

Item no.

437

No. to identify the observations received from the public

Deva,  
23.08.2006

Proposal

The questioner points out that those who are against the project have shown no interest in nearby archaeological remains, such as:

- the Roman steps, where even the entrance doors have been destroyed. These remains are an important tourist attraction, a place where tourism activities can be developed, if desired.

- Roman-time mineral water springs located at Boholt, near Deva, currently exploited in an extensive, unprofessional manner.

No other NGO or association has taken a stand on this issue, or at least on the issue of the two sites of equal fame and importance for the cultural heritage.

Roşia Montană (the ancient Alburnus Maior) is not the only ancient settlement within Romanian territory whose existence is connected with the ancient mining operations.

There are traces of about 47 sites having relatively similar characteristics, situated in the Transylvania and Banat regions, among which 14 (such as Ruda-Brad, Stănişia, Bucium – the area of Vulcoi Corabia, those from Băiţa – Fizeş, and those from the area of Certej – Săcărâmb, those from Baia de Criş, as well as those from Haneş – Almaşul Mare) have already provided precise data of an archaeological potential that is to some extent similar to the one of Alburnus Maior; including evidence related to gold mining operations, settlement areas and associated infrastructure elements. While some of the sites have been impacted by recent developments during the last 200 years, others include promising clues to encourage the future development of archaeological research.

80-90 percents of these sites have not been investigated in detail. A dramatic situation has been recorded at Zlatna, ancient *Ampelum*, the administrative centre of the mines from the province of Dacia, where during the 70's, an industrial facility has been built on the ancient Roman remains and the archaeological research undertaken was minimal and irrelevant, as compared to the importance and the significance of the site. Practically, the archaeological information regarding this site is lost for good.

Solution

The archaeological remains located at Brad, that you have mentioned, are in the same situation. With regard to the mineral water springs from Boholt we cannot make any further comments, all these are not issues of our concern.

The opportunity of archaeological research at Roşia Montană, which has been created by the context of this mining project, has allowed much data to be gathered on the ancient mining operation compared to other sites, that are also known, but which haven't been researched yet. The results of investigations to date indicate that future archaeological research on a series of ancient mining sites from Romania will change the current perception about Roşia Montană.

There are a series of objective factors that explain the insufficient archaeological research of these sites.

First, note the historic and economic premises of the area where these sites are located, namely the Apuseni Mountains, where mining is the dominant industry. The ongoing mining activity carried out over the centuries has led to changes of the landscape by the deposits resulting from the primary processing of the ore or from the excavation of galleries or of the surface mining areas. The difficult access caused by the conditions specific to the mountain areas and the absence of programs which could provide the necessary financing for the archaeological research of this specific type of sites (extensive or preventive investigations) have also contributed to the insufficient understanding and research of the historic mining remains. With regard to the conservation and enhancement methods of these sites, it is obvious that these stages have to be preceded by a methodic research conducted by specialists. Such measures are mandatory if a well-grounded decision for a correct enhancement of the archaeological heritage is to be

made.

As indicated by the specialized studies conducted in the area, Roşia Montană is a significant cultural heritage site. This is why the budget assigned for the conservation and restoration of the Roşia Montană cultural heritage amounts to US\$ 25 million, as publicly stated in the Environmental Impact Assessment Report. Note that since 2001 some US\$ 9 million have been spent for the research of the Roşia Montană heritage. The company is committed to supporting the development of a Modern Mining Museum, which will include geological, archaeological, industrial and ethnographical heritage sections, as well as to developing the Cătălina Monuleşti gallery, the monument at Tău Găuri, and the Piatra Corbului area for tourists' access.

Should the mining project be implemented, RMGC intends to continue the archaeological research of the area, to publish its results and to enhance the cultural heritage from Roşia Montană in order to create the framework for tourist development based on this potential and avoid the situations you have mentioned.

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Proposal	<p>1.What did the Romanian engineering experts, along with the authorities and the politicians who had ruled the country after 1989, to lead Roşia Montană to closure? Why did the mining exploitation have to end up in bankruptcy?</p> <p>2.The questioner has nothing against investors, but does not agree with them coming and taking all the wealth out of the country.</p>
	<p>The operations in Roşia Montană perimeter of CNCAF Minvest SA - Roşiamin Subsidiary, company whose sole shareholder is the Romanian State, have ceased in accordance with the national policy on state-supported mines, as part of the negotiations paving the way for Romania's accession to the EU.</p> <p>Under The Mining Industry Strategy for 2004-2010 approved by GD no. (615/2004), the closure of unviable mines has been decided by the Government as a measure to mitigate the financial losses of state subsidized mining sector. The causes which led to mine closure are common to all state subsidized sector, as described in The Mining Industry Strategy for 2004-2010 Chapter (1) - Analysis of the mining industry evolution and current status being, among other, the lack of investments, equipment and infrastructure, the oversized employment and old technology.</p> <p>By the end of 2006, the closure of 462 [1] mines and quarries has been approved by Government Decision, and the process continues in 2007 with other mining objectives, among which is the one developed by CNCAF Minvest SA - Roşiamin Subsidiary.</p> <p>[1] Reference is made to "Status of mine closure and environmental rehabilitation" from the Ministry of Economy and Commerce official website <a href="http://www.minind.ro">http://www.minind.ro</a></p> <p style="text-align: center;">*</p>
Solution	<p>The Roşia Montană Project is not a case of taking wealth out of the country – rather, it is an example of Romania taking advantage of foreign investment to develop its resources in a way that will benefit the local community and the country as a whole.</p> <p>That is why no country in the developed world is currently involved directly in assuming the risk of mining operations; instead, private capital assumes the risk and will bring best available techniques (BAT) to Romania.</p> <p>To begin with, RMGC assumes the financial risk. By the time production begins, the company will have invested almost US\$1 billion. But many of the direct financial benefits accrue to the Romanian State, which through the Ministry of Industry and Commerce ("MEC") has a 19.3% ownership interest in the project. Total direct cash benefits to the Romanian state, including the payment of profit taxes, royalties, and other taxes such as payroll taxes are US\$1,032 million.</p> <p>In addition to the direct financial benefits, there are the indirect benefits related to the economic activity generated. A total of US\$ 1.5 billion of Romanian goods and services will be acquired during the life of the project. The approval of the project will also result in the clean-up of pollution from past poor mining practices. In a no-project scenario, the cost of this cleanup would be the responsibility of the Romanian state.</p> <p>Working with international investors offers another benefit, hard to quantify yet valuable nonetheless: Approval of this project will show the world that Romania welcomes this type of productive foreign investment. It will serve as a magnet to foreign direct investment that can help generate wealth creation,</p>

jobs and an improved standard of living.

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Proposal

The questioner makes the following comments and observations:

1. Archaeological investigations contribute to the enhancement of the cultural heritage. According to Gold Corporation, USD 9 million have been invested and an area of several hectares has been granted archaeological discharge. No human settlements have been discovered during the investigations; our investigation has been hindered: we asked that the carbon dating method be applied but our request has been refused.

2. Current legal provisions set a definite standard for building conservation. How many patrimony buildings has the company managed to preserve?

3. No industrial archaeology investigations have been carried out. There are mentions dating back to the 3rd century. Investigations have not revealed any cultural aspects.

4. An ethnographical study for the Bucium area has been carried out. In 1903, Rosia Montana area had a population of 5000 inhabitants, while the town of Deva had less.

Solution

In compliance with the existing legislation, RMGC has provided the necessary funds for the investigation and assessment of these types of archaeological remains through preventive archaeological research. Specific investigative tools and methodologies are used for the organization and development of this type of research, which are adjusted to meet the real conditions of every site researched. The archaeological research of the Roşia Montană site consisted in the following steps:

- Archive studies;
- archaeological surveys, trial trenches (test trenches);
- aerial reconnaissance/survey and aerial photo interpretation; high resolution satellite images;
- mining archaeology studies; underground topography and 3D modeling; geophysical surveys;
- Thorough archaeological investigations in the areas with an identified archaeological potential- this implied carrying out archaeological excavations;
- Interdisciplinary studies- sedimentology, archaeo-zoology, comparative palynology, archaeo-metallurgy, geology, mineralogy;
- Radiocarbon dating and dendrochronology;
- This research and its outcomes were included in an integrated database;
- traditional and digital archaeological topography and development of the GIS project; generate a photo archive- both traditional and digital;
- restoration of artifacts;
- an inventory and a digital catalogue of the artifacts;
- studies conducted by specialists in order to enhance the outcomes of this research - publication of monographs / scientific books and journals, exhibitions, websites, etc.

All the preventive archaeological researches conducted at Roşia Montană since 2000 have been carried out within a complex research program; permits for preventive archaeological excavations being issued in compliance with the legislation in force. These archaeological investigations have been carried out by representatives of 21 specialized institutions from Romania and 3 others from abroad, under the scientific coordination of the Romanian National Museum of History. The investigations conducted during each archaeological research campaign were authorized by the Ministry of Culture and Religious Affairs based on the Annual Archaeological Research Plan approved by the National Commission of Archaeology.

The specific techniques employed during the preventive archaeological investigations conducted on the RMP perimeter consisted in a survey of all the areas, which are accessible and, at the same time, suitable

for human settlements, and took into account bibliographical data and observations made during field surveys, geophysical surveys, as well as data resulting from the analysis of photogrammetric flights. The archaeological investigations were developed in surface where required by the archaeological conditions. The archaeological investigations conducted at Roșia Montană have covered large areas, and all the areas with an archaeological potential have been thoroughly investigated. THUS, ALL THE PERIMETERS THAT WERE ARCHAEOLOGICALLY DISCHARGED HAD BEEN PREVIOUSLY INVESTIGATED. All the investigations undertaken starting with the 2004 campaign have been conducted in accordance with the legislation in force, specifically the Order of the Minister of Culture and Religious Affairs no. 2392/06.09.2004 on the establishment of Archaeological Standards and Procedures.

Under the same Romanian legislation in force, the researchers who have conducted the investigations are entitled to propose the archaeological discharge of a certain area. Based on the findings of the complex archaeological investigations, the team of archaeologists prepares a comprehensive documentation of the area investigated. Upon consultation of this documentation, the National Commission of Archaeology decides whether or not to recommend the issuance of the archaeological discharge certificate. The archaeological discharge certificate for the preventive archaeological researches conducted in the period 2001-2006 was issued directly by the Ministry of Culture and Religious Affairs or by its decentralized departments.

The statement that “no human settlements were found during the archaeological researches” is not consistent with the archaeological reality. In this respect, please note that the habitation structures identified and investigated were published in preliminary form, after each campaign, in the Chronicle of Archaeological Researches in Romania (CAR) and in the first volume of the Alburnus Maior monographic series. For convenience, the publications of the investigations of habitation structures dating from the Roman period are: Hop-Găuri, Carpeni, Tăul Țapului (CAR 2001 (2002), p. 254-257, no. 182; 261-262, no. 185; 264-265, no. 188; 265-266, no. 189. Alburnus Maior I, 2003, p. 45-80; 81-122; 123-148; CAR 2001 (2002), 257-261; CAR 2003 (2004), 280-283; Alburnus Maior I, 2003, p. 387-431, 433-446, 447-467).

With regard to your request for a radiocarbon dating, note that your request did not comply with the administrative and professional procedures. As a member of the research team from the Museum of Dacian and Roman Civilization in Deva, you should have submitted this request to the person in charge in that sector, namely Dr. Adriana Pescaru Rusu. According to the legislation in force, the manager of an archaeological site is entitled to solve the requests submitted by a member of the team. Your request was dismissed because it remained only a verbal one as you didn't proceed with it. Moreover, the following year, your colleagues requested a radiocarbon dating on a wood sample taken from a burial in the Țarina necropolis. Their initiative was successful as they followed all the necessary procedures in this respect.

As for the obstruction of the works, please explain us what obstruction you refer to so that we can clarify your doubts.

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As specific activities related to the conservation of historical monuments conducted so far we can mention:

- The design and development of the scaffolding at the gate of historical monument house no. 372 to prevent it from tilting forward (Approval);
- The transformation of the historical monument house no. 392 into office space, by changing its initial residential use (Approval 453/2004);
- Securing the Construction Permit for House no. 325 under Law 422/2001, although it is not a historical monument, it is located in the central square of Roșia Montană Historical Center (Approval 25/27.10.2006). This building will be restored in accordance with the legal regulations of the Ministry of Culture and Religious Affairs and will be used as an Information Center and Exhibition facility;
- for 11 historical monument buildings in the Roșia Montană area specialist restoration design projects are currently being finalized; the restoration of these houses will begin in 2007;
- the establishment of a wooden structure for the protection and primary conservation of the Roman funerary precinct at Tău Găuri.

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On the other hand, we have to mention the protected area in Roșia Montană. This will cover more than

130 hectares and will include 35 historical monuments and other architectural assets in the locality (restored and enhanced). A Mining Museum will be established with geological, archaeological, ethnographical (including an open-air section), industrial heritage displays and an important underground component around the Cătălina Monulești Gallery. In this part of the locality, the Company plans to promote the development of traditional tourism (guest houses, small restaurants). The historic lakes are located in the eastern and south-eastern part of the old center: Tăul Mare, Tăul Brazi and Tăul Anghel. Modern recreational tourism can develop in this area. Note that none of the historical monument houses located in the perimeter of the proposed RMGC Project will be negatively affected, i.e. all the 41 historical monument houses will be included in a comprehensive rehabilitation and restoration program (see Environmental Impact Assessment Study (vol. 33, i.e. Plan M - Cultural Heritage Management Plan, Part II – Management Plan for the Historical Monuments and Protected Zone of Roșia Montană, p. 75-94). This program is absolutely necessary- irrespectively of the implementation of the mining project-if we want to prevent these houses from collapsing because their current advanced state of degradation.

The Company wishes to protect and promote all these elements, and this will determine special measures both within the protected area of the Historical Center of Roșia Montană (restoration-consolidation-conservation), and within the industrial sites (use of special blasting technologies, creating buffer zones between the 2 sites, continuous monitoring of vibrations and adjusting the blasting to wave propagation speed, and the actual restoration and rehabilitation of the houses located in this area). As publicly stated in the Environmental Impact Assessment Study, once the mining project for Roșia Montană has started, all the historical monument buildings in Roșia Montană owned by RMGC will be included in a complex restoration and conservation program. Should there be other historic buildings owned by various institutions or natural persons, RMGC will fully contribute, upon their consent, to the restoration of such structures, in accordance with the special regulations issued by the Ministry of Culture and Religious Affairs. The funds that the Company will make available in future years – should the Project be implemented – for conservation, restoration and maintenance works in the protected area Historical Center of Roșia Montană and for the historical monument buildings outside it amount to a total of US\$ 3,385,000.

According to the List of Historical Monuments published by the Ministry of Culture and Religious Affairs in the Official Gazette No. 646 bis, of 16.07.2004, 41 buildings in Roșia Montană have been classified as historical monuments to date, i.e. two churches and 39 houses (HML 2004 code: AB-II-s-B-00269, and then from AB-II-m-B-00271 to AB-II-m-B-00311).

Under Law 422/2001 art. 38 – as amended by Law 259/2006, the obligations of historical monument building owners primarily include maintenance, and not restoration of historical monuments. Please see the enclosed brochure for further information on the obligations fully assumed by RMGC.

At present, RMGC owns 14 buildings that have been classified as historical monuments. These were acquired under the legal procedures provided by Law 422/2001 on the protection of historical monuments, amended, and they were in different states of preservation when acquired, aspect which was documented in both the sale and purchase agreements and by various pictures taken from the date of acquisition to the present day.

Thus, to date RMGC has fulfilled its legal obligations as owner of historical monument buildings. By committing to and assuming the data and conclusions included in the *Management Plan for Historical Monuments and Protected Areas from Roșia Montană* of the Environmental Impact Assessment Study, RMGC aims to continue this responsible approach and to provide the necessary funds for the restoration and conservation of historical monument buildings and the historical center of Roșia Montană. Any intervention on such buildings is carried out in accordance with the applicable legal provisions in force, and based on the findings described in the specialist study developed in 2005-2006 by the Technical Civil Engineering University of Bucharest – National Center of Seismic Engineering and Vibrations for the heritage buildings in Roșia Montană.

**For further details regarding these studies and simulations conducted by the Technical University and IPROMIN with regard to specific measures for the mitigation of the impact caused by blasting on the historical monument buildings please consult the attached brochure.**

Industrial archaeology is not a discipline in itself, except for the implication of the term in the post-procedural conception. During the past 6 years, field archaeological research conducted at several locations has revealed evidence of industrial type structures. The evidence of structures of this type has been published in preliminary form in the Chronicle of the Archaeological Researches in Romania, upon the completion of every archaeological campaign, as well as in the first volume of the monographic series of *Alburnus Maior*. For compliance purposes, we mention those locations that have been identified and also present the references for clarity: Hăbad – La Studentul, Valea Cornei, Tăul Găuri (property of Oltean), Jig Văidoaia (property of Câmpean) (CAR 2001 (2002), p. 264-265, no. 188; 263-264, no. 187. CAR 2002 (2003), pp. 106-107). Furthermore, while conducting underground research, the features associated with industrial archaeology have been included and the results of this research may be found in the reports of the preventive archaeological research that has been conducted by the French researchers. Last, but not least, we mention the archive study, which is an integral part of such a scientific process. As we intend to publish the results of the scientific research conducted at Roșia Montană the aspect you have referred to is going to be fully discussed in a document devoted to this topic.

Also, considering the closure of RoșiaMin, all equipment and facilities having a potential relevance for industrial heritage have been researched and inventoried. This has been possible by creating a joint team of Romanian mining engineers coordinated by a French expert in mining archaeology. The equipment is currently owned by Minvest, and the representative ones will be part of the future Roșia Montană exhibition.

With regard to the discoveries dating from the 3<sup>rd</sup> century which were made in the necropolises from *Alburnus Maior*, note that the numismatic material after the year 160 is very rare, and from an archaeological point of view, within the investigated habitation structures, an abandonment of these sites has been observed in certain cases, (see the case of Tăul Țapului) which may probably date from the same period. It is certain that something happened with the communities from Roșia Montană, in the last quarter of the 2<sup>nd</sup> century, in a context which has not been yet entirely clarified by historians and which is probably related to the Marcomanic wars as well as to economic events (the choice of another mining area, considering the possibility that the part of the ore deposit which could be mined with the existing technical means was depleted in the Roșia Montană mining perimeters?) or the re-organization of the Province of Dacia undertaken by the emperor Marcus Aurelius. Moreover, as indicated in the *Historia Augusta* [1] or by *Eutropius* [2] Marcus Aurelius had to sell by auction his treasury in order to supply equipment for his army and to temporarily restore the finances of the Empire during the Marcomanic wars. This piece of information should not be ignored nor taken out of context as the gold mining operations at *Alburnus Maior* have probably phased out in that period, aspect which is implicitly proven also by the last chronological date provided by the wax tablets. Over the years, several historians such as Th. Momsen [3], G. Téglás [4], C.Daicoviciu [5], S. Mrozek [6], C. Noeske [7], I.I. Russu [8], D.Protase [9] or Zsolt Visy (in the Contestation he sent to MMGA with regard to the EIA for the Roșia Montană Project) have expressed their opinions on this issue. The situation of the imperial finances and the Roman Empire in general are known to have recovered after this critical period. This aspect is confirmed both by the ancient sources and by the historical research- if we considered only the fact that Marcus Aurelius recovered his treasury and the fact that the end of the Marcomanic wars had been celebrated with great pomp and games in Rome [10]. Marcus Aurelius successor, Commodus, also spent significant financial resources when he celebrated his enthronement [11]. Another proof in this respect is the fact that during Marcus Aurelius' reign, the *aureus* (coin named after Marcus Aurelius) weighed 7.3 g, while during the reigns of Septimius Severus and Caracalla its value raised again to 7.8 g [12], these variations of the monetary circulation being probably a consequence of the aforementioned crisis [13].

In this context, we are going to refer to one of the most interesting sources regarding the funerary discoveries: the Wax Dacic Tablet no.1. The deciphered text of this wax tablets referred to the declaration (verbatim record) issued for the self-dissolution of the funerary services association (collegium) headed by Jupiter Cernenus. The text emphasizes a crisis moment in the evolution of the ancient *Alburnus Maior* society. Therefore, the dissolution of a mutual aid society established to provide funerary services,- that initially included "54 men" will self-dissolve, apparently due to reasons related to the decrease in the number of taxpayers ("only 17 people remained at *Alburnus*"). The consequence was the decrease of common funds and thus "there wasn't enough money to pay for burials, and they haven't had any space



available either (a space for graves?)". The text is precisely dated on 9<sup>th</sup> of February 167. This crisis moment so accurately recorded by the researched tablet is confirmed by the data obtained after conducting archaeological research both in the necropolis and in the settlement area.

This is the official statement received from the Ministry of Environment and Water Management – “3<sup>rd</sup> century”, but we particularly remember that, during the public consultation process, you made reference to several events from the 13<sup>th</sup> century. Therefore, we provide a series of footnotes comprising clarifications of this issue [14]. Also note that in 2000, the National Design Centre for Cultural Heritage (the National Institute for Historical Monuments since 2002) conducted an assessment of the archaeological potential of the area. In this context, a series of preliminary archaeological investigations have been conducted on the one hand by Raluca Iosipescu and by Sergiu Iosipescu, Ph.D. and on the other hand by Cristina Crăciun. These investigations have revealed evidence of medieval settlements (dated to the 13<sup>th</sup>-18<sup>th</sup> centuries) in several locations within Roșia Montană (e.g. the Islazului hill, the Orlea-Tăul Secuilor area and to the Roman-Catholic Church (in the Historical Centre of the current village). Given that the Historical Centre of Roșia Montană and the Islazului hill will not be affected by the mining project, the archaeological research of these areas did not continue after 2000, but their archaeological potential has been mentioned. With regard to the Orlea massif, note that detailed archaeological research is scheduled in this perimeter in the period 2007-2012.

#### References:

- [1] Scriptorum Historiae Augustae, *Vita M. Antonini philosophi*, XVII.4-5.
  - [2] Eutropius, *Breviarum Historiae Romanae*, VIII.12-14.
  - [3] CIL III, p. 921
  - [4] *Archeologiai Közlemenek*, XVI, 1886, p. 43
  - [5] *Les castella Dalmatarum de Dacie. Un aspect de la colonisation et de la romanisation de la province de Dacie*, Dacia, n. s. II, 1958, p. 258 – 266
  - [6] *Aspects sociaux et administratifs des mines d'or romaines de Dacie*, in *Apulum VII*, 1, 1968, p. 201-208; *Les prix dans les mines d'or de Dacie au II-ème siècle de n.è.*, in *Apulum IX*, 1971, p. 443-452 ; *Die Goldbergwerke im römischen Dazien*, in *ANRW*, II, 6, 1977, p. 95 – 109
  - [7] *Studien zur Verwaltung und Bevölkerung der dakischen Goldbergwerke in römischer Zeit*, in *BJ* 177, 1977, p. 271-416.
  - [8] *Inscripțiile Daciei Romane* (IDR), vol. I, ed. Romanian Academy, Bucharest 1975, p. 175
  - [9] *Istoria românilor*, vol. II, ed. Romanian Academy, Bucharest, 2001, p. 178
  - [10] Eutropius, *Breviarum Historiae Romanae*, VIII.12-14.
  - [11] Herodian, *Historia de imperio post Marcum*, I.7.1.-4.
  - [12] *Aspects sociaux et administratifs des mines d'or romaines de Dacie*, *Apulum VII*, 1, 1968, p. 310.
  - [13] See M. Rostovtzeff, *The Social and Economic History of the Roman Empire*, Oxford, 1926; R. D. Johns, *The Economy of the Roman Empire*, Cambridge, 1982.
  - [14] In this case we can communicate to you the following: there is no archaeological or documentary evidence regarding Roșia Montană during the migration period and early Middle Age. After the Aurelian retreat from the province of Dacia, during the 3<sup>rd</sup> century A.D. there is a possibility that within the area of Apuseni Mountains an entire series of human communities might have continued to exist that that were more or less involved in mining activities. Several archaeological discoveries from neighboring areas, as those from Alba Iulia, Cluj-Napoca or Turda, clearly prove the presence of settlements within the intra-Carpathian area, but during the 4<sup>th</sup> and the 12<sup>th</sup> centuries at Roșia Montană only assumptions can be made with reference to the situation because no clear data exist.
- Two documentary evidences open the history of the medieval times, one dated 1238 and the other 1271, which attest the fact that mining activities had been developed in the Cărnic Massif by Saxon colonists from Ighiu and Cricău. In these documents the locality of Roșia Montană is not attested as we understand it today, but toponyms as Chernech or Terra Obruth are mentioned. It is highly probable that this historic information depicts the ancient mining settlements of Middle Ages as an important centre consisting of small hamlets located at the bottom of Cărnic massif, within the administrative area of Abrud.
- It must be emphasized that for the period between the 13<sup>th</sup> and 16<sup>th</sup> centuries there is some confusion related to the localization of the toponyms for Abrud and Zlatna. It is highly probable that the confusion was generated by the Saxon names of these two localities, respectively for Abrud (in Hungarian - Abrudbánya, and in German Großschlatten) and for Zlatna (in German Schlatten, a name that has Slavonic roots, namely “zoloto” meaning “gold”). Therefore, the mining region Abrud– Roșia Montană - Zlatna (and their surroundings) was part of the oldest shire from Transylvania, having its headquarters at Alba. The name of this area came initially from the name of the town of Abrud, which had an

administrative-political importance for a period of time. Consequently almost until the end of the 16<sup>th</sup> century the area of Roșia Montană hadn't been separately identified inside of the town of Abrud.

Traces of the development of the medieval settlement from the area of today's Roșia Montană might be identified in king Carol Robert de Anjou's decision, dated to 1327-1328, to transfer this mining land from the property of the Crown to the possession of local feudal class, a decision that resulted in the development of the overall mining area. The reforms and laws governing the mining sector during the medieval Hungarian kingdom and then of the principality of Transylvania stimulated gold mining and administrative developments (according to the opinions expressed by the historians Wollmann, and P. Binder, is a series of studies published in the 1980s).

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A series of local traditions that have been practiced by this mining community have been maintained at Roșia Montană through time. Two of the objectives of Alburnus Maior National Research Programme consist in the preparation of an ethnographical study of the Roșia Montană – Abrud – Corna area, together with the preparation of an oral history study for the same area. Therefore, between 2001-2004, an ethnographical research of the Roșia Montană-Abrud –Corna area was conducted, supported by the preparation of an extensive series of interviews of oral history conducted by the Romanian Society of Radio Broadcasting through the “Gheorghe Bratianu” Centre of Oral History, Bucharest (SRR - CIO), this being coordinated by several experts from the “Dimitrie Gusti” state-owned National Museum. Details on the main research methods and the results of these studies are summarized in the Report on Environmental Impact Assessment, volume 6 – Cultural Heritage Baseline Report, p. 31-32, 54, 56-69, 110-114.

These local traditions – many transmitted orally from one generation to another – are a significant part of the intangible cultural heritage of the town. The archive of the oral history established between 2002 and 2003 contains interviews recorded on digital format. This archive is currently the only archive of this kind that refers to industrial heritage and to the living traditions of a mining community that has had a long life in Transylvania. The way in which the Roșia Montană locals celebrate festivals and ceremonies is different from other rural settlements from Transylvania. This fact can be explained by the ethnical and religious diversity existing at Roșia Montană, many populations being attracted here by the presence of gold reserves.

The results of ethnographical researches conducted for Roșia Montană – Abrud – Corna area during 2001 were published in 2004 in the first volume of the monographic series *Alburnus Maior – Anthropos*; another two volumes are scheduled to be published on this topic.

With regard to the number of inhabitants about 100 years ago in the area of Roșia Montană, this volume, at page 22-23 states that: “According to the censuses conducted at the end of the 19<sup>th</sup> century, 758 households and a population of 3,439 inhabitants existed in Roșia Montană in 1880, and 215 households for a population of 770 inhabitants existed in Corna. In 1956, after nationalization, 2,371 inhabitants have been counted in Roșia Montană and 341 in Corna; one can see that this is a drastic decrease in the number of local people, due to the fact that miners and their families have left Roșia Montană, and in Corna's case, the documents attest only a number of 149 inhabitants due to the fact that Bunta hamlet has been declared in 10.01.1956 as being a village and separately censused. Depopulation is a phenomenon that has continued up until now, therefore the results of the census conducted in 1992 are: Roșia Montană 1,556 inhabitants having 621 households, Corna 358 inhabitants having 123 households, and Bunta 41 inhabitants with 14 households. According to the statistic data provided by the Local Council of Roșia Montană, between 1997 and 2000 it has been noticed that both the village of Roșia Montană as well as the village of Corna recorded a relative stability of the dwelling process (between 641-638 households in Roșia Montană and 128-123 households in Corna). Currently, a part of these households are being abandoned, a part of them are vacation houses or they have been rented as spaces for conducting businesses.” Moreover, data on the demographic structure of the area are included in a study on the monuments from the Ariesului valley, published in 2001 [1].

All these cultural values and resources, along with an important collection of archive images are a significant potential resource that may be developed in the future museum from Roșia Montană, which will have sections dedicated to geology, archaeology, history and ethnography. The company believes that by developing a new cultural center and a mining museum in Roșia Montană, a special opportunity will be

created for the conservation and development of ethnographic heritage elements and the data of oral history of Roşia Montană. Moreover, the community will be encouraged to get involved in a participatory manner in the decision making process with regard conservation and development of its cultural heritage and traditions.

[1] Ioan Opriş, Mihaela Bodea-Bonfert, Marius Porumb – *Monumente istorice de pe Valea Arieşului*, ed. Oscar Print, 2001, p. 23-24, 123-124

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Item no.	440
No. to identify the observations received from the public	Deva, 23.08.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.	441
No. to identify the observations received from the public	Deva, 23.08.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

442

No. to identify  
the  
observations  
received from  
the public

Deva,  
23.08.2006

Proposal

- 1.The questioner is surprised to see that Cepromin Deva does not take part in the public debate.
- 2.The questioner wants to know who is the owner of the land affected by the proposed investment and whether the legal provisions have been complied with.
- 3.The questioner thinks that the time allotted for submitting the public's observations is too short.

As far as we know the representatives of Cepromin attended the public consultation meeting in Deva.

\*

The ownership of land is relatively complex in Roşia Montană. One could identify private, institutional, state's, churches, 'private companies' ownership. As part of the acquisition process, the company has allocated significant resources to help clarify and define the legal status of the various properties.

RMGC is in complete compliance with all legal provisions associated with the acquisition of property in Roşia Montană. In this respect, RMGC observes the legal methods for a titleholder to acquire the usage right over the lands necessary for mining projects development, covering both public and private domain, as provided by art. 6 of the Mining Law no. 85/2003: (i) sale-purchase, for the price agreed upon by the parties; (ii) land exchange, with the relocation of the affected owner and the reconstruction of the buildings on the newly granted land, on the expense of the titleholder benefiting from the land released, as per the convention between the parties; (iii) renting of the land for a fixed-term period, based on agreements between the parties, (iv) land concession, etc.

Solution

Construction and operation of the RMGC requires the acquisition of property in 4 of Roşia Montană's 16 sub-comuna. The acquisition program prepared by the company, which follows World Bank guidelines, is designed to provide equitable valuations for all properties and replacement value in a radius of 250km around Roşia Montană.

\*

The deadline for the submission of the public's comments on the EIA Report has been set in accordance with the provisions of Article 40 (1) of Order no.860/2002 issued by the Ministry of Environment and Water Management regarding the environmental impact assessment and environmental permitting procedure, which stipulates as follows: "the public may submit justified proposals regarding the environmental impact assessment until the date set for the public debate regarding the environmental impact assessment report, and not after that date." According to the public consultation program, established together with the Ministry of Environment and Water Management, the last public debate was held on August 25, 2006 in Arad.

Item no.

443

No. to identify  
the  
observations  
received from  
the public

Deva,  
23.08.2006

Proposal

The questioner supports the project.

Solution

RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.

In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.

The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.

In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.

RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.

Item no.

444

No. to identify  
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Deva,  
23.08.2006

Proposal

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RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.



Item no.	445
No. to identify the observations received from the public	Deva, 23.08.2006
Proposal	The questioner is a representative of the AntiParkinson association and points out that research in the field has showed greater incidence of the disease in case of exposure to toxic substances, such as cyanide (according to an American study).
Solution	<p>The risk assessment, based strictly on well researched data with regard to exposure intensity (concentration), frequency and duration, clearly states that for the concentrations predicted, Roşia Montană Project does not have the potential to cause a high frequency of this specific disease [1].</p> <p>There are a very large number of diseases, that can be associated with the presence of various hazardous substances in the environment, but the occurrence of such diseases depends strictly on the characteristics of the exposure, namely on its frequency, duration and on the levels of concentration to which the human body has been exposed. This means the presence of a hazardous substance in one or several environmental media does not necessarily lead to disease. There are maximum permissible concentrations for particular hazardous substances in air, drinking water, soil, the workplace etc ensuring the protection of human health.</p> <p>Consequently, the mere presence of a hazardous substance in an environmental medium will not necessarily lead to disease.</p> <p>Reference: [1] Chapter 6.6, <i>Results and Discussions</i>, pages124-129, vol. 5, <i>Health Baseline Report</i></p>

Item no.

446

No. to identify  
the  
observations  
received from  
the public

Deva,  
23.08.2006

Proposal

The questioner makes the following observations and comments:

- 1.He says he was surprised to receive the envelope sent by the company and draws attention on the fact that, as a priest, he cannot adopt a different position from that of the Church. Therefore he strongly opposes the project.
- 2.The questioner joins the others in expressing concern over a possible accident.
- 3.The questioner wants to know whether the company is confident of obtaining all the necessary permits from the competent institutions, given the fact that a considerable amount of money has been invested so far.
- 4.In the event that the company will be forced to back out while the project is underway, who will continue the operations? The study sent by the company is quite ambiguous on this point.
- 5.The questioner mentions the tailings pond in Certej, where dust clouds formed frequently, covering the commune and the surrounding area. If a similar accident were to happen at the tailings pond in Corna (for which the company gave numerous guarantees) and if the dust cloud were to spread over the entire area, wouldn't we be faced with a second Chernobyl?

Every person is of course free to decide whether to support this or any project. As for church authorities, while the Holy Synod is often invoked as opposing the Roşia Montană Project based on its 2003 statements, the project being assessed in the present Environmental Impact Assessment study (EIA) process differs significantly from the project as planned in 2003. In the particular case of churches in Rosia Montana, the mine design now limits the number of churches to be moved. Only two churches and two prayer houses out of a total of 10 places of worship located within the project's footprint must be relocated or restored under the mine plan. Those churches will be moved in accordance with the wishes of the congregation, at the expense of Rosia Montana Gold Corporation (RMGC). Churches construction is a central element in the new community of Piatra Albă being built by the company.

\*

Accident prevention begins with an operational and mining plan designed to Best Available Techniques (BAT) and practices consistent with national and international norms for responsible mining.

Solution

RMGC has adopted Emergency Preparedness and Spill Contingency Plans in accordance with the United Nations Environmental Program "APELL for Mining" the "Seveso II" EU Directive on the control of major accident hazards, and the Romanian regulations and best management practices.

The Company's Accident Prevention Policy provides procedures and plans for the prevention, minimization, and removal of accidental spills from retention systems, fires, explosions, or equipment failure and procedures for transporting, storing, and handling of hazardous substances, including cyanide; the operation and active monitoring of the Tailings Management Facility; and management of explosives, fuel transport, transfer and storage; and facility safety systems.

The Company will be prepared to respond with well equipped and trained personnel and to work with the local community, as necessary.

\*

Any mining project implies a huge consumption of resources, including financial resources. Every shareholder who decides to invest money in a mining project is fully aware of the risks he/she takes when making this decision. No one can say for sure from the very beginning whether the environmental agreement will be issued or not.

In this case, we have tried to conceive and develop a project consistent with the best available techniques as well as with the Romanian, European and international recommendations. The process of environmental impact assessment has reached its final stage, and very soon, the competent authorities will have to assess the quality of the EIA as well as the solutions submitted by the project titleholder in response to the questions raised by the concerned public during the public consultation and disclosure stage.

We are convinced that all these aspects will have a say in the final decision. This final decision lies entirely with the Romanian authorities and, according to the legislation in force; it will be issued by means of a Government Decision.

\*

In the event that the mining activities will be temporally suspended, RMGC will take all the statutory and reasonable measures according to the policies, guidelines and the best available techniques in order to assure the public security and minimize the environmental impact. The temporary suspension means a planned or unplanned interruption of activities with the appliance of certain security measures. In such circumstances, the efforts will be directed in order to reopen the activities in normal operation conditions. All these actions which will be carried out in such unexpected situation are described in detail in Plan J – Management plan for closure of mining activity and environmental rehabilitation, Section 6 – Measures of environment rehabilitation in the event of temporary suspension of activities.

There are several provisions in the EU and the Romanian relevant legislation regarding to mining sector which are stipulating very clear the responsibilities for post closure monitoring, are the responsibility of the title holder/operator, which is Roşia Montană Gold Corporation.

The provision of the Romanian **Mining law 85/2003** for the above mentioned aspects are as follows:  
CHAPTER IV RIGHTS AND OBLIGATIONS OF THE TITLEHOLDER, ART. 39 - (1) The Titleholder of the license/permit has the following obligations:

(p) *To carry out upon termination of the concession the works for care and maintenance/closure of the mine/quarry, as the case may be, including the Post-closure Monitoring Program, according to the activity cessation plan.*

The provision of the **EU Directive for extractive waste 2006/21/EC** are as follows:

An after-closure period for monitoring and control of Category A waste facilities will be laid down proportionate to the risk posed by the individual waste facility, in a fashion similar to the requirements of the EU 2006/21/EEC Directive[1]- Article 12, point 4, *“The operator shall be responsible for the maintenance, monitoring, control and corrective measures in the after closure phase for as long as may be required by the competent authority, taking into account the nature and duration of the hazard, save where the competent authority decides to take over such tasks from the operator, after a waste facility has been finally closed and without prejudice to any national or Community legislation governing the liability of the waste holder”.*

According to the legislation in force, RMGC will have to deposit guarantees for environmental rehabilitation while the operational stage is running, as follows:

The obligation to deposit guarantees for mining license holders are expressly stipulated by the Mining Law and are summarily exposed below. The questioner’s request cannot be the subject of these stipulations and guarantees. If there will be legal provisions regarding the deposition of such guarantees, RMGC will take all the necessary measures in order to observe its legal obligations.

**Mining Law no. 85 / 2003** “the holder of mining license deposits a financial guarantee for environmental rehabilitation in conformity with the technical norms issued by the competent authority”. The financial guarantee for environmental rehabilitation is (i) annual and (ii) final, as follows:

(i) annual guarantee for environmental rehabilitation

According to Art. 133 from Technical Norms of the Law 85 / 2003 *“the financial guarantee for environmental*

*rehabilitation in the case of mining license is deposited annually, in first month of the reference period being stipulated in license, so that to cover the environmental rehabilitation works specified in the environmental rehabilitation plan and technical project”*

According to Art. 133 (1) from Technical Norms of the Law 85 / 2003 *“the financial guarantee for environmental rehabilitation cannot be smaller than the value of environmental rehabilitation works afferent for respective year, so that the guarantee to cover the rehabilitation works specified in the environmental rehabilitation plan and technical project”*

(ii) final guarantee for environmental rehabilitation

According to the provisions of Art. 15 from Order no. 58 / 2004, the final guarantee for environmental rehabilitation is deposited annually and is calculated as a quota from the value of the environmental rehabilitation works, according to the monitoring program of the post-closure environmental factors which is included in the technical decommissioning plan.

Directive no. 2006/21/EC, Art.14 presents very clearly the stage when the financial guarantees must be deposited and the aspects which must be taken into account by the competent authority, as follows:

1. The competent authority will have to require, before the commencement of any operation which implies accumulation or storage of extractive waste into a waste facility, a financial guarantee (for instance a financial deposition, including funds of mutually guarantee sponsored on industries) or an equivalent guarantee in conformity with the procedures which will be agreed by the Member States so that:

- a) all obligations specified in the permit issued on the basis of the present Directive, inclusively the provisions for post-closure period will be paid;
- b) there are funds at anytime in hand for the rehabilitation of the land affected by the waste facility, according to the description from the waste management plan elaborated on the basis of Art. 5 and imposed by the permit issued on the basis of Art.7.

**In addition, Directive no. 2004/35/EC** regarding the responsibility for environment pollution and prevention and rehabilitation of damages induced to environment stipulates in Art.1 *“framework regarding the responsibility for the surrounding environment on the basis of the principle “polluter pays” , to prevent and remediate the damages caused to surrounding environment”*. The Art. 14 (1) includes general principles as *“Member States will take all the necessary measures in order to develop financial markets and tools by means of financial and economic operators, inclusively financial mechanisms in case of bankrupt in order to assure to project holders the financial guarantees necessary for obligations assumed trough directive”*

We mention that, until now, the above mentioned directives have not been transposed into Romanian legislation (Member States have a transposing period of the previsions of the present Directive until 31.04.2007). Having in regard aspects above mentioned, please note that the project proposed by RMGC will deposit these guarantees in the moment when internal provisions with normative character will exist in order to establish the fiscal and procedural aspects regarding the depositions of such guarantees, in order to have the certitude that the rehabilitation works will be carried out even in the case of premature closure.

**References:**

[1] - DIRECTIVE 2006/21/EC the management of waste from extractive industries

\*

The design of the Project includes the stipulation that the discharge of the tailings will be done by making sure the permanent humidity of the tailings dam is maintained, so avoiding the possibility of occurrence of dry surfaces. As a result, the effect of the wind erosion of these surfaces and the emission of particles will be removed.

The operational measures to prevent the emission of particles provide:

- Permanent monitoring of the tailings management facility’s condition in order to prevent the occurrence of dry surfaces during the droughty or of very high temperature;
- Humidify the areas and improve the tailings storage systems.

The tailings management facility will be covered and rehabilitated (by means of vegetation) right after the mining activities are shut down.

Please note that the Roşia Montană tailings management facility will be a valley dam; its lateral embankments are natural slopes bordering the Corna Valley. The dam will be built of rocks. Thus, the tailings management facility could be identified to a lake to be filled gradually. Potential dry tailings areas could occur only on the horizontal, uncovered surface of the tailings dam. Before the dam is completely filled, the embankments will represent physical obstacles which will prevent the dispersion of the particles carried by the wind from potentially dry surface onto the neighboring areas.

The incidental or short time potential dust dispersion can only affect the air quality within the areas neighboring the tailings management facility, at distance of few hundred meters at the most, meaning the industrial perimeter.

Details: The Report to Environment Impact Assessment Study (Vol.12 – Chapter 4.2, Sub-chapter 4.2.4) and Air Quality Management Plan (Vol. 24, Plan D) contain details on the technical and operational measures established to mitigate / eliminate the dust generated by the Project activities.

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Item no.

447

No. to identify the observations received from the public

Deva,  
23.08.2006

Proposal

1.The questioner expresses dissatisfaction at cyanide being used for ore processing and points out the fact that, irrespective of the tailings' cyanide levels, accidents are still possible and sometimes with serious consequences. The project very easily dismisses the possibility of using other reagents, such as tiourea. The EIA claims that tiourea is likely to cause cancer, but so is cyanide, don't you agree?  
2.In Canada, high-efficiency gravitational separation mechanisms and procedures have been invented for the preparation of the auriferous ore. It is quite surprising that the project does not at least examine the possibility of using these Canadian mechanisms, produced in Canada and sold in large quantities everywhere in the world. Why doesn't the project take them into consideration?  
3.Are citizens entitled by law to vote for the implementation of this project or not? The characteristic of a democracy is that problems of general interest are made public. And the proposed project is of great interest for the public. The consequences of the project will be passed on to our grandchildren and our grand- grandchildren. People should ask themselves a question: where will their vote go if they were able to take part in the public debate? He considers that both RMGC and MEWM should answer this question.

Chapter 5 of the EIA Report (Assessment of the Alternatives) presents an assessment of the options available for gold and silver recovery from the ore. Table 5.15 lists and ranks the reagents which could be considered for use instead of cyanide. This Table also ranks the reagents on the basis of cost-effectiveness, technical and environmental criteria, and clearly the cyanide is the preferred option. This section of the report concludes as follows: *The presented classification shows that, despite the fact that the cyanide is not the ideal reagent for gold recovery, it is significantly better than any other alternative, according the criteria for best available techniques.*

The Section 4.3 „Alternatives for leaching agents” of Chapter 5 (Alternatives) of the EIA Report includes an assessment of the alternatives with regard to the use of cyanide, in consideration of the environmental protection and cost-efficiency, and implementation in the processing. The conclusion was that the use of the cyanide represents the best available technique (BAT) [1] in accordance to the definition accepted by the European Union.

Solution

With regard to the toxicity of the tailings containing compounds of cyanide, it is worth noting that the Roşia Montană Project was designed and developed to recycle a maximum of the cyanide used in the process - as much as possible from technical feasibility point of view and, in addition, to include a phase of cyanide destruction (DETOX) which will bring the CN<sub>WAD</sub> cyanide concentration to a value of under 10 ppm the level of cyanide established by the European Directive for mining waste (2006/21/EC). Furthermore, the TMF of the Roşia Montană Project complies in full with the standards and the recommendations quoted from the Terms of Reference document in regards to the Best Available Techniques for the management of tailings and waste rock in mining (BREF) which ensures the reduction to minimum of any potential impact generated by the tailings dam.

Referinces:

[1] Best Available Techniques for Management of Tailings and Waste-Rock in Mining Activities. EUROPEAN COMMISSION, DIRECTORATE-GENERAL JRC JOINT RESEARCH CENTRE, Institute for Prospective Technological Studies, Technologies for Sustainable Development, European IPPC Bureau, Final Report, July 2004 (<http://eippcb.jrc.es/pages/FActivities.htm>).

\*

With regard to the centrifugal concentrators mentioned, I would suggest this reference would be with regard to the Knelson Centrifugal Concentrator and the Falcon Centrifugal Concentrator, both of which were independently developed by two companies located in Vancouver, Canada.

The detailed testwork programs carried out on the Roșia Montană ore have in fact investigated the use of these devices. Minproc Engineers, SNC Lavalin, Ausenco and JR Goode and Associates have all managed testwork programs utilizing these devices. It needs to be appreciated that such devices, as well as the many other gravity gold devices available, are for the recovery of coarse gold. It was such coarse gold that historical mining activities sought all those years ago. Gold that could be seen and separated by hand.

Most of this coarse gold has been mined and the current Roșia Montană Gold Project is predominantly about processing the ore that is too fine to be caught by earlier gravity devices and mostly still too fine for modern day centrifugal concentrators like the Falcon and the Knelson.

This is not to say that some gravity gold does not exist. What is important is that the gold that would be caught by gravity would be minor in amount and the project would not be economic if gravity devices alone were employed. In addition, the gravity gold can still be recovered with the leaching process currently planned to be used at Rosia Montana.

\*

Romanian law provides for the election of public officials who have the power to act in the public's behalf.

Public consultation and information during the environmental impact assessment procedure, including the publication of the Environmental Impact Assessment (EIA) Report documentation for consultation purposes, have been made in compliance with the provisions of (i) Articles 11 (2), 12 and 15 of Government Decision no. 918/2002 regarding the Environmental Impact Assessment Framework Procedure and the Approval of the List of Public or Private Projects Forming the Object of This Procedure ("Government Decision no. 918/2,002")[1], (ii) Chapter 3 regarding the public information and participation in the environmental impact assessment procedure of Order no. 860/2002 of the Minister of Waters and Environmental Protection Regarding the Environmental Impact Assessment and Environmental Permitting Procedure ("Order no. 860/2002"), and of the principles established by the Aarhus Convention on access to information, public participation in decision-making and access to justice in environmental matters[2], and also of the provisions of Directive 85/337/EEC on Environmental Impact Assessment of the Effects of Certain Public and Private Projects on the Environment.

Considering the applicable legal provisions, the interested public has the following rights related to the environmental impact assessment procedure:

- (i) Article 11 (2) of Government Decision no. 918/2002 regarding the environmental impact assessment framework procedure and the approval of the list of public or private projects forming the object of this procedure ("Government Decision no. 918/2002"): "*the environmental impact assessment report shall be discussed by the public, whose pertinent comments shall be taken into consideration throughout the entire environmental impact assessment process;*"
- (ii) Article 40 (1) of Order no. 860/2002 for the approval of the environmental impact assessment and environmental permitting procedure ("Order no. 860/2002"): "*the public may submit justified proposals regarding the environmental assessment, prior to the date set for the public debate on the environmental impact assessment report, but not after that date;*"
- (iii) Article 44 (1) of Order no. 860/2000 "*during the public debate meeting, the project titleholder shall describe the proposed project and the assessment made in the environmental impact assessment study, shall answer the public's questions and shall respond with arguments to the justified proposals coming from the public, received in writing before the meeting;*"
- (iv) Article 44 (3) of Order no. 860/2002: "*based on the public meeting outcome, the competent authority for environmental protection shall assess the justified proposals/comments of the public and request the project titleholder to attach an annex to the environmental impact assessment report, annex containing solutions to the problems raised by the public, according to the form presented in Annex no. IV.2.*"

Please note that the internal legislation ensures the compliance with the principles stipulated by the European Union legislation regarding public participation in the environmental impact assessment process, and allows the interested public to express their standpoints in relation to this type of project.

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References:

[1] Please note that Government Decision no. 918/2002 was abrogated by Government Decision no. 1213/2006 Regarding the Environmental Impact Assessment Framework Procedure for Certain Public and Private Projects, published in the *Official Gazette*, Part 1, no. 802 of 25/09/2006 ("Government Decision no. 1213/2006").

However, considering the provisions of Article 29 of Government Decision no. 1213/2006, stipulating that "The projects transmitted to a competent environmental protection authority for the issuance of the environmental permit and forming the object of the environmental impact assessment, prior to the coming into force hereof, shall be subject to the environmental impact assessment procedure in force at the time of application", please note that the provisions of Government Decision no. 918/2002 are still applicable to Roşia Montană Gold Corporation SA's project.

[2] The Aarhus Convention was ratified in Romania by Law no. 86/2000 for the Ratification of the Convention on Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters, signed at Aarhus on June 25, 1998.

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Item no.	448
No. to identify the observations received from the public	Deva, 23.08.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

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No. to identify  
the  
observations  
received from  
the public

Deva,  
23.08.2006

Proposal

The questioner supports the project.

Solution

RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.

In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.

The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.

In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.

RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.

Item no.	450
No. to identify the observations received from the public	Deva, 23.08.2006
Proposal	He did not take the floor
Solution	<p>According to the provisions of MO 860/2002, which provides the procedures governing preparation of environmental impact assessment and issuance of environmental permit ("Order no. 860/2002") art. 44: <i>"during the public debate meeting, the titleholder [...], <u>will provide answers accompanied by arguments to the reasoned proposals of the public, which the titleholder has received in writing before the initiation of the respective meeting</u>"</i>;</p> <p>(ii) art. 44 (3) of Order no. 860/2002 <i>"based on the results of public debates, the competent authority for environmental protection <u>assesses the public's reasoned proposals/comments and invites the titleholder to complete the Environmental Impact Assessment Study with an annex which should include solutions for the issues that have been brought forth</u>"</i>.</p> <p>As the statement: "The questioner did not attend" (i) doesn't identify or bring forth issues associated with the project initiated by RMGC, and submitted to environmental impact assessment procedure, RMGC has no right to state anything on this issue; we would like to underline the fact that the titleholder cannot and does not have the authority to issue an answer or to make any comments related to this issue.</p>

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23.08.2006

Proposal

The questioner is the president of the Environment and Human Protection Agency.  
1.She supports the project and wants to know in what manner the NGO can collaborate with the project's titleholder, to ensure that the project is properly carried out and monitored.  
2.Once the project is launched, does the company plan to invest in Certej also?

Solution

Thank you for your support.

We welcome stakeholders (institution or NGO) to approach us in the idea of concluding partnerships for the project monitoring.

Roşia Montană Gold Corporation's (RMGC) monitoring programme will be conducted in a transparent manner allowing parties to evaluate progress of the effectiveness and to suggest, and help in implementing improvements. This process will continue throughout the life of the project with the aim of maximising benefits and minimising negative impacts.

Present partnerships include initiatives concerning education and youth development and training, social support. Other partnerships concern monitoring and management of environmental aspects, including The Roşia Montană Research Center for Environment and Health to monitor health impacts and changes. Bio-physical aspects will be monitored and co-managed with the Roşia Montană Biodiversity Partnership and the Roşia Montană Forestry Partnership.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.

