



GeoProMining Gold



Country: **Armenia**



Website



BHRRC company page

Summary

Activists and community members have expressed concern about the following human rights allegations related to GeoProMining Gold:

➔ Environmental Degradation and Impacts on Health:

Activists and local residents have often complained about the mine's impacts for water safety, air quality and health conditions. Groundwater leaving the mine is allegedly contaminated with heavy metals and toxic substances, which can cause severe health conditions such as cancer, neurological issues and organ disease. The contaminated river empties into Lake Sevan, the largest body of water in Armenia and an important source of clean water for drinking, irrigation, fishing and other purposes. The company has been accused of violating environmental regulations and of operating without environmental impact assessments.

➔ Right to Livelihood:

Heavy metals and toxic substances have allegedly contaminated water used to irrigate land and vegetable gardens. Locals say fish have left local waterways and gardens no longer yield crops. Very few residents are employed in the mine, even though they have few alternative sources of income.

➔ Protests and Community Rights:

The communities located near the Sotk mine and Ararat enrichment plant have repeatedly raised alarms about damages to their health and livelihood. Concerningly, there have been a number of disputes about who classifies as an 'affected community', and many impacted villages are not eligible for benefits or compensation.

Human Rights Commitments

- ⊖ Human rights policies and commitments **are not available** on the company website
- ⊖ The company **did not respond** to our questionnaire of its human rights policies and commitments

Human Rights Impacts

- ⚠ Health and safety
- ⚠ Environmental and water rights
- ⚠ Right to livelihood and adequate standard of living
- ⚠ Labour rights and wages
- ⚠ Access to information
- ⚠ Community, cultural and property rights
- ⚠ Deaths and/or violence

Occupational Safety and Labour Rights:

Employees have pointed to deaths and accidents due to inadequate regulations and enforcement. At times, workers say managers have directed them to violate policies; such circumstances have allegedly contributed to two recent deaths.

Access to Information:

Activists and journalists have pointed to a lack of information about the mine's current and potential impacts, particularly concerning health and the environment. Public hearings about the gold mine, allegedly, did not point out existing and expected risks to the environment and water supplies.

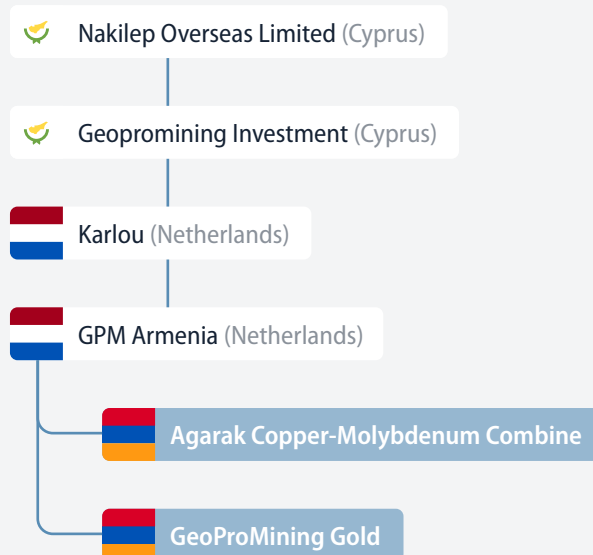
GeoProMining Gold does not have publicly available information about its human rights policies or environmental and social standards. The company did not respond to our questionnaire of its human rights policies and commitments.

