

An aerial photograph of a large-scale open-pit mine. The mine is characterized by numerous terraced levels of rock, showing a complex network of roads and drainage channels. A prominent feature is a large, dark, circular pond located in the lower-middle section of the mine. The surrounding landscape is rugged and rocky, with some sparse vegetation. The sky is blue with scattered white clouds. The text 'RICH METAL GROUP' and 'RMG' is overlaid in white, bold, sans-serif font on the upper portion of the image.

RICH METAL GROUP

RMG

COMPANY PROFILE

MARCH, 2021

Background

Madneuli gold-copper-barite polymetallic ore deposit is located in Bolnisi district, 80 km to the southeast of Tbilisi. Exploration of the ore deposit started in the 40s of the last century. In 1956 the deposit was approved and the construction of Madneuli Complex – one of the largest non-ferrous metals plants in Georgia started in 1959. In connection with the construction of the complex, a large industrial settlement – Kazreti was founded. Starting its operation in 1975, the complex was used for extracting copper, barite, gold- and silver-containing quartzites, and polymetallic ores, initial processing of extracted copper and barite ores enriching and selling products. The extraction of barite was ceased in 1990. In 1994, Kvartsiti Ltd was created which started gold and silver recovery from stockpiled gold-containing quartzite ores, using the heap-leaching method.

Due to the privatization of JSC Madneuli, Kvartsiti Ltd and several related enterprises in 2005, the owner of the enterprises became Stanton Equities Corporation, registered in the British Virgin Islands, a subsidiary of the Russian company [Promishlenniye Investori](#). It should be noted that from October 2004 to the date of announcement of the privatization of JSC Madneuli, Director General of the enterprise was Koba Nakopia – the former Vice-President of Promishlenniye Investori¹. After the alienation of the enterprises, Koba Nakopia returned to the post and in 2004-2008 held the positions of Director General of Madneuli and Kvartsiti and Chairman of the Supervisory Board².

In December 2007, Promishlenniye Investori sold its shares in Madneuli and Kvartsiti to [GeoProMining](#), owned by Siman Povarenkin, a chairman of the board of directors and co-owner of Promishlenniye Investori. Since 2012, a Russian company [Capital Group](#) has become the owner of the enterprises. In 2012, due to the change of owner, JSC Madneuli changed its name to RMG Copper, and Kvartsiti Ltd – to RMG Gold.

RMG GOLD

According to the Public Registry of Entrepreneurial and Non-Entrepreneurial Legal Entities of Georgia, until June 2019, RMG Gold LLC has been owned by private Rich Metals Group B.V., registered in the Netherlands (96.21% of shares) and JSC RMG Copper (3.79% of shares). According to amendments made to the registration documents on June 10, 2019, due to the liquidation of Rich Metals Group B.V., its 96.21% shareholder became Mining Investments LLC (I/C 404415824), a sole stockholder of the liquidated company. Mining Investments LLC is owned by Cyprus-registered Pamtilon Holdings Limited Ltd.

Mining Investment LLC has been brought to the attention of the public first in February 2012, when the company became the sole bidder for the auction held by the Agency of Natural Resources. A 27-year license for exploration and extraction of gold, copper, and other precious minerals in the Shida Kartli region was auctioned. Two weeks before the auction, on February 13, 2012, Mining Investments LLC was registered in Tbilisi. The director and sole owner of Mining Investments LLC was Alvidas Brusokas, a Lithuanian citizen³.

The Supervisory Board of RMG Gold has not been changed, and its members are Russian billionaire [Dmitry Troitsky](#) and [Dmitry Korzhev](#), and Irina Nikiforova, also a Russian citizen. The CEO of the company is Tornike Lipartia.

¹ In 2008, Koba Nakopia resigned again from the post, due to participation in the parliamentary elections on behalf of the United National Movement. After being a member of the Parliament of the 7th, 8th and 9th convocations, currently, Koba Nakopia is in the list of members of the Parliament of the 10th convocation of Georgia.

² <http://www.prominvestors.com/> the owner and the president of the company is Sergey Generalov – former Minister of Fuel and Energy of the Russian Federation.

³ [Mineral Auction Failed to Attract Large Investors' Transparency International Georgia, March1, 2012](#)

RMG Gold holds a license to exploit the famous Sakdrisi deposit.

Individual annual reports of RMG Gold LLC for [2017](#), [2018](#) and [2019](#) are published on the website of the Service for Accounting, Reporting, and Audit Supervision (SARAS) in Georgian and English languages.

According to the report of 2019, “the owners of the company are JSC RMG Copper and Mining Investments LLC (“partner companies”, “owners”), they own 3,79% and 96,21% of the company’s capital; respectively, the ultimate parent company is Eulachon Limited Ltd. Parties having the right of final control of the company are Mr. Dmitry Korzhev and Mr. Dmitry Troitsky”.

According to the report of 2019, “Currently, the company is working on several projects: in particular, ore extraction and processing from Sakdrisi deposit are continued, as well as the third processing of already processed ore is implemented. The company also carries out the so-called agglomeration project that implies mixing barite ore with already processed ore. In addition, the ore is being extracted from the Sakdrisi deposit to supply JSC RMG Copper. At this stage, considering the current stocks, from the Sakdrisi deposit 2.4 million tons of ore is expected to be extracted, which contains approximately 71 thousand ounces of gold (1 ounce is 31.1035 grams); the given quantity should be mined by the end of 2028.

The company plans the secondary processing of 9 million tons of ore, which contains 87 thousand ounces of gold. Processing of the given amount of ore is planned for the end of 2022. The third processing is carried out on the so-called old heaps, which are the ores purchased from JSC RMG Copper and processed from the 90s and then, carried out the so-called overturning of the ore or its processing for the second time. The ore suitable for tertiary processing is estimated at 12.5 million tons containing 100 thousand ounces of gold. Processing of the given amount of ore is planned for the end of 2022. In frames of the agglomeration project, it is planned to process 1.3 million tons of barite containing 19 thousand ounces of gold. The processing must be completed in 2022 within this project.

The processing of 1.7 million tons of ore containing 44 thousand ounces of gold is planned in frames of the Bneli Khevi project. The processing must be completed in 2022 within this project.

It is planned to mine the gold-copper ores in the amount of 10-million-ton for JSC RMG Copper, with a gold content of 332 thousand ounces and a copper content – 34 thousand tons. The extraction of the given quantity of ore is planned for the end of 2028.

In addition, from 2020, mining of the gold-copper ores in the amount of 2.3 million tons is planned for JSC RMG Copper in frames of Mushevani project, where the gold content is planned to be 89 thousand ounces and the copper content – 6 thousand tons. The extraction of the given quantity of ore is planned for the end of 2028.

The concept of the gold picking coefficient is rather significant for the company. The existing technological process does not allow the complete extraction of gold in the ore. This coefficient depends mainly on the quality of the ore, the gold content, the size of a heap, etc. According to the data of 2019, this coefficient totaled 70.69% for Sakdrisi ore, 20.58% - for the tertiary processing, and 32.87% - for the barite ore. As for the operational activity of the company, in 2019, the sale of gold and silver increased compared to 2018 from Gel 165.47 and 1.06 million to Gel 183.21 and 1.10 million. The change is mainly stimulated by the increase of the gold process. At the same time, the sale of the gold-copper ore also increased from Gel 35.82 million in 2018 to Gel 40.09 million in 2019. The prime cost of the manufactured products increased from GEL 159 million in 2018 to Gel 182.89 million in 2019. The increase of salaries in 2019 compared to 2018 from Gel 26.8 million to Gel 34.6 million is noteworthy, which is stipulated by the increase of the employed staff from 1,510 to 1,549 and by the increase of salaries as well. Employees of the company have special skills due to the specifics of the industry, which is unique for Georgia”.

It is noteworthy that the financial report also covers environmental issues such as the impact on soil, air, water, biodiversity, sustainability of dump slopes, waste management.

RMG COPPER

Information about owners of JSC RMG Copper is not presented in the Public Registry of Entrepreneurial and Non-Entrepreneurial Legal Entities since the Georgian legislation does not require publicity of information about the shareholders of the Joint Stock Companies. However, after the enactment of requirements of the Law of Georgia on Accounting, Reporting, and Auditing in 2016, RMG Copper has also been subject to the requirement of public financial reporting and it can be said that financial statements [2017](#), [2018](#) and [2019](#) of JSC RMG Copper that is available on the website of the Service for Accounting, Reporting and Audit Supervise(SARAS), covers most of the information about the company owners that have so far been made publicly available.

