Item no.	1
No. to identify the observations received from the public	Câmpeni, 26.07.2006
Proposal	The questioner does not agree with the Roşia Montană Project due to the pollution and the job opportunities provided for the locals from Câmpeni. PLEASE REFER TO THE ENCLOSED COPY OF THE CONTESTATION!
Solution	First of all, please note that Roşia Montană is already an area 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) study report. Having in view (i) the existing pollution caused by former mining activities and (ii) the intention of Roşia Montană Gold Corporation (RMGC) to ensure the environmental protection when performing its mining activities provided under the terms of the Concession Exploitation Licence no. 47/1998, RMGC proposed in the EIA modern practices and solutions that will lead to the mitigation of pollution from the perimeter of the Exploitation Licence held by the company, because of the use of Best Available Techniques (BAT). 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. RMGC currently employs almost 500 people, of whom more than 80% live in Roşia Montană, Abrud, and Câmpeni. Training programs are underway to assist people from the local communities around Roşia Montană Project (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 100km 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 (in 2001 with Roşia Montană Town Hall, in 2002 with Abrud Town Hall) to ensure that residents of the local communities have first preference for these jobs. All this underscores the significant opportunities for the people of Câmpeni and the entire region if the RMP is approved.

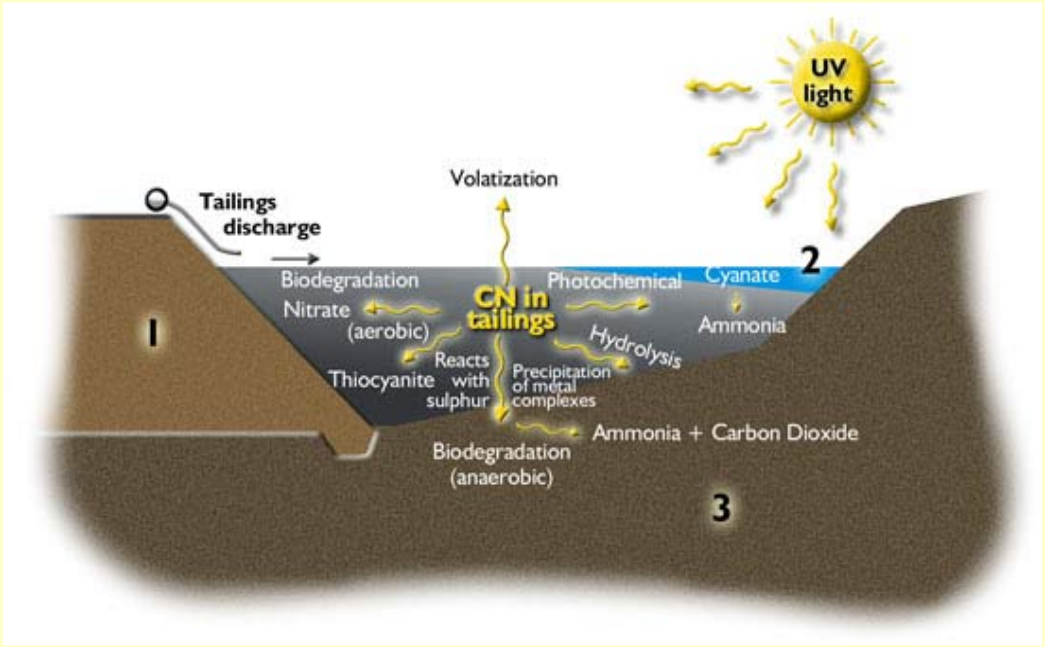
Item no.	2
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner asks the following questions: 1. What is cyanidation? 2. Which are the resemblances and differences with Rio Narcea mining Project? 3. How will the local investors be encouraged?
Solution	A summary description of the tailings processing system, as well as the use and management of the cyanide can be found in the Non-technical Summary, Chapter 9 of the EIA (Report on the Environmental Assessment (EIA)) or detailed in Chapter 2, Technological Processes, Section 4.1.2.2 The main technological processes. The most efficient and cost-effective process for extracting the gold and silver from ores such as the ones in Roşia Montană is based on full cyanide-leaching of the ore. There are numerous examples of similar ores throughout the world, which require the use of cyanide-based technology for efficient precious metals recovery. The implementation of the cyanide-based technology for gold and silver recovery from the ore in Roşia Montană is based on a detailed testwork program conducted by AMMTEC Limited and AMDEL Limited. The tests were scheduled and reviewed by GRD MINPROC Limited, and later on, the conclusions of the testing program were reviewed and reconfirmed by S.N.C. LAVALIN and AUSENCO. The issuance of the cyanide leaching technology for the ore in Roşia Montană considered the best practices used in Europe and worldwide. The technology for metals recovery by using cyanide leaching in CIL **is** Best Available Techniques **BAT** (please see Chapter 3.1.6.2.2 and Chapter 5.2 of the Guidelines of BREF [1] UE Document on BAT for Management ... in Mining Activities, March 2004). The cyanide, in a solid briquette form, will be transported in specially-designed and manufactured isotainers. The cyanide will be dissolved only into the transportation containers, in alkaline solution, sourced from and re-circulated back into a mixing tank. The mixing tank is designed to have enough capacity to store the entire quantity of a transportation container. The cyanide solution, as soon as it is dissolved in the container, will be transferred from the mixing tank into a large volume storage tank. The fine ground ore, resulting from the overflow of the ball mills' cyclones, is transferred to the tank of the feeding pump for the CIL circuit, where it's mixed with cyanide and lime suspension, required to balance the level of pH. The active carbon is added in the CIL tank to support the leaching process and the adsorption of the dissolved metals. The slurry is subject to a leaching process taking place within two parallel rows of 7 CIL tanks each, containing agitators. The size of the CIL tanks is D = 18 m x H = 20 m. The CIL tanks are sized to ensure enough time of contact between the cyanide solution, the ground ore and the active carbon. Sodium cyanide solution may be added in the CIL tanks number 2 and 4 of each row if needed, in order to maintain the required cyanide concentration. The slurry is circulated into the gravitational cyanide-leaching circuit, and the carbon advances continuously counter the flow of the slurry, pumped by the vertical pumps. The time for advancing from a tank into another is adjusted so that the load of gold and silver on the carbon is ensured to be from 7,000 to 8,000 g/t. Once in the feeding tank of the thickener, the slurry is mixed with flocculants which support the sedimentation of the solids. The thickener ensures the increase of the solid content within the sediment and, at the same time, the development of the supernatant almost clarified. The Supernatant discharged from the thickener will be directed towards the grinding circuit, to reuse and recover the cyanide. The thickened slurry is pumped towards the cyanide detoxification circuit, working on SO_2/air procedure, where the WAD cyanide concentration will decrease to the level approved through the European Directive. The management of the tailings and the detoxification technology are **BAT techniques**, according to

Chapter 3.1.6.3, 3.1.6.3.2 and 4.3.11.8 (The Guidelines of the EU Document of BAT for Management ... in Mining Activities, March 2004). The treated tailings are pumped back into the tailings dam.

The cyanide is extremely toxic therefore its manufacturing, transport, handling and neutralization must be handled with care. However, the use of cyanide has a great advantage for the environment because it breaks down quickly (biodegradation under UV light) becoming inert under normal weather conditions, and the compounds resulting from the degradation, hydrolysis, adsorption processes taking place in the TMF are very stable (basically, these compounds become inert within the environment in the TMF once the process tailings are stored); there is no possibility of bio-accumulation, i.e. mercury or heavy metals. This Project will implement the Best Available Techniques (BAT) for gold recovery and waste management (we refer here to waste resulting from mining and processing) and will comply with the European Directive for cyanide content mining waste.

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-www.cyanidecode.org); 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 document; the process tailings will be discharged into the TMF in accordance with EU Directive 2006/21/CE on the management of mining waste.

The main quantity of the cyanide will be recovered in the processing plant as shown in Figure 4.1.15 and described in Section 2.3.3, Chapter 4.1 Water of the EIA Report. Even so, there will be a residual quantity of cyanide. The treated tailings represent the only source of the Project for process residual water. The residual cyanide concentrations found in the treated tailings slurry will have to comply with the EU Directive for mine waste which stipulates a maximum value of 10 mg/L CN_{WAD} (weak acid dissociable). The cyanide will exist as potential pollutant of the surface waters only on the plant site and during the mining phase and for the first one or two years after closure. Modeling of the predicted concentrations in the TMF has shown that treated process plant tailings flow is expected to contain 2 to 7 mg/L total cyanide. Further degradation will reduce the concentrations to below applicable standards in surface water (0.1 mg/l) within 1-3 years of closure. A secondary effect of this treatment is also the removal of many of the metals which may potentially occur in the process waste water stream. An assessment of the likely chemical makeup of the tailings leachate, conducted on testworks, is summarized in Table 4.1-18 (Section 4.3.), Chapter 4.1 Water, of the EIA report. The drawing below presents the complexity of the degradation / decomposing processes which the CN goes through, once discharged into the TMF.



After discharge, the water is circulated back into the process; the decant water in the TMF during the entire period of storage, is subject to passive treatment processes, including natural degradation of the cyanide, hydrolyses, volatilization, photo-oxidation, bio-oxidation, mixing / separation, adsorption, dilution due to rainfalls etc.

According to the data sourced during the operation of various mines, different cyanide reduction efficiencies are outlined (from 23-38% to 57-76% for total cyanides and from 21-42% to 71-80% for WAD), depending on the season (temperature).

An average of approx. 50% decrease of CN_t concentration was considered for the TMF during operations' phase. The Model compiled for the degradation process shows that the cyanide concentration may decrease to even 0.1 mg CN_t/L during the first three years of closure.

The main part (90%) of the decomposed cyanide (average of 50%) is broken down by volatilization / hydrolosis, as cyanic acid. The mathematic modeling of the cyanic acid concentration in the TMF showed a maximum hourly concentration of 382 $\mu g/m^3$ in comparison to 5,000 $\mu g/m^3$, the concentration allowed by the Order no. 462 of the Ministry of Environment and Waters' Management.

References:

[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)

*

According to art. 44 (1) of the Order of the Minister of Waters and Environmental Protection no. 860/2002 regarding the environment impact assessment (EIA) 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 (i) does not identify nor indicate issues related to the project initiated by Roşia Montană Gold Corporation (RMGC) and undergoing the environment impact assessment procedure, (ii) refers to decisional capacities under the competence of certain public authorities, 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.

Yet, please find a short list which could summarize the similarities and differences between the "El Valle" project of the Rio Narcea Gold Mines in Spain and the Roşia Montană Project (RMP).

Similarities:
Open pit method of exploitation and multiple pits;
Same processing method: crushing, grinding, cyanide in leach, tailings disposal;
Gold is recovered by a conventional process consisting of single-stage crushing, semi-autogenous grind (SAG) and ball mill wet grinding, thickening, carbon-in-leach, gold recovery and cyanide;
Tailings facility dam make out of waste rock;
Transfer mining methods used to backfill the pits;
Waste facilities, tailings dam concurrently reclaimed;
Population had to be relocated, though fewer at El Valle;
Population lives in the vicinity of the mine;
Compliant with EU regulations;
Rio Narcea and Gabriel Resources are both Canadian companies focused on mining;

El Valle was the first mining project for Rio Narcea Gold Mines, as Roşia Montană is the first project for Gabriel Resources;
Rehabilitation plan included in the initial project (still ongoing in El Valle case);
Archaeological patrimony to protect (Roman and pre-Roman galleries).

Differences:
Gold grade in El Valle is 7g/t, in Roşia Montană 1.6g/t;
Stripping ratio (how much waste vs. how much ore) roughly 6:1 for Rio Narcea, 1:1 for Roşia Montană;
Throughput of annual production smaller; 0,75 MT/year for "El Valle", 13 MT/year for Roşia Montană;
CN discharge concentrations at 50 parts per million (ppm or mg/l) for "El Valle", 5-7ppm for Roşia; Montană, lower than EU standards, because Roşia Montană has a CN detoxification plant where "El Valle" did not.

*

Local investors will be encouraged in many ways, in addition to local entrepreneurs interested in creating economic development.

To encourage local investors in small business creation, Roşia Montană Gold Corporation (RMGC) established Roşia Montană MicroCredit in January 2007, under the name "IFN Gabriel Finance" S.A. This micro lender is designed to provide funding and necessary resources to the people of Roşia Montană, Abrud, Câmpeni and Bucium. The objective is supporting local people in establishing small businesses or expanding existing ones.

At the same time, a vocational training program is provided free of charge to members of the local community with the aim of raising both the educational profile and the level of skills in the community. Business training is part of this program. A business incubator is also being established.

Finally, Roşia Montană Project (RMP) is committed to giving priority to local businesses and other enterprises when awarding contracts for the project.

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

Item no.	3
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	NGO is against the mining project and makes the following remarks and comments: 1. There are abuses and illegalities as regards to Project's initiation, promotion and preparation. 2. The public debate from Cluj Napoca and the entire public consultation process are not adequate and nor acceptable due to the short time allowed for analyzing the complete documentation (over 3,500 pages), due to the period selected (July-August), - because during this period the vacations/leaves are taken - , due to the time when the meeting was scheduled to start (16.30h), due to the restricted duration of speeches, due to the impartiality of organizers of public consultations, due to the procedure, and due to the scheduling. 3. EIA is prepared in an inadequate manner, many essential features are missing, the conclusions are forced and taken out of the context, and there are false conclusions. 4. The questioner asks the Ministry of Environment and Water Management that this Environmental Impact Assessment to be rejected and the environmental permit not to be issued for Roşia Montană Project. SEE THE CONTESTATION IN COPY.
Solution	According to the relevant legal provisions, the interested public may submit justified proposals on the environment impact assessment. Art. 44 (3) 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 statement of the attendant to the public consultations (i) refers to the existence of some so-called abuses and illegalities regarding the Roşia Montană Project, without containing any specific indications on the alleged facts, and (ii) 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 in this regard. Nonetheless, considering RMGC has expressed its full availability to discuss any issues relevand for the proposed project, please note the follwing: As for the initiation, promotion and development of the project proposed by RMGC, they can only be made with the observance of the applicable legal provisions. The environmental impact assessment procedure is a transparent procedure in which both the relevant environmental authority and the project's titleholder are obliged to inform the interested parties, including the Technical Analysis Committee and the public, in regard of the aspects related to the fulfillment of the mandatory stages for the obtaining of the environmental approval. In this context, any interested person may monitor the fulfillment of the mandatory legal procedures, may qualify the evaluation modality and may submit objections, as per the law. Distinct from the above mentioned, we underline that RMGC shall take all necessary measures in order to strictly comply and fulfill in due time the obligations provided by the Romanian applicable legislation in relation to promotion, building and operation of Rosia Montana Project. According to the provisions of the Romanian law, the engagement of any form of liability and the sanctioning of the persons breaching the legal provisions can be made only by the state bodies and authorities with specific attributions in the field and under the conditions stipulated by the law. Thus, the criminal liability of a person who is supposed to have breached the legal provisions may be engaged only to

the extent that the existence of all constitutive elements of an offence or misdemeanor can be proved within a lawsuit settled by a final decision of the relevant Court.

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The method for the public consultation as part of the environmental impact assessment procedure is provided by Order of the Minister of Waters and Environmental Protection no. 860/2002 on the environmental impact assessment and the issuance of environmental permit procedures ("Order no. 860/2002"):

Article 39 (1) of the Order no. 860/2002 provides that "after performing the environment impact assessment and drafting the report on the environmental impact assessment study, the relevant environmental protection authority and the project titleholder inform the public, [...], within at least 30 working days prior to the date of public debate meeting, on the following aspects: (i) the location and the date of the public debate, (ii) the location and the date when the report on the environment impact assessment study is available for consultation and (iii) the address of the public authority for environmental protection where the reasoned proposals of the public regarding the report on the environment impact assessment study are submitted"; According to art. 41 of Order no. 860/2002, the public debate meeting is held in the presence of the representatives of the relevant public authority for environmental protection, in the area where the project should be implemented and out of the working hours. Therefore, we kindly ask you to notice the fact that, the relevant legislation does not provide for or make recommendations for the organization of the public debate meetings on the study of the environment impact assessment report during a certain period of the year. The only provision and obligation of the project titleholder in this respect, an obligation fulfilled by S.C. Roşia Montana Gold Corporation S.A. (RMGC), is to inform the public 30 days before the date of the public debate meeting.
Moreover, please note that the terms and stages provided by law for organizing and holding the public consultations were observed and strictly accomplished, considering that:

(i) the announcement regarding the public debate was posted within the legal term;
(ii) the report to the environment impact assessment study was put at the public's disposal in multiple locations and in due time, and
(iii) starting hours for of the public debate meetings were established outside the working hours.

Consequently, we consider that the public debate that took place in Cluj Napoca, as well as the other public debates held with the view of discussing the issues regarding the report on the environment impact assessment study related to the Roşia Montană Mining Project were organized in compliance with the applicable legal provisions.

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The Environmental Impact Assessment study report (EIA) that Roşia Montană Gold Corporation (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 Roşia Montană Project (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.

A copy of the IGIE report and RMGC's response is included as a reference document to the present annex of the EIA.

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As regarding your allegation, we mention that art. 44 (3) of the Minister of Waters and Environment

Protection Order no. 860/2002 on the environment impact assessment and the issuance of environmental agreements Procedures ("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 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*".

Consequently, considering the fact that your proposal is just an allegation which does not indicate possible problems, nor provide additional information, we mention that the decision on the issuance or refusal of the environment 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 only after examining:

(i) the report on the environmental impact assessment study;
(ii) the conclusions of the parties involved in the assessment;
(iii) the possibilities to implement the project;
(iv) the titleholder answers to the grounded proposals/comments of the public.

Item no.	4
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner asks the following questions: 1. How many jobs will provide the Gold Corporation's mining project during its lifetime and what wages will be for those jobs? 2. What amount of cyanide will be used to separate gold from tailings in open air? 3. Why isn't anything stipulated in the project about other metals found in the ore deposit that will be mined, i.e. the three metal groups: heavy metals (uranium, copper, and lead), precious metals (gold, silver and platinum) and rare metals (wolfram, molybdenum, iridium, germanium), why only gold and silver are mentioned? 4. If cyanide is used in open environment, how many km^2 of flora and fauna will be destroyed, knowing that cyanide evaporates at 27°Celsius and will enter into the underground waters? 5. What is the profit obtained by Gold Corporation and what remains, in percentages, for the Romanian state from this business? 6. Why the everlasting natural monuments of the area are not taken into account, monuments like: Detunata, Poiana Narciselor, Cetatea Romană, Ghețarul de la Scărișoara, Peștera Urșilor, which are all located in the close vicinity of Roșia Montană, in order to develop tourism, which would bring to the Romanian state and to the local community much larger profits than the ones promised by Gold Corporation? All these, constituents of Apuseni Mountains paradise, will sleep their eternal sleep because on a cyanide contaminated ground no tourist will step. 7. Is it known the decision taken by some Berlin International Congress about banning the use of cyanides to separate gold in open environment? 8. What are the intentions of Gold Corporation regarding Bucium gold mines, where the gold quantities may exceed the ones from Roșia Montană? 9. What will happen with the mines that have been private properties of citizens even since the dualism of Austro Hungarian ruling, and nationalized in 1948 by the Communist dictatorship?
Solution	Roșia Montană Gold Corporation (RMGC) currently employs more than 500 people, of whom more than 80% live in Roșia Montană, Abrud, and Câmpeni. The Roșia 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 100km 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. According to the provision of 158 (1) of Labour Code the salary is confidential. Although, it should be mentioned that salaries paid to RMGC employees is determined based on objective criteria related to the position held, competences, specific tasks to be performed by the employer, level of responsibilities, experience, studies, etc. Moreover, level of salaries of RMGC employees are determined further to the (i) assessment performed by the employer in relation to the individual based on the abovementioned criteria and the (ii) negotiations performed by the employer and the employee in this respect. * The use of cyanide per year for ore processing will vary from 11,000 to 13,000 tones; but, this will be used within the processing plant site, and not in the open environment. The pH level will be maintained between 9 and 11 during the entire technological process, from ore grounding in the ball mills and up to the discharge point in the tailings dam, in order to prevent / minimize / remove the hydrogen cyanide emissions, which can be controlled in a basic environment.

The cyanide is extremely toxic therefore its manufacturing, transport, handling and neutralization must be handled with care. However, the use of cyanide has a great advantage for the environment because it breaks down quickly (biodegradation under UV light) becoming inert under normal weather conditions, and the compounds resulting from the degradation, hydrolysis, adsorption processes taking place in the TMF are very stable (basically, these compounds become inert within the environment in the TMF once the process tailings are stored); there is no possibility of bio-accumulation of, i.e. mercury or heavy metals. This Project will implement the Best Available Techniques (BAT) for gold recovery and waste management (we refer here to waste resulting from mining and processing) and will comply with the European Directive for cyanide content mining waste.

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- www.cyanidecode.org); 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 document [1]; the process tailings will be discharged into the TMF in accordance with EU Directive 2006/21/CE on the management of mining waste.

References:
[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).

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Gold and silver are the only metals that can be profitably mined in the area. RMGC commissioned a series of petrographic studies on samples and analytical test work that tested the concentration levels of 47 elements in Roşia Montană deposit. Except for gold and silver, the elements' concentration falls, in most cases, below the average levels found in the Earth's crust: U (1.43 ppm compared to 3.7 ppm), Th (6.07 ppm compared to 18 ppm), Sr (95.4 ppm compared to 125 ppm), Mo (1.27 ppm compared to 1.5 ppm), In (0.05 ppm compared to 0.1 ppm), Ge (0.21 ppm compared to 1.5 ppm), etc. These results were obtained through a number of research programs carried out between 1997 and 2006. Samples were collected from the existing underground galleries, the pit benches and the surface outcrops, and numerous other surface and underground drill holes. Each sample was individually examined for a great number of elements and, consequently, we feel confident in the extremely detailed results generated by our research programs.

It is also important to note that previous exploitations performed at Roşia Montană also failed to produce any of the other elements the questioner lists.

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In the case of Roşia Montană project, there will be no cyanide used in the open environment. Cyanide has been proposed to be used for the project in order to extract precious metals inside Processing Plant. All cyanide will be use in a closed environment, pursuant to the provisions of EU Directive on Mine Waste (EU Directive 2006/21/EC) as well as Romanian water discharge standards (NTPA-001). These directives and guidelines meet or exceed international codes to which the company has also committed for the use, handling, transport and discharge of cyanide. An example is the International Cyanide Management Code that has been prepared by UN. In addition the handling, storage and use of cyanide will observe the recommendations of EU CEFIC (**European Chemical Industry Council**) on the use, transport and handling of cyanide.

There is no possibility for cyanide to enter the ground waters as the only water to leave the closed process plant will be treated to meet the standards stipulated in the EU mine waste directive (2006/21/EC) which are considered safe for the environment.

*

Gabriel Resources has an 80% ownership interest in Roşia Montană Gold Corporation (RMGC), thus in

Roşia Montană Project (RMP). Assuming the price of gold is US$ 600/ounce and price of silver is US$ 10.50/ounce, Gabriel's profit is US$ 1,258 million.

The Romanian State through the Ministry of Economy and Commerce (MEC) has a 19.3% ownership interest in Roşia Montană Gold Corporation (RMGC), thus in Roşia Montană Project (RMP). This interest is a fully carried interest with no obligation to fund its share of the capital investment. The direct financial benefit to the Romanian State, at the local, county, and national level, is projected to be US$ 1,032 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 the project. That leads to a total of US$ 2.5 billion in Romania.

Please also note that as at the end of 2006, RMGC (through Gabriel Resources) has invested US$ 200 million, and the company expects to invest a total of nearly US$ 1 billion before production begins.

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We believe that the Environmental Impact Assessment (EIA) study report and the various supplemental plans associated with it have taken account of the surrounding land and communities as required by law. The mine is expected to bring approximately US$ 2.5 billion in economic development of Romania through the life of the mine. The Romanian government will gain over US$ 1 billion from the Project from its share of the profits and profit taxes, royalties, and other taxes such as payroll taxes to be paid by Roşia Montană Gold Corporation (RMGC).

With respect to the use of cyanide at the mine, it is true that cyanide is one of the few substances that can dissolve gold. Cyanide is used in many gold mines around the world. At Roşia Montană, the Tailings Management Facility (TMF) 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 10ppm recently adopted by the EU in the Mining Waste Directive.

Not only will detoxified cyanide from the mine be contained in a world-class TMF, but RMGC is committed to environmental rehabilitation from past poor mining practices and from the project. The area will be less polluted after the Project is complete than it is now.

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The procedure to use cyanide for the separation of the gold in the open environment does not make the object of national or European legal regulations, which forbid the use of such technique.

The subject of using the cyanide for the separation of gold in open environment was the subject of numerous debates initiated by the Department of "Environmental protection and natural resources" within the United Nations, including in Berlin, on November 22-26, 1999, where environmental legislations and norms were debated, international conventions inclusively, but from the analysis of the final report of the debates, titled "*Report on the international round table on mining and the environment*", please note that this procedure was not forbidden.

Please consider that the Ministry of Environment and Waters Management, by the Hazardous Chemical Substances and Wastes Management Department requested, by the Guidelines sent to S.C. Roşia Montană Gold Corporation S.A. (RMGC), with a view to the performance of the Environmental Impact Assessment Report for the Roşia Montană Project, that this project "*must be in compliance with the provisions of the new CE Directive on the management of wastes in the extractive industry*".

The Directive no. 21/2006/EC on the management of the wastes resulting from the extractive industry specifies only the need to reduce the cyanide concentration in the decantation ponds, due to its toxic and harmful effects, to the lowest degree possible, by using the best available techniques.

Also, art. 13 paragraph 6 of the above mentioned Directive, establishes the maximum limits of the cyanide

concentration allowed in the decantation ponds and their gradual reduction until 2018, but does not forbid the use of cyanides in the process of extracting the gold.

We underline that Directive no. 21/2006/EC has as deadline for adoption into the legislations of the EU member states, therefore in the Romanian legislation as well, the year 2008.

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S.C. Roşia Montană Gold Corporation S.A. (RMGC) is the titleholder of the Exploration License no. 218/1999 ("Bucium License") endorsed by the National Agency for Mineral Resources (NAMR) Ordinance no. 60/17.05.1999, for the Bucium perimeter, based on which geological exploration programs have already been conducted in this area. These programs have identified two areas with a potential of resources that can bring economic benefits: a gold-silver mineralization in the Rodu – Frasin area and a copper mineralization in the Tarnița area.

A pre-feasibility study has already been developed for the Rodu – Frasin area, which includes the calculation of the available resources and reserves. This study pointed out that the exploitation of this area is economically feasible. However, the calculated reserves, and therefore the outlined amounts of gold are much lower than the ones in Roșia Montană, (approximately 17 tons of gold in situ as compared to 314 tons of gold in situ at Roşia Montană).

As for the copper reserves from the Tarnița area, no feasibility study has been initiated yet for that area. Therefore, we cannot make any statement with regard to a future mining operation in this area.

We underline the fact that, according to Mining Law no. 85/2003, art. 17(1), 18(2) letter a) and 20, RMGC as titleholder has the legal right to directly secure the Mining License for Bucium Perimeter. Any intention of implementing the aforementioned project shall be carried out in compliance with the legal provisions in force at national and European level, which means that a different permitting process will be necessary from all points of view, including the process of securing the environmental permit.

In other words, if RMGC decides to develop a project in Bucium Commune, it will apply for an environmental permit and it will have to follow the same steps as the ones already followed for the Roşia Montană Project (that is to say a full environmental impact assessment process, including the public consultation and participation phase).

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Regarding the issues that you approached, please note that S.C. Roşia Montană Gold Corporation S.A. (RMGC) is not in the position to provide an answer regarding certain issues, which go beyond the subjects tackled in the Environmental Impact Assessment Report.

In this respect, please consider the following aspects:

(i) the activity of settling certain factual situations or relations is the exclusive attribution/competence of state;
(ii) the retrocession of properties is performed exclusively in consideration of certain legal provisions which settle substantive rights issues, as well as procedural rights issues which must be considered;
(iii) the competence of settling the claims submitted by interested persons is imperiously stipulated by law as being under the competence of the administrative authorities or, as the case may be, under the competence of 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 will be specific regulations in this respect, RMGC will take all the necessary measures for the observation of the imperious legal provisions.

Item no.	5
No. to identify the observations received from the public	Zlatna, 02.08.2006
Proposal	The questioner is not against the project and submits at the secretary a "List of proposed works" that refers to the following issues: 1. Site access and transport roads: verification of the foundations through geo-technical drillings; 2. Ores: the extraction must be performed selectively and the ores should be processed separately by mercury amalgamation in barrel mills. 3. Alba County's population must be very well informed on Project's issues, before the development of a referendum (idea accepted by the Alba County Prefecture and Council). 4. Researches to be performed at Zlatna for Porcurea and Staul Ludwig ore deposits. 5. A facility to be established at Haneş mine of EM Zlatna Mining Company, for separating through ion-molecular flotation the Fe, Zn, Mn, Cd dissolved in mine waters which are discharged at surface and their usage at industrial scale as pigments. SEE ATTACHED A COPY OF THE DOCUMENT
Solution	For the geotechnical investigation all facility locations have been tested with the appropriate level of core drilling, geophysical surveying, and test pitting with rock core samples collected as well as soil samples for geotechnical test work. The designed facilities fully meet the geotechnical requirements required by the design criteria and included in current in force legislation. The results of geotechnical investigations have been the base of preparing the feasibility and engineering study and the studies conducted for the design and foundation of mining facilities and their access roads. The results of the geotechnical program were used for the EIA but not all of the details for all drill holes, test adits, surveys and test work are reported in the EIA as this is outside its scope. In total, 232 test adits and 251 geotechnical drill holes have been advanced for completing 10,360.22 metres. Also, geotechnical data has been secured after conducting geological exploration (surface and underground exploration, channel smaples collected from existing mining works). The details of this work are presented in the geotechnical reports and included in the feasibility study and in design studies. All design work and proposed construction will be required to meet the requirements of all laws of Romania and EU guidelines in order to meet the technical requirements to obtain the necessary permits and financing required to build and operate the project. * The processing of ore on the Roşia Montană will not be performed using mercury amalgamation in barrel mills. Mercury amalgamation is currently used on a low scale worldwide to recuperate gold. The use of this method is not recommended for Roşia Montană due to the elevated toxicity of mercury as well as due to the fact that mercury is used for ores with high free gold grade, and what has remained undeveloped until now in Roşia Montană is disseminated gold for which the best gold recovery method is the proposed method. That is why the use of a powerful pollutant in the technological flow is not recommended because this element does not degrade in time (as cyanide) but it accumulates in the Tailings Management Facility. Mercury amalgamation is not an approved BAT (Best Available Techniques) technology. – the EU Directive to which RMGC has committed itself. The use of mercury amalgamation is also a serious environmental and ecological risk, which we will not engage in – consistent with Romania, EU and international guidelines and laws. Within chapter 5, Assessment of the Alternatives, a comparison is presented and analyzed between several methods of gold ore processing, among which amalgamation. In addition, the extraction of ore at Roşia Montană is not planned to be conducted on a selective basis, as

such a method is not considered to be the most effective method of maximizing return on investment and use of the resource for the benefit of the region, Romania, and the company. Bulk mining has been shown through a number of independent feasibility and optimization studies to be the best and optimum method of developing disseminated gold resources.

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We are certain that proper information on the Roşia Montană Project (RMP) will clarify many of the controversial aspects, and will create more project supporters.

On the specific issue of a referendum, which is a choice open to local government authorities, we are confident that a referendum organized in Alba County would be favorable to us.

Romanian laws do not stipulate the organization of referendum for industrial projects. Moreover, RMP is an issue that concerns the locals from Roşia Montană and the neighboring communities, included in the project impact area.

Regarding your request, please consider the following aspects:

(i) according to the relevant legal provisions, the public may submit grounded proposals regarding the environmental impact assessment;

(ii) art. 44 (1) of the Order of the Ministry of Waters and Environmental Protection no. 860/2002 regarding the Environmental Impact Assessment and the Issuance of Environmental Permit ("Order no. 860/2002") provides that "*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*";

(iii) according to art. 44 (3) of the Order no. 860/2002 "*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 to supplement the report on the environmental impact assessment study with an appendix comprising solutions for solving of the indicated issues*."

As your allegation (i) does not identify nor indicate issues related to the project initiated by Roşia Montană Gold Corporation SA (RMGC) and undergoing the environment impact assessment procedure, (ii) refers to decisional capacities under the competence of certain public authorities, issues 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.

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S.C. Roşia Montană Gold Corporation S.A. (RMGC) will not conduct research works in these areas because it does not hold any exploration/mining license or exploration permit.

Mining operations, as regulated by the Mining Law no. 85/2003 and the rules for its implementation, can only be developed based on a mining/exploration license endorsed by the National Agency for Mineral Resources (NAMR) for a particular mining perimeter.

Such exploration operations cannot be developed within Zlatna area, considering the fact that RMGC did not secure any mining/exploration licenses for the deposits you have mentioned.

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S.C. Roşia Montană Gold Corporation S.A. (RMGC) does not hold any exploration/exploitation license or exploitation permit for this area, therefore it cannot conduct research or exploration works to justify the existence of a pilot plant at the Haneş mine. These types of works are regulated by the Mining Law no. 85/2003 and by the rules for its implementation and can be conducted only based on annual programs to be approved by the National Agency for Mineral Resources (NAMR). These approvals can only be issued based on a mining/exploration license endorsed by the National Agency for Mineral Resources (NAMR) for a particular perimeter.

A construction permit is required for building a pilot plant. This permit should be obtained based on all

the permits requested through an Urbanism Certificate obtained in advance, including the environmental permit.

The waters released from the old mining works should be treated as part of a closure and rehabilitation program developed for the facility. This program should be developed, approved and implemented by the mining operator that carries out activities in the perimeter in question, in accordance with the "polluter pays" principle.

Item no.	6
No. to identify the observations received from the public	Câmpeni, 26.07.2006
Proposal	She has submitted at the secretary the document called "Sustainable development alternative to mining at Roşia Montanâ – An analysis of resources and elements of strategy", author: Sorana Olaru – Zainescu PLEASE FIND THE DOCUMENT ENCLOSED IN COPY.
Solution	We appreciate the effort put into this study and the indication it gives that the NGO Alburnus Major is seeking to invest resources in the actual development of the Roşia Montană area rather than simply opposing the Roşia Montană project (RMP) However, we believe that the study in large part effectively confirms the results of the baseline studies performed as part of the Environmental Impact Assessment study report (EIA) for the RMP, which show that the current poor environmental and social conditions in the region point to mining as the best short-term solution for economic development in Roşia Montană. Although we agree with many of the implications of this study, we can not agree that "The presence of the Canadian investors in the area has created a trend against development by means other than mining, such as agro tourism, ecotourism, farming or traditional crafts." This is simply not true. Similarly, we strongly disagree with the statement that "The people in Roşia Montană do not trust development alternative to mining due to pressure from the Canadian investors." The people of Roşia Montană have had the benefit of an extensive public consultation process and continued consultation with stakeholders. We also disagree with the claim, that "Many of the inhabitants do not have access to information about the project other than through the Roşia Montană Gold Corporation (RMGC) Community Information Centre." Even if this were true, that would be the fault of NGOs opposed to the Project, not RMGC. RMP covers only 25% of Roşia Montană, and the prohibition of other types of economic activity only covers this section of the commune. The remaining 75% of Roşia Montană is free from any prohibitions as a result of the mining project. All other types of economic activity may be pursued. Indeed, the RMP expects to generate about 6000 jobs indirectly, as well as jobs generated directly from employment at the mine. During 2002, a General Urbanism Plan (PUG) was prepared for the entire Roşia Montană commune. This changed the PUG prepared during 2000 in order to incorporate a protected zone that includes houses important to cultural patrimony. The boundaries of the industrial zone were established based on a scientific analysis conducted to outline the areas requiring special protection. The Alburnus Maior study notes that the infrastructure of the region for tourism is currently poor, with the absence of accommodation, restaurants, a limited running water system in the commune, and a connection to the national natural gas pipelines, and acknowledged high levels of pollution. This is generally consistent with the EIA report, which 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 RMP. Ecological rehabilitation of the area would be very expensive (about 22 million Euros) and certainly beyond the means of the local community. 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 RMP 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 RMP would therefore support the community's initiatives to develop industries other than mining and this is central to the Community Sustainable Development Management Plan included in the EIA report.