Company Information

GeoProMining Gold is a subsidiary of GeoProMining, which also owns Agarak Copper-Molybdenum Combine. The company operates the Sotk mine (also known as Zod or Sotq), the biggest gold mine in Armenia. The gold is processed at the Ararat gold enrichment plant. Through a chain of subsidiaries, the company is owned by Russian businessmen, including billionaire Roman Trotsenko. Trotsenko allegedly has ties to Russian President Vladimir Putin via his professional relationships. [↗](#) [↗](#)

According to official documents, GeoProMining sells all of its gold and silver doré bars to VTB Capital Trading, a subsidiary of VTB Bank. The company also has 'substantial indebtedness' to VTB. VTB Bank is tied to Russian political interests and currently owns [Teghout CJSC](#). [↗](#)

COMPANY OWNERSHIP



The 2020 Nagorno-Karabakh conflict heavily impacted the Sotk gold mine. Due to shifting borders during the conflict, the mine is now located in disputed territory, with the Armenia-Azerbaijan border running through it. Accurate information has been difficult to come by, as the ruling government and opposition politicians have issued conflicting stories about Sotk and the Armenia-Azerbaijan border. News outlets have also released differing stories about the events at the gold mine.

On 26 November, an opposition politician claimed that Azerbaijani forces broke the locks and entered the gold mine. Even though there were no shootings or any attacks, the employees of Sotk were 'terrified' and 'trying to get the equipment and people out'. [↗](#) Allegedly, Azerbaijani forces were told to abandon the territory. [↗](#)

Initially, the Armenian Government denied the story, then it acknowledged that 'demarcation work' was being carried out at the Sotk mine. The Azerbaijanis were warned that the Sotk mine is a Russian facility; allegedly, Russian forces arrived, negotiations took place and all of the forces left the area. [↗](#)

The next day, Armenian Prime Minister Nikol Pashinyan, announced that part of the gold mine was under Azerbaijani control. Sotk workers protested the Azerbaijani incursion into the mine. The miners expressed concern about whether they would have jobs to return to or whether they would be 'forced' to work with Azerbaijani miners. [↗](#) [↗](#)

Human Rights Allegations

Environmental Degradation and Impacts on Health

Activists and local residents have often complained about the mine's impacts concerning water safety, air quality and health conditions. The Ministry of Environment has recognised Sotk village as an impacted community due to harmful impacts from the company's operations, including air and water pollution.^[2]

During 2020, the company was issued a fine of approximately 13.5 million AMD (\$25,700 USD) for environmental damages; however, the exact violations were not disclosed.^[2] The inspectorate noted a violation of the law concerning atmospheric air protection, but the inspectorate said it would not disclose other information without written consent from the business.^[2]

During 2012, Ecolur raised the alarm that an ore processor had been operating illegally without any permits or an environmental impact assessment.^[2] The ore crusher allegedly violated environmental laws intended to protect the Sevan water basin. Additionally, the environmental inspectorate ministry had not conducted any examination of the Sotk gold mine since operations began four years beforehand.^[2]

Villagers say that there is often a cloud of dust in the air, caused by explosives set off at the mine.^[2] Many claim the dust is toxic.^[2]

Water pollution is also a major concern. Groundwater leaving the mine is allegedly contaminated with heavy metals and toxic substances,^[2] which can cause severe health conditions, such as cancer and organ disease.^[2] This groundwater flows into the Sotk river, which residents use to irrigate their land and gardens. Residents claim that the company collects polluted water in underground reserves beneath the mine, then dumps it into rivers. Allegedly, the water includes ammonia, saltpetre as well as other toxic substances.^[2] Importantly, the Sotk river also empties into Lake Sevan,^[2] the largest body of water in Armenia and an important source of clean water for drinking, irrigation, fishing and other purposes.

Community leaders in Ararat village also say that polluted water from the cyanide tailings dump flows into local lands and pasture areas.^[2]

A geologist who worked in the mining sector for forty years, including twenty-seven years at Sotk, stated that a unit to clean and remove waters was supposed to be built according to the 2012 plan, but, as of 2019, it had not been constructed.^[2]

As mentioned above, heavy metals poisoning can have severe negative health impacts, such as cancer, neurological issues and physical degeneration.^[2] Villagers have repeatedly complained about illnesses and disease, and eight children have developed cerebral palsy.^[2] Despite this, local medical facilities are limited and lack proper medicine and equipment.^[2]

Right to Livelihood

The Sotk gold mine and Ararat enrichment plant have allegedly endangered local communities' livelihood, including farming and livestock. The destruction of agriculture has left many unemployed. Heavy metals and toxic substances have allegedly contaminated water used to irrigate land and vegetable gardens (see above). The mayor of Geghamasar explained that crops irrigated by wells appear healthy and fresh, while those irrigated by the polluted river do not.^[2] Villagers say that, after years of failed agriculture, many residents have given up on farming and greatly reduced the land they sow.

