

# INVESTOR'S BRIEF MINING & STRATEGIC METALS — ARMENIA

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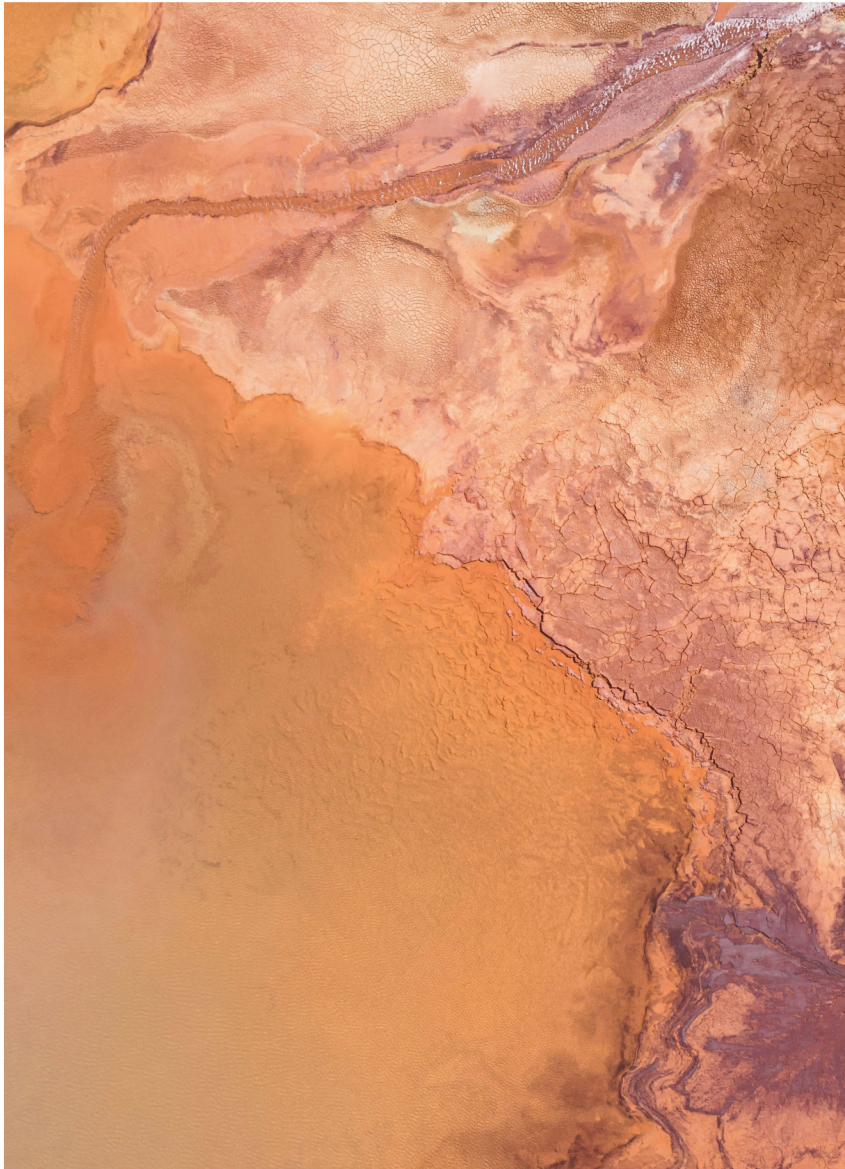


# AGENDA

**“THE COUNTRY IS WELL POSITIONED TO CAPTURE A LARGER SHARE OF REGIONAL INDUSTRIAL VALUE CHAINS OVER THE MEDIUM TO LONG TERM...”**

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# A STRATEGIC INDUSTRIAL RESOURCE BASE



## KEY HIGHLIGHTS

Mining is one of the most important sectors of the Armenian economy and has played a major role in the country’s industrial development for decades.

Armenia is particularly rich in **copper, molybdenum, and gold**, and possesses rare metals deposits (cadmium, bismuth, etc). Thanks to these resources, the country has become a major mining producer in the Caucasus region. Today, the industry makes a substantial contribution to Armenia’s exports, attracts foreign investment, and provides employment for entire communities across the country.

As a result, Armenia has developed a strong industrial **specialization in metals and mineral processing**. The sector is highly export-oriented, supplying primarily China, Russia, Switzerland, Bulgaria, and the European Union.

Finally, Armenia’s business environment is notably open and inclusive, with the country increasingly shaping its national strategy around a **broader logistics and regional value chain approach**.

**33%**  
OF TOTAL EXPORTS IN 2025

**>\$1BN**  
IN NATIONAL PRODUCTION (2024)

**>600**  
REGISTERED MINES AND MINERAL DEPOSITS

**7%**  
OF GLOBAL MOLYBDENUM RESERVES

# GEOGRAPHY & ECONOMICS

## ARMENIA'S MINERAL RESOURCES

Rich in Metals. Strategic for the Future.



METAL	PRODUCTION (2024)	EXPORT (2024, RA CUSTOMS, ARMSTAT)	DESTINATION
Copper ore & concentrate	~301,600 t	~340,000 t ~\$558M	China (~76-78%) \ Bulgaria (~13%) \ Serbia (~2.8%) \ Switzerland (~2.6%) \ Russia (~2.4%) \ Iran (~2.2%)
Molybdenum concentrate	~20,900 t	~19,000 t ~\$300M	China \ Belgium \ Netherlands \ Bulgaria \ Germany \ Russia
Gold bullion & concentrate	~8,56 t	~8,000 t \$5Bn (Re-exports due to Russia-Ukraine conflict) → ~\$250M	UAE \ Switzerland \ China \ India \ Russia
Zinc concentrate	10,830 t	~10,000 t \$35M	Bulgaria \ China \ Iran \ Belgium
Silver bullion & concentrate	55.2 t	~50 t \$50M	Switzerland \ UAE \ India \ China

# ZCMC

## THE ZANGEZUR COPPER AND MOLYBDENUM COMBINE (ZCMC)

The **Zangezur Copper and Molybdenum Combine (ZCMC)**, located in Kajaran in the Syunik region, is by far the largest mining operation in Armenia and one of the biggest industrial enterprises in the Caucasus.

