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# Bank VTB to Extend \$249.5mln Loan for Development of Teghut Field

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Russian Bank VTB is to extend a \$249.5mln worth loan for 12 years for development of Teghut copper and molybdenum field in Armenia. The respective agreement is to be signed by the bank and the Armenian Cooper Program (ACP) in Yerevan today, the President of Bank VTB open joint stock company Andrey Kostin told journalists.

In November 2007 the sides had signed a memorandum on the loan project for development of Teghut field and elaborated terms of the agreement, he said.

Kostin considered the loan project an important step to develop the bank's activities in Armenia saying this is one of the biggest loans ever extended by the Russian bank for an investment project in the post Soviet area.

Kostin pointed out that the banks is to provide a bridging loan for \$30mln through its daughter enterprise in France - BTB France - to ensure uninterrupted work over the project while the legal documents are being prepared.

The bank studied the Armenian investor quite thoroughly and made sure that the project is realistic and important to Armenia and has a commercial value in terms of world exports despite its high risk level, Kostin said.

Teghut is the second largest copper molybdenum field in Armenia after Kajaran.

The study conducted in 1972 showed that Teghut field contains 450mln tons, of which 1.6 million is copper concentrate and 99,000 tons molybdenum concentrate.

Experts say the field can be exploited within 45 years with annual output of 7 million tons. In February 2001, 'ACP' (Armenian Copper Program) Closed Joint Stock Company received a license for development of the deposit for 25 years.

'ACP' Closed Joint Stock Company, a member of Vallex Group, was founded in August 1997 on the basis of Alaverdy mining factory. The shareholders of the enterprise are Vallex F.M. Establishment (Lichtenstein) (80.74%) and the General Director of Armenian Copper Program Valery Mejlumian (19.26%).

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