

Item no.

262

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following observations and comments:

1. The company has to develop 4 open pits: Cârnic, Orlea, Jig and Cetate, but the questioner owns the Cârnic pit and 3 ha of land in Orlea, therefore the company has to re-draft the project and resume the public consultations process.
2. The company claims that the TMF is designed to withhold an 8 earthquake on Richter scale, but the ground cracks in case an earthquake of such magnitude occurs.
3. A mining perimeter cannot be archaeologically discharged before it is thoroughly investigated.
4. The speaker points out the fact that he wanted to develop a project in the area, but he was not allowed to because the Roşia Montană area was declared as a mono-industrial area.

It is true that RMGC must acquire the properties necessary to develop the four pits.

However, the project has been designed with this necessity in mind, and our multi-year project does not require all properties to be purchased at the onset. Because the project design anticipates these factors, it is not necessary to redesign or to repeat the public consultation process.

The owner who stated that comment actually can't own Cârnic area, as RMGC already acquired the usage right over it from the owner registered with the Land Book.

*

We note in the first case that no active faults have been identified in the vicinity of Roşia Montană, so the risk raised by the questioner are overstated, for the reasons set forth below:

As for the design of the RMP, the TMF dam is designed for a Richter magnitude 8 earthquake with a bedrock acceleration of 0.14g. As part of the final design, studies for the facility a specific displacement analysis will be conducted to confirm that displacements in the structure will not result in tailings or tailings water release that would result in overtopping the dam.

Solution

In comparison to general worldwide situation, the Romanian territory is considered to be a moderate seismicity area, except for the Vrancea region, where earthquakes occur at a relatively high magnitude, at intermediary depth, with a frequency of 2-3 major events per century. The most recent and powerful seismic events from Vrancea region, occurred in 1940 of M 7.7 and in 1977 of M 7.5. Another area of relatively significant seismic activity is located South - West of the Roşia Montană Project site, in the Banatului region (Timiș County). Earthquakes recorded in this area are superficial events of the joint of low or moderate magnitude (M4-6). A major earthquake occurred in Timiș area in 1887, with an estimated magnitude of 7.0.

Earthquakes recorded within the Timiș area, even if they can reach quite elevated magnitudes in some cases, they are superficial earthquakes that could be felt on highly restricted areas around the epicentre, without impacting the project's site.

According to the design criteria for the tailings management facility, the construction withstands earthquakes of 8 degrees on Richter scale. Even if the project's site is located in an area having low seismicity, among the lowest in the country, according to the zoning of the seismic hazard within Romania (the Report on Environmental Impact Assessment Study vol. 7, page 27, fig. 7.6), it has been taken into consideration the 8.0th degree from the Richter scale, a level that overpasses any earthquake ever registered on the territory of Romania. In this way, effects of seismic events on the dam are being anticipated.

The parameters that have been used for the design were as follows:

- **Operating Basis Earthquake (OBE)** – considered as having a cyclic activity of 1 to 475 years and corresponding to a maximum acceleration of base rock of 0.082 g and having a magnitude of 8.0 degrees;
- **Maximum Design Earthquake (MDE)** - is considered to be the equivalent of the maximum credible earthquake, corresponding to an acceleration of the base rock of 0.14 g and having a magnitude of 8.0 degrees.

These seismic design parameters adopted for the TMF design equal or even exceed the safety factor of 1.1, which is considered sufficient, under the Romanian and European design standards for such facilities.

It is anticipated that the Tailings Management Facility is going to work within normal parameters even after the occurrence of an OBE event. Design principles that have been established acknowledge the fact that a possible failure of the dam structure if a MDE event occurred, but maintaining its stability and the integrity without discharging the tailings or the waste waters from the contingency dam.

In the case of very powerful earthquakes, there may appear soil fractures or cracks, but such events happen at small distances from the epicenter. As far as Romania is concerned, Vrancea is the main active zone from seismic point of view, and it is situated at about 275 km away from the location of Roşia Montană Project. Very powerful earthquakes that occurred during the last century, in 1940 and 1977, have been weakly felt in the area of Apuseni Mountains.

References:

- EIA chapter 7, subchapter 2.2 p. 23-27§
- EIA chapter 7 subchapter 6.4.3.1 p. 117 – 120.

*

The specific techniques employed during the preventive archaeological investigations conducted on the RMP perimeter consisted of a survey of all the areas, which are accessible and, at the same time, suitable for human settlement. Bibliographical data and observations made during field surveys, geophysical surveys, as well as data resulting from the analysis of photogrammetric flights were all considered. The development in surface of the investigations was conducted where required by the archaeological realities. The archaeological investigations conducted at Roşia Montană have covered large areas, and the areas considered to have archaeological potential were also thoroughly investigated. THUS, ALL THE AREAS THAT WERE ARCHAEOLOGICALLY DISCHARGED HAD BEEN PREVIOUSLY INVESTIGATED. All the investigations have been conducted in accordance with the legislation in force, namely the Order of the Minister of Culture and Religious Affairs no. 2392/06.09.2004 on the implementation of Archaeological Standards and Procedures.

Under the same legislation in force in Romania on the protection of the archaeological heritage, the archaeologists who have conducted the research are not authorized to grant the archaeological discharge. The archaeological discharge procedure comprises the following steps: once the thorough research is completed, the archaeologists prepare a comprehensive standard documentation regarding the researched area. After consideration of this documentation, the National Commission of Archaeology recommends or not the granting of the archaeological discharge certificate. In the case of the research conducted in the period 2001-2006, the archaeological discharge certificate was issued directly by the Ministry of Culture and Religious Affairs. At present, this certificate is granted by the Directorate for Culture, Religious Affairs and National Cultural Heritage of Alba County.

The concept of archaeological research does not refer only to the proper archaeological excavations. Specific investigative tools and methodologies are used for this type of research, which are adjusted to meet the realities of every site researched. The archaeological research of the Roşia Montană site consisted in the following steps

- studies of the archive;
- archaeological surveys, trial trenches (test trenches);
- aerial reconnaissance/survey and aerial photo interpretation ; high resolution satellite images;
- mining archaeology studies; underground topography and 3D modeling;
- geophysical surveys;

- thorough archaeological investigations in the areas with an identified archaeological potential this implied carrying out archaeological excavations
- interdisciplinary studies- sedimentology, archaeo-zoology, comparative palynology, archaeo-metallurgy, geology, mineralogy;
- radiocarbon dating and dendrochronology;
- this research and its outcomes were included in an integrated database;
- physical and digital archaeological topography and development of the GIS project; generate a photo archive- both traditional and digital;
- restoration of artifacts;
- an inventory and a digital catalogue of the artifacts;
- studies conducted by specialists in order to enhance the outcomes of this research – publication of monographs, exhibitions, website, etc.

All the preventive archaeological researches conducted at Roşia Montană since 2001 have been carried out within a complex research program; permits for preventive archaeological excavations being issued in compliance with the legislation in force. These archaeological investigations have been carried out by representatives of 21 specialized institutions from Romania and 3 others from abroad, under the scientific coordination of the Romanian National Museum of History. The investigations conducted during each archaeological research campaign are authorized by the Ministry of Culture and Religious Affairs based on the Annual Archaeological Research Plan approved by the National Commission of Archaeology.

*

With respect to your comments, please note that 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 development 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 in accordance to the law, which contain identified underground resources, is forbidden"*;
- (iii) art. 4.4. of the Local Urbanism Regulation of the Roşia Montană Village related to the General Urbanism Plan from 2002, *"authorizing the execution of the definitive constructions, other than the industrial ones, necessary for the exploitation and processing of resources in the areas outlined in accordance with the law, which contain identified underground resources, is forbidden"*;

Consequently, please consider that the legal provisions previously mentioned are mandatory and applicable to any similar project, developed by legal public or private entities.

Item no.

263

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes comments regarding the archaeological finds:
- the questioner considers that the archaeological diggings in Roşia Montană have been performed at European standards and resulted in immense scientific benefits. Materials have been published on this issue, which have been sent also abroad.

The archaeological research implied the survey of all the areas that were accessible and, at the same time suitable for human settlement. Bibliographical data and observations made during field surveys, magnetometer and electrical resistivity surveys, as well as data resulting from the analysis of photogrammetric flights were all considered. The development in surface was conducted where required by the archaeological realities. In these cases or in cases where historical monuments were located too close to the planned industrial facilities, the latter have been re-designed so that no archaeological structure or historical monument would be affected in the absence of preliminary archaeological research and the adoption of measures necessary for the management of the heritage. Moreover, when necessary, according to the specialists' opinion, archaeological structures have been restored and preserved *in situ*. This was the case for the double circular funeral monument found at Hop-Găuri (published in its entirety in the monographic volume *Alburnus Maior* II, Bucharest, 2004). Alternatively, the area was designated as archaeological reserve (such as in the case of the Carpeni hill (Code LMI 2004, AB-I-m-A-00065.03), the Piatra Corbului protected area or the historical area comprising architectural heritage values (35 houses classified as historical monuments). On the other hand, the other archaeological finds have been thoroughly investigated. Once the thorough research is completed, the archaeologists prepare a comprehensive standard documentation regarding the researched area. After consideration of this documentation, the National Commission of Archaeology recommends or not the granting of the archaeological discharge certificate. In the case of the research conducted in the period 2001-2006, the archaeological discharge certificate was issued directly by the Ministry of Culture and Religious Affairs. At present, this certificate is granted by the Directorate for Culture, Religious Affairs and National Cultural Heritage of Alba County.

Solution

We mention that all the results have been published over the years in the Chronicle of Archaeological Researches in Romania as well as in the three volumes of the *Alburnus Maior* monographic series or in other specialized publications, as follows:

- CAR 2001(2002): p. 210–211, nr. 173/3; 254-257, nr. 182; 261-262, nr. 185; 262-263, nr. 186; 264-265, nr. 188; 263-264, nr. 187; 265-266, nr. 189; p. 257, nr. 183; p. 266-272, nr. 190, 257-261;
- CAR 2002 (2003): p. 254-256, nr. 182; CCA 2002 (2003), p. 105-106, nr. 63; p. 106-107; p. 92-104; p. 254-256, nr. 182; 254-262;
- CAR 2003 (2004): 280-283; 283-288; 262-264; 264-267; 264-280;
- CAR 2004 (2005): 187, 297-298;
- CAR 2005 (2006): 158;
- *Alburnus Maior I* / (ed. Paul Damian), Bucharest, 2003;
- *Alburnus Maior II* (authors Mihaela Simion, Decebal Vleja, Virgil Apostol), Bucharest, 2004;
- *Alburnus Maior III* (ed. Paul Damian), Bucharest, 2006.

Moreover, the members of the research team have participated in different scientific meetings both in Romania and abroad, where their presentations were very appreciated by the scientific world. These meetings included:

- **The International Colloquium of Funerary Archaeology**, Brăila-Tulcea, April 2003;
- **The Colloquiums of the Romanian School in Rome (Accademia di Romania)**, April 2004, April 2005;
- **The 10th Annual Congress of the European Association of Archaeologists (EAA)**, Lyon,

September 2004;

- **The International Colloquium of Funerary Archaeology**, Buzău, November, 2004;

- **The 11th Annual Congress of the European Association of Archaeologists (EAA)**, Cork, September 2005.

Moreover, it must be said that the team of researchers has made constant and commendable efforts to publish as rapidly as possible and to the highest standards all the results of the archaeological researches conducted so far at Roşia Montană.

Item no.	264
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
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.

265

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner reads 2 paragraphs from the EIA regarding the pollution in the area. The questioner presents an excerpt from the Community Sustainable Development Management Plan, Chapter 5, page 43 (Community Definition).

The questioner makes the following observations and comments:

1. The statement made in the EIA is partially true, but it doesn't reflect the reality from Roşia Montană. There is indeed a level of water pollution, but only in the industrial area, which represents only a small part of the Roşia Montană commune (approximately 95 ha) compared to the 4200 ha of the commune.
2. The habitats fragmentation and the landscape deterioration refer to those hectares of land impacted by the state-owned mine operations. Besides that, the landscape is typical for a mountain area, with a significant biodiversity which has not been carefully analyzed so far.
3. There are more than 100 species of protected animals in Roşia Montană, and the low level of preservation is infirmed by the actual existence of these species as well as by the presence of some nature reserves in Roşia Montană and in the neighboring communes, namely: Piatra Corbului, Piatra Despicață, Detunatele, Poiana cu Narcise (The Meadow with Narcissus – *Narcissus poeticus*) from the Bucium commune.
4. The statement according to which the human impact is continuous is true, as there are few places on Earth where the human impact is discontinuous. When I say this I refer to the arctic areas or to the very high mountain ranges. But – the questioner quotes from the EIA – the activities carried out by the company RoşiaMin in Roşia Montană and the historic mining activities allowed the generation of acid mine waters resulting in a significant visual impact and deterioration of the landscape as well as in safety problems.
5. The questioner points out the fact that Roşiamin is the partner of Gabriel Resources in the RMGC project, and the fact that RoşiaMin has carried out polluting activities says a lot about this company's credibility. The Romanian Government took the responsibility of the rehabilitation of mining areas within the mine closure program.
6. The visual impact and the deterioration of the landscape refer to a much smaller surface (approximately 100 ha) whereas the mine operations proposed by RMGC will cover more than 1000 ha and will be generate the real ecological disaster.
7. The questioner concludes that the picture of a community living in a polluted environment, presented in the EIA, is false and damages the development of alternatives to the mining sector. The existing pollution does not justify the development of a 10 times larger mining operation.
8. In reference to the TMF, the questioner points out the fact that according to the EIA, this can allow two maximum precipitation events, but asks for further explanations on this issue, i.e. maximum refers to the upper limit - so why twice more?

Solution

The quality of water in the area affected by the Project is significantly affected by historic mining activities. These negative impact forms on the environment refer to the ones generated by the present ROŞIAMIN operation, which is located especially in the Selişteia și Roşia valleys and it is managed by a state-run branch of Minvest. The Valea Corna streams were also affected by present and historic mining activities. The impacts have resulted from waste rock accumulations, mine adit discharges, and runoff from open pit mining. The larger and more prominent of these features are shown on Exhibit [4.1.4], *Existing Waste Rock Stockpiles* from Report on the Environmental Impact Assessment (EIA). Both the larger waste rock accumulations associated with the more recent mining operations shown on Exhibit [4.1.4] from EIA, and numerous smaller accumulations left over from the mining dating back more than a thousand years, contribute to the pollutant loading in the streams, which at the moment, due to the lack of control and treatment processes end up into the regional and national watershed.

The main Project influence on the water environment is a positive one, in that the extensive water treatment measures incorporated in the design of the Project, which include interception and treatment of ARD-contaminated waters that are already present, will result in an improvement to water quality

downstream in the Roşia, Corna, Abrud and Arieş valleys.

Releases from the Project, rather than the currently uncontrolled contaminated surface drainages, will only occur in compliance with the NTPA 001/2005 discharge standards.

In the absence of the Project (the zero alternative), the current situation will continue.

Furthermore, the physical water management of the Project will also improve ecological conditions by:

- Reducing levels of suspended solids in the river systems;
- Maintaining minimum biological flows in the Roşia and Corna valleys, especially important during periods of drought.

Residual impacts (including positive impacts) are described further in Section [7] from EIA.

*

Following the significant impact both in its intensity and duration in time, the Roşia Montană area, compared to many regions from Romania, it is obvious the fact that it is far from being characterized by high biodiversity indexes, and thus we cannot speak about “*typical mountain landscape*”. Such areas, deeply impacted do not represent a specific feature for Romanian Carpathian Mountains.

Due to the same reasons stated above, the natural character of landscape is deeply altered (by mining activities, by silviculture, by agriculture, etc.), resulting in fragmented and degraded forests regarding their structure and composition ratio, degraded secondary meadows, non-productive lands vulnerable to erosions, etc.

The low conservation value of impact area is circumstantially emphasized from practical point of view by the fact that there is no proposal to designate an SPA (aviafaunistic special protected area) in the area and the denial as being unfounded of the proposal to designate the area an pSCI (sites of community importance) by the Committee of Technical Experts from the Ministry of Environment and Water Management summoned to assess Natura 2,000 proposals.

On the other hand, Torsvik & coll. 1990, underlined the fact that “*no one was able not even at local level until now to complete a habitat inventory*”.

However, during the subsequent period in order to base the detailed decisions, the following actions will be accomplished: the design of the Compensatory Functional Ecologic Network that is proposed in the Biodiversity Management Plan (volume 27), and starting with year “0” of project implementation, a complex procedure will be established based on prior protocols of inventorying all biocenosis relevant groups. Fauna and flora inventories will be transposed in an electronic database by using GIS software connected to the national database system of biodiversity (BIMS). Therefore, objectivity and transparency will be ensured, these two aspects being vital for a management of biodiversity developed at an unprecedented scale for Romania.

*

Although the presence of species listed on different annexes of Romanian Laws and European Directives has been recognized and assumed by the Report on Environmental Impact Assessment Study, the populations of such species show the low conservation value of the impact area, from a practical point of view. This value is circumstantially emphasized by the fact that there is no proposal to designate the area as SPA (avifaunistic special protection area) and the denial as unfounded of the proposal to designate a pSCI (sites of community importance) in the area by the Committee of Technical Experts summoned to assess the respective proposals.

Taking all these into account, we believe that the proposed Project is compliant with the provisions of EU Directive no. 92/43 Habitats[1], and EU Directive no. 79/409 Birds[2] respectively, especially because within Biodiversity Management Plan, Plan H, several active and responsible measures are provided to reconstruct/rehabilitate several natural habitats, pursuant to the provisions of the same documents [3].

The only reservations located within the project interest area are the geologic reservations Piatra Despicată, which is located in the impact area, and Piatra Corbului, located in the conservation area. The latter one won't be impacted by the development, and Piatra Despicată will be relocated to the conservation area. Detunatele, Poiana cu Narcise (The Meadow with Narcissus – Narcissus poeticus) from Bucium, etc. won't be impacted by this Project!

References:

[1] art.3. (2), Each Member State shall contribute to the creation of Natura 2000 (network) in proportion to the representation within its territory of the natural habitat types and the habitats of species referred to in paragraph 1. To that effect each Member State shall designate, in accordance with Article 4, sites as special areas of conservation taking account of the objectives set out in paragraph 1.

art.4. (1) On the basis of the criteria set out in Annex III (Stage 1) and relevant scientific information, each Member State shall propose a list of sites indicating which natural habitat types in Annex I and which species in Annex II that are native to its territory the sites host. For animal species ranging over wide areas these sites shall correspond to the places within the natural range of such species which present the physical or biological factors essential to their life and reproduction. For aquatic species which range over wide areas, such sites will be proposed only where there is a clearly identifiable area representing the physical and biological factors essential to their life and reproduction. Where appropriate, Member States shall propose adaptation of the list in the light of the results of the surveillance referred to in Article 11.[...]

(2).[...] Member States whose sites hosting one or more priority natural habitat types and priority species represent more than 5 % of their national territory may, in agreement with the Commission, request that the criteria listed in Annex III (Stage 2) be applied more flexibly in selecting all the sites of Community importance in their territory. [...]

Art. 6. (4) If, in spite of a negative assessment of the implications for the site and in the absence of alternative solutions, a plan or project must nevertheless be carried out for imperative reasons of overriding public interest, including those of a social or economic nature, the Member State shall take all compensatory measures necessary to ensure that the overall coherence of Natura 2000 is protected. It shall inform the Commission of the compensatory measures adopted.

Art. 16. Provided that there is no satisfactory alternative and the derogation is not detrimental to the maintenance of the populations of the species concerned at a favourable conservation status in their natural range, Member States may derogate from the provisions of Articles 12, 13, 14 and 15 (a) and (b):[...]

- in the interests of public health and public safety, or for other imperative reasons of overriding public interest, including those of a social or economic nature and beneficial consequences of primary importance for the environment;

[2] Art.4, (1). The species mentioned in annex 1 shall be the subject of special conservation measures concerning their habitat in order to ensure their survival and reproduction in their area of distribution. [...]

Trends and variations in population levels shall be taken into account as a background for evaluations. Member states shall classify in particular the most suitable territories in number and size as special protection areas for the conservation of these species, taking into account their protection requirements in the geographical sea and land area where this directive applies

[3] Directive 92/43 Habitats, art. 2, 2nd paragraph; Directive 79/409 Birds, art. 3, 2nd paragraph, letter c.

*

We agree with the commenter that past poor mining activities have led to pollution as well as other types of environmental degradation. In this context, it is important to remember that, as detailed in the Environmental Impact Assessment study report (EIA), Roşia Montană Gold Corporation (RMGC) will undertake a significant plan of environmental rehabilitation at the site not only to mitigate the environmental effects of the RMP but to clean up the effects of past poor mining practices as well leaving the area cleaner than they found it.

*

The transfer of Roşia Montană License endorsed through the Governmental Decision no. 458/1999, from National Company of Copper, Gold, Iron Minvest SA Deva (CNCAF Minvest SA) to RMGC has been approved through the National Agency for Mineral Resources (NAMR) Order no. 310/9.10.2000, published in the Official Gazette, Part I no. 504/13.10.2000. Pursuant to the provisions of art. 2 of NAMR Order no. 310/2000, “CNCAF Minvest SA will remain an affiliated company pursuant to the provisions of the license”, and will subsequently continue its small scale operations developed within the perimeter covered by the Roşia Montană License.

CNCAF Minvest SA – Filiala Roşiamin SA Roşia Montană, a state-owned company has decided to cease its operations developed within Roşia Montană Perimeter, starting with May 16, 2006. A Closure Plan has been developed until now, and has been endorsed in accordance with the regulations in force – Minvest Technical and Economic Committee, the Technical and Economic Committee of the Ministry of Economy and Commerce, environmental permit from Alba Environmental Protection Agency, and the approval from Alba Department of Territory Control for Mineral Resources. Then, the National Agency for Mineral Resources approves the remaining ore reserve and issues the decision for closure of the mine facility. Such decision must be transmitted to the Romanian Government, for the issuance of a Government Decision for closure. After the issuance of the Government Decision and a public debate on the closure project, the necessary funds may be allocated.

In accordance with the legal provisions, these works will be financed by the CNCAF Minvest SA and Romanian Government; art. 52(2) of Mines Law no. 85/2003 provides that *“the mining activity ceases following a decision issued by competent authority, after conducting an analysis on and acceptance of the closure plan and only after its is put in practice. The decision of conservation/closure of a mine or pit of national mining companies will be endorsed by the Government; conservation/closure will be subsequently financed also from budgetary funds”*.

With respect to the technology used by the license affiliate, this cannot be held as proof of its credibility due to the fact that this is a situation common for the mining sector subsidized by the government, as depicted by the Mining Industry Strategy for 2004 – 2010, endorsed through Governmental Decision no. 615/2004, where under Chapter 1 it is stipulated – The analysis of the evolution of mining industry and its current status – Section 1.4 presents – *“The status of infrastructure and technology level is mainly characterized by the:*

- *reduction of the technological level is due to the followings:*
 - *advance physical wear of mining equipment;*
 - *lack of modern equipments necessary for performing preparation and opening works;*
 - *elevated risk related to the works developed at working faces;*
- *setbacks in the development of investments made for putting in practice new capacities [...] with implications on production;*
- *abandoned constructions within mining sites, following reduction of the production, personnel, and consequently of the required space;*
- *roads and access routs towards the main sites and auxiliary roads damaged.”*

With respect to policies and measures taken for eliminating the financial losses of the mining sector, the Strategy promotes the closure of uneconomic mines as a primary measure. Therefore, by the end of 2006, 462 mining sites have been approved to be closed through Governmental Decision [1]. This process will continue throughout 2007 with closing several mines and pits, among which mining activities developed by C.N.C.A.F. Minvest S.A. within Roşia Montană perimeter.

Reference:

[1] Please see “Status of Mines Closures and Environmental Rehabilitation” posted on the official website of Ministry of Economy and Commerce <http://www.minind.ro>

*

The questioner is correct that there is currently a small area (122 hectares) at Roşia Montană that shows visual signs of previous mining operations. The questioner is also correct in his or her understanding of the size of RMGC’s industrial PUZ (1646 hectares). However, RMGC’s mine will not cause an “ecological disaster” or leave a 1000 hectare visual imprint on the landscape.

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

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

The mine's rehabilitation will meet or exceed the standards set by the EU 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."

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.

*

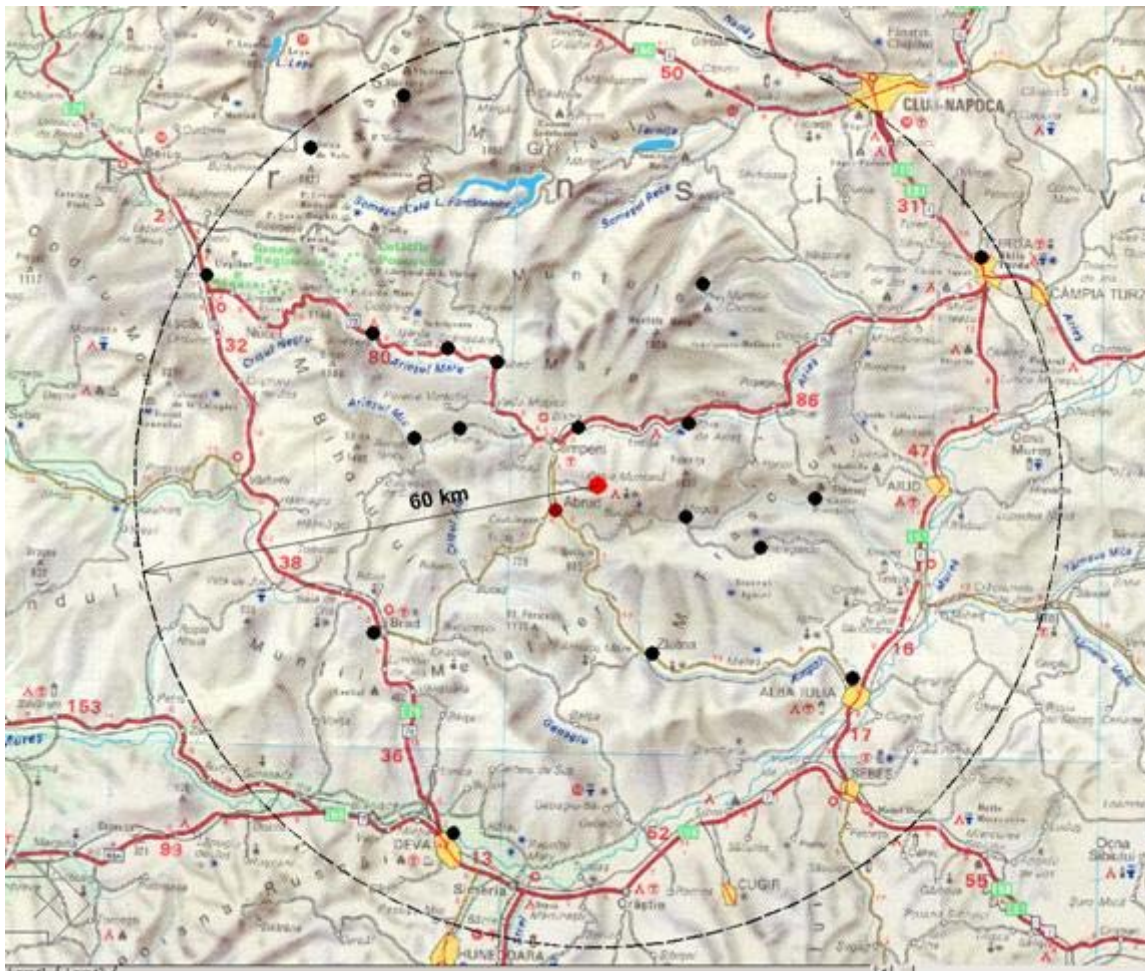
Regrettably, the Roşia Montană area has been severely affected by pollution from past poor mining practices. This has been shown in the baseline condition studies in the report to the Environmental Impact Assessment study report (EIA).

Consequently, having in view (i) the existing pollution caused by former mining activities and (ii) the titleholder's intention to ensure the environmental protection when performing its mining activities, Roşia Montană Gold Corporation (RMGC) proposed in the EIA modern practices and solutions that will lead to the mitigation of pollution from the mining activities, due to the use of Best Available Techniques (BAT). The project will comply with all mandatory obligations provided under Romanian and European law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.

RMGC has not suggested that the existence of pollution is a justification for the project. Rather, the project is justified because of the economic, social, and other benefits it brings to Roşia Montană and to Romania. However, RMGC's investment in the project includes a program of environmental rehabilitation which will reduce the amount of pollution at the site and thus permit alternative activities to mining as part of the sustainable development of the area.

*

The company carried out a complex meteorological study using the data collected from 20 meteorological stations situated at distances of 6 – 57 km from Roşia Montană. These stations record data for different intervals, starting with 1895 and statistic analyses have been performed, separately for winter and summer seasons. The Corna tailings management facility has been designed to retain in totality (without overflowing occurrence) the water drained from two consecutive PMPs, each having 24-hours duration (450 mm/24h + 450 mm/24h). As per the estimates in the specialty studies ordered by RMGC, the PMP (probable maximum precipitation) represents the highest water volume collected in 24h / m² as a result of extreme precipitation with a recurrence probability of 1/10,000 years. The design criteria for the tailings management facility have included 2 PMPs, a theoretic hypothesis possible once at 100 million years (fig. 4.1.8., p.18, Chapter 4.1. Water from the report on EIA study)



Item no.	266
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	For about 10 years, the questioner has been paying a special interest in the impact of cyanide on the environment. The questioner asked for the documentation of this project and will send the company his observations.
Solution	<p>Thank you for your participation in this process of public consultation. We have forwarded information on the Project to you per your request.</p> <p>Cyanide is a toxic compound and it must be handled and managed carefully. Still, as it disintegrates rapidly in normal atmospheric conditions into non-hazardous substances, unlike mercury, for instance. The Roşia Montană Project will use the best available technologies for the extraction of gold and management of wastes and will comply with the European Directive regarding management of wastes containing cyanides.</p> <p>Cyanide is one of the few substances that can dissolve gold. It is used in hundreds of gold mines around the world and in many other industries. At Roşia Montană, the Tailings Management Facility will be constructed to the highest international standards. It will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. Sophisticated equipment will be used for geotechnical and water level monitoring. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 parts per million or ppm or mg/l), which is below the regulatory limit of 10 ppm recently adopted by the EU in the Mining Waste Directive 2006/21/EC.</p> <p>RMGC has signed and will comply with the International Cyanide Management Code (ICMC), which requires the use of best practices in the field of cyanides management. RMGC will obtain the cyanides from a manufacturer that also complies with this Code. The EIA study also evaluated alternatives to cyanide from the economic, process applicability, and environmental perspectives. The study concluded that the use of cyanide as it will be used in the Roşia Montană Project is a Best Available Technique as defined by EU Directive 96/61/EC (IPPC).</p>

Item no.

267

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following observations and comments:

1. The company performed very precise investigations when it began prospecting the rocks in order to assess the quantity on gold within the rock. Unfortunately, this aspect is completely neglected in the chapter on biodiversity. According to the questioner, the more than 100 pages of the report represent a mediocre study that was elaborated either by an amateur or by a very shallow person or it was meant not to reveal the true value of the natural heritage from the impacted area.
2. This study should have been meant to identify the types of animal habitats and habitats for the species of endangered plants and animals, protected under the national and international legislation that includes also the Habitats and Birds Directives. This thing never happened.
3. The questioner considers that the statement according to which only 18% of the area impacted (more than 600 ha) is represented by forests and 60% or so by meadows, worthless from the point of view of the biodiversity, is totally false. The questioner wants to know whether a study was conducted in this respect as this is not obvious from the EIA Report. Meadows were said to have been used in a traditional, primitive way, namely for overgrazing and scythed hay. But in Romania, such a use of the meadows is known to maintain a very high level of biodiversity.
4. With regard to the invertebrates: there is no species in the invertebrates lists said to have been found in this area. The lists and annexes to the EIA don't comprise any precise dates of collection, observation nor mentions about the place, the habitat where the species in question was identified.

There is a table of the invertebrates species protected. But there is no way to establish whether these species have been found there or they are potential species because, as an expert, I can say that out of the 15 species of butterflies mentioned in the EIA, at least 4-5 have nothing to do in these types of habitats. And they are protected species. So there was clearly a mistake: the natural patrimony is enhanced without any scientific base. Assuming that there are species that can really live in this area, this would mean that the meadow, the flora, but also the invertebrate fauna and other orthopterous groups, etc. are valuable in this habitat. This aspect was not investigated. Further on, there is a list of potential species of invertebrates. According to the authors of this study, a thorough investigation has been performed based on reliable methods, but the species collected with the Barber and light traps are not obvious from the EIA. There is a list of potential species including species that do not normally exist below the beech tier, for instance there are species characteristic to the Transylvanian plain region.

The questioner concludes that, according to the EIA logic, even the Panda bear could live in the Roşia Montană area, as a potential species.

One question: What does the Romanian citizen, the ordinary citizen gain from the implementation of this project?

Solution

All biodiversity issues are studied within three different documents: Biodiversity Baseline Report (of 69 pages), Chapter 4.6 of Report on Environmental Impact Assessment Study (EIA) that was prepared in full compliance with the provisions of Ministerial Order 863/2002 (which has 112 pages, and includes 4 annexes and 4 exhibits), and finally, The Biodiversity Management Plan (which has 31 pages).

We would like to emphasize the fact that the biodiversity chapter has been prepared by over 20 experts from 10 different national and international institutions, including experts from the Romanian Academy. The Biodiversity Chapter of EIA fully complies with legal requirements included in the legislation governing scoping of such EIAs.

Considering its utility, as a technical-administrative instrument that will subsequently facilitate and serve decision making process, at any given moment the issue of preparing an exhaustive study that will deplete to the smallest details all biodiversity aspects was not discussed. We intended to present information of special relevance and with an elevated accessibility level in order to emphasize the local natural surroundings, in general, and biodiversity, in particular.

Due to the fact that we wanted to warrant the accessibility of our study, several unbiased limitations that have been reflected upon the biodiversity chapter.

*

All species observed within Project area and in its close vicinity have been listed in tables where their preservation status is mentioned, as per EU Habitats and Birds Directives, together their relative abundance (Plants – Annex 1, Chapter 4.6. EIA, electronic format, vertebrates – table 3-9 to 3-12, p. 68-74, Biodiversity Baseline Report, benthonic invertebrates, table 3-4, p. 49-50, Biodiversity Baseline Report).

However, many of them remain rather common, widely spread at national level, and having large, stable populations (the plant species that are frequent and very frequent represent 86.5% of the species met within Project perimeter).

Considering the utility of the analyzed document as an instrument of technical administrative assessment that will subsequently facilitate and assist the decision making process, the issue of preparing a scientific exhaustive study that will deplete to the smallest detail all biodiversity aspects was never discussed.

Taking all these into account, we believe that the proposed Project is compliant with the provisions of EU Directive no. 92/43 Habitats[1], and EU Directive no. 79/409 Birds [2] respectively, especially because within Biodiversity Management Plan, Plan H, several active and responsible measures are provided to reconstruct/rehabilitate several natural habitats, pursuant to the provisions of the same documents [3]. A detailed map of the habitats located within Project's area is included in Annex 2 of this report.

References:

[1] art.3. (2), Each Member State shall contribute to the creation of Natura 2000 (network) in proportion to the representation within its territory of the natural habitat types and the habitats of species referred to in paragraph 1. To that effect each Member State shall designate, in accordance with Article 4, sites as special areas of conservation taking account of the objectives set out in paragraph 1.

art.4. (1) On the basis of the criteria set out in Annex III (Stage 1) and relevant scientific information, each Member State shall propose a list of sites indicating which natural habitat types in Annex I and which species in Annex II that are native to its territory the sites host. For animal species ranging over wide areas these sites shall correspond to the places within the natural range of such species which present the physical or biological factors essential to their life and reproduction. For aquatic species which range over wide areas, such sites will be proposed only where there is a clearly identifiable area representing the physical and biological factors essential to their life and reproduction. Where appropriate, Member States shall propose adaptation of the list in the light of the results of the surveillance referred to in Article 11. [...]

(1) [...] Member States whose sites hosting one or more priority natural habitat types and priority species represent more than 5 % of their national territory may, in agreement with the Commission, request that the criteria listed in Annex III (Stage 2) be applied more flexibly in selecting all the sites of Community importance in their territory. [...]

Art. 6. (4). If, in spite of a negative assessment of the implications for the site and in the absence of alternative solutions, a plan or project must nevertheless be carried out for imperative reasons of overriding public interest, including those of a social or economic nature, the Member State shall take all compensatory measures necessary to ensure that the overall coherence of Natura 2000 is protected. It shall inform the Commission of the compensatory measures adopted.

Art. 16. Provided that there is no satisfactory alternative and the derogation is not detrimental to the maintenance of the populations of the species concerned at a favourable conservation status in their natural range, Member States may derogate from the provisions of Articles 12, 13, 14 and 15 (a) and (b):[...]

- in the interests of public health and public safety, or for other imperative reasons of overriding public interest, including those of a social or economic nature and beneficial consequences of primary importance for the environment;

[2] Art.4, (1). The species mentioned in annex 1 shall be the subject of special conservation measures concerning their habitat in order to ensure their survival and reproduction in their area of distribution. [...]

Trends and variations in population levels shall be taken into account as a background for evaluations. Member states shall classify in particular the most suitable territories in number and size as special protection areas for the conservation of these species , taking into account their protection requirements in the geographical sea and land area where this directive applies

[3] Directive 92/43 Habitats, art. 2, 2nd paragraph; Directive 79/409 Birds, art. 3, 2nd paragraph, letter c.

*

The reference on traditional use of meadows is included in the section that describes the scoping of the study (Biodiversity Baseline Report, Chapter 1. Overview of the Vegetation pg. 5-8).