According to the JSC RMG Copper financial statements, as of December 31, 2017, and 2016, 99.6% of the company was owned by Rich Metals Group B.V. (Netherlands), and the final owners were Suncort Enterprises Limited and Ticola Holdings Limited registered in the British Virgin Islands. As of December 31, 2017, and 2016, the Company's ultimate controlling party was two individuals - Dimitri Troitsky and Dimitri Korzhev, who are entitled to conduct the Company's operations at their discretion and for their benefit. As of December 31, 2019, 99.6% of the company was owned by Mining Investments LLC registered in Georgia, and the ultimate controlling company of the group is Eulachon Limited registered in the Isle of Man. As of December 31, 2019, the group is ultimately controlled by the physical entity - Dimitri Troitsky, who is entitled to conduct the group's/company operations at his discretion and for his benefit. According to the report of 2019, Dimitri Troitsky also has various business interests beyond the group.

The report also states that "by the end of 2019, the company has two subsidiaries: Belaz Kavkaz Trans LLC and Trans Petk Mzidi Ltd, which have significant operations".

The company's technological process is to extract gold and copper from the rocks through the technological process of flotation. Flotation is a process through which the concentrate or fraction containing the most gold and copper is separated into finely ground rocks using water and reagents (mainly by lime). Through this process, in 2019, 2.52 million tons of ore were processed, with a copper content of 0.38% and a gold content of 1.07 g/t. The concentrate produced amounted to 40,803 tons (dry weight – wet weight amounted to 45,423 tons), with an average copper content of 16.00% and gold content of 41.57 g/t. Copper and gold ore extraction coefficients were 70.71% and 64.86%. From 2019, reprocessing of the ore produced by Auramine LLC and production of the gold polymetallic concentrate have been started in the plant owned by the company, in 2019, 33 thousand tons of ore were processed, 2,333 tons (dry weight) of gold-polymetallic concentrate was produced, containing the following content of metals: lead - 13.10%, zinc - 24.23%, gold - 57.87 g/t and silver - 383.12 g/t.

With flotation technology only certain types of so-called sulfide deposits can be recycled, thus the company gets proper ore from its so-called Madneuli quarry as well as the Sakdrisi deposit of RMG Gold LLC. In 2020-2028, it is planned to extract 16.6 million tons of ore from Madneuli quarry and purchase 10.3 million tons of ore RMG Gold LLC. In addition, in 2020-2027, it is planned to extract and process 2,3 million tons of ore of Auramine LLC.

As for the company's operational activity, in 2019, the sale was increased from Gel 275.8 million to Gel 325.4 million. The increase in sales is mainly stipulated by the higher gold content in concentrate compared to the previous year and the increase in the gold price. At the same time, the prime cost also increased from Gel 155.4 million to Gel 189.5 million that is caused by purchasing of the more expensive ore from Sakdrisi deposit, generally, the rise in prices of materials and equipment in GEL, due to the depreciation of Georgian Lari. In 2019, salary costs increased

from Gel 34.8 million to Gel 45.3, mainly due to the increased number of employees from 1,763 to 1,854, as well as raise their salaries.

The financial statement of RMG Copper also covers environmental issues such as the impact on ambient air, water, biodiversity, and their monitoring, noise, and waste management.

MINING INVESTMENTS

Mining Investment LLC (404415824), as mentioned above, is a company registered by Alvidas Brusokas, a Lithuanian citizen, in 2012. Over the years, various types of changes have been made within the company. In 2015, Mining Investments LLC merged with Mining Developments – Georgia LLC⁴ owned by the same company (404944414). CEOs of the company at various times were Russian citizen Yuri Pilipenko, Vakhtang Faresishvili⁵, who has been [deputy Head of Investigation Service of the Ministry of Finance of Georgia](#) since December 11, 2018, and Solomon Tsabadze.

As of today, Pamtilon Holdings Limited founded in Cyprus owns 100% shares of the company. The Director-General of the company is Vladimir Petrov, a Russian citizen; the Supervisory Board members are Russian citizen Dimitry Troitsky, Kakhaber Mchedlishvili, and Vladimir Petrov.

Information on Mining Investments LLC is not published on the website of the Service for Accounting, Reporting, and Audit Supervision (SARAS).

CAUCASUS MINING GROUP

Caucasus Mining Group LLC (404908775) which, since 2011 (in fact, upon its registration), holds the exploration and extraction license⁶ taken away from JSC Madneuli is closely affiliated with these companies. The owner of Caucasus Mining Group is also Pamtilon Holdings Limited, a Cyprus-registered company. The Director-General of Caucasus Mountain Group is Jondo Shubitidze. Again, the Supervisory Board members are Dmitri Korzhev, a Russian citizen, Kakhaber Mchedlishvili, and Irina Nikiforova, also a Russian citizen.

Caucasus Mining Group LLC owns 100% of shares of LLC RMG Auramine (404908775) and 100% of shares of Georgian Gold Company (405205987) whose Director-General is Tornike Lipartia. Moreover, Caucasus Mining Group, together with the Canadian company [Candelaria](#)⁷ owns (50% of shares) JSC Georgian Copper and Gold (405117494), registered in Georgia.

Director-General of JSC Georgian Copper and Gold is Paata Shurghaia. Until November 18, 2016, the Director-General of the company was Kakhaber Kuchava - currently the Chairman of the Parliament of Georgia and before that, the Deputy Chairman of the Parliament and the Chairman of the Environmental Protection and Natural Resources Committee of the Parliament. Kakhaber Kuchava owned 33% of shares of Umbrella Enterprises LLC

⁴ Upon its registration in 2012, the owner of the company was SPECIMAX Co, registered in Cyprus. Its director was Solomon Tsabadze. The company itself owned Mineral Resources Management Ltd (I/C 404944600), registered on 15/05/2012, Director: Zurab Kutelia. In 2013, the company merged with the owner.

⁵ In 2014 – 2017, was CEO and Member of Supervisory Board at Mining Investments LLC (RMG Group). In the same years, assumed the same position Ltd RMG Gold, JSC RMG Copper and Caucasian Mining Group LLC.

⁶ The licence is issued for exploration and extraction of non-ferrous, noble, rare metals and barite in Bolnisi, Marneuli, Dmanisi, Tsalka and Tetrtskaro municipalities. The licence is issued on 187 823, 59 ha area, which is 2.7% of the total area of the country.

⁷ „Canadian company acquired 50%of shares of gold mining company in Bolnisi”, October 28, 2020, Forbes Georgia

(404879798) until November 15, 2016 (shares were bought by Irakli Kuchava for 100 GEL); from 2011 to October 11, 2016, he was a director of JSC Carlton GEORGIA (afterward JSC ZOPKHITO GOLD, now JSC Caucasian Minerals) founded by Umbrella Enterprises LLC, which in 2011 obtained a 30-year license for exploring and extracting non-ferrous, noble, rare metals and barite in Oni region for 990 000 GEL.

Information on Caucasus Mining Group LLC and the companies in its ownership is not published on the website of the Service for Accounting, Reporting and Audit Supervision (SARAS).

LEGALIZED OFFENCES

According to Georgian legislation, activities, that may have a significant impact on the environment, human life, and/or health, may be carried out only based on prior consent (environmental permit until 2018, and so-called environmental decision - after 2018) by the competent authority - Ministry of Environmental Protection and Agriculture. However, fulfillment of this requirement is not always mandatory for the companies within the RMG Group; and their non-fulfillment does not create any problems. If the violation is revealed, there will always be a way to legalize it, even if it is illegal.

On March 28, 2019, the Ministry of Environmental Protection and Agriculture of Georgia published an [announcement](#) on its website on a public review of scoping report on reservoir-sedimentation project on the territory of Bektakari gold-polymetallic ore deposits of RMG Auramine LLC in Bolnisi Municipality⁸. According to the enclosed documents, on March 21, 2019, Tornike Lipartia, General Director of RMG Auramine LLC, addressed the Ministry of Environmental Protection and Agriculture with a letter saying that the company planned to arrange a reservoir-sedimentation of 17800 m³ volume in the vicinity of Bektakari gold-polymetallic deposits and submitted a Scoping Report on the Project of Arrangement a Reservoir-Sedimentation of 17800 m³Volume in the Vicinities of Bektakari Gold-Polymetallic Deposits for reviewing and obtaining a scoping opinion.

