

Item no.

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No. to identify
the
observations
received from
the public

Câmpeni,
26.07.2006

Proposal

The questioner does not agree with the project and asks Câmpeni locals not to support the Project.

Solution

Please note that 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, while we disagree with your conclusion, we respect your opinion and thank you for participating in this important process of public consultation.

Item no.	75
No. to identify the observations received from the public	Câmpeni, 26.07.2006
Proposal	<p>The questioner makes comparative remarks between two villages: Remetea where pensions and hotels were established and Podeni where a mining project had the development option selected. He advises Câmpeni locals to think about their future not only for the next 14 years, because tourism is an alternative, it stands for sustainable development and the example of settlements from Arieș valley, from Gârda, Scărișoara, Albac exists; here tourism has been very well developed and the locals are living very well.</p>
Solution	<p>The questioner has shown that long-term development needs not to depend on a single industry or activity as, over time, the demand for this may fall and unemployment results. The more alternatives that assist, the stronger the economy will be.</p> <p>The Roșia Montană Project does not exclude alternative activities, amongst which tourism could be a very important component. Once the revenue from the mining investment will start to accumulate and circulate within the area, infrastructure will improve and money and funds will be more readily available for other economic activities. The project can be a catalyst for the development of the area.</p> <p>It is not our place to comment on Remetea and Podeni villages, but we can learn from these examples. Indeed, tourism is developing due to increased taxes resulting in better infrastructure and to more local clients who have more money to spend on tourism.</p> <p>The development of Roșia Montană's tourism potential can be done in parallel with active mining operations. Chapter (5) of the EIA Report identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other problems that have arisen through lack of inward investment. As described in Volume (14, 4.8) Social and Economical Environment, and in Volume (31), Community Sustainable Development Management Plans, there are currently some tourism activities in Roșia Montană. However the tourism industry is not at present a significant economic driver.</p> <p>Roșia 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, Roșia Montană and Baia de Arieș as alternative to mono-industrial mining activities" prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006. The INCDT report was not available when the EIA was prepared.</p> <p>However, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, 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, 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 Roșia 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 center of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monulești) and preserved monuments such as Tău Găuri - all of which would serve as tourist attractions. RMGC has commissioned a Tourism Strategy which sets out how the potential tourism markets and how these might best be approached in an integrated project, which is included in the reference documents to the Annex.</p>

Roşia Montană is in a good position to take similar advantage of its mining history: visitors can be shown mining technology old and new. Related examples have been discussed in a Tourism Strategy commissioned by RMGC which sets out how the potential tourism markets and how these might best be approached in an integrated project.

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Câmpeni,
26.07.2006

Proposal

1. Is the tailings management facility's dam built from rock fills or from rock resulting from stripping works, because, during the public debates, it was stated that it will be built from rock fills and the EIA states that it will be built from rocks resulted from open pits' stripping works?
2. The questioner wants to know how the project is going to be achieved, because both the Holy Synod of Romanian Church and all Episcopates: Roman Catholic, Greek Catholic, Unitarian and Calvinist ones, have decided that they will not sell their properties as long as a parishioner of the respective confessional exists at Roșia Montană. Will the Project be achieved over locals?

Solution

The "Tailings Facility Management Plan," Plan F of the EIA, describes that the dam will be built with rockfill materials for the shell of the dam, crushed rock for the drains and filter zones, and low permeability soil for the core of the dam. The rockfill for the dam shell zones will be obtained from either the onsite rock quarry or from waste rock (non-ore materials) from the mining operations.

Specifically, for the starter dam the rockfill for the shell zone will be obtained from the Șulei quarry. Subsequent raises will be constructed with rockfill from the mining operation. The crushed rock for the drain and filter zones will be obtained from the La Piriul Porcului quarry. The low permeability soil core for the dam will be obtained from the thick colluvial deposits within the tailings basin slopes.

The use of "waste" rock to construct the dam raises serves two purposes. First, it allows storage of waste rock, minimizing additional waste rock stockpiles. Second, it provides a structural material for constructing the TMF dam without expanding existing, or creating new, borrow areas.

Some of the materials to be used for raising the tailings dam are potentially Acid Rock Drainage generating, and therefore, seepage through and under the tailings dam may be acidic and contain metal ions. Therefore, a Secondary Containment System is provided downstream of the TMF dam to collect any possible ARD runoff, and to collect seepage that occurs through and under the TMF dam. The pervious dam concept has been selected for a number of reasons, primarily because with these proper controls, it reduces the potential for seepage from the tailings basin to the adjacent valleys and provides a higher margin of long-term safety.

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The comments by the Holy Synod and other churches date to 2003. Based on those comments, the Roșia 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 properties. 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.

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Câmpeni,
26.07.2006

Proposal

The questioner makes a comment on the mining projects that have been denied or the challenge of the projects won in court. He is presenting the sentence no. 613/2003 of the Greece Supreme Court that has annulled the environmental permit issued by the General Secretary Office of Ministry of Environment for the Olympiada Halkidiki mine proposed by Canadian-based company TVX Gold.

Solution

First, RMGC has committed to operate the Roşia Montană project in full compliance with Romanian and European law and in accordance with international best practices. This commitment includes full compliance with Directive 2006/21/EEC regarding the storage of the waste generated by extractive industries (the Mining Waste Directive). We hope you understand that neither RMGC nor Gabriel can comment on the alleged practices of another independent mining company.

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Câmpeni,
26.07.2006

Proposal

The questioner states the following comments, remarks, and questions:

1. The Romanian Academy and the Church are opposing the Project and this means that something is wrong with people's safety.
2. If the same importance will be granted to agriculture, tourism and mining a good thing would come up from Apuseni Mountains. If sport and tourism was performed, why isn't now possible to develop these activities? Because the funds provided by the EU have been rejected. And neither the Academy nor the Church has rejected them, but ill will people.
3. The Corna Dam that will reach a 180m height will impact the underground water and Arieş River, and the river's water will no longer be drinkable. Thus, the life of Apuseni Mountains will be uncertain.

Solution

The EIA process has attempted to establish an open dialogue with all concerned stakeholders to discuss the technical merits of the project and the specific technical design details. Public meeting have been held throughout Romania in an attempt to understand concerns regarding the project and to communicate the specific details of designs. As part of those efforts, RMGC has communicated that human safety is ensured by a global safety management system, in accordance with the international standards ISO, EU Directives Seveso II and Seveso III on the control of major accident hazards involving dangerous substances, the EU Directive on the management of waste from extractive industries and the International Cyanide Management Code. The Project includes essential elements, specific to its development.

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

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

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, including with members of the Academy, before submission of the EIA. RMGC would be happy to meet with the Academy to answer any questions regarding the project.

Similarly, the objections of the Romanian Orthodox Patriarchate and other churches were all dated prior to the submission of the environmental impact assessment study. This redesign is significant: it actually lowers the total yield of the mine by 900,000 ounces of gold. Thus the EIA as submitted does not reflect the project as the churches objected to it at the time. The Project is more favourable now from the point of view of both preservation of cultural patrimony, including churches, and environmental protection. RMGC would be happy to meet with the Romanian Orthodox Patriarchate and other religious leaders to answer any questions regarding the Project.

Contrary to what the opponents of the mining project claim, no one wants to destroy churches or cemeteries. Only two of Roşia Montană's seven churches and two houses of prayer of the existing three, 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. Church construction is a central element in the new community of Piatra Albă being built by the company.

The risk analysis and assessment presented in Chapter (7)-Conclusions (page 166) shows that the project has a medium level of risk and therefore acceptable under all international regulations in the field.

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

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

The company is committed to promoting long term development opportunities as part of the sustainable development plan. 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. These working groups will be made up of Government, community representatives and Roşia Montană Gold Corporation (RMGC). The working groups will welcome suggestions and contributions from all interested parties.

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

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

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The Corna Dam [also called the “Tailings Management Facility” (TMF) dam] will not negatively impact the area’s water table. Because of RMGC’s commitment to invest in environmental clean-up and restoration, the Roşia Montană Project (RMP) will actually improve water quality of the Arieş River.

All activities involving the Arieş River will be closely monitored by the Romanian government to ensure that RMP complies with NTPA 001/2002 (as modified), the very strict requirements for water quality which are derived from the EU standards. We understand your concern that the River or groundwater may be contaminated due to TMF seepage.

Further explanation and details follow:

The Roşia Montană Tailings Management Facility (TMF or “the facility”) has been designed to be compliant with the EU Groundwater Directive (80/68/EEC), transposed as Romanian GD 351/2005. The TMF is also designed for compliance with the EU Mine Waste Directive (2006/21/EC) as required by the Terms of Reference established by the MEWM in May, 2005. The following paragraphs provide a discussion of how the facility is compliant with the directives.

The TMF is composed of a series of individual components including:

- the tailings impoundment;
- the tailings dam;
- the secondary seepage collection pond;
- the secondary containment dam; and
- the groundwater monitoring wells/extraction wells located downstream of the Secondary Containment dam.

All of these components are integral parts of the facility and necessary for the facility to perform as designed.

The directives indicated above require that the TMF design be protective of groundwater. For the Roşia

Montană project (RMP), this requirement is addressed by consideration of the favorable geology (low permeability shales underlying the TMF impoundment, the TMF dam, and the Secondary Containment dam) and the proposed installation of a low-permeability (1×10^{-6} cm/sec) recompacted soil liner beneath the TMF basin. Please see Chapter 2 of EIA Plan F, "The Tailings Facility Management Plan" for more information.

The proposed low permeability soil liner will be fully compliant with Best Available Techniques (BAT) as defined by EU Directive 96/61 (IPPC) and EU Mine Waste Directive. Additional design features that are included in the design to be protective of groundwater include:

- A low permeability (1×10^{-6} cm/sec) cut off wall within the foundation of the starter dam to control seepage;
- A low permeability (1×10^{-6} cm/sec) core in the starter dam to control seepage;
- A seepage collection dam and pond below the toe of the tailings dam to collect and contain any seepage that does extend beyond the dam centerline;
- A series of monitoring wells, below the toe of the secondary containment dam, to monitor seepage and ensure compliance, before the waste facility limit.

In addition to the design components noted above specific operational requirements will be implemented to be protective of human health and the environment. In the extremely unlikely case that impacted water is detected in the monitoring wells below the secondary containment dam, they will be converted to pumping wells and will be used to extract the impacted water and pump it into the reclaim pond where it will be incorporated into the RMP processing plant water supply system, until the compliance is reestablish.

Most of the water used by the Project will be supplied from recycled water from the TMF. The water in the Arieş River water will be used as the potable water supply for the Project and as industrial water supply, using the fresh water supply system. For details on the water supply and use, see Volume 11 of EIA, Chapter 4.1 Water.

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Câmpeni,
26.07.2006

Proposal

The questioner supports the project

Solution

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

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

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

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

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

Item no.

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Câmpeni,
26.07.2006

Proposal

The questioner makes the following remarks and comments:

1. He would like to receive guarantees that he may live a quiet life in Roşia Montană, that he won't be affected by pollution, noise and dust.
2. Since RMGC arrived here, the area became polluted and no one allows them to establish farms in Roşia Montană. Only the ones holding a mining license may develop.
3. Although RMGC speaks about historic pollution, there are people of 80, 90 years old who live in Roşia Montană
4. The questioner would like to have his rights observed and he does not want to sell and leave from Roşia Montană.

Atmospheric pollutants occur everywhere in the ambient air, with less or higher concentrations, their emission sources being both anthropic (human activities) and natural.

As regards the atmospheric pollutants generated by the mining activities proposed by Roşia Montană Project, we specify that the area from the vicinity of the industrial perimeter, although relatively close to industrial site, is a part of its external areas and is exposed at the lowest extent to these pollutants. The sole pollutant which could influence, at a certain extent, the air quality from area is represented by particles. The Maximum concentrations of particles in the air neighboring the industrial perimeter will be of 4 up to more than 20 times lower than the standard value for the protection of the population's health. The concentrations of other pollutants to be generated by future mining activities in the area neighboring the industrial perimeter will be insignificant.

It is mentioned that any locality, irrespective of the existence of industrial activity, the quality of the air is given by the local sources inherent for day-to-day life of the residents, namely: heating, cooking, traffic, etc.

The levels of pollution by particles of the air neighboring the industrial perimeter, due to the effect of the local sources together with the future mining activities, will be lower than the limit values for population's health protection.

Solution

The atmospheric dispersion modeling has been performed using the best available techniques in order to simulate the transport of the pollutants generated by the mining activities outside the Project area. AERMOD incorporates through a new and simple approach the current concepts regarding flow and dispersion in complex terrains. If needed, the plume is modeled either with a trajectory impacting the terrain or with a trajectory following the terrain topography.

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

For the dust emission control from open pits and haulage roads of ore and waste rock, the following measures have been taken:

- Utilization of a new blasting technology, namely the sequential blasting technology which reduces drastically the height of the dust plume and dispersion area;
- Ceasing of the activities generating dust during the periods with intense winds or when the automatic monitor for particles installed in the Roşia Montană protection area indicates an alert situation;
- Implementation of a program for dust control on the unpaved roads during the drought seasons by means of watering trucks and inert substances for dust restraining. These measures will reduce the

dust emissions with 90%;

- Minimizing of the unloading height at manipulation/discharge of materials;
- Prescribing and application of speed limitation on traffic;
- Implementation of a program of periodically maintenance of vehicles and motorized equipments;
- Automatic monitoring of the air quality and meteorological parameters;
- Implementation of additional measures for dust emission control: ore and waste rock watering at the loading into trucks.

The noise and vibration management plan, Air quality management plan as well as the other management plans propose measures which proved their efficiency in similar projects and maintain the parameters of noise and vibration phenomena as well as the air quality within normal limits. These plans provide also the monitoring system of these parameters which will be implemented by the project as well as the potential proposed measures for their mitigation.

The blasting activities in open pits as well as the displacement of heavy equipments are allowed only if the parameters of the generated vibrations are maintained within the limits imposed by legislation.

The EIA study presents the admissible maximum limits regarding the security of buildings and the procedures keeping the vibration parameters within these limits. The pertinent blasting designs combined with blasting tests and step by step optimization corrections as well as the utilization of specific control and prevention measures and actions will assure the vibration, noise and dust parameters below the admissible limits.

Heavy equipments may produce ground vibrations. For this reason the measures stipulate roads design at great enough distances so that the vibrations will imply low amplitudes. Also, the transport speed in critical areas is reduced so that the vibration parameters will have values below the admissible limits stipulated by the standards in force for residential areas.

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Taking into account the fact that your statement refers to 2 distinct issues: (i) a potential pollution of the area and (ii) the development of certain farms, we kindly ask you to read the following aspects:

(i) The area is polluted as a result of the mining activities carried out over the last 2000 years and not because of the operations undertaken by S.C. Roşia Montană Gold Corporation S.A. (RMGC) in the area as the company has undertaken only geological research activities by means of drillings and underground sampling, in the existing galleries. These procedures have a negligible, short-term impact, which is felt only locally.

The Environmental Reports on the rehabilitation of the areas where drillings were performed, drafted at the end of every year of geological research campaigns, have been signed for conformity by the local authorities (the Territorial Inspection Department and the Local Environmental Protection Agency of Alba County) as well as by the regional and national authorities (the Regional Environmental Protection Agency of Sibiu County and the National Agency for Mineral Resources), thus confirming the complete rehabilitation of the areas where drillings were performed.

(ii) As far as the development of a farm is concerned, we underline the fact that the mining license, refers to only 25% of the territory of the Roşia Montană commune and corresponds to the historic mining area. Therefore, no farms had ever existed in this area, as it was known as a mining perimeter. Most of the lands in the Roşia Montană commune located outside the mining perimeter are not used either to establish farms, in the real sense of the word because they are located in a mountainous area where the soil is poor and not very suited for agriculture and the worm season lasts for 3-4 maximum per year. Therefore, there are no orchards in the area, as fruit cannot ripen. The area residents usually have their gardens and few animals in their yards. This is more a subsistence activity, but definitely not an income-generating one.

Concurrently, we underline the fact that there are mandatory legal provisions limiting the development of projects other than those designed to develop and process natural resources within mining perimeters. In this respect, we would like 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 carrying out all the operations related to the leased 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”.

To that end, 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.

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Historic pollution do not exclude people aged 80, 90 living there, and despite the presence of people aged 80 or 90 within Roşia Montană population, the commune shows the lowest life expectancy in the area [1].

The assessment of the population’s health status in the Roşia Montană commune, as well as in other localities situated nearby or farther away, has shown a higher frequency of severe chronic diseases in the case of the Roşia Montană local population. This population group is characterized by deficient health in comparison with the population groups living in its immediate vicinity or in localities situated farther away. Some of the investigated diseases have been significantly linked to the current quality of the environment. It should be noted that in some polluted areas in Romania (Coşşa Mica, Baia Mare), in Europe, or all over the world, people can sometimes reach the age of 80 or 90. Nevertheless, despite the presence of people aged 80 or 90 within the Roşia Montană population, the area shows the lowest life expectancy in the whole region, compared both to urban zones (Abrud, Câmpeni), rural areas (Bistra) or to data collected at regional and national level [1]. In conclusion, the existence of people aged 80 or 90 in a community is irrelevant when researching the average lifespan of people living in a locality. What is important is an indicator such as life expectancy, allowing a comparison between different population groups coming from different places.

Reference:

[1] Table 3-2, Figure 3-2, Chapter 3, *Demographic data*, page 14-15, vol. 5, *Health Baseline Report*

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RMGC acknowledges the property right of every person. All acquisitions of usage right over the properties necessary for RMP development are and will be done with the observance of the legal methods provided for by art. 6 of the Mining Law no. 85/2003: (i) sale-purchase, for the price agreed upon by the parties; (ii) land exchange, with the relocation of the affected owner and the reconstruction of the buildings on the newly granted land, at the expense of the titleholder benefiting from the land released, as per the convention between the parties; (iii) renting of the land for a fixed-term period, based on agreements between the parties; (iv) land concession, etc.

The company will also seek options to redesign the mine plan to allow this owner to retain his/her property, unaffected by the mine.

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

In order to acquire the necessary properties, the company has established a property purchase program compliant with the RRAP guidelines developed by the World Bank. 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 the 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 56% of the properties needed to construct the project and operate the mine for the first five years have been acquired.

Of those properties needed but not yet acquired, 98% have been so far 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.

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.

In this respect, 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 the mining activities in the exploitation perimeter.

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

In conclusion, the expropriation, in exchange of a fair and prior compensation, made in accordance with the legal and constitutional provisions, represents one of the modalities of obtaining 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.

Item no.

81

No. to identify the observations received from the public

Câmpeni,
26.07.2006

Proposal

The questioner makes the following remarks and comments:

1. Mr. O'Hara came to Roşia Montană to see if the archaeological discharge certificate for Cârnic has been legally issued or not. He stayed for one single day, and subsequently he prepared a very detailed study from social, economic, cultural, etc point of views on issues that were impossible to see during one day. Mr. O'Hara is not a mining archaeologist expert, but an underwater archaeologist.
2. RMGC claims that in Câmpeni no tourism may be developed, but the National Institute for Research and Development in Tourism has conducted a study, which was published in April 2006, from which one could clearly see that this area has a great tourism potential and may bring benefits from social and economic points of view.
3. In order to achieve its Project, RMGC must own 100% of the land and currently it only owns 17% of Roşia Montană's lands.
- 3.(sic) The company states that no churches will be destroyed and that the Project's opponents who are speaking about 9 churches and 10 graveyards exaggerate. The questioner underlines that the church is not only a building but it has a critical function. A church may be decommissioned only when it has no function.

Mr. Eddie O'Hara's visit took place from the 11th to the 15th of July 2004 (Report-Appendix and visit schedule). The PACE delegation was led by Mr. Eddie O'Hara MP (General Rapporteur for Cultural Patrimony) and also included Mr. Christopher Grayson (Head of Secretariat for Culture, Science and Education) accompanied by Mrs. Mihaela Drăghici (The Romanian Delegation Secretary), Mr. Dan Chirlomez (Head of Protocol in the Romanian Senate) and Mss. Michaela Stătescu (translator).

During the visit, local county authorities, local authorities in Roşia Montană, civil society (NGO), independent representatives of the archaeological research team, researchers who have opposing opinions with regards to the Roşia Montană Mining Project, representatives of the Ministry of Culture and religious Affairs, representatives of Romanian Academy, representatives of the Ministry of the Environment and Water Management, representatives of the Ministry of European Integration, as well as of the Romanian Parliament, the management team of RMGC, were all engaged in discussions and their views sought and recorded.

We repeat verbatim a few of the conclusions of this report:

Solution

- The RMGC project would appear to provide an economic basis for sustainable development of the whole area with positive benefits on environmental and social as well as cultural grounds. From the cultural heritage point of view, it might be seen as an exemplary project of responsible development. The funds currently made available by RMGC for research (archaeological, ethnological, and architectural) are many times what could be expected from the Government. This has revived the international renown of the site. Further significant finds may still be made.
- Concern has been expressed by critics over the procedure (allegedly superficial archaeological discharges) and conservation ethics, involving the programmed destruction of Roman galleries. This concern does not appear to be entirely justified. The reworked galleries in the areas of the main pits Cârnic and Cetate appear empty of any archaeologically remains. Tourist access to most galleries would be impossible. However the conditions must clearly be imposed of continued archaeological excavation and monitoring of what is found.
- Opposition to the RMGC project is substantial. It is not altogether easy to explain. It is linked to the profits that can be made with regards to the values of local properties. It has been linked to profiteering on local property values. It seems in part exaggerated. The supposed environmental risks do not take account of modern mining techniques and in fact RMGC project will help to clear up existing pollution caused by Minvest. The academic arguments are possibly correct in principle but appear excessively fundamentalist.
- Research does not necessarily imply the need for everything found to be preserved and the

academic ideal of total in situ preservation is perhaps not always and altogether appropriate in a situation of rescue archaeology and a commercial world. This is certainly so the case of in situ preservation of the Roman galleries at Roşia Montană. There are over 5 km of them, apparently with a limited variety of distinctiveness and few surviving remains in them. Most of them are inaccessible, indeed dangerous of access to tourists. Alternative proposals such as designation of the whole area as cultural landscape to be developed for tourism, lack viability. The only available source of funding for this is from the company which wishes to exploit the mineral resources. Certainly there is a need to determine and preserve a representative sample of galleries accessible for tourists, at Cătălina Monuleşti and/or Orlea, and certainly there is a need for continuous monitoring to ensure the preservation of anything of distinctive archaeological value which is revealed in the course of mining or archaeological exploration. This is the responsibility of the Ministry of Culture.

- A balance of benefits appears achievable to both the needs of the cultural heritage of Roşia Montană and the business of RMGC. If that balance is overturned by the demands of either the Government or the Company, the project may not go ahead. In that case there will be a considerable setback to the opportunity for the development of cultural tourism in this area of exceptional historic interest.”

As far as mining archaeology is concerned, Mr. O'Hara's conclusions are based on his visit in the underground and the information provided by Beatrice Cauuet, PhD, prominent European archaeologist having internationally recognized expertise in the field of mining archaeology.

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The study by the National Institute for Research and Development in Tourism, prepared just as SC Roşia Montană Gold Corporation SA (RMGC) was submitting its Environmental Impact Assessment study report (EIA) for the Roşia Montană Project (RMP) in April 2006, does indeed detail a very broad range of touristic opportunities in the region.

The issue is not with the potential of tourism, but with the investments in infrastructure – which today are totally lacking in Roşia Montană – that would give tourism a base on which to build.

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

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

*

It is true that RMGC must acquire usage right over 100% of the property in the mine project area, which involves 4 of the 16 sub-comuna in Roşia Montană.

However, this does not mean RMGC should own 100% of the lands necessary for the project development, but to acquire usage right over it, by any of the methods provided for by art. 6 of the Mining Law no. 85/2003: (i) sale-purchase, for the price agreed upon by the parties; (ii) land exchange, with the relocation of the affected owner and the reconstruction of the buildings on the newly released land, on the expense of the titleholder benefiting from the land released, as per the convention between the parties; (iii) renting of the land for a fixed-term period, based on agreements between the parties; (iv) land concession, etc.

Moreover, it is not necessary, to acquire usage right over all 100% prior to commencing the project. Presently, RMGC owns more than 56% of the properties required for the construction phase and the first five years of operation. The program through which properties are being purchased is designed in accord with World Bank guidelines.

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The two churches from Corna that are going to be relocated will be rebuilt by Company within the resettlement sites. Their function is not affected, these being rebuilt where the communities choose to be relocated.

Item no.

82

No. to identify the observations received from the public

Câmpeni, 26.07.2006

Proposal

The questioner makes the following remarks and comments:

1. Câmpeni is not a mining area, but it is within the impact area of the Project and this will make the locality to lose tourists.
2. The report states that the dam will be built on low-permeability bedrocks with no lining, and no geomembranes and that the water tends to follow the path that opposes the lowest resistance and that is why there is no need for lining because all the water will flow through the main dam. However, this is not true for all cases: in the case of springs – and there are many springs in Corna valley – the water from the underground waters climbs through the fractures of these low-permeability rocks and exits at surface. Therefore these rocks allow water to pass through them and the tailings contain compounds that enter these fractures and create a large pressure. The tailings from TMF produce acid waters that on their turn contain - in addition to cyanides - sulphur, ammonia and heavy metals. These elements under the pressure exerted by tailings accumulating on top will enter these fractures and consequently will enter the spring waters and in underground waters.
3. The questioner would like to learn the annual exact figures, the exact quantities for S, NH₃ and heavy metals that will enter the underground waters (not data like: several, some, or moderate). He underlines the fact that company's representatives must not claim that there are no underground waters, because from data secured from Romanian Waters Authority it clearly results that these waters exist and there are also counted springs.

Solution

The qualitative and quantitative analysis and assessments undertaken and presented in Chapter 7 *Risks* in The Environmental Impact Assessment show quite clearly that Câmpeni town will not be impacted by the risk factors associated with the development of the project. For that reason, we see no negative effect on Câmpeni's attractiveness as a tourist destination. [1]

On the contrary, it is estimated that the number of tourists in the area will increase, following the enhancement of the historic centre of the Roşia Montană locality and of some segments of Roman mining galleries and their development as tourism attractions.

Moreover, in the last years the Câmpeni town has experienced an infusion of capital as companies associated with the development of the Roşia Montană project have established their administrative headquarters in Câmpeni and have used local direct services.

The most important transport paths of the substances released as a result of the operations developed by RMGC are as follows:

- the water system Corna-Abrud-Arieş, and Roşia-Abrud-Arieş, situated downstream of the Câmpeni town;
- the air, with a high capacity and dynamics for self-purification (no winds in the area-17.7 % of the time). The main directions for the transfer of any possible pollutants (SW and NE , for almost half of the year) do not cross the Câmpeni town (the meteorological data have been taken from the Annex) 'Average meteorological data, Roşia Montană weather station, (1988-2005)'.

References:

[1] Subchapter (4.9), The EIA Report

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An engineered liner is included in the design of the Tailings Management Facility (TMF) basin to be protective of groundwater. Specifically, the Roşia Montană Tailings Management Facility (TMF or "the facility") has been designed to be compliant with the EU Groundwater Directive (80/68/EEC), transposed as Romanian GD

351/2005. The TMF is also designed for compliance with the EU Mine Waste Directive (2006/21/EC) as required by the Terms of Reference established by the MEWM in May, 2005. The following paragraphs provide a discussion of how the facility is compliant with the directives.

The TMF is composed of a series of individual components including:

- the tailings impoundment;
- the tailings dam;
- the secondary seepage collection pond;
- the secondary containment dam; and
- the groundwater monitoring wells/extraction wells located downstream of the Secondary Containment dam.

All of these components are integral parts of the facility and necessary for the facility to perform as designed.

The directives indicated above require that the TMF design be protective of groundwater. For the Roșia Montană project (RMP), this requirement is addressed by consideration of the favorable geology (low permeability shales underlying the TMF impoundment, the TMF dam, and the Secondary Containment dam) and the proposed installation of a low-permeability (1×10^{-6} cm/sec) recompacted soil liner beneath the TMF basin. Please see Chapter 2 of EIA Plan F, "The Tailings Facility Management Plan" for more information.

The proposed low permeability soil liner will be fully compliant with Best Available Techniques (BAT) as defined by EU Directive 96/61 (IPPC) and EU Mine Waste Directive. Additional design features that are included in the design to be protective of groundwater include:

- A low permeability (1×10^{-6} cm/sec) cut off wall within the foundation of the starter dam to control seepage;
- A low permeability (1×10^{-6} cm/sec) core in the starter dam to control seepage;
- A seepage collection dam and pond below the toe of the tailings dam to collect and contain any seepage that does extend beyond the dam centerline;
- A series of monitoring wells, below the toe of the secondary containment dam, to monitor seepage and ensure compliance, before the waste facility limit.

In addition to the design components noted above specific operational requirements will be implemented to be protective of human health and the environment. In the extremely unlikely case that impacted water is detected in the monitoring wells below the secondary containment dam, they will be converted to pumping wells and will be used to extract the impacted water and pump it into the reclaim pond where it will be incorporated into the RMP processing plant water supply system, until the compliance is reestablish.

The possibility for lateral seepage flowing around the secondary containment facilities was investigated as part of the design studies. The hydrogeologic studies in the Corna valley indicated that groundwater was flowing toward the valley bottom and that the final elevation of the tailings pond surface was less than the elevation of the existing groundwater levels. Therefore, it is considered that there will not be gradient for groundwater to flow to the adjacent valleys. The groundwater elevations in the sides of the TMF basin have been monitored over a five year period and only indicate small seasonal variations.

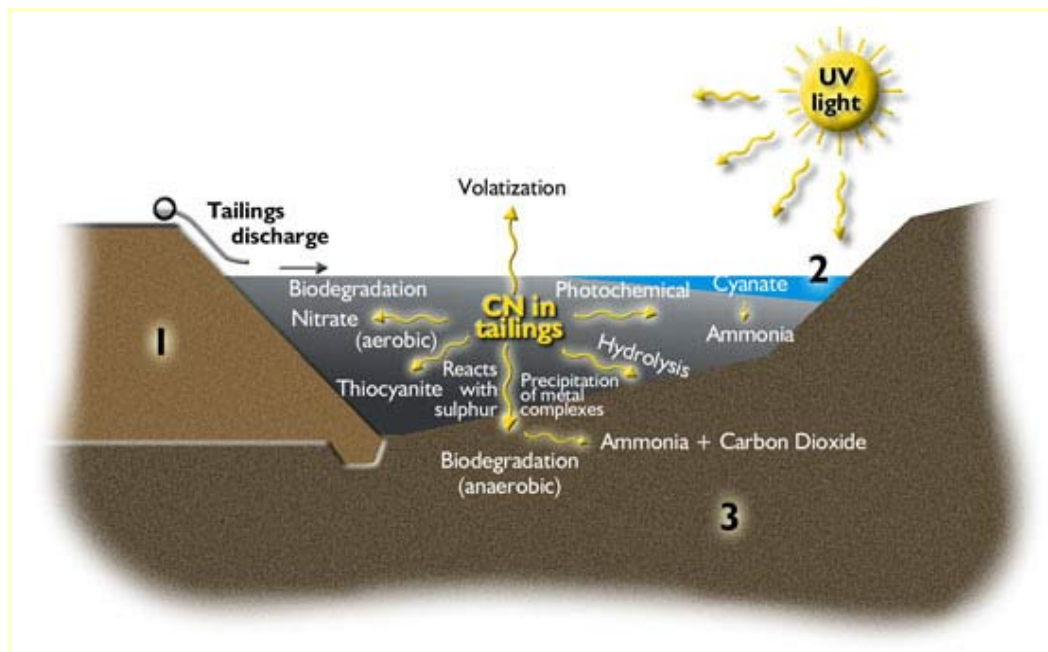
The tailings facility water will not be acidic when it is deposited in the TMF basin. In fact it will be mildly alkaline. The tailings material does have the potential to generate acidic conditions. However, due to the flooding and rapid deposition of the tailings pond, significant oxidation which may facilitate ARD generation is not likely to occur.

Some cracks (fissures) occurring in the bedrock are known to exist and have been described in the Hydrogeology Baseline Report (Volume 2). However, the fissures are largely encountered in the upper bedrock of the Corna Valley and are superficial, as described in the Hydrogeology Baseline Report. This surface fracturing, as well as the colluvium and alluvium surficial layers are the main groundwater resource and provide a limited water supply accessed via springs and shallow wells. The deeper bedrock is relatively impermeable. As described in the Hydrogeology Baseline Report, section 4.4.1, focus has been on a likely bedrock faults occurring at high depth in the Corna Valley, that was considered a possible channel for drainage from the tailings pond. However, the geological mapping and hydraulic testing in this area showed that the hydraulic conductivity is low (10^{-6} cm/sec) and characteristic for the local bedrock. Therefore, there the risk for water

contamination is low.

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The major part 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 on the Environmental Impact Assessment (EIA)) 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 on the plant site, and only 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 the operations' phase. The Model compiled for the degradation process shows that the cyanide concentration may decrease to 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 / hydrolysis, as cyanic acid. The mathematical 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 $\mu g/m^3$, which is the concentration allowed by the Order no. 462 of the Ministry of Environment and Waters' Management.

In what concerns the quantity of S, NH₃ and heavy metals, this will remain in the TMF. The technology described in Chapter 2 – Technological processes or the TMF Management Plan, Section 3.2 – The Chemistry of clarified water, the tests conducted by the consultants working on the overall design show that the composition of the process tailings is as presented below. The sulphur can be associated with certain metals as sulphides, and the percentage of NH₃ is from 6.6 to 25 mg/L.