In the Biodiversity Baseline Report, within section 2.2. Terrestrial and Aquatic Flora (p. 33), and 2.4. Resources of Economically Important Plant Species (p. 37), several analyses are made on the potential of Roşia Montană meadows, presented comparatively with the general data (p. 13-16) in order to impartially support and illustrate the differences, especially the functional ones. Through these solid arguments, the scale of anthropic impact is emphasized.

The statement according to which traditional, primitive usage of meadows supports maintenance of biodiversity is true, as it is claimed by the questioner, and by the Biodiversity Baseline Report in regional context; but as demonstrated by the Environmental Impact Assessment Study (EIA), vol. 13, chapter 4.6, p. 27, *“Extensive agriculture has determined total elimination of the open natural ecosystems [...],the Project area may represent a classic example of interaction between natural and anthropogenic factors, that have placed a strong, long term impact, of a unique character at the national level, that has been ongoing for centuries”*.

A detailed map of the habitats from Project’s area is included in Annex 2 of this report.

*

The Biodiversity chapter (vol. 13, chapter 4.6.), as an instrument of technical-administrative assessment required a systematic list of species to be prepared, to include invertebrate, field data collected based on traditional methods (direct observations, traps, different collection techniques, etc), as well as references that we have used. The systematic list of invertebrates was completed with species identified in similar habitats or from areas located in the close vicinity of the site that will be subsequently impacted. The lists includes 977 species, including butterflies (Annex 3 vol. 13, chapter 4.6., the electronic format that was disclosed to the public in over 6000 copies, DVD/CD format, being accessible on the company web-page, and on the web-pages of Ministry of Environment and Water Management, Regional Environmental Protection Agency and Environmental Protection Agencies of Cluj, Sibiu, and Alba, etc.).

Considering the utility of the analyzed document, as a technical administrative instrument that will subsequently facilitate and serve decision making process, at any given moment the issue of preparing an exhaustive study that will deplete to the smallest details all biodiversity aspects was not discussed.

Many of these species remain rather common, widely distributed at national level, and having large, stable populations.

The low conservation value of the impact area is circumstantially proven from practical point of view by the fact that there is no proposal to designate an SPA (aviafaunistic special protected area) in the area and the denial of the proposal to designate the area as an pSCI (sites of community importance) by the Committee of Technical Experts from the Ministry of Environment and Water Management summoned to assess Natura 2000 proposals.

Through the closure measures (see Mine Rehabilitation and Closure Management Plan), and through the ones included in the Biodiversity Management Plan respectively, which will subsequently be implemented even from the initial stages of the project (pre-construction stage), a Compensatory Functional Ecologic Network will be established and the species of interest will not be eliminated (even though these are common species at national level). RMGC will initiate the process of increasing the support capacity of some habitats in order to guarantee the future presence of such species at Roşia Montană, and especially to create the setting necessary to repopulate and re-colonize with species of major interest.

The species of particular interest, which are present in similar habitats to the ones from Arieș River basin area, have been mentioned in order to guide the subsequent studies that have been included in the Biodiversity Management Plan (measures scheduled to be developed during year "0") towards identification of species that will present some conservation interest. Extensive efforts will be made to reconstruct several habitats that will support such invertebrate species, but also vertebrate and plant species valuable from conservation point of view and their presence will ensure the success of the ecologic measures taken for reconstruction/rehabilitation.

Considering the utility of the analyzed document as a technical administrative instrument that will subsequently facilitate and assist the decision making process, the issue of preparing a scientific exhaustive study that will deplete to the smallest detail all biodiversity aspects was never discussed.

*

The gain is represented by having an economically developed area, when today there is 70% unemployment; with a clean environment, when today there is pollution from poor past mining practice; with a restored historical center and, for the first time a solid potential for tourism.

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 impacted area, therefore they'll be Romanian.

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

If the appropriate skills are not available in the existing workforce, training programs will be made available to increase the skill base. Employment will be prioritized at the local level with people from the impacted area being given the first priority for work on the project. Should positions still not be filled from labor available at the local level recruitment will take place at the regional level.

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

We believe that bringing new economic opportunities to a community with 70% unemployment and improving residents' health will have a major positive social impact. We also believe that it is important to note that our project will economically benefit România as a whole. In addition to the royalty the Romanian government will receive from the project, RMGC will infuse \$ 2.5 billion USD into Romanian economy over the life of the mine.

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

Item no.

268

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. What does Gold Corporation represent? The old world or the new one?
2. How true is the statement divides and conquers (divide et impera) in the case of Gold Corporation?
3. How does Gold Corporation see its interests once Romania becomes a member of the European Union?
4. If the pollution settles on the top of the mountains, then what happens on the hill and plain levels?

RMGC represents the best of both the Old World and the New World. We are a Romanian company committed to economic development and prosperity in Romania. At the same time, the majority shareholder, Gabriel Resources Ltd., is a Canadian company whose management started the largest gold mine in the USA. More broadly, we clearly represent the new world of mining. We will operate the Roşia Montană Project in accordance with international best practices and according to best available techniques (BAT). This will lead to a greater focus on environmental protection and rehabilitation, mine safety, and maximizing the social and cultural benefits of the Project.

*

As regards your allegation, 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"*.

Solution

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 in this respect.

Nevertheless, we consider your statement as false and inaccurate. We do not seek to divide and conquer but rather to inform the public of the nature of the Project and the many benefits we believe it will bring to Roşia Montană and the people of Romania. RMGC believes that it is important to present its views to the public because this project is so important to the economic development of Romania. RMGC believes that this is a normal part of debate in a democratic society. As a part of the process for approval of the Project, RMGC has engaged in a broad process of public consultation in compliance with Romanian and European law. The company has held 14 public meetings in Romania and two in Hungary because of high public interest there. This is not simply a public relations campaign but rather an integral part of a serious process of public consultation before the project is approved. RMGC supports this process and believes it is important in a democratic society.

*

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

maintains its policy to give employment preference to residents of the Roşia Montană area and expects to have a fully Romanian staff shortly after mine operations begin. RMGC also has a policy under which it sources personnel, goods, and services from Romania to the maximum extent possible.

*

As part of the EIA report specific modelling of water discharges from the site has been conducted. In addition, air modelling has been conducted to determine the impacts air borne contaminates. The results of these modelling studies all indicate that both Romanian and EU standards will be achieved by the operations. Specific details of the modelling studies and some of the associated mitigation measures that will be implemented by the project to achieve compliance are discussed in the following text.

Section 4.1 *Water*, from the *Report on Environmental Impact Assessment Study* assesses the impact of the implementation of Roşia Montană mining Project on both surface and underground water. The Project is based on a close system principle, where polluted waters are being recovered, treated and reused. The surplus of the used waters will be discharged in the environment only after performing a water treatment process that will provide adequate qualitative parameters for water. In order to anticipate the negative impacts of the mining activities on water resources, it has been prepared a *Prevention and Mitigation Plan*, based on a series of *Management Plans* (section 4.1 *Water*, table 4.1-21, p. 82-83). The residual impact, which may appear after performing all these actions, is very low. It must be brought into the attention the fact that without developing all adequate actions necessary for environmental protection there is the possibility of creating a continuous degradation process of aquatic reserves due to the development of previous mining activities. As arguments within the section 4.1 *Water*, of the *Report on Environmental Impact Assessment Study* state, the implementation of the Roşia Montană Project is going to have a positive impact, by controlling the pollution sources that are currently active, collecting and treating contaminated waters.

If an accident occurred major negative impacts would happen near the source, decreasing in their intensity as they travel away from it.

The only impacts within the hilly and low land regions might appear after the Corna and Cetate dams failed a case where the pollution wave might move away on large distances.

There have been established hypothetical dam failure scenarios that were caused by some technical issues, supposing that the construction methodology wouldn't be observed. These scenarios represent the worst cases that could have been identified, taking into account the technical features of the Tailings Management Facility. A detailed view on the scenarios can be found in chapter 7 of the *Report on Environmental Impact Assessment Study* subchapter 6.4.3 p 117-121. Potential impacts of such accident are described within the same subchapter. Results on the distribution of cyanides concentrations that have been presented within the *Report on Environmental Impact Assessment* were obtained by using a model of a traditional combination, which ignores the dispersion that occurs as long as the pollutant wave moves downstream and the mitigation events.

A new and much more precise and realistic simulation has been established subsequently based on the INCA Mine model, that considers the dispersion, volatilisation and breakdown of cyanides during the downstream movement of the pollutant wave (Whiteland et al., 2006). The model used is the INCA model developed over the past 10 years to simulate both terrestrial and aquatic systems within the EUROLIMPACS EU research program (www.eurolimpacs.ucl.ac.uk). The model has been used to assess the impacts from future mining, and collection and treatment operations for pollution from past mining at Roşia Montană.

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

As a final point, we note that the dam failure probability is lower than 10^{-12} that is, the fact that such an event might occur once in 1 billion years. The methodology used to assess risks is detailed within chapter 7 of the Report on Environmental Impact Assessment Study, subchapter 2.1, p. 15-23.

References:

- **“A Water Quality Modelling Study of Roşia Montană and the Abrud, Arieş and Mureş River Systems: Assessing Restoration Strategies and the Impacts of Potential Pollution Events”** by Professor Paul Whitehead, Danny Butterfield and Andrew Wade, University of Reading, School of Human and Environmental Sciences, December 2006.

Item no.

269

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The Romanian Academy is not against these archaeological investigations, but it wants to ensure that they are performed correctly, its position is that of a watchdog. These investigations have brought highly significant results and not a meter of Roman gallery has been destroyed so far. This heritage is not destroyed, it is rescued, as it happens in any other European country. There is a European legislation regarding the archaeological aspect that must be complied with in every area where construction works are performed. Due to the Roşia Montană project, the Romanian legislation in the field of archaeology has been more quickly harmonized with the EU legislation than in many other fields.

RMGC appreciates the position of the representatives of the Romanian Academy and invites them to continue monitoring with professionalism the implementation of the Roşia Montană mining project, as they did so far. With regard to the harmonization of the legislation, the following aspect has to be emphasized: this type of research- known as preventive/rescue archaeological research is conducted worldwide in close connection with the economic interest areas. Moreover, the costs of this research as well as the costs for the enhancement and maintenance of the areas preserved are born by the investors through a private-public partnership for the protection of the cultural heritage, in accordance with the provisions of the European Convention of Malta (1992) on the Protection of the Archaeological Heritage [1] The Roşia Montană site has undoubtedly been and still is an innovation from the point of view of the rescue archaeological research conducted in compliance with certain European standards and practices. The economic development will generate more and more such sites in Romania, an example in this respect being the archaeological rescue site generated by the beginning of the construction works for the Transylvania Highway (Bors-Brasov-Bucharest) in 2004 or by the works planned for the construction of the roads which will be part of the European Transport Corridor IV (which would link the West of Romanian with the Black Sea) This is a phenomenon that took place all over the world, and now it is Romania's turn.

In addition, we provide you with a series of data on the cultural heritage of Roşia Montană and on the research program conducted since 2000 till the present day.

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. At present, after the comprehensive archaeological research conducted in the last 7 years, the nature, features and spatial distribution of the heritage assets from the Roşia Montană area (archaeological sites, historic buildings, but also churches and cemeteries) are better understood. These archaeological researches and heritage studies conducted in the period 2000-2006 have allowed the creation of a comprehensive picture of these national cultural heritage assets and of the areas with a spiritual significance and have led to the adoption of specific measures for their protection.

Thus, in accordance with the requirements of the Ministry of Environment and Waters Management and of the Ministry of Culture and Religious Affairs, specific management plans have been prepared for the management and conservation on the heritage values from the Roşia Montană area, should the mining project be implemented. These plans have been included in the documentation of the Report on the Environmental Impact Assessment Study. (see the EIA Report, volume 32-33 – *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*).

The archaeological research implied the survey of all the areas accessible and at the same time suitable for human habitation. Biographical data and observations made during the archaeological surveys, magnetometer and electrical resistivity studies, and data provided by photogrammetric flights were also

taken into account. The development in surface of the archaeological research was conducted where required by the archaeological realities. In these cases or in cases where the historical monuments were located too close to the industrial facilities, the latter have been re-designed so that no archaeological structure or historical monument is affected by the mining project without being previously investigated and necessary management measures being taken. Practically, where necessary, the archaeological structure was preserved and restored *in situ*. This was the case for the double circular funerary monument from *Hop-Găuri* (published in its entirety in the monographic volume. *Alburnus Maior* II, Bucharest, 2004). Or the area was classified as an archaeological reserve such as the Carpeni hill (code LMI 2004, AB-I-m-A-00065.03), the Piatra Corbului protected area or the historical area, which comprises architectural assets (35 houses classified as historical monuments). On the other hand, the other archaeological finds have been thoroughly investigated. Once the thorough research is completed, the archaeologists prepare a comprehensive standard documentation regarding the researched area. After consideration of this documentation, the National Commission of Archaeology recommended the granting of the archaeological discharge certificate. In the case of the research conducted in the period 2001-2006, the archaeological discharge certificate was issued directly by the Ministry of Culture and Religious Affairs. At present, this certificate is granted by the Directorate for Culture, Religious Affairs and National Cultural Heritage of Alba County.

In response to your opinions, note that:

- the Roman galleries from the massifs located in the southern part of the Roşia valley have been thoroughly researched and specific preservation measures have been proposed for the Cătălina Monuleşti and Piatra Corbului areas;
- the Roman galleries from the massifs located in the northern part of the Roşia valley have been subject to preliminary investigations and specific preservation measures have been taken for the outstanding 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;
- 13 archaeological sites have been identified and researched during the preventive archaeological investigations undertaken in the period 2001-2006; once these comprehensive researches 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 at Tău Găuri; the Roman remains from the Carpeni hill);
- the development of the mining project is not going to affect the 41 historic buildings from Roşia Montană. Measures will be taken for the restoration and conservation of these structures restoration projects are currently being prepared for 11 of these structures.

Note that none of the historical monument houses located within the project perimeter will be negatively affected by the RMP. Moreover, all the 41 historic buildings will be included in a comprehensive program of restoration and rehabilitation (see EIA, volume 33- Plan M: *Cultural Heritage Management Plan*, part II – *Management Plan for Historical Monuments and Protected Zone from Roşia Montană*, pages 76-94). This program is necessary- irrespectively of the implementation of the mining project- in order to prevent these houses from collapsing because of their advanced deterioration.

Moreover, 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 (see the EIA Report, volume 32- *Management Plan for the Archaeological heritage from Roşia Montană Area*, pages 84-85). These are some of the plans for the coming years: the continuation of the archaeological research in the Orlea area, but especially 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 Tău 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**.

For further details on the main archaeological remains and historical monuments as well as for a series of remarks on their protection and the specific measures stipulated in the management plans, please see the annex called "Information on the Cultural Heritage of Roşia Montană and Related Management Aspects".

References:

[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>

Item no.

270

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes comments on the Biodiversity Baseline Report:
The questioner mentions that from the point of view of a student, the company's report does not match anything he was thought in biogeography during the second year of university study.
The questioner defines the biological diversity emphasizing the fact that it must not be mistaken by a flora and fauna survey, because it requires a comprehensive survey that includes the variability within the populations of these species, the relative and absolute size or the level of these populations. The main types of biodiversity are mathematically and statistically assessed based on some biodiversity parameters, and they cannot be assessed in the absence of such mathematical models, but these aspects are not included in the EIA.

The questioner wants answers to the following questions:

1. What is the scientific variability of this study?
2. Which are the source populations and the sor populations ?
3. What types of mathematical and statistical models were used to illustrate the populations?

With respect to the "*scientific variability of this study*", we are unaware of the existence of any kind of methodology on this matter, because we strongly believe that a study may not vary even more from scientific point of view.

The term "biodiversity" is a rather confusing one because there are many definitions for this term. Although it wants to clearly quantify some indexes, these remain evasive due to current technical challenges.

According to Law 265/2006, the biodiversity is defined as "*the diversity between living organism from aquatic and terrestrial ecosystems and between the ecologic complexes to which they belong to*". A definition widely accepted is the one provided by Hunter in 1990, which states that the Biodiversity is "*the diversity of life in all its forms and all its levels of organization*".

The perimeter has been considered as a space that is somehow unified and has several distinct components all being strongly impacted, on which the biodiversity studies have been conducted and thus, the studies have been limited to an alpha assessment.

Solution

Therefore, there is no need to conduct a detailed study on biodiversity levels (Beta or Gamma) not only from technical and administrative point of view but also from scientific point of view. On the other hand a Beta or Gamma Assessment of Biodiversity, a mathematical model or an analysis of populations variability, etc., would not only face certain unbiased restrains that have not been overcome in Romania to date not even by a scientific study, and further more, the utility of such information is void without some comparison data secured at inter-regional, national, and even European level.

The Biodiversity Baseline Report (vol. 13, chapter 4.6.), as a technical – administrative instrument of assessment has covered several topics related to meeting the current specific in force legal requirements, as per Ministerial Order 863/2002.

Due to the utility of the analyzed document as a technical-administrative instrument that will subsequently facilitate and serve the decision making process, at any given moment the issue of preparing an exhaustive study that will deplete to the smallest details all biodiversity aspects, was not discussed.

The special relevant information remained to be presented, information with an elevated accessibility level necessary to present the status of local natural surroundings, in general and the biodiversity status, in particular.

Due to the fact that we wanted to warrant the accessibility of our study, several unbiased limitations have been reflected upon the biodiversity chapter.

*

The approach of source populations continues to be a very sensitive issue, having relevance only for macro-levels (extensive regional territories, national territories, continents, etc.).

The assessment of “sor” populations is an analysis that has been almost exclusively used in sociological and medical studies (human medicine), etc., entailing detailed investigations, mainly aimed at the establishment of genetic diversity. This kind of approaches involve comparison terms at a detail level that couldn't have been reached yet (at least for Romania) for the study of wild species.

Biodiversity Baseline Report (volume 13, chapter 4.6), as a technical-administrative instrument of assessment, included some of the issues related to the compliance with certain specific legal requirements in force, according to Ministerial Order no. 863 from 2002. because the current in force legislation, namely the aforementioned Order, doesn't require conducting several estimates regarding the populations existing within the impacted area, this study has covered issues related to qualitative features of flora and fauna species. Subsequent studies conducted during project's implementation will be completed with population's estimates of local species that are included in the scope of work of area's management so as to have a base for ecologic reconstruction.

Considering its utility, as a technical-administrative instrument will subsequently facilitate and serve decision making process, at any given moment the issue of preparing an exhaustive study that will deplete to the smallest details all biodiversity aspects was not discussed. We intended to present most significant information and with an elevated level of accessibility, in order to emphasize the natural surroundings, in general, and biodiversity, in particular.

We would also like to mention that due to our desire to guarantee the accessibility of our study several unbiased limitations occurred and have also been reflected upon the biodiversity chapter.

*

The method used for the assessed bird species, implies the use of mathematic models which are characteristic to the concept “Distance Sampling”, the base of the Distance software, version 5.0. Detailed information on the statistics theory that is the basis of all these estimates may be read in: Buckland, S.T. et al (2001) Introduction to Distance Sampling -Estimating abundance of biological populations, Oxford University Press.

Considering its utility, the instrument will subsequently facilitate and serve decision making process, and at any given moment the issue of preparing an exhaustive study that will deplete to the smallest details all biodiversity aspects was not discussed.

Taking into account the fact that current in force environmental legislation, especially Ministerial Order no. 863 from 2002, doesn't specifically request development of population estimates compliant with mathematical models nor does it require statistics of regional population to be impacted, this study is limited to approaching qualitative issues of flora and fauna. Subsequent studies, initiated during the implementation stage of the project, are going to be completed with population estimates for the species that will represent the scope of work of area's management, in order to base all ecological reconstruction activities.

Due to the utility of the analyzed document as a technical-administrative instrument that will subsequently facilitate and serve decision making process, at any given moment the issue of preparing an exhaustive study that will deplete to the smallest detail all biodiversity issue was never discussed. We intended to present only information having major relevance and high accessibility, in order to present the current local natural surroundings, in general and the condition of the biodiversity status, in particular.

We would also like to mention that due to our desire to guarantee the accessibility of our study several unbiased limitations occurred and have also been reflected upon biodiversity chapter.

Item no.

271

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. The questioner quotes from the Community Sustainable Development Management Plan: "In Roşia Montană, the largest population groups are elderly widows and married men" and accuses its authors of discrimination as they omitted to mention the married women, a very important population group.
2. Why does the company keep talking about "sustainable development" when the local population is not at all involved in the decision-making process regarding this project?
The questioner considers that all the inhabitants of Roşia Montană should have got together and said: "We want to work in the mine, let's ask an international mining company to help us develop this project". This didn't happen, and the company cannot claim that it still talks about sustainable development and present a report with all sorts of conclusions that are not scientifically supported.
3. The social sciences operate with research methods. The EIA doesn't comprise any bibliography. The company has eluded this question from the very beginning. Why isn't there any bibliography in the EIA? What sort of scientific norm have they invented here and now, in order not to present a bibliography, in order not to make references to bibliographic sources and to their authors?
4. What is the sampling base for the sociological study?
5. The representatives of the company have attended ISO14001 courses - they are about to receive their certificates - and then they copied the standard into the EIA, without any scientific base.

The statement is based on statistical data and not on personal judgments, therefore it cannot be considered discriminatory. It can be noted that the male population outnumbers the female population for the 20-29 age segment, and they are mostly married. Over 60 years of age, women constitute the majority, but they are widows [1], therefore the quote: "In Roşia Montană, the largest population groups are elderly widows and married men".

This gender representation reversal can be explained by the premature deaths of miners, caused by pulmonary infection, as a consequence of work-related accidents under health and safety provisions prevailing in earlier eras.

References:

[1] Roşia Montană Gold Mining Project. Gold and Cold: Traits of the Communities in the Impacted Area – Results of the Socio-Economic Survey Planning Alliance, 2002 (re-named rePlan Inc, 317 Adelaide Street West, Suite 205, Toronto, Ontario, Canada M5V 1P9, www.replan.ca) – available on www.truestory.ro

*

Solution

According to Chapter III of the Order no. 860/2002 on the approval of the environmental impact assessment and the issuance of environmental agreement procedures, the project developer announces the public on the following phases during the procedure: (i) application for the environmental approval; (ii) scoping phase concerning the project; (iii) public consultation regarding the report on environmental impact assessment and (iv) analysis phase regarding the report.

Roşia Montană Gold Corporation (RMGC) is committed to advancing the existing consultation process to ensure that the local community, and other stakeholders, are wholly involved in the progress of the Roşia Montană Project (RMP). To date, RMGC has conducted extensive consultations including 1,262 individual meetings and interviews, and the distribution of questionnaires for which over 500 responses have been received, 18 focal group meetings, and 65 public debates. As well as holding discussions with government authorities, non-governmental organizations and potentially affected stakeholders. The resulting feedback has been used in the preparation of the Management Plans that form part of the independent Environmental Impact Assessment report as well as the drafting of Partnerships and development programs.

You are right the company should have involved the community much more into all the decisions related to the project.

As a matter of principle, however, the company is devoted to promoting long term development opportunities as part of the sustainable development plan. 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. These working groups will be made up of Government, community representatives and RMGC. The working groups will welcome suggestions and contributions from all interested parties who should contact the company.

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

*

Whenever the Environmental Impact Assessment (EIA) team considered it necessary, there is a bibliography; in other cases, there are footnotes.

The Environmental Impact Assessment study report (EIA) that Roșia Montană Gold Corporation (RMGC) submitted responded fully and professionally to the Terms of Reference proposed by the Ministry of the Environment and Water Management (MEWM) and complied with the relevant legal provisions and international practices. More than 100 independent consultants, (certified) experts and specialists renowned at the national, European, and even international levels, prepared the report. We are confident that the EIA provides sufficiently detailed information and reasoning for its conclusions to permit the Ministry to make its decision on the Roșia Montană Project (RMP). Subsequent to submission of the EIA, it has been reviewed by two different sets of experts. Technical experts, representing several international private sector banks and export credit agencies have concluded that the EIA complies with the Equator Principles designed to promote responsible lending by financial institutions to projects which raise environmental and social concerns, and an ad hoc committee of European experts (International Group of Independent Experts - IGIE) has publicly stated that the EIA was well-developed, taking into consideration their recommendations and suggestions. A copy of the IGIE report and RMGC's response is included as a reference document to the present annex of the EIA.

*

The Household socio-economic study is documented in the Planning Alliance study 2002 - Roșia Montană Gold Mining Project – Gold and Cold: Traits of the Communities in the Impacted Area, Planning Alliance [1].

This study included the administration of a questionnaire to 247 households representing about 25% of affected households. It also included focus group discussions and key informant interviews. The household and key informant questionnaires were designed to capture basic socio-economic information on a cross-section of affected households. Indicators and/or areas of inquiry included: employment, income, income streams, agriculture (including animal husbandry and gardening), education, health, infrastructure and perceptions about the Roșia Montană Project (RMP).

References:

[1] www.truestory.ro

*

The Environmental and Social Management Plan reflects the requirements of ISO 14001 in order to demonstrate that RMGC understands its specific requirements. Additionally, the ESMP offers details concerning the specific components that will be implemented as part of the compliance with ISO 14001.

Additionally, the representatives of the company did not prepare the ESMP. The ESMP was prepared on behalf of RMGC by MWH Americas Inc. Mining Group.

Item no.

272

No. to identify
the
observations
received from
the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes comments regarding the resettlement and states that she won't live Roşia Montană, the place where she was born. She won't leave the tombs where are buried her only child-dead at age 18-her husband, her brothers, parents and grand-parents. She doesn't want their tombs to be resettled, she wants them to remain for ever in the graveyard where they are buried.

Solution

This questioner is known to the company, as a woman who lives in the Protected Area established by the project. Her loved ones burials are also placed in the Protected Area. As a result, she has not to leave her home, or to move the graves of her relatives.

Item no.

273

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following observations and comments:

1. With regard to the Cultural Heritage Baseline Report, the questioner states that this ends all of the sudden and then there is presented a study conducted in 2002 where it is said that in Romania and in Europe are in fact other Roman archaeological vestiges (have they been actually identified or are they assumed to be there?). Does this mean that the vestiges from Roşia Montană are not very important and they can be destroyed?
2. The EIA comprises much instigation to violations of the legislation and the questioner does not trust the Romanian Government. To support this statement, the questioner quotes from several letters regarding the project, written between 1997 and 1998. In 1997, the company Gabriel Resources Ltd was listed on the Vancouver Stock Exchange without holding a mining license for Roşia Montană Concerned, the representatives of the Vancouver Stock Exchange wrote a letter to the Romanian National Agency for Mineral Resources asking for information about this company that claimed owning an ore deposit in Roşia Montană, a deposit that it planned to mine, asking whether an economic assessment of this deposit had been conducted or if this company had any expertise in the mining field. The President of the National Agency for Mineral Resources, Mr. Ianas, wrote to Mr. Tăriceanu, then Minister of the Economy. The latter replied that any investment that brought in capital and transfer of technology was welcomed in Romania. The speaker concludes that this is a proof of the way this process was dealt with in Romania from the onset, and after 10 years, the representatives of the company cannot claim to comply with the legislation and that if they have no permit so far it is because they have not bribed anyone.

Solution

The specialists' conclusions with regard to the archaeological site of Roşia Montană are synthesized in Section 5.5.2 – „*The Roman Gold Mining Context*” in *the Cultural Heritage Baseline Report within the EIA Report*, and it outlines issues regarding the unique features of this site. There are 47 other archaeological sites with similar characteristics in Romania, which have been hardly or at all researched. Out of these 47 sites, 14 (Ruda-Brad, Stănişia, Bucium – the Vulcoi Corabia areas, the ones from Băiţa – Fizeş, the ones from Certej – Săcărâmb, those from the Baia de Criş area and those from the Haneş - Almaşu Mare area) have already provided concrete evidence on the survival of an archaeological remains to a certain extent similar to those of the ancient Alburnus Maior. More precisely, they contain evidence of gold mining operations, habitation structures and elements of related infrastructure. While some of the sites have been affected by recent works conducted over the last 200 years, others contain promising evidence prompt the continuation of archaeological researches.

Thus, Roşia Montană is part of a whole series of gold mining centers spread all over the territory of the ancient Roman empire, its importance being similar to that of the other centers. Gold mining archaeological research continues to develop apace with every year that goes by, and there are undoubtedly many sites waiting to be investigated and their archaeological context clarified. These realities do not minimize Roşia Montană's historical and archaeological significance, but the unilateral approach and the groundless exaggeration overshadow the real value of the Roşia Montană archaeological site, a value that resides precisely in the possibility to refer to the example provided by the investigation conducted here.

Roşia Montană is a very important archaeological site, but it is not a unique one as stated by some of the researchers who embrace the concept of preserving the entire archaeological area from Roşia Montană. Therefore, we considered that the concerned public should be correctly informed in order to let them have a real overall understanding of this issue of the site's "uniqueness". Considering the importance of the site and the responsible observation of the legal obligations, RMGC has estimated a budget of US\$ 25 million for the restoration and conservation of the cultural heritage at Roşia Montană, as publicly stated in the EIA Report. It should be noted that RMGC has spent so far US\$ 9 million for the research of the cultural heritage of the area. These funds will be used in order to establish a **Modern Mining Museum**, which will

include exhibitions of **geology, archaeology, industrial and ethnographic heritage**, and tourists with access to the Cătălina Monulești gallery and to the monument at Tău Găuri and Pietra Corbului will be arranged.

This means that significant finds will be restored, conserved and turned into cultural resources, which could generate sustainable incomes for the local community.

The Cultural Heritage Management Plan has been drawn up in compliance with the terms of reference issued by the Ministry of Environment and Waters Management and the Ministry of Culture and Religious Affairs and based on international best practice. It comprises detailed protection measures from the preventive archaeological investigation to the enhancement of the archaeological results in the case of archaeological remains as well as specific actions related to the restoration and conservation of historic buildings. The concrete protection measures are developed as programs proposals starting from the specific goals of the management plan, both for the archaeological heritage and the one for the protected area and the historical monuments.

RMGC's cultural strategy is aimed at achieving the necessary conditions for research, recording, protection and public enhancement of the cultural heritage from the Roșia Montană area, in compliance with Law 378/2001, as modified by Law 462/2003 and Law 259/2006 on the historical monuments.

For further information on the main archaeological remains and historical monuments as well as for a series of remarks on the their protection and specific measures stipulated in the management plans, please see the Annex called „Information on the Cultural Heritage of Roșia Montană and Related Management Aspects”.

*

We cannot comment on any correspondence between two entities independent of our company, such as the Vancouver Stock Exchange and National Agency for Mineral Resources (NAMR) or Mr. Tariceanu.

However, we reaffirm strongly that the joint venture between Gabriel Resources and Regia Autonomă a Cuprului Deva (current Minvest SA) and the set up of RMGC in 1997 was approved by the Ministry of Industries, before the initiation of mining activities. The Mining Law no. 61/1998 (the first in Romania after 1989) that governed the granting into concession of ore deposits was enacted in 1998 and after it became effective, the mining license for the site at Rosia Montana was concluded (December, 1998) as one of the first licenses granted under the new law. We would like to reaffirm that until the 1998 license was granted, the company fully observed the legislation in force at that time. SC Roșia Montană Gold Corporation SA (RMGC) is committed to full compliance with the law. RMGC has never claimed that it has no permits. We have only stated that we do not yet have the environmental permit and that the entire permitting process will be conducted in a transparent way, according to a strict code of business ethics that firmly forbids giving any thing of value in exchange for receiving any facilitation of the permitting process.

Item no.

274

No. to identify
the
observations
received from
the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following observations and comments:

1. The questioner refers to Mr. Moran, the previous speaker, and states that Mr. Moran would have liked to say – but he didn't have time – that if this project, the EIA were submitted for approval in Canada or in the USA, it would be rejected.
2. The questioner points out that the opponents of the project are not against the mining activities, against the investments, against Europe, but against this irresponsible mining project proposed by Gabriel Resources.
3. The questioner quotes from the booklet that is part of the procedure of the environmental impact assessment – page 18 – comprising paragraphs from the report elaborated by Mr. O'Hara and makes some remarks about this report. Moreover, the questioner points out the fact that Mr. O'Hara is not a member of the European Parliament – as stated in the booklet – but a member of the European Council, which is an NGO, the oldest NGO in Europe.
4. The questioner mentions that during the December 2004 plenary session, the European Parliament voted a resolution stating that the Roşia Montană project is both a social and an environmental risk for the entire region.

We do not believe that this assertion, that represents just an allegation providing only the speaker's opinion without additional comments and/or suggestions, is accurate. If the EIA had been submitted in Canada or the United States, the titleholder would have drafted and prepared the report to the EIA study by observing all the mandatory relevant legal provisions in this respect, as well as the international best practices, as was the case for this EIA submitted in Romania. Indeed, many of the experts and specialists from North America who took part in the development of the project and of the Report to the Environmental Impact Assessment study believe that, to the contrary, the project is conservatively designed to the highest standards of responsible mining and will be a model for the industry worldwide.

*

The questioner is correct that we made a mistake in the booklet. Mr. O'Hara is not a representative of the European Parliament but rather of the Parliamentary Assembly of the Council of Europe.

Solution

Mr. O'Hara's visit took place between 11 and 15 July 2004 (Annex – Report and visit program). The delegation had the following structure: Mr. Eddie O'Hara (General Reporter for Cultural Patrimony) and Mr. Christopher Grayson (Chief Secretary for Culture, Science and Education). The delegation was accompanied by Mrs. Mihaela Drăghici (Secretary of the Romanian Delegation), Mr. Dan Chirlomez (Chief of Protocol of the Romanian Senate), and Miss Michaela Statescu (translator).

During this visit, the group met with officials of the county, officials of the Roşia Montană commune, civil society (NGOs), independent representatives of the team of archeological research, scientific researchers who oppose the Roşia Montană Project, representatives of the Ministry of Culture and Religion, representatives of the Romanian Academy, representatives of the Ministry for Environment and Water Management, representatives of the Ministry of European Integration, representatives of the Romanian Parliament, and the management and staff of RMGC.

The report concluded that:

The RMGC Project would appear to provide the economic basis for the sustainable development of the whole area, having a positive social and environmental impact as well as a cultural grounds. From a cultural patrimony point of view, the Project may be perceived as an exemplary project of responsible development. The funds provided at the moment by RMGC for archeological, ethnographical and architectural research are many times what could be expected from the Government. This fact has consolidated also the area from international recognition point of view. Further significant finds may still

be made.

- Critics have manifested their concern regarding the procedure (allegedly superficial archeological discharge) and preservation ethics, fact that implies the programmed destruction of the Roman galleries. This concern does not seem to be entirely justified. The re-mined galleries from the area of the main pits Cărnic and Cetate appear empty of any archeologically interesting remains . The access of tourists into the most part of the galleries would be impossible.. However, the condition must clearly be imposed of continued archaeological excavation and monitoring of what was found.
- The opposition against the RMGC project is substantial. This opposition is difficult to be explained. The opposition is in connection with the profits which might be obtained from the value of local properties. It is very much fuelled by outside bodies, presumably well meaning but possibly counter-productively. It seems in part at least exaggerated. The supposed environmental risks do not take account of modern mining methods, and in fact, the RMGC project will help to clear up the existing pollution produced by the mining activities performed by Minvest. The academicians' arguments are probably correct in principle, but appear excessively fundamentalist.
- Researches do not obligatorily imply the necessity that any discovery to be also preserved, and the academicians' idea regarding the total preservation in situ is perhaps not always altogether appropriate in a situation of rescue archeology and commercial world. There is certainly so in the case of preservation in situ of the Roman galleries from Roșia Montană. There are over 5 km of such mining works, apparently with a limited variety of distinctiveness between them and few surviving remains in them. The most part is inaccessible, in fact even dangerous for tourists. Alternative proposals such as the designation of a whole area as a cultural landscape to be developed for tourism lack viability. The sole available source to obtain the funds for this purpose is the company which wishes to mine the mineral resources. Of course, it is necessary to establish and preserve a representative pattern of galleries accessible for tourists at Cătălina Monulești 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 archeological exploration. This responsibility belongs to the Ministry of Culture.
- A balance of benefits appears to be achievable to both the needs of the cultural heritage of Roșia Montană and the business of RMGC .If this equilibrium is overturned by Government's or company's requests, the project may not go ahead. In this case, there will be a considerable setback to the opportunity for the development of the cultural tourism in this area of an exceptional historical interest.

We believe that Mr. O'Hara's report and conclusions assist in evaluating the project.

*

The questioner's information is not accurate. One committee of the European Parliament considered such a resolution, but it was not adopted as part of Parliament's formal response to the report on Romanian preparations for accession to the EU. In any event, the Environmental Impact Assessment had not been prepared at that time, so the committee had no information on the project as it was formally submitted for approval. In this context, it is worth recalling that before submission of the EIA, RMGC had previously changed various parts of the proposal, notably a reduction in the size of several proposed pits as well as enhancing sustainable development activities, and a stronger commitment to preservation of cultural patrimony including a reduced impact on local churches, in response to stakeholder consultations.

Item no.

275

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following comments:

1. The questioner raises doubts about the credibility of Mr. O'Hara, the representative of the NGO-European Council, who has not even read the document.
2. The questioner raises doubts about the credibility of Mr. Alan Hill, President and CEO of Gabriel Resources Ltd. And wants to receive an answer regarding the Canadian mining company that, in 1996 in Tanzania, took over an area legally established for hand-made mining, a project during which 52 miners were buried alive because they refused to leave the area. Mr. Alan Hill, President of RMGC, stated that he planned to apply the Tanzanian model in Roşia Montană and that he would not answer any question related to this aspect. The speaker doesn't want to hear John Aston say again that the UN stated that this incident never happened. That was the same for the accidents that took place in India where 60.000 people died and for the famous example of the accident in Chernobyl, which were denied one by one.
- 4.(sic) The questioner points out the fact that this Canadian company has concessions and the mining and exploration license for the Bucium perimeter, a perimeter larger than the one in Roşia Montană. Moreover, its sister company European Gold holds the mining license for Certej, in the South of the Apuseni Mountains, whereas National Agency for Mineral Resources has recently granted the company SC Rom Aur SRL based in Roşia Montană, entirely hold by Gabriel Resources, the mining license for the gold deposit in Băișoara, a famous ski resort, a few km away from Cluj. Thus, a new open-cast mining project is being prepared near the town of Cluj-Napoca, where the cyanide leaching technique will be probably used.

