

Midlincoln Research

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Focus: CIS Gold
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Armenia Gold Industry

KEY NUMBERS

Indicator	Estimate
Gold mine production, 2024	~1.5 t
Gold mine production, 2020	~4.0 t
Amulsar P&P Reserves	2.83 Moz / ~88 t
Amulsar additional M&I Resources	0.80 Moz / ~25 t
Amulsar planned LOM production	~168 koz / 5.2 t p.a.
Sotk remaining reserves, 2021	~47.7 t
Azatek sponsor-reported resource	~70 t Au/AuEq
Voskedzor reported resource	~29 t Au
Verin Vardanidzor C1+C2	~17.1 t Au
Marjan historical C1+C2	~10.3 t Au
Archut historical/project estimate	~10 t Au
Amulsar planned throughput	~10 Mtpa
Sotk designed mining capacity	~1.75 Mtpa
Verin Vardanidzor proposed capacity	150 ktpa

Armenia is a small gold producer with a resource base substantially larger than current mine output suggests. Mine production was approximately **1.5 tonnes of gold in 2024**, down from around 4 tonnes in 2020, principally because of disruption at Sotk, historically the country's largest dedicated gold mine.

The industry is now approaching an important structural change. **Amulsar**, Armenia's largest undeveloped gold project, contains approximately **2.83 Moz of gold in Proven and Probable Reserves**, with a further 0.80 Moz in additional Measured and Indicated Resources exclusive of reserves. Planned average life-of-mine production of approximately **168 koz, or 5.2 tonnes, per year** would by itself exceed Armenia's 2024 national gold production by more than three times.

Armenia's other major gold assets are **Sotk** and **Kapan**. Sotk retains a substantial resource base but is constrained by its location directly on the Azerbaijan border. Kapan is an operating underground Au-Cu-Zn-Ag mine whose successive ownership by Dundee Precious Metals, Polymetal, Chaarat Gold and, since 2023, private Armenian interests illustrates the long-established commercial importance of the southern Armenian polymetallic belt.

Below these operations lies a meaningful second tier of undeveloped deposits. **Azatek, Voskedzor, Verin Vardanidzor, Archut, Marjan and Toukhmanuk** range from advanced historical resources to earlier-stage redevelopment and exploration projects. Their resource classifications vary considerably and should not be aggregated indiscriminately: international JORC/NI 43-101

estimates coexist with Armenian and Soviet C1/C2 classifications, historical estimates and company exploration targets.

The principal constraint on development is therefore not geology alone. Armenia is **landlocked**, several deposits are relatively small and polymetallic, and the country has limited domestic smelting capacity. Mine economics can depend heavily on access to processing, concentrate buyers and external transport corridors.

Nevertheless, an existing downstream system provides several routes to market. Sotk feeds the **Ararat gold recovery complex**; smaller ores can potentially use third-party concentration and refining facilities including **Meghradzor and Masis**; and polymetallic concentrates can move through Georgia to **Poti**, where Industrial Minerals operates the Caucasian Metals Terminal. Kapan has already demonstrated the commercial viability of this route.

The combination of Amulsar's commissioning, established processing infrastructure and a fragmented pipeline of undeveloped deposits creates the possibility of a materially larger Armenian gold industry. The key question beyond Amulsar is whether smaller deposits can be consolidated around common processing, financing and offtake infrastructure.

1. Industry Overview

Armenia has a long history of mining gold, copper, molybdenum and polymetallic ores. Gold occurs both in dedicated gold deposits and as an economically important component of copper and polymetallic systems.

USGS estimates indicate gold mine production of approximately **1.5 tonnes in 2024**, compared with around 4 tonnes in 2020. The contraction largely reflects operational disruption at Sotk rather than exhaustion of Armenia's geological resource base.

The country's principal gold assets can be divided into three groups.

The first consists of **large primary gold deposits**, principally Amulsar and Sotk.

The second consists of **operating polymetallic mines**, most importantly Kapan, where gold is produced together with copper, zinc and silver.

The third is a fragmented development and exploration portfolio including Azatek, Voskedzor, Verin Vardanidzor, Archut, Toukhmanuk, Marjan, Meghradzor and other smaller occurrences.