Table Error! No text of specified style in document.-1.The chemistry of the clarified water (with detoxified tailings)

	Sample ⁽²⁾			TN001 Standard		Sample ⁽²⁾			TN001 Standard
	RM1	RM2	RM3			RM1	RM2	RM3	
Total Cyanide ⁽³⁾	1.13	5.09	3.29	0.1	Manganese	0.3	0.8	<0.1	1
WAD Cyanide ⁽³⁾	0.37	0.77	0.22	...	Molybdenum	0.4	0.3	0.4	0.1
Thiocyanate	70	69	91	...	Sodium	725	900	705	..
Cyanate	390	390	350	...	Niobium	<0.1	<0.1	<0.1	...
Thiosalts	<2	<2	2.50	...	Neodymium	<0.01	<0.01	<0.01	...
Ammonia	6.6	7.3	25	2	Nickel	0.20	0.40	0.20	0.5
Gold	0.0085	0.043	0.0165	---	Phosphorus	<1	<0.5	<1	...
Silver	<0.05	<0.05	<0.05	0.1	Lead	<1	<1	<1	0.2
Aluminium	<0.2	0.2	0.20	5	Praseodymium	<0.005	<0.005	<0.005	...
Arsenic	0.30	<0.2	0.20	0.1	Rubidium	0.35	0.35	0.50	...
Boron	0.20	0.2	0.40	...	Sulphur	660	1,030	962	...
Barium	<0.05	<0.05	<0.05	...	Sulphate ⁽¹⁾	1,980	3,090	2,886	600
Beryllium	<0.02	<0.05	<0.02	...	Antimony	0	0.28	0.06	...
Bismuth	<0.02	<0.02	<0.02	...	Scandium	<0.5	<0.1	<0.5	...
Calcium	401	675	707	300	Selenium	<5	<5	<5	0.1
Cadmium	<0.5	<0.1	<0.5	0.2	Silicon	8	6	8	...
Cerium	<0.01	<0.01	<0.01	...	Samarium	<0.01	<0.01	<0.01	...
Cobalt	0.40	0.40	0.80	1	Tin	<0.2	<0.2	<0.2	...
Chromium	<0.2	<0.2	<0.2	1	Strontium	1.4	2.1	2.1	...
Cesium	<0.02	<0.02	<0.02	...	Tantalum	<0.005	<0.005	<0.005	...
Copper	0.10	0.10	0.10	0.1	Terbium	<0.005	<0.005	<0.005	...
Dysprosium	<0.01	<0.05	<0.01	...	Tellurium	<0.1	<0.1	<0.1	...
Erbium	<0.01	<0.05	<0.01	...	Thorium	<0.01	<0.01	<0.01	...
Europium	<0.002	<0.05	<0.002	...	Titanium	<0.2	<0.2	<0.2	...
Iron	0.20	1.4	1.0	5	Thallium	<0.01	<0.01	<0.03	...
Gallium	<0.2	<0.1	<0.2	...	Thulium	<0.005	<0.005	<0.005	...
Gadolinium	<0.05	<0.05	<0.05	...	Uranium	<0.01	<0.01	<0.01	...
Germanium	<0.5	<1	<0.5	...	Vanadium	<0.5	<0.5	<0.5	...
Hafnium	<0.1	<0.1	<0.1	...	Tungsten	<0.1	<0.1	<0.1	...

Mercury	<0.01	<0.01	<0.01	0.05	Yttrium	<0.01	<0.01	<0.01	...
Potassium	142	136	132	...	Ytterbium	<0.01	<0.01	<0.01	...
Lanthanum	<0.01	<0.01	<0.01	...	Zinc	<0.2	<0.1	<0.2	0.5
Lithium	<0.1	<0.1	<0.1	...	Zirconium	<0.1	<0.1	<0.1	...
Magnesium	5.4	14.4	8.2	100					
Notes: (1) The calculations are based on the assumption that the total sulphur is sulphide. Units of mg /L The results are obtained in laboratory environment; they might not be the same in practice < Shows not identifiable within the limits of the testwork									

Source of information: Cyplus/INCO 2004 – Test Program to Evaluate Cyanide Destruction Option Using SO₂/Air and Peroxygen-Based Technologies for the Treatment of Roşia Montană Leach Effluent.

The Corna Dam [also called the “Tailings Management Facility” (TMF) dam] will not negatively impact the area’s water table.

The possibility for lateral seepage flowing around the secondary containment facilities was investigated as part of the design studies. The hydrogeologic studies in the Corna valley indicated that groundwater was flowing toward the valley bottom and that the final elevation of the tailings pond surface was less than the elevation of the existing groundwater levels. Therefore, it is considered that there will not be a gradient for groundwater to flow to the adjacent valleys. The groundwater elevations in the sides of the TMF basin have been monitored over a five year period and only indicate small seasonal variations.

An engineered liner is included in the design of the Tailings Management Facility (TMF) basin to be protective of groundwater. Specifically, the Roşia Montană Tailings Management Facility (TMF or “the facility”) has been designed to be compliant with the EU Groundwater Directive (80/68/EEC), transposed as Romanian GD 351/2005. The TMF is also designed for compliance with the EU Mine Waste Directive (2006/21/EC) as required by the Terms of Reference established by the MEWM in May, 2005. The following paragraphs provide a discussion of how the facility is compliant with the directives.

The TMF is composed of a series of individual components including:

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- the secondary seepage collection pond;
- the secondary containment dam, and
- the groundwater monitoring wells/extraction wells located downstream of the Secondary Containment dam.

All of these components are integral parts of the facility and necessary for the facility to perform as designed.

The proposed low permeability soil liner will be fully compliant with Best Available Techniques (BAT) as defined by EU Directive 96/61 (IPPC) and EU Mine Waste Directive. Additional design features that are included in the design to be protective of groundwater include:

- A low permeability (1x10⁻⁶ cm/sec) cut off wall within the foundation of the starter dam to control seepage;
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- 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;
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In addition to the design components noted above specific operational requirements will be implemented to be protective of human health and the environment. In the extremely unlikely case that impacted water is detected in the monitoring wells below the secondary containment dam, they will be converted to pumping wells and will be used to extract the impacted water and pump it into the reclaim pond where it will be incorporated into the RMP processing plant water supply system, until the compliance is reestablished.

Item no.	83
No. to identify the observations received from the public	Câmpeni, 26.07.2006
Proposal	<p>The questioner comments the “Tanzanian model” of a mining company where no legal license existed, and forced evacuation have been performed, 55 miners have been buried alive, and no compensations have been paid for the damages.</p> <p>He will like to learn if this model will also be implemented at Roşia Montană and asks for supplementary clarifications on this issue: what a Tanzanian model means and if at Roşia Montană people are going to be buried alive provided that they refuse to leave.</p>
Solution	<p>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”) <i>”during the public debate meeting the project titleholder [...], provides grounded answers to the <u>justified proposals of the public</u>, which were received under a written form, previously to the respective hearing”;</i></p> <p>At the same time, art. 44 (3) of Order no. 860/2002 provides that <i>” based on the results of the public debate, the relevant authority for the environmental protection <u>evaluates the grounded proposals/comments of the public and requests to the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions for the solving of the indicated issues”.</u></i></p> <p>Considering the legal wordings quoted above, as your allegation does not identify nor indicate issues related to the project initiated by RMGC and undergoing the environment impact assessment procedure, we mention that the project titleholder cannot and does not have the capacity to provide an answer or make any comments in this respect.</p> <p>Nevertheless, we underline the fact that the model RMGC will employ in Roşia Montană will be based on a commitment to community development, fairness to workers, opportunity for local residents, and social benefits.</p> <p>The company is also committed to an honest debate, which is why it is important to get the facts about Tanzania on the table.</p> <p>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.</p> <p>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.</p> <p>When World Bank investigators found individuals allegedly dead very much alive, they concluded that the allegations lacked any validity.</p>

Item no.

84

No. to identify
the
observations
received from
the public

Câmpeni,
26.07.2006

Proposal

The questioner proposes an alternative for the area's development with a communitarian financial support.

Solution

The EIA report indicates that the existing baseline conditions are characterized by widespread water pollution and the presence of large areas of derelict mined land and waste heaps. This presents a serious impediment to development other than that proposed under the Project. Remediation of the area would be very expensive and certainly beyond the means of the local community. However, Chapter (5) of the EIA Report (*Assessment of the Alternatives*) examines alternative options for the RMP including the "no-project" option. The EIA considered alternative developments that include agriculture, grazing, meat processing, tourism, forestry and forest products, cottage industries, and flora/fauna gathering for pharmaceutical purposes. It concluded that none of these industries could provide the economic stimulus to assure sustainable prosperity for local communities as is forecast for the Project. However, it also noted that the Project would not halt development of alternative industries in parallel and would indeed remove some of the current obstacles for sustainable development, such as pollution and land dereliction. The Project would therefore support the community's initiatives to develop industries other than mining and this is central to the *Community Sustainable Development Management Plan* attached to the EIA report (Plan L).

Item no.

85

No. to identify the observations received from the public

Câmpeni,
26.07.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.

86

No. to identify the observations received from the public

Câmpeni,
26.07.2006

Proposal

The questioner makes the following remarks and comments:

1. The company claims that the alteration of the 2000 Urbanism Plan affects only 25% of Roșia Montană, but this 25% represents exactly the percentage belonging to the Alburnus Maior's members.
2. The questioner reads an answer received by Mr. Eugen David to a letter from 2003 regarding the establishment of an agro-tourist motel on his property through which he was notified that according to Roșia Montană PUG all dwellings and social functions for industrial protected area are strictly forbidden.
- 2.(sic)The Community Sustainable Development Plan has no author, although it is a very important plan. At page 66 of this plan it is mentioned an independent study on Roșia Montană tourism. He would like to know who prepared this study and where this person can be found and consulted because during presentation of conclusions – presented more like some value judgments – no references have been mentioned.
- 3.(sic)Who has prepared the tourism plan? The conclusions are merely some value judgments and no reference is made to bibliographical sources.
- 4.(sic)In chapter V, the one on alternatives it is mentioned that no alternative development to mining is possible at Roșia Montană at the moment. On 3 pages, value judgments are stated, like the one on the 0 Alternative, no project alternative respectively, which is stated that it is not possible.
He wants to receive a list of all studies and of all independent certified or not experts who have been consulted to reach to these conclusions.

There is no connection between the 25% of Roșia Montană - 4 out of its 16 sub-comuna - that is affected by the RMP and properties owned by supporters of Alburnus Maior who actually live in Roșia Montană.

The alteration of the urbanism plans was not made in consideration of Alburnus Maior supporters or other inhabitants of the area, but 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 („GD no. 525/1996”) (*“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 ensure the carrying out of all operations necessary for the development of the mining activities granted into concession”*).

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Solution

Through the management plans, the Roșia Montană Project encourages the development of tourism activities and the diversification of services supplied in the project area and in the surrounding areas, activities which are considered as imperative. Several partnerships have been initiated and developed in this respect, among which:

- The Micro-bank set up in order to finance small businesses;
- The training and skill development programs available for the people in Roșia Montană and in the neighboring communities;
- The development and counseling program for young people conducted through the CERT Apuseni Resources Centre for Youth, which operates in the town of Abrud.

The General Urbanism Plan (PUG) developed in 2002 for the entire Roșia Montană settlement included town planning regulations for all 16 villages included in Roșia Montană Commune, as well as a protected area, comprising historical buildings.

RMGC's proposed project covers only 25% of the Roşia Montană commune, affecting only 4 of the 16 villages of the commune, and the restrictions related to the construction of facilities, other than the industrial ones, apply only to this part of the commune and are regulated in compliance with the legal provisions in force. The remaining 75% of the Roşia Montană commune is not subject to the restrictions generated by the mining project.

The General Urbanism Plan has been presented to the public and subject to public debates, therefore all interested persons have been able to express their opinion regarding the development opportunities of the commune. After the completion of the public participation stage, the General Urbanism Plan has obtained all necessary permits from the competent ministries, from Alba County Council, the Urbanism Committee, Alba Environmental Protection Agency, the network operators and the final permit from Roşia Montană Local Council.

We also underline 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 mining perimeters. In this respect, we want to mention the following legal provisions:

- (i) art. 4(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.

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The authors of the Community Sustainable Development Plan are: Gecko Environment, The Netherlands and a team of consultants from Babeş – Bolyai University, Cluj Napoca. All Environmental Impact Assessment Study Report (EIA) authors are listed at the beginning of the Non-Technical Summary of the EIA [1].

The independent study referred to on p.66 of the Non-Technical Summary is "Tourism assessment survey of the Roşia Montană Commune, România, 2006" written by Salanta M., et al (Babeş – Bolyai University).

Since then two additional relevant studies were produced: "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.

Roşia Montană Gold Corporation (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).

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

References:

[1] The Rosia Montana Project EIA Volume 19, Chapter 19: Non-Technical Summary.

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The independent study referred to on p.66 of the Non-Technical Summary is “Tourism assessment survey of the Roşia Montană Commune, România, 2006 ” written by Salanta M, et al (Babeş – Bolyai University, Cluj Napoca).

Since then two additional relevant studies were produced: “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 (MMGA)

Roşia Montană Gold Corporation (RMGC) has commissioned a Tourism Strategy which sets out how the potential tourism markets and how these might best be approached in an integrated project (see Annex Roşia Montană Tourism Strategy Gifford Report 13658.R01).

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The judgments contained in the EIA are based on in-depth examination, and assessment of the economic, cultural and social factors prevalent in the region. Rather than suggest there is no alternative to mining, Chapter 5 (*Assessment of Alternatives*) examines potential for developing other industries that could possibly support the sustained economic growth of the region (See Section 1.2 of Chapter 5). These include agriculture and grazing, tourism, forest-related industries, cottage industries and exploitation of flora for pharmaceutical purposes.

It is concluded that none of these industries has the potential to support economic growth to the degree forecast for the RMP. The rough terrain with low fertility soils restricts the land use to low productivity practices, such as grazing and mowing. The arable area is small and fragmented, being near local villages. Due to low edaphic volume, modern farm machinery cannot be used. Primary natural habitats are almost completely absent. Mining and associated activities have led in time to changes in the land use due to the construction of houses, development of agricultural land, and extension of logging areas. High intensity of use, coupled with drier and hotter micro-climate on these slopes, has resulted in impoverished and low-productivity meadows. These conclusions are supported by qualified experts in soil, biodiversity, water and landscape. Their names are listed in the report.

The report also notes that operation of the RMP does not preclude the development of these other industries and indeed, RMP’s beneficial impacts remove serious impediments to their establishment – such as the inward investment to improve infrastructure, the creation of demand for goods and services and the remediation of land dereliction and pollution.

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

The baseline data used in regard to alternative industries are taken from *Social & Human Problems in the Mining Zone Roşia Montană*. The Certified Authors of the EIA study are set out in Chapter 1 of the EIA Report (*General Information*).

Item no.

87

No. to identify the observations received from the public

Câmpeni,
26.07.2006

Proposal

The questioner makes the following remarks and comments:

1. Greenpeace is not opposing mining, but is opposing to mining by using cyanide, especially due to the fact that this project is developed at such a large scale and it is a hazard to this area.
2. There is hydrocyanic acid in the tailings facility that will evaporate at 26°C. How will RMGC prevent this evaporation that will cause acid rains?
3. What will the titleholders intend to do for locals from Roșia Montană and neighboring areas, after they leave for Canada, after 14 years respectively?
4. Why wasn't any public debate organized in Baia Mare, taking into account the fact that Baia Mare faced these types of experiences. Probably the answer will be that Baia Mare is not an impact area, but Baia Mare has something to say on this issue.
5. Greenpeace encourages sustainable development, and admits that Apuseni Mountains and Roșia Montană areas have an extraordinary tourism potential. Here tourism and agriculture may be performed and Greenpeace encourages locals to do that.

Most gold extraction operations worldwide – more than 400 mines around the world – use cyanide as a filtration agent. It is a proven process, with known risks and well-established risk management and mitigation measures.

At Roșia Montană, the Tailings Management Facility will be constructed to the highest international standards. The facility will be constructed to be an environmentally safe location for the permanent deposit 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 ppm, well below the regulatory limit of 10 ppm recently adopted by the EU in the Mine Waste Directive.

Solution

RMGC assessed alternatives to cyanide, but determined that these alternatives are generally less efficient, require more sophisticated operating conditions (e.g. high temperatures and low pH), and require higher concentrations and higher volumes of extraction agents. Because of these factors, RMGC believes that these alternatives pose an increased risk of accidents, due to the large quantities that would need to be handled and stored, while creating health and environmental risks that are similar or sometimes higher than those of cyanide. Moreover, the use of such technologies does not preclude the building of the tailings management facility nor the risks associated with its existence [1].

[Chapter (5) *Alternatives*, Subchapter (4) in the EIA Report presents an in-depth assessment of the gold mining alternatives.]

References:

[1] The EIA Report, Chapter (8.2), p. (162-164)

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The tailings dam will never contain hydrogen cyanide, simply because this is a gaseous product which results from the CN volatilization process, at low pH, i.e. pH under 8.50% CN turns into HCN. The acid rains usually occur due to certain compounds of S or N in the air, or due to the emissions of certain strong acids (such as sulphuric acid, azotic acid or chlorine); the operations to take place on the proposed Project site don't have such potential. HCN has two characteristics: is very low soluble and doesn't react to water drops and breaks down quickly in the atmosphere – it turns into carbonate.

The assessment of the HCN emissions is based on a Model summarized in Volume 12, Chapter 4.2 Air. AERMOD, Version 99351. -EPA, 2004. User's Guide for the AMS/EPA Regulatory Model – AERMOD.

EPA-454/B-03-001, was used for modeling the dispersion of HCN. Please also see: http://www.epa.gov/scram001/dispersion_prefrec.htm#aermod. The concentrations estimate were much below the awareness limits stipulated by the standards for the air quality.

The Cyanide management Plan and the Air quality management Plan present clear solutions to prevent / reduce / remove the potential impact of the HCN emissions; starting from the results of the HCN dispersion model, we present here some of them:

- the sodium cyanide will be handled in liquid form only, as from the unloading from the supply trucks, up to the time it is discharged onto the TMF, within the tailings; the sodium cyanide is represented by alkaline solutions of high pH (over 10.5-11) of various sodium cyanide concentrations. The scope of the alkalinity of these solutions is to maintain the cyanide as cyan ions form (CN⁻) and to stop forming the hydrogen cyanide (HCN), phenomenon which occurs in environment of low pH only;
- the volatilization of the cyanide off a solution can't happen as free cyanide, but HCN only;
- the handling and storage of the cyanide solutions will only take place through closed systems, the only facilities / areas where HCN could form and volatilize, with small emission ratios, are the leaching tank and the tailings thickener, as well as the tailings dam;
- the HCN emissions from the surface of the above mentioned tanks and from the surface of the tailings dam could occur due to the decrease of the pH within the superficial layers of the solutions (which encourages the occurrence of HCN) and due to the desorption (volatilization in the air) of this compound;
- the concentration of the cyanides within the handled solutions will decrease from 300 mg/L in the leaching tanks up to 7 mg/L (total cyanides) at the point of discharge into the tailings dam. The significant decrease of the cyanide concentration at the point of discharge into the tailings dam is supported by the detox system;
- the knowledge on the cyanide chemistry, as well as the experience from similar activities, have lead us to the following possible HCN emissions in the air: 6 t/year from the leaching tanks, 13 t/year from the tailings thickeners and 30 t/year (22.4 t, and 17 mg/h/m², during hot season and 7.6 t, and 11.6 mg/h/m², during the cold season) from the surface of the tailings dam, meaning a daily average total HCN emission of 134.2 kg;
- once emitted, the hydrogen cyanide is subject to certain chemical reactions in low atmosphere, leading to ammonia;
- the mathematical modeling of the HCN concentrations in the ambient air (if the HCN is not subject to chemical reactions in the atmosphere) showed the highest concentrations at the level of the soil, within the industrial site, namely within the area of the TMF and near the processing plant – the maximum concentration being of 382 µg/m³ per hour;
- the highest concentrations of HCN in the ambient air will be of 2.6 times less than the value imposed for the safety of the workers, as stipulated by the national legislation;
- the concentrations of HCN in the ambient air in the inhabited areas near the industrial site will be of 4 – 80 µg/m³, over 250 – 12.5 less than the safety value as stipulated by the national legislation (the national legislation and the EU legislation for the air quality don't stipulate any limit values for the protection of population's health);
- the advance of the HCN in the atmosphere involves an insignificant compound of reactions in liquid phase (the water vapors in the atmosphere and the rain drops) because, at partial low pressure, specific to gases in free air, the HCN is very weak soluble in water, and the rain will not effectively reduce the concentrations from the air (MUDDER, et al., 2001, CICERONE and ZELLNER, 1983);
- the chance for the value of the HCN concentrations in precipitations within or outside the area of the Project be significantly higher than the basic values (of 0.2 ppb) is extremely low.

For further details regarding the Use of cyanide in technological processes, the Balance of the cyanides, as well as the Emissions and the impact of the cyanide against the quality of the air, please see the EIA, Chapter 2, Chapter 4.1 and Chapter 4.2 (Section 4.2.3).

The references for this Project include:

- CICERONE, R.J., and ZELLNER, R., 1983. *The atmospheric chemistry of hydrogen cyanide (HCN)*. *Journal of geophysics research*, Volume 88, issue no. C15, page. 10,689 to 10,696;
- MUDDER, T.I., BOTZ, M.M., and SMITH A., 2001. *Chemistry and Treatment of Cyanidation Wastes*, The

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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. 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.

In order to spark additional Romanian economic development, 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.

In fundamental respects, while Gabriel Resources may be a Canadian company, RMGC is a Romanian entity, with 95 % of the employees being Romanian.

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

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Public consultation and information during the environmental impact assessment procedure, including the publication of the Environmental Impact Assessment Report documentation (EIA) 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.

Order no. 860/2002 stipulates as follows:

"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.***"

"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.***"

When organizing the public debates meetings, Roşia Montană Gold Corporation SA (RMGC), based on the consultation with the competent authorities, aimed at the best possible information of the public interested in this project, and when establishing the meeting locations, the company mainly took into consideration the settlements located inside the project impact area. Although Baia Mare is not included in the project impacted perimeter, the interested public from this area and from other locations could participate in any of the public debate meetings organized by RMGC.

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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We agree with Greenpeace about the tourism potential of the area, but the first step would be finding out what the Roşia Montană community really wants and how to profitably use the potential.

If the community is interested in tourism or agriculture, Roşia Montană Gold Corporation (RMGC) will support them, working in partnership with the community.

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 Environmental Impact Assessment Study Report (EIA) was being submitted to the Ministry of Environment and Water Management (MMGA).

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 Roşia Montană Project (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 Monulești) and preserved monuments such as the one from Tau Gauri - 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 Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

As for agricultural development, historically and presently agriculture is not providing sufficient economic gain to drive the economy of Rosia Montana nor enabled additional investments to diversify the economy away from a reliance on mining or agriculture. The Industrial Zone (the zonal and general urbanism plans – PUZ/PUG) does not influence the capacity for agricultural practice.

Agriculture activities in Roșia Montană are mainly subsistence with little produce sold. Land suitable for small scale agriculture (potatoes and vegetables) is limited, some 7% in Roșia Montană commune, 6% in Abrud and 7% in Câmpeni. Main crops are fruit trees (85% of all households), animal forage (49%), and nut trees. The agricultural area is dominated by forests, (sub-alpine) pastures and hayfields.

Access for farm machinery is severely limited due to the terrain and most work is done by hand with transport by horse drawn cart. No synthetic fertilizers or sprays are used, largely due to the impracticality of their application.

A mining project, as it is the one proposed by RMGC, will provide, through taxes, the necessary funds to improve the infrastructure. Until the mine is closed, RMGC is ready to invest US\$25 million in the protection of cultural heritage in such a way that will support tourism, given that the community wants this.

The training program will provide the necessary skills to develop tourist activities and the will support people in starting pensions, restaurants, etc., all needed for attracting tourists. When the project will end, we will have here a new village, a restored historical center, museums, hotels, and restaurants, all in a healthy environment.

To support this, Roșia Montană Microcredit was opened in January 2007. The micro lender, Roșia Montană Microcredit "IFN Gabriel Finance" SA , has the purpose to provide funding and necessary resources to the people of Roșia Montană, Abrud, Câmpeni and Bucium. The object of activity is the supporting of the locals in establishing of small business activities or the expanding of the ones they already have.

Vocational training program is provided free of charge to members of the local community with the aim to raise both the educational profile and the level of skills in the community; Enrolments to training are collected via 8 Human Resources Offices and are managed through a customized data base – To date, more than 5000 people have applied for training and more than 1500 have received already training or are in the process of training (especially in the area of construction, wood processing industry or services: security, sales, tourism, social assistance, transportation, utilities, environment monitoring, etc) there is also increased demand, strongly supported by the company, for training in traditional jobs, which may get lost if not preserved; The training program will soon cover other complementary skills which contribute to increasing the profile of the workforce in the area such as: interpersonal communication, foreign language knowledge, PC proficiency, time management, presentation skills, cultural awareness, decision making, leadership, management skills, project management skills, and so on.

It is expected that training programs offered by RMGC and its partners, and experience gained during the Roșia Montană Project (RMP), will result in a highly trained and skilled workforce in a range of disciplines. This should place people in a competitive position for work with other mining companies. Such skills are also transferable to the non-mining sector.

Overall, the presence of the RMP as a major investment will improve the area's economic climate, encouraging and promoting 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.

For more information, please see Rosia Montana Sustainable Development Programs and Partnerships Annex 4.

Item no.

88

No. to identify the observations received from the public

Câmpeni,
26.07.2006

Proposal

The questioner states the following remarks, comments, and questions:

1. How many people are currently living at Piatra Albă, taking into account the fact that the relocation and resettlement plan has been initiated in 2002? She states that no one has chosen resettlement although the company claims that 20 families have been registered in this program, and that is not presented in the assessment study.
2. What will the company do with the rest of people: i.e. 20 individuals decide to leave for Piatra Albă and what will the rest, up to 2158 individuals, do? Roșia Montană will remain without any inhabitants.
3. The Community Management Plan does not take into account the fact that the population does not want to live at Piatra Alba and it has been prepared with no support. The people, who have decided to sell their properties, took the money and left as far as possible from Roșia Montană and that raises questions about the Project.
4. How will Piatra Despicată be moved; how can anyone move geographic reservation?

Construction of the new Piatra Albă community is scheduled to begin in Summer 2007, with the exact date depending on approvals from the local authorities in Roșia Montană. While the number will grow as construction nears, thus far, 30 families have expressed so far interest in relocating to Piatra Albă (15 already signed the final contracts), which will combine modern amenities (including a new school, medical clinic, city hall, and recreational facilities) and traditional architectural designs.

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The new mine affects 4 of Roșia Montană's 16 sub-comuna, so the implication that the village will be without inhabitants is incorrect - Roșia Montană's current population amounts to 3,900 inhabitants. Piatra Albă will serve as home to many more than the comparably small number of families (30 so far) who have expressed interest in living there at this point.

The people living in the Historical Area asked the company to buy their properties although this implies a massive financial effort without being needed by the development of the project.

When the RMGC project commences and brings both direct and indirect employment to the Roșia Montană region, there will be a net inflow of people to the area – a sharp reversal of the de-population that has accompanied the area's decade-long decline.

Solution

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Under the Resettlement and Relocation Action Plan, property sellers in Roșia Montană are free to relocate wherever they wish or to resettle near their old homes. The construction of Piatra Albă, which will begin in Summer 2007, will add to their relocation options (30 options so far). This was chosen among a number of alternatives and was the subject of a thorough analysis and consultation with the local authorities and the community representatives.

The Roșia Montană residents who have sold their houses to RMGC have moved for many reasons, including to be closer to their relatives and to pursue opportunities in different towns or cities, at their convenience. It is not reasonable to claim that these residents' decisions raise questions about the mine, especially since the RMGC project is designed to meet and exceed E.U. standards and international best practice.

Additionally, it is important to note that 12 of Roșia Montană's 16 sub-comuna will not be affected by the project and that the chance for those who remain in the area to benefit from the new mine is considerable.

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First of all, we have to clarify the aspect you referred to in the question, namely "how can a geographical reserve be moved". Under law 5/2000 on the approval of the National Territory Arrangement Plan-Section III- Protected Areas (published in the Official Gazette of Romania no. 152/April 12th, 2000), Piatra Despicață is included in section 2.0 Natural Reserves and Monuments, under point 2.8. Therefore, Piatra Despicață is not a "geographical reserve", but a natural monument.

Piatra Despicață is in fact a volcanic bomb located not in its original position but in a secondary position at the base of the Cărnic massif, few meters above an industrial-communal road. This is an andesite block weighing roughly 2 tons, which can at any time roll down the valley. In 2002, based on the documentation submitted by the company S.C. Agraro Consult S.R.L., the Commission for the Protection of Natural Monuments of the Romanian Academy approved the relocation of Piatra Despicață to another area, where it would not be impacted by the mining project.

Therefore, the future location of Piatra Despicață will be approved by the Romanian Academy and the Ministry of Culture and Religious Affairs, and it would preferably be in the Protected Area of Roșia Montană. The relocation will be coordinated and monitored by specialists, this process involving the use of usual technical means that are specific for such large objects.

Item no.

89

No. to identify
the
observations
received from
the public

Câmpeni,
26.07.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.	90
No. to identify the observations received from the public	Câmpeni, 26.07.2006
Proposal	The questioner would like to know whether tourism may be developed together with the mining project.
Solution	<p>Yes, the development of Roşia Montană's tourism potential can be done in parallel with active mining operations.</p> <p>Chapter 5 of the Environmental Impact Assessment Study Report (EIA) identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other problems that have arisen through lack of inward investment. As described in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Community Sustainable Development Management Plans, there are currently some tourism activities in Roşia Montană. However the tourism industry is not at present a significant economic driver.</p> <p>As the Roşia Montană Project (RMP) affects only 4 of Roşia Montană's 16 sub-comuna, tourism could be developed in many centers in the Apuseni Mountains regardless of the RMP. With the infrastructure investment, RMP will bring, 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 (MMGA).</p> <p>RMGC has also commissioned a study, which sets out how the potential tourism markets and how these might best be approached in an integrated project.</p> <p>"From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US\$ 25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tăul Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth" (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).</p> <p>For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.</p>

Item no.

91

No. to identify
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Câmpeni,
26.07.2006

Proposal

The questioner supports the project.

Solution

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

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

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Câmpeni,
26.07.2006

Proposal

The questioner supports the project.

Solution

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Câmpeni,
26.07.2006

Proposal

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Solution

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Câmpeni,
26.07.2006

Proposal

The questioner wants to learn if there are any financings provided by the company to Small and Medium Enterprises and for young people.

Solution

Yes, there are.

Roşia Montană Gold Corporation (RMGC) established Roşia Montană MicroCredit facility under the name of "IFN Gabriel Finance" S.A. in January 2007 to encourage 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. Information regarding this scheme can be obtained in Abrud, at "IFN Gabriel Finance" S.A., the Roşia Montană MicroCredit office, 2 Horea Str. ph. no.: 0258 780 116; fax no.: 0258780112; aneta.nascu@rmgc.ro and simona.gligor@rmgc.ro.

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

Pentru mai multe informații, vă rugăm consultați anexa 4 – Roşia Montană Dezvoltarea Durabilă și proiectul Roşia Montană.

Item no.

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No. to identify the observations received from the public

Câmpeni,
26.07.2006

Proposal

The questioner makes the following comments:

1. In 2002, together with his family, the questioner tried to open a tourist pension. Since then, because of RMGC, the Local Council won't grant them the construction permit and the company claims that tourism can be performed in the area. How tourism can be performed if RMGC intends to extract the gold by using cyanide?
2. As regards the fact that no agriculture may be developed, the questioner believes that only lazy people can't perform agriculture at Roșia Montană.

As the Roșia Montană Project (RMP) affects only 4 of Roșia Montană's 16 sub-comuna, tourism activities may be developed in the Roșia Montană area not affected by Roșia Montană Project.

In respect of the area affected by RMP, please consider there are mandatory legal provisions, which restrict the development of other projects than those regarding the exploitation and processing of natural resources in the areas where they are identified. In this respect, we mention the following legal provisions:

(i) art. 41 (2) of the Mining Law no. 85/2003 *"the county councils and the local councils will amend and/or update the existing land facility plans and the general urbanism plans, so as to facilitate all the necessary operations for the performance of the mining activities granted into concession"*;

(ii) art. 6 (1) of the Government Decision no. 525/1996 for the approval of the General Urbanism Regulation („GD no. 525/1996”) *"authorizing the execution of the definitive constructions, other than the industrial ones, necessary for the exploitation and processing of resources in the areas delimited according to the law, which contain identified underground resources, is forbidden"*.

Solution

As for limitations on economical development, clearly, planning restrictions will apply to areas that could be affected by the operation of the project, but this will be for a limited time and through its Community Sustainable Development Plan (Volume 31 of the Environmental Impact Assessment Study Report - EIA), Roșia Montană Gold Corporation (RMGC) undertakes to lay the foundations for development of long term projects, such as tourism. The General Urbanism Plan (PUG) prepared in 2000 and approved in 2002 is a document endorsed by the Local Council after being submitted to a public consultation process within the local community. The PUG has been presented and debated within 11 council meetings and public debates. The industrial area is outlined through this PUG, but this area is not suitable for tourist activities. At the same time a protected area has also been outlined. Once the Zonal Urbanism Plan (PUZ) is endorsed by Roșia Montană Local Council, tourist activities (pensions, restaurants, etc.) may be developed within this area. The PUZ detailing the land surface required by the RMP affects only about 25% of Roșia Montană commune. Although some businesses have already been established on the remaining 75% of the Commune, once the PUZ is finalized, business start-up will be further encouraged.

There are good examples where tourism and mining has been carried on side by side. The examples of the Martha Gold Mine, Waihi in New Zealand and the Rio Narcea Gold Mine in Spain have been cited and the latter is documented in the EU "Best Reference" document for management of mining wastes. This is because these mines are operated efficiently, safely and with care of the environment. Because these mines are located in districts with a long history of mining, visitors can be shown mining technology old and new. Roșia Montană is in a good position to take similar advantage of its mining history and RMGC proposes to manage its operations in line with this best practice. Other related examples have been discussed in a study: Initial Tourism Proposals commissioned by RMGC which sets out how the potential tourism markets and how these might best be approached in an integrated project (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

Finally, in terms of the use of cyanide in extraction and its compatibility with tourism, cyanide ppm at the

Marta Mine, Waihi, New Zealand, is above 150 ppm – compared to the projected 5 to 7 parts per million (ppm) in the Roşia Montană Project. Given Waihi's popularity with tourists, there is no impediment.

Concerning the cyanide use, please note that a cyanide detoxification facility will be incorporated into the processing plant of the RMP. This technology would reduce the cyanide limits to levels which are well below the Romanian and EU standards accepted and designated as safe. For supplementary information, please refer to EIA Report - Technological Processes - Chapter 2 and Cyanide Management Plan - Plan G.

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

*

It is important to keep in mind that only 25 percent of the land surface of the Roşia Montană community is required for the Roşia Montană Project – and that portion represents a small part of the arable land in the area. In fact, 1% of the overall area is arable.

The current base-line conditions at Roşia Montană as high-lighted in the base line reports in the EIA show that current soil conditions over most of the project impacted area are poor and in many areas polluted from historical mining activities and mainly consists of 18 spoil piles and old tailings pond facilities.. They however do support a subsistence level of agriculture based primarily on producing hay (60 % of the industrial area PUZ 1,646 ha) to feed live-stock and a small amount of vegetable production. This level of agricultural however as shown in the socio-economic base line studies is only sufficient to provide a subsistence level of existence to the residents. Either pastoral agriculture has be conducted on a larger scale, meaning the displacement of most people in order for a select few to reach a sustainable levels of agricultural productivity or residents need to obtain outside work and sources of income to sustain their livelihoods.