With respect to your comment, 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"*.

Solution

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 in this respect.

Nevertheless, we would like to underline the following:

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 Miss. Michaela Stănescu (interpreter).

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:

- The RMGC project would appear to provide an economic basis for sustainable development of the whole area with positive benefits with positive benefits on environmental and social as well as cultural grounds. From the 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 interesting remains. Tourist access to most galleries would be impossible. However, clear conditions must clearly be imposed of continued archaeological excavation of what is found;
- Opposition to the RMGC project is substantial. It is not altogether easy to explain. It has been linked to profiteering on local property values.. It is very much fuelled by outside bodies, presumably well-meaning but possibly counter-productively. It seems in part at least exaggerated.. The supposed environmental risks do not take account of modern mining techniques and in fact the 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 in the case in situ preservation of the Roman galleries at Roşia 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 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 Catalina Monulesti 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 this 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 Cauet, PhD, prominent European archaeologist having a internationally recognized expertise in the field of mining archaeology.

*

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

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

When World Bank investigators found individuals allegedly dead very much alive, they concluded that the allegations lacked any validity.

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

*

According to legal requirements, the public may initiate any kind of reasoned proposals regarding environmental impact assessment of the project proposed by titleholder, art. 44(3) Order no. 860/2002 regarding the procedure of assessing the environmental impact and issuing the environmental permit stipulates that *"based on the results of the public debates, the competent authority for the environmental protection assesses the reasoned proposals/comments of the public and asks the titleholder to supplement the Report on the Environmental Impact Assessment with an annex that includes solutions for the issues that have been presented"*.

Although the questioner does not identify and present any issues related to the project initiated by S.C. Roșia Montană Gold Corporation S.A. (RMGC) and subjected to an environmental impact assessment procedure, RMGC would like to bring forth these clarifications as it wants to show its availability to discuss any relevant issues related to the proposed project and operations developed by the company:

The statements of the questioner are not accurate. Therefore:

1. There are currently several tens of exploration and mining licenses of gold and silver and polymetalliferous ore deposits that have been concluded by the National Agency for Mineral Resources (NAMR) and other several hundreds of active licenses concluded for the exploration and mining of other mineral resources (please see the information presented on the official site of NAMR www.namr.ro, under section "Active Licenses"). The companies from Gabriel Resources Group do not hold any other licenses in Romania except the licenses hold by RMGC (Roșia Montană Mining License no. 47/1999 and Bucium Exploration License no. 218/1999) and Băișoara Exploration License hold by SC Rom Aur SRL. To conclude, any statement regarding the existence of any relationships with other companies holding licenses in Romania is unfounded.
 2. Any comparison made between Bucium and Roșia Montană Perimeters is unfounded and unreal due to the fact that these two perimeters and their coordinates are classified information, and consequently inaccessible to the public pursuant to the provisions of NAMR Order no. 202/2003 regarding the endorsement of the classified information of NAMR.
 3. Rom Aur S.R.L. has obtained an exploration license for Băișoara perimeter in 2006. However, quantitative and qualitative assessments have not been initiated yet. Therefore, one may not talk about a gold deposit that could be economically developed. Extensive research programs are required before drawing such conclusion. For the time being, the company lacks the data necessary to calculate the resources: such data will be obtained within the next five years. Only then, the company may begin to prepare the pre-feasibility and feasibility documentation (should the results of the works justify such studies), apply for a mining license, which procedure may take several years, and identify the optimum gold mining technologies. We would also like to underline the fact that Cluj-Napoca is located at approx. 120Km from the respective perimeter and any discussion related to the way in which a potential ore deposit may be developed from technical and economical point of view is premature.
-

Item no.

276

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. The questioner quotes from the criminal decision no. 1661/July12th 2006 regarding the archaeological discharge of the Carnic massif and makes reference to the archaeological report drafted by Paul Damian. According to this criminal decision there is a great difference between Mr. Damian's opinion and the conclusions provided by the French experts who performed the archaeological investigation in Roşia Montană. What does the company have to say about this aspect?
2. The questioner wants a list of all the professors who participated in the elaboration of the Community Sustainable Development Management Plan, because the plan is unsigned.
3. The questioner reserves the right to inform the Ethics Committee of the University of Biology in Bucharest and the Ministry of Environment about the way the Community Sustainable Development Management Plan was elaborated in order to prevent these professors who introduced false information in the Community Baseline Report and on the Community Sustainable Development Management Plan from elaborating other studies of environmental impact assessment.
4. The representatives of Alburnus Maior will seize the Prosecutor's Office because, according to article 98, paragraph 2, point 8 of the Law on the Environment: "presentation of false information and conclusions in the environmental assessments and in the environmental impact assessments represents a crime that is punished by imprisonment (6 months-3 years) or by criminal fine".

The Criminal Decision no. 1661 from 12th of July 2006 mentioned by the questioner refers to the resolution of the Criminal Complaint filed by Alburnus Maior Association against Mr. Paul Cristian Damian. The respective decision has been issued by the Court of 1st District of Bucharest during a public session held on 12th of July 2006 and they have rejected as unfounded the Criminal Complaint that has been filed by the abovementioned association against Mr. Damian. To support its decision, the court emphasizes the role of Archaeology National Committee as a scientific authority competent to analyze the opinions of Mr. Paul Damian and finds no guilt against him.

The company has no comments regarding any of the aspects included in the abovementioned decision.

*

Solution

As regards the signing of the Environmental Impact Assessment Study Report (EIA), please note the following:

1) Order 978/2003 as amended by Order 97/2004 does not request for the authorized entities to sign the EIA report ("signing" is understood as putting ones signature on a document as a proof of endorsing and assuming the drafting of the respective document).

2) According to the provisions of Order 863/2002 (Part II - structure of the EIA report, item 1 – General Information), the EIA report has to provide at Section 1 – General Information for "*information about the certified author of the EIA study and of the report to this study: (i) name and address (of the natural person or of the legal entity), and (ii) name, phone number and fax number for the contact person*".

Taking into consideration the above mentioned legal provisions, there is no legal provision requesting for the author's signature on the EIA Report, while the information provided by Order 863/2002 (name, address and contact details) has to be provided for each of the EIA certified authors.

The authors of the Community Sustainable Development Management Plan were Gecko Environment, The Netherlands, and senior experts from Cluj Napoca, as listed at the beginning of the Non Technical Summary of the EIA [1].

References:

[1] EIA Volume 19, Chapter 19: Non-Technical Summary.

*

The questioner is of course free to report as he/she wishes.

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 alleged false information, 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.

*

With respect to your allegations, please note the following aspects: (i) the legal provisions you refer to are part of the Government Emergency Ordinance no. 195/2005 on environmental protection (“GEO no. 195/2005”); (ii) the quotation of the legal provisions is partial and incomplete and does not observe the special requirements of the standard criminal offence which it refers to (the abovementioned action is considered criminal offence **only in case it was capable of jeopardizing life, human, animal or vegetal health**), (iii) according to the provisions of art. 99 (1) of GEO no. 195/2005 “the ascertaining and investigation of criminal offences is made *ex officio* by the criminal prosecution bodies, in accordance with the competences granted under the law” and the fact that (iv) in compliance with art. 225 (1) of the Criminal Procedure Code, regarding the notification at the request of the competent body: „when the law requires that the initiation of the criminal prosecution may not take place without a special notification, such notification must be made in writing and signed by the competent body”.

Item no.

277

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following observations and comments and asks the following questions:

1. The questioner considers the banner showing a miner stepping on the idea of Greenpeace while 12 others are trampling on the Romanian national flag is a disgrace.
2. The questioner wants to know what the level of the pH in the TMF is because if it drops below 7 it generates hydrocyanic acid. What are the risks for the pH to reach this value? What measures can be taken in this respect? What device will be used to monitor the pH level? How close are the pH meters installed from one another, how deep are they installed as the difference may occur on the height?
3. As for the flows used, the questioner considers that these are average water flows, the minimum or maximum flows of the hydrographical network in the area are not taken into account.
4. The EIA Report comprises numerous approximative data such as: "a convention will be complied with", but there is no mention about the provisions of the convention regarding the transport and monitoring of cyanide. It all relies on people's confidence that the company will carry out the monitoring, but what if the monitoring is not correct? The population depends on these results, but what happens if the results provided by RMGC are not correct?

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 Roşia Montană Gold Corporation (RMGC) and undergoing the environment impact assessment procedure, (ii) refers to decisional capacities under the competence of certain public authorities, issues to which RMGC is not in the position to answer, we mention that the project titleholder cannot and does not have the capacity to provide an answer in this respect.

Solution

Nevertheless, we would like to state that no one connected with RMGC was responsible for this banner that was displayed at one of the public consultation meetings.

*

Water from the process plant site will be released at a safe PH level of approximately 9, and cyanide levels will be below the 10ppm required by the EU and considered safe for the environment.

The safe PH level will be achieved through use of EU-directed best available techniques (BAT) methods in the INCO-SO2 method.

Detoxification of cyanide to levels of cyanide to less than 10ppm meet the standards stipulated in the EU mine waste directive (2006/21/EC). Upon deposition in the tailings dam, levels of cyanide will further break down – specifically upon exposure to ultra-violet light as well as through dilution due to rainfall. The amount of WAD (weak acid dissolvable cyanide) cyanide will be at an even lower level of concentration. This level is not considered to be in danger of generating hydro-cyanic acid within water at a PH of approximately 9. These practices and guidelines meet all EU and international best practice codes and guidelines.

All cyanide will be used within a closed environment and subject to the Romanian water discharge standards (TN-001), and the EU Directive on mine waste 2006/21/EC.

These directives and guidelines meet or exceed international codes to which the company has also committed for the use, handling, transport and discharge of cyanide (e.g. International Cyanide Management Code as endorsed by the UN). In addition, the handling, storage and use of cyanide will be subject to the EU CEFIC (Cyanide Sector Group) guidelines on the use, transport and handling of cyanide. The PH of water will be monitored upon discharge into the Tailings Management Facility (TMF) as well as weekly PH measurements around the TMF and in all monitoring wells situated adjacent to and below the TMF. The tailings pond and tailings dam have been designed to the highest standards to prevent pollution of groundwater, and to continually monitor the groundwater and extract any pollution detected – a system verified by hydro-geologic studies. Specifically, the design features include an engineered clay liner system within the TMF basin to meet a permeability specification of 1×10^{-6} cm/sec, a cut-off wall within the foundation of the starter dam to control seepage, a low permeability core for the starter dam to control seepage, and a seepage collection dam and pond below the toe of the tailings dam to collect and contain any seepage that does extend beyond the dam centerline. A series of monitoring/extraction wells below the toe of the secondary containment dam will monitor groundwater quality and extract any contamination.

The design of the TMF dam incorporates all International, EU and Romanian design criteria. PH meters are used to collect and measure these data.

*

The EIA (*Report on the Environmental Impact Assessment Study*) included a comprehensive examination of water flow rates – in real time, historically, and under all conditions. Flow rates are based on data collected every 15 seconds from weirs situated in the Corna and Roşia Montană Valleys. This is recorded as actual real time data to cover minimum and maximum flow rates. Also included is historical data based on average daily and monthly flows. The Tailings Management Facility (TMF) was design for sufficient capacity to store 2 x PMF (Possible Maximum Flood) events derived from Probable Maximum Precipitation (PMP) events as defined in the WMO-1986 (World Meteorological Organization) manual. The PMF is calculated from a storm with a reoccurrence interval greater than a 1:10,000 years. The water balance all considered wet, dry and average annual rainfall conditions. In addition, the model was set up to do a probabilistic simulation of monthly rainfalls (ranging from the maximum to the minimum recorded). The simulation was done for 1,000 iterations to determine the 95% and 5% volumes in each of the storage ponds at the site.

Section 4.1 of the EIA report summarizes the rainfall records for the site and includes precipitation events from 2000 to 2005 (see Table 4.1 -2)

*

Roşia Montană Gold Corporation (RMGC) is committed to meeting all requirements to ensure safe transportation and handling of cyanide. The following information is in addition to the information included in Plan G of the Environmental Impact Assessment study report (EIA).

Our company and our suppliers will adhere to the guidelines of the European Chemical Industry Council (CEFIC -Conseil Européen de l'Industrie Chimique) 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 (ICMC), an internationally recognized practice for cyanide management in the gold mining industry; we will also require our suppliers to sign and abide by ICMC, and Roşia Montană plant operations will be ICMC certified. An ongoing, rigorous and independent audit of the cyanide management system will be followed as well.

Since RMGC will not be certified for cyanide transportation, it will not do so. A company with expertise, that is qualified under CEFIC and ICMC standards, will be selected and under review by both producer and user. Cyanide in a solid, briquette form (not as a liquid), will be transported within specially-designed

“isotainers” that are resistant to accident or damage. A detailed route survey to identify all potential transportation alternatives and hazards, together with needed mitigation measures, will be completed before operations begin. The survey will be conducted as close to the beginning of operations as possible to take advantage of the most updated rail and highway network improvements, as per EU guidelines.

During operations our plans are to maximize the use of rail to a depot near the project site whenever possible. 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 (regulations concerning the international carriage of dangerous goods by rail), the European regulations covering the international carriage of dangerous goods by road or rail.

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

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

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

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

Item no.	278
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<p>1. The company states that 800 - 1200 jobs will be available for the local community during the construction phase. Yet, according to the statement on page 11 from the General Information volume, temporary accommodation will be needed for 800 workers, which means, at a simple calculation, that out of the 1.200 jobs promised between 0 and 400 will be available for the local community.</p> <p>2. The guarantees presented in the EIA are not strong enough a commitment to hire the local workforce. Compared to the 1288 workers in the mining sector in 2004, it is obvious that the RMGC project will not provide a long-term solution for the jobs issue. What does the company have to say about this aspect?</p>
Solution	<p>RMGC currently employs more than 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni. The Roşia Montană Project (RMP) will employ an average of 1,200 people during the two-year construction period, which will surge at times to 2,200. The 800 worker temporary accommodation estimate was to assist in workers for short period of time during the peak construction periods. 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. All this underscores the significant opportunities for the people of Roşia Montană and the entire region if the RMP is approved.</p> <p style="text-align: center;">*</p> <p>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.</p> <p>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.</p> <p>If the appropriate skills are not available in the existing workforce, training programs will be made available to increase the skill base. Employment will be prioritized at the local level with people from the impacted area being given the first priority for work on the project. Should positions still not be filled from labor available at the local level recruitment will take place at the regional level.</p> <p>For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.</p>

Item no.	279
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<p>The questioner makes the following comments:</p> <ol style="list-style-type: none"> 1. The questioner is not against projects that are beneficial to people, but is against the resettlement. The questioner stresses the fact that he cannot leave his house and cannot take part in the demolition of the church, in the destruction of the tombs where his parents and ancestors are buried. The questioner points out the fact that he is a true Christian and he cannot take part in the destruction of the mountains which are God's work!
Solution	<p>The beginning statement of the comment is extremely relevant: when assessing the development needs of the area he is not against the mining project proposed by the company, although at the individual level, he would not like to leave the area.</p> <p>The company has considered this approach and attitude when the properties acquisition strategy was designed:</p> <ul style="list-style-type: none"> - individual development opportunities; - small business compensation and financial support; - professional training and career development; - properties replacement values compensation, including land restoring cost and eventual crop lost; - scholarship; - resettlement sites in both rural area (Piatra Albă - Roşia Montană) and urban one (Furcilor Hill - Alba Iulia); - relocation / resettlement assistance for properties search, registration formalities, health care support, jobs search and training, small savings and investment assistance. <p>The idea of this project may not be deemed as antichristian, as long as its main principle is that of responsible mining. We believe that resources development is not an act against God, if it is performed in a responsible manner. This project provides to future generations not only jobs, but also a cleaner environment, personal development opportunities, small enterprise support, and support provided for the development of one of the most underdeveloped areas of Romania.</p> <p>As for the religious concerns raised by the questioner, mining is a profession pursued for generations by many Romanians of deep religious belief - indeed, in many rural Romanian graveyards, many gravestones show the miner's pick on a Christian grave.</p> <p>And contrary to what the opponents of the mining project claim, no one wants to destroy churches or graveyards.</p> <p>To put the number of graves in context, the vast majority of Roşia Montană's 1,905 graves will not be affected by the mining project, as the company has to the maximum extent possible designed the mining operations to leave established graveyards in place. (410 graves need to be moved during the lifetime of the mine).</p> <p>All reburials will be done at the request of the families, and the expense of RMGC. The process will follow to the letter Romanian law on reburials [1], with the company's commitment to act with respect and reverence. Abandoned graves will be relocated, also with full respect and reverence, to Piatra Albă's new cemetery.</p> <p>2 of Roşia Montană's 10 churches must be relocated under the mine plan. Those churches will be moved in accordance with the wishes of the congregation, at the expense of RMGC. Church construction is a central element in the new community of Piatra Albă being built by the company.</p>

What the RMP project offers to future generations is a chance to continue a way of life in a village where that future – with 70% unemployment today, rising above 90% if RMGC's proposed mine is not allowed to proceed – would be very much in doubt. In the event of Roşia Montană's demise, the graves and churches there would likely be left behind, as in other abandoned mining villages in the Romanian countryside. Development of the RMP will keep the village alive - in fact and in spirit - and bring economic opportunity to the region and this will not impose the community to give up its spiritual values and traditions.

References:

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

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

Item no.

280

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner refers to the statement on page 43 (Community Definition) of the Community Sustainable Development Management Plan according to which the land is not suited for crops and orchards due to terrain (too steep) and altitude (too high).

Another paragraph on page 100 (in the English version of the EIA) of the same plan states that once the project is completed, people will make their living by working the land - the creation of an extended program of services to strengthen organic-based animal husbandry, vegetable, fruit and hay growing; sustainable fuel, wood and other land-based livelihood strategies.

The questioner asks the following questions:

1. Why do the company's specialists say that agriculture cannot be performed in the area at present, while the same specialists propose the implementation of organic farming once the mine exploitation is completed?
2. Who will work those lands given the fact that the training programs proposed by the company at present are in the mining field?
3. Is the company going to finance re-training programs for the miners in order for them to work the fertile land that will be brought to Roşia Montană after the mine closure and where will this land be brought from?
4. The company's representatives must indicate a market that is willing to trade products originating from an area polluted with heavy metals and tailings.

Currently approximately 7% of the land in the Roşia Montană commune is arable (while only 0,25% of the land from the Zonal Urban Plan – PUZ is arable). The altitude, steep slopes, and poor soils effectively minimize the role that commercial agriculture plays in the economy. The agricultural activities that do occur are primarily related to subsistence and to supplement income from waged employment. Agricultural activities may continue in Roşia Montană, even if the mine proceeds.

The industrial area is outlined through the General Urbanism Plan (PUG), this area not being suitable for agricultural activities. The Zonal Urbanism Plan (PUZ) detailing the land surface required by the Roşia Montană Project (RMP) affects only about 25% of Roşia Montană commune. Agriculture can be developed on the remaining 75% of the commune.

In the Community Sustainable Development Plan land-based livelihoods including organic farming were presented as possibilities for development. This depends entirely on the wishes and interests of the people.

Solution

*

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 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 which 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.

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 [1]. RMGC never has stated that within the Roşia Montană area, organic agriculture may be or will be able to be practiced.

The following paragraphs present conclusions regarding the suitability of the lands for various agricultural crops and fruit growing [2]:

- *“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 totalizing 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 VIII 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 potato* – 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 interfluvium.
- *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”

References:

- [1] - Sub-chapter 3.3 *“Types of soil management”* – p. 24, Vol. 13 EIA
- [2] - Sub-chapter 3.3 *“Soils Suitability for Various Crops”* – p. 23, Vol. 13 EIA

*

Commercial agricultural opportunities in Roşia Montană may be limited due to relatively low availability of arable land, but Roşia Montană Gold Corporation (RMGC) is committed to advance agricultural pursuits in whatever way possible. Agricultural pursuits are only one example of non-mining enterprise, RMGC is committed to a broad array of professions.

Our professional training program developed by undertaking vocational courses is aimed at forming at local level qualified labor force necessary for the construction stage (for the following occupations : maintenance mechanic locksmith, welder, maintenance automation worker, maintenance electrician, charge worker, operator of excavators with heavy-duty motors, concreter, woodworker, constructions electrician, faience worker, steel-bender, plumber, gas and central heating worker, ventilation and air conditioning worker, isolating worker, mason plasterer, walls painter, building restorer foreman, communication and transport technician, plumber of water supply pipeline, operator of water supply installation, circuits operator of water supply network, pipes and PEHD fittings welder, woodworker –

carpenter – floorer, crane operator, fitter of gypsum walls and ceilings, tessellated faience worker, painter – plasterer – paper hanger - dyer, mason, stoner – plasterer, asphalt operator, environmental auditor, water assayer, operator of processing water treatment, piler operator, security – access control – order and intervention agent, unflammable materials worker, secretary-typist, office supplies worker, accountant, domestic tourism guide, hotel maid, concierge, receptionist, baking and pastry chef, tourism agent, outgoing agent, bartender, chef, waiter, tourist pension administrator, equestrian tourism guide, medical and social worker, elder and children house keeper, social laborer, nurse, midlevel social assistant, social educator, fireman.

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

*

Roșia Montană Gold Corporation (RMGC) proposes a project of economic development with proved social benefits. Having as starting point the 2000 years old tradition in area, the project represents an exemplary modality to perform further on this tradition through the responsible mining of the local natural resources based on the best available technologies, observing the legal requirements in force regarding the environmental protection existing at national and European level and in conformity with the Best Management Practices (BMP).

The areas disturbed by mining activities will be progressively rehabilitated in order to reduce the impact, especially the soil erosion after the construction and operating stages. Beginning with year 5 of operation, the areas in which the extractive activity is completed will begin to be rehabilitated. The rehabilitation consists in the remaking of the soil cover and its re-vegetation. The final rehabilitation will be carried out at the end of the project when the mine will be closed and all equipments and facilities decommissioned.

The striped soil will be stored several years in dumps especially arranged and after that will be utilized at the soil cover remaking in the areas where the soil and rock were striped to allow the industrial construction or ore extraction.

The soils from the impact area have a very thin fertile layer. The most part of the proposed industrial area is occupied by fertile layers with thickness, either thinner than 10 cm, or varying between 10 and 20 cm. The layers with thickness of 20 – 30 cm represent 24.4% and those of 10 – 30 cm represent 12.2%. Only 2% from total has a thickness of the fertile layer of 30 – 40 cm. The thickness of the fertile layers for each unit of land is presented in Table 4.4 -14 from section 5.1.3 from Chapter 4.4 “Soil”.

The volumes of striped soil both from the superior horizons (fertile layers) and inferior horizons (mineral horizons) are presented in Table 4.4-15 from Section 5.1.3 Chapter 4.4 “Soil” and have been estimated at 1.36 million m³ from superior horizons, respectively 4.27 million m³ from inferior horizons.

According to analysis presented in Environmental Impact Assessment Study Report (EIA), on some areas the soil cover is very thin or even is missing being possible a deficit of material for rehabilitation. In such case, this deficit will be compensated by non-acid rock, without heavy metals, very fine grinded and mixed with nutrients and organic materials. If this method is used, then the restoration of the vegetal cover will be monitored before the final works of mine closure.

*

The intensive agriculture activities are not possible in these areas even now due to the past mining activities and the landscape configuration. As a part of the Soil baseline study the experts (ICPA - the research institute for soil) team has been evaluated the suitability of the land for different crops (please see the Chapter 4, Section 4.4, Soil, subsection Soils (Land) Suitability for Various Crops) and the conclusions of the assessment are that the suitability for pasture is good for hay meadows is above the average but for crops like potatoes the suitability is very low. There will be no spread of tailings and material containing heavy metals beyond the designated areas of the waste heaps and tailings pond. Most of the soil contaminants within the project perimeter will be removed by the new mining project, and waste management will follow best international practice. On the other hand, in the Mine Closure and Rehabilitation Plan (Plan J in the EIA), agriculture on the tailings management facility (TMF) or other

waste facilities (e.g., waste rock heaps) is not described as the preferred option. Rather, technical experts and, in some cases, regulatory authorities recommend alternative uses (such as a golf course, hiking trails, or other recreational areas). Agricultural activity on the tailings pond cover may disturb the engineered cover layers and compromise their functionality, and farming on waste repositories may be outlawed in Romanian legislation.

However, areas that do not contain extractive or other wastes from the mining project (or from previous mining activities in the area) and, therefore, do not contain any heavy metals or other hazardous substances, may be used for agricultural purposes (pasture or hay meadows).

On the other hand we have examples such as were successfully marketed in East Germany, where agricultural products grown on rehabilitated mining areas. Produce grown in these areas (not on TMFs or waste rock heaps, though) is perceived no differently than farming products grown in other regions, despite the extremely cautious and even hostile public opinion towards some types of mining before reclamation and rehabilitation started some 15 years ago.

Item no.

281

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following observations and comments:

1. The company promotes a sustainable development for a population who will not live in the area, on a non-rehabilitated infrastructure, with an architectural heritage in ruin and an archaeological heritage presented on a 3D computer.
2. The responsibility for this sustainable development will devolve to a Foundation which will gradually have to take full responsibility thereof. With whom and for who this sustainable development? What prospective, what chances to succeed does the company grant to this type of sustainable development? The questioner wants that the weaknesses of this Foundation be quoted as they are presented in the EIA Report.
3. With regard to the social and economic environment- volume XIV, the Potential Impact:
 - the questioner wants to know whether the agreement between the company and the Romanian Government stipulates the taking over of the RoşiaMin staff.
 - the company holds both the mining lease and the mining license for Roşia Montană and has a business relationship with the company Minvest Deva and implicitly with the Romanian Government.
4. Who closed down RoşiaMin? The questioner is not willing to accept an "it closed by itself" answer as according to the EIA this company was supposed to be subsidized by the Romanian state until 2008. There are several variants: the titleholder is likely to have closed Minvest through Pompiliu Crai or the Romanian Government through the minister Codruş Şereş, or they may have all collaborated in order to close it down.
5. How come the closure of Minvest coincided with the submission of the company's documentation for the environmental permit to the Ministry of Environment?
6. How many of the former RoşiaMin employees applied for a job at RMGC?
7. Who does RMGC represent? The company's investors, legal or illegal interests groups?
8. Does the Roşia Montană project serve for money laundry? Does this company represent the White Collars' mafia which generate all over the world damages much higher than any other organized crime activity?
9. Is RMGC only a group of officers using secret information for personal purposes, does it represent information services that use such methods in order to obtain financing sources other than the classical financing from the state budget. Does all this fuss around the project serve the interest of Romanian Government while the Romanian population is unaware of it?

Solution

Roşia Montană Gold Corporation (RMGC) does promote a sustainable development for a population that is encouraged to resettle in the area.

People can decide from themselves if they choose to leave or to stay in the area, but as an incentive to stay, RMGC encourages people to resettle to Piatra Albă, where a modern new village will be built. There are several incentives to encourage people to move to the new village of Piatra Albă.

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

A mining project as is the one proposed by RMGC will provide, through taxes, the necessary funds to improve the infrastructure. Over the life of the mine US\$ 25 million will be invested by the company in the protection of cultural heritage in such a way that will support tourism. The training program will provide the necessary skills to develop tourist activities, while the Roşia Montană Micro Credit "IFN Gabriel Finance SA" 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 historic center, museums, hotels, restaurants, all in a healthy environment.

As for the Foundation, Introduced as part of the Environmental Impact Assessment Study Report (EIA), the Roșia Montană Foundation is now shifting in focus. The Community Sustainable Development Plan activities initially conceived as coming under the Foundation umbrella (business oriented activities: business incubator, business advisory center, micro-finance facility, as well as social oriented activities: education and training center) have been advanced independently, via partnerships and with community participation in decision-making – a preferable way to advance social and economic development programs.

Going forward, the Foundation will take shape around preservation, patrimony and cultural heritage issues, with its final form determined in consultation with the community.

In terms of the philosophy that guides the company's sustainable development efforts, the company sees itself not as principal provider, but as a partner. Community involvement is considered the starting point; over time, as the community builds the capacity to maintain programs in its own right, the company will turn over control of currently-established programs to the community and its institutions.

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

*

There are no contractual stipulations regarding the taking over of the RoșiaMin's employees, but Roșia Montană Gold Corporation (RMGC) concluded protocols with the Local Public Administration through which it is obliged to establish a priority preference for the local labor force. The larger part of the former employees of the state owned company CNCAF Minvest SA - RoșiaMin Subsidiary were registered into the RMGC's database (opened at the human resource offices [1]) and benefit already from training courses in several professions, especially those connected with the construction activities. According to the provisions of art. 52 (1) of the Mining Law no. 85/2003 and secondary legislation in mine closure field, 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 contains, among others, a social protection program for the personnel.

Mention should be made the employees of CNCAF Minvest SA dismissed as a result of mine closure benefit of special social protection measures, as provided by GEO no. 116/2006 regarding the social protection of personnel dismissed as a result of redundancy process further to restructuring and reorganization of national companies, *autonomous regias*, and state owned companies and by GEO no. 8/2003 for stimulating the privatization, restructuring and reorganization of national companies, *autonomous regias*, and state owned companies. Such measures include, among others, compensatory payments, unemployment aids, supplementary incomes up to the level of a medium net salary, free insurance in the public health and pension systems.

As for ownership issues relating to the Rosia Montana Project (RMP), the joint venture between Gabriel Resources and Regia Autonomă a Cuprului Deva (Autonomous Company of Copper, in present CNACAF Minvest SA) was established under the Law no.15/1990 regarding the reorganization of the state owned companies as autonomous companies and commercial companies, published in Official Gazette Part 1 no.98/08.08.1990 with subsequent completions and modifications. Article 35 of this law stipulates the possibility for autonomous companies to associate with legal Romanian or foreign third parties, in order to establish new commercial companies.

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

With respect to the agreement concluded for the establishment of the joint venture with Gabriel Resources Ltd., this has been established by the Ministry of Economy and Commerce. The conditions required for its establishment are set forth below:

- I. The number of jobs existing upon conclusion of the joint venture agreement will be ensured by the company;
- II. Gabriel Resources will pay all costs related to exploration;
- III. RAC Deva will secure the endorsement from National Agency for Mineral Resources; and,
- IV. To observe all legal requirements in force that govern the establishment of joint ventures with foreign companies.

These conditions have been fully observed upon the establishment of the company and during the development of its activities.

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 Constitutive Act and under (i) mining legislation and Roşia Montană License no. 47/1999.

Reference:

[1] Please contact the RMGC's representatives:

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

*

The operations in Roşia Montană perimeter of National Company of Copper, Gold and Iron (CNCAF) Minvest SA - RoşiaMin Subsidiary, company whose sole shareholder is the Romanian State, have ceased in accordance with the national policy on state-supported mines, as part of the negotiations paving the way for Romania's accession to the European Union.

Under The Mining Industry Strategy for 2004-2010 approved by GD no. 615/2004, the closure of unviable mines has been decided as a measure to mitigate the financial losses of state subsidized mining sector. By the end of 2006, the closure of 462 [1] mines and quarries has been approved by Government Decision, and the process continues in 2007 with other mining objectives, among which are the ones developed by CNCAF Minvest SA - RoşiaMin Subsidiary.

References:

[1] Reference is made to "Status of mine closure and environmental rehabilitation" from the Ministry of Economy and Commerce official website <http://www.minind.ro>

*

The operations in Roşia Montană perimeter of CNCAF Minvest SA – RoşiaMin Subsidiary, company whose sole shareholder is the Romanian State, have ceased in 2006 in accordance with the national policy on state-supported mines, as part of the negotiations paving the way for Romania's accession to the European Union. The submission of the Environmental Impact Assessment study report (EIA) had no connection with this decision, being part of a process began in 2004 with the submission of Project Presentation Report for the Roşia Montană Project.

Under The Mining Industry Strategy for 2004-2010 approved by HD no. 615/2004, the closure of unviable mines has been decided as a measure to mitigate the financial losses of state subsidized mining sector. By the end of 2006, the closure of 462 [1] mines and quarries has been approved by Government Decision, and the process continues in 2007 with other mining objectives, among which are the ones developed by CNCAF Minvest SA - RoşiaMin Subsidiary.

References:

[1] Reference is made to "Status of mine closure and environmental rehabilitation" from the Ministry of Economy and Commerce official website <http://www.minind.ro>

*

Approximately 60 former employees of RoşiaMin have submitted employment applications at Roşia Montană Gold Corporation (RMGC).

Approximately 300 people have registered for the professional training and qualification courses organized by RMGC.

*

RMGC, which is a Romanian company, represents the company's shareholders. The majority shareholder, Gabriel Resources, Ltd., is a Canadian company publicly traded on the Toronto Stock Exchange. The Romanian State through the Ministry of Economy and Commerce ("MEC") has a 19.3% ownership interest in RMGC. 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 USD 1,032 million. This includes the government's share of profits, profit taxes, royalties and other taxes such as payroll taxes. An additional US\$ 1.5 billion of Romanian goods and services will be acquired by project.

*

According to the provisions of art. 23 of Law nr. 656/2002 on the prevention and sanctioning of money laundering and combating and prevention measures against financing terrorism acts ("Law no. 656/2002"):

"The following shall constitute an offence of money laundering and shall be sanctioned with imprisonment from 3 to 12 years: (i) the exchange or transfer of values, knowing that they derive from the perpetration of offence, for the purpose of concealing or dissimulating their illicit origin, as well as for the purpose of hiding or favoring the person who perpetrated the offence that the money derives from to elude the investigation, prosecution or sentence execution; (ii) hiding or dissimulating the real nature of the origin, belonging, disposition, or circulation of the property or rights over the goods, knowing that these goods result from the perpetration of offence; (iii) the acquirement, possession or use of goods, knowing that they result from the perpetration of offence".

Please consider the fact that, the financial statements of a company provides an accurate image of the financial standing, of the financial performance and of the other information regarding the activity performed by that company during a financial year.

Roşia Montană Gold Corporation S.A. is a company whose financial statements are subject to the legal obligation for financial auditing; therefore the company performs the internal audit, as well as the financial audit. Moreover, the internal audit rules used by the company comply with the international standards, and also with the Toronto, Canada Exchange rules, which range among the most severe rules in the field. Please note that, according to the legal provisions, RMGC approved and submitted the financial statements to the Trade Register Office, as well as to the Ministry of Public Finance, therefore any interested person may require and/or check the accuracy of the above-mentioned.

Moreover, we mention the fact that the Roşia Montană Mining Project is developed by RMGC with full transparency, as the company promotes a policy of openness and accurate and exhaustive information of the public regarding the proposed project, at the same time observing the legal incumbent provisions.

As a consequence, the association of RMGC with illegal activities, of economic or other nature, is incorrect and ungrounded.

*

No. Roşia Montană Gold Corporation (RMGC) is a Romanian corporation with two principal shareholders – Gabriel Resources Ltd. and the Romanian state through the Ministry of Economy and Commerce. The Romanian state's interest is fully carried, meaning that it has no obligation to fund its share of the capital investment. The direct financial benefits to the Romanian State, at the local, county, and national levels are projected to be US\$ 1,032 million. This includes the government's share of profits, profit taxes, royalties and other taxes such as payroll taxes. An additional US\$ 1.5 billion of Romanian goods and

services will be acquired by project. Thus the Romanian Government has a clear economic benefit from the Project.

The estimated capital cost to complete the development of the Roşia Montană Project (RMP) -- including interest, financing, and corporate costs -- is approximately US\$ 750 million. The Company anticipates financing these costs with approximately 20% equity (US\$ 150 million), and 80% debt, which could include senior and mezzanine or high yield debt. The Company has already raised the US\$ 150 million equity component and is in final negotiations for the debt component. Technical experts, representing several international private sector banks and export credit agencies have concluded that it complies with the Equator Principles designed to promote responsible lending by financial institutions to projects which raise environmental and social concerns, and an ad hoc committee of European experts (International Group of Independent Experts - IGIE) has publicly stated that the EIA was well-developed, taking into consideration their recommendations and suggestions.

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

Item no.	282
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
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.	283
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<p>The questioner desires further information on the TMF, in particular on the lateral seepage that will not get into the secondary containment dam. What happens with this seepage? Where does it get as not all seepage is caught in the containment dam?</p>
Solution	<p>The possibility for lateral ex-filtration 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.</p> <p>The subsurface investigations within the Corna valley indicate that both the superficial deposits (which consist of Colluvium) and the base rock (which consists of Cretaceous sediments) are low permeability materials. Therefore, the infiltration from the tailings basin to the groundwater will be limited. In addition, the design includes a recompacted surface layer of Colluvial material or other low permeability material over the entire basin of the TMF.</p> <p>In addition to the low permeability characteristic of the native materials and the engineered liner materials, the design includes a secondary containment system to capture and collect and seepage water that does extend beyond the centerline of the dam. The secondary containment dam (SCD) and sump will be operated to result in a depressed groundwater system at the toe of the TMF dam. The depressed groundwater levels will result in groundwater from the abutments and below the dam downstream slope to flow to the reclaim pond. At this point the water will be pumped back to the reclaim pond for re-use in the plant operations.</p> <p>To confirm that the secondary containment system is operating properly, a series of monitoring wells will be designed downstream of the secondary containment dam. Water samples from these wells will be monitored on a regular basis to identify and impacts to groundwater. If impacts are observed the wells will be converted to groundwater water extraction well and the groundwater will be pumped in to the secondary containment pond where it will be pumped to the reclaim pond for recycle in the plant operations.</p> <p>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.</p>

Item no.	284
No. to identify the observations received from the public	Turda, 09.08.2006
Proposal	<p>The questioner makes the following remark: -the company must be compelled to provide an environmental financial guarantee for the rehabilitation of the area.</p>
Solution	<p>Information regarding our 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 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. Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roșia Montană project.</p> <p>The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive (“MWD”) and the Environmental Liability Directive (“ELD”).</p> <p>The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roșia Montană.</p> <p>The Roșia Montană Gold Corporation (“RMGC”) has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.</p> <p>There are two separate and distinct EFGs under Romanian law.</p> <p>The first, which is updated annually, focuses on covering the projected reclamation costs associated with the operations of the mine in the following year. These costs are of no less than 1.5 percent per year, of total costs, reflective of annual work commitments.</p> <p>The second, also updated annually, sets out the projected costs of the eventual closure of the Roșia Montană mine. The amount of the EFG to cover the final environmental rehabilitation is determined as an annual quota of the value of the environmental rehabilitation works provided within the monitoring program for the post-closure environmental elements. Such program is part of the Technical Program for Mine Closure, a document to be approved by the National Agency for Mineral Resources (“NAMR”).</p> <p>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>The 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</p>

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.
-

Item no.	285
No. to identify the observations received from the public	Turda, 09.08.2006
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.