Thus, with the infrastructure investment the RMP will bring, we believe that 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, after the completion of the EIA study. This study and the present one, "Sustainable development alternative to mining at Roşia Montană – An analysis of resources and elements of strategy", by Sorana Olaru–Zainescu report were not available when the EIA was prepared.

All these studies acknowledge the fact that, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (including accommodation, restaurants, good roads, running water, proper sewage system, waste disposal facilities, etc.), and attractions (including museums and restored historical monuments).

RMGC has also commissioned a study: Initial Tourism Proposals which sets out how the potential tourism markets and how these might best be approached in an integrated project (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01). This report makes the point that the potential for tourism development, without the existence of a significant economic driver, will be difficult to achieve because of the scale of investment - by both public sector and private individuals - that would be required.

The Alburnus Maior report lists (at page 26) a list of medium- and long-term objectives for the commune. Given the uncertainty of other funding for environmental rehabilitation and infrastructure development and the current poor state of facilities in the region, we believe that these objectives may be reached more quickly with development of the RMP than without it.

To encourage local business, RMGC established Roşia Montană Microcredit under the name "IFN Gabriel Finance SA", in January 2007. This microlender is designed to provide funding and necessary resources to the people of Roşia Montană, Abrud, Campeni and Bucium to support local people in establishing small businesses or expanding existing ones. At the same time, a vocational training program is provided free of charge to members of the local community with the aim of raising both the educational profile and the level of skills in the community. Business training is part of this program. A business incubator is also established. RMP is committed to giving priority to local businesses and other enterprises when awarding contracts for the project.

A mining project such as the one RMGC proposes would provide, through its general economic activity and through taxes, the necessary funds to improve the infrastructure. Over the life of the Project, RMGC expects to pay about $32 million in taxes to the local commune – a figure far greater than would be generated from tourism in that time given the current lack of tourist infrastructure. To date, 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, the Company will invest US$25 million to support tourism. A training program will provide the necessary skills to develop tourist activities and Roşia Montană Microcredit will support people in starting businesses such as pensions and restaurants necessary to attract tourists. At the end of the project, there will be a new village, plus the restored historical center 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.

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

Item no.	7
No. to identify the observations received from the public	Câmpeni, 26.07.2006
Proposal	The questioner is opposing the accomplishment of the project and submits at the secretary a document that includes the following comments and remarks: 1. The real quantity of gold that will be extracted is 800t, not 300t as claimed by RMGC; 2. The quantity of silver that will be extracted is 4000t, not 1000t as claimed by RMGC; 3. The human's health will be destroyed on a 100km radius. 4. The Roman galleries – from National and UNESCO patrimonies – will be destroyed. 5. The profit obtained by the Romanian state is very low, only 20% compared to the 80% of RMGC. 6. The questioner encloses a document named "The paradise from Apuseni Mountains is threatened by an ecologic catastrophe", which will be enclosed in copy. PLEASE FIND THE DOCUMENT ENCLOSED IN COPY.
Solution	The questioner's figure of 800 t of gold is not considered realistic. RMGC has conducted the most extensive and detailed research program ever performed on a Romanian mine project and we stand behind our findings which was independently supervised and for which the contained resources are independently estimated. The exploration activities conducted by RMGC between 1997 and 2006 show that there are 215 million tonnes of ore with an average content of 1.46 g/t gold and 6.9 g/t silver. This amounts to a total content of 314.11 t Au and 1480.36 t Ag. Roşia Montană's resource deposit calculations are based upon a very elaborate research program, which included the collection of 191,320 samples collected from underground networks, surface outcrops and drill holes. Each sampled meter has been tested for gold and silver. The database, containing over 400,000 assays, has been audited by independent experts – from Romania and abroad. One of the Romanian companies involved, Ipromin SA, conducted three feasibility studies for the Roşia Montană project. These feasibility studies include the resource and deposit calculations. Both Ipromin SA and the foreign auditors confirmed RMGC SA's results. These resource and reserve calculations were submitted to the NAMR in order to be checked and homologated. The resources and reserves which have been independently estimated and confirmed conform to Romanian Mining Law (85/2003), EU codes (Mineral Reporting Code, 2002) and International Law (NI 43-101). These results have all been independently verified and audited as is required under all the relevant laws. * The questioner's figure of 4000 t of silver is not considered realistic. RMGC has conducted the most extensive and detailed research program ever performed on a Romanian mine project and we stand behind our findings which were independently supervised and for which the resources have been independently estimated. The exploration activities conducted by RMGC between 1997 and 2006 show that there are 215 million tonnes of ore with an average content of 1.46 g/t gold and 6.9 g/t silver. This amounts to a total content of 314.11 t Au and 1480.36 t Ag. Roşia Montană's resource deposit calculations are based upon a very elaborate research program, which included the collection of 191,320 samples collected from underground networks surface outcrops and drill holes. Each sampled meter has been tested for gold and silver. The database, containing over 400,000 tests, has been audited by independent experts – from Romania and abroad. One of the Romanian companies

involved, Ipromin SA, conducted three feasibility studies for the Roşia Montană project. These feasibility studies include the resource and deposit calculations. Both Ipromin SA and the foreign auditors confirmed RMGC SA's results.
These resources and deposits calculations have been forwarded to the National resources Agency in order to be verified and homologated.

The resources and reserves which have been independently estimated and confirmed conform to Romanian Mining Law (85/2003), EU codes (Mineral Reporting Code, 2002) and International Law (NI 43-101). These results have all been independently verified and audited as is required under all the relevant laws.

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Based on a complex assessment (volume 5), the health status of the population will be not affected on a 100 km radius.

The assessment of possible risks for human health has been carried out on the basis of the estimated concentration distribution of hazardous substances in Roşia Montană, taking into account more than 40 localities in the neighboring area, covering more than 200 km^2. The assessment considers the known current distributions and concentrations of hazardous substances within the study area, and the future predictions with relation to the proposed mining activities. It is clear that the estimated concentrations, which are lower than the maximum permissible concentrations (MPC), do not cause significant adverse effects on the local population's health [1].

However, while the proposed mining activities have not started at Roşia Montană, the local population is currently faced with health problems, in the sense that the health status of the local residents in the commune is deficient as compared to that of the neighboring population groups. Consequently, clear measures must be taken to improve the health of the Roşia Montană local residents. At the same time, as mentioned above, sitting and operating the proposed mine will not cause any other supplementary adverse effects on the local population's health, as long as the distribution of the pollutant concentrations that have been studied complies with the dispersion models shown in the present study (EIA).

Reference:
[1] Chapter 6.6, *Results and Discussions*, page 124-129, vol. 5, *Health Baseline Report*

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None of the Roman mining galleries nor any associated remains (such as structures built within the Roşia Montană sites) are included on the UNESCO World Heritage List.

Detailed information on the complex issue of the research of the historic mining works at Roşia Montană and their results are available in the EIA Report for the Roşia Montană project, volume 6 – *Cultural Heritage Baseline Report*, pages 32, 36-55, 83-109. Although their presence was known for more than 150 years, the Roşia Montană Roman galleries had never been archaeologically investigated prior to 1999. Basically, prior to 2000, this type of archaeological remains have never been subject to a specialized research, but only mentioned empirically.

Starting from 1999, the Toulouse team, specialized in mining archaeology, has conducted the scientific survey of the mining remains found on the Roşia Montană site. The 7 km of galleries dated to the Roman period represent the total length of this type of works identified and mapped in all the massifs investigated, they do not form a single unit. The research of these structures led to a better understanding thereof and determined some well-grounded decisions with regard to their conservation and enhancement. Based on the results of the research conducted so far (completed research for the Cetate, Cârnic, Jig, and underway in the Orlea massif), a decision was made for the conservation and enhancement of the following areas comprising Roman mining works:

- the Cătălina Monuleşti gallery - located in the Historical Centre of the Roşia Montană village. This gallery is the place where most of the wax tablets and an ancient mine dewatering system have been found;
- the Păru Carpeni mining sector - located in the south-eastern part of the Orlea massif, where a

system of overlapped chambers was found, these chambers were equipped with Roman wood-made mine water drainage devices (wheels, channels, etc.);
- the Piatra Corbului area - located in the south-western part of the Cârnic massif; this area bears traces of the ancient and medieval galleries dug by the fire setting technique;
- the Văidoaia massif area - located in the north-western part of the Roşia Montană village, where areas or open-cast mining can still be found dating back to the ancient period.

As for the parts of ancient galleries on the southern part of the Cârnic massif, once the research there is completed and considering the difficult access to this area, the state of preservation of these remains as well as their nature and distribution, and the fact that such mining works have been identified in other areas from the above-mentioned sites, it was concluded that it is very difficult to arrange these galleries for public access. Many insurmountable obstacles have been encountered regarding the safety and maintenance conditions for the access to these galleries first of all for the specialists. This option is consequently all the more difficult and unlikely as regards their development for public access.

Thus, the current situation clearly points out that most of the ancient mining works from the Cârnic massif and from the other mining sectors are hardly accessible to specialists and almost inaccessible to the public. Moreover, the safety standards for public visits in museums all across the European Union, which will be adopted in Romania as well, do not allow these galleries constantly exposed to high risk factors to be developed for public access. However, note that significant segments of Roman galleries will be preserved *in situ*, as mentioned above. As an impact mitigation measure, in addition to the thorough investigation of the area and publication of its results, specialists have deemed it appropriate to make a 3-D representation of these structures as well as replicas of these structures (at a 1:1 scale). These will be then included in the mining museum, which will be developed at Roşia Montană.

As an alternative, the company considered the preparation of a specialized study comprising financial estimates for the conservation in their entirety of the galleries on the Cârnic massif and for opening them to tourists. Moreover, note that the costs for the development and maintenance of a public circuit in this massif amount to a value that is not justified from an economic point of view (see Annex "Costs Estimate for the Development of Ancient Mining Networks from Cârnic Massif", prepared by the UK-based companies Gifford, Geo-Design and Forkers Ltd.)

Research conducted so far in the Orlea massif area (the only area currently comprising ancient mining remains according to the List of Historical Monuments 2004) was preliminary in nature. A thorough investigation of this area is planned for the period 2007-2012, and once this research is completed, the necessary measures will be taken – according to the legislation in force – either the preservation *in situ* of certain sectors or the implementation of the archaeological discharge procedure for the others. Detailed information on the chance archaeological finds and on the preliminary archaeological research conducted in the Orlea massif (both at surface and in the underground) has been published in the Environmental Impact Assessment Study for the Roşia Montană project, volume 6, *Cultural Heritage Baseline Report,* Annex I, pages 231-236. Note that the Cultural Heritage Baseline Report states that: Site development plans for the Project will not result in impacts or construction activities in the Orlea area, which will be researched starting 2007. 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*, volume 6- page 46).

Note that the development of the Roşia Montană project does not imply the uncontrolled destruction of the galleries from the Roşia Montană area. On the contrary, the existence of this special category of archaeological remains has been considered in the preparation of this project. Thus, preliminary archaeological investigations and extensive studies have been conducted and appropriate measures have been taken based on their findings. As indicated in the reports and studies published by experts in the field, the Roman galleries at Roşia Montană are important, but not unique. Following the inventory of the Roman mining sites existing in Transylvania and Banat-undertaken as part of the Environmental Impact Assessment Study for the Roşia Montană project, it is quite difficult to state that the Roşia Montană site is of unique importance, at least if we consider the history of mining in the Roman Empire, and especially in the province of Dacia. There are at least 20 other sites with relatively similar features and some of them (Ruda Brad, Bucium – the Vâlcoi Corabia area and Haneş – Almaşul 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 Roşia Montană as a site.

In conclusion, with regard to your question, we can say that under no circumstances will the Roman galleries at Roşia Montană be destroyed. However, we are now facing some sort of a paradox. Given the state of preservation and the nature of the Roman galleries, their physical existence would be threatened if they were not investigated. This type of investigation known as preventive/rescue archaeological research is conducted everywhere in the world in close connection with the economic interest for certain areas. In addition, both the costs for the investigation and for the enhancement and maintenance of the areas conserved must be covered by the investors through a private-public partnership for the protection of the cultural heritage, in accordance with the provisions of the European Convention of Malta (1992) on the Protection of the Archaeological Heritage [1].

Considering the importance of Roşia Montană' s cultural heritage and the current legal provisions, S.C. Roşia Montană Gold Corporation S.A. has allotted a budget of over US$ 10 million for the archaeological research of the heritage in the Roşia Montană area conducted in the period 2001-2006. Moreover, taking into account the results of the research, the specialists' opinions, and the competent authorities decisions, the company has allowed a budget of US$ 25 million for the conservation and restoration of the cultural heritage of Roşia Montană , an operation to be carried out in the coming years if the mining project were implemented, as publicly stated in the Environmental Impact Assessment Study for the RMP, volume 32, Management Plan for the Archaeological Heritage from Roşia Montană Area, pages 83-85). Thus, among the plans for the future there are: the continuation of the archaeological research of the Orlea massif area, and especially the development of a **modern Mining Museum with geological, archaeological, industrial and ethnographic heritage displays, and the Cătălina Monuleşti gallery and the monument at Tăul Găuri will be developed for tourist access as well as the conservation and restoration of the 41 historical monument buildings and of the protected area Historical Centre Roşia Montană**.

For further information on the history of the archaeological research and on the main discoveries related to the ancient galleries from Roşia Montană as well as for experts' conclusions on this matter and for the assessments made with a view to including the ancient mining networks from the Cârnic massif in a tourist circuit, or for the opinions expressed in 2004 by Edward O'Hara, General Rapporteur on the Cultural Heritage from the Parliamentary Assembly of the Council of Europe, please see the annexes called: „Information on the Cultural Heritage of Roşia Montană and Related Management Aspects" and „Costs Estimate for the Development of Ancient Mining Networks from Cârnic" as well as the enclosed Romanian version of the "O'Hara Report"

Reference:
[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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The Romanian State through the Ministry of Economy and Commerce (MEC) has a 19.3% ownership interest in Roşia Montană Gold Corporation (RMGC), thus in Roşia Montană Project (RMP). This interest is a fully carried interest with no obligation to fund its share of the capital investment. The direct financial benefit to the Romanian State, at the local, county, and national level, is projected to be US$ 1,032 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 the project. That leads to a total of US$ 2.5 billion in Romania.

Gabriel Resources has an 80% ownership interest in RMGC, thus in RMP. Assuming the price of gold is US$ 600/ounce and price of silver is US$ 10.50/ounce, Gabriel's profit is US$ 1,258 million. Please also note that as at the end of 2006, RMGC (through Gabriel resources) has invested US$ 200 million, and the company expects to invest a total of nearly US$ 1 billion before production begins.

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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.

The cyanide will be destroyed in the process plant using technology used by international mining companies around world. The detoxified cyanide from the mine will 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. The area will be less polluted after the Project is complete than it is now.

Item no.	8
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner presents a summary of the weak points from the EIA report, stating that it doesn't contain several elements, like: 1. a description of the way in which the preservation of habitats listed in Annex 1 and 2 of Bern Convention will be guaranteed. 2. An assessment of the alternatives from the point of view of Piatra Despicată and Piatra Corbului protected areas. 3. Solutions to mitigate the impacts on aquatic and land ecosystems during construction, operations, closure and post-closure phases. 4. A description of the impact and mitigation measures of the impact produced by tailings facility on resources of underground water. 5. How the project meets the provisions of Government Emergency Order no. 244/2000? 6. An estimate of the financial guarantees necessary for the tailings management facility, according to the Governmental Decision 349/2005 and to the Waste Directive. 7. An estimate of the guarantees and risk sources defined as "natural disasters" – heavy rainfalls, landslides, etc. 8. An assessment of the phenomenon called "cyanide rain" 9. A description of the transboundary impact affecting certain important natural areas, such as the National Park of Koros-Maros, Hungary, located along Mureş Valley, in case of an accident. 10. An assessment of the theoretical and practical value of the area from natural heritage and biodiversity points of view. 11. An analysis of the alternative economic activities at Roşia Montană and neighboring areas; 12. An assessment of the potential incomes generated by tourism at Roşia Montană in case the project will not be achieved. 13. An assessment of the prejudice caused by the fact that Roşia Montană area has been declared an industrial area and that bans the initiation of any other business incompatible with the mining project. SEE THE CONTESTATION ENCLOSED IN COPY.
Solution	No clear reference to any kind of habitats is included in the text of Berna Convention to which Romania has adhered to, which is transposed into Romanian legislation by Law 13/1993; their listing is missing from its annexes. These habitats are included in Resolution 4 of the Convention that was adopted on December 6, 1996. Thus, Law 13/1993 lists flora species in Annex 1, and fauna species in Annex 2. For Roşia Montană area, none of the species listed in Annex 1 have been identified (flora species). Some of the fauna species existing in the project's implementation area have been identified as being species included in the scope of work of Berna Convention, but there are no populations that would require some special measures of conservation to be taken pursuant to the provisions of the respective Convention. The stipulations of the Convention under art.4 (1) through which it is recommended to "*take appropriate and necessary legislative and administrative measures to ensure the conservation of the habitats of the wild flora and fauna species*", are explained through Resolution 1 (1989) of the Convention Committee and addressed to all signing parties. Thus, these measures will be aimed towards the protection of "*critical sites*", which are defined as essential for the conservation of species, which are included in the Convention's Annexes. According to the Baseline Conditions Report, due to the impact resulted from mining activities, Roşia Montană area will remain an area with a limited relevance for the protection of species of conservation interest, being far from being defined as a "*critical site*" based on these species. The measures included in Biodiversity Management Plan (Plan H) that is proposed by the company, fully comply with the provisions of Law 13/1993 on *conservation* of natural habitats, a term that defines

"*maintenance and, where necessary, restoration or improvement of biotic and abiotic features of a habitat of a specie or of a natural habitat [..]*", pursuant to the provisions of Resolution 1 from 1989, guaranteeing the maintenance in the respective area of the species included in Law 13/1993, through ample measures of restoration of some natural habitats.

*

Piatra Corbului is located in the protected area and won't be impacted.
As far as Piatra Despicată is concerned, we have considered the solution of its relocation to the protected area.
Further details on this can be found in the Environmental Impact Assessment Report, Chapter 4.7, Landscape, page 32 – 33.

*

The mitigation solutions of impacts proposed in our Environmental Impact Assessment and in the Biodiversity Management Plan (Plan H) cover all the phases of the mining project, taking also into account the impacts of previous activities.

The proposed Compensatory Functional Ecological Network represents one of the direct measures taken to mitigate the impacts on aquatic and terrestrial ecosystems, which includes structural and functional details (see Plan H: p. 20-22), as well as a schedule of measures to be taken (see Plan H: p. 22-28) during the main stages of the project (years: "0", "7", "10", "14" "16", and "19" respectively), that is for construction, operations, and the first phase of post-closure stage.

Therefore, we would like to remind here several measures like: full collection of Acid Rock Drainage (ARD), which is produced by historic pollution, treatment of waters that will be subsequently discharged, increase of the number of forested areas within Roşia Montană with approximately 85 ha, and increase the supporting capacity of natural habitats, etc. All these are measures aimed to mitigate existent and future potential impacts that will have potential adverse effects on aquatic and terrestrial ecosystems.
For further details please refer to Annex no. 2 that includes the habitats map.
The description of Compensating Functional Ecologic Network can be found in Biodiversity Management Plan (Plan H).

*

The comprehensive Tailings Management Facility (TMF) incorporates a series of measures to be protective of the groundwater. That includes an engineered liner system within the TMF basin – the Best Available Techniques as defined by EU Directive 96/61/EC (IPPC) – 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 sump below the toe of the tailings dam. In addition, we will be able to continually monitor the groundwater through a series of wells below the toe of the secondary containment dam. These wells can be converted to extraction wells as a final "fail-safe", if impacted groundwater is identified. A comprehensive series of hydrogeologic studies demonstrate the suitability of the site for this type of collection and containment system.

Moreover, the design of the TMF dam incorporates all International, EU, and Romanian design criteria. It is also consistent with similar tailings facilities that have been successfully constructed and operated in ecologically sensitive and highly regulated locations (e.g., the Fort Knox gold mine in Alaska, USA).

*

According to the provisions of art. 6 (1) of Government Emergency Ordinance no. 244/2000 on the safety of dams, "for new dams or in case of building interventions which change the base parameters of existent dams the holders (RMGC, in this case, our note) hereof have the obligation to obtain from the Ministry of Waters and Environment Protection the safe operation agreement." The safe operation agreement refers to the classification on importance categories, to the adoption of design solutions, to location agreements and observance of norms in force, case that shall be subject to another analysis submitted for the approval of the Ministry of the Environment and Waters Management, different from

the analysis for the issue of environmental permit that will ensure compliance with Government Emergency Ordinance no. 244/2000.

At the same time during the operation stage, the dam's safety shall be analyzed and monitored according to the
provisions of art. 1(3) of GEO no. 244/2000: "*the evaluation of the operation safety status and the check of observing the performance requirements regarding dam safety shall be made by experts and specialists accredited by the Ministry of Public Works, Transports and Housing and certified/empowered by the Ministry of Waters and Environment Protection*". In addition the coordination, guidance and the monitoring of the activity for safety assessment of the dams, whether existent, under construction and new, shall be carried out by the National Commission for Dam Safety and Other Hydrotechnical Works.

All technical details on survey and monitoring, as provided in GEO no. 244/2000 and as requested through the Guidance sent by the Ministry of Environment and Waters Management on the completion of EIA ("details shall be given on ponds, including on the observance of provisions in GEO no. 244/2000 in this respect") during the construction, operation, closing and post-closing are provided in the EIA report [1]. We also remind the provisions in art. 5 of GEO no. 244/2000, stating that: "holders of dams under any title are directly liable to attain and maintain the operation safety hereof".

References:

[1] - *Environmental Impact Assessment Report (EIA) Volume 25, Plan F – Tailings Facility Management Plan, section 4, page 41 and following pages*

*

We mention that the Government Decision no. 349/2005 regarding waste storage ("GD 349/2005"), by which the Directive no. 31/1999 regarding waste storage was enacted, **is not applicable for the Roşia Montană Project**.

As regards the financial guarantee for the tailings management facility, the related frame regulation is the Directive no. 2006/21/EC on the management of waste from the extraction industries, which in the wording of art. 2 (4) expressly indicates the fact that waste resulting from the extraction industry and brought under regulation by the Directive no. 21/2006 are not under the incidence of the regulations of the Directive no. 31/1999, therefore they are not subject to the GD 349/2005.

The estimation of the financial guarantee related to the tailings management facility will be performed after the transposition of the Directive 21 to the national legislation and according to the provisions of the normative transposition act.

At the same time, separately from the comments above, please consider the fact that the financial guarantee for the environment rehabilitation is provided by (i) the Mining Law no. 85/2003 ("Law no. 85/2003"), (ii) the enactment Norms of Law no. 85/2003 and by (iii) Order no. 58/2004 for the approval of the technical Directives regarding the enactment and compliance with the rules indicated by the conformity program, the environment rehabilitation plan and the technical project, as well as for bringing under regulation the method for operating with the financial guarantee for the restoration of the environment affected by the mining activities ("Order no. 58/2004").

Pursuant to the above-mentioned normative acts, the financial guarantee for the environment rehabilitation is annual and final.

(i) The annual financial guarantee for the environment rehabilitation
According to art. 131 of the Norms for the enactment of Law no. 85/2003 "*the financial guarantee for the environment rehabilitation, as related to the exploitation licence, is established annually, during the first month of the related period, and is provided in the licence, so as to cover the environment rehabilitation works mentioned in the environment rehabilitation plan and in the technical design*".

According to art. 133 (1) of the Norms for the enactment of Law no. 85/2003, the financial guarantee for the environmental rehabilitation cannot be smaller than the value of the environment rehabilitation

works for the respective year, thus the guarantee will cover the rehabilitation works in case the licence titleholder ceases the mining activity and does not perform the rehabilitation works.

(ii) The final financial guarantee for the environmental rehabilitation
According to the provisions of art. 15 of Order no. 58/2004, the final financial guarantee for the environment rehabilitation is established annually and is calculated as a quota of the environment rehabilitation works value, according to the monitoring program of the environment post-closing elements, which is included in the technical dismantling program.

*

Extreme natural events have been considered throughout the design of the Roşia Montană project. These include but are not limited to extreme rainfalls (including rainfall and snow melt), extreme draught, hurricane and extreme earthquakes. In addition, consideration has been given to climate change factors during the development of the extreme natural events.

To illustrate this, special measures have been taken to prevent and mitigate the potential negative effects caused by heavy rainfalls. What is of interest, in view of the project, is the quantity of water flowing over the ground surface as a result of the floods. The measures have been detailed in Chapter (7), *Risks*, Subchapter (2.4.3), p. (38-42) '*Measures to Prevent, Reduce and Remediate the Effects of Floods and High Waters*'.

Overall, the measures include:

- the development of structures over almost the entire surface of the Roşia and Corna catchment areas. As a result, runoff on the surface covered by the site will be almost entirely retained (including open pits, waste rock dumps, tailings management facilities and other types of impoundments). The Corna dam was designed to retain the total amount of water resulting from two successive PMPs (450 mm/24 h+450 mm/24 h), so as to avoid overtopping. Estimates indicate that the Probable Maximum Precipitation, defined as "theoretically the greatest depth of precipitation for a given duration that is physically possible over a given size storm area at a particular geographical location at a certain time of year" without taking into consideration long-term climate changes (WMO, 1986) with a chance occurance of 1 in more than 100 million years [1].
- As a safeguard relating to runoff volume, the project includes construction of diversion channels within both the Roşia and Corna valley drainage basins to route rainfall runoff around the mine waste materials. As an additional measure – and based on the absence of any diversion channels – the design provides ample freeboard in the case that excessive rainfall combines with wind conditions to generate waves.

To ensure increased stability, we have also buttressed the dam itself, with a ration of H:V well beyond any existing requirements, as outlined below:
- The Corna Dam (the main dam) will be a rockfill structure built using the centerline method of construction. The dam will have a downstream slope of 3H:1V. Typically, the slopes for such hydraulic structures range between 1.5H:1V and 1.75H:1V.

As for the broader range of extreme events, the following discussion present a summary of the conditions considered in the Rosia Montana Project design.

Chapter 4 of "*Report on the Environmental Impact Assessment Study " subchapter(4.1) "Water", p. (20),* as well as the *Mine Rehabilitation and Closure Plan, p.(123)* reflect all future potential changes of the basic climatic parameters and of the extreme events. The Water Management and Erosion Control Plan as well as Mine Rehabilitation and Closure Plan include continuous assessment procedures of learned data and climatic change forecasts, in such a manner that any implications regarding the management and design activities to be immediately identified and managed.

Climatic conditions that have been taken into account during the design activity developed for Corna Tailings Management Facility, with specific reference to extreme precipitations (the main factor that causes failures worldwide), are sufficient, even in the case of summation of forecasted values for extreme events (increase estimated at 15% for the period of project's development, the *Mine Rehabilitation and*

Closure Plan, p. (123), subchapter (4.1). "Water", p.(20) from the Report on Environmental Impact Assessment Study).

Finally, the probability of major landslides to appear in that specific area is also very low, as a result of the stable petrographic composition that hosts especially compacted rocks, without large volumes of rocks that have an unstable composition. At most, There may appear superficial landslides and rocks fragmentations, generating a minimal influence on the objectives (p.50 subchapter 2.6 Section 7 Risks).

On the issue of liability, a distinction must be made between the conventional liability for property loss and human injury, and environmental damage. The Environmental Liability Directive (ELD) 2004/35/EC only covers the latter type of liability.

The usual way in industrial operations to cope with the conventional liability risk is to take out an insurance policy (or multiple for such a complex project). RMGC is in negotiation with insurance companies for this type of liability. As soon as the details become available, they will be disclosed to the public.

RMGC is also fully aware of the Environmental Liability Directive (ELD) 2004/35/EC.

The ELD encourages the use of appropriate financial instruments such as insurance to cover the risk of liability under the ELD. However, an insurance product does not yet exist because the ELD has not yet been transposed to Romanian legislation. Moreover, some requirements of the ELD still leave room for interpretation and need to be clarified with the European insurance industry before insurance products become available.

Environmental Liability Directive (ELD) cover will be obtained as soon as legally required under Romanian legislation and appropriate products are available.

RMGC is optimistic that it fully satisfies insurability criteria usually applied to operators by insurers.

References:
[1] Figure(4.1.8), p.(18), Chapter (4.1) Water, The EIA Report

*

It is stated precisely that a "cyanide rain" phenomenon will not exist. Neither was encountered in other places or situations. Moreover, the specialty literature doesn't mention the so-called "cyanide rains" phenomenon, but only "acidic rains" phenomenon which can't be generated by the cyanic compounds breaking down in the atmosphere.

The reasons for making the statement that 'cyanide rains' phenomenon won't occur are the followings:

- The sodium cyanide handling, from the unloading from the supplying trucks up to the processing tailings discharge onto the tailings management facility, will be carried out only in liquid form, represented by alkaline solutions of high pH value (higher than 10.5 – 11.0) having different sodium cyanide concentrations. The alkalinity of these solutions has the purpose to maintain the cyanide under the form of cyan ions (CN^-) and to avoid the hydrocyanic acid formation (HCN), phenomenon that occurs only within environments of low pH;
- The cyanide volatilization from a certain solution cannot occur under the form of free cyanides, but only under the form of HCN;
- The handling and storage of the sodium cyanide solutions will take place only by means of some closed systems; the only areas/plants where the HCN can occur and volatilize into air, at low emission percentage, are the leaching tanks and slurry thickener, as well the tailings management facility for the processing tailings;
- The HCN emissions from the surface of the above mentioned tanks and from the tailings management facility surface can occur as a result of the pH decrease within the superficial layers of the solutions (that helps the HCN to form) and of the desorption (volatilization in air) of this compound;
- The cyanide concentrations within the handled solutions will decrease from 300 mg/L within the leaching tanks up to 7 mg/L (total cyanide) at the discharge point into the tailings management

facility. The drastic reduction of the cyanide concentrations for discharging into the Tailings Management Facility (TMF) will be done by the detoxification system;

- The knowledge of the cyanide chemistry and on the grounds of the past experience, we estimated the following possible HCN emissions into air: 6 t/year from the leaching tanks, 13 t/year from the slurry thickener and 30 t/year (22.4 t, respectively 17 mg/h/m^2 during the hot season and 7.6 t, respectively 11.6 mg/h/m^2 during the cold season) from the tailings management facility surface, which totals 134.2 kg/day of HCN emission;
- Once released into air, the hydrocyanic acid is subject to certain chemical reactions at low pressure, resulting ammonia;
- The mathematical modeling of the HCN concentrations within the ambient air (if the HCN released in the air is not subject to chemical reactions) emphasized the highest concentrations being at the ground level, within the industrial site namely within the area of the tailings management facility and within a certain area near the processing plant. The maximum concentration is of 382 μg/m^3/h;
- The highest HCN concentrations within the ambient air will be 2.6 times lower than the standard value stipulated by the national legislation for occupational safety;
- The HCN concentrations within the ambient air in the populated areas close by the industrial site will be of 4 to 80 μg/m^3, more than 250 – 12.5 times lower than standard value stipulated by the national legislation for occupational safety – the national legislation and European Union (EU) legislation on the Air Quality don't stipulate standard values for the population's health protection;
- Once released in air, the evolution of the HCN implies an insignificant component resulted from the reactions while liquid (water vapors and rain drops). The reactions are due to HCN being weak water-soluble at partially low pressures (feature of the gases released in open air), and the rain not effectively reducing the concentrations in the air (Mudder, et al., 2001; Cicerone and Zellner, 1983);
- The probability that the HCN concentration value contained by rainfalls within and outside the footprint of the Project be significantly higher than the background values (0.2 ppb) is extremely low.

Details referring to the use of cyanide in the technological processes, to the cyanides balance as well as to the cyanide emission and the impact of the cyanides on the air quality are contained in the Environmental Impact Assessment (EIA) Report, Chapter 2, Subchapter 4.1 and Subchapter 4.2 (Section 4.2.3).

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We appreciate that there is concern about transboundary impacts and have worked extensively with independent experts and scientists to fully assess all possibilities. These assessments, including a just-completed study of catastrophic failure scenarios by The University of Reading, have concluded that the Roşia Montană Project has no transboundary impact. A full copy of the University of Reading study can be found in the reference documents included as an annex to this report.

The Environmental Impact Assessment Report (EIA) (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 by RMGC to provide additional detail to that provided in the EIA 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). 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.

Because of dilution and dispersion in the river system, and of the initial European Union Best Available Techniques (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 Tailings Management Facility - 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 Modelling* Program and the full modeling report is presented as **Annex 5.1.**

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From theoretical point of view, the biodiversity value of a site is provided by quantitative and qualitative indexes of biodiversity.
Considering the conditions of site ecosystem defined by elements related to major impacts, action area, and extension in time, the identification of several natural habitats in the true meaning of the word and as it is defined in specific handbooks has remained at the stage of a hope.
The legal requirements governing the assessment of biodiversity refer to the assessment of specific and ecosystems richness and to conservative identification of species and habitats. Both aspects have been adequately covered within the Environmental Impact Assessment Study.

From all data secured following field studies, several strong conclusions may be drawn according to which biodiversity as a whole represents an element which is poorly represented within Roşia Montană. Therefore, its value remains reduced even though theoretic or practical approaches are attempted.

No endemic, characteristic and thalassic species have been identified at Roşia Montană that may have a particular significance for biostrata either being local, regional or national. Moreover, no unique or rare habitats or habitats that may have priority for conservation have been identified within Project's impact area.

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 a SPA (aviafaunistic special protected area) and by the denial of the proposal to designate the area as a pSCI area (sites of community importance). The proposal was denied by the Committee of Technical Experts of Ministry of Environment and Water Management that was summoned to assess the Natura 2.000 proposals.

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The Environmental Impact Assessment Study Report (EIA) makes such an analysis in Chapter 5 – Assessment of alternatives.

Information on current industries, such as agriculture and tourism is also provided in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Plan L - Community Sustainable Development Management Plan. This information was presented primarily so that an assessment could be completed on the potential effects of the proposed project on these industries. A detailed analysis of the potential for

alternate businesses to develop in absence of the project is not normally undertaken under EU regulations or International guidelines. If the project is not developed it should not have any effect on alternate businesses.

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.

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).

This study [1] was prepared by Gifford, a leading British consultancy of heritage specialists and engineers.

This report concludes that :

"[...] tourist development could be pursued even in the absence of renewed mining, based simply upon the existing potential attractions. In the latter case however, financial support would have to be generated entirely through European Union (EU) funding, national government budgets, and private sector enterprises. Works based upon these funding sources would necessarily be promoted and undertaken by governmental agencies at levels ranging from local to national.

Much development work in Cluj-Napoca and Alba Iulia (and possibly Deva) will also be needed as we consider that these 'gateway' towns will have to serve as tourist attractions in their own rights, especially with regard to international tourism, and offer appropriate accommodation and other facilities for tourists. One questions how successful a tourism development in Roşia Montană would be unless it was supported by parallel development in Cluj-Napoca and Alba Iulia.