The following paragraphs present conclusions regarding the suitability of the lands for various agricultural crops and fruit growing [1]:

- *For pastures* – The lands are suitable on only 157.56 ha (9.58%). These lands are situated within Roşia Montană area and on the right interfluvium of the Corna valley;
 - The class IV is dominant with 314.60 ha (19.12%). These surfaces are situated preponderantly in the northern part of the perimeter;
 - Classes V and VI of suitability totaling 751.38 ha (45.61%) are dominant within site. These lands are situated both on Corna valley and west and north of Cărnic – Cetate area;
 - The remaining lands are of low suitability (classes VII – X), totalize a surface of 298.19 ha (18.12%) and are encountered all over the site.
- *For hayfields* – The lands are classified in classes V – VIII of suitability, have a surface of 1,213.84 ha (73.71%) and are scattered all over the site.
 - Classes V – VIII are prevalent south of Cărnic – Cetate area and in the north-western part of the territory, while the class VII is encountered west and north of Cărnic – Cetate area;
 - Classes III and IV with a surface of 166.91 ha (10.15%) are preponderantly encountered to the north of territory and on the right interfluvium of the Corna valley;
 - The lands from classes IX and X with a surface of 140.98 ha (8.57%) are frequently scattered in the northern part of the investigated perimeter.
- *For potatoes* – The lands are of very low suitability. Classes IX and X occupy a surface of 1,183.11 ha (71.85%). The other lands are classified within the classes VI - VIII of suitability, have a surface of 338.62 ha (20.58%) and are situated north of Roşia Montană area and on Corna valley's interfluviums.
- *For apple tree* – The lands from the classes IX and X of suitability are dominant, having a surface of 1,083.74 ha (63.07%). Classes VI – VIII of suitability occupy about the third part of the territory with a surface of 482.99 ha (29.36%). The lands from these classes are scattered on the whole investigated territory”

Given the natural conditions (climate, relief, geology, soils) of the area, the categories of prevalent use of the lands are represented by natural meadows (pastures, hayfields) and forests. There are also the mining

sites with depones, waste rock dumps and rock falls accumulated on versants or at their lower part.

In these circumstances, the land and soil management involved the use of the natural resources for domestic purposes. The landowners use their lands and soils for grazing, breeding, hayfields, green and fodder hay [2].

Other agricultural cultures, excepting those mentioned above, are not suitable for Roşia Montană area, nor were encountered within the area during the site investigations. The most part of the soils are acid allowing only sustenance agriculture, uncompetitive in EU [3]. The Roşia Montană's lands don't allow a modern, mechanized and efficient agriculture which could economically develop the area.

References:

[1] - Sub-chapter 3.3 "Soils Suitability for Various Crops" – p. 23, Vol. 13 EIA

[2] - Sub-chapter 3.3 "Types of soil management" – p. 24, Vol. 13 EIA

[3] - Chapter 2" Soil Cover" – p.12, Vol.13 EIA

Item no.

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No. to identify the observations received from the public

Câmpeni,
26.07.2006

Proposal

The questioner would like to know that after initiation of construction, contractors that are to come in the area will bring their own employees or they intend to hire locals.

The construction subcontractors will be expected to give priority to local people as it will be stipulated within the bidding tasks book.

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, Bucium, Zlatna, Baia de Arieş, Brad, 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

Solution

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 – 1 st 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.

97

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Câmpeni,
26.07.2006

Proposal

The questioner supports the project.

Solution

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

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Item no.	100
No. to identify the observations received from the public	Câmpeni, 26.07.2006
Proposal	<ol style="list-style-type: none"> 1. Will trainings be organized for the young people of Câmpeni? 2. If the project is stopped, the questioner would like to know if the state has an alternative.
Solution	<p>Yes, young people from Câmpeni can enlist for the professional training courses that we provide for the community.</p> <p>A Human Resources Office set up by Roșia Montană Gold Corporation (RMGC) is located in Câmpeni at Culture House Avram Iancu, Cinema entrance, Wednesdays, from 10:30 to 14:00 (the contact person is Mera Tiberiu, ph.no.:0729 399430; e-mail address: tiberiu.mera@rmgc.ro). This office is the main source of information regarding the Professional Training Program. It also keeps a database of the names of all people interested in acquiring professional training in one of the fields for which training is available and provides information about the training opportunities and the conditions required for registration. These courses are free of charge, and the criteria required to become eligible are: the minimum educational level; the documentation for registration and the applicant's general health.</p> <p>For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.</p> <p style="text-align: center;">*</p> <p>While we cannot speak for the Romanian State – or anticipate how it might act to try to foster alternative development strategies should it decline to permit the RMP however as per the Government of Romania has completed a strategy for such mining areas and the privatization of resource projects and the attraction of investors into the resource development sector is one of the key components of this. The UNDP on recent projects has supported this initiative. However, the EIA report does consider the prospect that the project should not proceed (see Chapter 5, <i>Assessment of the Alternatives</i>, Section 1.1). In this eventuality, the EIA states, the existing negative socio-economic and environmental impacts would persist (such as high unemployment and significant water pollution). The EIA also predicts that alternative industries (such as agriculture/grazing, tourism and forestry) would find it difficult to attract the level of investment necessary to resolve these existing historical environmental and social issues and sustain development in the area.</p>

Item no.

101

No. to identify the observations received from the public

Câmpeni,
26.07.2006

Proposal

1. What do the company representatives understand by protected area: what is the surface covered by this area, what are the outlining marks, and what does RMGC intend to protect there?
2. How will rehabilitation be performed for the buildings of major historic relevance located on the street heading to Brazilor Lake?
3. The questioner asks for information on the guarantee that the company must submit. How much of the project's value is represented by these financial guarantees or how much have they been estimated by RMGC?
4. What monitoring and supervision actions of air quality will be taken after mine closure? How are they going to be conducted and for how long?
5. The company claims that over 600 direct jobs will be created and 1200 jobs for rehabilitation period and indirectly other 6,000 jobs. For how long will they exist?

Solution

In the case of Roşia Montană, the List of Historical Monuments 2004 comprises several historical monuments and protected areas. We assume the questioner refer to the protected area Historical Centre, an area generically named Square (Piaţa). The Historical Centre of Roşia Montană is included on the List of Historical Monuments 2004. and the following details are mentioned as regards its location: „the Village Fair” (Târgul Satului), the Square (Piaţa), the Berg district, Brazilor Street and the area located upstream of the Square towards the lakes. Under Law 5/2000 (article 5, paragraphs 2-3), local public authorities, with the support of central public authorities competent in this field, were under the obligation to establish the boundaries of the protection areas for the cultural heritage values stipulated in Annex III to the above-mentioned law, namely the historical centre of Roşia Montană. This measure should have been taken within 12 months after the date when Law 5/2000 on the approval of the National Territory Arrangement plan – Section III – Protected Areas came into effect and it should have been based on specific studies. For this purpose, the local public authorities had to prepare the town planning documentation and its related regulations. This documentation had to be developed and approved in accordance with the law, had to comprise the necessary protection and conservation measures for the national cultural heritage values located in this area.

In accordance with the legal provisions, in 2001, RMGC has initiated the drafting of these specific town-planning documentations, specifically the General Urban Plan and the Zonal Urban Plan. These plans were developed by Romanian certified companies and they followed all the stages legally established for the approval. The permit for the creation of the Protected Area Historical Centre of Roşia Montană was issued by the Ministry of Culture and Religious Affairs in 2002 (permits no. 61/14.02.2002 and no. 178/20.06.2002) as part of the procedure for the approval of the town planning documentations. On the basis of these permits, the Ministry of Culture and Religious Affairs requested the company to develop a Zonal Urban Plan for the Historical Centre of Roşia Montană. Out of the 41 historical buildings in Roşia Montană, 35 are located in the protected area Historical Centre of Roşia Montană. Following the recommendations made by the National Commission for Historical Monuments, the surface covered by this area has been extended from 52 ha to over 130 ha.

In conclusion, the protected area will cover over 130 ha and will include the architectural values of this village (restored and enhanced). These will be enhanced in a mining museum which will include exhibits of geology, archaeology, ethnography (with an open-air section), industrial heritage as well as a significant underground section 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 Eastern and Southeast of the old centre of the village – an area 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 authorities.

RMGC's proposal for the delimitation of this area has been illustrated in the EIA (volume 33), the Plan *M-Cultural Heritage Management Plan*, part II – *Management Plan for Historical Monuments and Protected Zone from Roşia Montană*, Exhibit 6.

The several hundred houses located in the protected area represent a highly significant component of this perimeter. The Zonal Urban Plan for the Protected Area Historical Centre of Roşia Montană stipulates different protection levels for the built architectural heritage. Thus, a significant area will be established for habitation, while other areas will be established for complementary activities. Any industrial activity or activities with negative impacts will be strictly forbidden in this protected area. RMGC's planned mine operation represents a potential impact. A detailed environmental impact assessment is required before resuming the mining operations, which will also include the impact of mining on the cultural heritage assets. The exploitation plan will be developed only once the environmental impact assessment is completed, as the company will have to adjust its operational plans according to the outcomes of this assessment in order to avoid any negative and irreversible impacts on the cultural heritage of the area represented by the historical monuments and the protected area Historical Centre of Roşia Montană.

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.).

For further details on the protected area Historical Centre of Roşia Montană, including a series of remarks regarding the type of juridical protection and other legal provisions applicable in this case, please see the Annex called "Information on the Cultural Heritage of Roşia Montană and Related Management Aspects".

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41 buildings (39 houses and 2 churches) from Roşia Montană are currently classified as historical monuments of local importance (group B), according to 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 (code LMI 2004: AB-II-s-B-00269 and then from AB-II-m-B-00271 to AB-II-m-B-00311).

RMGC owns so far 14 buildings classified as historical monuments. These buildings have been acquired in accordance with the provisions of Law 422/2001 on the protection of historical monuments. They were in different conditions when acquired, this aspect being reflected in the sale-purchase agreements and documented by photographic records taken since their acquisition up to the present day.

It must be said that a comprehensive inventory was developed in the period 2000-2002 for all the architectural heritage assets located in Roşia Montană. This process involved an updating of the analytical record cards for all the historic buildings in Roşia Montană. Moreover, observations made by specialists were included regarding the state of preservation of these buildings. This inventory was initially undertaken by the Design Centre for the National Cultural Heritage (now the National Institute for Historical Monuments) and then it was taken over by S.C. OPUS – Atelier de Arhitectură S.R.L, an architectural company.

The owner's immediate obligation of is to maintain these historic buildings. Therefore, a team was set up starting with 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.

Under the provisions of Law 422/2001, article 22, companies and specialists certified by the Ministry of Culture and Religious Affairs are going to be contracted to carry out the restoration of the historic buildings from Roşia Montană in compliance with current legislation. The first step of this process consists in drafting the restoration project, which will be submitted to the Commission for Historical Monuments. The project will be then carried out under the coordination of a company certified for monitoring such works. In addition, the Ministry of Culture and Religious Affairs through its decentralized departments, in this case, the Directorate of Culture, Religious Affairs and National Cultural

Heritage of Alba County is under the obligation to monitor these restoration works. This way, the restoration works will be carried out in a legal, transparent manner and with all due responsibility.

We have to mention that the specialized documentation for the restoration of 11 historical monument buildings, prepared in accordance with the regulations of the Ministry of Culture and Religious Affairs, is nearly completed. The company has established for the next 22 years a budget of over US\$ 25 million for the conservation and enhancement of Roşia Montană's cultural heritage.

As publicly stated in the EIA Report, once the Roşia Montană Mining Project is approved, all historical monument buildings in Roşia Montană will be included in a complex restoration and conservation program. Should any historical monument buildings remain under the ownership of various institutions or natural persons, upon their consent, RMGC will finance their restoration, in full compliance with the specific guidelines issued by the Ministry of Culture and Religious Affairs.

For further details on the protected area Historical Centre of Roşia Montană, including a series of remarks regarding the type of juridical protection and other legal provisions applicable in this case, please see Annex called „Information on the Cultural Heritage of Rosia Montana and Related Management Aspects”

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Information on the Environmental Financial Guarantee (“EFG”) is fully 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”).

The EFG incorporates all closure costs, which the Roşia Montană Gold Corporation (“RMGC”) projects to be US\$ 76 million.

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

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

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

No air quality monitoring will be needed after closure. Air quality monitoring will be needed only during the closure activities, such as facilities demolition, regarding and cover placing for the surface of the waste and tailings facilities.

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

Reference:

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

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

*

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

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

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

References:

[1] Roșia Montană Project, Environmental Impact Assessment Study Report (EIA), Non Technical

Summary, vol.19, pp.7 With inclusion of additional hiring for contracted employment for cleaning, security, transportation, and other, direct employment is 634.

Item no.	102
No. to identify the observations received from the public	Câmpeni, 26.07.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.	103
No. to identify the observations received from the public	Câmpeni, 26.07.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

104

No. to identify the observations received from the public

Câmpeni,
26.07.2006

Proposal

The questioner asks the following questions:

1. Why the tourism has decreased by half at Arieșeni, after the moment when RMGC was posted on the internet?
2. Why the walls of the houses are cracked due to explosions, if they are not impacting anyone?
3. Is there a risk related to the fact that women may give birth to babies with congenital malformations due to pollution with cyanides or complex metals, like uranium?
4. The questioner believes that the Romanian Academy is the cream of Romanian intelligence and wants to learn the company's opinion on this institution.
5. Is the inter-ethnic separation between Romanians and Hungarians wanted?
6. How many citizens of Câmpeni will work for the company?
7. The questioner believes that politicians support the project according to their interests.

There is no negative effect on tourism in Arieșeni attributable to the development of the Roșia Montană Project.

As for tourism more broadly, it is the case that that tourism can become a potential source of revenue and sustainable development for Roșia Montană and the region. There is, however, a vast difference between proposing tourism as an alternative or substitute for a major industrial project – and the development of tourism over time supported by the infrastructure investments driven by a large industrial project.

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

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It is possible that the former pit blasting from Roșia Montană affected some of the buildings located in the nearby area, causing cracks in the walls. It should be mentioned that the cracking of the plastering or walls of the buildings may have other causes, too, such as land sinking or sliding, aging of the constructions without taking any consolidation and maintenance measures; these causes also appear within areas where no mining activities are carried out.

Solution

The new Roșia Montană project will use modern blasting technologies, and the adaptation thereof, depending on the monitoring results, such as to minimize the impact upon constructions.

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 Roșia 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 Roșia Montană.

Due to the fact that România, by the time of preparation of the EIA study, 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.

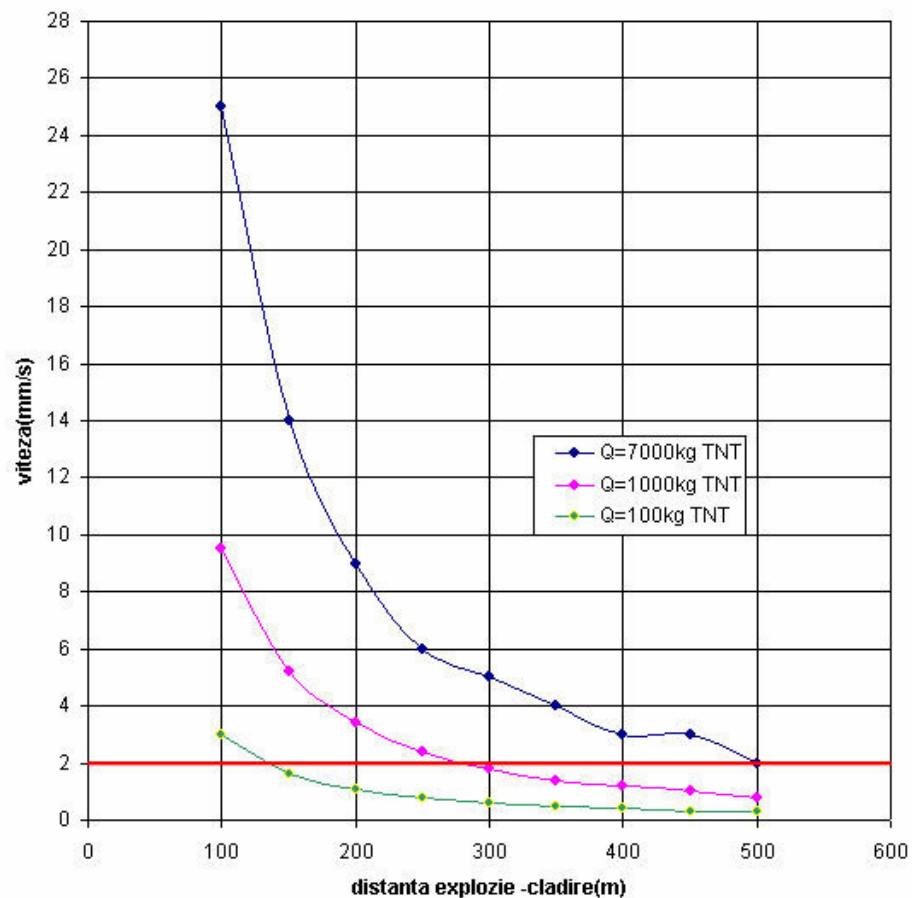
Using the formulas provided in the specialized literature, the values of the oscillation velocity at a distance of 100 m, 200 m and 300 m from the protected constructions have been determined, in case of blasting 6,860 kg per blasting phase.

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
Instantaneous	24,8	9,1	4,7	3,0	2,2
$n\Delta t = 0,140$ s micro-delay	17,6	6,5	3,3	2,2	1,6
$n\Delta t = 0,600$ s micro-delay	14,6	5,4	2,8	1,7	1,3

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



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

At smaller distances, in order to ensure an oscillation velocity of maximum 0.2 cm/s next to the construction, *i.e.* to ensure a negligible seismic impact, some special technological variants of the quarrying technology are required. Such technological variants consist in the reduction of the auger 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 variants for ore blasting.

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

In order to measure the quarrying explosions impact on the constructions located inside the protected area and other historical buildings, a monitoring system will be implemented, consisting in a 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 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 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

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Hazardous substances considered within the EIA to be a risk (including cyanides) have been assessed according to the concentrations that are predicted to be present as a result of the proposed mining activities.

With regard to human health risks (including congenital malformations) predictions made as part of the risk assessment have indicated no harmful effects [1] in relation to the concentrations of these substances within the environment if the concentrations in question are predicted to be below the permissible maximum concentrations, as it was estimated in the EIA.

The EIA report does not mention the presence of uranium within the local environment. Therefore, it was not the case to carry out an assessment of the local population's health with regard to uranium exposure.

Reference:

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

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

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

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

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

*

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

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

Considering the legal wordings quoted above, as your allegation does not identify nor indicate issues related to the project initiated by 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.

*

While local employment opportunities will be significant, it is not possible to forecast the mine-related employment for each community. The opportunity is open to all suitable people living in the impacted area. However, it is clear that Câmpeni will in general benefit from the project because, apart from direct employment, the town is in a good position to provide services for both Roșia Montană Gold Corporation (RMGC) and its workers and contractors.

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

*

Please note that 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 Roșia 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 in this respect.

Nevertheless, we have confidence that the Government will address this issue in the interests of the people of Romania. In any event, the Roșia Montană Project (RMP) will certainly benefit the people of Roșia Montană.

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

The project will generate government revenues. 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 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 addition US\$ 1.5 billion of Romanian goods and services will be acquired by project.

The project will be respectful of both the physical and social environment. The EIA study report that RMGC submitted responded fully and professionally to the Terms of Reference proposed by the Ministry of the Environment and Water Management (MEWM) and complied with the relevant legal provisions and international practices. More than 100 independent consultants, (certified) experts and specialists, renowned at the national, European, and even international levels, prepared the report. We are confident that the EIA provides sufficiently detailed information and reasoning for its conclusions to permit the Ministry to make its decision on the Roșia 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.

The 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.

This is a project for people – the people of Roşia Montană and Romania.

Item no.

105

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

1. Why the information on environmental rehabilitation guarantee is secret? The questioner believes that RMGC doesn't have the capacity to support these expenses and with 2 or 3 years before mine closure, Gabriel Resources will sell its assets to an offshore company located somewhere in a postal box on an island and no one will be held liable for rehabilitation of the area; RMGC will leave and no one will remain to pay for area's rehabilitation.
2. The Environmental Impact Assessment Report is prepared by breaching the law, because the Urbanism Certificate, based on which the impact study was prepared, is totally different from what is stated by Gabriel Resources as being leased from the Romanian Government, what it has applied for, and what is currently working with.
3. The dam of the TMF will be built from rockfill and will be elevated as the operation advances. The impermeable core reaches 75m. The rest of the dam is not lined. Thus, it will be built by dumped tailings (with an excavator) on one side, and on the other by tailings blended with water in order to hold the dam in one place. That is why the dam will fail and will be washed out by water as it was the case for other dams built from this material.
4. The dam may also fail due to the fact that rains may exceed its design capacity. Only the 1000 year potential precipitations have been taken into account, but unfortunately the rains that occur lately are those estimated to occur every 2000 or 5000 years.

Information regarding our closure plan, the cost of the program and our Environmental Financial Guarantee ("EFG") are fully discussed in the Environmental Impact Assessment. The closure section can be found in Plan J of Vol. 29 and Plan L of Vol. 31, within the EIA. The EFG is discussed in the section of the EIA titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan").

The EFG is updated annually and will always reflect the costs associated with reclamation. These funds will be held in protected accounts at the Romanian state disposal.

Creation of the EFG is a condition of beginning operations at Roşia Montană. Once the annual updates are completed, the new estimated closure costs will be incorporated into RMGC's financial statements and made available to the public. Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.

Solution

Roşia Montană Gold Corporation has invested significant time, energy, and resources assessing the viability of a mining project in the valley of Roşia Montană. This assessment has led RMGC to conclude that Roşia Montană presents an attractive long-term development opportunity – an opinion confirmed by a variety of lending institutions, which have completed detailed reviews of the project's design and profitability. We have every confidence that we will see the project through to the end of its projected 16-year lifespan, regardless of any fluctuations in the market price of gold.

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.

The Environmental Financial Guarantee ("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.

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.

*

S.C. Roşia Montană Gold Corporation S.A. (RMGC) applied for and obtained the Urbanism Certificate no. 78/26.04.2006. This certificate issued by the Alba County Council refers to the whole Roşia Montană mining project and it fully complies with the project proposal the impact of which is assessed in the EIA Report. This certificate corresponds to the area included in the Zonal Urbanism Plan drafted for the Roşia Montană industrial area, which is included in the Mining License issued by the National Agency for Mineral Resources.

The Zonal Urbanism Plan prepared for the Roșia Montană industrial area was submitted to public consultation and debates held in Roșia Montană, Bucium, Câmpeni and Abrud and the four local councils agreed in principle with the continuation of the permitting procedures.

The Urbanism Certificate is only an informatory document and it has been issued only to present to the applicant the legal, economic, and technical framework of the existing buildings and lands and to set the urbanism requests and necessary authorizations in order to secure the construction permit according to art. 5 from Law no. 50/1991 – republished – on the authorization of the development of construction operations.

*

It is accurate that the main dam at the Tailings Management Facility (TMF) will be built in stages using, in all cases, compacted rockfill for the shell and select drain and filter materials that meet the specifications required by the engineering design. 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 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.

Water retention embankment dams have a central section or core or an upstream face liner, which is frequently made from a low permeability material to control seepage. This is the case for the starter dam of the TMF, which needs to store water for RMP start-up. However, after the starter dam is filled the reclaim pond will not be up against the face of the dam as it will be contained by the tailing beach. Therefore, the dam raises above the starter dam do not include a low permeability core. However, they will contain engineered drainage, filter and transition zones to control seepage. Any seepage water that passes through the centerline of the dam will be captured in the Secondary Containment Dam (SCD). Unlike the main tailings embankment, the SCD will have a low permeability core for the whole height of the dam. In addition, the upstream and downstream shell of the SCD will be constructed of non-acid generating material. Water stored behind the SCD will be pumped back into the tailings basin to be recycled for the processing plan. RMGC has located sources for rock to meet these strict requirements. Additional rock or "rockfill" will come either from rock mined on-site that is not processed for gold or from other on-site sources.

As explained in The Tailings Management Facility Plan, Plan F, of the EIA, one of the significant features of the Corna dam is that it is designed as a pervious dam, above the elevation of the starter dam. This design is possible and preferable because there will be a secondary containment dam during operations and after mine closure to collect the seepage that occurs through the pervious components of the Corna dam. This design is preferred for a number of reasons, including that it allows drawdown of the saturation line in the higher part of the valley near the dam face. This will reduce the potential for seepage from the tailings basin to the adjacent valleys.

It is important to note that the proposed dam is of wholly different engineering design and construction method than the Baia Mare dam. Specifically, the RMGC facility has been designed for two Probable Maximum Precipitation (PMP) events and the associated Probable Maximum Floods (PMF), which is more rain than has ever been recorded in this area. An emergency spillway for the dam will be constructed in the unlikely event that another event occurs after the second PMP event. A spillway is only built for safety reasons to ensure proper water discharge in an unlikely event and thus, avoid overtopping which could cause a dam breach.

For more details regarding the TMF design criteria, dam raises and construction materials specifications, please see Plan F, "The Tailings Facility Management Plan" of the EIA.

*

The risk of a dam break is very low because the facility has been designed to contain rainfall events with a reoccurrence interval that is less than 1 in 10,000 years. The specific design criteria are presented below.

The proposed dam at the Tailings Management Facility (TMF) was designed to store the runoff from a probable maximum precipitation (PMP). This is generally referred to as the probable maximum flood (PMF). Specifically, the design criterion for storage at any point in the operating life will be for storage of two PMP's events. The reoccurrence interval for one PMP event is more than 1 in 10,000 year. In addition, an emergency spillway for the dam will be constructed in the unlikely event that another event occurs after the second PMP event. A spillway is only built for safety reasons to ensure proper water discharge in this unlikely event. Discharge through the spillway will avoid overtopping which could cause a dam breach.

Item no.

106

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

1. The questioner wants to receive a copy of debate's minute of proceedings.
2. The questioner would like to receive a map outlining the protected area established for the patrimony houses pursuant to the provisions of Law 422 of historic monuments.
3. Will RMGC's representatives want to see their own churches impacted, and the graves of their beloved ones moved?

The questioner is directed to ask the Ministry of Environment and Water Management for minutes, as per Romanian law.

According to the provisions of Article 35 of Order no. 860/2002 of the Minister of Waters and Environmental Protection regarding the approval of the environmental impact assessment and environmental permitting procedure, the competent environmental authority has the following duties and/or obligations:

"(4) The public authority for environmental protection *shall identify the interested public and have a direct dialogue with the latter, throughout the entire duration of the decision-making process, as stipulated by Government Decision no. 918/2002, as subsequently amended and supplemented, and by Government Emergency Ordinance no. 34/2002, approved with amendments by Law no. 645/2002.*

(5) The public authority for environmental protection *shall make available to the public, upon request, the relevant documents related to the project at issue, other than those provided by the project titleholder, as applicable.*"

Moreover, please note that the minutes of the public debate meetings related to Roşia Montană Gold Corporation SA's (RMGC) project are posted on the website of the Ministry of Environment and Water Management, at the following address: www.mmediu.ro/dep_mediu/dezbateri_publice.htm.

*

Solution

Under the legal provisions in force, in 2001, RMGC contracted certified companies and initiated the drafting of the specific town-planning documentation, specifically the General Urban Plan and the Zonal Urban Plan. The permit for the creation of the Protected Area Historical Centre of Roşia Montană was issued by the Ministry of Culture and Religious Affairs in 2002 (permits no. 61/14.02.2002 and no. 178/20.06.2002) as part of the permitting procedure for the town planning documentation. Based on these permits, the Ministry of Culture and Religious Affairs requested the company to prepare the Zonal Urban Plan for the Historical Centre of Roşia Montană. The drafting of this document is currently underway.

Thus, the town-planning documentation currently in force, that you request, is the General Urban Plan. We provide you with the exhibit of the protected area, which is part of the PUG (see Exhibit 1). Following the recommendations of the National Commission for Historical Monuments, the documentation for the Zonal Urban Plan- the Historical Centre Roşia Montană is currently being drafted where the surface of the protected area has been extended from 52 ha to over 130 ha and it comprises 35 of the 41 historical monument houses. RMGC's proposal regarding this area has been illustrated in the EIA, volume 33- the Plan M – *Cultural Heritage Management Plan*, part II – *Management Plan for Historical Monuments and Protected Zone from Roşia Montană*, Exhibit 6.

In conclusion, the town-planning studies and the specific studies conducted for the delimitation of the protected areas within the Roşia Montană commune, in the perimeter planned for the extension of the existing mining operation under the project proposed by the company, are currently awaiting approval by the competent institutions and commissions, in accordance with current legislation.

Note that none of the houses located within the RMP perimeter is going to be negatively impacted, and the 41 historic buildings are going to be included in a comprehensive restoration and rehabilitation program (see EIA, volume 33 – Plan M: *Cultural Heritage Management Plan*, part II – *Management Plan for the Historical Monuments and Protected Zone from Roșia Montană*, pages 75-94).

As for the archaeological heritage of the area, now after more than seven years of large-scale preventive archaeological researches conducted at Roșia Montană within the „Alburnus Maior” National Research Program – financed by RMGC in accordance with current legislation – this is now better identified, understood and delimited. Thus, the List of Historical Monuments has been updated and it includes four new distinct areas: the Roman remains found in the Carpeni area, the Roman funerary precinct from the „Hop-Găuri” area, „Cătălina Monulești” area from the protected area historical centre of Roșia Montană and the Roman galleries from the Cărnic massif, the Pietra Corbului area.

For further details, please see Annex called “Information on the Cultural Heritage of Roșia Montană and Related Management Aspects”.

*

No one wants to see even a single grave moved. Yet we know that for as long as communities have organized themselves, they have recognized – and later built into law – rules for moving graves in order to advance the interests of the community.

To put the issue in perspective as it relates to Roșia Montană, only 410 graves of the Roșia Montană’s 1,905 graves will be affected by the mining project, as the company has to the maximum extent possible designed the mining operations to leave established graveyards in place.

All reburials will be done at the request of the families, and the expense of SC Roșia Montană Gold Corporation SA (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 Pietra Albă’s new cemetery, for which 13 hectares have been set aside.

References:

(1) 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);

(2) 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”);

(3) 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”);

(4) 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);

(5) 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).

Item no.

107

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

1. What is the reason behind the change of company's name, for several times and what is the reason behind Frank Timiș's removal from the company?
2. The questioner wants to see that expenses related to company's propaganda and the ones necessary to secure several permits, and those related to the fact that some people have been hired just to obtain several advantages for acquiring lands, are made public.
3. What was the total cost paid by National Agency for Mineral Resources for the geologic report of the reserves from Roșia Montană?
4. What are the intentions of the company with respect to the development of the tailings facilities, because its first step in Roșia Montană was the research of these facilities?
5. Through the exploration program conducted between 1997 and 2004, 352 million tons have been estimated, with a grade of 1.3 g of gold and 6 g/t of silver. Out of these, the company selected 218 million tons with a grade of 1.52 g of gold and 7.47 g of silver and states that this quantity could be reduced. What will happen to the 134 million tons of reserves that are planned and are also included in the mined area?
6. Why will the exploration program continue to be developed at a lower pace?
7. Why don't mining operations cease?
8. It is intended to preserve a part of Roșia Montană (the so-called protected areas). Will these be included in the open pits?
9. A desert will be created in Apuseni Mountains, through this project. Everything said about environmental rehabilitation is worthless. It involves expenses and workforce that will not be covered by the assigned amounts.

There were not several changes of name, but one, duly registered with competent authorities.

The company was incorporated under the name Euro Gold Resources SA, and under the General Shareholders Meeting decision dated 09.12.1999 it was resolved the change of name into Roșia Montană Gold Corporation SA, in order to link the name of the company with the one of the project developed and of the commune with which the company has a commitment for sustainable development. The change of name was registered with the Trade Registry, as acknowledged by the Alba Trade Registry Resolution no. (64/01.02.2000).

Mr. Timiș has no ties with either Gabriel or RMGC whatsoever. He stepped down in 2003 at the Board of Directors' request. The Board determined that new management of the Company was necessary to develop the Project.

Solution

*

Roșia Montană Gold Corporation SA benefits of no facilities in regard of the sale of the necessary lands for the development of the Roșia Montană Project.

The company obtained and shall obtain the necessary lands for the development of the Project as per the legal provisions and by the means specified by art. 6 of the Mining Law no. 85/2003, published in the Romanian Official Gazette, Section I, no. 197/27.03.2003, respectively „(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) lease on determined duration, based on agreements between the parties, (iv) expropriation for cause of public utility, as per the law; (v) land concession*”, etc.

As for the expenses incurred by Roșia Montană Gold Corporation SA with the employees and the Project's permitting process, these are public information included in the financial statements submitted to the

Trade Register Office and to the local bodies of the Ministry of Public Finance, as per the applicable legal provisions.

*

The National Agency for Mineral Resources did not pay for the geological report on the existing reserves at Roșia Montană. All the expenses related to the development of geological reports, technical documentation for the reserves/resources calculation, feasibility studies, mine development plans, closure plans, rehabilitation plans, etc. are covered by the mining operator or by the holder of the license based on which these documentations are developed.

*

Until 2004, the disused tailings management facilities owned by RoșiaMin S.A., a subsidiary of the CNCAF Minvest S.A were included in the Roșia Montană mining license. Under the Mining Law no. 85/2003, the titleholder of the license was under the obligation to assess the potential of resources on the entire area covered by the mining license.

Therefore, RMGC also assessed the potential of resources/gold content of the disused tailings management facilities by means of low-depth drillings. But, after 2004, these tailings ponds were no longer included in the perimeter covered by the mining license. Consequently, no other works could be conducted on these surfaces (such as tailings processing surveys meant to establish a gold mining rate).

The company does not plan to obtain a profit out of the material stored in these tailings ponds, first of all in order to comply with the legal framework, according to the mining license, and secondly, because the studies required in order to reach a decision as to their development have not been completed.

*

The 350 million tones estimate refers to the estimated resources of the Roșia Montană deposit, but not the entire quantity of resources can be exploited in economically viable conditions. In order to obtain an efficient exploitation, it is necessary to produce an exploitation development study and a feasibility study (including the resource estimate) that determines which of the identified resources can be capitalized. These will become the exploitable resources and, specifically for the Roșia Montană deposit, they amount to 215 million tones, with an average content of 1.46 g/t Au and 6.9 g/t Ag and will be mined in the four proposed pits. The rest of the resources remain unexploited, as they are located in the extensions of the planned quarries or immobilized under the protection areas or under the protected areas established at Roșia Montană.

The resources and reserves which are 2 different classifications of mineralized rock (one with an economic mine plan and one which just states the amount of mineralized rock) have been independently confirmed to 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 research programs conducted between 1997 and 2006 have defined the Roșia Montană deposit and have lead to estimates regarding the existence of sufficient resources for the commencement of this deposit's exploitation. They will continue at a slower pace with the goal of further detailing the known areas.

The geological research program will continue at a slower pace into the exploitation period of the Roșia Montană mining project. The geological research program aims to continuously improve the geological model of the deposit, delimiting the mineralized areas from the sterile ones. In this respect, samples will be obtained and chemical testings will be performed in advance of the exploitation activities, for a more thorough control of the deposit's contents of gold and silver. Moreover, geological research activities may be conducted after exploitation has began in the planned quarries' extensions, in order to verify the extension of the mineralization in these areas. There will be also infill and grade control drilling in order to

increase knowledge concerning the Roşia Montană deposit.

*

Gold mining represents an issue of national strategic importance for Romania. This project meets all Romanian and European Union standards, provides new jobs for Romanians, especially in the Roşia Montană region, and will serve as a catalyst for reviving the important mining sector, which is strategically important for the Romanian economy and an important part of rural development.