\*

According to public information available on the official site of the National Agency for Mineral Resources [www.namr.ro](http://www.namr.ro), "Active licenses" section, the exploitation license for Certej perimeter belongs to the company "Deva Gold" - S.A. Gabriel Resources and Roşia Montană Gold Corporation have no plans to invest in the Certej project.

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Deva,  
23.08.2006

Proposal

1.The questioner wants an explanation for the fact that the project entered the public debate stage before the opinions of the experts in the country were made public. He believes that the Ministry's position on the issue should have been made public long time ago.  
2.The quantity of information available on the ENA website was extremely large and impossible to download, several days were not enough to download it. This is an utter disgrace.  
3.The questions asked during the public debates were not technical questions; 99 % of them referred only to social aspects, issues that have been and continue to be avoided. The Ministry of Labour and Social Protection should probably organize a similar action.  
4.In the last 35 years archaeological remains have suffered massive destruction. The Roman ruins have disappeared. Nowhere is this fact mentioned but local inhabitants in Roşia Montană are entitled to say it.  
5.The EIA report is not credible as the dispersion analysis is incomplete, showing only 4 substances released in the atmosphere. It includes a small map showing the atmospheric dispersion of the noxious emissions.  
6.The jobs referred to are not underground jobs but are meant for drivers, as this is an open cast mining exploitation.  
6.(sic)Why was the subject of the "cuxa certificates" or property titles been avoided? What will happen with these certificates and what does the company plan to do to solve this problem? Agricultural lands and forests have been given back and normally these property titles should also have been given back.

Solution

Public consultation and information in the framework of the environmental impact assessment procedure, and here we also include public disclosure of the EIA, has been developed in compliance with the following provisions:

(i) art. 11(2), art. 12 and art. 15 of Governmental Decision no. 918/2002 on establishing the environmental impact assessment framework-procedure and for the endorsement of the list of public or private projects which have been submitted to this procedure ("GD no.918/2002")[1];  
(ii) chapter 3 on the Public information and participation with regard to the environmental impact assessment procedure of ministerial order issued by the Ministry of Waters and Environmental Protection no. 860/2002 on the environmental impact assessment and environmental permitting procedures ("Order no. 860/2002"), as well as on the principles established within the framework of the Aarhus Convention on the access to information, public participation in decision-making process and the access to justice in environmental issues [2], but also on the provisions of the Directive no. 85/337/EEC on the environmental impact assessment of the public and private projects.

When such a complex project gets to the stage of public debate stage, the project titleholder is the most interested in having its project treated in a serious and responsible manner. In this respect, RMGC has fully complied with the provisions of the relevant legislation in force related to the liabilities of the titleholder of such a project.

Therefore, we underline the followings:

"Article 39 – (1) Once the environmental impact assessment is completed and the report on the environmental assessment study is prepared, the competent authority for environmental protection and the project titleholder shall provide the public with the following information, at least 30 working days prior to the date set for the public debate meeting (in accordance with the provisions of article 35, paragraphs (1) and (2)):

- a). Date and place of the public debate;
- b). Date and place where the report on the environmental impact assessment study will be made available for consultation;
- c). Address of the public authority for environmental protection where well-grounded public proposals with regard to the report on the environmental impact assessment study should be

transmitted.

- (2) The announcement regarding the public debate shall also be posted on the websites of the competent authority for environmental protection and of the environmental protection authorities of the territorial units where the interested public resides, in accordance with the provisions of paragraph (1)".

"Article 44 - (1) During the public debate meeting, the project titleholder shall present the project proposal and the assessment made in the environmental impact assessment study and shall answer the public's questions. The project titleholder shall also respond with arguments to the well-grounded public proposals received in writing prior to that meeting.

- (2) The competent authority for environmental protection shall record on the form enclosed in Annex IV.1 all the well-grounded public proposals, made during the meeting as well as the proposals received before the public meeting.

#### References:

[1] We underline the fact that GD no. 981/2002 has been abrogated by GD no.1213/2006 on the establishment of the environmental impact assessment framework-procedure for certain public and private projects, published in the Official Gazette, Part 1, no. 802 of 25/09/2006 ("GD no.1213/2006").

However, taking into account the provisions of art. 29 of GD no. 1213/2006 where it is stipulated the fact that "the projects submitted to a competent authority for environmental protection, in order to secure the environmental permit and follow the environmental impact assessment and environmental permitting procedures in force when the application was submitted", we mention the fact that as far as the RMGC project is concerned the provisions of GD no. 918/2002 are still valid.

[2] Aarhus Convention has been ratified by Romania through Law no. 86/2000, for the ratification of the Convention on public access to information, public participation in decision-making process and the access to justice on environmental related issues. This convention has been signed at Aarhus on 25<sup>th</sup> of June, 1998.

\*

Roşia Montană Gold Corporation (RMGC) set up 45 information centers where copies of the environmental Impact Assessment study report (EIA) were available, and 5,000 copies of the EIA were printed. So the EIA was made available to the public in other ways besides the Internet. Beyond this, the company has engaged in a long process of public consultation. Before submission of the EIA, RMGC changed various parts of the proposal, notably a reduction in the size of several proposed pits as well as enhancing sustainable development activities, and a stronger commitment to preservation of cultural patrimony including a reduced impact on local churches, in response to stakeholder consultations. From the reactions to the proposal in our extensive efforts at public consultation, we are confident that the vast majority of the people of Roşia Montană support the project.

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Please consider that, according to the provisions of Article 44 (1) of Order no. 860/2002 issued by the Minister of Waters and Environmental Protection,"*during the public debate meeting, the project titleholder shall describe the proposed project and the assessment made in the environmental impact assessment study, **shall answer the public's questions and shall respond with arguments to the justified proposals coming from the public, received in writing before the meeting.***"

The social aspects are discussed in the Environmental Impact Assessment Report, as such issues represent an important element of the project impact assessment, and it is normal for the interested public to be concerned about these aspects. We believe we have answered these questions, with respect for public concern.

Consequently, please note that, in this respect, the project titleholder has the sole obligation to answer all the questions raised by the public, irrespective of their scope and number, therefore the project titleholder may not comment on the issues raised by you.

\*

The potential loss of archaeological remains which occurred prior to the initiation of the Roşia Montană project proposed by RMGC is primarily due to the fact that no mining archaeological research was

conducted in the Roşia Montană area prior to 1999. The scientific investigation and survey of the galleries from Roşia Montană practically began at that moment. It was only with the changes in the Romanian legislation on the protection of the archaeological heritage (the Government Ordinance no 43/2000) and in the context of the archaeological investigations undertaken for the implementation of the Roşia Montană mining project that the archaeological remains at Roşia Montană began to be appropriately dealt with. These aspects are also pointed out in the urbanism plans proposed by RMGC, where the areas of significance from the point of view of the heritage are treated as protected areas.

Thus, prior to 2000 we had a rather theoretical understanding of the galleries from Roşia Montană (ancient Alburnus Maior), as it was based on all the data gathered from the chance finds and from the interpretation of the texts regarding the ancient Alburnus Maior written on the wax tablets found in the middle of the 19<sup>th</sup> century. This included, however, certain topographical archaeological survey attempts. Summarizing all these pieces of information, in 1995, the *Archaeological Gazetteer of Alba County* presented the following data regarding the Roman galleries:

- during the 18<sup>th</sup> – 20<sup>th</sup> centuries, the mining works have revealed a number of artifacts dated to the Roman period (note that, for many of these discoveries, the exact discovery place is unknown, often they were only mentioned, and others had even disappeared over the centuries; so we cannot talk about a methodical and professional approach of these movable heritage assets);
- Parts of Roman mining works have also been discovered South, East and North of the modern mines; however, these ancient works have not been subject to proper scientific research;
- Roman gold mine operations, especially taking into consideration the place where the wax tablets have been found, were signaled in the vicinity of the civil settlements located on the Cetate and Cărnic hills, in the Ecaterina Monuleşti (Cătălina-Monuleşti) gallery, Letea (Lety) and Rotunda massifs;
- Moreover, the iron is mentioned to have been mined during the Roman period on the “Cetatea Mică” hill, without presenting any archaeological piece of evidence in this respect.

Consequently, until early 2000, one could say that the Roman mining site at Roşia Montană was an area of significant archaeological potential, where no specific archaeological diggings had been carried out, diggings necessary for a detailed picture of the various site elements and characteristics as well as for the localization and spatial distribution of the settlement area, the funeral areas and the ancient mining remains within the site.

The Report on the Environmental Impact Assessment Study (both in volume 6-*Cultural Heritage Baseline Report* and in volume 32-*Management Plan for the Archaeological Heritage from Roşia Montană Area*) refers to the deterioration of the archaeological remains which would have existed in the Cetate massif. Thus, open-pit mining works have been carried out in the Cetate and Cărnic massifs starting from the '70s during the communist period. No preliminary archaeological investigations were conducted prior to the exploitation. And these open-pits and their related infrastructure have led to the deterioration of significant archaeological remains, mainly the famous „Roman yards” and the „Emperor’s window”. A history of the historical and archaeological research in the Roşia Montană area prior to 2000 (see volume 6- *Cultural Heritage Baseline Report*, Annex F, pages 161-166) and an inventory of the chance finds prior to 2000 (see volume 6- *Cultural Heritage Baseline Report*, Annex G, pages 166-169 ) have been developed in the context of the preliminary studies for the documentation necessary for the EIA for the RMP.

Starting with 2000, preliminary archaeological investigations have been conducted in the Roşia Montană area in order to prevent any irretrievable losses of cultural heritage assets. And in 2001, based on the results of these researches, the Ministry of Culture and Religious Affairs initiated the „Alburnus Maior” National Research Program (by the Ministerial Order no. 2504/07.03.2001). This program is developed in compliance with Law 378/2001 (as subsequently amended by Law 462/2003 and Law 258/2006).

Against this background, an archive comprising old pictures was generated, doubled by an archive research for the Cărnic massif and the remains located there prior to 1970. Based on these researches, archaeological investigations have been conducted both above and under the ground, which allowed building a picture of the way this area was structured in the ancient times. The results of these researches are synthesized in volume 6 –*Cultural Heritage Baseline Report*, pages 71-73; 74-75; 86-88.

The maximum impact experienced outside the Project area has been evaluated by referencing to the limit values established for each pollutant and each mediation interval. Also the impact has been analyzed for each of the 15 sensitive communities located around the Project site: Roșia Montană (protected area), Abrud, Bisericani, Bucium Sat, Coasta Henții, Dogărești, Florești, Gârda Bărbulești, Gura Roșiei, Helești, Iacobești, Ignătești, Petreni and Vârtop. The mathematical modeling of the concentration fields was performed for a number of ten pollutants, the results being presented in 68 tables and 43 dispersion maps endorsed by analyses and comments.

The modeling on the atmospheric dispersion was conducted by using the best available techniques. It simulates the transport of the pollutants generated by the mining activities outside the Project area. The methods established for atmospheric modeling, used in the assessment process, in compliance with the criteria imposed by Regulations, were subject to important changes in the last years, including: 1) substantiation of the atmospheric dispersion on the concepts of structure and scale of turbulences from the planetary limit layer; 2) taking into account and refining of the surface and altitude sources and 3) Incorporation of simple and complex algorithms for terrain simulation.

The AERMOD modeling program is based on a stationary plume model. The distribution of concentrations within the stable limit layer is considered to be Gaussian both on horizontal and vertical plan. The distribution on horizontal plan within the convective limit layer is considered Gaussian, and the vertical distribution is described with a density function of bi-Gaussian probability. This behavior of concentration distribution within the convective limit layer was demonstrated by Willis and Deardorff (1981) and by Briggs (1993). In addition, within the convective limit layer, AERMOD takes into account a so-called “ascending plume” through which a part of the plume mass generated by a source lifts and remains close to the upper part of the limit layer before mixes up into the convective limit layer. AERMOD monitors also any plume penetrating into the stable high layer allowing then to re-enter into the limit layer when and if appropriate.

AERMOD incorporates through a new and simple approach the current concepts regarding the flow and dispersion in complex terrains. If need, the plume is modeled either with a trajectory impacting the terrain or with a trajectory following the terrain topography. This approach has been conceived as being realistic from physical point of view, easy to implement and avoiding the necessity to discern between simple, medium and complex topographies, as the regulations in force impose. Thus, AERMOD eliminates the necessity to define regimes of complex topography. All types of terrains are treated in a unitary, continuous and simple manner, in the same time keeping the division concept of the streamline in conditions of stable stratification (Snyder, et al., 1985).

The American Meteorological Society – AMS and United States Environmental Protection Agency – US EPA developed the Regulating Model AMS/EPA (AERMOD) which incorporated these modifications.

This model has been selected to evaluate the impact generated by the mining operations due to: 1) efficient use of local meteorological data collected every hour; 2) capability to calculate concentrations on short and long term from several sources of diverse types; 3) capability to incorporate topographical data, identified for the impact estimation on complex terrains and 4) public availability of this system, already validated by numerous experimental programs.

The AERMOD modeling system contains three components: AERMET, version 99211 (AERMOD meteorological pre-processor); AERMAP, version 99211 (AERMOD topographical pre-processor) and AERMOD, version 99351 (for dispersion modeling).

The hourly meteorological data were obtained for calendar year 2003 from the National Meteorological Administration. The data refer to the Roșia Montană meteorological station (situated at approximately 1 km North-North-East of Roșia Montană locality). These hourly meteorological measurements have been used by AERMET program to generate certain input data corresponding to the dispersion model (both for high atmospheric layer parameters and surface parameters). The set of the processed meteorological data has been analyzed from the accuracy point of view.



In order to estimate the impact generated by the Project activities, a network of receptors has been chosen. This network consists of 2115 discrete points placed on the nodes of a grid sized 250 x 250 m, beginning at about 4,400 m South-West of Abrud and continuing up to a point situated at about 3,000 m North of Birdești. The AERMAP program has been used to estimate the critical topographical elevations for each receptor, using the geodesic network data provided by SNC Lavalin. AERMOD uses the critical topographical elevations combined with hourly registered meteorological parameters in order to determine the pollutant plume concentrations treatment in high terrains conditions.

AERMOD can forecast concentrations of pollutants from multiple sources for a wide variety of sites, meteorological conditions, types of pollutants and mediation periods. For this project, the short term concentrations have been calculated using the maximum hourly rates of emission for activities simultaneously developed and for the averages calculated for intervals of 1 hour, 8 hours and 24 hours. The annual concentrations have been modeled using all active sources from respective year.

The mathematical modeling of the concentration fields has been performed for **a number of ten pollutants: total suspension particles (TSP), particles with diameter smaller than 10 µm (PM<sub>10</sub>), NO<sub>2</sub>, SO<sub>2</sub>, CO, hexavalent Cr, Ni, Cd, polycyclic aromatic hydrocarbons (HAP) and HCN**. It is specified that the main pollutants specific for Roșia Montană Project activities are: TSP, PM<sub>10</sub>, NO<sub>2</sub>, SO<sub>2</sub> and CO. The other pollutants hexavalent Cr, Ni, Cd and HAP, even having very low emissions, have been taken into account especially due to their cancerous potential.

Please note that the pollutants standardized by the European Union (EU) Directives (the Framework Directive and the first three daughter Directives transposed into the Romanian legislation (Ministerial Order no. 592/2002) are: PM<sub>10</sub>, NO<sub>2</sub>, SO<sub>2</sub>, CO, Pb and benzene. The fourth daughter Directive 2004/107/EC of the European Parliament and European Council of December 15 2004 was enforced by the Member States in February 2007. This Directive imposes limit values for average long term concentrations for heavy metals (Ni, Cd) and HAP [as benzo(a)piren]. The TSP concentrations are standardized by STAS 12574/1987.

Each pollutant had its concentrations ratio modeled for each mediation interval that has an associated limit value.

The mathematical modeling was made for: the baseline conditions, one year representing the construction period of the project objectives; four year representing the operations' phase of the Project, and one year representing the closure and environment rehabilitation period. The concentrations ratios were modeled for each of these years, for Total Suspended Particles (TSP), PM<sub>10</sub>, PM<sub>10</sub>, NO<sub>2</sub>, SO<sub>2</sub> and CO, and in addition to this, the modeling for HCN, hexavalent Cr, Ni, Cd and HAP were modeled for the operations' phase. Also, the risk of cancer occurrence, due to the exposure of the population to the pollution by hexavalent Cr, Ni, Cd and HAP was calculated for the 15 localities.

Details: Report on the Environment Impact Assessment Study, Vol. 12, Chapter 4.2

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You are perfectly right, it will be an open cast mine needing people for various kinds of jobs in the various operation phases: ore extraction, ore processing, industrial water treatment, tailings management facilities, auxiliary processes. As for a description of the scale of employment opportunities, the Roșia Montană Project will create 634 jobs (direct employment including contracted employment for cleaning, security, transportation, and other). It is expected that most of these jobs will be sourced locally, from the project impacted area. [1]

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.

References:

[1] Roșia Montană Project, Environmental Impact Assessment Study Report (EIA), Non Technical Summary, vol.19, pp.7 With inclusion of additional hiring for contracted employment for cleaning, security, transportation, and other, direct employment is 634.

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Regarding the issues approached by you, we mention the fact that RMGC is not in the position to provide an answer regarding certain issues, which go beyond the subjects approached in the report on the environment impact assessment study.

In this respect, please consider the following aspects:

- (i) the activity of settling certain factual situations or relations is the exclusive competence of state;
- (ii) the retrocession of properties is exclusively executed based on certain legal provisions which settle substantive rights issues, as well as procedural rights issues which must be considered;
- (iii) the competence for settling the claims submitted by the interested persons is mandatory provided by law as being under the competence of the administrative authorities or, as the case may be, under the competence of the law courts.

Nevertheless, considering the fact that RMGC expressed and is still expressing the availability to discuss any relevant issues regarding the proposed project, including the issues related to the participation shares, we make the following comments.

According to art. 54 of the Rule for the enactment of art. 264 of the Mining Law from March 28, 1929 "the participation share gives the titleholder the right to participate to the indivisible assets of the association, it is an effect (title) with indefinite value, under an intangible form and preserves this form even when all the participation shares of the association are owned by a single individual."

At the same time, the wording of art. 50 of the Mining Law from March 28, 1929 provides that the mining association based on participation shares **had only the right of exploration and exploitation** over the lands and **not a property right**, these **lands being in their possession based on concession agreements**.

As regards the nature of the right granted by the participation share – a right of exploitation and not a **property right** - the provisions regarding the amending rules of Law 10/2001 on the legal status of the estates abusively requisitioned during the interval March 6, 1954 – December 22, 1989 („Law 10/2001”), republished and amended, are not applicable. According to art. 3 of Law 10/2001, the natural persons have the right to compensation in case they owned **as property the estate abusively requisitioned** or in case **the property right** belonged to some legal persons to which the entitled natural persons had the capacity of shareholders.

Accordingly, for each of the situations provided by Law 10/2001, an essential condition for the determination of the right to compensation is to ground a property right, either by the very natural person, or by the legal person to which he participated as shareholder, over the asset requisitioned by the state, a condition which is not fulfilled by the participation share owners.

Considering there are specific regulations in this respect, RMGC will take all the necessary measures for the observation of the mandatory legal provisions.

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Item no.

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No. to identify the observations received from the public

Deva,  
23.08.2006

Proposal

The questioner supports the project.

Solution

RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.

In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.

The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.

In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.

RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.

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Deva,  
23.08.2006

Proposal

1.How do the people who have drafted and have permitted so far the project feel, considering the fact that the landscape will change radically and the gold ore will be mined to exhaustion in a very short time? Roman galleries will be destroyed and the Romanian state and local population will have practically no profit. The only ones to register considerable profit will be the people selling the gold production abroad, taking into account the fact that gold price rose two and a half times in the last two years. Hence the big fight.

2.What are the reasons for the Romanian Academy to oppose the project and what did the project leaders answer to the problems raised by this institution?

3.Why was there a 5 minutes time limit and why were the people who spoke in favour of the project allowed to speak more?

4.Where exactly was a similar project carried out in the USA, Canada or the European Union? Why should we always be the first to experiment?

5.Taking into the account the fact that operations will be highly automated, where will the jobs be created? On the cyanide lake?

6.Although much has been said about the environment problems solved by the project, the Environment Ministry representatives raised the least number of questions on these aspects.

The Roşia Montană Project is projected to last nearly 20 years (2 years of construction followed by 17 years mining operations). Readers will decide whether this is a “very short time” or not, especially for an area with 70% unemployment at present.

Overall, the project will infuse more than USD \$2,5 billion into the Romanian economy. Here, too, readers can decide whether this is “practically no profit” for Romania.

On the subject of destroying patrimony as a result of the mine, the company has invested USD \$10 million to recover patrimony dating to ancient Roman times – to the extent it has not been destroyed by time or the indiscriminate mining practices of the past. The special Rapporteur from the Parliamentary Assembly/Council of Europe called the company-financed effort “an exemplary project of responsible development.” Readers will decide whether to accept or reject the Council of Europe’s assessment.

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Solution

The most recent position of the Romanian Academy regarding the Roşia Montană project was made public on February 27, 2006, almost three months before the submission of the report to the Environmental Impact Assessment study (EIA) to the Ministry of Environment and Water Management (MEWM).

Rosia Montana Gold Corporation (RMGC) made significant changes to the project design, notably a reduction in the size of several proposed pits as well as enhancing sustainable development activities, and a stronger commitment to preservation of cultural patrimony including a reduced impact on local churches, in response to stakeholder consultations, including with members of the Academy, before submission of the EIA.

Thus the position does not reflect changes to project design or an analysis of the EIA that was actually submitted to the MEWM.

We would be happy to meet with the Academy to answer any questions regarding the project.

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Rules for the public consultation hearings must balance the many people who wish to address the forum, in meetings that ran as long as 12 hours, with a time limit to allow as many people as possible to be heard. There was no limit on the length of the written questions submitted.

Regarding your complaint, please note that the public consultation method applied during the environmental impact assessment procedure is stipulated by Order no. 860/2002 of the Minister of Waters and Environmental Protection regarding the environmental impact assessment and environmental permitting procedure ("Order no. 860/2002").

Article 39 (1) of Order no. 860/2002 stipulates that "*once the environmental impact assessment process is completed, and the environmental impact assessment report is prepared, the competent authority for environmental protection and the project titleholder shall provide the following information to the public, [...] at least 30 business days prior to the date set for the public debate meeting: (i) the place and date of the public debate; (ii) the place and date when the environmental impact assessment report will be made available for consultation; (iii) address of the public authority for environmental protection, that the justified proposals made by the public regarding the environmental impact assessment report should be transmitted to.*"

The rules establishing the details of the public consultation process are set out by the chairman of the meeting, representing the Ministry of Environment and Water Management, not by the project titleholder. It was the chairman of the meeting who decided that the speakers must take the floor according to their order of enrolment on the lists prepared by the representatives of the Ministry of Environment and Water Management, that the maximum speech time was limited to 5 minutes and that no dialogue was allowed between the public and the project titleholder.

According to Order no. 860/2002, the meeting is chaired by the representatives of the Ministry of Environment and Water Management:

"Article 41. – The public debate meeting shall take place in the presence of the representatives of the competent authority for environmental protection, in the most convenient way for the public, on the territory where the project is intended to be implemented, and after the working hours.";

"Article 44. - (1) During the public debate meeting, the project titleholder shall describe the proposed project and the assessment made in the environmental impact assessment study, shall answer the public's questions and shall respond with arguments to the justified proposals coming from the public, received in writing before the meeting."

Also, we want to remind you that every public debate was declared closed only after each interested participant expressed his/her standpoint or comments on the environmental impact assessment report.

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The mining project proposed for Roşia Montană is not an experiment. Instead, it is a project similar to other projects currently in operation in Europe (EU countries, Russia, and Turkey), North America (USA, Canada), Australia, New Zealand, Asia, and Africa. Around the world, there are over 90 mining operations that use the same or similar technology to that proposed for Roşia Montană.

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S.C Roşia Montană Gold Corporation S.A ( RMGC) currently employs almost 500 people, of whom more than 80% live in Roşia Montană, Abrud, and Câmpeni. The Roşia Montană Project ("RMP") will employ an average of 1,200 people during the two-year construction period. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of Roşia Montana Project (RMP), with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community. RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs. Beyond this, we estimate that there will be 6,000 new jobs in the region indirectly resulting from the Project. All this underscores the significant opportunities for the people of the region that approval of the Project offers.

To answer the questioner's question, construction of the Tailings Management Facility will require employment during the period of mine operations. The Tailings Management Facility will be constructed to the highest international standards. It will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. Sophisticated equipment will be used for geotechnical and water level monitoring. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 parts per million or ppm or mg/l), which is below the regulatory limit of 10 ppm recently adopted by the EU in the Mining Waste Directive.

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The environmental impact assessment procedure is performed according to the provisions of Order of Ministry of Waters and Environmental Protection no. (860/2002) regarding the environment impact assessment and the issuance of environmental agreement procedures ("Order no. 860/2002"). Therefore, please note that the environmental competent authority has the following main competence in this respect:

- (i) art. 2 (1) of Order no. (860/2002) provides that "***the environmental impact assessment procedure is managed by the public environmental protection authorities***";
- (ii) art. 11 (2) of Government Decision no. 918/2002[1] on the establishing of the framework procedure for the environmental impact assessment and for the approval of the list of private or public projects subject to this procedure ("GD no. 918/2002") provides that the report to the environmental impact assessment study is subject to the comments of the public;
- (iii) art. 12 (1) of GD no. (918/2002) states that "***the competent environmental protection authorities informs the public on any request of environmental approval for the projects subject to the environmental impact assessment procedure within a term as to allow the public to express their opinion before granting the environmental approval***";
- (iv) art. 28 of the Order (860/2002), provides that " based on the results of the public debate:  
"a)***the environmental protection relevant authority evaluates the grounded proposals/comments of the public and requests the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions for solving the indicated issues [...]***;
- (v) art. 29 of the Order no. (860/2002), states that after receiving from the project titleholder the appendix to the report on the environmental impact assessment study, which comprises solutions for solving the public proposals/comments, the environment protection public authority:  
"a) ***analyses the report on the environmental impact assessment study, the appendix comprising solutions for solving the public proposals/comments, as well as the information and documents received from the titleholder, including the security report, as the case may be:***  
b) *calls for a meeting the technical analyses commission;*  
c) *presents to the technical analyses commission the conclusions regarding the report on the environmental impact assessment study, the security report (as the case may be), the solutions for solving the public proposals/comments and the proposal for the procedure continuation*".

Moreover, please note that S.C Roşia Montană Gold Corporation S.A (RMGC), organized with the observance of the incident legislation, public consultations in 14 localities in Romania and two in Hungary in order to allow the interested public to express their observations, comments, and questions regarding the Report to the Environmental Impact Assessment study of the proposed project.

The Ministry of the Environment and of Water Management will analyze this report only after the completion of the information and public consultation phase, including receiving from RMGC answers to the issues raised by the public.

Item no.	456
No. to identify the observations received from the public	Deva, 23.08.2006
Proposal	<p>1.The questioner makes comments on the concept of sustainable development which needs to be taken into account when carrying out such a project.</p> <p>2.The questioner mentions the zero alternative and points out the current ecological disaster at Roşia Montană, which will not be solved without a considerable amount of money. The experts' role is to minimise any risks caused by the use of cyanide, as well as by any other activity, since it is well known and generally agreed upon that there are no activities without risks.</p> <p>3.The questioner hopes that the experience acquired during the Roşia Montană project and during these talks (public consultation meetings – translator’s note) will also be of help for the Certej project.</p>
Solution	<p>Absolutely agreed.</p> <p>Sustainable Development is based on the premise of development that meets the needs of the present without compromising the ability of future generations to meet their own needs. At the end of the day, mining can only be judged in the context of sustainable development by what remains after the mine closes.</p> <p>A starting premise to this context is that RMGC is committed to ensuring that the Roşia Montană Project (RMP) will be a catalyst for local and regional economic development. It is recognised that, as with any major industrial development, impacts will be positive and negative. RMGC commits to work alone and in partnership to ensure that beneficial impacts will be maximised. RMGC will priorities a participatory approach wherever possible and will seek guidance from local and regional authorities and from the community when deciding on issues that may impact the area’s development. Negative impacts will be mitigated through measures as described in the EIA report.</p> <p>RMGC recognizes that in order to ensure it meets its sustainable development commitments it must support, as a minimum, five key interrelated areas that make up the three traditional pillars of sustainable development - social, environmental and economic. These areas are presented below as five capitals of sustainable development.</p> <p>RMGC has developed its Sustainable Development Policy [1] in support of this and this is presented further on in this annex. Supporting elements are also presented, as are a set of Authority, Community, and Company initiatives within the Roşia Montană Sustainable Development Partnerships and Programs.</p> <p><b>1. Five Capitals of Sustainable Development</b></p> <p><b>Financial Capital</b></p> <p>Economic Development Impact, fiscal management, taxes</p> <ul style="list-style-type: none"> <li>- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally</li> <li>- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally</li> <li>- Some 6000 indirect jobs for 20 years, locally &amp; regionally [2]</li> <li>- US\$ 1billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional &amp; national government</li> <li>- US\$ 1.5 billion procuring goods &amp; services. US\$ 400 million during construction (2 years) and US\$ 1.1 billion during production, from Romania (16 years)</li> </ul> <p>To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:</p> <ul style="list-style-type: none"> <li>- The set up of a micro-credit finance facility in the area to allow access to affordable financing</li> <li>- The set up of a business centre and incubator units, offering mentoring, training</li> </ul>



(entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs,

### **Physical Capital**

Infrastructure – including buildings, energy, transport, water and waste management facilities

- Increases in revenue to government agencies, of the order of US\$ 1 billion over 20 years (construction + production + closure) will result in additional money the government may allocate to improving community infrastructure
- RMGC will also develop the resettlement sites of Piatra Albă and Dealul Furcilor in Alba Iulia. Piatra Albă will contain a new civic centre, commercial and residential areas. These will be transferred to the local authorities once complete. The RRAP contains full details of these initiatives

### **Human Capital**

Health and education

- A private dispensary & health clinic in Piatra Albă (see RRAP), accessible to wider community through health insurance
- Upgrading of a wing of Abrud hospital, accessible to the wider community through the national Romanian health system
- Improvement of mobile emergency medical system in the area
- The building of a new school, residential & civic centre in Piatra Albă. This is fully described in the RRAP
- Health awareness campaigns (in partnership with local authorities & NGOs) covering: reproductive health, diet, and lifestyle amongst others
- Partnerships with education providers & NGOs concerning access to & improvement of education facilities in the area, e.g.: the NGO and local authorities lead CERT Educational Partnership ([www.certapuseni.ro](http://www.certapuseni.ro)).

### **Social Capital**

Skills training, community relationships and social networks and the institutional capacity to support them, preservation of cultural patrimony

- Efforts to develop and promote Roşia Montană's cultural heritage for both locals and tourism – RMGC is a partner in the Roşia Montană Cultural Heritage Partnership ([info@rmchp.ro](mailto:info@rmchp.ro))
- Providing adult education opportunities and skills enhancement including training programs, funds and scholarships, to increase employment chances both direct with RMGC and indirect – RMGC is a partner in the Roşia Montană Professional and Vocational Program ([info@rmpvtp.ro](mailto:info@rmpvtp.ro))
- Programs assisting vulnerable people & groups, and to consolidate social networks particularly in Roşia Montană – RMGC is a partner in the Roşia Montană Good Neighbour Program lead by local NGO ProRoşia ([info@rmgnp.ro](mailto:info@rmgnp.ro))
- RMGC supports a NGO-lead partnership working with the youth in the area to improve and increase the capacity of the community ([www.certapuseni.ro](http://www.certapuseni.ro)).

### **Natural Capital**

Landscape, biodiversity, water quality, ecosystems

- Measures contained in the RMP management plans and SOPs will result in mitigation of environmental impacts and conditions as identified in the EIA.
- The improved environmental condition will enhance the quality of life in Roşia Montană.
- Training & assistance in integrating environmental considerations into business plans.
- Awareness-building regarding positive environmental performance of business activities.
- Environmental standards associated with loans through the micro-credit finance facility including monitoring of environmental performance.
- Business Code of Conduct requiring suppliers to RMP to comply with RMGC's environmental performance standards.

RMGC's view of the social and economic benefits of the RMP is described in the Community Sustainable Development Plan and EIA Chapter 4.8 – the Social and Economic Environment.

In order to achieve its commitments, RMGC acknowledges that it needs to collaborate with the Community, Authorities and civil society on issues that impact the area's development. This approach allows the Community to own, direct and control all relevant development issues in a multi-stakeholder and integrated manner.

In the spirit of that commitment, to date, RMGC has conducted extensive consultations, including 1262 individual meetings and interviews, and the distribution of questionnaires for which over 500 responses have been received, 18 focal group meetings, and 65 public debates, in addition to holding discussions with government authorities, non-governmental organisations and potentially affected stakeholders. Feedback has been used in the preparation of the Management Plans of the RMP's Environmental Impact Assessment (EIA) as well as the drafting of the Annex to the EIA.

Support of the area's sustainable development will be conducted within the framework of Partnership as promoted by organisations such as the United Nations Development Program (UNDP). For example, future socio-economic impacts mitigation and enhancement measures will be conducted under the guidance of the Roşia Montană Socio-Economic Research Centre ([info@rmserc.ro](mailto:info@rmserc.ro)), which in turn is partnered with the local authorities. This will allow a transparent evaluation of the effectiveness of sustainable development support and will provide a forum to implement necessary improvements.

Other sustainable development support partnerships are presented under the section entitled Roşia Montană Sustainable Development Programs and Partnerships further in this annex ([www.rmsdpps.ro](http://www.rmsdpps.ro)).

Beyond immediate direct and indirect benefits, the presence of the RMP as a major investment improves the area's economic climate, that will in turn encourage the development of non-mining activities. It is expected that the improved investment and economic climate will lead to business opportunities that can develop concurrent with the RMP, even as they extend well beyond economic activities related directly to mining operations. This diversification of economic development is a critical benefit of the investments generated to realise the RMP.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.

References:

[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.

[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.

\*

S.C Roşia Montană Gold Corporation S.A ( RMGC ) agrees with the questioner's view as regards the need of a economically viable investment in the area in order to mitigate the problematic ecological legacy left by the past poor mining practices. At present, the existing condition of the site is characterized by extensive water pollution with derelict mined land and unrehabilitated waste heaps.

RMGC is committed to implement and conduct a project that will provide the necessary funding and professional expertise for a benefic ecological rehabilitation of the area to be undertaken in compliance with the relevant mandatory Romanian and EU legislation. At the same time, the hazards posed by the use of cyanide in the proposed RMP have been identified in the EIA report and the ways in which the risks have been reduced have been fully described.

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We appreciate the comment and certainly believe that public consultation is a useful and important part

of the permitting and Environmental Impact Assessment process. We hope that the public has achieved a better understanding of the many advantages that use of modern mining techniques can bring to Romania, not only in Roşia Montană, but perhaps in other projects as well.

Moreover, we give you our assurance that the Project will be conducted in full compliance with Romanian and European law and in accordance with international best practices. This responsible manner of conducting a mining project, we believe it might set a standard in the Romanian mining industry.

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Item no.

457

No. to identify  
the  
observations  
received from  
the public

Arad,  
25.08.2006

Proposal

The inquirer wants to know if RMGC has allocated funds for Valea Şesei pond, in order to contribute to the safety works required for the dam, given the fact that the dam shows low stability. At present, MINVEST Deva carries out works meant to ballast the embankment of the dam but it has run out of money.

Solution

We believe that the questioner is mistaking Valea Şesei, which is the tailings dam for Roşia Poieni, with Valea Seliştei, which is the tailings dam for RoşiaMin. It is true that RoşiaMin carried out some work to promote the stability of the dam, but RMGC has no information or involvement in relation to the funds granted or works undertaken. However, RMGC has no authority to work in this area (which is outside the perimeter of our license) but we always expressed our availability to form durable partnerships not only with government but also with NGOs, to concentrate our efforts and make available our knowledge to assist in solving any issues related to environmental protection, a goal in which our Company is investing very large resources.

Item no.	458
No. to identify the observations received from the public	Arad, 25.08.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

459

No. to identify the observations received from the public

Arad,  
25.08.2006

Proposal

The questioner asks the following questions:

1. Why is there such an interest in mining the extraordinary quantity of 600 tons of gold and 1,100 tons of silver in Roşia Montană, despite the opposition of a large part of the local population, of Romanian associations and parts of the mass media?
2. Why does RMGC blackmail local inhabitants in Roşia Montană with extraordinary sums of money, a lot more than the normal market price, in exchange of their houses, stables and lands?
3. How come even the neighbouring countries are against the project, voice concern over the use of cyanide and have started collecting signatures against the Roşia Montană exploitation?
4. Why isn't any thought given to the miners' situation in 15 years' time, when the mountains will be emptied of gold and silver and the miners will have no place to work. Or maybe, after having worked in that toxic environment for 15 years they will end up dead.
5. Why wouldn't it be possible to develop ecological mining activities, so that the environment will not be destroyed?
6. Why is it not possible for Roşia Montană to become a tourist objective, as it has the necessary tourism potential-for example, the roman galleries in Roşia Montană, which mustn't be destroyed as this will mean destroying part of our national identity. If tourism activities were developed, tourists would have the possibility to find out about different methods used to mine the gold, ever since 1151: gold was obtained using water and fire, traditional gold washing techniques, stamp mills and motor stamp mills using the water power coming from the seven ponds. At weekends, the ponds were used as recreation areas for the local families, student miners and for hundreds of people from other towns.
7. Why should the churches and graves be destroyed?
8. The questioner thinks that it is an utmost disgrace that marvels created by God be covered in cyanide and hopes that the Romanian government is aware of the activities of Gold in Ghana and will take into account the public debates, artistic shows and the opinions of the following bodies: Avram Iancu and Alburnus Maior associations, The Romanian Academy, The Romanian Patriarchate, so as to take the right decision for the rescue of Roşia Montană, and consequently, of the Apuseni Mountains.

Solution

As an initial matter, the questioner's estimate of the gold and silver deposits is too large. S.C Roşia Montană Gold Corporation S.A ( RMGC ) evaluated the ore deposit based on a reserve calculation performed after a very detailed and complete exploration program from 1997 to 2006 that produced 191,320 samples from drilling, underground networks, and surface rock. This program is the most extensive such research program ever undertaken in Romania.

Each ore sample was analyzed for gold and silver. The resulting database, containing more than 400,000 analyses, was verified by independent experts from both România and abroad. The Romanian company Ipromin SA performed three feasibility studies for the Roşia Montană project. These feasibility studies also contain calculations of resources and reserves. Both Ipromin and external auditors confirmed the results.

The Project was subsequently redesigned to reflect stakeholder concerns, and the size of the pits was reduced. Thus, for the smaller pits that are now proposed in the EIA, RMGC's survey calculates a reserve of 215 million tones of ore with an average grade of 1.46 g/t Au and 6.9 g/t Ag, respectively, for a total amount of 314.11 tones of gold and 1480.36 tones of silver. Even with this reduced figure, the Roşia Montană ore deposit remains among the top ten gold deposits in the world.

We agree with the questioner that gold is an issue of national strategic importance for Romania. This project meets all Romanian and EU standards, provides new jobs for Romanians, especially in the Rosia Montana region, and will serve as a catalyst for reviving the important mining sector, which is strategically important for the Romanian economy and an important part of rural development.

The Romanian State through the Ministry of Industry and Commerce (“MEC”) has a 19.3% ownership interest in the project. This interest is a fully carried interest with no obligation to fund its share of the capital investment. The direct financial benefits to the Romanian State, at the local, county, and national level is projected to be USD1,032 million. This includes the government’s share of profits, profit taxes, royalties and other taxes such as payroll taxes. An additional US\$ 1.5 billion of Romanian goods and services will be acquired by project. The Romanian State will also receive many indirect benefits related to this investment.

As a result of our public and stakeholder consultation processes, we are confident that a large majority of the population of Roşia Montană supports the Project.

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Prior to the initiation of the RMGC Resettlement and Relocation Action Plan (RRAP), there was effectively no real estate market in Roşia Montană. When people left the area, as they have been doing for over two decades due to economic conditions, they often simply abandoned their homes. The RMGC project has created an opportunity to realize the value of properties built and maintained over people’s lifetimes.

Prices paid for properties, under World Bank guidelines, are determined by replacement value—that is, not what the property might be worth in Roşia Montană but what it would cost to replicate (and, in some cases, establish for the first time) a comparable and acceptable lifestyle elsewhere in the region (as defined by an area 250km around Roşia Montană). Costs in the surrounding area are considerably higher than those in Roşia Montană where depressed economic conditions have caused home prices to decline.

Therefore, the compensation paid covers the replacement value of the properties within the above mentioned area and not the real market value of the properties in Roşia Montană, by far much lower.

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Under the Espoo Convention, to which România is a signatory, large-scale projects with potential transboundary impact must allow for neighboring nations to raise comments and questions during the permitting process. In the case of the Roşia Montană Project, only Hungary took part in the process and raised questions, which were answered in the EIA study. No other neighboring country has raised a question about the Project. Further, RMGC, as part of its public consultation process, held two public consultation meetings in Hungary as well as 14 in Romania to permit the public to ask questions about the process.

We understand and respect the concerns that some Hungarians have raised because of the tragic accident at Baia Mare in 2000. Baia Mare was a disaster that must not happen again. To avoid this type of accident, at Roşia Montană, the Tailings Management Facility will be constructed to the highest international standards. It will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. Sophisticated equipment will be used for geotechnical and water level monitoring. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (approx 5-7 parts per million or ppm or mg/l), which is below the regulatory limit of 10 ppm recently adopted by the EU in the Mining Waste Directive.

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Operating a modern mine designed to the strictest EU and international standards should address health and safety concerns relating to the Roşia Montană Project (RMP).

As for social and economic planning, the company is committed to promoting long term development opportunities as part of the sustainable development plan. A great deal of planning is devoted to post closure conditions at Roşia Montană.

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective

mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

The Environmental Impact Assessment Study Report (EIA) study examines other industries that could be developed and identifies constraints and obstacles that currently prevent such alternate development. This allows the EIA study to conclude that the RMP not only does not preclude other industries from being developed, but will also make that easier and more likely to happen.

In addition, the Community Sustainable Development Plan makes specific provision for development of economic activity other than mining, which is aimed to take place during the term of the RMP and also to succeed mining when that ceases on closure of the RMP. To that effect, the RMP closure plan is also designed to allow a productive end-use of the site and create an asset rather than a liability.

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. Under the auspices of the United Nations Development Program, a number of working groups will be established one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

Roșia Montană Gold Corporation (RMGC) established Roșia Montană Microcredit in January 2007, as “IFN Gabriel Finance SA”, to encourage the local investors. This micro lender is designed to provide funding and necessary resources to the people of Roșia Montană, Abrud, Campeni and Bucium. The objective is supporting local people in establishing small businesses or expanding existing ones.

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.

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Fortunately, this is exactly what has been happening during the past few years all over the world. The environmental protection laws that are in effect all over the world, including in România, do not allow the destruction of the environment under any circumstances. The Roșia Montană Project will be conducted in full compliance with Romanian and European environmental and other laws and in accordance with international best practices. The Project will bring best available techniques (BAT) to România, many of which are designed to minimize the impact of mining operations on the environment. Subsequent to submission of the EIA, technical experts representing several international private sector banks and export credit agencies have concluded that it complies with the Equator Principles designed to promote responsible lending by financial institutions to projects which raise environmental and social concerns.

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It is true that tourism may be a potential source of revenue and sustainable development for Roșia Montană and the region. There is, however, a vast difference between proposing tourism as an alternative or substitute for a major industrial project – and the development of tourism over time supported by the infrastructure investments driven by a large industrial project.

The former – for Roșia Montană, “tourism with no mine” – is not viable on its own, and certainly not in comparison to a plan to develop tourism over time with the help of infrastructure investment.

As the Roșia Montană Project (RMP) affects only 4 of Roșia Montană’s 16 sub-comuna, the development of Roșia Montană’s tourism potential can be done in parallel with active mining operations. Chapter 5 of the Environmental Impact Assessment Study Report (EIA) identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other



problems that have arisen through lack of inward investment. As described in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Community Sustainable Development Management Plans, there are currently some tourism activities in Roşia Montană. However the tourism industry is not at present a significant economic driver.

Roşia Montană could continue to develop its tourism potential. There are initiatives to do so, such as "Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de Aries as alternative to mono-industrial mining activities" prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the Ministry of Environment and Water Management (MMGA).

Roşia Montană Gold Corporation (RMGC) has commissioned a study which sets out how the potential tourism markets and how these might best be approached in an integrated project:

"From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US\$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Catalina Monulesti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).

With reference to the comment about destroying part of the nation's heritage, it is important to note that based upon professional judgement and six years of investigations and research, the most important elements of the heritage are to be preserved and put on display for tourists to visit. Less important remains are to be excavated, analysed and published according to international best-practice.

On the issue of ancient mining patrimony, RMGC fully recognises the importance of, and special care needed for the protection of the cultural heritage. It is for this reason that the archaeological work undertaken at Roşia Montană to date represents some of the most innovative, and groundbreaking work ever to have been undertaken in Romania. An unprecedented programme of works has been implemented with the use of modern scientific techniques never before used in Romania. From the outset, a long-term and scientific approach has been undertaken in order to assess the potential archaeological remains with regard to their survival and importance, and to devise and set in place a management plan that will allow for future generations to enjoy and gain an in-depth understanding of the wider cultural heritage of Roşia Montană.

The project incorporates a diverse range of cultural heritage elements which ultimately combine to form a corpus of information offering a unique opportunity to study and understand the exploitation of a landscape and the evolution of settlement over a significant period of time. This is all in accordance with current legislation relating to all aspects of the cultural heritage (Government Ordinance no. 43/2000 on the protection of archaeological patrimony and declaring certain archaeological sites as national interest areas, as further amended (the "GO no. 43/2000"); (ii) Law no. 422/2002 on the protection of the historical monuments, as further amended (the "Law no. 422/2001"); (iii) Order no. 2682/2003 on the protection of the Methodological Norms regarding the qualification and situation of historical monuments, of the historical monuments list, of the analytical chart for the situation of historical monuments and the minimal chart for the situation of the historical monuments (the "Order no. 2682/2003");).

For the cultural patrimony values existing in the Roşia Montană perimeter and classified as per the law, the Project provides the creation of a protected area, within which no mining activity shall be performed, as well as the preservation *in situ* of the historical monuments located outside this area, as detailed in the

Cultural Heritage Management Plan - Plan M from the EIA Report.

The work includes ongoing above and below ground archaeological survey involving evaluation trenching (preventive research), geophysical survey, aerial reconnaissance, and the use of 3D modeling and scientific techniques such as carbon dating and dendrochronology. In addition to these, an ethnographic and historical archive has been generated, never before undertaken in this area, and architectural survey and conservation work has also been carried out on the historic buildings.

This work has led to the publication of a series of monographs known as the Alburnus Maior monographic series, of which four volumes have already been published and eight more are planned. Over 7500 archaeological artifacts have been excavated, conserved and digitally recorded, and along with the archaeological archive generated from all the interdisciplinary research, will be incorporated into a mining museum which will include exhibitions of geology, archaeology, industrial and ethnographic heritage. In addition to this the development of tourist access to the Cătălina Monulești gallery and to the Tău Găuri monument is planned as well as the restoration and conservation of the 41 buildings classified as historical monuments in the protected area and Historical Centre of Roșia Montană.

Considering the importance of the cultural heritage from Roșia Montană and the legislation in force, RMGC has allotted US\$ 10 million for the heritage research works conducted in the period 2001-2006. Moreover, in the light of the findings reported by the investigations, the opinions of the specialists and the decisions made by the competent authorities, the company has estimated a budget of US\$ 25 million for the conservation and restoration of the cultural heritage of Roșia Montană. Should the mining project be implemented, these works will be carried out in the coming years, as publicly disclosed in the EIA Report submitted by RMGC in May 2006 at MMGA.

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.

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The company does respect the orthodox faith and equally all and any other denomination active in a legal manner.

The company would never accept relocation of graves other than in accordance with the legal and religious practices.]

Many opponents of the project forget that mining in Roșia Montană has been present along with the Christian traditions for thousand years. The symbols still present in Rosia Montana community's life are the mining logo on the funeral crosses, on houses, Sainte Varvara, still seen as the holy protector of the miners.

Contrary to what the opponents of the mining project claim, no one wants to destroy churches or graveyards. To put the number of graves in context, the vast majority of Roșia Montană's 1,905 graves will not be affected by the mining project, as the company has to the maximum extent possible designed the mining operations to leave established graveyards in place. However, under the proposed project, 410 graves need to be moved.

All reburials will be done at the request of the families, and the expense of RMGC. The process will follow to the letter Romanian law on reburials [1], with the company's commitment to act with respect and reverence. Abandoned graves will be relocated, also with full respect and reverence, to Piatra Albă's new cemetery.

2 of Roșia Montană's 10 churches must be relocated under the mine plan. Those churches will be moved in accordance with the wishes of the congregation, at the expense of RMGC. Church construction is a central element in the new community of Piatra Albă being built by the company.

What the RMP project offers to future generations is a chance to continue a way of life in a village where that future – with 70% unemployment today, rising above 90% if RMGC's proposed mine is not allowed to proceed – would be very much in doubt. In the event of Roșia Montană's demise, the graves and

churches there would likely be left behind, as in other abandoned villages in the Romanian countryside. Development of the RMP will keep the village alive and bring economic opportunity to the region.

References:

[1] the relocation of graves and cemeteries is governed by the following regulatory acts:

- (i) Law no. 489/2006 on the freedom of religion and the general regime of religious affairs, published in the Romanian Official Gazette, Section I, no. 11/08.01.2007;
- (ii) Law no. 98/1994 establishing and sanctioning breaches of the hygiene and public health rules, published in the Romanian Official Gazette, Section I, no. 317/16.11.1994, as subsequently amended and supplemented ("Law no. 98/1994");
- (iii) The hygiene norms and recommendations concerning the population's life environment, published in the Romanian Official Gazette, Section I, no. 140/03.07.1997, as subsequently amended and supplemented ("Order 536/1997");
- (iv) GD no. 955/2004 on the approval of the framework Rules for the organization and operation of the public services for the administration of the public and private domain of local interest, published in the Romanian Official Gazette, Section I, no. 660/22.07.2004;
- (v) Order no. 261/1982 on the approval of the standard Rules for the administration of graveyards and the crematories of the localities, published in the Official Gazette no. 67/11.03.1983;
- (vi) Rules for the organization and operation of the parish and monastery graveyards within the eparchies of the Romanian Orthodox Church, approved by Decision of the Religious Affairs Department no. 16.285/31.12.1981.

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Roşia Montana Gold Corporation (RMGC) is deeply committed to the preservation of the cultural institutions valued by the people of Roşia Montană and all of România. In that context, it is important to keep in mind that the area affected by the Project covers only 16 square kilometers of the Apuseni Mountains' more than 21,000 square kilometers.

RMGC has already revised its plans, addressing concerns that have been raised.

The most recent position of the Romanian Academy regarding the Roşia Montană Project (RMP) was made public on February 27, 2006, almost three months before the submission of the report to the Environmental Impact Assessment Study (EIA) to the Ministry of Environment and Water Management (MEWA). RMGC made changes to the design of the project to incorporate stakeholder concerns, including those mentioned by questioner, notably a reduction in the size of several proposed pits as well as enhancing sustainable development activities, and a stronger commitment to preservation of cultural patrimony including a reduced impact on local churches, in response to stakeholder consultations, including with members of the Academy, before submission of the EIA. Thus the position does not reflect changes to the project design and an analysis of the EIA that was actually submitted to the MEWA.

We would be happy to meet with the Academy to answer any questions regarding the project.

Based on comments by the Holy Synod and spiritual leaders of other faiths dating back to 2003, the RMP was redesigned to reduce impact on the community's churches. As a result, only two churches and two prayer houses out of a total of 10 places of worship located within the project's footprint must be relocated or restored under the mine plan. Those churches will be moved in accordance with the wishes of the congregation, at the expense of RMGC. Churches construction is a central element in the new community of Piatra Albă being built by the company.

Item no.