This distinction is important because the processing routes and economics of the three groups are very different.

2. Geography and Geology

Armenia – Gold and Polymetallic Mines, Projects and Infrastructure

Mines, development projects, exploration prospects, processing facilities and export routes

MidLincoln

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Armenia lies within the Tethyan metallogenic belt, one of the major mineralized systems extending through southeastern Europe, Turkey, the Caucasus and Central Asia.

Gold mineralization is distributed across the country, although the most important development-stage projects are concentrated in several clusters.

Eastern Armenia contains Sotk, close to Lake Sevan and directly adjacent to the Azerbaijan border.

Southern Armenia, particularly Vayots Dzor and Syunik, contains Amulsar, Azatek, Voskedzor, Verin Vardanidzor, Marjan and Kapan. This is arguably the most important gold-development corridor in the country.

Central and northern Armenia contain Toukhmanuk, Meghradzor, Archut and a number of

smaller occurrences.

Southern Armenia is particularly notable for polymetallic mineralization. Gold commonly occurs with silver, copper, zinc and lead, making concentrate recoveries and payable-metal terms important components of project economics.

3. Amulsar

Amulsar is Armenia's largest advanced gold project and the asset most capable of changing national production.

The deposit lies near the boundary of Vayots Dzor and Syunik and is designed as a large-scale open-pit, heap-leach operation.

Current international technical estimates indicate:

Amulsar

Amulsar	Current Estimate
Proven & Probable Reserves	2.83 Moz Au
Reserve tonnage	119 Mt
Reserve grade	0.74 g/t Au
Additional M&I Resources*	0.80 Moz Au
Additional M&I tonnage	43.1 Mt
Additional M&I grade	0.58 g/t Au
Planned throughput	~10 Mtpa
Average LOM production	~168 koz Au/year
Average production	~5.2 t Au/year
Initial mine life	~16 years

*Exclusive of reserves.

Armenian state-approved figures are reported separately and should not be combined directly with the international resource estimate. Lydian reports approximately **89.4 Mt of approved ore containing 73.7 tonnes of gold at 0.78 g/t**.

Ownership

The project is operated by Lydian Armenia. Following restructuring and changes in ownership, **United holds 87.5%**, while the **Government of Armenia owns 12.5%**.

Public-market exposure is available indirectly through **OR Royalties (TSX/NYSE: OR)**, which

holds gold and silver streaming interests over the project. Its current asset documentation describes an initial **3.34% gold stream** and **49.22% silver stream**, with percentages declining after contractual delivery thresholds.

Construction was interrupted beginning in 2018 by protests, access blockades, environmental disputes, litigation and financing difficulties. Development subsequently resumed.

As of September 2026, the project is in the final development/commissioning phase. Armenian officials have indicated that initial production is expected around this period, although confirmation of sustained commercial production remains the next important milestone.

At design capacity, Amulsar alone could transform Armenia's national gold-production profile.

4. Sotk

Sotk has historically been Armenia's principal dedicated gold mine.

The operation is controlled by **GeoProMining Gold LLC**, which also operates the Ararat gold recovery complex.

According to industry information, Sotk had approximately **47.7 tonnes of remaining gold reserves as of 1 January 2021**, with designed ore-mining capacity of approximately **1.75 Mtpa**.

Sotk's mineralogy has progressively shifted toward sulphide and refractory material. GeoProMining consequently invested in modernization of the Ararat processing complex, including installation of Albion technology for treatment of refractory sulphide concentrates. The company reports cumulative investment of more than US\$300 million in its Armenian gold operations.

Historically, ore has been transported approximately 250 km from Sotk to Ararat for processing, demonstrating that relatively long internal haulage distances can be viable within the Armenian industry.

The mine's principal current constraint is geopolitical.

Sotk lies immediately on the Armenia-Azerbaijan border, with the mineralized system continuing into Azerbaijan. Security incidents ultimately led to suspension of Armenian open-pit operations in 2023. Smaller-scale underground activity continued.

The resulting reduction in Sotk output has been an important contributor to the decline in Armenian national gold production.