The Environmental Impact Assessment study report (EIA) 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 Roşia Montană Project (RMP). Remediation of the area would be very expensive and certainly beyond the means of the local community. However, Chapter (5) of the EIA Report (*Assessment of the Alternatives*) examines alternative options for the RMP including the “no-project” option. The EIA considered alternative developments that include agriculture, grazing, meat processing, tourism, forestry and forest products, cottage industries, and flora/fauna gathering for pharmaceutical purposes. It concluded that none of these industries could provide the economic stimulus to assure sustainable prosperity for local communities as is forecast for the Project. However, it also noted that the Project would not halt development of alternative industries in parallel and would indeed remove some of the current obstacles for sustainable development, such as pollution and land dereliction.

The Project would therefore support the community’s initiatives to develop industries other than mining and this is central to the *Community Sustainable Development Management Plan* attached to the EIA report (Plan L).

*

The protected areas are not located within the proposed open-pits.

41 buildings (39 houses and 2 churches) from Roşia Montană are currently classified as historical monuments, according to 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 (code LMI 2004: AB-II-s-B-00269 and then from AB-II-m-B-00271 to AB-II-m-B-00311).

The Historical Centre of Roşia Montană is also included on the List of Historical Monuments 2004 (code AB-II-s-B-00270), and the following details are mentioned as regards its location: „the Village Fair” (Târgul Satului), the Square (Piaţa), the Berg district, Brazilor Street and the area located upstream of the Square towards the lakes, all these being included in the B group, that is to say historical monuments of local interest.

In accordance with current legislation, in 2001, RMGC contracted certified companies and initiated the drafting of these specific town-planning documentations, namely the General Urban Plan and the Zonal Urban Plan. The permit for the creation of the Protected Area Historical Centre of Roşia Montană was issued by the Ministry of Culture and Religious Affairs in 2002 (permits no. 61/14.02.2002 and no. 178/20.06.2002) as part of the procedure for the approval of the town planning documentations. On the basis of these permits, the Ministry of Culture and Religious Affairs requested the company to prepare a Zonal Urban Plan for the Historical Centre of Roşia Montană. Our proposal regarding this area has been illustrated in the EIA, volume 33 – the Plan M – *Cultural Heritage Management Plan*, part II – *Management Plan for Historical Monuments and Protected Zone from Roşia Montană*, Exhibit 6 The surface covered by this area has been extended from 52 ha to over 130 ha and includes 35 of the 41 historical monument houses.

As for the heritage assets located within the proposed industrial area, they consist of 6 historic buildings and 4 archaeological sites – the Orlea area (codes LMI AB-I-m-A-00065.01, AB-I-m-A-00065.02); the Carpeni area (AB-I-m-A-00065.03); the Roman funerary precinct found in the „Hop-Găuri” area (AB-I-m-A-00065.04) and the Roman galleries from the Cărniceşu massif – Piatra Corbului area. Specific measures regarding the historical monuments and archaeological sites within the industrial area are described in the EIA, volume 32-33 – Plan M: *Cultural Heritage Management Plan*, part I – *Management Plan for the Archaeological Heritage from Roşia Montană Area* and part II – *Management Plan for Historical Monuments and*

Protected Zone from Roşia Montană. These measures will also be included in the requirements of the Zonal Urban Plan for the Industrial Area of Roşia Montană.

Note that none of the historic houses located within the RMP perimeter is going to be negatively impacted, and the 41 historic buildings are going to be included in a comprehensive restoration and rehabilitation program (see EIA, volume 33 – Plan M: *Cultural Heritage Management Plan*, part II – *Management Plan for Historical Monuments and Protected Zone from Roşia Montană*, pages 76-95).

The proposed protected zone of Roşia Montană will cover over 130 ha. This area will include the architectural values of this village (to be restored and enhanced). These are going to be organized in a mining museum, which will include exhibits of geology, archaeology, ethnography (with an open-air section), industrial heritage as well as a significant underground section 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 southwestern parts of the old centre of the village-an area 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 authorities. The several hundred houses located within this area represent a highly significant component of this perimeter.

The company wants to protect and promote all these elements. Therefore, special measures will be taken both inside the protected zone 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.).

The Technical University of Civil Engineering, Bucharest has conducted in co-operation with IPROMIN have conducted a series of studies and simulations regarding the specific measures for the mitigation of the impact caused by blasting on the historical monuments. For further details on this matter, please see the specific Annex.

In conclusion, according to the status of the proposed protected zones for Roşia Montană, these are not located within the proposed open-pits, but outside them. We talk about 4 protected zones, namely the protected zone Historical Centre Roşia Montană (which includes 35 historical buildings, the Cătălina Monuleşti gallery), the archaeological reserve from the Carpeni hill area (including the Păru Carpeni mining sector); the Roman funerary precinct from Tăul Găuri and the mining remains from the open-cast mines in the Pietra Corbului area.

For further details on the protected zone Historical Centre of Roşia Montană, including a series of remarks regarding the type of juridical protection and other legal provisions applicable in this case, please see the Annex called “Information on the Cultural Heritage of Roşia Montană and Related Management Aspects”.

*

The statement that a desert will be created in Apuseni Mountains is unfounded. In fact, after completion of closure and rehabilitation, the 584 hectares (of the total 1646 hectares included in the PUZ) that compose the areas between the mine pits and processing facilities as well as the buffer zone will show no visual signs of the mining project. The infrastructure projects (i.e. roads, sewage treatment facilities, etc.) will be left for community use. In the case of the remaining 1062 hectares (see Chapter 4, Section 4.7 Landscape, table 3.1, from the EIA report), though they will be altered, they will also be remediate (reshaped, treated with an engineered soil-covering system, and revegetated) to blend with the surrounding landscape to the greatest extent possible.

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

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

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

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

Currently, RMGC anticipates spending US\$ 76 million on closure and rehabilitation and our estimates assume international best practice, best available technology (BAT), and compliance with all Romanian and E.U. laws and regulations. We are committed to leaving the area—which is currently heavily polluted due to previous mining activities—in better environmental health than when we arrived.

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

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 in the provisions for tailings rehabilitation, especially if the TMF is closed prematurely and no optimized tailings disposal regime is applied. The exact figures depend on the details of the TMF closure strategy which can be finally determined only during production.

We believe that—far from being too low—our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set aside US\$ 683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US\$ 25 million on average per mine.

Item no. 108

No. to identify the observations received from the public

Alba Iulia, 31.07.2006

Proposal

The questioner makes the following comments and remarks:

1. The Church and the Romanian Academy are against the Project. It is possible that the Government would disregard their views?
2. Will the archaeological sites be impacted; will we erase 2000 years of history with bulldozers? Would anyone from Europe have taken the liberty to develop such a project in an area loaded with so much history?
3. The large quantity of 218 mil. tons of ore resulted from stripping of over 1000 ha of land, will impact people's life, the flora and fauna from the area. Without doubt, the churches, the houses, and whatever remains from the graveyards, it is impossible to remain unaffected considering the scale of the operations. It will be an inferno.
4. Can an area still be a tourist attraction if it has a 364 ha tailings facility with cyanides content?
5. The tailings facility is not lined, and the cyanide may become gaseous under certain conditions. Neither heavy rainfalls nor severe drought are good. The current tailings facilities from Roşia Montană do not contain any cyanides. What will happen with the cyanides, will they remain here and the state will have to pay the reconstruction subsequent to company's departure?
6. The amount cashed by the state from the taxes on company's activities is too low, and 600 jobs are not an advantage for Romania.
7. Why doesn't the Government of Romania provide less money for archaeological researches, in order to take advantage of the beauty of the area and of the archaeological sites, and this will certainly attract tourists?

Solution

The Ministry of Environment and Waters Management (MEWM) is subordinated to the Romanian Government. Within the Ministry, there is the Technical Analysis Commission (TAC), which participates to the environmental impact assessment and environmental approval issuing procedure, for the investment projects related to the activities/installations with a significant impact on the environment, which are to be solved by the MEWM, as per art. 4 of the Order of Environment Minister no. 171/2005.

According to art. 2 of Order no. 171/2005, CAT participates to the decision-making process regarding the issuance of the environmental approvals for the activities with a significant impact on the environment, being composed of the representatives of MEWM, the Ministry of Economy and Trade, the Ministry of European Integration, the Ministry of Health, the Ministry of Agriculture, Forests and Rural Development, the Ministry of Transport, Constructions and Tourism and the Ministry of Administration and Interior – General Inspectorate for emergency situations – civil protection and fire brigade. The CAT structure may be supplemented with representatives of other central public authorities, art. 2 (4) of the Order no. 171/2005, enumerating, *inter alia*, the Ministry of Culture and Religious Affairs and the Romanian Academy.

Considering the legal provisions previously mentioned, to the extent the CAT meetings are attended by representatives of the Church or Romanian Academy, either as members or as professionals with consultative purposes, they will express their opinions, which shall be considered by the Government (through MEWM), upon the issuance of the environmental permit for the Roşia Montană Project.

Also, the Church and the Romanian Academy had the possibility to manifest their opinions and comments during the public consultations. Thus, according to art. 11 (3) of GD no. 981/2002¹ referring to establishing of the framework procedure for the environmental impact assessment and for the approval of the list of private or public projects subject to this procedure ("GD no. 918/2002"), which provides that "*the competent authority for the environmental protection, together with the authorities represented in CAT, analyzes the quality of the report to the environmental impact assessment study (inclusively of the annex containing the titleholder's answers to the comments and observations made by the public – our note), and decides to accept or that the report should be remade and to issue, respectively to reasonably reject the issuance of the environmental permit*".

In conclusion, as per the legal provisions, MEWM decides to issue the environmental permit for the Roşia Montană Project by consultations with CAT, to the activities of which the members of the Church and the Romanian Academy may participate, and based on the comments and opinions expressed by the interested public, the Church and the Romanian Academy having the legal right to be a part of it.

Reference:

[1] – Please note that GD no. 918/2002 was repealed by GD no. 1213/2006 on establishing the framework procedure for the environmental impact assessment for certain private and public projects, published in the Official Gazette, Section I, no. 802/25.09.2006 („GD no. 1213/2006”). Nevertheless, considering the provisions of art. 29 of GD no. 1213/2006, which provides „the projects submitted to a competent authority for the environmental protection, with a view to obtaining the environmental approval and that are subject to the environmental impact assessment procedure, prior to the entering into force of this Decision, are subject to the environmental impact assessment and environmental approval issuing procedure in force at the moment of such submission”, please be informed that, with respect to the RMGC project, the provisions of GD no. 918/2002 are still applicable.

*

Note that RMGC does not plan to destroy Roşia Montană’s cultural and spiritual heritage by implementing the RMP. At present, after seven years of extensive research and specialized studies, financed by RMGC in accordance with current legal provisions, the nature, features and distribution of heritage values (archaeological sites, historic buildings, churches and cemeteries from the Roşia Montană area) as well as with the history of this village are now better understood. The research and studies conducted in the period 2000-2006 on the heritage of the area allowed the creation of a comprehensive understanding of these assets of the national cultural heritage and of the areas bearing a spiritual significance, of the history of this village as well as the adoption of specific measures for the protection of all these elements.

Thus, these researches served as a basis for the issuance of the archaeological discharge certificates, that is to say the areas where the project can be developed have been established. They also served to establish the protected zones with cultural heritage assets, that is to say the areas where no industrial activities can be carried out.

These are several examples of cases in Europe where industrial areas have been developed which required preventive/rescue archaeological researches-stipulated by the European Convention of Malta (1992) on the Protection of the Archaeological Heritage [1] :

- the construction of the Toyota plant near Valenciennes (France);
- the development and systematization of the Actiparc industrial area near Arras (France);
- the development and systematization of the industrial area at Dourges near Pas-de-Calais (France);
- the development of the gravel pit on the Aisne valley (France);
- the route of the transeuropean gas pipe from the Jamal Peninsula (Siberia) to the West of Europe – the portion from the Wielopolska region (West of Poland);
- the construction of office buildings in the Spitalfield area (Spitalfield Charnel House), London (Great Britain);
- the construction of new residential areas in the Wandsworth Riverside quarter of London (the former Shell oil terminal), London, UK.

All the commitments publicly made by RMGC regarding the cultural heritage of Roşia Montană and its protection are detailed in the EIA Report, volume 32-33, Plan M – *Cultural Heritage Management Plan*, part I – *Management Plan for the Archaeological Heritage from Roşia Montană Area*, part II – *Management Plan for Historical Monuments and Protected Zone from Roşia Montană*, part III – *Cultural Heritage Management Plan*. Should the mining project be implemented, the company plans to continue the archaeological research, to publish its results and to enhance Roşia Montană’s cultural heritage. All these measures are meant to support tourism development based on these elements and bring it to the levels imposed by the relevant European standards.

All the parties concerned with the cultural heritage of Roşia Montană have approached this issue from the beginning in good faith, in a responsible manner and in compliance with the national and international

legislation applicable to this specific issue.

For further details on the significance of the cultural heritage values from the Roşia Montană area, namely the way they have been inventoried and researched in the last 7 years as well as for a series of remarks on the type of legal protection and other legal provisions applicable in this case, please see the Annex called "Information on the Cultural Heritage of Roşia Montană and Related Management Aspects".

Reference:

[1] The text of the Convention is available for consultation at the following address:

<http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?NT=143&CM=8&DF=7/6/2006&CL=ENG>

*

The Environmental Impact Assessment (EIA) Process under which the Roşia Montană Project (RMP) must be permitted follows Romanian law, European Union directives and Best Available Techniques (BAT). The best safeguards that the project will be done without the horrors the questioner imagines.

As for the impact on flora and fauna, the EIA requires a baseline study for flora and fauna in the impact area, and establishes that the RMP as designed can proceed with processes in place to safe guard biodiversity in the region.

To put the impact of RMP in prospective, just four of Roşia Montană's sub-communas, will be impacted by the project. A protected zone has been established and all 41 historic structures in Roşia Montană will be preserved due to careful planning of Roşia Montană mine design. Homes and properties needed for the mine to proceed will be bought under a RRAP program designed to meet World Bank Standards. Only 4 of the 10 existing churches and prayer houses must be moved to make way for the mine and those will be relocated at the congregation wishes likewise, 410 of the villages 1,905 graves will be relocated to follow to the letter Romanian law on reburials[1] with the company's commitment to act with respect and reverence.

All human activities have negative impacts as well as positive impact to our environment. We believe the positive social, environmental and economic benefits more than counter the necessity of moving homes, churches and graves form part of the village. The RMP will provide 634 well paid jobs for the better part of two decades in a village community currently struggling with 70 percent unemployment added to the US\$ 2.5 billion the project infuses in to Romanian economy over the life of the mine, we believe this project delivers significant benefits for Roşia Montană and for Romania.

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, 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).

*

To characterize Roșia Montană—which does not have a single hotel—as a tourist attraction is unrealistic. However, as the questioner suggests, there may be the potential to develop a tourist industry in the area and RMGC believes that our mine will enhance, rather than impede, such efforts.

Tourism will be possible and profitable only when Roșia Montană has something to offer tourists in terms of clean environment, proper infrastructure (i.e. good roads, running water, and a proper sewage system), and attractions (i.e. museums and historical monuments). RMGC's modern mine operations will remediate environmental damage caused by previous mining activities and will provide, through taxes and general economic activity, the necessary funds to improve infrastructure. Our mine design protects all of Roșia Montană's 41 historical structures and our heritage management plans also call for investing US\$ 25 million to protect the region's cultural heritage in such a way as to support tourism. The new landscape itself may even provide new opportunities. For example, the old TMF site will represent the largest flat area in the region and provide the perfect site for a golf course or hiking trails. Towards the end of the mine's life, RMGC will request the community's ideas for redevelopment.

Regarding the questioner's specific concern about cyanide, the cyanide content in the tailings management facility (TMF) will comply with European standards (EU Mine Waste Directive 2006/21/EC). No water with a cyanide concentration exceeding the very strict NTPA 001/2002 limit of 0.1 mg/l CN_{tot} will be discharged into the environment or pumped from the TMF to the open pits. All seepage will be captured downstream of the TMF in a secondary containment dam. If any effluent does not comply with the CN_{tot} limit, it will be treated to ensure that the cyanide remains confined to the TMF.

*

An engineered liner is included in the design of the Tailings Management Facility (TMF) basin to be protective of groundwater. Specifically, the Roșia Montană Tailings Management Facility (TMF or "the facility") has been designed to be compliant with the EU Groundwater Directive (80/68/EEC), transposed as Romanian GD 351/2005. The TMF is also designed for compliance with the EU Mine Waste Directive (2006/21/EC) as required by the Terms of Reference established by the MEWM in May, 2005. The following paragraphs provide a discussion of how the facility is compliant with the directives.

The TMF is composed of a series of individual components including:

- the tailings impoundment;
- the tailings dam;
- the secondary seepage collection pond;
- the secondary containment dam and;
- the groundwater monitoring wells/extraction wells located downstream of the Secondary Containment dam.

All of these components are integral parts of the facility and necessary for the facility to perform as designed.

The directives indicated above require that the TMF design be protective of groundwater. For the Roșia Montană project (RMP), this requirement is addressed by consideration of the favorable geology (low permeability shales underlying the TMF impoundment, the TMF dam, and the Secondary Containment dam) and the proposed installation of a low-permeability (1×10^{-6} cm/sec) recompacted soil liner beneath the TMF basin. Please see Chapter 2 of EIA Plan F, "The Tailings Facility Management Plan" for more information.

The proposed low permeability soil liner will be fully compliant with Best Available Techniques (BAT) as defined by EU Directive 96/61 (IPPC) and EU Mine Waste Directive. Additional design features that are included in the design to be protective of groundwater include:

- A low permeability (1×10^{-6} cm/sec) cut off wall within the foundation of the starter dam to control seepage;
- A low permeability (1×10^{-6} cm/sec) core in the starter dam to control seepage;
- A seepage collection dam and pond below the toe of the tailings dam to collect and contain any

seepage that does extend beyond the dam centerline;

- A series of monitoring wells, below the toe of the secondary containment dam, to monitor seepage and ensure compliance, before the waste facility limit.

In addition to the design components noted above specific operational requirements will be implemented to be protective of human health and the environment. In the extremely unlikely case that impacted water is detected in the monitoring wells below the secondary containment dam, they will be converted to pumping wells and will be used to extract the impacted water and pump it into the reclaim pond where it will be incorporated into the RMP processing plant water supply system, until the compliance is reestablish.

Below is further technical detail explaining why there will be no chance for harmful vapor emissions.

A model for the cyan-hydro acid (HCN) emissions is summarized in tome 12, chapter 4.2. Air. For the HCN dispersion model, see AERMOD model version 99351.

-EPA, 2004. User's Guide for the AMS/EPA Regulatory Model – AERMOD. EPA-454/B-03-001. See also - http://www.epa.gov/scram001/dispersion_prefrec.htm#aermod

It has been noted that the air concentration magnitude at RMP will be lower than air quality regulatory standards. Studies on the apparent? Causes of the „cyanide rain” phenomenon show that the respective „rain” is a small component of the HCN air dispersion and will not represent a violation of environmental standards.

The references related to this project include:

-Cicerone, R.J., și Zellner, R., 1983. The atmospheric chemistry of hydrogen cyanide (HCN). Geo-physics Research Journal, vol 88, nr. C15, pp. 10,689 – 10,696;

-Mudder, T.L., Botz, M.M., și Smith A., 2001. Chemistry and Treatment of Cyanide Wastes, The Second Edition. Mining Journal Books, Ltd., London, 373 p.

The reasons for stating that no harmful HCN emissions will ever 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 can not 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 TMF will be done by the detoxification system;
- The knowledge of cyanide chemistry and on the grounds of past experiences, 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/m² during the hot season and 7.6 t, respectively 11.6 mg/h/m² during the cold season) from the tailings management facility surface, which totals 134.2 kg/day of HCN emission;
- Once released, 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 being of 382 $\mu\text{g}/\text{m}^3/\text{h}$;
- The highest HCN concentrations within the ambient air will be 2.6 times lower than the limit value stipulated by the national legislation for labor protection;
 - The HCN concentrations within the ambient air from the populated areas close by industrial site will be of 4 to 80 $\mu\text{g}/\text{m}^3$, more than 250 – 12.5 times lower than limit value stipulated by the national legislation for labor protection (the national legislation and EU legislation on the Quality of Air, don't stipulate limit values for the population's health protection);
 - Once released in the 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 partial, 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 to be higher than the background values (0.2 ppb) is extremely low.

On the basis of the above presented information, it is very clear that HCN emissions may have a certain local impact on atmosphere quality, but their implication within a possible trans-boundary impact on air quality is excluded.

For details referring to the use of cyanide in the technological processes, the cyanides balance as well as the cyanide emission and impact of the cyanides on the air quality, please see the EIA Report, Chapter 2, Chapter 4.1 and Chapter 4.2 (Section 4.4.3).

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. Specifically, the facility has been designed for two Probable Maximum Precipitation (PMP) events and the associated Probable Maximum Flood (PMF). The design criterion for TMF includes storage for two PMF flood events, more rain than has ever been recorded in this area. Additionally, a spillway will be incorporated into each dam crest to provide for controlled outlet of water in the unlikely event that the water rises to the dam crest. Drought would not impact the facilities in any significant way.

Cyanide is used in hundreds of gold mines and many industries around the world. At Roşia Montană, the TMF will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. 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 below the regulatory limit of 10 ppm recently adopted in the EU Mine Waste Directive.

The cyanide used in operations will be carefully handled according to EU guidelines and safely contained. Cyanide rapidly breaks down to harmless substances under normal atmospheric conditions, i.e. it is short-lived in the environment. 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 will degrade rapidly to levels well below maximum regulatory levels. This system of use and disposal of cyanide in gold mining is classed as Best Available Techniques by the EU.

The state will not pay for any liabilities of the Roşia Montană Project. An Environmental Financial Guarantee (EFG) as required by the Romanian Mining Law and the EU Mine Waste Directive will be in place before any liability is incurred. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").

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 current projections for the financial benefits to the Romanian state are as follows, assuming a gold price of \$600/ounce and a silver price of \$10.50/ounce:

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

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.

Regarding the number of jobs at the project during the operational stage, the number is consistent with the modern mining practices that SC Roşia Montană Gold Corporation SA (RMGC) will introduce to Romania. Further, we expect that the project will generate 6,000 indirect jobs. Given the current 70% unemployment rate in Roşia Montană, we believe the project will provide a significant gain in employment for the region.

*

The Ministry of Culture and Religious Affairs from Romania grants every year several funds to conduct basic researches. The funds are provided based on several funding criteria (Ministerial Order 2066/09.02.2007 on the methodology and criteria for provision of funds necessary for archaeological sites subsidized from the budget of Ministry of Culture and Religious Affairs). The above mentioned Ministry is the authority competent to answer your question.

Item no.

109

No. to identify
the
observations
received from
the public

Alba Iulia,
31.07.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.	110
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.	111
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

112

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

The questioner makes the following comments and remarks:

1. The unemployment rate is high at Rosia Montana.
2. The NGOs opposing the project should provide alternatives for locals.

The unemployment rate is currently 70% in Roşia Montană. If the Roşia Montană Project (RMP) does not receive the necessary permits and authorizations to proceed, unemployment in Roşia Montană will rise above 90%.

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

*

We appreciate the questioner's support of the Project.

Solution

RMGC is not aware of alternatives proposal from NGO's opposing the project that would address 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 for sustainable development, such as pollution and land dereliction.

Item no.

113

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

The questioner supports the project.

Solution

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

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

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

In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and 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.	114
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

115

No. to identify
the
observations
received from
the public

Alba Iulia,
31.07.2006

Proposal

The questioner supports the Project and believes that the company representatives may be penalized if they do not observe the laws.

Solution

The initiation, promoting and development of the project proposed by RMGC can be made only 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 Commission and the public, with regards to the aspects related to the fulfillment of the mandatory stages for obtaining the environmental permit.

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 the fact that RMGC will 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 the Roșia Montană Project.

Item no.	116
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	<ol style="list-style-type: none"> 1. Is there an estimation of Roşia Montană deposit, and if yes, how much is going to be mined and how much will remain? 2. The questioner would like to learn if issues related to the technology transfer have been discussed during the negotiations undertaken to establish the percentage for Romania. Could the Processing Plant remain here, in our country?
Solution	<p>The exploration activities conducted by RMGC between 1997 and 2006 show that there are 350 million tonnes of rock (material) with an average grade of 1.3 g/t gold and 6 g/t silver which just states the total amount of mineralized rock. Based on an economic mine plan and pit design using these resources was estimated a reserve of 215 million tonnes of ore with an average grades of 1.46 g/t Au and 6.9 g/t Ag .This amounts to a total content of 314.11 t Au and 1480.36 t Ag. This represents the ore quantity to be mined and processed at Roşia Montană. The differences of 135 million tons of ore are located in the extensions of the designed pits, immobilized under the protection areas, or under the protected areas established at Roşia Montană.</p> <p>Roşia Montană’s resource and reserves deposit estimations are based upon a very elaborate research program, which included the collection of 191,320 samples taken 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 program was independently supervised and all resource and reserve estimates have been independently estimated.</p> <p>Each sampled metre 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.</p> <p>The resources and reserves 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.</p> <p style="text-align: center;">*</p> <p>The entering of the technical outbuildings and annexes of the mining exploitation into State’s property is not a subject of negotiations between the investors and the State, being a matter expressly regulated by the law.</p> <p>Thus, art. 37(2) and art. 39(1) letter i) of the Mining Law no. 85/2003 published in the Romanian Official Gazette, Section I, no. 197/27.03.2003, provided that both the perimeter and the technical annexes and dependencies of the exploitation, therefore including the treatment plant, <u>“enter the State’s property, without any payment and free and clear of any encumbrances, regardless of their nature”</u>, within 3 months since the cessation of the concession of the mining activities in the exploitation perimeter.</p>

Item no.	117
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	<p>The questioner believes that the issue is a moral and not a technical one, and the project is both a chance and a challenge.</p> <p>He believes that the civil society should organize a consistory that would closely monitor the development of this project.</p> <p>He doesn't have any questions.</p>
Solution	<p>Thank you for participating in the process. Virtually every aspect of the Roşia Montană Project (RMP) will be subject to some sort of monitoring. Both while the project is being constructed and during mine operations, technical consultants from the banks that have lent money to the RMP, insurance experts, independent experts, and the Romanian authorities will monitor such areas as environmental protection, protection of cultural heritage, social effects, and health and mine safety. In addition, SC Roşia Montană Gold Corporation SA (RMGC) will continue its process of public and stakeholder consultation through the life of the project and will be happy to meet with civil society organizations at any time to discuss project operations.</p>

Item no.

118

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

The questioner makes the following comments:

The nature must be maintained clean as it was left by God. At Rosia Montana there are some issues, but good things must be done, and we mustn't reach to a situation where we will breathe polluted and vitiated air.

There are old people who have seen the results of pollution at Copsa Mica and in other areas, where people have honestly worked and suffered.

This is not the right way. Romania owns the resources and foreigners come to teach us what to do.

Atmospheric pollutants are everywhere in the ambient air, with lower or higher concentrations, their emission sources being both anthropic (human activities) and natural.

In regards to the atmospheric pollutants generated by the mining activities proposed by Roşia Montană Project, we specify that Piatra Albă area, although relatively close to the industrial perimeter, is a part of its external areas and is exposed to the lowest extent to these pollutants. The sole pollutant which could influence, to a certain extent, the air quality from Piatra Albă area is represented by particles. Maximum concentrations of particles from the air within the Piatra Albă area will be of 4 up to 20 times lower than the standard values for population's health protection. Concentrations of other pollutants generated by the future mining activities into the Piatra Albă area's air will be insignificant.

Please note that in the perimeter of any locality, irrespective of the industrial activities, the air quality is influenced by inherent local sources of day-to-day life, namely: heating, cooking, traffic etc.

The polluting level of the atmosphere in Piatra Albă area, by particles, due to the future local sources together with the mining activities will be below the standard values established for the population's health protection.

Solution

The model of atmospheric dispersion has been developed using the *Best Available Techniques*, in order to simulate the transport of the pollutants generated by the mining activities outside the Project area. Modern concepts related to the flow and dispersion in complex terrains are incorporated in AERMOD by using a new and simple approach. If this is not necessary, the plume is modelled, either having a path that impacts the terrain or with a path that follows the terrains' topography.

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

The measures taken for the control of the dust emissions resulting from the pits and ore / waste rock haulage roads are:

- The use of a new blasting technology: millisecond delay blasting which reduces drastically the height of the dust front and dispersion area;
- Ceasing of the activities generating dust during the periods with intense winds or when the automatic monitor for particles installed in Roşia Montană protection area indicates an alert situation;
- Implementation of a program for dust control on the unpaved roads during the drought seasons by means of watering trucks and inert substances for dust suppression. These measures will reduce the dust emissions by 90%;
- Minimize the height when doing the maneuvers of unloading / placing the materials;
- Establish and implement speed limits in traffic;

- Implement a schedule for periodical maintenance of vehicles and equipments, subject to monitoring;
- Automatic monitoring of the air quality and meteorological parameters;
- Implement extra measures to control the dust emissions: the ore and waste rock is sprinkled with water when loaded in trucks.

Details: The Report on the Environmental Impact Assessment (EIA) Study (Vol. 12 – Chapter 4.2, Subchapter 4.2.4) and Air Quality Management Plan (Vol. 24, Plan D) include, in detail, the technical and operational measures in order to reduce/eliminate the dust emission generated by the Project activities.

Item no.

119

No. to identify
the
observations
received from
the public

Alba Iulia,
31.07.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.	120
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.	121
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	<p>The questioner quotes from the Environmental Impact Assessment (page 13 – rock types, page 36 – underground waters and page 72 – heavy metals and non-metals) and believes that the study is based on probabilities and not on certainties. He claims that every chapter or subchapter should include the name of each person responsible for preparing that particular study and who will guarantee from penal point of view that nothing will happen.</p>
Solution	<p>Pursuant to relevant legal provisions, the environmental impact assessment for the Rosia Montana Mining Project was conducted by “natural and legal persons independent of the project [...] titleholder” and “certified by the competent environmental protection authority”[1].</p> <p>According to the legal provisions in force [2], the report on the environmental impact assessment study includes in Chapter 1, <i>General Information</i> – section 2, contact data of the certified authors of the environmental impact assessment study and report on such study, information which is also summarized in Chapter 9. <i>Non-Technical Summary</i>.</p> <p>Since June 2004, the certified experts are (no longer) required by the legal provisions in force [3] to sign the Report on the Environmental Impact Assessment Study (or “parts” thereof).</p> <p>“The liability for the accuracy of the information supplied to the competent environmental protection authority and to the public belongs to the project [...] titleholder”, and the liability for the correctness of the environmental impact assessment belongs to its authors [4], <i>i.e.</i>, in the case of the certified experts team, it belongs to “the natural persons certified at the highest level of competence” and to “the certified legal persons” [5], that participated in the environmental impact assessment based on the agreement concluded with the project titleholder.</p> <p>References:</p> <p>[1] According to the provisions of Article 21(1) (a) of Emergency Government Ordinance no. 195/December 22, 2005 on environmental protection, published in the Official Gazette of Romania, Part I, no. 1196 of December 30, 2005, approved as amended by Law no. 265/June 29, 2006, published in the Official Gazette of Romania, Part I, no. 586 of July 6, 2006.</p> <p>[2] Annex 2, part 2 of Order no. 863/2002 issued by the Minister of Agriculture, Forests, Water 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 I, no. 52 of January 30, 2003.</p> <p>[3] The provision under which the coordinating expert is held liable, „under his/her signature”, for the „quality of the studies and reports prepared”, stipulated by Article 5(2) of Order no. 978/December 2, 2003 of the Minister of Agriculture, Forests, Water 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 modification of Order no. 978/2003 of the Minister of Agriculture, Forests, Water and Environment regarding the Regulations for 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).</p> <p>[4] Article 21(4) of Emergency Government Ordinance no. 195/December 22, 2005 on environmental protection, published in the Official Gazette of Romania, Part I, no. 1196 of December 30, 2005, approved as amended by Law no. 265/June 29, 2006, published in the Official Gazette of Romania, part I, no. 586 of July 6, 2006.</p> <p>[5] According to Article 1, pct. 2 of Order no. 97/May 18, 2004 of the Minister of Agriculture, Forests, Water and Environment, for the amendment and supplementation of Order no. 978/2003 of the Minister of Agriculture, Forests, Water and Environment, regarding the Regulations for 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.</p>

Item no.

122

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

1. The questioner reminds the fact that within the project are mentioned 300 t of gold and 1200 t silver and this is a real fortune. Comparing with what Romania holds in its treasury, this issue must be carefully judged.
2. The percentages that RMGC (80%) and the Romanian state (20%) hold do not represent a partnership, but a theft. The questioner considers that the percentage has to be changed, because businesses all around the world work with 51 for the owner and 49 for the business partner.
3. No matter how many advantages would the project have, Romania remains with the cyanide and no spring may be found from which clean water could be drunk.

RMGC has conducted the most extensive and detailed research program ever performed on a Romanian mine project and we stand behind our findings.

The exploration activities conducted by RMGC between 1997 and 2006 show that there are 215 million tons 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 taken 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.

It should be mentioned that Roşia Montană is just one of the Romania's gold deposits, and the Romanian Government holds 20% of RMGC shares and, besides its profit quota, it also benefits from fees, taxes and royalties.

Solution

Mining as with all industries was required to be undertaken as part of a functioning market economy, which was a pre-requisite to EU membership.

*

According to the legal provisions applicable, the interested public may submit reasoned proposals concerning the environmental impact assessment, as art. 44 (3) of the Order no. 860/2002 on the environmental impact assessment and environmental permitting procedure provides to this end that „based on the results of the public debate, the relevant environmental authority evaluates the public's grounded proposals/comments and requests the titleholder the supplementation of the report to the environmental impact assessment study with an annex containing solutions for the settlement of the underlined issues”.

As the attendant to the public consultations identifies and underlines no issues related to the project RMGC has initiated and submitted to the environmental impact assessment procedure, RMGC is not in position to answer and has no capacity to comment in this regard.

Nevertheless, considering that RMGC manifested and still manifests its availability to discuss any relevant issues concerning the proposed project, we would make the following specifications:

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 public corporations and trade companies, published in the Official Gazette, Section I, no. 98/08.08.1990, as subsequently amended and supplemented. Art. 35 of this law provides the possibility of

the regies autonomous to enter into partnerships with legal third parties, Romanian or foreign, for the purpose of setting up new trading companies.

Roşia Montană Gold Corporation SA was set up in 1997, according to the legal provisions in force as at that time, the setting up being made by observing all the conditions imposed by company Law no. 31/1990 and Trade Register Law no. 26/1990, in regard of the setting up of the joint stock companies with mixed capital.

We underline that the Articles of Associations of Roşia Montană Gold Corporation SA, representing the result of the parties agreement regarding 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.

We also specify that the establishing of the shareholders' quotas to the benefits and losses of Roşia Montană Gold Corporation SA has been made by considering their contribution quota to the company's share capital. The current percentage of 80% for Gabriel Resources Ltd. and of 19.31% for CNCAF Minvest SA resulted from the initial contribution and the subsequent contributions of the shareholders to the company's share capital, in consideration also of Gabriel Resources Ltd. advancing all expenses and costs related to the development-exploitation and permitting of the Roşia Montană Mining Project.