460

No. to identify the observations received from the public

Arad,  
25.08.2006

Proposal

The questioner makes the following observations and comments:

- 1.He/she disagrees with the exploiting methods, and not with the project itself. He/she is against the destruction of the historical-cultural centre of the region, of cemeteries and other treasures, which are to disappear under the effect of explosives and bulldozers. There are other exploitation methods, used for mining salt deposits: larger galleries where mining operations are carried out using chambers on pillars.
- 2.The questioner underlines the fact that this is not a project of national interest and local inhabitants cannot be asked to leave, even in the situation where just one of them wants to stay. If this project had been of national interest, the National Bank of Romania would have got involved. But the Bank does not want the gold at Roşia Montană.
- 3.The questioner considers that anyone can sell their properties ( houses, cars etc) but that nobody has the right to hold ownership over natural treasures and cultural heritage. Roşia Montană belongs to the Romanians. It is the oldest historically documented settlement in the country (Alburnus Maior). Who else would agree to sell their cultural and historical heritage? Nobody.
- 4.The right to property is enshrined in the Constitution and there are people who do not want to leave Roşia Montană. If RMGC cannot think of other ways, except using bulldozers, than it should wait until it can.

Note that the implementation of the mining project does not involve the destruction and abandonment of archaeological heritage assets in the area of Roşia Montană commune, i.e. of the cultural-historic cradle of this area. The archaeological research undertaken in this area in the period 2000-2006 has outlined several areas with significant heritage assets for which protection limits have been established.

In practice, the areas of Cetate, Cârnic, Jig, and Orlea, located in the upper Roşia and Corna Valleys, respectively, in the jurisdiction of Roşia Montană Commune, a number of chance archaeological finds had been recorded – such as epigraphic monuments, funerary architecture items - that provided enough indication to suggest the presence of archaeological sites. The other heritage assets of Roşia Montană – the lakes, the historical monument buildings, traditions and customs – were generally known, but only in 2001 did the Ministry of Culture and Religious Affairs decide to approach this complex issue in a consistent manner.

Solution

Today, after extensive research conducted for the past 7 years, the nature, characteristics and distribution of heritage assets are well known – including of archaeological sites, historical monument buildings, as well as churches and cemeteries of the Roşia Montană area. Research and studies helped outline a comprehensive image of the heritage assets and spiritually significant areas, as well as adopt specific measures concerning their protection. Thus, the areas where the mining project can be implemented and the heritage areas, defined as protection areas, have been already decided. These include:

- in Cârnic Massif – ancient open cast and underground operations in the Piatra Corbului area, on the south-western side of the mountain;
- in the Lety-Coş massifs, the Gallery at Cătălina Monuleşti, including a Roman mine drainage system;
- in the Văidoaia Massifs - vestiges of ancient open cast operations in the central-southern part of the mountain;
- in the Orlea Massif – the mining sector of Păru Carpeni, including a Roman mine drainage system and the sections of ancient mine they drained;
- Carpeni archaeological reserve, which include ancient settlement remains as well as a funerary precinct;
- The funeral monument at Tăul Găuri
- The Historical Center of Roşia Montană covering approximately 130 ha including 35

historical monument buildings and some of the most important lakes built in the Theresian period.

It should also be mentioned that the Cătălina Monulești gallery would be organized as an underground museum where Roman mining remains will be preserved *in situ*. Moreover, this will include 1:1 scale replicas of the galleries of a type not originally found in the Cătălina area, the practices used in this respect being accepted and adopted in several many similar cases in Europe.

Considering the importance of the cultural heritage at Roșia Montană and the current legal provisions, S.C. Roșia Montană Gold Corporation S.A has allocated a heritage research budget of more than US\$ 10 million for the period 2001-2006. Moreover, based on the research results, the specialist opinions and competent authority decisions, the budget provided by the Company for the research, conservation and restoration of the cultural heritage at Roșia Montană in future years, provided the Project is implemented, will be of US\$ 25 million, as disclosed in the Environmental Impact Assessment Study of May 2006 (see EIA Report vol. 32, Management Plan for the Archaeological Heritage from Roșia Montană Area, pages 80-81). Therefore, the intention is to continue work in Orlea area, and especially to create a modern Mining Museum with geological, archaeological, industrial and ethnographic heritage displays, and the development of tourist access to the Catalina-Monulesti gallery and to the monument at Tău Găuri, as well as to preserve and restore the 41 historical monument buildings and the protected area Historic Center of Roșia Montană.

As regards the churches and cemeteries, note that:

- out of the 10 churches and prayer houses in Roșia Montană and Corna, only the 4 churches on the Corna valley will be affected by the mining project, the 6 others from Roșia valley will be preserved in their entirety;
- out of the 12 cemeteries existing in Roșia Montană, 6 will be affected by the implementation of the mining project and approximately 410 graves will need to be relocated.

All these commitments publicly assumed by the Company are described in detail in the EIA Report, vol. 33, Cultural Heritage Management Plan.

As for detailed information on the main archaeological remains, historical monuments and a number of considerations on how to protect them and the specific measures designed in the Management Plans, please see the annex called "Information on the Cultural Heritage of Roșia Montană and Related Management Aspects".

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Determining whether a project is or not of a national interest is not conditioned of support of the National Bank of Romania (the NBR). In fact, the NBR has limited and precise attributions [1], as provided by the Law no. 312/2004 for the approval of the NBR Statute, and involvement in projects considered of national interest is out of the scope and statutory powers of the NBR.

To put the issue of relocation in its larger context, the construction and operation of the Rosia Montana Project requires the acquisition of properties in four of Roșia Montană's 16 sub-comuna. For the most part, therefore, property ownership in the larger part of Rosia Montana will not be affected by the project.

In order to acquire the necessary properties, the company has established a property purchase program compliant with the RRAP guidelines developed by the World Bank.

As the mining project proceeds in phases, it is not necessary to acquire all properties at the outset. Accordingly, the company has focused on properties required for the construction and operation of the mine in its first five years. To date, more than 56% of the properties needed to construct the project and operate the mine for the first five years have been acquired.

Of those properties needed but not yet acquired, 98% have been presented for surveying by their owners – a step that implies an interest in selling the property to the company. The survey rate suggests that little more than a handful of properties are held by people who might prove unwilling to entertain a sale.

Of that small number, some will lie in areas not needed for construction and early operation of the mine. For the near-term, therefore, owners of these properties need not prove any impediment to the mine development, and they can continue to live as they wish.

Of the even smaller number of homes that are located in areas in which the construction and early operation of the mine will take place, the company will seek options to redesign the mine plan to allow those owners to retain their property, unaffected by the mine.

Ultimately, however, it is possible that if a few property owners seek to stop the project by refusing to sell their land, at that point, the decision falls to relevant Romanian authorities as to whether they will exercise the legal instruments available to them to expropriate the properties and will decide whether development of Romania's mineral wealth—using advanced E.U. and international standards—constitutes a strategic national interest or if development as a whole to benefit from \$2.5 billion USD infused into Romania, much of it into a rural region that was designated a “Disadvantaged Zone” and knows only extreme poverty at present is a regional interest.

Mention should be made that art. 6 of the Mining law no. 85/2003 expressly provides expropriation as one of the legal methods for a titleholder to acquire the usage right over the lands necessary for the performance of the mining activities in the exploitation perimeter.

Also, art. 1 of Law no. 33/1994 on the expropriation for public utility cause provides that “*the expropriation of immovable, [...], can be made only for cause of public utility*”, and art. 6 of the same law provides that “*there are causes of public utility: geological exploration and prospecting; extraction and processing of useful mineral substances*”.

In conclusion, the expropriation, in exchange of a fair and prior compensation, made in accordance with the legal and constitutional provisions, represents one of the modalities of obtaining the right of use over the lands necessary for the development of a mining project, being expressly provided by art. 6 of the Mining Law no. 85/2003 and by art. 6 of Law no. 33/1994.

References:

[1] Art. 2 (2) of the NBR Statute provides for the following powers of the NBR:

- a) to issue and apply the monetary and exchange rate policy;
- b) to authorize, regulate and supervise the credit institutions from the prudential point of view, as well as to promote and monitor the good functioning of the payment system in order to ensure financial stability;
- c) to issue currency as legal payment means on the Romanian territory;
- d) to establish the foreign currency regulations and supervise the observance of the same;
- e) to administrate the international reserves of Romania.

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From the start, note that the implementation of the mining project does not involve the destruction and abandonment of archaeological heritage assets in the area of Roșia Montană commune, i.e. of the cultural-historic cradle of this area. The archaeological research undertaken in this area in the period 2000-2006 has outlined several areas with significant heritage assets for which protection limits have been established.

In practice, the areas of Cetate, Cârnic, Jig, and Orlea, located in the upper Roșia and Corna Valleys, respectively, in the jurisdiction of Roșia Montană Commune, a number of chance archaeological finds had been recorded – such as epigraphic monuments, funerary architecture items – that provided enough indication to suggest the presence of archaeological sites. The other heritage assets of Roșia Montană – the lakes, the historical monument buildings, traditions and customs – were generally known, but only in 2001 did the Ministry of Culture and Religious Affairs decide to approach this complex issue in a consistent manner.

Today, after extensive research conducted for the past 7 years, the nature, characteristics and distribution of heritage assets are well known – including of archaeological sites, historical monument buildings, as well as churches and cemeteries of the Roșia Montană area. Research and studies helped outline a

comprehensive image of the heritage assets and spiritually significant areas, as well as adopt specific measures concerning their protection. Thus, the areas where the mining project can be implemented and the heritage areas, defined as protection areas, have been already decided. These include:

- in Cârnic Massif – ancient open cast and underground operations in the Piatra Corbului area, on the south-western side of the mountain;
- in the Lety-Coș massifs, the Gallery at Cătălina Monulești, including a Roman mine drainage system;
- in the Văidoaia Massifs - remains of ancient open cast operations in the central-southern part of the mountain;
- in the Orlea Massif – the mining sector of Păru Carpeni, including a Roman mine drainage system and the sections of ancient mine they drained;
- Carpeni archaeological reserve, which include ancient settlement remains as well as a funerary precinct;
- The funeral monument at Tăul Găuri;
- The Historical Center of Roșia Montană covering approximately 130 ha including 35 historical monument buildings and some of the most important lakes built in the Theresian period.

It should also be mentioned that the Cătălina Monulești gallery would be organized as an underground museum where Roman mining remains will be preserved *in situ*. Moreover, this will include 1:1 scale replicas of the galleries of a type not originally found in the Cătălina area, the practices used in this respect being accepted and adopted in several many similar cases in Europe.

Considering the importance of the cultural heritage at Roșia Montană and the current legal provisions, S.C. Roșia Montană Gold Corporation S.A has allocated a heritage research budget of more than US\$ 10 million for the period 2001-2006. Moreover, based on the research results, the specialist opinions and competent authority decisions, the budget provided by the Company for the research, conservation and restoration of the cultural heritage at Roșia Montană in future years, provided the Project is implemented, will be of US\$ 25 million, as disclosed in the Environmental Impact Assessment Study of May 2006 (see EIA Report vol. 32, Management Plan for the Archaeological Heritage from Roșia Montană Area, pages 84-85). Therefore, the intention is to continue work in Orlea area, and especially to create a modern Mining Museum with geological, archaeological, industrial and ethnographic heritage displays, and the development of tourist access to the Cătălina-Monulești gallery and to the monument at Tău Găuri, as well as to preserve and restore the 41 historical monument buildings and the protected area Historic Center of Roșia Montană.

Roșia Montană (the ancient *Alburnus Maior*) is neither the oldest documented settlement in Romania (e.g. we can mention here the Greek settlements of Histria, Tomis and Callatis at the Black Sea), nor the most spectacular Roman settlement in the Roman province of Dacia. The opportunity of archaeological research at Roșia Montană in the context of the mining project allowed the collection of more information on ancient gold mining than on any other sites that have also been known to exist, but have not been researched to date (Brad-Săcărâmb, Zlatna-Almaș, Bucium).

As regards the churches and cemeteries, note that:

- out of the 10 churches and prayer houses in Roșia Montană and Corna, only the 4 churches on the Corna valley will be affected by the mining project, the 6 others from Roșia valley will be preserved in their entirety.
- out of the 12 cemeteries existing in Roșia Montană, 6 will be affected by the implementation of the mining project and approximately 410 graves will need to be relocated.

As for detailed information on the main archaeological remains, historical monuments and a number of considerations on how to protect them and the specific measures designed in the Management Plans, please see the annex called “Information on the Cultural Heritage of Roșia Montană and Related Management Aspects”.

All these commitments publicly assumed by the Company are described in detail in the EIA Report, vol. 33, Cultural Heritage Management Plan.

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The company's RRAP is based on voluntary sale of property, designed under World Bank Standards. When acquiring the private property lands necessary for the development of Roşia Montană Project, RMGC's approach is primarily based on the principle of a "willing seller-buyer basis". To this extent, RMGC provided fair compensation packages for the affected inhabitants of the impacted area, in full compliance with the World Bank policies in this field.

To put the issue in larger context, the construction and operation of the Roşia Montană Project requires the acquisition of properties in four of Roşia Montană's 16 sub-comuna. For the most part, therefore, property ownership in the larger part of Roşia Montană will not be affected by the project.

In order to acquire the necessary properties, the company has established a property purchase program compliant with the RRAP guidelines developed by the World Bank.

As the mining project proceeds in phases, it is not necessary to acquire all properties at the outset. Accordingly, the company has focused on properties required for the construction and operation of the mine in its first five years. To date, more than 56% of the properties needed to construct the project and operate the mine for the first five years have been acquired.

Of those properties needed but not yet acquired, 98% have been presented for surveying by their owners – a step that implies an interest in selling the property to the company. The survey rate suggests that little more than a handful of properties are held by people who might prove unwilling to entertain a sale.

Of that small number, some will lie in areas not needed for construction and early operation of the mine. For the near-term, therefore, owners of these properties need not prove any impediment to the mine development, and they can continue to live as they wish.

Of the even smaller number of homes that are located in areas in which the construction and early operation of the mine will take place, the company will seek options to redesign the mine plan to allow those owners to retain their property, unaffected by the mine.

Ultimately, however, it is possible that if a few property owners seek to stop the project by refusing to sell their land, at that point, the decision falls to relevant Romanian authorities as to whether they will exercise the legal instruments available to them to expropriate the properties and will decide whether development of Romania's mineral wealth—using advanced E.U. and international standards—constitutes a strategic national interest or if development as a whole to benefit from \$2.5 billion USD infused into Romania, much of it into a rural region that was designated a "Disadvantaged Zone" and knows only extreme poverty at present is a regional interest.

Mention should be made that art. 6 of the Mining Law no. 85/2003 expressly provides expropriation as one of the legal methods for a titleholder to acquire the usage right over the lands necessary for the performance of the mining activities in the exploitation perimeter.

Also, art. 1 of Law no. 33/1994 on the expropriation for public utility cause provides that "*the expropriation of immovable property [...], can be made only for cause of public utility*", and art. 6 of the same law provides that "*there are causes of public utility: geological exploration and prospecting; extraction and processing of useful mineral substances*".

In conclusion, the expropriation, in exchange of a fair and prior compensation, made in accordance with the legal and constitutional provisions, represents one of the modalities of obtaining the right of use over the lands necessary for the development of a mining project, being expressly provided by art. 6 of the Mining Law no. 85/2003 and by art. 6 of Law no. 33/1994.



Item no.	461
No. to identify the observations received from the public	Arad, 25.08.2006
Proposal	<p>The questioner wants to know why the advertisements aired on television only show the most decayed houses and places in Roşia Montană and why the cultural heritage is not entirely presented. She is upset by the fact that the buildings and institutions symbolizing the origin of Roşia Montană are not included in the advertisement.</p>
Solution	<p>There are major differences between advertisements and documentaries in terms of size, methods and message. As regards the mass-media campaign developed by S.C Roşia Montană Gold Corporation S.A (RMGC) , the overall objective of was not at all to distort reality or to manipulate perceptions, but to clarify myths and already existing distorted information for the public and the stakeholders of this project in order to enable them to receive information, participate in the public debate on this project and finally contribute to its improvement by their positions and comments.</p> <p>On 14.03.2006, the National Council of Audio-Video decided the campaign is legal. A similar resolution in respect of the campaign was passed by the Romanian Advertising Council, who decided RMGC/Gabriel Resources and the ads producers observed the Code of Conduct of the Romanian Advertising Council.</p> <p>The campaign was structured on three levels, using a technique known in the ad industry as “teasing”, respectively the capturing of public’s attention on a certain issue and the subsequent delivery of the solution. The campaign developed as follows:</p> <ol style="list-style-type: none"> <li>1. An initial ad titled “Landscapes”, presenting real images of the State mining exploitation developed in the Roşia Montană area, using the technique of the contrast between the audio and the visual message, by joining two realities excluding each other, and their blending in a original manner, in order to capture public’s interest.</li> </ol> <p>The opposition to this project has so far highlighted only the beautiful parts, however the reality in Roşia Montană has both and our campaign simply speaks about the other side in Roşia, which is also real. Starting from this situation, the advertising campaign aimed at bringing at people’s attention the current environmental situation in Roşia Montană - the other face that the opposition has failed to show so far and which is unfortunately part of the whole reality there: a mining site and a damaged environment, a mono-industrial area with high unemployment rate increasing as a result of the existing state mine closure;</p> <ol style="list-style-type: none"> <li>2. A series of locals’ testimonials, respectively of three aged persons and three young persons expressing their point of view on their current situation, the problems they face and their opinion on the project.</li> </ol> <p>The people that appear in the testimonials, actually a common advertising technique, have been selected as to represent all the profile of the community with their needs, problems and wishes. They are people with different life experiences: a miner, a person that has already resettled in Alba Iulia, an old man and a young employee of the company who wants to raise his children in a better community. Testimonials do reflect their real opinion without having been taken out of context and the raw filmed material is a proof of that;</p> <ol style="list-style-type: none"> <li>3. A series of ads presenting the solution RMGC proposes as a viable alternative for the issues in the area to be solved.</li> </ol> <p>Kindly note the <u>broadcasted images are real</u>, being filmed in various locations in the Roşia Montană area. <u>The ad presents realities of the natural and anthropic landscape, without making any judgments on the community or causing prejudice to human dignity.</u></p>

Item no.

462

No. to identify the observations received from the public

Arad,  
25.08.2006

Proposal

The questioner makes the following comments and observations:

1.He believes that the people taking part in the public debate should have been mostly from Arad, while many people present there and the people who expressed their wish to take the floor have been brought by the investors.

2.What does the investor propose? Pollution, but within European limits, unless an accident occurs. It has been said in the presentation that such an accident can only happen once in 10000 years. What does that mean? Will it happen in the first year? In the last year? The pollution that will result will affect the Mureş River.

3.In 30 years'time, when operations will stop, who will carry out the repair works of the existing dams?

4.The questioner believes that the project is a colonial-like exploitation of the Apuseni Mountains. The Apuseni Mountains will turn into a colony.

With 14 public consultation hearings across Romania, an effort was made to include the interested public in the broadest possible sense.

The environmental impact assessment procedure is regulated, at the level of the European Union Member States, by Directive 85/337/EC, amended and supplemented by Council Directive 97/11/CE and published in the *Official Journal of the European Communities (JOCE)* no. L 73 of March 14, 1997. This directive stipulates the principles that the Member States must take into consideration for the internal application of the regulations related to the environmental impact assessment procedure.

Please note that, according to the provisions of Article 6 of Directive 85/337/CE, Member States have the obligation to ensure, within a reasonable term, the information of the public concerned on the projects forming the object of the environmental impact assessment procedure. According to the provisions of Article 1 (2) of Directive 85/337/EC, the public concerned means "*the public affected or potentially affected by, or holding an interest in the assessment of the environmental decisions mentioned under Article 2 (2); for the purpose hereof, non-governmental organizations promoting environmental protection and complying with the requirements stipulated by the national legislation shall be considered public concerned*".

Solution

We want to emphasize that the term of public concerned, as defined by the legal provisions applicable in the European Union (EU) Member States, does not make any clear distinction depending on the territoriality, conferring equal rights to any person potentially impacted by a project implementation.

Moreover, the procedure regarding the consultation of the public concerned during the environmental impact assessment process, established by the national legislation and followed by Roşia Montană Gold Corporation SA (RMGC), fully complies with the principles stipulated by the EU legislation.

Considering the aforesaid, the potentially impacted persons, *i.e.* both the persons impacted directly and indirectly, and the potentially impacted persons irrespective of their place of origin, have been and still are entitled to make comments, during the public debate stage, on the project proposed by RMGC.

Taking into consideration the legal provisions, both the Ministry of Environment, and RMGC have used various methods to announce the public from Arad about this public debate: announcements in the mass media, posters, the information caravan (distributing brochures, leaflets, etc.) – which has traveled to every town and village before the public consultations. However, effective public participation depends on each person's civic spirit and on their interest manifested in the Roşia Montană Project; it no longer depends on the company. In its turn, the community from Roşia Montană manifests its interest in this project participating in the debates and expressing its personal or group convictions: pro or con. Everyone has the right to participate in these public debates, and even to express their standpoint.

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“*What does the investor offer?*” The investor proposes an economic development project, with proved benefits in the social field. Taking as starting point a traditional activity in the area, the project proposes a model regarding further development of this activity, through the responsible mining of natural resources on the basis of best available techniques and complying rigorously with legal requirements in force regarding the environmental protection.

As for the statement regarding the pollution “*within European limits*”, we mention that the values (concentrations) admitted for pollutants in the surrounding environment (air, water or soil) are established on the basis of scientific knowledge in order to avoid, prevent or reduce the harmful effects on people health or environment and represent the requirements stipulated by Romanian legislation harmonized with communautaire acquis of environment. As Member State of European Union, Romania has, also, monitoring and reporting obligations on the compliance with the transposed legislation, and this fact represents an additional guarantee regarding the observance of legal provisions.

Regarding the maximum probable precipitations / calculation assurances used for the design of the tailings management facility, we mention its classification in the class I of importance as per STAS 4273 / Hydrotechnical Constructions – Classifying into importance classes and, respectively, in category B as per NTLH - 021 / Technical Norms for Hydrotechnical Works - according to the report on the EIA study, Vol.2, Section 2.4.1.2, p.16. The document regarding the best available techniques for the tailings slurry and waste rock management from mining activities (BREF MTWR) stipulates in Chapter 5: *Best available techniques for tailings slurry and waste rock management from mining activities*, at Paragraph “design of the dam” at page 430, that BAT is: “utilization of a probable maximum precipitation (PMP) with the occurrence probability of 1 at 5,000 – 10,000 years for the dimensioning of the emergency discharge capacity”. This PMP was chosen in order to dimension the tailings management facility for the storage of two consecutive PMPs.

Considering water recycling under normal operation condition, the impact on surface water streams, including Mureş river, is not possible only in extreme operation conditions, for example in the case (extremely unlikely to occur) of a controlled overflowing of the water from tailings management facility as a result of the occurrence in 24 hours of 2 PMPs and of a precipitation with an occurrence probability of 1:10 years. In this moment the water volume from pond would reach the design level of the spillway for flood waters (with protection purpose of the dam crest against erosion in such extreme conditions). The probability for this succession of events to occur during the project lifetime is higher than 1:10 million (extremely low).

The EIA Report (Chapter 10 Transboundary Impacts) assesses the proposed project with regard to potential for significant river basin and transboundary impacts downstream which could, for example, affect the Mureş and Tisa river basins in Hungary. The Chapter concludes that under normal operating conditions, there would be no significant impact for downstream river basins/transboundary conditions.

The issue of a possible accidental large-scale release of tailings to the river system was recognized to be an important issue during the public meetings when stakeholders conveyed their concern in this regard. As a result, further work has been undertaken to provide additional detail to that provided in the EIA Report on impacts on water quality downstream of the project and into Hungary. This work includes modeling of water quality under a range of possible operational and accident scenarios and for various flow conditions.

The model used is the INCA model developed over the past 10 years to simulate both terrestrial and aquatic systems within the EUROLIMPACS EU research program ([www.eurolimpacs.ucl.ac.uk](http://www.eurolimpacs.ucl.ac.uk)). The model has been used to assess the impacts from future mining, and collection and treatment operations for pollution from past mining at Roşia Montană.

The modeling created for Roşia Montană simulates eight metals (cadmium, lead, zinc, mercury, arsenic, copper, chromium, manganese) as well as Cyanide, Nitrate, Ammonia and dissolved oxygen. The model has been applied to the upper catchments at Roşia Montană as well as the complete Abrud-Arieş-Mureş river system down to the Hungarian Border and on into the Tisa River. The model takes into account the dilution, mixing and physico-chemical processes affecting metals, ammonia and cyanide in the river system

and gives estimates of concentrations at key locations along the river, including at the Hungarian Boarder and in the Tisa after the Mureş joins it.

Because of dilution and dispersion in the river system, and of the initial EU BAT-compliant technology adopted for the project (for example, the use of a cyanide destruct process for tailings effluent that reduces cyanide concentration in effluent stored in the TMF to below 6 mg/l), even a large scale unprogrammed release of tailings materials (for example, following failure of the dam) into the river system would not result in transboundary pollution. The model has shown that under worse case dam failure scenario all legal limits for cyanide and heavy metals concentrations would be met in the river water before it crosses into Hungary.

The INCA model has also been used to evaluate the beneficial impacts of the existing mine water collection and treatment and it has shown that substantial improvements in water quality are achieved along the river system under normal operational conditions.

For more information, please see included in the Annex 5.1 the Fact Sheet presenting the INCA modeling work, entitled "*Mureş River Modeling Program*" together with the full modeling.

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In general terms, the monitoring program of the Roşia Montană Project will be carried out according to the Best Practice described in the IPPC Reference Document [1] "General Principle of Monitoring".

There are several provisions in the EU and the Romanian relevant legislation regarding to mining sector which are stipulating very clear the responsibilities for closure post closure activities, are the responsibility of the title holder/operator, which is Roşia Montană Gold Corporation.

The provision of the Romanian Mining law 85/2003 for the above mentioned aspects are as follows:

CHAPTER IV RIGHTS AND OBLIGATIONS OF THE TITLE HOLDER, ART. 39 - (1) The Titleholder of the license/permit has the following obligations:

(p) *To carry out upon termination of the concession the works for care and maintenance/closure of the mine/quarry, as the case may be, including the Post-closure Monitoring Program, according to the activity cessation plan.*

CHAPTER VII CLOSURE OF MINES ART. 53 - (1) The responsibility to monitor the obligations resulted from the closure plan of a mine or quarry belongs to the Competent Authority. For the national companies and societies, such monitoring will be done in conjunction with the line Ministry.

(2) *During the implementation of a mine or quarry closure plan, the titleholder must satisfy the conditions and requirements of all the legal authorities that approved the closure plan.*

(3) *Implementation of the Post-closure Monitoring Program shall be made by the Title Holder at its own cost; in the case of national mining companies and societies, the Post-closure Monitoring Program shall be made by the line Ministry, through its specialized directorates, with funds from the State budget.*

The provision of the EU Directive for extractive waste 2006/21/EC are as follows:

An after-closure period for monitoring and control of Category A waste facilities will be laid down proportionate to the risk posed by the individual waste facility, in a fashion similar to the requirements of the EU 2006/21/EEC Directive [2] - Article 12, point 4, "*The operator shall be responsible for the maintenance, monitoring, control and corrective measures in the after closure phase for as long as may be required by the competent authority, taking into account the nature and duration of the hazard, save where the competent authority decides to take over such tasks from the operator, after a waste facility has been finally closed and without prejudice to any national or Community legislation governing the liability of the waste holder*".

After the rehabilitation measures have been completed, responsibility for the long-term tasks will either be with RMGC (or its legal successor) or with another organisation qualified to perform the required maintenance, monitoring and water treatment.

RMGC will comply with all Romanian and E.U. regulations and laws concerning our closure and rehabilitation responsibilities. Romanian Mining Legislation (Law 85/2003, Article 53 (1) and (2)),

requires RMGC to execute all activities listed in the Mine Closure and Rehabilitation Plan (Plan J in the EIA) at our expense. Additionally, the European Mine Waste Directive 2006/21/EC specifies that, before a mine can be permitted for operation, an Environmental Financial Guarantee must be in place to ensure there will be funds available for proper closure and rehabilitation.

Reference:

[1] Best Available Techniques for Management of Tailings and Waste-Rock in Mining Activities. EUROPEAN COMMISSION, DIRECTORATE-GENERAL JRC JOINT RESEARCH CENTRE, Institute for Prospective Technological Studies, Technologies for Sustainable Development, European IPPC Bureau, Final Report, July 2004 (<http://eippcb.jrc.es/pages/FActivities.htm>)

[2] DIRECTIVE 2006/21/EC the management of waste from extractive industries

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It is important to remember that the affected area of the Roşia Montană Project (RMP) is less than 16 square kilometers, while the total area of the Apuseni Mountains is 21,000 square kilometers. Unfortunately, the immediate area around Roşia Montană has been affected for 2000 years by the effects of primitive, undeveloped, or poor mining practices that have led to environmental degradation and the current polluted state of the area.

Not only will detoxified cyanide from the mine be contained in a world-class Tailings Management Facility (TMF), but Roşia Montană Gold Corporation (RMGC) is committed to environmental rehabilitation from past poor mining practices within the mining perimeter. The area will be less polluted after the RMP is complete than it is now. But this rehabilitation can take place only if the project is approved.

Further, the project is in no way a “colonial-like exploitation”. This work will be done and these jobs will be held by Romanians. RMGC expects that the staff will be majority Romanian shortly after mine operations begin and has a policy to hire local personnel to the maximum extent.

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Item no.

463

No. to identify  
the  
observations  
received from  
the public

Arad,  
25.08.2006

Proposal

The questioner supports the project.

Solution

RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.

In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.

The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.

In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.

RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.

Item no.

464

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Arad,  
25.08.2006

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Item no.

465

No. to identify the observations received from the public

Arad,  
25.08.2006

Proposal

The questioner makes the following comments and observations:

- 1.The Project has been very nicely presented but nobody can guarantee that the Mureş River won't get polluted by the heavy metals resulting from the proposed mining operations. Romania has had problems with the neighbouring countries in the past, and the local people do not want this to happen anymore. Until 1996, Chernobyl was also said to be safe, and we all know what happened there.
- 2.How can the company talk about cultural heritage conservation considering that the house inhabited by Maria Botiş Ciobanu (the poetess from Țara Moșilor) has been demolished? Churches and cemeteries are being demolished and RMGC claims that they will be rebuilt later.
- 3.The questioner does not agree with RMGC getting 80% of the profit while the Romanian state only 20 %.

Solution

The project design also reduces the risk of large scale accidents to a very low level and this is explained in Chapter 7 (Risk Cases). Because of the mitigation measures adopted (for example, the use of a cyanide destruct process for tailings effluent that reduces cyanide concentration in effluent stored in the TMF below 10 mg/l), even a large scale unprogrammed release of tailings materials (for example, following failure of the dam) into the river system would not result in transboundary pollution that could significantly affect sensitive receptors in Hungary. It is also worth noting that because it is designed in line with the applicable EU Directive, the proposed Roşia Montană TMF design avoids the problems that arose at Baia Mare, and it is a significantly safer design so that failure is conceivable under conditions that exceed the known long-term extremes of weather and seismic activity. Under such conditions, sensitive receptors downstream of the project will likely be heavily impacted by events that will be unrelated to the Roşia Montană gold project, e.g. extreme flood conditions or earthquake-induced land instability.

The EIA Report (Chapter 10 Transboundary Impacts) assesses the proposed project with regard to potential for significant river basin and transboundary impacts downstream which could, for example, affect the Mureş and Tisa river basins in Hungary. The Chapter concludes that under normal operating conditions, there would be no significant impact for downstream river basins/transboundary conditions.

The issue of a possible accidental large-scale release of tailings to the river system was recognized to be an important issue during the public meetings when stakeholders conveyed their concern in this regard. As a result, further work has been undertaken to provide additional detail to that provided in the EIA Report on impacts on water quality downstream of the project and into Hungary. This work includes modeling of water quality under a range of possible operational and accident scenarios and for various flow conditions.

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Because of dilution and dispersion in the river system, and of the initial EU BAT-compliant technology adopted for the project (for example, the use of a cyanide destruct process for tailings effluent that



reduces cyanide concentration in effluent stored in the TMF to below 6 mg/l), even a large scale unprogrammed release of tailings materials (for example, following failure of the dam) into the river system would not result in transboundary pollution. The model has shown that under worse case dam failure scenario all legal limits for cyanide and heavy metals concentrations would be met in the river water before it crosses into Hungary.

The INCA model has also been used to evaluate the beneficial impacts of the existing mine water collection and treatment and it has shown that substantial improvements in water quality are achieved along the river system under normal operational conditions.

For more information, please see included in the Annex 5.1 the Fact Sheet presenting the INCA modeling work, entitled “*Mureş River Modeling Program*” together with the full modeling.

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The house of the poetess of Țara Moților, located in the lower Roșia Valley, was demolished in the second half of the 20<sup>th</sup> century. This has been mentioned in the study A. Sântimbreanu, *Roșia Montană, Alburnus Maior, Cetatea de scaun a aurului românesc*, 2004, Edition II, RMGC being in no way responsible for these events.

From the start, note that the implementation of the mining project does not involve the destruction and abandonment of archaeological heritage assets in the area of Roșia Montană commune, i.e. of the cultural-historic cradle of this area. The archaeological research undertaken in this area in the period 2000-2006 has outlined several areas with significant heritage assets for which protection limits have been established.

In practice, the areas of Cetate, Cârnic, Jig, and Orlea, located in the upper Roșia and Corna Valleys, respectively, in the jurisdiction of Roșia Montană Commune, a number of chance archaeological finds had been recorded – such as epigraphic monuments, funerary architecture items - that provided enough indication to suggest the presence of archaeological sites. The other heritage assets of Roșia Montană – the lakes, the historical monument buildings, traditions and customs – were generally known, but only in 2001 did the Ministry of Culture and Religious Affairs decide to approach this complex issue in a consistent manner.

Today, after extensive research conducted for the past 7 years, the nature, characteristics and distribution of heritage assets are well known – including of archaeological sites, historical monument buildings, as well as churches and cemeteries of the Roșia Montană area. Research and studies helped outline a comprehensive image of the heritage assets and spiritually significant areas, as well as adopt specific measures concerning their protection. Thus, the areas where the mining project can be implemented and the heritage areas, defined as protection areas, have been already decided. These include:

- in Cârnic Massif – ancient open cast and underground operations in the Piatra Corbului area, on the south-western side of the mountain;
- in the Lety-Coș massifs, the Gallery at Cătălina Monulești, including a Roman mine drainage system;
- in the Văidoaia Massifs - remains of ancient open cast operations in the central-southern part of the mountain;
- in the Orlea Massif – the mining sector of Păru Carpeni, including a Roman mine drainage system and the sections of ancient mine they drained;
- Carpeni archaeological reserve, which include ancient settlement remains as well as a funerary precinct;
- The funeral monument at Tăul Găuri;
- The Historical Center of Roșia Montană covering approximately 130 ha including 35 historical monument buildings and some of the most important lakes built in the Theresian period.

It should also be mentioned that the Cătălina Monulești gallery would be organized as an underground museum where Roman mining remains will be preserved *in situ*. Moreover, this will include 1:1 scale replicas of the galleries of a type not originally found in the Cătălina area, the practices used in this respect being accepted and adopted in several many similar cases in Europe.

Considering the importance of the cultural heritage at Roşia Montană and the current legal provisions, S.C. Roşia Montană Gold Corporation S.A has allocated a heritage research budget of more than US\$ 10 million for the period 2001-2006. Moreover, based on the research results, the specialist opinions and competent authority decisions, the budget provided by the Company for the research, conservation and restoration of the cultural heritage at Roşia Montană in future years, provided the Project is implemented, will be of US\$ 25 million, as disclosed in the Environmental Impact Assessment Study of May 2006 (see EIA Report vol. 32, Management Plan for the Archaeological Heritage from Roşia Montană Area, pages 80-81). Therefore, the intention is to continue work in Orlea area, and especially to create a modern Mining Museum with geological, archaeological, industrial and ethnographic heritage displays, and the development of tourist access to the Cătălina-Monulesti gallery and to the monument at Tău Găuri, as well as to preserve and restore the 41 historical monument buildings and the protected area Historic Center of Roşia Montană.

Out of the total of 10 churches and prayer houses in Roşia Montană and Corna, the two churches and the two prayer houses in Corna will be affected by the mining project. Note that all the options have been considered to date and, wherever possible, the location of industrial facilities has been changed so as to minimize the impact on churches and cemeteries. The latter will not be abandoned under the TMF, but will be relocated wherever the communities want them. None of these structures was classified as a historic monument.

The churches located on the Corna valley will be affected by the construction of the TMF. Of these, the Greek Catholic Church has been abandoned by its parishioners and currently is only used for special events. Under the circumstances, while they will no longer be accessible for religious services, new churches have been included in the design of Pietra Albă village, according to the congregation's needs and wishes. For the other two prayer houses, an amicable agreement has been reached between the representatives of the respective religions and our Company, with regard to the terms of relocation and appropriate compensation. All the other churches and prayer houses will remain unaffected by the development of the mining project.

410 out of the total 1905 graves located on the industrial development area for the future mining project and on the Protected Area Historic Center of Roşia Montană will be relocated. Relocation of the impacted graves will only be conducted under the law, in agreement with the wishes of direct heirs or carers for such graves, and, of course, only under Church supervision. No grave in Roşia Montană will be moved without compliance with the ethical and legal criteria and authorities mentioned above.

Therefore, exhumation will be conducted in full compliance with the current legal provisions.

Apart from these issues, because we have always considered the importance and significance that cemeteries and graves can have in the life of a family and a community, we would like to stress that we have tried to find solutions to minimize impact on the cemeteries. This has been possible for some of them. However, for those where a solution could not be found, the works described above will be done in cooperation with the congregation and the families, with all due care and respect for such situations.

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The Romanian government's ownership share of 19.3% is fully carried and results in a profit to the Romanian state of USD 306 million. Total direct cash benefits to the Romanian state, including the payment of profit taxes, royalties, and other taxes such as payroll taxes, are USD 1,032 million.

In addition to the direct financial benefits, there are the indirect benefits related to the economic activity generated. USD 1,5 billion will be spent in Romania acquiring goods and services during the life of the project.

The approval of the project will also result in the clean-up within the limits of the perimeter of Roşia Montană Concession Exploitation License of pollution from past poor mining practices. In a no-project scenario, the cost of this cleanup would be the responsibility of the Romanian state.

The current projections for the financial benefits to the Romanian state are as follows, assuming a gold price of US\$ 600/ounce and a silver price of US\$ 10,50/ounce:

Taxes, Fees and Government share of profits (incl. historical taxes paid)	TOTAL (\$USD million)
-	
Payroll taxes	177
Profit tax (16% Corporate tax rate)	284
Royalties (2% net smelter revenue)	101
Property taxes (Roşia Montană)	12
Land taxes (Roşia Montană)	21
Forestry taxes	13
Agriculture taxes	1
Land registration taxes	3
Customs and excise taxes	113
Other taxes & fees	1
Dividends (Ministry of Industry and Commerce)	306
<b>Total</b>	<b>1,032</b>

Item no.	466
No. to identify the observations received from the public	Arad, 25.08.2006
Proposal	<p>1.The questioner believes that medical assistance and facilities offered in the area are minimal, compared to what the company has promised to do.</p> <p>2.The new village proposed by RMGC resembles an American village, but we are Romanians, not Americans.</p> <p>3.The speaker doubts that the heavy metal levels registered in the Roşia Montană, as shown in the EIA report, are correct, and points out the fact that not even Ruşchiţa registers such values.</p> <p>4.Past environmental problems must be reconsidered. It is a good thing if the project will be carried out in accordance with the European standards.</p>
Solution	<p>Public health in the Roşia Montană community is a key Roşia Montană Gold Corporation concern.</p> <p>Under Environmental Health and Safety Standard Operating Procedures and Emergency Response plans initiatives devised to improve health services in the community (Roşia Montană, Abrud &amp; Cămpeni), the company is committed to support:</p> <ul style="list-style-type: none"> <li>- A private dispensary &amp; health clinic in Piatra Albă (see RRAP), accessible to wider community through health insurance</li> <li>- Upgrading of a wing of Abrud hospital, accessible to the wider community through the national Romanian health system</li> <li>- Improvement of mobile emergency medical system in the area</li> <li>- The building of a new school, residential &amp; civic centre in Piatra Albă. This is fully described in the RRAP</li> <li>- Health awareness campaigns (in partnership with local authorities &amp; NGOs) covering: reproductive health, diet, and lifestyle amongst others</li> <li>- Partnerships with education providers &amp; NGOs concerning access to &amp; improvement of education facilities in the area, e.g.: the NGO and local authorities lead CERT Educational Partnership (<a href="http://www.certapusen.ro">www.certapusen.ro</a>).</li> </ul> <p>For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.</p> <p style="text-align: center;">*</p> <p>Though some of the design team members are from the Rocky Mountain region of the United States, Piatra Albă’s architecture is clearly Romanian and honors, in particular, the stylistic traditions of Transylvania. In fact, the lead architect on the Piatra Albă project is a Romanian.</p> <p>Based on many public consultation and information meetings, the final design has benefit of a lot of inputs in choosing the slope and form of the roofs, windows sizes, shapes, proportions, etc. A trained eye would recognize the elements already present in the historical area of Roşia Montană, transferred to Piatra Albă – central plaza, gathering places and spots, etc. The community has wanted a more modern look of Piatra Albă with modern amenities (including a new school, medical clinic, city hall, and recreational facilities), instead of restoring the full traditional look of the buildings and houses.</p> <p style="text-align: center;">*</p> <p>Starting with the development design stage, RMGC has committed to comply with the Romanian legislation, the EU Standards and International Guidelines and Recommendations; this is why Best Available Techniques (BAT) and Best Management Practice (BMP) were considered by the design criteria; the result of these commitments is represented by the environmental permit documentation that</p>

contains, beside the Report on the Environmental Impact Assessment (EIA) and the Baseline Reports developed during 1999-2006, the Management Plans prepared during the assessment of environmental impact process, which is probably news in Romania as far as the environmental regulation process is concerned.

The statement is not founded because – the baselines were described in [11] Reports that contain detailed analysis on the quality of environmental factors, heritage and health of population at site and in the area impacted by the Project. These reports are included in Volumes 1-6 of the documentation submitted to the Ministry of the Environment and Water Management on the 18<sup>th</sup> of May, 2006; the document was structured in three major sections:

- Baseline Reports volumes [1- 6];
- Report on Environmental Impact Assessment Study (EIA) volumes [7-20] that contains within each chapter/section, a synthesis of baselines that constituted the starting point of the impact assessment process in order to estimate and quantify potential impact;
- Management Plans from A to M, included in volumes [21- 33] that present the measures proposed in order to prevent/mitigate/eliminate potential impact as a result of the implementation of the RM Project.

As per the legal provisions in force (Government Decision 918/2002 repealed by Government Decision 1213/2006 and Ministerial Order 860 /2002 and Ministerial Order 863/2002, as subsequently amended and supplemented), transposing the Directive on Environmental Impact Assessment 85/337/EEC, RMGC was obliged to submit only the EIA.

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Having in view (i) the existing pollution caused by former mining activities and (ii) the Company's intention to ensure the environmental protection when performing its mining activities, S.C Roşia Montana Gold Corporation S.A ( RMGC) proposed in the EIA modern practices and solutions that will lead to the mitigation of pollution from the mining activities, due to the use of best available techniques (BAT).

Moreover, please note that the project will comply with all mandatory obligations provided under Romanian and European law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation. The Environmental Impact Assessment (EIA) Study was prepared to assess the impact on the environment from the proposed project and to determine the methods to avoid or mitigate environmental harm.

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Item no.	467
No. to identify the observations received from the public	Arad, 25.08.2006
Proposal	<p>1.The questioner asks for information on the PUG approved for Roşia Montană, which makes it impossible to build new houses in the area.The questioner mentions two neighbouring towns, Abrud and Câmpeni. During the public debates, it has been said that the only solution for the abovementioned towns is tourism. However, no tourism activities are being developed in the two towns. In this case the question is: can tourism activities be developed in the area?</p> <p>2.The questioner wants to know whether the project's impact on the local community in Arad is positive or negative.</p> <p>3.The questioner also wants to find out about the alternatives to the project.</p>
Solution	<p>A General Urbanism Plan for the entire Roşia Montană settlement was prepared in 2002. This Plan stipulates urban-planning regulations for all 16 villages included in the commune, and for a protected area including historical buildings. The mining project proposed by Roşia Montană Gold Corporation (RMGC) occupies only 25% of Roşia Montană Commune territory, and impacts only 4 of the 16 villages of the commune. Therefore, the interdictions to build certain facilities, other than industrial facilities, apply only to this part of the territory. The remaining 75% of the Roşia Montană Commune is not subject to any interdictions generated by the mining project. We consider it is a misunderstanding to state that the General Urbanism Plan is limited only to the mine facility development, due to the fact that any other type of activity may be developed in the remaining land, which represents the majority of the total area.</p> <p>The General Urbanism Plan has been subject to public debates, for almost six months, when all interested persons have been able to express their opinion regarding the development opportunities of the Roşia Montană commune.</p> <p>After the completion of the public participation stage, the General Urbanism Plan has obtained all necessary approvals from the competent ministries, from Alba County Council, the Urbanism Committee, Alba Environmental Protection Agency, the network operators and the final approval of Roşia Montană Local Council.</p> <p>Moreover, we would like you to take notice that there are mandatory legal provisions limiting the development of projects other than those intended for the exploration and processing of natural resources in the areas where these have been identified.</p> <p>In this respect, we want to mention the following legal provisions:</p> <ul style="list-style-type: none"> <li>(i) art. 41(2) from the Mining Law no.85/2003 “the County Councils and Local Councils shall modify and/or update the existing territorial plans and urban general plans in order to allow for carrying out all the operations related to the conceded mining activities”;</li> <li>(ii) art. 6(1) from the Governmental Decision 525/1996 for the approval of the General Urbanism Regulation (“GD no. 525/1996”) “the permitting of final constructions, other than industrial ones, which are required for the development of mining and processing operations of identified mineral resources from areas outlined pursuant to the law, is strictly forbidden”;</li> <li>(iii) art 4.4 of Local Urbanism Regulation of Roşia Montană governing the 2002 General Urbanism Plan, “the permitting of final constructions, other than industrial ones, which are required for the development of mining and processing operations of identified mineral resources from areas outlined pursuant to the law, is strictly forbidden”.</li> </ul> <p>Consequently, please be so kind and take notice of the fact that all aforementioned legal provisions are applicable to any similar project developed by legal and/or private entities.</p>

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It is true that tourism may be a potential source of revenue and sustainable development for Roşia Montană and the region. There is, however, a vast difference between proposing tourism as an alternative or substitute for a major industrial project – and the development of tourism over time supported by the infrastructure investments driven by a large industrial project.

The former – for Roşia Montană, “tourism with no mine” – is not viable on its own, and certainly not in comparison to a plan to develop tourism over time with the help of infrastructure investment.

Chapter 5 of the Environmental Impact Assessment Report Study (EIA) identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other problems that have arisen through lack of inward investment. As described in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Community Sustainable Development Management Plans, there are currently some tourism activities in Roşia Montană. However the tourism industry is not at present a significant economic driver.

As the Roşia Montană Project (RMP) affects only 4 of Roşia Montană’s 16 sub-comuna, Roşia Montană and the region could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de Aries as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the Ministry of Environment and Water Management.

Roşia Montană Gold Corporation (RMGC) has also commissioned a study which sets out how the potential tourism markets and how these might best be approached in an integrated project:

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US\$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Catalina Monulesti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth. (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.

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The project’s impact on the local community in Arad is only going to be positive. The benefits resulting from this project will affect the entire area of Apuseni Mountains and even the whole area of central and western România.

The presence of the RMP as a major investment will improve the whole area’s economic climate, encouraging and promoting the development of non-mining activities. It is expected that the improved investment climate, combined with a functioning market economy, will result in the identification of new business opportunities that can develop concurrent with the RMP.

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As for local economic impact, the RMP expects to employ on average 1,200 people during the two-year

construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.

The project will also result in the creation of approximately 6000 indirect employment opportunities locally, regionally and nationally [1]. In addition, a total of US\$1.5 billion of Romanian goods and services will be acquired by the RMP over the life of the project, and given Arad's location the people and business should rep significant benefits from the RMP.

Given that RMGC is committed to conducting its business following the strictest EU and international environmental standards, the possibility of a negative impact from pollution is practically inexistent.

S.C Roşia MontanăGold Corporation S.A ( RMGC) is committed, even in the early stages of design and development to comply with the Romanian legislation, the EU directives and the International Guides and Recommendations, while BAT (Best Available Techniques) and BMP( Best Management Practice) were used to design the Roşia Montană Project.

References:

[1] - Roşia Montană Project, EIA Study Report, Non Technical Summary, vol.(19), pp.(7) identifies 5500 as the numbers of indirect jobs. With inclusion of additional hiring for contracted employment for cleaning, security, transportation, and other ,direct employment is 634 and indirect 6000.

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The Report on the Environmental impact assessment study (EIA) considered alternative developments – including agriculture, grazing, meat processing, tourism, forestry and forest products, cottage industries, and flora/fauna gathering for pharmaceutical purposes – and concluded that these activities could not provide the economic, cultural and environmental benefits brought by the Roşia Montană Project (RMP).

Alternatives assessed also included the alternative of not proceeding with any project – an option that would generate no investment, allowing the existing pollution problems and socio-economic decline to continue.

The examination of alternatives also evaluated the best mining technology, duration and staging of the project, mining and processing technologies, environmental management practices, site options for waste management facilities, transportation routes, and measures to prevent and minimize environmental and social impacts during construction, operation, and the closure and post-closure periods. Chapter 5 of the EIA report (*Assessment of Alternatives*) sets out all of the information concerning the project alternatives, and is also summarized in the Non-Technical Summary.

However, it is also noted that the RMP would not halt development of alternative industries in parallel and would indeed remove some of the current obstacles for development, such as pollution and land dereliction.



Item no.

468

No. to identify  
the  
observations  
received from  
the public

Arad,  
25.08.2006

Proposal

1.The questioner points out that a number of criteria must be met in order to get a job (he gives as an example an American project), and most local workers do not measure up to the conditions (for example, how many people, among those interested in getting a job with the company, have the necessary experience, speak English or know how to write a CV?). If someone living in another part of the country- e.g.Constanța, wants to get a job with the company, and has the necessary experience, why should a local worker from the Roșia Montană area have priority?

2.In 2002 the general urban plan was modified and the area was declared an industrial zone, with the result that all activities except mining were prohibited. Will the interdiction be cancelled after the project ends? Why is it that now it has been declared a monoindustrial zone and tourism is not allowed, but it will be allowed after mining operations stop? The area has great tourism potential, considering the existing landscape, architecture and the unique archeological heritage. In 17 years'time, when all these assets will disappear, who will come to visit a tailings'pond and some waste rock?

3.If the company talks so much about social responsibility and about how many good things it plans to do for the community, why don't they draw up a really sustainable project? Why don't they develop a tourism project, for example? Why don't they build 50 guest houses in the area, sky slopes, restaurants and so on? ( given that they have no experience whatsoever in the mining field, anyway, as they have never been involved in mining activities). Such a tourist complex will avoid environmental pollution and destruction, would allow complete preservation of the cultural heritage and ensure the local people's support for RMGC.

4.The questioner points out the fact that tourism, and not the mining industry is the number one job creating sector throughout the world. There are countries that rely heavily on tourism, such as Greece, Turkey and so on.

The question points to an important conclusion: if the appropriate skills are not available in the existing workforce, training programs will be made available to increase the skill base. Employment will be prioritised at the local level with people from Roșia Montană being given the first priority for work on the project. The company has already established a protocol with the local authorities to ensure that local community have first preference for these jobs. Should positions still not be filled from labour available at the local level, recruitment will take place at the regional level.

Overall, the Roșia Montană Project (RMP) will create an average of 1,200 jobs during the 2 year construction period. It is expected that the majority of these positions will be sourced locally, from the project impacted area.

During the 16 years of operations the RMP will require 634 jobs (direct employment including contracted employment for cleaning, security, transportation, and other). It is expected that most of these jobs will be sourced locally, from the project impacted area. [1]

Solution

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.

References:

[1] Roșia Montană Project, Environmental Impact Assessment Study Report (EIA), Non Technical Summary, vol.19, pp.7 With inclusion of additional hiring for contracted employment for cleaning, security, transportation, and other, direct employment is 634

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The questioner is correct that a small section of the Roșia Montană area has been designated as an industrial zone. However, it is important to note that the protected area is not included in the industrial

PUZ and, furthermore, that 12 of Roşia Montană's 16 neighborhoods will be unaffected by the mine. In these areas, economic activities will continue as before—except that the mine will create many new opportunities (600 direct and 6000 indirect jobs) in a region currently plagued by 70% unemployment.