286

No. to identify the observations received from the public

Turda,
09.08.2006

Proposal

The questioner makes the following comments and remarks:

1. This project threatens the promotion of the Apuseni Mountains as a tourist region.
2. The questioner considers that the property right needs to be observed.
3. There are numerous mistakes in the EIA, and the questioner cannot present them in only 5 minutes. This report is not a coherent document, but a propaganda material. The questioner believes that the Ministry of Environment and Waters Management should call in experts to analyze this EIA Report.
4. The questioner remarks that these meetings are public awareness sessions rather than debates.
5. The questioner wants to know whether there are any mining methods that are less dangerous than those proposed by RMGC.
6. Does the solution proposed by RMGC represent the only possibility for the development of the Apuseni Mountains area?
7. Has RMGC requested mining licenses for other deposits in the area?
8. Are there any connections between Gabriel Resources and the company SC. ROM Aur Roşia Montană?
9. What is the estimated profit at the end of the mining project?

Solution

The Apuseni Mountains have a surface of 2,000,000 hectares, while the Roşia Montană Project (RMP) will only occupy a surface of 1650.88 hectares (0.082544%), so it is not very likely that the project threatens the Apuseni Mountains as a tourist region. As 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.

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

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

*

According to the relevant legal provisions, the interested public may submit justified proposals regarding the environmental impact assessment. Art. 44 (3) of Order no. 860/2002 on the environmental impact assessment and the issuance of the environmental permit procedure stipulates 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 to the issues raised by the public".

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

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

When acquiring the private property land necessary for the development of Roşia Montană Project, RMGC's approach is primarily based on the principle of a "willing seller-buyer". To this end, RMGC provided fair compensation packages for the affected inhabitants of the impacted area, in full compliance with the World Bank policies in this field, as detailed in the Relocation and Resettlement Action Plan developed by RMGC, which may be found on the company's official website.

Moreover, the design and location of the Project's facilities were established such as to maintain the number impacted persons as small as possible.

As regards the methods for the acquisition of the land 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, Part I, no. 197/27.03.2003 expressly providing the means by which the titleholder obtains the right of use over the land necessary for the performance of the mining activities in the mining perimeter, namely: "(i) sale-purchase of the land and, as the case may be, of the constructions built thereon, 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 unlimited period of time, based on agreements concluded between the parties, (iv) expropriation for cause of public utility, as per the law; (v) land concession", etc.

*

Since, in the first part, the questioner refers to the presence of so-called mistakes in the EIA, without making any specific references, and in the second part refers to decision-making duties of the public authorities (the Ministry of Environment and Water Management), we underline that the project titleholder may not and does not have the capability to give and answer or make any comment in this respect.

Concerning the accuracy of the Report on the Environmental Impact Assessment Study, please note that the structure and content of this report are compliant with the specific requirements of the following legal provisions:

- Article 3 (1) - (2), 9(1), 10 and Annex 4 of Romanian Government Decision no. 918 of August 22, 2002 [1] regarding the environmental impact assessment framework procedure and the approval of the list of public or private projects subject to this procedure;
- The model content of the report presented in Annex 2, Part 2, of Order no. 863/2002 issued by the Minister of Waters and Environment Protection 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;
- The guidelines regarding the scoping stage of the assessment, attached to note no. 8070/May 24, 2005 transmitted to the Ministry of Environment and Water Management.

Reference:

[1] Romanian Government Decision no. 918/2002 was abrogated by Romanian Government Decision no. 1213/2006 regarding the environmental impact assessment framework procedure for certain public and private projects, published in the Official Gazette of Romania, Part I, no. 802 of 25/09/2006. However, taking into consideration the provisions of Article 29 of Romanian Government Decision no. 1213/2006, which stipulate that "the projects transmitted to a competent environmental protection authority for the issuance of the environmental permit, and subject to the environmental impact assessment, before the coming into force hereof, shall be subject to the environmental impact assessment and environmental permitting procedure in force at the time of application", please note that the provisions of Romanian Government Decision no. 918/2002 are still applicable in the case of RMGC's project.

*

The aim of the public meeting process is to allow those who have concerns related to the environmental impact assessment (EIA) to express them in public.

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

Please note that, from a strictly procedural point of view, as far as the public debates are concerned, Order no. 860/2002 stipulates as follows:

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

- a) the place and date of the public debate;
- b) the place and date when the report on the assessment study will be made available for consultation;
- c) address of the public authority for environmental protection that the justified proposals made by the public regarding the EIA report should be transmitted to.

(2) The announcement regarding the public debate shall also be posted on the web page of the competent authority for environmental protection and of the environmental protection authorities whose territorial jurisdiction includes interested public, in accordance with the provisions of paragraph (1)."

"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, 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.

(2) The competent authority for environmental protection shall record the justified proposals of the public, made during the meeting, using the form presented in Annex no. IV.1, which also includes the justified proposals received before the public meeting."

Considering the aforesaid, we believe that the public debates organized for the Roşia Montană Project complied with the relevant legal provisions and with the spirit thereof.

References:

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

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

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

*

The mining methods proposed by Roşia Montană Gold Corporation are classical methods for ore extraction in open pits, which consist in blasting, loading and transport to the primary crusher. All these operations will be carried out with the strict observance of the occupational safety norms. An alternative to this method is the underground mining, which is much more dangerous than the open pit mining,

considering that there at any time, there's the risk of stopes to collapse and capture miners and equipments in underground, or the risk of damages to the ventilation system with baneful consequences over the miners' security. Other consequence of the underground mining is the possible falling of some surface areas due to the mining voids.

Also, the underground mining is carried out with high costs and with an irrational mining of the ore resources which remain blocked in the protection pillars necessary to support the working faces.

As a conclusion, the mining method proposed by RMGC, respectively in open pits, is the safest mining method used all over the world.

Both the gold and silver recovery technology by cyanidation through CIL procedure and the utilization of the detoxification circuit of the cyanide based on SO₂ / air method are considered BAT being used all over the world. The cyanide content in the tailings management facility will be below the minimum content stipulated by the existing European regulations.

In Chapter 5 – Alternatives of the EIA report, the alternative solutions regarding the mining and processing of the Roşia Montana ore have been presented in detail. The proposed technologies have been selected (with explications) as a result of a multi-criteria analysis. The analyzed criteria are as follows: ore deposit conditions, risks associated with each technology, operation costs, etc.

*

Operation of the Roşia Montană Project (RMP) most definitely does not preclude the development of other industries. Indeed, RMP's benefits remove serious impediments to their establishment, through such means as infrastructure investment, enhanced demand for goods and services, and the remediation of land dereliction and pollution.

So the RMP does not represent the only opportunity for the Apuseni Mountains, so much as one of the most important developments for the Apuseni Mountains. Indeed, we would not just invest in responsible mining, but also such investments as \$25 million in cultural heritage.

proposal is key to economic and cultural progress for the area, 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. The report concluded that these activities don't have the potential to support economic growth to the degree forecast for the RMP.

*

There is no other license for mining operations. S.C. Roşia Montană Gold Corporation S.A. (RMGC) holds only one mining license, i.e. the Lease License for Mining within the Roşia Montană Perimeter no. 47/1999 ("Roşia Montană Mining License") that was endorsed through the Governmental Decision no 458/10.06.1999.

RMGC is also the titleholder of the Exploration License for Bucium Perimeter no. 218/1999 ("Bucium License"), endorsed through the Order of National Agency for Mineral Resources no. 60/17.05.1999. We would like to underline the fact that pursuant to the provisions of art. 17(1), 18(2) lit. a) and 20 of Mines Law no. 85/2003, RMGC as a titleholder is legally entitled to directly secure a Mining License for Bucium Perimeter.

*

S.C. Rom Aur S.R.L. (the correct Romanian name of the company) is 100% owned by Gabriel Resources Netherlands, which is a subsidiary of Gabriel Resources Limited.

*

Based on an estimated gold price of \$600 per ounce and a silver price of \$10.50 per ounce, the total profit for all shareholders of RMGC is \$1,572 million.

Item no.

287

No. to identify
the
observations
received from
the public

Turda,
09.08.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.	288
No. to identify the observations received from the public	Turda, 09.08.2006
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.	289
No. to identify the observations received from the public	Turda, 09.08.2006
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.	290
No. to identify the observations received from the public	Turda, 09.08.2006
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>

Item no.

291

No. to identify the observations received from the public

Turda,
09.08.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.	292
No. to identify the observations received from the public	Turda, 09.08.2006
Proposal	<p>1. How can they ignore so easily the opinion of the Church, which, as we well know, opposes the resettlement?</p> <p>2. Why didn't RMGC buy houses in the protected area, houses that won't be impacted by the project, we are talking about the patrimonial houses and other houses? They are in very poor condition because of the activities carried out by the company in the area.</p> <p>3. Which are those 3000 indirect jobs?</p> <p>4. Why does the representative of the Ministry of Environment and Waters Management sit at the same table as the representatives of RMGC during the public debates? Shouldn't you be seated at different tables? Do you represent the same institution?</p>
Solution	<p>The comments by the Holy Synod date to 2003. Based on those comments, the Roşia Montană Project was redesigned to reduce impact on the churches in the community.</p> <p>As a result, only 2 of Roşia Montană's 10 churches must be relocated under the mine plan. Those churches will be moved/restored in accordance with the wishes of the congregations, at the expense of RMGC. Churches construction is a central element in the new community of Piatra Albă being built by the company.</p> <p>The fact is that 98% of people in the industrial zone of the village have scheduled surveys to assess their property - a sign that they are considering the sale of their homes. We trust that if the community indicates its support of the RMP, the churches in the community will reflect the preferences of their congregations.</p> <p style="text-align: center;">*</p> <p>Although not affected by the development of the RMGC proposed mining activities, the company has acquired a lot of properties in the protected area, as a result of the public consultation process. The people living in this part of the village asked the company to be given the opportunity to sell their properties to the company. The company has also bought houses classified as historical monuments which were in a poor state of conservation at the time of their acquisition. Furthermore, the condition of the houses in the village has not been negatively affected by the company but rather by years of economic decline in the Roşia Montană area. The company is developing a zonal urbanism plan for the Historical Center of Roşia Montană, which indicates for each and every listed house the refurbishment works that will be done by the company. Restoration works are currently underway for 11 such houses.</p> <p style="text-align: center;">*</p> <p>During the development of mining operations, 634 direct jobs will be created. Historically, an operation of this type, 10 indirect jobs are created for every direct job, which in the case of the Roşia Montană Project will result in 6000 additional jobs across România, with a greater proportion occurring in the Roşia Montană region [1].</p> <p>Currently, we have created 471 jobs, not 300 as you imply, and we are not yet operating the mine. The indirect jobs we are creating now are the ones from advertisements, surveys have been prepared for project's permitting process, stores and restaurants in Abrud, Câmpeni, Cluj, and Bucharest and so on, and may not be 10 indirect for each direct job. During the construction phase and during mining operations, investment increases dramatically, which will generate more jobs. This is our commitment for sustainable development.</p>

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

References:

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

*

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

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

With regard to your statements we mention the followings:

- (i) the relevant legislation in the field does not include provisions with regard to certain specific methods related to the distribution and arrangement of the participants in the meeting room, namely the project’s titleholder, the competent authorities and stakeholders.
- (ii) according to the provisions stipulated by art. 41 of Order no. 860/2002 “The public debate meeting shall take place in the presence of the representatives of the competent authority for environmental protection, in the most convenient way for the public, on the territory where the project is intended to be implemented, and after the working hours.”

Given this context, we kindly ask you to take notice of the fact that, as there are no limitations stipulated in the legal provisions in force, regarding the arrangement of participants in the meeting rooms where the public debates take place, we underline the fact that RMGC has focused on the best public disclosure as far as the project initiated by RMGC was concerned, taking notice of all issued stated by the public and identification of valid solutions for all potential matters.

References:

[1] *We underline the fact that GD no. 918/2002 abrogated by the GD no. 1213/2006 regarding the framework-procedure for assessing the environmental impact of certain public and private projects, published in the Official Gazette, Part 1, no. 802/25/09/2006 (“GD no. 1213/2006”). However, considering the provisions of art. 29 of GD no. 1213/2006 where it is underlined the fact that “Projects submitted to a competent authority for environmental protection in order to secure the environmental permit and to assess the environmental impact, before the present decision is enforced, they must subjected to the environmental impact assessment procedure and issuance procedure of the applicable environmental permit when the application has been submitted” we underline the fact that as far as the RMGC Project is concerned the provisions of GD 918/2002 are still valid.*

[2] *Directive 85/337/EC was amended and supplemented by Council Directive 97/11/EC published in the Official Journal of the European Communities (OJCE) no. L 73 of March 14, 1997, and Directive 2003/35/EC providing for public participation in respect of drawing up of certain plans and programs relating to the environment, and amending with regard to public participation and access to justice, Council directives 85/337/EEC and 96/61/EC, published in the Official Journal of the European Union (OJEU) no. L 156 of June 25, 2003.*

Item no.	293
No. to identify the observations received from the public	Turda, 09.08.2006
Proposal	The questioner is in favor of the project and wants to know how the company plans to comply with the sustainable development principle in the area.
Solution	<p>Thank you for your support. Sustainable development is a critical commitment on the part of Roşia Montană Gold Corporation (RMGC).</p> <p>A starting premise to this context is that RMGC is committed to ensuring that the Roşia Montană Project (RMP) will be a catalyst for local and regional economic development. It is recognised that, as with any major industrial development, impacts will be positive and negative. RMGC commits to work alone and in partnership to ensure that beneficial impacts will be maximised. RMGC will priorities a participatory approach wherever possible and will seek guidance from local and regional authorities and from the community when deciding on issues that may impact the area's development. Negative impacts will be mitigated through measures as described in the EIA report.</p> <p>RMGC recognizes that in order to ensure it meets its sustainable development commitments it must support, as a minimum, five key interrelated areas that make up the three traditional pillars of sustainable development - social, environmental and economic. These areas are presented below as five capitals of sustainable development.</p> <p>RMGC has developed its Sustainable Development Policy [1] in support of this and this is presented further on in this annex. Supporting elements are also presented, as are a set of Authority, Community, and Company initiatives within the Roşia Montană Sustainable Development Partnerships and Programs.</p> <p>1. Five Capitals of Sustainable Development</p> <p>Financial Capital</p> <p>Economic Development Impact, fiscal management, taxes</p> <ul style="list-style-type: none"> - Average of 1200 jobs during construction over 2 years, the majority of which sourced locally; - 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally; - Some 6000 indirect jobs for 20 years, locally & regionally [2]; - US\$ 1billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government; - US\$ 1.5 billion procuring goods & services. US\$ 400 million during construction (2 years) and US\$ 1.1 billion during production, from Romania (16 years). <p>To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:</p> <ul style="list-style-type: none"> - The set up of a micro-credit finance facility in the area to allow access to affordable financing; - The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs. <p>Physical Capital</p> <p>Infrastructure – including buildings, energy, transport, water and waste management facilities</p> <ul style="list-style-type: none"> - Increases in revenue to government agencies, of the order of US\$ 1 billion over 20 years (construction + production + closure) will result in additional money the government may allocate to improving community infrastructure; - RMGC will also develop the resettlement sites of Pietra Albă and Dealul Furcilor in Alba Iulia.

Piatra Albă will contain a new civic centre, commercial and residential areas. These will be transferred to the local authorities once complete. The RRAP contains full details of these initiatives.

Human Capital

Health and education

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

Social Capital

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

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

Natural Capital

Landscape, biodiversity, water quality, ecosystems

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

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

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

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

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

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

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

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

References:

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

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

Item no.

294

No. to identify
the
observations
received from
the public

Turda,
09.08.2006

Proposal

The questioner considers that the pollution of the Arieş River will never end and wants to know whether RMGC can enter a partnership with the Romanian authorities in order to solve the issue related to the pollution of the Arieş River.

Solution

The Arieş River is polluted from its confluence with the Abrud River and below the discharge of the Roşia Poieni project. In the Roşia Montană Project, RMGC has committed to treat and clean river discharge water within the project area in the Corna and Roşia Montană drainage basins which flow into the Abrud River. The commitment of the Company to capture and treat the water from these two large historic sources of pollution during the Project will significantly assist in the cleaning and rehabilitation of the water quality of the Arieş River. In addition, we will pay significant duties and taxes to the Romanian state, this will support regional development programs to support water cleaning.

While the company has no authority to work in the Arieş River itself (which is outside the perimeter of our license) it is always willing to assist in some way should this become possible. We express our availability to form durable partnerships not only with government but also with NGOs, to concentrate our efforts and make available our knowledge to assist in solving any issues related to environmental protection, a goal in which our Company is investing very large resources.

Item no.

295

No. to identify
the
observations
received from
the public

Turda,
09.08.2006

Proposal

The questioner proposes the company a co-operation aimed at inactivating the sources that pollute the Arieş River, as this is "dead" all the way down to Mihai Viteazu.

Solution

The Arieş River is polluted from its confluence with the Abrud River and below the discharge of the Roşia Poieni project. In the Roşia Montană Project, RMGC has committed to treat and clean river discharge water within the project area in the Corna and Roşia Montană drainage basins which flow into the Abrud River. The commitment of the Company to capture and treat the water from these two large historic sources of pollution during the Project will significantly assist in the cleaning and rehabilitation of the water quality of the Arieş River. In addition, we will pay significant duties and taxes to the Romanian state, this will support regional development programs to support water cleaning.

While the company has no authority to work in the Arieş River itself (which is outside the perimeter of our license) it is always willing to assist in some way should this become possible. We express our availability to form durable partnerships not only with government but also with NGOs, to concentrate our efforts and make available our knowledge to assist in solving any issues related to environmental protection, a goal in which our Company is investing very large resources.

Item no.	296
No. to identify the observations received from the public	Turda, 09.08.2006
Proposal	The questioner wants to know what the company will offer people in 15 years' time. Roşia Montană will no longer be Roşia Montană. If agriculture will be possible in 15 years' time then why isn't it possible now?
Solution	<p>Roşia Montană Gold Corporation proposes a project of economic development with proven social benefits. Having as starting point the 2000 years old tradition in area, the project represents an exemplary modality to perform further on this tradition through the responsible mining of the local natural resources based on the best available technologies, observing the legal requirements in force regarding the environmental protection existing at national and European level and in conformity with the Best Available Technology (BAT) as defined by EC Directive no 96/61/EC.</p> <p>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.</p> <p>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 which 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 been 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.</p> <p>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 [1].</p> <p>The entire area (with a total surface of 1,257 ha) included in the Industrial Zonal Urbanism Plan (PUZ) from Roşia Montană has been designated as being destined exclusively for mining activities (mono-industrial utilization) during whole lifetime of the Project. Other activities inside this area during the mining project implementation (including those agricultural) are forbidden because of the procedures and restrictions due to the labor protection.</p> <p>After the mine closure, a new PUZ will designate the future utilization of the lands from area.</p> <p>References: [1] Sub-chapter 3.3 “<i>Soils Suitability for Various Crops</i>” – p. 23, Vol. 13 EIA.</p>

Item no.

297

No. to identify
the
observations
received from
the public

Turda,
09.08.2006

Proposal

The questioner makes the following observations:

The road to hell is paved with good intentions and the inhabitants of the area should not believe quite everything the company tells them.

Solution

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

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

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

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

However, please note that that the Project will be conducted in full compliance with Romanian and European law and in accordance with international best practices and will bring many economic, social, environmental, and cultural benefits to the Roşia Montană area and to România.

Item no.

298

No. to identify
the
observations
received from
the public

Turda,
09.08.2006

Proposal

The questioner makes the following comments, remarks and asks the following questions:

1. The questioner refers to the EIA chapter comprising a cost-benefit analysis and wants to know precisely what the benefit of the Romanian Government, the amount of taxes and fees will be, etc. and if this analysis is not presented in the EIA report, then why wasn't it included.
2. The questioner refers to the investment certificate no. 99 of June 25th 2001 based on which RMGC is exempt from the payment of taxes, customs duties, import taxes, etc. and wants to know how this measure will affect the amount of taxes and charges to be paid by the company during the lifetime of the project. Moreover the questioner wants to be indicated the page of the EIA where this aspect is addressed, and if this aspect is not addressed, then why isn't it addressed?
3. With regard to the quantification, the questioner wants to know how were the Roman galleries quantified, how will these be impacted, where is this quantification presented in the EIA and if it not presented, then why?
4. What surface is allowed for agricultural works in the Piatra Albă area and how is it compared to the current agricultural surface, where is it mentioned in the EIA, on what page? If it is not mentioned, then why?
5. The questioner wants to know what surface of the old Roșia Montană will be available for agriculture after the environmental rehabilitation of the area, where will this surface be located precisely and how will the locals have access to it from the legal point of view? Where is this aspect addressed in the EIA, and if it is not mentioned then for what reason wasn't it addressed?
6. With regard to biodiversity - where are the analyses of variability within the populations of the species living in the area, the relative and absolute size of these populations, the source population, the sor populations, and their distinction, the study on the dynamics and on the evolution of the biocenoses where these species are included.
7. The questioner wants to know exactly how many women aged over 60 actually live in Roșia Montană because the representatives of the company have repeatedly said that most of the population in Roșia Montană is made of women aged over 60. Moreover the questioner wants to know the documents based on which this calculation was made and where is this number mentioned in the EIA and if is not mentioned then the questioner wants to be explained why.
8. The questioner wants to know the chapter of the EIA where it is mentioned that 95% of the community is in favor of the RM project and based on what data was this percentage established. And if this aspect is not mentioned, then the questioner wants to know the reasons why it wasn't mentioned.
9. How many hectares has the company bought so far, apart from the 48% it owns, of the total surface needed for the development of the whole project, leaving aside the protected area? How many hectares does RMGC hold out of the 1248 ha necessary for the project? Where is this aspect addressed in the EIA? And if it is not mentioned, then why?
10. How many jobs are there provided annually in the mining sector, only in the mining sector, where is this statistics presented in the EIA and if it is not presented, then why?

The direct benefits to the Romanian government are as follows:

<u>Taxes, Fees and Government share of profits</u> <u>(incl. historical taxes paid)</u>	<u>TOTAL</u> <u>(\$USD million)</u>
-	
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

This includes payments to all local, County and national state budgets from the time the license was granted in 1997 through the life of the project, assuming the price of gold is \$600/ounce. This includes only direct payments to the state, not indirect benefits. RMGC is already the largest taxpayer in the county.

In response to the question, the Terms of Reference for the EIA did not require this analysis to be included.

*

Solution

The investment certificate referred to by the questioner will not affect the amount of tax to be paid by the Company. The tax paid by the Company was not included in the EIA, as it was not required. Listed below are the total amounts to be paid to the Romanian Government, including the Government's share of profits, profit taxes, royalties and other taxes.

The listed amounts represent only those taxes paid by the Company and therefore exclude the taxes paid as a result of the 6000 indirect jobs expected to be created by the project or the estimated US\$1.5 billion of goods and services expected to be acquired for the project in România.

Contrary to the questioner's assumption, RMGC will pay considerable taxes to various levels of the Romanian Government over the life of the project – which are simply one part of the project's considerable economic impacts for România.

To assess that impact, 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:

<u>Taxes, Fees and Government share of profits</u> <u>(incl. historical taxes paid)</u>	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 mining archaeological research was conducted by an international team made up of 55 specialists from France, Germany and Romania. This team is led by Dr. Beatrice Cauuet, a researcher of the *Centre National de la Recherche Scientifique* from the University le Mirail Toulouse, France. Dr. Cauuet is one of the most respected mining archaeologists in Europe.

Approximately 7 km of ancient mining works have been identified within the Roşia Montană site. This figure represents the length of all the ancient mining works, regardless of their state of preservation, the extent of the modern and recent mining works or the accessibility from all the mining perimeters in Roşia Montană. In addition, it is important to note that these works are have a fragmented spatial dispersion being crossed by numerous more recent mining works, and sometimes specialists can identify them only based on the traces of walls, the ancient floors or heath found within some modern or recent works. The EIA mentions the following figures regarding the quantification of the length of the ancient mining works found in the mining perimeters from Roşia Montană:

- 5 km in the Cetate and Cărnic massifs;
- more than 4 km in the Cărnic massif;
- 0 km in the Cărnicelel massif;
- no mention for the Carpeni- Păru Carpeni sector (research in progress);
- no mention for the Coş sector (research in progress);
- 127 m in the Hăbad sector;
- 0 km in the Jig-Văidoaia sector;
- 1.5 km in the Țarina-Orlea sector (research in progress).

No quantification was presented for the Păru Carpeni and Coş mining sectors because both sectors are classified as protected areas and thus they will not be affected by the mining project. This is the same for the Piatra Corbului sector located in the Cărnic massif where the ancient mining works made by both the fire setting technique and with the hammer and chisel found in this sector will be preserved *in situ*.

*

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

The question of the attendant to the public consultations identifies and specifies no problems in regard of

the project initiated by RMGC subject to the environmental impact assessment procedure, but requests information on Piatra Albă resettlement site, whose development is ongoing, and which is outside the requirements relating to the EIA document.

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

The planning for Piatra Albă sets aside 60 hectares for agricultural development, outside of the 58 hectares in the PUZ area. In addition, each property intended for housing includes a small agricultural plot, in keeping with local tradition, right behind the house plot. Every party interested in living in Piatra Albă is asked to register their desire for agricultural land as well. The 60 hectares (even more, if needed) are part of an agreement with the local administration of Roşia Montană, in order to meet this type of demand.

*

Areas that do not contain extractive or other wastes from the mining project (or from previous mining activities in the area) and, therefore, are clear of all heavy metals and other hazardous substances, may be used for agricultural purposes. The organic farming is not possible in these areas even now due to the past mining activities and the landscape configuration. As a part of the Soil baseline study the experts (ICPA – the research institute for soil) team has been evaluated the suitability of the land for different crops (please see the Chapter 4, Section 4.4, Soil, subsection Soils (Land) Suitability for Various Crops) and the conclusions of the assessment are that the suitability for pasture is good for hay meadows is above the average but for crops like potatoes the suitability is very low. After the closure of RMGC's mine, some of the 584 hectares (that compose the areas between the mine pits and processing facilities as well as the buffer zone) of the former industrial PUZ will be environmentally suitable for agricultural uses.

According to our Mine Closure and Rehabilitation Plan (Plan J in the EIA), agriculture is not the preferred land use for the reclaimed tailings management facility (TMF) or other waste facilities (e.g., waste rock heaps). Rather, technical experts and, in some cases, regulatory authorities recommend alternative uses (such as a golf course, hiking trails, or other recreational areas). Agricultural activity on the tailings pond cover may disturb the engineered cover layers and compromise their functionality, and farming on waste repositories may be outlawed in Romanian legislation.

For the specific areas that will be available for agricultural uses, please see Chapter 4.4. (Impacts on Soil) in our EIA.

Regarding the questioner's concern about local's legal access to rehabilitated land, a new PUZ will be issued after mine closure in accordance with Urbanism Law #350 and the Mine Closure Manual. The new PUZ will establish the future uses of the land. All relevant stakeholders (i.e. local authorities, local communities, business communities, and NGOs) will participate in the decision.

*

All observed species within the project area and in its close vicinity have been listed in tables where relative abundance has been mentioned (plants – annex 1, chapter 4.6 Environmental Impact Assessment, vertebrates – tab. 3-9 to 3-12, p. 64-70, Baseline Conditions Study, benthonic invertebrates, table. 3-6, p. 62-63, Baseline Conditions Study). However, many of these species are relatively common, having a large distribution area at national level, many of which having large, stable populations (plant species having a presence frequency from low to high represent 86.5% from the species identified within the project's site).

The Ministerial Order no. 863 from 2002, regarding the endorsement of the guidelines applicable to the framework stages for assessing the environmental impact only requires "*habitats of animal species included in the Red Book; bird species; alteration of bird species and populations; alteration/destruction of migration routes*" and doesn't specifically request the development of population estimates, they have been developed anyhow for several interest species (birds – p. 65-66), species that have certain hunting interest (p. 70-72). Estimates of the relative abundance of all vertebrate (p.64), and invertebrate species are included in the impact assessment studies, but the estimate of the number of individuals within populations doesn't represent a current practice; this kind of estimates are in the scope of work only of detailed scientific

studies, which have been on developed at the level of restricted study areas, for which approximate working methodologies have been established.

The approach of studying the source populations continues to be a very sensitive issue, having relevance only for macro-levels (extensive regional territories, national territories, continents, etc.).

The assessment of “sor” populations is an analysis that has been used exclusively in sociological and medical studies (human medicine), etc, entailing detailed investigations, mainly aimed at the establishment of genetic diversity. This kind of approaches involve comparison terms at a detail level that couldn't have been reached yet (at least for Romania) for the study of wild species.

Biodiversity Baseline Report (volume 13, chapter 4.6), as an instrument of technical-administrative assessment, needed to include some of the issues regarding the compliance with certain specific legal requirements in force.

Due to the utility of the analyzed document as a technical-administrative instrument that will subsequently facilitate and serve decision making process, at any given moment the issue of preparing an exhaustive study that will deplete to the smallest detail all biodiversity issue was never discussed. We intended to present only information having major relevance and high accessibility degree, in order to present the current local natural surroundings, in general and the condition of the biodiversity status, in particular.

*

The statistics come from the 2002 Planning Alliance Socio - Economic Survey carried out by rePlan Inc Canada [1]. An additional baseline survey will take place once project approvals have been received. These will update data to capture more accurately the current situation.

The demographic assessment showed that the most numerous age groups for women is 60-69; and for men 20-29, of which most were married.

Reference:

[1] Roșia Montană Gold Mining Project – Gold and Cold: Traits of the Communities in the Impacted Area, Planning Alliance, available on www.truestory.ro

*

Such a percentage is not mentioned in the Environmental Impact Assessment Study Report (EIA), because it wasn't required by the Terms of Reference (TOR) issued by the Romanian Ministry of Environment and Water Management (MMGA) or by the Order no. 863/2002, Annex 2- Methodological Guide of the screening stage and of completion of the report to the assessment study – Part II (the structure of the report to the environmental impact assessment study).

In the Community Sustainable Development Plan there is a general analysis of the local population's perceptions and expectations.

*

Thus far the company has acquired more than 56% of the properties required to construct and operate the mine for its first five years. As this percentage changes over time, it is addressed in the company's quarterly reports, available online, rather than in the EIA document. Order no. 863/2002 - Annex II - Methodological Guide of the screening stage and of completion of the report to the assessment study - Part II (the structure of the report to the environmental impact assessment study) which sets out the content and structure of the EIA Report does not provide for such an information to be included in the EIA Report.

Mention should be made that RMGC does not need to buy 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 granted land, on the expense of the titleholder benefiting from the land released, as per the convention between the parties; (iii) renting of the land for a fixed-term period, based on agreements between the parties; (iv) land concession, etc.

In terms of land surface, the company has acquired more than 60% of the land required for the same purpose.

*

The Terms of Reference for the EIA and the relevant legal provisions governing the drafting of the EIA did not require the inclusion of this statistic. We are confident, however, that approval of this important project will encourage further interest in the mining sector in Romania, leading to an expansion of jobs in that sector.

Training programs are underway to assist people from the local communities around Roșia Montană Project 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 Roșia Montană Project, 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.

Item no.	299
No. to identify the observations received from the public	Turda, 09.08.2006
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.	300
No. to identify the observations received from the public	Turda, 09.08.2006
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.

300A

No. to identify the observations received from the public

Turda,
09.08.2006

Proposal

The questioner makes the following comments:

1. How can anyone say that agriculture cannot be performed in Roşia Montană because of the poor soils and then go back and talk about the "Land-based livelihoods - creation of an extension services program to strengthen organic-based animal husbandry, vegetable, fruit and hay growing; sustainable fuel, wood and other land-based livelihood strategies", (The questioner quotes from chapter 8: page 102 in the Romanian version of the EIA/page 100 in the English version, the Community Sustainable Development Management Plan)

2. How will the mining project improve the situation of the soils and the subsoil in Roşia Montană ?

3. How many organic farms are there in Rio Narcea and where do those farmers sell their products?

4. With regard to the statement made on the website: www.povesteaadevarata.ro according to which the atmosphere during the public debate held on August 7, 2006 in Cluj-Napoca was calm without boos and whistles. All those who were there know that this is not true.

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 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 which 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.

Solution

But whether the people who make up the community choose to pursue these particular opportunities depends upon them. The RMGC has made a significant commitment to support sustainable development in the area, including the establishment and funding of a micro-credit lending institution, and funding of training programs. This could offer a substantial benefit to Roşia Montană, in several sectors, including tourism and agriculture. But which opportunities the people of the community take up depends entirely upon them.

*

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 which 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.

After mine closure, all surfaces impacted by Roşia Montană project as well as the areas that have remained un-rehabilitated from the RoşiaMin old operation follow to be rehabilitated and monitored, and in time, a part of them will be returned to agricultural circuit. According to expectation, the area intensively impacted by project will be utilized in tourism scope, especially the areas where the four open pits Cetate, Cârnic, Jig and Orlea will be placed [1].

Thus, the entire area will be environmentally rehabilitated and the negative effects caused by irresponsible mining activities both ancient and from the last decades will be mitigated.

The project will not modify the situation of the soils from the project perimeter. At the beginning of the placement works of the project objectives at Roşia Montană (the four open pits, tailings management facility, processing plant, rock quarries, roads and auxiliary constructions), the stripping of the fertile horizon and of the inferior layers is taken into account. Total stripped volumes will be about 1,361,398 m³ from fertile (superior) horizon and 4,272,894 m³ from inferior horizons [2]. This material will be dumped into five separate piles, for fertile material and for subsoil. At the mine closure, this material will be used for soil profile restoration [3].

During the restoration stage, a volume of material higher than that one resulted from stripping phase is not considered necessary, so that fertile soil brought from other place will not be in need.

The stripped soil stored some years ago in dumps specially arranged will be used, during the stage of progressive ecological rehabilitation beginning with year 5 of the operational phase, at the restoration of the soil cover from the areas where the soil and rock were moved away for industrial constructions or ore mining.

Thus, in the case of open pits, after their filling with rock up to the prescribed level depending on the available rock volume, the soil profile will be restored. Some inferior soil horizons with thickness of 20 – 30 cm and above a layer of fertile soil 10 – 15 cm thick will be performed. If the stored waste rock has ARD potential, above it a layer of compacted clay will be placed and then the inferior and superior soil horizons will be provided. The same fertile horizon will be constructed on the bermes which follow to be sown first with grass, and after 1 – 2 years, bushes or trees will be planted.

In the case of rock quarries, bermes will be covered with a layer 20 cm thick of material originated from inferior horizons and then with a layer 10 cm thick originated from the superior vegetable soil.

In order to ecologically rehabilitate the tailings management facility, over the tailings a layer of compacted clay with a thickness of 30 cm will be placed. Above this clay layer, the inferior mineral horizons 80 cm thick will be constructed and at the upper part vegetable soil 10 cm thick will be added. The soil will be re-vegetated with grass species from local spontaneous flora and/or with bushes with a superficial radicular system (in order to not penetrate the layer of compacted clay). The processing plant site, after decommissioning, will be leveled and covered with a layer 20 – 30 cm thick of material originated from inferior soil horizons. Above, a layer 10 – 15 cm thick of vegetable soil will be placed and sowed with several species of grass and bushes.

Low grade ore dumps will be covered with about 20 cm of material originated from inferior horizons and 10 cm of vegetable soil which follows to be sowed with grass.

For decommissioned roads, a scarifying at a depth of 50 – 60 cm is recommended. After that, a layer 20 cm thick of inferior horizon is added and at the end 10 cm of vegetable soil [4].

As can be seen, RMGC obliges itself to rehabilitate the area with soil of same class of quality on a surface at least equivalent to that one before the beginning the works. An exact situation of the perimeters which follow to be returned into the agricultural circuit will be established later on.

Reference:

[1] Chapter 4.4, sub-chapter 5, "Impact prognosis on soil", p.38, Vol. 13 EIA.

[2] Table 4.4 – 15 “*Volumes of stripped soil depending on industrial objective nature*” p.42, EIM Report, Chapter 4, Section 4.4 Soil.

[3] Sub-chapter 7.1 “*Soil restoration plan*”, p.47, Vol.13 EIA.

[4] Chapter 4.4, sub-chapter 6 “*Measures for impact diminution*”, p.47, Vol. 13 EIA.

*

We do not have an exact number for the organic farms in El Valle, the locality of the Rio Narcea mine, or where those farmers may sell their products. However, we know that the topography is similar to that of Roşia Montană and, as with Roşia Montană, it is not favourable for extensive agricultural use.