The provisions of the Articles of Associations of Roşia Montană Gold Corporation SA on the necessary majority and quorum conditions for the decision-making process within the General Shareholders Meeting and the quotas to the benefits and losses of the company are taken from Law no. 31/1990, as no derogation exists in this regard.

*

Cyanide is used in hundreds of gold mines and many industries around the world. The cyanide used in operations at Roşia Montană will be carefully handled according to EU guidelines and safely contained. Cyanide rapidly breaks down to harmless substances under normal atmospheric conditions, i.e. it is short-lived in the environment. 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 will degrade rapidly to levels well below maximum regulatory levels. This system of use and disposal of cyanide in gold mining is classed as Best Available Techniques by the EU.

There will be no cyanide discharged from the plant site at a level to pollute water sources. Trace amounts of cyanide will be released with the tailings slurry into the tailings management facility (TMF) – at a level below the new EU Mine Waste Directive (2006/21/EC) of 10 parts per million (ppm), which itself is well below international standards on cyanide management levels considered safe for wildlife (50 ppm).

Item no.

123

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

1. The questioner would like to know if the Irish people have sold their gold, forests and oil to become a developed country.
2. Where in Europe can be found a similar case as this one from Romania?
3. Health issue must be dealt very seriously, for the reason that Alba County is the most polluted county in the country due to the formaldehydes from Sebeş and to the stripping activities developed at Roşia Montană.
4. This project is a disaster for Romania.

Gold is not mined in Ireland. In Europe, gold is produced in the following countries: Russia, Spain, Sweden, Finland, France, Bulgaria, Italy, Poland, Slovakia, Greece. All of these countries except for Russia are members of the European Union. Gold mining is a thriving industry in the EU, conducted according to high standards of responsible foreign investment using modern mining techniques. The Roşia Montană Project will be conducted in full compliance with Romanian and European law and in accordance with international best practices.

*

In Europe, gold is produced in the following countries: Russia, Spain, Sweden, Finland, France, Bulgaria, Italy, Poland, Slovakia, Greece. All of these countries except for Russia are members of the European Union. Gold mining is a thriving industry in the EU, conducted according to high standards of responsible foreign investment using modern mining techniques.

The Roşia Montană Project will be conducted in full compliance with Romanian and European law and in accordance with international best practices. It will bring best available techniques (BAT) to Romania.

*

Solution

The formaldehyde generated by Sebeş plant has definitely no impact on the local residents from Roşia Montană and nearby area. The health risk assessment has been carried out for Roşia Montană area impacted by the mining project, and has not taken into account other industrial facilities located in Alba county.

The health issue has been and continues to be dealt with very seriously. In this respect, health baseline conditions have been assessed for Roşia Montană commune as well as for other areas located nearby or farther away. Thus, the assessment has taken into account all chronic diseases and most of the acute diseases for a period of five years [1] and for more than 40 localities [2] situated in the investigated area. Medical data has been collected from all general practitioners in the area, as well as from the two hospitals in the study area. Demographic data has also been collected to assess the dynamics of important indicators such as: life expectancy, mortality, birth rate etc. The findings have shown that the population from Roşia Montană has the lowest life expectancy when compared to other localities in the area, as well as when compared at regional and national level [3]. At the same time, the commune presents a high mortality rate [4] and low natality rate [5] as compared to the nearby area. Also, the assessment of the population's current health status shows a higher frequency of severe chronic diseases (respiratory, cardiovascular) in the local residents from Roşia Montană as compared to the residents from the other forty or so localities situated in the investigated area [6].

In conclusion, it is quite clear that the health assessment for the population living in the investigated area is a comprehensive one [7], and also the fact that the aforementioned population health status is currently deteriorated.

References:

- [1] Subchapter 5.1.2, Chapter 5, *Morbidity Study*, page 54, vol. 5, *Health Baseline Report*
- [2] Table 5-1, Subchapter 5-1, Chapter 5, *Morbidity Study*, page 52-53, vol. 5, *Health Baseline Report*
- [3] Table 3-2, Figure 3-2, Chapter 3, *Demographic Data*, page 14-15, vol. 5, *Health Baseline Report*
- [4] Table 3-3, Figure 3.3, Chapter 3, *Demographic Data*, page 16, vol. 5, *Health Baseline Report*
- [5] Table 3-1, Figure 3.1, Chapter 3 *Demographic Data*, page 13, vol. 5, *Health Baseline Report*
- [6] Annex, page 137, vol. 5, *Health Baseline Report*
- [7] Vol. 5 *Health Baseline Report*

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Please note that 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 SC 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 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 in this respect.

However, with respect to your statement, we would like to underline the following:

This project is not in any way a "disaster" for the country's economy. This is a project of national strategic importance, and RMGC is the largest employer in this disadvantaged region and indeed the whole county and is the largest local taxpayer. Romania will receive US\$1 billion for its share of the profits, profit taxes, royalties and other taxes. In addition, a total of US\$1.5 billion of goods and services will be procured in Romania. All told, over the life of the project, Roşia Montană Project (RMP) will infuse US\$ 2.5 billion into the Romanian economy.

RMGC has been working on this project since 1998 and has invested over US\$200 million to date. By the time production begins, the company will have invested almost US\$1 billion. Mining is a high risk industry; it is an industry rule of thumb that for every 1,000 projects considered, 100 merit drilling, and only one is opened as an actual productive mine. In fact, no country in the developed world is currently involved directly in assuming the risk of mining operations; instead, private capital assumes the risk and will bring the best available techniques to Romania. Approval of this project will show the world that Romania welcomes this type of productive foreign investment. The profits from the mine and the jobs provided by the mine are tangible benefits to Romania.

Finally, in terms of environmental impact, as a result of past poor mining practices, much of the area around Roşia Montană is severely polluted. Part of RMGC's investment in the future of Roşia Montană will consist of environmental rehabilitation, both of its own mining activities and of past activities, leaving the area cleaner than we found it.

Item no.

124

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

The questioner makes the following comments and remarks:

1. The debate is no longer a discussion with locals from Alba Iulia, but a way of creating a false image and a manipulating the public opinion. I have heard from the audience several threats to some of the speakers, like: "think of what could happen after you exit this room, a car could run you down".
2. In 2000, the company's management team was claiming that Roman Galleries from Orlea won't be impacted by the project, and now nobody acknowledges this fact.
3. In EIA it is stipulated the fact that a pit is going to be developed at Orlea; several pages further (chapter 9, pg. 30), it is stated that archaeological research activities are scheduled to be conducted within this area between 2007 and 2012. An area that hasn't been researched and archaeologically discharged according to legal procedures, it is already included in the project as a pit; this is an illegal thing to do.
4. Large areas that are covered or are going to be covered by tailing dumps and the lake's area on Corna's Valley, according to the map officially published by the Company, they have hardly been touched by an archaeological survey. This is the situation in the upstream area, on the eastern slope of Corna Valley, where are several extremely superficial surveys, and archaeological discharge certificates have been granted for hundreds of hectares; this thing is entirely illegal.
- 3.(sic) Romanian legislation stipulates the resettlement of historical monuments, not to make replicas. In EIA it is said that replicas and copies of the original Roman galleries are going to be constructed from different synthetic materials. There is no clear alternative, and the Romanian legislation provides the resettlement of historical monuments and not making replicas (the questioner gives as example Cătălina Monulești or Părul Carpeni, which have been researched only superficially).

Roșia Montană Gold Corporation SA (RMGC) does not condone any statements resembling the ones alleged in the question. The public debates concerning the environmental impact assessment study should discuss issues related to the technical details of the project and its potential impact. However, it is inevitable that the discussions became highly emotional, which can prevent from having a normal discussion on the purpose of these public consultations.

From a procedural point of view, according to the provisions of Order no. 860/2002 of the Minister of Waters and Environmental Protection regarding the approval of the environmental impact assessment and environmental permitting procedure ("Order no. 860/2002"), the obligations of the project titleholder during the public debates are established in detail, obligations that RMGC has complied with:

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

Solution

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Under the provisions of the Government Ordinance no. 43/2000 on the protection of the archaeological heritage and the designation of certain archaeological sites as areas of national interest, modified, the investor, whoever it may be, shall provide the necessary funds for the preventive archaeological investigations and related heritage surveys if/she plans to implement a project in areas with an archaeological potential. As an investor, SC Roșia Montană Gold Corporation has assumed this legal obligation since 2000 up to the present day.

RMGC's declared purpose is to ensure the necessary conditions for the investigation, registration, protection and public enhancement of the cultural heritage in the Roșia Montană area, in compliance with the provisions of the Government Ordinance no. 43/2000 on the protection of the archaeological heritage and the designation of certain archaeological sites as areas of national interest, as modified by Law 378/2001, Law 462/2003 and Law 258/2006 and with the provisions of Law 422/2001 on the protection

of historical monuments, as modified by Law 259/2006.

All the preventive archaeological researches undertaken at Roşia Montană since 2001 have been conducted within the “Alburnus Maior” National Research Program, and permits for preventive archaeological excavations have been 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. It is to be noted the significant contribution of the team of mining archaeologists from the University Le Mirail (Toulouse, France), led by Dr. Beatrice Cauuet. Mining archaeology studies are an innovation in Romania, Roşia Montană being in fact the first site in Romania where such investigations are conducted by a team of qualified and experienced archaeologists. All archaeological investigations have been conducted in compliance with the legislation in force. Researches carried out during each archaeological campaign are authorized by the Romanian Ministry of Culture and Religious Affairs, on the basis of the annual archaeological research plan approved by the National Commission of Archaeology (NCA). The archaeological research included a survey of all the areas, which are accessible and, at the same time, suitable for dwellings and other human activities, and took into account preliminary data taken from archives and bibliographical data and observations made during field surveys, magnetometer and electrical resistivity surveys, as well as the data collected during the photogrammetric flights.

Detailed information on the chance finds and the preliminary archaeological investigations (at surface and underground) conducted in the Orlea massif were published in the EIA (Environmental Impact Assessment for the Roşia Montană Project, volume 6: *Cultural Heritage Baseline Report*, Annex I, pages 231-235)

The Cultural Heritage Baseline Report (volume 6, page 46) states that archaeological investigations (both at surface and in the underground) will continue in the Orlea massif area, which is in an area with an identified archaeological potential. The report also mentions the fact that the investigations undertaken so far in the respective area were only preliminary. The following statement in the report is to be noted: “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* – page 46).

In 2004, during these preliminary archaeological investigations conducted underground, a significant discovery was made in the Orlea massif, whose archaeological value was confirmed in the summer of 2005. More precisely, the French team of archaeologists led by Dr. Beatrice Cauuet found a chamber equipped with a mine drainage wheel, and then a whole drainage system serving to discharge water from the underground. This device identified in the Păru Carpeni sector was established to date back to the Roman period, it has been thoroughly investigated, and special measures were taken for its preservation *in situ*. This item is not going to be affected by the construction of the future Orlea pit. Preventive archaeological investigations (at surface) in the Orlea area and mining archaeological investigations (in the underground) are scheduled for the period 2007-2012, as stated in the *Cultural Heritage Baseline Report* (volume 6, page 48).

According to the List of Historical Monuments published in the Official Gazette of Romania no. 646 bis/16.07.2004, the future industrial area from the Orlea massif comprises two archaeological sites classified as group A historical monuments: the Alburnus Maior Roman settlement, located in the Orlea area (code AB-I-m-A-00065.01) and the Roman mining operation at Alburnus Maior, the Orlea massif (code AB-I-m-A-00065.02).

Under Law 422/2001, amended by Law 259/2006, the declassification procedure can be legally initiated after the archaeological sites are discharged based on the permit issued by the National Commission of Archaeology within the Ministry of Culture and Religious Affairs. The archaeological discharge procedure, as defined by the legislation in force, stipulates that a piece of land comprising archaeological artifacts can be restored to its habitual use (Law 258/2006, art. 5, paragraph 2). Therefore, it is true that in the second phase of the operations, RMGC plans to mine the gold-silver deposits from the Orlea massif. Law 258/2006 also stipulates (article 7a) that “the investor is under the obligation to provide the necessary funds in order to ‘draw up a feasibility study and a technical project meant to establish the measures later to be presented in detail and the necessary funds for carrying out preventive archaeological investigations

or archaeological monitoring (as the case may be), and also to finance the protection of the archaeological heritage or the archaeological discharge procedure (as the case may be) for the area impacted by works and the implementation of these measures”.

Consequently, this proposed mining operation in the Orlea massif can become operational only once preventive (surface and underground) archaeological investigations are completed. These investigations are meant to provide comprehensive data on the Roman site located in the Orlea area. As it is well-known (see the archaeological site record card included in the Cultural Heritage Baseline of EIA Report, i.e. Annex I –archaeological record cards produced for the archaeological state of Roşia Montană identified sites, site record card no. 9 – Orlea (pages 231-235) – this area has never been subject to archaeological investigations or expert studies meant to establish in detail the characteristics and spatial distribution of the archaeological remains located in this area. Therefore, RMGC has committed to financing a program of preventive archaeological investigations to be conducted by specialists, program that will be implemented between 2007 and 2012. A decision as to the approval of the archaeological discharge of the area will be made based on the results of these preventive investigations. There are no laws to prohibit preventive archaeological investigations for areas where cultural heritage artifacts have been identified, as is the case for the Orlea area.

Given that the development of the Orlea pit is scheduled for a later date, starting from 2007, this area will be subject to preventive archaeological investigations. Therefore, the construction works required for the development of the project in this area will not be initiated before the archaeological investigations conducted in line with the national legislation and the international practices and recommendations are completed.

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In 2004, during these preliminary archaeological investigations conducted in the underground, a significant discovery was made in the Orlea massif, whose archaeological value was confirmed in the summer of 2005. More precisely, the French team of archaeologists led by Dr. Beatrice Cauuet found a chamber equipped with a mine drainage wheel, and then a whole drainage system serving to discharge water from the underground. This device identified in the Păru Carpeni sector was established to date back to the Roman period, it has been thoroughly investigated, and special measures were taken for its preservation *in situ*. This item is not going to be affected by the construction of the future Orlea pit. Preventive archaeological investigations (at surface) in the Orlea area and mining archaeological investigations (in the underground) are scheduled for the period 2007-2012, as stated in the *Cultural Heritage Baseline Report* (volume 6, page 48).

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Consequently, this proposed mining operation in the Orlea massif can become operational only once preventive (surface and underground) archaeological investigations are completed. These investigations are meant to provide comprehensive data on the Roman site located in the Orlea area. As it is well-known (see the archaeological site record card included in the Cultural Heritage Baseline of EIA Report, i.e. Annex I –archaeological record cards produced for the archaeological state of Roşia Montană identified sites, site record card no. 9 – Orlea (page 231-235) – this area has never been subject to archaeological investigations or expert studies meant to establish in detail the characteristics and spatial distribution of the archaeological remains located in this area. Therefore, RMGC has committed to financing a program of preventive archaeological investigations to be conducted by specialists, program that will be developed between 2007 and 2012. A decision as to the approval of the archaeological discharge of the area will be made based on the results of these preventive investigations. There are no laws to prohibit preventive archaeological investigations for areas where cultural heritage artifacts have been identified, as is the case for the Orlea area.

Given that the development of the Orlea pit is scheduled for a later date, starting from 2007, this area will be subject to preventive archaeological investigations. Therefore, the construction works required for the development of the project in this area will not be initiated before the completion of the archaeological investigations conducted in line with the national legislation and the international practices and recommendations.

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The Exhibit no. 4.9.5 and 4.9.5f included in Chapter 4 – Potential Impact of Report on Environmental Impact Assessment Study, subchapter 4.9 presents the exact location of archaeological sites as outlined by archaeological experts based on the results of researches. The researched area is much larger. This can be easily seen by consulting the additional enclosed material. For the information regarding the site from Corna Lake please see the record card of the archaeological site included in Annex I Record cards of the archaeological sites of Rosia Montana area – Archaeological Site Record Card no 12, an annex of the Cultural Heritage Baseline Report of the EIA Report.

Therefore, exhibit 4.9.5 does not present the areas from the perimeter of Roşia Montană for which archaeological discharge certificates have been secured. The area from Corna Lake has been archaeologically discharged during late 2002; the perimeter being identified through STEREO70 coordinates. The certificate for archaeological discharge was issued by the Ministry of Culture and Religious Affairs following the results secured after conducting archaeological researches in Corna Valley and at Corna Lake and after the National Archaeology Committee has analyzed specific documentations.

The archeological surveys conducted between 2001 and 2002 have revealed in Corna Valley traces of habitation from modern and contemporaneous eras, and field researches conducted during 2002 (May – July) have indicated several aspects related to habitation and mining activities developed here during the respective eras. Thus, 55 private properties have been archaeologically surveyed together with other three communal lands, the archaeological research units totaling 119 sections (of different dimensions). Positive evidence of human activities have been identified within 18 sections out of these 119 sections opened; within 34 sections, the archeological material collected is probably in the secondary position, and in the remaining 67 sections, no signs of interventions have been identified. Regarding the evidence of human activities identified within the sections, we would like to emphasize the fact that these are: the foundation of a house or of a hut, a water collector, a lime pit, and three wood-stamps installations.

The archaeological monitoring has been used as a specific measure to mitigate the potential impact on the archaeological heritage, both during construction and operational stages, pursuant to current in force legal requirements. Hence, the protocol for subsequent chance archaeological discoveries will be implemented to identify, document, and preserve artifacts and archaeological structures that may be identified during construction. The stripping operations (to include opening of pit benches) will be supervised by certified archaeologists and the construction activities will be developed in compliance with the protocol for subsequent chance archaeological discoveries.

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In this case, the creation of replicas refers to structures which have been scientifically researched and for which the archaeological discharge measure was taken. Consequently, this is an impact mitigation measure in addition to the measures stipulated by law and not a simple creation of replicas for some historical monuments.

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. At present, following the extensive archaeological research conducted in the last 7 years, the nature, features and distribution of this special category of heritage i.e. the historic mining galleries from Roşia Montană are well understood. The comprehensive research conducted in the underground and the complex specialized studies undertaken in the area in the period 2000-2006 have helped creating a comprehensive picture of these remains and have led to the adoption of specific measures for their protection. Here is a brief list of these conclusions:

- the mining remains from the massifs located in the southern part of the Roşia valley have been thoroughly researched and specific preservation measures have been taken for the Cătălina Monuleşti and Piatra Corbului areas;
- the mining remains from the northeastern part of the Rosia valley have been thoroughly researched and conservation measures have been proposed, which are specific for the Văidoaia area;
- the mining remains from the massifs located in the northern part of the Roşia valley have been

subject to preliminary investigations and for specific preservation measures have been taken for the significant finds such as those from the Păru Carpeni mining sector; the Orlea – Țarina area is going to be thoroughly researched in the period 2007-2012.

As regards the complex of heritage assets from this area, note that 13 archaeological sites have been identified and researched during the preventive archaeological investigations undertaken in the period 2001-2006; once this comprehensive research were completed, a decision was made for the archaeological discharge of some on these sites, while other structures will be preserved *in situ* (e.g. the funerary precinct of Tăul Găuri or the Roman remains from the Carpeni hill). The development of the mining project would not affect the 41 historic buildings from Roșia Montană. Measures will be taken for the restoration and conservation of these structures. Specialized documentation necessary for the initiation of the restoration and conservation process is currently being prepared for 11 of these structures.

With regard to the organization of a mining museum in the Roman galleries from Roșia Montană, Dr. Beatrice Cauuet said in 2003: „in the perspective of establishing a site museum for the conservation and preservation *in situ* of mining remains it is much more advisable to choose outstanding areas comprising different types of mining works, which are characteristic for the ancient mines from Roșia Montană. In the perspective of the enhancement of the ancient mining works, the existing technical and financial means may be used to restore a smaller sector, which has been less impacted by modern and recent mining works (and therefore it has a higher degree of authenticity) and which is located in the proximity of the other historical monuments to be enhanced, such as the historical centre of the Roșia Montană commune. Finally, there are other smaller areas within the site, which are located outside the project’s impact perimeter (e.g. the eastern slope of the Cărnic massif-the Piatra Corbului and Păru Carpeni sectors), which are equally suitable to be arranged for public access. The Piatra Corbului sector, in particular, comprises Roman mining sectors dug by the fire setting technique, outstanding remains, impressive by their large size; but their position in the proximity of the future pit must be considered in order to take the appropriate protection measures which are necessary in order to avoid it from being deteriorated by the blasting”.

Referring strictly to your statement, the Romanian legislation (Law 422/2001 on the protection of historical monuments, modified, the Government Ordinance no.43/2000 on the protection of the archaeological heritage and the designation of certain archaeological sites as areas of national interest, modified) stipulates two distinct aspects:

- the possibility of conducting the archaeological research of the historical monuments and the application of the archaeological discharge measure based on its conclusions – this means that the monument at issue is automatically declassified;
- the relocation of historical monuments- this aspect refers mostly to elements of the built heritage (houses), which is not the case here as all the historic houses in Roșia Montană are going to be restored and preserved *in situ*.

The mining archaeological research conducted since 1999 by a multidisciplinary team of specialists from the University Toulouse Le Mirail (France) led by Dr. Beatrice Cauuet have been focused –for the first time in Romania- on a detailed study of this type of archaeological remains-the old mining galleries dating from the Roman and later periods.

The Roman mining galleries found in the Cătălina Monulești and Păru Carpeni sectors will be subject to extensive works for their re-opening, consolidation and development, which would allow them to be preserved *in situ* and to be included in a public tourism circuit. This decision was based on the value and significance of the archaeological remains preserved in these galleries, namely wood-made Roman devices for mine water drainage (the so-called “Roman wheels”). The Cătălina Monulești is also famous as the place where the largest number of wax tablets were uncovered mid 19th century (more than 11 tablets out of the 32 tablets known to date, according to sources of historical archive).

Given that the specialists’ access to the underground remains found in the Cărnic massif is extremely difficult and that tourist access is practically impossible, it was concluded that the only way to enhance the main types of mining works is to created replicas of them. Among the specialized studies conducted by the team of French mining archaeologists from the University Le Mirail of Toulouse (France) the detailed topographical survey of the ancient mining works and the making of a complete inventory of photos of the underground Roman mining works are noteworthy. Moreover, the 3D modeling made by the French

specialists allowed the reconstruction of the original morphology of the ancient mine, removing the deteriorations caused by the flow of time and by the subsequent mining works. These scientific results will represent the starting point in the creation of replicas of the ancient mining works.

Thus, the current situation clearly points out that most of the ancient mining works from the Cărnic 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 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 1:1 scale replicas of these structures. These will be then included in the mining museum, which will be developed at Roșia Montană.

In Romania, the concept of a copy or replica is perceived as a low quality product, a substitute, whereas in other countries such as France (for example the replicas of the painted caves of Lascaux and Cosquer) or the Great Britain (the Killhope lead mine, Scotland), one cannot distinguish the replica from the original. The creation of replicas implies the accurate reproduction of the entire underground environment: the morphology of the underground space and of the walls texture as well as of the general environment including the temperature, humidity, limited light, air streams, etc. Moreover, these structures-whether created above or under the ground -allow a thorough control of the potential risk factors such as floods, caves-in, ventilation, which cannot be monitored in an underground labyrinth more than 75 km long with a difference in level of 400 m as is the case of the Roșia Montană mine.

As for the creation of replicas of certain mining structures, there are such cases in several European countries. A relevant example would be **reconstruction of the Rio Tinto mine** (in the mining museum of Rio Tinto Huelva, Spain, a museum which presents the 5000 year history of mining in the Iberian Peninsula; this site represents perhaps one of the most similar analogies with the mining archaeological heritage from Roșia Montană, moreover, a Roman mine water drainage system was uncovered here at the end of the 19th century, which is similar to the two mine dewatering systems found at Roșia Montană, in the Păru Carpeni and Cătălina Monulești sectors).

Moreover, with regard to the possibility of tourist access to this system of galleries, we provide you with an excerpt which addresses this issue from the official report drafted by Mr. Eddie O'Hara MP (General Rapporteur on Cultural Heritage) and Mr. Christopher Grayson (Chief Secretary for Culture, Science and Education) from the Parliamentary Assembly of the Council of Europe after they visited Roșia Montană.

- “[...] Concern has been expressed by critics over the procedure (allegedly superficial archaeological discharges) and conservation ethics, involving the programmed destruction of Roman galleries. **This concern does not appear to be entirely justified.** The reworked galleries in the areas of the main pits Cărnic and Cetate appear empty of any archaeologically interesting remains. **Tourist access to most galleries would be impossible.** However, the condition must clearly be imposed of continued archaeological excavation and monitoring of what is found [...]”.
- “[...] Research does not necessarily imply the need for everything found to be preserved and the academic ideal of total *in situ* preservation is perhaps not always and altogether appropriate in a situation of rescue archaeology and a commercial world. This is certainly so in the case of *in situ* preservation of the Roman galleries at Roșia Montană. There are over 5 km of them, apparently with a limited variety of distinctiveness between them and few surviving remains in them. Most of them are inaccessible, indeed dangerous of access to tourists. Alternative proposals such as designation of the whole area as a cultural landscape to be developed for tourism lack viability [...]”.

For condensed information on the history of the archaeological research and of the main finds made in the historic galleries of Roșia Montană as well as for the experts' conclusions on this issue. Detailed information on the complex issue of the research of ancient mining works from Roșia Montană and on the results thereof are available for consultation in the Environmental Impact Assessment for the Roșia Montană project, volume 6 – *Cultural Heritage Baseline Report*, pages 32, 36-55, 83-109.

As an alternative, the company also considered the preparation of a specialized study comprising financial estimates for the conservation in their entirety of the galleries from the Cărnic 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.)

In conclusion, in response to your question, note that the company does not plan to destroy the Roman galleries from Roşia Montană or to create replicas thereof, without having a clear alternative in this respect. Complex specialized studies have been conducted during eight years and their conclusions served as a basis for the adoption of a series of specific measures which imply complex works for the conservation of certain original sectors of galleries and their development for public access, while others will be preserved for future research (the archaeological reserves), and replicas will be made for other segments of galleries. Note that we are now facing some sort of a paradox, specifically given the state of preservation and the nature of these remains, their physical existence would be threatened in the absence of archaeological research. On the other hand, any archaeological research implies, to a certain extent, the irretrievable loss of an archaeological context in order to save the information. However, this type of research – known as rescue/preventive archaeological research – is conducted everywhere in the world in relation to the economic interest for certain areas. And the costs for this research as well as the costs for the enhancement and maintenance of the areas preserved are covered by the investors through a public-private partnership for the protection of the cultural heritage, in compliance with the provisions of the European Convention of Malta (1992) on the protection of the archaeological heritage [1].

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>

Item no.

125

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

1. What will happen if a single local from Corna doesn't want to move, as there is no law governing forced resettlement of the locals who live there?
2. Because the area has been declared an industrial site, since RMGC has arrived, alternatives of any kind are not possible – neither Sapard, nor roads, or other activities.
3. The questioner doesn't think that in Spain 2000 people have been resettled, 4 churches have been buried, and the Roman galleries have been run over with bulldozers and blasted, and if all these have happened then RMGC should confirm this.
4. Why isn't the tailings facility lining performed? It is too expensive, or what?
5. How are the monument houses, that are located within the mining area, going to be protected? Out of those 41, only 6 are located within this area, but how are they going to be protected when bulldozers and haul trucks will produce vibrations that could demolish a house built yesterday not to mention one built 100 years ago?
5. Why EIA doesn't include an assessment with regard to water resources losses and land clearings? Which is the environmental impact taking into consideration all the aforementioned issues?
6. Why the Environmental Impact Assessment doesn't include an assessment of the alternative economic activities? What can be done with those lakes and with the archaeological sites? If the Romanian state helped in the preparation of an alternative plan and a different urbanism plan, many things could be done at Roșia Montană.

When acquiring the private property lands necessary for the development of Roșia 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 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.

Solution

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 for the development of 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 an 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.

*

Roşia Montană commune consists of 16 villages. To date, the Roşia Montană Industrial Area covers only 25% of this territory; therefore only 4 villages are impacted by the mining activities proposed under the project initiated by S.C. Roşia Montană Gold Corporation S.A. (RMGC). Due to the fact that, in the past, only mining activities have been performed here, no farms or activities other than the industrial ones have existed in this area.

As for most of the lands in the Roşia Montană commune, located outside the mining perimeter (the remaining 75%), we want to point out that multiple activities are allowed in this area, and that the mining project proposed by RMGC imposes no restrictions upon them.

At the same time, we would like you to notice that there are mandatory legal provisions limiting the development of projects other than those intended for the exploration and processing of natural resources in the areas where these have been identified. 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.

Moreover, through the management plans prepared as part of the environmental impact assessment process, the development of tourism activities and diversification and development of services inside the project perimeter and in the neighboring areas are encouraged and imperiously necessary for the proper project implementation. This may be illustrated by the partnerships initiated and developed by the company (see the annex), such as: the micro-bank for financing small businesses, training and skill development programs for the residents of Roşia Montană and neighboring communities, and the youth development and mentoring program, implemented through the CERT Apuseni resource center, based in Abrud.

In order to present the clearest possible overview of the Sapard program, we would like to present to you the information we are currently holding. The Sapard program was part of the financing package granted by the European Union to the accessing countries. In the Roşia Montană area, the development of RMGC’s mining project has not prevented any eligible entities from accessing the Sapard funds for one of the program’s measures, which were available until 2006. The eligible entity for roads restoration was the local administration (the Alba County Council and the Local Council of Roşia Montană). The development of the Roşia Montană project did not prevent any of the organizers or members of the local community from accessing the funds provided for tourism-related businesses or the diversification of the services supplied in rural areas, as well as for any other measures included in the Sapard program. Thus, any local entity eligible according to the Sapard criteria could have accessed the necessary funds, for example, in order to set up a guest house or for the diversification of the services provided in the protected area or outside the industrial perimeter. To our knowledge, nothing like this has ever happened, and we reserve the right to claim that such facts may not be associated in any way with the development of the Roşia Montană project.

*

The mine in Spain the questioner refers to, required the resettlement of people, as well as, the mining of ancient mine workings.

Overall, to build and operate the Roşia Montană Project (RMP) through its full operating life requires the

purchase of 379 homes which are located in the industrial zone. An offer was made to almost 1,000 residents at their request. For those residents who live outside of the industrial zone, we do not require their homes and they are welcome to stay. As of March 2007, 98% of residents in the industrial zone have requested SC Roşia Montană Gold Corporation SA (RMGC) to survey their properties for purposes of selling their homes to the company. As of the end of March the company owns approximately 60% of the properties in the industrial zone. Roşia Montană has been a mining community for 2,000 years and is very supportive of our project recognizing the economic, environmental and social benefits of the project.

The project has been redesigned to avoid to impact churches. Only two churches and two prayer houses out of a total of 10 places of worship located within the project's footprint must be relocated or restored under the mine plan. Those churches will be moved in accordance with the wishes of the congregation, at the expense of RMGC. Churches construction is a central element in the new community of Piatra Albă being built by the company.

The legal system and archaeological situation in Spain is quite different from Romania. However, several important points can be made. There are a number of operating mines in Spain, extracting Gold, Nickel, copper. Examples include the gold mining projects at El Vale near Belmonte de Miranda, Carles, near Salas, and at Salave, both in Oviedo province. Another and better known example is Rio Narcea.

There is a great difference between the situation of the mine sites managed by the Rio Narcea company, where archaeological investigations have been very limited, and the situation of the Roşia Montană sites, where wide-scale preventive archaeological diggings have been carried out since 2000. RMGC fully recognises the importance of, and special care needed for the protection of the cultural heritage. This is why, in accordance with the "Alburnus Maior" National Research Program which was initiated in 2001 following the Order no. (2504 / 07.03.2001) of the Minister of Culture and Religious Affairs, and developed in compliance with Government Ordinance no. (43/2000), as further amended, on the protection of archaeological patrimony and declaring certain archaeological sites as national interest area. RMGC has financed large scale preventive archaeological investigations, and the recording and restoration of affected historic monuments. RMGC is supporting further large scale preventive archaeological investigations to determine whether the sites located in this area can be archaeologically discharged or for the preservation *in situ* of some representative structures and monuments, in line with the legal provisions. Extensive historical and ethnographic studies have also been undertaken. The results of the investigations undertaken to date are summarized in the detailed in the Environmental Impact Assessment study report (EIA) [1] while potential impacts upon the patrimony is summarised in Chapter (4.9) of the EIA [2]. Detailed plans for mitigating potential impacts upon the patrimony are presented in three Annexes – [3]. The proposed mitigation includes continuing large-scale archaeological investigations, continuing preventive researches, recording of mining galleries, the creation of a Mining Museum, the preservation, display and enhancement of Roman galleries (e.g. Cătălina Monuleşti) and the creation of a facsimile Roman gallery as part of the museum to present these important remains to a wider public. The results of the investigations to date have been published in four volumes of the "Alburnus Maior" National Research Program, and some eight more volumes are planned.

By comparison, Rio Narcea's recent gold mining activities overlapped the galleries of ancient mining works. In fact, these ancient mining workings have only been identified, assessed and inventoried, but they have not actually been subject to detailed archaeological research and excavation. It is assumed they date back to the Roman times. This assumption was made by analogy with other mine sites that had been investigated in other sectors in the North-Western part of Spain. This work has been done by Claude Domergue, Emeritus Professor at the UTAH (The History and Archaeology Department of the Le Mirail University, Toulouse, France) who is one of the founders of Mining Archaeology as a discipline in Europe. No preventive archaeological diggings have apparently been carried out in any of these mine sites. Therefore, it is hard to say to what extent the ancient remains and their spatial distribution have been affected by modern mining operations.

Reference:

[1] Roşia Montană Project Baseline Reports (Baseline Report 8)

[2] Chapter (4.9) Cultural and Ethnical Conditions

[3] Part I Management Plan for the Archaeological Heritage of the Roşia Montană Area; Part II Management Plan for the Historical Monuments and the Protected Zones of the Roşia Montană Area; and Part III The Cultural Heritage Management Plan.

*

An engineered liner is included in the design of the Tailings Management Facility (TMF) basin to be protective of groundwater. Specifically, the Roşia Montană Tailings Management Facility (TMF or “the facility”) has been designed to be compliant with the EU Groundwater Directive (80/68/EEC), transposed as Romanian GD 351/2005. The TMF is also designed for compliance with the EU Mine Waste Directive (2006/21/EC) as required by the Terms of Reference established by the MEWM in May, 2005. The following paragraphs provide a discussion of how the facility is compliant with the directives.

The TMF is composed of a series of individual components including:

- the tailings impoundment;
- the tailings dam;
- the secondary seepage collection pond;
- the secondary containment dam; and
- the groundwater monitoring wells/extraction wells located downstream of the Secondary Containment dam.

All of these components are integral parts of the facility and necessary for the facility to perform as designed.

The directives indicated above require that the TMF design be protective of groundwater. For the Roşia Montană project (RMP), this requirement is addressed by consideration of the favorable geology (low permeability shales underlying the TMF impoundment, the TMF dam, and the Secondary Containment dam) and the proposed installation of a low-permeability (1×10^{-6} cm/sec) recompacted soil liner beneath the TMF basin. Please see Chapter 2 of EIA Plan F, “The Tailings Facility Management Plan” for more information.