On April 12, 2019, a public review of scoping report on planned activities was held in the village of Bektakari, also attended by Green Alternative representatives. After the public review, the project site was inspected at the request of Green Alternative. As a result of the field visit, it became clear that RMG Auramine not planned but had already completed its construction. Two sedimentation basins had already been arranged on the project area. We immediately informed the Minister of this fact and requested an investigation of the fact of constructing the basin without a proper permit and fraudulently obtaining scoping opinion. Deputy Minister Nino Tandilashvili sent a complaint of Green Alternative to the Environmental Supervision Department only one week later, on April 23, 2019, requesting its examination within its competence.

It is noteworthy that files of administrative proceedings requested by us at a later stage do not contain any document that would confirm the fact of notification to the Environmental Supervision Department of the fact of law violation by an employee of the Environmental Assessment Department under the Ministry (who was in charge of the review) or his/her supervisor.

Since the Ministry has not responded to our complaint, on May 10, 2019, we requested information on measures taken by the Ministry to verify information on the fact of law violation and investigate it. In response to our request, we received a letter only on July 3, 2019, which stated:

⁸ According to the Environmental Assessment Code, scoping is a procedure to determine the list of information to be obtained and studied for the environmental impact assessment and the means to include this information in the EIA report;

1. “On-site inspection revealed that no fertile soil layer has been removed and stockpiled during the land excavation, namely, in the process of placing waste rocks resulted from the construction of tunnel portal entrance, sedimentation basin, and tunnels, building access roads to the construction site, arranging parking area adjacent to the construction site and building other auxiliary facilities by RMG Auramine LLC, under requirements of Article 3 (2) and (5), as well as Paragraph 11 of Government Decree #424 dated December 31, 2013, on Approval of Technical Regulations on Removal, Storage, Use, and Recultivation of Fertile Soil Layer;

2. As stated in letter #185054 of the Public Registry of the Ministry of Justice of May 29, 2019, the ownership right over the adjacent area to the construction site (immovable property) where parking has been arranged (500 m² area) has not been registered. It is agricultural land of arable category; accordingly, the company uses it inappropriately. Therefore, it was established that RMG Auramine LLC has committed a violation under Articles 51, 512, and 532 of the Code of Administrative Offenses of Georgia. Based on it, protocols of administrative offenses #051570 and #051571 were drawn up on June 18, 2019. The amount of damage to the environment caused by the degradation of land (soil) was also calculated, which amounted to 1105.74 GEL. The protocols with its enclosed materials were submitted to Bolnisi District Court by letters of Department #DES91900038224 and #DES41900038229 on June 27, 2019.

3. Under Article 14 of the Waste Management Code, RMG Auramine LLC was required to develop a Waste Management Plan of the company and submit it to the Ministry for approval, but the company failed to do so.

4. Furthermore, under Article 29 of the Waste Management Code, RMG Auramine LLC was obliged, under Order #2-11 of the Minister of Environment Protection and Agriculture of Georgia, dated January 9, 2018, to submit information on waste produced in 2018 in electronic form through <http://waste.moe.gov.ge> until March 1, 2019, however, the company failed to do so. Consequently, it was held that RMG Auramine LLC violated Article 43 (paragraph 2) and Article 44 of the Waste Management Code. As a result, on June 18, 2019, a protocol #051573 on an administrative offense was drawn up which, together with other enclosed materials, was submitted to Tbilisi City Court by letter #DES01900038144 of the Department, dated June 27, 2019.

5. It was also revealed that RMG Auramine LLC has arranged a 17,800 m³ sedimentation basin adjacent to the village of Bektakari in Bolnisi Municipality, though it did not have an environmental decision as envisaged by the Environmental Assessment Code. Thus, it was established that RMG Auramine LLC committed an offense provided for in Article 797 (1) of the Code of Administrative Offenses of Georgia. Accordingly, on June 18, 2019, a protocol on an administrative offense #051572 was drawn up which, together with other enclosed materials, was submitted to Bolnisi District Court by letter #DES11900038172 of the Department, dated June 27, 2019.

Green Alternative further requested information on measures taken by the Ministry against RMG Auramine LLC for providing false information to both the Ministry and the public and attempting to obtain a fraudulently environmental decision for reservoir-sedimentation that had already been arranged on the territory adjacent to the Bektakari ore deposit. According to the Ministry, “the Environmental Supervision Department had reacted against violations committed by RMG Auramine LLC and submitted respective protocols to the appropriate court for consideration.”

Since it was obvious from the response of the Ministry of Environmental Protection and Agriculture that its staff failed to take any measures to react against the fact of obtaining permit cheating the public and the public institution by the company, Green Alternative addressed the Department of Internal Audit with a request to examine official negligence and/or corruption deal. We received a response from Jemal Donadze, Deputy Head of the Internal Audit Department, explaining that the main function of the Environmental Supervision Department of the Ministry is to respond to environmental violations.

The Department of Environmental Supervision is a state sub-agency within the Ministry's governance which is primarily responsible to react environmental violations.

The Internal Audit Department of the Ministry has examined the aforementioned case files, and, in this respect, we would like to emphasize that the Environmental Supervision Department has reacted within the framework of applicable law, and forwarded them to Bolnisi District Court for legal evaluation and further proceedings. Accordingly, the argument given in your letter that nothing had been done to lay the responsibility upon the company is without foundation.

Mr. Donadze has also clarified that in case we assumed that there had been any other violation, we could apply to the appropriate authority.

It should also be noted that, according to Decree #61 of the Government of Georgia dated February 17, 2015, on "Rules for Carrying out State Control by Environmental Supervision Department under the Ministry of Environmental Protection and Agriculture", if alleged signs of criminal offenses are revealed, an inspection protocol and/or an administrative offense protocol and other documents shall be submitted to the relevant investigative bodies for further action. If the inspection reveals an alleged administrative offense, which does not fall within the competence of the Department, and if the Department is aware which administrative body is responsible for that, relevant information together with case files shall be submitted to the relevant administrative body for further action. In the given case, the Environmental Supervision Department failed to do so.

While we tried to convince the Internal Audit Department of the Ministry to investigate the issue, and then we asked Kakhaber Kuchava, former Chairman of the Committee on Environmental Protection and Natural Resources of Parliament, to examine the activities of the Ministry within the framework of parliamentary supervision, the Ministry of Environmental Protection and Agriculture published on its website an Order of the Minister on issuing a scoping opinion for the design of arranging 17,800 m³ volume reservoir-sedimentation on the territory adjacent to Bektakari gold-polymetallic deposit of RMG Auramine LLC. According to the Order, based on Paragraph 9 (9.9) of Annex II of the Environmental Assessment Code, a scoping opinion was issued for the design of arranging 17,800 m³ volume reservoir-sedimentation on the territory adjacent to Bektakari gold-polymetallic deposit of RMG Auramine LLC.

The Ministry of Environmental Protection and Agriculture of Georgia has done nothing to prevent the attempt of RMG Auramine to deceive the public and the Ministry itself.

Instead, the Ministry has not only failed to prevent but also even encouraged such an action; by breaching the law itself, issued a scoping opinion on current activities. It is noteworthy that the scoping opinion to be issued by the Ministry is mandatory when preparing an Environmental Impact Assessment Report for the business operator - however, how RMG Auramine LLC should prepare an Environmental Impact Assessment on current activity that can only be carried out on planned activity - is unclear.

Certainly, Green Alternative has appealed against the Minister's completely unjustified and unlawful decision and a criminal decision on its merits⁹. However, it was not an obstacle neither for RMG Auramine LLC nor the Ministry; based on the Order N2-1010 of the Minister of Environmental Protection and Agriculture dated October 24, 2019, which was appealed by us, as well as by the gross violation of the law, the Minister issued the Order N 2-630 on the environmental decision regarding the operation project of 17,800 m³ volume reservoir-sedimentation on the territory adjacent to Bektakari gold-polymetallic deposit of RMG Auramine LLC".

⁹ The lawsuit was filed before Tbilisi City Court on December 6, 2019.

In addition to the fact that the decisions are issued on the appealed, already implemented illegal activities, which can be made in respect with only the planned activities, on July 17, 2020, by the order issued by the Minister of Environmental Protection and Agriculture, the company was instructed to provide post factum information that is critical within the study of the environmental impact of a planned activity, as well as within the ecological audit of the ongoing activity and was required by law at the decision-making stage. This type of information is crucial for determining the level of threat to the environment, human life and/or health, cultural heritage, and tangible assets as a result of the project, and the ability to mitigate or avoid this threat. In particular, according to the terms of the environmental decision¹⁰:

„4. To assess and minimize the contamination risks of shaft waters with heavy metals and acids, RMG Auramine LLC shall determine the potential of acid generation by the ore and submit the results to the Ministry for consideration within 6 months from issuing of the environmental decision.