Sotk therefore remains a substantial gold asset but one whose production potential is unusually dependent on geopolitical conditions.

5. Kapan

Kapan is an underground polymetallic mine in Syunik producing gold together with copper, zinc and silver.

The operation has changed ownership repeatedly:

Dundee Precious Metals → Polymetal → Chaarat Gold → Gold Mining Company LLC.

Polymetal acquired Kapan from Dundee Precious Metals in 2016 for approximately **US\$38 million**. Chaarat acquired the mine from Polymetal in 2019 for approximately **US\$55 million**.

In September 2023, Chaarat sold the operation to **Gold Mining Company LLC** for headline consideration of approximately **US\$55.4 million**. The operating company subsequently returned to the name **Kapan Mining and Processing Company CJSC**.

The series of transactions is noteworthy because few private Armenian mineral assets have multiple observable arm's-length transaction values.

Under Chaarat, Kapan produced approximately **29.7 koz gold-equivalent during the first nine months of 2023** prior to disposal.

Kapan remains an active underground mining and processing operation. Its flotation plant produces precious-metal-bearing concentrates rather than finished gold alone.

This makes Kapan particularly important for understanding Armenia's relationship with international commodity traders and external smelters.

6. Processing and Refining

Armenia's processing infrastructure is more developed than its relatively low current mine production might suggest.

Three principal routes are relevant.

Ararat Gold Recovery Complex

The **Ararat gold recovery plant** forms an integrated production chain with Sotk.

Sotk ore is transported to Ararat, where GeoProMining has invested heavily in processing sulphide and refractory material. The introduction of Albion technology represented a major modernization of the plant and allowed higher recoveries from increasingly refractory ore.

Ararat demonstrates that Armenia can support technically sophisticated gold processing.

However, it is principally an integrated GeoProMining facility and should not automatically be regarded as freely available third-party capacity.

Meghradzor

Meghradzor has historically been a smaller Armenian gold district but may become more important as a processing centre.

IMC Exploration Group has disclosed that its Armenian subsidiary **Assat** entered an arrangement with **Meghradzor Gold** to process at least **4,000 tonnes of ore per month**.

The objective is to produce concentrate grading approximately **17 g/t Au or better** before transporting the material for further processing.

The significance is greater than the relatively modest tonnage suggests. Armenia contains numerous deposits too small to justify construction of a fully integrated processing operation. Toll-processing infrastructure can materially lower their development threshold.

Masis

The **Masis gold-processing/refining facility** provides another potential link in this chain.

Recent technical work identified the need for substantial modernization, including replacement of the electrolysis section. IMC subsequently reported that the necessary work had been completed

and described the facility as capable of producing gold at approximately **999 fineness**.

A potential domestic chain therefore exists:

Mine → third-party concentration → Masis refining → bullion sale.

For smaller gold deposits this can substantially reduce initial capital requirements.

7. Offtake and the Georgian Export Corridor

Armenia's landlocked geography makes concentrate marketing unusually important.

The clearest example is Kapan.

During Chaarat ownership, Kapan's precious-metal-bearing concentrate was sold to **Industrial Minerals**, bagged at the mine and transported by road through Georgia to Poti for international shipment. Zinc concentrate was marketed separately through **Trafigura**.

Industrial Minerals and CMT

[Industrial Minerals Group](#)

is a privately held commodity trading and logistics group operating from Geneva.

Its regional strategic asset is the **Caucasian Metals Terminal (CMT)** at Poti, Georgia.

The terminal was commissioned in 2013 and specializes in handling mineral concentrates. Industrial Minerals describes CMT as one of the world's larger specialized concentrate terminals by handling capacity.

Industrial Minerals' role extends beyond physical logistics. Its services include concentrate marketing and offtake, working-capital financing, project/CAPEX financing, commodity hedging, blending, inland transport, terminal handling and ocean freight.

For Armenian producers this creates an established commercial chain:

Armenian mine → road transport → Georgia → Poti/CMT → ocean freight → international smelter/refinery.

This infrastructure is especially relevant for gold-polymetallic deposits such as Kapan, Vardandzor, Voskedzor, Archut and Marjan.