The proposed low permeability soil liner will be fully compliant with Best Available Techniques (BAT) as defined by EU Directive 96/61 (IPPC) and EU Mine Waste Directive. Additional design features that are included in the design to be protective of groundwater include:

- A low permeability (1×10^{-6} cm/sec) cut off wall within the foundation of the starter dam to control seepage;
- A low permeability (1×10^{-6} cm/sec) core in the starter dam to control seepage;
- A seepage collection dam and pond below the toe of the tailings dam to collect and contain any seepage that does extend beyond the dam centerline;
- A series of monitoring wells, below the toe of the secondary containment dam, to monitor seepage and ensure compliance, before the waste facility limit.

In addition to the design components noted above specific operational requirements will be implemented to be protective of human health and the environment. In the extremely unlikely case that impacted water is detected in the monitoring wells below the secondary containment dam, they will be converted to pumping wells and will be used to extract the impacted water and pump it into the reclaim pond where it will be incorporated into the RMP processing plant water supply system, until the compliance is reestablish.

*

Of the 41 historical houses, 35 are located inside the protected area and 6 outside this area. None of them will be destroyed due to the project implementation. Both the pit explosions and the use of heavy equipment may produce vibrations; however, the use of adequate technologies, measures and actions, such as those indicated in the Noise and Vibration Management Plan (Volume 24) can maintain these vibrations within certain limits, such as to ensure the protection of all constructions.

Heavy equipment may produce land vibrations, which are transmitted to the weak buildings located near the roads. For this reason, the measures provide the execution of roads at a sufficient distance from the buildings, such as to reduce the impact of vibrations; also, the traveling speed inside the critical areas is reduced to the point that the values of vibration parameters are below the admissible limits stipulated by

the Romanian Standard 12025 -94.

In order to prevent the degradation or deterioration of the constructions located inside the protected area, due to the vibrations generated by the specific operations 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, by the time of preparation of the EIA study, 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.

This technology can be used for an area representing approximately 85% of the open pits area. At smaller distances, in order to ensure an oscillation velocity of maximum 0.2 cm/s next to the construction, *i.e.* to ensure a negligible seismic impact, some special technological variants of the quarrying technology are required. Such technological variants consist in the reduction of the auger 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 variants for ore blasting.

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

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

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

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.

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 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 [1]

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] 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

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Project's water balance is based on the strategy of water management that is illustrated in Exhibit 4.1.18 - Chapter 4 section 4. 1 *Water* of EIA Report. More details regarding the flow and storage facilities of the system are presented by Exhibits 4.1.8, 4.1.10, 4.1.11 and 4.1.12 of the abovementioned section. For the water balance model, the Project's systems have been divided in 9 groups:

- Processing installations;
- Cărnic Waste Dump;
- Cetate Waste Dump, low grade ore stockpile and the pits (including the mine drainages resulted from 714 gallery and Cetate Dam);
- Acid Water Treatment Plant;
- Tailings Management Facility;
- Fresh Water Supply;
- Water Reserve;
- Drinking water;
- Domestic waste waters.

The concept, operation and the results of the water balance model are described in the report on water balance of the Project, updated by the Technical memorandum from 7th of March 2006 – documentation prepared by Montgomery Watson Harza. These reviews also include the input data of precipitation (described below) and the strategy of water management as described in Section 6.2. Years 18-20 have been included to assess both the modification made to the Tailings Management Facility during the first years of closure stage and the ones regarding the flooding of pit lake.

A joint set of data has been used for the water balance model, where the last 5 years of data secured from Project's weather station have been introduced in the longer series of data (dated as back as 1938) obtained from INMH's Rotunda weather station. This set of data is enclosed as Annex 4.1D-Chapter 4, section 4.1. *Water* of EIA Report.

The average rainy and droughty years have been selected from this long series of data in order to calculate the water balance. An average year value used in the water balance consists of a combination of average monthly values and totals 722.8 mm. For a rainy year, the maximum value recorded at INMH's Rotunda weather station has been used (year 2001, 1056.9 mm), but increased with the help of RMGC set of data for July and August 2005 to perform the estimate by taking into account the extremely rainy summer of that particular year (July 2005 value represented a maximum monthly value). The modeled rainy year totals 1190.7mm. For the droughty year (year 1992, 563.7 mm), it just happened to include the most rainy month of October from all available records. Thus, it was replaced with the average value for October totaling 496.1 mm. The total of annual precipitations calculated for the model is presented in Figure 4.1.13 Chapter 4, Section 4.1 *Water* of EIA Report. The extreme precipitations recorded at Rotunda is also presented here (includes maximum and minimum values superior to the ones recorded at Abrud and RMGC weather stations – see Figure 4.1.7 Chapter 4, section 4.1 *Water* of EIA Report). These values are significantly outside the recorded domain.

For the EIA, most of the values from the water balance have very little direct relevance, because they really

describe internal flow rates of the operation. The most relevant values for the EIA are the ones related to the discharges from the environmental installations – these values are highlighted in blue on the Exhibit 4.1.24- Chapter 4 Section 4.1 Water of EIA Report. These consist of the discharges of treated water resulted from Cârnic tailings dam in Corna Valley (when quality allows it) and the compensating flow rates from Roşia and Corna Valleys resulted from acid water treatment plant.

The water balance model is a dynamic entity and undergoes a continuous analysis and update consistent with the evolution of water management, operations plan and sets of input data.

The assessment of the forest located within Project site is provided by the intrinsic value of products and services that the respective forest provides. The value of the products consists mainly of the value of the wood estimated at approximately 30,000 mc. The wood will be cleared in four successive stages according with the development of the project (years 0, 7, 14, 16). The value may be theoretically assessed by multiplying the estimated wood volume with the average price of raw wood, which is established by current in force legislation (69 RON/mc), but its real value will be provided by the average value secured upon sale on the open wood market.

According to the EIA Report, the value of environmental factors from Roşia Montană area and the value of their associated functions (as discussed in Plan H, Biodiversity Management Plan p. 14-18) remains limited due to the impact that is major both from amplitude and time duration points of view. An assessment of losses induced to the aquatic and terrestrial ecosystems will be discussed below. Also, a set of compensatory measures are proposed here, aimed at fighting against production of adverse impacts (p. 18-28).

The environmental impact of the proposed project remains significant, especially because the project will cover the previous impact. But, the investments required for the ecologic restoration/rehabilitation of Roşia Montană aimed at addressing the complex current environmental issues are possible only after such economic projects are implemented that will be capable of generating and warranting direct and responsible actions, as a component of the base principle of sustainable development. Only in the presence of a solid economic environment, clean processes and technologies may be used, fully compliant with the environment that will also resolve previous impacts of anthropic activities.

The objectives assumed through the Biodiversity Management Plan, p. 18-19 (*Mitigate the „GAP” effect; Take on the affected bio-strata; Continue to ensure eco-stability; Ensure continuity of services within the natural factors area; Mitigate impacts on adjacent ecosystems; Ensure successful post-closure re-vegetation*) will subsequently be addressed in several detailed projects aimed at reconstructing and rehabilitating the environment; It is estimated that at the end of project’s life, the impact will be minimized and the environmental conditions much more improved.

The base documents of the Project are in fact an unbiased reason of its implementation, due to the highly complex environmental commitments assumed within Roşia Montană area.

*

The Environmental Impact Assessment Report Study (EIA) does include alternative assessments for economic development (EIA Report, Chapter 5 - Assessment of the Alternatives).

Information on current industries, such as agriculture and tourism is 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 European Union (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 study was being submitted to the Ministry of Environment and Water Management (MMGA).

As regards the urbanistic plans, there are mandatory legal provisions, which restrict the development of other projects than those regarding the exploitation and processing of natural resources in the areas where they are identified. In this respect, we mention the following legal provisions:

(i) art. 41 (2) of the Mining Law no. 85/2003 *"the county councils and the local councils will amend and/or update the existing land facility plans and the general urbanism plans, so as to facilitate all the necessary operations for the performance of the mining activities granted into concession"*;

(ii) art. 6 (1) of the Government Decision no. 525/1996 for the approval of the General Urbanism Regulation („GD no. 525/1996”) *"authorizing the execution of the definitive constructions, other than the industrial ones, necessary for the exploitation and processing of resources in the areas delimited according to the law, which contain identified underground resources, is forbidden"*.

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

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the Roşia Montană Project (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 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 question is 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, as 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.”

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

Refences:

[1] Roşia Montană Initial Tourism Proposals, Gifford, 2006

Item no.

126

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

1. Concerning the alternatives to municipal waste storage, RMGC hosted preliminary discussions with Roşia Montană and Abrud Mayors in order to solve waste management aspects and it has been agreed that municipal waste management is the duty of the Local Councils. Who reached to this agreement: Mayors, Mayors in close co-operation with RMGC?
2. RMGC got involved in a project for the establishment of a waste management consortium for 20,000 locals, where all villages within the basin of Abrud river and from the lower area within the basin of Bistra river will be included. After establishment, it will apply for the necessary financing to support the waste management project at the European Union, through PHARE program.
- If RMGC needs an integrated waste management for the project, why do they ask for PHARE funds for this project? Which is the financial contribution of the company to this mini project - the initiator of which the company is?
3. The same situation appears also in the case of municipal water supplying systems. The company Romproiect has developed a study on this issue. Who ordered, without delay, the study concerning water and who paid for it? What is the costs estimate for this business which is going to bring to the project, eventually, 251m³ of water per hour? There have been quoted costs like 30 Euros per m³. Is it going to be a business for Câmpeni or a battle on limited resources, as it is water in this case?
5. Is the titleholder the interface between people and Romanian State?

RMGC initiated discussions with the Roşia Montană, Abrud, Bucium, Ciuruleasa, and Bistra local councils, offering them logistic support for the preparation of a management plan, identification of a site to conform to European standards and the design of a project to assist in obtaining funding for a regional landfill for municipal waste. If necessary, RMGC could serve as one of the financiers of this project. The proposal did not come to fruition, though this was not the fault of any of the parties involved.

In conformity with existing law and with the county, regional, and national plans for municipal waste management, the responsibility for the management of municipal waste belongs to the local councils. Therefore, at the initiative of the Alba County Council and of the Roşia Montană and Abrud local councils, a project was developed for the construction of a ramp for the temporary transfer of municipal waste. This proposal received approval for financing from the EU's PHARE program; RMGC is also a logistic and financial partner. Under the plan, a regional landfill should be built in Alba Iulia by 2010 and by 2012 a regional landfill in the Apuseni Mountains area should become operational. Currently, the only option for municipal waste is the regional landfill at Sibiu. This is a municipal landfill, and, until the construction of a regional landfill in the Apuseni area, RMGC will use the regional landfill at Sibiu.

Solution

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RMGC is committed to assisting the region in establishing waste management facilities, but final decisions are up to the local authorities. The only option for municipal wastes is currently represented by the regional storage facility in Sibiu.

The company has engaged in discussions with the local councils of Abrud, Bucium, Ciuruleasa and Bistra regarding a long-term facility, and has offered to assist them by identifying an appropriate location, performing the necessary feasibility study, providing a technical design and helping to write a technical proposal in order to access funding assistance from the EU. The proposal has not materialized.

But an initiative has been launched by the councils of Alba County and Roşia Montană and Abrud, to build a temporary waste storage facility with PHARE financing and financial and logistical contributions by RMGC. RMGC's financial contribution cannot be specified under its funding arrangement with Abrud.

By 2010, another regional storage facility will be built in Alba Iulia, and by 2012 another regional storage

facility will become operational in the Apuseni Mountains area.

Until building a regional storage facility in the Apuseni Mountains area, RMGC will use the Sibiu Regional storage facility.

It should be kept in mind that the municipal waste storage facility is for the benefit of the community of Roşia Montană and other local communities, as well as RMGC. In fact, RMGC will use no more than 2% of the site's capacity. Storage capacity is 10,950 tonnes a year -- of which the company will use 20 tonnes a year during the construction phase, 56 tonnes a year in the operation phase, and 15 tonnes a year during the closure phase.

It should be clear that – in contrast to the questioner's assertion – RMGC does not need this facility for our mining project. In the spirit of assisting the community, we wish to be a partner in positive efforts.

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In its capacity of titleholder of the project, **S.C. Roşia Montană Gold Corporation S.A. (RMGC)** has initiated all the design study contracts. Romproiect is a sub-contractor of Petrostar - the company which has prepared the feasibility study for the industrial water supply.

No one can talk about businesses with limited resources, when the yield has been calculated based on a hydrological study. This study indicated the minimum, average and maximum flows, and the necessary amount of industrial water is far below the salubrious discharge during the periods of low flow.

Any approval regarding the use of the necessary flow for industrial purposes will be obtained in accordance with the legal provisions, through an approval and water management permit.

*

No. In conformity with Romanian and European law, the holder of the license must prepare an environmental impact assessment study for a proposed project, and the report of this study must be submitted to the environmental authorities. Following the submission of the EIA for the Roşia Montană Project, there has been a period of public consultation, in order to permit the public to be part of the decision making process regarding the EIA, as stipulated in the Aarhus convention which is part of Romanian law. This is 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.

127

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

The questioner believes that special care must be provided for the protection of the cultural heritage, because what has left of Roşia Montană must be well preserved. RMGC should consider the reestablishment of a gold museum at Roşia Montană.

Solution

Considering the importance of Roşia Montană's cultural heritage and the existing 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 undertaken in the period 2001-2006. Taking into account the results of this research, the specialists' opinions and the decisions made by the competent authorities, the company has estimated a budget of US\$ 25 million for works to be carried out in the following years for the conservation and restoration of Roşia Montană's cultural heritage, as publicly stated in the Environmental Impact Assessment from May 2006. Among the proposed works is the establishment of a **Modern Mining Museum**, which will include exhibitions of **geology, archaeology, industrial and ethnographic heritage**, and the **Cătălina-Monuleşti gallery** and the **monument from Tăul Găuri** will be arranged for tourist access; the **conservation and restoration of the 41 historical monument buildings and of the protected area Historical Centre of Roşia Montană** and the continuation of the archaeological research in the Orlea area.

Prior to 2000, Roşia Montană was considered an area with an archaeological potential. A series of chance archaeological finds - epigraphic monuments, funerary architecture elements were found in the area of the Cetate, Cărnic, Jig and Orlea massifs. Data provided by these elements were enough to suggest the existence of some archaeological sites in that area. However, no specific archaeological excavation had been undertaken in the region, excavations necessary in order to provide a detailed picture of the various elements of the site.

In the context of the implementation of a new mining project in this area, the Ministry of Culture and Religious Affairs approved a series of studies to be conducted in order to research the archaeological and architectural heritage of the area. And at the end of 2000, the Design Centre for National Cultural Heritage (now the National Institute for Historical Monuments - an institution reporting directly to the Ministry of Culture and Religious Affairs) presented the preliminary results of these researches to the National Commission for Historical Monuments and of the National Commission of Archaeology (both are specialized commissions of the Ministry of Culture and Religious Affairs). Based on these results, in 2001, the Ministry of Culture and Religious Affairs established the "Alburnus Maior" National Research Program (the Order no. 2504/07.03.2001 of the Minister of Culture and Religious Affairs) in compliance with the provisions of the Government Ordinance no. 43/2000 on the protection of the archaeological heritage and the designation of certain archaeological sites as areas of national interest, modified. All the archaeological researches of the cultural heritage of Roşia Montană have been conducted by institutions of the Ministry of Culture and Religious Affairs, of the Romanian Academy and of the Ministry of Education and Research. Thus, since 2000, the central government i.e. the Ministry of Culture and Religious Affairs fulfilled its duties with regard to the management of the issues related to Roşia Montană's heritage.

The main objectives of the „Alburnus Maior” National Research Program are as follows:

- the research of the archaeological heritage, including the recording of all the data collected from archaeological excavations and field surveys (archaeology and mapping databases, digital archives comprising images, etc.) as well as the publication of all the results of the archaeological investigations;
- an investigation carried out by specialists of the Roman and medieval mine galleries located in this area. The inventory and proposals for the conservation/restoration of the representative segments of these mine galleries;
- establish the boundaries of the archaeological and architectural reserve area, which will include parts of the mine galleries and historical monument buildings;

- a recording and investigation of the industrial heritage structures;
- the elaboration of a ethnographic study for the Roşia Montană-Abrud-Corna area;
- the elaboration of an oral history study for the area in question;
- implementation of the archaeological discharge procedure for the sites located in the project impact area, in line with the legislation in force;
- drafting a project for the future Mining Museum dedicated to the mining activities carried out over the centuries in the Apuseni Mountains.

A synthesis of the results of the archaeological research undertaken at Roşia Montană is presented in the Chronicle of Archaeological Researches in Romania (published annually 2001-2007), in the Alburnus Maior monograph series and in the Report on the Environmental Impact Assessment Study for the Roşia Montană mining project.

Moreover, representatives of the Directorate for Culture, Religious Affairs and National Cultural Heritage of Alba County have paid a number of information gathering visits to Roşia Montană in order to collect information and to check the situation. The same administrative body was the intermediary for the acquisitions of historic buildings made by RMGC. The Ministry of Culture and Religious Affairs expressed its pre-emption right regarding the acquisition of these buildings.

The preventive archaeological investigations are conducted under the scientific coordination of the Ministry of Culture and Religious Affairs, based on the annual approval by the National Commission of Archaeology of the Ministry of Culture and Religious Affairs. This research program is carried out with financial support provided by RMGC (the company that plans to expand and continue to mine the gold-silver deposit in Roşia Montană). Thus, large-scale preventive archaeological investigations have been conducted or are underway in the RMP impact area with a view to applying the archaeological discharge of the sites located in the project perimeter or for the preservation *in situ* of some representative structures and monuments, in accordance with the legal provisions. In addition, comprehensive studies of architecture, history, ethnography, town planning, etc. have been conducted for a better understanding and protection of the local heritage.

For further details on the significance of the cultural heritage values from the Roşia Montană area, more precisely the way they have been investigated and inventoried over the last 7 years as well as for a series of remarks regarding the type of juridical protection and other legislative provisions applicable in this case and the strategies for the construction of the future Mining Museum, please see the Annex called **“Information on the Cultural Heritage of Roşia Montană and Related Management Aspects”**.

Item no.	128
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner really appreciates RMGC's efforts in protecting the cultural heritage and claims that this thing is really important, no matter who's the owner.
Solution	<p>Considering the importance of Roşia Montană's cultural heritage and the existing 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 undertaken in the period 2001-2006. Taking into account the results of this research, the specialists' opinions and the decisions made by the competent authorities, the company has estimated a budget of US\$ 25 million for the works to be carried out in the following years for the conservation and restoration of Roşia Montană's cultural heritage, as publicly stated in the Environmental Impact Assessment from May 2006. Among the proposed works is the establishment of a Modern Mining Museum, which will include exhibitions of geology, archaeology, industrial and ethnographic heritage, and the Cătălina-Monuleşti gallery and the monument at Tăul Găuri will be arranged for tourist access; the conservation and restoration of the 41 historical monument buildings and of the protected area Historical Centre of Roşia Montană and the continuation of the archaeological research in the Orlea area.</p> <p>The archaeological research at Roşia Montană began in 2000 with the participation of teams of archaeologists from the National Union Museum in Alba Iulia and from the National Institute for Historical Monuments in Bucharest. The „Alburnus Maior” National Research Program was initiated in 2001 through the Order no. 2504/07.03.2001 of the Minister of Culture and Religious Affairs, and it was developed in compliance with the provisions of the Government Ordinance no.43/2000 on the protection of the archaeological heritage and the designation of certain archaeological sites as areas of national interest, modified. The preventive archaeological investigations are conducted under the scientific coordination of the Ministry of Culture and Religious Affairs, based on the annual approval by the National Commission of Archaeology of the Ministry of Culture and Religious Affairs. This research program is carried out with financial support provided by RMGC (the company that plans to expand and continue to mine the gold-silver deposit in Roşia Montană).</p> <p>Large-scale preventive archaeological investigations have been conducted in the period 2001-2006 in the RMP impact area with a view to applying the archaeological discharge of the sites located in the project perimeter or for the preservation <i>in situ</i> of some representative structures and monuments, in accordance with the legal provisions. In addition, comprehensive studies of architecture, history, ethnography, town planning, etc. have been conducted for a better understanding and protection of the local heritage.</p> <p>For further details on the significance of the cultural heritage values from the Roşia Montană area, more precisely the way they have been investigated and inventoried over the last 7 years as well as for a series of remarks regarding the type of juridical protection and other legislative provisions applicable in this case and the strategies for the construction of the future Mining Museum, please see the Annex called “Information on the Cultural Heritage of Roşia Montană and Related Management Aspects.”</p>

Item no.	129
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

130

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

The questioner makes the following remarks and comments:

1. EIA presents a series of inconsistencies such as, for example, those related to the community sustainable development plan and to health baseline conditions.

- within the assessed alternatives (pg. 115, natural potential usage), there is a list of potential usages of available natural resources, which is said to be just speculative, even if certified experts had to assess this potential in an appropriate manner. The questioner wants to know whether this natural potential has been assessed or not.

- It is being stated that at Roşia Montană, 60% of the population is inactive, but at national level the percentage is 60%, this means that Roşia Montană represents normality.

2. The Health Baseline Study is not relevant; there is no sampling rate, it has no scientific basis. The medical records which have been analysed (141 records) can't describe the entire community. The questioner requests a written answer to be sent by a statistician and sociologist in this regard.

3. Roşia Montană has been declared a disadvantaged area, and this provides a series of advantages for those who want to invest (exemption from taxations and taxes for the investors in the area). If RMGC cared about citizens' fate, why did the company apply for the investor's certificate? Why didn't they leave all the taxes and taxations to go to the community, and to all those who need them so badly?

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 inconsistencies in the Environmental Impact Assessment Report Study (EIA), without containing any specific indications, 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.

The environmental impact assessment process manages the complexity of large-project planning by identifying critical areas of reporting and information provision. Against the general complexity of an EIA, blanket claims of inconsistency cannot be evaluated.

Solution

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There are no internal inconsistencies in the report.

This is a comprehensive study, one of the few spatial representations of this kind in the whole country.

The *Health Baseline Report* is scientifically representative because it involved the study of the entire local population from more than 40 localities [1] across a very large area of more than 200 km² - not just a sample group. The volume is made up of two parts. The first one describes in detail the current health status of the population from the study area. The assessment of the population's health status in the study area has considered 87 international ICD 10 classification codes (*International Classification of Diseases Revision 10*) [2] elaborated by World Health Organization. Health assessment for these population groups was carried out by collecting all medical data from all local general practitioners and from the two hospitals in the study area over a period of 5 years [3]. The analysis of the frequency of diseases researched was undertaken using a computerized geographic system which indicates the differences between various localities, clearly showing variation in the frequency of diseases from one place to another [4]. The *Health*

Baseline Report also comprises a chapter considering a number of habits, workplace exposures etc, based on a questionnaire applied to 141 people from the investigated area; however this type of information was not used in the assessment of the local population health status [5].

The *Health Baseline Report* also comprises a chapter considering demographic data which shows that Roşia Montană is characterized by the lowest life expectancy [6] as well as a higher frequency of severe chronic diseases when compared to the other localities.

The second part of the study consists of the correlation between the investigated diseases and the environmental conditions carried out based on the baseline health conditions and on baseline and predicted quality of environmental factors. The assessment did not show any significant increase in the frequency of the investigated diseases after starting the mining activities [7].

References:

- [1] Table 5-1, Subchapter 5-1, Chapter 5, *Morbidity Study*, page 52-53, vol. 5, *Health Baseline Report*.
- [2] Table 5-3, Chapter 5, *Morbidity Study*, page 54-56, vol. 5, *Health Baseline Report*.
- [3] Subchapter 5.1.2., Chapter 5, *Morbidity study*, pages 54, vol. 5, *Health Baseline Report*.
- [4] Annex, page 137, vol 5, *Health Baseline Report*.
- [5] Subchapter 4.1.3., *Questionnaire of chapter 4*, pages: 23-51 vol. 5, *Health Baseline Report*.
- [6] Table 3-2, Figure 3-2, Chapter 3, *Demographic Data*, page 14-15, vol. 5, *Health Baseline Report*.
- [7] Chapter 6.6, *Results and Discussion*, pages 124-129, vol. 5, *Health Baseline Report*.

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The EIA considered alternative developments – including agriculture, grazing, and flora/fauna gathering for pharmaceutical purposes, forestry and forest products – as well as meat processing, and tourism, and concluded that these activities could not provide the economic, cultural and environmental benefits brought by the RMP.

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

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

*

It is a standard process in social impact assessment to determine current baseline conditions in order to determine how they might be affected by a potential project.

While it may be a fact that in many regards the socio-economic baseline conditions in Roşia Montană are similar to other rural areas in Romania, or with Romania in general, that information does not change the impact assessment presented by RMGC in the EIA Study Report. Also, since the closure of RoşiaMin in 2006, the unemployment has further risen to 70%. If the project is not approved, the unemployment rate would increase to over 90%.

The Roşia Montană Project (RMP) can act as a catalyst for the economic development of the area.

RMP will create an average of 1,200 jobs during the 2 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.

The project will also result in the creation of approximately 6,000 indirect employment opportunities locally, regionally and nationally [1].

References:

[1] Roşia Montană Project, EIA Study Report, Non Technical Summary, vol.19, pp.7 identifies 5,500 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 6,000.

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The Health Baseline Study is representative, there is no sampling rate because, it involved all the population in the area. The data from the medical records were collected for the entire population in the area, not for a 141 population sample.

The *Health Baseline Report* is scientifically representative because it involved the study of the entire local population from more than 40 localities [1] across a very large area of more than 200 km² - not just a sample group. Health assessment for these population groups was carried out by collecting all medical data from all local general practitioners and from the two hospitals in the study area over a period of 5 years [2]. The assessment of the population's health status in the study area has considered 87 international ICD 10 classification codes (*International Classification of Diseases Revision 10*) [3] elaborated by World Health Organization.

Consequently, specific morbidity indicators have been calculated on the basis of the entire number of medical records, for the majority of diseases reported on a large area. The *Health Baseline Report* also comprises a chapter considering a number of habits, workplace exposures etc, based on a questionnaire applied to 141 people from the area investigated; however this type of information was not used in the assessment of the local population health status [4].

We want to stress the fact that the health indicators presented are based on medical records corresponding to a long period of time (5 years), registered with all general practitioners present in the area and with the two local hospitals. Considering that the health assessment has been carried out by taking into consideration the entire local population with medical records and so not just a sample, we believe that there is no other more comprehensive approach possible in this respect.

References:

- [1] Table 5-1, Subchapter 5-1, Chapter 5, *Morbidity Study*, page 52-53, vol. 5, *Health Baseline Report*.
- [2] Subchapter 5.1.2, Chapter 5, *Morbidity Study*, page 54, vol. 5, *Health Baseline Report*.
- [3] Table 5-3, Chapter 5, *Morbidity Study*, page 54-56, vol. 5, *Health Baseline Report*.
- [4] Subchapter 4.1.3, *Questionnaire of Chapter 4*, pages: 23-51, vol. 5, *Health Baseline Report*.

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By GD no. 813/1999, the whole Apuseni mining area, Alba county, covering an area of 108.497 ha, was declared a disadvantaged area for a 10 years period. Please note that the incentives initially granted to investors in disadvantaged areas have been repealed, currently the only valid incentive being profit tax exemption. Consequently, any company headquartered in this area which obtained the certificate of investor prior to July 1st, 2003 benefits of profit tax exemption until October 2009.

This is not RMGC's case, as RMGC did not start the production process yet, and consequently obtains no profit from its activity. Moreover, as RMGC's production start is targeted for Fall 2009, the Company will not benefit from the profit tax exemption and will therefore pay all profit taxes.

Over the 16 year operating life of the project, RMGC is expected to pay US\$284 million in profit tax (based on a gold price of US \$600 per ounce) to Romania. Based on the Ministry of Finance statistics for the 2004 tax year, RMGC would be one of the largest profit tax payers in the country. Since incorporation, RMGC is paying all taxes to Romanian State, including taxes on the exploration and exploitation activity, taxes and duties paid to the state budget for the employees, taxes on land, etc. RMGC is already the largest taxpayer in the county and tax payment would continue over the life of the project, mining royalties, profit tax, dividends being added to the existing taxes. RMGC will pay all taxes, duties and levies in Romania, not in Canada.

Item no.	131
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

132

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

1. The questioner wants to know whether locals from Corna Valley, those who do not want to leave, are going to be expropriated or forcibly removed?
2. With regard to GUP and ZUP, the company claims that they are only for 25% of Roșia Montană. However, if someone has a property incorporated in those 25% and that someone wants to establish a business in that place, he won't be allowed. Thus, the percentage is irrelevant, as long as people cannot develop businesses.
3. Which is the company's field of activity, as RMGC qualified for the negotiations phase for the opening of the 3rd and 4th units of Cernavoda Nuclear Power Plant?

Solution

When acquiring the private property lands necessary for the development of Roșia 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 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 for the development 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.

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.

*

According to the General Urbanism Plan (PUG) and Zonal Urbanism Plan for the Roșia Montană Industrial Area (PUZ), indeed, the Industrial Area of the Roșia Montană project covers approximately 25% of the entire surface of the Roșia Montană commune. Concerning the restrictions directly imposed by the PUZ, only activities and constructions for industrial purposes are allowed in this area. We want to emphasize that these restrictions only indicate the direction of development for these activities, without banning them. Consequently, even mine-related businesses may be started, such as those providing construction materials, consumables, spare parts, protection equipment, etc.

Moreover, through the management plans prepared during the environmental impact assessment process, we encourage the initiation of tourist activities and the diversification and development of services

supplied in the project area and in the surrounding areas. Moreover, these activities are considered as imperative for an appropriate development of the mining project. The partnerships initiated and developed by the company are a proof in this respect (see Annex). We would like to mention here: the Micro-bank set up in order to finance the development of small businesses, the training programs available for the people in Roșia Montană and in the neighboring communes as well as the development and counseling program for young people conducted through the CERT Apuseni Resources Centre for Youth, which operates in the town of Abrud.

We would also like you to notice that there are mandatory legal provisions limiting the development of projects other than those intended for the exploration and processing of natural resources in the areas where these have been identified. 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 Roșia 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”.*

*

RMGC will require a secure, long-term power supply for the operation of the Roșia Montană Project. One potential electricity source is the Romanian Government’s proposed expansion of the Cernavodă nuclear plant. The Romanian Government invited large electric utilities as well as large consumers or potential users of power, to participate in the financing and development of the expansion of Cernavodă.

Item no.

133

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

1. The questioner quotes from a financial report belonging to the company that was issued for the investors in Canada, where it is presented the situation of the mining license where RMGC is the owner and Minvest is the associated company. In the report it is stated that there is an important risk for RMGC as regards the development of mining operations by Minvest without having all necessary endorsements and permits because this will involve RMGC's responsibility and will lead to the cancellation of the license. It is known that there are 3 sanctions already applied to Minvest because it has mined the deposit from Roşia Montană without having a permit, an environmental authorization (2 of them being enforced by the Environmental Guard and one by the Prosecutor's Office, the most recent of all is dated May 2006). Taking into account all these conditions, when does RMGC's mining license end?

2. What kind of projects and how many, did NHN Eco Invest Bucureşti developed for the company? 2.(sic) There are three penalties for MINVEST.

3. The Company claims that there are 13 alternatives for the tailings management facility, but they are not presented in the Impact Assessment study. Does this mean that the data presented in EIA are false or incomplete? Does it mean that RMGC has the mining license which allows it to expand all over the Southern area of the Apuseni Mountains and find a suitable site?

We would like to state that the reports submitted by Gabriel Resources Ltd. pursuant to its legal reporting requirements to the authorities of Toronto Stock Exchange, have a pre-established format. Among other things, they include a section where the "risks and uncertainties" related to their operations are being analyzed, together with other factors that may make the actual financial results, the performances or the achievements of the company to differ from the results, performances or achievements previously estimated in a reasonable manner.

These risks, uncertainties and other factors are: political instability, production restrictions, and the price of precious metals; unpredictable legislative, political or economical evolutions, strikes, wars, revolutions, terrorism, fires or any other natural catastrophes or calamities.

Therefore, one can see that these risks are uncertain, potential and subsequent. They are a possibility which is analyzed in theory by a diligent investor and not a confirmation of the fact that they will surely appear. Thus, the Annual Report of Gabriel Resources completed for the financial year ended on 31.12.2005 has also included "*Risks associated with the mining operations developed by the Government*" where it is stipulated: "*any activity developed by Minvest without having all permits, endorsements and approvals secured may entail the responsibility of RMGC, as titleholder and may provide reasons to cancel the license.*"

Solution

With respect to the situation existing at that moment, CNCAF Minvest SA has secured the environmental permit required for its closure plan following ceasing of its production within Roşia Montană Perimeter.

Moreover, the facts cited by the participant in the public consultations have been the scope of File no. 38498/2/2005 filed by Alburnus Maior through which they have requested the cancellation/annulment of Roşia Montană License and Bucium License. Through the final sentence issued on 20.03.2007, Bucharest Appellate Court has denied this request of annulment of licenses as unfounded and consequently has removed all claims related to its illegality.

With respect to the validity of the Roşia Montană Mining Licence no. 47/1999, we would like to state that the license has a validity period of 20 years, i.e. until 2018, and the validity period may be extended with successive 5 years periods, pursuant to the provisions of art. 20(2) Mines Law no. 85/2003.

*

SC. NHN – EcoInvest S.R.L had no contract concluded with SC. Roşia Montană Gold Corporation. S.C.

Until 2003, SC. NHN – EcoInvest S.R.L. was under contract with the National History Museum of Romania to conduct geophysical surveys in the Țarina area, in the context of the multi-disciplinary investigations conducted under the auspices of the “Alburnus Maior” National Research Plan.

*

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 penalties for CNCAF Minvest SA, 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 relevant for the proposed project, please note the following:

CNCAF Minvest SA is a shareholder of RMGC and an affiliate to Roșia Montană License no. 47/1999, whose titleholder is RMGC. Nonetheless, RMGC and CNCAF Minvest SA are distinct legal entities, with distinct rights, obligations and responsibilities, both under (i) Company Law no. 31/1990, corporate principles and RMGC Articles of Association and under (ii) mining legislation and Roșia Montană License no. 47/1999.

According to criminal and administrative law principles, the criminal and/or administrative liability is personal, therefore RMGC cannot be held liable for any acts and deeds of CNCAF Minvest SA, either real or alleged.

*

Chapter 5. Section 3.3 of the EIA report (*Assessment of the Alternatives*) explains this process – and presents a summary to indicate the main choices including the 13 main alternatives.

RMGC has been considering options for locating the Tailings Management Facility since at least 1999, and several studies have been carried out to assist the final selection of a preferred site. In 2001, nine site options were identified; in 2002 a new study considered these options *in addition to* some new alternatives to finally recommend eight options to consider.

One of the main reasons for selecting the Corna Valley location for the TMF is that it minimizes the overall project footprint because it is located adjacent to the proposed mine and process plant sites and in part covers historically impacted and degraded land.

The area affected by RMGC’s proposals is clearly described and shown in the EIA report.

Item no.