If consent for mining is not given by the Romanian government, and if the tourism potential discussed here is to be achieved, then alternative funding sources for these pre-requisite infrastructure works and the more direct tourism investments will be required. The levels of investment required, even by the very optimistic INCDT 2006 report discussed above, are very significant.

In simple terms the total estimated costs of the combined projects, as expressed in INCDT 2006 and in the proposals by RMGC, would be US$ 44,817,380.

These investments costs could, perhaps, only be achieved by a very significant investment by the Romanian government with matching grants from EU programmes, but these investments are considered to be beyond the means of the private sector. Attracting EU and other international development aid will be dependant upon detailed, well-analyzed, and realistic development forecasts, and must be administered by public sector organizations demonstrably capable of delivering the projects to time and budget.

A very real danger to this scenario is simply that it is difficult to envisage this as anything except a more-

or-less one-off capital investment in one or more individual projects. A one off or even a few limited capital investments are not likely to generate any longer-term, sustainable conservation or restoration of the heritage assets, rather remaining as a short term fix leading to even greater longer-term problems."

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

References:
[1] Roşia Montană Initial Tourism Proposals, Gifford, 2006.

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An assessment of the potential incomes generated by tourism in Roşia Montană in case the project will not be achieved, was not required either by the Terms of Reference (TOR) for the Environmental Impact Assessment (EIA) or by Order no. 863/2002 – Annex 2 – Methodological Guide of the screening stage and of completion of the report to the assessment study – Part II (The structure of the report to the environmental impact assessment study). Nonetheless, information on current tourism activities are provided in Volume 14, 4.8 Social and Economic Environment, and in Volume 31, Plan L - Community Sustainable Development Management Plan of EIA. This information were presented primarily so that an assessment could be completed in respect of the potential effects of the proposed project on this industry. In the absence of large scale investment, touristic opportunities and potential touristic income in Roşia Montană are limited at best.

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

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There is no such ban on the formation of new businesses as the questioner suggests.

The designation of an industrial area in part of Roşia Montană does not limit business development in the locality, as the industrial area (or "project footprint") is limited to 25% of Roşia Montană, and an even smaller 5% of the area including Câmpeni, Roşia Montană and Abrud. Businesses of all kinds are free to form through the normal means of permitting and registration with local authorities.

Studies were made by the relevant governmental authorities when the area was designated „disadvantaged area" in order to enable investment in the area, which was the case of the Roşia Montană Project.

The alteration of the urbanism plans and the designation of an industrial area for RMP is a mandatory legal requirement as per:

(i) art 6 (1) of the GD no. 525/1996 for the approval of the General Urbanism Regulation ("*authorizing the building of permanent constructions, other than the facilities necessary for the exploitation and processing of resources in the areas delineated according to the law, which contain identified underground resources, is forbidden*") and ;

(ii) art. 41 (2) of the Mining Law no. 85/2003 ("the county councils and the local councils will amend and/or update the existing territory arrangement plans and the general urbanism plans, so as to allow the development of all operations necessary for the development of the mining activities granted into concession").

Item no.	9
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioners have submitted at the secretary an "Open Letter regarding public debates organized for Roşia Montană Project" that includes the following comments and remarks: 1. The EIA procedure for Roşia Montană serves for a political interest; 2. The documentation couldn't be consulted at the locations where it was made available and at other locations it was possible to consult it until 16.30h; 3. The documentation couldn't be read in libraries because these facilities are closed during vacations, that is, during July and August; 4. Ministry of Environment and Water Management did not consult the stakeholders when it established the schedule for public debates; 5. The locations have been selected by RMGC because some of them are mining localities; 6. The chairmen of the debates were not impartial; 7. The public debates have been just a propaganda parade of RMGC. PLEASE FIND THE CONTESTATION ENCLOSED IN COPY.
Solution	The Environmental Impact Assessment study report (EIA) that Roşia Montană Gold Corporation (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, certified by the Romanian Government and 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 Roşia Montană Project (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. A copy of the IGIE report and RMGC's response is included as a reference document to the present annex of the EIA. Responding to stakeholder concerns is an integral part of the EIA process. Before submission of the EIA, RMGC had previously 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. RMGC has engaged in a broad process of public consultation in compliance with Romanian and European law as part of the EIA process. The company has held 14 public meetings in Romania and two in Hungary. This is not a public relations campaign but rather an integral part of a serious process of public consultation before the project is approved. RMGC supports this process and believes it is important in a democratic society. * Any interested party who wished to examine the Environmental Impact Assessment Study (EIA) Report had many means to do so. Public consultation and information during the environmental impact assessment procedure, including the publication of the 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 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")[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.

The documentation you refer to has been available at the following locations:
- The hardcopy of the EIA Report was available at 48 locations – town halls, environmental protection agencies, libraries, ministries, information centers of the Roşia Montană Project: Zlatna Town Hall, Deva Environmental Protection Agency, Arad Environmental Protection Agency, Arad Town Hall, Petroşani University Library, Turda Town Hall, Abrud Town Hall, Abrud Information Center, Câmpeni Town Hall, Lupşa Town Hall, Roşia Montană Information Center, Bucium Information Center, Bucium Town Hall, Deva Town Hall, Deva County Library, Brad Town Hall, Roşia Montană Town Hall, Bistra Town Hall, Baia de Arieş Town Hall, Alba Iulia Town Hall, Alba Iulia Environmental Protection Agency, Alba County Prefecture, Alba County Council, Alba Iulia '1 Decembrie 1918' University Library, Baia Mare North University Library, Romanian Academy Library, Baia Mare 'Petre Dulfu' County Library, Sibiu 'Lucian Blaga' University Library, Alba Iulia Information Center, Cluj Environmental Protection Local Agency, Cluj Environmental Protection Regional Agency, Cluj Town Hall, Cluj Techical University Library, Arad County Library, Cluj County Prefecture, Cluj 'Babeş Bolyai' University Library, Bucharest Information Center, Bucharest Economic Studies Academy Library, Bucharest Central University Library, Bucharest National Library, Timişoara County Library, Bucharest Town Hall, Timişoara Western University Library, Petroşani University Library, Bucharest Ministry of Environment and Water Management, Arad 'Vasile Goldiş' University, Arad 'Aurel Vlaicu' University, Bucharest Environmental Protection National Agency, Sibiu Environmental Protection Agency, Roşia Montană Environmental Information Center. According to the law, public institutions had the obligation to allow public access to this documentation during the working hours.

- Also, the electronic copy of this study was made available on several web pages, such as: the web page of the Ministry of Environment and Water Management - www.mmediu.ro; Sibiu Regional Environmental Protection Agency - www.ipmsb.ro; Alba Environmental Protection Agency - www.apm-alba.ro; the web pages of Roşia Montană Gold Corporation SA (RMGC) and Gabriel Resources - www.gabrielresources.com; www.povesteaadevarata.ro and the Environmental Partnership for Mining - www.epmining.org.

Also, we have distributed more than 6,000 CDs and DVDs with the English and Romanian versions of the EIA Report.

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 RMGC'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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Any interested party who wished to examine the Environmental Impact Assessment (EIA) Report had

many means to do so.

Public consultation and information during the environmental impact assessment procedure, including the publication of the 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 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")[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.

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- Also, the electronic copy of this study was made available on several web pages, such as: the web page of the Ministry of Environment and Water Management - www.mmediu.ro; Sibiu Regional Environmental Protection Agency - www.ipmsb.ro; Alba Environmental Protection Agency - www.apm-alba.ro; the web pages of Roşia Montană Gold Corporation SA (RMGC) and Gabriel Resources - www.gabrielresources.com; www.povesteaadevarata.ro and the Environmental Partnership for Mining - www.epmining.org.

Also, we have distributed more than 6,000 CDs and DVDs with the English and Romanian versions of the EIA Report.

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 RMGC'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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The planning for consultations did take place in accordance with the law.

Public consultation and information during the environmental impact assessment procedure, including the publication of the Environmental Impact Assessment 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. 918/2002")[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.

In accordance with the provisions of Order no. 860/2002, the public debates have been scheduled together with the Ministry of Environment and Water Management, on business days, but after working hours, in order to allow the interested public to participate, as follows:
(i) "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;"
(ii) "Article 27. - (1) Within 5 business days from the receipt of the report on the environmental impact assessment study and, as applicable, of the security report, ***the public authorities for environmental protection, in agreement with the project titleholder, shall establish and announce in the mass media the opportunities for public participation in the decision-making process related to the project.*** (2) Under the guidance of the competent public authority, the project titleholder shall organize the public debate to present the report on the environmental impact assessment study, in accordance with the provisions of Articles 39-44."

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").
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[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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The 14 consultation sites across Romania spanned cities, towns and villages - mining or not - and it is entirely proper that some sites are in areas most likely to be affected by the project, and others not.

Public consultation and information during the environmental impact assessment procedure, including the publication of the Environmental Impact Assessment 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. 918/2002")[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.

In accordance with the provisions of Order no. 860/2002, the locations of the public debates have been planned together with the Ministry of Environment and Water Management.

"Article 27. - (1) Within 5 business days from the receipt of the report on the environmental impact assessment study and, as applicable, of the security report, the public authorities for environmental protection, in agreement with the project titleholder, shall establish and announce in the mass media the opportunities for public participation in the decision-making process related to the project, at the project titleholder's expense; (2) Under the guidance of the competent public authority, the project titleholder shall organize the public debate to present the report on the environmental impact assessment study, in accordance with the provisions of Articles 39-44."

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").
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[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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A proper process guards against partiality, plus the process was carefully followed in the Roşia Montană Environmental Impact Assessment (EIA).

Public consultation and information during the environmental impact assessment procedure, including the publication of the 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 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")[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.

The chairmen have been appointed in accordance with the provisions of Order no. 860/2002, as follows:
"Article 42 - Before the public debate meeting, ***the project titleholder and the competent public authority for environmental protection shall appoint a chairman*** and a secretary to enlist the participants. The participants' comments shall be recorded in the minutes of the meeting. The minutes of the meeting shall be signed by the chairman, the secretary and, at the public's request, by one or more public representatives."

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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We strongly disagree with the questioner's assertion. 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 (i) does not identify nor indicate issues related to the project initiated by RMGC and undergoing the environment impact assessment procedure, (ii) refers to decisional capacities under the competence of certain public authorities, 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.
Nevertheless, RMGC believes that it is important to present its views of the project to the public because this project is so important to the economic development of Romania. RMGC believes that this is an important and normal part of debate in a democratic society. As a part of the process for approval of the Project, RMGC has engaged in a broad process of public consultation in compliance with Romanian and European law. The company has held 14 public meetings in Romania and two in Hungary because of high public interest there. This is not simply a public relations campaign but rather an integral part of a serious process of public consultation before the project is approved. RMGC supports this process and believes it is important in a democratic society.

Item no.	10
No. to identify the observations received from the public	-
Proposal	The questioner has submitted at the secretary a document called "Genocide through pollution – cyanide poisoning = weapon for mass destruction and extinction – terrorist weapon, at Baia Mare, October 2003" SEE THE ENCLOSED MATERIAL IN COPY.
Solution	The most efficient and cost-effective process for extracting the gold and silver from ores such as the ones in Roşia Montană is based on full cyanide-leaching of the ore. There are numerous examples of similar ores throughout the world, which require the use of cyanide-based technology for efficient precious metals recovery. The implementation of the cyanide-based technology for gold and silver recovery from the ore in Roşia Montană is based on a detailed testwork program conducted by AMMTEC Limited and AMDEL Limited. The tests were scheduled and reviewed by GRD MINPROC Limited, and subsequently, the conclusions of the testing program were reviewed and reconfirmed by S.N.C. LAVALIN and AUSENCO. The issuance of the cyanide leaching technology for the ore in Roşia Montană considered the best practices used in Europe and worldwide. The technology for metals recovery by using cyanide leaching in CIL **is Best Available Technology (BAT)** (please see Chapter 3.1.6.2.2 and Chapter 5.2 of the Guidelines of BREF [1] UE Document on BAT for Management ... in Mining Activities, March 2004). The cyanide, in a solid briquette form will be transported in specially-designed isotainers. The cyanide will be dissolved only into the transportation containers, in an alkaline solution, sourced from and re-circulated back into a mixing tank. The mixing tank is designed with enough capacity to store the entire quantity of a transportation container. The cyanide solution, as soon as it is dissolved in the container, will be transferred from the mixing tank into a large volume storage tank. The cyanide is extremely toxic therefore its manufacturing, transport, handling and neutralization must be handled with care. However, the use of cyanide has a great advantage for the environment because it breaks down quickly (biodegradation under UV light) becoming inert under normal weather conditions, and the compounds resulting from the degradation, hydrolysis, adsorption processes taking place in the TMF are very stable (basically, these compounds become inert within the environment in the TMF once the process tailings are stored); there is no possibility of bio-accumulation of, for example, mercury or heavy metals. This Project will implement the Best Available Techniques (BAT) for gold recovery and waste management (we refer here to waste resulting from mining and processing) and will comply with the European Directive for cyanide content mining waste. 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-www.cyanidecode.org); 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 document; the process tailings will be discharged into the TMF in accordance with EU Directive 2006/21/CE on the management of mining waste. For a better understanding of the differences between Roşia Montană and Baia Mare, please see attached the Comparison Table for the two Projects. Please see the Annex 3.2 – Have lesson being learnt? The comparison between Roşia Montană and Baia Mare TMF. References: [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)

Item no.	1
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner makes the following remarks and comments: 1. The registration of speakers was not made by the representatives of Ministry, but by a non-governmental organization. 2. The questioner would like to have a list with the names of people who will be legally responsible in case the tailings management facilities will crash and the city of Abrud will be wiped out of the face of the earth. He would like to know, who will be personally answerable after people from Corna Valley and Abrud will die and when an ecologic disaster will occur? He doesn't want to receive the name of an organization "headquartered in Barbados", but individuals who will be sent to jail when an ecologic disaster occurs. 3. The questioner states that many chapters of the EIA are not signed by a particular individual and wants to know nominally who signed them.
Solution	This claim is not true; a legal process governs the public consultation process for the Environmental Impact Assessment (EIA), and that process was fully followed. Public consultation and information during the environmental impact assessment procedure, including the publication of the 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 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")[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. The participants were enlisted to take the floor by the Ministry representatives, in accordance with the provisions of Article 42 of Order no. 860/2002: ***Before the public debate meeting, the project titleholder and the competent public authority for environmental protection shall appoint*** a chairman and ***a secretary to enlist the participants***. The participants' comments shall be recorded in the minutes of the meeting. The minutes of the meeting shall be signed by the chairman, the secretary and, at the public's request, by one or more public representatives." 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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According to the provisions of the Romanian law, the engagement of any form of liability and the sanctioning of the persons breaching the legal provisions can be made only by the state bodies and authorities with specific attributions in the field and under the conditions provided by law. Thus, the criminal liability of a person who is supposed to have breached the legal provisions may be engaged only to the extent that the existence of all constitutive elements of an offence or misdemeanor can be proved within a lawsuit settled by a final decision of the relevant Court.

Gabriel Resources Ltd., is not a hidden company of some sort as the questioner implies. It is headquartered in Toronto, Ontario, Canada, with its shares traded publicly on the Toronto Stock Exchange. As such, its activities are subject to the oversight of the Ontario Securities Commission. Anyone wishing information on the company can find it on the company website, in compliance with reporting requirements governing publicly-traded companies.

On all issues relating to its projects, the company's management team will also be held responsible for any failures to meet standards or comply with rules and directives applying to its activities.

As for assurances against failures and non-compliance, the Environmental Impact Assessment (EIA) procedure governing the Roşia Montană Project is mandated by the mining laws of Romania, which were harmonized with those of the EU.

The EIA study report that Roşia Montană Gold Corporation (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 Roşia Montană Project (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. A copy of the IGIE report and RMGC's response is included as a reference document to the present annex of the EIA.

According to the provision of Order 978/2003 for the approval of the Regulation for attesting the individuals and legal entities which draft EIA studies and environmental balances, there is a clear distinction between the liabilities of the involved parties, as follows: (i) the activity's titleholder (RMGC in our case) is liable for the authenticity of information provided for the EIA's performance while (ii) the entity performing the EIA is liable for the EIA's performance, for the correctness in interpreting such information within the EIA and furthermore contractually liable for the EIA correctness.

RMGC has engaged in a broad process of public consultation in compliance with Romanian and European law as part of the EIA process. The company has held 14 public meetings in Romania and two in Hungary. This is not a public relations campaign but rather an integral part of a serious process of public consultation before the project is approved. RMGC supports this process and believes it is important in a democratic society.

Should the questioner wish to consult the law on these issues, we provide this excerpt:
Under the Government Emergency Ordinance 195/2005, approved under Law 265/2006, Section 3 'Obligations of natural and legal persons' article 94 (1) thereof, environmental protection constitutes an obligation for all natural and legal persons. Paragraph (2) stipulates that natural and legal persons involved in prospecting, exploration and exploitation of land and underground resources shall:

- carry out remediation works in the areas where soil, underground and terrestrial ecosystems have been affected;
- notify the environment protection authorities or, as the case may be, the other competent authorities, about any accidents that might cause damage to the

environment.

Art. 95: (1) Liability for the environmental damage is independent in nature, irrespective of the fault. In case of several offenders, liability is jointly shared.
(2) Exceptionally, liability can also be subjective, in the case of damage to the protected species and natural habitats, in accordance with the relevant regulations.
(3)The prevention and remedying of the environmental damage is done in accordance with the provisions of this emergency ordinance and in accordance with the relevant regulations.

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Since June 2004, the legal provisions in force [1] stipulate that certified experts are no longer required to sign the report on the environmental impact assessment study (or "parts" thereof). Also, the law does not stipulate the obligation to specify the authors' participation in drafting the Report on the Environmental Impact Assessment chapters.

In accordance with the legal provisions in force [2], the *Report on the Environmental Impact Assessment* contains in Chapter 1. *General Information*, Section 2 – contact data of the certified authors of the environmental impact assessment study and of the related report, and this information is briefly presented also in Chapter 9. *Non-Technical Summary*.

"The liability for the accuracy of the information supplied to the competent authorities for environmental protection and to the public belongs to the project [....] titleholder", and the liability for the accuracy of the environmental impact assessment belongs to its authors [3], *i.e.*, in the case of the team of certified experts, to the "natural persons certified at the highest level of competence" and "certified legal persons"[4], that participated in the environmental impact assessment based on the agreement concluded with the project titleholder.

References:
[1] *The provision regarding the liability for the "quality of the studies and reports prepared", entailed "under the signature"* ***of the coordinating expert****, stipulated in Article 5(2) of Order no. 978/December 2, 2003 of the Minister of Agriculture, Forests, Waters and Environment (published in the Official Gazette no. 3 of January 5, 2004)* ***was eliminated*** *by Order no. 97/May 18, 2004 of the Minister of Agriculture, Forests, Waters and Environment (for the amendment and supplementation of Order no. 978/2003 of the Minister of Agriculture, Forests, Waters and Environment, regarding the Regulations for the certification of natural and legal persons preparing environmental impact assessment studies and environmental balances, published in the Official Gazette no. 504 of June 4, 2004).*
[2] Annex 2, Part 2 of Order no. 863/2002 of the Minister of Agriculture, Forests, Waters and Environment regarding the approval of the Methodological guidelines applicable to the stages of the environmental impact assessment framework procedure, published in the Official Gazette of Romania, Part 1, no. 52 of January 30, 2003.
[3] Article 21 (4) of Government Emergency Ordinance no. 195/December 22, 2005 on environmental protection, published in the Official Gazette of Romania, Part 1, no. 1.196 of December 30, 2005, approved as amended by Law no. 265/June 29, 2006, published in the Official Gazette of Romania, Part 1, no. 586 of July 6, 2006.
[4] According to Article 1, pct. 2 of Order no. 97/May 18, 2004 of the Minister of Agriculture, Forests, Waters and Environment, for the amendment and supplementation of Order no. 978/2003 of the Minister of Agriculture, Forests, Waters and Environment, regarding the Regulations for the certification of natural and legal persons preparing environmental impact assessment studies and environmental balances, published in the Official Gazette no. 504 of June 4, 2004.

Item no.	2
No. to identify the observations received from the public	Roşia Montanâ, 24.07.2006
Proposal	The questioner refers to the fact that there are people from Roşia Montană who do not want to sell their properties, the property is guaranteed by the state, the churches do not want to sell their properties, some of the people are stating that they will go to trial to international courts and the Romanian state has already started to loose more and more trials. 1. What will Gold Corporation do when they will have to start the project and many international trials and disputes will be initiated and they won't be able to work? 2. Who is going to pay then, after 7 years of promises?
Solution	When acquiring the private property territories necessary for the development of Roşia Montană Project, RMGC's approach is primarily based on the principle of a "willing seller-buyer". 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 Relocation and Resettlement Action Plan developed by RMGC, which may be found on the company's official website. Moreover, the design and location of Project's facilities was made so as the number of impacted persons is as small as possible. Regarding the methods for acquiring the lands contemplated by RMGC, these are in full compliance with the legal provisions, art. 6 of the Mining Law no. 85/2003 published in the Romanian Official Gazette, Section I, no. 197/27.03.2003 expressly providing the means by which the titleholder obtains the right of use over the lands necessary to perform mining activities in the exploitation perimeter, namely: (i) *sale-purchase, for the price agreed upon by the parties; (ii) the 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 of the cleared land, as per the convention between the parties; (iii) renting of the land for undetermined period, based on agreements between the parties, (iv) expropriation for cause of public utility, as per the law; (v) land concession*", etc. Also, art. 1 of Law no. 33/1994 on the expropriation for cause of public utility, published in the Romanian Official Gazette, Section I, no. 139/02.06.1994, 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, 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. As for the possible litigations, we underline that, according to the provisions of the Romanian law, they cannot have as effect the cessation of the works performed within the Roşia Montană Mining Project, unless there is a final decision of the court to this end. * According to the provisions of art. 44 (1) of Order of Minister of Waters and Environmental Protection no. 860/2002 regarding approval of the Environmental Impact Assessment and the issuance of environmental agreement procedures ("Order no. 860/2002") "*during the public debate meeting the project titleholder [...], provides reasoned answers to the justified proposals of the public, which were received under a written form, previously to the respective hearing*". Considering that the person attending the public consultations does not identify nor indicate issues

related to the project initiated by RMGC and undergoing the environment impact assessment procedure, we appreciate that, due to the lack of specific information regarding the aroused responsibility, the titleholder of the project may not provide a practical answer to this question.

Please note that the Romanian legislation contains general provisions, as well as specific norms regarding the various types of legal responsibility, following, in case of non-observance of the legal provisions, for such responsibility to be determined according to the precise content of the said provisions.

Item no.	3
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
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 opportunites 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.	4
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	1. Alburnus Maior declares this meeting illegal and they will address themselves to Ministry of Environment and Water Management and to legal Court. 2. The questioner protests because only 5 minutes have been granted for his speech: he wants to know why, because a public consultation may last even for 5 days. 3. - The questioner would like to know what project model is practiced here?
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 permit procedures ("Order no. 860/2002") *"during the public debate meeting the project titleholder [...], provides reasoned 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 reasoned 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 (i) does not identify nor indicate issues related to the project initiated by RMGC and undergoing the environment impact assessment procedure, (ii) refers to decisional capacities under the competence of certain public authorities, 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. * With regards to your claims, please note that the public consultation method within the environment impact assessment procedure is provided by Order of the Minister of Waters and Environmental Protection no. 860/2002 on the environmental impact assessment and the issuance of environmental agreement procedures ("Order no. 860/2002"). Article 39 (1) of the Order no. 860/2002 provides that *"after performing the environment impact assessment and drafting the report on the environmental impact assessment study, the relevant environmental protection authority and the project titleholder inform the public, [...], within at least 30 working days prior to the date of public debate meeting, on the following aspects: (i) the location and the date of the public debate, (ii) the location and the date when the report on the environment impact assessment study is available for consultation and (iii) the address of the public authority for the environment protection where the grounded proposals of the public regarding the report on the environment impact assessment study are submitted"*; According to art. 41 of the Order no. 860/2002, the public debate meeting is held in the presence of the representatives of the relevant public authority for the environment protection, in the area where the project should be implemented and out of the working hours. The practical method for organizing public debate meetings was provided by the Ministry of Environment and Waters Management, according to the responsibilities of the environmental protection authority in this field based on the provisions of the Order no. 860/2002 and the relevant environmental protection legislation. At the same time we draw attention to the fact that, each public debate meeting was declared as closed

only after each interested attendant could publicly state their point of view regarding the project or the comments related to the report on the environmental impact assessment study.

*

The project model is one of a commitment to responsible mining and sustainable development not only in Roşia Montană and the surrounding communities, but the region and the country at large.

That implies that the Project will be conducted in full compliance with Romanian and European law and in accordance with international best practices. The project will also use best available techniques (BAT) as defined by EU Directive 96/61/EC (IPPC). Aspect of the proposal related to social and environmental concerns and preservation of cultural heritage will meet or exceed World Bank standards.

As an example of the Project's working model, consider our Tailings Management Facility. 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 10ppm recently adopted by the EU in the Mining Waste Directive 2006/21/EC.

Item no.	5
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
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 opportunites 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.	6
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
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 opportunites 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.	7
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner makes the following remarks and comments: 1. Accuses Alburnus Maior and Greenpeace of several interests and asks them to come up with an alternative to this Project. 2. The questioner believes that if the project is stopped, the following disadvantages will be generated: - the environment will remain polluted after the mining operations performed so far, without any money invested by somebody to rehabilitate it; - the unemployment rate will be among the most elevated ones; - the area will be depopulated; - this would be another evidence of the fact that governmental leaders do not care about the fate of Roşia Montană locals who have always lived from mining.
Solution	The economic activities proposed by Greenpeace or Alburnus Maior can be pursued in parallel with the Roşia Montană Project. The major point is that none of the alternatives proposed - as substitutes for the mining project - are in any way viable means of sustaining the 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 Project including the "no-project" option. This Chapter is also summarized in the non-Technical Summary. 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 to sustainable development, such as pollution and land dereliction. * While we are confident that the Government of Romania is deeply concerned about the interests of all regions of the country, the questioner's comments about the impact should the project be stopped are certainly supported by the conclusions of the EIA Report (*Assessment of the Alternatives*). The report examined alternative options for the Roşia Montană Project including the "no-project" option, and concluded that the environmental impact of the no-project option would be that the current pollution problems will remain and employment opportunity will be foregone.

Item no.	8
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
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 opportunites 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.	9
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner makes the following remarks and comments: 1. She is annoyed by the resettlement of those 9 graveyards. She doesn't find it normal to have the graveyards and churches resettled. 2. The questioner mentions the Tanzanian mining model where 52 miners died and where Mr. Hill used to work and asks if the Tanzanian model will be used in Romania. 3. The questioner wants to state that cyanide is not the solution, cyanide kills.
Solution	Firstly, there are only 6 cemeteries that 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 initial rules, later turned into laws that deal with this unfortunate event. 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, only 410 graves of the Roşia Montană's 1905 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. 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 Alba's new cemetery. 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. 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; 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. * 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 (i) does not identify nor indicate issues related to the project initiated by RMGC and undergoing the environment impact assessment procedure, (ii) refers to decisional capacities under the competence of certain public authorities, 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.

Yet, both the World Bank and the Tanzanian authorities have already responded to this issue – both have made it clear that the alleged incident in Tanzania simply never happened. On October 29, 2002 the Compliance Advisor/Ombudsman of the World Bank issued a report discrediting the allegations – a report based on interviews with people from the local community, mine staff, eyewitnesses, consulting police reports, and documentation.

It is easy to see why the respected world agency rejected the allegations. Among other things, neighbors of the people alleged to be dead told the World Bank investigative team that the alleged dead were alive and well. In one case, an alleged victim had died in an accident years earlier. In another cases, the Tanzanian press has found people alive in other parts of the country who were alleged to have been killed.

The World Bank agency also said the unsubstantiated allegations were not serving the best interests of local people living close to the mine.

In any event, at the time of the alleged incident the mine in question was not even owned by the company that employed Alan Hill. To sum up, the allegations are both trumped up and irrelevant.

*

The use of cyanide in mining industry represents 15% only from the total production of cyanide; cyanide is also used in pharmaceutical, food, metal processing, plastics, phones and computers industry.

There are also other areas using cyanide to produce the following chemicals:

- the production of adiponitril (the basic material for nylon);
- the production of acetone cyanohydrins (an intermediate for the production of methyl methacrylate);
- cyanide chloride;
- chelate compounds;
- production of sodium and potassium cyanide (used especially in mining industry).

Moreover, cyanide is released from natural substances contained by certain foods and certain plants, such as cassava. The cyanide is found also in the cigarette smoke, as well as products resulted from the combustion of synthetics such as plastic.

Cyanide is extremely toxic therefore its manufacturing, transport, handling and neutralization must be handled with care. However, cyanide has a great advantage for the environment because it breaks down quickly (biodegradation under UV light) becoming inert under normal weather conditions, and the compounds resulting from the degradation, hydrolysis, adsorption processes taking place in the TMF are very stable (basically, these compounds become inert within the environment in the TMF once the process tailings are stored); there is no possibility of bio-accumulation, i.e. mercury or heavy metals. This Project will implement the Best Available Techniques (BAT) for gold recovery and waste management (we refer here to waste resulting from mining and processing) and will comply with the European Directive for cyanide content mining waste.

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-

www.cyanidecode.org); 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) [1] as per BREF document; the process tailings will be discharged into the TMF in accordance with EU Directive 2006/21/CE on the management of mining waste.

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

In regards to the toxicity of the tailings containing compounds of cyanide, it is worth noticing that Roşia Montană Project was designed and developed to recycle at maximum 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_{WAD} cyanide concentration to a value of under 10 ppm. This level of cyanide is 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.

References:
[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).

Item no.	10
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	1. The questioner wants to know how the famous Roman galleries, unique in Europe, will be visited in the future: under the cyanides lake? 2. The questioner accuses the local supporters of the Project that they are paid.
Solution	The future TMF for the RMP is going to be built on the Corna valley. No ancient mining galleries were found in this area. Such archaeological remains have been identified only in the massifs from the Roşia valley, namely on the Southern slope of the Cârnic massif in the North-Eastern side of the upper Roşia valley, outside the perimeter of the planned TMF. Therefore, none of these galleries is going to be flooded. In accordance with the legislation in force, RMGC has provided the necessary funds for the investigation and assessment of the mine galleries located in the Roşia Montană area. The mining archaeological researches carried out since 1999 at Roşia Montană by a multi-disciplinary team from the University of Toulouse Le Mirail (France) led by Dr. Beatrice Cauuet were focused on the development of a detailed study of this type of archaeological remains, namely the old mine galleries dating from the Roman and later periods. The future Mining Museum from Roşia Montană will comprise both ancient mining works (e.g. galleries, exploitation sites, etc.) dug with the hammer and chisel or by the fire setting technique found in the Cătălina Monuleşti, Coş, Piatra Corbului and Păru Carpeni areas and ancient mining devices (e.g. the hydraulic wheels uncovered in the Păru Carpeni sector). All these elements will be preserved *in situ*. For this purpose, the following areas have been delimited and declared as protected areas: the mining sectors of Lety – Coş (the Cătălina Monuleşti gallery has already been 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 (this perimeter is still being researched). Thus, these sectors will not be affected by the future works performed within the RMP. The ancient mining works as well as the modern and recent ones will be arranged to ensure the optimum conditions for the research activities as well as for the public's safe access to areas declared accessible by the specialists. Moreover, replicas of the main types of ancient mining works found in the Cârnic massif are going to be created in the Mining Museum planned to be established at Roşia Montană. These replicas refer to those types of structures which have been identified so far only in this massif or which are severely degraded. RMGC is going to provide funds for the establishment of the museum and for the acquisition of appropriate equipment for the exposition halls and offices. According to the legal provisions, these will be managed by the company's Foundation. In our opinion, all these measures planned by RMGC are going to widen the range of tourist attractions in this area. For further information on the history of the archaeological research and of the main archaeological finds related to the historic galleries from Roşia Montană, please see the enclosed brochure. This brochure also included the experts' conclusions on this issue and the proposals for tourism development in the Roşia Montană area using as starting point the potential represented by the archaeological finds. Detailed information on the complex issue represented by the research of the ancient mining works at Roşia Montană and its results are available for consolation in the EIA for the Roşia Montană project, volume 6 – *Cultural Heritage Baseline Report*, pages 32, 36-55, 83-109. * RMGC strongly denies this charge. Some supporters of the Project may work for RMGC, which now employs 500 people in the area, but no one has been paid to support the Project.

Item no.	11
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
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 opportunites 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.	12
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner makes the following remarks and comments: 1. Accuses Gold Corporation of a psychological war initiated 9 years ago, a war that is still ongoing - Gold practices terror, divides and conquers (divide et impera); - Gold stages questions and answers; - Gold practices pressure on people, the local population from Roşia Montană has no other way or a middle way because RMGC announces only two options: resettlement from Roşia and a house at Piatra Albă where the most beautiful settlement from Romania and Europe will be established, as claimed by the company representatives, in order to accomplish its project; - the company releases press, tv, and radio "bombs" such as the ones stating that the Roşia Project is of national interest or that the Romanian Government has given the green light to the project; - the representatives of the church have been paid to relocate the graves; - the company wants to destroy the historical vestiges of the area and the theft of Roşia Montană Column. 2. RMGC states that they have paid for archeological excavations performed on 1,100 hectars, but actually these have not been performed not even on 3ha.
Solution	We strongly reject your allegations and underline that the process for permitting the RMP follows Romanian law and EU directives, and takes place with significant – perhaps unprecedented – public consultation 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 (i) 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 comments in this respect. * In compliance with the existing legislation, RMGC has provided the necessary funds for the investigation and assessment of these types of archaeological remains. Considering the opinions and conclusions of the researchers who conducted these surveys and the decisions of competent authorities (i.e. the Romanian Ministry of Culture and Religious Affairs, the National Commission of Archaeology and the National Commission for the Historical Monuments), the company has also provided funds to cover a series of material expenses, such as facilities, work and work safety equipment, costs related to the labor force, in accordance with the existing legislation. The notion of archaeological research does not refer only to the proper archaeological excavations. Specific investigative tools and methodologies are used for this type of research, which are adjusted to meet the realities of every site researched. The archaeological research of the Roşia Montană site consisted in the following steps: - studies of the archive; - 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 and scientific volumes, exhibitions, websites, etc.

All the preventive archaeological researches conducted at Roşia Montană since 2001 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. All archaeological researches have been conducted in line with the legislation in force. The investigations conducted during each archaeological research campaign are 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 dwellings, 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. Archaeological research has been developed where required by the archaeological realities. The archaeological investigations conducted at Roşia Montană have covered large areas, and the areas with an archaeological potential have been thoroughly investigated. THUS, ALL THE AREAS THAT WERE ARCHAEOLOGICALLY DISCHARGED HAD BEEN PREVIOUSLY INVESTIGATED. All the investigations have been conducted in accordance with the legislation in force, specifically the Order of the Minister of Culture and Religious Affairs no. 2393/06.09.2004 on the implementation of Archaeological Standards and Procedures.

Under the same legislation in force in Romania on the protection of the archaeological heritage, the archaeologists who have conducted the research are not authorized to grant the archaeological discharge. The archaeological discharge procedure comprises the following steps: once the thorough research is completed, the archaeologists prepare a comprehensive standard documentation regarding the researched area. After consideration of this documentation, the National Commission of Archaeology recommends 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. At present, this certificate is granted by the Directorate for Culture, Religious Affairs and National Cultural Heritage of Alba County.