That said, setting aside sections of land for particular economic or residential uses is not uncommon. In the case of Roşia Montană, the establishment of an industrial zone and a surrounding buffer zone is necessary to ensure that impacts (i.e. noise, air, or physical hazards) from the operation do not affect anyone or anything outside the designated mono-industrial area. Because the relatively small industrial area (only 1646 hectares) will be used for mining activities (and, notably, already contains poorly managed open pits and waste disposal facilities from previous mining activities), no other type of development can take place until the operation is concluded and the impacts have been remedied.

In accordance with Urbanism Law #350 and the Mine Closure Manual, a new PUZ will be issued after mine closure and rehabilitation. The new PUZ will establish the new uses of the land, which may include tourism-related development. All relevant stakeholders (i.e. local authorities, local communities, business communities, and NGOs) will participate in the decision.

The RMGC mine will not impede the development of a tourism industry in Roşia Montană. We have designed the mine project to ensure that all of Roşia Montană's 41 historical structures remain unaffected. We are committing funds to restore these buildings and constructing a museum for the archaeological artifacts. Additionally, our mine will meet or exceed all European Union environmental standards and will actually remediate, rather than contribute to, environmental damage caused by previous mining activities in the area. Most importantly, our Mine Closure and Rehabilitation Management Plan allots over US \$76 million to ensure that the landscape is reshaped and re-vegetated when our operations cease. In terms of both environmental remediation and creating the necessary capital, we believe the RMGC project will be a catalyst for the potential development of a tourism industry in Roşia Montană.

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Roşia Montană Gold Corporation (RMGC) is the titleholder of the Exploitation concession license in the Roşia Montană perimeter no 47/1999, as approved by GD no. 458/1999. In this respect, RMGC is certified and attested from the technical competency point of view in respect of conducting mining activities. It is not a tourism developer. The Roşia Montană community has grown from mining and the community retains those skills. Nevertheless, the project does not preclude the encouragement of tourism and the Environmental Impact Assessment Report Study (EIA) concludes that the project will remove some of the impediments to fostering tourism. Mining and tourism can go hand in hand and can be successfully done anywhere.

A starting premise to this context is that RMGC is committed to ensuring that the Roşia Montană Project (RMP) will be a catalyst for local and regional economic development. It is recognised that, as with any major industrial development, impacts will be positive and negative. RMGC commits to work alone and in partnership to ensure that beneficial impacts will be maximised. RMGC will prioritise a participatory approach wherever possible and will seek guidance from local and regional authorities and from the community when deciding on issues that may impact the area's development. Negative impacts will be mitigated through measures as described in the EIA report.

RMGC recognizes that in order to ensure it meets its sustainable development commitments it must support, as a minimum, five key interrelated areas that make up the three traditional pillars of sustainable development - social, environmental and economic. These areas are presented below as five capitals of sustainable development.

RMGC has developed its Sustainable Development Policy [1] in support of this and this is presented further on in this annex. Supporting elements are also presented, as are a set of Authority, Community, and Company initiatives within the Roşia Montană Sustainable Development Partnerships and Programs.

#### 1. Five Capitals of Sustainable Development

Financial Capital

Economic Development Impact, fiscal management, taxes

- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally

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- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US\$ 1 billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US\$ 1.5 billion procuring goods & services. US\$ 400 million during construction (2 years) and US\$ 1.1 billion during production, from Romania (16 years)

To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:

- The set up of a micro-credit finance facility in the area to allow access to affordable financing
- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs,

#### Physical Capital

Infrastructure – including buildings, energy, transport, water and waste management facilities

- Increases in revenue to government agencies, of the order of US\$ 1 billion over 20 years (construction + production + closure) will result in additional money the government may allocate to improving community infrastructure
- RMGC will also develop the resettlement sites of Piatra Albă and Dealul Furcilor in Alba Iulia. Piatra Albă will contain a new civic centre, commercial and residential areas. These will be transferred to the local authorities once complete. The RRAP contains full details of these initiatives

#### Human Capital

Health and education

- A private dispensary & health clinic in Piatra Albă (see RRAP), accessible to wider community through health insurance
- Upgrading of a wing of Abrud hospital, accessible to the wider community through the national Romanian health system
- Improvement of mobile emergency medical system in the area
- The building of a new school, residential & civic centre in Piatra Albă. This is fully described in the RRAP
- Health awareness campaigns (in partnership with local authorities & NGOs) covering: reproductive health, diet, and lifestyle amongst others
- Partnerships with education providers & NGOs concerning access to & improvement of education facilities in the area, e.g.: the NGO and local authorities lead CERT Educational Partnership ([www.certapusen.ro](http://www.certapusen.ro)).

#### Social Capital

Skills training, community relationships and social networks and the institutional capacity to support them, preservation of cultural patrimony

- Efforts to develop and promote Roşia Montană's cultural heritage for both locals and tourism – RMGC is a partner in the Roşia Montană Cultural Heritage Partnership ([info@rmchp.ro](mailto:info@rmchp.ro))
- Providing adult education opportunities and skills enhancement including training programs, funds and scholarships, to increase employment chances both direct with RMGC and indirect – RMGC is a partner in the Roşia Montană Professional and Vocational Program ([info@rmpvtp.ro](mailto:info@rmpvtp.ro))
- Programs assisting vulnerable people & groups, and to consolidate social networks particularly in Roşia Montană – RMGC is a partner in the Roşia Montană Good Neighbour Program lead by local NGO ProRoşia ([info@rmgnp.ro](mailto:info@rmgnp.ro))
- RMGC supports a NGO-lead partnership working with the youth in the area to improve and increase the capacity of the community ([www.certapusen.ro](http://www.certapusen.ro)).

#### Natural Capital

Landscape, biodiversity, water quality, ecosystems

- Measures contained in the RMP management plans and SOPs will result in mitigation of

environmental impacts and conditions as identified in the EIA.

- The improved environmental condition will enhance the quality of life in Roşia Montană.
- Training & assistance in integrating environmental considerations into business plans.
- Awareness-building regarding positive environmental performance of business activities.
- Environmental standards associated with loans through the micro-credit finance facility including monitoring of environmental performance.
- Business Code of Conduct requiring suppliers to RMP to comply with RMGC's environmental performance standards.

RMGC's view of the social and economic benefits of the RMP is described in the Community Sustainable Development Plan and EIA Chapter 4.8 – the Social and Economic Environment.

In order to achieve its commitments, RMGC acknowledges that it needs to collaborate with the Community, Authorities and civil society on issues that impact the area's development. This approach allows the Community to own, direct and control all relevant development issues in a multi-stakeholder and integrated manner.

In the spirit of that commitment, to date, RMGC has conducted extensive consultations, including 1262 individual meetings and interviews, and the distribution of questionnaires for which over 500 responses have been received, 18 focal group meetings, and 65 public debates, in addition to holding discussions with government authorities, non-governmental organisations and potentially affected stakeholders. Feedback has been used in the preparation of the Management Plans of the RMP's Environmental Impact Assessment (EIA) as well as the drafting of the Annex to the EIA.

Support of the area's sustainable development will be conducted within the framework of Partnership as promoted by organisations such as the United Nations Development Program (UNDP). For example, future socio-economic impacts mitigation and enhancement measures will be conducted under the guidance of the Roşia Montană Socio-Economic Research Centre ([info@rmserc.ro](mailto:info@rmserc.ro)), which in turn is partnered with the local authorities. This will allow a transparent evaluation of the effectiveness of sustainable development support and will provide a forum to implement necessary improvements.

Other sustainable development support partnerships are presented under the section entitled Roşia Montană Sustainable Development Programs and Partnerships further in this annex ([www.rmsdpps.ro](http://www.rmsdpps.ro)).

Beyond immediate direct and indirect benefits, the presence of the RMP as a major investment improves the area's economic climate, that will in turn encourage the development of non-mining activities. It is expected that the improved investment and economic climate will lead to business opportunities that can develop concurrent with the RMP, even as they extend well beyond economic activities related directly to mining operations. This diversification of economic development is a critical benefit of the investments generated to realise the RMP.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.

References:

[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.

[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.

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While the questioner is certainly correct that tourism is an important economic sector throughout the world, we do not believe that the analogy is applicable to Roşia Montană, an underdeveloped, polluted,

and relatively inaccessible area could bring a greater amount of economic development.

The EIA report indicates that the existing baseline conditions are characterized by widespread water pollution and the presence of large areas of derelict mined land and waste heaps. This presents a serious impediment to development other than that proposed under the Project. Remediation of the area would be very expensive and certainly beyond the means of the local community.

The question of alternatives was considered throughout the public consultation process. Chapter 5 of the EIA Report (*Assessment of the Alternatives*) examines alternative options for the RMP including the “no-project” option. The EIA considered alternative developments that include agriculture, grazing, meat processing, tourism, forestry and forest products, cottage industries, and flora/fauna gathering for pharmaceutical purposes. It concluded that none of these industries could provide the economic stimulus to assure sustainable prosperity for local communities as is forecast for the Project. However, it also noted that the Project would not halt development of alternative industries in parallel and would indeed remove some of the current obstacles for sustainable development, such as pollution and land dereliction. The Project would therefore support the community’s initiatives to develop industries other than mining and this is central to the *Community Sustainable Development Management Plan* attached to the EIA report (Plan L).

Roşia Montană has a strong mining heritage, and given the large quantities of ore in the region, mining offers the best opportunity for reviving the economic life of the area, leading to sustainable development.

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Item no.	469
No. to identify the observations received from the public	Arad, 25.08.2006
Proposal	<p>The questioner needs information on the blasting operations that will be carried out in the Roşia Montană area.:</p> <p>-It has been said in the EIA report that each single blast occurring in the area will contain approximately 20,000 tons of explosive. It is generally known that there is a certain limit as to the seismic waves a building can withstand. Nowhere in the EIA is there mentioned the velocity, frequency and amplitude of the blasts. The questioner wants to know exactly the quantity of explosive used, the velocity, seismic waves, amplitude and frequency of the blasts.</p>
Solution	<p>The quantity of TNT mentioned in the question is over-exaggerated, and the tendentious wording of the question is misleading. All details related to the blasting technologies can be found in Chapter 2 – Technological Processes, Section 4.1.1.2 Recovery Works.</p> <p>In reality, during a blasting phase, up to 1,296 kg AM will be detonated, resulting in a mining mass of 8,000 – 10,000 t. In order to obtain the daily production (tailings and ore), the movement of the rock of approx. 28-32 mining panels is necessary, respectively the detonation of a quantity of approx. 10 t of explosive AM-type, as presented in Chapter 2 – Technological Processes, Section 4.1.1.2, p. 60 <i>et seq.</i></p> <p>The priming will be of sequential type and NONEL-type non-electric fuses (non-electric) and detonating wire will be used, technology that assures a mining mass crushing degree compatible to the loading machines capacity and determines the reduction of the exploded rock spreading area.</p> <p>For the definitive outlining of the pit sides, bore holes similar to those used for recovery will be used having though a smaller explosive quantity with approx. 20% compared to the production holes, the start being given by dynamite cartridges.</p> <p>For the detonation the NONEL technology will be used.</p> <p>The load blasting order will be performed with micro delay, from the hole center to the base part and to the upper one, and from the center hole of the first row to the side extremities and to the following rows, technology that assures the significant decrease of the seismic intensity and an increased effectiveness of the rock movement explosions.</p> <p>Through the use of modern technologies, adequate measures and actions, the vibrations (or earthquakes) generated by the open pit explosions will be maintained within certain limits, such as to ensure the protection of the constructions and other historical monuments existing in the area and proposed for conservation.</p> <p>S.C. Ipromin S.A. has prepared a study entitled “Geo-mechanical study for measuring the effects of quarrying operations on the constructions located inside the protected area” for the purpose of analyzing the effects of the excavation technologies to be used in the Roşia Montană mining perimeter and identifying the technological solutions to ensure the protection of the constructions existing inside the protected area or other heritage constructions.</p> <p>In order to prevent the degradation or deterioration of the constructions located inside the protected area, due to the effects of quarrying explosions the project stipulates a maximum oscillation of 0.2 cm/s, measured next to the protected construction.</p> <p>Theoretically, these velocities will ensure the integrity of the most sensitive and deteriorated historical constructions existing in Roşia Montană.</p>

Due to the fact that România, at the time of preparation of the EIA, had not adopted any specific standards for the protection of constructions against the impact of quarrying explosions, this value has been established based on the relevant standards existing in other states having a long tradition in this field, and complies with the requirements of the German standard DIN 4150/83 – the most exigent European standard (Table no. 1).

Limit values of the oscillation velocity (mm/s) according to DIN 4150/83.

Table no. 1

Building Type	Velocity (mm/s)		
	< 10 Hz	10-50 Hz	50-100 Hz
Offices and factory buildings	20	20-40	40-50
Residential buildings	5	5-15	15-20
Historical monuments	3	3-8	8-10

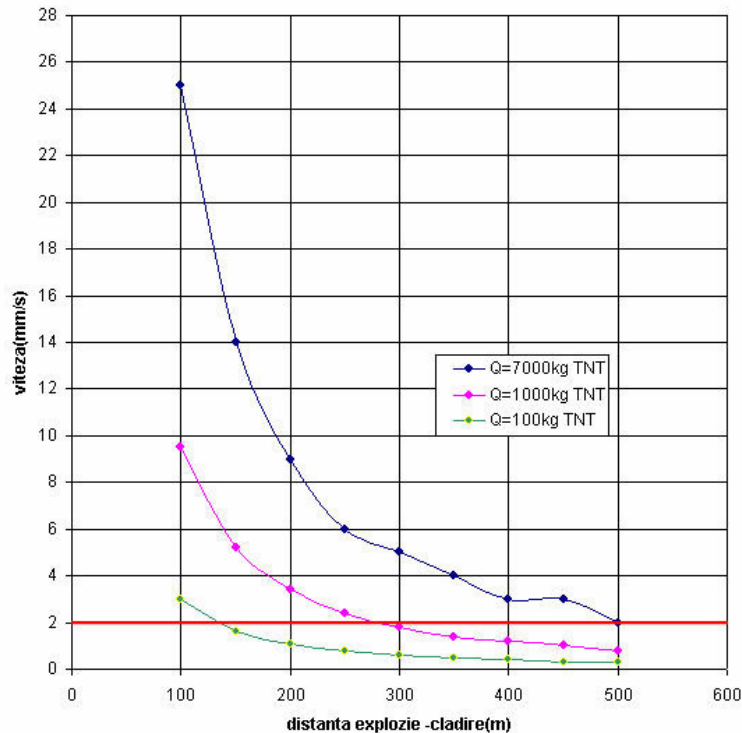
One may notice that the value of 3 mm/s is the maximum velocity admitted for the protection of historical monuments.

The following values of the oscillation velocity of the material particle are determined (Table no. 2 and Figure 1).

Table no. 2

Blasting Type	Distance from the explosion centre				
	100 m	200 m	300 m	400 m	500 m
	Oscillation velocity [mm/s]				
Instantaneous	24,8	9,1	4,7	3,0	2,2
nΔt = 0,140 s micro-delay	17,6	6,5	3,3	2,2	1,6
nΔt = 0,600 s micro-delay	14,6	5,4	2,8	1,7	1,3

Figure 1. Diagram of the oscillation velocity variation depending on the distance depending on the load detonated per blasting phase.



This technology can be used for an area representing approximately 85% of the open pits area.

At smaller distances, in order to ensure an oscillation velocity of maximum 0.2 cm/s next to the construction, *i.e.* to ensure a negligible seismic impact, some special technological variants of the quarrying technology are required. Such technological variants consist in the reduction of the bore holes diameter and depth, reduction of the amount of explosive detonated per blasting phase, etc.

This area covers approximately 15%, containing small amounts of ore to be blasted. Zone 2 extends to maximum 300 m from the nearest construction. In its turn, this zone is divided into three sub-zones of application of the technological variants for ore blasting.

A maximum load of explosive/blasting phase corresponds to each sub-zone.

In order to measure the quarrying explosions impact on the constructions located inside the protected area and other historical buildings, a monitoring system will be implemented, consisting in a fixed network of digital seismographs, with three components installed at the main constructions to be protected, and a mobile network composed of three mobile seismographs installed on a longitudinal profile between the protected construction and the centre of the explosions. The processing of the monitoring data obtained during the operation of the Roşia Montană open pits will also determine the variation of the dynamic parameters of the seismic oscillations (seismic impact mitigation coefficient).

This velocity ensures the protection of the constructions, provided that the consolidation works are executed. This value of the maximum velocity (of 0.2 cm/s) has been adopted based on the relevant standards existing in other countries having a long tradition in this field, and complies with the requirements of the German standard DIN 4150/83.

It is important to emphasize that it is not the quarrying technologies using explosives that represent a real threat to the 42 historical buildings, but rather their advanced state of degradation. For this reason, if no measures are taken, these buildings will be inevitably lost.

In conclusion, the special technologies used (within various zones) will not generate any adverse impact on the constructions from the Roşia Montană commune.

When the sequential starter is adequately delayed, only small amounts of explosive are detonated simultaneously. The use of blast sequences controlled with the NONEL delay system allows multiple small explosions, which nonetheless act as one loading, without generating a movement of material outside the blasting area larger than the coverage of each individual explosion.

Millisecond delays techniques are efficient, due to the fact that the movement of rock outside the action radius of a single hole is approximately 3 milliseconds per meter. For example, if two blasting holes rows are drilled at a distance of 8 meters, the second row of holes will explode approximately 24 milliseconds after detonation of the first row. Thus, the time of detonation of the second row of holes can be set up such as to maximize the rock movement efficiency.

*When mine blasting is properly executed, an outside observer can see the land going up and down, like a wave front, as if someone induced a smooth oscillation to a carpet placed on the floor. As the wave moves, a series of small intensity explosions will propagate the rock crushing wave.*

*A detailed presentation of blasting technology can be found in the annex 7.1 - Proposed blasting technology for the operational phase of Roşia Montană Project*



Item no.	470
No. to identify the observations received from the public	Arad, 25.08.2006
Proposal	<p>1.It is well known that, from the very beginning, there were people who did not agree to leave Roşia Montană. Considering the fact that this is not a project carried out at national level nor is it a project of national interest, what will happen to the people who oppose resettlement?</p> <p>2.How does the company plan to relocate cemeteries and what exactly will happen with them?</p>
	<p>The company's RRAP is based on voluntary sale of property, designed under World Bank Standards.</p> <p>To put the issue in larger context, the construction and operation of the Roşia Montană Project requires the acquisition of properties in four of Roşia Montană's 16 sub-comuna. For the most part, therefore, property ownership in the larger part of Roşia Montană will not be affected by the project.</p> <p>In order to acquire the necessary properties, the company has established a property purchase program compliant with the RRAP guidelines developed by the World Bank.</p> <p>As the mining project proceeds in phases, it is not necessary to acquire all properties at the outset. Accordingly, the company has focused on properties required for the construction and operation of the mine in its first five years. To date, more than 56% of the properties needed to construct the project and operate the mine for the first five years have been acquired.</p> <p>Of those properties needed but not yet acquired, 98% have been presented for surveying by their owners – a step that implies an interest in selling the property to the company. The survey rate suggests that little more than a handful of properties are held by people who might prove unwilling to entertain a sale.</p> <p>Of that small number, some will lie in areas not needed for construction and early operation of the mine. For the near-term, therefore, owners of these properties need not prove any impediment to the mine development, and they can continue to live as they wish.</p>
Solution	<p>Of the even smaller number of homes that are located in areas in which the construction and early operation of the mine will take place, the company will seek options to redesign the mine plan to allow those owners to retain their property, unaffected by the mine.</p> <p>Ultimately, however, it is possible that if a few property owners seek to stop the project by refusing to sell their land, at that point, the decision falls to relevant Romanian authorities as to whether they will exercise the legal instruments available to them to expropriate the properties and will decide whether development of Romania's mineral wealth—using advanced E.U. and international standards—constitutes a strategic national interest or if development as a whole to benefit from \$2.5 billion USD infused into Romania, much of it into a rural region that was designated a “Disadvantaged Zone” and knows only extreme poverty at present is a regional interest.</p> <p>However, mention should be made that art. 6 of the Mining Law no. 85/2003 expressly provides expropriation as one of the legal methods for a titleholder to acquire the usage right over the lands necessary for the performance of the mining activities in the exploitation perimeter.</p> <p>Also, art. 1 of Law no. 33/1994 on the expropriation for public utility cause provides that <i>“the expropriation of immovable property [...], can be made only for cause of public utility”</i>, and art. 6 of the same law provides that <i>“there are causes of public utility: geological exploration and prospecting; extraction and processing of useful mineral substances”</i>.</p> <p>In conclusion, the expropriation, in exchange of a fair and prior compensation, made in accordance with</p>

the legal and constitutional provisions, represents one of the modalities of obtaining the right of use over the lands necessary for the development of a mining project, being expressly provided by art. 6 of the Mining Law no. 85/2003 and by art. 6 of Law no. 33/1994.

\*

Contrary to what the opponents of the mining project claim, no one wants to destroy churches or graveyards.

To put the number of graves in context, 410 graves of the Roșia Montană's 1,905 graves will be affected by the mining project, as the company has to the maximum extent possible designed the mining operations to leave established graveyards in place.

Six cemeteries will be affected by the project. In the case of any grave, there must be a very strong reason for that grave to be removed. The communities have created during their development initially rules, later turned into laws that deal with this unfortunate event. And yet it is also true that communities are themselves living entities, and without the RMP – with unemployment rising from 70% today to more than 90% -- refusing to bring new development to Roșia Montană could mean the end of the village's ability to support itself.

All reburials will be done at the request of the families, and the expense of RMGC. The process will follow to the letter Romanian law on reburials [1], with the company's commitment to act with respect and reverence. Abandoned graves will be relocated, also with full respect and reverence, to Piatra Albă's new cemetery.

References:

[1] the relocation of graves and cemeteries is governed by the following regulatory acts:

- (i) Law no. 489/2006 on the freedom of religion and the general regime of religious affairs, published in the Romanian Official Gazette, Section I, no. 11/08.01.2007;
  - (ii) Law no. 98/1994 establishing and sanctioning breaches of the hygiene and public health rules, published in the Romanian Official Gazette, Section I, no. 317/16.11.1994, as subsequently amended and supplemented ("Law no. 98/1994");
  - (iii) The hygiene norms and recommendations concerning the population's life environment, published in the Romanian Official Gazette, Section I, no. 140/03.07.1997, as subsequently amended and supplemented ("Order 536/1997");
  - (iv) GD no. 955/2004 on the approval of the framework Rules for the organization and operation of the public services for the administration of the public and private domain of local interest, published in the Romanian Official Gazette, Section I, no. 660/22.07.2004;
  - (v) Order no. 261/1982 on the approval of the standard Rules for the administration of graveyards and the crematories of the localities, published in the Official Gazette no. 67/11.03.1983;
  - (vi) Rules for the organization and operation of the parish and monastery graveyards within the eparchies of the Romanian Orthodox Church, approved by Decision of the Religious Affairs Department no. 16.285/31.12.1981.
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Item no.

471

No. to identify  
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observations  
received from  
the public

Arad,  
25.08.2006

Proposal

The questioner wants to know the company's reasons when it claims that this is a hundred per cent safe project, considering the fact that it has no other previous experience in the mining sector and has never developed large scale mining operations.

Solution

The Company has not claimed that there could never happen an accident at the Project, but merely that the Project will be operated in full compliance with Romanian and European law and in accordance with international best practices. The Project will bring best available techniques (BAT) and modern mining practices to Romania for the first time. These efforts will reduce the risk of accidents.

The management of Gabriel Resources Ltd., the major shareholder in S.C Roşia Montană Gold Corporation S.A ( RMGC ), has over 60 years of experience permitting seven mine projects on four continents. This is an extremely strong foundation for the work on the Roşia Montană Project. RMGC is committed to operating the Project in compliance with Romanian and European law, including environmental law and in accordance with international best practices, many of which relate to environmental protection. We have been working with independent experts and some of the world's most prominent mining consultant companies to ensure the highest level of environmental protection and rehabilitation at the site.

For instance, at Roşia Montană, the Tailings Management Facility will be constructed to the highest international standards. It will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. Sophisticated equipment will be used for geotechnical and water level monitoring.

Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 parts per million or ppm or mg/l), which is below the regulatory limit of 10 ppm recently adopted by the EU in the Mining Waste Directive. Thus, over time, the currently polluted waters, such as the Aries River, will become less polluted as a result of the Project.

RMGC has also put in place policies relating to blasting and noise vibration; environmental and social management system plans; and minimization of waste and storage of solid hazardous waste.

Item no.	472
No. to identify the observations received from the public	Arad, 25.08.2006
Proposal	<p>What will be the rehabilitation costs for the area and who will pay the bill during and after the project? Part of the costs are supported by the state, but what will the company's contribution be, in terms of money and support? What is the exact amount of money they will contribute to the rehabilitation process?</p>
	<p>The state will not pay for any liabilities of the Roşia Montană Project. The current projected closure cost for Roşia Montană is US \$76 million to be paid by RMGC, which is based on the mine operating for its full 16-year lifespan. An Environmental Financial Guarantee (EFG) as required by the Romanian Mining Law and the EU Mine Waste Directive will be in place before any liability is incurred. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive (“MWD”) and the Environmental Liability Directive (“ELD).</p> <p>The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roşia Montană.</p> <p>RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.</p>
Solution	<p>There are two separate and distinct EFGs under Romanian law.</p> <p>The first, which is updated annually, focuses on covering the projected reclamation costs associated with the operations of the mine in the following year. These costs are of no less than 1.5 percent per year, of total costs, reflective of annual work commitments.</p> <p>The second, also updated annually, sets out the projected costs of the eventual closure of the Roşia Montană mine. The amount of the EFG to cover the final environmental rehabilitation is determined as an annual quota of the value of the environmental rehabilitation works provided within the monitoring program for the post-closure environmental elements. Such program is part of the Technical Program for Mine Closure, a document to be approved by the National Agency for Mineral Resources (“NAMR”).</p> <p>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>The annual updates to the EFG will be completed by independent experts, carried out in consultation with the NAMR, as the Governmental authority competent in mining activities field. These updates will ensure that in the unlikely event of early closure of the project, at any point in time, each EFG will always reflect the costs associated with reclamation. (These annual updates will result in an estimate that exceeds our current US \$76 million costs of closure, because some reclamation activity is incorporated into the routine operations of the mine.)</p> <p>The annual updates capture the following four variables:</p>

- Changes in the project that impact reclamation objectives;
- Changes in Romania's legal framework, including the implementation of EU directives;
- New technologies that improve the science and practice of reclamation;
- Changes in prices for key goods and services associated with reclamation.

Once these updates are completed, the new estimated closure costs will be incorporated into RMGC's financial statements and made available to the public.

A number of different financial instruments are available to ensure that RMGC is capable of covering all of the expected closure costs. These instruments, which will be held in protected accounts at the Romanian state disposal, include:

- Cash deposit;
- Trust funds;
- Letter of credit;
- Surety bonds;
- Insurance policy.

Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.

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Item no.

473

No. to identify  
the  
observations  
received from  
the public

Arad,  
25.08.2006

Proposal

The questioner supports the project.

Solution

RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.

In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.

The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.

In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.

RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.

Item no.

474

No. to identify  
the  
observations  
received from  
the public

Arad,  
25.08.2006

Proposal

The questioner supports the project.

Solution

RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.

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No. to identify  
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the public

Arad,  
25.08.2006

Proposal

The questioner is against gold being mined and used by foreigners and believes that it should remain in the country and be used to produce jewelry.

A jewelry manufacturing unit should be created, and it could be located in Arad, where there are skilled artisans. As a result, jobs could be created for the benefit of young people.

Solution

Jewelry manufacturing workshops represent one of the various opportunities for small business that could develop in the Roşia Montană 's Project area once it starts operating. We estimate that the project will lead to 6,000 new jobs indirectly dependent on the mine. Anticipating these opportunities, even before the approval of the project RMGC has supported development of private enterprise in the area. For instance, RMGC has offered free entrepreneurship courses to the community in the affected area as well as opened, in Abrud, of a micro credit institution, Gabriel Finance, in January 2007. This will provide funding and necessary resources to the people of Roşia Montană, Abrud, Campeni and Bucium in supporting them to establish or expand small businesses. RMGC provides free vocational training programs to members of the local community with the aim to raise both the educational profile and the level of skills in the community. Business training is part of this program. A business incubator is in place as well. Thus, although it hasn't been a traditional craft in the Roşia Montană area, should the members of the community show interest in artisan jewelry manufacturing, we will organize training for them.

At the same time, beside the entrepreneurship courses, RMGC initiated a program of Professional Qualification and Vocational Formation. Its objective results from the company's commitment towards the community to promote sustainable development in the area. The program aims primarily at expanded the number of trades and professions practiced in the area affected by the project through a qualification certificate recognized by the authorities. This will assist any investor who wishes to start a business in the area to have access to a well- and variedly-qualified work force. We believe strongly that a well-qualified work force is a decisive factor in attracting a larger number of investors whom, by the private initiatives they will develop, will lead to new employment opportunities not related directly to the mining project.



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Arad,  
25.08.2006

Proposal

From a director's standpoint, the questioner mentions the film presented by the company during the public debates and points out the fact that translation is incorrect: it says in the film that cyanide is harmful for the fish, while the translation says that cyanide can be harmful for the fish.

Solution

Thank you for the correction of our translation error. With respect to cyanide, as you know, cyanide is used in hundreds of gold mines around the world and in many other industries. At Roşia Montană, the Tailings Management Facility will be constructed to the highest international standards. It will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. Sophisticated equipment will be used for geotechnical and water level monitoring. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 parts per million or ppm or mg/l), which is below the regulatory limit of 10 ppm recently adopted by the EU in the Mining Waste Directive. Mine waste in the EU is currently permitted to have a 50 ppm concentration of cyanide, which the Directive reduces to 10 ppm for new mines. Roşia Montană's TMF will have a concentration of approx. 5-7 ppm.

RMGC has signed and will comply with the International Cyanide Management Code (ICMC), which requires the use of best practices in the field of cyanides management. RMGC will obtain the cyanides from a manufacturer that also complies with this Code. The EIA study also evaluated alternatives to cyanide from the economic, process applicability, and environmental perspectives. The study concluded that the use of cyanide as it will be used in the Roşia Montană Project is a Best Available Technique as defined by the EU.

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25.08.2006

Proposal

The questioner mentions the fact that over the time the project has suffered modifications and wants to know about the two most important modifications.

Solution

It is true that, during the past few years, following the environmental impact assessment procedure, the project has been subject to modifications. The aim of these changes is to improve the environmental performances of the project and to prevent and even eliminate the potential impact on the protected areas, cultural heritage and population health.

Two of the most important modifications made to the project are:

- the design of the tailings management facility to retain 2 maximum probable precipitation events and resist an earthquake with a magnitude of 8 degrees on the Richter scale,
- the reconfiguration of the footprints of Cârnic, Jig and Orlea open pits for the purpose of increasing the protection area of the historical center or the buffer zone of certain historical monuments, and of ensuring a high level of safety for these monuments.

In addition to these, we would like to mention the design of an acid water dam on the Roşia Valley, to remove pollution from this valley and prevent pollution spreading into Abrudel and Arieş rivers.

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Proposal

The questioner is an Romanian NGO representative and says that, along with 20 other NGOs, they have offered to monitor the project, and the offer has been accepted. He wants to find out if the organizations that oppose the project have come up with similar monitoring offers and if they are willing to have a dialogue with the company.

Solution

This question is better addressed to organizations that have opposed the Project. For our part, we would simply like to thank the representative of this NGO for its interest in the Project and its offer to work with us during mine construction, operations, and closing. Virtually every aspect of the Project will be subject to some sort of monitoring. Both while the project is being constructed and during mine operations, technical consultants from the banks that have lent money to the Project, insurance experts, independent experts, and the Romanian authorities will monitor such areas as environmental protection, protection of cultural heritage, social effects, and health and mine safety. In addition, S.C Roşia Montană Gold Corporation S.A ( RMGC ) will continue its process of public and stakeholder consultation through the life of the project and will be happy to meet with civil society organizations at any time to discuss project operations.

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No. to identify  
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observations  
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the public

Arad,  
25.08.2006

Proposal

The questioner supports the project.

Solution

RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.

In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.

The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.

In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.

RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.

Item no.	480
No. to identify the observations received from the public	Arad, 25.08.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Cămpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

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No. to identify  
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Arad,  
25.08.2006

Proposal

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Solution

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Item no.

482

No. to identify the observations received from the public

Arad,  
25.08.2006

Proposal

1. The questioner wants to know whether the European Union will have a say in the project after Romania's accession to the EU.
2. What will the Romanian authorities and the Canadian company do in case of a geological event e.g. in case the two dams collapse?

The provisions of art. 174 of EC Treaty expressly establish the competences of the European Union institutions on environment protection and the intervention hereof in promoting measures at European level to settle the eventual environmental issues. The Council of the European Union adopts by co-decision, based on art.251 of CE Treaty, and subsequent to the consultation of the Economic and Social Committee and of the Committee of Regions, legislative actions or measures for the observance of environment principles: preservation, protection and improvement of environment quality, health protection etc.

The European Union intervention aims at the observance by each member state of the community provisions and principles and not the observance hereof for each separate private project, as follows:

- (i) Under art.226 of the EC Treaty the European Commission controls the application of community law norms in the Member States and if following a complaint or referring to the matter itself it notes that a state breached these norms shall send a notice for conformation to the Government of the respective state, subsequent to the latter objective presentation of the observations. If this approach fails or if it does not follow the term for conformation granted by the Commission, the latter shall notify the European Court of Justice;
- (ii) Under art.193 of the Treaty of Amsterdam, upon request of a quarter of its members the European Parliament may create a temporary investigation commission for the examination of notifications regarding breaches or wrongful application of community law, with no infringement of attributions granted hereby to other institutions / entities. In this respect the Parliament shall use the second appeal for annulment/or the action to have the infringement established, except for the case when these deeds are examined by a court of law and as long as this procedure is not concluded.

Solution

Please consider that Romanian legislation relevant in the area expressly establishes the relevant body: (i) to analyse the report of the environmental impact assessment; (ii) to decide on the issue of the environment approval and (iii) to ensure the monitoring of observing the conditions imposed in the environment approval, as follows:

- (i) art. 48 of Order no. 860/2002 on the procedure for environmental impact assessment and issue of environment approval ("Order no. 860/2002") "the relevant public authority for environment protection shall issue, review and update, as the case may be, the environment approval";
- (ii) art. 45 of Order no.860/2002 " subsequent to the examination of the report on the environmental impact study, of conclusions of the parties involved in the assessment, of the possibilities to apply the project and of the motivated evaluation of public proposals, the relevant environment protection public authority makes the decisions on the issue of the environment approval/integrated environment approval or the motivated refusal of the project on the respective location";
- (iii) art. 53(3) of Order no. 860/2002 "upon the end of the execution works the relevant public authority for environment protection shall make an expert control to check the observance of all conditions set through the integrated environment agreement / approval".

Consequently, we specify that the decision to issue the environment approval, as well as the monitoring of applying the conditions hereof is taken based on objective criteria, expressly provided within the legal provisions, only by relevant Romanian authorities for environment protection and not by any European Union institution.

\*

In the unlikely event that such an accident would occur, the Romanian authorities along with the operator will act in accordance with the emergency plans provided for by the existing legislation:

- Internal Emergency Plan
- Emergency Preparedness and Spill Contingency Plan
- External Emergency Plan

The main emergency response actions are the following [1]:

- The aforementioned plans are to be immediately implemented;
- Local and on-site units are to be immediately alerted and deployed;
- Actions should be coordinated with the external emergency plans applicable to the local communities;
- First aid assistance;
- The people living downstream of the secondary containment dam and the residents of the Abrud town are to be immediately notified of the accident and possibly evacuated;
- The site manager and the local, regional and national authorities are to be promptly notified. In the event of an alert on possible terrorist attacks, the representatives of the relevant regulatory and military institutions are to be notified;
- Implementation of the emergency systems, closure of the process plant and of the tailings delivery pipes, consolidation works carried out to the extent required by the nature of the accident (breach repairs, backfilling, reinforcement works, construction of dikes and diversion channels);
- Accident investigation and implementation of corrective and preventive measures;
- Implementation of other specific emergency actions.

The proposed construction of the Corna Dam, intended to contain the tailings, is based on design criteria that comply with Romanian and international standards. These criteria are meant to ensure maximum safety levels during the construction, operational, closure and post-closure stages. They include flood control criteria, safety factors for slope stability and seismic design criteria etc

Based on the criteria previously mentioned, the dam has been designed to withstand an earthquake measuring 8 on the Richter scale. No such event has ever occurred on the Romanian territory and it is hard to imagine the mechanism that could cause such an event in the future.

The main design elements that ensure the dam's increased safety include the following:

- the dam has been designed to retain water resulting from 2 consecutive PMFs;
- with each dam rise, a spillway will be constructed to discharge, in a controlled way, the excess water resulting from potential extreme events. This will help to prevent the erosion of the dam's downstream slopes;
- the rockfill starter dam has an impervious core and an embankment slope measuring 2H:1V downstream and 1.75H:1V upstream;
- The main dam –the Corna rockfill dam, of centerline construction and downstream slopes measuring 3H:1V;
- a drainage system at the bottom of the tailings management facility and a filter layer between the rock fill and the tailings, to reduce humidity and consolidate the stored material;
- a monitoring system set up on the dam's crest or on its vicinity, to provide timely information regarding potential instability situations, excessive rise of the groundwater in the dam body, excessive increase of the water volume stored in the decant pond;
- implementation of a strict Quality Assurance program, during the entire construction period.

Under these circumstances, an accident resulting in dam failure is highly unlikely. However, hypothetical scenarios have been imagined, based on the assumption that the technical errors resulting from noncompliance with the construction methodology have led to dam failure. These scenarios represent the worst case scenarios that could be identified, taking into account the technical characteristics of the TMF. The scenarios are presented in detail in Chapter 7, the EIA Report, subchapter 6.4.3, pages 117-121).

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Referred to subchapters 6.4.3.2 and 6.4.3.6 we like to mention that a new and much more precise and



realistic simulation has been subsequently established based on the INCA Mine model, that considers the dispersion, volatilisation and breakdown of cyanides during the downstream movement of the pollutant flow (Whitehead et al., 2006). The new study has been attached to the Report on Environmental Impact Assessment Study (Annex 5.1).

References:

[1] Chapter 5, *the Security Report*

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Item no.

483

No. to identify  
the  
observations  
received from  
the public

Arad,  
25.08.2006

Proposal

The questioner supports the project.

Solution

RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.

In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.

The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.

In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.

RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.

Item no.

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No. to identify  
the  
observations  
received from  
the public

Arad,  
25.08.2006

Proposal

The questioner is in favour of the project and wants to know if RMGC has considered the option of allowing the people who do not want to leave Roşia Montană to move into the abandoned houses located within the protected area.

Solution

According to the relevant legal provisions, the interested public may submit justified proposals on the Environment Impact Assessment. Art. 44 (2) of the Order no. 860/2002 on the Environment Impact Assessment Procedure and the issuance of the environmental approval provides to this end that „*based on the results of the public debate, the relevant authority for the environmental protection evaluates the grounded proposals/comments of the public and requests the titleholder the supplementation of the report to the environmental impact assessment study with an annex containing solutions for the solving of the underlined issues*”.

As the question of the attendant to the public consultations identifies and specifies no problems in regard of the project initiated by RMGC, subject to the environmental impact assessment procedure, RMGC is not in position to answer and has not the capacity to make any comments to this end.

Nonetheless, considering RMGC has expressed its full availability to discuss any issues relevant for the proposed project, please note the following:

Even abandoned homes have some chain of ownership. Any individual is free to work with local Romanian authorities in Rosia Montana to determine who owns an abandoned property with the intent to purchase it.

Item no.	485
No. to identify the observations received from the public	Arad, 25.08.2006
Proposal	<p>The questioner asks the company to also address the problems of other mining areas which have been abandoned, where pollution is rampant and where nobody gets alarmed or chains themselves in sign of protest.</p>
Solution	<p>Unfortunately, it is true that there are many abandoned mines around the world where pollution is rampant after a mine has closed. Roşia Montană Gold Corporation's focus in the Roşia Montană Project (RMP) is on the region and people of Roşia Montană. RMGC is committed to operating the mine in Roşia Montană in full compliance with Romanian and European law and in accordance with international best practices. Part of the Environmental Impact Assessment study report (EIA) includes a detailed plan for closing the mine, including environmental rehabilitation not only of RMGC's mining activities but also for past poor mining practices that have left significant pollution in the Roşia Montană area.</p> <p>Moreover, please note that in order to ensure the necessary funds for the environmental recovery, under the terms of the relevant legislation RMGC is <u>also obliged to establish a financial guarantee for the environment rehabilitation.</u></p> <p>According to the provisions of art. 3 (1) item 16 of the Mining Law no. (85/2003), the financial guarantee for the environment rehabilitation represents <i>"the obligation and liability of the natural or legal persons which perform mining activities according to an exploitation license or permit for ensuring the necessary financial stocks for the environment rehabilitation and which can be established as bank deposit, an irrevocable letter of good standing or other methods provided by law"</i>.</p> <p>By its value, the financial guarantee for the environmental rehabilitation ensures the performance of the environmental rehabilitation works in case of (i) activity cessation and in case (ii) of not performing the environmental rehabilitation work. The environmental rehabilitation guarantee is annual (guarantees the execution of the environmental rehabilitation works undertaken by the titleholder by the environmental rehabilitation technical project) and final (guarantees the execution of the environmental rehabilitation works provided in the program for the cessation of the exploitation activity).</p> <p>Moreover, we mention that, during the project development, RMGC shall accomplish the obligations regarding the establishment and maintenance of the financial guarantee for the environment rehabilitation and shall do its best efforts for the accomplishment of any other obligations provided by the legal mandatory provisions.</p>

Item no.

486

No. to identify  
the  
observations  
received from  
the public

Arad,  
25.08.2006

Proposal

The questioner supports the project.

Solution

RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.

In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.

The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.

In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Cămpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.

RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.

Item no.

487

No. to identify  
the  
observations  
received from  
the public

Arad,  
25.08.2006

Proposal

The questioner supports the project.

Solution

RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.

In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.

The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.

In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.

RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.

Item no.

488

No. to identify the observations received from the public

Arad,  
25.08.2006

Proposal

1. The enquirer believes that the compensation issue has not been fully analyzed and proposes that RMGC offers individual, concrete guarantees for local households, in case of an emergency.
2. Being an expert in Roman law, the questioner suggests that the Company and the Faculty of Law collaborate in order to discuss the heritage discovery, conservation and enhancement.

In order to acquire the necessary properties S.C Roşia Montana Gold Corporation S.A ( RMGC ) has established a property purchase program compliant with the RRAP guidelines developed by the World Bank, with a very comprehensive compensation package, including:

- individual development opportunities;
- small business compensation and financial support;
- professional training and career development;
- properties replacement values compensation, including land restoring cost and eventual crop lost;
- scholarship;
- resettlement sites in both rural area (Piatra Albă – Roşia Montană) and urban one (Furcilor - Alba Iulia);
- relocation / resettlement assistance for properties search, registration formalities, health care support, jobs search and training, small savings and investment assistance.

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The archaeological investigations at Roşia Montană began in 2000 and the nature, characteristics and distribution of the cultural assets (archaeological sites, historic buildings, churches, cemeteries) from the Roşia Montană area are now better understood. The thorough investigations and heritage studies undertaken in the period 2000-2006 allowed us to build a comprehensive picture of these national cultural heritage assets and of the areas with a spiritual significance and to take specific measures regarding their protection.

Solution

It should be mentioned, however, that apart from the obligations undertaken by RMGC as regards the protection and conservation of the archaeological remains and historical monuments, there is a whole series of obligations which rest with the local public authorities from Roşia Montană and from Alba County and with the central public authorities i.e. the Romanian Government.

These aspects are further detailed in the Cultural Heritage Management Plans included in the EIA Report (see EIA Report, volume 32, Management Plan for the Archaeological Heritage from Roşia Montană Area (pages 22-24, 49, 55-56; 71-72) and the EIA Report, volume 33- *Management Plan for Historical Monuments and Protected Zone from Roşia Montană*, pages 28-29; 47-50; 51-53; 65-66; 103-Annex 1). In this context, RMGC is open to any constructive dialogue - based on facts and initiatives-with any competent institution or body, which shows interest in the sustainable development of Roşia Montană. Moreover, RMGC would like to express gratitude towards the Faculty of Law, Bucharest for their proposal for co-operation.

Prior to 2000, one could say that Roşia Montană was an area with an archaeological potential, but where no specific archaeological diggings had been conducted, diggings necessary to provide a detailed picture of the various site elements. In essence, a series of chance finds - epigraphic monuments, funerary architectural elements were found in the area of the Cetate, Cărnice, Jig and Orlea massifs located in the upper part of the Roşia and Corna valleys within the Roşia Montană commune. Data provided by these elements were enough to suggest the existence of some archaeological sites in that area. That was all we knew about Roşia Montană's archaeological heritage prior to the extensive archaeological investigations conducted within the "Alburnus Maior" National Research Program. In the absence of any other evidence on the ancient *Alburnus Maior*, the overall picture of this site/these sites was created based exclusively on

the data collected from the epigraphic materials. This resulted in a relative distortion of the area's significance. The other heritage assets of Roşia Montană (the lakes, historic buildings, traditions and customs) were known, but it was only in 2001 that the Ministry of Culture and Religious Affairs decided to approach this complex issue in a comprehensive manner.

Archaeological investigations in the Roşia Montană area began in 2000 with the participation of teams of archaeologists from the National Union Museum in Alba Iulia and the National Institute of Historical Monuments in Bucharest. The "Alburnus Maior" National Research Program was initiated in 2001 following the Order no. 2504 / 07.03.2001 of the Minister of Culture and Religious Affairs, and it has been developed in compliance with Law 378/2001 (as subsequently amended by Law 462/2003 and by Law 258/2006). The preventive archaeological investigations are conducted under the scientific coordination of the National History Museum of Romania, with the annual approval of the National Commission of Archaeology of the Ministry of Culture and Religious Affairs. This program is financed by S.C. Roşia Montană Gold Corporation S.A (the mining company that plans to expand and continue the open-cast mining of the gold and silver deposits in Roşia Montană). Thus, large-scale preventive archaeological investigations have been conducted and are currently continuing in the area to be impacted by the Roşia Montană mining project for the implementation of the archaeological discharge procedure for the sites located in the area to be impacted by the project or for the preservation *in situ* of some representative structures and monuments, in accordance with the legal provisions. Moreover, comprehensive architectural, historical and town-planning surveys have been conducted for a better knowledge, understanding and protection of the area's heritage.

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Item no.

489

No. to identify  
the  
observations  
received from  
the public

Arad,  
25.08.2006

Proposal

The questioner supports the project.

Solution

RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.

In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.

The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.

In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.

RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.