5. Within 6 months from issuing of the environmental decision, RMG Auramine LLC shall submit the baseline data of Mashavera and Khrami rivers, as well as the qualitative data on the content of heavy metals (copper, zinc, cadmium) in groundwater on the territory of the facility and soil – in the vicinities of the facility to the Ministry for approval.

6. Within 1 month from issuing the environmental decision, RMG Auramine LLC shall submit information on preventive measures against dust propagation at the territory of the sedimentation basin to the Ministry for approval.

7. Within 1 month from issuing of the environmental decision, RMG Auramine LLC shall submit detailed information on the frequency of sludge removal from the sedimentation basin, the volume of removed sludge, and further management measures, as well as information on the waste rocks disposal site (area) along with geographic coordinates to the Ministry.

8. Within 1 month from issuing of the environmental decision, RMG Auramine LLC shall submit information on location coordinates of the monitoring wells and their parameters to the Ministry for consideration”.

On September 13, 2020, Green Alternative also appealed against this decision of the Minister; the organization appealed to the City Court and demanded the annulment of the order on the environmental decision on the illegally constructed sedimentation basin project of RMG Auramine LLC¹¹.

It is noteworthy that the situation was identical in 2014 in respect to the construction of the heap leach platforms by RMG Gold. At first, RMG Gold has built the heap leach platforms and then had a public review of the documents required for obtaining an environmental impact permit for their construction and then submitted to the Ministry to receive a permit. Thanks to the student movement Green Fist¹² the public became aware of the company's attempts to obtain a permit deceiving the public and the Ministry, however, this did not appear to lead to any actions from the public bodies.

Instead, the Ministry of Environment and Natural Resources Protection provided the company with the opportunity to call back the submitted application based on the need for technical changes; and later, granted the right to carry out its current activities. Thus, obtaining the right to carry out activities in violation of the law is already a well-known method for RMG Group companies, and public authorities are eagerly promoting this practice.

¹⁰ Order N 2-630 of the Minister of Environmental protection and Agriculture of Georgia, dated July 17, 2020

¹¹ [Detailed information on the dispute is available on the website of Green Alternative.](#)

¹² ["Green Fist" appeals to the government and releases new photos of Sakdrisi, January 13, 2014, Liberali](#)

ENVIRONMENTAL IMPACT OF ENTERPRISES

Madneuli (RMG Copper) and Quartzite (RMG Gold) started operations much earlier than the Parliament of Georgia adopted the Law on Environmental Permit. Therefore, the owner of the enterprise obtained the permit only in 2008. In frames of obtaining the environmental impact permits, the impact on the natural and social environment of the enterprises should have been subjected to a detailed study, but the process was extremely formal and painless for the companies; to obtain the permit, instead of the Environmental Impact Assessment (EIA) report, a document prepared ten years ago was submitted, where only the dates were changed. Unfortunately, when issuing the permit, Goga Khachidze - the Minister of Environment and Natural Resources Protection of Georgia of that period did not consider this fact a significant violation of the law and signed the order on issuing the permit. Thus, there is no comprehensive study of the impact of the activities of enterprises on the natural and social environment. However, there are fragmentary data and studies on the damage caused to the environment by enterprises at different times.

Among the existing studies, the work of the Georgian and German researchers' group (a joint project of the University of Giessen and Tbilisi State University) is noteworthy. Their research aimed to assess the impact of the ore mining-enrichment plant on the ecosystem and population health of the Bolnisi district. The scientists' conclusion turned out to be alarming: a study covering the period of 2001-2011, showed that more than half of the territory is seriously contaminated with heavy metals, namely: copper, cadmium, and zinc. In some areas, the situation was catastrophic¹³. According to the study, "a large area of irrigated soils in Mashavera River valley is extremely overloaded by the heavy metals; there is a problem of pollution, but there are no way out – political and economic ways; Studied indicators are much higher than the norms considered by the European Soil Charter; copper and cadmium are easily absorbed by the edible plants. This results in direct contamination; through the soil additives, heavy metals can be fixed and reduced their absorption by plants; But still, soils contaminated with heavy metals in Mashavera River valley are a long-term problem for humans, animals, and food; it is necessary to take relevant measures to protect the population, which will be directed against the increasing loading". The working group also made a film to highlight the findings¹⁴, where the results of the research and the fact of presenting the report document to the decision-makers were captured¹⁵.

According to the report of 2013-2014 of the Department of Environmental Supervision of the Ministry of Environment and Natural Resources Protection of Georgia, the damage to the environment as a result of land contamination and degradation during the construction of the ore heap leaching production site by RMG Gold LLC without the environmental expertise conclusion amounted to Gel 29 153 880; while as a result of discharging of 500 m³ acid quarry water from the so-called thickening tank of 500 m³ volume installed at the territory of JSC RMG Copper enrichment plant to Kazretula River, the damage to the environment amounted Gel 1 078 188¹⁶. The report of 2013-2014 of the Department of Environmental Supervision is the latest public document available without demand, where information on the environmental impact of the companies is provided.

In addition, the report of a scheduled inspection (December 15, 2015 - March 15, 2016) of fulfilment the conditions considered by the Environmental Impact Permit №000056 issued for RMG Gold LLC (225359947) by the Department of Environmental Supervision and the norms established by the law in the environmental field is a public document, available upon the demand.

¹³ [„Soils pollution with heavy metals and opportunities to restore their functions – on the example of Mashavera Rive Valley, Georgia“](#); Authors: Peter Felix-Henningsen, Thomas Hanauer, Besik Kalandadze, Tengiz Urushadze, Levan Navrozashvili.

¹⁴ [Dig for Gold, reapPoison?](#) January, 2012

¹⁵ The document was submitted to the Ministry of Environment and Natural Resources Protection of Georgia and the Committee of Environmental Protection of the Parliament of Georgia. It is noteworthy that the staff members present at the meeting still work in these agencies.

¹⁶ [The report of the Environmental Supervision Department](#), 2013-2014.

The report describes the significant violations of conditions considered by the permit and the requirements set by the environmental legislation. For example, the company did not have a Monitoring (self-monitoring) Plan and did not fulfil the monitoring obligations imposed by the Environmental Action Plan; the company had neither a Waste Management Plan, nor a properly developed and approved Emergency Response Plan; the company did not follow the storage instructions of chemicals; the territory designated for the disposal of the leached ore heaps was not recultivated; according to the conclusion, management of RMG Gold LLC is mandatory to carry out self-monitoring of Cyanide-ions concentration on the territory of the enterprise to ensure the safe environment. Its monitoring is needed in terms of labour safety point of view. Cyanide-ions can cause chronic poisoning in the human body. Although it decomposes rapidly, the evaporation surface (irrigation of heaps, ponds) is so large that its odour can be felt throughout the area. During the inspection process, it was observed that the odour was spread in the production area, and based on the desk processing of the materials, it was determined that the self-monitoring of cyanide-ions concentration is not carried out on the production territory. In addition, during the inspection, when a solution was sprayed on the cells of leaching sites in unfavourable meteorological conditions (strong wind), it was spread through the surrounding territories to the wind direction”; the inspection revealed the fact of using a subsoil by RMG Gold LLC without an appropriate license and some other violations.

The report of a scheduled inspection (December 15, 2015 - March 15, 2016) of fulfilment the conditions considered by the Environmental Impact Permit №000055 issued for JSC RMG Copper (I/C 225358341) by the Department of Environmental Supervision and the norms established by the law in the environmental field, is distinguished not less severity of damage to the environment and described violations. According to the conditions of the permit, management of the enterprise is mandatory to arrange drainages for collection of storm waters from the waste rocks disposal sites and tailing ponds, as well as channels and treatment devices. “the inspection revealed that the company does not have any treatment device, while the other obligations are partly fulfilled. In particular:

1. To collect the runoff and leaked waters from №1 and №2 spoil grounds, a water collecting earth embankment is arranged at the Spoil Ground №2, at Kazretula River, where the leaked acid waters are accumulated, however, the lab analysis showed that this embankment does not provide a complete collection of acid quarry waters, water leakage in Kazretula river takes place and adversely impacts on Kazretula River water quality.
2. An earth pile drainage channel is arranged through the access road to the quarry, namely, along the spoil grounds №1 and №2. At the end of the channel, on the left side of the road, there is a storm waters collector, from where contaminated waters generated due to the heavy rainfalls, gravity flow to the slope on the right side of the road through the metal pipe and discharge into the river Kazretula.
3. There is no drainage system and embankment to collect the leaked waters from the Spoil grounds №3 and №4. Accordingly, the mentioned acid waters without any treatment are discharged in the ravines at the bottom of the spoil grounds, which join the river Poladauri.
4. There is an embankment for the collection of drained waters at the tailing pond, it is equipped with an emergency pipe. In case of overflowing the embankment, surplus water is expected to overflow into the neighbouring ravine, which joins the river Kazretula together with the water flowing from the collector.
5. Laboratory analysis showed that the content of magnesium, calcium, sulphates, as well as bromine and ammonium in water flowing from the pipe installed at the bottom of the tailing pond, is significantly increased compared to the maximum permissible concentration”.