Item no.	13
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner makes the following remarks and comments on sustainable development: 1. Sustainable development means that the future generations must benefit from the development of the natural resources, but this project will end faster than a single generation and consequently it is not the case of sustainable development. 2. A system for environmental management, which has also been stated in the Environmental Impact Assessment for Roşia Montană Project, includes pollution prevention and environmental protection as a base element. In the case of this project we cannot talk about the environment protection and pollution prevention.
Solution	The understanding advanced by the questioner defines "sustainable development" in a way that would make any non-renewable resource development impossible. The end state is not for the same economic activity to proceed eternally, but for development of the present not to impair economic development of the future. 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. 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 - 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.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)
- 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)
- 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)
- 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).

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), 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 entitles Roşia Montană Sustainable Development Programs and Partnerships further in this annex (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.

*

It is understandable that the past history of mining in Romania would leave deep cynicism, but Roşia Montană Gold Corporation (RMGC) is determined to leave a legacy of pride in Roşia Montană. As detailed in the Environmental Impact Assessment study report (EIA), the company will 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. There will be less pollution at the site after the mine closure process is complete than there is now.

Moreover, this Project, unlike past mining at Roşia Montană, will be operated in accordance with international best practices for mining. For the first time, it will bring best available techniques (BAT) to Romania.

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 consultant, (certified) experts and specialists renowned at the national, European, and even international levels, prepared the report. The EIA provides sufficiently detailed information and reasoning for its conclusions to permit the Ministry to

make its decision on the Roşia Montană Project.

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.

A copy of the IGIE report and RMGC's response is included as a reference document to the present annex of the EIA.

Item no.	14
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner asks the following questions: 1. How could be avoided a transboundary accident that impacts the environment even beyond the boundaries of the country where it occurs? 2. How the soil and underground waters are going to be protected, because there is no protection lining in place for the tailings management facility. 3. What kind of financial and economic warranties are provided by RMGC in case of an accident and for environment's protection? 4. What will happen with the tailings management facility following mine closure? How will its surface be rehabilitated? 5. How much cyanide will evaporate or escape from the tailings management facility?
Solution	Avoidance of transboundary impact is achieved by "overbuilding" the Roşia Montana Project to mitigate risk, and constructing project facilities to exacting standards, under monitoring of EU authorities, agents of the banks underwriting the project and other international overseers. As a key element in this effort, the EIA report considered accidents that could occur at the Roşia Montană project that could have possible transboundary impacts. These are presented in Chapter 10 of the EIA report. The accidents considered included: - A dam failure with an associated release of tailings water and/or tailings material - An accident involving delivery of Cyanide to the project site via established transportation corridors. A specific evaluation of the impacts associated with an assumed scenario for failure was analyzed to determine whether it would result in transboundary impacts. Based on this analysis it was concluded that the environmental accidents considered will have negative impacts at local/regional level, but will not have a negative transboundary effect. A transboundary accident caused by the Corna dam failure is unlikely, given that its design has involved special safety measures. Some of the design parameters go beyond the recommendations of the Romanian and European design standards for this type of structure. Among other things, the dam was designed to retain runoff resulting from the combined action of two successive extreme rain events of 450 mm/m^2/24 h, corresponding to a total of 900 mm/m^2, a quantity that has never been registered in Romania (the flood volume for each PMP is 2.7 million cubic meters). Also, the dam was designed to withstand an 8 Richter Scale earthquake, with an average return period of 1:475 years [1], with the result that such an earthquake would leave the dam undamaged to the extent that operations could continue as usual. Even after closure, the dam was designed to withstand a 1 in 10,000 year earthquake with minimal damage According to the previsions made as part of the technical assessments undertaken for the EIA Report, the PMP will have an average return period ranging from 1:100, 000, 000 to 1:1, 000, 000, 000 years [2]. It should be noted that a return period of more than 1:100, 000 indicates a very low probability of occurrence of this event (a 24 hour rain event). Special safety measures have been taken. The impoundment was designed to withstand any hazardous natural phenomenon that might occur. However, hypothetical scenarios have been imagined, based on the assumption that the construction methodology would not be complied with, thus resulting in 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). This subchapter also includes a presentation of the potential consequences of such an accident. The data concerning the cyanide concentration distribution, presented in the EIA Report, have been obtained using a conservative mixture model, that does not take into account the dispersion and the attenuation that occurs as the plume travels downstream. Later on, a much precise and realist simulation was carried out,

based on the INCA, taking into account the dispersion, volatilization and decomposing of cyanide as the cyanide plume travels downstream (Whitehead 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). 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 modelling 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.

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 modelling work is presented under the title of the Mureş River Modelling Program and the full modelling report is presented in Annex (5.1). [3]

By way of summary, the probability of occurrence of a dam failure with potential transboundary impact is less than 10^{-12}, meaning that such an event could occur once every 10^{12} years, which constitutes an extremely low risk. The risk assessment methodology is described in Chapter (7), the EIA Report, subchapter 2.1, p. 15-23.

Cyanide transport will exclusively involve special, ISO certified SLS containers, 16 to each. The container size is ISO compliant, allowing for road and railroad transport and the use of standard container handling devices. The container has a protective frame. For ease of handling, the protective framework is provided with legs, which allows separation from the transport trailer for temporary storage. The collar is 5.17 mm thick, which, together with the protective framework, provides additional protection to the load in case of accident [4]

Chapter 10 in the EIA Report states that the other environmental accidents that might occur will have negative impacts at local/regional level, and will not have transboundary negative effects.

References:
[1] Chapter 7- *Risks*, Subchapter 2.2.2.2., p. 27 and Subchapter 2.4.3., p. 38
[2] Chapter 4.1 *Water*, Figure 4-18, p. 18, The EIA Report
[3] **"A Water Quality Modelling Study of Roşia Montană and the Abrud, Arieş and Mureş River Systems: Assessing Restoration Strategies and the Impacts of Potential Pollution Events"** by Professor Paul Whitehead, Danny Butterfield and Andrew Wade, University of Reading, School of Human and Environmental Sciences, December 2006
[4] Chapter 7 *Risks,* Subchapter 5, page 99

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In fact, a protective liner is incorporated into the design of the overall Tailings Management Facility (TMF) and designed to Best Available Techniques (BAT) as defined by EU Directive 96/61/EC (IPPC). It is one of several measures to protect groundwater: The TMF design includes a clay liner system within the TMF basin to reduce leakage; a low permeability core for the starter dam and a cut-off wall within the

foundation of the starter dam to further control seepage; and finally a seepage collection dam and sump below the toe of the tailings dam to collect and contain any residual seepage that might extend beyond the dam centerline. A comprehensive monitoring program will continually confirm that the design and operational parameters are being met; a series of monitoring/extraction wells below the toe of the secondary containment dam will monitor groundwater quality, and extract groundwater should any tailings impacted groundwater be detected. Further, hydrogeologic baseline studies have confirmed that the existing hydrogeologic system is favorable for this type of groundwater collection and contaminant control system.

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The details of Roşia Montană Gold Corporation's ("RMGC") Environmental Financial Guarantee ("EFG") 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 România, the creation of an EFG 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 Roşia 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 România 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 Roşia 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 Roşia 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.

Detailed financial guarantees are in place, in the form of the EFG, which require Roşia 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 Roşia Montană is US $ 76 million, which is based on the mine operating for its full 16-year lifespan.

The EFG must be in place to receive an operating permit to begin mining operations. An analysis is underway to determine the EFG required during each year of operation. The minimum amount at the start is expected to be approximately US $ 25 million and increase from that level annually.

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 Roşia Montană project.

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The closure and rehabilitation of the TMF is discussed in detail in the Mine Rehabilitation and Closure Plan (Plan J in the Environmental Impact Assessment Study Report – EIA). Chapter 4.5 is devoted to the cover system on the tailings and the dam area, while Chapters 4.4.4. and 4.4.5 deal with the water quality and treatment issues. Though more details are available in the (EIA), we offer a brief description of the TMF closure and rehabilitation process below.

In the final years of operation, tailings will be deposited in a manner consistent with the final grading plans for the completed tailings surface. Upon cessation of ore processing, the supernatant water of the decant pond will be removed and, after treatment for cyanide, pumped to the Cetate pit to accelerate flooding of the pit. The tailings surface will be covered with a store and release cover of a total thickness of around 120-190 cm, depending on the results obtained from the test plots (which will be conducted during operation in order to investigate different cover systems and to demonstrate their suitability for waste dumps and the TMF). Its design criteria comprise the minimization of oxygen ingress into the tailings (to avoid acidification) and rainwater infiltration. The tailings cover surface will be graded so as to assist surface water runoff in discharge channels and ditches. The tailings dam will be reshaped if necessary and covered with a simple soil cover, as the dam material will not be prone to acidification.

It is expected that the dam seepage will have to be treated for nitrogen compounds, metals and metalloids, sulphate and calcium in order to achieve the Romanian discharge limits. A semi-passive (e.g., biological) treatment system will be built and tested during the operation phase. If it shows satisfactory removal rates and compliance with regulatory requirements, it will be used for long-term water treatment, as long as necessary. If the performance of the semi-passive system will not be satisfactory, the conventional treatment plant will still be available as backup.

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The tailings stored in the TMF will contain 5-7 ppm WAD cyanide concentration, below the standard level

imposed by the recently approved EU Directive for mining waste which is 10 ppm WAD cyanide. The tailings stored in the TMF are subject to a series of chemical reactions which, in time, lead to changes of the cyanide concentration in the TMF (neutralization). After discharge in the tailings dam, the water content solutions will go through three different processes:

1 - The main part of the water and tailings resulting from the technological process and discharged into the tailings dam, containing cyanide of the above mentioned concentration, will be circulated back and reused in the processing plant;

2 – Part of the water will evaporate in accordance with the pH level and the geometry of the tailings dam. The evaporation increases during summer. The quantity of cyanide evaporated varies in accordance with the above mentioned variables;

3 - A percentage of up to 40% will be retained at first, due to being attached to solid particles. Once the tailings are buried, a neutralizing environment occurs, and a series of mechanisms will decompose the cyanide, in time.

The seepage from the tailings dam will be captured completely by the secondary containment dam, located downstream from the tailings dam and will be pumped back to the tailings dam, so that no water with cyanide content will reach the water system.

The TMF was designed on the basis of 4 extremely important elements, including the protection parameters of the groundwater. These are: a starter dam of low permeability, a colluvium like layer of low permeability in the tailings dam pond, a secondary containment system and collection basin and a final treatment system for any water seepage.

The modeling of the cyanide mass balance must be semi-quantitative until the real solution and the concentrations in the air can be obtained from the mining process. The model was developed on the basis of the information obtained from the designed technological flow, from the model of cyanide degradation and from other available sources, including similar mine sites where similar processes are developed. Due to its limitation, the mass cyanide balance identifies and estimates in an appropriate manner, the most significant compounds for the cyanide balance and shows the purpose of the cyanide within the ore processing and within the TMF.

The estimation of the mass balance within the tailings dam, as well as the related dispersion in the air is essentially simple. The tailings discharged in the TMF and the cyanide concentration within these tailings are mostly known. The total cyanide concentration is estimated to be 7 mg/L, at the point it leaves the cyanide detoxification plant. This involves a WAD cyanide concentration between 4 and 6 mg/L. Based on the discharge rate and the concentration, it is estimated that the TMF will receive approximately 97 tones of total cyanide per year. Based on the volume of the pores in the tailings, almost one third of this quantity will be contained by the tailings, and 66 tone/year will be contained by the water in the tailings dam, which will be circulated back into the technological processes.

The cyanide degradation within the tailings dam is a well known process. A great part of the degradation is actually, volatilization. Generally, ***90% is considered volatilization,*** the rest being represented by other chemical processes.

This Model was developed especially for this Project, as showed in Section 4.1.4.8, Volume 8, Chapter 2, Technological Processes from EIA. According to this Model, almost half of the cyanide quantity is lost through degradation during a one year period of time. If it is considered that 90% of this loss is due to emissions in the air, means that almost ***30 tone/year*** is lost in the year. The Model of cyanide balance is presented in detail and supportive to the hypothesis in Volume 8, Chapter 2, Technological Processes, Section 4.1.3. Even though there are several suppositions regarding the cyanide balance within the tailings dam, the figures represent approximate averages on short intervals. There will also be exceptions recorded from this estimation but, for the time being, the mass balance is fairly accurate for this phase of the Project. One of the most probable exceptions will be that a lower level of cyanide discharged in the TMF is recorded. For the phase of the Project, as a safety measure, there have been assumed to be high cyanide concentrations leaving the detox process. The selected INCO SO2/Air process for the cyanide neutralization proposed, on regular basis, WAD cyanide concentrations smaller than 2 mg/L. Obviously, if lower cyanide concentrations at discharge are recorded, then the cyanide emissions into the air from the tailings dam is lower.

Item no.	15
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner asks the following questions: 1. What are the measures to be taken in case of a heavy rainfall? 2. In case an accident occurs at the processing plant, what measures will be taken in order to protect the people working within that facility and the environment?
Solution	Special measures have been taken to prevent and mitigate the potential negative effects caused by heavy rainfalls. What is of interest, in view of the project, is the quantity of water flowing over the ground surface as a result of the floods. The measures have been detailed in Chapter 7, *Risks*, Subchapter (2.4.3), p. (38-42) '*Measures to Prevent, Reduce and Remediate the Effects of Floods and High Waters*'. Overall, the measures include: - the development of structures over almost the entire surface of the Roşia and Corna catchment areas. As a result, runoff on the surface covered by the site will be almost entirely retained (including pits, waste rock dumps, tailing's ponds and other types of impoundments). The Corna dam was designed to retain the total amount of water resulting from two successive PMPs (450 mm/24 h+450 mm/24 h), so as to avoid overtopping. Estimates indicate that the Probable Maximum Precipitation, defined as "theoretically the greatest depth of precipitation for a given duration that is physically possible over a given size storm area at a particular geographical location at a certain time of year" without taking into consideration long-term climate changes (WMO, 1986) with a chance occurrence of 1 in more than 100 million years [1]. - As a safeguard relating to runoff volume, the project includes construction of diversion channels within both the Roşia and Corna valley drainage basins to route rainfall runoff around the mine waste materials. As an additional measure – and based on the absence of any diversion channels – the design provides ample freeboard in the case that excessive rainfall combines with wind conditions to generate waves. To ensure increased stability, we have also buttressed the dam itself, with a ration of H: V well beyond any existing requirements, as outlined below. The Corna Dam (the main dam) will be a rockfill structure built using the centerline method of construction. The dam will have a downstream slope of 3H: 1V. Typically, the slopes for such hydraulic structures range between 1.5H: 1V and 1.75H: 1V. References: [1] Figure (4.1.8), p.(18), Chapter (4.1) Water, The EIA Report * The design of the Roşia Montană project has considered the potential for accidents in the processing plant and has incorporated additional containment and monitoring measures to protect people and the environment. Risks, of course, can be mitigated but never eliminated. Therefore in case of an accident taking place at the process plant, measures will be taken in accordance with the emergency plans stipulated by the legislation in force: - Internal Emergency Plan; - Emergency Preparedness and Spill Contingency Plan; - External Emergency Plan. **The main emergency response actions are summarized. below**: *1.* *Potential Hydrogen Cyanide Releases* **- Intervention:** Immediate implementation of the plans mentioned above, depending on the potential impact on the areas off site, immediate coordination with the external emergency plan;

- Notification and evacuation of areas downwind, emission containment, if possible, followed by immediate medical assistance to the exposed personnel;
- Incident investigation and preventive and corrective action;
- Implementation of other specific emergency actions.

2. *Potential Emissions of Cyanide Solutions from the Process Plant, due to Tanks, Pipes or Valves Failure*

- **Intervention:** Immediate implementation of the plans mentioned above (depending on the potential impact on the areas off site), immediate coordination with the external emergency plans of the local communities;
- Notification and evacuation of areas downwind, emission containment, if possible, followed by immediate medical assistance to the exposed personnel;
- Pumping of the solution discharge from the secondary containment back into the cyanidation process;
- Use of earth stripping equipment to build emergency containment areas in case of fractures of the secondary containment dams and immediate remediation of areas with contaminated soils;
- Incident investigation and preventive and corrective action;
- Implementation of other specific emergency actions.

3. *Fires or Explosions occurring in the Occupied Buildings or Process Areas*

- **Intervention:** Immediate evacuation of the areas or buildings and notification of the personnel located downwind and of the fire brigade;
- The fire brigade takes part in fire control operations and first aid assistance;
- Coordination with the representatives of the relevant legal and military authorities, if there is knowledge or suspicion of intentional anthropogenic action;
- Incident investigation and preventive and corrective action;
- Implementation of other specific emergency actions.

4. *Chemical Spills on the Process/Storage Sites*

- **Intervention:** Evacuation of the area and notification of the personnel located downwind, followed by the deployment of the intervention team for hazardous substances ("Hazmat") and initiation of spill control actions;
- First-aid assistance to the exposed personnel by medical teams.

References:

Chapter (5)- Security Report

Item no.	16
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner makes the following remarks and questions: 1. Where are they going to develop the project provided that we, the locals, won't leave Roşia Montană? Will they develop it over our parents and brothers graves? 2. What will happen with people around Roşia Montană when this project is going to be accomplished here at Roşia Montană? On a 100km radius the entire biotope will suffer essential alterations. 3. How can exist a protected area in Roşia Montană being placed between 6 open pits: 2 rock quarries and 4 mining pits? 4. What will happen when blasting procedures will be conducted at Roşia Montană by using between 20 and 60 tons of explosives? If 20 tons of explosives will be used for blasting through a network of drill holes or through galleries, which are provided with blasting chambers, the seismic wave will propagate around it on a distance of 8km. 5. How can someone talk about the safety of the TMF when its dam is located at 800m away from the pit? 6. How can the project state that at Roşia Montană there is no chance for an earthquake to occur except once at 100 years, without taking into account that for each blasting performed at Roşia Montană an earthquake will be produced? The tailings management facility will be shaken with every occasion; the city of Abrud is located downstream of the TMF: what will happen with those people? 7. What will happen with Roşia Montană churches? After two blasting operations, they will be demolished. 8. What will happen with those 40 patrimony houses from Roşia Montană that are abandoned? 9. Where is the principle of sustainable development? This principle states that any investment must be implemented for at least 50 years. The mining operation from Roşia Montană may last between 6 and 11 years.
Solution	Chapter 5 of the EIA report (Assessment of the Alternatives) looks at the way in which the project design process has examined the "footprint" of the project and sought to minimize the area affected (directly and indirectly) by its construction. While ultimately, this layout design is dominated by the geology of the ore deposit, effort has been made to locate project infrastructure and waste storage areas to take account of such factors as existing land use and settlement. The selected layout shown in the EIA Report is believed to be the optimum, based on information collected to date as well as consultation with stakeholders. As part of the EIA process, this consultation process will be ongoing and the Company has indicated its willingness to consider views and concerns of people and to review its plans in the light of this, including possible modification of project layout. The Company intends to continue its policy of "willing seller/willing buyer" for land purchase for the project. 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 fact, the number of homes that the company must purchase to construct and operate the project over the life of the mine – 379 homes – is far smaller than the 1000 homes project opponents regularly reference. It should be noted the acquisition of the rights over the lands necessary for Roşia Montană Mining Project Development is made with the observance of general applicable legal provisions in field of ownership transfer (i.e, authenticated form, payment of all relevant taxes and fulfillment of all formalities for real estate publicity) and by the methods provided by art. 6 of the Mining Law no. 85/2003 published in the Romanian Official Gazette, Section I, no. 197/27.03.2003 expressly providing the means by which the titleholder obtains the right of use over the lands necessary for the performance of the mining activities in the exploitation perimeter, namely: (i) *sale-purchase, for the price agreed upon by the parties; (ii) the 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 of the cleared land, as per the convention between the parties; (iii) renting of the land for undetermined period, based on agreements between the parties, (iv) expropriation for cause of public utility, as per the law; (v) land concession", etc.

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, as detailed in the Relocation and Resettlement Action Plan developed by RMGC, which may be found on company's official website.

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 50% 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.

Of course it may prove, at the end of all of these efforts, that a very small number of property owners - perhaps a few families - will refuse to sell their holdings. At that point, the decision falls to Romanian Government authorities as to whether they will exercise the legal instruments available to them to expropriate the properties. That decision will turn on whether a small number of people, perhaps a handful, should prevail (via a de facto veto power) over the majority will of local residents and Romania's national interests as a whole to benefit from US$2.5 billion direct benefits to the Romanian State and Romania at large, including a rural region that has been designated a "Disadvantaged Zone" and knows only extreme poverty at present.

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People from Roşia Montană have currently a poor health as compared to the neighboring towns [7] and at the same time, there is the lowest life expectancy from the area [2]. The risk assessment has not presented any health related risks for the people located in the close vicinity of the future mining operation [1].

Currently, the human impact caused especially by previous mining operations (and we are talking about an estimated period of approximately 2.000 years) lead to major impact on the environment; maybe the most affected element was water. The effects of current pollution are present along the entire Arieş stream, starting from the conflux with the Abrudel stream.
The biotops will not undergo essential alterations on a 100Km radius, only habitats will undergo several alterations on a radius that will not exceed 17 km^2.
Due to the used technologies, considered as BAT (Best Available Technologies), direct environmental restoration methods - unprecedented until now for Romania, and compliance with the national and European relevant legislation (the first mining operation in Romania and one of the first in Europe that has been designed and developed in compliance with the 2006/21/EC European Directive on management of waste from extractive industries), RMGC is, at its turn, entitled to consider that natural ecosystems will be substantially modified, but in an essentially positive direction.

References:
[7] annexes, p. 147, volume 5 Health Baseline Report
[2] table 3-2, figure 3-2 in Chapter 3 Demographic Data, p. 16,17, volume 5 Health Baseline Report
[1] Chapter 6.6 Results and Discussion, p. 133-138, volume 5 Health Baseline Report

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A protected area within the implementation perimeter of the Roşia Montană project is certainly possible.

The way that the development of the project has been designed, there will be no period in which, during the 16 years of the project, the 4 ore open pits and the 2 rock quarries will operate at the same time. During the construction stage, only 2 rock quarries will operate, then, during the operational stage, these will be operated temporarily on very short periods, when rockfills are required for the drains and filters of the tailings management facility. From year 1 to year 9 of the operational phase, the mining activities will be carried out in two open pits (Cârnic and Cetate), and after year 9 the activity will be transferred into two new open pits (Orlea and Jig). Even the two open pits will be operated sequentially so that, while an open pit will operate in the ore the other will operate in the waste rock in order to open new working faces.

This spacing out has been planned as a mitigation / elimination measure of the potential impact of the mining activities (dust, noise, vibrations due to drilling, blasting, loading and transport activities). For more details please see the EIA report, Chapter 4 "Potential Impact", Sections 4.2 "Air", respectively 4.3 "Noise and Vibrations". These sections describe in detail all aspects related to the potential impact resulted from the mining activities. Dispersion models have been elaborated both for air and noise and vibrations. The modeling result is illustrated in the maps attached to the two sections, where, prevention, mitigation and elimination measures of potential impact are also presented.

The proposed strategy for the implementation of the best management practice, aiming at eliminating potential impact, is presented in the related management plans, plan D – Air factor quality management and plan E – Management plan for noise and vibrations. In conclusion, according to the results of the evaluation elaborated by the team of independent experts in the protected area (historic center of the Roşia Montană commune), no nonconformance with the environmental standards as a result of the proposed activities have been noticed.

Through the utilization of modern technologies, adequate measures and actions, the vibrations (or earthquakes) resulted from the explosive used in open pits will be kept within certain limits in order to ensure the protection of buildings and historical monuments in the area proposed for preservation.

In this regard, some special technological blasting options will be applied at smaller distances towards the protected areas in order to reduce the blasting holes diameter and length, quantity of explosive fired on bench or in successive stages, etc.

Through the implementation of the proposed mitigation measures, the quality conditions of the environmental factors for the residential areas will be observed. Also, a quality monitoring plan of the environmental factors for all operational stages of the project – construction, operation, closure and post-closure – has been prepared. Sensors will be installed on the buildings classified as historical monuments, to record the discomfort level as a result of the blasting activities.

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The quantity of TNT mentioned in the question is over-exaggerated, and the tendentious wording of the question is misleading, since the EIA does not indicate such quantities. All details related to the blasting technologies can be found in Chapter 2 – *Technological Processes*, Section 4.1.1.2 *Mining Works*.

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 exploitation 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 *et seq*.

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.

For the definitive outlining of the pit sides, bore holes similar to those used for mining will be used,

having though a smaller explosive quantity with approx. 20% compared to the production holes, the start being given by dynamite cartridges.

For the detonation the NONEL technology will be used.

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.

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.

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 (Acoustic Aliance Consulting) 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).

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.

In conclusion, the special technologies used (within various perimeters) will not produce adverse effects on the constructions from Roşia Montană commune; however, due to the state of advanced deterioration, and in the absence of rapid intervention from the competent bodies, these constructions will become impossible to recover.

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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We assume the questioner refers to the vicinity of the TMF to the open pit due to concerns related to blasting. With that concern in mind, we point out that the TMF dam, which is the critical containment facility for the tailing material, is located approximately 2.4 km from any blasting that will be done for the mining operation. In addition, the TMF dam design has taken into consideration parameters that fully cover the seismic risk existing in the area.

The energy from the seismic sources is considered to be substantially greater than the energy from any of the blasting operations in the open pit. A specific discussion of the seismic design basis and the considerations for blasting impact are presented in the following text.

The design parameters are as follows:

- The Operating Basis Earthquake (OBE)

It was considered to have a 1 in 475 years return period. This will correspond to a maximum acceleration in the base rock of 0.082 g. The OBE was assumed to have a magnitude of 8, 0 degrees.

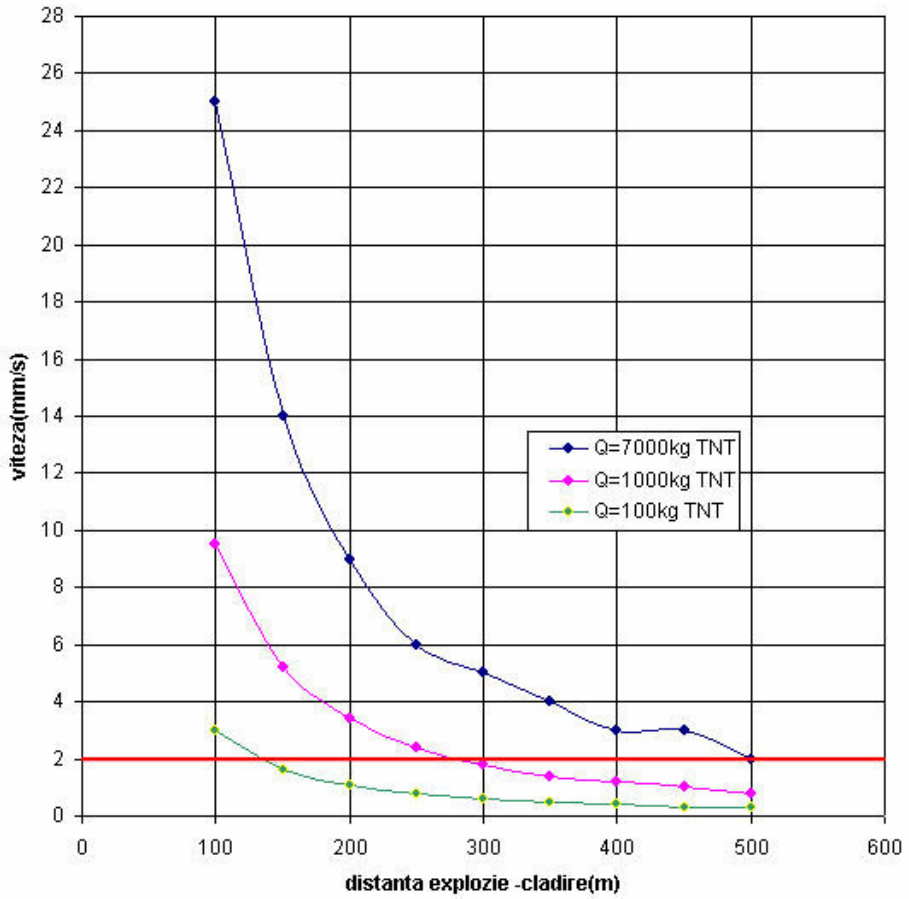
- Maximum Design Earthquake (MDE)

It was considered equal to the Maximum credible Earthquake (MCE). The maximum acceleration of the base rock for an MDE is 0.14 g. The MDE event was assigned a magnitude of 8.0 degrees. These seismic design parameters adopted for the TMF meet or exceed the 1.1 safety factor, considered as sufficient according to the national and European standards for designing of such facilities.

ROŞIA MONTANĂ- A GEOTECHNICAL ASSESSMENT OF THE IMPACTS OF BLASTING ACTIVITIES ON THE BUILDINGS LOCATED IN THE PROTECTED AREA', undertaken by S.C. IPROMIN S.A., aims at assessing the impacts on the buildings located in the protected area of the blasting operations to be carried out at the Roşia Montană open pits. It also aims at identifying technological solutions for the protection of the buildings located in the protected area or for other heritage buildings.

In order to avoid the damage or deterioration caused by blasting, of buildings located in the protected area, it has been decided that the maximum oscillation speed should be of maximum 2mm/s as measured in the proximity of the historic building to be protected (this equals a I degree or II degree earthquake measured on the MKS scale) This value was adopted based on the consultation of standards applied in countries with tradition in this field and it meets the requirements of the German DIN 4150/83 standard. In theory, these speeds should not affect the integrity of. the most sensitive and deteriorated historical buildings in Roşia Montană.

A chart has been drawn up to indicate the variation of the oscillation speed correlated with the distance to the protected building, for a maximum load of 7,000 kg TNT on a blasting sequence, detonated instantly.



In order to assess the impacts caused by the blasting carried out at Roşia Montană open pits on the buildings located in the protected area or on other heritage buildings, it has been assumed that the seismic impact will be transmitted in a homogenous environment, and that it will be weakened only due to the distance to the detonation core. This hypothesis presents a supplementary safety parameter as it is expected that the geological environment will further attenuate the seismic impact caused by blasting.

The study that has been undertaken has shown that the classical blasting technology with explosives placed in the blasting holes can be used up to maximum 300 meters from the nearest building.

There are more than 2 km from the dam's crest to the nearest open pit, therefore, considering the conclusions of the study mentioned above, the impacts caused by the blasting operations on the tailings dam will be insignificant.

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The environmental impact assessment (EIA) process has included preliminary cumulative estimates for stationary motorised 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 modelling 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.

The analysis of the data included in Ipromin's study, entitled „Geo-mechanical study for the measurement

of the effects of quarrying operations on the constructions located inside the protected area" indicates that, in the case of the excavation technologies to be used in the Roşia Montană mining perimeter, the oscillation velocity (the most important parameter of the seismic wave generated by the blasting) is significantly reduced as we move away from the centre of the explosion.

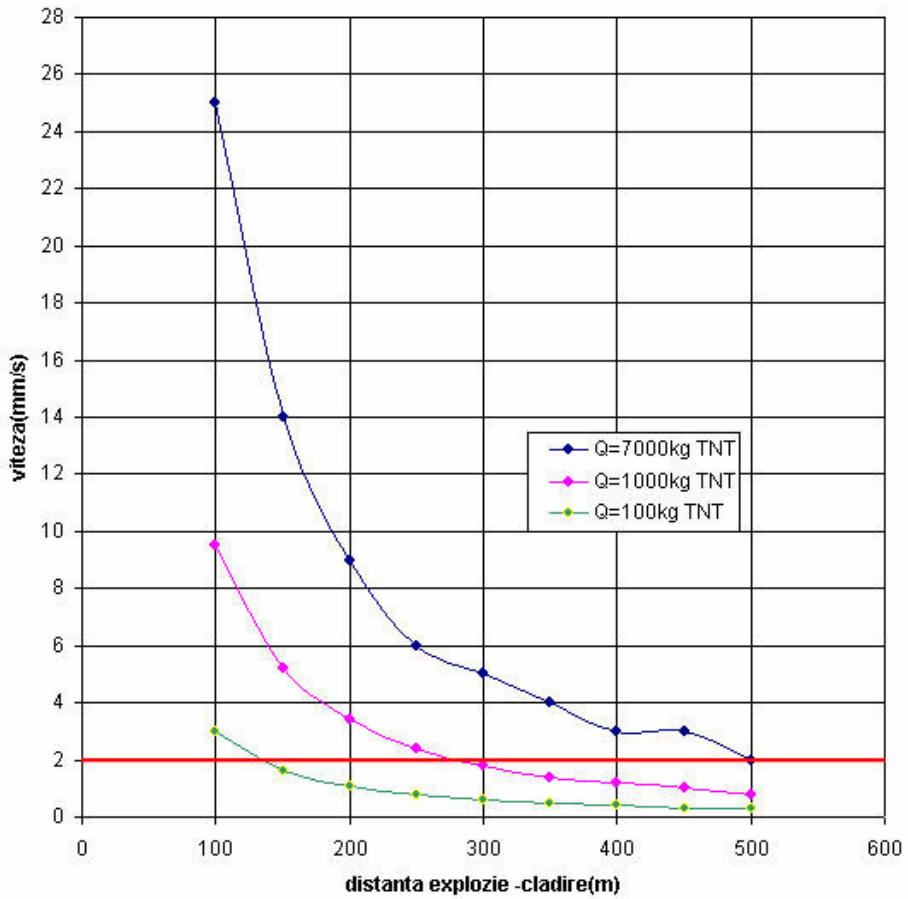
Values of the oscillation velocity of the material particle, table no. 2

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

As shown in Table no. 2 and Figure no. 1, the oscillation velocity at a distance of 500 meters from the centre of the explosion corresponds, on the MKS scale, to natural earthquakes of 1st and 2nd degree. The dam of the Corna tailings management facility (TMF) is located approximately 2.5 km away from the Cetate open pit and approximately 3 km away from the Cârnic open pit. The further we move from the centre of the explosion, the lower the oscillation velocity and it can be stated that this velocity will be very low in the TMF area.

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



The size of the TMF dam has been designed such as to resist even an exceptional earthquake (8 degrees on the Richter scale); therefore the seismic waves generated by the open pit blasting are significantly reduced by the distance and do not impact the dam or endanger its resistance.

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 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.

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.

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, therefore of the churches located in that area.

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.

Theoretically, these velocities will ensure the integrity of the most sensitive and deteriorated historical constructions existing in Roşia Montană.

Due to the fact that România has not adopted any 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.

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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All the historical monument buildings in Roşia Montană are going to be restored as specified in the *Management Plan for the Protected Area-Historical Centre of Roşia Montană – an area generically named Piaţa (Square) – and for the historical monuments from Roşia Montană*. Moreover, projects are currently almost completed for the restoration of 11 historical monument buildings located in the Square (Piaţa) area.

At present, 41 buildings from Roşia Montană are classified as historical monuments under the List of Historical Monuments published by the Ministry of Culture and Religious Affairs in the Official Gazette of Romania no. 646 bis/16.07.2004. These 41 buildings (39 houses and 2 churches) are classified under the codes L.M.I. 2004: AB-II-s-B-00269, and then from AB-II-m-B-00271 to AB-II-m-B-00311.

RMGC currently owns 14 of the historical monument buildings. These have been acquired in accordance with the legal procedures stipulated by Law 422/2001 and were in different states of preservation when acquired as shown both in the sale-purchase contracts and in various pictures taken since their acquisition to the present day

Under Law 422/2001 on the protection of historical monuments, article 38 as amended by Law 259/2006-RMGC fulfills its obligations as owner of historical monument buildings (see Annex "Information on the Cultural Heritage of Roşia Montană and Related Management Aspects"). The owner's immediate obligation is to maintain these historic buildings. Therefore, a team was set up in 2003, as soon as the company began buying these buildings, made up of 10 people with constructions-related qualifications. This team is in charge of the permanent maintenance of these houses. First of all, the historic houses acquired by RMGC were subject to repair works: roof repair works (measure meant to avoid the deterioration of the building because of weather conditions or rainwater infiltration), installation of gutters and downpipes (in order to prevent the rainwater from infiltrating through the building foundation or walls), usual repair works for the houses, repair works to the surrounding fences and *moors* (ancient walls traditional in Roşia Montană) and disposal of the domestic waste piled up over the years.

