



Sagamar

Summary

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

➔ Air and Water Pollution:

According to villagers, pollution from the Armanis mine and its tailings dam has contaminated the local valley and the waterways. Villagers used to fish trout, but the water is no longer clean enough for the fish to live. Locals told an NGO that they are afraid of using water from the Dzoraget River. Furthermore, villagers have complained about headaches, which they believe are caused by dust from explosions at the mine.

➔ Right to Livelihood:

The mine's operations have impacted the livelihoods of local communities; in particular to those who have relied on agriculture and livestock. According to Ecolur, water pollution has led to a decrease in the population of fish and the fertility of the land has decreased.

➔ Access to Information:

Community leaders have claimed they were not informed about the terms of Sagamar's contract, including those related to social obligations. Also, journalists have faced challenges when at the local area.

Sagamar's parent company, Global Metals, does have a website, which includes some information about the environment and social projects. Sagamar did not respond to our questionnaire of its human rights policies and commitments.



Country: **Armenia**



Website



BHRRC company page

Human Rights Commitments

- ⊖ Sagamar **does not have its own website**
- ⊕ Parent company, Global Metals, does have a website which includes some information on the [environment and social projects](#)
- ⊖ 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
- ⚠ Access to information
- ⚠ Community, cultural and property rights

Company Information

Sagamar operates the Armanis gold mine, which has been closed since 2015. It is uncertain if, or when, the mine shall reopen.

Sagamar has sought to expand its territory and to carry out geological surveys; according to Hetq, the local community has given the company its approval to do so.¹ However, the community members in Stepanavan have since expressed their desire to close Armanis permanently and to reclaim the lands (see graphic below).²

Journalists have traced Sagamar's ownership to an apparent parent company, Eulachon, which is based in the Isle of Man. Eulachon is owned by the two Russian billionaires, Dmitry Korzhev and Dmitry Troitsky.³ ⁴ ⁵ Notably, Eulachon is connected to [RMG Gold](#) and [RMG Copper](#), which are also part of this analysis.

COMPANY OWNERSHIP



Human Rights Allegations

Air and Water Pollution

According to villagers, pollution from the Armanis mine and tailings dam has contaminated the local valley and waterways. Villagers used to fish trout, but the water is no longer clean enough for the fish to live.¹ Furthermore, locals told an NGO that they are afraid of using water from the Dzoraget River, and that the river has changed colour due to pollution from the mine.² Also, Ecolur noted that the tailings contain sulfur and that acid drainage has flowed into the Chknagh River.³

Even when the mine was closed, pollution continued. In 2019, locals found a large number of dead fish in the Dzoraget river, allegedly due to toxic pollution from Armanis mine.⁴ A year later, local authorities continued to raise concerns about yellow-brown waste in the river. Stepanavan Community Administration, the local authority, called the contamination a “catastrophe.”⁵

In addition, villagers have complained about headaches, which they believe are caused by dust from explosions in the mine. Environmental activists say locals who live near the mine are concerned about potential radiation hazards and toxic-metals pollution.⁶ Global Metals did not respond to the above allegations.⁷

In a 2020 report, Ecolur claimed that Sagamar had not met its contractual obligations regarding contributions to the state budget and the Environmental Protection Fund. Moreover, the company had not paid fees to monitor the mining area, production landfills or the safety of surrounding communities.⁸

Local communities have said they want to live in a clean environment, and that they want the mining area and landfill to be reclaimed and returned to its original appearance. The company has not paid environmental fees, which the community would have used for the implementation of environmental and health programs.⁹

Right to Livelihood

The mine's operations have impacted the livelihoods of local communities, particularly those who have relied on agriculture and livestock. As mentioned above, water pollution has led a decrease in the population of fish. According to Ecolur, the fertility of the land has decreased, and thirty hectares of pastures have been contaminated with mining wastes. Allegedly, the tailings dump have also impacted fields.[↗]

Additionally, some villagers have said that cracks have appeared in their homes due to explosions from the mine.[↗]

Access to Information

Community leaders have claimed they were not informed about clauses in Sagamar's soil management contract, including those related to social obligations.[↗]

When journalists attempted to photograph areas of interest at Armanis village, a Sagamar lawyer tried to stop them, arguing that the company owned the entire property.[↗]

Human Rights Commitments

Sagamar does not have its own website. Parent company, Global Metals, does have a website, which includes some information about the [environment and social projects](#).

The company acknowledges that "exploitation of mineral resources is inextricably linked with environmental issues." Global Metals further clarifies that subsoil legislation provides that the subsoil users are required to protect air, land, forests, water and other objects of environment.

Policy states that during mining operations, Sagamar undertakes to ensure the following:

- ➔ Protection of water and air, land, flora and fauna, as well as the land of cultural, architectural, historical and geographical importance.
- ➔ Implementation of remediation, alignment, landscaping, enclosing, planting trees on the sites of the open pits.
- ➔ Filling or enclosing of tunnels and boreholes.
- ➔ Prevention of pollution of subsoil during storage of industrial waste and discharge of waste water.

Additionally, Global Metals states, "Our company will apply dry tailings technology for the first time in the history of mining industry of Armenia. The used water will flow back to enrichment plant for reuse, while industrial and domestic emissions will be filtered by special purpose stations of Canadian and German manufacture. It should be noted that there will be no deforestation both at present and in the future."

"Making a positive, long-term difference in the lives of people affected by our operations is a key goal for GLOBAL METALS (ARM) LIMITED Company," according to the social impact policy. The company says it develops management systems to ensure that employees are well-trained; enhance workplace safety; and prevent accidents, injuries and occupational diseases. The policy further explains that Global Metals reviews its safety and security practices regularly.

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