*

We have posted on www.povesteaadevarata.ro a press release issued after the public consultation organized in Cluj, where it is stated that: “The atmosphere was calm, there were no cries and booing, like it happened during the public consultation in Roşia Montană, which was the first of the 14 meetings planned by the company.” This statement stands, as atmosphere was calm, in comparison to what happened in Roşia Montană.

Item no.

301

No. to identify the observations received from the public

Turda,
09.08.2006

Proposal

1. The questioner quotes from page 63 of the " Soil Baseline Report": "Losses of any nature, related to soil, which will occur as a result of the construction and development of the industrial sites and gold ore mining and processing activities will be encountered in other forms, even if some of them in historic or geological times in the external circuit of the matter". Thus the final conclusion of the Soil Baseline Report contradicts all the statements related to the direct impact on the soils. The statement related to the rehabilitation of the soil in historic or geological times clearly states that the environment in Roşia Montană cannot be rehabilitated. The questioner considers that RMGC offends the population by stating that a historic time is necessary for the matter to recover. In other words, it will take 20 million years for the nature to restore all the deteriorations made by RMGC in 20 years?

2. The questioner asks RMGC to name a market willing to commercialize products coming from a soil with heavy metals and tailings contents as the company's specialists proposed agriculture as a solution for inhabitants to make their living after the mine closure.

Here, the study intended to stipulate using one of the thermodynamics laws that in nature nothing is lost but everything is transformed, and the soil losses due to the works from Roşia Montană will be encountered within the external general circuit of the matter as it happened during the historic or geological circuit.

Probably, the concise explanation of the phenomenon mentioned above led to the reader's confusion [1]. There is no contradiction between the statements related to the direct impact on soil and those related to the general circuit of the matter. It is normal that the soil restoration at Roşia Montană will not provide, here and nowhere in the world, the same initial parameters, but the same class of equivalence. It is important that through the environment rehabilitation and soil restoration, favorable conditions for the biodiversity re-occurrence to be assured.

Roşia Montană project will allow in time an ecological rehabilitation of the areas affected by the ancient mining or by mining activities during the last decades. Thus, beginning with year 5 of activity, the perimeters forbidden for mining operations will be rehabilitated so that the entire area will be completely ecologically improved in year 25 of the project.

Solution

The statement according to which the destructions caused by RMGC in 20 years will be remedied by nature in 20 million of years is thus senseless.

References:

[1] point 15, p.63 in the *Baseline Study regarding Soil Impact Assessment*

*

Part of the proposal submitted in the EIA includes an aggressive plan for environmental rehabilitation as part of closure of the mine. This will ensure that the impact of the Roşia Montana Project on the environment, including the soil, is minimized and also assist in sharply reducing pollution in the Project area that exists now because of past poor mining practices leaving Roşia Montana cleaner than we found it.

The questioner referenced tailings. At the Roşia Montana Project, the Tailings Management Facility will be constructed to the highest international standards. It will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. Sophisticated equipment will be used for geotechnical and water level monitoring. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 parts per million or

ppm or mg/l), which is below the regulatory limit of 10 ppm recently adopted by the EU in the Mining Waste Directive.

Item no.

302

No. to identify
the
observations
received from
the public

Turda,
09.08.2006

Proposal

The questioner makes comments on the attitude of the Greenpeace representatives inviting them to come to Abrud and Roşia Montană and show people how perform productive agricultural activities without using chemical substances. Have them prove that they obtain wheat and that the ton of corn is same as anywhere else.

Solution

Perhaps the best way to address the questioner's point is to note that given the baseline environmental conditions in the area, particularly the advanced pollution resulting from past poor mining practices, organic agriculture is not a viable option for the Roşia Montană area. It is also worth noting that production of organic products generally requires significant investments. For example, vegetables produced in a greenhouse, on a soil-free under layer, with an addition of organic compost, can be relatively easy to produce but nevertheless still require significant investments. Only those areas where there is no pollution or no chemical residues in the soil from pesticides used in the past are suitable for this type of "ecological" agriculture. Therefore, the area around Roşia Montană Is not a good area for this type of agriculture. This has nothing to do with the proposed mine but rather results from the extent of pollution resulting from past poor mining practices. Because the Roşia Montană Project promises environmental rehabilitation, the chances for production of ecological agriculture products in this area can only improve in the future.

Item no.	303
No. to identify the observations received from the public	Turda, 09.08.2006
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.	304
No. to identify the observations received from the public	Turda, 09.08.2006
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.	305
No. to identify the observations received from the public	Turda, 09.08.2006
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.	306
No. to identify the observations received from the public	Turda, 09.08.2006
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.

307

No. to identify the observations received from the public

Turda,
09.08.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.	308
No. to identify the observations received from the public	Turda, 09.08.2006
Proposal	<p>The questioner addresses the audience on behalf on the Institute of Archaeology of the Romanian Academy and states that the Romanian Academy has never been against the archaeological investigations carried out in the Roşia Montană area, this institution will act as a watchdog for the protection of the archaeological monuments.</p>
Solution	<p>RMGC appreciates the position of the representatives of the Romanian Academy and invites them to continue monitoring with professionalism the implementation of the Roşia Montană mining project, as they did so far. In addition, we provide you with a series of data on the cultural heritage from Roşia Montană and on the research program of this cultural heritage conducted since 2000 to the present day.</p> <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. At present, after the comprehensive archaeological research conducted in the last 7 years, the nature, features and spatial distribution of the heritage values from the Roşia Montană area (archaeological sites, historic buildings, but also churches and cemeteries) are now better understood. These heritage research and studies conducted in the period 2000-2006 has allowed the creation of a comprehensive picture of these national cultural heritage assets and of the areas with a spiritual significance and have led to the adoption of specific measures for their protection.</p> <p>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 (see the EIA Report, volume 32-<i>Cultural Heritage Management Plan for the Archaeological Heritage from Roşia Montană Area</i>, pages 84-85). These are some of the plans for the coming years: the continuation of the archaeological research in the Orlea area, but especially 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 Tău 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.</p> <p>Thus, in accordance with the requirements of the Ministry of Environment and Waters Management and of the Ministry of Culture and Religious Affairs, specific management plans have been prepared for the management and conservation on the heritage values from the Roşia Montană area, should the mining project be implemented. These plans have been included in the documentation of the Report on the Environmental Impact Assessment Study. (see the EIA Report, volume 32-33 – <i>Cultural Heritage Management Plan</i>, part I - <i>Management Plan for the Archaeological Heritage from Roşia Montană Area</i>; part II - <i>Management Plan for Historical Monuments and Protected Zone from Roşia Montană</i>; part III – <i>Cultural Heritage Management Plan</i>).</p> <p>In response to your opinions, note that:</p> <ul style="list-style-type: none"> - the Roman galleries from the massifs located in the southern part of the Roşia valley have been thoroughly researched and specific preservation measures have been proposed for the Cătălina Monuleşti and Piatra Corbului areas; - the Roman galleries from the massifs located in the northern part of the Roşia valley have been subject to preliminary investigations and specific preservation measures have been taken for the outstanding finds such as those from the Păru Carpeni mining sector; the Orlea-Ţarina area is going to be thoroughly researched in the period 2007-2012;

- 13 archaeological sites have been identified and researched during the preventive archaeological investigations undertaken in the period 2001-2006; once these comprehensive researches 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 Tău Găuri; the Roman remains from the Carpeni hill);
- the development of the mining project is not going to affect the 41 historic buildings from Roșia Montană. Measures will be taken for the restoration and conservation of these structures, restoration projects are currently being prepared for 11 of these structures.

Note that none of the houses classified as historical monuments located within the project perimeter will be negatively affected by the RMP. Moreover, all the 41 historic buildings will be included in a comprehensive program of restoration and rehabilitation (see EIA, volume 33- Plan M: *Cultural Heritage Management Plan*, part II – *Management Plan for Historical Monuments and Protected Zone from Roșia Montană*, pages 76-94). This program is necessary- irrespectively of the implementation of the mining project- in order to prevent these houses from collapsing because of their advanced deterioration.

The archaeological research implied the survey of all the areas accessible and at the same time suitable for human habitation. Biographical data and observations made during the archaeological surveys, magnetometer and electrical resistivity studies, and data provided by photogrammetric flights were also taken into account. The development in surface of the archaeological research was conducted where required by the archaeological realities. In these cases or in cases where the historical monuments were located too close to the industrial facilities, the latter have been re-designed so that no archaeological structure or historical monument is affected by the mining project without being previously investigated and necessary management measures being taken. Practically, where necessary, the archaeological structure was preserved and restored *in situ*. This was the case for the double circular funerary monument from *Hop-Găuri* (published in its entirety in the monographic volume *Alburnus Maior* II, Bucharest, 2004). Or the area was classified as an archaeological reserve such as the Carpeni hill (code LMI 2004, AB-I-m-A-00065.03), the Pietra Corbului protected area or the historical area, which comprises architectural values (35 houses classified as historical monuments). On the other hand, the other archaeological finds have been thoroughly investigated. Once the thorough research is completed the archaeologists prepare a comprehensive standard documentation on the researched area. After consideration of this documentation, the National Commission of Archaeology recommended the granting of the archaeological discharge certificate. In the case of the research conducted in the period 2001-2006, the archaeological discharge certificate was issued directly by the Ministry of Culture and Religious Affairs. At present, this certificate is granted by the Directorate for Culture, Religious Affairs and National Cultural Heritage of Alba County.

For further details on the main archaeological remains and the historical monuments as well as for a series of remarks on their protection and the specific measures stipulated in the management plans, please see the Annex called “Information on the Cultural Heritage of Roșia Montană and Related Management Aspects”.

Item no.

309

No. to identify the observations received from the public

Turda,
09.08.2006

Proposal

The questioner makes the following comments:

The questioner does not know whether the project proposed by the titleholder is a viable one, but knows that young people need jobs in order not to leave the area and the country anymore.

Based on the feasibility study [1], and the current economic climate, the project is economically viable.

As for employment opportunities, 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 [2].

Training programs will be made available to anyone interested in working for the company and employment will be prioritized at the local level. For further information contact the 8 Human Resources offices in Roşia Montană, Abrud, Câmpeni, Bucium, Zlatna, Baia de Arieş, Brad, Vadu Moţilor.

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.

References:

[1] Updated Roşia Montană Feasibility Study, executive summary on www.gabrielresources.com

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

Item no.	310
No. to identify the observations received from the public	Turda, 09.08.2006
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.	311
No. to identify the observations received from the public	Turda, 09.08.2006
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.	312
No. to identify the observations received from the public	Turda, 09.08.2006
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.

313

No. to identify the observations received from the public

Turda,
09.08.2006

Proposal

The questioner makes the following comments and observations and asks the following questions:

1. There are tens of other rare minerals in Roşia Montană, apart from gold and silver, but no one pays them any attention. Roşia Montană has a great heritage, but the gold has been a source of pains for its inhabitants since the Antiquity.

2. The project has many positive aspects but also negative aspects, and several aspects should be added to it:

- the number of jobs is too limited as compared to the huge sacrifice of the environment.
- there are disproportions between the benefits that the Romanian Government is to obtain during the 10-15 years of mine operations and the damages that will occur.
- contrary to the stipulations of the Governmental Ordinance no. 351/2005, the TMF is unlined and cyanide can seep into the ground waters thus affecting both plant and animals. The TMF is located upstream from the town of Abrud, and it would generate a real catastrophe in case an accident occurs.

Gold and silver are the only metals that can be profitably mined in the area; however, RMGC's mine will bring environmental improvement and economic opportunities. The town, history and culture of Roşia Montană has been founded on the mining of gold.

RMGC commissioned a series of analytical testwork studies that tested the concentration levels of 47 elements in deposits from Roşia Montană. Excepting gold and silver, the elements' concentration is lower, in most cases, than 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. 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.

Solution

Given the current environmental and economic problems in Roşia Montană, the questioner's concern about gold mining bringing "great trouble" to the area is understandable. However, unlike previous mine operators – both ancient and more recent – RMGC is committed to improving the area's environment. The operation of a modern mine – in particular, of the water treatment facility – will remediate historic pollution. At the end of our mine's life, we will rehabilitate the land to the greatest extent possible (see RMGC's *Mine Closure and Rehabilitation Management Plan* in the EIA). Furthermore, the new mine will create 600 direct and 6,000 indirect jobs as well as bring US \$2.5 billion in investment into the country – these opportunities will help alleviate the economic hardships that have long plagued the region.

*

We agree that the project has many positive aspects but also some negative impacts.

One of the most beneficial impacts is that 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 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.

If the appropriate skills are not available in the existing workforce, training programs will be made

available to increase the skill base. Employment will be prioritized at the local level with people from the impacted area being given the first priority for work on the project. Should positions still not be filled from labor available at the local level recruitment will take place at the regional level.

But the project will also result in the creation of approximately 6000 indirect employment opportunities.

Beyond these direct benefits, against the current reality of chronic high unemployment in the village, the opportunities generated by such a large scale investment are substantial.

It is hoped that the RMP will act as a catalyst for local and regional economic development. We believe that bringing new economic opportunities to a community with 70% unemployment and improving residents' health will have a major positive social impact. We also believe that it is important to note that our project will economically benefit Romania as a whole. In addition to the royalty the Romanian government will receive from the project, Roșia Montană Gold Corporation (RMGC) will infuse \$ 2.5 billion USD into Romanian economy over the life of the mine.

There are environmental benefits as well. Given the current state of pollution from prior mining in the impacted area, the project will bring environmental improvements.

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

*

The benefits that the Romanian Government is obtaining during the life of the mine operation – which is not 10-15 years but 20 years – are considerable: US\$ 1billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional and national government [1].In addition, RMGC will spend US\$ 1.5 billion procuring goods and services [2].

The presence of the Roșia Montană Project 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 Roșia Montană Project, even as they extend well beyond economic activities related directly to mining operations. This diversification of economic development is a critical benefit of the investments generated to realize the Roșia Montană Project.

Given that RMGC is committed to conducting its business following the strictest EU and international environmental standards, the possibility of a negative impact is practically inexistent. RMGC is committed, even in the early stages of design and development to comply with the Romanian legislation, the EU directives and the International Guides and Recommendations, while BAT (Best Available Techniques) and BMP (Best Management Practice) were used to design the Roșia Montană Project.

References:

[1] INTERRES 2006.

[2] INTERRES: Investment: Creating Jobs & Opportunities. Case study: The Roșia Montană Project. Bucharest, România, October 2006. Available upon request through RMGC, 2006.

*

An engineered liner is included in the design of the Tailings Management Facility (TMF) basin. 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.

With respect to your comments made as regards a presumptive infringement of the provisions of Government Decision No.351/2005 ("GD 351/2005"), there are several aspects to be taken into consideration. Thus:

1. Firstly, please note that, according to the provisions of art. 6 of GD 351/2005, any activity that might determine the discharge of dangerous substances into the environment is subject to the prior approval of the water management authorities and shall comply with the provisions of the water permit issued in accordance with the relevant legislation. The GD 351/2005 provides that the water permit shall be issued only after all technical-construction measures are implemented as prevent the indirect discharge of dangerous substances into the underground waters. The maximum discharge limits are expressly provided under GD 351/2005 and compliance with such is a condition for granting and maintaining the water permit. In accordance with the provisions of GD 351/2005, the actual discharge limits should be authorized by the relevant authority, such process being understood by the lawmaker in consideration of the complexity and variety of industrial activities, as well as the latest technological achievements.

Therefore, please note that the EIA stage is not intended to be finalized into an overall comprehensive permit, but it represents only a part of a more complex permitting process. Please note that, according with art. 3 of GD 918/2002, the data's level of detail provided in the EIA is the one available in the feasibility stage of the project, obviously making impossible for both the titleholder and authority to exhaust all required technical data and permits granted.

The adequate protection of the ground water shall be ensured by the terms and conditions of the water permit. The issuance of the water permit shall be performed following an individual assessment of the project, considering its particular aspects and the relevant legal requirements applicable for mining activities. Until the water permit is obtained, any allegation regarding the

infringement of GD 351/2005 is obviously premature mainly because the water permit shall regulate, in accordance with the relevant legal provisions, the conditions to be observed by the developer as regards the protection of the ground water.

2. Secondly, kindly note that the complexity and specificity of mining projects generated the need of a particular legal framework. Therefore, for such projects, the reading of the legal provisions of a certain enactment should be corroborated with the relevant provisions of the other regulations applicable.

In this respect, please note that the understanding of GD 351/2005 must be corroborated with the provisions of the entire relevant legislation enforceable as regards Roşia Montană Project, with a particular accent to Directive 2006/21/EC on the management of waste from the extractive industries ("Directive 21").

The very scope of Directive 21 is to provide a specific legal framework for the extractive wastes and waste facilities related to mining projects, considering the complexity of such projects and the particular aspects of mining activities that can not always be subject to the common regulations on waste management and landfill. From this perspective, Directive 21 provides that, an operator of a waste facility, as such is defined thereunder (please note that the TMF proposed by RMGC is considered a "waste facility" under Directive 21), must inter alia, ensure that:

- a) *"the waste facility is [...] designed so as to meet the necessary conditions for, in the short and long-term perspectives, preventing pollution of the soil, air, groundwater or surface water, taking into account especially Directives 76/464/EEC (1), 80/68/EEC (2) and 2000/60/EC, and ensuring efficient collection of contaminated water and leachate as and when required under the permit, and reducing erosion caused by water or wind as far as it is technically possible and economically viable;"*
- b) *"the waste facility is suitably constructed, managed and maintained to ensure its physical stability and to prevent pollution or contamination of soil, air, surface water or groundwater in the short and long-term perspectives as well as to minimize as far as possible damage to landscape;"*

In addition, it should be mentioned that RMGC was required by MWEM under the Terms of Reference, to perform the EIA considering the provisions of Directive 21 and the BAT Management of Mining Waste. The Directive 21 was intended by the EU DG of Environment to be the legislative regime applicable to sound management of mining waste throughout Europe and therefore compliance with its provisions is mandatory.

Cyanide in Waters

Cyanide is used in hundreds of gold mines and many industries around the world. At Roşia Montană, the TMF will be constructed to the highest international standards. It will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. Sophisticated equipment will be used for geotechnical and water level monitoring. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7ppm) which is below the regulatory limit of 10ppm 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. This system of use and disposal of cyanide in gold mining is classed as Best Available Techniques by the EU.

Proximity to Abrud

The TMF is located approximately 2 km above the town of Abrud and therefore the design criteria for the dam have been established to address consequence of a dam failure. 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. The construction schedule for embankment and basin staging will be completed to ensure that PMP storage requirements are available throughout the project life. The Roşia Montană TMF is therefore designed to hold a total flood volume over four times greater than the Romanian government guidelines. 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 an unlikely event and, thus, avoid overtopping which could cause a dam breach. The TMF design therefore very significantly exceeds required standards for safety. This has been done to ensure that the risks involved in using Corna valley for tailings storage are well below what is considered safe in every day life.

Additional study was done regarding earthquakes, and, as indicated in the EIA the TMF is engineered to withstand the Maximum Credible Earthquake (MCE). The MCE is the largest earthquake that could be considered to occur at the site based on the historical record.

In addition, Section 7 of the EIA report includes an assessment of the risks cases that have been analyzed and include various dam break scenarios. Specifically, the dam break scenarios were analyzed for a failure of the starter dam and for the final dam configuration. The dam break modelling results indicate the extent of tailings run out. Based on the two cases analyzed, the tailings will not extend beyond the confluence of the Corna valley stream and the Abrud River.

However, the project recognizes that in the highly unlikely case of a dam failure that a Emergency Preparation and Spill Contingency Management Plan must be implemented. This plan was submitted with the EIA as Plan I, Volume 28.

Item no.

314

No. to identify
the
observations
received from
the public

Turda,
09.08.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.

315

No. to identify the observations received from the public

Turda,
09.08.2006

Proposal

The questioner makes the following comments and asks several questions:

1. The questioner mentions that in Cluj it is rumored that every inhabitant of Roşia Montană who took part to the debates received 500.000 ROL (Romanian lei, former national currency prior to the denomination process) and every person who took the floor received 8 million ROL. The questioner wants to know why RMGC does not accept a national referendum. Have they received such a proposal or not?
2. Why do Hungary and the UDMR (Hungarian Political Party in Romania) oppose the project? Does Soros have anything to do with this?
3. Which of the Romanian presidents: Emil Constantinescu, Ion Iliescu or Traian Băsescu negotiated with RMGC and which of them is in favor of the Roşia Montană project?
4. Which of the following Prime-Ministers or Ministers negotiated with RMGC and which of them is in favor of the Roşia Montană project: Victor Ciorbea, Radu Vasile, Mugur Isărescu, Adrian Năstase, Călin Constantin Anton Popescu Tăriceanu, Radu Berceanu, Alexandru Sasu or Dan Ion Popescu.
5. In what other countries or continents has RMGC mined gold and silver? What technology did it use and how was the private properties issue settled? What were the impacts on the environment? And do they plan to use these technologies in Roşia Montană as well?
6. Which member of the Romanian Government negotiated with the RMGC the Roşia Montană project?

Solution

We strongly and forcefully deny the allegation that RMGC paid people to take part in the public consultation process. That process was open to all who wished to participate, whether they favored the project or not. We did not seek to influence the outcome of the public consultation process other than by responding to questions publicly and giving our perspective on the benefits the project will bring to the region and to România.

As regarding your request for holding a national referendum, please consider the following aspects: (i) according to the relevant legal provisions, the public may submit grounded proposals regarding the environmental impact assessment; (ii) art. 44 (1) of the Order of the Ministry of Waters and Environment Protection no. (860/2002) regarding the environment impact assessment and the issuance of environmental agreements Procedures ("Order no. 860/2002") provides that "*during the public debate meeting the project titleholder [...], provides grounded answers to the justified proposals of the public, which were received under a written form, previously to the respective hearing*"; (iii) according to art. 44 (3) of the Order no. (860/2002) "*based on the results of the public debate, the relevant authority for the environmental protection evaluates the grounded proposals/comments of the public and requests the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions for the solving of the indicated issues*".

As your allegation (i) does not identify nor indicate issues related to the project initiated by RMGC and undergoing the 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.

*

Under the Espoo Convention, to which România is a signatory, large-scale projects with potential transboundary impact must allow for neighboring nations to raise comments and questions during the permitting process.

In the case of the Roşia Montană Project, only Hungary took part in the process and raised questions, which were answered in the EIA study. No other neighboring country has raised a question about the

Project. Further, RMGC, as part of its public consultation process, held two public consultation meetings in Hungary as well as 14 in Romania to permit the public to ask questions about the process.

We understand and respect the concerns that some Hungarians and Romanians of Hungarian descent have raised because of the tragic accident at Baia Mare in 2000. Baia Mare was a disaster that must not happen again. To avoid this type of accident, at Roşia Montană, the Tailings Management Facility will be constructed to the highest international standards. It will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. Sophisticated equipment will be used for geotechnical and water level monitoring. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 parts per million or ppm or mg/l), which is below the regulatory limit of 10 ppm recently adopted by the EU Mining Waste Directive (2006/21/EC).

*

The partnership between Gabriel Resources and Regia Autonomă a Cuprului Deva (currently, CNCAF Minvest SA) has been established based on Law no. (15/1990) on the reorganization of the state owned companies as autonomous directions and trade companies, published in the Official Gazette, Section I, no. (98/08.08.1990), as subsequently amended and supplemented. Art. (35) of this law provides the possibility of the regies autonomous to enter into partnerships with legal third parties, Romanian or foreign, for the purpose of setting up new trading companies.

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

We underline that the Articles of Associations of Roşia Montană Gold Corporation SA, representing the result of the parties agreement in regard of the terms and conditions under which the partnership between the Romanian state and investor takes place represents a public document, being included in the category of documents which, as per Law no.(26/1990) on the Trade Register, are published in the Romanian Official Gazette and for which the Trade Register is obliged to issue, on the expense of the persons submitting a request, certified copies.

As for the agreement concerning the setting up of the mixed company together with Gabriel Resources Ltd., this has been expressed by the Ministry of Industry and Trade, the conditions imposed by the setting up of the mixed company being the following: (i) ensuring of the jobs at the level existing upon the conclusion of the agreement concerning the setting up of the mixed company; (ii) the expenses incurred by the fulfillment of the exploration stage should be fully supported by Gabriel; (iii) the obtaining of the approval from the ANRM by the Copper Autonomous Direction Deva and (iv) the observance of all legal provisions in force concerning the setting up of the mixed companies with foreign partners. These conditions have been fully complied withy as at the setting up of the company and during the development of its activity.

We also specify that the establishing of the shareholders' quotas to the benefits and losses of Roşia Montană Gold Corporation SA has been made by considering their contribution quota to the company's share capital. The current percentage of 80% for Gabriel Resources Ltd. and of 19.31% for CNCAF Minvest SA resulted from the initial contribution and the subsequent contributions of the shareholders to the company's share capital, in consideration also of Gabriel Resources Ltd. advancing all expenses and costs related to the development-exploitation and permitting of the Roşia Montană Mining Project. The provisions of the Articles of Associations of Roşia Montană Gold Corporation SA on the necessary majority and quorum conditions for the decision-making process within the General Shareholders Meeting and the quotas to the benefits and losses of the company are taken from Law no. (31/1990), and no derogation exists in regard of this aspect.

*

The partnership between Gabriel Resources and Regia Autonomia a Cuprului Deva (currently, CNCAF Minvest SA) has been established based on Law no. (15/1990) on the reorganization of the state owned

companies as autonomous directions and trade companies, published in the Official Gazette, Section I, no.(98/08.08.1990), as subsequently amended and supplemented. Art. (35) of this law provides the possibility of the regies autonomus to enter into partnerships with legal third parties, Romanian or foreign, for the purpose of setting up new trading companies.

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

We underline that the Articles of Associations of Roşia Montană Gold Corporation SA, representing the result of the parties agreement in regard of the terms and conditions under which the partnership between the Romanian state and investor takes place represents a public document, being included in the category of documents which, as per Law no. (26/1990) on the Trade Register, are published in the Romanian Official Gazette and for which the Trade Register is obliged to issue, on the expense of the persons submitting a request, certified copies.

As for the agreement concerning the setting up of the mixed company together with Gabriel Resources Ltd., this has been expressed by the Ministry of Industry and Trade, the conditions imposed by the setting up of the mixed company being the following: (i) ensuring of the jobs at the level existing upon the conclusion of the agreement concerning the setting up of the mixed company; (ii) the expenses incurred by the fulfillment of the exploration stage should be fully supported by Gabriel; (iii) the obtaining of the approval from the ANRM by the Copper Autonomous Direction Deva and (iv) the observance of all legal provisions in force concerning the setting up of the mixed companies with foreign partners. These conditions have been fully complied withy as at the setting up of the company and during the development of its activity.

We also specify that the establishing of the shareholders' quotas to the benefits and losses of Roşia Montană Gold Corporation SA has been made by considering their contribution quota to the company's share capital. The current percentage of 80% for Gabriel Resources Ltd. and of 19.31% for CNCAF Minvest SA resulted from the initial contribution and the subsequent contributions of the shareholders to the company's share capital, in consideration also of Gabriel Resources Ltd. advancing all expenses and costs related to the development-exploitation and permitting of the Rosia Montană Mining Project. The provisions of the Articles of Associations of Roşia Montana Gold Corporation SA on the necessary majority and quorum conditions for the decision-making process within the General Shareholders Meeting and the quotas to the benefits and losses of the company are taken from Law no.(31/1990), and no derogation exists in regard of this aspect.

*

RMGC has never mined any gold-silver ore deposits. The company was established in order to develop the Roşia Montană deposit, but the company's management and experts who are developing Roşia Montană Project have worked in North and South America, Europe, Australia, Asia and Africa.

Moreover, the consultants involved in the design of Roşia Montană mine are international companies with an extensive experience in mining field. They have developed mining operations throughout the world.

The technology proposed at Roşia Montană is a widely used technology in over 400 similar mining operations from the entire world and at least in 6 similar mining operations from Europe: Spain, Sweden, Finland, Italy, Turkey and Bulgaria.

The issue of acquiring properties has been differently discussed considering specific applicable legislation of each state and has been developed in full compliance with relevant World Bank provisions.

The environmental impact, being a local impact, is extremely mitigated due to the fact that a progressive ecologic reconstruction will be implemented, as proposed for Roşia Montană case.

*

The partnership between Gabriel Resources and Regia Autonomă a Cuprului Deva (currently, CNCAF Minvest SA) has been established based on Law no. 15/1990 on the reorganization of the state owned companies as autonomous directions and trade companies, published in the Official Gazette, Section I, no. 98/08.08.1990, as subsequently amended and supplemented. Art. 35 of this law provides the possibility of the regies autonomous to enter into partnerships with legal third parties, Romanian or foreign, for the purpose of setting up new trading companies.

Roșia 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 Incorporation of Roșia Montană Gold Corporation SA, representing the result of the parties agreement in regard of the terms and conditions under which the partnership between the Romanian state and investor takes place represents a public document, being included in the category of documents which, as per Law no. 26/1990 on the Trade Register, are published in the Romanian Official Gazette and for which the Trade Register is obliged to issue, on the expense of the persons submitting a request, certified copies.

As for the agreement concerning the setting up of the mixed company together with Gabriel Resources Ltd., this has been expressed by the Ministry of Industry and Trade, the conditions imposed by the setting up of the mixed company being the following: (i) ensuring of the jobs at the level existing upon the conclusion of the agreement concerning the setting up of the mixed company; (ii) the expenses incurred by the fulfillment of the exploration stage should be fully supported by Gabriel; (iii) the obtaining of the approval from the ANRM by the Copper Autonomous Direction Deva and (iv) the observance of all legal provisions in force concerning the setting up of the mixed companies with foreign partners. These conditions have been fully complied withy as at the setting up of the company and during the development of its activity.

We also specify that the establishing of the shareholders' quotas to the benefits and losses of Roșia 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 Roșia Montană Mining Project. The provisions of the Articles of Associations of Roșia Montană Gold Corporation SA on the necessary majority and quorum conditions for the decision-making process within the General Shareholders Meeting and the quotas to the benefits and losses of the company are taken from Law no. 31/1990, and no derogation exists in regard of this aspect.

Item no.

316

No. to identify the observations received from the public

Turda,
09.08.2006

Proposal

The questioner makes the following observations and comments:

1. Why wasn't there any public consultation meeting on the mining of the deposit in Roşia Montană before the mining lease was granted to the company?
 2. Who and when, signed this mining lease on behalf of the Romanian Government and under what circumstances?
 3. The questioner considers that by selling the precious metals obtained from the ore mined with the drilling equipment from the deposit in Roşia Montană, the company Gold Corporation has recovered all the expenses made so far with the documentation process, including the additional costs. The latter refer also to the value of the geological, mine surveys and mining documentations taken by the company from the Roşia Montană mine operation
 4. The issue of the open-cast mining of the deposit in Roşia Montană was raised also during period comprised between the two World Wars, but back then the project was rejected in order to preserve the patrimonial values. Why should we destroy now the best values of this country?
 5. The aspect related to jobs is not enough developed, the project will not provide enough jobs for the people. They plan to hire 216 or 500 persons while there are more than 10 000 people living in the area, which accounts for less than 0.01% of the total population. All this for a period of 10 years, and then it will all be over.
- 4.(sic) The only solution for Roşia Montană is to turn this locality into a tourist area of national and international importance with all the developments required by such a destination. Thus both the Romanian Government and the inhabitants of the area would have much more benefits than from the capitalization of the whole reserve of precious metals planned to be mined from the ore deposit in Roşia Montană. This reserve should remain where it is, as a national wealth.

Solution

Mining licenses are obtained following the formalities and procedures expressly stipulated by the Mining Law and the rules for the enforcement thereof. Neither the former Mining Law no. 61/1998 and the Rules for the enforcement thereof, approved by Government Decision no. 639/1998, nor the Mining Law no. 85/2003 and the Rules for the enforcement thereof, approved by Government Decision no. 1208/2003 stipulate a public consultation stage as part of the process related to the issuance of a mining license.

Concerning the Roşia Montană Mining License no. 47/1999 ("Roşia Montană Mining License"), please note that this was concluded on the grounds of, and in accordance with, the procedures stipulated by the former Mining Law no. 61/1998 in force on the license conclusion date, which was approved by Government Decision no. 458/10.06.1999 published in the *Official Gazette of Romania*, Part 1, no. 285/21.06.1999.

In conclusion, the issuance of concession licenses is not included, according to the law, in the category of procedures requiring public participation in the decision-making process. Also, we want to emphasize that public participation occurs during the stage of environmental permitting for the mining project.

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

in environmental matters[2], and also of the provisions of Directive 85/337/EEC on Environmental Impact Assessment of the Effects of Certain Public and Private Projects on the Environment.

References:

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

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

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

*

Roşia Montană Gold Corporation SA company was established in 1997 according to the legal provisions in force at that time, its setting up being done with the observance of all conditions imposed by the Company Law no.31/1990 and the Trade Registry Law no.26/1990 on Commerce Register, in regards of the setting up of the joint stock companies with mixed capital.

We mention that the Articles of Associations of Roşia Montană Gold Corporation SA, which represents the result of the agreement regarding the terms and conditions of the partnership between the Romanian State and investor, is a document accessible for public. This document belongs to the category of documents which according to the Law no. 26/1990 on Commerce Register are published into the Official Gazette of Romania. The Commerce Register Office is obliged to issue certified copies on the expenses of the person who made the application.

At the same time, we mention that the participation share of the shareholders to the Roşia Montană Gold Corporation SA’s benefits and losses was settled according to their contribution to the company’s sharecapital. The current percentages of 80% for Gabriel Resources Ltd. and 19.31% for CNCAF Minvest S.A. are the result of the initial and subsequent contribution of the shareholders to the company’s capital. Gabriel Resources Ltd. paid in advance all costs and expenses afferent to the development – operation activities and permitting of the Rosia Montana Mining project.

The provisions of the Articles of Associations of the Roşia Montană Gold Corporation SA regarding the necessary majority and quorum conditions for decision-making within General Shareholders Meeting and the quotas to the company’s benefits and losses are taken from the Law no.31/1990, without exception in this regard.

*

RMGC has not capitalized on any of the gold or silver resources removed from Roşia Montană, and the company has not yet recovered any costs. The drilling samples taken from the Roşia Montană site have been used in scientific analysis aimed at determining the amount of gold and silver that could be mined and marketed in the future. The gold and silver contained in these samples has not been removed and, in any event, the market value of these minerals would fall far short of enabling RMGC to recover our US\$ 35 million investment in exploration programs.

The geological exploration is based upon drill-holes taken in the deposit area that allow the creation of a contour of the mineralized areas and give the most precise knowledge possible about the gold and silver content. For the diamond drilling the core diameter is 4.7 or 6.3 cm and a Reverse Circulation (RC) drill hole is about 11 cm in diameter and the maximum drilling depth is 300 m. Each drill hole sampled very metre, either by halving the core sample’s diameter, or by obtaining a 3 – 4 kg sample by splitting the material (through a Jones Riffle splitter) resulting from an RC drill hole. The material obtained after the

collection of these samples is being kept as follows: the core trays with the core sample halves are kept in storage as witness samples, and the material obtained after an RC drill-holes is being kept in plastic bags, in the so-called "bag farm". The collected samples are sent to the laboratory where they are grinded and then tested for gold and silver. The test itself requires cca 50 grams and the rest of the sample is kept as a witness sample. The results of all these tests are introduced in a database, which is used to generate calculations of the deposit's content. As previously stated, RMGC has not yet recovered any quantity of gold suitable for capitalization. However, mathematical calculations show that one drill-hole produces cca. 1,000 kg (one ton) of ore. The average content of the Roșia Montană deposit is 1.46 g/t and, therefore, by applying the recovery coefficient of 0.8, we can obtain cca. 1.2 g of gold per drill-hole. The company has made 1100 drill-holes during the performance of the geological research programs, and even if 1320 grams of gold had been recovered from all these drill-holes, capitalization of that gold would never have covered all the costs related to the research programs (including the geological documentation purchased from the National Agency for Mineral Resources.). RMGC has already invested more than 35 million US dollars.

*

Between the two World Wars, Roșia Montană experienced continued economic exploitation of the gold ore deposit, mining through the system of galleries. There is no document from that period attesting the mine holders' intention to mine in open pits.

Regarding the preservation of heritage assets, we totally agree with you. For this reasons, in compliance with its legal obligations stipulated by the European and Romanian relevant legislation RMGC supported financially the one of the largest programs of preventive archaeological researches conducted lately in the South-East of Europe. Thus, at present, after seven years of archaeological research, the protected areas comprising heritage assets as well as the areas where the mining project may be developed were outlined. In this way, the areas with significant heritage values are preserved and restored and may contribute to the sustainable development of the community.

Practically, where it was necessary, according to the specialists' opinion, the preservation and restoration *in situ* of the archeological objective were chosen, for example the Funerary double circular monument from Hop-Găuri (monographic volume *Alburnus Maior* II, Bucharest 2004) or the area has been declared an archeological reserve, for example the Carpeni hill (Code LMI 2004, AB-I-m-A-00065.030), the Pietra Corbului protected area, or the historical area with architectural assets (35 historical monument houses). On the other hand, in the case of other discoveries, complete archeological investigation was carried out. Once the thorough research is completed, the archaeologists prepare a comprehensive standard documentation regarding the researched area. After consideration of this documentation, the National Commission of Archaeology recommended the granting of the archaeological discharge certificate. In the case of the research conducted in the period 2001-2006, the archaeological discharge certificate was issued directly by the Ministry of Culture and Religious Affairs. At present, this certificate is granted by the Directorate for Culture, Religious Affairs and National Cultural Heritage of Alba County.