On the other hand, we have to mention that the Protected Area from Roşia Montană is going to cover over 130 ha and it will include 35 historical monuments and other local architectural resources (restored and enhanced). A modern mining museum is planned to be established at Roşia Montană. This museum will include exhibits of geology, archaeology, ethnography (including an open-air section), industrial heritage as well as a significant underground part organized around the Cătălina Monuleşti gallery. In this part of Roşia Montană, the company plans to promote the development of traditional tourism activities (e.g. guesthouses; small pubs). The historic lakes of Tăul Mare, Tăul Brazi and Tăul Anghel are located in the eastern and southeastern parts of the old centre of the village. This area is suitable for modern, recreational tourism. However, all the proposals submitted by the company in this respect have to be endorsed by the local community and approved by the competent authorities.

The company wants to protect and promote all these heritage assets. Therefore, special measures will be taken both inside the protected area Historical Centre of Roşia Montană (restoration-consolidation-conservation) and in the industrial area (special blasting techniques, buffer areas between the 2 perimeters, permanent monitoring of vibrations and the blasting adjusted to the waves' propagation speed, etc.).

In the coming years, the company plans to provide US$ 3,385,000- if the Roşia Montană project is implemented-for conservation, restoration and maintenance works to be undertaken in the Protected Area Historical Centre of Roşia Montană as well as for the historical monument buildings located outside this perimeter.

*

The questioner is wrong in his assertion on the duration of the Roşia Montană Project (RMP), which is projected to last 16 years, after a two year construction phase.

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.

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.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)
- 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)
- 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)
- 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).

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), 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 entitles Roşia Montană Sustainable Development Programs and Partnerships further in this annex (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.

Item no.	17
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner makes a comparison between the Baia Mare accident occurred in year 2000, and what is going to be built at Roşia Montană, and considers that those two can be similar. 1. Can agriculture be developed 14 years from now on a tailings management facility and on top of tailings? 2. Why the Romanian Academy was not invited to the public debate? 3. Why the European Parliament was not invited here, if they are opposing too? 4. Why Alburnus Maior doesn't have room to sit at the table besides the Project's titleholder? 5. Many churches and graveyards will be resettled. In what can we still believe? What can we offer to future generations?
Solution	Our project in Roşia Montană bears no comparison to the mine in Baia Mare. From design and facility management, financial assurance, public reporting, stakeholder involvement, to verification procedures and compliance – all of which are followed to the highest standards in our project – the two projects are vastly different. And agricultural development on the tailings management facility surface, which by most standards is hazardous, is not advisable. Better alternatives are tourist enterprises, such as golf courses or hiking trails. In fact, the Roşia Montană project is subject to the latest strict standards because of the Baia Mare accident. 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 România. 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 (highest 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 România 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, Gabriel 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 Cyanide Management Code, to which Gabriel/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. Specifically, 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 The Roşia Montană Project is in no way comparable to Baia Mare. The cyanide used in the project will be subject to a cyanide destruct 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 (5-7 ppm) which is well below the regulatory limit of 10 ppm recently adopted in the EU Mine Waste Directive. This system of use and disposal of cyanide in gold mining is classified as Best Available Techniques (BAT) 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. As a result, in the unlikely event of a spillage, the quantity of cyanide in the water would be a small fraction of what was experienced at Baia Mare.

The proposed dam at the 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 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 meter 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 approved by Romanian certified experts. Prior to operation, the dam must be certified for operations by the National Commission for Dams Safety (CONSIB). 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 wait 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 soil liner system within the TMF basin to meet a permeability specification of 1x10-6 cm/sec, 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.

Turning to the question about farming: crop agriculture should not be developed on the Tailings Management Facility "TMF" surface for the following reasons:

- The TMF will be covered with a multi-layer system designed to prevent or minimize oxygen diffusion and water infiltration into the tailings body. It contains a compacted layer that is likely to be disturbed by agricultural activity;
- Vegetation on the TMF is selected so that plant evaporation is maximized and infiltration minimized. Not all plants used in agriculture can guarantee that they maximize evaporation, and during periods when the surface is barely covered (after harvests, for example), this function of the plant cover is completely absent;
- The tailings are classified as hazardous waste, according to the EU Waste List (2000/532/EC) and the corresponding Romanian Government Decision. It is likely that produce grown on a tailings pond will have difficulty on the market.

Whether animals can be allowed to graze on the TMF cover depends on:

- The type of vegetation which is selected and planted on the topsoil layer under water management aspects, and whether it can be eaten or metabolized by animals;
- The transfer of hazardous substances in the TMF to the animals and finally the products (meat, milk);
- The public perception of using meat and milk from animals which have grazed on a hazardous waste storage site, even if there is no transfer of hazardous substances from the tailings to the animal products.

In the Mine Closure Plan (Plan J), agriculture on the TMF surface is not described as the preferred option. Rather, alternative uses such as a golf course or touristic uses (hiking trails) are recommended.

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The Romanian Academy was invited to be part of the team that developed and prepared the impact assessment study, but it refused to participate In addition, a copy of the complete Environmental Impact Assessment Report in digital and printed format was sent to the Romanian Academy and placed in the Romanian Academy Library to enable all of the academy members the chance to read and review the EIA Report of the project.

This is a public debate, one of the 14 meetings organized in Romania. Anyone who considers himself/herself to be a member of the interested public, as defined by the European Union and Romanian laws in force, is free to participate, including the Romanian Academy members or representatives.

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Public consultation and information during the environmental impact assessment procedure, including the publication of the Environmental Impact Assessment 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. 918/2002")[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.

The public debates regarding the project were open to all legitimate stakeholders interested in the project, which means that, practically speaking, everyone could participate, including members of the European Parliament.

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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Roşia Montană Gold Corporation SA (RMGC) is committed to following the Environmental Impact Assessment (EIA) consultation process laws without exception.

Public consultation and information during the environmental impact assessment procedure, including the publication of the 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 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")[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.

As far as your allegations are concerned, please note that:

(i) the applicable legislation does not stipulate any provisions establishing every detail of the participants' distribution and location in the meeting hall, *i.e.* the distribution and location of the project titleholder, competent authority and interested public;

(ii) according to the provisions of Article 41 of Order no. 860/2002 "*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*";

(iii) the Alburnus Maior representatives participated in the public debates as interested public.

Considering the aforesaid, please take into account that the applicable legal provisions did not stipulate any restrictions related to the distribution in the hall of the public debate participants, and that the main objective of the Company was the best possible information of the public on RMGC's project, the examination of the problems raised by the public and the identification of valid solutions to any possible problems.

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 RMGC'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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Through history communities have created during their development rules, later turned into laws that deal with this unfortunate event. 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 Roşia 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.

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, only 410 graves of Roşia Montană's 1905 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.

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.

Two churches and two prayer houses out of a total of ten 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.

The idea of this project may not be deemed as antichristian, as long as its main principle is that of responsible mining. We believe that resources development is not an act against God, if it is performed in a responsible manner. This project provides to future generations not only jobs, but also a cleaner environment, personal development opportunities, small enterprise support, and support provided for the development of one of the most underdeveloped areas of Romania.

Through the construction of the Piatra Alba site we offer higher living standards and high quality social and cultural services. The Central Area of the site will include public buildings, town hall, police, post office, bank, church, school, kindergarten, cultural center, museum, medical center, drug store, commercial areas, entertainment and leisure areas or attractive areas for the development of tourism in the region, inn, hotel, fair area, sports field, gym hall, skating rink, football field, park, playgrounds for children.

On the other hand, we should not forget about the protected area in Roşia Montană. It will have an area of more than 130 hectares and will include the architectural values of this community (restored and developed), which will be organized as an open air museum, a mining museum with geology, archaeology, ethnography, and industrial patrimony exhibitions and a significant underground section located around Cătălina Monuleşti gallery. In this part of the town we will promote the development of traditional tourism (boarding houses, small businesses). The historical lakes are located on the extreme N-E side: Tăul Mare, Tăul Brazi and Tăul Anghel. This area is proper for the development of modern tourism for recreation. Nevertheless, our proposals must be approved by the community.

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.

Item no.	18
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner doesn't agree with the Roşia Montană Project, making the following comments: - If he and his family refuse to leave Roşia Montană, what will RMGC do? Will they extract the gold over people's properties?
Solution	Chapter 5 of the EIA report (Assessment of the Alternatives) looks at the way in which the project design process has examined the "footprint" of the project and sought to minimize the area affected (directly and indirectly) by its construction. While ultimately, this layout design is dominated by the geology of the ore deposit, effort has been made to locate project infrastructure and waste storage areas to take account of such factors as existing land use and settlement. The selected layout shown in the EIA Report is believed to be the optimum, based on information collected to date as well as consultation with stakeholders. As part of the EIA process, this consultation process will be ongoing and the Company has indicated its willingness to consider views and concerns of people and to review its plans in the light of this, including possible modification of project layout. The Company intends to continue its policy of "willing seller/willing buyer" for land purchase for the project. In the situation the attendant to the public consultations makes the proof of the ownership right over the land plot located in the perimeter of the exploitation concession license having Roşia Montană Gold Corporation SA as a titleholder, the titleholder benefits, inclusively in regard of this land plot, of the legal means to obtain the right of use over the lands necessary for the performing of the mining activities provided by art. 6 of the Mining Law no. 85/2003, published in the Romanian Official Gazette, Section I, no. 197/27.03.2003. The legal means to acquire the usage right over such lands are: „(i) *sale-purchase, for the price agreed upon by the parties; (ii) the 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 of the cleared land, as per the convention between the parties; (iii) renting of the land for undetermined period of time, based on agreements concluded between the parties; (iv) expropriation for cause of public utility, as per the law; (iv) land concession*", etc. 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 fact, the number of homes that the company must purchase to construct and operate the project over the life of the mine – 379 homes – is far smaller than the 1000 homes project opponents regularly reference. 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 50% 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.

Of course it may prove, at the end of all of these efforts, that a very small number of property owners - perhaps a few families - will refuse to sell their holdings. At that point, the decision falls to Romanian Government authorities as to whether they will exercise the legal instruments available to them to expropriate the properties. That decision will turn on whether a small number of people, perhaps a handful, should prevail (via a de facto veto power) over the majority will of local residents and Romania's national interests as a whole to benefit from US$2.5 billion direct financial benefits to the Romanian State and Romania at large, including a rural region that has been designated a "Disadvantaged Zone" and knows only extreme poverty at present.

Item no.	19
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner doesn't want to leave Roşia Montană and he kindly asks the company to leave Roşia Montană.
Solution	If the questioner lives in any of the 12 sub-comuna of Roşia Montană (of a total of 16) that are not affected by the development of the mine or in the protected area or the buffer zone, he need not leave Roşia Montană. In the event the questioner lives in the industrial zone, the only area required operating the project, then we will use our best efforts to design around the resident. As regards the methods for acquiring the lands contemplated by RMGC, these are in full compliance with the legal provisions, art. 6 of the Mining Law no. 85/2003 published in the Romanian Official Gazette, Section I, no. 197/27.03.2003 expressly providing the means by which the titleholder obtains the right of use over the lands necessary for the performance of the mining activities in the exploitation perimeter, namely: (i) *sale-purchase, for the price agreed upon by the parties; (ii) the 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 of the cleared land, as per the convention between the parties; (iii) renting of the land for undetermined period, based on agreements between the parties, (iv) expropriation for cause of public utility, as per the law; (v) land concession*", etc. Of course it may prove, at the end of all of these efforts, this resident will refuse to sell their holdings. At that point, the decision falls to Romanian Government authorities as to whether they will exercise the legal instruments available to them to expropriate the his or her properties. That decision will turn on whether this individual should prevail (via a de facto veto power) over the majority will of local residents and Romania's national interests as a whole to benefit from the creation of 600 direct jobs, 6,000 indirect jobs and the infusion of $2.5 billion USD in financial benefits for Romania and in particular a rural region that has been designated a "Disadvantaged Zone" and knows only extreme poverty at present. As for the questioner's last point, if RMGC leaves and the questioner stays – unemployment rises to 95% from the current 70% as RMGC is the largest employer not only in the community but the county.

Item no.	20
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner asks the following question: Do RMGC's representatives believe that Ministry of Environment and Water Management will ensure that the procedures are followed and the project is assessed in a correct manner?
Solution	According to the relevant legal provisions, the procedure of granting the environmental permits is coordinated by the environmental protection public authorities by ensuring the information and participation of all the other central or local public authorities that, as the case may be, may have specific competences and liabilities in the environmental protection field, authorities that form the Technical Analysis Committee. The procedure of environmental impact assessment is a transparent procedure in which the competent environmental authority, as well as the titleholder of the project should inform the stakeholders, including the Technical Analysis Committee and the public, on the aspects related to performing the stages mandatory for obtaining the environmental permit. As example, please see the following legal provisions: (i) art. 12 of HD no. 918/2002, the competent environmental protection authority informs the public on every request of environmental approval for the projects subject to environmental impact assessment; (ii) art. 35 (2) of Order no. 860/2002, the public environmental protection authority identifies the interested public and discusses directly with them on the entire duration of the decision-making process regulated by GD no. 918/2002; (iii) art. 26 of Order no. 860/2002, the titleholder of the project informs the public on the following stages: (a) submission of the request for obtaining the environmental approval for the project, (b) decision of the screening stage, (c) public debate of the report to the environmental impact assessment study and on (iv) the decision of the analyzing stage of the report to the environmental impact assessment study; (iv) art. 15 (1) of GD no. 918/2002, the competent environmental protection authorities make public the decision on granting or rejecting the request of issuing the environmental approval. In this context, any interested person may observe the compliance with all mandatory legal procedures, qualify the evaluation method and may object under the terms of law. In consideration of the above, we mention the fact that RMGC will do its best endeavors in order to fulfill in a timely and complete manner the obligations provided in this respect under the relevant legislation. Moreover, we specify that, neither RMGC, nor its representatives are able to evaluate the way in which the competent public authorities will analyze and assess the project.

Item no.	21
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	1. How many jobs from those 1200 will be for Romanians? 2. The questioner comments on the fact that there is a difference between the salaries paid to foreigners and the ones paid to Romanians who will work for RMGC.
Solution	The Roşia 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, and will therefore be Romanian. 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]. 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 prioritized at the local level with people from the impacted area being given the first priority for work on the project. Should positions still not be filled from labor available at the local level recruitment will take place at the regional level. For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4. References: [1] Roşia 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. * The level of salaries paid to RMGC employees is determined based on objective criteria related to the position held, competences, specific tasks to be performed by the employer, level of responsibilities, experience, studies, etc. Moreover, please note that the salaries are not determined in consideration of the citizenship of the employer and no distinction is made by the Company in this respect. Although, according to the provision of 158 (1) of Labour Code the salary is confidential, it should be mentioned that the differences related to the level of salaries of RMGC employees, irrespective of the fact they are Romanian or foreign employees are determined further to the (i) assessment performed by the employer in relation to the individual based on the above mentioned criteria and the (ii) negotiations performed the employer and the employee in this respect.

Item no.	22
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	1. It is true that RMGC has proposed in 2002 the modification of the Urbanism Plan so as no other activity alternative to mining will be possible to be legally developed in Roşia Montană? 2. What will happen with all the young miners after 14 years when they will be 34 or 40 years old, what will they do after Project's closure? Will they perform tourism and agriculture or not? 3. Why isn't this possible now, and it will be possible then? 4. Where from will the fertile soil be brought?
Solution	The General Urbanism Plan of Roşia Montană Commune (PUG), approved in 2002, modified the plan approved in 2000, incorporating the protected area, which comprises the historic buildings. After this modification, the industrial area occupied by the mining project proposed by S.C. Roşia Montană Gold Corporation S.A. (RMGC) has remained unchanged, covering only 25% of the Roşia Montană commune, and the restrictions related to the construction of facilities, other than the industrial ones, apply only to this part of the commune. These restrictions related to the industrial area were also included in the PUG developed in 2000, therefore the current changes are not related to the proposed mining project. The remaining 75% of the Roşia Montană Commune territory does not form the object of any restriction generated by the mining project. At the same time, we would like you to understand 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. In this respect, we want to mention the following legal provisions: (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*"; (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*"; (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*". 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. The modified Zonal Urbanism Plan – the Industrial Area Roşia Montană is currently under approval. This is a town-planning documentation which was approved in 2002 as well, but it is currently being changed given the advanced stage of the Roşia Montană project (see Annex 3.1, modifications: decrease of the open-pits footprint; some of the technological roads have been re-designed; increase of the surface of the protected area. All these changes were made following the environmental impact assessment and the measures meant to prevent, minimize and eliminate the potential impact that was established as a result of the environmental impact assessment process). The boundaries of the industrial area have been established based on a scientific survey, which also served as a basis for establishing the boundaries of the protected areas. The town-planning regulations of the Zoning Urbanism Plan (PUZ) will establish in detail the future uses of the protected areas, while the restriction related to constructions and to the development of other activities will be maintained only on the footprint of the planned facilities.

As proved by the experience of other similar project, such industrial activities can be carried out in parallel and stimulate the development of other activities.

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In the process of their employment within the Rosia Montana Project (RMP), young miners would acquire valuable training, skills and experience gained working for a modern mining company, to be used by working with other mining companies here or abroad. They could also use the facilities provided by this project (business incubator, micro lender, trainings, etc.) to launch a business that can be profitable after the mine is over.

On the specific issue of tourism, limited now by the almost non existent tourist infrastructure, 20 years of dynamic economic development and investment initiatives will create true tourist opportunities. If they would want to do tourism or agriculture, it is their choice. By then, there will be a new village, a restored historic center, museums, hotels, restaurants, all in a healthy environment, and most importantly run by a very powerful community.

Taken over 20 years, the injection of investment into the area, if handled correctly, should stimulate other development. Roşia Montană Gold Corporation (RMGC) is committed to promoting long term development opportunities as part of the sustainable development plan.

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.

At the time of closure, the company will do all it can for the existing workforce in providing assistance in finding alternative employment. Given the skills base and experience that the workers will have acquired, this might be jobs on other mining projects in a region with significant resource development potential. Alternatively, RMGC will provide the opportunity of re-training and support in setting up alternative businesses.

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. It is hoped that, under the auspices of the United Nations Development Program (UNDP), 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.

RMGC established Roşia 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 Roşia Montană, Abrud, Câmpeni and Bucium. The objective is supporting local people in establishing small businesses or expanding existing ones.

The RMP closure plan is also designed to return the site to productive public use.

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

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The very first construction activity at Roşia Montană will be to scrape off all fertile topsoil and to store it in five specially designed storage areas. The topsoil will remain in storage for at least five years until we

begin (concurrent with the mine's operation) the reclamation process.

At the time of mine closure, the soil will be used to cover the regraded surfaces of the waste and tailings facilities. Tables 4-10 and 4-11 of the Mine Closure Plan and Table 4.4-15 of the Soil and Waste Management Plan (EIA Chapter 4.4) demonstrate that the balance of soil (subsoil and topsoil) stored is sufficient to cover the waste facilities, plant areas, and other necessary surfaces. For the questioner's convenience, RMGC has attached Table 4.4-15., which compares the total volume necessary for resurfacing and the volume estimated to be collected during the stripping and collection of the topsoil and subsoil during construction.

Item no.	23
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner does not agree with Roşia Montană Project and makes the following comments and remarks: 1. He raises the issue of jobs: RMGC starts with 104 employees during 1st year and completes its works by using 72 employees; the maximum number of employees will be reached during year 8th of production – 248 jobs for the people directly employed at the mine. 2. With respect to the salaries, why a foreigner receives more money than a Romanian employee? 3. Why the money spent for publicity was not used for paying people considering that the project is so good?
Solution	The questioner's figures are incorrect. Roşia Montană Gold Corporation (RMGC) currently employs more than 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 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 (in 2001 with Roşia Montană Town Hall, in 2002 with Abrud Town Hall) to ensure that residents of the local communities have first preference for these jobs. * The level of salaries paid to RMGC employees is determined based on objective criteria related to the position held, competences, specific tasks to be performed by the employer, level of responsibilities, experience, studies, etc. Moreover, please note that the salaries are not determined in consideration of the citizenship of the employer and no distinction is made by the Company in this respect. Although, according to the provision of 158 (1) of Labour Code the salary is confidential, it should be mentioned that the differences related to the level of salaries of RMGC employees, irrespective of the fact they are Romanian or foreign employees are determined further to the (i) assessment performed by the employer in relation to the individual based on the abovementioned criteria and the (ii) negotiations performed the employer and the employee in this respect. * We do not understand the meaning of the question. Certain opposing groups have made inaccurate statements regarding the project. Those statements have affected public's opinion. Because RMGC believes that informing and consulting the public is a critical and normal part of the debate process in a democratic society, and considered that it is critical to make its voice heard. That's why, as a part of the EIA process, RMGC has engaged in a broad process of public consultation and disclosure pursuant to the provisions of Romanian and European legislation (this is why, due to the interest shown by the public in the area, 14 public consultations have been held in Romania and 2 in Hungary). The company has also decided to promote its Project by conducting advertising campaigns.

Item no.	24
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner makes several comments on civil society stipulating that not all the Romanian civil society is against the project, only a part. And draws the attention of those opposing the project on the fact that they haven't been providing any alternatives and they use this dispute in order to make their name known.
Solution	RMGC is well aware that many people in Romania understand that our project will be very benefitial for the country — we very much appreciate their support. We are also working with many Romanian NGOs, including "Clubul de cunoaştere a Pământului Porumbiţa Alba" (Ciuruleasa), EcoAbrud Association (Abrud), "Pro Roşia Montană" Association (Roşia Montană), Pro Dreptatea Non-Governmental Organization (Roşia Montană), Ovidiu Rom Association (Bucharest), Youth Action for Peace Romania (Cluj Napoca), Millennium Center Association of Arad, The Students Organizaton from Babes-Bolyai University Cluj-Napoca, The Students Organization from Timişoara University (OSUT), "Youth Offensive" of Arad, Leaders Romania (Bucharest), The Student Organization Consort Cluj Napoca, Studcard Cluj Napoca, and ANA Foundation Suceava. While we will not comment upon the motivations of the opposition, we concur with the questioner that those who are vehemently against the mine have an obligation to propose alternatives for alleviating the dire economic conditions in the region. 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 (RMP), 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) as defined by EU Directive 96/61/EC (IPPC). 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. Only with approval of this project will this environmental rehabilitation occur. In terms of creating new economic opportunites 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.	25
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner brings into discussion the socio-economic status of Roşia Montană, reminding that Roşia Montană mine closure resulted in 450 more unemployed people. Supports continuance of mining at Roşia Montană through an investment as this one proposed by Gold Corporation.
Solution	We appreciate your support of this project and thank you for participating in this important process of public consultation. Roşia Montană Gold Corporation (RMGC) is currently the Roşia Montană area's largest employer, and the number of jobs provided will increase as the project is developed. RMGC currently employs more than 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 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 (in 2001 with Roşia Montană Town Hall, in 2002 with Abrud Town Hall) to ensure that residents of the local communities have first preference for these jobs. All this underscores the significant opportunities for the people of Roşia Montană and the entire region if the RMP is approved.

Item no.	26
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner wants to know how he can obtain a job for his son.
Solution	Anyone who is interested in working for the project can register their interest via the 8 Human Resource Offices at the local level (in Roşia Montană, Abrud, Câmpeni, Zlatna, Baia de Arieş, Brad, Bucium, Vadu Moţilor) while for Lupşa and Bistra and the localities in between, the offices from Câmpeni and Baia de Arieş are the contact points), where they can also apply for training. Please contact the RMGC's representatives: - at the Rosia Montana office phone number: 0258 783014, - Dana Mihon at ph. no.: 0729 399159; email address: dana.mihon@rmgc.ro, - Tiberiu Mera at ph. no.: 0729 399430; email address: tiberiu.mera@rmgc.ro, - Raul Gombos at ph. no.: 0729 399428; email address: raul.gombos@rmgc.ro

Center	Location	Open Days	Open hours	Assistant
Roşia Montană	Model House	Mo-Thu Fri	08:00 – 17:00 08:00 – 15:00	Mihon Dana Mera Tiberiu Raul Gomboş
Bucium	Bucium Town Hall – ground floor , Exploration Office	Mo	10:00 - 12:00	Gomboş Raul
Abrud	Abrud Town Hall – 1st floor, Information Center	Mo	12:30 - 15:30	Gomboş Raul
Brad	Brad Town Hall- Meeting Room	Mo	10:30 - 14:00	Mera Tiberiu
Zlatna	Zlatna Town Hall- Meeting Room	Tue	10:30 - 14:00	Gomboş Raul
Câmpeni	Culture House Avram Iancu, Cinema entrance	Wed	10:30 - 14:00	Mera Tiberiu
Baia de Arieş	Baia de Arieş Town Hall- Meeting Room	Thu	10:30 - 14:00	Gomboş Raul
Vadu Moţilor	Vadul Moţilor Town Hall- ground floor	Fri	10:30 - 14:00	Mera Tiberiu

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

Item no.	27
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner makes remarks related to the environmental impact assessment: 1. Why is the historic pollution from Roşia Montană discussed, and not about how the area will look after mining? 2. Why isn't anywhere stipulated the fact that the ones who will pay for the ecologic rehabilitation will still be the Romanian tax payers, because these will be paid by Minvest SA? 3. Why isn't mentioned anywhere that the EU Directive regarding waste storage, transposed in our legislation as Governmental Decision no. 349/2005, does not allow construction of a waste storage (a tailings management facility) at less than 1km away from an inhabited locality? How is this distance to Abrud to Gura Cornei going to be settled? 4. How is it going to be settled the situation of those people who own land positioned right in the middle of the future tailings management facility, as it is her case who owns 1m of land? 5. The questioner believes that Mrs. Sulfina Barbu may be publicly accused of undermining the national economy if she will sign the environmental permit for this project. 6. RMGC has included in its EIA the amount of US$73 million to cover all closure and rehabilitation works. The truth is that for closure, it might be required to pay up to US$768 million, an amount calculated by taking into account the same costs as RMGC.
Solution	The Mine Rehabilitation and Closure Management Plan (Plan J in the EIA) describes the rehabilitation of the impacted area in great detail. The plan 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. For even greater detail, please refer to Section 5.18 of the EIA, which describes the proposed after-use scenarios for the various pits, production sites and waste facilities (including the TMF). Additionally, Section 4.4 describes how RMGC will use best available technologies (BAT) to ensure that all water discharged into the environment will comply with the strict standards of România and the European Union. Throughout its life, the mine will comply with the strictest Romanian and E.U. laws and regulations and, furthermore, its closure and rehabilitation will meet or exceed the standards set by the EU Mine Waste Directive. The Directive 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." 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 with an engineered soil-covering system, and revegetated) to blend with the surrounding landscape to the greatest extent possible. *

The RMGC—not the Romanian state—will 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).

RMGC will also pay to rehabilitate pre-existing Minvest SA liabilities that fall within the RMP licensed project perimeter (i.e. installation of a water treatment plant for the effluents from the 714 Adit).

Liabilities which are NOT in the licensed project perimeter of the RMP (i.e. the Săliştei tailings pond) will have to be rehabilitated by the titleholder responsible for them or eventually the state if the current titleholder (Minvest) is not able to pay. RMGC should not be expected to pay for liabilities with which it has nothing to do.

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Please note that the Government Decision no. 349/2005 regarding waste storage ("GD 349/2005"), as well as the Directive 1999/31/EC regarding waste storage, are not applicable for the tailings management facility of the Project.

Please consider that the activity of mining waste storage is separately provided by the Directive no. 2006/21/EC regarding the management of waste resulting from the mining industry ("**Directive no. 21/2006**").

According to the provisions of art. 2 (1) of the Directive no. 21/2006 „*the herewith directive covers the management of waste resulting from the activities of prospecting, extraction, treatment and storage of the mineral resources as well as of the activities performed inside the pits*". At the same time, Directive 21/2006 distinctly provides, in art. 2 (4) the fact that extraction waste management (provided by the Directive 21/2006) are not subject to the Directive 1999/31/EC regarding the waste storage and consequently they are out of the applicability area of the GD 349/2005.

Although until now the Directive no. 21/2006 has not been transposed in the internal legislation, RMGC drafted the report on the environmental impact assessment study by observing the mandatory requests and conditions provided by this regulation, thus complying with the Guidelines issued by the Ministry of Environment and Waters Management for the preparation of the environmental impact assessment study for the Roşia Montană Project, as per the provisions of Order of the Minister of Waters and Environment Protection no. 860/2002 regarding the environmental impact assessment and the issuance of environmental agreement procedures ("Order no. 860/2002").

Moreover, please note that, irrespective of the moment when the Directive no. 21/2006 will be transposed in the internal legislation, RMGC will comply with the mandatory legal conditions applicable in the case of the Roşia Montană Project.

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If the attendant to the public consultations makes the proof of the ownership right over the land plot with a surface of 1sq. m., located in the perimeter of the exploitation concession license having Roşia Montană Gold Corporation SA as a titleholder, the titleholder benefits, inclusively in regard of this land plot, of the legal means to obtain the right of use over the lands necessary to develop mining activities provided by art. 6 of the Mining Law no. 85/2003, published in the Romanian Official Gazette, Section I, no. 197/27.03.2003.

The legal means to acquire the usage right over such lands are: „(i) *sale-purchase, for the price agreed upon by the parties; (ii) the 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 of the cleared land, as per the convention between the parties; (iii) renting of the land for undetermined period of time, based on agreements concluded between the parties; (iv) expropriation for cause of public utility, as per the law; (iv) land concession*", etc.

*

According to the relevant legal provisions, the interested public may submit reasoned proposals on the environmental impact assessment. Art. 44 (3) of Order no. 860/2002 on the Environment Impact Assessment Procedure and the issuance of the environmental permit provides to this end that „*based on the results of the public debate, the relevant authority for the environmental protection evaluates the reasoned 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 statement of the attendant to the public consultation (i) refers to the engagement of the criminal liability of a person, and (ii) does not identify or underline issues related to the project initiated by RMGC, which was subject to the environmental impact assessment, RMGC is not able to make an answer and has no capacity to comment to this end.

As for the criminal liability of a person, we underline that it can be engaged as per the provisions of the Romanian criminal law, only to the extent that the existence of all constitutive elements of a crime is proved, in the case of a lawsuit settled by a final decision of the relevant Court.

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The figure of US$ 768 million is both unsubstantiated and implausibly high. Roşia Montană Gold Corporation's (RMGC) 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 Environmental Impact Assessment Study's Report (EIA) 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 sustainable 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 revegetation. 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.

Item no.	28
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	1. How the households from Corna valley of people who do not want to be relocated will be avoided? 2. The Urbanism Certificate obtained in May 2006 (the old one being suspended), no longer includes a tailings management facility. The period of public consultation and assessment of the environmental study has been initiated without a valid urbanism certificate. The procedure for obtaining an environmental permit cannot be conducted without having a valid urbanism certificate; thus, the Ministry of Environment should reject the application for an environmental permit, which was submitted by RMGC.
Solution	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, as detailed in the Relocation and Resettlement Action Plan developed by RMGC, which may be found on company's official website. The company will seek options to redesign the mine plan to allow those owners to retain their property, unaffected by the mine. In the Environmental Impact Assessment Report, Alternatives chapter, several alternatives are being considered, including different choices for the location of the tailing dam facilities, other than in Corna Valley. Of course it may prove, at the end of all of these efforts, that a very small number of property owners - perhaps a few families - will refuse to sell their holdings. At that point, the decision falls to Romanian relevant authorities as to whether they will exercise the legal instruments available to them to expropriate the properties. That decision will turn on whether a small number of people, perhaps a handful, should prevail (via a de facto veto power) over the majority will of local residents and public development interests as a whole to benefit from $2.5 billion USD infused into Romania, much of it into a rural region that has been designated a "Disadvantaged Zone" and knows only extreme poverty at present. 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 development of 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 usage right 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. * A) Your assertion referring to the fact that there is no tailing management facility in the Urbanism Certificate 78/26.04.2006 issued by Alba County Council is not grounded. Actually, the ***section 1 Construction works, position 10*** of the Urbanism Certificate no. 78 of 26th 04. 2006 – mentions "processing plant and associated constructions" – which category includes **the tailings**

management facility which 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, are sealed by Alba County Council so that they cannot be modified and this facility is also mentioned in the tables with the occupied surface areas and property and land types from the previous plans.

B) It is not correct the assertion according to which the public debate stage and the environmental study assessment started up without an applicable Urbanism Certificate.

Thus, on the date of the EIA Report submission (15 May 2006) and prior to the start up of the public debates (June 2006), the documentation submitted by Roşia Montană Gold Corporation (RMGC) included the Urbanism Certificate no. 78 of 26.04.2006, document valid and applicable both by that time and at present

C) The request to reject the application for the environmental permit issue, based on the opinion that the environmental permit procedure has been invalidated because it would have not been submitted an applicable Urbanism Certificate, is neither correct and nor legally grounded.

Thus, from legal point of view, we specify that the Urbanism Certificate is part of the documentation submitted by the applicant by the time of the environmental permitting procedure start up.

In fact, we would like to underline that RMGC complied with the legal requirement as it submitted a complete documentation in full compliance with the law provisions including an applicable Urbanism Certificate (Urbanism Certificate no. 68 of 26th August 2004).

The waiving of the initial Urbanism Certificate is irrelevant and does not impact the environmental permitting procedure as per the following:

- The requirement to have an applicable Urbanism Certificate refers to the time of the procedure start up (art. 9 of the environmental impact assessment procedure approved through the Order no. 860/2002), and this requirement was met by RMGC as mentioned above ;
- On the date of the EIA Report submission (15th May 2006) and prior to the public consultation start up (June 2006). The documentation submitted by Roşia Montană Gold Corporation (RMGC) contained also the Urbanism Certificate no. 78/26th 04.2006 which is applicable and valid since that date and at present. 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).

Item no.	29
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The minor, a 6 year old, makes a comment with respect to the children of Roşia Montană, the future of this commune. She is uttering her will to drink milk not cyanide. She states that she has 1 square meter. of land in Cetate and in Orlea and wants to know how the open pits will be mined in these locations?
Solution	We believe that the children of Roşia Montană will have a far stronger future when their parents no longer live in a community with 70% unemployment and suffer the health impacts of prior unremedied mining pollution. Owners of 1 square meter of land - a parcel so small it can only be of symbolic value - must make their case to Romanian Government authorities that this is sufficient cause to stop a project that will infuse over the life of the project $2.5 billion USD into Romania. Moreover, in case the petitioner makes the proof of the ownership right over the 1 square meter land plot, located within the perimeter of the exploitation concession license having RMGC as a titleholder, the titleholder benefits, inclusively in regard of this land plot, of the legal means to obtain usage right over the lands necessary for the development of the mining activities, in accordance with art. 6 of the Mining Law no. 85/2003. Naturally, mining operations in the area can only start after the company has acquired usage right over the necessary lands.

