

Item no.

176

No. to identify
the
observations
received from
the public

Brad,
04.08.2006

Proposal

The questioner makes the following comments and remarks:

1. Those who have presented the project and the audience should have also listened to reason.
2. The questioner thinks that it would have been much better if Romanians had developed the mining operation, because in this manner the benefit would have entered the Romanians' pockets and not in the foreign' ones, as it is going to happen now.

Solution

Indeed, it is precisely a logical and reasonable analysis that this project needs. We believe that our project is sufficiently well substantiated to stand any reasonable and logical examination. This is a guarantee supplied by the over 100 consultants, (certified) experts and Romanian and foreign specialists that have prepared the environmental impact assessment study.

Also, a logical analysis of the economic benefits is required. The gold from the deposit is worthless from a financial point of view, unless it is processed, and its processing is very costly.

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The benefits to Romania of the project will exceed the non-Romanian benefits. The project assumes total expenditures of US\$ 3,703 million including the initial investment, operating expenses, and all Romanian government-related payments. Of this total, 68% is paid to Romanian employees, Romanian suppliers, and the Romanian government in the form of the Romanian share of profit, profit taxes, royalties, and other taxes such as payroll taxes.

Item no.

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Brad,
04.08.2006

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.

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Proposal

The questioner wants to know whether such a project has ever followed the same procedure in other states. The questioner doesn't think that it is appropriate that people's fate from a specific area to be judged by others.

The questioner thinks that Brad area is much more profitable for mining than Roşia Montană.

Solution

The environmental impact assessment procedure is regulated at the level of the European Union member states by the Directive 85/337/CE, as amended and supplemented by the Council Directive 97/11/CE and published in the Official Journal of the European Communities (OJEC) no. L 73 dated March 14, 1997. This directive establishes the principles, which the member states must consider when internally enforcing the regulations regarding the environment impact assessment procedure.

We mention that, according to the provisions of art. 6 of the Directive 85/337/CE, the member states must inform, within a reasonable period of time, the interested public on the projects undergoing the environmental impact assessment procedure. The interested public, in the meaning of the provisions of art. 1 (2) of the Directive 85/337/CE, refers to "the public affected or potentially affected or which has an interest in the evaluation process of the environmental decisions mentioned in the wording of art. 2 (2); according to this directive, the non-governmental organizations which promote the environmental protection and meet the requirements of the national legislation are included in the interested public".

We draw attention on the fact that the notion of interested public, as defined by the wordings of the legal provisions applicable in the member states of the European Union, does not make a distinction according to the territorial criteria, providing equal rights for any person potentially affected by the execution of a project.

In addition, the consultation procedure of the interested public in the environmental impact assessment as provided by the internal legislation and observed by RMGC fully complies with the principles provided by the European legislation.

For these reasons, the persons possibly affected, those directly or indirectly affected, as well as those potentially affected, independent of the area they come from, have been and are entitled to provide comments during the public debate stage, regarding the project initiated by RMGC.

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We believe that the Roşia Montană Project 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. This will bring new exploration companies and foreign investors to Romania, particularly to areas such as Brad with a strong mining tradition.

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Proposal	<p>The questioner expresses the concern that, after the end of the project, the area is going to be left polluted – a dark spot for the future generations – due to a potential bankruptcy of the company that won't allow it to perform ecologic rehabilitation.</p>
Solution	<p>As a condition of beginning operations at Roşia Montană, an Environmental Financial Guarantee (“EFG”) is required, to ensure adequate funds are available from the mine operator for environmental cleanup.</p> <p>The Roşia Montană Gold Corporation (“RMGC”) has invested significant time, energy, and resources assessing the viability of a mining project in the valley of Roşia Montană. This assessment has led RMGC to conclude that Roşia Montană presents an attractive long-term development opportunity – an opinion confirmed by a variety of lending institutions, which have completed detailed reviews of the project’s design and profitability. We have every confidence that we will see the project through to the end of its projected 16-year lifespan, regardless of any fluctuations in the market price of gold.</p> <p>RMGC recognizes that mining, while permanently changing some surface topography, represents a temporary use of the land. Thus from the time the mine is constructed, continuing throughout its lifespan, closure-related activities – such as rehabilitating the land and water, and ensuring the safety and stability of the surrounding area – will be incorporated into our operating and closure plans.</p> <p>The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive (“MWD”) and the Environmental Liability Directive (“ELD”).</p> <p>The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roşia Montană.</p> <p>RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.</p> <p>There are two separate and distinct EFGs under Romanian law.</p> <p>The first, which is updated annually, focuses on covering the projected reclamation costs associated with the operations of the mine in the following year. These costs are of no less than 1.5 percent per year, of total costs, reflective of annual work commitments.</p> <p>The second also updated annually, sets out the projected costs of the eventual closure of the Roşia Montană mine. The amount of the EFG to cover the final environmental rehabilitation is determined as an annual quota of the value of the environmental rehabilitation works provided within the monitoring program for the post-closure environmental elements. Such program is part of the Technical Program for Mine Closure, a document to be approved by the National Agency for Mineral Resources (“NAMR”).</p> <p>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on</p>

