

Europe Solidaire Sans Frontières > English > Europe, Great Britain > South Caucasus (Georgia, Armenia, Azerbaijan, Karabakh) > Armenia > **Armenia Greenlights Controversial Amulsar Gold Mine**

Armenia Greenlights Controversial Amulsar Gold Mine

Saturday 27 January 2024, by [BARSEGHYAN Arshaluys](#) (Date first published: 19 January 2024).

Operation of the contested Amulsar goldmine has been greenlit after Armenia's government accepted a 12.5% share in the mines on Thursday.

The agreed [project](#) also notes that the Ministry of Economy will manage the share once the mines are operational.

The share was agreed upon when Lydian Armenia, the company operating the mines, Armenia's Economy Ministry, and the Eurasian Development Bank (EDB) signed a [memorandum of understanding](#) in February 2023.

The government's decision to accept the share from the company effectively greenlit the mines' operation, despite [years of protests](#) by eco-activists and residents of communities adjacent to the mine.

At the time of the memorandum's signing, EDB agreed to extend a loan of \$100 million to Lydian Armenia for the construction and operation of the mines 'in compliance with the best international mining practices and strict adherence to the applicable legislation of the Republic of Armenia, by promoting the local market and employment in affected communities'.

Economy Minister Vahan Kerobyan praised the project, stating that he predicted the mines would contribute to increasing Armenia's GDP by about 1%.

'We have no right to refuse such an opportunity', said Kerobyan.

'This model dispels our concerns'

In Thursday's government session, Ani Ispiryan, the Deputy Minister of Economy, announced that Lydian Armenia will invest \$250 million in the operation of the mine.

Ispiryan announced that the mining company would annually pay an extra \$7 million to local communities near the mine in addition to allocating environmental protection projects funded by environmental taxes.

During the cabinet session, Prime Minister Nikol Pashinyan stated that the government greenlit the mines' operation after receiving answers to their inquiries.

'It is commendable that, following one example, the investors wanted the people, in the form of the government, to participate and share in that project', he said, referring to Geopromining's [offer](#) of 15% of the Zangezur Copper Molybdenum Combine to the government in 2021.

'The operation of the Amulsar gold mine with this model dispels our concerns and will be an additional stimulus for economic growth,' said Pashinyan.

Lydian Armenia [told RFE/RL](#) that the decision to grant shares in the company to the government was made by its shareholders.

'And in the case of long-term and large-scale projects like the Amulsar project, such cooperation allows sharing both success and responsibility', the company stated.

A month before the government's approval, The Guardians of Amulsar, a group of activists opposing the operation of the mine, [sent an open letter](#) to the EDB board, saying that residents of the town of Jermuk and their supporters were committed to protecting Amulsar mountain from development, and warning that support for the project was 'an adventure and doomed to failure'.

'Amulsar is a living area for the population of the Jermuk community, and we will not give it up', read their letter.

Arshaluys Barseghyan

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