On April 2, 2018, Levan Davitashvili - the Minister of Environmental Protection and Agriculture of Georgia visited Kazreti, where he got acquainted with the production of RMG Copper and RMG Gold on the spot¹⁷. The announcement on the visit of the Minister published on the website of the Ministry, stated the following: „Employees

¹⁷ [April 02,2018 | Levan Davitashvili got acquainted with RMG production process](#)

of the different agencies of the Ministry of Environmental Protection and Agriculture expressed their interest in RMG's activities. In 2015-2016 some violations were identified in several directions. We have discussed these violations and the ways to make them correct. We wished to see critical points, problems and repair mechanisms developed by the company, also a solution made within a reasonable time frame, that we will further discuss with experts "- Levan Davitashvili said. According to the executive director of the company, Joni Shubitidze, RMG developed an Environmental Action Plan together with the international company [Golder Associates](#)".

Green Alternative requested the above-mentioned plan from the Ministry. As it turned out, RMG Copper has prepared the document – “Short-Term and Long-Term Action plan, 2018”, where the measures planned for the response on violations identified as a result of a scheduled inspection of the enterprise in 2016 were described. Neither the quality nor the content of the document indicates the involvement of Golder Associates in its preparation.

According to the information, provided by the Ministry of Environmental Protection and Agriculture of Georgia¹⁸, as a result of the unscheduled inspection of fulfilment the condition of obligations established within the time frame determined by the administrative prescription №000904 developed by the Department of Environmental Supervision regarding JSC RMG Copper on March 13, 2018, and the norms set by the environmental legislation, it revealed that the enterprise did not fulfil some obligations in the time frame determined by the prescription. In particular:

1. The company developed the Emergency Response Plan, where the comments of the Ministry were not completely considered, namely, "Document for prevention and management of emergency, accident and critical situations for operations in the storage area of explosives" was not agreed with the relevant service;
2. Obligation determined by the 6th Paragraph of the prescription was not fully performed, namely:
 - The inspection revealed that the infrastructure for the organized management of waters leaked adjacent to the spoil ground №4, was not properly arranged following the “Short-term and Long-term Action Plan” and “Short-term and Long-term Water Protection Measures Plan”, within the timeframe specified in the plans (timeframe of arrangement the infrastructure for the organized management of waters leaked adjacent to the spoil grounds - 06.2018-08.2018. Timeframe of arrangement of temporary sedimentation at the Spoil ground №4 - 07.2018-08.2018). namely:
 - The inspection revealed that the temporary sedimentation and access road were not arranged. Accordingly, waters coming from the Spoil ground №4 occur in a dry ravine, where only the spoil ground runoff is discharged, and this ravine has no other natural tributary. The inspection revealed the fact of discharge of water from the Spoil Ground №4 on the slopes of the dry ravine and the fact of its distribution through the territory. In addition, ponds of the leaked water were observed.
 - The inspection showed that the works for the arrangement of the temporary sedimentation had not been yet carried out in timeframes (arrangement of the temporary sedimentation, timeframe -09.2018-11.2018) determined by the “Short-term and Long-term Action Plan” for management of leaked waters from the Spoil Ground №3. During the inspection, the sedimentation arrangement works were being carried out.
3. Within the timeframe determined by the 8th Paragraph of the prescription, failed the agreement of the “Project on Norms of Maximum Permissible Discharges (MPDs) of Pollutants Discharged into the Surface Water Bodies along with Wastewaters” with the Ministry.
4. Obligation considered by Sub-paragraph 9.2 of the 9th Paragraph of the prescription was not fulfilled. In particular: within 2 months from providing the administrative prescription, the company did not agree on the methods of laboratory analysis with the Ministry.

¹⁸Letter N 12353/01 of the Ministry of Environmental Protection and Agriculture of Georgia, dated as December 23, 2020.

5. Obligation considered by Sub-paragraph 9.4 of the 9th Paragraph of the prescription was not fulfilled at all. In particular: according to the “Short-term and Long-term Action Plan”, from April 2019, JSC RMG Copper should have started the works for the arrangement of a biological treatment plant after undergoing the appropriate procedures. The inspection revealed that the company had started the arrangement of the treatment plant before obtaining the appropriate environmental decision (from December 26, 2018). In addition, during the inspection process, the fact of pollution of the territory with storm-fecal waters generated on the territory of the enterprise was observed in the vicinities of the treatment plant; the mentioned wastewaters through the open channel used to discharge into the three-step cascade of the sedimentation basins and then, into the river Kazretula.
6. Obligation determined by Sub-paragraph 9.10 of the 9th Paragraph of the prescription was not fulfilled within the prescribed timeframe. Namely, JSC RMG Copper developed the Environmental Monitoring Program before January 16, 2018.
7. Obligation, determined by the 18th Paragraph of the prescription was not completely fulfilled. Namely, according to the administrative prescription, JSC RMG Copper was mandatory to immediately start implementation of the protection measures against pollution of the river Kazretula and carry out them until December 31, 2018. At the same time, according to the “Short-term and Long-term Action Plan” of the company, where the measures essential for the fulfilment of the 18th Paragraph are determined, the company was obliged to arrange the organized channels (like cuvettes) adjacent to the Spoil Grounds №1 and №2 and through the section of the access road to the quarry until December 31, 2018. The channels would collect the storm waters and convey them in an organized way downstream of the river Kazretula, into the specially arranged cascades of basins. During the inspection, the so-called channels were observed, which existed before 2016 (these channels were also observed during the inspection of 2015-16). At the same time, the inspection revealed that the channels were filled with inert material in different sections and storm waters generated through the perimeter could not be released, while the new organized channels (like cuvettes), which would ensure collection of storm waters and their discharge in an organized way into the specially arranged cascades of the basins arranged the river Kazretula downstream, had not been constructed yet.

Within the inspection of the fulfilment of the obligations determined by the administrative prescription, violation of conditions of the environmental decision issued by the Order №2-626 of the Minister on July 7, 2019, concerning the project on “Changing Operation Conditions of the Ore Enrichment Plant of JSC RMG Copper in Kazreti Borough, of Bolnisi Municipality” were observed. In particular: JSC RMG Copper did not carry out its activity under the 4th Condition of the environmental decision issued by the Order №2-626 of the Minister on July 7, 2019. Namely, the measures to be implemented in compliance with the administrative prescription №000904 of March 13, 2018, issued by the department, were not implemented. Paragraph 1st, 6th, 8th, and Sub-paragraphs 9.2, 9.4, and 9.10 of Paragraph 9th, as well as Paragraph 18th of the Letter №1971/01 of the Ministry of Environmental Protection and Agriculture of Georgia, dated March 13, 2018, were not fulfilled; at the same time, the inspection revealed the fact of activity considered by the Environmental Assessment Code, which was carried out by JSC RMG Copper without the appropriate decision determined by the same Code. Namely:

1. The company installed a new line at the III Section of the enrichment plant before the environmental decision. In particular: 5 units of flotation chambers were installed for processing of gold-polymetallic ore, 2 units of new filters were installed in a filter-drying section and the installation works of 2 thickening tanks were conducting adjacent to the enrichment plant.
2. JSC RMG Copper started arrangement of a biological treatment plant without an appropriate environmental decision (from December 26, 2018); the company has started arranging/constructing a suitable structure for collection of 100 000 m³drained water from the Spoil Ground N3 without a relevant decision.