Ararat village is not recognised as affected by the Ararat gold processing facility, even though it is located near the cyanide tailings dump. According to deputy community head, Zaven Ghazaryan, 'The polluted water from the tailing dump fills into an area at the end of our land areas, the part going to Yeraskh, where the pastures are located. If the animal enters there, it may die. But all livestock owners are aware that livestock should not be allowed there'.¹²

Villagers have complained that the river that flows into Lake Sevan once held fish weighing two kilograms, but that they have not disappeared due to water pollution.¹³ Residents near Ararat gold enrichment plant have also raised concerns about accidents and resulting damages; for instance, animals and gardens have been poisoned from leakage and pollution.¹⁴ One villager said that, in the past, each resident cultivated three-to-four hectares of land, which they used to earn an income. Now, residents spend money to sow the fields, but they have no harvest, and therefore, no income.

As he explained, '[Residents] are forced to go work in the mine, but the company isn't hiring'.¹⁵ Only twenty to twenty-five people from Sotk village work in the mine; 70% of working-age men in Sotk are unemployed. GeoProMining CEO Anatoly Gogotin promised to prioritise locals when hiring; only two individuals were subsequently hired.¹⁶

Protests and Community Rights

The communities located near the Sotk mine and Ararat enrichment plant have repeatedly raised alarms about damages to their health and livelihood (see above). During August 2020, residents blocked a local main road to protest contamination of air and water. Protestors expressed concerns over air pollution caused by explosions, as well as for water used for drinking and irrigation.¹⁷ The company denied the accusations, calling them 'groundless'.¹⁸ Community members also blocked a main road during a similar protest in 2018.¹⁹

Residents have requested that the fines imposed upon GeoProMining Gold be paid to the community budget instead of the state budget, as the communities experience the negative impacts caused by violations. Residents pointed out that the community is impoverished, despite being near an extremely profitable mine and extraction plant. Residents cannot afford to pay school fees, and there is no equipment or medication in the medical clinic. The community proposed many ideas, including comprehensive medical check-ups; access to medical services; a local development plan; and a quarterly examination of the soil, air and environment.²⁰

GeoProMining Gold issued a statement pointing to its social and charitable contributions in four affected communities; however, Hetq pointed out that, by Armenian law, metal mining companies are required to participate in socioeconomic development programs. Hetq also pointed out that, compared to other gold mining companies, GeoProMining Gold's degree of participation in social programs is the lowest: 'almost non-existent'. Residents have said that the investment projects have been meagre or ineffective. For instance, the company paid to lay gas pipes in a nearby village, but only eleven houses in the village use gas, and residents do not have money to bring fuel into their homes. Other promises have not been fulfilled.²¹

Concerningly, there have been a number of disputes about who classifies as an 'affected community'. Ararat, Surenavan, Armash, Yeraskhavan and Paruyr Sevak villages have not been recognised as impacted by GeoProMining Gold, even though community members say their water resources have been affected and dust contaminates the air.²² Many other villages in the community are also affected; residents claim that the number of impacted villages has been artificially lowered.²³ Similarly, only Ararat Town has been recognised as affected by the gold extraction plant, even though the cyanide tailing dump from the plant is located within Ararat Village, which is not considered affected.²⁴