Taking into account the importance of the cultural heritage from Roșia Montană and current legislation, SC Roșia Montană Gold Corporation SA allocated for the period 2001-2006 a budget of over USD 10 million for heritage investigation. Moreover, taking into account the research results, the specialists' opinions and competent authorities' decisions, the budget estimated by the company for research, preservation and restoration of the Roșia Montană cultural heritage during project implementation, is USD 25 million, as was publicly announced within the Report on Environment Impact Study in May 2006 (see the Report on Environment Impact Study, vol. 32, Management Plan for Archaeological Heritage from Roșia Montană Area, p. 84-85). In this way, the intention is to continue work in Orlea area, and especially to create a **modern Mining Museum with geological, archeological, industrial and ethnographic heritage** displays, and the development of tourist access to the **Cătălina-Monulești** gallery and to the monument at **Tău Găuri**, as well as to **preserve and restore the 41 historic monument buildings and the protected area of Roșia Montană Historic Center**.

The management plans for cultural heritage from the Report on the Environment Impact Study define more accurately these aspects (see Report on the Environment Impact Study, Vol. 32, Management plan for archeological heritage from Roșia Montană area, p. 22-24, 49, 55-56, 71-72 and Report on the Environment Impact Study, Vol.33, Management plan for historical monuments and protected areas from

Roşia Montană area, p. 28-29, 47-50, 51-53, 65-66, p.103 – Annex 1).

For detailed information on the main archaeological remains, historical monuments, churches and cemeteries, as well as for a series of considerations regarding their protection and the specific measures stipulated by management plans, please consult the Annexed called “Information on the Cultural Heritage of Roşia Montană and Related Management Aspects”.

*

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 impacted area, therefore they’ll be Romanian.

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

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

Overall, by injecting US\$ 2.5 billion into Romania’s economy over its life, the project represents a significant economic stimulus for România.

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

*

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.

As the Roşia Montană Project (RMP) affects only 4 of Roşia Montană’s 16 sub-comuna, Roşia Montană could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de 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.

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

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

Further to this, it is understood that the government will be acting locally to encourage economic growth. (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

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

Tourism is in itself not a panacea for sustainable development and indeed if done inappropriately it can very negatively impact on the local social and environmental circumstance (for example sex tourism in Asia, beach front developments in România). Tourism is but one aspect of sustainable development along with other sector activities. The “picturesque Moților County” complements the mining-tourism potential. Significant investments are however necessary to enable an economically sustainable tourism industry of the required high standards to attract the large number of tourists necessary. These investments are unlikely given the current condition of Roșia Montană. The RMP offers the scale of economic activity capable to address the current condition and develop the appropriate tourism infrastructure in conjunction with entrepreneurs and other stakeholders.

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

Item no.

317

No. to identify the observations received from the public

Turda,
09.08.2006

Proposal

The questioner makes the following comments and observations:

1. What does "Let's Save Roşia Montană" mean – saving the landscape from death? The questioner asks the MEWM to make a responsible analysis of the Roşia Montană project and that the Minister of the Environment and the Prime-Minister go to Roşia Montană and explain why was that area left as it is and find other solutions.
2. A referendum on the Roşia Montană project must be organized to allow people living on both sides of the Aries River express their points of view.
3. As for what will be left once all the gold is mined and taken out of the country, the questioner considers that there will be a death lake in the area. Today, heavy rains occur all over the world; should such a rain occur in Roşia Montană it would take all the residual cyanide water from the TMF and carry it all the way to Hungary. And the cyanide water will seep not only into wells of the Turda plant, but also in the underground. No perfect insulation is possible in order to make cyanide disappear. The risk of seepage is high in case of an earthquake as well.
4. The questioner is indignant that the project was initiated before the company obtained all the necessary permits.

Solution

"Let's Save Roşia Montană" refers to the many economic, environmental, cultural, and social benefits that will result from approval of the Project. The project will employ 634 people directly and is expected to generate 6,000 jobs indirectly. The local council will receive tax payments of \$35 million over the life of the mine, and the total benefits to the Romanian state will be \$1,032 billion. Because of the environmental rehabilitation plan included in the EIA study as part of the mine closure plan, RMGC will clean up pollution resulting from past poor mining practices as well as ensure mitigation of environmental pollution in its own operations.

The Project also includes a plan for the preservation of the cultural heritage of the area. It is important to remember that the project affects only four of the 16 sub-comuna that comprise Roşia Montană. There is a buffer zone in the village itself, and the proposal includes the renovation and restoration of the historical center of Roşia Montană and the construction of two new relocation sites in the Piatra Albă area (situated at approximately 6 km away from the historical center). This site will be the new civic center of the commune, which will be the most modern in Romania. In addition to individual homes, new and modern quarters for the City Hall, cultural and community centers, a police station, a dispensary, a school, and other buildings will be built. This new and modern location will preserve the character and tradition of the mountain villages of the Apuseni Mountains but will benefit from all the advantages and facilities of 21st century construction. (Only the school will be built in a modern architectural style.) A new neighbourhood will also be built in Alba Iulia. All relocations will be conducted according to the Resettlement and Relocation Action Plan, which fully complies with World Bank standards for involuntary resettlement of individuals.

The EIA study was prepared by over 100 independent consultant, (certified) experts and specialists renowned at the national, European, and even international levels. We look forward to the Ministry's consideration of the study and believe they will make a full evaluation on the merits of the proposal.

*

As regarding your request, please consider the following aspects: (i) according to the relevant legal provisions, the public may submit grounded proposals regarding the environmental impact assessment; (ii) art. 44 (1) of the Order of the Minister of Waters and Environment Protection no. 860/2002 regarding the environment impact assessment and the issuance of environmental agreements Procedures ("Order no. 860/2002") provides that "during the public debate meeting the project titleholder [...], provides grounded

answers to the justified proposals of the public, which were received under a written form, previously to the respective hearing”; (iii) according to art. 44 (3) of the Order no. 860/2002 ” based on the results of the public debate, the relevant authority for the environmental protection evaluates the grounded proposals/comments of the public and requests the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions for the solving of the indicated issues”.

As your allegation (i) does not identify nor indicate issues related to the project initiated by RMGC and undergoing the 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.

*

The Roşia Montană Project will not leave behind a “death lake.” 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 remediated (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.

A general overview of the approach to environmental rehabilitation is given in Section 3 of the Mine Closure Plan. It focuses on Romanian and European Laws and Standards, but takes also international best practice from outside Europe into account, if applicable to Roşia Montană. For the technical details of the standards used see the individual sections of the Mine Closure Plan dealing with the different aspects of mine closure and rehabilitation (Section 4 with its subsections, in particular), and the Reference Section.

Regarding the questioner’s concern about RMGC taking all of the gold out of the country, it is important to note that, as with other commodities, gold is sold on the international market at the market price. Any entity – an individual, company, or government – can purchase the gold at the market rate. Additionally, the National Bank of Romania has a preemption right to purchase the gold mined at Roşia Montană.

Regarding the questioner’s concerns about rainfall and dam safety, the TMF is rigorously designed to incorporate all E.U., Romanian, and international criteria to reduce the risk of failure. These guidelines all for significant rainfall events and prevent dam failure due to overtopping.

Specifically, the facility has been designed for two Probably Maximum Precipitation (PMP) events and the associated Probable Maximum Flood (PMF). The design criterion for TMF includes storage for two 10,000 year-flood events within 24 hours, a rain level than has never been recorded in this area. Additionally, a spillway will be incorporated into each raise of the dam crest to provide for controlled outlet of water in the extremely unlikely event that the water rises to the dam crest. Designers considered the Maximum Credible Earthquake (MCE) alongside the PMP and PMF in their efforts to reduce failure risk.

Concerning the questioner’s specific concern about “cyanidised water,” 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 CNtot 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 CNtot limit, it will be treated to ensure that the cyanide remains confined to the TMF.

Moreover, even in the highly unlikely event than a dam break occurred, there would be no transboundary impact in Hungary. For more information about transboundary concerns, please see The University of Reading study in the reference materials included as an annex to this report. The study addresses catastrophic failure scenarios and determines that by the time water reached Hungary in the event of a

break the cyanide would be so diluted that levels would be in compliance with the strict E.U. standards for cyanide levels in water.

Regarding the questioner's concern about wells and groundwater, the TMF design includes a natural-engineered, low permeability liner that will be compliant with Romanian government directives and Best Available Techniques as defined by EU Directive 96/61.

Specifically, to protect the groundwater, RMGC will install an engineered soil liner system consisting of compacted clay to meet a permeability specification of 1×10^{-6} cm/sec, a low permeability core and a cut off wall within the foundation of the starter dam to control seepage, and a seepage collection dam and pond below the toe of the tailings dam to collect and contain any seepage that does extend beyond the dam centerline. In addition, a series of monitoring/extraction wells are planned below the toe of the secondary containment dam. These will be used to monitor groundwater quality and to extract seepage is detected.

*

The Roșia Montană mining project may not begin without the construction authorization and the permit issued by the National Agency for Mineral Resources.

Until present, only the preliminary activities related to the Roșia Montană mining operations have been carried out:

- geological research 1997 – 2006;
- baseline studies 1999 – 2006;
- archaeological discharge research 2000 – present;
- feasibility and general design studies 2001 – present;
- EIA report development 2003 – 2006.

The detail design will be prepared during the next stage. All preliminary activities have obtained the necessary permits and approvals, in accordance with the legal provisions in force, and all related duties have been paid.

Roșia Montană Project began in 1997, through the initiation of geological exploration programs, consisting in mapping, underground and surface probing, drilling works, chemical tests, geophysical measurements, land surveys, metallurgical tests, geotechnical drilling programs, etc. All these programs have been conducted based on annual permits issued by the National Agency for Mineral Resources for the work programs prepared by RMGC.

The works that required construction authorizations, such as drillings, have obtained the necessary approvals for each program, from Alba County Council, including: environmental permits, agreements for temporary change of land use, land owners' consent, permits issued by the Roșia Montană or Abrud Town Halls, network administrators' approvals, road administrators' approvals, permits issued by the Romanian Waters National Administration, etc. All of these permits and approvals are available for examination in RMGC's archive or at the headquarters of the issuing authorities.

Concerning the town planning documentation and the EIA Report, they have been subject to an extensive procedure of public consultations and debates, carried out throughout a period of several months, at 16 locations in România and in Hungary. During the public consultation process, the interested parties have had the possibility to express their standpoints and contribute to the improvement of the Roșia Montană Project.

The archaeological research programs have been approved by the Ministry of Culture and Religious Affairs, being prepared by a team whose members came from 11 museums from all over the country, coordinated by the Romanian National Museum of History.

Item no.	318
No. to identify the observations received from the public	Turda, 09.08.2006
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.	319
No. to identify the observations received from the public	Turda, 09.08.2006
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.

320

No. to identify the observations received from the public

Turda,
09.08.2006

Proposal

1. The questioner considers that the project will have negative impacts on the inhabitants of the Arieş valley including the inhabitants of Turda and further up to the Mureş River, but the inhabitants of Roşia Montană must decide by themselves if they accept this project or not.
2. There is no such thing as a locality without an economic life, one cannot make a livelihood out of goats breeding. As for the project, the questioner considers that there are stipulations binding the company to carry out all the works required for the protection of the environment during the mine operation and after its closure.
- 4.(sic) If the Romanian Government cancelled this project, for political reasons, how much should it pay the company as compensations according to the contract that has probably been signed between the two parties?
- 5.(sic) No one in the Apuseni Mountains wants to live in an environment filled with cyanide. No one wants the next generations to live in an environmentally degraded area, but they defend their right to have a job, they defend their right to life.
- 6.(sic) The questioner considers that the well-intentioned persons have no reason to be afraid of the implementation of this project.

As you know, the Arieş River is polluted from its confluence with the Abrud River and below the discharge of the Roşia Poieni project. In the Roşia Montană Project, RMGC has committed to treat and clean river discharge water within the project area in the Corna and Roşia Montană drainage basins which flow into the Abrud River. The commitment of the Company to capture and treat the water from these two large historic sources of pollution during the Project will significantly assist in the cleaning and rehabilitation of the water quality of the Arieş River. It will not add to the pollution there but in fact reduce it.

Thank you for participating in this process of public consultation.

*

Solution

Strictly speaking, the questioner is correct that all communities and human beings have “an economic life.” Subsistence farmers, who are forced to wash their vegetables in polluted streams, have an economic life. Merchants living in homes with inadequate facilities (i.e. running water, electric power, etc.) have an economic life. However, this is not the kind of economic life that RMGC (or any of the 14 local NGOs with whom we partner) envisions for the future of Roşia Montană. Our mine project will create 600 direct and 6000 indirect jobs in Romania – the vast majority of them in the region – and will assist in economically revitalizing an area that has been suffering economically for decades.

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

Our commitment to the environment is particularly evident in our Mine Closure and Rehabilitation Plan (Plan J in the EIA). The plan sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roşia Montană’s landscape. These measures are as follows:

- Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;
- Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;
- Covering and vegetating the tailings pond and its dam areas;
- Dismantling of disused production facilities and revegetation of the cleaned-up areas;
- Water treatment by semi-passive systems (with conventional treatment systems as backup) until

all effluents have reached the discharge standards and need no further treatment;

- Maintenance of the vegetation, erosion control, and monitoring of the entire site until it has been demonstrated by RMGC that all remediation targets have been sustainably reached.

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."

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

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

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

There are two separate and distinct EFGs under Romanian law.

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

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

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

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

The annual updates capture the following four variables:

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

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

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

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

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

*

Please note that the decision to issue or reject the issuance of the environmental permit is made by the Ministry of Environment and Water Management (“MEWM”), considering the compliance with certain legal requirements and conditions regarding the project submitted for analysis, and not as a result of a political decision. To this end, the legal provisions applicable are the following:

(i) art. 11 (3) of GD no. 918/2002 [1] on the environmental impact assessment framework procedure and for the approval of private or public projects list subject to this procedure (“GD no. 918/2002”) which provides that *“the competent authority for the environmental protection, together with the authorities represented in the technical analysis committee, analyze the quality of the report on the environmental impact assessment study, and decides on the approval or redrafting of the report, as well as on the issuance, respectively the justified rejection of the environmental permit”*;

(ii) art. 29 (5) of the Order of the Minister of Waters and Environmental Protection no. 860/2002 on the environmental impact assessment and issuance of environmental permit procedures (“Order no. 860/2002”) which provides that *“pursuant to the examination of the final report on the environmental impact assessment study, of the appendix comprising the solutions to the public proposals/comments and of the conclusions of the involved authorities regarding the approval of this project, the competent public authority for the environmental protection records the opinions of the representatives in the technical analyses committee regarding the execution of the analyzed project on the respective location and decides, by consulting the technical analyses committee, on the issuing or on the grounded rejection of the environmental permit/environmental integrated agreement”*;

(iii) the provisions of Appendix no. 3 of the Order of the Minister of Waters and Environmental Protection no. 863/2002 for approval of the methodological guidelines applicable to the stages of environmental impact assessment framework procedure (“Order no. 863/2002”), according to which the analysis of the report to the environmental impact assessment study is made based on a Control List. We underline that the Control List is drafted according to the requirements of the Directive 85/337/CE [2] on the assessment of the effects of certain private and public projects on the environment, published in the Official Journal of the European Community no. L 175/05.07.1985, as subsequently amended and supplemented (“Directive 85/337/CE”), amended by Directive 97/11/EC on the assessment of the effects of certain public and private projects on the environment, which is transposed into the internal legislation. This Control List is used in order (a) to evaluate the quality of the report on the evaluation study, in order to take the decision of issuing the environmental permit and (b) to identify the need to improve the environmental impact assessment process. By using the criteria specified in the Control List, the competent environmental authority establishes whether the report on the environmental impact assessment study is appropriate, i.e. if the problems underlined during the scoping stage have been fully dealt with and to the required extent degree.

Considering the aforesaid, we mention that a favorable decision for the issuance of the environmental permit for the project proposed by the titleholder demonstrates the fact that the EIA Report prepared and submitted by RMGC meets the mandatory legal conditions and requirements, as established by the relevant national legislation and provides for sufficient guarantees regarding the development of the mining activities.

Also, art. 45 of Order no. 860/2002 on the environmental impact assessment and issuance of environmental permit procedure stipulates that *“after 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*

implement the project and the titleholder's answers to the public's grounded proposals/comments, the competent authority for the environmental protection makes the decision regarding the issuance of the environmental permit/integrated environmental agreement or it rejects the project proposed for the respective location, presenting the reasons for such decision". Thus, the decision of issuing the environmental permit is made based on the EIA report and the answers of the titleholder to the public's comments/proposals, the political component having, as per the law, no role in the decision-making process. Moreover, once the environmental permit is issued, art. 51 of Order no. 860/2002 stipulate that such permit may be cancelled only in case the titleholder fails to observe its provisions.

Reference:

[1] - We mention the fact that the GD no. 918/2002 was repealed by GD no. 1213/2006 on the framework procedure for the environmental impact assessment for certain private and public projects, published in the Official Gazette, Part I, no. 802 dated 25.09.2006 ("GD no. 1213/2006"). Nevertheless, considering the provisions of art. 29 of GD no. 1213/2006, which provides that „the projects submitted to a competent authority for the environmental protection, with a view to obtaining the environmental permit and which are subject to the environmental impact assessment procedure, prior to the entering into force of this Decision, are subject to the environmental impact assessment and environmental permit issuing procedure in force at the moment of such submission”, we should specify that, as regards the RMGC project, the provisions of GD no. 918/2002 are still applicable.

*

We appreciate your support of the Project. Please be assured that we will operate the Project in full compliance with all Romanian and European law and in accordance with international best practices.

With respect to cyanide, cyanide is one of the few substances that can dissolve gold. It is used in hundreds of gold mines around the world and in many other industries. At Roşia Montană, the Tailings Management Facility (TMF) will be constructed to the highest international standards. It will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. Sophisticated equipment will be used for geotechnical and water level monitoring. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 parts per million or ppm or mg/l), which is below the regulatory limit of 10 ppm recently adopted by the EU Mining Waste Directive 2006/21/EC. Mine waste in the EU is currently permitted to have a 50 ppm concentration of cyanide, which the Directive reduces to 10 ppm for new mines. Roşia Montană's TMF will have a concentration of 5-7 ppm.

Roşia Montană Gold Corporation (RMGC) has signed and will comply with the International Cyanide Management Code (ICMC), which requires the use of best practices in the field of cyanides management. RMGC will obtain the cyanides from a manufacturer that also complies with this Code. The Environmental Impact Assessment (EIA) study report also evaluated alternatives to cyanide from the economic, process applicability, and environmental perspectives. The study concluded that the use of cyanide as it will be used in the Rosia Montana Project (RMP) is a Best Available Technique (BAT) as defined by EU Directive 96/61/EC (IPPC).

The Project will bring BAT to România, many of which are designed to minimize the impact of mining operations on the environment. Technical experts, representing several international private sector banks and export credit agencies have concluded that it complies with the Equator Principles designed to promote responsible lending by financial institutions to projects which raise environmental and social concerns, 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.

As detailed in the EIA study, RMGC will also undertake a significant plan of environmental rehabilitation at the site not only to mitigate the environmental effects of the current Project but to clean up the effects of past poor mining practices as well, leaving the area cleaner than we found it.

*

RMGC agrees with the questioner's assertion that there is no need to fear the implementation of the Roşia Montană Project. In fact, we believe the residents of Roşia Montană should be very hopeful about the benefits the project will create for the community - particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.

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

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

In terms of creating new economic oportunites for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roşia Montană, Abrud, and Câmpeni.

The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.

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

Item no.	321
No. to identify the observations received from the public	Turda, 09.08.2006
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.	322
No. to identify the observations received from the public	Bistra, 14.08.2006
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.

323

No. to identify the observations received from the public

Bistra,
14.08.2006

Proposal

The questioner wants to be explained how will this project influence the life of the inhabitants of Bistra. .

We are convinced that the project will positively influence the life of the inhabitants of Bistra.

It is true that most of the direct job opportunities for the Roşia Montană Project (RMP) will be sourced locally. Should positions still not be filled from labour available at the local level recruitment will take place at the regional level. This way, people from Bistra can apply for jobs.

But the project will also result in the creation of approximately 6000 indirect employment opportunities, and the Bistra community can benefit from them [1].

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, Cămpeni, Bucium, Zlatna, Baia de Arieş Brad and Vadu Moţilor.

Please contact the RMGC's representatives:

- at the Rosia Montana office phone number: 0258 783014,
- Mihon Dana at ph.no.: 0729 399159; email address: dana.mihon@rmgc.ro,
- Mera Tiberiu 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
Cămpeni	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

References:

[1] Roşia Montană Project, Environmental Impact Assessment Study Report (EIA), 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.

Item no.

324

No. to identify the observations received from the public

Bistra,
14.08.2006

Proposal

The questioner is in favor of the project, but wants young people from this area to be employed on the project and not those from other regions.

Thank you for your support.

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

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

The company has already established a protocol with the local authorities to ensure that local community has first preference for these jobs.

Solution

Should positions still not be filled from labor available at the local level recruitment will take place at the regional level. If the appropriate skills are not available in the existing workforce, training programs are made available to increase the skill base. 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.

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

References:

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

Item no.

325

No. to identify the observations received from the public

Bistra,
14.08.2006

Proposal

The questioner wants to know whether a 52 year old person can be hired in this project, in order to have a job.

The answer is yes.

Anyone who is interested in working for the project can register their interest via the 8 Human Resource Offices at the local level (Roşia Montană, Abrud, Câmpeni, Bucium, Zlatna, Baia de Arieş, Brad, Vadu Moţilor), where they can also apply for training.

Please contact the Roşia Montană Gold Corporation's (RMGC) representatives:

- at the Roşia Montană 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

Once RMGC receives the necessary government approvals and are in a position to start hiring for project operation, the human resources offices will contact those with appropriate skills. In addition, notices will be put in the local newspapers and on the internet, on company's website (www.truestory.ro). People from the impacted area shall benefit from the first option to receive such jobs.

The company has set in place a fair, transparent hiring policy that ensures best qualified workforce required for the project, where such qualified workforce is sought first in Roşia Montană area.

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

Item no.	326
No. to identify the observations received from the public	Bistra, 14.08.2006
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.

327

No. to identify the observations received from the public

Bistra,
14.08.2006

Proposal

The questioner is against the project, makes comments and asks several questions:

1. The inhabitants of the area should know that gold represents a wealth at present. Electronics, the industry with the highest technology cannot operate without gold. There are more and more optimistic expectations regarding the demand of gold, which means that gold is a great value and wealth that will be in demand in 20 years' time as well. All the connections in the semi-conducting chips are made of gold. Gold is a value which must be preserved and taken care of. Against this background, there comes RMGC in the Apuseni Mountains area and promises to take all this wealth out of the country in 10-15 years' time. The questioner believes that this wealth should belong to the inhabitants of the Apuseni Mountains (the so-called "Moți") and if it were to be exploited, then Romanians should be the ones to do it as they have a long history of gold mining. They do not need the help of Eurogold that takes 80% of the profit, giving them 19% and leaving behind some quarries like the copper quarry from Roșia Poieni.

2. The questioner contests the public consultation meeting held in Bistra claiming that the inhabitants of Bistra were not present, but there were rather RMGC employees, who have most certainly been paid to support the project.

The public consultation meeting was held while the inhabitants were busy carrying out agricultural activities or other activities and they couldn't take part in the debate.

3. Why did RMGC choose Roșia Montană, which is the oldest gold mine operation and where are huge quantities of native gold? Roșia Montană is a page in the Romanian people's identity document. This is where the wax-coated tablets lay. Do they want to tear this page off the Romanians' identity document?

4. RMGC claims that the project will create approximately 600 jobs. If these jobs were to be divided among the 20-30 localities around Bistra, the inhabitants of Bistra will benefit from approximately 20 jobs. Could 20 jobs turn Bistra into a European city?

5. The company states that it will rehabilitate the area, will build lakes and leisure areas, but will any tourist visit an area known to be polluted with cyanide?

6. The questioner doesn't understand how come the Ministry of Environment does not realize that this project has a negative impact on the environment and that it must not be approved.

Solution

We agree with the questioner that gold is an issue of national strategic importance for România. This project meets all Romanian and EU standards, provides new jobs for Romanians, especially in the Roșia 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 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, or a 45 percent share of the economic benefits. This includes the government's share of profits, profit taxes, royalties and other taxes such as payroll taxes. An additional US\$ 1.5 billion of Romanian goods and services will be acquired by the project.

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

*

Public consultation and information during the environmental impact assessment procedure, including

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

The locals from Roșia Montană are interested in the evolution of this project, therefore they came to the meetings to manifest themselves as pro or con, as any other member of the public. The public debates have been scheduled together with the Ministry of Environment and Water Management, on business days, but after working hours, in order to allow the interested public to participate. Everyone was free to attend the public debates, irrespective of their domicile.

According to the law, both the Ministry of Environment, and Roșia Montană Gold Corporation SA (RMGC) have used various methods to announce the public on the organization of this public debate: mass media announcements, posters, the information caravan (distributing brochures, leaflets, etc.) – that traveled to each town and village before the public consultations. However, effective public participation depends on each person's civic spirit and on their interest manifested in the Roșia Montană Project; it no longer depends on the company.

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.

*

The location for the project proposed by RMGC has been chosen taking into account the fact that the gold deposit from Roșia Montană is one of the largest in Europe. However, it must be pointed out that by implementing this mining project, we do not plan to destroy Roșia Montană. On the contrary, this project has contributed a lot to ensuring a better understanding of the history of this area. Prior to 2000, Roșia Montană was considered an area with an archaeological potential, where no specific archaeological excavation had been undertaken, excavations necessary in order to provide a detailed picture of the different elements of the site. A series of chance archaeological finds - epigraphic monuments, funerary architecture elements were found in the area of the Cetate, Cârnic, Jig and Orlea massifs located in the upper part of the Roșia valley and of the Corna valley, in the administrative territory of the Roșia Montană commune. Data provided by these elements were enough to suggest the existence of some archaeological sites in that area.

At present, after the comprehensive archaeological research conducted in the last 7 years, the nature, features and spatial distribution of the heritage values from the Roșia Montană area (archaeological sites, historic buildings, but also churches and cemeteries) are now better understood. The comprehensive archaeological researches conducted in the period 2000-2006 have allowed the creation of a comprehensive picture of these national cultural heritage assets and of the areas with spiritual significance

and have led to the adoption of specific measures for their protection.

According to the reports and the articles published by the specialists, the Roşia Montană mining site is an important site, but it is not unique. This mining site is certainly the best known site at present due to the archaeological research conducted within the „Alburnus Maior” National Research Program financed by RMGC in accordance with the legal provisions.

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 and published so far 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), Sebeş (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 “Timotei 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 Roşia Montană), the analysis of the information provided by the wax tablets represented a significant starting point in defining the research methodology. Thus, the wax tablets found by chance and not as a result of specialized archaeological research in the old mining galleries (most of them were found in the Cătălina-Monuleşti gallery – 11) from the Roşia Montană area. All these tablets were found between the end of the 18th century and the beginning of the 19th century and they are displayed in several museums and in public collections as shown by the above-mentioned brief inventory. No similar artifacts have been found in the last 150 years, despite the re-opening and massive re-working of the ancient mining galleries, as well as of the specialized archaeological research of these underground structures conducted since 2000 to the present day.

Roşia Montană (the ancient Alburnus Maior) is not the oldest settlement mentioned in Romania, nor is it the most important Roman settlement in Dacia. However, it comprises significant evidence of the Roman gold mining operations in this province located at the borders of the Roman Empire. The opportunity of the archaeological research conducted at Roşia Montană in the context of the implementation of the mining project provided data regarding this ancient mining operation as compared to other ancient mining operations with similar characteristics, which were also known based only on the chance finds, but they had not been researched yet (e.g. Brad-Săcărâmb, Zlatna-Almaş, Bucium). These data obtained from the research contributed to completing and detailing the existing information about this site.

In accordance with the requirements of the Ministry of Environment and Waters Management and of the Ministry of Culture and Religious Affairs, specific management plans have been prepared for the management and conservation on the heritage values from the Roşia Montană area, should the mining project be implemented. These plans have been included in the documentation of the Report on the Environmental Impact Assessment Study. (see the EIA Report, volume 32-33 – *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*).

Considering the importance of Roşia Montană's cultural heritage, the history of the village 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. Moreover, 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 (see the EIA Report, volume 32-*Management Plan for Archaeological Heritage from Roşia Montană Area*, pages 84-85). These are some of the plans for the coming years: the continuation of the archaeological research in the Orlea area, but especially the establishment of a **Modern Mining Museum**, which will include exhibitions of **geology, archaeology,**

industrial and ethnographic heritage, and the **Cătălina-Monulești gallery** and the **monument at Tău Găuri** will be arranged for tourist access; the **conservation and restoration of the 41 buildings classified as historical monuments and of the protected area Historical Centre of Roșia Montană**.

All these commitments publicly assumed by the company are detailed in the Report on the Environmental Impact Assessment Study, volume 33, *Cultural Heritage Management Plan*.

For detailed information on the main archaeological remains, historical monuments, churches and cemeteries as well as for a series of remarks regarding their protection and the specific measures presented in the management plan, please consult the Annex called "Information on the Cultural heritage of Roșia Montană and Related Management Aspects".

*

Given historical and industry experience, the approximately 600 direct jobs created by Roșia Montană Gold Corporation (RMGC) project will generate indirect jobs at a rate of 1 to 10. Thus we can speak about 6,000 indirect jobs in Roșia Montană and surrounding area once the project starts [1].

We can't tell how many of these jobs will be taken by the inhabitants from Bistra, but the benefits resulting from this project will affect the entire area of Apuseni Mountains.

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

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 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.

*

The area as a whole will be free of cyanide. Cyanide will be confined to the tailings management facility (TMF). The cyanide content there will degrade within months after ore processing (and consequently tailings discharge) ceases. No seepage or decant pond water will leave the TMF without prior treatment and the cyanide content in all discharged water will comply with Romanian's very strict standards (NTPA 001/2002).

Similar questions were asked at other sites with comparable public concern, such as the large mining and milling sites in Eastern Germany. Today, these regions in Saxony and Thuringia have been rehabilitated and have become tourist attractions. For example, a backfilled and covered open pit mine has become the centerpiece of the German Federal Exhibition of Landscape Architecture and attracts visitors and tourists from Germany and Europe.

*

We mention that the decision for issuing or rejecting the environmental approval is made by the relevant environment protection authority according to the following applicable legal provisions:

(i) art. 11 (3) of the GD no. 918/2002 on the establishing of the framework procedure for the Environmental Impact Assessment (EIA) and for the approval of the list of private or public projects subject to this procedure (GD no. 918/2002) provides that "*the competent authority for the environmental protection, together with the authorities represented in the technical analyses commission, analyze the quality of the report on the environmental impact assessment study and decides on the approval or redrafting of the report,*

as well as on the issuance, namely the justified rejection of the environmental approval”;

(ii) art. 29 (5) of the Order of the Minister of Waters and Environment Protection no. 860/2002 on the environment impact assessment and the issuance of environmental agreement procedures (Order no. 860/2002) provides that “pursuant to the examination of the final report on the environmental impact assessment study, of the appendix comprising the solutions for solving the public proposals/comments and of the conclusions of the involved authorities regarding the approval of this project, the competent public authority for the environmental protection records the opinions of the representatives in the technical analyses commission referring to the execution of the analyzed project on the respective location and decides, by consulting the technical analyses commission, on the issuing or on the grounded rejection of the environmental approval/environmental integrated approval”;

(iii) the provisions of Appendix no. 3 of the Minister of Waters and Environment Protection Order no. 863/2002 on the approval of the Guidelines applicable to the stages of the environmental assessment procedure (Order no. 863/2002), according to which the analysis of the report to the environmental impact assessment study is made based on a Control List. We underline that the Control List is drafted according to the requirements of the Directive 85/337/CE on the evaluation of the environmental impact for certain private and public projects, published in the Official Journal of the European Community no. L 175/05.07.1985, as subsequently amended and supplemented (Directive 85/337/CE), amended by the Directive 97/11/EC on the evaluation of the effects of certain public and private projects on the environment, a directive adopted in the national legislation.

This Control List is used in order (a) to evaluate the quality of the report to the evaluation study, in order to take the decision of issuing the environmental approval and (b) to identify the need to improve the environmental impact assessment process. By using the criteria specified in the Control List, the competent environmental authority establishes whether the report to the evaluation study is appropriate, i.e. if the problems underlined during the stage of defining the domain have been fully dealt with and to the required extension degree.

Considering the above, we specify that the passing of a favorable decision for the issuance of the environmental approval in regard of the project proposed by the titleholder proves the fact that the EIA report drafted and submitted by S.C. Roșia Montană Gold Corporation S.A. (RMGC) fulfills the legal mandatory conditions and requirements, as established by the relevant legislation and provides for sufficient guarantees in regard of the development of the mining activities.

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 (RMP). Subsequent to submission of the EIA, it has been reviewed by two different sets of experts. Technical experts, representing several international private sector banks and export credit agencies have concluded that the EIA complies with the Equator Principles designed to promote responsible lending by financial institutions to projects which raise environmental and social concerns, and an ad hoc committee of European experts (International Group of Independent Experts - IGIE) has publicly stated that the EIA was well-developed, taking into consideration their recommendations and suggestions. A copy of the IGIE report and RMGC's response is included as a reference document to the present annex of the EIA.

We are confident that the EIA process conducted by the Ministry of Environment and Water Management has complied fully with all aspects of Romanian and EU law.

Item no.	328
No. to identify the observations received from the public	Bistra, 14.08.2006
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.	329
No. to identify the observations received from the public	Bistra, 14.08.2006
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.	330
No. to identify the observations received from the public	Baia de Arieș, 15.08.2006
Proposal	The questioner supports the project.
Solution	<p>RMGC appreciates the questioner's support. We believe the residents of Roșia Montană should be very hopeful about the benefits the project will create for the community — particularly the remediation of past environmental damage and the create of sorely-needed economic opportunities.</p> <p>In terms of environmental rehabilitation, Roșia Montană is an area already strongly impacted by pollution from past poor mining practices. This is clearly demonstrated by the baseline conditions studies which are included in the Environmental Impact Assessment (EIA) report.</p> <p>The Roșia Montană Project, as proposed in the EIA, will lead to the mitigation of pollution from the area of Roșia Montană, because of the use of best available techniques (BAT). The project will fully comply with all European and Romanian law and with international best practices. The EIA also details the procedures for closing the mine, which include significant environmental rehabilitation.</p> <p>In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and Cămpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.	331
No. to identify the observations received from the public	Baia de Arieş, 15.08.2006
Proposal	<p>The questioner asks the following question: An industrial road is planned to be built on the Roşia Valley. The experience from the Apuseni Mountains proved that a public road can be used also as industrial road, then why can't the old road on Corna valley be used up to the mine's mouth, crossing the dam at the mine's mouth and then further on to the processing plant? They would save money this way, moreover, the road following the Gura Minei-Aprabuş railroad is quite dangerous during the winter season.</p>
Solution	<p>It is true that many industrial roads from Apuseni Mountains are used as public roads; the local mining companies want to have a better access to their facilities. These companies allowed public access on their industrial roads where public safety wasn't threatened and the road traffic was safe.</p> <p>With respect to the access road to the proposed processing plant, two options are considered: (i) Rehabilitation of County Road DJ 742, including those two bridges that will allow both industrial and public traffic and (ii) construction of a road on the southern side of the valley, following the narrow gauge rail way Gura Minei – Aprabus Crusher. This road will ensure fluidization of traffic but may be hazardous during winter. In case the existing road is used, the access to the plant will be made over a bridge crossing Roşia Valley. It is unlikely to consider the option of crossing the valley over the dam. The dam construction until its operational phase as an access road would imply a long period of time and that it is why this cannot be an option. The two options will be considered by relevant authorities and they will decide which the optimum one is.</p>

Item no.

332

No. to identify
the
observations
received from
the public

Baia de
Arieș,
15.08.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.

333

No. to identify
the
observations
received from
the public

Baia de
Arieș,
15.08.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.	334
No. to identify the observations received from the public	Baia de Arieș, 15.08.2006
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.	335
No. to identify the observations received from the public	Baia de Arieș, 15.08.2006
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 Cămpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

336

No. to identify the observations received from the public

Baia de Arieş,
15.08.2006

Proposal

The questioner makes the following comments and observations:

1. The quantities of cyanide used at the Baia de Arieş mine operation were much lower than the ones to be used in Roşia Montană. The effects of the small quantities of cyanide used at Baia de Arieş are visible down the Arieş Valley into the Mureş River, etc.
2. As President of a trade union from Baia de Arieş, the questioner was invited by the representatives of the company for talks because he was against the project. But after leaving this position, the questioner was no longer of interest to the company. The questioner wants to know why?
3. Why did RMGC need to hire the daughters and relatives of the local officials? Why were the daughters of Ioan Rus, the former prefect of Alba County, hired by RMGC?
- 3.(sic) The Romanian state charges 5 million ROL/km² for any land lease. This means that it will make profit out of this land lease. The questioner wants to be told why this project is perceived as a unique alternative since there are people in Roşia Montană who wanted to lease parts of that deposit, but their requests have been repeatedly rejected.
- 4.(sic) Why aren't people allowed to mine this deposit by hand-made methods which would not imply the use of harmful substances. Moreover, jobs would be created this way. The technology is available and it can be bought by those who want it.

Solution

Cyanide has been used to process ores at Baia de Arieş, but with no detoxification of tailings before their discharge in the Tailings Management Facility (TMF). Rarely, a chlorination of water discharged from the TMF has been performed when cyanide concentrations exceeded the standard limits. In 2005 Baia de Arieş mining operation was closed and the employees were laid off without implementing a Closure and Rehabilitation Plan. However, there haven't been notified any aspects that would not be compliant with the law or which might have generated a significant impact on the ecosystem of Arieş River or on the downstream watershed. The impact on Arieş River watershed consists in an elevated load of heavy metals in the water, due to previous mining activities, but according to the official reports of National Administration of Romanian Waters – Mureş Water Directorate cyanide is not indicated as a pollutant.

