stakeholders;

- ✓ Development of a SEP, including measures for the effective participation of stakeholders identified as disadvantaged or vulnerable.

Disclosure of Information

- ✓ Provision of relevant information on (i) the purpose, nature and scale of the project; (ii) duration of the proposed activities; (iii) any risks to and potential impacts on such communities and the relevant mitigation measures; (iv) the envisaged stakeholder engagement process; and (v) the grievance mechanism.

Informed Consultation and Participation

- ✓ Conduct an Informed Consultation and Participation process that will result in affected communities' informed participation;
- ✓ Manage a consultation process that captures both men's and women's views and respective concerns and priorities about impacts, mitigation mechanisms, and benefits;; and
- ✓ Document the process and the measures taken to avoid or minimize risks to and adverse impacts on the affected communities, and inform those affected about how their concerns have been considered.

External Communications

- ✓ Implementation of a program on external communications that includes methods to (i) receive and register external communications from the public; (ii) assess the issues raised and determine how to address them; (iii) provide, track and document responses; and (iv) adjust the environmental and social management program.

Grievance Mechanism for Affected Communities

- ✓ Establish a grievance mechanism to receive and facilitate resolution of affected communities' concerns and grievances about the project's environmental and social performance;
- ✓ Inform the Affected Communities about the mechanism in the course of the stakeholder engagement process.

Similarly, EBRD Performance Requirements require:

- ✓ Evidence that stakeholder engagement has been free of manipulation, interference, coercion, and intimidation, and that engagement was exercised based on timely, relevant, understandable and accessible information;
- ✓ Stakeholders are individuals or groups who
 - are affected or likely to be affected by the project (affected-parties) or
 - may have an interest in the project (other interested-parties);
- ✓ Disclosure of environmental and social action plans or mitigation measures;
- ✓ Documentation of the public consultation process;
- ✓ Provision of EIAs and ESIA documents in the public domain; and
- ✓ Grievance available and will not cause retribution.

APPENDIX 2 HERDERS ENGAGEMENT PLAN FOR 2015-16

Date: November 10, 2015
Subject: LA consultation plan for herders
Drafted: Nara Ghazaryan, Social Development Manager, Geoteam

1. BACKGROUND INFORMATION

The first 2 Surveys on herders was carried out in June and July 2012 by WAI and Geoteam according to Project design at the time. Since then the Project has undergone significant changes which necessitated another formal herders survey to cover the new project layout finalized in late fall 2015.

The questionnaire used in Herders' survey in 2012 was modified (eco-system & wider team provided input to simplify it and reflect a few new areas (for example, attachment to the current location, etc.). Frederic Giovanneti, the originator of the original Survey questions, was included in the modification process.

There are several key aspects for this survey to address and clarify:

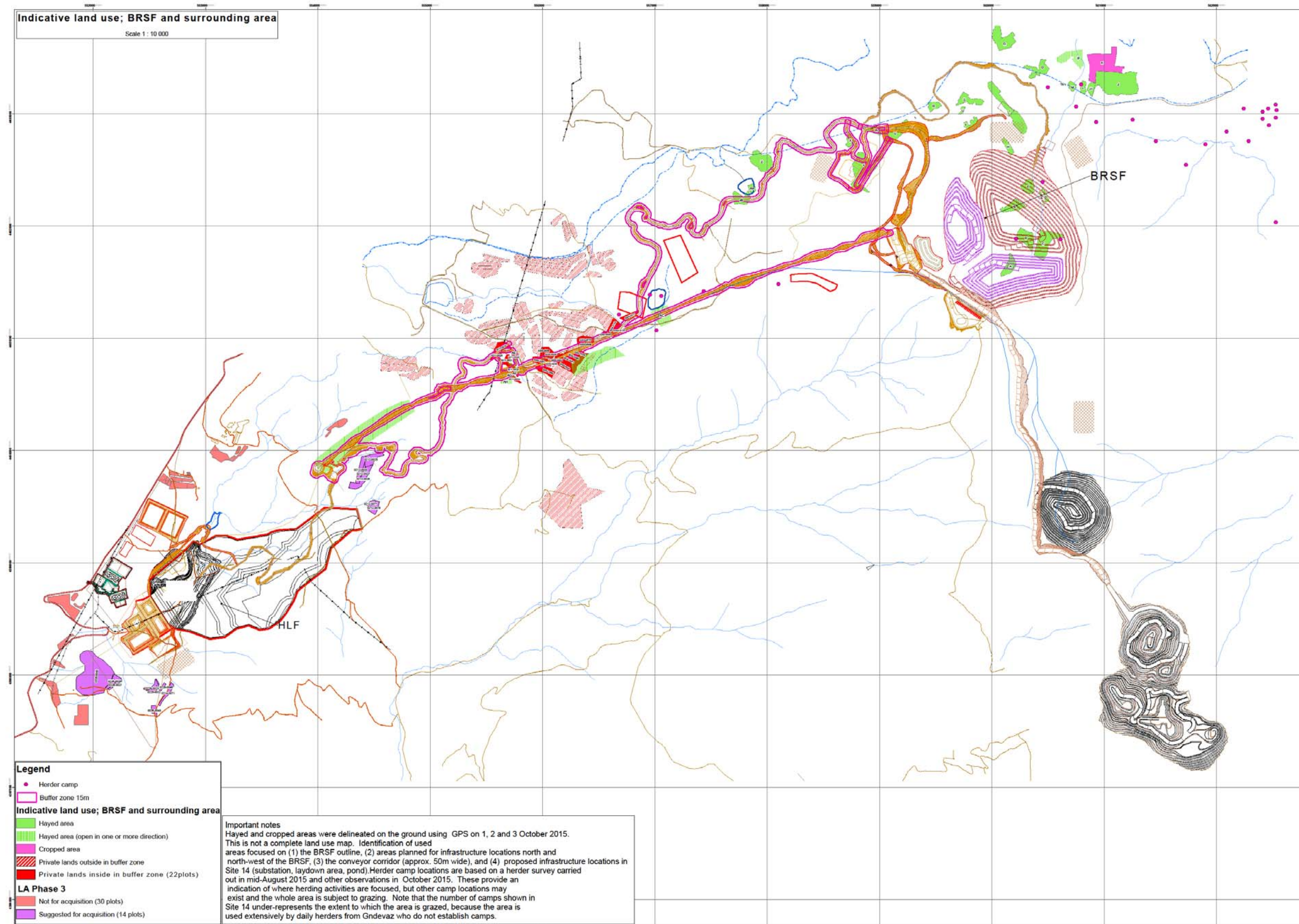
- a) Will the herders be impacted by the current Project design;
- b) Level of impact on herders (daily & seasonal);
- c) How will the Company manage the impact caused by the Project;
- d) Herders' perceptions and views in the event that they cannot use former pastures, including suggestions for alternative areas.

Fieldwork was conducted in early to mid-September 2015, with core team of 5-6 Local assistants, where 4 were completing the questionnaires, and the others were helping with logistics, technical support and GPS coordinates.

The survey covered Site 14/Conveyor area, known as hay and pasture area used by Gndevaz daily herders; and BRSF and wider area traditionally used by seasonal herders from Gorayk, Goris, Xndzoresk and nearby areas.

A total of 39 herders were surveyed, of which 30 were seasonal herders, and the remaining 9 were daily herders. The list for seasonal herders was later verified by Gorayk Mayor, who added only one herder that is using the area, but was not available at the time of the survey.

Below is a brief socio-economic analysis of the affected herders.



- Average **distance from herders' home**: for daily herders it's about 8 km; for seasonal herders from Xndzoresk and Goris area using pastures in BRSF area is 88 km: herders travel 2-3 days on foot with their cattle at the start of summer herding. For Gorayk area herders using the BRSF site it is 3 km.
- **Main sources of livelihood** – sales of milk & milk products (
- **Biggest source of expenditure in herder household** - 70% of herders reported “food” is the first source of their expenditures; 10% reported “education” & “other”; 9% spend money for “health” issues.
- **What do the herders use the animals for** - Livelihood source, selling milk & milk products (54%); sell live animals for income (31%); for family consumption for milk and meat (31%)
- **Herders' perception if they will be affected by the Project** – yes (54%); don't know (41%); no (5%);
- **If supported, are you willing to move to an alternate pasture area? – seasonal herders**: Yes, willing to move (47%), Will move if the new place has water, access, etc. (30%), Prefer to stay in the same area (20%), No response (3%).
Daily herders: Yes, willing to move (22%), Will move if the new place has water, access, etc. (22%), Prefer to stay in the same area (11%), No response (44%).
- **Vulnerability** – only 1 herder (10%) reported to have disabled person in the family;
- **Land use, formal agreements for land use** – the follow on survey conducted in fall 2015 confirms that the land used by seasonal herders in the BRSf area (community land within Gorayk administration) do not have lease agreements. Daily herders using Site 14 Conveyor area also do not written agreements with Gndevaz municipality, rather verbal agreement to use the land for pasture. There is a verbal agreement that the herders will use the area until the construction start up activities.
- **Infrastructure** – herders in BRSF area have been using the Vorotan valley for generations as it stays green longer than other areas in south-eastern Armenia.