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.

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Cluj
Napoca,
07.08.2006

Proposal

1. Concerning the present gold reserve that exists at Roşia Montană, the questioner thinks that RMGC is going to relieve the burden of those 300 tons of gold that Romania bears that, if it hadn't been for the company, would be lost and gone for good.
2. Related to the ecologic rehabilitation: if everything breaks down, there's nothing left to do, because on the tailings the vegetation cannot grow. It is poisoned by definition, and in this respect there is the example from Baia Mare where vegetation didn't grow anymore. The beauty of Roşia Montană consists of those four mountain tops.
3. The questioner makes reference to Mining Law nr. 85/2003, article 11, paragraph 1, which provides that Roşia Montană is excluded from the development of any kind of mining operations or explorations. The questioner wants to know if authorities and the company are familiar with this and with the provisions related to archaeological preservation where it is also stated, that Roşia Montană is actually excluded from the development of any kind of mining operation or exploration? If yes, why public debates are being organized?
4. Mining Law stipulates the fact that mining licenses may be acquired through contest. What contest has been organized for Roşia Montană, in order to allow Gabriel Resources to receive this license?

We appreciate your support for the Project. The Project's use of modern mining techniques will enable Roşia Montană Gold Corporation to derive the maximum possible amount of precious metals from the ore while minimizing the impact on the environment.

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Baia Mare was a disaster that must not happen again. Our project in Roşia Montană bears no comparison to the mine in Baia Mare. From design and facility management, financial assurance, public reporting, stakeholder involvement, to verification procedures and compliance – all of which are followed to the highest standards in our project – the two projects are vastly different.

Solution

As with the claims that if everything breaks down and there's nothing left to do the fact is that 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. 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.”

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The statement that art. 11 of the Mining Law no.85/2003, published in the Romanian Official Gazette, Section I, no. 197/27.03.2003, forbids the mining operations in Roșia Montană is incorrect. The Mining Law no. 85/2003 has a general applicability and makes no reference to the Roșia Montană Project or to other mining projects, as it has been mistakenly suggested. As per the art. 11 of the Mining Law, “*the performance of mining activities on the lands where historical monuments are located, [...] archaeological sites of special interest [...], as well as the creation of an easement right for mining activities on such lands is strictly forbidden. The exemptions from the provisions of art. 1 are established by Government decision, with the approval of the relevant authorities in the field and by establishing indemnification and other compensatory measures*”.

Based on the Concession License for mining exploitation no. 47/1999, RMGC obtained the right to perform mining activities in the Roșia Montană perimeter, which includes areas upon which a protection regime has been instituted. If the interdiction established by art. 11 was absolute, the Mining Law would have provided the legal interdiction of creating mining perimeters in the locations where protection regimes have been created.

Such an interdiction does not exist; moreover, the Government Ordinance no. 43/2000 on the protection of the archaeological patrimony and classification of some archaeological sites as areas of national interest, republished in the Official Gazette, Section I, no. 951/24.11.2006 („GO no. 43/2000”), as well as Law no. 422/2001 on the protection of historical monuments, republished in the Official Gazette, Section I, no. 938/20.11.2006 („Law no. 422/2001”), provide specific procedures for returning such lands to current human activities, by declassifying the historical monument and by granting the archaeological discharge. Such procedures represent the rule applicable in all situations in which development of activities requiring a construction authorization on lands subject to a protection regime is contemplated.