This presents problems because environmental taxes paid by companies are allocated to communities recognised as impacted. As Sotk village is the only village recognised as 'impacted', it is the only one eligible for allocations. The community receives 2.2 million drams (\$4,515 USD) per year, paid every five years. The last time the municipality received an environmental payment, it was to be used to build a community park. The park was only half-built, and it is now fenced off.²⁵

Some villages have been ‘optimized’, meaning they have been absorbed into larger communities. Residents in Kut village complain about problems related to the optimization; for instance, rent payments which should have been made to the highly impacted village have instead been paid to the larger community of Geghamasar.²

Occupational Safety and Labour Rights

Employees have pointed to deaths and accidents due to inadequate regulations and enforcement. At times, workers say managers have directed them to violate policies—to disastrous effects. For instance, two truck drivers both died within two months; even though regulations forbid truck drivers from approaching the lip of the pit, management allegedly forced the drivers to dump directly into the pit.

One employee explained that the company avoids accountability for workplace deaths and accidents: ‘When someone dies it means that someone made mistakes. I’ve never heard of anything similar, when no one is punished or held accountable for a death. At Sotk, the person who dies is guilty. A guy could work correctly for thirty years, but if he dies on the job, he’s the one who made the mistake. Human life holds the most value. They apprise it at \$3,000. If a person dies, they take \$3,000 to the house of the deceased. They write up the death notices so that the deceased is made out to be at fault and no one else’.²

Miners have repeatedly expressed concerns about safety and mining methods. Former employees claim ‘faulty methods’ were used to dig to a depth of 250 - 300 meters. The pits should have gradients to avoid accidents; without them, ‘if a rock fell from above, it would destroy equipment and would turn a person underneath into lavash [Armenian flat bread]’. Miners often refuse to extract the ore from the pits because they are afraid of being buried in landslides. Those who protest are allegedly advised to resign.²

Instead of addressing faults, the company allegedly fires employees who raise concerns.² One ex-worker claimed he worked for several days after being dismissed, and only found out he had been terminated via a notice in the mail. He also said he was fired for his outspokenness about safety issues. Additionally, the former employee said that Russian safety inspectors are ‘determined to find safety violations and place the blame on the workers’ in order to deprive miners of overtime pay.²

Another employee claimed that those who take sick days are denied overtime, the main method for making money in the mine. Despite these concerns, the labour inspectorate has not taken action against the mine.²

Access to Information

Activists and journalists have pointed to a lack of information about the mine’s current and potential impacts, particularly concerning health and the environment. Public hearings about the gold mine allegedly did not point out existing and expected risks to the environment and water supplies (see above). For instance, the company said waste would be used to build roads; however, this is a violation of environmental safety according to the Armenian Government, OSCE and the UN Environment Programme. Activists claimed that the hearing also did not disclose findings from the Nature Protection Ministry about effects for the Sotk river, Masrik river and Lake Sevan.²

Additionally, even after the mine was fined for environmental damages, the exact details of the violation were not disclosed (see above).²

Ecolur, an NGO focused on environmental issues, began to research health and environmental impacts in the local community, including around the cyanic tailing dump. As two activists took pictures in the surrounding area, a company employee approached them and demanded that they leave. Ecolur staff agreed, but the employee allegedly did not allow them to go and called the police, saying, 'You are trespassers: this is a strategic object and you will be brought to justice'.² The police later let the activists go. However, Ecolur questioned why the cyanic tailings dump, a large reservoir located near local communities, is considered a 'strategic object' and journalists are not allowed to photograph it. Ecolur further noted that the paths to the dump are open, no signs about hazards were observed and no maps have been submitted about exact company borders. Ecolur urged the company to not place 'senseless pressure' upon activists and community members seeking to support health and the environment.²

Human Rights Commitments

GeoProMining Gold does not have its own website; instead, information is hosted on the parent company website. GeoProMining does not have publicly available information about its human rights policies or environmental and social standards.

The company did not respond to our questionnaire of its human rights policies and commitments.