Item no.	30
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner asks the following questions and makes the following comments and remarks: 1. Regarding the resettlement program, he would like to know if the intention of RMGC is to expropriate churches from Roşia Montană because the Holy Synod has stated on November 11, 2003 that its lands and churches are not for sale. 2. How is the law observed as regards to the graves resettlement when according to Law 98/1994, resettlement of a graveyard is possible only after 30 years since the last burial? 3. The questioner makes reference to Gabriel Resources Financial Report from 31st of March 2006 where it is stated that this company intends to use Roşia Montană's Tailings Management Facility (TMF) for its Bucium Project. He believes that this thing is not technically possible because the Bucium TMF needs to be developed at a certain dimension and the Roşia Montană one at another one, and that means that it will be necessary to redesign it.
Solution	As the questioner notes, the comments by the Holy Synod date to 2003. Based on those comments, the Roşia Montană Project was redesigned to reduce impact on the churches in the community. 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. The fact is that 98% of people in the industrial zone of the village have scheduled surveys to assess their property - a sign that they are considering the sale of their homes. We trust that if the community indicates its support of the RMP, the churches in the community will reflect the preferences of their congregations. The churches have followed the human communities providing them religious service and support. 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 development of 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 usage right 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. * The relocation of the earthly remains and their reburial takes place after the discussions with the community and the church authorities, in compliance with the religious rituals and the applicable legal provisions. As for the applicable enactments, these are: (i) Law no. 489/2006 on the religious freedom 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 on the establishing and sanctioning of the misdemeanors to the hygiene and public health legal norms, 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, approved by Order no. 1028/2004, published in the Romanian Official Gazette, Section I, no. 140/03.07.1997, as subsequently amended and supplemented ("Hygiene Norms");

(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 administration of the church wealth, approved by the Decision of the Ministry of Religious Affairs no. 32-234/29.09.1950;

(vii) 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.

As for the legal ground concerning the disestablishment and the change of destination of a graveyard, art. 154 of the Hygiene Norms provides: „*The disestablishment and the change of destination of a graveyard will be made only after 30 years since the last funeral and after the relocation of all bones. The disestablishment of the graveyards prior to this term shall be made only with the approval of the county inspectorate of sanitary police and preventive medicine*".

Consequently, the relocation of a graveyard prior to the expiry of the term of 30 years is possible, being allowed by the law after the obtaining of the approval from the inspectorate of sanitary police and preventive medicine. Only in the situation in which the change of destination of the land where the graveyard is located is made by breaching the legal provisions, respectively in the absence of such an approval, the sanctions for the offences provided by art.11 letter j) of Law no. 98/1994 become applicable.

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There is no such statement included in Gabriel Resources Annual Report that has been published on 31.03.2006 for the financial year end from 31.12.2005 (please visit http://www.gabrielresources.com/i/pdf/RO-Annual2005.pdf)

S.C. Roşia Montană Gold Corporation S.A. (RMGC) is the titleholder of the mining exploration license for the Bucium perimeter and according to the provisions of the license the company has conducted exploration works in order to identify and outline several resources and reserves that might be economically developed.

A pre-feasibility study for certain areas from the Bucium perimeter has been developed. This study assesses the possibility of economical development of the gold and silver ore deposits. RMGC must conduct a feasibility study in compliance with Romanian mining legislation before initiating the operational stage (mining) and it is mandatory for the company to secure the mining license pursuant to the provisions of art. 17, 18(2) and 20 from Mining Law no. 85/2003.

Provided that the mining license for the Bucium perimeter is going to be secured and the decision to develop the mining operation is going to be taken, an entire permitting process will have to be initiated for this Project. This process would require to secure an environmental permit and to undergo an environmental impact assessment procedure. According to legal applicable provisions, this process requires a public participation and consultation stage.

Nowadays, the possible use of the Roşia Montană tailings management facility for the storage of tailings resulting from the Bucium mining operation, is an alternative which will be analyzed, from the point of view of its feasible character, together with other possibilities, in order to choose and support the best solution if the decision to open a mine in Bucium is made.

Item no.	32
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	1. The questioner makes comments related to the short lifetime of the Project: 10 to 15 years and asks why the company is in such a hurry to complete the project after 10 years, while experts of good will claim that works can be developed for 500-800 years without many problems. 2. How the unemployment issue will be resolved with those 500 employees brought in by RMGC? Is the local workforce not needed? 3. How a family may be relocated by using ROL 450-500 million paid by Gold, when in Cluj Napoca a studio apartment costs between ROL 1.2 - 1.7 billion?
Solution	The project has a longer lifetime than that one indicated in the question. The project has a development closure period of 30 years. This lifetime results taking into account the following periods: geological research period of about 5 years (between 1998 and 2003), development period of about 4 years, project construction period of about 2 years, operation period of 16 years and closure period of approximately 3 years. To this 30 years period, at least 7 years are added in order to monitor the post-closure environmental conditions. With regards to the duration of 500 – 800 years, this opinion is not supported by the quantity of resources / reserves identified until now. Such a long lifetime of a project supposes an extremely low yearly production capacity. The gold grade relatively low of the Roşia Montană ore deposit would determine incomes from gold sale which would not cover the expenses related to its extraction. It is important to mention that the rich part of the ore deposit was already mined during the 2000 years of mining, leaving behind only the poor part of the ore deposit. Consequently, the gold content must be counterbalanced by the processing of a large quantity of ore, so that the economic profitableness to be assured. * Roşia Montană Gold Corporation (RMGC) is currently the Roşia Montană area's largest employer, and the number of jobs provided will increase as the project is developed. RMGC will not bring employees from somewhere else; it counts on the local workforce. During the 16 years of operations the Roşia Montană Project (RMP) will require 634 jobs (direct employment including contracted employment for cleaning, security, transportation, and other). It is expected that the majority of these jobs will be sourced locally, from the project impacted area [1]. The company has already established a protocol with the local authorities to ensure that local community has first preference for these jobs. RMGC currently employs 471 people of whom more than 80% are from Roşia Montană, Abrud, Câmpeni and Bucium. The RMP will create an average of 1,200 jobs during the 2 year construction period. It is expected that most of these positions will be sourced locally, from the project impacted area. For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4. References: [1] Roşia 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 formula by which property values are ascertained follows World Bank guidelines, and is based on replacement value within the same conditions. For the purposes of the Roşia Montană, replacement value was determined by surveying replacement costs in 14 real estate markets from a 250 km radius around Roşia Montană, and making an average. Cluj, while within the radius, is at the top end of the range, to expect valuations to conform to the Cluj market only would defeat the purposes of the average. By the same measure, it would have been inequitable and unfair to use the low end of the regional range - Zlatna, as it happens - to determine "replacement value." The average number for the 14 markets was judged the fairest way to assess replacement value. The current prices have been set taking the level of Alba-Iulia as the reference for the various categories of land and homes. During the last 6 months the prices have been revised twice based on the above mentioned type of survey.

Item no.	33
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner comments upon the "Tanzanian model" where in 1996 a mining company intended to develop a similar mining project and where 55 miners have been intentionally buried because they refused to leave the mine. Taking into account the statements issued by company's representatives in the media, namely that at Roşia Montană the Tanzanian model will be used, he would like to know if this would mean that miners will also be buried at Roşia Montană provided that they refuse to leave.
Solution	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 (i) does not identify nor indicate issues related to the project initiated by RMGC and undergoing the environment impact assessment procedure, (ii) refers to decisional capacities under the competence of certain public authorities, 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. Yet, both the World Bank and the Tanzanian authorities have already responded to this issue – both have made it clear that the alleged incident in Tanzania simply never happened. On October 29, 2002 the Compliance Advisor/Ombudsman of the World Bank issued a report discrediting the allegations – a report based on interviews with people from the local community, mine staff, eyewitnesses, consulting police reports, and documentation. It is easy to see why the respected world agency rejected the allegations. Among other things, neighbors of the people alleged to be dead told the World Bank investigative team that the alleged dead were alive and well. In one case, an alleged victim had died in an accident years earlier. In other cases, the Tanzanian press has found people alive in other parts of the country who were alleged to have been killed. The World Bank agency also said the unsubstantiated allegations were not serving the best interests of local people living close to the mine. What model of mining development is RMGC committed to? One that provides opportunity for communities and fairness for workers. The investment commitments that the company has made provide good examples of that.

Item no.	34
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner speaks about the fund that must be established for mine closure, and for the post-closure monitoring of environmental factors and asks the following questions: 1. At what bank will the account be open? 2. What is the amount to be paid on annual basis in that account? 3. Which will be the organization assigned to manage these funds for post closure phase? 4. What is the development strategy for the area and for the economy during the mine's post closure phase? 5. Was anyone from the European Parliament invited here for the debates? Why aren't any European individuals invited to express their opinions?
Solution	An Environmental Financial Guarantee ("EFG"), which must be established in connection with the beginning of mining operations at Roşia Montană, will always reflect the costs associated with closure and reclamation, as it will be updated annually. The funds needed to cover closure and post-closure costs will be held in protected accounts at the Romanian state disposal. The Roşia Montană Gold Corporation ("RMGC") recognizes that mining, while permanently changing some surface topography, represents a temporary use of the land. Thus from the time the mine is constructed, continuing throughout its lifespan, closure-related activities – such as rehabilitating the land and water, and ensuring the safety and stability of the surrounding area – will be incorporated into our operating and closure plans. In România, the creation of an EFG 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 Roşia 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. 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.)

The annual updates capture the following four variables:

- 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.

*

The Roşia Montană Gold Corporation ("RMGC") is required to make annual payments into protected accounts, at the Romanian state disposal, to ensure adequate funds are available for environmental cleanup. These payments are part of the required Environmental Financial Guarantee ("EFG"), and with the EFGs being updated annually, the size of the payments are determined by these updates.

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*

As a condition of beginning operations at Roşia Montană, the Roşia Montană Gold Corporation ("RMGC") must create an Environmental Financial Guarantee ("EFG") that ensures adequate funds are available for environmental cleanup throughout the projected 16-year lifespan of the mine. The guarantee is updated annually to reflect any changes in estimated closure costs.

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 the EFG, the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.

Following the closure of the mine, the funds to cover environmental rehabilitation will remain in the protected accounts until the Romanian government has determined that RMGC has met all of its obligations related to rehabilitation.

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Taken over 20 years, the injection of investment into the area, if handled correctly, should stimulate other development. Roşia Montană Gold Corporation (RMGC) is committed to promoting long term development opportunities as part of the sustainable development plan.

Please note that 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.

At the time of closure, the company will do all it can for the existing workforce in providing assistance in finding alternative employment. Given the skills base and experience that the workers will have acquired, this might be jobs on other mining projects in a region with significant resource development potential. Alternatively, RMGC will provide the opportunity of re-training and support in setting up alternative businesses.

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 Nation

Development Plan (UNDP), 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.

RMGC established Rosia Montana 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 Rosia Montana, Abrud, Campeni and Bucium. The objective is supporting local people in establishing small businesses or expanding existing ones.

The Roşia Montană Project (RMP) closure plan is also designed to return the site to productive public use.

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

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The public debates regarding the project were open to all legitimate stakeholders interested in the project, which means that, practically speaking, everyone could participate, including members of the European Parliament. The Project and its preparation, as well as the Environmental Impact Assessment (EIA) process, are compliant with the Romanian and European Union laws and standards.

Public consultation and information during the environmental impact assessment procedure, including the publication of the 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 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")[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.

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.

Item no.	35
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner does not agree with the project and asks the following question: In case an accident similar with the Baia Mare one occurs, but at a larger scale, who will be responsible and where that individual can be found following dam's failure?
Solution	According to the provisions of the Romanian law, the engagement of any form of liability and the sanctioning of the persons breaching the legal provisions can be made only by the state bodies and authorities with specific attributions in the field and under the conditions provided by law. Thus, the criminal liability of a person who is supposed to have breached the legal provisions may be engaged only to the extent that the existence of all constitutive elements of an offence or misdemeanor can be proved within a lawsuit settled by a final decision of the relevant Court. The specialists and experts who have designed and engineered the Tailings Management Facility at the Roşia Montană Project (RMP) are equally responsible. They and their areas of expertise are the following: • The general designer of the TMF: SC IPROMIN SA; • The Expert Designer: MWH International; • Technical design review: Prof. Mircea Şelărescu; • The expertise report on TMF safety: Prof. Ph.D. Dan Stematiu; • Quality of construction: construction company; • TMF operation and information made available to the consultants and experts: Roşia Montană Gold Corporation (RMGC); • Quality and conclusions of Environmental Impact Assessment (EIA): EIA experts. However, RMP bears no comparison to the one in Baia Mare. From design to management of the facility itself, financial assurance, public consultation and disclosure, 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 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 study report (EIA) 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, Roşia Montană Project (RMP) will meet these standards from the first day of operation. An important change is the existence of the International Cyanide Management Code (ICMC), to which the company 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. As for a specific comparison, 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), management of the facility itself, financial assurance, public reporting, stakeholder involvement and verification procedures.

In short, RMP 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 naturally 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 concentrations of cyanide of 5-7 parts per million (ppm or mg/l) which is 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 fully compliant with Best Available Techniques, as defined by EU Directive 96/61/EC.

This is a key difference with Baia Mare: Baia Mare did not have a cyanide destruction mechanism in the processing plant, as RMP has. As a result, the concentration of cyanide in the tailings disposed in the TMF at Baia Mare was between 120 - 400ppm 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 designed to allow for significant rainfall events and prevent dam failure due to overtopping and any associated 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 is determined as the sum of the design volume required to: (1) store 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 International Commission for Large Dams (ICOLD). Prior to operation, the dam must be certified for operations by the National Commission for Dams Safety (CONSIB) and the checking control will be performed, according to art. 17 of Emergency Government Ordinance no. 244/2000 on dam safety by the persons empowered by MEWM. 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^{-6}cm/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 other conditions for 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.

References:
[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.

Item no.	36
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner doesn't agree with the project and expresses its gratitude for those who couldn't be bought with a t-shirt, a beer, and a meatball (mic).
Solution	While we disagree with your conclusion, we respect your opinion and thank you for participating in this important process of public consultation. Public consultation will continue through the period of mine construction, operations and closure and reclamation of the mine. In addition to the above, it should be mentioned that art. 44 (3) of the Minister of Waters and Environment Protection Order no. 860/2002 on procedures governing the environmental impact assessment and the issuance of environmental permits ("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 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*". Consequently, considering the fact that your proposal is just an allegation which does not indicate possible problems, nor provide additional information, we mention that the decision on the issuance or refusal of the environment approval cannot be made only by considering a simple proposal, but according to certain objective criteria stipulated in art. 45 of Order no. 860/2002 and only after minutely assessing:, (i) the report on the environmental impact assessment study; (ii) the conclusions issued by stakeholders; (iii) the possibilities to implement the project; (iv) the titleholder answers to the grounded proposals/comments of the public.

Item no.	37
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner expresses its support for 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. Only with approval of this project will this environmental rehabilitation occur. In terms of creating new economic opportunites 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 (in 2001 with Roşia Montană Town Hall, in 2002 with Abrud Town Hall) to ensure that residents of the local communities have first preference for these jobs.

Item no.	38
No. to identify the observations received from the public	Roşia Montană, 24.07.2006
Proposal	The questioner expresses its point of view in supporting the project and accuses Alburnus Maior.
Solution	RMGC appreciates the questioner's support. Though we will not comment on the opposition's possible motivations, 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. Only with approval of this project will this environmental rehabilitation occur. In terms of creating new economic opportunites 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. f the required skills are not available locally, offers would be made to residents within a 100km 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 (in 2001 with Roşia Montană Town Hall, in 2002 with Abrud Town Hall) to ensure that residents of the local communities have first preference for these jobs.

Item no.	39
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	1. The questioner represents an organization established for the protection of animals and she is interested in the way in which the company will get involved in the local biodiversity because many animals from Roşia Montană have been left behind. 2. The questioner would like to see the company support the organization because the local authority will not involve due to the lack of necessary funds. 3. What will happen with the fishes from Roşia Montană lakes?
Solution	We believe that the question is related to the abandoned domestic animals. SC Roşia Montană Gold Corporation SA (RMGC) will be involved to resolve this issue in the near future, as possible. To start, a specific operational procedure would be in place for pets that would promote cooperation, eventually by establishing partnerships with organizations that get involved and have experience in similar activities, together with the Local Councils of Abrud and Roşia Montană, and a sanitary and veterinary unit, in order to develop a complete dog impound facility. This service implies taking the abandoned animals from their natural environment, and keeping them in quarantine, their disinfection, vaccination, and potentially their treatment and sterilization, and where necessary (individuals with severe or incurable illnesses or extremely aggressive) their euthanasia. Beside the dog impound facility; the partnerships will also try to promote an adoption and relocation program for these animals. * The lakes that will be impacted by the project are: Corna, Cartuş and Tăul Ţapului. The Brazi, Anghel, Ţarina and Tăul Mare Lakes (representing almost 70% of the total surface covered by this habitat from Project's implementation area) are included in the Project's conservation area and will not be impacted and will be subjected to a program of ecologic restoration. These lakes are monitored by an association of sporting fishing who intends to establish a public-private partnership with local administration in order to promote several alternatives in the area under the concept of sustainable development. RMGC expressed its availability to join this partnership. According to the principles included in the Biodiversity Management Plan, all flora and fauna specimens that can be relocated will be recovered as circumstances allow it, including the fish from the impacted lakes. These fish will be transported to lakes that won't be impacted, located in the close proximity. Moreover, we would also like to relocate other aquatic organisms, crawfishes, gastropods, lamellibranchiate, and amphibians (eggs, larvae, and adults), etc. from these potentially impacted lakes. Currently a specific operational procedure is in development (this will be part of the implementation of the management plan) aimed at establishing the relocation method of all above-mentioned species before initiating specific activities developed for construction. Within our Environmental Impact Assessment Report (p. 52, Biodiversity Baseline Report), the hydrobiological assays have emphasized a depreciation of water quality (including for water of lakes from Project implementation area). This depreciation has occurred due to the use of previous mining methods. Consequently, there is a low presence of fish populations, but relocation actions will be undertaken. The relocation will be initiated during fall of 2007. During this period fishes and other aquatic organism, crawfishes, mollusks, or amphibians found in these lakes will be relocated. The amphibians that would want to hibernate during winter and would move from terrestrial habitats to these lakes that are undertaking a drainage process will be captured by using specific measures, like terrestrial drift fences with pitfall traps and relocated to similar habitats. Other methods will be included in the relocation protocol that is in development.

Item no.	40
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	The questioner formulates the following remarks and questions with respect to the size of the ore deposit: - Is the ore deposit that large or the entire fuss about it is just to overbid the international gold market? - The questioner believes that if the deposit had been as large as it was said to be, Aurelian Retreat would have taken place 500 years later, Habsburg Empire would have lasted for at least 1000 years more and Communism would have lasted for at least 2000 years.
Solution	The exploration activities conducted by RMGC between 1997 and 2006 show that there are 215 million tonnes of ore with an average content of 1.46 g/t gold and 6.9 g/t silver. This amounts to a total content of 314.11 t Au and 1480.36 t Ag. Roşia Montană's resource deposit estimations are based upon a very elaborate research program, which included the collection of 191,320 samples collected from underground networks surface outcrops and drill holes. RMGC believes that we have conducted the most extensive and detailed research program ever performed on a Romanian mine project. This work was all independently supervised by qualified experts and all resource estimates have been idependently estimated. Each sampled meter has been tested for gold and silver. The database, containing over 400,000 assays, has been audited by independent experts – from Romania and abroad. One of the Romanian companies involved, Ipromin SA, conducted three feasibility studies for the Roşia Montană project. These feasibility studies include the resource and deposit calculations. Both Ipromin SA and the foreign auditors confirmed RMGC SA's results. Regarding the questioner's concern about the international gold stock-exchange, there is a very strict mechanism and control (Law NI43-101), with very strict rules, for the reporting of information to the gold stock-exchange. All of these reports are produced by independent international companies which verify and validate all the data and information obtained by our company, before they are included in the reports. Moreover, the banks that will finance the project have audited the information and the resource and deposits estimates made by the independent qualified experts and the stock-exchange analysts and those active in the capital markets have visited Roşia Montană. There is no possibility for the gold stock-exchange to be over-stating and reporting over-estimates of the resources or deposits. The reports and estimates are done by qualified independent experts and not by the stock exchange. The resources and reserves which have been independently confirmed conform to Romanian Mining Law (85/2003), EU codes (Mineral Reporting Code, 2002) and International Law (NI 43-101). These results have all been independently verified and audited as is required under all the relevant laws. * The simplest response to the questioner's point is that modern mining techniques permit the recovery of economically significant quantities of gold even from ore that was worked in the past. We would also note that the Project will also bring best available techniques (BAT) to Romania. RMGC is confident of its estimate of the ore deposit. Its evaluation of the ore deposit is 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 Romania 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.

While the figure of 330 tons of reserves was correct in 2004, 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 undeveloped gold deposits in the world.

Item no.	41
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	The questioner makes the following remarks, comments and questions: 1. The questioner knows in every detail the Project proposed by Roşia Montană Gold Corporation because during 2003, as deputy of the Romanian Parliament, he was the vice-president of the Parliamentary Committee for analyzing the opportunity of Roşia Montană investment. Unfortunately, following this analysis nothing was finalized and he believes that if a decision would have been made back then, maybe the company would have initiated its works or renounced. 2. The questioner supports investments in mining industry, but he would like this to be made for the interest of the Romanian state, of local communities, without area's depopulation and soul amputations of those impacted. 3. How have the percentages of 80% for the investor and 19.8% for the Romanian state been established and who negotiated for Romania? 2.*(sic)* Where are the 410 graves from the impacted graveyards going to be relocated? 3.*(sic)* What is the real amount gained by the Romanian state and the local communities (Roşia Montană, and collaterally Abrud, Bucium, Câmpeni and other local localities), after conclusion of operations taking into account that the production is currently at US$5 billion?
Solution	It is important to make a clear distinction between the Roşia Montană Gold Corporation (RMGC) of 2003 and today. Since 2003 the management has been changed and been revitalized. And most importantly, the attitude of the company is a 21st century one. RMGC is being led by a new team with a new and responsible way of looking at the Roşia Montană project and what it means to a community. The broad process of public consultation that the company engaged in – in compliance with Romanian and European law as part of the Environmental Impact Assessment process – gave all of those with a stake in the issue the opportunity to make their views and concerns known. The company has held 14 public meetings in Romania and two in Hungary. RMGC set up 45 information centers where copies of the EIA were available, and 5000 copies of the EIA were printed. Beyond this, the Company has engaged in a long process of public consultation. This is not a public relations campaign but rather an integral part of a serious process of public consultation before the project is approved. Moreover, the consultation RMGC engaged in was meaningful, not just window dressing. The views people and organizations expressed have had impact on the company's plans. 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. Looking back is one thing. Looking to the future, the RMGC proposal offers enormous opportunity to the people of Roşia Montană. * The development of the new mine is confined to an area composed of only 4 of Roşia Montană's 16 comuna. Roşia Montană will not be depopulated; indeed the level of economic investment (563 direct jobs and approximately 6,000 indirect jobs) will be a strong economic catalyst in an area currently experiencing extreme unemployment (above 70%). As for the soul of the place, Roşia Montană stands a much stronger chance of building a vibrant future with the new mine as its economic engine than without it, as unemployment in the absence of RMGC will rise above 90%.

The Romanian Government, through Minvest, is already part of this mining development project and will largely benefit of this project through the taxation instruments. The local communities will be the scene of an intense development, given the market created by the mine during the operations.

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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 public corporations 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 joint venture together with Gabriel Resources Ltd., this has been expressed by the Ministry of Economy and Commerce, 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 withy as at the setting up of the company and during the development of its activity.

Also, please note that 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 undertaken from Law no. 31/1990, and no derogation exists in regard of this aspect.

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The company understands community sensitivities on such issues. Romanian law establishes the accepted methods for exhumation of remains and reburial [1], and the company is pledged to follow those laws to the letter. To put the number of graves in context, 410 graves of the Roşia 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. Graves will be relocated according to the wishes of the family and at RMGC's expense. Abandoned graves will be relocated, 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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The Romanian State through the Ministry of Economy 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 levels, are projected to be US$ 1,032 million. This includes the government's share of profits, profit taxes, royalties, and other taxes such as payroll taxes. Also, an additional US$ 1.5 billion of Romanian goods and services will be acquired by the project.

Item no.	42
No. to identify the observations received from the public	Abrud, 25.07.2006
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 opportunites 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.	43
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	The questioner makes the following comments on risks of the investment and asks several questions: 1. The tailings management facility will have a huge surface, will be full of cyanide and one of the highest risks is the one related to the occurrence of an accident similar to Baia Mare accident from 2000. The second high risk is the one related to the fact that cyanide is evaporating at 26°C and that will result in the production of acid rains on a surface comparable to a quarter of Romania. Why is the company endangering the lives of locals, including the Abrud's citizens? 2. Why aren't people informed with respect to the acid rains and the fact that an accident may take place following dam failure? 3. What plan has the company in place in case of dam failure?
Solution	To respond to the overarching concern expressed by the questioner, we deny categorically that the RMP endangers the lives of locals in Abrud or elsewhere in the Roşia Montană region. The project EIA indicates the extent to which the company has gone to design, build and operate the RMP to the highest standards, whether they are Romanian law, EU directives or international guidelines. That said, the questioner raises two distinct issues, to which we will respond. First, the allegation that the Roşia Montană mining project could result in an accident similar to the one experienced at Baia Mare (2000) is unfounded. The following short comparison between the situation at Aurul Baia Mare (in 2000, at the time of the accident) and the Roşia Montană Project should be sufficiently relevant in this respect as it aims to point out the major differences between the two projects:

Item	Baia Mare TMF[1]	RMGC TMF [2]	BAT [3]	Comments
Tailings Pond				
Cyanide Concentration	CN_t aprox. 400 mg/l CN_{wad} 120-400 mg/l CN_{free} 100-120 mg/l	CN_t aprox. 7-10 mg/l CN_{wad} aprox. 5-7 mg/l	Maximum 10 mg/L WAD	WAD cyanides are the species most significant in terms of potential environmental impact
Re-use of CN	CN re-use after storage in TMF	CN recovered at plant prior to CN detox facility	Re-use of CN is BAT	Decreases use and storage of NaCN
Total CN stored in TMF	> 50 tons	7 tons[6]		
Capacity to store water in TMF	Capacity to store any event of extreme rain up to 118mm	Capacity for 2 PMP (PMP = 450mm),	1 PMP	The ability to store the PMP is a key issue to minimize potential failure of the dam
Operational flexibility if discharge of water is necessary	"zero discharge facility", no detoxification (detox) facility for	facility to discharge if necessary including second backup facility to detox	Discharge of water from TMF is BAT if positive water balance exist	Both Baia Mare and Rosia Montana have positive water balance under specific scenarios

	CN	CN		
Embankments	Baia Mare TMF[1]	RMGC TMF [2]	BAT [3]	Comments
Material of Construction	Coarse fraction of tailings materials	Centerline method of construction using mostly borrowed rockfill and waste rock, with consolidated tailings being used only on the upstream side.	Centerline method of construction is BAT and BEP[4]	At Rosia Montana, the quality of construction material will be monitored and controlled.
Capacity to increase the height of the embankment	Limited by, and dependent on, the rate of tailings production from processing plant	Very flexible as borrowed material is readily available		The capacity to increase the height of the embankment to ensure appropriate freeboard (storage capacity) is critical. Rosia Montană will maintain capacity for 2 consecutive PMP events.
Protection against overtopping	No protection	Downstream face of the dam made entirely out of rockfill		Risk of structural damage due to overtopping at Roşia Montană is very low
Controlled phreatic surface and seepage	Exfiltrations controlled only through the original tailings deposition method	Free draining structure above starter dam, with specified granular filters zones.	Accelerated consolidation of deposited tailings using under-drains and pumps is BAT.	Seepage waters are controlled and monitored, with collection at the toe of the dam.
Management	Baia Mare TMF[1]	RMGC TMF [2]	BAT [3]	Comments
Classification of TMF	Category C	Category A		Category C does not require special surveillance and monitoring
Cyanide Management Plan (CMP)	Not mentioned in UNEP Report	CMP complying with International Cyanide Management Code	CMP is BAT	A CMP formalizes best procedures to ensure safe handling and use of cyanide
Emergency preparedness, Emergency response and public communications measures (APELL[5])	Not formally	As part of the Environmental and Social Management Plan (ESMP)	APELL is BAT	APELL procedures ensure that in a case of emergency all relevant stakeholders are informed as soon as possible and drilled emergency procedures are site in motion therefore minimizing impacts
Capacity to adapt project to	Not formally After	Standard Operating		Procedures to ensure that if circumstances change, the

new circumstances	January 2000 event has been improved	Procedures such as WT-01 Preparation, Review and Update of Project Water Balance		operation will be changed accordingly (commitment to continuous improvement)

(1) Report "Spill of Liquid and Suspended Waste at the Aurul S.A. Retreatment Plant in Baia Mare", United Nations Environment Program (UNEP)/ Office for the Co-ordination of Humanitarian Affairs (OCHA), Assessment Mission Romania, Hungary, Federal Republic of Yugoslavia,(23 February – 6 March 2000), Geneva, March (2000)
(2) Feasibility Study, Roşia Montană Gold Corporation
(3) 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)
(4) HELCOM recommendation 13/6: definition of Best Environmental Practice, adopted (6 February 1992), having regard to Article 13, Paragraph b) of the Helsinki Convention
(5) APELL is "Guidance for the Mining Industry in Raising Awareness and Preparedness for Emergencies at Local Level" developed by the United Nations Environmental Program (UNEP). See Technical Report 41. The APELL program is a process which helps people prevent, prepare for and respond appropriately to accidents and emergencies.
(6) The normal operating volume of the TMF pond is 1 million cubic meters. The normal volume multiply by the concentration of total CN indicates the total tonnage of CN store in the TMF. An increase in the volume of the TMF pond will not lead to an increase in the total tonnage of CN store because the increase in volume is likely to be due to climatic events.

Another relevant comparison could be drawn, with regard to the impacts of the accident that has occurred at the Aurul Baia Mare tailings pond.

According to the monitoring data for the cyanide plume movement on the Hungarian territory, the cyanide concentration in the Someş river was 18 mg/l at Csenger (1 February, 2000), the cyanide concentration in the Tisa river was 13.5 mg/ at Lonya (3 February. 2000), 12.4 mg/l at Balsa (5 February 2000), 3.0 mg/l at Tiszakeszi (7 February 2000), 2.2 mg/l at Szolnok (9 February 2000),1.5 mg/l at Tiszasziget (11 February 2000).

In the final stage, the total surface covered by the TMF will be 363.12 ha, of which 50 ha at most will be covered by the tailings pond, located in the upstream part of the TMF, away from the dam. Under normal operating conditions, the water volume in the TMF will be approx. 1 million cubic meters and the volume of compacted tailings and pore water will be 153 million cubic meters (the EIA Report , Chapter 3, page 16). Cyanide concentration in the Roşia Montană TMF tailings effluent (undiluted by rainwater and/or by the receiving water body- in case of an accident-the Arieş River) will be in the range of 7 mg/l (no more than 10mg/l WAD CN). Therefore, even in the case of an accidental release of the tailings effluent from the TMF to the receiving body of water (and only if 2 consecutive PMPs occur within 24 hours, followed by a rainfall with a 1 in 10 years return period), the existing plans allow for a controlled release by means of a spillway constructed on top of the dam's crest. However, such a large volume of water will generate a corresponding decrease of the pollutant concentration in the TMF effluent. Consequently, the cyanide concentration measured in the source area will be lower than the one registered in the Baia Mare accident.

As the questioner also raises concerns relating to cyanide used in the Roşia Montana Project, we would also like to clear up some aspects with regard to the risk associated with cyanide volatilization (although this aspect has been detailed in the EIA report).

The term 'cyanide' refers to a singular charged anion with a carbon atom triple-bonded to a nitrogen atom. The most toxic form is free cyanide, which includes the anion itself and hydrogen cyanide (HCN), in gas or liquid form.

We would like to stress the fact that the cyanide is present in the tailings pond in the form of cyanide ions in aqueous solution and in the form of various soluble and insoluble complex cyanides.

Hydrogen cyanide HCN is a colorless toxic liquid with the boiling point at 25.79° C. HCN is miscible with water in any proportion, and soluble in ether. HCN spontaneously polymerizes if not absolutely pure or stabilized. **HCN is a very weak acid**, with ionization constant in the same order of magnitude as natural amino-acids.

Sodium Cyanide NaCN is a white, crystalline solid, soluble in water (48 g/100 ml at 10°C), with a boiling point (extrapolated) at 1,500 °C.

In aqueous solutions, at 9.3 -9.5 pH CN and HCN exist in equal quantities. At pH 11, more than 99% of the cyanide will exist in the solution in the form of CN, while at pH 7, more than 99% of the cyanide will be present in the form of HCN.

One of the most important reactions affecting the free cyanide concentration in aqueous solutions is HCN volatilization, of key importance with regard to accident hazard. Free cyanide is lost in most surface waters because the pH of such waters is usually less than 8, therefore HCN will volatilize and disperse. The amount of cyanide lost in this way will increase with the decrease of pH and the temperature increase. As a final observation, we note that cyanide leaching is used in gold mines in tropical climates where temperatures routinely reach 40° C, without adverse effects.

Linking hydrogen cyanide emissions with the occurrence of acid rains is completely groundless considering that **HCN is a very weak acid**, (with a ionization constant (pKa= 9.2-9.3) in the same order of magnitude as natural amino-acids.

Acid rain, of course, is caused by entirely different industrial processes than those that will be used in the Roşia Montană Project, involving sulphur dioxide emissions. Cyanide cannot structurally exist in „acid rain."

"Cyanide rains" cannot possibly happen for the following reasons:

- the handling of Sodium cyanide, beginning with the unloading stage and until the tailings' deposition in the TMF, will involve only liquid sodium cyanide, in the form of alkaline solution with a high pH (> 10.5-11), with different sodium cyanide concentrations. The alkaline nature of the solutions is meant to maintain cyanide in the form of cyanide ions (CN-) and to prevent the formation of hydrogen cyanide HCN.
- HCN only, and not free cyanide will form as a result of the volatilization of the cyanide present in the solution.
- handling and storage of sodium cyanide solutions will involve only closed circuits. CIL tanks, DETOX tanks and the tailings thickener, as well as the tailings pond are the only areas prone to the formation and volatilization of HCN (with little chances for HCN to be released in the atmosphere).
- HCN emissions on the surface area of the aforementioned tanks, as well as on the tailings pond's surface can occur as a result of the pH decrease in the solutions' surface area (which can favor the forming of HCN)
- cyanide concentrations in the solutions used will decrease from approx. 300 mg/l in the CIL tanks, to approx. 7 mg/l (less than 10 mg/l WAD CN) when discharged in the TMF. Cyanide concentrations are drastically reduced before discharge due to the treatment of the solution in the detoxification circuit.
- based on professional knowledge regarding cyanide chemistry and on previous experience from similar activities, the following potential HCN air emissions have been estimated to occur: 6 t/year from the CIL tanks, 13 t/year from the tailings' thickener and 30 t/year (22.4 t or 17mg/h/ m^2 in the summer period and 7.6 t or 11.6 mg/h/ m^2 in the winter period) from the the tailings pond's surface. That means that the total daily HCN emission is approx. 134.2 Kg.
- HCN air emissions undergo chemical reactions in the lower layers of the atmosphere, resulting in the formation of ammonia and carbon oxides.
- mathematic models suggest that the highest concentrations of HCN in the air will be at ground

level, in the operations area, over the tailings pond and near the plant site (assuming that HCN does not break down in the atmosphere). The maximum average concentration was estimated to be 382 μg/m^3 per hour.

- The maximum HCN air concentrations will be 2.6 times lower than the maximum allowed concentrations under the Romanian occupational health legislation.
- HCN concentrations in the populated areas located near the operations area will measure 4 – 80 μg/m^3, that is more than 12.5 times lower than the maximum allowed concentrations under the Romanian occupational health legislation (the EU and national legislation on air quality does not provide for maximum allowable concentrations with respect to the protection of the population's health).
- HCN uptake in precipitation (water vapors and rain drops) is a very minor component of HCN fate in the atmosphere as, at partially reduced pressure, (characteristic for the gases in the atmosphere) HCN is not very soluble in water, and rainout does not effectively reduce atmospheric HCN concentrations (Mudder, et al., 2001, Cicerone and Zellner, 1983).
- It is unlikely that HCN concentrations in rainfall measured in and around the Roşia Montană Project area be significantly higher than base values (0.2 ppb)

Chapter (2), Chapter (4.2) and (4.3) include further details on aspects related to cyanide use in the technological processes, cyanide balance and cyanide impacts on air quality.