It is considered among the largest copper-molybdenum deposits in the world.

The project supports an entire regional ecosystem (employment, railways, energy, chemical).

KAJARAN MINE, OPERATED BY ZCMC, IN THE SYUNIK REGION

SEROUJ, KAJARAN MINE, WIKIMEDIA COMMONS, LICENCE CREATIVE COMMONS CC BY-SA 4.0



- ANNUAL ORE PROCESSING EXCEEDS 22 MILLION TONS;
- THE COMPANY ACCOUNTS FOR A MAJOR SHARE OF ARMENIA'S MINING EXPORTS;
- ZCMC IS CONSISTENTLY ONE OF THE COUNTRY'S LARGEST TAXPAYERS.

# BUSINESS ENVIRONMENT



## GEOGRAPHIC POSITION AND TRADE

Armenia is positioned between Europe, Russia, the Middle East, and Central Asia. Moreover, a number of trade agreements (**FTAs, US TIFA, EU GSP+, FTAs currently under negotiation**) and the membership to the Eurasian Economic Union (EAEU) provides Armenia a **preferential access to a market of over one billion consumers**.

## STRONG GEOLOGICAL UPSIDE

One of Armenia's biggest advantages is the **underexplored nature of its territory**. Many deposits were identified during the Soviet period but were never fully developed using modern geological methods. Armenia still offers long-term exploration perspectives.

## WORKFORCE & INDUSTRIAL ECOSYSTEM

Armenia benefits from decades of inherited mining and metallurgical expertise. The country already hosts operating metallic mines, concentrators, industrial infrastructure, and specialized engineering capabilities, particularly in **Syunik** and **Lori**. This significantly reduces infrastructure CAPEX and operational ramp-up requirements for investors.

## GOV. SUPPORT & INVESTMENT INCENTIVES

The Armenian government has prioritized industrial investment and export-oriented production.

Investors benefit from:

- 100% foreign ownership protection;
- repatriation of profits;
- bilateral investment treaties;
- free economic zones (FEZ).

## RISING GLOBAL DEMAND FOR COPPER

According to international energy forecasts, **global copper demand could double by 2035–2040** due to decarbonization policies: EVs, renewable energies, electric grids, etc. This gives investors direct exposure to **long-term industrial and strategic metal demand growth**.



# REGULATORY & COMPLIANCE

## TRANSPARENCY & INTERNATIONAL MINING FRAMEWORK

Armenia is a member of the Extractive Industries Transparency Initiative (EITI) and achieved a **score of 89.5/100** in its latest validation. The country publicly discloses mining licenses, beneficial ownership structures, royalty payments, and extractive sector revenues.

## LICENSING & PERMITTING PROCESS

Mining projects generally follow **4 stages**: company incorporation, exploration licensing, environmental impact assessment (EIA), and extraction permitting.

Mining activity is primarily regulated by the **Subsoil Code of Armenia**, while environmental approvals are mandatory before operational launch. Investors should anticipate technical, environmental, and **community consultation** requirements throughout the permitting cycle.

## ESG & ENVIRONMENTAL COMPLIANCE

Environmental compliance has become a central component of mining development in Armenia. Operators are expected to implement international ESG standards covering tailings management, water protection, rehabilitation planning, and stakeholder engagement. EIAs are legally required for all major mining projects.

## FISCAL FRAMEWORK & ROYALTIES

Armenia maintains a relatively competitive mining fiscal regime, with **corporate income tax set at 18%** alongside royalties linked to profitability and commodity prices. The country has signed multiple bilateral investment and double taxation treaties, helping facilitate international investment structures.



# FUTURE SECTOR DEVELOPMENT

**ARMENIA'S MINING SECTOR OFFERS COMPELLING LONG-TERM GROWTH POTENTIAL, SUPPORTED BY SUBSTANTIAL COPPER AND MOLYBDENUM RESERVES AND INCREASING STRATEGIC RELEVANCE WITHIN REGIONAL CRITICAL MINERALS SUPPLY CHAINS:**

## **1 THE SECTOR REMAINS UNDERPENETRATED IN DOWNSTREAM PROCESSING,**

with exports still largely concentrated in low value-added mineral concentrates, creating significant upside for domestic smelting, refining, and industrial transformation.

## **2 FUTURE GROWTH WILL DEPEND ON CONTINUED FOREIGN DIRECT INVESTMENT AND THE MODERNIZATION OF KEY INFRASTRUCTURE,**

particularly regional transport corridors. In this context, the expansion of North–South and broader regional logistics initiatives is increasingly viewed as a potential game changer, with a growing number of market observers highlighting **Armenia's opportunity to emerge as a strategic production, transit, and export hub** linking Europe, the Middle East, and Asia.

## **3 THE COUNTRY IS WELL POSITIONED TO CAPTURE A LARGER SHARE OF REGIONAL INDUSTRIAL VALUE CHAINS OVER THE MEDIUM TO LONG TERM,**

provided geopolitical and infrastructure constraints continue to improve.

# CONCLUSION



Mining in Armenia offers strong advantages for investors, including strategic location, competitive operating costs, underexplored deposits, and exposure to rising global copper demand linked to the energy transition.

Our Chamber helps facilitate investment opportunities in Armenia's mining sector by connecting international investors with key industry stakeholders, regulatory institutions, and local business partners.