The key outcomes of the survey include:

a) **Magnitude of impact**

Seasonal – herders using BRSF and wider area will be affected in that they will need to move to alternate areas. The move will cause disruption, they will need to set new camps, or move the current ones to the new area. The Company will compensate the seasonal herders for disruption & setting new camps.

Daily – herders using the Site 14 area will be affected at a much less level; they will continue using the area, which will be restricted on both sides of the Conveyor. This will be mitigated by crossings that the Company will build to ensure herders, cattle and vehicles can cross the conveyor (2-3 sites, to be identified jointly by the Company and Gndevaz village Mayor).

- b) **Availability of sufficient alternative pasture/ hay areas** that the herders can use
Seasonal - Gorayk Mayor confirms there is sufficient available land nearby that has access (across the Vorotan River opposite the BRSF), with water. As per Herder consultation plan, herders using BRSF/wider area will be consulted on use of alternate lands, that either have spring catchments and access or it will be secured by the Company.

Daily – lands under Conveyor will still be available for daily herders, except for sections (30 meters) on both sides of the conveyor. Company will build crossings along the Conveyor to ensure movement of herders, cattle and vehicles to cross the Conveyor and use lands on the other side.

- c) Other findings:

- ✓ Herding remains a main livelihood source & economic benefit for herders in the area (over 70%);
- ✓ Food was mentioned as the biggest source of household expenditure (70%);
- ✓ areas for support/needs (to be used when including herders in LRP or social programs): artificial insemination, animal health & nutrition;
- ✓ 10% of surveyed herders have a disabled family member.

2. RECOMMENDED APPROACHES FOR COMPENSATION AND MITIGATION MEASURES FOR HERDERS

BRSF & wider area herders

- No need for monetary compensation to herders as they don't own the land used as pastures
- Compensate for disruption caused by the Project – pay \$500-1000 flat allowance (one-off allowance) to each, so they can build new herder camps or move the existing ones (consult with land valuer on the average cost to build a new herder camp)
- Through work with Gorayk Mayor find alternative lands that are accessible for herders (to move) with limited investment for water, access
- Ensure there are spring catchments or build some (inexpensive) in the suggested new areas

Site 14/Conveyor herders

- Walk with Gndevaz Mayor to identify the crossings on the new design area
- Mark in the field where access will be built/provided
- Conduct consultations on crossings & access in Gndevaz
- Ensure safe crossings on the conveyor for people, animals & machine, to NOT limit access

- Don't necessarily include daily herders in LRP: include as component for livelihood restoration or in social programs

3. LA TEAM CONSULTATION STRATEGY WITH HERDERS

1. 'Daily' herders

These are herders from Gndevaz who will be affected by the conveyor construction and operations. As the direct footprint of these facilities is generally small, most of the impacts are related to severance (restriction of access to some areas because of the physical barrier caused by the road and conveyor).

The key mitigation is crossings. Consultation needs to take place on the number and location of crossings where animals and herders will be able to cross the road and conveyor safely. This should take place in November and the outcomes should be reflected in the LALRP Addendum. Nara needs to be supported in this exercise by somebody familiar with the road and conveyor design.

2. 'Seasonal' herders

These herders, most of whom reside permanently in the village of Xndzoresk, use areas around the mining facilities in the Amulsar range.

There will be impacts to:

- 1- Grazing areas currently used;
- 2- Structures used by herders for accommodation during their stay, which they may have to abandon following their move to other grazing areas.

Summary of herder consultation events

| Date | Target group | Items discussed |
|---------------|-----------------------------|---|
| Dec. 9, 2015 | Daily herders in Gndevaz | Discussed with daily herders about the Site 14 use for the Conveyor; locations where they take their cattle; locations of crossings agreed with the Mayor. No objections were expressed by herders if there were crossings. |
| Nov. 26, 2015 | BRSF and wider area herders | suggested new/alternate area accessible for herders; herders expressed concern for availability of access and water; Agreed to have joint visit to the suggested alternate pasture area (December-January 2016); Mayors of Gorayk, Xndzoresk were present |

| | | |
|----------------------|---------------------------------------|--|
| Nov. 25, 2015 | site 14/conveyor: Mayor of Gndevaz | Mayor of Gndevaz and Company team walked along the Conveyor to identify crossings on the new design area; locations for 3 crossings have been identified and marked. |
| August 2015 | Site 14 daily herders | Ted Paulett and Company team met with several daily herders within LA Audit; Inquired the herders about their knowledge on Project; perceived impact and willingness to move as needed. |
| July 2015 | BRSF herders | Focus group discussions on the eco-system survey with 16-18 herders in the site. |
| July 2014 | BRSF herders | Focus group discussions on the eco-system survey with 15 herders in the site. |