The inspection also revealed the fact of violation of the requirement of the Waste Management Code by JSC RMG Copper. Namely:

1. The inspection revealed that based on the Resolution №144 of the GoG, JSCRMG Copper has not registered its activities in the waste management electronic system for collection/transportation of wastes, however, it was established that the company carried out transportation of hazardous wastes (outdated batteries) to transfer them to Akas Georgia Ltd. In addition, the company carries out transportation of plastic wastes to transfer them to L.M.Y Ltd;
2. The inspection revealed that the company placed hazardous wastes on the registered facility designated for the temporary disposal of hazardous wastes, however, the mentioned hazardous wastes are given in none of the applications for registration of activities recorded in the waste management electronic system. Namely, wastes with the codes - 170505* (dredging spoil containing hazardous substances) and 161105* (linings and refractories from non-metallurgical processes containing hazardous substances); Notwithstanding the foregoing, the company has not applied to the Ministry for a change in registration.
3. In some production sites in the enterprise owned by JSC RMG Copper, a fact of mixing of hazardous and non-hazardous wastes was observed.
4. Wastes generated during the operation of the JSC RMG Copper's enterprise (rubber containing scrap and soil-clogged pipes, as well as non-ferrous metal waste – scrap) are not transferred to a properly registered organization in compliance with the law. In particular, it was established that Obomotori Ltd has not registered its activities on the wastes collection/transportation in the waste management electronic system under the Resolution №144 of the Government of Georgia. It was also revealed that Krial Ltd, which removes the paper waste generated by JSC RMG Copper, has not also registered its activity on the wastes collection/transportation in the waste management electronic system.

According to the Ministry, “for the above-mentioned violations, a relevant authorized person of the Department drew up the protocols of administrative offenses, which together with the inspection materials, were transferred to Bolnisi District Court for consideration. Bolnisi District Court, by the Decree №4/a-152-19 of February 10, 2020, found JSC RMG Copper offender under the 3rd Paragraph of Article 40 of the Waste Management Code, as well as for the action considered by the first paragraph of Article 79 of the Administrative Offences Code of Georgia and was imposed the fine – Gel 8000. The mentioned Decree has entered into force.

At the same time, the Court, by the Decree №4/a-154-19 of March 20, 2020, found JSC RMG Copper an administrative offender in the action considered by the first paragraph of Article 79² and the first paragraph of Article 79³ of the Administrative Offences Code of Georgia and imposed the fine – Gel 15 000. JSC RMG Copper appealed against this Decree to the Tbilisi Court of Appeals. By the Decree №4-a-162-20 of June 19, 2020, of the Court of Appeals, the claim of JSC RMG Copper was satisfied and the case was returned to the first instance for reconsideration. The case is currently under consideration.

As for the inspections carried out during 2020, according to the Ministry, “on July 31, 2020, the authorized persons of the Department took the wastewater samples in Bolnisi municipality, adjacent to the enterprise of JSC RMG Copper. In particular, at the meeting point of water coming from the Spoil Ground N4 of JSC RMG Copper and Poladauri River, as well as at the monitoring point of the Spoil Ground N4 of JSC RMG Copper. The inspection act №005593 was drawn up on-site. By the Letter №DES72000044863 of August 4, 2020, water samples were sent to the LEPL National Environmental Agency for further lab analysis.

Based on the test protocols №101-2020 and №101a-2020 of the Agency, the concentration of pollutants discharged in the surface water body - in Poladauri River together with wastewaters by the company exceeded the maximum

permissible norms. Therefore, on September 17, 2020, an authorized person of the Department drew up a protocol №059355 of the administrative offense against JSC RMG Copper for the offense considered by the first paragraph of Article 79⁸ of the Administrative Offences Code of Georgia. By the Letter №DES92000054198, on September 29, 2020, this protocol was sent to Bolnisi District Court along with the case materials. As of today, the case is under consideration.”

Also, according to the Ministry, “from November 9, 2020, to December 4, 2020, it was planned a scheduled inspection of the condition of the obligations established by the environmental decision approved by the Order №2-71, dated January 23, 2019, of the Minister of Environmental Protection and Agriculture of Georgia and the norms established by the applicable environmental legislation for operation of “Sakdrisi” heap leaching production site of RMG Gold LLC and changing of the operation conditions – broadening of the sites (processing of minerals). However, due to the spread of the coronavirus in the company, running of a time limit of the Order №DES82000000321 of November 5, 2020, was suspended by the Order №DES12000000324 of the Head of the Department.

The documentation provided by the Ministry is accompanied by the "Cases of particularly high exceedances over the norm observed during the planned monitoring of surface waters" by the National Environmental Agency in June and July of 2020:

Ingredient	Points	Obtained result	Maximum Permissible Concentration (MPC)	June 2020 (exceedance over the norm)
Cadmium	Kazretula-Kazreti	0,0182 mg/l	0.001 mg/l	18 MPC
Manganese	Kazretula-Kazreti	1,4442 mg/l	0.1 mg/l	14,2 MPC

Ingredient	Point	July 2020 Exceedance	Maximum Permissible Concentration (MPC)	July 2020 (Maximum value)
Cadmium	Kazretula-Kazreti	12,3 MPC (0,0123 mg/l)	0.001 mg/l	12,3 MPC (0,0123 mg/l)
Manganese	Kazretula-Kazreti	10,6 MPC (1.0693 mg/l)	0.1 mg/l	10,6 MPC (1.0693 mg/l)

At this stage, we do not have any information on the alarmingly high rates of water contamination, measures taken by the Ministry, and pollution rates of the other periods.

WORKING GROUP AT ENVIRONMENTAL PROTECTION AND NATURAL RESOURCES COMMITTEE

On June 13, 2018, by the order of Kakhaber Kuchava – currently, as the Chairman of the Environmental Protection and Natural Resources Committee of the Parliament of Georgia, “a working group was established to study the damage to the environment by the companies RMG Gold and RMG Copper during the mining-extraction works”. On June 15, 2018, based on a conclusion of the working group, the Chairman of the Committee appealed to the Ministers of the Environmental Protection and agriculture and the Economy and Sustainable Development. The appeal states that the Environmental Protection and Natural Resources Committee considers it expedient that:

1. Continuation of ore processing with existing methodology and practice and starting new works on other deposits will increase the pollution level and area in the Kvemo Kartli region. Accordingly, the LEPL National Agency of Mines of the Ministry of Economy should not allow the company to start processing a new deposit on the territory of Bneli Khevi until we see the will of the company and real actions to improve the existing situation. The Companies – RMG Gold and RMG Copper must implement the Action Plan set by the Ministry of Environmental Protection and Agriculture of Georgia.

2. Ministry of Environmental Protection and Agriculture of Georgia should provide coordination with the National Centre for Disease Control and Public Health to conduct epidemiological studies of the population in the Bolnisi district.
3. LEPL National Environmental Agency should carry out seismic studies of the stability of the old (historical) tailing ponds locating on the territory of RMG Gold and RMG Copper“.

In response to the appeal, the Ministry of Environmental Protection and Agriculture of Georgia informed the committee that 1. “the Ministry of Environmental Protection and Agriculture is unable to discuss the suspension of the license in frames of its competence”; 2. LEPL National Environmental Agency expressed its readiness to monitor environmental pollution in cooperation with the National Center for Disease Control and Public Health; 3. As for the seismic studies, according to the Minister, this is also “beyond the competence of the LGPL National Environmental Agency”.

The Ministry of Economy and Sustainable Development of Georgia did not respond to the appeal of the Chairman of the Committee.

By the letter of August 2, 2018, LEPL L. Sakvarelidze National Center for Disease Control and Public Health also expressed its readiness “to engage within its competence and conduct epidemiological studies of the population in Bolnisi district together with the LEPL National Environmental Agency, to assess the harmful effects of the environment on human health”.

Unfortunately, most of the documents related to the activities of the working group are no longer available on the Parliament's website (links no longer work), but „[the Monitoring Report of 2018-2019 of the Working Group Studying of the Environment Pollution in Kvemo Kartli region](#)“ is available.

On March 23, 2020, at the initiative of Maia Bitadze – a new Chairperson of the Environmental Protection and Natural Resources Committee of the Parliament of Georgia, an offsite meeting of the Working Group on Environmental Pollution in Kvemo Kartli Region was held with the representatives of RMG Copper JSC and RMG Gold LLC.

Based on the information published on the website of the Parliament of Georgia, “in frames of the visit, the Chairperson of the Committee, the First Deputy Chairperson, a member of the Committee – Aleksandre Dalakishvili and members of the working group inspected the production areas RMG Gold and RMG Copper on the spot and got acquainted with the current production processes in detail. As well as the works carried out in recent years. They visited the reclamation and water catchment facilities, got acquainted with the work carried out to prevent air pollution and dust generation, which in their opinion is a step forward to improve the environmental and ecological situation”.

"The results achieved in the region as a result of the joint work of the Working Group, RMG, and the Georgian Government are tangible. There are actual changes concerning the production cycle and the improvement of the production process. Large-scale reclamation works have started in the area. Significant measures have been taken to prevent water pollution as well as air pollution. However, issues remain that still need to be addressed. The Committee hails the fact that as a result of the joint work and diligence of the company and the Group, the standards set by the company in terms of environmental management will be further raised and strengthened, and this is very important, both for maintaining the ecological balance on the ground and for the safety of important cultural heritage sites in the region “, - Maia Bitadze, Chairperson of the Environmental Protection and Natural Resources Committee stated.