Item no.	1
No. to identify the observations received from the public	No. 74015/AF/ 23.06.2006 (FAX APM ALBA)
Proposal	The questioner protests against the project, which she considers to be a complete disgrace. India bears the consequences of this type of exploitation.
Solution	<p>As related to your allegation, please consider the following aspects:</p> <p>Any comparison to mining practices in India cannot be relevant to our current situation as the Roşia Montană Project will be operated in full compliance with the relevant mandatory Romanian and European law and in accordance with international best practices. The project will bring best available techniques (BAT) to Romania for the first time, many of which are considered with environmental protection. S.C. Roşia Montană Gold Corporation S.A (RMGC) will engage in a strong program of environmental rehabilitation as a part of the mine closure program, including the cleanup of pollution at the site caused by poor mining practices in the past.</p> <p>Specifically to your allegations, according to art. (44) (1) of the Order of the Minister of Waters and Environmental Protection no. (860/2002) regarding the environmental impact assessment and the issuance of environmental agreement procedures ("Order no. 860/2002") <i>"during the public debate meeting the project titleholder [...], provides grounded answers to the <u>justified proposals of the public, which were received under a written form, previously to the respective hearing</u>".</i></p> <p>At the same time, art. 44 (3) of Order no. (860/2002) provides that <i>"based on the results of the public debate, the relevant authority for the environmental protection <u>evaluates the grounded proposals/comments of the public and requests to the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions for the solving of the indicated issues</u>".</i></p> <p>Considering the legal wordings quoted above, as your allegation does not identify nor indicate issues related to the project initiated by RMGC and undergoing the environment impact assessment procedure, we mention that the project titleholder cannot and does not have the capacity to provide an answer or make any further comments in this respect.</p>

Item no.	2
No. to identify the observations received from the public	No. 107950/ 27.06.2006 and No. 74041/AF/ 30.06.2006
Proposal	The questioner demands that destruction of any kind in Roşia Montană be stopped. He/she is against the Roşia Montană project.
Solution	<p>Regarding your request, please consider the following aspects:</p> <ul style="list-style-type: none"> <li>(i) according to the relevant legal provisions, the public may submit grounded proposals regarding the environmental impact assessment;</li> <li>(ii) art. 44 (1) of the Order no. (860/2002) regarding the environmental impact assessment and the issuance of environmental agreement procedures ("Order no. 860/2002") regulates that <i>"during the public debate meeting the project titleholder [...], <b><u>provides grounded answers to the justified proposals of the public</u></b>, which were received under a written form, previously to the respective hearing"</i>;</li> <li>(iii) art. 44 (3) of the Order no. (860/2002) states that <i>"based on the results of the public debate, the relevant authority for the environmental protection <b><u>evaluates the grounded proposals/comments of the public and requests the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions for the solving of the indicated issues</u></b>".</i></li> </ul> <p>As your allegation (i) does not identify nor indicate issues related to the project initiated by S.C Roşia Montană Gold Corporation S.A (RMGC) and undergoing the environmental impact assessment procedure, (ii) refers only to "destruction activities" without providing any additional information and comments in this respect, issues to which RMGC is not in the position to answer, we mention that the project titleholder cannot and does not have the capacity to provide an answer or make any comments in this respect.</p>

Item no.	3
No. to identify the observations received from the public	No. 108021/ 30.06.2006 and No. 74057/AF/ 04.07.2006
Proposal	The speaker protests against the environmental destruction.
Solution	<p>Environmental protection laws that are in effect all over the world, including in Romania, do not allow the destruction of the environment under any circumstances.</p> <p>The Roşia Montană Project (RMP) will be conducted in full compliance with the relevant mandatory Romanian and European environmental and other laws and in accordance with international best practices. The RMP will bring best available techniques (BAT) to Romania, many of which are designed to minimize the impact of mining operations on the environment.</p> <p>Technical experts, representing several international private sector banks and export credit agencies have concluded that the Environmental Impact Assessment study report (EIA) complies with the Equator Principles designed to promote responsible lending by financial institutions to projects which raise environmental and social concerns, and an ad hoc committee of European experts (International Group of Independent Experts - IGIE) has publicly stated that the EIA was well-developed, taking into consideration their recommendations and suggestions. A copy of the IGIE report and S.C Roşia Montană Gold Corporation's (RMGC) response is included as a reference document to the present annex of the EIA.</p> <p>As detailed in the EIA study, RMGC will also undertake a significant plan of environmental rehabilitation at the site not only to mitigate the environmental effects of the current Project but to clean up the effects of past poor mining practices as well, leaving the area cleaner than we found it.</p>

Item no.	4
No. to identify the observations received from the public	No. 108059/ 03.07.2006 and No. 74056/AF/ 04.07.2006
Proposal	The speaker protests against the Roşia Montană project.
Solution	<p>Regarding your protest, we mention that art. 44 (3) of the Minister of Waters and Environmental Protection Order no. (860/2002) on the environmental impact assessment and the issuance of environmental agreements Procedures ("Order no. 860/2002") provides that <i>"based on the results of the public debate, <u>the relevant authority for the environmental protection evaluates the grounded proposals/comments of the public</u> and requests the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions for the solving of the indicated issues"</i>.</p> <p>Consequently, considering the fact that your protest does not indicate specific possible problems, nor provide additional information, we mention that the decision on the issuance or refusal of the environmental approval cannot be made only by considering a simple proposal, but according to certain objective criteria provided by the wording of art. (45) of the Order no. (860/2002) and <u>only after examining</u></p> <ul style="list-style-type: none"> <li>(i) the report on the environmental impact assessment study;</li> <li>(ii) the conclusions of the parties involved in the assessment;</li> <li>(iii) the possibilities to implement the project;</li> <li>(iv) the titleholder answers to the grounded proposals/comments of the public.</li> </ul>

Item no.	5
No. to identify the observations received from the public	No. 108059/ 03.07.2006 and No. 74053/AF/ 04.07.2006
Proposal	The speaker protests against the Roşia Montană project.
Solution	<p>Regarding your protest, we mention that art. 44 (3) of the Minister of Waters and Environmental Protection Order no. (860/2002) on the environmental impact assessment and the issuance of environmental agreements Procedures ("Order no. 860/2002") provides that <i>"based on the results of the public debate, the relevant authority for the environmental protection evaluates the grounded proposals/comments of the public and requests the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions for the solving of the indicated issues"</i>.</p> <p>Consequently, considering the fact that your protest does not indicate specific possible problems, nor provide additional information, we mention that the decision on the issuance or refusal of the environmental approval cannot be made only by considering a simple proposal, but according to certain objective criteria provided by the wording of art. (45) of the Order no. (860/2002) and <u>only after examining</u></p> <ul style="list-style-type: none"> <li>(i) the report on the environmental impact assessment study;</li> <li>(ii) the conclusions of the parties involved in the assessment;</li> <li>(iii) the possibilities to implement the project;</li> <li>(iv) the titleholder answers to the grounded proposals/comments of the public.</li> </ul>

Item no.	6
No. to identify the observations received from the public	No. 108045/ 03.07.2006 and No. 75054/AF/ 04.07.2006
Proposal	<p>In response to the article Roşia Montană published in Formula AS, the questioner expresses indignation at the disaster that will occur at Roşia Montană and proposes that :</p> <ul style="list-style-type: none"> <li>-The activities carried out by "foreign gold-seekers" be stopped immediately;</li> <li>-Government take measures to build three non-polluting factories so that people could return to Roşia Montană.</li> <li>-The area become attractive for local inhabitants and tourists.</li> </ul>
Solution	<p>As an illustration of the economic concept of Foreign Direct Investment – in which non-national companies undertake economic risk with benefits to the host company -- this project will provide many benefits to Romania.</p> <p>RMGC has been working on this project since 1998 and has invested over \$200 million to date. By the time production begins, the company will have invested almost \$1 billion. Mining is a high risk industry; it is an industry rule of thumb that for every 1000 projects considered, 100 merit drilling, and only one is opened as an actual productive mine. In fact, no country in the developed world is currently involved directly in assuming the risk of mining operations; instead, private capital assumes the risk and will bring best available techniques (BAT) to Romania. Approval of this project will show the world that Romania welcomes this type of productive foreign investment. The profits from the mine and the jobs provided by the mine are tangible benefits to Romania – on the order of USD \$2.5 billion over the life of the mine infused into the Romanian economy.</p> <p>As a result of past poor mining practices, much of the area around Roşia Montană is severely polluted. Part of Roşia Montană Gold Corporation's investment in the future of Roşia Montană will consist of environmental rehabilitation, both of its own mining activities and of past activities.</p>

Item no.	7
No. to identify the observations received from the public	<p>No. 108106/ 05.07.2006 and No. 74076/AF/ 07.07.2006</p>
Proposal	<p>Comments on the EIA report to the Roșia Montană Project.</p> <p>1. Chapter 5 Assessment of the Alternatives Mining is considered to be the only viable and cost-effective alternative for the region. Name one single thriving mining town in this country and tell me:</p> <ul style="list-style-type: none"> <li>- Could you possibly live and work there?</li> <li>- Who will pay the compensations for the Baia Mare accident and who carry out the repair works?</li> <li>- The area possesses cultural and tourism resources and many people wanted to invest there, only to be told that it is destined to different uses. Who takes responsibility for such a decision?</li> <li>- Doesn't the Urban General Plan imply compliance with national laws and European norms?</li> </ul> <p>2. Environment rehabilitation. Questions:</p> <ul style="list-style-type: none"> <li>- What will the economic loss be in case that 1.500 ha of land associated with the mining exploitation will be taken out of the economic circuit?</li> <li>- What will be the costs of loosing water resources?</li> <li>- What are the costs of loosing forest areas?</li> <li>- What will be the costs of loosing tourism resources?</li> <li>- What are the estimated costs of loosing archaeological remains unique in Europe?</li> </ul> <p>3. No financial guarantees have been stipulated in case of a disaster.</p> <p>4. Financial guarantees for environment rehabilitation:</p> <ul style="list-style-type: none"> <li>- If RMGC does not offer such guarantees, who will pay the bill?</li> <li>- Does RMGC think of Roșia Montană as a state within a state, existing outside the borders of the European Union?</li> </ul>
Solution	<p>One of the many advantages of the Roșia Montană Project is that it will be operated in full compliance with Romanian and European law and in accordance with international best practices. It will bring best available techniques, many of which are concerned with environmental protection, to Romania for the first time. RMGC will also engage in environmental rehabilitation to clean up the effects of pollution from past poor mining practices and is already engaging in efforts to improve the social and cultural life of Roșia Montană.</p> <p>Life in Roșia Montană will be significantly enhanced. An area of the village of Roșia Montană has been designated as a protected area, the proposal includes the renovation and restoration of the historical center of Roșia Montană and the construction of two new relocation sites: one in the Piatra Albă area (situated at approximately 6 km away from the historical center) and one at Dealul Furcilor, a subdivision of Alba Iulia, the county's capital. Piatra Albă site will be the new civic center of the commune, which will be the most modern in Romania. In addition to individual homes, new and modern quarters for the City Hall, cultural and community centers, a police station, a dispensary, a school, and other buildings will be built. This new and modern location will preserve the character and tradition of the mountain villages of the Apuseni Mountains but will benefit from all the advantages and facilities of 21st century construction. The school will be the only building built in a modern architectural style. Please also note that the property purchase program established by the company has been designed according to World Bank guidelines, and is based on a "willing seller, willing buyer" model, offering individual development opportunities and various support programs. To this extent, RMGC provided fair compensation packages for the affected inhabitants of the impacted area, in full compliance with the World Bank policies in this field, as detailed in the Resettlement and Relocation Action Plan (RRAP) developed by RMGC, which may be found on company's official website.</p> <p>We have no hesitation in saying that life in Roșia Montană and the region during and after the mine operations will be the best offered by any mining town in Romania.</p>



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As RMGC has no responsibility for Baia Mare, questions on costs related to the Baia Mare accident should be directed to the Romanian Government.

As for general charges that Roşia Montană is “another Baia Mare”, our project in Roşia Montană bears no comparison. From design to management of the facility itself, financial assurance, public reporting, stakeholder involvement, verification procedures and compliance – all of which are followed to the highest standards in our project – the two projects are vastly different.

The Romanian Government, in our Terms of Reference, requested that we follow the new European Directive on Waste Management even before it became law in Europe or Romania.

The Baia Mare accident has fundamentally changed the rules and regulations in Europe for the production, transportation and use of cyanide. The new stricter standards (toughest in world) make it impossible for any new mining project with a design and operating procedures similar to the Baia Mare mine to ever be permitted in Europe.

The Environmental Impact Assessment (EIA) study we submitted last year is the first in Romania to be EU compliant and is designed so that not a single exemption from existing or planned laws is necessary. To illustrate our commitment to high standards, wherever Romanian and EU requirements differ, RMGC has chosen to abide by the stricter of the two. In addition, while existing gold mines will have as long as 10 years to come into compliance with stricter regulatory standards, our Roşia Montană Project will meet these standards from the first day of operation.

A large part of the changes since the Baia Mare accident is the introduction of the International Cyanide Management Code, to which Gabriel Resources/RMGC is a signatory, and which stipulate strict guidelines for the production, transportation and use of cyanide. The Code also includes requirements related to financial assurance, accident prevention, emergency response, training, public reporting, stakeholder involvement and verification procedures. The International Cyanide Management Code can be referenced at [www.cyanidecode.org](http://www.cyanidecode.org).

As for a specific comparison, the Roşia Montană Project (“RMP”) differs from Baia Mare on every key indicator – such as cyanide detoxification in the process plant, design and construction of the Tailings Management Facility (TMF) and embankments, management of the facility itself, financial assurance, public reporting, stakeholder involvement and verification procedures.

In short, the Roşia Montană Project is in no way comparable to Baia Mare. [1]

The cyanide used in the RMP will be subject to a cyanide destruction process and residual cyanide deposited with the process tailings in the Tailings Management Facility (“TMF”) will degrade rapidly to levels well below maximum regulatory levels. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (approx. 5-7 parts per million or ppm or mg/l) which is well below the regulatory limit of 10 ppm recently adopted in the EU Mining Waste Directive (2006/21/EC). This system of use and disposal of cyanide in gold mining is classified as Best Available Techniques by the EU.

This is a key difference with Baia Mare: Baia Mare did not have a cyanide destruction mechanism (detoxification process) in the process plant, as the RMP has. As a result, the concentration of cyanide in the tailings disposed in the TMF at Baia Mare was between 120-400 ppm of cyanide. The near-zero content of the RMP solution would therefore, in the unlikely event of a spillage, mean that the quantity of cyanide in the water would be a small fraction of what was experienced at Baia Mare.

The proposed dam at the Roşia Montană Tailings Management Facility (TMF) and the secondary dam at the catchment basin are rigorously designed to exceed Romanian and international guidelines, to allow for significant rainfall events and prevent dam failure due to overtopping and any associated cyanide discharge, surface or groundwater pollution. Baia Mare was not designed to the same high standards and did not have the requisite capacity to withstand the storm event in 2000.

In order to ensure sufficient capacity to avoid overtopping, the elevation of each stage of the TMF through the life of the project is determined as the sum of the design volume required to: (1) store process water and tailings for the maximum normal operation volume of tailings and the average decant pond volume; (2) store run-off resulting from two PMP – Possible Maximum Precipitation – storms and, (3) Provide a tailings beach and additional freeboard for wave protection to the tailings volume at each stage during operations; a conservative freeboard criterion is based on the PMF storage plus 1 metre of wave run-up.

The TMF has been designed to meet the more stringent PMP event. Furthermore, in order to ensure that the TMF can store a full PMF volume at all times, it is actually designed to safely hold the flood waters from two consecutive PMP events. The Roşia Montană TMF is therefore designed to hold a total flood volume over four times greater than the Romanian government guidelines and 10 times more than the rainfall that was recorded during the Baia Mare dam failure. An emergency spillway for the dam will be constructed in the unlikely event that pumps fail due to malfunction or power interruption at the same time as the second PMP event. The TMF design therefore very significantly exceeds required standards for safety. This has been done to ensure that the risks involved in using Corna valley for tailings storage are well below what is considered safe in every day life.

The TMF for RMP will be built along the centerline method, by using borrowed rockfill and waste rock – which is BAT for the industry. The EIA describes how the dam will be built with solid rock materials, designed and engineered by MWH, one of the leading dam designers in the world and reviewed and approved by certified Romanian dam safety experts, (members of ICOLD committee). Prior to operation, the dam must be certified for operations by the National Commission for Dams Safety (CONSIB) and perform an independent audit every two years. RMGC has utilized the world's foremost experts in these areas to ensure the safety of the project's workers and the surrounding communities. Baia Mare was built of coarse tailings materials – not rockfill – and therefore was not able to handle the additional weight of the storm event in 2000.

RMP will have a free draining structure above the starter dam, and a system of under-drains, granular filter zones and pumps – as per BAT – to collect, control and monitor any seepage. Specifically, the tailings ponds and tailings dam have been designed to the highest standards to prevent pollution of groundwater and to continuously monitor the groundwater and extract any seepage detected – a system verified by hydro-geologic studies. Specifically, the design features include an engineered low permeability soil liner system within the TMF basin to meet a permeability specification  $10^{-8}$  m/s, a cut-off wall within the foundation of the starter dam to control seepage, a low permeability core for the starter dam to control seepage and a seepage collection dam and pond below the toe of the tailings dam to collect and contain any seepage that does extend beyond the dam centerline.

In terms of management, Baia Mare was rated a Category C facility – requiring no special surveillance and monitoring. Roşia Montană Project, however, is Category A, meaning that a full EIA detailing baseline conditions, project impacts and mitigation measures, is required before receipt of permits, as well as future monitoring and reporting requirements.

Finally, Baia Mare lacked a Cyanide Management Plan. By comparison, the Roşia Montană Project has a Cyanide Management Plan, in compliance with the International Cyanide Management Code (ICMC) – BAT for today's projects.

In conclusion, we hope we have provided a detailed account of why our project in Roşia Montană isn't only vastly different from the mine in Baia Mare but that it is also designed to be a model of responsible mining, incorporating Best Available Techniques and implementing the highest environmental standards.

Reference:

[1] - Please see Baia Mare information sheet in the Annex, for a detailed comparison between Roşia Montană and Baia Mare, including results of the UNDP assessment of Baia Mare.

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The Industrial zone of Roşia Montană Project occupies approximately 25% of Roşia Montană Commune territory. Industrial activities and constructions are allowed inside this area, including businesses serving

the mining operations, such as: construction materials, consumables, spare parts, protection equipment, etc.

The management plans prepared as part of the environmental impact assessment process encourage the existence of tourism activities or diversification and development of services in the project area and in the neighboring areas, such activities and services being absolutely necessary for the proper development of the project. This may be illustrated by the partnerships initiated and developed by the company, such as:

- the micro bank for financing small businesses
- training and skill development programs for Roșia Montană locals and of the neighboring communities,
- the development and consultation program for youth implemented through the Youth Resource Center - CERT Apuseni, established in Abrud.

As for your comments, please note that there exist law provisions which limit the development of project, others than those for natural resource mining and processing within the ozone's where they were identified. To this aim we would like to underline the following legal provisions :

- (i) art.41(2) of Law 85/2003 *“the county and local councils will modify and/or update the territorial planning and general urbanism plans to allow the completion of all the operations necessary to develop the leased mining activities”;*
- (ii) art. 6(1) of the Government Decision no.525/1996 referring to the approval of the General Urbanism Regulations ( “GD 525/1996”) *“ the permitting of the final construction completion, others than the industrial ones, necessary for the development of mining and processing operations of the resources within the areas delimited as per laws and containing underground identified resources, is not allowed;*
- (iii) Art.4.4 of the Local Urbanism Regulation of Roșia Montană commune and corresponding to the 2002 General Urban Plan saying that *“ the permitting of the final construction completion, others than the industrial ones, necessary for the development of mining and processing operations of the resources within the areas delimited as per laws and containing underground identified resources, is not allowed”.*

Consequently please note that, the law provisions previously mentioned are imperative and applicable to any mining project developed by public and/or private entities.

As for the decision to approve the industrial zone of the Roșia Montană project, please find below the complete list of the approvals and permits necessary for the approval of the Zonal Urbanism Plan, i.e. a list of the decision-making factors involved in the project:

1. Roșia Montană Local Council – approval
2. Abrud Local Council – approval
3. Câmpeni Local Council – approval
4. Bucium Local Council – approval
5. Environmental Protection Agency (AGRARO)
6. Water Management Agency (IPROMIN)
7. Public Health Inspectorate
8. County administrator of communication ways – Alba County Council
9. Administrator of the water distribution networks and sewerage networks - S.C. APA C.T.T.A. ALBA S.A.
10. Beneficiary of the municipal technical equipment networks – Roșia Montană Commune Mayoralty I
11. Administrator of the electric power distribution networks S.C. ELECTRICA S.A.
12. Administrator of the telecommunications networks S.N. ROMTELECOM S.A. ALBA TELECOMMUNICATIONS DIRECTORATE
13. Military Fire Brigade
14. Civil Protection Inspectorate
15. Ministry of Interior
16. Romanian Intelligence Service
17. Ministry of National Defense - U.M. 2515 Bucharest
18. County Directorate for Religious Affairs and National Cultural Heritage

19. Ministry of Culture and Religious Affairs
20. Ministry of Transports, Constructions and Tourism
21. Technical Urbanism Committee of Alba County Council – approval
22. Alba County Council – permit
23. Roşia Montană Local Council – permit
24. Abrud Local Council – permit
25. Câmpeni Local Council – permit
26. Bucium Local Council – permit

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According to the town planning regulations in force, the originator of a General Urbanism Plan is the local public administration. After the approval of the plan, the local and county authorities are responsible for the implementation of the town planning regulations approved there under.

A General Urbanism Plan for the entire Roşia Montană settlement was prepared in 2002. This Plan stipulates urban-planning regulations for all 16 villages included in the Roşia Montană Commune, and for a protected area including historical buildings. The mining project proposed by RMGC occupies only 25% of Roşia Montană Commune territory, and impacts only 4 of the 16 villages of the commune, by the restrictions regarding the construction of certain facilities (other than for industrial purposes).

Then, the General Urbanism Plan was presented to the public and subject to public debates; therefore all interested persons have been able to express their opinion regarding the development opportunities of the commune. After the completion of the public participation stage, the General Urbanism Plan has obtained all necessary approvals from the competent ministries, from Alba County Council, the Urbanism Committee, Alba Environmental Protection Agency, the network operators and the final approval of Roşia Montană Local Council, in accordance with the Romanian laws in force, which are aligned to the European legislation.

In conclusion, the General Urbanism Plan has been prepared and approved in full compliance with the Romanian and EU laws, harmonized following accession to the EU.

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Firstly, we need to make a correction, the Roşia Montană Project (RMP) only affects 1,257 ha, as per the urbanism certificate issued in April 2006 for the industrial zone of Roşia Montană.

This industrial zone is superimposed on the former RoşiaMin industrial area, strongly affected by pollution due to poor mining methods. So it is wrong to say this land is somehow only now being "lost" to mining.

It is very easy to explain why there will be no losses generated by the change of the land use for the proposed mining project:

1. As per the Romanian laws in force, the change of the land use is preceded, compulsorily, by the payment in advance of certain taxes. These taxes are to be paid entirely by the beneficiary of the investment. For the Roşia Montană project, these taxes will exceed the amount of US\$60 million;
2. The lands under the incidence of the project are degraded, with no productive potential and low preservation value.

As per the environmental legislation, the obligation of the project titleholder is to rehabilitate the area from an environmental point of view upon closure of the mining activities.

So, the land is not "taken out of the economic circuit". In fact, Roşia Montană Gold Corporation (RMGC) is committed to responsible mine closure and rehabilitation in Roşia Montană and we have a plan to achieve it. Our Mine Closure and Rehabilitation Management Plan (Plan J in the EIA) sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roşia Montană's landscape. These measures are as follows:

- Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;
- Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;

- Covering and vegetating the tailings pond and its dam areas;
- Dismantling of disused production facilities and revegetation of the cleaned-up areas;
- Water treatment by semi-passive systems (with conventional treatment systems as backup) until all effluents have reached the discharge standards and need no further treatment;
- Maintenance of the vegetation, erosion control, and monitoring of the entire site until it has been demonstrated by RMGC that all remediation targets have been sustainably reached.

The mine's rehabilitation will meet or exceed the standards set by the EU Mining Waste Directive, which dictates that RMGC must "restore the land to a satisfactory state, with particular regard to soil quality, wild life, natural habitats, freshwater systems, landscape, and appropriate beneficial uses".

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The role of the process of assessing the impact on the environment is to evaluate, estimate, quantify and forecast potential impact on the environmental factors as a result of the implementation of certain projects, and not that of providing a financial analysis. In chapter (4.1), section (7) 'Residual Impacts' of the EIA, all impacts (positive and negative) associated to the implementation of the project are assessed and quantified.

The Project intercepts contaminated water from the Roşia and Corna catchments while diverting as much clean surface water as possible for return to the streams. Nevertheless, part of the waters treated in the ARD waste water treatment plant is discharged back to the streams as compensation flow. The apparent reduction in flow in the two streams (71.9 m<sup>3</sup>/hr, 20 L/s) is accounted for almost exactly by the intercepted mine water flows which together total 67.3 m<sup>3</sup>/hr (18.7 L/s) – so the 23% (maximum) reduction in flow is offset by the removal of the most contaminated component. The impact on the River Abrud of the 71.9 m<sup>3</sup>/hr (20 l/s) reduction is negligible – about 1.4% of its total average flow.

Further, the Project is committed to maintaining minimum flows in the Roşia and Corna streams of 72 m<sup>3</sup>/hr (20 L/s) and 25.2 m<sup>3</sup>/hr (7 L/s) respectively. These are the estimated biological compensation baseflows which will be conducive to ecological sustainability when the streams have recovered sufficiently in quality terms to support aquatic fauna and flora. In the case of the Roşia stream lower flows than this minimum flow have already been recorded in the baseline data between 2000 and 2005.

In order to confirm the availability of the water source, the plant water demand was compared to the recorded Arieş River flows during dry periods, combined with the existing authorized water abstraction at Câmpeni and Roşia Poieni. It should be noted that the actual maximum abstraction in the area of Câmpeni to Gârde during 1995 to 2000 was only 1,340 m<sup>3</sup>/hr (372 L/s), equivalent to only 16% of the licensed abstraction rate.

If the existing users were to abstract up to their maximum licensed amount, the Arieş River would still meet all demands 96% of the time. The remaining 4% of the time represents periods of extreme low flow. Given that actual abstraction is only 16% of the licensed abstraction, it appears unlikely that sufficient flow would not be available. However, if all licensed users utilized their full allotment, there may be a few days when withdrawals from the Arieş River may have to be reduced, with water supply to the Project being made up from storage and temporary reallocations in the water balance. At the moment, the mining of the copper ore in Roşia Poieni has been stopped; the water flow intercepted from the Arieş river is much lower, representing only the water required for the lime installation.

The improvement of the quality of obtained water will go beyond the life of the Project. The Project has committed to rehabilitate the site in such way as to mitigate or eliminate the water pollution sources and treat all residual polluted flows. At project closure, water discharging from the site complies and will continue to comply with the NTPA 001 values. Current pre-Project sources such as waste rock and mine adit flows are included by default in the closure and rehabilitation program. During the course of mining most of the current waste rock piles and mine workings that contribute to impacted discharges will be removed. The water quality improvement associated with these actions will be permanent. The remaining potential sources will largely be associated with the Project. These sources will be closed using source controls to reduce environmental discharges with any residual flow treated to meet water quality standards. Closure will be implemented in such a way that treatment requirements will decrease in the years following the project. The closure process is described in detail in the Mine Rehabilitation and

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The assessment of the value of forest located within Project site is provided by the intrinsic value of products and services that the respective forest provides. The value of the products consist mainly of the value of the wood estimated at approximately 30,000 mc, cleared in successive stages according with the development of the project (years 0, 7, 14, 16). This value may be theoretically assessed by multiplying the estimated wood volume with the average price of raw wood, which is established by Order no. 416/2006 (69 RON/mc), but its real value will be provided by the average value secured upon sale on the wood open market.

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At present, Roşia Montană's touristic resources are potential only, as its infrastructure to support tourism is lacking.

As the Roşia Montană Project (RMP) project affects only 4 of Roşia Montană's 16 sub-comuna, the development of Roşia Montană's tourism potential can be done in parallel with active mining operations.

Chapter 5 of the Environmental Impact Assessment Study Report (EIA) identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other problems that have arisen through lack of inward investment. As described in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Community Sustainable Development Management Plans, there are currently some tourism activities in Roşia Montană. However the tourism industry is not at present a significant economic driver.

Roşia Montană could continue to develop its tourism potential. There are initiatives to do so, such as "Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de Arieş as alternative to mono-industrial mining activities" prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the Ministry of Environment and Water Management (MEWM).

Roşia Montană Gold Corporation (RMGC) has also commissioned a study which sets out how the potential tourism markets and how these might best be approached in an integrated project:

From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US\$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth. (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).

Clearly, planning restrictions will apply to areas that could be affected by the operation of the project, but this will be for a limited time and through its Community Sustainable Development Plan (Volume 31 of the EIA report), RMGC undertakes to lay the foundations for development of long term projects, such as tourism. The General Urbanism Plan (PUG) prepared in 2000 and approved in 2002 is a document endorsed by the Local Council after being submitted to a public consultation process within the local community. The PUG has been presented and debated within 11 council meetings and public debates. The

industrial area is outlined through this PUG, but this area is not suitable for tourist activities. At the same time a protected area has also been outlined. Once the Zonal Urbanism Plan (PUZ) is endorsed by Roșia Montană Local Council, tourist activities (pensions, restaurants, etc.) may be developed within this area. The PUZ detailing the land surface required by the RMP affects only about 25% of Roșia Montană commune. Although some businesses have already been established on the remaining 75% of the Commune, once the PUZ is finalised, business start-up will be further encouraged.

There are good examples where tourism and mining has been carried on side by side. The examples of the Martha Gold Mine in Waihi, New Zealand and the Rio Narcea Gold Mine in Spain have been cited and the latter is documented in the EU “Best Reference” document for management of mining wastes. This is because these mines are operated efficiently, safely and with care of the environment. Because these mines are located in districts with a long history of mining, visitors can be shown mining technology old and new. Roșia Montană is in a good position to take similar advantage of its mining history and RMGC proposes to manage its operations in line with this best practice. Other related examples have been discussed in Roșia Montană Initial Tourism Proposals.

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.

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As indicated by a series of scientific studies, the Roman galleries from Roșia Montană are important, but not unique. They are definitely better understood at present due to archaeological research conducted within the „Alburnus Maior” National Research Program, financed by RMGC in compliance with the existing legal provisions.

The specialists’ conclusions with regard to the archaeological site of Roșia Montană are synthesized in Section 5.5.2 – „*The Roman Gold Mining Context*” in the *Cultural Heritage Baseline Report* within the *EIA Report*, and they outline issues regarding the unique features of this site. There are 47 other archaeological sites with similar characteristics in Romania, few of which have been investigated in detail. Out of these 47 sites, 14 (Ruda-Brad, Stănița, Bucium – the Vulcoi Corabia areas, the ones from Băița – Fizeș, the ones from Certej – Săcărâmb, those from the Baia de Criș area and those from the Haneș-Almașu Mare area) have already provided concrete evidence on the existence of an archaeological potential to a certain extent similar to that of the ancient Alburnus Maior. More precisely, they contain evidence of gold mining operations, habitation structures and elements of related infrastructure. While some of the sites have been affected by recent mining industry developments conducted over the last 200 years, others contain promising evidence that encourages the continuation of archaeological researches.

Roșia Montană is part of a whole series of gold mining centers spread all over the territory of the ancient Roman Empire, and it has a special importance. Gold mining archaeological research continues to develop apace with every year that goes by, and there are undoubtedly many sites waiting to be investigated in order for their archaeological context to be clarified. This fact does not minimize Roșia Montană’s historical and archaeological significance, but the unilateral approach and the groundless exaggeration overshadow the real value of the Roșia Montană archaeological site, a value that resides precisely in the possibility to refer to the example provided by the investigation conducted here. Considering the importance of the site, RMGC has estimated a budget of US\$ 25 million for the restoration and conservation of the cultural heritage in Roșia Montană, as disclosed in the EIA Report. We note that RMGC has spent so far US\$ 9 million on the research of the cultural heritage from the area. These funds will be used in order to establish a Modern Mining Museum, which will include exhibitions of **geology, archaeology, industrial and ethnographic heritage**, and tourists’ access to the **Cătălina Monulești** gallery and to the monuments of **Tău Găuri and Piatra Corbului or the Carpeni area** will be arranged. Programs for *in situ* preservation will be applied both for ancient mining works (galleries, exploitation sites, etc.) dug with the hammer and chisel, but also by the fire setting technique from the Cătălina Monulești, Coș, Piatra Corbului and Păru Carpeni perimeters and ancient mining facilities such as the hydraulic wheels from the Păru Carpeni sector. Moreover, the experts have proposed the creation of 1:1 scale replicas in order to offer the public a complete understanding of the typology of all the galleries uncovered within the site. For this purpose, the following mining sectors have already been declared as protected areas: Lety – Coș (the Cătălina Monulești gallery is already classified as historical monument on the List of Historical Monuments 2004), Piatra Corbului (already classified as historical monument on the

List of Historical Monuments 2004) and Păru Carpeni (archaeological research is currently going on in this area). Therefore, no mining activities will be carried out in these sectors during the Roșia Montană mining project. The ancient mining works, as well as the recent and modern ones located in the above-mentioned areas, will be developed so as to ensure optimum conditions for the future archaeological investigations as well as the safe access of the public to areas considered to be safe by the specialists.

One of the priorities of RMGC's cultural strategy refers to the continuation of the conservation, restoration and inventory of the movable heritage assets uncovered during the archaeological investigations undertaken at Roșia Montană in accordance with the provisions of Law 378/2001, as reviewed by Law 462/2003 as reviewed by Law 258/2006 on the protection of the cultural heritage and by Law 422/2001 as reviewed by Law 259/2006 on the historical monuments.

In the light of the aforementioned aspects, we consider that Roșia Montană's heritage values are now better known and understood so that they can become a complementary income resource for sustainable development in Roșia Montană.

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The details of Roșia Montană Gold Corporation's ("RMGC") Environmental Financial Guarantee are discussed in the section of the Environmental Impact Assessment titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan").

In Romania, the creation of an Environmental Financial Guarantee is required to ensure adequate funds are available from the mine operator for environmental cleanup. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").

The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roșia Montană.

RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.

RMGC has retained one of the world's leading insurance brokers, which is well established in Romania and has a long and distinguished record of performing risk assessments on mining operations. The broker will use the most appropriate property and machinery breakdown engineers to conduct risk analysis and loss prevention audit activities, during the construction and operations activity at Roșia Montană, to minimize hazards. The broker will then determine the appropriate coverage, and work with A-rated insurance companies to put that program in place on behalf of RMGC, for all periods of the project life from construction through operations and closure.

RMGC is committed to maintaining the highest standards of occupational health and safety for its employees and service providers. Our utilization of Best Available Techniques helps us to ensure this goal is achieved. No organization gains from a loss, and to that end we will work to implement engineering solutions to risk, as they are far superior to insurance solutions to risk. Up to 75% of loss risk can be removed during the design and construction phase of a project.

Yet we recognize that with a project as large as that being undertaken at Roșia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up,



transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers.

All insurers and insurance coverage related to the mining operations at Roşia Montană will be in full compliance with Romania's insurance regulations.

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Roşia Montană is, of course, within Romania's borders and as such also within the European Union, and therefore governed by its directives.

In Romania, the creation of an Environmental Financial Guarantee ("EFG") is required to ensure adequate funds are available from the mine operator for environmental cleanup. Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.

The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").

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RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.

There are two separate and distinct EFGs under Romanian law.

The first, which is updated annually, focuses on covering the projected reclamation costs associated with the operations of the mine in the following year. These costs are of no less than 1.5 percent per year, of total costs, reflective of annual work commitments.

The second, also updated annually, sets out the projected costs of the eventual closure of the Roşia Montană mine. The amount of the EFG to cover the final environmental rehabilitation is determined as an annual quota of the value of the environmental rehabilitation works provided within the monitoring program for the post-closure environmental elements. Such program is part of the Technical Program for Mine Closure, a document to be approved by the National Agency for Mineral Resources ("NAMR").

Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.

The current projected closure cost for Roşia Montană is US \$76 million, which is based on the mine operating for its full 16-year lifespan. The annual updates will be completed by independent experts, carried out in consultation with the NAMR, as the Governmental authority competent in mining activities field. These updates will ensure that in the unlikely event of early closure of the project, at any point in time, each EFG will always reflect the costs associated with reclamation. (These annual updates will result in an estimate that exceeds our current US \$76 million costs of closure, because some reclamation activity is incorporated into the routine operations of the mine.)

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Item no.	8
No. to identify the observations received from the public	E-MAIL MINISTRY OFFICE No. 74100/AF/ 12.07.2006
Proposal	<ul style="list-style-type: none"> <li>- The questioner protests against Gabriel Resources, a company that has never developed other activities before developing the present project, whose headquarters are in an apartment and which lacks the necessary financial resources.</li> <li>- The questioner opposes the study submitted by Gabriel Resources to the Ministry of the Environment and Waters Management, considered to be incorrect.</li> </ul>
Solution	<p>While Gabriel Resources is a relatively new company, its senior management has over 60 years of experience permitting and developing seven mines on four continents. The headquarters of Gabriel Resources in Toronto employs 20 people and is located in a building in the Toronto business district, not in an apartment as the questioner suggests.</p> <p>It is also inaccurate to suggest that Gabriel lacks the financial resources to complete the project. Roşia Montană Gold Corporation (RMGC) has been working on this project since 1998 and has invested over US\$ 200 million to date. By the time production begins, the company will have invested almost US\$ 1 billion. The estimated capital cost to complete the development of the Roşia Montană Project (RMP) -- including interest, financing, and corporate costs -- is approximately US\$ 750 million. The company anticipates financing these costs with approximately 20% equity (US\$ 150 million), and 80% debt, which could include senior and mezzanine or high yield debt. The company has already raised the US\$ 150 million equity component and is in final negotiations for the debt component.</p> <p>Finally, the questioner raises no specific issues on which the Environmental Impact Assessment study report (EIA) is “considered to be incorrect.”</p> <p>The EIA that RMGC submitted responded fully and professionally to the Terms of Reference proposed by the Ministry of the Environment and Water Management (MEWM), and complied with the relevant legal provisions and international practices. More than 100 independent consultants, (certified) experts and specialists, renowned at the national, European, and even international levels, prepared the report. We are confident that the EIA provides sufficiently detailed information and reasoning for its conclusions to permit the MEWM to make its decision on the RMP. Subsequent to submission of the EIA, it has been reviewed by two different sets of experts. Technical experts representing several international private sector banks and export credit agencies have concluded that the EIA complies with the Equator Principles designed to promote responsible lending by financial institutions to projects which raise environmental and social concerns, and an ad hoc committee of European experts (International Group of Independent Experts - IGIE) has publicly stated that the EIA was well-developed, taking into consideration their recommendations and suggestions.</p> <p>A copy of the IGIE report and RMGC’s response is included as a reference document to the present annex of the EIA.</p>

Item no.	9
No. to identify the observations received from the public	E-MAIL PRESS OFFICE No. 74114/ 14.07.2006
Proposal	<p>Question from the statement made by Greenpeace, Alburnus Maior and the Centre for Juridical Resources on July the 10th 2006, asking for the suspension of the EIA report: Why doesn't the urbanism certificate coincide with the project that was made public by RMGC?</p> <p>Your question does not specify which are the elements of the urbanism certificate that do not comply with Roşia Montană project.</p> <p>Despite it, we would like to underline that the urbanism certificate no.78/26<sup>th</sup> 04. 2006 issued by Alba County Council entirely reflects Roşia Montană Project which Report to the environment impact assessment is under debate.</p> <p>For better understanding the applicable law provisions and the events developed within the project of Roşia Montană zone we would like to make the following comments:</p> <p>The procedure for the environmental permit issuing for Roşia Montană project started up on the 14<sup>th</sup> December 2004 by submitting the Technical Memorandum and the urbanism certificate no. 68/26<sup>th</sup> August 2004 (applicable by that time). Roşia Montană Gold Corporation (RMGC) applied for and obtained a new urbanism certificate – no. 78 of 26<sup>th</sup> April 2006 – from Alba County Council for the entire Roşia Montană project which was applicable by the time of the EIA Report submission (15<sup>th</sup> May 2006) and prior to the public debate start up (June 2006)</p>
Solution	<p>The Section 1 of the urbanism certificate no.78 of 26<sup>th</sup> 04.2006 entitled <i>Work construction</i>, position 10 – “<i>Processing plant and associated constructions</i>” – including the tailing management facility which existence is compulsory for the processing plant running. The Tailing management facility is also specified on the layout plans which are integral part of the urbanism certificate and they were sealed by Alba County Council so that they cannot be modified.</p> <p>The urbanism certificate is an informative document and its goal is only to inform the applicant about the legal, economic and technical regime of the existing lands and buildings and to establish the urbanism requirements and the approvals necessary to obtain the construction permit (including the environmental permit) as per art.6 of Law 50/1991 referring to the completion of construction works , republished and art 27 paragraph 2 of the Norms for the application of Law 50/1991 – Official Journal 825 bis/13.09.2005).</p> <p>As it is an informative document it does not limit the number of urbanism certificates that an applicant can obtain for the same land plot (art. 30 of Law 350/2001 referring to the territorial planning and urbanism).</p>

Item no.

10

No. to identify the observations received from the public

FAX No.  
74115/  
14.07.2006

Proposal

The questioner asks that:

1. The environment permitting request made by RMGC on December 14th 2004 be refused.
2. The urbanism certificate no. 78 issued by the Alba County Council on the 26th of April 2006, is incompatible with the environmental permit application submitted by RMGC to EPA Alba on the 14th of December 2004. The request has been supported by arguments.

Under the Romanian legislation in force, the decision regarding the issuance of the environmental permit is going to be made through a Government Decision. The EIA has been drawn up according the guidelines of the Ministry of Environment and Waters Management, in compliance with the relevant legislation. More than 100 experts and specialists of national, European or even world renown, both from Romania and from abroad, have contributed to the development of the EIA. They are known as the EIA team. A list of these experts can be found in the first five pages of the Non-Technical Summary of the EIA.

Moreover, we underline that art. 44(3) of Order no. 860/2002 of Ministry of Waters and Environmental Protection on the procedure of the impact assessment procedure and permit issuance procedure ("Order no. 860/2002") stipulates that "based on the results of the public debates, the competent authority for the environmental protection assesses the reasoned proposals/comments of the public and asks the titleholder to supplement the Report on Environmental Impact Assessment with an annex that includes solutions for the issues that have been presented".

Consequently, taking into consideration that, your proposal represents a simple statement where no potential issues are raised and no further data are provided, we would like to underline the fact that, the decision to issue or deny the environmental permit cannot be made with regard to a simple proposal, but only in terms of some impartial criteria established under art. 45 of Order no. 860/2002 and only after the assessment of :

Solution

- (i) The Report on Environmental Impact Assessment;
- (ii) The conclusions of the stakeholders involved in the assessment process;
- (iii) The possibilities to implement the project;
- (iv) The answers formulated by the titleholder to the public's reasoned proposals/comments.

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In regards with the assertion according to which the Urbanism Certificate no. 78/26.04.2006 would be incompatible with the initial application submitted by RMGC for obtaining the environmental permit, please note the following:

The issuing of the Urbanism Certificate no. 78/26.04.2006 was applied for depending on the project modifications resulted at the completion of the EIA, too, and such modifications were meant to implement the results of the environmental impact assessment in order to avoid or mitigate the potential negative impacts revealed.

The urbanism certificate is an informative document only for informing the applicant about the legal, economic and technical regime of the existing lands and buildings and to establish the urbanism requirements and approvals necessary to obtain the construction permit (including the environmental permit).

As it is an informative document the law provisions do not limit the number of urbanism certificate an applicant may obtain for the same land plot (art. 30 of Law 350/2001 referring to the territorial planning and urbanism).

As per art. 6. of Law 50/1991, referring to the construction work permitting, republished, “The urbanism certificate is an information document through which the local authorities (a.n.) in accordance with the provisions of the urban plans and their related regulations or of the territorial planning plans, approved and permitted as per the law , inform the applicant the legal, economic and technical regime of the lands and buildings existing by the time of the application submission and establish the urbanism requirements which are to be met depending on the site characteristics as well as the list including the legal approvals and permits required for permitting purpose”, and the issuing of the urbanism certificate ensures “ the application of the approved territorial planning and urbanism documents” per article 29 of Law 350/2001 referring to the territorial planning and urbanism.

**The approvals and permits necessary to carry out a project are provided by the laws governing each permitting domain** (the environmental permitting is provided by the environmental protection laws, the urbanism requirements by the laws governing the territorial planning and urbanism), **these authorizations being only mentioned and summarized in the urbanism certificate contents.**

Roşia Montană Project modifications represent exactly the natural and expected result of the environmental impact assessment and reflect the measures taken by the project holder to avoid or mitigate the potential negative environmental impacts revealed further to the procedure undertaking.

Thus, in relation with the above mentioned, it can be said there is no compatibility between the environmental permit application submitted by the project holder in December 2004 and the urbanism certificate.

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Item no.	11
No. to identify the observations received from the public	No. 108246/ 12.07.2006 and No. 74113/AF/ 14.07.2006
Proposal	<p>The questioner does not agree with the statements made by the Gabriel Resources representatives:</p> <ul style="list-style-type: none"> <li>- Roşia Montană is not the sixth most important gold deposit in the world;</li> <li>- It would not be possible for the company to obtain 330 tons of gold, as it has been declared;</li> <li>- The landscape will be completely ruined;</li> <li>- The area cannot be rehabilitated after the closure of the mining operations;</li> <li>- This is not a long term project.</li> </ul> <p>Comments on RMGC's compliance with the provisions of Law 85/2003, namely:</p> <ul style="list-style-type: none"> <li>- the fact that the company does not hold an exploitation licence in accordance with the abovementioned regulatory act;</li> <li>- Roşia Montană area is considered to be a historical zone.</li> </ul>
Solution	<p>The assessment of recoverable gold at Roşia Montană is based on the following research and calculations:</p> <p>The Roşia Montană ore deposit evaluation is based on a modern and detailed research and exploration program carried out between 1997 and 2006. This program utilized the most modern procedures existing in domain all over the world. During this program, 1,108 drillings from surface and underground were performed totalizing 136,578 m and 62,754 of channel samples from surface outcrops and existing underground mining works were taken. The drilling network was of 80 x 80 m and in certain areas denser, of 40 x 40 m. The density of the performed works respects the regulations in force elaborated by the National Agency for Mineral Resources (ANRM) regarding the evaluation of the ore deposits of this type. In total, 191,320 samples with a length of 1 meter were collected, each sample being analyzed for gold and silver. All these data constituted the basis of resource estimations performed by independent companies both foreign and Romanian. Among the Romanian companies, Ipromin SA which in the past carried out the resource calculation for Roşia Poieni ore deposit may be listed.</p> <p>The resource estimation was performed onto calculation units called "blocks" for which through statistic methods the average grade for Au and Ag was estimated. The total resource for whole ore deposit was obtained summing the blocks. This calculation method is used all over the world and has been certified and validated as a result of ore deposits mining.</p> <p>Reserves were estimated by feasibility studies taking into account these resources, economic criteria and the shape of the designed open pits. Reserves represent the mineralization which will be effectively mined and processed having in regard the gold and silver recovery. Thus, a reserve of 215 million tones of ore with an average grade of 1.46 g/t Au and 6.9 g/t Ag and a total quantity of 314.11 tones of gold and 1480.36 tones of silver was put into evidence. This quantity lists the Roşia Montană ore deposit among the first ten world-wide gold ore deposits known until now. At the processing plant from the total of 314 tones of gold existing in ore, a smaller quantity of gold will be recovered depending on the recovery which is in any case less than 100%. All these documentations of resource and reserve calculations were submitted to ANRM in order to be verified and homologated. Finally, these calculations were audited both by foreign independent experts and project financing banks.</p> <p style="text-align: center;">*</p> <p>The statement that the "landscape will be completely ruined" is not correct. In fact, after completion of closure and rehabilitation, the 584 hectares (of the total 1646 hectares included in the PUZ) that compose the areas between the mine pits and processing facilities as well as the buffer zone will show no visual signs of the mining project. The infrastructure projects (i.e. roads, sewage treatment facilities, etc.) will be left for community use. In the case of the remaining 1062 hectares (see Chapter 4, Section 4.7 Landscape, table 3.1, from the EIA report), though they will be altered, they will also be remediate (reshaped, treated</p>

with an engineered soil-covering system, and re-vegetated) to blend with the surrounding landscape to the greatest extent possible.

RMGC's Mine Closure and Rehabilitation Management Plan (Plan J) sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roșia Montană's landscape. These measures are as follows:

- Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;
- Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;
- Covering and vegetating the tailings pond and its dam areas;
- Dismantling of disused production facilities and re-vegetation of the cleaned-up areas;
- Water treatment by semi-passive systems (with conventional treatment systems as backup) until all effluents have reached the discharge standards and need no further treatment;
- Maintenance of the vegetation, erosion control, and monitoring of the entire site until it has been demonstrated by RMGC that all remediation targets have been sustainably reached.

The mine's rehabilitation will meet or exceed the standards set by the EU Mine Waste Directive, which dictates that RMGC must "restore the land to a satisfactory state, with particular regard to soil quality, wild life, natural habitats, freshwater systems, landscape, and appropriate beneficial uses."

The operation of a modern mine in the already badly polluted area will improve environmental conditions. For example, once the Roșia Montană Project begins, RMGC's water treatment system will stop the existing pollution. Even without other measures, this treatment facility will drastically reduce the amount of metals and acidity released into the environment from historic pollution sources. Moreover, the Roșia Montană Project will remove many of the historic sources of pollution—particularly the underground mine workings, located under the planned open pits, which are a major source of Acid Mine Drainage.

\*

In an area with chronic high unemployment, it is wrong to dismiss a project that will run more than 20 years and deliver a source of stable employment supplemented by a comprehensive approach to sustainable development.

A starting premise to this context is that RMGC is committed to ensuring that the Roșia Montană Project (RMP) will be a catalyst for local and regional economic development. It is recognised that, as with any major industrial development, impacts will be positive and negative. RMGC commits to work alone and in partnership to ensure that beneficial impacts will be maximised. RMGC will prioritise a participatory approach wherever possible and will seek guidance from local and regional authorities and from the community when deciding on issues that may impact the area's development. Negative impacts will be mitigated through measures as described in the EIA report.

RMGC recognizes that in order to ensure it meets its sustainable development commitments it must support, as a minimum, five key interrelated areas that make up the three traditional pillars of sustainable development - social, environmental and economic. These areas are presented below as five capitals of sustainable development.

RMGC has developed its Sustainable Development Policy [1] in support of this and this is presented further on in this annex. Supporting elements are also presented, as are a set of Authority, Community, and Company initiatives within the Roșia Montană Sustainable Development Partnerships and Programs.

## **Five Capitals of Sustainable Development**

### **Financial Capital**

Economic Development Impact, fiscal management, taxes

- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US\$ 1 billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government

- US\$ 1.5 billion procuring goods & services. US\$ 400 million during construction (2 years) and US\$ 1.1 billion during production, from Romania (16 years)

To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:

- The set up of a micro-credit finance facility in the area to allow access to affordable financing
- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs,

### Physical Capital

Infrastructure – including buildings, energy, transport, water and waste management facilities

- Increases in revenue to government agencies, of the order of US\$ 1 billion over 20 years (construction + production + closure) will result in additional money the government may allocate to improving community infrastructure
- RMGC will also develop the resettlement sites of Piatra Albă and Dealul Furcilor in Alba Iulia. Piatra Albă will contain a new civic centre, commercial and residential areas. These will be transferred to the local authorities once complete. The RRAP contains full details of these initiatives

### Human Capital

Health and education

- A private dispensary & health clinic in Piatra Albă (see RRAP), accessible to wider community through health insurance
- Upgrading of a wing of Abrud hospital, accessible to the wider community through the national Romanian health system
- Improvement of mobile emergency medical system in the area
- The building of a new school, residential & civic centre in Piatra Albă. This is fully described in the RRAP
- Health awareness campaigns (in partnership with local authorities & NGOs) covering: reproductive health, diet, and lifestyle amongst others
- Partnerships with education providers & NGOs concerning access to & improvement of education facilities in the area, e.g.: the NGO and local authorities lead CERT Educational Partnership ([www.certapusen.ro](http://www.certapusen.ro)).

### Social Capital

Skills training, community relationships and social networks and the institutional capacity to support them, preservation of cultural patrimony

- Efforts to develop and promote Roşia Montană's cultural heritage for both locals and tourism – RMGC is a partner in the Roşia Montană Cultural Heritage Partnership ([info@rmchp.ro](mailto:info@rmchp.ro))
- Providing adult education opportunities and skills enhancement including training programs, funds and scholarships, to increase employment chances both direct with RMGC and indirect – RMGC is a partner in the Roşia Montană Professional and Vocational Program ([info@rmpvtp.ro](mailto:info@rmpvtp.ro))
- Programs assisting vulnerable people & groups, and to consolidate social networks particularly in Roşia Montană – RMGC is a partner in the Roşia Montană Good Neighbour Program lead by local NGO ProRoşia ([info@rmgnp.ro](mailto:info@rmgnp.ro))
- RMGC supports a NGO-lead partnership working with the youth in the area to improve and increase the capacity of the community ([www.certapusen.ro](http://www.certapusen.ro)).

### Natural Capital

Landscape, biodiversity, water quality, ecosystems

- Measures contained in the RMP management plans and SOPs will result in mitigation of environmental impacts and conditions as identified in the EIA.
- The improved environmental condition will enhance the quality of life in Roşia Montană.
- Training & assistance in integrating environmental considerations into business plans.
- Awareness-building regarding positive environmental performance of business activities.
- Environmental standards associated with loans through the micro-credit finance facility



- including monitoring of environmental performance.
- Business Code of Conduct requiring suppliers to RMP to comply with RMGC's environmental performance standards.

RMGC's view of the social and economic benefits of the RMP is described in the Community Sustainable Development Plan and EIA Chapter 4.8 – the Social and Economic Environment.

In order to achieve its commitments, RMGC acknowledges that it needs to collaborate with the Community, Authorities and civil society on issues that impact the area's development. This approach allows the Community to own, direct and control all relevant development issues in a multi-stakeholder and integrated manner.

In the spirit of that commitment, to date, RMGC has conducted extensive consultations, including 1262 individual meetings and interviews, and the distribution of questionnaires for which over 500 responses have been received, 18 focal group meetings, and 65 public debates, in addition to holding discussions with government authorities, non-governmental organisations and potentially affected stakeholders. Feedback has been used in the preparation of the Management Plans of the RMP's Environmental Impact Assessment (EIA) as well as the drafting of the Annex to the EIA.

Support of the area's sustainable development will be conducted within the framework of Partnership as promoted by organisations such as the United Nations Development Program (UNDP). For example, future socio-economic impacts mitigation and enhancement measures will be conducted under the guidance of the Roşia Montană Socio-Economic Research Centre ([info@rmserc.ro](mailto:info@rmserc.ro)), which in turn is partnered with the local authorities. This will allow a transparent evaluation of the effectiveness of sustainable development support and will provide a forum to implement necessary improvements.

Other sustainable development support partnerships are presented under the section entitled Roşia Montană Sustainable Development Programs and Partnerships further in this annex ([www.rmsdpps.ro](http://www.rmsdpps.ro)).

Beyond immediate direct and indirect benefits, the presence of the RMP as a major investment improves the area's economic climate that will in turn encourage the development of non-mining activities. It is expected that the improved investment and economic climate will lead to business opportunities that can develop concurrent with the RMP, even as they extend well beyond economic activities related directly to mining operations. This diversification of economic development is a critical benefit of the investments generated to realise the RMP.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.

#### References:

[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.

[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.

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According to the provisions of art. 44 (3) of the Order no. 860/2002 on the environmental impact assessment and environmental approval issuing Procedure ("the Order no. 860/2002"), RMGC prepares "*an evaluation of the public's grounded reasons, containing solutions for the solving of the underlined problems, which shall be submitted to the competent authority for environmental protection, as per the form presented in the annex no. IV.2*".

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We consider that in the absence of specific provisions of the legal provisions allegedly breached, we cannot

make an answer in view of this affirmation.

Nonetheless, considering RMGC has expressed its full availability to discuss any issues relevant for the proposed project, please note the following:

The Concession License for exploitation in the Roșia Montană perimeter no. 47/1999 was concluded on the ground and as per the provisions provided by the former Mining Law no. 61/1998, being approved by the Government Decision no. 458/10.06.1999, published in the Romanian Official Gazette, Section I, no. 285/21.06.1999.

As for the licenses concluded on the ground of the Mining Law no. 61/1998, the new Mining Law no. 85/2003, published in the Romanian Official Gazette, Section I, no. 197/27.03.2003, as subsequently amended and supplemented, provides at art. 60 (1), that “the provisions of the exploration and/or exploitation licenses, approved by the Government, remain valid for their entire existence, under the conditions they have been concluded”.

In conclusion, Roșia Montană Gold Corporation is the titleholder of a license that complies with the provisions of the Mining Law no. 85/2003, according to the specific provisions of art. 60 (1) of this law.

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Today, after consistent research undertaken over the past 7 years, the nature, features and distribution of heritage resources in the Roșia Montană area are well known, including archaeological sites, historical monument buildings as well as churches and cemeteries. The extensive research and heritage studies performed from 2000 to 2006 revealed a comprehensive picture of these resources that belong to the national cultural heritage, and of the areas having a spiritual value, and identified specific measures regarding their protection.

Thus, in accordance with the requirements of the Ministry of the Environment and Waters Management and those of the Ministry of Culture and Religious Affairs, presented as part of the documentation regarding the Report on the Environmental Impact Assessment Study for the Roșia Montană Project, specific plans have been prepared for the management and preservation of the heritage values in the Roșia Montană area, in the context of the implementation of the mining project (see the Report on Environmental Impact Assessment Study, vol. 32-33, Plan M – Cultural Heritage Management Plan, part I – Management Plan for the Archaeological Heritage from Roșia Montană Area, part II – Management Plan for the Historical Monuments and the Protected Zones of the Roșia Montană Area, part III – The Cultural Heritage Management Plan).