8. The Landlocked Constraint

Armenia has no coastline, while its borders with Azerbaijan and Turkey are unavailable for normal mineral-export logistics. Georgia therefore provides the principal practical route to Black Sea ports.

This creates additional costs relative to coastal mining jurisdictions:

inland haulage, border procedures, terminal handling, inventory financing and ocean freight.

For concentrates, metallurgical quality becomes correspondingly important. Treatment and refining charges, payable-metal percentages and penalties for deleterious elements can have a material impact on realized mine economics.

Different Armenian gold projects therefore face quite different logistical constraints.

Amulsar, producing a high-value, low-volume precious-metal product, should have relatively limited freight sensitivity.

Sotk benefits from its established integrated processing chain through Ararat.

Kapan and future polymetallic mines are more dependent on concentrate traders, Georgian transit and external smelters.

Armenian regulations also operate within the Eurasian Economic Union framework, with licensing requirements applying to exports of precious metals and certain precious-metal-bearing raw materials to third countries.

The landlocked position is therefore a genuine structural disadvantage, but existing processing and Georgian logistics infrastructure prevent it from being an absolute barrier.

9. Gold Trade

Armenian gold trade statistics should not be confused with domestic mine production.

In recent years Armenia has handled substantial imported and re-exported precious-metal flows, particularly involving Russian gold. Consequently, reported customs exports can greatly exceed gold produced from Armenian mines.

This distinction is particularly important when assessing national production.

The appropriate industry framework is to distinguish:

domestic mine production;
doré and refined gold produced from Armenian ore;
gold-bearing concentrate exports; and
imported/re-exported bullion.

Large customs gold-export figures therefore do not imply correspondingly large Armenian gold mining output.

10. Exploration and Development Pipeline

Armenia possesses a meaningful pipeline of undeveloped gold and gold-polymetallic projects.

Disclosure quality varies substantially. Soviet C1/C2/P1 classifications, Armenian state reserves, JORC/NI 43-101 estimates, historical resources and company exploration targets are not directly comparable.

For this reason, geological potential is treated separately from defined resources.

Azatek

Azatek is an advanced gold-polymetallic project in Vayots Dzor.

Project material supplied for this report describes an extensive historical exploration programme including approximately **124,000 metres of core drilling, 50,000 metres of underground workings and trenches, more than 61,000 laboratory samples and extensive metallurgical testing.**

The sponsor reports approximately **21 Mt of ore containing around 70 tonnes of gold and gold-equivalent metals**, at an average gold grade reported at approximately 3.5 g/t. Higher-grade zones of 5–10 g/t are also described.

The same documentation refers to substantially larger geological potential. Those figures are **not treated as current mineral resources**.

Azatek has undergone significant technical work, including international resource studies, but its licence and ownership history has been complicated. The former Vayk Gold mining right was terminated in 2019, while a related entity subsequently initiated renewed geological reassessment/prospecting procedures.

Azatek is therefore best classified as an **advanced development/reassessment project**, rather than an operating or construction-stage mine.

Voskedzor

Voskedzor is located in Syunik and is controlled through **Geghi Gold LLC**.

Historical project documentation reports approximately **29 tonnes of gold in defined resources**, while quoting substantially greater geological potential of approximately 130 tonnes.

The larger figure is not included in our resource assessment.

The historical development concept envisaged an initial **500 ktpa** processing operation expanding toward 1.5 Mtpa. The project has not reached this production profile.

Voskedzor should therefore be regarded as a **substantial but undeveloped exploration/development asset**.

Verin Vardanidzor

Verin Vardanidzor is a gold-polymetallic deposit in Syunik.

The Central Area contains Armenian state-approved **C1+C2** resources/reserves of approximately:

Ore	5.47 Mt
Gold grade	3.13 g/t
Gold	17.12 t
Silver	311.5 t
Copper	41.7 kt
Zinc	115.0 kt
Lead	61.9 kt

The figures were approved by the Armenian Mineral Resources State Agency.

Development studies envisage underground mining at approximately **150 ktpa**.