According to Nino Burchuladze, a member of the working group and a representative of the Sakdrisi Committee, despite the pandemic in the region, the company was able to fulfil most of the commitments imposed by the Ministry of Environment and Agriculture of Georgia.

According to Nikoloz Tsikaridze, a member of the Green Policy Public Platform, significant progress has been made in the company's work in meeting environmental commitments, although many measures have not yet been completed, they are in the process of being implemented and the working group will constantly monitor their progress.

According to Aleksandre Devidze - Deputy Director for Environmental Protection at RMG, the companies in the group are successfully implementing environmental measures. "implementation of 97 measures were determined for RMG Gold and RMG Copper in this direction, 95 of them have been already implemented, and by this time, Gel 26 million have been already spent for the environmental measures. The work in this direction continues and we will pursue further work with the Environmental Protection and Natural Resources Committee and its Working Group in this format"¹⁹.

These assessments of the company's progress are difficult to reconcile with the (above) information provided by the Ministry of Environmental Protection and Agriculture of Georgia. However, the new Chairperson of the Environmental Protection and Natural Resources Committee assured us that the Working Group set up in the Parliament of the previous convocation, which continues to work within the Parliament of the X convocation by the decision of the Committee on Environmental Protection and Natural Resources, systematically monitors the activities of mining companies to fulfil their environmental obligations.

ACCESS TO INFORMATION ON THE ENVIRONMENTAL IMPACT

Nothing has changed within a year in terms of accessibility to information on the environmental impact of the enterprises.

Company's [website](#) still does not provide information on the state of the environment, damage to the environment caused by the activity of the enterprises and the planned and/or ongoing measures for mitigation, as well as information on threats to the natural and social environment expected from their activity and the past and/or future measures to prevent these threats. However, it should be noted that compared to the previous year, the website of the company has undergone significant changes. A section "Public Information" has appeared on the website. It is still unknown what type of information is planned to be posted in this section, as the website is running in the test mode and this section is not active either. Also, different information was placed under the heading - "Environmental Protection". In particular, the following is noted:

"RMG management team attaches a particular attention to the observance of local and international standards in the field of environmental protection during mining and mineral processing".

Based on the prescription of the Ministry of Environmental Protection and Agriculture of Georgia, the Ministry controls the implementation of environmental projects and measures within a specified period by RMG. In addition, the implementation of environmental projects is monitored by the Working Group on Environmental pollution in Kvemo Kartli Region at the Environmental Protection and Natural Resources Committee of the Parliament of Georgia (Organization "Green Policy Public and Scientific-Research Platforms" and "Sakdrisi Committee for Cultural Heritage").

¹⁹[Offsite Meeting of Working Group at Environmental Protection and Natural Resources Committee in Kvemo Kartli](#), March 23, 2021

RMG creates the safest working environment for its staff, contractors, and the local population. The company operates with minimal impact on the environment and safety in the field of mining.

The company annually continues environmental programs, introduces new, modern environmental technologies, and has the best results among the mining companies in Georgia in this direction.

The RMG management team always adheres to the principles of the environmental policy in achieving of the set goals and implementing of measures and requires the support from each employee in this process”.

Here is a list of actions (it is unknown planned or ongoing) concerning the various environmental components:

„Air

- Permanent watering of the motor and inner quarry roads;
- Operation with air-dust collection systems in confined spaces;
- Operation with water sprayer systems in open spaces;
- Systematic lab analysis of ambient air.

Water

- Management of industrial waters to protect the river water from pollution;
- Treatment of storm and wastewaters through a chemical treatment plant;
- Operation of drainage, sedimentation, and emergency reservoirs;
- Treatment of the sanitary-domestic wastewaters through a biological treatment plant;
- Permanent lab analysis of water.

Soil

- Arrangement of a nursery to restore the landscape;
- Gradual Reclamation of open quarries and spoil grounds in compliance with the international standards;
- Hazardous waste management.

Biodiversity

- Observation on tree species and observation/research of inhabiting specimens adjacent to the enterprise under the monitoring program;
- Development-implementation of additional mitigation or/and compensation measures based on the monitoring results;
- Submit a biodiversity monitoring report to the Ministry of Environmental Protection and Agriculture of Georgia annually.

Waste Management

- Waste management is carried out in compliance with the Waste Management Plan approved by the Ministry of Environmental Protection and Agriculture of Georgia;
- Wastes are collected separately, in properly designated containers;
- Temporary disposal sites of wastes are arranged in compliance with the legislation;
- Properly licensed contractor companies provide the waste removal from the territory and processing;
- Personnel responsible for waste management is designated in the company and they are provided with special clothing and personal protective equipment;
- Wastes are re-used as far as possible.

In the same section, a [video](#) entitled “Return of Sander to Georgia” is published. The video shows that the Minister of the Environmental Protection and Agriculture of Georgia congratulating the society on “returning of extinct species in Mashavera River”.

According to the text posted there, “since 2018, RMG has carried out several projects within the framework of the environmental program. Returning of Sander fish in Georgia is the most significant and successful project.

As a result of cooperation between RMG and the magazine “Wildlife”, one of the prominent representatives of the ichthyofauna – Sander (*Lucioperca* – Percidae family) was returned to the rivers and lakes of Georgia. Since the beginning of 2019, several scientists, an international fund, or foreign experts have been working on this project, which ultimately made it possible to set the first precedent for the legal transfer of live fish from Azerbaijan to Georgia.

Initially, several thousands of Sander fries were handed over to the Agency of Wildlife of Georgia for the Georgian and Azerbaijani ichthyologists to observe and share their experience.

In the second stage of the project, for the long-term success of the reintroduction of Sander, additionally, the so-called “nursery group” was brought to Georgia, which allows millions of fries to be released in the rivers of Georgia every year. The imported “nursery group” was released in several lakes. In summer and autumn of 2020, hundreds of thousands of Sander fries were released on trial in the rivers of eastern Georgia, including in Kvemo Kartli region”. “News” on the release of Sander in Mashavera River was published on the website of the Ministry of Environmental Protection and Agriculture of Georgia²⁰. According to the Ministry, „the fish species Sander, which have not been found in Georgian rivers for decades, was released in the river Mashavera. The Minister of Environmental Protection and Agriculture, Levan Davitashvili attended the fish releasing event.

According to the Minister, the Ministry is actively working to return endangered or extinct species to the environment and to restore them, along with the Agency of Wildlife of the Ministry.

“We symbolically started returning of the species of fish “Sander” into the river and we started this process from river Mashavera. The river Mashavera was so polluted, that no living organism has been found in it over the years. The Ministry has taken a very strict approach while imposing certain obligations to the company RMG, which ultimately enabled us to eliminate the major critical sources of water pollution. This process was carried out with the involvement of civil activists and close cooperation with the company” Levan Davitashvili said.

Under the frame of environmental liability, the company RMG, along with the magazine “Wildlife” is implementing a project, aiming to return the species of fish Sander to ichthyofauna, into the rivers and lakes of Georgia.

The reintroduction of fish Sander is carried out through the support of the World Wide Fund for Nature (WWF) and “Development and the Environment”. Moreover, up to 1000 small-sized fish, Sander was imported from Azerbaijan. For the first time, the fish Sander was propagated by the Wildlife Agency included in the Ministry of Environmental Protection and Agriculture and with the help of Georgian ichthyologists.

It is noteworthy that after sharing this news on the Facebook page of the Ministry, a Director of the Caucasus Office of the World Wide Fund for Nature [denied](#) any connection with the release of Sander in Mashavera River; the

²⁰ „[Under the frame of the Environmental Liability, the Company RMG is implementing a project, aiming to return the species of fish Sander to ichthyofauna](#)“, July 22, 2020

[statement](#) was also published on the Facebook page of the organization²¹, however, the information published on the Ministry's website and in several media outlets still confirms the organization's participation in the process.

The release of Sander in the Mashavera River was negatively assessed by the specialists, as there is no scientific historical evidence that this species inhabited the river Mashavera. Consequently, the action of the Ministry and the company RMG, which was presented to the public as a measure focused on the protection of nature (conservation of biodiversity), is the invasion of alien species, the same introduction or introduction of alien species for the fauna and release it into the wild. Globally, alien species are one of the most important threats to biodiversity. According to Article 23 of the Law of Georgia on Wildlife, "Arbitrary relocation of wild animals by physical and legal entities to new habitats and the introduction of alien species into the wildlife of Georgia is prohibited"

According to the map of the RMG test website, the page should also include the section: "Environmental Policy", "Monitoring", "Mitigation Measures", "EIA".