Providing a very synthetic response to your opinions, please note the following:

- the Roman galleries in the massifs located in the southern part of the Roșia valley have been investigated in detail and specific preservation measures have been proposed for the Cătălina Monulești and Piatra Corbului areas;
- the Roman galleries in the massifs located in the northern part of the Roșia valley have been preliminarily studied and, in case of exceptional archaeological finds such as the ones in the Păru Carpeni mining sector, specific preservation measures have been proposed; the Orlea – Țarina area will be studied in detail between 2007-2012;
- preventive archaeological research activities undertaken between 2001-2006 led to the identification and research of 13 archaeological sites. Once the extensive researches have been completed, it has been decided that some of these sites can be archaeologically discharged, and in other cases, the option for in situ preservation has been chosen – e.g. the Tăul Găuri funerary precinct, the Roman remains on the Dealul Carpeni hill;
- the 41 historical monument buildings in Roșia Montană will not be affected by the development of the mining project. An extensive set of measures will be taken to ensure the restoration and preservation of these structures. Specialized documentation is currently being prepared for 11 of these houses, and restoration works are expected to begin in 2007.

Given the importance of the Roșia Montană cultural heritage and the current legislation, S.C. Roșia Montană Gold Corporation S.A. allocated more than US\$ 10 million for the research of the cultural heritage between 2001 and 2006. Furthermore, taking into account the results of the research, the

experts' opinion and the decisions of competent authorities, the budget allocated by the company for research, preservation and restoration of the Roşia Montană cultural heritage in the coming years, in the context of the implementation of the mining project, is approximately US\$ 25 million, as published in the Environmental Impact Assessment Study in May 2006 (see the Report on the Environmental Impact Assessment Study, vol. 32, Management Plan for the Archaeological Heritage from Roşia Montană area, pages 84-85). Thus, we are considering continuation of research activities in the Orlea area, and, most importantly, the development of a Modern **Mining Museum** with **geological, archaeological, industrial and ethnographic heritage exhibitions**, as well as developing the **Cătălina-Monuleşti** gallery and the **Tău Găuri** monument for public access, the **preservation and restoration of the 41 buildings classified as historical monuments and of the protected zone of the Roşia Montană historic centre**.

For further information on the most important archaeological remains, the historical monuments, churches and cemeteries, as well as on a series of comments regarding their protection and the specific measures indicated in the management plans, please see the annex called "**Information on the Cultural Management of Roşia Montană and Related Management Aspects**".

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Item no.	12
No. to identify the observations received from the public	No. 108292/ 14.07.2006 and No. 74120/ 17.07.2006
Proposal	The questioner wants to make a suggestion, taken from an article published in "Formula AS" magazine. The suggestion was made by Prof. Ioan Piso and aims at turning much of the Roşia Montană area into an archaeological park.
Solution	<p>With regard to the "Archaeological Park" mentioned by the questioner-Professor Ioan Piso, note that over the past 700 years at least, the Roşia Montană area has had a numerous population and its gold deposits have also been intensely mined over more than 10 centuries. Therefore, Roşia Montană is certainly not an area where archaeological remains are entirely preserved in a manner that resembles what those structures were in the 3<sup>rd</sup> century AD. The extensive preventive archaeology investigations undertaken in Roşia Montană in the last 8 years have led experts to conclude that the uncovered archaeological remains do not display spectacular constructive attributes but, rather they <i>adapt to the natural environment</i> and suggest a series of elements that serve to create a general picture of the way the area looked in antiquity: with necropolises located on slopes or on plateaus facing the valleys, habitation areas and sacred areas located on heights and probably connected to the mining and primary ore processing areas. Note that representative elements of the archaeological heritage components of the area have been identified, and <i>in situ</i> preservation has been designed for them as well as inclusion in a future cultural tourism circuit.</p> <p>We truly believe that the development of the Roşia Montană area as a tourism destination can work in parallel with the mining project proposed by RMGC. In fact, a major part of the potential tourist resources are direct products of the Alburnus Maior National Research Program, which is financed by RMGC, in compliance with its legal obligations. Some of these include:</p> <p><b>1. Movable and immovable archaeological heritage assets</b></p> <p>The Mining Museum which is proposed for Roşia Montană might well be built during the development of mining activities. This museum would include artifacts uncovered during archaeological excavations, items currently exhibited in the existing Mining Museum, as well as replicas of the galleries. Other plans include the development for public access of some of the galleries that have survived (i.e. Cătălina Monuleşti gallery where a wooden hydraulic system dating back to Roman times was found, as well as the ancient open-cast mine from the Văidoaia area). Specific projects planned for the development of this museum are presented in the EIA report. For further details, please see the EIA Study volume 32, chapter 4.3, pages 73-82.</p> <p><b>2. Buildings classified as historical monuments, the Protected Area Historical Centre of Roşia Montană and features of landscape within the lakes area</b></p> <p>As stated before in the Environmental Impact Assessment Study, if the Roşia Montană Mining Project is approved, all buildings that are classified as historical monuments in Roşia Montană and are the property of RMGC, will go through a complex restoration and rehabilitation program. Should there be any historic monument buildings that are owned by various institutions or individual persons, with their consent, RMGC will finance their restoration, in full compliance with the standards issued by the Ministry of Culture and Religious Affairs. For further details, please see the Environmental Impact Assessment Study – volume 33, chapter 3.2, pages 67-97.</p> <p>The company does not plan to turn this entire area into a museum; this part of Roşia Montană will continue to be inhabited by local people, and in the case of the houses acquired by RMGC, by the company's staff who will work on the project. New job opportunities and tourism-related small businesses are proposed in the area. Similarly, parts of the landscape around the historical centre of Roşia Montană can be included in a tourist circuit while other areas must remain inaccessible until mining activities in the</p>

area are completed.

### **3. Industrial heritage assets located within the former mining operation and assets located within the mining operation planned by RMGC**

Similar examples set by other mines around the world, such as - the Kennecott copper mine (Salt Lake City, Utah, USA); the Pemali tin mine in Indonesia; the Honister slate mine (Great Britain); the Martha mine (New Zealand) prove that tourist activities can be developed in close connection with works carried out as part of a large scale mining project.

Many local communities living in former mining areas have focused on developing their tourist potential – often by setting up and managing Foundations – this process being supported by European level initiatives - such as the European Mining Heritage Initiative (MINTOUR), European Route of Industrial Heritage (ERIH), European Network of Mining Regions (ENRM).

Some of the most relevant examples of former mining areas transformed into tourist attractions include: the Mining Park of Rio Tinto in Huelva, Spain (based on a former large scale copper mining operation); the Cap'Découverte Tourist Park from the Midi-Pyrénées region in France (based on a large scale coal mining operation); the Big Pit- National Coal Museum (Blaenafon, Torfaen, Wales, Great Britain); the Mining Museums in Příbram, Hradek - Kutna Hora, Okd Landez, Ostrava (the Czech Republic); the series of Mining Museums with underground tours in Predil, Velenje, Idrija, Mežica etc. (Slovenia); the series of Mining Museums with underground tours in Kupferberg, Goldkronach, Kali - Holungen/Schacht, Bad Ems, Frankenwald (Germany). These are only some of the many museums across Europe dealing with mining and the history of mining. Many similar museums also exist in the United States of America, Canada and Australia. RMGC has commissioned independent experts to prepare a tourism strategy for Roșia Montană in order to assess how such a process can be started.

### **4. Elements of Intangible Heritage – traditions and customs etc.**

A number of traditions practiced in the past by the local mining community have been preserved in Roșia Montană. These local traditions - many of them passed on orally from one generation to another - represent a substantial part of Roșia Montană's intangible cultural heritage. The oral history archive created between 2002 and 2003 includes over 100 hours of digitally recorded interviews. To date, this is the only archive of this type that includes references to the industrial heritage and the traditions of a mining community existing for a long time in Transylvania. The festivals and ceremonies from Roșia Montană are to a certain extent different from those practiced in other rural areas in Transylvania. An explanation of this fact can be found in the ethnic and religious diversity existing in Roșia Montană, as different populations settled here, lured by gold reserves. All these cultural resources, coupled with a substantial collection of archive images, constitute a significant potential that may be developed in the proposed Mining Museum from Roșia Montană. The volume called "Roșia Montană. Ethnological Study 2001" represents a synthesis of all the studies and researches conducted at Roșia Montană. This volume coordinated by Paula Popoiu, Ph.D. was published in 2004, as part of the "Alburnus Maior" National Research Program.

All these elements can be developed, to some extent, in parallel with the mining project. In order to make this possible, separate access roads will be developed, different from the industrial roads, so that tourists would not enter the exploitation areas. Some of the potential tourism elements might not be fully developed until some of the mining activities phase out or stop completely. Nonetheless, these elements will serve, amongst others, as a starting point for a sustainable economic development.

All commitments that were publicly assumed by RMGC regarding the company's contribution to the development of the tourism potential in the area based on the local heritage values are described in detail within the Environmental Impact Assessment Study, vol. 33, Cultural Heritage Management Plan.

In response to the proposal made by those who consider that the whole site should be developed as a tourism circuit, RMGC has commissioned the respected British company Gifford to estimate the costs necessary to develop the Cărnic galleries into a museum. The document prepared by Gifford in co-operation with the British companies Geo-Design and Forkers Ltd. is available in the annex called „Cost estimate for the development of the historic mining networks from Cărnic massif". As estimated by the

British experts, the amount required for the development would exceed 150 million euros, plus maintenance costs of more than 1 million euros per year. As these costs are prohibitive, other options need to be considered for museum development, that would be economically feasible.

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Item no.

13

No. to identify  
the  
observations  
received from  
the public

FAX No.  
74134AF/  
18.07.2006

Proposal

The questioner is against the Roşia Montană project, considered to be immoral!

Solution

As related to your allegation, please consider the following aspects:

According to art. 44 (1) of the Order of the Minister of Waters and Environmental Protection no. (860/2002) regarding the environment impact assessment and the issuance of environmental agreement procedures ("Order no. 860/2002") *"during the public debate meeting the project titleholder [...], provides grounded answers to the justified proposals of the public, which were received under a written form, previously to the respective hearing"*.

At the same time, art. 44 (3) of Order no. (860/2002) provides that *"based on the results of the public debate, the relevant authority for the environmental protection evaluates the grounded proposals/comments of the public and requests to the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions for the solving of the indicated issues"*.

Considering the legal wordings quoted above, as your allegation does not identify nor indicate issues related to the project initiated by S.C Roşia Montană Gold Corporation S.A ( RMGC ) and undergoing the environmental impact assessment procedure, we mention that the project titleholder cannot and does not have the capacity to provide an answer or make any comments in this respect.

Item no.	14 Same as: 15, 16, 17
No. to identify the observations received from the public	<p>No. 108386/19.07.2006 and No. 74152/AF/20.07.2006 Same as: No. 108384/19.07.2006, No. 74150/AF/20.07.2006, No. 1081385/19.07.2006 No. 74151/AF/20.07.2006, No. 1081330/17.07.2006 and No. 74153/AF/20.07.2006</p>
Proposal	<p>The questioner doesn't agree with the development of the Roşia Montană project and makes the following observations and comments:</p> <ul style="list-style-type: none"> <li>-In EIA there are no presented all the possible risks derived from this project;</li> <li>-Total costs for closing the mine are unrealistic;</li> <li>-There isn't until now an approved Zonal Urbanism Plan for the Protected Areas;</li> <li>-The phase of public consultation and quality evaluation of the impact assessment study report begun without a valid urbanism certificate;</li> <li>-Information about the foundation which RMGC will establish and subsidize is not given. This foundation follows to assume the obligations which the mining operation can not assume;</li> <li>-The present urbanism plans of the Roşia Montană commune do not correspond with the mining project proposal described in EIA;</li> <li>-The tailings management facility is not lined;</li> <li>-The proposed waste deposits will be not constructed according to the legislation in force;</li> <li>-Financial guarantees were not fixed;</li> <li>-There is not a Safety Report submitted for the public consultation and evaluation by the competent authorities;</li> <li>-The EIA report does not evaluate the "Zero alternative";</li> <li>-The project represents a threatening for the protected flora and fauna;</li> <li>-The EIA report does not refer to the impact on the listed heritage buildings of noise and vibrations caused by the mining operations;</li> <li>-The public/ONGs wish to consult the contracts and agreements between Company and Romanian State;</li> <li>-Modification of the urbanism plan without the public consultation;</li> <li>-From archeological point of view, the area proposed to by occupied by project was not legally investigated;</li> <li>-The questioner contests the protection of the architectural and spiritual monuments with the responsibility of the state institutions for the protection operation.</li> </ul> <p><b>SEE THE CONTENT OF THE TYPE 1 CONTESTATION</b></p>
Solution	<p>It is the nature of risk that it can be mitigated and diminished; it cannot be made to disappear. In order to put this into context, the common action of walking on the street or developing everyday activities have an accident potential. This accident potential is twice higher than within the framework of industrial activities that use hazardous substances.</p> <p>A major chapter of the EIA report was dedicated to the identification of risks for the project. In addition, this chapter provides a discussion of the mitigation measures for each risk and how they were incorporated into the project designs. It is recognized that risk identification is difficult due to the number and diversity of events that can be envisioned. The EIA report cannot assume to cover all of he potential risks associated with the project. However, it has attempted to identify and address the most relevant risks. The extent of risk assessment and the intensity of the prevention and mitigation measures should be proportional to the risk involved and therefore only the risks that have been considered important have been assessed in detail. Each is described below.</p> <p>In the larger sense, the entire EIA report is focused on the assessment of impacts and their associated mitigation. Specifically, Chapter 4 of the EIA presents that impact assessment of the project. The following discussion presents a summary of the impact discussed in the EIA.</p> <p>As far as natural and technological risks assessments are concerned, Chapter 7, "Risk Cases", from the Report on Environmental Impact Assessment, emphasizes the fact that safety and prevention measures,</p>



the implementation of the environmental management and risk systems are mitigating the consequences to acceptable levels as compared to the most restrictive norms, standards, the best practices or national and international recommendations in the field. The risk level has been established as moderate and so, socially acceptable. The extension of the risk assessment and the intensity of the prevention and mitigation measures of the consequences should be proportionate to the risk involved. Selection of a specific mitigation technique is depends on the analyzed accident scenario.

More detailed assessments are conducted for accident scenarios that, based on the qualitative assessment are found to be potentially major, of probability more than  $10^{-6}$  (reduced recovery periods of 1/1,000,000) meaning that they could have major consequences therefore, elevated associated risk, a higher risk level than 9 to 12 (on a scale of 1-25). To put this in context, simply living in southern Florida rates a 25 on the risk scale.

A global assessment of the risks associated with the Roşia Montană Project is obtained by the quick environmental and health risk assessment methodology initially developed by the Italian Ministry of the Environment and the World Health Organization. Natural hazard and risk identification and analysis presents key data and information in assessing potential technological accidents. Thus:

- In designing the Tailings Management Facility, the design parameters were chosen to fully cover the characteristic seismic risk of the area. These seismic design parameters adopted for the TMF and other facilities on the proposed site result in a safety factor much greater than the minimum accepted under the Romanian and European design standards for such facilities;

- in the sector physically impacted by the Project, the risk of floods will remain very low due to the small catchments (controlled by the Roşia and Corna Streams) the area affected by the operation, and the creation of containment, diversion and drainage hydro-technical structures for storm waters on the site, and in the Abrud catchment in general;

- risks caused by meteorological events have been reviewed and used in assessing the hazards of the affected technological processes.

From the analysis of morphometrical parameters and their correlation with other sets of information on the natural slopes on and near the site shows that the (qualitatively estimated) landslide occurrence risk is low to moderate and its consequences will not cause major impacts on the structural components of the Project.

There is no significant risk associated with resource depletion. Mining activities are planned judiciously, so as to extract only the profitable gold and silver resources and only the necessary construction rock for the Project. The management of the mining concession site will minimize reserve "sterilization" (limitation of future access to the reserves).

In assessing technological hazards and risks, the quantity of hazardous substances on the site was calculated as a total and by category, as provided by the *Notification Procedure* approved by Ministry of Agriculture, Forestry, Water and Environment (MAFWE) Order 1084/2003. Based on an evaluation of hazardous substances in stock on the Project site in relation to the relevant quantities provided by the Government Decision 95/2003 which transposes the Seveso Directive, the Project ranges between the upper and the lower limits, and therefore S.C. Roşia Montană Gold Corporation S.A. is required to prepare a Report on Environmental Impact Assessment Study to be sent to the local environmental authority and the local civilian protection authority a *Safety Report* on its operations to prevent major accident risks.

In assessing the consequences of major accidents involving dangerous substances, physical-mathematical models accepted internationally and especially at EU level, and the current version of the SLAB (Canada) software have been used, the latter for the atmospheric dispersion of denser than air gases, that may handle a multitude of situations and scenarios. Similarly, the EFFECTSGis 5.5 (Netherlands) software, developed for the analysis of the effects of industrial accidents and of consequences. Several scenarios were considered in response to the internal legislative requirements, especially related to the implementation of the Internal Emergency Plans (GD 647/2005). The conclusions of the risk assessment for major accidents were:

- The total destruction of plant facilities may only be caused by terrorist attack with classic or nuclear weapons. Simultaneous damage to the HCl tank (including containment) and to the NaCN solution tank, the tanks containing enriched solution, to one or more leaching tanks, having as a result HCN dispersion into the air. At the same time, under certain situations and weather conditions

unfavorable for dispersion, people within 40 m of the emission source, surprised by the toxic cloud for more than 1 minute without respiratory protection equipment, will most certainly die. It may also be considered that, on a radius of about 310 m, persons exposed for more than 10 minutes may suffer serious intoxications that may also lead to death. Toxic effects may occur in persons up to about 2 km downwind of the process plant;

- Operating errors and/or failures in the measurement and control devices, resulting in a lower pH in the leaching tank, thickener and/or DETOX slurry and accidental emissions of hydrocyanic acid. The area affected by concentrations of 290 ppm over a 10 min exposure time is within a circle of 36 m radius and the 50 ppm IDLH threshold for 30 min exposure will be reached over an area of 157.5 m radius. The center of these circles is the middle of the CIL tanks platform;

- Accidental HCN emission from the decanter. The accident may be caused by a drop of pH in the CIL tanks combined with an overdose of flocculent solution and faulty pH monitoring systems. The area affected by concentrations of 300 ppm over a 10 min exposure time is within a circle of 65 m radius and the 50 ppm IDLH threshold for 30 min exposure will be reached over an area of 104 m radius. The center of these circles is mid-distance between the two DETOX facilities;

- Accidental HCN emission from the DETOX facility. The accident may be caused by a drop of pH in the reactors generated by an overdose of metabisulfite solution and/or copper sulphate combined with faulty pH monitoring systems. The area affected by high 1900 ppm concentrations for a 1 min exposure time is located within a 10 m radius circle. The area affected by concentrations of 300 ppm over a 10 min exposure time is within a circle of 27 m radius and the 50 ppm IDLH threshold for 30 min exposure will be reached over an area of 33 m radius. The center of these circles is mid-distance between the two DETOX facilities;

- Explosion of the LPG storage tank. The LPG storage tank has a 50 ton capacity and is located outdoors, near the heating plant. The simulation was conducted for the worst case scenario, considering an explosion of the full tank. Threshold I with heat 12.5 kW/m<sup>2</sup> is within a 10.5 m radius circle and Threshold II, of heat radiation 5 kW/m<sup>2</sup> is within a circle of 15 m radius;

- Damage and/or fire at the fuel tanks. Simulations were conducted for the worst case scenarios, considering ignition and combustion of all the diesel (fire in the tank, or in the containment vat, when full of diesel);

- Corna Dam break and breach development. Two credible accident scenarios were considered in simulating tailings flow out of the Tailings Management Facility, and six credible scenarios for the flow of decant water and tailings pore water, with significant effects on the terrestrial and aquatic ecosystems, in different weather conditions;

- Tailings flow may occur along Corna Valley, on a 800 m (starter dam break) or over 1600 m reach should the Corna dam break in its final stage;

- In regard to water quality impacts, cyanide concentrations in the water in the shape of a pollution plume may reach Arad, near the Romanian-Hungarian border on the Mureş River, in concentrations ranging between 0.03 and 0.5 mg/L. Due to inherent mathematical limitations in the models, these values and the accident effects are considered overestimated. Therefore, the results describe the "worst case scenario" based on extreme dam break assumptions for the Corna Dam.

A new and much more precise and realistic simulation has been subsequently established based on the INCA Mine model, that considers the dispersion, volatilization and breakdown of cyanides during the downstream movement of the pollutant flow (Whiteland et al., 2006).

The model used is the INCA model developed over the past 10 years to simulate both terrestrial and aquatic systems within the EUROLIMPACS EU research program ([www.eurolimpacs.ucl.ac.uk](http://www.eurolimpacs.ucl.ac.uk)). The model has been used to assess the impacts from future mining, and collection and treatment operations for pollution from past mining at Roşia Montană.

The modeling created for Roşia Montană simulates eight metals (cadmium, lead, zinc, mercury, arsenic, copper, chromium, manganese) as well as Cyanide, Nitrate, Ammonia and dissolved oxygen. The model has been applied to the upper catchments at Roşia Montană as well as the complete Abrud-Arieş-Mureş river system down to the Hungarian Border and on into the Tisa River. The model takes into account the dilution, mixing and physical-chemical processes affecting metals, ammonia and cyanide in the river system and gives estimates of concentrations at key locations along the river, including at the Hungarian Boarder and in the Tisa after the Mureş joins it.

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Because of dilution and dispersion in the river system, and of the initial EU BAT-compliant technology

adopted for the project (for example, the use of a cyanide destruct process for tailings effluent that reduces cyanide concentration in effluent stored in the TMF to below 6 mg/l), even a large scale unprogrammed release of tailings materials (for example, following failure of the dam) into the river system would not result in transboundary pollution. The model has shown that under worse case dam failure scenario all legal limits for cyanide and heavy metals concentrations would be met in the river water before it crosses into Hungary.

The INCA model has also been used to evaluate the beneficial impacts of the existing mine water collection and treatment and it has shown that substantial improvements in water quality are achieved along the river system under normal operational conditions.

For more information, an information sheet presenting the INCA modeling work is presented under the title of the Mureş River Modeling Program and the full modeling report is presented in Annex 5.1:

- Development of HCN on the tailings pond surface. Simulated emissions of HCN from the Tailings Management Facility pond surface and of their dispersion into the ambient air show that the level of  $400\mu\text{ g/m}^3$  hourly average and  $179\mu\text{ g/m}^3$  8hr average will not be exceeded. These HCN concentrations are only slightly over the odor threshold (0.17ppm) and much below potentially dangerous concentrations;

- Cetate Dam break and breach development. Flood modeling was in case of a break in Cetate dam was based on the design parameters obtained from the hydrometeorological study "Assessment of rainfall intensity, frequency and runoff for the Roşia Montană Project - Radu Drobot". The breach characteristics were predicted using the BREACH model, and the maximum height of the flood wave in various flow sections was modeled using the FLDWAV software. The assumptions included a total  $800000\text{ m}^3$  discharge for one hour, when the peak of the flood hydrograph is about 4.9 m above base flow immediately below the dam and in the narrow Abrud valley 5.9-7,5 km downstream of the dam, while in the last section considered (10,5 km) water depth is about 2.3 m above base flow and the maximum flow rate  $877\text{ m}^3/\text{s}$ . Further, the broader Aries valley allows the flood wave to propagate on a significantly wider bed, which results in a highly attenuated hydrograph. These results describe the "worst case scenario" based on extreme dam break assumptions:

- Accidents during cyanide transportation. Due to the large quantities of cyanide transported (about 30t /day) the risks associated to this activity were assessed in detail using the ZHA- Zurich Hazard Analysis method. As a consequence, the optimum transport route was selected from the manufacturer to the Process Plant, e.g.;

- Cyanide transport (in solid state) will exclusively involve special SLS (Solid to Liquid System) containers, 16 tons each. The ISO compliant container will be protected by a framework with legs, which allows separation from the transport trailer for temporary storage. The wall is 5.17 mm thick, which, together with the protective framework, provides additional protection to the load in case of accident. This system is considered BAT and is currently one of the safest cyanide transportation options.

It is being mentioned the fact that the study develops the occurrence possibility of these scenarios (pages 166-171, Conclusions).

As regards the cyanides management, there is a baseline study named "Roşia Montană Golden Project, Cyanides Management Plan" prepared in compliance with the "International Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold (International Cyanide management Institute) May 2002". S.C. Roşia Montană Gold Corporation is signatory to this code.

Bibliographical references for Chapter 7 "Risk Cases" are listed at page 173-176.

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RMGC's closure estimates, which were developed by a team of independent experts with international experience and will be reviewed by third party experts, are based on the assumption that the project can be completed according to the plan, without interruptions, bankruptcy or the like. They are engineering calculations and estimates based on the current commitments of the closure plan and are summarized in the EIA's Mine Closure and Rehabilitation Management Plan (Plan J in the EIA). Annex 1 of Plan J will be updated using a more detailed approach looking at every individual year and calculating the amount of surety, which must be set aside year by year to rehabilitate the mine before RMGC is released from all its legal obligations. Most importantly, the current estimates assume the application of international best

practice, best available technology (BAT) and compliance with all Romanian and European Union laws and regulations.

Closure and rehabilitation at Roşia Montană involves the following measures:

- Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;
- Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;
- Covering and vegetating the tailings pond and its dam areas;
- Dismantling of disused production facilities and revegetation of the cleaned-up areas;
- Water treatment by semi-passive systems (with conventional treatment systems as backup) until all effluents have reached the discharge standards and need no further treatment;
- Maintenance of the vegetation, erosion control, and monitoring of the entire site until it has been demonstrated by RMGC that all remediation targets have been sustainably reached.

While the aspects of closure and rehabilitation are many, we are confident in our cost estimates because the largest expense—that incurred by the earthmoving operation required to reshape the landscape—can be estimated with confidence. Using the project design, we can measure the size of the areas that must be reshaped and resurfaced. Similarly, there is a body of scientific studies and experiments that enable scientists to determine the depth of soil cover for successful re-vegetation. By multiplying the size of the areas by the necessary depth of the topsoil by the unit rate (also derived from studying similar earthmoving operations at similar sites), we can estimate the potential costs of this major facet of the rehabilitation operation. The earthmoving operation, which will total approximately US \$65 million, makes up 87% of closure and rehabilitation costs.

Also, the necessity of additional technological measures to stabilize and reshape the tailings surface will be discussed in the update of the Economical Financial Guarantee (EFG) estimate, which leads to an increase the provisions for tailings rehabilitation, especially if the TMF is closed prematurely and no optimized tailings disposal regime is applied. The exact figures depend on the details of the TMF closure strategy which can be finally determined only during production.

We believe that—far from being too low—our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.

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According to Law 5/2000, regarding the approval of the Territory Arrangement Plan – 3<sup>rd</sup> Section – protected areas (“Law 5/2000”) (article 5, paragraphs 2-3), local public authorities, with the support of the competent central public authorities, had the obligation to establish the boundaries of the protection areas for the cultural heritage elements stipulated in Annex III to the above-mentioned law. This measure should have been taken within 12 months from the effective date of Law 5/2000, based on specialized studies. For this purpose, the local public authorities had to prepare the town planning documentation and its related regulations, developed and approved according to the law. This documentation must comprise the necessary protection and conservation measures for the national cultural heritage elements located in this area.

Concurrently, Law 350/2001 on the territory arrangement and urbanism stipulates the right of legal or natural persons interested in arranging the territory, to initiate the development of urbanism plans.

In accordance with these legal provisions, in 2001, RMGC initiated the preparation of these specific town-planning documentations - the General Urbanism Plan and the Zonal Urbanism Plan. These plans have been developed by Romanian certified companies and followed the legal approval procedure. The permit for the establishment of the Roşia Montană Historical Centre Protected Area was issued by the Ministry of Culture and Religious Affairs in 2002 (permits no. 61/14.02.2002 and no. 178/20.06.2002) as part of the procedure for the approval of the town planning documentation. Based on these permits, the Ministry of Culture and Religious Affairs requested the company to develop a Zonal Urbanism Plan for the Historical Centre of Roşia Montană. Out of the 41 historical buildings in Roşia Montană, thirty-five (35) are located inside the protected area of the Roşia Montană Historical Centre.

As for the heritage elements located in the future industrial development area (6 historical buildings), these are discussed in the Industrial Zonal Urbanism Plan prepared by SC Proiect Alba SA. The regulations included in this document will contain measures for the protection of these monuments.

In conclusion, the town planning studies and the specialized studies conducted for the purpose of establishing the boundaries of the protection areas within the future mining operations perimeter are currently pending approval, in accordance with the legal provisions, by the competent institutions and committees. Please note that none of the historical houses located in the perimeter of the proposed project will be affected; on the contrary, all the 41 historic buildings will be included in a complex restoration and rehabilitation program (see the Management Plan). This program is mandatory, regardless of the implementation of the mining project, if we want to prevent these buildings from collapsing because of their advanced degradation.

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Your assertion regarding the failure to obtain an applicable urbanism certificate at the start up of the public debates and of the evaluation of the quality of the report to the environmental impact assessment, is not correct.

Thus, by the time when the public debate stage started up there was an applicable urbanism certificate and namely the urbanism certificate no. 78/26.04.2006 issued by Alba County Council. This certificate was obtained prior to the evaluation stage of the quality of the report to the environmental impact assessment which started up once the EIA was submitted to the Ministry of Environment and Water Management on the 15<sup>th</sup> May 2006.

For better understanding the applicable legal provisions and the facts developed within the mining project of Roşia Montană zone we would like to make several comments:

- The procedure for issuing the environmental permit for Roşia Montană project started up on the 14<sup>th</sup> December 2004 by submitting the technical memorandum and the urbanism certificate no.68/26.August 2004 (certificate applicable by that time). S.C. Roşia Montană Gold Corporation S.A. (RMGC) applied for and obtained a new urbanism certificate no.78/26.04.2006 issued by Alba County Council for the entire Roşia Montană Project applicable on the date of the EIA Report submission (15<sup>th</sup> May 2006) and prior to the public debate start up (June 2006);
- The Section 1 of the urbanism certificate no.78 of 26<sup>th</sup> 04.2006 entitled Work construction, position 10 – “Processing plant and associated constructions “ – including the tailing management facility which existence is compulsory for the processing plant running. The Tailing management facility is also specified on the layout plans which are integral part of the urbanism certificate and they were sealed by Alba County Council so that they cannot be modified;
- The Urbanism Certificate is an informative document and its goal is only to inform the applicant about the legal, economic and technical regime of the existing lands and buildings and to establish the urbanism requirements and the approvals necessary to obtain the construction permit (including the environmental permit) as per art.6 of Law 50/1991 referring to the completion of construction works, republished and art 27 paragraph 2 of the Norms for the application of Law 50/1991 – Official Journal 825 bis/13.09.2005).

As it is an informative document, it does not limit the number of certificates an applicant may obtain for the same land plot ( art. 30 of Law no. 350/2001 regarding the territorial planning and urbanism).

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Introduced as part of the Environmental Impact Assessment Report Study (EIA), the Roşia Montană Foundation is shifting in focus. The Community Sustainable Development Plan activities initially conceived as coming under the Foundation umbrella (business oriented activities: business incubator, business advisory center, micro-finance facility, as well as social oriented activities: education and training center) have been advanced independently, via partnerships and with community participation in decision-making – a preferable way to advance social and economic development programs.

Going forward, the Foundation will take shape around preservation, patrimony and cultural heritage

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issues, with its final form determined in consultation with the community.

In terms of the philosophy that guides the company's Sustainable Development efforts, the Roșia Montană Gold Corporation (RMGC) sees itself not as principal provider, but as a partner. Community involvement is considered the starting point; over time, as the community builds the capacity to maintain programs in its own right, the company will turn over control of currently-established programs to the community and its institutions.

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.

\*

We underline the fact that your statement is false. The General Urbanism Plan for the Roșia Montană commune, endorsed in 2002 allows the development of Roșia Montană project, as it has been presented during the public consultations.

Concurrently, pursuant to the provisions of art. 41, paragraph 2, from the Mining Law no.85/2003, the authorities from the local administration have the liability to adjust and/or update the territory arrangement plans and the general urbanism plans, in order to allow the development of all operations necessary for the development of mining activities.

RMGC has also initiated the preparation of two zonal urbanism plans: Zonal Urbanism Plan Modification – Roșia Montană Industrial Area and Zonal Urbanism Plan – Roșia Montană Historical Area. The first urbanism plan is required by the urbanism certificate no.78/26.04.2006, which updates the Zonal Urbanism Plan for the Industrial Area approved in 2002. As far as the historical area is concerned, its Zonal Urbanism Plan is required by the General Urbanism Plan approved also in 2002. Both urbanism plans are pending approval and have been subject to public consultations.

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An engineered liner is included in the design of the Tailings Management Facility (TMF) basin to be protective of groundwater. Specifically, the Roșia Montană Tailings Management Facility (TMF or “the facility”) has been designed to be compliant with the EU Groundwater Directive (80/68/EEC), transposed as Romanian GD 351/2005. The TMF is also designed for compliance with the EU Mine Waste Directive (2006/21/EC) as required by the Terms of Reference established by the MEWM in May, 2005. The following paragraphs provide a discussion of how the facility is compliant with the directives.

The TMF is composed of a series of individual components including:

- the tailings impoundment;
- the tailings dam;
- the secondary seepage collection pond;
- the secondary containment dam; and
- the groundwater monitoring wells/extraction wells located downstream of the Secondary Containment dam.

All of these components are integral parts of the facility and necessary for the facility to perform as designed.

The directives indicated above require that the TMF design be protective of groundwater. For the Roșia Montană project (RMP), this requirement is addressed by consideration of the favorable geology (low permeability shales underlying the TMF impoundment, the TMF dam, and the Secondary Containment dam) and the proposed installation of a low-permeability ( $1 \times 10^{-6}$  cm/sec) recompacted soil liner beneath the TMF basin. Please see Chapter 2 of EIA Plan F, “The Tailings Facility Management Plan” for more information.

The proposed low permeability soil liner will be fully compliant with Best Available Techniques (BAT) as defined by EU Directive 96/61 (IPPC) and EU Mine Waste Directive. Additional design features that are included in the design to be protective of groundwater include:

- A low permeability ( $1 \times 10^{-6}$  cm/sec) cut off wall within the foundation of the starter dam to control seepage;
- A low permeability ( $1 \times 10^{-6}$  cm/sec) core in the starter dam to control seepage;
- A seepage collection dam and pond below the toe of the tailings dam to collect and contain any seepage that does extend beyond the dam centerline;
- A series of monitoring wells, below the toe of the secondary containment dam; to monitor seepage and ensure compliance, before the waste facility limit.

In addition to the design components noted above specific operational requirements will be implemented to be protective of human health and the environment. In the extremely unlikely case that impacted water is detected in the monitoring wells below the secondary containment dam, they will be converted to pumping wells and will be used to extract the impacted water and pump it into the reclaim pond where it will be incorporated into the RMP processing plant water supply system, until the compliance is reestablish.

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With respect to your comments made as regards a presumptive infringement of the provisions of Government Decision No.351/2005 ("GD 351/2005"), there are several aspects to be taken into consideration. Thus:

1. Firstly, please note that, according to the provisions of art. 6 of GD 351/2005, any activity that might determine the discharge of dangerous substances into the environment is subject to the prior approval of the water management authorities and shall comply with the provisions of the water permit issued in accordance with the relevant legislation.

The GD 351/2005 provides that the water permit shall be issued only after all technical-construction measures are implemented as prevent the indirect discharge of dangerous substances into the underground waters. The maximum discharge limits are expressly provided under GD 351/2005 and compliance with such is a condition for granting and maintaining the water permit.

In accordance with the provisions of GD 351/2005, the actual discharge limits should be authorized by the relevant authority, such process being understood by the lawmaker in consideration of the complexity and variety of industrial activities, as well as the latest technological achievements.

Therefore, please note that the EIA stage is not intended to be finalized into an overall comprehensive permit, but it represents only a part of a more complex permitting process. Please note that, according with art. 3 of GD 918/2002, the data's level of detail provided in the EIA is the one available in the feasibility stage of the project, obviously making impossible for both the titleholder and authority to exhaust all required technical data and permits granted.

The adequate protection of the ground water shall be ensured by the terms and conditions of the water permit. The issuance of the water permit shall be performed following an individual assessment of the project, considering its particular aspects and the relevant legal requirements applicable for mining activities. Until the water permit is obtained, any allegation regarding the infringement of GD 351/2005 is obviously premature mainly because the water permit shall regulate, in accordance with the relevant legal provisions, the conditions to be observed by the developer as regards the protection of the ground water;

2. Secondly, kindly note that the complexity and specificity of mining projects generated the need of a particular legal framework. Therefore, for such projects, the reading of the legal provisions of a certain enactment should be corroborated with the relevant provisions of the other regulations applicable.

In this respect, please not that the understanding of GD 351/2005 must be corroborated with the provisions of the entire relevant legislation enforceable as regards Roşia Montană Project, with a particular accent to Directive 2006/21/EC on the management of waste from the extractive industries ("Directive 21").

The very scope of Directive 21 is to provide a specific legal framework for the extractive wastes and waste facilities related to mining projects, considering the complexity of such projects and the particular aspects of mining activities that can not always be subject to the common regulations on waste management and landfill.

From this perspective, Directive 21 provides that, an operator of a waste facility, as such is defined thereunder (please note that the TMF proposed by RMGC is considered a "waste facility" under Directive 21), must inter alia, ensure that:

- a) *"the waste facility is [...]designed so as to meet the necessary conditions for, in the short and long-term perspectives, preventing pollution of the soil, air, groundwater or surface water, taking into account especially Directives 76/464/EEC (1), 80/68/EEC (2) and 2000/60/EC, and ensuring efficient collection of contaminated water and leachate as and when required under the permit, and reducing erosion caused by water or wind as far as it is technically possible and economically viable;"*
- b) *"the waste facility is suitably constructed, managed and maintained to ensure its physical stability and to prevent pollution or contamination of soil, air, surface water or groundwater in the short and long-term perspectives as well as to minimize as far as possible damage to landscape."*



In addition, it should be mentioned that RMGC was required by MWEM under the Terms of Reference, to perform the EIA considering the provisions of Directive 21 and the BAT Management of Mining Waste. The Directive 21 was intended by the EU DG of Environment to be the legislative regime applicable to sound management of mining waste throughout Europe and therefore compliance with its provisions is mandatory.

\*

Detailed financial guarantees are in place, in the form of the Environmental Financial Guarantee (“EFG”), which require Roșia Montană Gold Corporation (“RMGC”) to maintain adequate funds for environmental cleanup. The EFG is updated annually and will always reflect the costs associated with reclamation. The current projected closure cost for Roșia Montană is US \$76 million, which is based on the mine operating for its full 16-year lifespan.

The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003).

Two directives issued by the European Union also impact the EFG: the Mine Waste Directive (“MWD”) and the Environmental Liability Directive (“ELD”).

The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roșia Montană.

RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.

Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.

The annual updates will be completed by independent experts, carried out in consultation with the NAMR, as the Governmental authority competent in mining activities field. These updates will ensure that in the unlikely event of early closure of the project, at any point in time, each EFG will always reflect the costs associated with reclamation. (These annual updates will result in an estimate that exceeds our current US \$76 million costs of closure, because some reclamation activity is incorporated into the routine operations of the mine.)

A number of different financial instruments are available to ensure that RMGC is capable of covering all of the expected closure costs. These instruments, which will be held in protected accounts at the Romanian state disposal, include:

- Cash deposit;
- Trust funds;
- Letter of credit;
- Surety bonds;
- Insurance policy.

Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roșia Montană project.

\*

The Security Report has been made available for public access by being posted at the following Internet address [http://www.mmediu.ro/dep\\_mediu/rosia\\_montana\\_securitate.htm](http://www.mmediu.ro/dep_mediu/rosia_montana_securitate.htm) as well as through the printed

version which could have been found at several information locations established for public hearings.

\*

Chapter 5 of the Report on the environment impact assessment study (EIA) (*Assessment of Alternatives*) presents an assessment of the “no-project” alternative in Section 1 (*No-Project Alternatives*). This section covers the immediate impact of not advancing the project and looks beyond this at potential alternative industries. The conclusions are clear: “A diverse multi-sector economic base is important for the sustained economic growth of the region”, and the Roşia Montană Project (RMP) is capable of providing the required economic stimuli and would serve to achieve the economic goal of sustainable prosperity.

The EIA also assessed a wide range of alternative developments – including agriculture, grazing, meat processing, tourism, forestry and forest products, cottage industries, and flora/fauna gathering for pharmaceutical purposes – and concluded that these activities could not provide the economic, cultural and environmental benefits brought by the RMP. But while other industries do not have this capability, their development in parallel is not precluded “and to the contrary, [the RMP] solves several key problems for attracting investment”.

Clearly, the assessment of the no-project alternative has been undertaken in a full and considered manner.

\*

The impacts on protected flora and fauna will occur only locally, but these impacts will not lead to the disappearance of any species. The mining project was designed even from the beginning to meet all Romanian and European environmental legal requirements.

The company believes that the project’s impact on the environment remains significant, especially because the project will cover previous environmental impact. But, the investments required to restore/rehabilitate Roşia Montană area in order to resolve current complex environmental issues, are possible only after the implementation of economic projects capable of generating and warranting responsible and direct courses of action as a base component of sustainable development concepts. Clean economic processes and technologies may develop only in the presence of a solid economic system, in a total respect towards environment that will resolve even previous impacts caused by all anthropic activities.

Project’s base documents are an unbiased reasoning of its implementation, taking into account the complex environmental commitments assumed for Roşia Montană area.

For a complete answer, the annexes will be consulted, because all issues included in contestations as well as the ones included in reports submitted by various experts are addressed in Annex 6.

Some of species existing at Roşia Montană that are under a certain protection status represent an insignificant percentage from populations estimated at national level. The species characterization can be found in the species tables included in Chapter 4.6, Biodiversity of the Report on Environmental Impact Assessment Study (EIA) as well as in its Annexes. Due to the large amount of information, these tables are available in the electronic format of EIA. 6,000 electronic copies of EIA Report presented on DVD/CDs have been disclosed to the public both in English and Romanian. Moreover, the EIA is also available on RMGC’s website and on the websites of Ministry of Environment and Waters Management and Local and Regional Environment Protection Agencies of Alba, Cluj and Sibiu, etc.

From practical point of view, the low value of conservation of the impact area is also indirectly emphasized by the fact that there is no proposal to designate the area an SPA (aviafaunistic special protected area) and by the denial as unfounded of the proposal to designate the area as a pSCI area (sites of community importance).

Taking all these into account, we believe that the proposed Project is compliant with the provisions of EU Directive no. 92/43 Habitats[1], and EU Directive no. 79/409 Birds[2] respectively, especially because within Biodiversity Management Plan, Plan H, several active and responsible measures are provided to restore/rehabilitate several natural habitats, pursuant to the provisions of the same documents [3].

References:

[1] art.3, 2nd paragraph, Each Member State shall contribute to the creation of Natura 2000 (network) in proportion to the representation within its territory of the natural habitat types and the habitats of species referred to in paragraph 1. To that effect each Member State shall designate, in accordance with Article 4, sites as special areas of conservation taking account of the objectives set out in paragraph 1.

art.4, 1st paragraph. On the basis of the criteria set out in Annex III (Stage 1) and relevant scientific information, each Member State shall propose a list of sites indicating which natural habitat types in Annex I and which species in Annex II that are native to its territory the sites host. For animal species ranging over wide areas these sites shall correspond to the places within the natural range of such species which present the physical or biological factors essential to their life and reproduction. For aquatic species which range over wide areas, such sites will be proposed only where there is a clearly identifiable area representing the physical and biological factors essential to their life and reproduction. Where appropriate, Member States shall propose adaptation of the list in the light of the results of the surveillance referred to in Article 11. [...]

2nd paragraph.[...] Member States whose sites hosting one or more priority natural habitat types and priority species represent more than 5 % of their national territory may, in agreement with the Commission, request that the criteria listed in Annex III (Stage 2) be applied more flexibly in selecting all the sites of Community importance in their territory. [...]

Art. 6. 4th paragraph. If, in spite of a negative assessment of the implications for the site and in the absence of alternative solutions, a plan or project must nevertheless be carried out for imperative reasons of overriding public interest, including those of a social or economic nature, the Member State shall take all compensatory measures necessary to ensure that the overall coherence of Natura 2000 is protected. It shall inform the Commission of the compensatory measures adopted.

Art. 16. Provided that there is no satisfactory alternative and the derogation is not detrimental to the maintenance of the populations of the species concerned at a favorable conservation status in their natural range, Member States may derogate from the provisions of Articles 12, 13, 14 and 15 (a) and (b):[...]

- in the interests of public health and public safety, or for other imperative reasons of overriding public interest, including those of a social or economic nature and beneficial consequences of primary importance for the environment;

[2] Art.4, 1st paragraph. The species mentioned in annex 1 shall be the subject of special conservation measures concerning their habitat in order to ensure their survival and reproduction in their area of distribution.[...]

Trends and variations in population levels shall be taken into account as a background for evaluations. Member states shall classify in particular the most suitable territories in number and size as special protection areas for the conservation of these species , taking into account their protection requirements in the geographical sea and land area where this directive applies.

[3] Directive 92/43 Habitats, art. 2, 2nd paragraph; Directive 79/409 Birds, art. 3, 2nd paragraph, letter c.

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This statement is ungrounded, because the environmental impact assessment (EIA) process has included preliminary cumulative estimates for stationary motorized equipment and linear (vehicular) sources were prepared in order to provide an initial understanding of the potential cumulative noise and vibration impacts from background and Roşia Montană Project sources, and to guide future monitoring and measurement activities as well as the selection of appropriate Best Management Practices/Best Available Techniques for further mitigation of the potential noise and vibration impacts from Project activities. These preliminary estimates apply to major construction activities, as well as the operation and decommissioning/closure of the mine and process plant. They are documented as data tables and isopleth maps for major noise-generating activities in selected, representative Project years; see **Tables 4.3.8**

through 4.3.16 and Exhibits 4.3.1 through 4.3.9. All these details related to the applied assessment methodology, the input data of the dispersion model, the modeling results and the measures established for the prevention/mitigation/elimination of the potential impact for all project stages (construction, operation, closure) are included in Chapter 4, Section 4.3 Noise and Vibrations of the EIA Report.

Project Years 0, 9, 10, 12, 14, and 19 were selected for modeling because they are considered to be representative of the most significant levels of noise-generating activity. They are also the same years used for air impact modeling purposes in Section 4.2, as air and noise impacts share many of the same sources or are otherwise closely correlated. In order to more accurately reflect potential receptor impacts, all of these exhibits integrate the background traffic estimates discussed in Section 4.3.6.1.

The Project site plan and process plant area and facility drawings were used to establish the position of the noise sources and other relevant physical characteristics of the site. Receptor locations were established using background reports and project engineering and environmental documentation provided by RMGC. With this information, the source locations and receptor locations were translated into input (x, y, and z) co-ordinates for the noise-modeling program.

Tables 4.3.8 through 4.3.16 and Exhibits 4.3.1 through 4.3.9 present the average maximum noise values likely to be experienced by the receptor community over all Project phases after incorporation of a variety of initial mitigation measures designed specifically to reduce the impacts associated with mobile and stationary machinery sources. The influence of non-mining related background (primarily traffic) noise is also included.

To evaluate the sound levels associated with haul trucks and other mobile sources crossing the site carrying excavated ore, waste rock, and soil, a noise analysis program based on the (U.S.) Federal Highway Administration's (FHWA) standard RD-77-108 [1] model was used to calculate reference noise emissions values for heavy trucks along the project roadways. The FHWA model predicts hourly  $L_{eq}$  values for free-flowing traffic conditions and is generally considered to be accurate within 1.5 decibels (dB).

The model is based on the standardized noise emission factors for different types and weights of vehicles (e.g., automobiles, medium trucks, and heavy trucks), with consideration given to vehicle volume, speed, roadway configuration, distance to the receiver, and the acoustical characteristics of the site. The emission levels of all three vehicle types increase as a function of the logarithm of their speed.

To evaluate the sound sources from the proposed mine processing facility and the semi-stationary material handling equipment (at the ore extraction, waste rock and soil stockpiling areas), a proprietary computerized noise prediction program was used by AAC to simulate and model the future equipment noise emissions throughout the area. The modeling program uses industry-accepted propagation algorithms based on the following American National Standards Institute (ANSI) and International Organization for Standardization (ISO) standards:

- *ANSI S1.26-1995 (R2004), Method for the Calculation of the Absorption of Sound by the Atmosphere;*
- *ISO 9613-1:1993, Acoustics -- Attenuation of sound during propagation outdoors-- Part 1: Calculation of the absorption of sound by the atmosphere;*
- *ISO 9613-2:1996, Acoustics -- Attenuation of sound during propagation outdoors -- Part 2: General method of calculation;*
- *ISO 3891:1978, Acoustics -- Procedure for describing aircraft noise heard on the ground.*

The calculations account for classical sound wave divergence (i.e., spherical spreading loss with adjustments for source directivity from point sources) plus attenuation factors due to air absorption, minimal ground effects, and barriers/shielding.

This model has been validated by AAC over a number of years via noise measurements at several operating industrial sites that had been previously modeled during the engineering design phases. The comparison of modeled predictions versus actual measurements has consistently shown close agreement; typically in the range of 1 to 3 dB (A).

References:

[1] FHWA Highway Traffic Noise Prediction Model; see Federal Highway Administration Report Number

FHWA-RD-77-108, USA, Washington, D.C., 1978.

A detailed presentation of blasting technology can be found in the annex 7.1 - **Proposed blasting technology for the operational phase of Roşia Montană Project.**

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The partnership between Gabriel Resources and Regia Autonomă a Cuprului Deva (currently, CNCAF Minvest SA) has been established based on Law no. 15/1990 on the reorganization of the state owned companies as autonomous directions and trade companies, published in the Official Gazette, Section I, no. 98/08.08.1990, as subsequently amended and supplemented. Art. 35 of this law provides the possibility of the regies autonomous to enter into partnerships with legal third parties, Romanian or foreign, for the purpose of setting up new trading companies.

Roşia Montană Gold Corporation SA was set up in 1997, according to the legal provisions in force as at that time, the setting up being made by observing all the conditions imposed by Company Law no. 31/1990 and Trade Register Law no. 26/1990, in regard of the setting up of the joint stock companies with mixed capital.

We underline that the Articles of Associations of Roşia Montană Gold Corporation SA, representing the result of the parties agreement in regard of the terms and conditions under which the partnership between the Romanian state and investor takes place represents a public document, being included in the category of documents which, as per Law no. 26/1990 on the Trade Register, are published in the Romanian Official Gazette and for which the Trade Register is obliged to issue, on the expense of the persons submitting a request, certified copies.

As for the agreement concerning the setting up of the mixed company together with Gabriel Resources Ltd., this has been expressed by the Ministry of Industry and Trade, the conditions imposed by the setting up of the mixed company being the following: (i) ensuring of the jobs at the level existing upon the conclusion of the agreement concerning the setting up of the mixed company; (ii) the expenses incurred by the fulfillment of the exploration stage should be fully supported by Gabriel; (iii) the obtaining of the approval from the ANRM by the Copper Autonomous Direction Deva and (iv) the observance of all legal provisions in force concerning the setting up of the mixed companies with foreign partners. These conditions have been fully complied with as at the setting up of the company and during the development of its activity.

We also specify that the establishing of the shareholders' quotas to the benefits and losses of Roşia Montană Gold Corporation SA has been made by considering their contribution quota to the company's share capital. The current percentage of 80% for Gabriel Resources Ltd. and of 19.31% for CNCAF Minvest SA resulted from the initial contribution and the subsequent contributions of the shareholders to the company's share capital, in consideration also of Gabriel Resources Ltd. advancing all expenses and costs related to the development-exploitation and permitting of the Roşia Montană Mining Project.

The provisions of the Articles of Associations of Roşia Montană Gold Corporation SA on the necessary majority and quorum conditions for the decision-making process within the General Shareholders Meeting and the quotas to the benefits and losses of the company are taken from Law no. 31/1990, and no derogation exists in regard of this aspect.

\*

This claim is not true; the Urbanism Plan has been prepared with public consultation.