The project's original development concept is particularly relevant to Armenia's broader industry structure. Rather than immediately constructing a complete processing operation, initial ore could be sold or treated through third-party facilities, with a dedicated concentrator developed later.

The project documentation envisages exploration potentially increasing gold inventory toward **40–45 tonnes**. This is explicitly an exploration objective rather than a currently approved reserve and is therefore excluded from the defined-resource figure.

Archut

Archut is a gold-polymetallic system in Lori Province.

Historical project documentation identifies a high-grade area containing approximately **10 tonnes of gold**, with grades reported around **8 g/t**.

The same material attributes considerably greater district-scale gold and copper potential to Archut and adjacent targets. These figures should be regarded as exploration targets rather than current mineral resources.

The project therefore remains **exploration-stage**, despite encouraging historical grades.

11. Global Gold's Armenian Portfolio

[Global Gold Corporation](#)

historically assembled three notable Armenian gold properties:

Toukhmanuk, Marjan and Getik.

Toukhmanuk

Toukhmanuk, in Aragatsotn Province, is a historical gold mine and redevelopment project held through Mego-Gold.

The asset has experienced historical mining, exploration and several attempts at redevelopment, together with complicated corporate, financing and legal issues.

Historical resource estimates exist, but their age and classification make direct comparison with modern international resource estimates difficult.

Toukhmanuk is therefore treated as a **historical mine/redevelopment project**, rather than a current producer.

Marjan

Marjan is a gold-silver-polymetallic deposit in Syunik, approximately 28 km southwest of Sisian.

Historical Soviet C1+C2 estimates indicate approximately:

3.84 Mt at 2.68 g/t Au and 97.3 g/t Ag.

This corresponds to approximately **330 koz, or 10.3 tonnes of gold**, together with roughly 12 Moz of silver.

Larger historical inventories exist when P1 predictive resources are included, but these are not comparable with C1+C2 and are therefore excluded from the principal resource figure.

Marjan is classified as an **exploration/development project with a historical resource**.

Getik

Getik is considerably earlier stage.

Historical work identified gold and polymetallic mineralization, and some surface samples returned encouraging gold grades. However, drilling and exploration did not establish a sufficiently robust

modern mineral resource.

Accordingly:

Getik — exploration prospect; no gold resource assigned.

12. Other Gold Projects

Meghradzor

Meghradzor is an established gold district in Kotayk. Its immediate strategic importance may increasingly lie in **third-party ore processing** rather than a large standalone resource.

The emerging Meghradzor-Masis processing chain could provide an outlet for smaller deposits unable to justify their own plants.

Bazum

Historical investment material describes Bazum as a large iron-gold system and attributes approximately 100 tonnes of gold and 200 Mt of iron ore to the project.

These figures have not been supported by sufficiently robust modern technical disclosure for inclusion in the principal Armenian gold-resource inventory.

Bazum is therefore treated only as a **historical exploration project**.

13. Principal Gold Assets

Asset	Region	Status	Owner / Operator	Gold Reference
Amulsar	Vayots Dzor / Syunik	Commissioning Underground production / constrained	United 87.5% / Armenia 12.5%	2.83 Moz P&P + 0.80 Moz additional M&I
Sotk	Gegharkunik		GeoProMining Gold	~47.7 t reserves (2021)
Kapan	Syunik	Producing	Gold Mining Company	Au-Cu-Zn-Ag producer
Azatek	Vayots Dzor	Development / reassessment Exploration / stalled	Vayk Gold-related interests	~70 t Au/AuEq sponsor-reported
Voskedzor	Syunik	development	Geghi Gold	~29 t Au reported
Verin	Syunik	Licensed / undeveloped	Gharagulyanner	17.1 t Au C1+C2
Vardanidzor				
Archut	Lori	Exploration	Copper Plus-related interests	~10 t historical/project estimate
Marjan	Syunik	Exploration / development	Global Gold	~10.3 t historical C1+C2
Toukhmanuk	Aragatsotn	Historical mine / redevelopment	Global Gold / Mego-Gold	Historical resource
Meghradzor	Kotayk	Small-scale / processing	Meghradzor Gold	Not assigned
Getik	Gegharkunik	Exploration	Global Gold	No resource assigned
Bazum	Northern Armenia	Historical exploration	—	Not assigned

Resource classifications in this table are not directly comparable and **should not be summed**. JORC/NI 43-101 resources, Armenian/Soviet C1+C2 inventories, historical resources and project estimates have different technical and regulatory meanings.