Cyanide will be used at Roşia Montană only in an enclosed system, within the plant site, any accidental discharges will be collected and reused in the process, and there is no possibility to have elevated concentrations of cyanide outside of this site, in used waters or in tailings that are discharged in the TMF. The tailings will be detoxified before leaving the plant site until they reach concentrations as low as 10ppm; this proposed technology of detoxification is considered as being BAT (Best Available Technique), which was selected after conducting detoxification tests that have considered the conditions of the ore deposit and site; also, full compliance with Romanian legislation with EU Mine Waste Directive (2006/21/EC), as well as with international guidelines and codes (Cyanide Management Code) has been aimed.

Cyanide concentrations will be monitored online, during the development of each process stage, and after tailings are discharged in the TMF, a monitoring system through boreholes that will be located downstream of the TMF was conceived in order to emphasize full compliance with the law. When the sensors of the monitoring system have detected that the maximum admitted concentration has been exceeded, the processing system will be stopped until the problem is solved.

*

It may be that the questioner had discussions with former members of Company management given his former position as a trade union executive. The Company commonly engages community representatives such as trade union leaders, local authorities representatives and all other interested members of the community in constructive dialogue and will continue to do so in the future.

*

The questioner raises these old allegations to imply improper hiring on the part of RMGC. The company categorically denies that allegation.

Currently, in Roşia Montană and neighbouring areas, the company employs nearly 500 people. The company also follows a policy of giving employment preference to people in the village and the region. The result is that in a village like Roşia Montană, where RMGC is the single largest employer, it would not be difficult to find members of families or people known to one another being employed by the company. The point is that this is normal and in fact inevitable – not proof of impropriety.

For additional details, see the HR Policy in the Annex 4 – Roşia Montană Sustainable Development Programs and Partnerships.

*

RMGC is the titleholder of the Mining License for the Roşia Montană perimeter no. 47/1999 ("License no. 47/1999"), approved by Government Decision no. 458/10.06.1999, published in the Romanian Official Gazette, Part I, no. 285/21.06.1999. According to the provisions of art. 18 (1) of the Mining Law no. 85/2003, which reiterates the provisions of art. 10 (1) of the former Mining Law no. 61/1998, "*the mining operations are carried out based on an exclusive license*", thus the concession of the mining activity in the Roşia Montană perimeter to other legal persons, during the validity term of License no. 47/1999, would breach the legal provisions of the Mining Law.

We also mention that RMGC pays the annual tax for the concession of the mining activity, as provided by art. 44 of the Mining Law no. 85/2003.

As regards the project being considered as "sole alternative", please note the Report on the Environmental Impact Assessment Study, which made the object of the public consultation, contains an entire chapter, namely Chapter 5 – "Assessment of the Alternatives", where the alternatives for the development of the area, in case the project would not be approved, are largely discussed. This chapter is prepared in accordance with the provisions of Order no. 860/2002 on the environmental impact assessment and issuance of environmental permit procedure – Annex no. 2, Methodological Guidelines on the scoping stage and preparation of the report on the environmental impact assessment study – Part II (Structure of the report on the environmental impact assessment study).

*

RMGC is the titleholder of the Mining License for the Roşia Montană perimeter no. 47/1999 ("License no. 47/1999"), approved by Government Decision no. 458/10.06.1999, published in the Romanian Official Gazette, Part I, no. 285/21.06.1999. According to the provisions of art. 18 (1) of the Mining Law no. 85/2003, which reiterates the provisions of art. 10 (1) of the former Mining Law no. 61/1998, "*the mining operations are carried out based on an exclusive license*", thus the concession of the mining activity in the Roşia Montană perimeter to other legal persons, during the validity term of License no. 47/1999, would breach the legal provisions of the Mining Law.

Also, regarding the classic exploitation of the deposits, please note that the mining activities in Romania may be performed only according to the legal provisions and to the conditions provided by the law. Thus, according to art. 4 (1) and art. 13 of the Mining Law no. 85/2003 "*The mineral resources are enhanced by mining activities which are given into concession to Romanian or foreign legal persons by the relevant authority, in accordance herewith. The mining activities are carried out by legal persons registered, as per the law, and specialized and authorized for the performance of such activities or organized for this purpose*".

Consequently, the mining licenses for the mineral resources existing within a certain perimeter may be granted only to legal persons, provided that they meet the certification conditions and fulfill the procedures provided by the law.

Item no.

337

No. to identify
the
observations
received from
the public

Lupșa,
16.08.2006

Proposal

1. The questioner is in favor of the project and makes the following proposals:
-the Mining Museum should include also a department of ethnography;
-the company should take into account the possibility of giving to the inhabitants of Roșia Montană 20% of the 80 % it holds in the project.
- RMGC should establish -agricultural and animal farms, milk and meat processing plants;
-it should establish also a social program to protect unemployed, persons, ill persons and widows;
-it should set up a hospital in Roșia Montană as the one in Abrud, despite its long tradition, will be decommissioned;
-RMGC should provide special school grants to allow very talented people from Roșia Montană attend the highest educational institutions.

2. The questioner wants to know what impact will the tons of explosives used in the project have on the air, the climate and the land. Can the blasting re-activate the volcanoes or generate earthquakes?

Solution

The Roșia Montană museum will certainly have an ethnography section together with the geology, archeology, and history ones. Several local traditions of this mining community have been maintained at Roșia Montană for a long time. Two of the objectives of the research conducted within the Alburnus Maior National Research Program were aimed at preparing an ethnographic study of Roșia Montană - Abrud – Corna area, as well as preparing a study of oral history for the respective area. Thus, an ample ethnographic research of Roșia Montană - Abrud – Corna area has been conducted under the coordination of several experts from National Village Museum “Dimitrie Gusti” between 2001 and 2004. This research was supported by an ample series of interviews of oral history conducted by the Societatea Română de Radiodifuziune (National Radio Broadcasting Company) through the Center of Oral History “Gheorghe Brătianu” (SRR - CIO) from Bucharest between 2001 and 2002.

These local traditions – many transmitted orally from one generation to another – are a significant part of the intangible cultural heritage of the town. The archive of the oral history established between 2002 and 2003 contains over 100 hours of interviews recorded under digital format. This archive is currently the only archive of this kind that refers to industrial heritage and to the life traditions of a mining community that has had a long life in Transylvania. The way in which the people of Roșia Montană celebrate festivals and ceremonies is somehow different from other rural settlements from Transylvania. This fact can be explained by the ethnical and religious diversity existing at Roșia Montană, many populations being attracted here by the presence of gold reserves.

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

All these cultural values and resources together with an important collection of archive images are a significant potential resource that may be developed in the future museum from Roșia Montană, which will have sections dedicated to geology, archeology, history and ethnography. The company believes that by constructing a new cultural center and a mining museum in Roșia Montană a special opportunity will be created for the conservation and development of ethnographic heritage elements and the data of oral history of Roșia Montană. Moreover, the community will be encouraged to be involved in an active and direct manner in decision-making process on conservation and development of their cultural heritage and traditions.

*

Roșia Montană itself will benefit in many ways. The inhabitants of Roșia Montană stand to receive a total

of over US\$ 80 million for their homes and properties, new homes and priority for jobs at the new mine. The local council will receive \$ 35 million in taxes from RMGC. The Project will employ 634 people directly, including contractors, and the Company has a policy to give local people preference for these jobs. We expect there will also be 6,000 jobs indirectly related to the Project over the life of the mine. The Company has committed to environmental rehabilitation, including of pollution of the area caused by past poor mining practices. In terms of cultural and social heritage, there is a buffer zone in the village itself, and the proposal includes the renovation and restoration of the historical center of Roșia Montană and the construction of two new relocation sites in the Piatra Albă area (situated at approximately 6 km away from the historical center) and Alba Iulia. Piatra Albă site will be the new civic center of the commune, which will be the most modern in România. In addition to individual homes, new and modern quarters for the City Hall, cultural and community centers, a police station, a dispensary, a school, and other buildings will be built. This new and modern location will preserve the character and tradition of the mountain villages of the Apuseni Mountains but will benefit from all the advantages and facilities of 21st century construction. (Only the school will be built in a modern architectural style). A new neighborhood will also be built in Alba Iulia. All relocations will be conducted according to the Resettlement and Relocation Action Plan, which fully complies with World Bank standards for involuntary resettlement of individuals.

*

To sum up, the goal is to build the social capital of the area to take advantage of the economic driver presented by the RMP, and to create the right conditions for citizens of the area to develop their own businesses independent of the RMP and indeed of mining. In this regard, the sustainable development of the area will be promoted.

Roșia Montană Gold Corporation (RMGC) has established a number of programs and initiatives that answer directly the issues raised here.

- A private dispensary and health clinic in Piatra Albă (see RRAP), accessible to wider community through health insurance;
- Upgrading of a wing of Abrud hospital, accessible to the wider community through the national Romanian health system;
- Improvement of mobile emergency medical system in the area;
- The building of a new school, residential and civic centre in Piatra Albă. This is fully described in the RRAP;
- Health awareness campaigns (in partnership with local authorities and NGOs) covering: reproductive health, diet, and lifestyle amongst others;
- Partnerships with education providers and NGOs concerning access to and improvement of education facilities in the area, e.g.: the NGO and local authorities lead CERT Educational Partnership (www.certapuseni.ro);
- Efforts to develop and promote Roșia Montană's cultural heritage for both locals and tourism – RMGC is a partner in the Roșia Montană Cultural Heritage Partnership (info@rmchp.ro);
- Providing adult education opportunities and skills enhancement including training programs, funds and scholarships, to increase employment chances both direct with RMGC and indirect – RMGC is a partner in the Roșia Montană Professional and Vocational Program (info@rmpvtp.ro);
- Programs assisting vulnerable people and groups, and to consolidate social networks particularly in Roșia Montană – RMGC is a partner in the Roșia Montană Good Neighbour Program lead by local NGO ProRoșia (info@rmgnp.ro);
- RMGC supports a NGO-lead partnership working with the youth in the area to improve and increase the capacity of the community (www.certapuseni.ro).

The Zonal Urbanism Plan (PUZ) occupies some 25% of Roșia Montană commune. Agricultural activities may continue in Roșia Montană, even if the mine proceeds, on the remaining 75% of the commune not contained within the PUZ.

Expansion of agricultural initiatives could form part of the spin-off economic activities promoted due the increased economic activity generated by the Roșia Montană Project (RMP). This is an example of the indirect benefits of the RMP. They would have to be initiatives driven by community parties and must be economically sustainable and environmentally sound.

It is possible that the business stimulation initiatives proposed by RMGC may help develop and fund

initiatives to create animal farms, a milk processing plant and a meat processing plant, depending on the strength of their business plans.

Agricultural activities may also continue post mine closure depending on whether there is a desire by people to practice it.

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

*

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 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.

Details: the Report on Environmental Impact Assessment Study (Volume 12 – Chapter 4.2, Subchapter 4.2.4) and the Air quality Management Plan (Volume 24, Plan D) include, in a detailed manner, technical and operational measures for decreasing/eliminating dust emissions generated by the activities developed within the Project.

The impact of the blasting operations on the air quality from the area is within the limits stipulated by the legislation. Blasting procedures have no major impacts on climate, and the pits neighbouring area is going to be exposed at levels of vibrations that meet the limits stipulated by the legislation.

Roşia Montană area is not active from a volcanic point of view and there is no risk to reactivate them after the conducting blasting operations within the Roşia Montană pits. Volcanic activities took place approximately 13 million years ago.

The geologic structure of the area won't be impacted by the blasting operations, as it could be noticed until now from the analysis of the blasting impacts resulted from Roşia Poieni and Roşia Montană pits.

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

Item no.

338

No. to identify
the
observations
received from
the public

Lupşa,
16.08.2006

Proposal

1. What is the address of this company in Canada?
2. Is cyanide used for mining operations in countries like Canada, the USA Australia and in other developed countries?
3. Is RMGC aware of the disaster caused by the Australian company that spilled cyanide in the Crişuri Rivers, cyanide that got into the Danube and consequently the Romanian Government had to pay the Hungarian Government hundreds of millions of dollars in damages for all the contaminated fish?
4. Why doesn't the architect speak so as that all the villagers can understand him, why doesn't he use Romanian words?
5. The four churches that are to be resettled must be resettled as they are, they must not be replaced by concrete blockhouses.
6. RMGC claims that 68% of the profit will remain in Romania. What is the company's real profit?
7. Why doesn't the company provide funds for the modernization of the hospital from Câmpeni?
8. How long (how many years) does it take for the cyanide used in the mining activities to neutralize, to lose its harmful effect?
9. Are the commitments assumed by the company on environmental protection issues included in an internationally acknowledged agreement? If so, where is this document and why isn't it made available to the public, to those who are directly impacted by this project?
10. What happens once the ore is mined? The project will end up in 20 years' time. What will the company leave behind? Have they prepared a project aimed at ensuring continuity for those who worked in the mine and for their descendants?
11. What happens to the Piatra Albă area once the project is completed, as this is in fact, RMGC's worksite organization? No one will remain there once the project ends, there will be a desert area with no jobs available.
12. Does the company's environmental protection commitment stipulate that it will protect the people, animals and all the elements existing in the area impacted by the project?
13. The community must be granted access to the agreements concluded between the company and the Romanian Government. What are the conditions imposed on the company? What profits does RMGC have? The profit of Roşia Montană is the profit of the Apuseni Mountains basin, of all those who live in the area.
14. Any disaster that might occur at the tailings ponds will impact the Arieş River all the way to the Mureş River and into the Danube. Is there any mention regarding the compensations that the company is compelled to pay in case of disaster? What guarantees does the Canadian company provide in this respect?
15. Who is in fact this Gabriel? Who is this Canadian corporation?
16. This problem concerns all the inhabitants of the Apuseni Mountains. The company must listen them all and must provide financial resources in order to satisfy all those who have an ancestral right on the gold deposits.
17. The questioner raises doubts about the correctness of the debate as there are no representatives of the Romanian Government, or of the media and the debate is not recorded.

Gabriel Resources, Ltd. may be reached at 1510-110 Yonge Street, Toronto, Ontario, Canada, M5C 1T4. Their website is: www.gabrielresources.com.

*

Solution

Cyanide is used to process gold and silver ores on large scale not only in Canada, Australia and USA, but also in Europe: in Spain, Italy, Sweden, Finland, and Turkey, where gold mines exist. Cyanide is the most efficient method of extracting gold from low-grade ores. In Australia, cyanide is used by most of the mines to process ores, and the entire quantity of cyanide produced in Australia is used in mining industry. Currently, more than 400 mines are in their operational stage at global level and they are all using cyanide

to recover gold.

*

Everyone is aware of Baia Mare. In fact, the design of mines – including the Roşia Montană Project -- is now far stricter because of the lessons learned from Baia Mare.

For opponents of the RMP who claim our project will be “another Baia Mare,” our project in Roşia Montană bears no comparison. From design to management of the facility itself, financial assurance, public reporting, stakeholder involvement, verification procedures, and compliance – all of which are followed to the highest standards in our project – the two projects are vastly different.

The Romanian Government, in our Terms of Reference, requested that we follow the new European Directive on Mining Waste 2006/21/EC even before it became law in Europe or România.

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

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

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

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

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

The cyanide used in the RMP will be subject to a cyanide destruction process and residual cyanide deposited with the process tailings in the Tailings Management Facility (“TMF”) will degrade rapidly to levels well below maximum regulatory levels. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 parts per million or ppm or mg/l) which is well below the regulatory limit of 10 ppm recently adopted in the EU Mining Waste Directive 2006/21/EC. This system of use and disposal of cyanide in gold mining is classified as Best Available Techniques, as defined by EU Directive 96/61/EC (IPPC).

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

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

did not have the requisite capacity to withstand the storm event in 2000.

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

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

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

RMP will have a free draining structure above the starter dam, and a system of under-drains, granular filter zones and pumps – as per BAT – to collect, control and monitor any seepage. Specifically, the tailings ponds and tailings dam have been designed to the highest standards to prevent pollution of groundwater, and to continuously monitor the groundwater and extract any seepage detected – a system verified by hydro-geologic studies. Specifically, the design features include an engineered low permeability soil liner system within the TMF basin to meet a permeability specification 10^{-6} cm/s, a cut-off wall within the foundation of the starter dam to control seepage, a low permeability core for the starter dam to control seepage, and a seepage collection dam and pond below the toe of the tailings dam to collect and contain any seepage that does extend beyond the dam centerline.

In terms of management, Baia Mare was rated a Category C facility – requiring other procedures for surveillance and monitoring. Roşia Montană Project, however, is Category A, meaning that a full EIA detailing baseline conditions, project impacts and mitigation measures, is required before receipt of permits, as well as future monitoring and reporting requirements.

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

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

Reference:

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

*

The architect who spoke at the public consultation meetings to discuss the new village to be built at Piatra

Albă is Romanian and spoke in Romanian at the meeting.

*

Only two churches - not four - must be relocated. The other two ones are prayer houses. They will be rebuilt/restored according to the desires of the congregations with full respect and reverence. We would also like to point out that we have designed and redesigned the project to ensure that none of Roșia Montană's 41 historical structures will be affected. If the churches will be rebuilt, this will happen in accordance with the specific technologies and materials.

*

The Company does not claim that 68% of the profit will remain in România but rather that România will retain 68% of the economic activity generated from the project. Assuming the price of gold is \$ 600/ounce, the direct financial benefits to the Romanian State at the local, county, and national levels 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. Adding the goods and services to be procured in Romania during the project, the total economic benefit to România will be approximately US\$ 1,500 million, or 68% of the economic activity generated by the project.

Based on prices of \$ 600/ounce for gold and \$ 10.50/ounce for silver, the profit to S.C. Roșia Montană Gold Corporation S.A. is US\$ 1,258 million.

*

The company is committed to improving public health in the Roșia Montană region as part of its social and community impact.

Under Environmental Health and Safety Standard Operating Procedures and Emergency Response plans initiatives devised to improve health services in the Community (Roșia Montană, Abrud & Cămpeni) include the following:

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

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

*

The cyanide concentrations to reach the TMF will be neutralised in 1 to 3 years. The process to neutralise and minimise the concentrations of cyanide to levels lower than those found in cigarette smoke is an ongoing process. The cyanide concentrations must comply with the standards imposed by the European Union; they are 5 times less than in Canada, USA, Australia. The same technological processes are used in over 400 mine worldwide.

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 mining activity is a dynamic process where the cyanide is added, used and recycled within the process; the concentration of the cyanide is reduced to under 10 ppm by using a Detox plant. As soon as the tailings are discharged onto the tailings dam, the CN becomes subject to certain complex degradation processes. There must be emphasized that the cyanide used for the ore processing is recycled, such supporting the decrease of the operational costs. Only the un-recycled cyanide is put through the INCO technological process for neutralization. A residual quantity of cyanide remains in the tailings; these will be buried once other tailings are stored on top of them.

The tailings stored in the TMF will contain 5 to 7 ppm WAD cyanide concentration, below the standard imposed by the recently approved EU Directive for mining waste which is 10 ppm WAD cyanide. The tailings stored in the TMF are subject to a series of chemical reactions which, in time, lead to changes of the cyanide concentration in the TMF (neutralization). The following paragraph explains these claims.

Sometimes, the terms used must be defined in order to avoid any confusion. Most of the substances can be solid, liquid or gas, in accordance to the chemical conditions they are subject to. The cyan ion can be found in a solution of alkaline pH; the cyanide makes hydrogen cyanide (HCN) within a weak alkaline solution (of pH under 8) which has a limited solubility in water (the cyanide turns in gas, and HCN volatilizes). There are, also, cyanide complexes, such as copper cyanide, zinc cyanide etc which can be found in the solution. The solid cyanide used in mining industry is usually sodium or potassium cyanide. The solid cyanide is dissolved and then put into the leaching tanks, in accordance with the requirements. There is always the possibility that a small percentage of solid cyanide might not be dissolved, but this percentage is always reduced to minimum, due to the obvious costs of operations.

The main discussions on tailings and cyanide refer to the cyanide in solution, and the discussion involving the environment refer to free cyanide and WAD cyanide. The free cyanide is the cyanide ion (CN⁻) and hydrogen cyanide (HCN), while WAD cyanide refers to the cyanide which is easy releasable from complexes-cyanic when the pH is low, meaning any free cyanide already existing and released from the cyanide complexes of nickel, zinc, copper and cadmium (less the complexes made up with steel or cobalt). The tailings will comprise WAD cyanide of 5 to 7 ppm, according to the tests conducted by the design team. This cyanide will be subject to certain natural decomposing mechanisms, i.e. certain bacteria can metabolize the cyanide, turning it into nitrates. Also, there are other mechanisms such as hydrolysis, precipitation, adsorption and forming and dissociation of the complexes. After discharge in the tailings dam, the water content solutions will go through three different processes:

1. The main part of the water and tailings resulting from the technological process and discharged into the tailings dam, containing cyanide of the above mentioned concentration, will be circulated back and reused in the processing plant;
2. Part of it will evaporate in accordance with the pH level and the geometry of the tailings dam. The evaporation increases during summer. The quantity of cyanide evaporated varies in accordance with the above mentioned variables;
3. A percentage of up to 40% will be retained at first, due to being attached to solid particles. Once the tailings are buried, there is a neutralizing environment occurring, and a series of decomposing mechanisms will decompose the cyanide, in time.

Conclusion: a significant percentage of the initial quantity of the cyanide stored in the TMF is recycled back to the processing plant, together with the recovered water; the rest of the cyanide quantity is subject to certain natural decomposing mechanisms (i.e. the activity of the bacteria), which continue to reduce the concentration of the cyanide in the TMF. These natural phenomenon can't be easily quantified; but RMGC commits to comply with the regulations established in Romania, the most relevant being NTPA001. NTPA001 imposes a level of 0.1 ppm Total Cyanide for water discharge in the TMF. The longest period of time foreseen for neutralization is related to the cyanide buried in the tailings, but that matters is that this cyanide will remain in the TMF until is neutralized and it is not released in the environment.

*

After the independent experts conducted the EIA and prepared the report on the environmental impact assessment study, Roşia Montană Gold Corporation (RMGC) prepared detailed operation and

management plans for various types of works included in the project, contained in 13 volumes. All the commitments included in these plans will be incorporated in a monitoring report, which will be audited on a regular basis, both by the financial bodies financing the project, and by independent auditor teams, as part of the environmental management system (EMS) to be implemented by RMGC. The annual report regarding the monitoring of environmental performances, which is part of the EMS, will be made available to the public and to the regulatory authorities.

*

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

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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

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

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

RMGC established Roșia Montană MicroCredit in January 2007, as "IFN Gabriel Finance SA", to encourage the local investors. This micro lender is designed to provide funding and necessary resources to the people of Roșia Montană, Abrud, Câmpeni 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.

*

Piatra Albă will be the new Roșia Montană, it will have an existence on its own, as the most modern village in Romania.

With a comprehensive closure and rehabilitation program, after operations designed to meet EU and international standards; Roșia Montană will not be a desert area. To the contrary, its lands will be rehabilitated for public use.

As for Piatra Albă, it will have benefited from nearly 20 years of diversified economic activity and increased educational opportunity in a region recognized for resource development potential.

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

*

Government Emergency Ordinance no. 195/2005 on environmental protection ("GEO nr. 195/2005") stipulates regulations having the nature of principles, regarding the right of any person to a healthy and well-balanced environment.

One of the methods for the implementation of these principles is the obligation of undergoing the environmental impact assessment procedure in order to develop the projects provided by Government Decision no. 918/2002 [1] on the environmental impact assessment framework procedure and for the approval of private or public projects list subject to this procedure ("GD no. 918/2002"), a procedure also performed in relation to RMGC's project.

Appendix no. 2 item 9 of the Order of the Minister of Waters and Environmental Protection no. 863/2002 for approval of the methodological guidelines applicable to the stages of environmental impact assessment framework procedure ("Order no. 863/2002") stipulates that the report on the environmental impact assessment study must comprise a non-technical summary which mentions, among others, the following:

- (i) identification and description of the impact area;
- (ii) impact mitigation measures, by environment components; and also;
- (iii) conclusions on the life quality/life standard and on the social conditions in the impacted communities.

Consequently, please consider that the report on the environmental impact assessment study submitted by RMGC was intended to determine the possible impact of the proposed activities on (i) the demographic characteristics, (ii) living conditions within the area, (iii) economical conditions, but also to identify the optimum solutions for the mitigation and diminishing of the possible impact on each environment component, on the population, the fauna and the flora from the impact area.

References:

[1] - We mention the fact that GD no. 918/2002 was repealed by GD no. 1213/2006 on the framework procedure for the environmental impact assessment for certain private and public projects, published in the Official Gazette, Part I, no. 802 dated 25.09.2006 ("GD no. 1213/2006").

Nevertheless, considering the provisions of art. 29 of GD no. 1213/2006, which provides that "the projects submitted to a competent authority for the environmental protection, with a view to obtaining the environmental permit and which are subject to the environmental impact assessment procedure, prior to the entering into force of this Decision, are subject to the environmental impact assessment and environmental permit issuing procedure in force at the moment of such submission", we should specify that, as regards the RMGC project, the provisions of GD no. 918/2002 are still applicable.

*

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 state owned companies as public corporations and companies, published in the Official Gazette, Part I, no. 98/08.08.1990, as subsequently amended and supplemented. Art. 35 of this law stipulates the possibility of the public corporations to enter partnerships with Romanian or foreign legal third parties, for the purpose of setting up new 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 in compliance with all the conditions imposed by Companies Law no. 31/1990 and Trade Register Law no. 26/1990, regarding the setting up of joint ventures.

Please note that the Articles of Incorporation of Roşia Montană Gold Corporation SA, representing the result of the agreement on the terms and conditions under which the partnership between the Romanian State and the investor takes place, represents a document open for public access, being included in the category of documents which, as per Trade Register Law no. 26/1990, are published in the Romanian

Official Gazette and for which the Trade Register has the obligation to issue certified copies, on the expense of the persons submitting a request in this sense.

Also, please note that the shareholders' participation in the profit and loss of Roşia Montană Gold Corporation SA has been established considering their contribution 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, as Gabriel Resources Ltd. paid for all expenses and costs related to the development-exploitation and authorization of the Roşia Montană Mining Project.

The provisions of the Articles of Incorporation of Roşia Montană Gold Corporation SA on the necessary majority and quorum conditions for the decision-making process within the General Meeting of the Shareholders and the participation in the company's profit and loss are taken from Law no. 31/1990, and no derogation exists in regard of this aspect.

*

From this project, based on a gold price of USD 600, and a silver price of USD 10.50, Roşia Montană Gold Corporation (RMGC) will achieve profits of USD 1,258 million. The profit to the Romanian State including the people of the Apuseni mountains will be 1,032 million from the government share of profits, profit taxes, royalties and other taxes. From the total profits, the Romanian State's share is 45%. In addition to the 1,032 million, the local people will benefit from substantial infrastructure improvements (power, roads) as well a new modern village for the people of Roşia Montană (Piatra Albă).

But the most important benefit of the whole region and the Apuseni Mountains is a sustainable development of the area, and RMGC is committed to responsible mining and sustainable development in the Roşia Montană community.

We believe that bringing new economic opportunities to a community with 70% unemployment and improving residents' health will have a major positive social impact. We also believe that it is important to note that our project will economically benefit Romania as a whole. In addition to the royalty the Romanian government will receive from the project, RMGC will infuse \$2.5 billion USD into Romanian economy over the life of the mine.

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

*

It is highly unlikely that any disaster might occur at the tailings ponds, because of the high integrity of the tailings dam. The Environmental Impact Assessment Study Report (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, reviewed and approved by certified Romanian dam experts (members of the ICOLD Committee). 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.

The Tailings Management Facility (TMF) dam is rigorously designed to incorporate all EU, Romanian and international criteria to reduce the risk of failure. These guidelines allow for significant rainfall events and prevent dam failure due to overtopping.

The TMF 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 10,000 year-flood events within 24 hours, a rain level that has never been recorded in this area. Additionally, an emergency spillway for the dam will be constructed in the unlikely event that pumps fail due to malfunction or power interruption at the same time as the second PMP event. The TMF design therefore very significantly exceeds required standards for safety. This has been done to ensure that the risks involved in using Corna valley for tailings storage are well below what is considered safe in every day life.

Section 7 of the EIA report includes an assessment and analysis of risks and includes various dam break scenarios. The dam break modeling showed that, in the extraordinarily unlikely event that the dams, the spillways and catch basin all fill, then any tailings runoff would be extremely diluted and would not extend beyond the confluence of the Corna valley stream and the Abrud River. Thus, even in this highly improbable, worst-case scenario, the town of Abrud would remain safe and unharmed.

Given the dam break scenarios provided by the EIA team, the run-out distances of tailings material is conservatively estimated to be between 0.6 to 1.6 kilometers. This model indicates that that tailings material will not reach the Abrud River.

However, the project recognizes that in the highly unlikely case of a dam failure that a Emergency Preparation and Spill Contingency Management Plan must be implemented. This plan was submitted with the EIA as Plan I, Volume 28.

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

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

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

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

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

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

Yet we recognize that with a project as large as that being undertaken at Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers.

All insurers and insurance coverage related to the mining operations at Roşia Montană will be in full

compliance with Romania's insurance regulations.

*

Gabriel Resources Ltd. is a Canadian company listed on the Toronto Stock Exchange. Its management team has 60 years of experience permitting and operating seven mines on four continents. Gabriel Resources has adopted a corporate structure similar to all other Canadian-based resource companies operating worldwide.

*

According to art. 1 of the Mining Law no. 85/2003, the mineral resources are the exclusive object of public property and belong to the Romanian State, therefore no individual may claim it has a legal right on the gold deposits. Art. 13 of the Mining Law states "*the resources are capitalized by mining activities granted into concession by the competent authority to legal entities, Romanian or foreign, or into administration of public institutions*".

The Romanian Government owns the mineral resources, therefore, any question related to ownership issues must be sent to competent public authorities.

As for listening and engaging with the community to understand its concerns, Roşia Montană Gold Corporation (RMGC) has conducted extensive consultations, including 1262 individual meetings and interviews, and the distribution of questionnaires for which over 500 responses have been received, 18 focal group meetings, and 65 public debates, in addition to holding discussions with government authorities, non-governmental organisations and potentially affected stakeholders. Feedback has been used in the preparation of the Management Plans of the independent Environmental Impact Assessment as well as the drafting of Partnerships and development programs.

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

*

The Government was represented by the Ministry of Environment and Water Management, the mass media was invited to participate and a significant part of it was present. All discussions were recorded both on audio and video media, and typed. The project titleholder officially provided the Ministry of Environment and Water Management with a complete set of DVDs containing the records of all public debates, in order to facilitate access of all interested stakeholders to the entire and unprocessed information gathered during the debates.

Item no.	339
No. to identify the observations received from the public	Lupşa, 16.08.2006
Proposal	<p>1. What are the alternatives available for those who live in the areas surrounding the project area, as they are not evident from the EIA? The questioner refers to areas like Lupşa, Bistra and others, considering that pollution is all that the inhabitants of Lupşa will get.</p> <p>2. How does RMGC plan to monitor the activities performed in Roşia Montană during the lifetime of the project?</p>
Solution	<p>The benefits resulting from this project will affect the entire area of Apuseni Mountains.</p> <p>The presence of the Roşia Montană Project (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 climate, combined with a functioning market economy, will result in the identification of new business opportunities that can develop concurrent with the RMP.</p> <p>The RMP will create an average of 1,200 jobs during the 2 year construction period. It is expected that the majority of these positions will be sourced locally, from the project impacted area.</p> <p>During the 16 years of operations the RMP will require 634 jobs (direct employment including contracted employment for cleaning, security, transportation, and other). It is expected that most of these jobs will be sourced locally, from the project impacted area.[1].</p> <p>Employment will be prioritised at the local level, with people from RM being given the first priority for work on the project. Should positions still not be filled from labour available at the local level recruitment will take place at the regional level.</p> <p>If the appropriate skills are not available in the existing workforce, training programs are made available to increase the skill base. 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.</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, Bucium, Zlatna, Baia de Arieş Brad and Vadu Moţilor. At the Human Resources offices, people can find details about the training programs.</p> <p>Please contact the RMGC's representatives:</p> <ul style="list-style-type: none"> - at the Rosia Montana office phone number: 0258 783014; - Dana Mihon at ph.no.: 0729 399159; email address: dana.mihon@rmgc.ro; - Tiberiu Mera at ph.no.:0729 399430; email address: tiberiu.mera@rmgc.ro; - Raul Gombos: at ph.no.: 0729 399428; email address: raul.gombos@rmgc.ro.

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

The pollution currently existing in the area due to mining activities developed within the last millenniums has been thoroughly assessed through the Baseline Reports included in the Environmental Impact Assessment Study Report (EIA), while RMGC has developed monitoring programs to ensure all environmental factors would be within the limits considered acceptable and safe under EU and Romanian standards (please refer to Chapter 6 - Monitoring of the EIA Report.)

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

References:

[1] Roșia Montană Project, EIA Study Report, 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.

*

Throughout the term of execution of the Roșia Montană investment, the competent authorities (the National Environmental Guard, acting through its subordinated structures) have the obligation to verify, through periodical inspections, the compliance with all the requirements of the environmental permit, by periodic inspections. In this respect, we mention the provisions of art. 53 of Order no. 860/2002 issued by the Ministry of Waters and Environmental Protection on the procedures governing the approval of the environmental impact assessment and the issuance of the environmental permit (“Order 860/2002”): *“Competent public authorities for environmental protection have the duty to continuously update the site file which exists at their headquarters together with the official reports of inspection, and which have been filled in upon the controls conducted during the operation stage of the respective investment. Upon completion of operation works, the competent public authority for environmental protection conducts a specific control in order to verify if all conditions imposed by the environmental permit/ integrated permit are met. The observation official report established during this stage is going to be accompanied by the official acceptance report for the works developed for the respective investment.”*

During the entire operation period, the facility will be monitored by the competent authority (the environmental authorities and the National Environmental Guard, acting through its subordinated structures, the local structures of the “Romanian Waters” National Administration). The monitoring activity will consist in the analysis of the monitoring reports transmitted by the project titleholder, and regular inspections, planned based on the requirements included in the integrated environmental permit, which has to be obtained by the project titleholder before commissioning the facility.

Item no.	340
No. to identify the observations received from the public	Lupşa, 16.08.2006
Proposal	<p>1. The questioner wants to know whether the jobs will be available also for the inhabitants of the neighboring areas or only for the inhabitants of Roşia Montană.</p> <p>2. No mention has been made regarding the project's impact on the inhabitants of Lupsa and they want to be informed whether there is any alternative to this project and especially if they will be affected by pollution as they haven't forgotten yet the taste of the hydrochloric acid from Zlatna. The pollution existing in the area already affects the animals and the fruit trees.</p> <p>3. In the company going to undertake something to increase the cultural level of the inhabitants- to ensure other services apart from pubs and restaurants?</p> <p>4. In terms of infrastructure, the questioner considers that the roads will be deteriorated by the heavy vehicles that will be used for the transport to the mine site. These transports will affect both the main roads and the side roads that will be used at full capacity.</p> <p>5. The questioner would leave the area in exchange of a compensation paid by the company rather than be affected by pollution and suffer because of the project.</p>
Solution	<p>The benefits resulting from this project will affect the entire area of Apuseni Mountains.</p> <p>The presence of the Roşia Montană Project (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 climate, combined with a functioning market economy, will result in the identification of new business opportunities that can develop concurrent with the RMP.</p> <p>The RMP will create an average of 1,200 jobs during the 2 year construction period. It is expected that the majority of these positions will be sourced locally, from the project impacted area, therefore they'll be Romanian.</p> <p>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.</p> <p>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.</p> <p>Please contact the Roşia Montană Gold Corporation's (RMGC) representatives:</p> <ul style="list-style-type: none"> - at the Rosia Montana office phone number: 0258 783014; - Dana Mihon at ph.no.: 0729 399159; email address: dana.mihon@rmgc.ro; - Tiberiu Mera at ph.no.: 0729 399430; email address: tiberiu.mera@rmgc.ro; - Raul Gombos: at ph.no.: 0729 399428; email address: raul.gombos@rmgc.ro.

Center	Location	Open Days	Open hours	Assistant
Roşia Montană	Model House	Mo- Thu Fri	08:00 – 17:00 08:00 – 15:00	Mihon Dana Mera Tiberiu Raul Gomboş
Bucium	Bucium Town Hall – ground floor , Exploration Office	Mo	10:00 - 12:00	Gomboş Raul
Abrud	Abrud Town Hall – 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
Campeni	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	Vadu Moţilor Town Hall- ground floor	Fri	10:30 - 14:00	Mera Tiberiu

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

References:

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

*

The RMP's immediate impact on Lupşa will be to stop the flow of acid water full of heavy metals from Roşia Montană, which will be collected, treated, and discharged as clean water into the Roşia and Corna streams, meeting all Romanian (TN-001) and EU laws and directives, In the long term, the project could provide the town with environmental benefits.

The EIA report describes in detail the potential impact of the project's activities on Lupşa and other towns in the region. This includes discussion of the impact on water, air, biodiversity, and noise and vibration. For example, chapter 4-1 describes the potential impact on surface waters. Furthermore, there is a complex study on the dispersion of air pollution, starting from the construction, through to operation, and mine closure stages and until the final rehabilitation stage. The report includes description of monitoring and mitigation methods, including considerable detail on how we propose to conduct our monitoring process both within project's impact area and in adjacent areas. Legislation requires the company to self monitor, and the regulatory authorities will have their own monitoring system. Roşia Montană and downstream communities will have access to the data.

There could be significant environmental benefits for Lupşa. For example, if the pollution affecting apple trees in Lupşa results from existing and previous poor mining practices in Roşia Montană, improving the water quality could contribute to improved fruit harvest. Obviously, if the cause of that aspect of pollution stems from Zlatna, neither permitting nor canceling the RMP would have an impact in Lupşa.