134

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

1. Roşia Montană is an industrial area, but in the Impact Study it is stated that 60% of the Roşia Montană lands (this excludes Corna) are hay lands, what means that one couldn't assert that it is an industrial site.
2. The questioner refers to the sentence of the Court from Bucharest 1st district which was issued on the 12th of July 2006 concerning Mr. Paul Damian Cristian: the court of law remembers that he proposed for archaeological discharge an area, on the base of a report that includes only personal remarks.

All the figures reflecting the territorial balance are based on the Project proposal, *i.e.* the industrial perimeter, including the protection areas or the land that is not affected by the project, located among the project facilities (1646.32 ha). They are not based on the surface area of the territorial and administrative division of Roşia Montană commune (4200 ha).

In order to avoid any misunderstanding related to the information quoted from the Report on the Environmental Impact Assessment (EIA), Chapter 4 – Potential Impact, Section 4.7 Landscape p. 20, please find below the percentage distribution of the Project area of 1646.32 ha. The percentages have been calculated per categories of land use prior to the beginning of the Roşia Montană Project, as follows: the highest percentage is represented by hay land - 60% of the total surface area, followed by forests – 17.7% and built areas – 12%. The remaining area is occupied by non-productive land – 5%, roads – 3%, arable land – 1%, cemeteries – 0.5% and waters – 0.8% (see Table 1).

Table 1. Land Use in the Project Area

Solution

Land Use	Surface Area				
	ha	%	ha	%	ha
	Prior to Implementation	to Project	During operational phase I	Project	Revegetated
Arable Land	16.9	1	-		
Hay Land	987.75	60	468.54	29	572.61
Forests	289.22	17.7	92.4	5.6	335
Roads	48.76	3	17.77	1	
Built Zones	198.25	12	1061.61	64.4	
Water	14.2	0.8	6		
Cemeteries	8.87	0.5	-		
Non-productive	82.37	5	-		
Outcrop Habitat					154
Total area	1646.32	100	1646.32	100	1061.61

Note: The balance from 1061.61 ha that represents the area taken up directly by the Project facilities up to 1646 32 ha (total surface area of industrial zone plus buffer zone) represents the total area of lands not taken up by facilities located in the buffer zone (the protection area of the industrial zone).

The Urbanism Certificate (No. 78/26.04.2006) presents the perimeter of the Roşia Montană Industrial

Area, having a total surface area of 1257.31 ha. The Industrial Area does not include the Protected Area of the cultural heritage. The total surface area includes small plots of land, which will not be directly impacted by the project operations; however they will remain isolated among various operation sites. These plots of land have a total area of 195.7 ha.

Table 2. Land required [1] for the RMP – Chapter 9 Non-Technical Summary

Locality	Area of administrative unit (ha)	Land required for the proposed RMP (ha)	% of Locality
Roşia Montană Local Council	4,200	1,054	25
Abrud Local Council	3,500	170	5
Bucium Local Council	8,778	32	0.4
Câmpeni Local Council	8,520	1.6	0.02
Total	24,998	1,258	5

Note:

[1] This includes pits, waste dumps, tailings management facility and all supporting infrastructure such as access roads, water catchment dams for environmental protection, water supply to the site, the new road to Roşia Poieni, etc.

*

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

- (i) As per the provisions of art. 5 (2) of the Government Ordinance no. 43/2000 regarding the preservation of the archeological heritage and the declaration of certain archeological sites as national interest areas, as republished (“GO nr. 43/2000”) *“the archeological discharge is the procedure which ascertains that a piece of land which was classified as archeological heritage can be rendered to current human activities”*;
- (ii) art. 2 (11) of the GO no. 43/2000 *“the assessment of the archeological survey results, as provided by the archeological report drafted according to the enforceable standards, is the major for determining the legal status for the preservation of archeological discoveries or, as the case may be, of the archeological discharge of the area”*;
- (iii) appendix 9 to the Order no. 2392 regarding the archeological Standards and Procedures, the report for the archeological excavation must comprise: (a) the introduction; (b) the initial goals of the survey; (c) the site history; (d) the presentation of the immediate results of the excavation; (e) the summary of the site archive and (f) the potential of the information and of the new information;
- (iv) art. 14 of the GO no. 43/2000 *“The National Archeology Commission, attached to the Ministry of Culture and Religious Affairs, acts as an expert scientific body, with no legal personality, acting as consultant in the archeological heritage field.”*;
- (v) art. 16 letter i) of the GO no. 43/2000 determines the National Archeology Commission as the authority which analyzes the archeological excavation report *“approves the assessment studies for defining, setting up and determining the preserved areas which include the archeological heritage”*.

Considering the above mentioned, we mention that the archeological report cannot include “only personal opinions”, because the content, as well as its comments are evaluated and reviewed by the members of the National Archeology Commission, the Ministry of Culture and Religious Affairs will subsequently grant the archeological discharge certificate.

Item no.	135
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.	136
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.	137
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner wants to find out what will the company do in 14 years' time, when the area's tourist potential is going to be zero and the mining job opportunities will disappear?
Solution	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The Roşia Montană Project (RMP) closure plan is also designed to return the site to productive public use.</p> <p>RMGC has 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).</p> <p>As for expanding touristic potential, a mining project such as the one proposed by RMGC will provide, through taxes, 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 MicroCredit will support local investors 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 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 Tăul Găuri - all of which would serve as tourist attractions".</p> <p>For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.</p>

Item no.	138
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

139

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

1. The questioner draws the attention on the fact that climatic changes represent a real hazard both at international level and on local level. Taking into account this context, which are the guarantees offered by the company that no accidents will occur within the dam? If floods and land slides will take place the risk is catastrophic.
2. The questioner asks RMGC to define the concept of sustainable development, taking into account that the mining operations will be completed in a short period of time, 10-17 years, and locals will have to develop alternative activities but without the current natural resources and ore deposits, as they are going to be depleted after the mining operation.
3. The questioner asks from biodiversity experts to state whether the number of trees that are going to be planted represent and reflect the value of the biodiversity of a habitat and to explain if a rehabilitated land has the same scientific ecologic value as the one of a land that hasn't been impacted or having insignificant impacts.
4. Environmental issues will impact not only on those who generate them but also on others, and the constitution warrants a clean and healthy environment.

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, 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:

Solution

- 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.

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.

References:

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

*

Sustainable Development is based on the premise of development that meets the needs of the present without compromising the ability of future generations to meet their own needs. At the end of the day, mining can only be judged in the context of sustainable development by what remains after the mine closes.

At the time of closure the company will do all it can for the existing workforce in providing assistance in finding alternative employment and would comply with legal requirements in this respect. 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.

Given the skills base and experience that the workers will have acquired, this might mean jobs on other mining projects, as Roşia Montană is situated in a region well-known to be rich in natural resources. Alternatively, Roşia Montană Gold Corporation (RMGC) will provide the opportunity of re-training and support in setting up alternative businesses.

Taken over 20 years, 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.

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 Roșia Montană MicroCredit in January 2007, IFN “Gabriel Finance SA”, to encourage the local investors. This micro lender is designed to provide funding and necessary resources to the people of Roșia Montană, Abrud, Cămpeni and Bucium. The objective is supporting local people in establishing small businesses or expanding existing ones.

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

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

*

The result of the activities performed during the last hundreds of years at Roșia Montană, has strongly impacted the environment in general and fauna and flora in particular.

Following this significant impact both in its intensity and in its duration in time, compared to other regions of Romania, it is obvious the fact that Roșia Montană is far from being characterized by high biodiversity indexes and therefore no one can speak about a “*land that hasn't been impacted or having insignificant impacts*”.

Therefore, the floristic specters, and also the fauna ones remain mainly impacted by the presence of ubiquitous, synatropic, ruderal, and invasive species or species with elevated ecologic plasticity.

The biodiversity remains a conceptual entity, resembling *Aesthetics* or the *Ecosistemic Integration*, being very difficult to be quantified.

However, it is commonly accepted the fact that based on scientific demonstrations, forest is for this area the climax status, i.e. the maximum stability. This is the case where all conditions of maintenance of all natural balances, the support capacity, and the productivity are met; all these are reported to the surface unit, and they are maximal.

Thus, if we are to speak in a simple manner, to report the number of trees to the surface unit, that may provide additional input to the value of biodiversity, with all its attributes: density, age, specie, origin, physiological status, etc. which on their turn must be considered. The tree numbers that are to be planted do not represent by themselves the value of biodiversity of a particular forestry habitat, but on the long term, planting trees (a program initiated even from 2006) represents one of the most efficient measures of mitigating the potential impact on forestry habitats.

Starting with the unquestionable realities, according to which there is an obvious significant impact at the level of the study area both from scale and magnitude points of view, i.e. a low number of trees species; our proposal included in the Closure Plan and in the Biodiversity Management Plan is to create a Compensatory Functional Ecologic Network, which will be operational even from the initial period of the Project (year 0); it seems that this network will represent an efficient answer from the point of view of emergent ecologic pressures.

It must be noted that 38 wood and shrubs species from local spontaneous flora are included in the Biodiversity Management Plan (vol. 27, pg. 27-28), as part of the structural base of Compensatory Functional Ecologic Network. 27 additional wood species will be added, their presence will certainly lead to the increase of biodiversity indexes.

All the abovementioned actions require major investments that could be paid only as part of this Project.

If this project is not developed, the current poor ecologic status of Roșia Montană will lead to major unbalances, not only at local level (which are already obvious), but also at regional level.

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According to the provisions of the Romanian Constitution, “the State recognizes each individual’s right to a healthy and balanced environment, from an ecological point of view” (Article 35 (1)).

The compliance with these provisions does not mean denial of any industrial activities, in general, or resource exploitation activities, in particular, but rather integration of protection measures in the actions directly related to economic development. Thus, Article 135 clearly stipulates the obligation of the State to

ensure both “the exploitation of natural resources, according to the national interest” (letter d), and “the environmental rehabilitation and protection” and “an ecological balance” (letter e).

The legal framework provided by the Romanian State for the exercise of the constitutional rights “to a healthy and balanced environment from an ecological point of view” includes provisions regarding the environmental impact assessment procedure. According to these provisions, the following information has been made public, as part of this procedure: “description and assessment of the direct and indirect impacts of the project” on the natural and human environment, as well as the “measures for the prevention, mitigation and, wherever possible, compensation of the significant adverse effects of the project”.

Roşia Montană Gold Corporation proposes a project for economic development, whose social benefits have already been demonstrated. Starting from a 2000-year old activity carried out in the area, the project presents a highly efficient method to continue this activity, based on the responsible exploitation of the natural resources, using the best available techniques and in strict compliance with the national and EU legal provisions in force on environmental protection, and with the Best Management Practices (BMP).

Item no.

140

No. to identify
the
observations
received from
the public

Alba Iulia,
31.07.2006

Proposal

The questioner supports the project

Solution

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

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

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

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

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

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Item no.

142

No. to identify the observations received from the public

Alba Iulia,
31.07.2006

Proposal

1. What does the cyanidation represent, from the beginning of the process till its end?
2. At the end of the Rio Narcea project, the Spanish state will be involved in the establishment of the respective area as one with tourist potential. Does the company intend to get involved in such a project? If yes, exactly how?

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 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 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 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 with sufficient 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.

Solution

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. 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 $D = 18 \text{ m} \times H = 20 \text{ m}$. 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 as needed to the CIL tanks number 2 and 4 of each row, 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 one 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.

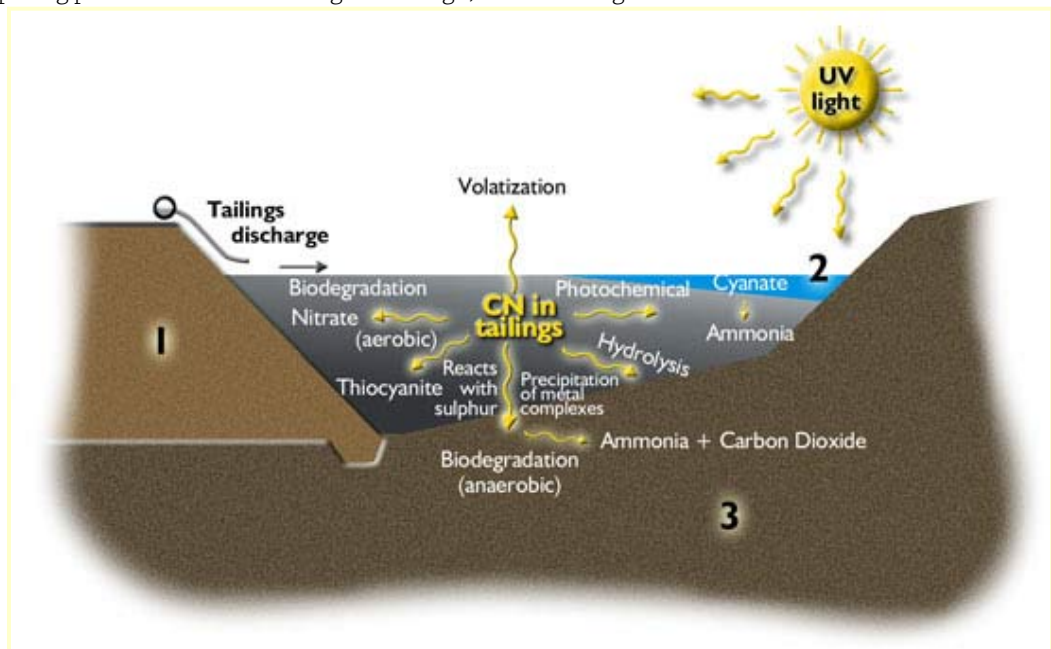
The thickened slurry is pumped into the cyanide detoxification circuit, working on SO_2/air procedure, where the WAD cyanide concentration will decrease to the level approved through the European Directive. The management of the tailings and the detoxification technology are **BAT techniques**, according 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 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, for example of 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. Even though, 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 on the plant site and only 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 the operational phase. The Model compiled for the degradation process shows that the cyanide concentration may decrease to 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 / hydrolysis, into 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>)

*

First of all we would like to mention that the mining projects, generally speaking, are not similar. In this respect, art. 2 (31) of GEO no.195/2005 on environment protection, which defines "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 subject 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 [...]*".

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

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

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

The development of Roşia Montană's tourism potential can be done in parallel with active mining operations.

Chapter 5 of the Environmental Impact Assessment Study Report (EIA) identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some

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

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

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

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

In the end, only the community is entitled to make decisions about the development of the tourist potential.

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

References:

[1] We mention that GD no.918/2002 was repealed 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.

Item no.	143
No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

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No. to identify the observations received from the public	Alba Iulia, 31.07.2006
Proposal	The questioner wants to know which is going to be the situation of the acid rainfalls.
Solution	<p>The activities taking place on the Project site, as well as the emissions from the ore processing operation will not generate any acid rains. These emissions are described in Chapter 4.2 Air. The acid rain usually occurs due to certain compounds of S or N in the air, or due to the emissions of certain strong acids (such as sulphuric acid, nitric acid or chlorine); the operations to take place on the proposed Project site don't have such potential. Hydrogen cyanide (HCN) has two characteristics: it has low solubility and doesn't react to water drops, and breaks down quickly in the atmosphere – it turns into carbonate.</p> <p>If the Questioner refers to HCN emissions and their impact, then: The assessment of the HCN emissions is based on a Model summarized in Volume 12, Chapter 4.2 Air. AERMOD, Version 99351. -EPA, 2004. User's Guide for the AMS/EPA Regulatory Model – AERMOD. EPA-454/B-03-00, was used for modeling the dispersion of HCN. Please also see: http://www.epa.gov/scram001/dispersion_prefrec.htm#aermod. The concentrations estimated were well below the awareness limits stipulated by the standards for air quality.</p> <p>The Cyanide Management Plan and the Air quality management Plan present clear solutions to prevent / reduce / remove the potential impact of the HCN emissions: starting from the results of the HCN dispersion model, we present here some of them:</p> <ul style="list-style-type: none"> - the sodium cyanide will be handled in liquid form only, from the unloading of the supply trucks, up to the time it is discharged onto the TMF, within the tailings; the sodium cyanide is represented by alkaline solutions of high pH (over 10.5-11) of various sodium cyanide concentrations. The scope of the alkalinity of these solutions is to maintain the cyanide in cyan ions form (CN⁻) and to stop forming the hydrogen cyanide (HCN), phenomenon which occurs in environments of low pH only; - the volatilization of the cyanide off a solution can't happen as free cyanide, but only as HCN; - the handling and storage of the cyanide solutions will only take place through closed systems; the only facilities / areas where HCN could form and volatilize, with small emission ratios, are the leaching tank and the tailings thickener, as well as the tailings dam; - the HCN emissions from the surface of the leaching tanks and from the surface of the tailings dam could occur due to the decrease of the pH within the superficial layers of the solutions (which encourages the occurrence of HCN) and due to the desorption (volatilization in the air) of this compound; - the concentration of the cyanides within the handled solutions will decrease from 300 mg/L in the leaching tanks up to 7 mg/L (total cyanides) at the point of discharge into the tailings dam. The significant decrease of the cyanide concentration at the point of discharge into the tailings dam is supported by the detox system; - the knowledge of the cyanide chemistry, as well as the experience from similar activities, have lead us to the following estimated HCN emissions in the air: 6 t/year from the leaching tanks, 13 t/year from the tailings thickeners and 30 t/year (22.4 t, and 17 mg/h/m², during hot season and 7.6 t, and 11.6 mg/h/m², during the cold season) from the surface of the tailings dam, meaning a daily average total HCN emission of 134.2 kg; - once emitted, the hydrogen cyanide is subject to certain chemical reactions in low atmosphere, leading to ammonia; - the mathematical modeling of the HCN concentrations in the ambient air (if the HCN is not subject to chemical reactions in the atmosphere) showed the highest concentrations at the level of the soil, within the industrial site, namely within the area of the TMF and near the processing plant – the maximum concentration being 382 µg/m³per hour;

- the highest concentrations of HCN in the ambient air will be 2.6 times less than the value imposed for the safety of the workers, as stipulated by the national legislation;
- the concentrations of HCN in the ambient air in the inhabited areas near the industrial site will be of 4 – 80 $\mu\text{g}/\text{m}^3$, over 250 – 12.5 times less than the safety value as stipulated by the national legislation (the national legislation and the EU legislation for the air quality don't stipulate any limit values for the protection of public health);
- the advance of the HCN in the atmosphere involves an insignificant compound of reactions in liquid phase (the water vapors in the atmosphere and in rain drops) because, at partial low pressure, specific to gases in free air, the HCN is very weakly soluble in water, and the rain will not effectively reduce the concentrations from the air (MUDDER, et al., 2001, CICERONE and ZELLNER, 1983);
- the likelihood for the value of the HCN concentrations in precipitations within or outside the area of the Project to be significantly higher than the basic values (of 0.2 ppb) is extremely low.

For further details regarding the Use of cyanide in technological processes, the Balance of the cyanides, as well as the Emissions and the impact of the cyanide against the quality of the air, please see the EIA, Chapter 2, Chapter 4.1 and Chapter 4.2 (Section 4.2.3).

The references for this Project include:

- CICERONE, R.J., and ZELLNER, R., 1983. *The atmospheric chemistry of hydrogen cyanide (HCN)*. *Journal of geophysics research*, Volume 88, issue no. C15, page. 10,689 to 10,696;
 - MUDDER, T.I., BOTZ, M.M., and SMITH A., 2001. *Chemistry and Treatment of Cyanidation Wastes*, The Second edition. *Mining Journal Books, Ltd.*, London, 373 p.
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Item no.	151
No. to identify the observations received from the public	Zlatna, 02.08.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

152

No. to identify the observations received from the public

Zlatna,
02.08.2006

Proposal

1. According to the resettlement and relocation plan (Chapter 3.52 – 3.59) it won't resort to expropriation only if the company doesn't reach an amicable agreement with the owners. The questioner wants to know if RMGC is replacing Government or it has people within the Government and if it considers that a private business with huge benefits for others is a public utility.
2. Regarding the cemeteries, the questioner reads paragraph 11, letter j from Law 98/1994. He wants to know if RMGC is going to wait the legal term for cemeteries decommissioning or it will break the law and pay the penalty. After all, is RMGC going to do the same with other Romanian laws?
3. Which is the project's impact on protected areas: Piatra Corbului and Piatra Despicață? If resettlement is going to be initiated, which will be the technical means to develop it?
4. Would RMGC agree with the fact that 20 years from now, one could say "RMGC might symbolize the end of Roșia Montană mining industry"?
5. Which are the real closure and environmental rehabilitation costs after the completion of the project (the EIA doesn't provide this information) and where in the report is it stated the financial funds for closure and the post-closure monitoring of environmental factors? Where are the financial warranties?

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

In order to acquire the necessary properties, the company has established a property purchase program compliant with the RRAP guidelines developed by the World Bank. When acquiring the private property lands necessary for the development of Roșia 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 and guidelines in this field.

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

Solution

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 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 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 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 with 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 establishing and sanctioning 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 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 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 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 shall 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 30 years term 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.

Distinct from the above mentioned, please note 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 Roşia Montană Project.

*

The Piatra Corbului area is located outside the future Cărnic pit. Consequently, it will not be impacted by

RMGC's mining project. All the technical measures required will be undertaken in order to minimize the project's effects during the operational phases, which will be carried out in the proximity of this area. These measures are meant to avoid an impact on the integrity of this area.

As for Piatra Despicată, this is a block of andesite weighing roughly 2 tons. In 2002, based on the documentation submitted by the company S.C. Agraro Consult S.R.L., the Commission for the Protection of Natural Monuments of the Romanian Academy approved the relocation of Piatra Despicată to another area, which will not be impacted by the mining operation. Therefore, the future location of Piatra Despicată will be approved by the Romanian Academy and by the Ministry of Culture and Religious Affairs. The relocation will be coordinated and monitored by specialists, this process involving the use of usual technical means that are specific for such large structures.

Under Law 5/2000 (March 6, 2000) on the approval of the National Territory Arrangement Plan – Section III- Protected Areas (published in the Official Gazette of Romania under no. 152/April 12, 2000), the Piatra Corbului and Piatra Despicată areas were included in the section: Natural Areas of National Interest Protected and Natural Monuments, points 2.8 (Piatra Despicată) and 2.83 (Piatra Corbului).

Moreover, as a result of the archaeological investigations conducted at Rosia Montana within the "Alburnus Maior" National Research Program, the Piatra Corbului area was classified as historical monument, more precisely the Roman galleries from the Cărnic massif, the Piatra Corbului area (code LMI AB-I-s-A-20329), as published in the Official Gazette of Romania no. 646 bis/16.07.2004, Alba County, position 146). This research program has been financed by RMGC, as required by the legislation in force.

*

What the known reserve in 20 years might be, we cannot predict today. Past experience proves this. Before 1997 and the launch of the Roșia Montană Gold Corporation (RMGC) geological research program, the known reserve was 28 tones of gold. Due to introduction of more modern technology, and after the performance of the geological research starting with 1997 until 2004, RMGC has now identified a reserve of 314.11 tones of gold and 1480.36 tones of silver *in situ* (Environmental Impact Assessment Study Report - EIA - Table 1-1., Vol.1 General Information).

We are currently developing an ore reserve that was not known about 15 years ago. Advances in technology may mean that additional reserves will be located once the existing ones have been depleted.

*

Information regarding our closure plan, the cost of the program and our Environmental Financial Guarantee ("EFG") are fully discussed in the Environmental Impact Assessment. The closure section can be found in Plan J of Vol. 29 and Plan L of Vol. 31, within the EIA. The EFG is discussed in the section of the EIA titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan"). The EFG incorporates all costs associated with closure and environmental rehabilitation, which the Roșia Montană Gold Corporation ("RMGC") projects to be US\$ 76 million.

The Roșia 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).

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.

Item no.	153
No. to identify the observations received from the public	Zlatna, 02.08.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.	154
No. to identify the observations received from the public	Zlatna, 02.08.2006
Proposal	<p>1. Which is going to be the economic and social impact on locals from Zlatna and neighbouring villages? 2. Which access routes are going to be used for supplying Roşia Montană? They are going to use the Alba Iulia – Zlatna railway and the national road that crosses Zlatna? Which is the impact of all these on Zlatna?</p>
	<p>The increase in economic development because of the Roşia Montană Project (RMP) will have spin off benefits to towns and localities around Roşia Montană, including Zlatna.</p> <p>It is true that most of the direct job opportunities for the RMP will be sourced locally (Roşia Montană, Abrud, Câmpeni). But the project will also result in the creation of approximately 6000 indirect employment opportunities, and the Zlatna community can benefit from them.</p> <p>Roşia Montană Gold Corporation's (RMGC) human resources department is currently collecting CVs and names of people who have expressed an interest in working on the RMP, not only in Roşia Montană but also in Abrud, Câmpeni, Zlatna, Brad, and other 3 localities. For more information, please contact Gombos Raul at ph.no.: 0729 399428; e-mail address: raul.gombos@rmgc.ro, or at Zlatna Town Hall – Meeting Room, every Tuesday from 10:30 to 14:00.</p> <p>There is another positive economic impact related to the possible use of the Zlatna railway for the transportation of various items necessary for the development of the RMP.</p> <p>RMGC will pay some US\$ 1billion in taxes, royalties and fees to Romanian local, regional and national government.</p> <p>For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.</p>
Solution	<p style="text-align: center;">*</p> <p>RMGC acknowledges that transportation of people and materials is a challenging task given the condition of Romania’s current transportation infrastructure. As a result, the EIA report shows project supply route <i>options</i>. During operations, our plans are to maximize the use of rail to a depot near the project site whenever possible.</p> <p>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 (European Agreement concerning the international carriage of dangerous goods by road) and RID, (the European regulations covering the international carriage of dangerous goods by road or rail).</p> <p>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. The degree of impact on Zlatna will vary based upon this important assessment. In one alternative route, Zlatna could be selected as a railhead for the delivery of cyanide with road transport to the project site.</p>

The EIA notes that RMGC will undertake a survey to provide new information; this survey will include a robust mitigation strategy and allow more detailed provisions for specific cases. The proposed new survey will provide information on conditions at Zlatna and the community will be consulted regarding their concerns. The Transport impact assessment will identify the classes of impact, including increase in heavy traffic volumes, noise and vibration as well as potential for accidents and spill of dangerous substances.

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. Also, 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 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.

Item no.

155

No. to identify
the
observations
received from
the public

Zlatna,
02.08.2006

Proposal

1. When a terrain is being surveyed, the analysis of its composition is being done not only for gold and silver, but also for other metals, some of them are harmful for the technological process. The presence of arsenic has been acknowledged. Are there any stages for eliminating this arsenic included in the technological process (in theory this is performed by burning), because the questioner couldn't find them in the project?

2. What type of cyanide is being used: sodium cyanide, potassium cyanide or calcium cyanide? Generally speaking, sodium cyanide is being used, but potassium cyanide has a better efficiency rate and it is more expensive.

Solution

In the case of the Roşia Montană Project, analyses for gold, silver and sulfur as well as for other 47 minor elements including arsenic have been carried out. The average arsenic content is of 0.0089%, that means a very low grade and as a result this grade does not damage the technological process, as no procedure is provided for its removal.

*

The Roşia Montană Project will use sodium cyanide. In comparison to the ore reserves in other countries, the ore in Roşia Montană is very clean which represents a plus for the Project, in terms of cost-efficiency.

This reagent will arrive at the mine in solid briquettes of sodium cyanide, in sealed containers. The cyanide solution is obtained by using certain automatic methods, developed within closed environment, so that the workers are not exposed to gas and dust; also, the gas and dust will not be released in the air. The cyanide solution is reused in the process, and the residues discharged in the same time with the tailings (processing waste) are subject to cyanide destruction process. Thus, the tailings discharged in the TMF will not be toxic. These methods comply with standards and regulations, such as the International Code for the Management of Cyanide (signed by Roşia Montană Gold Corporation (RMGC)), as well as the European Directive for mining waste.

Item no.

156

No. to identify the observations received from the public

Zlatna,
02.08.2006

Proposal

1. The questioner makes comments with regard to EIA report, which is considered evasive, hardly presenting the waste management, paragraphs have induced message, respectively: the quicksilver is being reused, it won't be listed as waste. Also, after several lab testing, the conclusions end with grammatical constructions like: "it is likely to ..."
2. With regard to the waste management, the questioner makes the remark that this activity is going to be subcontracted and wishes to find out which are the wastes dealt with: mining, municipal or non-hazardous wastes?
3. The questioner asks for examples of civilized countries that comply with European environmental safety regulations, where it was used the same technology as in Roşia Montană, because in EIA is written that this technology is already used in 90 countries.
4. The questioner wants to know if RMGC uses different legal practices in order to elude responsibilities regarding the financial support of all expenses for the mine closure.
5. Is there the possibility for RMGC to process pyrites from Roşia Montană mine?

RMGC will strictly manage waste resulting from the mining operations in accordance with applicable regulations and a waste management structure sensitive to the environment. The Waste Management Plan (Plan B) and Section 3 of the EIA describe how – structured in response to requirements of the EU Mine Waste Directive and MO 863.

To address the possibility that this collective concentrate of gold and silver may contain small quantities of mercury, vessels will be introduced directly in the mercury retort (with volume of 0.3 m³). Mercury will be volatilized at a temperature of maximum 650°C and taken out of the vessels with a vacuum pump. Mercury vapors will be directed to a cooling-condensing plant and a column with activated carbon. The column is filled with sulfur-impregnated carbon to catch any traces of mercury vapors left uncondensed. After recovery, any sulfur and mercury impregnated carbon will be deposited in the temporary deposit of dangerous wastes under strictly safe conditions. It will be sold as a by-product – not re-used.

Procedures for maneuvering, storing and transport of mercury under safe conditions will be included in *The Emergency Preparedness and Spill Contingency Plan* (see *Plan I* from the ensemble of *Plans of environmental and social management system*).

Solution

Of course, some of the information presented is necessarily based on results of laboratory testing; more detailed data can be obtained only in the operation phase. In these instances, use of a word such as "likely" indicates a fair and balanced judgment based on all available information and expert knowledge. Significant but currently unavoidable uncertainties in the assumptions and conclusions are listed in Section 8 of the Waste Management Plan, along with the cautious approach chosen in this case. Consistent with the regulations of the EU Mine Waste Directive, the Waste Management Plan will be regularly reviewed and updated – incorporating improved and more detailed information on waste streams obtained during the operation period.

*

Specialized and certified companies will be subcontracted by RMGC for non-hazardous waste transport to recycling or disposal facilities. Development of RMGC own waste transport services is not envisaged.

The waste resulted from Roşia Montană Project can be grouped into:

- a) Extractive wastes which are defined and covered by the EU *Mine Waste Directive* 2006/21/EC;
- b) Non-extractive wastes (the remaining wastes).

Both groups can be again subdivided into (i) non-hazardous (including inert), (ii) hazardous wastes.

In the Roşia Montană project, all waste types occur and have to be managed, for example:

- Extractive hazardous waste: tailings, stored in the tailings management facility;
- Extractive non-hazardous, non-inert waste: non-acid-generating waste rock;
- Extractive non-hazardous, inert waste: unpolluted topsoil and subsoil which is stored for more than 3 years;
- Non-extractive hazardous waste: used oils, lead batteries;
- Non-extractive inert waste: uncontaminated packaging waste.

Moreover, municipal waste (sludge from sewage treatment plant) and medical wastes (used syringes) will occur.

A detailed account of all the waste types, waste classification code, amounts and respective waste management strategies for each of them is contained in the *Waste Management Plan* (Plan B) of the EIA.

*

The same technology that we plan to use in Roşia Montană is currently used in the following European Union countries: Spain, Sweden, and Finland. More broadly, RMGC will bring best available techniques (BAT) to Romania with this project.

*

Please note that RMGC will comply with the legal provisions, which expressly provide the obligations of the project titleholder for the rehabilitation of the environment affected by the mining activities. The titleholder has these obligations while the mining activities are performed, as well as when the exploitation ceases. In this respect, please consider the following mandatory legal provisions:

- (i) art. 3 (1) e of the Government Emergency Ordinance no. 195/2005 on the environment protection ("GEO nr. 195/2005") providing the principle according to which "*the contaminator pays*";
- (ii) art. 39 (1) p of Law no. 85/2003 which provides that "***at the cessation of the concession the license titleholder is obliged to perform the preservation and/or mine closing works according to the activity cessation plan, including the monitoring of the post-closing environmental elements***";
- (iii) art. 37 (3) of Law no. 85/2003 according to which "***the lessee or the directors are materially and financially liable until the rehabilitation of all the environment elements affected by the mining activities, according to the environment rehabilitation plan approved by the relevant authority***;
- (iv) art. 37 (5) of Law no. 85/2003 which provides: "***The license titleholder is responsible, according to the extra-contractual civil liability rules, for the rehabilitation of the prejudice caused to other natural or legal persons, by his fault, by the mining activities performed until the expiry or remission date, even if such prejudice are ascertained after the cessation of the concession or administration***".

Separately from the issues mentioned above, please consider that RMGC is also obliged to establish a financial guarantee for the environment rehabilitation. According to the provisions of art. 3 (1) item 16 of the Mining Law no. 85/2003, the financial guarantee for the environment rehabilitation represents "*the obligation and liability of the natural or legal persons which perform mining activities according to an exploitation license or permit for ensuring the necessary financial stocks for the environment rehabilitation and which can be established as bank deposit, an irrevocable letter of good standing or other methods provided by law*".

By its value, the financial guarantee for the environment rehabilitation ensures the performance of the environment rehabilitation works in case of (i) activity cessation and in case (ii) of not performing the environment rehabilitation work. The environment rehabilitation guarantee is annual (guarantees development of the environmental rehabilitation activities undertaken by the titleholder through the environment rehabilitation technical project) and final (guarantees the execution of the environment rehabilitation works provided in the program for the cessation of the exploitation activity).

Moreover, we mention that, during the project development, RMGC shall accomplish the obligations

regarding the establishment and maintenance of the financial guarantee for the environment rehabilitation and shall do its best efforts for the accomplishment of any other obligations provided by the legal mandatory provisions.

*

This option is out of the question because in the case of the Roşia Montană project, no pyrite concentrates requiring a different technological process as compared to the technology proposed by project, will be obtained. The pyrite concentrates are obtained by flotation which in the case of the Roşia Montană mineralization has a low gold and silver recovery while through the modern technologies proposed by the project, respectively the cyanidation in special tanks followed by electrolysis will ensure high recovery.

Item no.

157

No. to identify the observations received from the public

Zlatna,
02.08.2006

Proposal

The questioner supports the project

1. The questioner asks for information concerning the cyanide usage within industry, in general.
2. The questioner wants to know if there is any procedure to be followed for someone who doesn't have properties in Roşia Montană but wants to build a house at Piatra Albă site.
3. Regarding the alternatives proposed by the opponents of the project, the questioner makes the following comments:

- promoting tourism and agriculture: generally speaking it is well known that mining sites are not tourist attractions, and competitive agriculture cannot be developed. At Roşia Montană, due to soil and climatic conditions cannot be developed but, eventually, as a subsistence agriculture.

- wood processing would be another proposal – the questioner agrees with this proposal, because it is one of the locals' (moţi) traditional practices. But what wood? As a great nature lover the questioner emphasises the fact that he had seen no woods while wondering around Roşia Montană hills.