S.C. Roşia Montană Gold Corporation S.A. has requested and obtained from Alba County Council the Urbanism Certificate no. 78 of 26.04.2006, for the entire Roşia Montană mining project, including the tailings management facility. The Urbanism Certificate also stipulated the preparation of a Zonal Urbanism Plan, to reflect all changes made to the Roşia Montană Project, following the public consultations and debates organized in relation to this project, and the consultations with the permitting authorities. This plan, entitled "Modification of the Zonal Urbanism Plan, Roşia Montană Industrial Area", was prepared and subject to public debate in June 2006 in accordance with the provisions of Order

no.176/N/2000 issued by the Ministry of Public Works and Territory Development for the approval of the technical regulations “Guidelines regarding the methodology applied for the preparation and framework content of the Zonal Urbanism Plan” and, at present, it is pending approval.

Concerning the Roşia Montană General Urbanism Plan approved in 2002, such plan was prepared in parallel with the Zonal Urbanism Plan of 2002, all the provisions of the General Urbanism Plan being also included in the Zonal Urbanism Plan. Also, the approval procedure related to the two urbanism plans was carried out in parallel.

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Preventive archaeological researches within the Roşia Montană mining project area have been undertaken based on specific techniques, specifically trial trenches in all accessible areas that are suitable for human habitation, taking into account the bibliographical information and the observations recorded during the archaeological survey campaigns, the geophysical studies and the analyses of the photogrammetric flights. In addition, surface investigations were undertaken, where appropriate.

The archaeological researches at Roşia Montană covered a large surface and focused on the areas known to have archaeological potential. THEREFORE, ALL AREAS THAT HAVE BEEN ARCHAEOLOGICALLY DISCHARGED HAD BEEN PREVIOUSLY INVESTIGATED. All research programs, beginning with the 2004 campaign, have been undertaken in full compliance with the current legal requirements, i.e. Ministerial Order no. 2392 of 6 September 2004 on the establishment of the Archaeological Standards and Procedures by the Ministry of Culture and Religious Affairs.

The proposed gold mining project at Roşia Montană has raised a series of issues related to the rescue of the historical-archaeological heritage within the area, as well as issues related to its scientific development and also the enhancement of heritage within a museum. Given the complex difficulties encountered in this respect, the Ministry of Culture and Religious Affairs decided to initiate the “Alburnus Maior” National Research Program.

The company’s role was to provide the necessary financial resources for the assessment, research and enhancement of the archaeological remains, in full compliance with the Romanian current legislation. The development of the research and of the archaeological discharge works has been conducted through specific means and methodologies that have been adjusted to the realities of every site researched, in our case, Roşia Montană. They consisted in:

- Archives studies;
- Archaeological surveys; trial trenches;
- aerial reconnaissance/survey and aerial photo interpretation ; high resolution satellite images;
- mining archaeology studies; underground topography and 3D modeling;
- geophysical surveys;
- extensive archaeological investigations in the areas with an identified archaeological potential- this implied carrying out archaeological excavations;
- Interdisciplinary studies- sedimentology, archaeo-zoology, comparative palynology, archaeo-metallurgy, geology, mineralogy;
- Radiocarbon dating and dendrochronology;
- This research and its results were included in an integrated database;
- traditional and digital archaeological topography and development of the GIS project; generate a photo archive- both traditional and digital;
- restoration of artifacts;
- an inventory and a digital catalogue of the artifacts;
- studies conducted by specialists in order to enhance the research results - publication of monographs/scientific books and journals, exhibitions, websites, etc.

All the preventive archaeological researches undertaken at Roşia Montană since 2000 have been carried out as part of a complex research program; permits for preventive archaeological excavations being issued in compliance with the current legislation. These archaeological investigations have been undertaken by representatives of 21 specialized institutions from Romania and 3 others from abroad, under the scientific coordination of the Romanian National Museum of History. All archaeological researches have been

conducted in full compliance with the existing legislation. The investigations undertaken during each archaeological research campaign have been approved by the Ministry of Culture and Religious Affairs based on the Annual Archaeological Research Plan approved by the National Commission of Archaeology.

Under the current legislation (Ministerial Order no. 2392 of 6 September 2004 on the establishment of the Archaeological Standards and Procedures by the Ministry of Culture and Religious Affairs) the archaeologists who have conducted the research may ask that an archaeological discharge certificate be granted. Based on a complex research program, the archaeologists prepare comprehensive documentation with regard to the researched area. Upon consideration of the submitted documentation, the National Commission of Archaeology makes a decision as to whether to recommend or not the granting of the archaeological discharge certificate. In the case of the research conducted in the period 2001-2006, the archaeological discharge certificate was issued directly by the Ministry of Culture and Religious Affairs or by its local agencies.

Preventive archaeological researches at Roşia Montană have allowed the research of five Roman cremation necropolis (Tău Corna, Hop-Găuri, Țarina, Jig - Piciorag and Pârâul Porcului – Tăul Secuilor), two funerary areas (Carpeni, Nanului Valley), sacred areas (Hăbad, Nanului Valley), habitation areas (Hăbad, Carpeni, Tăul Țapului, Hop), the most significant being the Roman structures on the Carpeni Hill and the circular funerary monument at Tău Găuri. In addition, for the first time in Romania, surface investigations have been paralleled by underground investigations of Cetate, Cărnice, Jig and Orlea massifs, with important discoveries in the Piatra Corbului, area, Cătălina-Monulești gallery and the Păru Carpeni mining sector.

The research consisted of aerial photo interpretation, archaeological magnetometric studies, electrical resistivity, palynology, sedimentology, geology studies, radiocarbon and dendrochronology dating. For a better management of the research units and of the archaeological findings, data bases were used, including text and photographs-among which 4 satellite images (an archive satellite image type SPOT Panchromatic (10m) from 1997; 2 satellite images LANDSAT 7 MS (30 m), dating from 2000 and 2003; a satellite image with priority programming SPOT 5 SuperMode color (2,5 m resolution-19 July 2004); all data have been included in a comprehensive GIS program, a first in the Romanian archaeological research.

In the case of archaeological monuments that are located close to industrial facilities, plans have been redesigned to ensure that the archaeological remains in question will not be affected. Where appropriate, the archaeological monument was preserved in situ and restored, i.e. the circular funerary monument at Hop-Găuri (see The "Alburnus Maior" monograph series, volume II, Bucharest, 2004). Another example in this respect is the Carpeni Hill, designated an "archaeological " reserve, and the Piatra Corbului area. In 2004, after being thoroughly investigated, these areas have been included on the List of Historic Monuments. Add to this the areas where ancient mining remains will be preserved, such as the Cătălina Monulești gallery and the mining sector Păru Carpeni, as well as the protected area Roşia Montană Historic Center, including a number of heritage assets (35 historic monument houses).

We emphasise in this respect that the identified and researched structures have been published in preliminary form in the Archaeological Research Chronicle of Romania, after every archaeological research campaign, as well as in volume 1 of the Alburnus Maior monographic series. We mention here the areas where Roman habitation structures have been identified and researched, as well as the references to be consulted for further information: Hop-Găuri, Carpeni, Tăul Țapului (CCA 2001 (2002), p. 254-257, no. 182; 261-262, nr. 185; 264-265, no. 188; 265-266, no. 189. Alburnus Maior I, 2003, p. 45-80; 81-122; 123-148; CCA 2001 (2002), 257-261; CCA 2003 (2004) ,280-283; Alburnus Maior I, 2003, p. 387-431, 433-446, 447-467).

For further details related to the applicable legal framework, the responsibilities of the Project titleholder, or for a detailed description of the preventive archaeological researches undertaken to date and of the Cultural Heritage Management Plans, please see Annex called "Information on the Cultural heritage of Roşia and Related Management Aspects". In addition, the annex includes supplementary information with regard to the result of the researches undertaken as part of the "Alburnus Maior" National Research Program between 2001 and 2006.

In conclusion, the area mentioned by the questioner has been researched in accordance with the Romanian legal requirements, as well as with European standards and practices in the field.

Note that the type of research undertaken at Roşia Montană, known as preventive/rescue archaeological research, as well as other related heritage studies, are done everywhere in the world in close connection with the economic development of certain areas. Both the costs for the research and for the enhancement and maintenance of the preserved areas are provided by investors, in a public-private partnership set up in order to protect the cultural heritage, as per the provisions of the European Convention on the Protection of the Archaeological Heritage (Malta-1992) [1].

References:

[1]The text of the Convention is available at the following address:

<http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?NT=143&CM=8&DF=7/6/2006&CL=ENG>

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In 2000, in the context of the proposal of a new mining project in the Roşia Montană area, the Ministry of Culture and Religious Affairs approved a series of studies to be conducted in order to research the archaeological and architectural heritage of the area. And at the end of that year, the Design Centre for National Cultural Heritage (now the National Institute for Historical Monuments) presented the preliminary results of these researches to the National Commission for Historical Monuments and of the National Commission of Archaeology. Based on these results, in 2001, the Ministry of Culture and Religious Affairs initiated the “Alburnus Maior” National Research Program (the Order no. 2504 / 07.03.2001 of the Minister of Culture and Religious Affairs) in compliance with the Law 378/2001 (as subsequently amended by Law 462/2003 and by Law 258/2006 and Law 259/2006). Thus, since 2000, the Ministry of Culture and Religious Affairs – directly or through its subordinate institutions - has fulfilled its duties with regard to the management of the issues related to Roşia Montană’s heritage.

Thus, the preventive archaeological researches have been conducted by the representatives of 21 national institutions and 3 others from abroad under the scientific coordination of the National Museum of History of Romania. They have been carried out based on the annual approval of the National Commission of Archaeology of the Ministry of Culture and Religious Affairs. In accordance with the legislation in force, this research program is carried out with the financial support provided by RMGC (the company that plans to expand and continue to mine the gold-silver deposit in Roşia Montană). Thus, large-scale preventive investigations have been conducted or are underway in the RMP impact area. A proposal will be made based on the results thereof either for the archaeological discharge of some researched perimeters from the project perimeter or the preservation *in situ* of certain representative structures and monuments, in compliance with the legislation in force. In the case of the areas proposed for conservation and the ones for which the archaeological discharge measure was applied, the decision was made based on the surveys conducted by specialists and on the analysis of the National Commission of Archaeology. In the period 2000-2005, the mining project underwent a series of modifications designed to promote the implementation of the decision regarding the conservation of the local heritage. Examples of these include: extending the duration of the field investigations on several years (e.g. Țarina, Pârâul Porcului, Orlea) and changing the location of some elements of infrastructure in order to allow the conservation of the archaeological remains found in the Carpeni, Tăul Găuri and Piatra Corbului areas.

**The architectural and town-planning surveys** have been conducted, in accordance with the legislation in force, by companies certified by the Ministry of Culture and Religious Affairs, while the town-planning documentations drafted by these companies and the restoration and conservation works undertaken so far have been approved by the National Commission for Historical Monuments. Thus, the town-planning documentations have been approved and implemented in accordance with current legislation, and the company has agreed to these decisions and modified the mine development plans accordingly:

**Extensive ethnographic research** was conducted in the Roşia Montană-Abrud-Corna area in the period 2001-2004 coordinated by a team of specialists for the Romanian Village Museum „Dimitrie Gusti” (a National Museum directly under the coordination of the Ministry of Culture and Religious Affairs). Moreover, a broad series of oral history interviews was conducted in the period 2001-2002 by the Romanian Radio Broadcasting Company through the „Gheorghe Brătianu” Oral History Centre, Bucharest (SRR - CIO).

In compliance with the requirements of the Ministry of Environment and Waters Management and the Ministry of Culture and Religious Affairs, specific management plans have been drawn up for the management and conservation of the heritage remains from the Roşia Montană area, in the context of the



implementation of the mining project. These plans have been included in the documentation prepared for the Report on the Environmental Impact Assessment Study. (see EIA Report, volume 32-33, Plan M- *Cultural Heritage Management Plan*, part I –*Management Plan for the Archaeological Heritage from Roşia Montană Area*; part II-*Management Plan for the Historical Monuments and Protected Zone from Roşia Montană*; part III- *Cultural Heritage Management Plan*).

These management plans comprise detailed presentations of the obligations and responsibilities regarding the protection and conservation of the heritage remains from the Roşia Montană area, which the company has assumed in the context of the implementation of the mining project, according to the decision of the central government. These heritage remains include: archaeological remains above and under the ground, historic buildings, protected areas, intangible heritage assets, cultural landscape items, etc. In this context, it should be noted that besides the works for the protection and preservation of the archaeological heritage, works are being carried out for the rehabilitation and conservation of the protected area Historical Centre Roşia Montană (comprising 35 historic buildings, and projects for the restoration of 11 of these buildings are currently being drafted), Tăul Mare, Tăul Brazi and Tăul Anghel as well as remains of the surface mining works form the Vaidoia area and the creation of a modern museum dedicated to the history of mining in the Apuseni Mountains area. This museum will be established in the coming years and it will include exhibitions of geology, archaeology, industrial and ethnographic heritage as well as an underground section organized around the Cătălina Monuleşti gallery.

Moreover, representatives of the Directorate for Culture, Religious Affairs and National Cultural Heritage of Alba County have visited Roşia Montană many times in order to collect information and to check the situation. The same administrative body was the intermediary for the specific stages of acquisitions of historic buildings made by RMGC. The Ministry of Culture and Religious Affairs expressed its pre-emption right regarding the acquisition of these buildings.

Note that apart from the obligations undertaken by RMGC as regards the protection and conservation of the archaeological remains and historical monuments, there are a whole series of obligations, which rest with the local public authorities from Roşia Montană and from Alba County and with the central public authorities, namely the Romanian Government.

These aspects are further detailed in the Cultural Heritage Management Plans included in the EIA Report (see EIA Report, volume 32, *Management Plan for the Archaeological Heritage from Roşia Montană Area*, pages 21-22, 47, 52-53, 66-67-Romanian version/ 22-24; 47; 55-56; 71-72 English version) and the EIA Report, volume 33- *Management Plan for the Historical Monuments and Protected Zone from Roşia Montană* pages 28-29, 48-50, 52-53, 64-65, page 98 – Annex 1- Romanian version/ 28-29; 47-50; 51-53; 65-66; 103- Annex 1- English version).

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Item no.	18
No. to identify the observations received from the public	No. 108387/ 19.07.2006 and No. 74156/AF/ 20.07.2006
Proposal	The questioner mentions the INCO process used for treating the tailings slurry, highlights the influence of temperature on the efficiency of the treatment process, and offers precise technical data.
	<p>The cyanide used for the ore processing will be handled / stored in compliance with the EU standards and the provisions of the International Code for the Management of the Cyanide (ICMC-<a href="http://www.cyanidecode.org">www.cyanidecode.org</a>); it will be safely kept on the processing plant site in order to prevent any accidental spillage. The cyanide and its compounds will be subject to INCO detoxification procedure (DETOX) – this procedure is considered the Best Available Technique (BAT) as per BREF [1] document; the process tailings will be discharged into the TMF in accordance with EU Directive 2006/21/CE on the management of mining waste.</p> <p>The INCO process used to treat the cyanide content tailings, by using SO<sub>2</sub>/air in the presence of catalyst (soluble copper) is influenced by the following parameters: the SO<sub>2</sub>/CN<sup>-</sup> report, the concentration of the catalyst, the pH (the optimum level is from 8 to 10, obtained by adding lime) and reaction time.</p> <p>The operation of INCO facilities, located outdoor, takes place at various seasonal temperatures. The researches conducted for studying the impact of the temperature on the cyanide oxidation process within INCO procedure lead to contradictory findings:</p> <ul style="list-style-type: none"> <li>- E. A. Devuyt and collaborators [2] consider that the temperature has not got a great impact against the speed of cyanide oxidation within the range of 5 to 60oC;</li> <li>- US EPA [3] estimates that the INCO process depends on the temperature, mentioning slower reaction speed within the range of 25 to 5oC.</li> </ul>
Solution	<p>The INCO process for Roşia Montană Project is controlled by monitoring the CNue concentration in the treated tailings which must not exceed 10 mg/L, as per the mine waste Directive.</p> <p>If the low temperatures during winter lead to the reduction of the cyanide oxidation speed and the increase of the CNue concentration over the mentioned limit, the Project took into consideration a potential impact and stipulates:</p> <ul style="list-style-type: none"> <li>- the increase of the SO<sub>2</sub>/CN<sup>-</sup> report (the increase of SO<sub>2</sub> consumption);</li> <li>- the increase of the catalyst concentration (add soluble copper in comparison to the existing one);</li> <li>- the increase of the reaction time (double capacity of the reactor is stipulated).</li> </ul> <p>In addition, should the need arise, the reaction capacity provided by the wastewater treatment plant for low content cyanide designed to be used under abnormal operation conditions can be used when the storage capacity of the TMF (&gt;2 consecutive PMPs) is exceeded.</p> <p>References:</p> <p>[1] <i>Best Available Techniques for Management of Tailings and Waste-Rock in Mining Activities</i>. EUROPEAN COMMISSION, DIRECTORATE-GENERAL JRC JOINT RESEARCH CENTRE, Institute for Prospective Technological Studies, Technologies for Sustainable Development, European IPPC Bureau, Final Report, July 2004 (<a href="http://eippcb.jrc.es/pages/FActivities.htm">http://eippcb.jrc.es/pages/FActivities.htm</a>).</p> <p>[2] Devuyt, E.A., Conrad, B.R., Hudson, W; <i>Commercial operation of INCO's SO<sub>2</sub>/air cyanide removal process; Conference on Cyanide and the Environment</i>, Tucson, Arizona, dec. 1984.</p> <p>[3] US Env. Prot. Agency, Technical Report, <i>Treatment of Cyanide heap leaches and tailings</i>, EPA 530-R-94-037 (NTISPB94-201837), sept 1994.</p>

Item no.	19
No. to identify the observations received from the public	<p>No. 108376/ 18.07.2006 and No. 108399/ 20.07.2006 and No. 108106/ 05.07.2006 and No. 74155/AF/ 20.07.2006</p>
Proposal	<p>The questioner opposes the promotion of the Roşia Montană Project and makes the following observations and comments:</p> <ul style="list-style-type: none"> <li>-The Project makes no provision for funds destined for the protection of the population and of the environment;</li> <li>-The current economic and social decline has been caused by RMGC;</li> <li>-The destruction of the archaeological remains;</li> <li>-The project is contradictory to the durable development principle;</li> </ul>
Solution	<p>Roşia Montană Gold Corporation (“RMGC”) is encouraged by the opportunity to pursue the Roşia Montană Project in a manner that advances the community’s social, environmental, and economic welfare. During the projected 16-year lifespan of the mine, the economic and social fabric of Roşia Montană will benefit from new economic opportunities. RMGC forecasts the creation 1,200 new jobs during the construction phase of the mine. Once the mine has been opened, we expect it to directly employ more than 630 people, and spark economic development in the region. This development is projected to lead to more than 6,000 new jobs, supporting the mine and the people working at the mine, in a region that has been designated a “disadvantaged zone” by the Romanian Government.</p> <p>Environmental protection and rehabilitation will also be central to the project. In Romania, the creation of an Environmental Financial Guarantee (“EFG”) is required to ensure adequate funds are available from the mine operator for environmental cleanup.</p> <p>The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive (“MWD”) and the Environmental Liability Directive (“ELD”).</p> <p>The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roşia Montană.</p> <p>RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.</p> <p>There are two separate and distinct EFGs under Romanian law.</p> <p>The first, which is updated annually, focuses on covering the projected reclamation costs associated with</p>

the operations of the mine in the following year. These costs are of no less than 1.5 percent per year, of total costs, reflective of annual work commitments.

The second, also updated annually, sets out the projected costs of the eventual closure of the Roşia Montană mine. The amount of the EFG to cover the final environmental rehabilitation is determined as an annual quota of the value of the environmental rehabilitation works provided within the monitoring program for the post-closure environmental elements. Such program is part of the Technical Program for Mine Closure, a document to be approved by the National Agency for Mineral Resources ("NAMR").

Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.

The current projected closure cost for Roşia Montană is US \$76 million, which is based on the mine operating for its full 16-year lifespan. The annual updates will be completed by independent experts, carried out in consultation with the NAMR, as the Governmental authority competent in mining activities field. These updates will ensure that in the unlikely event of early closure of the project, at any point in time, each EFG will always reflect the costs associated with reclamation. (These annual updates will result in an estimate that exceeds our current US \$76 million costs of closure, because some reclamation activity is incorporated into the routine operations of the mine.)

Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.

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Roşia Montană Gold Corporation (RMGC) is not responsible for the decline that has affected Roşia Montană and other Romanian villages for decades.

Currently, unemployment rate is up to 70% in Roşia Montană, due to the closure of the state run-mines. RMGC is the major employer in the area and the major contributor to the budget of the local authorities. In 2006 up to 117,668\$USD in taxes were paid to the Roşia Montană's budget.

Absent RMGC, unemployment in Roşia Montană would raise above 90%.

RMGC is the company that has the largest number of employees from Roşia Montană and neighboring towns, almost 500 individuals. The wages paid by the company to its employees amount to a total of approximately Euro 4 million per year; the taxes on employees' incomes alone amount to approximately Euro1.5 million per year. Thus the benefits of Roşia Montană Project (RMP) will not only be felt by its direct employees and their families but also by the members of local community who are receiving social relief, benefiting from health and professional training programs, and so on.

Starting in 1997, social activities have been initiated by the company in an attempt to assist in dealing with the social issues of Roşia Montană locals, and starting in 2005, the company has established a special department of 18 individuals dedicated to create, implement, and develop diverse social programs aimed to support local community.

In the largest sense, RMP will be a catalyst for local and regional economic development. Beneficial impacts will be maximised by involving local and regional governments and other relevant parties from the community in development initiatives as part of a participatory approach of the Community Sustainable Development Management Plans. Negative impacts will be mitigated through measures as described in the Environmental Impact Assessment Report Study (EIA). RMGC is committed to working proactively to create an enabling business environment promoting local sustainable development to be developed during the life of the project and designed to operate independently following mine closure.

A mining project such as the one proposed by RMGC would provide, through its general economic activity and through taxes, the necessary funds to improve the infrastructure. The company has also spent approximately US\$10 million to develop the most extensive archaeological research and development program of Roşia Montană Historic Area, so as to preserve and develop the archaeological and cultural-architectonical potential.

Through the RMP and its heritage management plans, US\$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit, „IFN Gabriel Finance SA”, will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old center of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monulești) and preserved monuments as the one from Tău Găuri - all of which would serve as tourist attractions.

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.

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The Project will not destroy the archaeological remains in Roșia Montană without having them previously researched and without having adopted management measures for this heritage. Nor will these remains be replaced with replicas. S.C. Roșia Montană Gold Corporation S.A. has taken into account the importance of the Roșia Montană cultural heritage and the current legal requirements and has allocated a budget of over US\$ 10 million for the research of the cultural heritage during 2001-2006.

Considering the results of the research, the experts' opinions, and the decisions of competent authorities, the company has allocated approximately US\$ 25 million for research, preservation and restoration of the Roșia Montană cultural heritage in the context of the implementation of the mining project, as published in the Environmental Impact Assessment Study in May 2006 (see the Report on Environmental Impact Assessment Study, vol. 32, Management Plan for the Archaeological Heritage from Roșia Montană Area, pages 84-85). Thus, proposals include the continuation of research activities in the Orlea area, and especially the creation of a Modern **Mining Museum with geological, archaeological, industrial and ethnographic heritage exhibitions**, as well as the development of tourist access to the **Cătălina-Monulești** gallery and to the **Tău Găuri** monument, plus the **preservation and restoration of the 41 historical monument buildings and the protected zone Historic Center of Roșia Montană**.

The reports and publications by specialists make clear that the Roman galleries in Roșia Montană are important but not unique. Thus, a gazetteer of the ancient mining sites on the territory of Transylvania and Banat – developed in the context of the preparation of the Environmental Impact Assessment Study for the Roșia Montană project – supports the conclusion that an assertion of uniqueness is difficult to make for the Roșia Montană site, at least in the context of the history of the mining operations in the Roman Empire and in the province of Dacia, in particular. There are at least 20 other sites with relatively similar features and some of them (Ruda Brad, Bucium – the Vulcoi Corabia area and Haneș – Amlașul Mare area) have already produced concrete evidence proving that their archaeological potential is, to a certain extent, comparable to that of the ancient *Alburnus Maior* site. This aspect should also be taken into consideration when assessing the significance of the Roșia Montană as a site of unique value.

Prior to 1999, the Roșia Montană Roman galleries had not been studied by specialists in the field of mining archaeology, even though their existence had been known for more than 150 years. Basically, prior to 2000, this type of archaeological remains have not been scientifically researched, most of the data about this site coming exclusively from artifacts uncovered by chance during the agricultural works, or the construction of roads and elements of mining infrastructure.

The archaeological mining research activities - performed since 1999 by a multidisciplinary specialized team from the University “Toulouse Le Mirail” (France) coordinated by Dr. Beatrice Cauuet, had as an objective (for the first time in Romania) the preparation of a detailed study regarding this type of archaeological remains, including galleries of Roman and later periods. The extensive research and heritage studies performed during 2000-2006 revealed a comprehensive picture of these sites that belong to the national cultural heritage, and of the areas having a spiritual value, as well as identification of specific measures regarding their protection.

Studying these structures entailed better understanding, and at the same time, making pertinent decisions regarding their preservation and enhancement. Based on the results of the research activities performed (completed for Cetate, Cărnic, Jig massifs but ongoing in the Orlea massif), the preservation and

enhancement of the following areas with ancient mining sites is proposed:

- The Cătălina Monulești gallery – located in the Historical Center of Roșia Montană, where, in the past, the most significant lot of wax tablets and an ancient hydraulic system for the drainage of mine waters, was discovered.
- The Păru Carpeni mining sector – located in the south eastern part of the Orlea massif, where a system of overlapped chambers, equipped with wooden Roman drainage installations (wheels, channels, etc.) was discovered.
- The Pietra Corbului area – located in the south-western part of the Cărnic massif, this area bears traces of the ancient and medieval galleries dug by the fire setting technique;
- The Văidoaia massif area – in the north-western part of the Roșia Montană village, including segments of surface mining exploitations from ancient times.

The preventive archaeological research undertaken between 2001-2006 led to the identification and research of 13 archaeological sites. Once extensive researches have been completed, it has been decided that some of these sites can be archaeologically discharged, and in other cases, the option for *in situ* preservation has been chosen – (e.g. the Tăul Găuri funerary precinct, the Roman remains on the Carpeni hill); the Orlea area will be researched in detail in the period 2007-2012.

As for the Roman mining galleries discovered in the Cătălina Monulești and Păru Carpeni mining sectors, note that reopening, consolidation and development activities are proposed in order to allow their *in situ* preservation and their development for tourism. This decision has taken into consideration the value and significance of the exceptional archaeological remains in these galleries, such as the wooden Roman installations designed for dewatering the mines (the so-called „Roman wheels”). At the same time, the Cătălina Monulești gallery is famous because – in the mid 19<sup>th</sup> century – the most significant set of wax tablets was discovered there (according to archive sources, more than 11 such pieces were discovered there, out of a known total of 32 such artifacts discovered to date).

Most of the ancient mining works in the Cărnic and other mining sectors, are accessible only to specialists, in difficult conditions, being practically inaccessible to the general public. Moreover, under the EU safety rules regulating similar activities in museums all over the European Union, rules that will be transposed into Romanian legislation, Roman galleries that pose safety risks cannot be opened for public access. Note that there are other similar Roman galleries that will be preserved *in situ*. As part of the mitigation effort, in addition to the full research of these Roman remains and publication of the research results, specialists have considered it appropriate to prepare a 3D graphic model of these structures, and also some 1:1 scale replicas, that will be included in the mining museum proposed at Roșia Montană.

For the Orlea massif area (the only one to include classified ancient mining remains, as per LMI 2004, the Alburnus Maior roman mining operations, in the Orlea area; code LMI AB-I-m-A-00065.02), the archaeological research conducted so far is preliminary in nature. The detailed research of the area is scheduled for 2007-2012, and upon completion of the research activities – as per legal requirements – the necessary measures will be proposed – either *in situ* preservation of certain sectors, or archaeological discharge for some of these. Detailed information regarding archaeological chance finds and preliminary archaeological research (surface and underground) in the Orlea massif area, has been published in the Environmental Impact Assessment Study for the Roșia Montană Project, in vol. 6 – Cultural Heritage Baseline Report, Annex I, pages 231-236. The following aspect, mentioned in the report, should be noted: As site development plans for the Project in the Orlea area will only be performed at a later date in 2007, the surface archaeological research will be conducted in this perimeter. *“As a result, construction activities will not begin in these areas until proper archaeological investigation consistent with Romanian law and international best practice is concluded”* (Cultural Heritage Baseline Report, vol. 6, page 46).

For further information on the history of the researches undertaken to date and on the most important archaeological finds in the Roșia Montană Roman galleries, as well as the experts’ opinions on the matter. and the assessment studies that have been carried out in order to develop an underground circuit in the Cărnic massif, comprising Roman mining structures, as well as the opinion delivered in 2004 by Edward O’Hara, General Rapporteur on Cultural Heritage for the Parliamentary Assembly of the Council of Europe, please see the annex called “Information on the Cultural Heritage of Roșia Montană and Related Management Aspects” or the enclosed Romanian version of the O’Hara Report. Detailed information on the complex issue of the mining works at Roșia Montană, on their results and on their potential for enhancement, are available in the EIA Report, vol. 6, Cultural Heritage Baseline Report (pages 32, 36-55,

83-109).

In conclusion, note that under no circumstances will the Roman galleries at Roşia Montană be destroyed or replaced with replicas without previous research. This type of research, known as preventive/rescue archaeological research is done everywhere in the world in close connection with the economic development of certain areas. In addition, both the costs for the research and for the enhancement and maintenance of the areas conserved are provided by investors, in a public-private partnership set up in order to protect the cultural heritage, as per the provisions of the European Convention on the Protection of the Archaeological Heritage [1] (Malta-1992).

Note that in addition to the commitments made by RMGC regarding protection and preservation of the archaeological remains and historical monuments, there are numerous obligations and responsibilities for both the local public authorities in Roşia Montană and Alba county, and the central public authorities, i.e. the Romanian state. The cultural heritage management plans included in the Report on the Environmental Impact Assessment Study, clarify certain aspects on the matter (see the EIA Report vol. 32, Management Plan for Historical Monuments and Protected Zone from Roşia Montană, pages 22-23, 49, 55-56, 71-72 and, vol. 33, Management Plan for the Archaeological heritage from Roşia Montană area, pages 28-29, 67-68, p. 103 – Annex 1).

References:

The text of the Convention is available at the following address:

<http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?NT=143&CM=8&DF=7/6/2006&CL=ENG>

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On the contrary, the Roşia Montană Project (RMP) will support the sustainable development of the area.

A starting premise to this context is that RMGC is committed to ensuring that RMP will be a catalyst for local and regional economic development. It is recognised that, as with any major industrial development, impacts will be positive and negative. RMGC commits to work alone and in partnership to ensure that beneficial impacts will be maximised. RMGC will priorities a participatory approach wherever possible and will seek guidance from local and regional authorities and from the community when deciding on issues that may impact the area's development. Negative impacts will be mitigated through measures as described in the EIA report.

RMGC recognizes that in order to ensure it meets its sustainable development commitments it must support, as a minimum, five key interrelated areas that make up the three traditional pillars of sustainable development - social, environmental and economic. These areas are presented below as five capitals of sustainable development.

RMGC has developed its Sustainable Development Policy [1] in support of this and this is presented further on in this annex. Supporting elements are also presented, as are a set of Authority, Community, and Company initiatives within the Roşia Montană Sustainable Development Partnerships and Programs.

## **Five Capitals of Sustainable Development**

### **Financial Capital**

Economic Development Impact, fiscal management, taxes

- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US\$ 1billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US\$ 1.5 billion procuring goods & services. US\$ 400 million during construction (2 years) and US\$ 1.1 billion during production, from Romania (16 years)

To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:

- The set up of a micro-credit finance facility in the area to allow access to affordable financing

- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs,

### Physical Capital

Infrastructure – including buildings, energy, transport, water and waste management facilities

- Increases in revenue to government agencies, of the order of US\$ 1 billion over 20 years (construction + production + closure) will result in additional money the government may allocate to improving community infrastructure
- RMGC will also develop the resettlement sites of Piatra Albă and Dealul Furcilor in Alba Iulia. Piatra Albă will contain a new civic centre, commercial and residential areas. These will be transferred to the local authorities once complete. The RRAP contains full details of these initiatives

### Human Capital

Health and education

- A private dispensary & health clinic in Piatra Albă (see RRAP), accessible to wider community through health insurance
- Upgrading of a wing of Abrud hospital, accessible to the wider community through the national Romanian health system
- Improvement of mobile emergency medical system in the area
- The building of a new school, residential & civic centre in Piatra Albă. This is fully described in the RRAP
- Health awareness campaigns (in partnership with local authorities & NGOs) covering: reproductive health, diet, and lifestyle amongst others
- Partnerships with education providers & NGOs concerning access to & improvement of education facilities in the area, e.g.: the NGO and local authorities lead CERT Educational Partnership ([www.certapusen.ro](http://www.certapusen.ro)).

### Social Capital

Skills training, community relationships and social networks and the institutional capacity to support them, preservation of cultural patrimony

- Efforts to develop and promote Roşia Montană's cultural heritage for both locals and tourism – RMGC is a partner in the Roşia Montană Cultural Heritage Partnership ([info@rmchp.ro](mailto:info@rmchp.ro))
- Providing adult education opportunities and skills enhancement including training programs, funds and scholarships, to increase employment chances both direct with RMGC and indirect – RMGC is a partner in the Roşia Montană Professional and Vocational Program ([info@rmpvtp.ro](mailto:info@rmpvtp.ro))
- Programs assisting vulnerable people & groups, and to consolidate social networks particularly in Roşia Montană – RMGC is a partner in the Roşia Montană Good Neighbour Program lead by local NGO ProRoşia ([info@rmgnp.ro](mailto:info@rmgnp.ro))
- RMGC supports a NGO-lead partnership working with the youth in the area to improve and increase the capacity of the community ([www.certapusen.ro](http://www.certapusen.ro)).

### Natural Capital

Landscape, biodiversity, water quality, ecosystems

- Measures contained in the RMP management plans and SOPs will result in mitigation of environmental impacts and conditions as identified in the EIA.
- The improved environmental condition will enhance the quality of life in Roşia Montană.
- Training & assistance in integrating environmental considerations into business plans.
- Awareness-building regarding positive environmental performance of business activities.
- Environmental standards associated with loans through the micro-credit finance facility including monitoring of environmental performance.
- Business Code of Conduct requiring suppliers to RMP to comply with RMGC's environmental performance standards.

RMGC's view of the social and economic benefits of the RMP is described in the Community Sustainable Development Plan and EIA Chapter 4.8 – the Social and Economic Environment.



In order to achieve its commitments, RMGC acknowledges that it needs to collaborate with the Community, Authorities and civil society on issues that impact the area's development. This approach allows the Community to own, direct and control all relevant development issues in a multi-stakeholder and integrated manner.

In the spirit of that commitment, to date, RMGC has conducted extensive consultations, including 1262 individual meetings and interviews, and the distribution of questionnaires for which over 500 responses have been received, 18 focal group meetings, and 65 public debates, in addition to holding discussions with government authorities, non-governmental organisations and potentially affected stakeholders. Feedback has been used in the preparation of the Management Plans of the RMP's Environmental Impact Assessment (EIA) as well as the drafting of the Annex to the EIA.

Support of the area's sustainable development will be conducted within the framework of Partnership as promoted by organisations such as the United Nations Development Program (UNDP). For example, future socio-economic impacts mitigation and enhancement measures will be conducted under the guidance of the Roşia Montană Socio-Economic Research Centre ([info@rmserc.ro](mailto:info@rmserc.ro)), which in turn is partnered with the local authorities. This will allow a transparent evaluation of the effectiveness of sustainable development support and will provide a forum to implement necessary improvements.

Other sustainable development support partnerships are presented under the section entitled Roşia Montană Sustainable Development Programs and Partnerships further in this annex ([www.rmsdpps.ro](http://www.rmsdpps.ro)).

Beyond immediate direct and indirect benefits, the presence of the RMP as a major investment improves the area's economic climate that will in turn encourage the development of non-mining activities. It is expected that the improved investment and economic climate will lead to business opportunities that can develop concurrent with the RMP, even as they extend well beyond economic activities related directly to mining operations. This diversification of economic development is a critical benefit of the investments generated to realise the RMP.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.

#### References:

[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.

[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.

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Item no.	20
No. to identify the observations received from the public	No. 108342/ 17.07.2006 and No. 74157/AF/ 20.07.2006
Proposal	The questioner demands that other studies, especially those carried out by the Romanian Academy be also assessed.
	<p>Further to your allegation, please observe the following mandatory legal provisions:</p> <p>(i) art. 11 (1, 2) of Government Decision no. 918/2002[1] on establishing the framework procedure for the environmental impact assessment and for the approval of the list of private or public projects subject to this procedure (“GD no. 918/2002”), providing that the titleholder of the project prepares a report to the environmental impact assessment to be presented to the interested public that may draft grounded/justified proposals in this respect.</p> <p>The analysis of the report of the environmental impact assessment shall be performed by the competent public environmental protection authorities together with the Technical Analysis Committee based on the possibilities of applying/enforcing the project and the evaluation of the grounded proposals of public (art. 2 and art. 45 of Order of Ministry of Waters and Environmental Protection no. (860/2002) on Environmental Impact Assessment and issuance of environmental agreement procedures “Order no. 860/2002”).</p> <p>Having in view that (i) the relevant legal procedures exhaustively determine the competence of the authorities entitled to perform an objective analysis of the report on the environmental impact assessment, and (ii) the interested public’s right to object on the report is granted by law and observed by S.C Roşia Montană Gold Corporation S.A( RMGC ) , we consider that the alternative suggested by you represents a derogation from the mandatory legal provisions, derogations that may be accepted by the Company only in case the legal framework shall provide for the obligation of the titleholder to proceed accordingly to your suggestion.</p>
Solution	<p>The EIA was prepared by over 100 independent experts, some of whom are members of the Romanian Academy.</p> <p>The most recent position of the Romanian Academy regarding the Rosia Montana project was made public on February 27, 2006, almost three months before the submission of the report to the Environmental Impact Assessment Study to the Ministry of Environment and Water Management. RMGC made significant changes to the project design, notably a reduction in the size of several proposed pits as well as enhancing sustainable development activities, and a stronger commitment to preservation of cultural patrimony including a reduced impact on local churches, in response to stakeholder consultations, including with members of the Academy, before submission of the EIA. Thus the position does not reflect changes to project design or an analysis of the EIA that was actually submitted to the Ministry.</p> <p>We would be happy to meet with the Academy to answer any questions regarding the project.</p> <p>References: [1] We mention the fact that the GD no. (918/2002) was repealed by the GD no. (1213/2006) on the establishing of the framework procedure for the environmental impact assessment for certain private and public projects, published in the Official Gazette, Section I, no. 802 dated 25.09.2006 (“GD no. 1213/2006”).</p> <p>Nevertheless, considering the provisions of art. 29 of the GD no. (1213/2006), which provides that “The projects submitted to a competent authority for the environmental protection, with a view to obtaining the environmental approval and which are subject to the environmental impact assessment procedure, prior to the entering into force of this Decision, are subject to the environmental impact assessment and</p>

environmental approval issuing procedure in force at the moment of such submission”, we should specify that, as regarding the RMGC project, the provisions of the GD no. (918/2002) are still applicable.

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Item no.	21
No. to identify the observations received from the public	No. 108444/ 21.07.2006 and No. 74177/AF/ 24.07.2006
Proposal	<p>The questioner doesn't agree with the development of the Roşia Montană project and makes the following observations &amp; comments:</p> <ul style="list-style-type: none"> <li>-In EIA there are no presented all the possible risks derived from this project;</li> <li>-Total costs for closing the mine are unrealistic;</li> <li>-There isn't until now an approved Zonal Urbanism Plan for the Protected Areas;</li> <li>-The phase of public consultation and quality evaluation of the impact assessment study report begun without a valid urbanism certificate;</li> <li>-Information about the foundation which RMGC will establish and subsidize is not given. This foundation follows to assume the obligations which the mining operation can not assume;</li> <li>-The present urbanism plans of the Roşia Montană commune do not correspond with the mining project proposal described in EIA;</li> <li>-The tailings management facility is not lined;</li> <li>-The proposed waste deposits will be not constructed according to the legislation in force;</li> <li>-Financial guarantees were not fixed</li> <li>-There is not a Safety Report submitted for the public consultation and evaluation by the competent authorities;</li> <li>-The EIA report does not evaluate the "Zero alternative";</li> <li>-The project represents a threatening for the protected flora and fauna;</li> <li>-The EIA report does not refer to the impact on the listed heritage buildings of noise and vibrations caused by the mining operations;</li> <li>-The public/ONGs wish to consult the contracts and agreements between Company and Romanian State;</li> <li>-Modification of the urbanism plan without the public consultation;</li> <li>-From archeological point of view, the area proposed to by occupied by project was not legally investigated;</li> <li>-The questioner contests the protection of the architectural and spiritual monuments with the responsibility of the state institutions for the protection operation.</li> </ul> <p><b>SEE THE CONTENT OF THE TYPE 1 CONTESTATION</b></p>
Solution	<p>It is the nature of risk that it can be mitigated and diminished; it cannot be made to disappear. In order to put this into context, the common action of walking on the street or developing everyday activities have an accident potential. This accident potential is twice higher than within the framework of industrial activities that use hazardous substances.</p> <p>A major chapter of the EIA report was dedicated to the identification of risks for the project. In addition, this chapter provides a discussion of the mitigation measures for each risk and how they were incorporated into the project designs. It is recognized that risk identification is difficult due to the number and diversity of events that can be envisioned. The EIA report cannot assume to cover all of he potential risks associated with the project. However, it has attempted to identify and address the most relevant risks. The extent of risk assessment and the intensity of the prevention and mitigation measures should be proportional to the risk involved and therefore only the risks that have been considered important have been assessed in detail. Each is described below.</p> <p>In the larger sense, the entire EIA report is focused on the assessment of impacts and their associated mitigation. Specifically, Chapter 4 of the EIA presents that impact assessment of the project. The following discussion presents a summary of the impact discussed in the EIA.</p> <p>As far as natural and technological risks assessments are concerned, Chapter 7, "Risk Cases", from the Report on Environmental Impact Assessment, emphasizes the fact that safety and prevention measures,</p>

the implementation of the environmental management and risk systems are mitigating the consequences to acceptable levels as compared to the most restrictive norms, standards, the best practices or national and international recommendations in the field. The risk level has been established as moderate and so, socially acceptable. The extension of the risk assessment and the intensity of the prevention and mitigation measures of the consequences should be proportionate to the risk involved. Selection of a specific mitigation technique is depends on the analyzed accident scenario.

More detailed assessments are conducted for accident scenarios that, based on the qualitative assessment are found to be potentially major, of probability more than  $10^{-6}$  (reduced recovery periods of 1/1,000,000) meaning that they could have major consequences therefore, elevated associated risk, a higher risk level than 9 to 12 (on a scale of 1-25). To put this in context, simply living in southern Florida rates a 25 on the risk scale.

A global assessment of the risks associated with the Roșia Montană Project is obtained by the quick environmental and health risk assessment methodology initially developed by the Italian Ministry of the Environment and the World Health Organization. Natural hazard and risk identification and analysis presents key data and information in assessing potential technological accidents. Thus:

- In designing the Tailings Management Facility, the design parameters were chosen to fully cover the characteristic seismic risk of the area. These seismic design parameters adopted for the TMF and other facilities on the proposed site result in a safety factor much greater than the minimum accepted under the Romanian and European design standards for such facilities;

- in the sector physically impacted by the Project, the risk of floods will remain very low due to the small catchments (controlled by the Roșia and Corna Streams) the area affected by the operation, and the creation of containment, diversion and drainage hydro-technical structures for storm waters on the site, and in the Abrud catchment in general;

- risks caused by meteorological events have been reviewed and used in assessing the hazards of the affected technological processes.

From the analysis of morphometrical parameters and their correlation with other sets of information on the natural slopes on and near the site shows that the (qualitatively estimated) landslide occurrence risk is low to moderate and its consequences will not cause major impacts on the structural components of the Project.

There is no significant risk associated with resource depletion. Mining activities are planned judiciously, so as to extract only the profitable gold and silver resources and only the necessary construction rock for the Project. The management of the mining concession site will minimize reserve "sterilization" (limitation of future access to the reserves).

In assessing technological hazards and risks, the quantity of hazardous substances on the site was calculated as a total and by category, as provided by the *Notification Procedure* approved by Ministry of Agriculture, Forestry, Water and Environment (MAFWE) Order 1084/2003. Based on an evaluation of hazardous substances in stock on the Project site in relation to the relevant quantities provided by the Government Decision 95/2003 which transposes the Seveso Directive, the Project ranges between the upper and the lower limits, and therefore S.C. Roșia Montană Gold Corporation S.A. is required to prepare a Report on Environmental Impact Assessment Study to be sent to the local environmental authority and the local civilian protection authority a *Safety Report* on its operations to prevent major accident risks.

In assessing the consequences of major accidents involving dangerous substances, physical-mathematical models accepted internationally and especially at EU level, and the current version of the SLAB (Canada) software have been used, the latter for the atmospheric dispersion of denser than air gases, that may handle a multitude of situations and scenarios. Similarly, the EFFECTSGis 5.5 (Netherlands) software, developed for the analysis of the effects of industrial accidents and of consequences. Several scenarios were considered in response to the internal legislative requirements, especially related to the implementation of the Internal Emergency Plans (GD 647/2005). The conclusions of the risk assessment for major accidents were:

- The total destruction of plant facilities may only be caused by terrorist attack with classic or nuclear weapons. Simultaneous damage to the HCl tank (including containment) and to the NaCN solution tank, the tanks containing enriched solution, to one or more leaching tanks, having as a result HCN dispersion into the air. At the same time, under certain situations and weather conditions

unfavorable for dispersion, people within 40 m of the emission source, surprised by the toxic cloud for more than 1 minute without respiratory protection equipment, will most certainly die. It may also be considered that, on a radius of about 310 m, persons exposed for more than 10 minutes may suffer serious intoxications that may also lead to death. Toxic effects may occur in persons up to about 2 km downwind of the process plant;

- Operating errors and/or failures in the measurement and control devices, resulting in a lower pH in the leaching tank, thickener and/or DETOX slurry and accidental emissions of hydrocyanic acid. The area affected by concentrations of 290 ppm over a 10 min exposure time is within a circle of 36 m radius and the 50 ppm IDLH threshold for 30 min exposure will be reached over an area of 157.5 m radius. The center of these circles is the middle of the CIL tanks platform;

- Accidental HCN emission from the decanter. The accident may be caused by a drop of pH in the CIL tanks combined with an overdose of flocculent solution and faulty pH monitoring systems. The area affected by concentrations of 300 ppm over a 10 min exposure time is within a circle of 65 m radius and the 50 ppm IDLH threshold for 30 min exposure will be reached over an area of 104 m radius. The center of these circles is mid-distance between the two DETOX facilities;

- Accidental HCN emission from the DETOX facility. The accident may be caused by a drop of pH in the reactors generated by an overdose of metabisulfite solution and/or copper sulphate combined with faulty pH monitoring systems. The area affected by high 1900 ppm concentrations for a 1 min exposure time is located within a 10 m radius circle. The area affected by concentrations of 300 ppm over a 10 min exposure time is within a circle of 27 m radius and the 50 ppm IDLH threshold for 30 min exposure will be reached over an area of 33 m radius. The center of these circles is mid-distance between the two DETOX facilities;

- Explosion of the LPG storage tank. The LPG storage tank has a 50 ton capacity and is located outdoors, near the heating plant. The simulation was conducted for the worst case scenario, considering an explosion of the full tank. Threshold I with heat 12.5 kW/m<sup>2</sup> is within a 10.5 m radius circle and Threshold II, of heat radiation 5 kW/m<sup>2</sup> is within a circle of 15 m radius;

- Damage and/or fire at the fuel tanks. Simulations were conducted for the worst case scenarios, considering ignition and combustion of all the diesel (fire in the tank, or in the containment vat, when full of diesel);

- Corna Dam break and breach development. Two credible accident scenarios were considered in simulating tailings flow out of the Tailings Management Facility, and six credible scenarios for the flow of decant water and tailings pore water, with significant effects on the terrestrial and aquatic ecosystems, in different weather conditions;

- Tailings flow may occur along Corna Valley, on a 800 m (starter dam break) or over 1600 m reach should the Corna dam break in its final stage;

- In regard to water quality impacts, cyanide concentrations in the water in the shape of a pollution plume may reach Arad, near the Romanian-Hungarian border on the Mureş River, in concentrations ranging between 0.03 and 0.5 mg/L. Due to inherent mathematical limitations in the models, these values and the accident effects are considered overestimated. Therefore, the results describe the "worst case scenario" based on extreme dam break assumptions for the Corna Dam.

A new and much more precise and realistic simulation has been subsequently established based on the INCA Mine model, that considers the dispersion, volatilization and breakdown of cyanides during the downstream movement of the pollutant flow (Whiteland et al., 2006).

The model used is the INCA model developed over the past 10 years to simulate both terrestrial and aquatic systems within the EUROLIMPACS EU research program ([www.eurolimpacs.ucl.ac.uk](http://www.eurolimpacs.ucl.ac.uk)). The model has been used to assess the impacts from future mining, and collection and treatment operations for pollution from past mining at Roşia Montană.

The modeling created for Roşia Montană simulates eight metals (cadmium, lead, zinc, mercury, arsenic, copper, chromium, manganese) as well as Cyanide, Nitrate, Ammonia and dissolved oxygen. The model has been applied to the upper catchments at Roşia Montană as well as the complete Abrud-Arieş-Mureş river system down to the Hungarian Border and on into the Tisa River. The model takes into account the dilution, mixing and physical-chemical processes affecting metals, ammonia and cyanide in the river system and gives estimates of concentrations at key locations along the river, including at the Hungarian Boarder and in the Tisa after the Mureş joins it.

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Because of dilution and dispersion in the river system, and of the initial EU BAT-compliant technology

adopted for the project (for example, the use of a cyanide destruct process for tailings effluent that reduces cyanide concentration in effluent stored in the TMF to below 6 mg/l), even a large scale unprogrammed release of tailings materials (for example, following failure of the dam) into the river system would not result in transboundary pollution. The model has shown that under worse case dam failure scenario all legal limits for cyanide and heavy metals concentrations would be met in the river water before it crosses into Hungary.

The INCA model has also been used to evaluate the beneficial impacts of the existing mine water collection and treatment and it has shown that substantial improvements in water quality are achieved along the river system under normal operational conditions.

For more information, an information sheet presenting the INCA modeling work is presented under the title of the Mureş River Modeling Program and the full modeling report is presented in Annex 5.1:

- Development of HCN on the tailings pond surface. Simulated emissions of HCN from the Tailings Management Facility pond surface and of their dispersion into the ambient air show that the level of  $400\mu\text{ g/m}^3$  hourly average and  $179\mu\text{ g/m}^3$  8hr average will not be exceeded. These HCN concentrations are only slightly over the odor threshold (0.17ppm) and much below potentially dangerous concentrations;

- Cetate Dam break and breach development. Flood modeling was in case of a break in Cetate dam was based on the design parameters obtained from the hydrometeorological study "Assessment of rainfall intensity, frequency and runoff for the Roşia Montană Project - Radu Drobot". The breach characteristics were predicted using the BREACH model, and the maximum height of the flood wave in various flow sections was modeled using the FLDWAV software. The assumptions included a total 800000  $\text{m}^3$  discharge for one hour, when the peak of the flood hydrograph is about 4.9 m above base flow immediately below the dam and in the narrow Abrud valley 5.9-7,5 km downstream of the dam, while in the last section considered (10,5 km) water depth is about 2.3 m above base flow and the maximum flow rate 877  $\text{m}^3/\text{s}$ . Further, the broader Aries valley allows the flood wave to propagate on a significantly wider bed, which results in a highly attenuated hydrograph. These results describe the "worst case scenario" based on extreme dam break assumptions:

- Accidents during cyanide transportation. Due to the large quantities of cyanide transported (about 30t /day) the risks associated to this activity were assessed in detail using the ZHA- Zurich Hazard Analysis method. As a consequence, the optimum transport route was selected from the manufacturer to the Process Plant, e.g.;

- Cyanide transport (in solid state) will exclusively involve special SLS (Solid to Liquid System) containers, 16 tons each. The ISO compliant container will be protected by a framework with legs, which allows separation from the transport trailer for temporary storage. The wall is 5.17 mm thick, which, together with the protective framework, provides additional protection to the load in case of accident. This system is considered BAT and is currently one of the safest cyanide transportation options.

It is being mentioned the fact that the study develops the occurrence possibility of these scenarios (pages 166-171, Conclusions).