References:
The EIA Report, chapter (2), chapter (4.1) and (4.2)
The EIA Report, chapter (7), subchapter (3.1.2), pages (53-57)
The EIA Report, chapter (7), subchapter (6.4.3.7), p. (121)
Cyanure d'hydrogène et solutions aqueuses *Fiche établie par les services techniques et médicaux de l'INRS (N. Bonnard, M. Falcy, D. Jargot)*

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Consideration has been given to the potential for CN volatilization and for dam failure scenarios in the design and in the EIA report. These studies conclude that acid rains will not occur and that the risk of dam failure is low. Specific details to support these conclusions are presented in the EIA report and are summarized in the following discussion.

Linking hydrogen cyanide emissions with the occurence of acid rains is completely groundless considering that HCN is a very weak acid, (with a ionization constant (pKa= 9.2-9.3) in the same order of magnitude as natural amino-acids.

Acid rain, of course, is caused by entirely different industrial processes than those that will be used in the Roşia Montana Project, involving sulphur dioxide emissions. Cyanide cannot structurally exist in „acid rain."

„ Cyanide rains" cannot possibly happen for the following reasons:

- the handling of Sodium cyanide, beginning with the unloading stage and until the tailings' deposition in the TMF, will involve only liquid sodium cyanide, in the form of alkaline solution with a high pH (> 10.5-11), with different sodium cyanide concentrations. The alkaline nature of the solutions is meant to maintain cyanide in the form of cyanide ions (CN-) and to prevent the formation of hydrogen cyanide HCN.
- HCN only, and not free cyanide will form as a result of the volatilization of the cyanide present in the solution.
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- HCN emissions on the surface area of the aforementioned tanks, as well as on the tailings pond's surface can occur as a result of the pH decrease in the solutions' surface area (which can favor the forming of HCN)
- cyanide concentrations in the solutions used will decrease from approx. 300 mg/l in the CIL tanks,

to approx. 7 mg/l (less than 10 mg/l WAD CN) when discharged in the TMF. Cyanide concentrations are drastically reduced before discharge due to the treatment of the solution in the detoxification circuit.

- based on professional knowledge regarding cyanide chemistry and on previous experience from similar activities, the following potential HCN air emissions have been estimated to occur: 6 t/year from the CIL tanks, 13 t/year from the tailings' thickener and 30 t/year (22.4 t or 17mg/h/ m^2 in the summer period and 7.6 t or 11.6 mg/h/ m^2 in the winter period) from the tailings pond's surface. That means that the total daily HCN emission is approx. 134.2 Kg.
- HCN air emissions undergo chemical reactions in the lower layers of the atmosphere, resulting in the formation of ammonia and carbon oxides.
- mathematic models suggest that the highest concentrations of HCN in the air will be at ground level, in the operations area, over the tailings pond and near the plant site (assuming that HCN does not break down in the atmosphere). The maximum average concentration was estimated to be 382 $\mu g/m^3$ per hour.
- The maximum HCN air concentrations will be 2.6 times lower than the maximum allowed concentrations under the Romanian occupational health legislation.
- HCN concentrations in the populated areas located near the operations area will measure 4 – 80 $\mu g/m^3$, that is more than 12.5 times lower than the maximum allowed concentrations under the Romanian occupational health legislation (the EU and national legislation on air quality does not provide for maximum allowable concentrations with respect to the protection of the population's health).
- HCN uptake in precipitation (water vapors and rain drops) is a very minor component of HCN fate in the atmosphere as, at partially reduced pressure, (characteristic for the gases in the atmosphere) HCN is not very soluble in water, and rainout does not effectively reduce atmospheric HCN concentrations (Mudder, et al., 2001, Cicerone and Zellner, 1983).
- It is unlikely that HCN concentrations in rainfall measured in and around the Roşia Montană Project area be significantly higher than base values (0.2 ppb)

Chapter 2, Chapter 4.1 and 4.2 (Section 4.2.3)include further details on aspects related to cyanide use in the technological processes, cyanide balance and cyanide impacts on air quality.

As for the claims relating to dam failure, the proposed construction of the Corna dam, which would retain the tailings material, 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 and 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 been experienced on 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 PMP
- with each dam rise, a spillway will be constructed to discharge, in a controlled way, the excess water resulting from a potential extreme event. This will eliminate the potential for erosion of the 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. Usually, the slopes for such hydrotechnical structures range between 1.5H:1V and 1.75H:1V;
- a drainage system at the bottom of the waste rock dump and a filter layer between the rock beds and the waste rock, to reduce water content 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 dam failure scenarios have been imagined based on the assumption that the technical errors resulting from noncompliance with the construction methodology will lead 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.

Referred to subchapter 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 (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). 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 Mures 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, an information sheet presenting the INCA modelling work is presented under the title of the Mureş River Modelling Program and the full modelling report is presented in Annex (5.1).

References:
The EIA Report, chapter (2), chapter (4.1) and (4.2)
The EIA Report, chapter (7), subchapter (3.1.2), pages (53-57)
The EIA Report, chapter (7), subchapter (6.4.3.7), p. (121)
Cyanure d'hydrogène et solutions aqueuses *Fiche établie par les services techniques et médicaux de l'INRS (N. Bonnard, M. Falcy, D. Jargot)*

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According to legal provision in force [1], an *Emergency Preparedness and Spill Contingency Plan* has been established (Plan I, vol. 28) whose updated version will be attached to the answer as Annex 5.2.

An *Internal Emergency Plan* will be drawn up before starting operations, in accordance with **Government Decision no 95/2003** and **Ministerial Order no 467/2005** of the Ministry of Administration and Interior (M.A.I.).

The company will provide the necessary information for the drawing up, by the competent local authorities, of the *External Emergency Plan* (in accordance with **Government Decision no 95/2003 and Ministerial Order no 467/2005 of the M.A.I.**).

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 dam rockfill and 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).

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]

- **The Emergency Governmental Ordinance no. 195 /2005** on environmental protection;
- **Law no. 107/1996**- Water Law, amended by **Law no. 310/2004** and Law no. 112/2006.
- **The Order no. 638/2005 of the Ministry of the Environment and Water Management** and **Order no. 420/SB/2005 of the Ministry of Administration and Interior** on the approval of the Regulation regarding the management of emergency situations caused by floods, hazardous meteorological events, accidents involving hydrotechnical structures and accidental pollutions and for the approval of the Framework for the purchase of materials and devices used for protection against floods, winter emergencies and accidental pollution;
- **Order no 278/1997 of MEWM** on the approval of the framework methodology for the drawing up of plans to prevent and fight accidental pollution caused by the use of potentially polluting water;
- **Government Decision no. 2288/2004** on the approval of the assignment of responsibilities undertaken by the ministries, other central institutions and non-governmental organizations regarding the prevention and management of emergency situations;
- **The Emergency Governmental Ordinance no 21/2004** on the national management system for emergency situations;
- **Order no 161/2006 of MEWM** on the approval of the standard regarding a classification of surface water quality with a view to assessing the ecological state of water bodies.

Item no.	44
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	1. What do company representatives understand through one's last resting place? What represents that term for them? 2. What kind of insurances can be provided by RMGC to assure us that at Roşia Montană everything will be as they claim? Is there any insurance in place? Where it can be seen? 3. Who will be held liable for what may happen at Roşia Montană?
Solution	SC Roşia Montană Gold Corporation SA's (RMGC) aim throughout the design process has been to avoid to the greatest extent possible any direct impact upon a cemetery. RMGC is committed to following the letter of the law, with reverence and respect.[1] Six of the 12 cemeteries in Roşia Montană stand to be affected by the project. A large area of 13 hectares has been allocated at the Piatra Albă site for cemeteries to replace those in Roşia Montană impacted by the new mine, and to fulfill the future requirements for the community. Cemeteries in the Corna Valley/ Gura Cornii area that are impacted by the new mine are planned for relocation. If desired by the family, a priest will conduct a service for both the reopening of the grave and the subsequent burial. All costs relating to the relocation of graves and associated ceremonies will be funded by RMGC. The grave of the local hero Simeon Balint will not be directly impacted by the Project. Access to this grave will be maintained during the life of the Project, although the access might be regularly restricted for safety reasons. Throughout the project, RMGC will act in full compliance with the law, and will make it a top priority to cooperate with respective church organizations to mitigate any impact. 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, for which 13 hectares have been set aside. References: [1] The applicable enactments regulating the relocation of graves and cemeteries are: (i) Law no. 489/2006 on the religious liberty 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 on the establishing and sanctioning of the misdemeanors to the hygiene and public health legal norms, 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, approved by Order no. 536/1997, 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; 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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The Roşia Montană Gold Corporation ("RMGC") will obtain a number of insurance policies, including 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.

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 Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions).

RMGC has retained one of the world's leading insurance brokers, which is well established in România 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 Roşia 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.

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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According to the relevant legal provisions, the interested public may submit reasoned proposals on the environmental impact assessment. Art. 44 (3) 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 reasoned 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 statement of the attendant to the public consultations (i) refers to the existence of some so-called abuses and illegalities in regard of the Roşia Montană Project, without containing any specific indications on the alleged facts, and (ii) 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 relevand for the proposed project, please note the follwing:
According to the provisions of the Romanian law, the engagement of any form of liability and the sanctioning of the persons breaching the legal provisions ca be made only by the state bodies and authorities with specific attributions in the field and under the conditions provided by law. Thus, the criminal liability of a person who is supposed to have breached the legal provisions may be engaged only to the extent that the existence of all constitutive elements of an offence or misdemeanor can be proved within a lawsuit settled by a final decision of the relevant Court.

As for the initiation, promotion and development of the project proposed by RMGC, they can only be made with the observance of the applicable legal provisions. The environmental impact assessment procedure is a transparent procedure in which both the relevant environmental authority and the project's titleholder are obliged to inform the interested parties, including the Technical Analysis Committee and the public, regarding the aspects related to the fulfillment of the mandatory stages for the obtaining of the environmental approval.

In this context, any interested person may monitor the fulfillment of the mandatory legal procedures, may qualify the evaluation modality and may submit objections, as per the law. Distinct from the above mentioned, we emphasize that RMGC shall take all necessary measures in order to strictly comply and

fulfill in due time the obligations provided by the Romanian applicable legislation in relation to promoting, building and operation of Roșia Montană Project.

Also, please note that as per the Romanian legal provisions, the engagement of any kind of liability and the sanctioning of the persons breaching the legal provisions can be made only by the state bodies and authorities with specific attributions in this field and in compliance with the conditions provided for by the law.

Item no.	45
No. to identify the observations received from the public	Abrud, 25.07.2006
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 opportunites 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.	46
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	The questioner makes several comments with respect to the tailings management facility (TMF): 1. The TMF is located 2km upstream of Abrud, on Corna Valley, will have a few hundreds ha and will have a 185m high dam. He is presenting a document on 80 cases of dam failures from the last 40 years – from a document posted on www.RosiaMontana.ro – and in half of these cases deaths have resulted and the content from the tailings facility has traveled for more than 2km, which is more than the distance between Abrud and the tailings facility. That means that in case of dam failure, regardless of the reasons, no one will survive for sure. In case an 8 degrees earthquake occurs, there is a chance to survive, but if the dam comes on top of this, there are no surviving chances. Who is going to be held liable from the company in case of an accident? 2. Why the precipitation included in the impact study is only the one known until year 2004, and the year 2005 is not included, the year when the largest floods occurred? This is the reason that could lead to a dam failure.
Solution	The design of the Roşia Montană project has incorporated the lessons learned from early tailings dam failures that are mentioned in the question. The proposed construction of the Tailings Management Facility (TMF) dam, which would retain the tailings material, is based on design criteria that comply with Romanian and international standards. These criteria, included in chapter (7), subchapter (3.2.5.1), the EIA Report, are meant to ensure maximum safety levels during the construction, operational and closure stages. The aforementioned subchapter presents the flood control criteria, safety factors for slope stability and seismic design criteria. The structure of the TMF system is also described (the starter dam – subchapter (3.2.5.2), the main dam (3.2.5.3), the secondary containment dam –subchapter (3.2.5.4), TMF diversion works-subchapter (3.2.5.5). The TMF design criteria involve a number of extra safety measures, in addition to the ones characterizing most similar facilities in the world. As a result, the TMF is an extremely robust and safe structure, with an extremely low risk of failure. The centerline method of construction and the pervious dam design concept (subchapter 3.2.5.5) increase the dam's stability and safety level. In the light of all these, risks have been assessed and potential accident scenarios have been imagined, including an assessment of the seriousness of the potential consequences. Between 1975 and 2000 there have been more than 30 major accidents associated with all types of mining operations. Table 7.4 [1] only shows the 15 accidents associated with gold mining operations. Given that there are about 875 gold and silver operations in the world, of which about 460 utilize cyanide [2], the fact that most accidents are associated with cyanide should not have been a surprise. As only *major accidents* have been included (the ones that involve the use of hazardous substances-as stipulated by the Seveso Directive), it is only natural that all cyanide accidents should be listed and only a part of the other types of accidents. According to the documentary data referring to major tailings dam failures throughout the world (*Chronology of major tailings dam failures)*, 25 such accidents have been reported in the last ten years, of which 6 involve gold mining operations (four of them also involve cyanide). It should be noted that since the Baia Mare accident (2000), no other accident has been reported until April 2006 (when an accident happened at Zhen'an County Gold Mining Co. Ltd. Shangluo, Shaanxi Province, China). Compared to other tailings dams in the world, where accidents have happened, the proposed TMF on the Corna Valley is much more robust and has various safety elements. Unlike many other similar structures in the world, the tailings dam will be semi permeable, which will ensure the reduction of water content in the tailings slurry. In the extremely unlikely event of an accident, the tailings slurry will travel for a relatively short distance (compared to other similar cases), owing to the reduced water content of the tailings slurry and to the method of deposition of the tailings waste, in accordance with the tailings' grain size: thicker tailings near the dam and finer tailings upstream.

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 been experienced 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 PMP
- with each dam rise, a spillway will be constructed to discharge, in a controlled way, the excess water resulting from a potential extreme event. This will eliminate the potential for erosion of the 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 TMF dam will be constructed using the centerline and downstream construction method. The downstream slopes will measure 3H: 1V. Usually, the slopes for such hydrotechnical structures range between 1.5H:1V and 1.75H:1V;
- a drainage system is planned at the bottom of the waste rock dump to reduce water levels in the waste materials ;
- 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.

In order to simulate the tailings discharge in case of dam failure, the Jeyapalan model was used, of internationally acknowledged reliability. This model has been exclusively developed to simulate the flow of non-Newtonian fluids (tailings, slurries etc). Due to the inherent limitations of the model, (resulting from a simplification of real-life conditions by using a limited number of input parameters) the effects of the accident have been overestimated. The Jeyapalan model does not take into account the shape of the dam or that of the breach, the site topography, discharge of the receiving body of water, the friction coefficients or other physical parameters. Therefore, in most cases, the results will indicate the "worst case" scenario.

Starter Dam Failure (elevation:739 m)

Accident description

It is assumed that a fracture will occur and extend 40 m down from the crest, affecting one third of the length of the dam. In order to measure the distance covered by the tailings released, we used the Jeyapalan model, of internationally acknowledged reliability. The model does not consider the fact that rockfill material downstream of the affected area will be carried along, thus reducing the distance covered by the tailings.

The input parameters for the tailings material:

- yield strength 4.08 kPa
- plastic viscosity 2.45 kPa*s

(these are estimated average values based on minimum and maximum values indicated by Jeyapalan)

- Weight 13.5 kN/m^3

Slope gradient: 0.7% and the estimated volume of the tailings release 5.3 Mm^3

Modeling results and potential consequences

The modeling indicates that the flow slide will advance up to 0.6 km downstream of the tailings dam. Under these circumstances, the flow slide will advance up to 0.8 km downstream of the starter dam and upstream of the confluence with the Abrud river. he tailings material movement will be, for the most part, stopped by the secondary containment dam.

Failure of the main dam (elevation: 840 m)

Accident description

It is assumed that a fracture will form and extend 40 m down from the crest. For simulation purposes the Jeyapalan model was used. The model does not take into consideration the dislodged rockfill material, which would slow down the flow and will reduce the distance covered by the tailings material.

The input parameters used for the tailings material:

- yield strength 4.08 kPa
- plastic viscosity 2.45 kPa*s

(these are estimated average values based on minimum and maximum values indicated by Jeyapalan)

- Weight 13.5 kN/m^3

Slope gradient : 0.7% the estimated volume of the tailings release 27.7 Mm^3

Modeling results and potential consequences

The modeling indicates that the flow slide will advance up to 1.6 km downstream of the dam toe. The flow slide will get near the confluence with the Abrud River.

References

[1] Chapter (7), page (19), The EIA Report
[2] *A Global Perspective of Cyanide*, Dr. T. I. Mudder and Mr. Mike Botz, M.S., P.E.
"A GLOBAL PERSPECTIVE OF CYANIDE" By Dr. T. I. Mudder and Mr. Mike Botz, M.S., P.E. - www.mineralresourcesforum.org
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Jeyapalan, J.K., Duncan, J.M., Seed, B.H., "Analysis of Flow Failures of Mine Tailings Dams",Journal of Geotechnical Engineering, ASCE, Vol.(109), No. GT2, Feb., (1983), pp. (150-171)
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EIA, chapter (7), subchapter (2.13), pages (17-19)
EIA, Chapter (7) subchapter (6.4.3.1), pages (117-119)

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In fact, the Environmental Impact Study encompasses precipitation events from 2000 to 2005. In addition, the Tailings Management Facility (TMF) – the facility most impacted by significant rainfall – has been designed to accommodate much larger rainfall events than occurred in 2005. The year 2005 was characterized by significant precipitation and flood events throughout Romania. However, these events only correlated to events with 100-year, or in some rare cases 200-year return frequencies (i.e., it is probable that rain events of this size occur once every 100 to 200 years). The TMF was designed based on simulated 24-hour, Probable Maximum Flood (PMF) event (an event so extreme it should never occur) derived from estimated probable Maximum Precipitation (PMP) events as defined by the WMO-1986 manual (World Meteorological Organization). In fact, the designs were developed on their ability to hold against two back-to-back PMF events.

Roșia Montană will be the first project in Romania to be designed based on the demanding PMF criteria.

Item no.	47
No. to identify the observations received from the public	Abrud, 25.07.2006
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 opportunites 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.	48
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	The questioner presents a memorandum signed by Jurca Samuila Sabin, Jurca Emilia and Miu Minerva, with home addresses in Abrud, where they are making several comments related to the situation in which RMGC will receive favorable endorsements for any kind of works that may have an adverse impact on the environment from a 20km radius around the properties of Abrud's locals: 1. RMGC must submit a guarantee in Euro currency in an account at the disposal of Ministry of Environment and local population, to cover the value of impacted properties and the moral damages. 2. This amount must remain at the disposal of citizens for a period of up to 15 years following project's closure and departure of RMGC. 3. When adverse effects occur, locals or their legal inheritors must have access to the above-mentioned amount. 4. If the Ministry of Environment and Water Management (MEWM) will not order the things previously mentioned, the population or their legal inheritors reserve their right to claim these from the MEWM during that 15 years period after RMGC's departure.
Solution	The questioners touch on a legitimate and important issue: For a project of this scope, how can the host government, on behalf of its people, have assurance that funds will be available to address and rectify any environmental impacts caused by the project, should the company cease operations at any time. In Romania, the legal answer takes the form of an Environmental Financial Guarantee ("EFG"), 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 Mining Waste Directive ("MWD") and the Environmental Liability Directive ("ELD"). The Mining 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. 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.)

The annual updates capture the following four variables:

- 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.

Again, under the terms of this guarantee, the Romanian government or the local communities, including Abrud will have no financial liability in connection with the rehabilitation of the Roşia Montană project.

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With respect to your request, please consider the following aspects:

(i) according to the relevant legal provisions, the public may submit reasoned proposals regarding the environmental impact assessment;

(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") "*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*";

(iii) art. 44 (3) of the Order no. 860/2002 " *based on the results of the public debate, the relevant authority for the environmental protection evaluates the reasoned 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*".

As your allegation (i) does not identify nor indicate issues related to the project initiated by RMGC and undergoing the environmental impact assessment procedure, (ii) refers to decisional capacities under the competence of certain public authorities, issues to which RMGC is not in the position to answer; please note that the project titleholder cannot and does not have the capacity to provide an answer or make any comments in this respect.

Item no.	49
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	The questioner does not agree with the Project and makes the following remarks and comments: 1. RMGC's representatives avoid answering questions related to the financial guarantee, established in case of dam failure, but instead they state that Abrud's locals should conclude on their own accidents insurances. 2. The resources estimate for the deposit has been performed by companies that belong to RMGC, namely Rom Aur SRL and Rom Analize SRL. Mr. Gary O'Connor is the sole administrator of these two companies and their main activity is resource estimation. Consequently, RMGC collects samples for assaying and RMGC is also estimating them, and that states a lot about the impartiality of this estimation. 3. Who has assessed the participation percentage of the Romanian state? The questioner stipulates that at the Alba Iulia Anticorruption Department a file has been taken under inquiry and 3 former directors of MINVEST (at that time RAC Deva) are being investigated for the venture established between Minvest Deva and Gabriel Resources. From this venture Eurogold has been established and subsequently RMGC. They are accused of misuse of authority against public interests and a penal investigation has been initiated. 3.*(sic)* According to the provisions of Governmental Decision no. 95/2000 on the control of activities where hazardous substances are used (a decision transposing the Seveso Directive), RMGC had to submit together with the legal documentation necessary to obtain the environmental permit, a notification on the types of hazardous substances that will be used, together with their quantities, storage, transport, etc. RMGC did not submit this notification and in this case as a penalty, the Territorial Environmental Agency and the Territorial Civil Protection Authority should have stopped its activity. Why the Ministry of Environment did not take that measure?
Solution	Representatives of Roşia Montană Gold Corporation have displayed their availability to discuss the issues related to the establishment and maintenance of a financial guarantee for environmental rehabilitation and they have not stated that locals of Abrud should obtain their own accident insurance policies. Details related to RMGC's Environmental Financial Guarantee ("EFG") are discussed in the Report on Environmental Impact Assessment, in the section of the 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). There are also two directives issued by the European Union which include provisions related to the EFG: the Mine Waste Directive ("MWD", no. 2006/21/EC) and the Environmental Liability Directive ("ELD", no. 2006/21/EC). 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. 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.

Moreover, we would also like to underline the fact that the internal legislation stipulates two types of environmental financial guarantees, namely the annual environmental financial guarantee ("Annual EFG") and the final environmental financial guarantee ("Final EFG").

The annual EFG is updated on an annual basis, and it is established in order to cover the reconstruction costs associated to mining activities that are to be developed during the following year. These costs are no less than 1.5% of the total costs resulting form the preliminary estimates on annual production.

Final EGF is also updated on an annual basis and includes the estimated costs for a possible closure of Roşia Montană mine. The EFG quantum is established as an annual percentage of the value of the environmental rehabilitation works stipulated in the framework of the monitoring program established for the post-closure environmental factors. This program is a part of the Technical Mine Closure Program, a document which is going to be approved by the National Agency for Mineral Resources ("NAMR").

Both EFGs will be fully financed and made available to the Romanian authorities, and the amounts provided by these EFGs will not be impacted in case of RMGC bankruptcy

The estimated cost for the closure of Roşia Montană mine is US$ 76 million. This estimate is based on the activity developed during its16 year life. Annual updates are going to be conducted by independent experts, in collaboration with NAMR as competent governmental authority in the field of mining activities. These updates are going to ensure the fact that in the unlikely case of a premature closure of the project, at any given moment, every EFG is going to reflect the costs associated with the rehabilitation. Annual updates consider the following four alternatives:

- project amendments that impact the rehabilitation activities;
- amendments of the Romanian legal framework, including the implementation of EU directives;
- new technologies that improve the science and practice of the rehabilitation;
- price amendments for key assets and services associated with the rehabilitation.

Once these updates have been completed, the new estimates related to closure costs are going to be included in the RMGC's financial reports and will be publicly disclosed.

Furthermore, we would like you to take notice that 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 Roşia 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.

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.

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The resources estimation has been made by independent companies – from Romania and abroad. One of the Romanian companies, Ipromin SA, conducted three feasibility studies for the Roşia Montană project. These feasibility studies included resources and deposits calculations. Both Ipromin SA and the foreign auditors confirmed RMGC SA's results. RMGC is a joint stock company and cannot, therefore, have a unique administrator, being in reality managed by an Administration Council, comprising several administrators.

S.C. Rom Aur S.R.L. was founded in 2005 and has a unique administrator, Mr. Gary O'Connor, who is not part of RMGC's Administration Council. Moreover, RMGC holds no stock in S.C. Rom Aur S.R.L. Rom Aur solicited, from the Natural Agency for Mineral Resources, an exploration licence for a perimeter located in the Cluj district, which it received in July 2006. Therefore, this company could not have evaluated the

resources at Roşia Montană because, as of 2005 when the company was founded, our resources calculations were already finalized. S.C. Rom Aur has produced no documentation for RMGC.

The RomAnalize company was only set up in 2005, after the completion of all resource estimation work at Roşia Montană for the sole purpose of the transfer and sale of the chemical testing and analysis facilities previously managed by Analabs and after their buy-out, SGS of Switzerland. RomAnalize was taken over, in July 2006, and is now run by ALS Chemex, Australia and up to now never performed any analytical work used in the resource estimation work at Roşia Montană.

The samples collected from Roşia Montană deposit were assayed by a laboratory with an independent management. During the assaying of these samples a checking program was implemented with internal and external checking procedures for the laboratory. Duplicate samples were send to two independent external labs from Australia and Canada for re-assaying and also standard samples, duplicate samples and blancks were included in the laboratory sample flowsheet. All the internal and external control checking proved the accuracy of the assays performed at the Gura Roşiei laboratory.

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According to the relevant legal provisions, the stakeholders may submit justified proposals on the environment impact assessment. Art. 44 (3) of the Minister of Waters and Environment Protection Order no. 860/2002 on procedures governing the environmental impact assessment and the issuance of environmental permits ("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 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*".

As the statement of the attendant to the public consultations (i) refers to the existence of a potential criminal investigation, and (ii) identifies and specifies no problems in regard of the project initiated by Roşia Montană Gold Corporation (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:

No representatives or employees of RMGC are involved in the alleged criminal investigation, therefore no information may be provided by RMGC in this respect. Moreover, criminal investigations are governed by the principle of confidentiality and the "presumption of innocence" constitutional principle, according to which no person is considered guilty until finally convicted by a court. Consequently, the criminal liability of any person who is supposed to have breached the legal provisions may be engaged only to the extent that the existence of all elements of the alleged offence are proved beyond any doubt within a lawsuit settled by a final decision of the relevant Court.

As regards the assessment of the participation percentage of the Romanian state, please note the joint venture between Gabriel Resources and Regia Autonomă a Cuprului Deva (Autonomous Company of Copper, in present CNCAF Minvest SA) was established under the Law no.15/1990 regarding the reorganization of the state owned companies as autonomous companies and commercial companies, published in Official Gazette Part 1 no.98/08.08.1990 with subsequent adjustments and modifications. The Article 35 of this law stipulates the possibility for autonomous companies to associate with legal Romanian or foreign third parties, in order to establish new commercial companies.

The Constitutive Act of RMGC, which represents the result of the agreement regarding the terms and conditions of the association between the Romanian State and investor, is a document accessible for public. This document belongs to the category of documents which according to the Law no. 26/1990 on Commerce Register are published into the Official Gazette of Romania. The Commerce Register Office is obliged to issue certified copies on the expenses of the person who made the application.

Meanwhile, we mention that the participation of the shareholders to the RMGC benefits and losses was settled according to their contribution to the company's registered capital. The current percentages of 80% for Gabriel Resources Ltd. and 19.31% for CNCAF Minvest SA are the result of the initial and subsequent

contribution of the shareholders to the company's capital, considering also Gabriel Resources Ltd. payment in advance of all costs and expenses afferent to the development – operation activities and permitting of Roşia Montană Mining project.

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We draw attention that, the enactment you refer to, namely GD no. 95/2000 rules the amendment of art. 9 (3) of Government Decision no. 3/2000 on establishing, organizing and operation of the Economic – Financial Coordination Council, not the control of the activities that involve dangerous substances.

According to the provisions of art. 6 (1) Government Decision no. 95/2003 on the control of activities involving major accident hazards which involve dangerous substances ("GD no. 95/2003") "*in order to observe the provisions of article 5, the titleholder of the activity shall present a notice simultaneously with the legal documents required for obtaining the environmental approval, environmental authorization and/or civil protection endorsement, as the case may be, documents delivered to the public territorial environmental protection authorities, namely territorial civil protection authorities*".

Please note the fact that RMGC observed the incident legal provisions in this respect and submitted such notice to the public environmental protection authority. In addition, according to the provisions of art. 8 (1) of GD no. 95/2003 ("*the titleholder of the activity which involves dangerous substances in quantities equal or more than the ones provided under annex no. 2, table 1 and 3, column 3, should draft and deliver to the public territorial environmental protection authority and to the territorial civil protection authority an exploitation security report on prevention of risks of major accidents*"), RMGC submitted simultaneously with the EIA report the security report, that may be analyzed on the Environmental Ministry site at the following address: http://www.mmediu.ro/dep_mediu/rosia_montana_securitate.htm

In this context, as RMGC fulfilled the obligation of submitting the notice requested under the terms of article 6 (1) of GD no. 95/2003, as well as the security report, we mention that, a sanction similar to the one you suggested would not be reasoned.

Item no.	50
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	1. How will the safe cyanide transport be performed taking into account that during 2006 on Arieş River many landslides have occurred and in most of the country major floods have been produced and destroyed public and national roads? 2. Why isn't there a final route of cyanide transport included in the impact assessment study? 3. What kind of insurance is provided by the company in case an accident occurs during cyanide transport? 4. The questioner wants to know whether accidents of this kind have occurred at the mine from Spain, which has been presented by RMGC. Were there any miners injured? 5. The questioner speaks about a mine in Kurdistan where ecologic accidents occurred due to poor roads conditions, and following those accidents cyanides spills have occurred and this cyanide spilled out of the cyanide haul trucks. It is underlined the fact that Romania's roads are in a very poor condition.
Solution	Regarding cyanide transportation, RMGC is committed to respecting the Romanian and EU relevant legislation and also to imposing the observation of such obligations also by its suppliers in order to ensure that all requirements for safe transportation of any hazardous materials are met. In addition, our company and our suppliers will adhere to the guidelines of the Cyanides Sector Group of the EU (CEFIC) for storage, handling and distribution of alkali cyanides. CEFIC sets the standards and requires compliance with EU Directives regulating the transport of thousands of different hazardous substances shipped daily throughout the EU. RMGC is also a signatory of the International Cyanide Management Code (ICMI), an internationally recognized practice for cyanide management in the gold mining industry; we will also require our suppliers to sign and abide by ICMI, and Roşia Montană plant operations will be ICMI certified. An ongoing, rigorous and independent audit of the cyanide management system will be followed as well. Since RMGC will not be certified for cyanide transportation, it will not do so. A company with expertise, that is qualified according to the Romanian relevant legislation on transportation of dangerous goods and traffic on public roads and also under CEFIC and ICMI standards, will be selected and under review by both producer and user. Cyanide in a solid, briquette form (not as a liquid), will be transported within specially-designed "isotainers" that are resistant to accident or damage and that shall be authorized and regularly inspected according to the applicable legislation on the transportation of dangerous goods and that also shall comply with the applicable norms on public roads traffic. Plans are to maximize the use of rail for transportation, to a rail depot near the project site. A detailed route survey to identify all potential transportation alternatives and hazards, together with needed mitigation measures, will be completed before operations begin. The survey will be conducted as close to the beginning of operations as possible to take advantage of the most updated rail and highway network improvements, as per EU guidelines and always observing the route utilization norms, restrictions and recommendations imposed by the road administrator, traffic police and other public authorities as required by Romanian applicable laws. When using trucks, our operating procedure will most likely be to group the transport into convoys of 12 trucks once per week to reduce the possible risk of accident. The shipment will occur only after an assessment of current conditions and confirmation of ability to receive shipment at site. RMGC and its suppliers will fully comply with ADR (ADR is the European Agreement concerning the international carriage of dangerous goods by road) and RID (Regulations concerning the international carriage of dangerous goods by rail), the European regulations covering the international carriage of dangerous goods by road or rail.

Transportation routes will be selected, in consultation with administration and road traffic authorities as to avoid hazards, and constant communication during the transit process will help ensure secure delivery to the intended site. Upon delivery, the briquettes will be dissolved directly into a safe container and remain completely contained within the process and plant site. There will be enough storage capacity at the Roşia Montană site to guarantee continuous operation and also allow flexibility of delivery to avoid unusual hazards such as poor road or weather conditions.

Under the CEFIC guidelines and ICMI code, the supplier and transportation company are required to perform surveys of alternative routes. Before transportation begins, they are responsible for ensuring safety on the route and at delivery; weather conditions such as heavy rains would be seriously taken into account when planning routes. Rail rather than highway transportation is preferred for this and other reasons.

EU regulations covering the shipment of hazardous materials are specific and well-tested. These include some of the following requirements:

- Shipments must stop during severe weather conditions and not re-start until conditions are confirmed as good.
- Road and rail transport are covered under the EU ADR and RID regulations.
- EU certification of transportation company drivers
- Drivers must have an ADR license, class 6
- Drivers must have a current "sodium cyanide training certificate"
- All suppliers should be affiliated with CEFIC
- Must have valid ADR-Certificate for sodium cyanide for the "isotainers"

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A final preferred cyanide transportation route will not be selected until closer to the date that cyanide will be transported, as the regional routes and infrastructure are in a constant state of change and we want the best route. A detailed route survey to identify all potential transportation alternatives and hazards, together with needed mitigation measures, will be completed before operations begin in consultation with administration and road traffic authorities. The survey will be conducted as close to the beginning of operations as possible to take advantage of the most updated rail and highway network improvements, as per EU guidelines, and always observing the route utilization norms, restrictions and recommendations imposed by the road administrator, traffic police and other public authorities as required by Romanian applicable laws.

RMGC is committed to meeting all requirements to ensure safe transportation of any hazardous materials. Our company and our suppliers will adhere to the guidelines of the Cyanides Sector Group of the EU (CEFIC) for storage, handling and distribution of alkali cyanides. CEFIC sets the standards and requires compliance with EU Directives regulating the transport of thousands of different hazardous substances shipped daily throughout the EU. RMGC is also a signatory of the International Cyanide Management Code (ICMI), an internationally recognized practice for cyanide management in the gold mining industry; we will also require our suppliers to sign and abide by ICMI, and Roşia Montană plant operations will be ICMI certified. An ongoing, rigorous and independent audit of the cyanide management system will be followed as well.

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RMGC is committed to respecting the Romanian and EU relevant legislation and also to imposing the observation of such obligations also by its suppliers in order to ensure that all requirements for safe transportation of any hazardous materials are met.

Our company and our suppliers will adhere to the guidelines of the Cyanides Sector Group of the EU (CEFIC) for storage, handling and distribution of alkali cyanides. CEFIC sets the standards and requires compliance with EU Directives regulating the transport of thousands of different hazardous substances shipped daily throughout the EU with the required ADR license (ADR is the European Agreement concerning the international carriage of dangerous goods by road).