14. Ownership and Investment Exposure

Armenia provides relatively little direct liquid equity exposure to its gold-resource base.

Amulsar is primarily privately owned, with the Armenian government holding a minority interest. **OR Royalties (TSX/NYSE: OR)** provides indirect listed exposure through streaming interests.

GeoProMining Gold, operator of Sotk and Ararat, is privately controlled.

Kapan returned to private Armenian ownership following Chaarat's disposal in 2023.

Azatek, Voskedzor and Archut are principally held through private project companies associated with Emerging Goldfields.

Global Gold historically provided listed US exposure to Toukhmanuk, Marjan and Getik, although it should not be considered equivalent to a conventional liquid operating gold producer.

The result is that much of Armenia's undeveloped mineral value remains within **private companies and individual project structures rather than major listed mining groups**.

This is a marked contrast with Kazakhstan, where investors can obtain exposure through several sizeable publicly traded operators.

15. Industry Economics and Consolidation Potential

Armenia's gold industry contains three distinct economic models.

Large-scale open-pit gold: Amulsar benefits from scale and relatively simple heap-leach processing.

Integrated refractory gold: Sotk benefits from dedicated processing at Ararat and substantial sunk infrastructure.

Smaller polymetallic deposits: Kapan and prospective projects such as Vardanidzor, Voskedzor, Archut and Marjan depend heavily on concentrate recoveries, payable-metal credits, toll processing and international offtake.

The third category presents an interesting structural opportunity.

Individually, a 100–500 ktpa polymetallic deposit may struggle to support a dedicated processing and refining complex. Collectively, however, several such deposits could use common infrastructure.

The emerging architecture already exists:

mine → toll concentration → domestic refining, where appropriate;

or

mine → concentrate → international offtaker → Poti → global smelter/refinery.

This could materially reduce the capital threshold for development.

Armenia's fragmented ownership structure therefore creates potential for **regional consolidation, common processing and centralized concentrate marketing**.

The value of infrastructure and commercial relationships may ultimately be as important to development of smaller projects as ownership of the mineral licences themselves.

16. Outlook

Armenia enters 2026–27 with unusually low gold production relative to its identified resource base. The immediate catalyst is Amulsar.

At planned average production of approximately **168 koz, or 5.2 tonnes per year**, Amulsar alone could increase national mine output several-fold relative to 2024. If Sotk subsequently recovers toward historical operating levels, Armenia could move rapidly from a marginal gold producer toward a materially larger regional industry.

The longer-term opportunity lies in the second tier.

Azatek, Voskedzor, Verin Vardanidzor, Archut, Marjan and Toukhmanuk demonstrate that Armenia possesses numerous gold-bearing systems beyond its principal mines. Some contain meaningful defined or historical resources; others remain exploration-stage.

Their development has repeatedly been delayed by a combination of **financing, ownership disputes, permitting, environmental issues, infrastructure requirements and weak execution**.

Armenia's landlocked position adds another constraint. Polymetallic concentrate producers must generally move material through Georgia before accessing international maritime markets.

Yet the same constraint has produced a functioning commercial ecosystem. Ararat provides sophisticated refractory-gold processing; Meghradzor and Masis offer the possibility of smaller-scale third-party processing and refining; international traders provide concentrate financing and marketing; and Poti provides access to global smelters.

The country's geological potential is therefore not isolated from international markets.

The defining event for Armenia's gold industry in **2026–27** will be the successful commissioning and ramp-up of Amulsar. Beyond that, the central strategic question is whether Armenia can use its existing processing and export infrastructure to unlock the much more fragmented portfolio of smaller gold and polymetallic deposits.

If it can, the development of Armenia's gold industry may ultimately extend considerably beyond Amulsar and Sotk.