The Mining Law no. 85/2003 does not forbid the use of such procedures, only allows that, in exceptional cases, the Government may be empowered, based on the Mining Law, to establish by decision the cases in which the performance of the mining activities would be possible without following the generally applicable legal procedures, as provided by GO no. 42/2000 and Law no. 422/2001. Such a Government decision is not necessary in case of the Roșia Montană Project, as RMGC complies with the provisions and procedures established by GO no. 43/2001 and Law no. 422/2001, for the archaeological discharge of the lands to be impacted by the mining activities, as these are to be returned to the current human activities, as per the law.

Also, for the cultural patrimony values existing in the Roșia Montană perimeter and classified as per the law, the Project provides the creation of a protected area, where no mining activity shall be performed, as well as the preservation *in situ* of the historical monuments located outside this area, as detailed in the Cultural Heritage Management Plan - Plan M from the EIA Report.

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The concession license for exploitation in the Roșia Montană perimeter no. 47/1999 (“Roșia Montană License”) was concluded on the grounds and according to the procedures specified by the former Mining Law no. 61/1998, in force at the time that the License was concluded.

The Roșia Montană license was concluded between the National Agency for Mineral Resources (“NAMR”), on the one hand, and the National Company of Copper, Gold and Iron “Minvest” SA (“Minvest”), as titleholder and Euro Gold Resources SA (which later on changed its name to Roșia Montană Gold Corporation SA), as an affiliate, on the other hand. The Roșia Montană License was approved by the Government Decision no. 458/10.06.1999, published in the Romanian Official Gazette, Section I, no. 285/21.06.1999.

The transfer of the Roșia Montană License from Minvest to RMGC was made according to the provisions of art. 14(1) of the Mining Law no. 61/1998, being approved by NAMR Order no. 310/9.10.2000, published in the Romanian Official Gazette, Section I, no. 504/13.10.2000.

As for the licenses concluded on the grounds and as per the procedures provided by the Mining Law no. 61/1998, the new Mining Law no. 85/2003 published in the Romanian Official Gazette, Section I, no. 197/27.03.2003 provides, at art. 60 (1), that: "*the provisions of the exploration and/or exploitation licenses approved by the Government remain valid for their entire period, under the conditions they were concluded*".

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Proposal

The questioner states the following comments, remarks and questions:

1. The company claimed that 68% of the overall profit will belong to the Romanian state, meaning 204 t of gold out of 300 t (or 204,000 t out of 300,000 t), and for silver - more than half (1,360,000 t). The questioner wants to know if these quantities of metals, gold and silver will remain in Romania or NBR (National Bank of Romania) will have pre-emption rights for purchasing them.
2. After blasting the entire perimeter of the commune, what will happen with the Roman Galleries and archaeological vestiges from the area, consisting of churches and cemeteries of Roşia Montană?

Solution

First, please note that the profit of the Romanian state, obtained from the development of the Roşia Montană Mining Project (taxes on the exploration and exploitation activity, mining royalties, taxes and duties paid to the state budget for the employees, taxes on land, profit tax, dividends, etc.) must not be mistaken for the mining production obtained by Roşia Montană Gold Corporation SA.

As for the mining production, please note that the Mining Law no. 85/2003, published in the Romanian Official Gazette, Section I, no. 197/27.03.2003, which represents the framework regulation in the field of the mining activities performed in Romania, contains no provision with regards to a possible preference right of the National Bank of Romania, related to the purchase of metals.

The provisions of the former Mining Law no. 61/1998, which provided the preemption right of the state to the purchase of the mineral resources production obtained, irrespective of its nature, "*at international prices and in compliance with the contractual terms*" are no longer in force, as the Mining Law no. 61/1998 was entirely repealed by the Mining Law no. 85/2003, which does not include such provisions.