RMGC is also a signatory of the International Cyanide Management Code (ICMI), an internationally

recognized practice for cyanide management in the gold mining industry; we will also require our suppliers to sign and abide by ICMI and the Roşia Montană plant will be ICMI certified. An ongoing, rigorous and independent audit of the cyanide management system will be followed as well.

The International Cyanide Management Code has these, among other, requirements:

- Protect communities and the environment during cyanide transport;
- Establish clear lines of responsibility for safety, security, release prevention, training and emergency response in written agreements;
- Require that cyanide transporters implement appropriate emergency response plans and capabilities, and employ adequate measures for cyanide management.

In addition to ICMI terms, the carriage of dangerous goods is subject to EU Directives on Health, Safety and Transport that are translated into regulations for the Member States. Additionally, the EU *Directive* 2004/35/CE on environmental liability with regard to the prevention and remedying of environmental damage, establishes the general framework for environmental liability including the transport by road, rail, inland waterways, sea or air of dangerous goods or polluting goods. Therefore, in addition to the legal insurance obligations that shall be undertaken by RMGC's suppliers of transportation services, when operations shall commence and upon implementation into the Romanian legislation, RMGC will conform to applicable EU regulations and codes regarding insurance, as applicable.

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To the best of our knowledge, no accidents of this kind have occurred in the Rio Narcea mine.

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The accident in Kurdistan is well documented and although it occasioned no loss of life, it provided one of the justifications for establishing an International Cyanide Management Code (ICMC). Implementation of the Code is designed to minimize the likelihood of such accidents in the future. The special provisions that will be applied to the transport of cyanide to Roşia Montană are presented in Chapter 5 of Plan G (*Cyanide Management Plan*) attached to the EIA report. This sets out the health and safety measures to be adopted including those measures that RMGC will require of its cyanide supplier and transporter under the terms of the International Cyanide Management Code, which RMGC has signed. Responsibilities under the Code include driver/operator qualifications and training; accident prevention and emergency response; packaging; labeling; storage prior to shipment; evaluation and selection of routes; driver communications and shipment tracking; maintenance and operation of vehicles; and the preparation of trip reports, including hazards and unsafe road conditions.

Item no.	51
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	The questioner makes the following remarks and comments: 1. There are families that do not want to resettle their homes and graves. 2. A large part of the Corna Tailings Management Facility is not included in the mining concession of Gabriel Resources. The questioner would like to know if this is true or is just incorrect information. 3. The company conducted a pre-feasibility study for Bucium where it holds a mining license for a much larger mine than the one for Roşia Montană. There are information according to which RMGC intends to use the tailings management facility and the processing plant from Roşia Montană for Bucium pit and that represents a major issue related to the tailings management facility. This facility has been constructed for Roşia Montană Project, i.e. it has a certain storage capacity for tailings. If the tailings resulted from Bucium are stored in the tailings management facility where Roşia Montană tailings are stored, then the dam will surely fail. The questioner would like to receive a confirmation with respect to the fact that Gabriel Resources will use the tailings management facility and the processing plant for Bucium Project, because that will mean that the Project needs to be redesigned.
Solution	The project is not designed against the will of the community and has been developed so far with the support of the community. 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 Relocation and Resettlement Action Plan developed by RMGC, which may be found on company's official website. The company will seek options to redesign the mine plan to allow those owners to retain their property, unaffected by the mine. Of course it may prove, at the end of all of these efforts, that a very small number of property owners - perhaps a few families - will refuse to sell their holdings. 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. That decision will turn on whether a small number of people, perhaps a handful, should prevail (via a de facto veto power) over the majority will of local residents and public development interests as a whole to benefit from $2.5 billion USD in investment in a rural region that has been designated a "Disadvantaged Zone" and knows only extreme poverty at present. 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 development of 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 usage right 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.

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 Roşia Montană's demise, the graves and homes there would likely be left behind, as in other abandoned mining villages in the Romanian countryside. Development of the RMP will keep the village alive – in fact and in spirit - and bring economic opportunity to the region.

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We would like to underline the fact that the mining operations developed by the S.C. Roşia Montană Gold Corporation S.A. (RMGC) as titleholder of the secured licenses are and going to and will be developed "*in the framework of certain perimeters which have been authorized by the relevant authority for this reason*" (according to the provisions of Art. 4(3) from Mining Law no.85/2003).

In this respect we mention the fact that RMGC is the titleholder of the Mining License no.47/1999 ("Roşia Montană License") for the Roşia Montană perimeter, approved by the Governmental Decision no. 458/10.06.1999 as well as for the Exploration License for the Bucium Perimeter no. 218/1999 ("Bucium License") approved by the NAMR Ordinance no. 60/17.05.1999 where can be found similar resources to those included in the Roşia Montană License. We underline the fact that according to the provisions of art. 17(1), 18(2) letter a) and 20 from Mining Law no. 85/2003, the RMGC titleholder has the legal right to secure directly the mining license for the Bucium perimeter. Concurrently, we underline that in the Bucium perimeter approximately 9% of the surface area of the tailings management facility at its maximum extension (in the 16th year of operation) and not "a large part of it".

However, we want to lay the emphasis on the fact that, according to legal provisions, the National Agency for Mineral Resources is liable with the authorization of the mining operations, those for the industrial area of the Roşia Montană Project are also included here. This stage is subsequent to the issuance of the environmental permit for Roşia Montană Project, which is at this moment the main objective of the environmental impact assessment procedure.

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Please note that pursuant to current legal provisions, the project proposed by the titleholder [1] is undergoing the procedure of environmental impact assessment.

Therefore, a potential analysis of a potential development of other mining projects or operations of S.C. Roşia Montană Gold Corporation S.A. (RMGC) exceeds the scoping of the procedure of environmental impact assessment conducted for Roşia Montană Project. Moreover, with respect to the current stage of mining activities developed within the Perimeter covered by Bucium License, a discussion related to the feasibility or the operations of this Project can be done only at a principle level.

We would like to state on this the fact that S.C. Roşia Montană Gold Corporation S.A. (RMGC) is the titleholder of an exploration license (and not mining) for Bucium Perimeter and pursuant to the provisions of this license, the company has performed geologic explorations in order to identify and outline resources and reserves that may be economically developed.

Any comparison performed between the area covered by Bucium Perimeter and the Roşia Montană Perimeter is unreasoned and unfounded, due to the fact that the license perimeters and their coordinates are classified information, i.e. inaccessible to the public according to the National Agency for Mineral Resources (NAMR) Order no. 202/2003 regarding the approval of the classified information list of NAMR.

For certain areas from Bucium perimeter a pre-feasibility study has been conducted in order to assess the possibility to economically develop the gold and silver ore deposits. In order to proceed forward to the operational stage, RMGC would have to prepare a feasibility study as per Romanian mining legislation and to secure a Mining License pursuant to the provisions of art. 17, 18(2) and 20 Mines Law no. 85/2003.

If the Mining License for Bucium Perimeter is secured and the decision to develop the mine is taken, than a permitting process of this mining project would have to be initiated and that would require among other issues, to secure an environmental permit and to undergo a procedure for environmental impact

assessment that on its turn requires a public consultation and disclosure stage according to applicable legal requirements.

If the Roşia Montană Tailings Management Facility (TMF) is to be used to store the tailings resulted from Bucium Perimeter that is merely an alternative to be analyzed together with other possibilities, in order to select and base the best solution provided the Bucium mine is open.

References:
[1] Please see as an example:
(i) Art. 2 of Emergency Governmental Ordinance no. 195/2005 regarding the environmental protection defines the the environmental permit as being "the technical-legal act through which the conditions in which a project is developed are established, *from environmental protection point of view; the environmental permit represents the decision of competent environmental authorities who are granting the right to the titleholder to develop its project from environmental point of view*"
(ii) Art. 44(3) and art. 45 Order no. 860/2002 regarding the procedure for environmental impact assessment and the issuance of the environmental permit, and art. 10 Governmental Decision no. 819/2002 regarding the framework procedure for assessing the environmental impact and for the approval of the list of public or private project that will undergo this procedure as well as the Methodology Guidelines for the assessment scoping and to perform the report on the assessment study – Part II (the structure of the Report on Environmental Impact Assessment Study) approved by the Order no. 860/2002, stipulate the information that the titleholder needs to provide and the procedures that need to be followed for the project proposed by titleholder on the respective site and subjected to environmental impact assessment procedure.

Item no.	52
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	The questioner makes the following remarks and comments: 1. The vibrations resulted after blasting are grounds for concern with respect to the effects on the structure of houses and other buildings located within the protected area and within the tailings management facility. 2. The questioner hasn't been able to find within the EIA, namely in the volume where the impact on noises and vibrations is included, the necessary information related to the value of these vibrations. He would very much like to receive the figures of the maximum vibration that will be produced by open pit blasting as compared with the value of these vibrations that is not hazardous to the structure of buildings and tailings management facility. 3. The questioner would like to receive an answer by the end of the public debate, because for vibrations there is a management plan that should be based on several actual figures.
Solution	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. 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. 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. 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. Theoretically, these velocities will ensure the integrity of the most sensitive and deteriorated historical constructions existing in Roşia Montană. Due to the fact that România has not adopted any 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 secondary effects of open pit explosions, such as the oscillation velocity and over-pressure of the shock wave can be kept under control and reduced by a number of technical and organizational measures.

The over-pressure of the shock wave depends on the amount of explosive load and blasting technique (electrical or non-electrical, instantaneous or micro delay). It implies a risk to human beings and to highly deteriorated constructions. The shock wave over-pressure impact can be reduced using the same methods used in the case of the blast radius (work fronts orientation and compliance with the geometrical parameters of load placement).

The seismic wave (material particle oscillation) represents the most important secondary effect on the soil and constructions. This effect is assessed by the velocity, acceleration or movement of the material particle. For the protection of constructions, velocity is the most widely used parameter.

The oscillation velocity of the material particle has been used as a parameter for the delimitation of the two large areas of the open pits, under the condition of a maximum velocity of 0.2 cm/s measured at the nearest construction from the explosion centre.

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.

When the old technology was used – option b), the entire amount was placed in adequately selected mines, and the entire mass of explosive was detonated simultaneously.

technology for the operational phase of Roşia Montană Project

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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 topsoil, 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 Leq 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 semistationary material handling equipment (at the ore extraction, rock and soil stockpiling areas), a proprietary computerised noise prediction program was used by AAC to simulate and model the future equipment noise emissions throughout the area. The modelling program uses industry-accepted propagation algorithms based on the following American National Standards Institute (ANSI) and International Organisation for Standardisation (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).

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.

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.

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.

Theoretically, these velocities will ensure the integrity of the most sensitive and deteriorated historical constructions existing in Roşia Montană.

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.

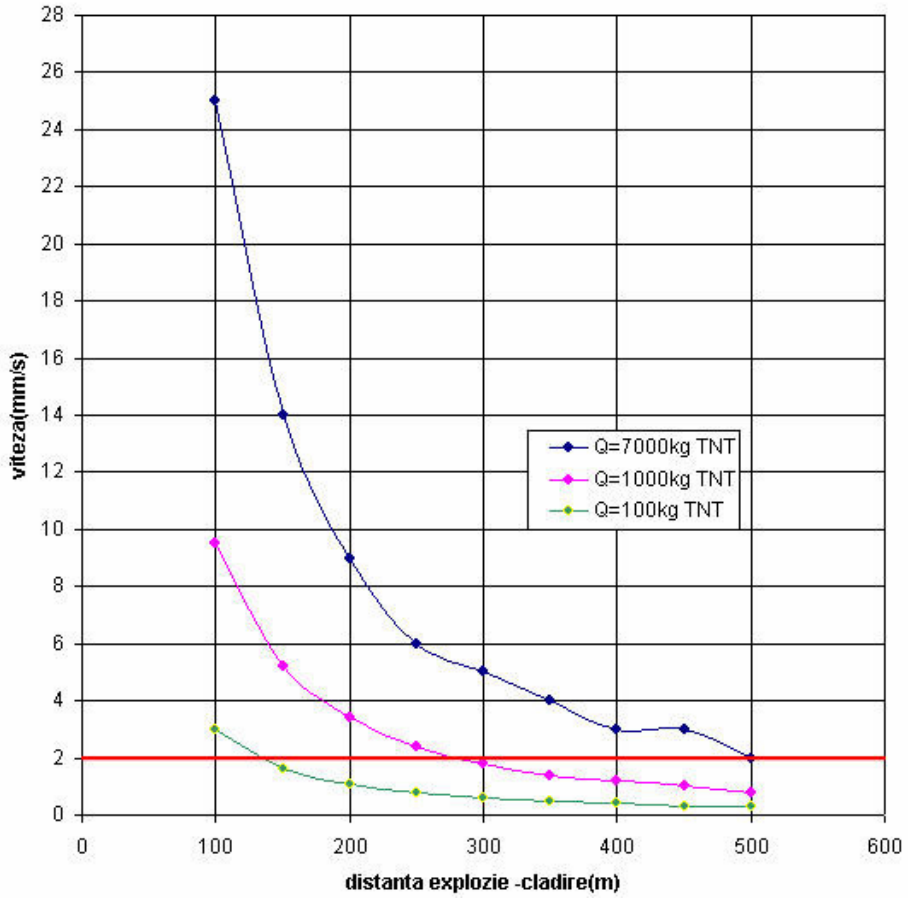
Using the formulas provided in the specialized literature, the values of the oscillation velocity at a distance of 100 m, 200 m and 300 m from the protected constructions have been determined, in case of blasting 6,860 kg per blasting phase.

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.



According to the data presented in Table no. 2, the load can be used at distances of more than 300 m from the protected constructions, with micro delay.

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 options of the quarrying technology are required. Such technological options consist in the reduction of the bore hole 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 options for ore blasting.

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

You can notice that the oscillation velocity at a distance of 500 meters from the centre of the explosion

management facility (TMF) is located approximately 2.5 km away from the Cetate open pit and approximately 3 km away from the Cârnic open pit. The further we move from the centre of the explosion, the lower the oscillation speed and it can be stated that this speed will be very low in the TMF area.

The size of the TMF dam has been designed such as to resist even an exceptional earthquake; therefore the seismic waves generated by the open pit blasting are significantly reduced by the distance and do not impact the dam or endanger its resistance.

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 stationary 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).

The secondary effects of open pit explosions, such as the oscillation velocity and over-pressure of the shock wave can be kept under control and reduced by a number of technical and organizational measures.

The over-pressure of the shock wave depends on the amount of explosive load and blasting technique (electrical or non-electrical, instantaneous or micro delay). It implies a risk to human beings and to highly deteriorated constructions. The shock wave over-pressure impact can be reduced using the same methods used in the case of the blast radius (work fronts orientation and compliance with the geometrical parameters of load placement).

The seismic wave (material particle oscillation) represents the most important secondary effect on the soil and constructions. This effect is assessed by the velocity, acceleration or movement of the material particle. For the protection of constructions, velocity is the most widely used parameter.

The oscillation velocity of the material particle has been used as a parameter for the delimitation of the two large areas of the open pits, under the condition of a maximum velocity of 0.2 cm/s measured at the nearest construction from the explosion centre.

This velocity ensures the protection of the constructions, provided that the consolidation works are performed. 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.

When the old technology was used – option b), the entire amount was placed in adequately selected galleries, and the entire mass of explosive was detonated simultaneously.

RESTRICTIONS

Romanian Standard SR 12025: **Vibration effects produced by road traffic on buildings or building parts (Measurement methods)**: establishes the methods of measurement for the traffic vibration propagated through streets and affecting buildings or building components.

Romanian Standard SR 12025/2-94: **Vibration effects on buildings or building parts. (Permissible limits).** Establishes the admissible limits for dwellings and socio-cultural buildings as well as occupants who may be affected by vibration, either from internal/external machinery or from propagated vibration from street traffic. The data are presented in Table 5.1 and Figure 5.2 in the *Noise and Vibrations Management Plan*. For the least resistant type of buildings, C3 curve for admissible limits is recommended (measured in vibrars).

The conversion of **vibrars** in the measurement units used by standard DIN 4150/83, *i.e.* ***mm/s,*** indicates the comparable maximum admissible limits.

Perceived vibration level [2]

Vibration Level [mm/s]	Degree of Perception
0,10	Not felt
0,15	Threshold of perception
0,35	Barely noticeable
1,0	Noticeable
2,2	Easily noticeable
6,0	Strongly noticeable
14,0	Very strongly noticeable

The Noise and Vibration Management Plan implies the following (p. 17):
- conduct blasting tests in pits;
- evaluate results;
- prepare site-specific blasting plans;
- monitoring.

References:
[1] FHWA Highway Traffic Noise Prediction Model; see Federal Highway Administration Report Number FHWA-RD-77-108, USA, Washington, D.C., 1978;
[2] S.C. Roşia Montană Gold Corporation S.A. - Report on Environmental Impact Assessment Study, Noise and Vibration Management Plan, p. 8, table 4-1, 2006.

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**

*

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.

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Theoretically, these velocities will ensure the integrity of the most sensitive and deteriorated historical constructions existing in Roşia Montană.

Due to the fact that România has not adopted any 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).

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The oscillation velocity of the material particle has been used as a parameter for the delimitation of the two large areas of the open pits, under the condition of a maximum velocity of 0.2 cm/s measured at the nearest construction from the explosion centre.

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.

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When mine blasting is properly performed, 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.	53
No. to identify the observations received from the public	Abrud, 25.07.2006
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 opportunites 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.	54
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	1. The questioner refers to the pictures from Spanish mine presented by RMGC, and believes that they are deceptive and asks why Baia Mare isn't presented where people have died because of cyanide. 2. The questioner stipulates that neighboring states are opposing the project.
Solution	Please consider the provisions in art. 2 (31) of GEO no.195/2005 on environment protection, approved with amendments by Law no. 265/2006, which define "environmental impact assessment" as "*a process with the purpose to identify, describe and establish, depending on each specific case and in accordance with the enforceable legislation, a project direct, synergetic, cumulative, main and secondary effects on health and environment*". Each project submitted to the environment impact assessment has its own features and therefore the assessment is made for each specific case. Starting with the project classification within the environmental impact assessment based on art. 6 (5) of GD no. 918/2002 [1], "*the relevant authority for environment protection shall decide on the need for environmental assessment by examining all projects, case by case […]*". Our project in Roşia Montană bears no comparison to the mine in Baia Mare. 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. Also, to our knowledge, no one died as a result of the Baia Mare accident. The mine at Rio Narcea in Spain, unlike the one at Baia Mare, is comparable to ours for many reasons, as explained by presenters during the public meetings held last year. Rio Narcea's mine in Spain was permitted under European mining law, which is also the case with the Rosia Montana project, while the Baia Mare mine *was not* permitted under European law and its design *would never* be permitted under the strict rules in place in Europe today. In fact, the Roşia Montană project is subject to even stricter standards than Rio Nacea's mine in Spain *because* of the Baia Mare accident. The Romanian Government, in our Terms of Reference, requested that we follow the new European Directive on Mining Waste 2006/21/EC 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/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.

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. [2]

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 (5-7 parts per million or ppm or mg/l) which is well below the regulatory limit of 10ppm 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, as defined by EU Directive 96/61/EC (IPPC).

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 - 400ppm 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 meter 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 must be controlled, according to art. 17 to GEO no. 244/2000 on dams safety, by the persons empowered by MEWM.. 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^{-6}cm/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 other conditions for 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] We mention that GD no.918/2002 was abrogated by GD no.1213/2006 on the framework-procedure for environmental impact assessment for certain public and private projects, published in the Official Gazette, part I no.802 of 25/09/2006 ("GD no. 1213/2006").
However, considering the provisions of art. 29 in GD no. 1213/2006 specifying that "*The project submitted to a relevant environment protection authority in order to obtain the environment approval and subject to the environmental impact assessment prior to this decision coming into force, shall be subject to the procedure for environmental impact assessment and issue of environment approval in force upon the submitting of the request*" we mention that as regards RMGC project the provisions of GD no.918/2002 are still incident.
[2] 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.

*

The questioner's assertion is not accurate. Under the Espoo Convention, to which Romania 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, which is one reason why we held public consultations in Hungary as well as Romania. 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 (5-7 parts per million or ppm or mg/l), which is below the regulatory limit of 10ppm recently adopted by the EU Mining Waste Directive (2006/21/EC).

Item no.	55
No. to identify the observations received from the public	Abrud, 25.07.2006
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 opportunites 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.	56
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	The questioner makes the following comments and remarks: 1. Someone else should provide to people an alternative to Gold Corporation Project. 2. The local impacted young people should be taken into account when employment is offered.
Solution	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 Project including the "no-project" option. This Chapter is also summarized in the non-Technical Summary. 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. * Roşia Montană Gold Corporation (RMGC) actively encourages young people to apply for the jobs offered by RMGC. The Roşia 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] 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 prioritized at the local level with people from the project impacted area being given the first priority for work on the project. For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4. References: [1] Roşia 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.

Item no.	57
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	The questioner supports the project and believes that as long as RMGC complies with the law there are no reasons for concern, especially because the Project provides job opportunities.
Solution	Thank you for your support. The initiation, promoting and development of the project proposed by Roşia Montană Gold Corporation (RMGC) can be made only with the observance of the applicable legal provisions. Indeed, RMGC is committed, even in the early stages of design and development to comply with the Romanian legislation, the European Union (EU) directives and the International Guides and Recommendations, while Best Available Techniques (BAT) and Best Management Practice (BMP) were used to design the Rosia Montana Project (RMP). The environmental impact assessment procedure is a transparent procedure in which both the relevant environmental authority and the project's titleholder are obliged to inform the interested parties, inclusively the Technical Analysis Commission and the public, in regard of the aspects related to the fulfillment of the mandatory stages for the obtaining of the environmental approval. In this context, any interested person may monitor the fulfillment of the mandatory legal procedures, may qualify the evaluation modality and may submit objections, as per the law. Distinct from the above mentioned, we underline that RMGC shall take all necessary measures in order to strictly comply and fulfill in due time the obligations provided by the Romanian applicable legislation in relation to promotion, building and operation of RMP. As for local economic impact, 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. The project will also result in the creation of approximately 6000 indirect employment opportunities locally, regionally and nationally.[1] For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4. References: [1]. Roşia Montană Project, Environmental Impact Assessment Study Report (EIA), 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.

Item no.	58
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	The questioner asks two questions: 1. What will happen when during operations, additional reserves will be discovered that will increase the ore deposit by 25%; will this be included in the project during its development? 2. The questioner would like to know if there are any tailings management facilities in Romania which are similar to the Roşia Montană one.
Solution	The current calculated reserves are located within the four planned pits, namely: Cetate, Cârnic, Jig and Orlea. Should additional reserves be discovered during the research programs to be conducted outside the footprint of the four open-pits, they will be subject to subsequent assessments studies (reserve calculations, mine development plans and feasibility studies). The next step taken by the company will be to request the National Agency for Mineral Resources the homologation of the resources. Once the company decides to develop and extend the mining operations, a permitting process will have to be initiated. This process will also involve securing an environmental permit. Therefore, an environmental impact assessment procedure will be needed, which also includes a public consultation and participation phase to be carried out prior to making a decision. Therefore, the potential development of future operations in the surrounding perimeters should not be discussed in the context of the current permitting procedure. * No, there are currently no such facilities. One of the benefits of the Project is that it will be conducted in accordance with international best practices in mining and will use best available techniques (BAT) as defined by the EU Directive 96/61/EC (IPPC). 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 10ppm recently adopted by the EU Mining Waste Directive 2006/21/EC. Mine waste in the EU is currently permitted to have a 50ppm concentration of cyanide, which the Directive reduces to 10ppm for new mines.

Item no.	59
No. to identify the observations received from the public	Abrud, 25.07.2006
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 opportunites 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.	60
No. to identify the observations received from the public	Abrud, 25.07.2006
Proposal	1. The questioner asks Alburnus Maior and Greenpeace to come with an alternative. 2. The questioner would like to know if the company has considered a way for compensating the area's mine owners. 3. RMGC must think to a way of investing in the area, so as none of the people who have received their money would not leave away. 4. The questioner asks for the support of the company for an animal shelter that exists in Abrud, but needs improvements.
Solution	RMGC is not aware of alternative proposals from either Alburnus Maior or Greenpeace that would address to the economic, social or environmental issues of the community in any meaningful way. 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 Project including the "no-project" option. This Chapter is also summarized in the non-Technical Summary. 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 to sustainable development, such as pollution and land dereliction. * Concerning the issue you raised, please note that RMGC does not have the authority to comment on issues that exceed the framework of the report on the environmental impact assessment study. In this respect, please consider the following: (i) the regulatory activity related to *de facto* situations or relationships falls under the exclusive competence of the state; (ii) properties may be retroceded based only on legal provisions establishing the aspects related to the material and procedural law that must be taken into consideration; (iii) the authority to resolve requests filed by the interested persons is ascribed by law either to the administrative authorities, or to the courts of law, as applicable. However, taking into consideration that RMGC has expressed and is still expressing its availability to discuss any relevant issues related to the proposed project, including issues related to the mining concession rights , we would comment that: In accordance with Article 54 of the Regulations for the enforcement of Article 264 of Mining Law/March 28, 1929 "the mining concession right („cuxa") confers its titleholder the right to participate in the undividable property of the association, it is a title with undefined value, similar in nature with securities, and maintains this characteristic also when all mining concession rights („cuxe") of the association are held by one person." Also, according to the provisions of Article 50 of Mining Law/March 28, 1929, the mining association based on mining concession rights **only had an exploration and mining right** over the land, but not an **ownership right,** the land **being held based on concession agreements**. Taking into consideration the nature of the right conferred by the mining concession title („cuxa") – a mining right, not an **ownership right** – the provisions regarding the remedies stipulated by Law no. 10/2001 on the legal regime of real estate abusively taken into possession during the period March 6, 1945 -December 22, 1989 („Law no. 10/2001"), as republished and amended, are not applicable. In accordance with Article 3 of Law no. 10/2001, natural persons are entitled to remedies if they were **the owners of the real estate abusively taken into possession,** or if the **ownership right** was held by legal

persons whose associates were the natural persons entitled to remedies.
Consequently, in any of the situations established by Law no. 10/2001, an essential condition for determining the right to restitution, is to demonstrate an ownership right over the asset taken into possession by the state, either held by the natural person itself, or by the legal person whose associate the natural person was. In the case of the titleholder of mining concession rights, this condition is not met.
If there are any specific regulations in this respect, RMGC will take all necessary measures in order to comply with them.

*

People can decide from themselves if they choose to leave or to stay in the area, but as an incentive to stay, Roşia Montană Gold Corporation (RMGC) encourages people to resettle to Piatra Albă, where a modern new village will be built.

RMGC will pay 25% of the total costs of the construction of the house for people who want a new house at Piatra Albă and the owner will pay for the remaining 75%; RMGC is committed, through the purchase-selling/exchange agreements to provide one job for each household during the construction phase of the mine.

The injection of investment into the area, if handled correctly, should stimulate other development. RMGC is committed to promoting long term development opportunities as part of the sustainable development plan.

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

*

Roşia Montană Gold Corporation (RMGC) has established a microcredit facility, called "IFN Gabriel Finance" S.A., through which small loans can be obtained for local businesses. Information regarding this facility can be obtained in Abrud, at their office, 2 Horea Str; ph. no.: 0258 780 116; fax no.: 0258780112; aneta.nascu@rmgc.ro and simona.gligor@rmgc.ro.

If the business in question does not qualify for microcredit funding, then a direct appeal to the company will be considered by the relevant working group.

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

Item no.	61
No. to identify the observations received from the public	Abrud, 25.07.2006
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 opportunites 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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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 opportunites 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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No. to identify the observations received from the public	Abrud, 25.07.2006
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 opportunites 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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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 opportunites 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.	72
No. to identify the observations received from the public	Câmpeni, 26.07.2006
Proposal	1. Is RMGC going to hire the people from ROŞIAMIN who have been dismissed? 2. During July 2006, following a release of the waters stored behind the Mihoieşti dam, the Arieş River has been heavily polluted on a 40-50 km distance downstream through the release of a large quantity of mud and sand. Has RMGC considered the issue of rehabilitating Arieş River? 3. The Roşia Montană lakes will also be populated, managed or supported? Who will be responsible for their management?

Solution

Any of the former RoşiaMin workforce would be welcome to apply for a position with Roşia Montană Project (RMP).

The 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].

Anyone who is interested in working for the project can register their interest via the 8 Human Resource Offices at the local level (in Roşia Montană, Abrud, Câmpeni, Zlatna, Baia de Arieş, Brad, Bucium, Vadu Moţilor, while for Lupşa and Bistra and the localities in between, the offices from Câmpeni and Baia de Arieş are the contact points), where they can also apply for training.

Please contact the RMGC's representatives:

- at the Rosia Montana office phone number: 0258 783014,
- Dana Mihon at ph. no.: 0729 399159; email address: dana.mihon@rmgc.ro,
- Tiberiu Mera at ph. no.:0729 399430; email address: tiberiu.mera@rmgc.ro,
- Raul Gombos: at ph. no.: 0729 399428; email address: raul.gombos@rmgc.ro

Center	Location	Open Days	Open hours	Assistant
Roşia Montană	Model House	Mo-Thu Fri	08:00 – 17:00 08:00 – 15:00	Mihon Dana Mera Tiberiu Raul Gomboş
Bucium	Bucium Town Hall – ground floor , Exploration Office	Mo	10:00 - 12:00	Gomboş Raul
Abrud	Abrud Town Hall – 1st floor, Information Center	Mo	12:30 - 15:30	Gomboş Raul
Brad	Brad Town Hall- Meeting Room	Mo	10:30 - 14:00	Mera Tiberiu
Zlatna	Zlatna Town Hall- Meeting Room	Tue	10:30 - 14:00	Gomboş Raul
Câmpeni	Culture House Avram Iancu, Cinema entrance	Wed	10:30 - 14:00	Mera Tiberiu
Baia de Arieş	Baia de Arieş Town Hall- Meeting Room	Thu	10:30 - 14:00	Gomboş Raul
Vadu Moţilor	Vadul Moţilor Town Hall- ground floor	Fri	10:30 - 14:00	Mera Tiberiu

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

References:
Roşia 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 Arieş River is polluted from its confluence with the Abrud River and below the discharge of the Roşia Poieni project. In the Roşia Montană Project, RMGC has committed to treat and clean river discharge water within the project area in the Corna and Roşia Montană drainage basins, which flow into the Abrud River. The commitment of the Company to capture and treat the water from these two large historic sources of pollution during the Project will significantly assist in the cleaning and rehabilitation of the water quality of the Arieş River. In addition, we will pay significant duties and taxes to the Romanian state, this will support regional development programs to support water cleaning. While the company has no authority to work in the Arieş River itself (which is outside the perimeter of our license) it is always willing to assist in some way should this become possible. We express our availability to form 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.

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The majority of the Roşia Montană's lake habitats - almost 70% - is located within the mine project's protected areas and will not be impacted by development. The Brazi, Anghel, Ţarină and Tăul Mare lakes will be affected only in so far as they will be involved in the ecological restoration program. The lake habitats that will be impacted by the project - Corna, Cartuş and Tăul Ţapului - will be managed in accordance with RMGC's Biodiversity Management Plan-Plan H. Under the plan, RMGC will to the greatest extent possible relocate all flora and fauna (including aquatic wildlife) to Roşia Montană's unaffected lakes. An operational plan for the relocation process is now being prepared.

In accordance with Water Law No. 107/1996 (see, in particular, articles 3 and 9) all lakes in the public domain are managed by the Roşia Montană Local Council. The unaffected lakes are also monitored by an anglers' association that intends to enter into a public private partnership with the local administration to promote sustainable types of development. RMGC has made itself available to assist the partnership's efforts.

Some of Roşia Montană's lakes were built 200 years ago to drive the region's ore grinding mills and have supported mining activities since then. Our Biodiversity Management Plan will ensure that lake habitats and mining activities will successfully co-exist following closure of the mine.

Item no.	73
No. to identify the observations received from the public	Câmpeni, 26.07.2006
Proposal	1. The questioner believes that the achievement of the project will bring nothing but losses and destructions for Apuseni Mountains, and Roşia Montană and Corna will completely disappear from country's map. 2. The Project will bring income only to the company because it will cash 80% of the profits while the Romanian state will get only 20% or even less, as assessed by the Bucharest Commercial Academy. 2.*(sic)* The questioner stipulates that the Romanian Academy has proposed several alternatives that have not been approved. 3. The questioner accuses the titleholder that is lying, because the economic, social, and environmental issues will not be resolved. 4. What will happen with the population after those 15-17 years of project's lifetime, what will the means of living be? 5. In a civilized country like Canada and USA, the dismissal of an entire human settlement loaded with history would never be endorsed.
Solution	It is important to remember that the affected area of the Roşia Montană Project 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. It is simply not accurate to suggest that Roşia Montană will disappear from the country's map. The Roşia Montană project as proposed in the EIA affects only four of the 16 sub-comuna that comprise Roşia Montană. An area of the village of Roşia Montană has been designated as a protected area, the proposal includes the renovation and restoration of the historical center of Roşia 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. * The Romanian State through the Ministry of Economy 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 are projected to be US$ 1,032 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 the project. * The Romanian Academy did not make any proposals to Roşia Montană Gold Corporation (RMGC).

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 Environmental Impact Assessment study report (EIA) to the Ministry of the Environment and Water Management (MEWM). 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. We would be happy to meet with the Academy to answer any questions regarding the project.

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

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According to the relevant legal provisions, the interested public may submit justified proposals on the environment impact assessment. Art. 44 (3) 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 statement of the attendant to the public consultations (i) refers to the alleged lies of the titleholder, without containing any specific indications on the alleged facts, and (ii) identifies and specifies no problems in regard of the project initiated by Roşia Montană Gold Corporation (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:
Roşia Montană Gold Corporation (RMGC) is committed to doing all it can to address and improve all economic, social and environmental issues related to the project. This commitment is identified in the Environmental Impact Assessment Study Report (EIA). In the spirit of dialogue and commitment to improvement, the company is always happy to discuss any specific issues that the questioner might have.

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.

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.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)
- 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)
- 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)
- 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).

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), 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 entitles Roşia Montană Sustainable Development Programs and Partnerships further in this annex (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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Taken over 20 years, the injection of investment into the area, if handled correctly, should stimulate other development. Roşia Montană Gold Corporation (RMGC) is committed to promoting long term development opportunities as part of the sustainable development plan.

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.

At the time of closure, the company will do all it can for the existing workforce in providing assistance in finding alternative employment. Given the skills base and experience that the workers will have acquired, this might be jobs on other mining projects in a region with significant resource development potential. Alternatively, RMGC will provide the opportunity of re-training and support in setting up alternative businesses.

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. It is hoped that, under the auspices of the United Nations Development Program (UNDP), 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.

RMGC established Roşia 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 Roşia Montană, Abrud, Câmpeni and Bucium. The objective is supporting local people in establishing small businesses or expanding existing ones.

The Roşia Montană Project (RMP) closure plan is also designed to return the site to productive public use.

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

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Even before Romania's admission to the European Union, RMGC had pledged to operate the Roşia Montană project in full compliance with all Romanian and European law and in accordance with international best practices. RMGC believes that Romania deserves the same standard of environmental and social protection that applies throughout the EU and in other developed countries such as Canada and the U.S.

Projects that need resettlement and relocation are not unusual. The World Bank has financed directly more than 500 projects throughout the world that needed this approach during the last 10 years. The social impact is addressed in the Resettlement and Relocation Plan designed by the company in accordance with the World Bank's guidelines, as best practices available.

The Roşia Montană project as proposed in the EIA does not propose the "eradication" of the locality of Roşia Montană. The project is not designed against the will of the community and has been developed so far with the support of the community. To put the resettlement issue in its 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, Roşia Montană will not be affected by the project.

An area of the village of Roşia Montană has been designated as a protected area, the proposal includes the renovation and restoration of the historical center of Roşia 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.