It should be noted that from January 1, 2018, after enactment of the Environmental Assessment Code, the Ministry of Environmental Protection and Agriculture is mandatory to publish the further analysis of the activity, which includes the following:

- a) Monitoring of conditions and mitigation measures;
- b) Analysis of impact on the environment due to the activity;
- c) Assessment changes in environmental characteristics considered by the EIA report.

This obligation is not fulfilled even at the end of the second year after the enactment of the Code - neither to the RMG companies nor any other enterprises. Information on the fulfilment of the conditions can be obtained only upon request of public information.

MINING LICENSES

Mining licenses for companies within RMG Group - extract from the Mining Licence Register provided by the National Agency of Mines²².

License No	Name of the facility	License holder	Term of registration and validity	Resource volume	Area	Transfer
10	Geological exploration and further extraction of known ore minerals of Bolnisi Group (Bolnisi, Dmanisi, and Marneuli districts)	LLC RMG Gold	07.04.1994 30.12.1996 20 years Term extended 01.01.15 Term extended 01.01.20		9.0 ha	Trans-Georgian Resources Ltd was transferred Order #1-1/291 11.02.09 License issued to Quartzite LLC was transferred Order #13/544 30.10.12 Order #245 07.04.14 Order #478/ 31.12.14
11	Integrated processing of Madneuli gold-copper-	JSC RMG Copper	12.04.94 23.07.97	1) Copper ore-5070000 (Cu-0.35%,	421,45 ha	Amendment to Order #13/15, 14.05.12.

²¹„Published information about the participation of the World Wide Fund for Nature (WWF) in the project of RMG on “Returning of Sander in Georgia” are not true. The World Wide Fund for Nature does not cooperate with any of the mining companies, including RMG”.

²²[Mining Licence Register as of February 9, 2021](#). The document is available only upon request in the National Agency of Mines

License No	Name of the facility	License holder	Term of registration and validity	Resource volume	Area	Transfer
	barite-polymetallic deposit in Bolnisi district		20 years	Au-0.41 g/t, Ag-1.68 g/t) 2) Gold containing secondary quartzite-2713200 (Au-1.02 g to t, Ag-5.15 g/t)		The license issued to JSC Madneuli has been transferred Order #13/546, 30.10.12
1000874	Exploration and extraction of minerals (non-ferrous, noble, rare metals and barite) in Bolnisi municipality	JSC RMG Copper	30.10.12 12.04.14		26.28 ha	License #1000281 issued to JSC Madneuli was transferred
1002122	Exploration and extraction of minerals (non-ferrous, noble, rare metals, and barite) in Bolnisi and Dmanisi municipalities	LLC RMG Gold	25.11.14 02.01.42 License became effective 01.01.15		193.76 ha	Part of license #1000577 transferred by Mining Investments LLC Amendment to license #1001028 Amendment to license #1001539 issued to Mining Investments Gold LLC (merger)
1003161	Exploration and extraction of minerals (non-ferrous, noble, rare metals, and barite) in Bolnisi, Marneuli, Dmanisi, Tsalka, and Tetrtskaro municipalities	JSC Georgian Copper and Gold	04.12.15 13.10.41	Exploration period 72 months (1 year, 10 months, 8 days)	86 107.669 ha	Amendment to Order #414, 23.10.13 (exploration period extended) Order #1784/10.11.15 Part of license #1000226 was transferred by Caucasus Mining Group LLC
1004034	Extraction of minerals of Bektakari gold-polymetallic deposit in Bolnisi municipality	LLC RMG Auramine	19.10.16 13.10.41	Bektakari deposit: gold - 11987.87kg, silver – 108712 kg, lead - 27448 tons, zinc - 57528 tons	Mining - 345,7939 ha land - 309,849 ha	Amendment to Order #414 23.10.13 Amendment to Order #1784/10.11.15 (exploration period extended) Part of license #1000226 transferred to JSC Georgian Copper and Gold Amendment to License #1003160 (extraction) Part of license #1003998 transferred by Caucasus Mining Group LLC
1004600	Extraction of minerals from BneliKhevi gold-polymetallic deposit in Tetrtskaro municipality	LLC Georgian Gold Company	31.05.17 13.10.41	North-east pit of deposit - gold 1635.07 kg, silver - 8503.79 kg	Mining - 239.4021 ha, land - 504.6677 ha	Amendment to Order# 414 23.10.13. Amendment to Order #1784/10.11.15 (exploration period extended) Part of license #1000226 transferred to JSC Georgian Copper & Gold

License No	Name of the facility	License holder	Term of registration and validity	Resource volume	Area	Transfer
						Amendment to license #1003160 (extraction) Part of license #1003998 transferred to RMG Auramine LLC Amendment to license #1004035 (stocks approved) Part of license #1004318 transferred by Caucasus Mining Group LLC
1005299	Extraction of Didi Dmanisi secondary quartzite in Dmanisi municipality	LLC RMG Gold	07.03.18 21.12.25	minimum 90000 t/year	10.0 ha	Mining license #0673 fully transferred by Construction Materials LLC
1005314	Exploration and extraction of minerals (non-ferrous, noble, rare metals, and barite) in Bolnisi, Marneuli, Dmanisi, Tsalka, and Tetrtskaro municipalities	Caucasus Mining Group LLC	14.03.18 13.10.41	David-Gareji gold-barite-polymetallic ore: silver -108.93 t (108930 kg), barite - 895191.59 t, exploration period on other districts - 120 months	100865.4594 ha	Amendment, Order #414 23.10.13 Amendment (exploration period extended), Order #1784 /10.11.15 Part of License #1000226 transferred to JSC Georgian Copper & Gold Amendment to license #1003160 (extraction) Part of license #1003998 (stocks approved) transferred to RMG Auramine LLC Amendment to license #1004035 (stocks approved) Part of license #1004318 transferred to Georgian Gold Company Ltd Amendment to license #1004601 (exploration period extended)-
1005456	Exploration and extraction of minerals (non-ferrous, noble, rare metals, and barite) in Bolnisi municipality	JSC RMG Copper	10.05.18 16.04.41	Gold - 1804.6912 kg; silver-64 900.344 kg; copper -26815.06 t; gold - 1691.16kg	1035.5 ha	Part of license #1000577 transferred by Mining Investments LLC to JSC RMG Copper until July 12, 2014 Amendment to license #1001030 issued to Mining Investments Copper Ltd Amendment to license #1002121 (stocks approved) Amendment to license #1004727 (stocks approved)

At this stage, we don't have any information on the state of fulfillment of the mining license conditions held by the companies of the RMG group. The National Agency of Mine sent our request on disclosure of public information to the companies and asked them to notify their position on "disclosure of public information" "as soon as possible", under Article 29 of the law of Georgia on Subsoil. We assume that the National Agency of Mine required the companies' position on disclosure of public information based on Article 29 of the Law on "Subsoil", according to which the Agency considers that a report on the fulfillment of conditions of the mining licenses submitted to the public agency is the property of a licensee and it can be transferred to another entity by the consent of the owner of the information.

In edition [Profiles of Mining License](#) of Green Alternative of 2019, presents information on such important areas of mineral extraction as Kvemo Kartli, Tsalka, Tetri Tskaro, Dmanisi, Bolnisi, and Marneuli municipalities, where non-ferrous metals are mined. Information includes:

- Mining license holders;
- License validity, area, the volume of resources to be extracted;
- The forested area within the license perimeter;
- Loss of forest area over the past years;
- Agreements on special use of forest;
- Recultivation measures planned/implemented by the use of minerals;
- Compensation measures for forest ecosystems (restoration, renewal, promotion) and monetary compensations.

From 2015, Green Alternative issues periodic reports on the availability of information on the State of the environment in Georgia. During the analysis of the availability of information of the State of the environment, we study accessibility of information on so-called "large-scale pollutants" and prepare company profiles of four enterprises that are singled out in terms of the scope of activities and impacts on the environment and human health. These enterprises are RMG, Georgian Manganese LLC, Saknakshiri Ltd, and HeidelbergCement.

This document reflects the availability of information on Rich Metal Group (RMG).



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The content of this publication is the sole responsibility of Green Alternative and can under no circumstances be regarded as reflecting the views of the Heinrich Boell Foundation Tbilisi Office and views of the Open Society Foundations Network.



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