The National Bank of Romania has the legal right to purchase precious metals, when it deems necessary and as per the legal provisions in force, being also the only one capable to decide the volume of the gold reserves of the Romanian state, as per the provisions of art. 30 and 31 let. a) of the Law no. 312/2004 for the NBR Statute approval, which provide: "The NBR, observing the general rules regarding liquidity and external assets specific risk, *establishes and maintains international reserves, so as to be able to determine at any moment their size. Such reserve is cumulatively or selectively composed of: a) gold within the state thesaurus or deposited abroad; [...]. The National Bank of Romania monitors the maintaining of the gold reserve at a level it deems as being appropriate for the external transactions of the state*" respectively "*the NBR is authorized, under the conditions it establishes and modifies from time to time, to perform the following operations: to sell, buy and perform any other transactions with gold ingots and coins and other precious metals*".

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We have to make it clear right from the start that the implementation of the mining project does not mean carrying out blasting operations in the perimeter of the Roşia Montană commune. The maps included in the Report of the Environmental Impact Assessment Study illustrate the areas where the proposed open-pits will be located.

Considering the importance of Roşia Montană's cultural heritage and the existing legal provisions, S.C. Roşia Montană Gold Corporation S.A has allotted a budget of over US\$ 10 million for the archaeological research of the heritage undertaken in the period 2001-2006. Taking into account the results of this research, the specialists' opinions and the decisions made by the competent authorities, the company has estimated a budget of US\$ 25 million for the works to be carried out in the following years for the conservation and restoration of Roşia Montană's cultural heritage, as publicly stated in the Environmental Impact Assessment from May 2006 (see the EIA Report, volume 32 - Cultural Heritage Management Plan for the Roşia Montană area, pages 83-85). 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 from Tău Găuri** will be arranged for tourist access; the **conservation and restoration of the 41 historical monument buildings and of the protected area Historic Centre of Roșia Montană**.

At present, after the comprehensive archaeological research conducted in the last 8 years, the nature, features and spatial distribution of the heritage assets from the Roșia Montană area (archaeological sites, historic buildings, but also churches and cemeteries) are better understood. The comprehensive archaeological research conducted in the period 2000-2006 have allowed the creation of a comprehensive picture of these national cultural heritage assets and of areas with a spiritual significance as well as the adoption of specific measures for their protection.

Thus, in compliance 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 of the heritage assets from the Roșia Montană area, in the context of the implementation of the Roșia Montană project. These management plans have been included in the documentation for the Report on the Environmental Impact Assessment Study for the Roșia Montană project (please see the EIA Report, volume 32-33, Plan M – Cultural Heritage Management Plan, part I – Management Plan for the Archaeological Heritage from Roșia Montană Area; part II – Management Plan for the Historical Monuments and Protected Zone from Roșia Montană; part III – Cultural Heritage Management Plan).

Roșia Montană 's values can be summed up as follows:

- the Roman galleries from the massifs located on the southern part of the Corna valley have been thoroughly researched and specific conservation measures have been proposed for the Cătălina Monulești and Piatra Corbului areas; the Roman galleries from the northern part of the Rosia valley have been subject to preliminary archaeological investigations and specific conservation measures have been proposed for 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. As for the segments of ancient galleries found in the southern part of the Cărniciu massif, given that they are spatially dispersed and access is very difficult, and implies a high risk regarding the public's safe access as well as the enormous maintenance costs, after being thoroughly investigated, it has been concluded that they cannot be preserved and enhanced by opening them for tourist tours;
- 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 of 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 would not affect the 41 historic buildings from Roșia Montană. Measures will be taken for the restoration and conservation of these structures;
- out of the 10 churches and prayer houses from Roșia Montană and Corna, the mining project will affect only those that are located on the Corna valley whereas those from the Roșia valley will be preserved in their entirety;
- out of the 12 cemeteries existing in Roșia Montană, 6 are going to be affected by the implementation of the mining project, while approximately 410 tombs of the total 1905 will have to be relocated.

For further information on the main archaeological remains, the historical monuments, as well as for a series of remarks regarding 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.