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 to create of sorely-needed economic opportunities.

With respect to the use of cyanide in the gold mining industry, cyanide is used in over 460 gold and silver mines around the world. Mining accounts for the use of 18% of the world cyanide production. It is also used in other industries, including metal plating and hardening, dyeing, and the synthesis of nylon and other chemicals.

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 (ppm), which is below the regulatory limit of 10 ppm recently adopted by the EU Mining Waste Directive (2006/21/EC).

Solution

Gabriel Resources Ltd is a signatory of the International Cyanide Management Code (ICMC) for RMGC as operating Company. For more information on cyanide facts, the ICMC, signatory companies, auditors and auditing please visit <http://www.cyanidecode.org>.

*

People interested in building at Piatra Albă should contact the local administration in Roşia Montană to seek approval for purchase of property and construction. While the company is designing and constructing the public areas of Piatra Albă, the local Romanian authorities determine how private individuals can purchase and build in the community.

*

Information provided in the EIA report supports the general point made by the questioner that industries other than mining are poorly developed in Roşia Montană. However, the EIA report also highlights and makes an assessment such that development of the RMP does not preclude development of other industries in the area. Indeed, the RMP would remove some of the obstacles that currently discourage inward investment, such as the presence of derelict and polluted land, polluted streams, infrastructure and poor socio-economic conditions generally. Properly managed and funded conservation work in the Roşia Montană Protected Area as proposed in the RMP would foster the area's ability to attract tourists.

Chapter 5 of the EIA Report states that tourism will be possible and profitable only when there is something to offer tourists in terms of clean environment, proper infrastructure, and attractions such as museums and accessible historical monuments. A mining project such as that proposed by RMGC will provide, through taxes, 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 a way that will support tourism. A training program will provide the necessary skills to develop tourism activities, and the Roşia Montană Micro Credit will support people in opening restaurants and other businesses that attract tourists.

At the end of the project, there will be a new village, plus the restored old center of Roşia Montană with a museum, accommodation, restaurants, modernized infrastructure, and preserved monuments such as Tăul Găuri – all of which would serve as tourist attractions.

RMGC has commissioned a tourism documentation which sets out how potential tourism markets and how these might best be approached in an integrated project (*Initial Tourism Proposals*, Gifford Report 13658.R01)

Item no.	158
No. to identify the observations received from the public	Zlatna, 02.08.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

159

No. to identify the observations received from the public

Zlatna,
02.08.2006

Proposal

1. Will the young people in Zlatna have access to the jobs that the project generates?
2. For how long is the project going to last?
3. Are there any perspectives regarding the project's expansion in Zlatna?

The project will result in the creation of approximately 6000 indirect employment opportunities locally and regionally, and the Zlatna community can benefit from them [1].

Most of the direct job opportunities for the Roșia Montană Project (RMP) will be sourced locally. Should positions still not be filled from labor available at the local level recruitment will take place at the regional level. This way, people from Zlatna can apply for jobs.

Roșia Montană Gold Corporation's (RMGC) human resources department is currently collecting CVs and names of people who have expressed an interest in working on the RMP, not only in Roșia Montană but also in Abrud, Câmpeni, Zlatna, Brad, and other 3 localities. For more information, please contact Gombos Raul at ph. no.: 0729 399428; e-mail address: raul.gombos@rmgc.ro, or at Zlatna Town Hall – Meeting Room, every Tuesday from 10:30 to 14:00.

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

References:

[1] Roșia Montană Project, Environmental Impact Assessment Study Report (EIA), Non Technical Summary, vol.19, pp.7 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.

*

Solution

The Roșia Montană project began in December 1997 and will span over a period of 31 years of mine development, operation and closure, as follows:

- 5 years of geological exploration;
- approximately 4 years for the development period (this is the current phase of the project);
- approximately 2 years for the construction phase;
- 16 years – estimated for the operational phase;
- approximately 4 years for the closure phase.

This period will be followed by a post closure monitoring period of at least 7 years, when the environmental conditions will be monitored. Thus, the total period amounts to 38 years.

Under the EU legislation in force, namely the 2006/21/EC Directive on industrial mining waste management which hasn't been transposed into the internal legislation yet, the post-closure monitoring of a mining site will last as long as the regulatory authority considers it necessary (30 – 50 years).

The potential for the generation of acid rock drainage (ARD) was estimated to 80 – 90 years according to the Mine Closure and Rehabilitation Management Plan. Therefore, a system was designed and will be implemented for the passive treatment of waters and annual costs have been considered for the maintenance and monitoring of this system.

*

S.C. Roşia Montană Gold Corporation S.A. (RMGC) does not hold any exploration/exploitation license/exploration permit in these areas. Therefore, RMGC may not carry out mining works in the Zlatna area. These types of operations are regulated by the Mining Law no. 85/2003 and the rules for its implementation and they can be carried out only based on annual programs approved by the National Agency for Mineral Resources (ANRM).

Mining operations can only be developed if RMGC and NAMR have concluded certain exploration/mining licenses for a mining perimeter. Due to the fact that RMGC did not secure an exploration/mining license for Zlatna area, there is no perspective for the development of any mining operations in this area.

Item no.

160

No. to identify the observations received from the public

Zlatna,
02.08.2006

Proposal

The questioner does not agree with the project and makes the following comments and remarks:

1. The questioner considers that the elite of the Romanian intelligence should have been consulted in advance, Romanian Academy and Church and should have been present, when the media campaign was started at TV, together with those who were presenting the project's situation at Roşia Montană and to present their position.
2. The questioner states the fact that Roman Galleries and wax coated tablets must be taken into consideration. Such complete wax coated tablets as the ones discovered at Roşia Montană haven't been found in the entire world. Romanian people were born in Roşia Montană.
3. How can the civic Centre, Roman Galleries, cemeteries, churches, archaeological evidences be preserved among so many tons of explosives that will generate earthquakes?
4. What is the cyanide quantity that will enter in the tailings management facility together with the tailings, if 0.8 kg of cyanide is consumed for processing for a ton of extracted ore?
5. How can the quantity of cyanide that enters soil be monitored and how can the existence of fractures that determine cyanides' migration be controlled?
6. How was the estimation method for the gold and silver reserves established? Will the pre-emption rights be observed – will the entire gold quantity be sold to the National Bank of Romania? If it isn't sold at the market price, how can the company cover its expenses?

SC Rosia Montana Gold Corporation SA (RMGC) has made a determined effort to take into account the views of important institutions such as those mentioned, and its proposal reflects that fact.

Solution

According to art. 2 of the Order no. 171/2005, CAT participates to the decision-making process regarding the issuance of the environmental approvals for the activities with a significant impact on the environment, being composed of the representatives of MEWM, the Ministry of Economy and Trade, the Ministry of European Integration, the Ministry of Health, the Ministry of Agriculture, Forests and Rural Development, the Ministry of Transport, Constructions and Tourism and the Ministry of Administration and Interior – General Inspectorate for emergency situations – civil protection and fire department. The CAT structure may be supplemented with representatives of other central public authorities, art. 2 (4) of the Order no. 171/2005, enumerating, *inter alia*, the Ministry of Culture and Religious Affairs and the Romanian Academy.

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

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

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

The fact that 98% of people in the village's industrial zone have scheduled surveys to assess their property indicates they are considering accepting RMGC's offer to purchase their homes. We trust that as the community indicates its support of the RMP, churches will reflect their congregations' wishes. The churches have followed the human communities providing them religious service and support.

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Considering the opinions and the conclusions of the researchers who conducted these investigations and the decisions of the 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 provided funds to cover a series of material expenses and will continue to do so. These expenses refer to facilities, work and work safety equipment, costs related to the labor force (e.g. the creation of a permanent team of miners to ensure the access and assist the team of mining archaeologists in the underground and to undertake restoration and conservation works for the most representative structures of mining archaeology).

Both ancient mining works (galleries, exploitation sites, etc. dug with the hammer and chisel or by the fire setting method) located in the Cătălina Monulești, Coș, Piatra Corbului and Păru Carpeni mining perimeters and the ancient mining devices (i.e. the hydraulic wheels from the Piatra Corbului sector) are going to be preserved *in situ* within the future Mining Museum at Roșia Montană. For this purpose, the mining sectors of Lety – Coș (Cătălina Monulești gallery is already declared as historical monument on the List of Historical Monuments 2004), Piatra Corbului (already declared as historical monument on the List of Historical Monuments 2004) and Păru Carpeni (archaeological research is currently going on in this perimeter) have already been outlined and declared as protected areas. Therefore, these sectors will not be affected by the proposed mining project. The ancient mining works as well as the recent and modern ones located in the above-mentioned areas, will be developed so as to ensure optimum conditions for the future archaeological research activities as well as the safe access of the public to areas where specialists consider it feasible.

Indeed, the ancient Alburnus Maior became famous as the place where some special types of epigraphic materials were found. These epigraphic materials are special because of their rarity and richness of information they contain. The 25 wax tablets preserved provide precise data on the economic realities, the system of habitation, the religious life and the legal framework that governed the local mining community. The tablets initially found were probably over 40, but only 32 of these 40 wax tablets have been identified so far (3 of them have been lost in the meantime, but after being published), these tablets are now included in the collections of museums: Aiud (2 sections of a tryptich, Bucharest (2 wax tablets), Cluj (11 wax tablets, 6 of which are unpublished), Sebeș (1 unpublished wax tablet), Budapest (13 wax tablets), and in the collection of the Battyaneum Library in Alba Iulia (1 wax tablet) and at the "Titmotei Cipariu" in Blaj (2 wax tablets). The generally accepted view is that these wax tablets had been hidden inside inaccessible mining galleries, in a critical moment, probably related to the Marcomanic attacks on Dacia (167-170 A.D). In the theoretical approach of the archaeological research conducted at Alburnus Maior (the ancient name of Roșia Montană), the analysis of the information provided by the wax tablets represented a significant starting point in defining the research methodology. In addition, the Cătălina Monulești gallery is a priority in the projects for the enhancement of the mining heritage, especially considering the numerous wax tablets that were found inside this gallery.

The mining archaeological investigations carried out since 1999 at Roșia Montană by a team of specialists in different fields from the University of Toulouse Le Mirail (France) led by Dr. Beatrice Cauuet were focused -for the first time in Romania - 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. These are the main findings of the mining archaeological studies and investigations conducted since 1999 to date:

- approximately 7 km of ancient mining works have been identified within the Roșia Montană site. These 7 km are not a continuous structure, but they are formed of segments of mining works spread in almost all the mining perimeters of the site;
- most of the types of mining works found in the other mining sectors to be impacted by the project, which have already been researched (e.g. the Cărniceștii Mărieș area), can also be found in the protected areas already outlined in the perimeter of the Roșia Montană mining project (Cătălina Monulești, Lety - Coș, Piatra Corbului and Păru Carpeni);
- mining archaeological surveys conducted in the Cetate and Cărniceștii Mărieș massifs have pointed out that the

- ancient mining works had already been affected to various extents by subsequent mining works, especially those carried out starting from the 18th century until 2006;
- the ancient mining works are currently in different states of preservations as a result of the human impact on the underground environment (reworking) as well as of the natural impact (cave-ins, flooding, mud flows, erosion);
 - archaeological research needs to be continued in the Orlea and Țarina massifs over the next years;
 - research and preservation works need to be continued in the Păru-Carpeni (a Roman mine drainage system was found here, a unique find in Europe at present, after the similar ones found in the Iberian Peninsula in the last century (in the '30s) and in the Cătălina –Monulești areas.

As for the statement regarding the creation of the Romanian nation, we are in the best position to say that the ethnogenesis of the Romanian people is a very complex historical process that occurred on a vast territory, which included, from a geographical and historical point of view, the Golden Quadrilateral of the Apuseni Mountains.

*

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 Roșia 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 Roșia 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 Roșia 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.

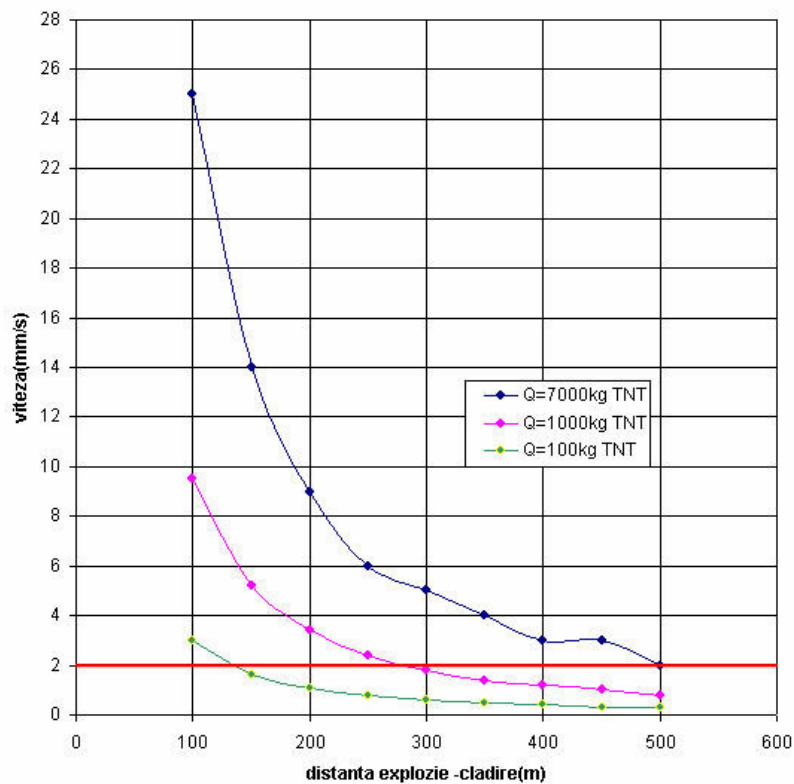
Using the formulas provided in the specialized literature, the values of the oscillation velocity at a distance of 100 m, 200 m and 300 m from the protected constructions have been determined, in case of blasting 6,860 kg per blasting phase.

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
Instantaneous	24,8	9,1	4,7	3,0	2,2
nΔt = 0,140 s micro-delay	17,6	6,5	3,3	2,2	1,6
nΔt = 0,600 s micro-delay	14,6	5,4	2,8	1,7	1,3

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



This technology can be used for an area representing approximately 85% of the open pits area. At smaller distances, in order to ensure an oscillation velocity of maximum 0.2 cm/s next to the construction, *i.e.* to ensure a negligible seismic impact, some special technological variants of the quarrying technology are required. Such technological variants consist in the reduction of the auger 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 variants for ore blasting.

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

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

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 – variant b), the entire amount was placed in adequately selected galleries, and the entire mass of explosive was detonated simultaneously.

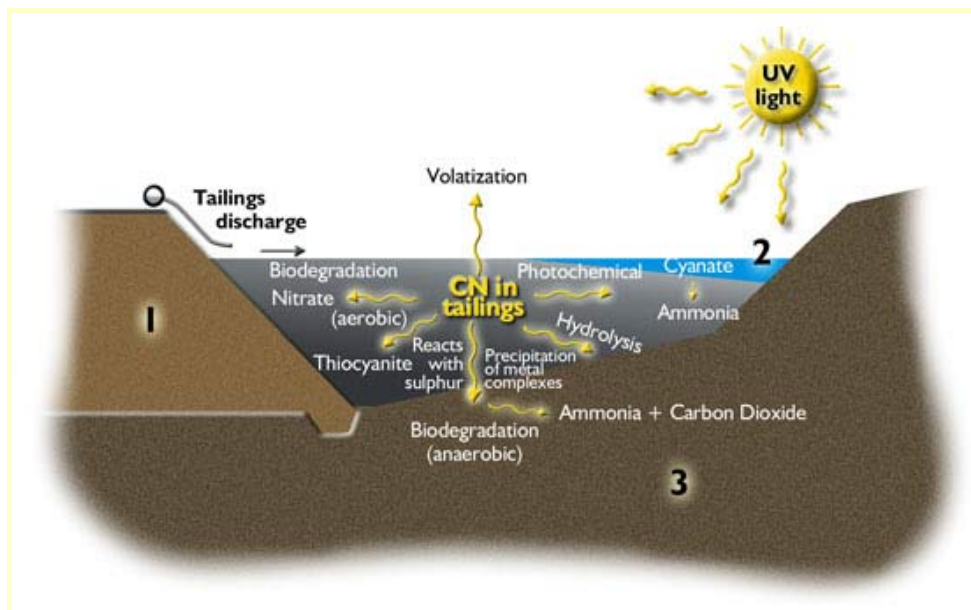
A detailed presentation of blasting technology can be found in the annex 7.1 - **Proposed blasting technology for the operational phase of Roşia Montană Project**

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The cyanide mass balance for the process is detailed in Chapter 2 Technological Processes, Section 4.1.3 *Industrial Wastewater treatment of the EIA (Report on the Environmental Assessment (EIA))*.

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 tones / year will be contained by the water in the tailings dam, which will be circulated back into the technological processes.

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. Even so, there will be a residual quantity of cyanide. The treated tailings represent the only source of the Project to 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 on the plant site and only 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 reduction of many of the metals which may potentially occur in the process water stream. An assessment of the likely chemical makeup of the tailings leachate, based on testing, is summarized in Table 4.1-18 (Section 4.3.), Chapter 4.1 *Water*, of the EIA report. The below drawing is presenting the complexity of CN degradation processes which are occurring in 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 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 is possible to 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 / hydrolysis, 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 5000 $\mu g/m^3$, the concentration allowed by the Order no. 462 of the Ministry of Environment and Waters' Management.

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.

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The process plant is designed to destroy the cyanide used in the process of producing gold. Trace amounts of cyanide will be released with the tailings slurry into the tailings management facility (TMF) – at a level below the new EU Mine Waste Directive (2006/21/EC) of 10 parts per million (ppm), which is well below international standards on cyanide management levels considered safe for wildlife (50 ppm).

As part of the initial TMF basin construction, the surface vegetation and topsoil will be removed and the clay layer will be compacted to achieve a permeability of 1×10^{-6} cm/sec or less which is designed to comply with EU Best Available Techniques (BAT) standards as defined by EU directive 96/61/EC (IPPC). This operation will identify large fractures or other potential pathways for seepage migration, which will then be mitigated. In addition, a low-permeability cut-off wall and starter dam, and seepage collection will be constructed to further restrict and contain groundwater seepage through fractures or diffuse flow.

Another important consideration is that the cyanide, which will already be presented in relatively low concentrations in the tailings, will degrade and attenuate through recognized chemical and biological processes. Therefore, any groundwater seepage that enters the seepage collection system is also expected to have cyanide concentrations considerably below that in the TMF.

During operations, the concentration of cyanide within the tailings slurry that is pumped to the TMF will be monitored on a weekly basis. Seepage of tailings water into the subsurface will be contained, and recovered through hydraulic controls located on the downstream edge of the tailings dam. The seepage water collected in the containment will be pumped back to the TMF reclaim pond on a continual basis. The hydro-geologic studies have indicated that the local hydrogeologic conditions will support this type of containment and collection, and monitoring will be used to confirm that the system is operating correctly.

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Roşia Montană's reserves deposit estimation is based upon a very elaborate research program, which included the collection of 191,320 samples taken 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 program was independently supervised.

Each sampled metre 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 Roșia Montană project. These feasibility studies include the resource and deposit calculations. Both Ipromin SA and the foreign auditors confirmed RMGC SA's results.

The exploration activities conducted by RMGC between 1997 and 2006 show that there are 215 million tons 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.

The estimation method applied to the deposits at Roșia Montană has been internationally used, verified and validated at big deposits around the world. It is the “ordinary krigging” method of resource estimation and was performed by independent qualified experts and has been audited. Briefly, this method consists of the deposit dividing into blocks and estimation, based on complex geostatistics methods and using specialized computer software, of the average grades and of other parameters per each block using the data from exploration programs. About 29 parameters were estimated for each block. By summing up the respective blocks, the resource and the total deposit reserve are found out. The mine-able reserves are estimated from the resource model using “floating cones” and inputting the economic and recovery parameters including processing and mining costs for each block (data processing is done using powerful computer software) as well as considering the gold price on international markets.

Regarding the purchase of the gold by National Bank of Romania, please note that the Mining Law no. 85/2003, published in the Romanian Official Gazette, Section I, no. 197/27.03.2003, which represents the framework regulation in regard of the mining activities performed in Romania, contains no provision concerning a possible preference right of the National Bank of Romania in regard of the purchase of metals.

The provisions of the former Mining Law no. 61/1998, which provided the state's preemption right for the purchase of the production of mineral resources obtained, irrespective of its nature “*for international prices and according to contractual terms*” are no longer in force, as the Mining Law no. 61/1998 was integrally repealed by the Mining Law no. 85/2003, which does not contain such provisions.

The National Bank of Romania might purchase the gold mined in Roșia Montană at prices based on International market prices.

Item no.	161
No. to identify the observations received from the public	Zlatna, 02.08.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.	162
No. to identify the observations received from the public	Zlatna, 02.08.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

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No. to identify the observations received from the public	Zlatna, 02.08.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.	164
No. to identify the observations received from the public	Zlatna, 02.08.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.	165
No. to identify the observations received from the public	Zlatna, 02.08.2006
Proposal	<p>1. If everybody present here were pro-investment, how would this influence European Committee in granting or not the environmental permit?</p> <p>2. In the EIA report it is being mentioned that Roşia Montană area it is highly impacted by pollution. Taking into account the fact that the Romanian state has provided EURO 1.17 million for the first rehabilitation phase will pollution be mitigated within Roşia Montană area if these workings are completed?</p> <p>3. Within EIA report there is no alternative study to mining industry, namely tourism, agriculture etc..., insisting on the fact that Roşia Montană Gold Corporation project is the only alternative.</p> <p>4. Taking into account the fact that the main union leaders of the employees of the mines in the area are supporters of the investment, is it true that they have contributed to the state mines destruction and to the increase of pollution in the area? How many of the former union leaders from MS Zlatna and Ampellum Zlatna included, are currently employees of RMGC?</p>
Solution	<p>With respect to your comment, please consider the following:</p> <p><i>1. The result of the public debates regarding the report on the environmental impact assessment study</i></p> <p>The reasoned and/or justified observations and comments of the public are taken into consideration for the entire duration of the environmental impact assessment procedure. During the meeting debating the report on the environmental impact assessment study, the relevant public authority for the environmental protection records the justified proposals of the public, evaluates them and <i>“requests the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions for the solving of the indicated issues”</i> (art. 44 (3) of the Order no. 860/2002).</p> <p>Nevertheless, we draw your attention to the fact that, the decision of granting the environmental approval is not made by the relevant authority exclusively based on the issues mentioned by the interested public during the public debate meeting held by the titleholder together with the relevant public authority for the environmental protection, but also by considering other relevant issues (mentioned with item 2 below), precisely/specifically provided by the relevant legal provisions.</p> <p><i>2. The competence of granting the environmental approval</i></p> <p>The relevant legislation expressly provides the competent authority to analyze the report on the environmental impact assessment study and to decide on granting the environmental approval. In this respect we mention the following legal provisions:</p> <p>(i) art. 48 of the Order no. 860/2002 on the environment impact assessment and the issuance of environmental permitting procedures (“Order no. 860/2002”) “the relevant public authority for the environmental protection issues, reviews and updates, as the case may be, the environmental permit”;</p> <p>(ii) art. 45 of the Order no. 860/2002 <i>“pursuant to the examination of the report on the environmental impact assessment study, of the conclusions of the authorities involved in the evaluation, of the possibilities to accomplish the project and of the titleholder’s answers to the public’s reasoned proposals/comments, the competent authority for the environmental protection makes the decision of granting the environmental approval/environmental integrated approval, or it justifiably rejects the project on the respective location”</i>.</p> <p>Consequently, we mention that the decision for issuing or rejecting the environmental approval is made by the Romanian relevant authorities based on certain objective criteria expressly provided under the legal provisions, issues which are not under the competence of the European Commission.</p>

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Certain funds were assigned beginning in 2005 for safety-related work – the consolidation of the slope downstream by rock fill ballast – at the Valea Seliștei settling pond dam operated by CNCAF Minvest SA. RMGC has no information or involvement in the process of granting such funds or in the works undertaken so far.

To the best of our knowledge, the Romanian Government has not allocated any funds for environmental rehabilitation at the Roșia Montană mining site.

CNCAF Minvest SA – Roșiamin SA Roșia Montană Subsidiary, company whose sole shareholder is the Romanian State, has decided to cease the production activity in Roșia Montană perimeter starting May 16, 2006. To date, the activity closure plan has been prepared and endorsed by relevant authorities, the mine closure being expected to be approved by Government Decision during 2007. Only then can funds be allocated for the closure and rehabilitation of the site, including funds for environmental rehabilitation.

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Other alternatives to the RMGC proposal are possible, and have been fully considered, but are not economically attractive nor considered viable under the current socio-economic conditions. Chapter 5 of the EIA report (*Assessment of Alternatives*) examines potential for developing other industries that could possibly offer the ability to support the sustained economic growth of the region (See Section 1.2 of Chapter 5). These include agriculture and grazing, tourism, forest-related industries, cottage industries and exploitation of flora for pharmaceutical purposes. It is concluded that these activities has the potential to support economic growth to the degree forecast for the RMP nor to sustain development of the area. It is also noted that operation of the RMP does not preclude the development of these other industries and indeed, RMP's beneficial impacts remove serious impediments to their establishment. For example, the inward investment to improve infrastructure, the creation of demand for goods and services and the remediation of derelict land and pollution.

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The current situation of the mines the participant is referring to could not have been caused by the activity of few employees of such companies, being union leaders or not. Such situation is common to all state subsidized sector, as described in The Mining Industry Strategy for 2004-2010 approved by GD no. 615/2004, the causes, as analyzed in Chapter 1 – Analysis of the mining industry evolution and current status being, among other, the lack of investments, equipment and infrastructure, the oversized employment and old technology.

Currently, none of the former union leaders are employees of RMGC.

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Item no.

166

No. to identify
the
observations
received from
the public

Zlatna,
02.08.2006

Proposal

1. 47 new elements have been discovered after conducting surveys and adequate assays. Among those, rare earths have also been discovered; are these lanthanides?
2. If so, the titleholder isn't he interested in the additional income that will be provided by the development of these rare earths, taking into account their major importance within atomic industry, computer science etc.

Solution

Gold and silver are the only metals that can be profitably mined in the area. RMGC commissioned a series of petrographic studies on minerals and performed analytical test work that tested the concentration levels of 47 elements in the Roşia Montană deposit. Excepting gold and silver, the elements' concentration falls, in most cases, below or close to 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 vast research programs carried out between 1997 and 2006, when samples were collected from the existing underground galleries, the open 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.

No other minerals or elements were located or discovered in economic quantities.

Item no.	167
No. to identify the observations received from the public	Zlatna, 02.08.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Cămpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

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Item no.

172

No. to identify
the
observations
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the public

Zlatna,
02.08.2006

Proposal

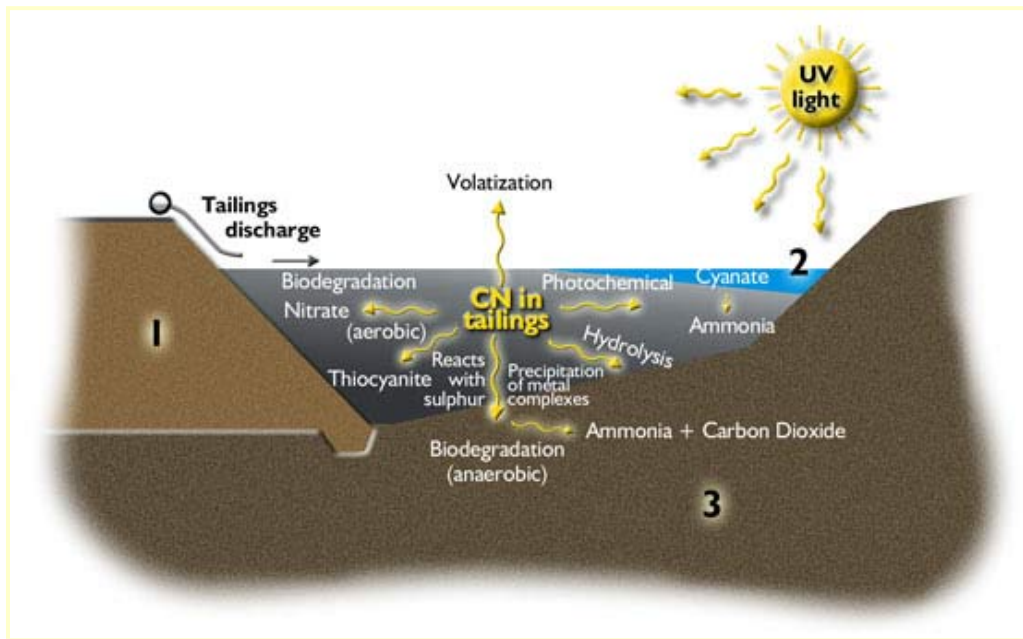
The questioner agrees with the project as long as legal procedures are observed

Solution

The development of the project proposed by RMGC can be made only by observing all the applicable legal provisions. The environmental impact assessment procedure is a transparent procedure in which both the relevant environmental authority and the titleholder are obliged to inform the interested parties, including the Technical Analysis Commission and the public, in regard to the aspects related to the fulfillment of the mandatory stages for the granting of the environmental permit.

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 will take all the necessary measures in order to comply and fulfill in due time the obligations provided by the applicable legislation.

Item no.	173
No. to identify the observations received from the public	Brad, 04.08.2006
Proposal	<p>The questioner is not against projects that have as target mining industry, but he believes that cyanide is very dangerous and it shouldn't be used. The questioner is worried about the ecological section of the project, especially as far as Arieş River is concerned. If cyanide is not safely collected, everything will be destroyed without doubt: fish, living creatures, air.</p>
Solution	<p>Roşia Montană Project will use cyanide, just as other 400 projects worldwide use it. The cyanide will be delivered to the site in solid form, within safe containers, and it will be turned into liquid only once it reaches the plant site. The cyanide leaving the plant site will have non-toxic concentrations of less than 10ppm, in compliance with the national and European legislation. Roşia Montană Gold Corporation is the first mining company in Europe to sign the International Code for the Management of Cyanide. Currently, the European Union has a legislation which covers the cyanide. From 1st of May 2006, the European Directive for the storage of mining waste came into force and it was transposed by the national legislation. The Roşia Montană Project will fully comply with the provisions of this Directive.</p> <p>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 <i>Water</i> of the EIA (Report on the Environmental Assessment (EIA)) Even so, there will be a remaining quantity of cyanide. The treated tailings represent the only source of the Project to 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 a potential pollutant of the surface waters on the plant site and only 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.</p> <p>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 <i>Water</i>, of the EIA. The drawing below presents the complexity of the degradation / decomposing processes which the CN goes through, once discharged into the TMF.</p>



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 the operational 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 / hydrolysis, 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.

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 EIA presents the mitigation measures to be applied so that the legal provisions for environmental protection are complied with in full. The main issues are related to the manufacturing, transportation and use of cyanide in accordance with the above mentioned Code, as well as the issues related to the use of the DETOX treatment facility within the processing plant site for reducing the cyanide concentration within the tailings to be discharged in the tailings dam; the scope of this facility is to reduce the concentration of the cyanide to a percentage lower than the one considered as being toxic for people and birds (less than 10 parts per million).

The tailings management facility (TMF) of the Roşia Montană Project complies, in full, with international standards, as well as with the recommendations quoted from the "Terms of Reference" document regarding the Best Available Techniques for tailings and waste rock management in mining activities

which ensure maximum mitigation of any potential impact generated by the tailings dam.

Therefore, the TMF will be built of rocks, will have a sealed core and is designed to cope with major earthquakes of 8 degrees on Richter scale, as well as to store 2 consecutive PMPs (probable maximum precipitations). Downstream of the main dam, there will be a secondary dam built to collect any seepage, water which will be pumped back into the tailings dam.

The strategy for seepage management, considered a potential contamination source, will include several items.

An engineered liner is included in the design of the Tailings Management Facility (TMF) basin to protect the groundwater. Specifically, the Roşia Montană Tailings Management Facility (TMF or “the facility”) has been designed to be compliant with the EU Groundwater Directive (80/68/EEC), transposed as Romanian GD 351/2005. The TMF is also designed for compliance with the EU Mine Waste Directive (2006/21/EC) as required by the Terms of Reference established by the MEWM in May 2005. The following paragraphs provide a discussion of how the facility is compliant with the directives.

The TMF is composed of a series of individual components including:

- the tailings impoundment;
- the tailings dam;
- the secondary seepage collection pond;
- the secondary containment dam, and
- the groundwater monitoring wells/extraction wells located downstream of the Secondary Containment dam.

All of these components are integral parts of the facility and necessary for the facility to perform as designed.

The directives indicated above require that the TMF design be protective of groundwater. For the Roşia Montană project (RMP), this requirement is addressed by consideration of the favorable geology (low permeability shales underlying the TMF impoundment, the TMF dam, and the Secondary Containment dam) and the proposed installation of a low-permeability (1×10^{-6} cm/sec) recompacted soil liner beneath the TMF basin. Please see Chapter 2 of EIA Plan F, “The Tailings Facility Management Plan” for more information.

The proposed low permeability soil liner will be fully compliant with Best Available Techniques (BAT) as defined by EU Directive 96/61 (IPPC) and EU Mine Waste Directive. Additional design features that are included in the design to be protective of groundwater include:

- A low permeability (1×10^{-6} cm/sec) cut off wall within the foundation of the starter dam to control seepage;
- A low permeability (1×10^{-6} cm/sec) core in the starter dam to control seepage;
- A seepage collection dam and pond below the toe of the tailings dam to collect and contain any seepage that does extend beyond the dam centerline;
- A series of monitoring wells, below the toe of the secondary containment dam, to monitor seepage and ensure compliance, before the waste facility limit.

In addition to the design components noted above specific operational requirements will be implemented to be protective of human health and the environment. In the extremely unlikely case that impacted water is detected in the monitoring wells below the secondary containment dam, they will be converted to pumping wells and will be used to extract the impacted water and pump it into the reclaim pond where it will be incorporated into the RMP processing plant water supply system, until compliance is reestablished.

The possibility for lateral seepage flowing around the secondary containment facilities was investigated as part of the design studies. The hydrogeologic studies in the Corna valley indicated that groundwater was flowing toward the valley bottom and that the final elevation of the tailings pond surface was less than the elevation of the existing groundwater levels. Therefore, it is considered that there will not be a gradient for groundwater to flow to the adjacent valleys. The groundwater elevations in the sides of the TMF basin have been monitored over a five year period and only indicate small seasonal variations.

The 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 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 modelling 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 physico-chemical processes affecting metals, ammonia and cyanide in the river system and gives estimates of concentrations at key locations along the river, including at the Hungarian Boarder and in the Tisa after the Mureş joins it.

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

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

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

Item no.

174

No. to identify the observations received from the public

Brad,
04.08.2006

Proposal

The questioner supports the project

Solution

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

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

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

In terms of creating new economic oportunities 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	Brad, 04.08.2006
Proposal	The questioner supports the project
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roşia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roşia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roşia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>