The economic impact is also likely to be felt throughout the region. In addition to the 563 jobs during production, the project will lead to some 5,600 indirect jobs for 20 years. These indirect jobs will be largely created locally and regionally, including neighboring towns. RMGC will also spend some US\$1.69 billion procuring goods & services, during construction and operations. This includes USD 450 million during construction and USD 1,170 million during production, with spin-off benefits to neighboring towns and localities including Lupşa, Muşca and Bistra.

*

Concerning cultural improvements, the new locality of Piatra Albă will arguably be the most modern rural locality of Romania. A cultural centre and a modern school will be constructed. While the bars and other economic activities which are complementary to some industrial activities cannot be controlled by us, the company cannot forbid the development of such activities. That is up to the market of supply and demand.

Roşia Montană Gold Corporation (RMGC), within the commitments communicated in the Cultural Heritage Management Plan is working on constructing a Mining Museum and restoring and developing several significant archaeological vestiges. All these will become future tourist attractions, generating resources for the Foundation and implicitly also for the community.

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

*

We understand that the proposed project may impact area roads and have a commitment to maintenance and construction to ensure no infrastructure degradation.

Through the payment of transport license, road and fuel taxes, the contribution of funds through signed protocols with Abrud and other cities, RMGC will pay or help pay for the construction and maintenance of roads and infrastructure impacted by the proposed project.

*

Any Roşia Montană eligible resident is free to sell his or her property to RMGC. 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 and guidelines in this field.

However, the new project will remediate existing pollution (rather than create further pollution) as it will operate to the strongest E.U. standards and industry best practices. Should the seller choose to relocate to the new community of Piatra Albă, he or she will see Roşia Montană's environment become cleaner as a result of modern mining. We do not encourage the people living either under or outside the foot-print of the project to leave the area. The development opportunities created in the area by the company make the area attractive.

Item no.

341

No. to identify the observations received from the public

Lupșa,
16.08.2006

Proposal

Considering the fact that the miners raise animals, the questioner proposes that a veterinary clinic be also included in the relocation project, a clinic that would be available to all the communities in the neighboring area and where both large-size animals and the small ones be treated.
The questioner considers that this measure would be beneficial to the community.

Solution

According to the relevant legal provisions, the interested public may submit justified proposals on the environment impact assessment. Art. 44 (3) of the Order no. 860/2002 on the Environment Impact Assessment Procedure and the issuance of the environmental approval provides to this end that „*based on the results of the public debate, the relevant authority for the environmental protection evaluates the grounded proposals/comments of the public and requests the titleholder the supplementation of the report to the environmental impact assessment study with an annex containing solutions for the solving of the underlined issues*”.

The question of the attendant to the public consultations identifies and specifies no problems in regard of the project initiated by RMGC subject to the environmental impact assessment procedure, but requests information on Piatra Albă resettlement site, whose development is ongoing, and which is outside the requirements relating to the EIA document.

Nonetheless, considering RMGC has expressed its full availability to discuss any issues relevant for the proposed project, this suggestion has been passed on to the team developing Piatra Albă for possible inclusion. It is RMGC's intention to make Piatra Albă as responsive as possible to community practices, interests, and occupations. However, the usual veterinary assistance, by nature, is made where the animals are raised, mainly in areas where the access is slightly difficult, which is the case in Roșia Montană.

Item no.

342

No. to identify
the
observations
received from
the public

Lupșa,
16.08.2006

Proposal

The questioner supports the project.

Solution

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

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

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

In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and 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.	343
No. to identify the observations received from the public	Lupşa, 16.08.2006
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.	344
No. to identify the observations received from the public	Lupșa, 16.08.2006
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 Cămpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.	345
No. to identify the observations received from the public	Lupşa, 16.08.2006
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.	346
No. to identify the observations received from the public	Lupşa, 16.08.2006
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.

347

No. to identify
the
observations
received from
the public

București,
21.08.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.

348

No. to identify the observations received from the public

București,
21.08.2006

Proposal

The questioner makes the following remarks and comments:

1. Some of the questions are answered on the spot, while for others a written answer will be provided. This is a correct measure, but it is not normal to prevent any citizen, any of the participants to the debate from hearing the answers to any of the questions asked here.
2. Those who will benefit from this project represent about 20% of the impact area, but what happens to the remaining 80% or 50% isn't also important? They must not be left aside. What are they going to do? They are not miners.
3. At what distance from the mining site can a organic product be obtained?
4. The mine operations from Roșia Montană, Baia de Arieș, Zlatna have been closed down. What are the rehabilitation measures taken by the Romanian Government in this respect?
5. Perhaps neither the cyanide nor the gold are the solution for this area. What will be the viable solution for this area? That is the one that will be applied in 15 or 20 years' time.

Roșia Montană Gold Corporation SA (RMGC) is, in the Environmental Impact Assessment (EIA) Annex, complying with the legal requirements to provide a written answer to all questions.

Solution

The analysis of Order no. 860/2002 issued by the Minister of Waters and Environmental Protection for the approval of the environmental impact assessment and environmental permitting procedure, indicates that there is no legal deadline for preparing the answers. There is only one legal provision regarding the preparation of the answers, *i.e.*:

"Article 44. - (1) During the public debate meeting, the project titleholder shall describe the proposed project and the assessment made in the environmental impact assessment, 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.

(2) The competent authority for environmental protection shall record the justified proposals of the public, made during the meeting, using the form presented in Annex no. IV.1, which also includes the justified proposals received before the public meeting.

(3) Based on the public meeting outcome, the competent authority for environmental protection shall assess the justified proposals/comments of the public and request the project titleholder to attach an annex to the environmental impact assessment report, annex containing solutions to the problems raised by the public, according to the form presented in Annex no. IV.2."

In these cases, it all depends on the time allocated by the public authority to answer each question. To conclude, these answers will be prepared within the shortest possible time, starting from the moment when the request is transmitted to the public authority for environmental protection.

*

It is agreed that the benefit of the Roșia Montană Project should and must be experienced by the local community.

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. In addition, 6,000 jobs will be generated indirectly in the region because of the Project. All this underscores the significant opportunities for the people of the entire region.

As part of its social development program, the Company is offering vocational training programs in a number of fields for the local workforce free of charge. The Project will remove some of the current obstacles for sustainable development, such as pollution and land dereliction and lack of local funding and business. The company has also established a MicroCredit financial institution to enable locals to start small business.

*

The distance to a mining project is not necessarily directly related to the ability to produce an organic product.

Production of organic products generally requires significant investments. For example, vegetables produced in a greenhouse, on a soil-free under layer, with an addition of organic compost can be relatively easy to produce but nevertheless still require significant investments. Only those areas where there is no pollution or no chemical residues in the soil from pesticides used in the past are suitable for this type of "ecological" agriculture.

Therefore, the area around Roșia Montană is not a good area for this type of agriculture. This has nothing to do with the proposed mine but rather results from the extent of pollution resulting from past poor mining practices.

Because the Roșia Montană Project promises environmental rehabilitation, the chances for production of ecological agriculture products in this area can only improve in the future.

*

Though RMGC is aware that mining operations have been closed at Roșia Montană, Baia de Arieș, and Zlatna, we cannot speak on behalf of the Romanian government.

We can only speak to the ways in which RMGC's Roșia Montană Project will differ from previous mining outfits that have abandoned mine sites without proper closure or rehabilitation. We will act in complete compliance with Romanian Mining Legislation (Law 85/2003, Article 53 (1) and (2)) which requires RMGC to execute all activities listed in the Mine Closure and Rehabilitation Plan (Plan J in the EIA) at our expense. Additionally, before we can obtain an operational permit, we will establish (in accordance with the European Mine Waste Directive 2006/21/EC) an Environmental Financial Guarantee that ensures there will be funds available for proper closure and rehabilitation.

*

Within the Environmental Impact Assessment Study Report (EIA), there is a whole chapter - Assessment of the Alternatives - Chapter 5 which analyses and details the alternatives for Roșia Montană area.

With chronic high unemployment in the village, it is problematic to discuss Roșia Montană's future in 15 to 20 years time. Too many small villages in Romania are now abandoned because they lost their economic support system. Without an investment, the unfortunate fact could be that Roșia Montană might join them.

It doesn't have to be that way.

Roșia Montană Gold Corporation (RMGC) 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, including tourism. These working groups will

be made up of Government, community representatives and RMGC. The working groups will welcome suggestions and contributions from all interested parties.

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.

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

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

Item no.	349
No. to identify the observations received from the public	București, 21.08.2006
Proposal	<p>There are so many churches and graveyards in the Roșia Montană area that would disappear from the face of the earth. What does the company plan to do with the deceased people from Roșia Montană? How will they be exhumed and where will they be resettled?</p>
Solution	<p>Some graveyards are in the proposed area for the project development and, similar to other industrial projects or highways that cross graveyards, discussions will be made with families of the deceased and with the church, as well as with the local authorities, for relocating those cemeteries, in compliance with the legislation and with respective churches practice.</p> <p>Contrary to what the opponents of the mining project claim, no one wants to destroy churches or graveyards.</p> <p>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. Church construction is a central element in the new community of Piatra Albă being built by the company.</p> <p>To put the number of graves in context, 410 graves of the Roșia Montană's 1,905 graves will be affected by the mining project, as the company has to the maximum extent possible designed the mining operations to leave established graveyards in place.</p> <p>Six cemeteries, out of the existing twelve will be affected by the project. In the case of any grave, there must be a very strong reason for that grave to be removed. The communities have created during their development initial rules, later turned into laws that deal with this unfortunate event. And yet it is also true that communities are themselves living entities, and without the RMP - with unemployment rising from 70% today to more than 90% - refusing to bring new development to Roșia Montană could mean the end of the village's ability to support itself.</p> <p>All reburials will be done at the request of the families, and the expense of RMGC. The process will follow to the letter Romanian law on reburials [1], with the company's commitment to act with respect and reverence. Abandoned graves will be relocated, also with full respect and reverence, to Piatra Albă's new cemetery, for which 13 hectares have been set aside.</p> <p>References:</p> <p>[1] the relocation of graves and cemeteries is governed by the following regulatory acts:</p> <ul style="list-style-type: none"> (i) Law no. 489/2006 <i>on the freedom of religion and the general regime of religious affairs</i>, published in the Romanian Official Gazette, Section I, no. 11/08.01.2007; (ii) Law no. 98/1994 <i>establishing and sanctioning breaches of the hygiene and public health rules</i>, published in the Romanian Official Gazette, Section I, no. 317/16.11.1994, as subsequently amended and supplemented ("Law no. 98/1994"); (iii) The hygiene norms and recommendations concerning the population's life environment, published in the Romanian Official Gazette, Section I, no. 140/03.07.1997, as subsequently amended and supplemented ("Order 536/1997"); (iv) GD no. 955/2004 on the approval of the framework Rules for the organization and operation of the public services for the administration of the public and private domain of local interest, published in the Romanian Official Gazette, Section I, no. 660/22.07.2004; (v) Order no. 261/1982 on the approval of the standard Rules for the administration of graveyards and the crematories of the localities, published in the Official Gazette no. 67/11.03.1983; (vi) Rules for the organization and operation of the parish and monastery graveyards within the

eparchies of the Romanian Orthodox Church, approved by Decision of the Religious Affairs Department no. 16.285/31.12.1981.

Item no.	350
No. to identify the observations received from the public	Bucuresti, 21.08.2006
Proposal	<p>The questioner makes the following comment: Tourism is the alternative to mining. Tourism and not the gold is a country's greatest wealth. In the case of the Apuseni Mountains we can speak about the tourist complex of the Apuseni Mountains, supported by the following arguments: caves, karstic phenomena, historical places, landscape, traditions, economic activities, all these brought together and enhanced can ensure a local benefit. Mining has been a curse throughout the centuries for the population of the region. It has been beneficial for the officials, for the authorities. The questioner asks the company for support in promoting a tourist project regarding the "Muntele Găina" festival.</p>
	<p>It is true that tourism may be a potential source of revenue and sustainable development for Roşia Montană and the region. There is, however, a vast difference between proposing tourism as an alternative or substitute for a major industrial project – and the development of tourism over time supported by the infrastructure investments driven by a large industrial project.</p> <p>The former – for Roşia Montană, “tourism with no mine” – is not viable on its own, and certainly not in comparison to a plan to develop tourism over time with the help of infrastructure investment.</p> <p>As the Roşia Montană Project (RMP) affects only 4 of Roşia Montană’s 16 sub-comuna, the development of Roşia Montană’s tourism potential can be done in parallel with active mining operations. Chapter 5 of the Environmental Impact Assessment Study Report (EIA) identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other problems that have arisen through lack of inward investment. As described in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Community Sustainable Development Management Plans, there are currently some tourism activities in Roşia Montană. However the tourism industry is not at present a significant economic driver.</p>
Solution	<p>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 (MMEW).</p> <p>Roşia Montană Gold Corporation (RMGC) has also commissioned a study which sets out how the potential tourism markets and how these might best be approached in an integrated project:</p> <p>“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US\$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions.</p>

Further to this, it is understood that the government will be acting locally to encourage economic growth. (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).

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

Item no.	351
No. to identify the observations received from the public	București, 21.08.2006
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 Cămpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

352

No. to identify
the
observations
received from
the public

București,
21.08.2006

Proposal

The questioner supports the project.

Solution

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

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

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

In terms of creating new economic oportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80 % live in Roșia Montană, Abrud, and 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.	353
No. to identify the observations received from the public	București, 21.08.2006
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.

354

No. to identify the observations received from the public

București,
21.08.2006

Proposal

The questioner makes the following observations, comments and asks the following questions:

1. The EIA talks about benefits, but there is no mention about the costs involved, namely: the costs for the population; the costs for the waters, the land and the woods being lost, the costs of losing potential tourist resources, the costs of losing a cultural heritage unique in the world.
2. The report does not comprise a costs-benefits analysis nor a comparison between the benefits obtained by Romania with or without this project. Such a comparison would point out the fact that the implementation of this project would cost Romanians at least US\$ 3 billion which would be paid by the generations to come.
3. According to the EIA Report the company has estimated US\$ 70 million for the environmental rehabilitation during the life of the project, included the US\$ 40 million to be used after the mine closure. But anywhere else in the world, the costs involved by the closure of such a mine with a 500 ha of TMF and tons of waste dumps amount to at least US\$ 3 billion. This amount will be paid by Romania as the environmental rehabilitation is not a luxury, and the EU legislation stipulates the environmental rehabilitation. In 15 years' time, when the mining is completed, all the Romanian tax payers will pay for the rehabilitation as they all pay today for the disaster that occurred in Baia Mare.
4. RMGC has not answered in its EIA the questions asked by the Romanian Government with regard to what will happen to the tourism, agriculture and other alternative activities in Roșia Montană.
5. RMGC claims that without this project, the poverty will continue to exist, but over the last 10 years they have developed a poverty program in Roșia Montană. In 2000, the company modified the General Urban Plan because the establishment of a bed&breakfast, of a restaurant were not allowed in the mining industrial area. This is a poverty induced to make people leave the area. The European Union will allot €3 billion from its 2007-2013 budget for sustainable tourism, and such as tourism can be developed in Roșia Montană as well! But not even an inn can be established in Roșia Montană as this is not allowed. If some one wants to do that, submits a request to the local town hall and he/she will be told that tourism activities are incompatible with the mining activity.

Solution

The Roșia Montană Project (RMP) as a major investment will be a catalyst for local and regional economic development.

As with any major industrial development, impacts will be positive and negative. In the case of Roșia Montană, beneficial impacts will be maximized by involving local and regional governments and other relevant parties from the community in development initiatives as part of a participatory approach. Negative impacts will be mitigated through measures as described in the EIA report.

To put the issue in larger context, the construction and operation of the Roșia Montană Project requires the acquisition of properties in four of the Roșia Montană's 16 sub-communes. For the most part, therefore, property ownership in the larger part of Roșia Montană will not be affected by the project. In fact, the number of homes that the company must purchase to construct and operate the project over the life of the mine – 379 homes – is far smaller than the 1,000 homes project opponents regularly reference.

In order to mitigate the social impact created by the resettlement and relocation program, two new relocation sites in the Pietra Albă area and Alba Iulia are being built. These sites will be the new civic center of the commune, which will be the most modern in România. In addition to individual homes, new and modern quarters for the City Hall, cultural and community centers, a police station, a dispensary, a school, and other buildings will be built. This new and modern location will preserve the character and tradition of the mountain villages of the Apuseni Mountains but will benefit from all the advantages and facilities of 21st century construction. (Only the school will be built in a modern architectural style.) All relocations will be conducted according to the Resettlement and Relocation Action Plan, which fully complies with World Bank standards for involuntary resettlement of individuals.

With respect to the cultural heritage of the village, it is important to remember that the company has also spent approximately US\$ 10 million to develop the most extensive archaeological research and development program of Roşia Montană Historic Area, so as to preserve and develop the archaeological and cultural-architectonical potential.

Through the RMP and its heritage management plans, over the life of the mine, 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 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 Tău Găuri - all of which would serve as tourist attractions.

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

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

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

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

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

*

The assertions here are not correct. First, an economic cost-benefit analysis was performed the benefit of the performed for the Romanian Government There is also a separate publicly-available feasibility study which clearly shows that the project is economically sound. The financial costs of this project to România are nil. In fact, the Romanian government's ownership share of 19.3% is fully carried and results in a profit to the Romanian state of US\$ 306 million. Total direct cash benefits to the Romanian state, including the government's share of profit, payment of profit taxes, royalties, and other taxes such as payroll taxes, are US\$ 1,032 million.

In addition to the direct financial benefits, there are the indirect benefits related to the economic activity generated. USD 2,523 million will be spent in România during the life of the project. The approval of the project will also result in the clean-up of pollution from past poor mining practices at no cost to the

Romanian Government. In a no-project scenario, the cost of this cleanup would be the responsibility of the Romanian state.

*

The figure of US\$ 3 billion is both unsubstantiated and implausibly high. RMGC stands behind our closure estimates, which were developed by a team of independent experts with international experience and will be reviewed by third party experts, are based on the assumption that the project can be completed according to the plan, without interruptions, bankruptcy or the like they are engineering calculations and estimates based on the current commitments of the closure plan and are summarized in the EIA's Mine Closure and Rehabilitation Management Plan (Plan J in the EIA). Annex 1 of Plan J will be updated using a more detailed approach looking at every individual year and calculating the amount of surety, which must be set aside year by year to rehabilitate the mine before RMGC is released from all its legal obligations. Most importantly, the current estimates assume the application of international best practice, best available technology (BAT) and compliance with all Romanian and European Union laws and regulations.

Closure and rehabilitation at Roşia Montană involves the following measures:

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

While the aspects of closure and rehabilitation are many, we are confident in our cost estimates because the largest expense – that incurred by the earthmoving operation required to reshape the landscape – can be estimated with confidence. Using the project design, we can measure the size of the areas that must be reshaped and resurfaced. Similarly, there is a body of scientific studies and experiments that enable scientists to determine the depth of soil cover for successful revegetation. By multiplying the size of the areas by the necessary depth of the topsoil by the unit rate (also derived from studying similar earthmoving operations at similar sites), we can estimate the potential costs of this major facet of the rehabilitation operation. The earthmoving operation, which will total approximately US\$ 65 million, makes up 87% of closure and rehabilitation costs.

Also, the necessity of additional technological measures to stabilize and reshape the tailings surface will be discussed in the update of the Economical Financial Guarantee (EFG) estimate, which leads to an increase the provisions for tailings rehabilitation, especially if the TMF is closed prematurely and no optimized tailings disposal regime is applied. The exact figures depend on the details of the TMF closure strategy which can be finally determined only during production.

Concerning parallels between the RMP and Baia Mare, Romanian law has changed since Baia Mare to protect the nation's taxpayers. According to the Romanian Mining Legislation (Law 85/2003), Article 53 (1) and (2), RMGC must carry out all of the activities outlined in the Mine Closure Plan at its own cost and responsibility. RMGC is released from its legal obligations only when all requirements are satisfied. Furthermore, Article 20 (4) of the Mining Law and the corresponding stipulations in the European Mine Waste Directive 2006/21/EC require RMGC to establish a financial guarantee for environmental rehabilitation (EFG, Environmental Financial Guarantee). RMGC is able to obtain an operating license from the Competent Authority only once a satisfactory EFG is in place.

In Romania, the creation of an Environmental Financial Guarantee ("EFG") is required to ensure adequate funds are available from the mine operator for environmental cleanup. 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.

*

Contrary to the questioner's claim, information on existing industries, such as agriculture and tourism, is provided in the Environmental Impact Assessment Study Report (EIA). Chapter 5 of the EIA Study Report (Assessment of Alternatives) 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. This information was presented primarily so that an assessment could be completed on the potential effects of the proposed project on these industries. Roşia Montană Gold Corporation (RMGC) is not in a position to comment authoritatively on alternative development options. However, the company is committed to promoting long term development opportunities as part of the sustainable development plan. 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. These working groups will be made up of Government, community representatives and RMGC. The working groups will welcome suggestions and contributions from all interested parties.

As for agricultural activities, currently, approximately 7% of the land in Roşia Montană is arable. In Roşia Montană, the altitude, steep slopes, and poor (and polluted) soils effectively minimise the role that commercial agriculture plays in the economy, The agricultural activities that do occur are primarily related to subsistence and supplement income from wage employment. Agricultural activities may continue in Roşia Montană, even if the mine proceeds, in the areas where the General Urbanism Plan (PUG) allows it. During the mine's life, if people wish to develop agriculture as an economically sustainable practice, RMGC in cooperation with Community stakeholders will provide assistance. In the Community Sustainable Development Plan (CSDP) land-based livelihoods including organic farming were presented as possibilities for development. It requires community interested parties to actively desire to undertake these activities. Agricultural activities may also continue post mine closure depending on whether there is a desire by people to practice it.

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

*

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. In this respect please note that 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, as follows:

- (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"*;
- (iii) art. 4.4. of the Local Urbanism Regulation of the Roşia Montană Village related to the General Urbanism Plan from 2002, *"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"*.

Consequently, please consider that the legal provisions previously mentioned are mandatory and applicable to any similar project, developed by legal public or private entities.

The key fact, however, is that, the Zonal Urbanism Plan (PUZ) detailing the land surface required by the

Roşia Montană Project (RMP) affects only about 25% of Roşia Montană commune. Although some businesses have already been established on the remaining 75% of the Commune, once the PUZ is finalised, business start-up will be further encouraged. At the same time a protected area has also been outlined. Once the PUZ is endorsed by Roşia Montană Local Council, tourist activities may be developed within this area (pensions, restaurants, etc.).

As for the charge that Roşia Montană Gold Corporation (RMGC) is responsible for Roşia Montană's poverty, RMGC has the largest number of employees from Roşia Montană and neighboring towns, more than 500 individuals. The wages paid by the company to its employees amount to a total of approximately Euro 4 million per year; only the taxes on employees' incomes amount to approximately Euro 1.5 million per year. Thus, the benefits of Roşia Montană Project will not only be felt by its direct employees and their families but also by the members of local community who are receiving social relieves, benefiting from health and professional training programs, etc.

On the general issue of tourism, 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 (MEWM).

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 that 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).

The Roşia Montană Project (RMP) will be a catalyst for local and regional economic development. Beneficial impacts will be maximised by involving local and regional governments and other relevant parties from the community in development initiatives as part of a participatory approach of the Community Sustainable Development Management Plans. Negative impacts will be mitigated through measures as described in the EIA study report. RMGC is committed to working proactively to create an enabling business environment promoting local sustainable development to be developed during the life of the project and designed to operate independently following mine closure.

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

Item no.

355

No. to identify the observations received from the public

București,
21.08.2006

Proposal

The questioner makes the following observations and comments:

1. 10 000 young people will be this year in Roșia Montană to prove that tourism is a viable solution for this area and that the young people represent this country's gold.
2. The questioner proposes non-polluting mining operations in the area, banning any type of deforestation and expropriation, maintaining the churches, houses and monuments unaltered, no use of cyanide, and the obligation to record all these measures in special documents.

The Roșia Montană Project (RMP) offers potential for encouraging tourism, and mitigation and management plans seek to foster this. Unquestionably, young people represent the future of Roșia Montană, and tourism may be one of the industries that can attract and retain them. But Roșia Montană currently has little tourism activity. As well as enabling rehabilitation of derelict mined land and halting stream pollution, the RMP will enable appropriate conservation of the historic Roșia Montană and provide for access to tourists and visitors. RMGC recognizes that the long-term prosperity of the affected communities must be provided for by channeling the inward investment from the RMP into growth of other industries, such as tourism. The *Community Sustainable Development Management Plan* recognizes that young people in the community will have a long-term future – dependent upon mining.

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

Attached to the Report is a study covering Initial proposals to develop tourism at Roșia Montană.

*

Solution

Any human activity involves a potential impact on environmental factors. It depends on the proposed technology and the way in which associated risks are kept under control in order to prevent/eliminate the respective impact. Any mining activity implies alterations of the relief, and generates a significant impact at local level on environmental factors, but the impact and mining associated risks can be controlled, minimized or eliminated by using Best Available Techniques and a strategy of progressive ecologic rehabilitation.

For Roșia Montană Project, the proposed technology is the result of an analysis of many criteria that considered all the conditions related to the site and ore deposit. The factors that have caused the selection of these technologies have taken into account to reduce land clearings as much as possible, only few properties to be impacted, and fair compensation of landlords based on equal opportunities principle. Therefore, the significant impact will cover areas already impacted by 2,000 year old mining activities.

With respect to the protection of churches and historic monuments, protected areas have been established and management plans have been proposed in order to manage their restoration, conservation and development.

All alternative technologies have been detailed in Chapter 5 of the Environmental Impact Assessment, and the impact on environmental factors and on people's health have been the major criteria in selecting those solutions.

Item no.

356

No. to identify
the
observations
received from
the public

București,
21.08.2006

Proposal

1. The questioner wants to know whether the geological exploration continues in the area and whether, besides the deposit already identified, there is the possibility to identify another deposit, so that the mining operations may be extended beyond the initial term of 14-17 years.
2. Concerning the electricity supply, the questioner wants to know whether the high voltage line to be built was designed such as to support both the Roșia Montană mining operations, and the Roșia Poieni mining operations, taking into consideration that the problem of building two high voltage lines in the area is very old.

Solution

The Evaluation Report on Environmental Impact describes the reserves that will be mined as a part of the Roșia Montană project. Any extension would require a new request for a new environmental permit and a new EIA evaluation process. Moreover, additional reserves require new reserves homologation from the National Agency for Mineral Resources and a new development plan for exploitation. There is a good possibility that more ore resources could exist at Roșia Montană, but additional research programs are needed. This research will require a permit issued by the National Agency for Mineral Resources.

Geological research will continue during the exploitation stage but at a lower speed, in order to continually improve the geological model that shows the difference between areas with resources and the areas with "waste rocks."

*

Currently, there are two high voltage lines in the area – one coming from Alba Iulia-Zlatna-Processing Plant (Roșia Poieni open pit), crossing the Roșia Montană perimeter and one coming from Deva-Brad-Câmpeni-Lupșa. It is compulsory to have two power sources so as to secure an alternative source in case of a power line failure. Given that most mining operations in the area, as well as the smelters at Zlatna, have been shut down, there is enough power to supply both the Roșia Montană and Cuprumin (although Cuprumin ceased operations as early as December 2006). None of the hydroelectric power plants supplying electricity into the grid operate at full power, given the low power consumption for industrial purposes in the area.

Item no.

357

No. to identify the observations received from the public

București,
21.08.2006

Proposal

The questioner makes the following comments:

1. The questioner warns that RMGC is lying when claiming that the soil of Roșia Montană is polluted and that ecological agriculture cannot be practiced. The study regarding the impact on the soil, Volume IV, clearly indicates on page 32, that the tests made upon the soil cover sampled from the Roșia Montană indicate no pollution with heavy metals.

2. Why has the company purchased houses in Roșia Montană before the project initiation? The precarious condition of the houses purchased by Roșia Montană Gold Corporation is worsening every year, they have almost disappeared. The company said it would preserve them, it would protect the heritage. These houses are dated since the 18th, 19th centuries, there are 9 churches, and RMGC has not preserved any of them so far, and it will not preserve any of them in future either, if the project is not approved.

The chapter "Soil pollution" from EIA is based on the results secured from the assays of soil samples (153 samples) collected from undisturbed profile and 70 soil samples collected from anthropic impacted areas.

A map with the sampling areas is attached to this document. Thus, it is obvious that soil samples have also been collected from the perimeter of the future open pits.

The chemical assays carried out on the 153 soil samples involved 21 indicators (water pH, NaF pH, CaCO₃, SB, SH, T, V, the content of organic matter, total nitrogen, heavy metals - Fe, Mn, Cd, Cu, Cr, Co, Pb, Zn - the content of mobile forms of phosphorus, potassium, aluminum). A total of 1521 chemical assays have been conducted.

The laboratory assays of the 70 soil samples from several areas impacted by mining works have surveyed the identification of 17 chemical elements considered as relevant for this activity (Mo, Cu, Ba, Ni, Mn, Zn, Pb, Co, Cd, Ag, Se, As, Sb, Sn, Be, V). As far as the assessment of soil fertility is concerned, the following parameters have been determined: humidity, pH, N – nitrate, C/N ratio, mobile phosphorus, and mobile potassium.

Solution

Based on the analysis of all available documentations:

"Environmental Balance Sheet - level II and Report on Environmental Balance Sheet – level II for CNCAF Minvest SA Deva – AGRARO, 2003";

"Study on Acid Base Accounting (ABA) for Roșia Montană area – Knight Piesold Limited, July 2001";

"Soil Baseline Report – ICPA, 2003" the conclusions from the Chapter 4.4 "Soil" became evident.

Percentage repartition of soil samples (n=153) from Roșia Montană area, depending on the presence of heavy metals.

Chemical element	Class of values			
	Normal	Up to the limit Of alert threshold (AT)	High, between the limit of alert threshold (AT) and intervention threshold (IT)	Above the limit of intervention threshold (IT)
Cd		97	1	2
Co		34	53	13
Cr	50	50	-	-
Cu	64	36	-	-
Mn	80	17	3	-
Ni	-	83	17	-
Pb	-	84	16	-
Zn	52	48	-	-

Percentage repartition depending on the charge/pollution degree with heavy metals of soils (Horizon A) from Roşia Montană area.

	Cd	Co	Cr	Cu	Ni	Pb	Zn
<i>Loading degree: low</i>			38.5			5.1	
average		5.1	56.4	46.1	7.7	51.3	25.6
high	2.6	10.3	5.1	43.8	15.4	33.3	51.3
very high	7.7		-		15.4	7.7	1.8
<i>Pollution degree : low</i>	76.9	66.7	-	2.6	53.8	2.6	10.3
average	12.8	17.9	-	-	7.7	-	-

Analyzing the data, it is evident that important percentages from all assayed samples (77% for Cd, 67% for Co and 54% for Ni) belong to a low polluting domain. In the case of other chemical elements Cr, Cu, Pb and Zn, most of samples belong to the domain ranging from low to high loading.

The conclusion resulted from the aforementioned information is that the soil cover is to a low extent geologically polluted with Cd, Co and Ni. To a great extent the soil has a level of loading with heavy metals equivalent to the pedo-geochemical background of the region, that means a larger quantity of heavy metals in this region than in an agricultural plane or hilly area where the parental material has a much lower content of heavy metals (subchapter 4.1.1 "Heavy Metals Pollution" page 27 volume 13 EIA). At the same time, it is going to be difficult to acquire a certification for the products secured within this area, as being organic products.

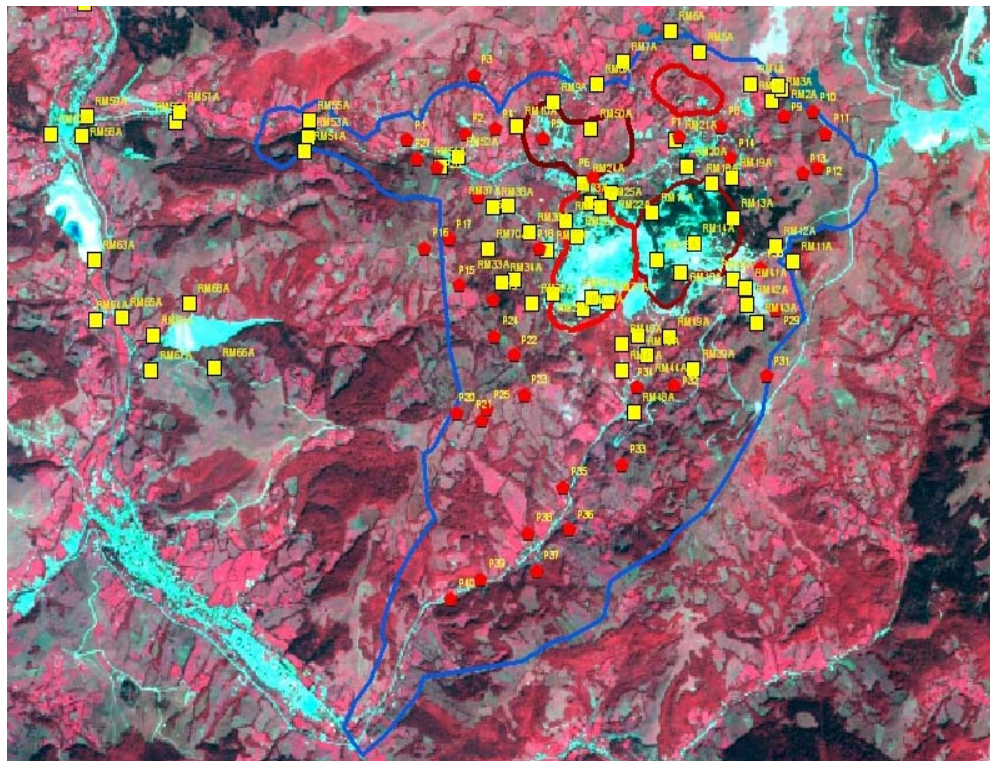
The analytic data of the content of heavy metals from the gold and silver ores bearing rocks indicate values slightly higher as compared to the Clark (concentration of an element in rock or mineral proportional with its content in earth crust). Thus, the values of the enrichment coefficient, which represents the ratio between the average value of the analytical data and the Clark's value, points out that the analyzed rocks contain 3.4 times more Cd than the Clark's value, 1.75 times more Hg, 2.8 times more Pb and 1.64 times more Zn.

In waste rocks, the average values of the contents of heavy metals are lower for Cd, Pb and Zn and higher for Co as compared to the values of the same chemical elements from the ore bearing rocks. As a result, the enrichment factors will be: 2.08 (Cd), 1.81 (Pb), 1.40 (Zn) and 0.78 (Co).

The migration of these chemical elements from rocks into soil occurred at the same time with the alteration phenomenon of the rocks and formation of the soil horizons under the influence of the pedo-genetic factors. Due to the higher mobility of some heavy metals (Cd) or due to the affinity of some other metals for the organic component of the soil (Co, Ni), in soil a certain concentration of these chemical elements has been produced, as presented above, so that in average, their contents are higher than in rocks. Therefore, the average grade for Cd is 1.1 mg/kg, for Co is 28 mg/kg and for Ni is 44 mg/kg. If we report the average grade of these chemical elements from soil to the average grade from both rock categories (ore bearing and waste rocks) we will find out that the soil is richer in Cd 3.1 times, in Co 2.3 times and in Ni 1.8 times. The other chemical elements (Cr, Cu, Mn, Pb and Zn) **have been concentrated in soil in a less extent**, so that rocks are richer 1.3 times in Cr, 2.9 times in Mn, 1.1 times in Pb and 1.2 times in Zn.

Taking into account the abundance of these chemical elements in ore bearing rocks as well as in the waste rocks, and by taking into account the technology proposed for the project. There is a reduced chance that soil from areas that are not stripped will be polluted at an elevated level during the development of the construction and operational stages, in such a way that the emergency and response limits will be reached.

However, based on a certain analysis, one cannot state that Roşia Montană area is not suitable for extensive and intensive development of the organic agriculture. The overloading of soils with heavy metals (actually natural loading) cannot lead to an organic certification of the products obtained from these lands. The testing procedure for the products secured through the cultivation of the Roşia Montană lands will indicate a high content of heavy metals. It is normal that a part of the heavy metals naturally existing in Roşia Montană soils to be found again in plants.



The location of the soil profiles sampled from the impact area of the Roșia Montană project and from surrounding areas which have been sampled in order to be assayed.

*

The acquisition by the project's titleholder of the usage right over all area necessary for development of mining activities, as required by art. 6 of the Mining Law no. 85/2003, is a long-term process developed simultaneously with the permitting process, in order for the RMP to meet its timetable.

Technically, the owners' request to sell houses from the Protected Area was based on the fact they had also owned properties elsewhere, under the footprint of the Project and such properties have been sold to RMGC.

As part of its commitment to preserving Roșia Montană's cultural heritage, RMGC has designed its project so that all 41 historical structures in Roșia Montană are unaffected by the mine. Contrary to the claim by this questioner, preservation of properties both inside and outside of the protected area has already begun. A design team is now under contract to restore 11 historical structures in the protected area, and a 10-person team is dedicated to maintenance of properties in the protected area and outside, with a particular focus on the historical structures. A complete and comprehensive preservation/conservation effort is planned across the life of the project, but the effort is already underway.

Item no.

358

No. to identify
the
observations
received from
the public

București,
21.08.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.	359
No. to identify the observations received from the public	București, 21.08.2006
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 Cămpeni. The RMP expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community.</p> <p>RMGC has already established a protocol with the local authorities to ensure that residents of the local community have first preference for these jobs.</p>

Item no.

360

No. to identify
the
observations
received from
the public

București,
21.08.2006

Proposal

The questioner supports the project.

Solution

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

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

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

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

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

Item no.	361
No. to identify the observations received from the public	București, 21.08.2006
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>