189

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. There are families who do not agree with the resettlement from Roşia Montană and claim that they will never agree with it. What will happen with the project in this case?
2. The questioner believes that the movie that was presented causes a huge damage to the company, because nobody can believe that by using these sprinkles no grains of sand would get in the hair or the in the houses of locals.
3. Why neighbour countries oppose to this project?
4. Which are the guarantees of the Romanian state that RMGC won't do what other foreign investors have done when they came to Romania; they came and laid their hands on firms, lands, companies etc...and made no investments, but they resold them and got the turnover?
- 3.(sic) This project represents the destruction of the area because Roşia Montană won't be the same regardless of any cosmetology applied. It is a Romanian culture, archaeological and historical treasury which is hard to let go.

The project is not designed against the will of the community and has been developed so far with the support of the community.

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

As the mining project proceeds in phases, it is not necessary to acquire all properties at the outset. Accordingly, the company has focused on properties required for the construction and operation of the mine in its first five years.

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

Solution

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

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

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

In conclusion, the expropriation, in exchange of a fair and prior compensation, made in accordance with the legal and constitutional provisions, represents one of the modalities of obtaining the usage right over the lands necessary for the development of a mining project, being expressly provided by art. 6 of the

Mining Law no. 85/2003 and by art. 6 of Law no. 33/1994.

*

The modeling on the atmospheric dispersion was conducted by using the best available techniques. It simulates the transport of the pollutants generated by the mining activities outside the Project area. AERMOD incorporates through a new and simple approach the current concepts regarding the flowing and dispersion in complex terrains. If needed, the plume is modeled either with a trajectory impacting the terrain or with a trajectory following the terrain topography.

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

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

- The use of a new blasting technology: millisecond delay blasting which reduces drastically the height of the dust front and dispersion area;
- Ceasing of the activities generating dust during the periods with intense winds or when the automatic monitor for particles installed in Roșia Montană protection area indicates an alert situation;
- Implementation of a program for dust control on the unpaved roads during the drought seasons by means of watering trucks and inert substances for dust suppression. These measures will reduce the dust emissions by 90%;
- Minimize the height when doing the maneuvers of unloading / placing the materials;
- Establish and implement speed limits in traffic;
- Implement a schedule for periodical maintenance of vehicles and equipments, subject to monitoring;
- Automatic monitoring of the air quality and meteorological parameters;
- Implement extra measures to control the dust emissions: the ore and waste rock is sprinkled with water when loaded in trucks.

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

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The questioner's assertion is not accurate. Under the Espoo Convention, to which Romania is a signatory, large-scale projects with potential transboundary impact must allow for neighboring nations to raise comments and questions during the permitting process.

According to art. 9(1) of the Order no. 864/2002 for approval of transboundary environmental impact assessment and public participation in the decision-making procedures for projects with transboundary impact, for the activities that are likely to cause a significant adverse transboundary impact, the party of origin shall, for the purpose of ensuring adequate and effective consultation, notify any party which it considers may be an affected party as early as possible and no later than when informing its own public about the proposed activity.

In the case of the Roșia Montană Project, only Hungary took part in the process and raised questions, which were answered in the EIA study. No other neighboring country has raised a question about the Project. Further, RMGC, as part of its public consultation process, held two public consultation meetings in Hungary as well as 14 in Romania to permit the public to ask questions about the process.

We understand and respect the concerns that some Hungarians have raised because of the tragic accident at Baia Mare in 2000, which is one reason why we held public consultations in Hungary as well as Romania. Baia Mare was a disaster that must not happen again. To avoid this type of accident, at Roșia

Montană, the Tailings Management Facility will be constructed to the highest international standards. It will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. Sophisticated equipment will be used for geotechnical and water level monitoring. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 parts per million (ppm), which is below the regulatory limit of 10 ppm recently adopted by the EU Mining Waste Directive (2006/21/EC).

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Of course, we cannot speak for the Romanian Government, but for our part, RMGC has the financial incentive to stay working in Roșia Montană in partnership with the Government of Romania until gold mining is completed and the company meets its obligations for post-closure environmental rehabilitation. RMGC has been working on this project since 1998 and has invested over US\$200 million to date. By the time production begins, the company will have invested almost US\$1 billion. Romania will receive a 45% share of the project through its share of the profits and RMGC's payment of profit taxes, royalties, and other taxes such as payroll taxes. But RMGC will receive a good profit from the sale of gold and silver produced at the mine and would have no incentive to leave the project.