As regards the cyanides management, there is a baseline study named "Roşia Montană Golden Project, Cyanides Management Plan" prepared in compliance with the "International Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold (International Cyanide management Institute) May 2002". S.C. Roşia Montană Gold Corporation is signatory to this code.

Bibliographical references for Chapter 7 "Risk Cases" are listed at page 173-176.

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RMGC's closure estimates, which were developed by a team of independent experts with international experience and will be reviewed by third party experts, are based on the assumption that the project can be completed according to the plan, without interruptions, bankruptcy or the like. They are engineering calculations and estimates based on the current commitments of the closure plan and are summarized in the EIA's Mine Closure and Rehabilitation Management Plan (Plan J in the EIA). Annex 1 of Plan J will be updated using a more detailed approach looking at every individual year and calculating the amount of surety, which must be set aside year by year to rehabilitate the mine before RMGC is released from all its legal obligations. Most importantly, the current estimates assume the application of international best

practice, best available technology (BAT) and compliance with all Romanian and European Union laws and regulations.

Closure and rehabilitation at Roşia Montană involves the following measures:

- Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;
- Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;
- Covering and vegetating the tailings pond and its dam areas;
- Dismantling of disused production facilities and revegetation of the cleaned-up areas;
- Water treatment by semi-passive systems (with conventional treatment systems as backup) until all effluents have reached the discharge standards and need no further treatment;
- Maintenance of the vegetation, erosion control, and monitoring of the entire site until it has been demonstrated by RMGC that all remediation targets have been sustainably reached.

While the aspects of closure and rehabilitation are many, we are confident in our cost estimates because the largest expense—that incurred by the earthmoving operation required to reshape the landscape—can be estimated with confidence. Using the project design, we can measure the size of the areas that must be reshaped and resurfaced. Similarly, there is a body of scientific studies and experiments that enable scientists to determine the depth of soil cover for successful re-vegetation. By multiplying the size of the areas by the necessary depth of the topsoil by the unit rate (also derived from studying similar earthmoving operations at similar sites), we can estimate the potential costs of this major facet of the rehabilitation operation. The earthmoving operation, which will total approximately US \$65 million, makes up 87% of closure and rehabilitation costs.

Also, the necessity of additional technological measures to stabilize and reshape the tailings surface will be discussed in the update of the Economical Financial Guarantee (EFG) estimate, which leads to an increase the provisions for tailings rehabilitation, especially if the TMF is closed prematurely and no optimized tailings disposal regime is applied. The exact figures depend on the details of the TMF closure strategy which can be finally determined only during production.

We believe that—far from being too low—our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.

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According to Law 5/2000, regarding the approval of the Territory Arrangement Plan – 3<sup>rd</sup> Section – protected areas (“Law 5/2000”) (article 5, paragraphs 2-3), local public authorities, with the support of the competent central public authorities, had the obligation to establish the boundaries of the protection areas for the cultural heritage elements stipulated in Annex III to the above-mentioned law. This measure should have been taken within 12 months from the effective date of Law 5/2000, based on specialized studies. For this purpose, the local public authorities had to prepare the town planning documentation and its related regulations, developed and approved according to the law. This documentation must comprise the necessary protection and conservation measures for the national cultural heritage elements located in this area.

Concurrently, Law 350/2001 on the territory arrangement and urbanism stipulates the right of legal or natural persons interested in arranging the territory, to initiate the development of urbanism plans.

In accordance with these legal provisions, in 2001, RMGC initiated the preparation of these specific town-planning documentations - the General Urbanism Plan and the Zonal Urbanism Plan. These plans have been developed by Romanian certified companies and followed the legal approval procedure. The permit for the establishment of the Roşia Montană Historical Centre Protected Area was issued by the Ministry of Culture and Religious Affairs in 2002 (permits no. 61/14.02.2002 and no. 178/20.06.2002) as part of the procedure for the approval of the town planning documentation. Based on these permits, the Ministry of Culture and Religious Affairs requested the company to develop a Zonal Urbanism Plan for the Historical Centre of Roşia Montană. Out of the 41 historical buildings in Roşia Montană, thirty-five (35) are located inside the protected area of the Roşia Montană Historical Centre.



As for the heritage elements located in the future industrial development area (6 historical buildings), these are discussed in the Industrial Zonal Urbanism Plan prepared by SC Proiect Alba SA. The regulations included in this document will contain measures for the protection of these monuments.

In conclusion, the town planning studies and the specialized studies conducted for the purpose of establishing the boundaries of the protection areas within the future mining operations perimeter are currently pending approval, in accordance with the legal provisions, by the competent institutions and committees. Please note that none of the historical houses located in the perimeter of the proposed project will be affected; on the contrary, all the 41 historic buildings will be included in a complex restoration and rehabilitation program (see the Management Plan). This program is mandatory, regardless of the implementation of the mining project, if we want to prevent these buildings from collapsing because of their advanced degradation.

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Your assertion regarding the failure to obtain an applicable urbanism certificate at the start up of the public debates and of the evaluation of the quality of the report to the environmental impact assessment, is not correct.

Thus, by the time when the public debate stage started up there was an applicable urbanism certificate and namely the urbanism certificate no. 78/26.04.2006 issued by Alba County Council. This certificate was obtained prior to the evaluation stage of the quality of the report to the environmental impact assessment which started up once the EIA was submitted to the Ministry of Environment and Water Management on the 15<sup>th</sup> May 2006.

For better understanding the applicable legal provisions and the facts developed within the mining project of Roşia Montană zone we would like to make several comments:

- The procedure for issuing the environmental permit for Roşia Montană project started up on the 14<sup>th</sup> December 2004 by submitting the technical memorandum and the urbanism certificate no.68/26.August 2004 (certificate applicable by that time). S.C. Roşia Montană Gold Corporation S.A. (RMGC) applied for and obtained a new urbanism certificate no.78/26.04.2006 issued by Alba County Council for the entire Roşia Montană Project applicable on the date of the EIA Report submission (15<sup>th</sup> May 2006) and prior to the public debate start up (June 2006);
- The Section 1 of the urbanism certificate no.78 of 26<sup>th</sup> 04.2006 entitled Work construction, position 10 – “Processing plant and associated constructions “ – including the tailing management facility which existence is compulsory for the processing plant running. The Tailing management facility is also specified on the layout plans which are integral part of the urbanism certificate and they were sealed by Alba County Council so that they cannot be modified;
- The Urbanism Certificate is an informative document and its goal is only to inform the applicant about the legal, economic and technical regime of the existing lands and buildings and to establish the urbanism requirements and the approvals necessary to obtain the construction permit (including the environmental permit) as per art.6 of Law 50/1991 referring to the completion of construction works, republished and art 27 paragraph 2 of the Norms for the application of Law 50/1991 – Official Journal 825 bis/13.09.2005).

As it is an informative document, it does not limit the number of certificates an applicant may obtain for the same land plot ( art. 30 of Law no. 350/2001 regarding the territorial planning and urbanism).

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Introduced as part of the Environmental Impact Assessment Report Study (EIA), the Roşia Montană Foundation is shifting in focus. The Community Sustainable Development Plan activities initially conceived as coming under the Foundation umbrella (business oriented activities: business incubator, business advisory center, micro-finance facility, as well as social oriented activities: education and training center) have been advanced independently, via partnerships and with community participation in decision-making – a preferable way to advance social and economic development programs.

Going forward, the Foundation will take shape around preservation, patrimony and cultural heritage

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issues, with its final form determined in consultation with the community.

In terms of the philosophy that guides the company's Sustainable Development efforts, the Roșia Montană Gold Corporation (RMGC) sees itself not as principal provider, but as a partner. Community involvement is considered the starting point; over time, as the community builds the capacity to maintain programs in its own right, the company will turn over control of currently-established programs to the community and its institutions.

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.

\*

We underline the fact that your statement is false. The General Urbanism Plan for the Roșia Montană commune, endorsed in 2002 allows the development of Roșia Montană project, as it has been presented during the public consultations.

Concurrently, pursuant to the provisions of art. 41, paragraph 2, from the Mining Law no.85/2003, the authorities from the local administration have the liability to adjust and/or update the territory arrangement plans and the general urbanism plans, in order to allow the development of all operations necessary for the development of mining activities.

RMGC has also initiated the preparation of two zonal urbanism plans: Zonal Urbanism Plan Modification – Roșia Montană Industrial Area and Zonal Urbanism Plan – Roșia Montană Historical Area. The first urbanism plan is required by the urbanism certificate no.78/26.04.2006, which updates the Zonal Urbanism Plan for the Industrial Area approved in 2002. As far as the historical area is concerned, its Zonal Urbanism Plan is required by the General Urbanism Plan approved also in 2002. Both urbanism plans are pending approval and have been subject to public consultations.

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An engineered liner is included in the design of the Tailings Management Facility (TMF) basin to be protective of groundwater. Specifically, the Roșia Montană Tailings Management Facility (TMF or “the facility”) has been designed to be compliant with the EU Groundwater Directive (80/68/EEC), transposed as Romanian GD 351/2005. The TMF is also designed for compliance with the EU Mine Waste Directive (2006/21/EC) as required by the Terms of Reference established by the MEWM in May, 2005. The following paragraphs provide a discussion of how the facility is compliant with the directives.

The TMF is composed of a series of individual components including:

- the tailings impoundment;
- the tailings dam;
- the secondary seepage collection pond;
- the secondary containment dam; and
- the groundwater monitoring wells/extraction wells located downstream of the Secondary Containment dam.

All of these components are integral parts of the facility and necessary for the facility to perform as designed.

The directives indicated above require that the TMF design be protective of groundwater. For the Roșia Montană project (RMP), this requirement is addressed by consideration of the favorable geology (low permeability shales underlying the TMF impoundment, the TMF dam, and the Secondary Containment dam) and the proposed installation of a low-permeability ( $1 \times 10^{-6}$  cm/sec) recompacted soil liner beneath the TMF basin. Please see Chapter 2 of EIA Plan F, “The Tailings Facility Management Plan” for more information.

The proposed low permeability soil liner will be fully compliant with Best Available Techniques (BAT) as defined by EU Directive 96/61 (IPPC) and EU Mine Waste Directive. Additional design features that are included in the design to be protective of groundwater include:

- A low permeability ( $1 \times 10^{-6}$  cm/sec) cut off wall within the foundation of the starter dam to control seepage;
- A low permeability ( $1 \times 10^{-6}$  cm/sec) core in the starter dam to control seepage;
- A seepage collection dam and pond below the toe of the tailings dam to collect and contain any seepage that does extend beyond the dam centerline;
- A series of monitoring wells, below the toe of the secondary containment dam; to monitor seepage and ensure compliance, before the waste facility limit.

In addition to the design components noted above specific operational requirements will be implemented to be protective of human health and the environment. In the extremely unlikely case that impacted water is detected in the monitoring wells below the secondary containment dam, they will be converted to pumping wells and will be used to extract the impacted water and pump it into the reclaim pond where it will be incorporated into the RMP processing plant water supply system, until the compliance is reestablish.

\*

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reestablish.

With respect to your comments made as regards a presumptive infringement of the provisions of Government Decision No.351/2005 (“GD 351/2005”), there are several aspects to be taken into consideration. Thus:

1. Firstly, please note that, according to the provisions of art. 6 of GD 351/2005, any activity that might determine the discharge of dangerous substances into the environment is subject to the prior approval of the water management authorities and shall comply with the provisions of the water permit issued in accordance with the relevant legislation.

The GD 351/2005 provides that the water permit shall be issued only after all technical-construction measures are implemented as prevent the indirect discharge of dangerous substances into the underground waters. The maximum discharge limits are expressly provided under GD 351/2005 and compliance with such is a condition for granting and maintaining the water permit.

In accordance with the provisions of GD 351/2005, the actual discharge limits should be authorized by the relevant authority, such process being understood by the lawmaker in consideration of the complexity and variety of industrial activities, as well as the latest technological achievements.

Therefore, please note that the EIA stage is not intended to be finalized into an overall comprehensive permit, but it represents only a part of a more complex permitting process. Please note that, according with art. 3 of GD 918/2002, the data`s level of detail provided in the EIA is the one available in the feasibility stage of the project, obviously making impossible for both the titleholder and authority to exhaust all required technical data and permits granted.

The adequate protection of the ground water shall be ensured by the terms and conditions of the water permit. The issuance of the water permit shall be performed following an individual assessment of the project, considering its particular aspects and the relevant legal requirements applicable for mining activities. Until the water permit is obtained, any allegation regarding the infringement of GD 351/2005 is obviously premature mainly because the water permit shall regulate, in accordance with the relevant legal provisions, the conditions to be observed by the developer as regards the protection of the ground water;

2. Secondly, kindly note that the complexity and specificity of mining projects generated the need of a particular legal framework. Therefore, for such projects, the reading of the legal provisions of a certain enactment should be corroborated with the relevant provisions of the other regulations applicable.

In this respect, please not that the understanding of GD 351/2005 must be corroborated with the provisions of the entire relevant legislation enforceable as regards Roşia Montană Project, with a particular accent to Directive 2006/21/EC on the management of waste from the extractive industries (“Directive 21”).

The very scope of Directive 21 is to provide a specific legal framework for the extractive wastes and waste facilities related to mining projects, considering the complexity of such projects and the particular aspects of mining activities that can not always be subject to the common regulations on waste management and landfill.

From this perspective, Directive 21 provides that, an operator of a waste facility, as such is defined thereunder (please note that the TMF proposed by RMGC is considered a “waste facility” under Directive 21), must inter alia, ensure that:

- a) *“the waste facility is [.....]designed so as to meet the necessary conditions for, in the short and long-term perspectives, preventing pollution of the soil, air, groundwater or surface water, taking into account especially Directives 76/464/EEC (1), 80/68/EEC (2) and 2000/60/EC, and ensuring efficient collection of contaminated water and leachate as and when required under the permit, and reducing erosion caused by water or wind as far as it is technically possible and economically viable;”*
- b) *“the waste facility is suitably constructed, managed and maintained to ensure its physical stability and to prevent pollution or contamination of soil, air, surface water or groundwater in the short and long-term perspectives as well as to minimize as far as possible damage to landscape.”*

In addition, it should be mentioned that RMGC was required by MWEM under the Terms of Reference, to perform the EIA considering the provisions of Directive 21 and the BAT Management of Mining Waste. The Directive 21 was intended by the EU DG of Environment to be the legislative regime applicable to sound management of mining waste throughout Europe and therefore compliance with its provisions is mandatory.

\*

Detailed financial guarantees are in place, in the form of the Environmental Financial Guarantee (“EFG”), which require Roșia Montană Gold Corporation (“RMGC”) to maintain adequate funds for environmental cleanup. The EFG is updated annually and will always reflect the costs associated with reclamation. The current projected closure cost for Roșia Montană is US \$76 million, which is based on the mine operating for its full 16-year lifespan.

The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003).

Two directives issued by the European Union also impact the EFG: the Mine Waste Directive (“MWD”) and the Environmental Liability Directive (“ELD”).

The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roșia Montană.

RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.

Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.

The annual updates will be completed by independent experts, carried out in consultation with the NAMR, as the Governmental authority competent in mining activities field. These updates will ensure that in the unlikely event of early closure of the project, at any point in time, each EFG will always reflect the costs associated with reclamation. (These annual updates will result in an estimate that exceeds our current US \$76 million costs of closure, because some reclamation activity is incorporated into the routine operations of the mine.)

A number of different financial instruments are available to ensure that RMGC is capable of covering all of the expected closure costs. These instruments, which will be held in protected accounts at the Romanian state disposal, include:

- Cash deposit;
- Trust funds;
- Letter of credit;
- Surety bonds;
- Insurance policy.

Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roșia Montană project.

\*

The Security Report has been made available for public access by being posted at the following Internet address [http://www.mmediu.ro/dep\\_mediu/rosia\\_montana\\_securitate.htm](http://www.mmediu.ro/dep_mediu/rosia_montana_securitate.htm) as well as through the printed

version which could have been found at several information locations established for public hearings.

\*

Chapter 5 of the Report on the environment impact assessment study (EIA) (*Assessment of Alternatives*) presents an assessment of the “no-project” alternative in Section 1 (*No-Project Alternatives*). This section covers the immediate impact of not advancing the project and looks beyond this at potential alternative industries. The conclusions are clear: “A diverse multi-sector economic base is important for the sustained economic growth of the region”, and the Roşia Montană Project (RMP) is capable of providing the required economic stimuli and would serve to achieve the economic goal of sustainable prosperity.

The EIA also assessed a wide range of alternative developments – including agriculture, grazing, meat processing, tourism, forestry and forest products, cottage industries, and flora/fauna gathering for pharmaceutical purposes – and concluded that these activities could not provide the economic, cultural and environmental benefits brought by the RMP. But while other industries do not have this capability, their development in parallel is not precluded “and to the contrary, [the RMP] solves several key problems for attracting investment”.

Clearly, the assessment of the no-project alternative has been undertaken in a full and considered manner.

\*

The impacts on protected flora and fauna will occur only locally, but these impacts will not lead to the disappearance of any species. The mining project was designed even from the beginning to meet all Romanian and European environmental legal requirements.

The company believes that the project’s impact on the environment remains significant, especially because the project will cover previous environmental impact. But, the investments required to restore/rehabilitate Roşia Montană area in order to resolve current complex environmental issues, are possible only after the implementation of economic projects capable of generating and warranting responsible and direct courses of action as a base component of sustainable development concepts. Clean economic processes and technologies may develop only in the presence of a solid economic system, in a total respect towards environment that will resolve even previous impacts caused by all anthropic activities.

Project’s base documents are an unbiased reasoning of its implementation, taking into account the complex environmental commitments assumed for Roşia Montană area.

For a complete answer, the annexes will be consulted, because all issues included in contestations as well as the ones included in reports submitted by various experts are addressed in Annex 6.

Some of species existing at Roşia Montană that are under a certain protection status represent an insignificant percentage from populations estimated at national level. The species characterization can be found in the species tables included in Chapter 4.6, Biodiversity of the Report on Environmental Impact Assessment Study (EIA) as well as in its Annexes. Due to the large amount of information, these tables are available in the electronic format of EIA. 6,000 electronic copies of EIA Report presented on DVD/CDs have been disclosed to the public both in English and Romanian. Moreover, the EIA is also available on RMGC’s website and on the websites of Ministry of Environment and Waters Management and Local and Regional Environment Protection Agencies of Alba, Cluj and Sibiu, etc.

From practical point of view, the low value of conservation of the impact area is also indirectly emphasized by the fact that there is no proposal to designate the area an SPA (aviafaunistic special protected area) and by the denial as unfounded of the proposal to designate the area as a pSCI area (sites of community importance).

Taking all these into account, we believe that the proposed Project is compliant with the provisions of EU Directive no. 92/43 Habitats[1], and EU Directive no. 79/409 Birds[2] respectively, especially because within Biodiversity Management Plan, Plan H, several active and responsible measures are provided to restore/rehabilitate several natural habitats, pursuant to the provisions of the same documents [3].

References:

[1] art.3, 2nd paragraph, Each Member State shall contribute to the creation of Natura 2000 (network) in proportion to the representation within its territory of the natural habitat types and the habitats of species referred to in paragraph 1. To that effect each Member State shall designate, in accordance with Article 4, sites as special areas of conservation taking account of the objectives set out in paragraph 1.

art.4, 1st paragraph. On the basis of the criteria set out in Annex III (Stage 1) and relevant scientific information, each Member State shall propose a list of sites indicating which natural habitat types in Annex I and which species in Annex II that are native to its territory the sites host. For animal species ranging over wide areas these sites shall correspond to the places within the natural range of such species which present the physical or biological factors essential to their life and reproduction. For aquatic species which range over wide areas, such sites will be proposed only where there is a clearly identifiable area representing the physical and biological factors essential to their life and reproduction. Where appropriate, Member States shall propose adaptation of the list in the light of the results of the surveillance referred to in Article 11. [...]

2nd paragraph.[...] Member States whose sites hosting one or more priority natural habitat types and priority species represent more than 5 % of their national territory may, in agreement with the Commission, request that the criteria listed in Annex III (Stage 2) be applied more flexibly in selecting all the sites of Community importance in their territory. [...]

Art. 6. 4th paragraph. If, in spite of a negative assessment of the implications for the site and in the absence of alternative solutions, a plan or project must nevertheless be carried out for imperative reasons of overriding public interest, including those of a social or economic nature, the Member State shall take all compensatory measures necessary to ensure that the overall coherence of Natura 2000 is protected. It shall inform the Commission of the compensatory measures adopted.

Art. 16. Provided that there is no satisfactory alternative and the derogation is not detrimental to the maintenance of the populations of the species concerned at a favorable conservation status in their natural range, Member States may derogate from the provisions of Articles 12, 13, 14 and 15 (a) and (b):[...]

- in the interests of public health and public safety, or for other imperative reasons of overriding public interest, including those of a social or economic nature and beneficial consequences of primary importance for the environment;

[2] Art.4, 1st paragraph. The species mentioned in annex 1 shall be the subject of special conservation measures concerning their habitat in order to ensure their survival and reproduction in their area of distribution.[...]

Trends and variations in population levels shall be taken into account as a background for evaluations. Member states shall classify in particular the most suitable territories in number and size as special protection areas for the conservation of these species , taking into account their protection requirements in the geographical sea and land area where this directive applies.

[3] Directive 92/43 Habitats, art. 2, 2nd paragraph; Directive 79/409 Birds, art. 3, 2nd paragraph, letter c.

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This statement is ungrounded, because the environmental impact assessment (EIA) process has included preliminary cumulative estimates for stationary motorized equipment and linear (vehicular) sources were prepared in order to provide an initial understanding of the potential cumulative noise and vibration impacts from background and Roşia Montană Project sources, and to guide future monitoring and measurement activities as well as the selection of appropriate Best Management Practices/Best Available Techniques for further mitigation of the potential noise and vibration impacts from Project activities. These preliminary estimates apply to major construction activities, as well as the operation and decommissioning/closure of the mine and process plant. They are documented as data tables and isopleth maps for major noise-generating activities in selected, representative Project years; see **Tables 4.3.8**

through 4.3.16 and Exhibits 4.3.1 through 4.3.9. All these details related to the applied assessment methodology, the input data of the dispersion model, the modeling results and the measures established for the prevention/mitigation/elimination of the potential impact for all project stages (construction, operation, closure) are included in Chapter 4, Section 4.3 Noise and Vibrations of the EIA Report.

Project Years 0, 9, 10, 12, 14, and 19 were selected for modeling because they are considered to be representative of the most significant levels of noise-generating activity. They are also the same years used for air impact modeling purposes in Section 4.2, as air and noise impacts share many of the same sources or are otherwise closely correlated. In order to more accurately reflect potential receptor impacts, all of these exhibits integrate the background traffic estimates discussed in Section 4.3.6.1.

The Project site plan and process plant area and facility drawings were used to establish the position of the noise sources and other relevant physical characteristics of the site. Receptor locations were established using background reports and project engineering and environmental documentation provided by RMGC. With this information, the source locations and receptor locations were translated into input (x, y, and z) co-ordinates for the noise-modeling program.

Tables 4.3.8 through 4.3.16 and Exhibits 4.3.1 through 4.3.9 present the average maximum noise values likely to be experienced by the receptor community over all Project phases after incorporation of a variety of initial mitigation measures designed specifically to reduce the impacts associated with mobile and stationary machinery sources. The influence of non-mining related background (primarily traffic) noise is also included.

To evaluate the sound levels associated with haul trucks and other mobile sources crossing the site carrying excavated ore, waste rock, and soil, a noise analysis program based on the (U.S.) Federal Highway Administration's (FHWA) standard RD-77-108 [1] model was used to calculate reference noise emissions values for heavy trucks along the project roadways. The FHWA model predicts hourly  $L_{eq}$  values for free-flowing traffic conditions and is generally considered to be accurate within 1.5 decibels (dB).

The model is based on the standardized noise emission factors for different types and weights of vehicles (e.g., automobiles, medium trucks, and heavy trucks), with consideration given to vehicle volume, speed, roadway configuration, distance to the receiver, and the acoustical characteristics of the site. The emission levels of all three vehicle types increase as a function of the logarithm of their speed.

To evaluate the sound sources from the proposed mine processing facility and the semi-stationary material handling equipment (at the ore extraction, waste rock and soil stockpiling areas), a proprietary computerized noise prediction program was used by AAC to simulate and model the future equipment noise emissions throughout the area. The modeling program uses industry-accepted propagation algorithms based on the following American National Standards Institute (ANSI) and International Organization for Standardization (ISO) standards:

- *ANSI S1.26-1995 (R2004), Method for the Calculation of the Absorption of Sound by the Atmosphere;*
- *ISO 9613-1:1993, Acoustics -- Attenuation of sound during propagation outdoors-- Part 1: Calculation of the absorption of sound by the atmosphere;*
- *ISO 9613-2:1996, Acoustics -- Attenuation of sound during propagation outdoors -- Part 2: General method of calculation;*
- *ISO 3891:1978, Acoustics -- Procedure for describing aircraft noise heard on the ground.*

The calculations account for classical sound wave divergence (i.e., spherical spreading loss with adjustments for source directivity from point sources) plus attenuation factors due to air absorption, minimal ground effects, and barriers/shielding.

This model has been validated by AAC over a number of years via noise measurements at several operating industrial sites that had been previously modeled during the engineering design phases. The comparison of modeled predictions versus actual measurements has consistently shown close agreement; typically in the range of 1 to 3 dB (A).

References:

[1] FHWA Highway Traffic Noise Prediction Model; see Federal Highway Administration Report Number



FHWA-RD-77-108, USA, Washington, D.C., 1978.

A detailed presentation of blasting technology can be found in the annex 7.1 - **Proposed blasting technology for the operational phase of Roşia Montană Project.**

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The partnership between Gabriel Resources and Regia Autonomă a Cuprului Deva (currently, CNCAF Minvest SA) has been established based on Law no. 15/1990 on the reorganization of the state owned companies as autonomous directions and trade companies, published in the Official Gazette, Section I, no. 98/08.08.1990, as subsequently amended and supplemented. Art. 35 of this law provides the possibility of the regies autonomous to enter into partnerships with legal third parties, Romanian or foreign, for the purpose of setting up new trading companies.

Roşia Montană Gold Corporation SA was set up in 1997, according to the legal provisions in force as at that time, the setting up being made by observing all the conditions imposed by Company Law no. 31/1990 and Trade Register Law no. 26/1990, in regard of the setting up of the joint stock companies with mixed capital.

We underline that the Articles of Associations of Roşia Montană Gold Corporation SA, representing the result of the parties agreement in regard of the terms and conditions under which the partnership between the Romanian state and investor takes place represents a public document, being included in the category of documents which, as per Law no. 26/1990 on the Trade Register, are published in the Romanian Official Gazette and for which the Trade Register is obliged to issue, on the expense of the persons submitting a request, certified copies.

As for the agreement concerning the setting up of the mixed company together with Gabriel Resources Ltd., this has been expressed by the Ministry of Industry and Trade, the conditions imposed by the setting up of the mixed company being the following: (i) ensuring of the jobs at the level existing upon the conclusion of the agreement concerning the setting up of the mixed company; (ii) the expenses incurred by the fulfillment of the exploration stage should be fully supported by Gabriel; (iii) the obtaining of the approval from the ANRM by the Copper Autonomous Direction Deva and (iv) the observance of all legal provisions in force concerning the setting up of the mixed companies with foreign partners. These conditions have been fully complied with as at the setting up of the company and during the development of its activity.

We also specify that the establishing of the shareholders' quotas to the benefits and losses of Roşia Montană Gold Corporation SA has been made by considering their contribution quota to the company's share capital. The current percentage of 80% for Gabriel Resources Ltd. and of 19.31% for CNCAF Minvest SA resulted from the initial contribution and the subsequent contributions of the shareholders to the company's share capital, in consideration also of Gabriel Resources Ltd. advancing all expenses and costs related to the development-exploitation and permitting of the Roşia Montană Mining Project.

The provisions of the Articles of Associations of Roşia Montană Gold Corporation SA on the necessary majority and quorum conditions for the decision-making process within the General Shareholders Meeting and the quotas to the benefits and losses of the company are taken from Law no. 31/1990, and no derogation exists in regard of this aspect.

\*

This claim is not true; the Urbanism Plan has been prepared with public consultation.

S.C. Roşia Montană Gold Corporation S.A. has requested and obtained from Alba County Council the Urbanism Certificate no. 78 of 26.04.2006, for the entire Roşia Montană mining project, including the tailings management facility. The Urbanism Certificate also stipulated the preparation of a Zonal Urbanism Plan, to reflect all changes made to the Roşia Montană Project, following the public consultations and debates organized in relation to this project, and the consultations with the permitting authorities. This plan, entitled "Modification of the Zonal Urbanism Plan, Roşia Montană Industrial Area", was prepared and subject to public debate in June 2006 in accordance with the provisions of Order

no.176/N/2000 issued by the Ministry of Public Works and Territory Development for the approval of the technical regulations "Guidelines regarding the methodology applied for the preparation and framework content of the Zonal Urbanism Plan" and, at present, it is pending approval.

Concerning the Roşia Montană General Urbanism Plan approved in 2002, such plan was prepared in parallel with the Zonal Urbanism Plan of 2002, all the provisions of the General Urbanism Plan being also included in the Zonal Urbanism Plan. Also, the approval procedure related to the two urbanism plans was carried out in parallel.

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Preventive archaeological researches within the Roşia Montană mining project area have been undertaken based on specific techniques, specifically trial trenches in all accessible areas that are suitable for human habitation, taking into account the bibliographical information and the observations recorded during the archaeological survey campaigns, the geophysical studies and the analyses of the photogrammetric flights. In addition, surface investigations were undertaken, where appropriate.

The archaeological researches at Roşia Montană covered a large surface and focused on the areas known to have archaeological potential. THEREFORE, ALL AREAS THAT HAVE BEEN ARCHAEOLOGICALLY DISCHARGED HAD BEEN PREVIOUSLY INVESTIGATED. All research programs, beginning with the 2004 campaign, have been undertaken in full compliance with the current legal requirements, i.e. Ministerial Order no. 2392 of 6 September 2004 on the establishment of the Archaeological Standards and Procedures by the Ministry of Culture and Religious Affairs.

The proposed gold mining project at Roşia Montană has raised a series of issues related to the rescue of the historical-archaeological heritage within the area, as well as issues related to its scientific development and also the enhancement of heritage within a museum. Given the complex difficulties encountered in this respect, the Ministry of Culture and Religious Affairs decided to initiate the "Alburnus Maior" National Research Program.

The company's role was to provide the necessary financial resources for the assessment, research and enhancement of the archaeological remains, in full compliance with the Romanian current legislation. The development of the research and of the archaeological discharge works has been conducted through specific means and methodologies that have been adjusted to the realities of every site researched, in our case, Roşia Montană. They consisted in:

- Archives studies;
- Archaeological surveys; trial trenches;
- aerial reconnaissance/survey and aerial photo interpretation ; high resolution satellite images;
- mining archaeology studies; underground topography and 3D modeling;
- geophysical surveys;
- extensive archaeological investigations in the areas with an identified archaeological potential- this implied carrying out archaeological excavations;
- Interdisciplinary studies- sedimentology, archaeo-zoology, comparative palynology, archaeo-metallurgy, geology, mineralogy;
- Radiocarbon dating and dendrochronology;
- This research and its results were included in an integrated database;
- traditional and digital archaeological topography and development of the GIS project; generate a photo archive- both traditional and digital;
- restoration of artifacts;
- an inventory and a digital catalogue of the artifacts;
- studies conducted by specialists in order to enhance the research results - publication of monographs/scientific books and journals, exhibitions, websites, etc.

All the preventive archaeological researches undertaken at Roşia Montană since 2000 have been carried out as part of a complex research program; permits for preventive archaeological excavations being issued in compliance with the current legislation. These archaeological investigations have been undertaken by representatives of 21 specialized institutions from Romania and 3 others from abroad, under the scientific coordination of the Romanian National Museum of History. All archaeological researches have been

conducted in full compliance with the existing legislation. The investigations undertaken during each archaeological research campaign have been approved by the Ministry of Culture and Religious Affairs based on the Annual Archaeological Research Plan approved by the National Commission of Archaeology.

Under the current legislation (Ministerial Order no. 2392 of 6 September 2004 on the establishment of the Archaeological Standards and Procedures by the Ministry of Culture and Religious Affairs) the archaeologists who have conducted the research may ask that an archaeological discharge certificate be granted. Based on a complex research program, the archaeologists prepare comprehensive documentation with regard to the researched area. Upon consideration of the submitted documentation, the National Commission of Archaeology makes a decision as to whether to recommend or not the granting of the archaeological discharge certificate. In the case of the research conducted in the period 2001-2006, the archaeological discharge certificate was issued directly by the Ministry of Culture and Religious Affairs or by its local agencies.

Preventive archaeological researches at Roşia Montană have allowed the research of five Roman cremation necropolis (Tău Corna, Hop-Găuri, Țarina, Jig - Piciorag and Pârâul Porcului – Tăul Secuilor), two funerary areas (Carpeni, Nanului Valley), sacred areas (Hăbad, Nanului Valley), habitation areas (Hăbad, Carpeni, Tăul Țapului, Hop), the most significant being the Roman structures on the Carpeni Hill and the circular funerary monument at Tău Găuri. In addition, for the first time in Romania, surface investigations have been paralleled by underground investigations of Cetate, Cărnice, Jig and Orlea massifs, with important discoveries in the Piatra Corbului, area, Cătălina-Monulești gallery and the Păru Carpeni mining sector.

The research consisted of aerial photo interpretation, archaeological magnetometric studies, electrical resistivity, palynology, sedimentology, geology studies, radiocarbon and dendrochronology dating. For a better management of the research units and of the archaeological findings, data bases were used, including text and photographs-among which 4 satellite images (an archive satellite image type SPOT Panchromatic (10m) from 1997; 2 satellite images LANDSAT 7 MS (30 m), dating from 2000 and 2003; a satellite image with priority programming SPOT 5 SuperMode color (2,5 m resolution-19 July 2004); all data have been included in a comprehensive GIS program, a first in the Romanian archaeological research.

In the case of archaeological monuments that are located close to industrial facilities, plans have been redesigned to ensure that the archaeological remains in question will not be affected. Where appropriate, the archaeological monument was preserved in situ and restored, i.e. the circular funerary monument at Hop-Găuri (see The "Alburnus Maior" monograph series, volume II, Bucharest, 2004). Another example in this respect is the Carpeni Hill, designated an "archaeological " reserve, and the Piatra Corbului area. In 2004, after being thoroughly investigated, these areas have been included on the List of Historic Monuments. Add to this the areas where ancient mining remains will be preserved, such as the Cătălina Monulești gallery and the mining sector Păru Carpeni, as well as the protected area Roşia Montană Historic Center, including a number of heritage assets (35 historic monument houses).

We emphasise in this respect that the identified and researched structures have been published in preliminary form in the Archaeological Research Chronicle of Romania, after every archaeological research campaign, as well as in volume 1 of the Alburnus Maior monographic series. We mention here the areas where Roman habitation structures have been identified and researched, as well as the references to be consulted for further information: Hop-Găuri, Carpeni, Tăul Țapului (CCA 2001 (2002), p. 254-257, no. 182; 261-262, nr. 185; 264-265, no. 188; 265-266, no. 189. Alburnus Maior I, 2003, p. 45-80; 81-122; 123-148; CCA 2001 (2002), 257-261; CCA 2003 (2004) ,280-283; Alburnus Maior I, 2003, p. 387-431, 433-446, 447-467).

For further details related to the applicable legal framework, the responsibilities of the Project titleholder, or for a detailed description of the preventive archaeological researches undertaken to date and of the Cultural Heritage Management Plans, please see Annex called "Information on the Cultural heritage of Roşia and Related Management Aspects". In addition, the annex includes supplementary information with regard to the result of the researches undertaken as part of the "Alburnus Maior" National Research Program between 2001 and 2006.

In conclusion, the area mentioned by the questioner has been researched in accordance with the Romanian legal requirements, as well as with European standards and practices in the field.

Note that the type of research undertaken at Roşia Montană, known as preventive/rescue archaeological research, as well as other related heritage studies, are done everywhere in the world in close connection with the economic development of certain areas. Both the costs for the research and for the enhancement and maintenance of the preserved areas are provided by investors, in a public-private partnership set up in order to protect the cultural heritage, as per the provisions of the European Convention on the Protection of the Archaeological Heritage (Malta-1992) [1].

References:

[1]The text of the Convention is available at the following address:

<http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?NT=143&CM=8&DF=7/6/2006&CL=ENG>

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In 2000, in the context of the proposal of a new mining project in the Roşia Montană area, the Ministry of Culture and Religious Affairs approved a series of studies to be conducted in order to research the archaeological and architectural heritage of the area. And at the end of that year, the Design Centre for National Cultural Heritage (now the National Institute for Historical Monuments) presented the preliminary results of these researches to the National Commission for Historical Monuments and of the National Commission of Archaeology. Based on these results, in 2001, the Ministry of Culture and Religious Affairs initiated the “Alburnus Maior” National Research Program (the Order no. 2504 / 07.03.2001 of the Minister of Culture and Religious Affairs) in compliance with the Law 378/2001 (as subsequently amended by Law 462/2003 and by Law 258/2006 and Law 259/2006). Thus, since 2000, the Ministry of Culture and Religious Affairs – directly or through its subordinate institutions - has fulfilled its duties with regard to the management of the issues related to Roşia Montană’s heritage.

Thus, the preventive archaeological researches have been conducted by the representatives of 21 national institutions and 3 others from abroad under the scientific coordination of the National Museum of History of Romania. They have been carried out based on the annual approval of the National Commission of Archaeology of the Ministry of Culture and Religious Affairs. In accordance with the legislation in force, this research program is carried out with the financial support provided by RMGC (the company that plans to expand and continue to mine the gold-silver deposit in Roşia Montană). Thus, large-scale preventive investigations have been conducted or are underway in the RMP impact area. A proposal will be made based on the results thereof either for the archaeological discharge of some researched perimeters from the project perimeter or the preservation *in situ* of certain representative structures and monuments, in compliance with the legislation in force. In the case of the areas proposed for conservation and the ones for which the archaeological discharge measure was applied, the decision was made based on the surveys conducted by specialists and on the analysis of the National Commission of Archaeology. In the period 2000-2005, the mining project underwent a series of modifications designed to promote the implementation of the decision regarding the conservation of the local heritage. Examples of these include: extending the duration of the field investigations on several years (e.g. Ţarina, Pârâul Porcului, Orlea) and changing the location of some elements of infrastructure in order to allow the conservation of the archaeological remains found in the Carpeni, Tău Găuri and Pietra Corbului areas.

**The architectural and town-planning surveys** have been conducted, in accordance with the legislation in force, by companies certified by the Ministry of Culture and Religious Affairs, while the town-planning documentations drafted by these companies and the restoration and conservation works undertaken so far have been approved by the National Commission for Historical Monuments. Thus, the town-planning documentations have been approved and implemented in accordance with current legislation, and the company has agreed to these decisions and modified the mine development plans accordingly:

**Extensive ethnographic research** was conducted in the Roşia Montană-Abrud-Corna area in the period 2001-2004 coordinated by a team of specialists for the Romanian Village Museum „Dimitrie Gusti” (a National Museum directly under the coordination of the Ministry of Culture and Religious Affairs). Moreover, a broad series of oral history interviews was conducted in the period 2001-2002 by the Romanian Radio Broadcasting Company through the „Gheorghe Brătianu” Oral History Centre, Bucharest (SRR - CIO).

In compliance with the requirements of the Ministry of Environment and Waters Management and the Ministry of Culture and Religious Affairs, specific management plans have been drawn up for the management and conservation of the heritage remains from the Roşia Montană area, in the context of the

implementation of the mining project. These plans have been included in the documentation prepared for the Report on the Environmental Impact Assessment Study. (see EIA Report, volume 32-33, Plan M- *Cultural Heritage Management Plan*, part I –*Management Plan for the Archaeological Heritage from Roşia Montană Area*; part II-*Management Plan for the Historical Monuments and Protected Zone from Roşia Montană*; part III- *Cultural Heritage Management Plan*).

These management plans comprise detailed presentations of the obligations and responsibilities regarding the protection and conservation of the heritage remains from the Roşia Montană area, which the company has assumed in the context of the implementation of the mining project, according to the decision of the central government. These heritage remains include: archaeological remains above and under the ground, historic buildings, protected areas, intangible heritage assets, cultural landscape items, etc. In this context, it should be noted that besides the works for the protection and preservation of the archaeological heritage, works are being carried out for the rehabilitation and conservation of the protected area Historical Centre Roşia Montană (comprising 35 historic buildings, and projects for the restoration of 11 of these buildings are currently being drafted), Tăul Mare, Tăul Brazi and Tăul Anghel as well as remains of the surface mining works form the Vaidoia area and the creation of a modern museum dedicated to the history of mining in the Apuseni Mountains area. This museum will be established in the coming years and it will include exhibitions of geology, archaeology, industrial and ethnographic heritage as well as an underground section organized around the Cătălina Monuleşti gallery.

Moreover, representatives of the Directorate for Culture, Religious Affairs and National Cultural Heritage of Alba County have visited Roşia Montană many times in order to collect information and to check the situation. The same administrative body was the intermediary for the specific stages of acquisitions of historic buildings made by RMGC. The Ministry of Culture and Religious Affairs expressed its pre-emption right regarding the acquisition of these buildings.

Note that apart from the obligations undertaken by RMGC as regards the protection and conservation of the archaeological remains and historical monuments, there are a whole series of obligations, which rest with the local public authorities from Roşia Montană and from Alba County and with the central public authorities, namely the Romanian Government.

These aspects are further detailed in the Cultural Heritage Management Plans included in the EIA Report (see EIA Report, volume 32, *Management Plan for the Archaeological Heritage from Roşia Montană Area*, pages 21-22, 47, 52-53, 66-67-Romanian version/ 22-24; 47; 55-56; 71-72 English version) and the EIA Report, volume 33- *Management Plan for the Historical Monuments and Protected Zone from Roşia Montană* pages 28-29, 48-50, 52-53, 64-65, page 98 – Annex 1- Romanian version/ 28-29; 47-50; 51-53; 65-66; 103- Annex 1- English version).

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Item no.	22
No. to identify the observations received from the public	No. 108394/ 20.07.2006 and No. 74175/AF/ 24.07.2006
Proposal	<p>The questioner believes that by placing Țara Moșilor under UNESCO's patronage RMGC would no longer be able to destroy the landscape in Roșia Montană.</p> <p>He/she believes that an alternative option for Roșia Montană would be to develop Roman galleries so as to allow the extension of archaeological investigations and the promotion of tourism.</p>
Solution	<p>It must be noted UNESCO (UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION) cannot replace the relevant national authorities competent in the cultural heritage field. The national and governmental bodies empowered by law to manage monuments included on the World Heritage List (i.e. UNESCO monuments) are the Ministry of Culture and Religious Affairs, the National Institute of Historical Monuments and the National Commission for Historical Monuments.</p> <p>The provisions regarding these specific responsibilities, included in the Romanian legislation on historical monuments, i.e. Law 422/2001 on the protection of historical monuments, as amended ("Law 422/2001") are as follows:</p> <ul style="list-style-type: none"> <li>• art.28, (1)-25 – the Ministry of Culture and Religious Affairs [...] cooperates with interested international bodies and takes part in the co-financing of programs intended for the protection of historical monuments, including those listed on the World Heritage List [...];</li> <li>• art. 29, paragraph (3), point d) – The main responsibilities of the National Institute of Historical Monuments are: [...] d) preparation of documentation for the historical monuments proposed to be included on the World Heritage List [...];</li> <li>• art. 35, (1), point l) – the National Commission for Historical Monuments has the following responsibilities: [...] to propose historical monuments for inscription on the World Heritage List, as well as on the List of endangered sites, prepared by UNESCO [...].</li> </ul> <p>In conclusion, the proposals for inscription on the UNESCO World Heritage List –are made by the Romanian state and competent bodies, i.e. the Ministry of Culture and Religious Affairs, the National Institute of Historical Monuments and the National Commission for Historical Monuments (in accordance with the abovementioned legislation).</p> <p>Furthermore, under the current legal provisions, local public administration authorities also have responsibilities in this regard; among these are the responsibilities to develop annual management and protection plans for the historical monuments listed on the World Heritage List and located on the respective administrative territorial unit, and to ensure their monitoring and provide the necessary personnel (as per Law no. 422/2001, art. 46, (1), point i).</p> <p>The aim of the Environmental Impact Assessment Study for the Roșia Montană area, submitted to the Ministry of the Environment and Water Management in May 2006, was to prepare the implementation of a mining project by RMGC and not to help include a very large area, generically named „Țara Moșilor” on the World Heritage List. Upon assessment of this document, the competent authorities in the cultural heritage field will form a well-grounded opinion as to whether to approve or reject the Roșia Montană Project.</p> <p>As for the development of the galleries, note that over the past 700 years at least, the Roșia Montană area has had a numerous population and its gold deposits have been intensely mined during the past 1900 years. Therefore, Roșia Montană is certainly not an area where archaeological remains are entirely preserved in a manner which resembles what those structures were in the 3<sup>rd</sup> century AD. The extensive preventive archaeology investigations developed in Roșia Montană in the last 8 years have led experts to conclude that the archaeological remains discovered do not display spectacular construction attributes</p>

but, by the way they *adapt to the natural environment*, they suggest a series of elements that serve to create a general picture of the way the site looked in antiquity: necropolises located on slopes or on plateaus facing the valleys, habitation areas and sacred areas located on heights and probably connected to the mining and primary ore processing areas. Also, please note that the most representative elements of the archaeological heritage components of the area have been identified, and *in situ* preservation has been designed for them as well as inclusion in a future cultural tourism circuit.

We honestly believe that the development of the Roşia Montană area as a tourism destination can work in parallel with the mining project proposed by RMGC. A major part of the tourist resources are products of the “Alburnus Maior” National Research Program financed by RMGC. Some of these include:

### **1. Movable and immovable archaeological heritage assets**

The Mining Museum which is proposed at Roşia Montană might well be built during the development of mining activities. This museum would include artifacts discovered during archaeological excavations, items currently exhibited in the existing Mining Museum, as well as replicas of the galleries. Other plans include the re-opening of some of the galleries that have survived (e.g. the Cătălina Monuleşti gallery, where a Roman hydraulic system was uncovered; the ancient open-cast mining operation in the Văidoaia area). Specific projects for the development of this museum are described in the EIA Report. For further details on this matter, see the Environmental Impact Assessment Study, volume 32, chapter 4.3, pages 73-82

### **2. Buildings classified as historical monuments, the Protected Area Historical Centre of Roşia Montană and landscape elements within the lakes area**

As publicly stated in the Environmental Impact Assessment Study, if the Roşia Montană Mining Project is approved, all buildings that are classified as historical monuments in Roşia Montană and are the property of RMGC, will be included in a complex restoration and preservation program. Should there be any buildings classified as historical monuments that are owned by various institutions or individual persons, with the owners' consent, RMGC will finance their restoration, in full compliance with the standards issued by the Ministry of Culture and Religious Affairs. For further details please see the Environmental Impact Assessment Study – volume 33, chapter 3.2. pages 67-97.

The company does not plan to turn this entire area into a museum; this part of Roşia Montană will continue to be inhabited by local people, and in the case of the houses acquired by RMGC, by the company's staff who will work on the project. New job opportunities and tourism-related small businesses would develop in the area. Similarly, parts of the landscape around the historical centre of Roşia Montană can be included in a tourist circuit whilst other areas must remain inaccessible until completion of mining activities in the area.

### **3. Industrial heritage assets located within the former mining operation and assets located within the mining operation planned by RMGC**

Similar examples set by other mines around the world, such as - the Kennecott copper mine (Salt Lake City, Utah, USA); the Pemali tin mine in Indonesia; the Honister slate mine (Great Britain); the Martha mine (New Zealand) prove that tourist activities can be developed in close connection with works carried out as part of a large scale mining project.

Many local communities living in former mining areas have focused on developing their tourist potential – often by setting up and managing foundations – this process being supported by European level initiatives - such as the European Mining Heritage Initiative (MINTOUR), European Route of Industrial Heritage (ERIH), European Network of Mining Regions (ENRM).

Some of the most relevant examples of former mining areas converted into tourist attractions include: the Mining Park of Rio Tinto in Huelva, Spain (based on a former large scale copper mining operation); the Cap'Découverte Tourist Park from the Midi-Pyrénées region in France (based on a large scale coal mining operation); the Big Pit- National Coal Museum (Blaenafon, Torfaen, Wales, Great Britain); the Mining Museums in Příbram, Hradek - Kutna Hora, Okd Landez, Ostrava (the Czech Republic); the series of Mining Museums with underground tours in Predil, Velenje, Idrija, Mežica etc. (Slovenia); the series of Mining Museums with underground tours in Kupferberg, Goldkronach, Kali - Holungen/Schacht, Bad

Ems, Frankenwald (Germany). These are only some of the many museums across Europe dealing with mining and the history of mining. Many similar museums also exist in the United States of America, in Canada and in Australia. RMGC has commissioned independent experts to prepare Tourism Proposals for Roşia Montană in order to assess how such a process can be started.

#### **4. Elements of Intangible Heritage – traditions and customs etc.**

A number of traditions practiced in the past by the local mining community have been preserved in Roşia Montană. These local traditions - many of them passed on orally from generation to generation - represent a substantial part of Roşia Montană's intangible cultural heritage. The oral history archive created between 2002 and 2003 includes over 100 hours of digitally recorded interviews. To date, this is the only archive of this type that includes references to the industrial heritage and the traditions of a mining community existing for a long time in Transylvania. The festivals and ceremonies from Roşia Montană are to a certain extent different from those practiced in the other Transylvanian rural areas. An explanation of this fact can be found in the ethnic and religious diversity existing in Roşia Montană, as different populations settled here, lured by gold reserves. All these cultural resources, coupled with a substantial collection of archive images, represent a significant potential that may be developed in the proposed Mining Museum from Roşia Montană. The volume called "Roşia Montană. Ethnological Study 2001" represents a synthesis of all the studies and researches conducted at Roşia Montană. This volume coordinated by Paula Popoiu, Ph.D. was published in 2004, as part of the "Alburnus Maior" National Research Program.

All these elements can be developed, at least to some extent, in parallel with the mining project. In order to make this possible, separate access roads will be developed, different from the industrial roads, so that the tourists would not enter the operations areas. Some of the potential tourism elements might not be fully developed until some of the mining activities phase out or stop completely. Nonetheless, these elements will serve, amongst others, as a starting point for a sustainable economic development.

All commitments that were publicly assumed by RMGC as regards the company's contribution to the development of the tourism potential based on the heritage assets of the area are described in detail within the Environmental Impact Assessment Study, vol. 33, Cultural Heritage Management Plan.

In response to the proposal made by those who consider that the whole site should be developed as a tourism circuit, RMGC has commissioned the famous British company Gifford to undertake an assessment of the costs necessary to develop the Cărnic galleries into a museum. The document prepared by Gifford in co-operation with the British companies Geo-Design and Forkers Ltd. is available in the annex called „Cost estimate for the development of the historic mining networks from Cărnic”. As estimated by the British experts, the amount required for the development would exceed 150 million euros, plus maintenance costs of more than 1 million euros per year. As these costs are prohibitive, other options need to be considered for museum development, that would be economically feasible.

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Item no.	23
No. to identify the observations received from the public	No. 108406/ 20.07.2006 and No. 74174/AF/ 24.07.2006
Proposal	Protest against the Roşia Montană Project. The questioner's view is that tourism is a solution for saving Roşia Montană and its treasures.
Solution	<p>It is true that tourism may be a potential source of revenue and sustainable development for Roşia Montană and the region. There is, however, a vast difference between proposing tourism as an alternative or substitute for a major industrial project – and the development of tourism over time supported by the infrastructure investments driven by a large industrial project.</p> <p>The former – for Roşia Montană, “tourism with no mine” – is not viable on its own, and certainly not in comparison to a plan to develop tourism over time with the help of infrastructure investment.</p> <p>Chapter 5 of the Environmental Impact Assessment Study Report (EIA) identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other problems that have arisen through lack of inward investment. As described in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Community Sustainable Development Management Plans, there are currently some tourism activities in Roşia Montană. However the tourism industry is not at present a significant economic driver.</p> <p>As the Roşia Montană Project (RMP) affects only 4 of Roşia Montană's 16 sub-comuna, Roşia Montană could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de Aries as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the Ministry of Environment and Water Management (MEWM).</p> <p>Roşia Montană Gold Corporation (RMGC) has also commissioned a study which sets out how the potential tourism markets and how these might best be approached in an integrated project:</p> <p>“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US\$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth.” (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).</p> <p>For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.</p>