Further, RMGC will operate the mine in full compliance with Romanian and European law and in accordance with international best practices. RMGC is working on the Project in partnership with the Government of Romania, which also has a strong and direct interest in assuring that RMGC meets its obligations under the Project.

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

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

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In the context of implementing a new mining project, specific management plans have been developed for the management and conservation of the heritage assets of the Roșia Montană area, in accordance with the requirements of the Ministry of Environment and Waters Management, and of the Ministry of Culture and Religious Affairs, respectively, as part of the documentation developed under the Environmental Impact Assessment Study for the Roșia Montană Project, (see EIA Report, vol. 32-33, Plan M – Management Plan for the Cultural Heritage, part I – Management Plan for the Archeological Heritage of the Roșia Montană Area, part II – Management Plan for the Historical Monuments and Protected Zones of the Roșia Montană area, part III – Cultural Heritage Management Plan).

Considering the importance of the cultural heritage at Roșia Montană and the current legal provisions, the heritage research budget allocated in 2001 to 2006 by S.C. Roșia Montană Gold Corporation S.A. amounted to more than USD 10 million. Moreover, based on the research results, on the specialists' opinions and the decisions of competent authorities, the budget provided by the company for the research, conservation and restoration of the cultural heritage at Roșia Montană in future years, provided the Project is implemented, will be USD 25 million, as disclosed in the Environmental Impact Assessment published in May 2006 (see the EIA Report vol. 32, Management Plan for the Archeological Heritage of the Roșia Montană area, p. 84-85). Therefore, the intention is to continue work in the Orlea area, and especially to create a **modern Mining Museum with geological, archeological, industrial and ethnographic heritage** exhibitions, and the development of tourist access to the **Cătălina-Monulești**

gallery and to the monument at **Tăul Găuri**, as well as to **preserve and restore the 41 historical monument buildings and the protected area of Roșia Montană Historic Centre**.

Mining archeology research conducted – since 1999 – by a multi-disciplinary specialist team from the University of Toulouse Le Mirail (France), and coordinated by Dr. Beatrice Cauuet aimed to develop – for the first time in Romania – a detailed study of historic mining galleries of the Roșia Montană area. The study of these structures entailed better understanding and, at the same time, making pertinent decisions regarding their preservation and enhancement. Based on the results of research conducted to date (completed for Cetate, Cârnic, Jig but in progress in Orlea), it was decided to preserve and enhance the following areas of old mining works:

- the Cătălina Monulești Gallery – located in the Historic Center of Roșia Montană, where the most important collection of wax tablets and an ancient mine drainage system had been found in the past;
- the Păru Carpeni mining sector – located in the south-eastern part of the Orlea massif, where a drainage system of overlapped chambers equipped with Roman wooden mine water drainage installations (wheels, channels, etc.) was uncovered;
- the Piatra Corbului area – located in the south-western part of the Cârnic massif, this area bears traces of the ancient and medieval galleries dug by the fire setting technique;
- the Văidoaia massif area – located north-west of the Roșia Montană village, including segments of surface mining exploitations from ancient times.

As for the Roman mining galleries discovered in the mining sectors of Cătălina Monulești and Păru Carpeni, comprehensive rehabilitation, consolidation and development works have been planned, in order to allow their *in situ* preservation and their development for tourism. This decision was based on the value and significance of the exceptional archeological remains preserved in the galleries, i.e. the wooden Roman installations designed for dewatering the mines (the so-called “Roman wheels”). At the same time, the gallery at Cătălina Monulești is famous because – in mid 19th century – the most significant set of waxed tablets was discovered here (according to archive sources, more than 11 such pieces were discovered, out of a known total of 32 such artifacts discovered to date).

Most of the ancient mining works in the Cârnic massif, as well as in other mining sectors, are only accessible, and in difficult conditions, to specialists, and actually partially inaccessible to the public at large. Moreover, under the EU safety rules regulating the visits of the public in museums all over the European Union, rules that have been transposed into Romanian legislation, Roman galleries that pose safety risks cannot be opened for public access. Note that a number of other similar Roman gallery segments will be preserved *in situ*. As a measure to mitigate the impact on this category of archaeological remains, apart from their full research and publication of the research results, specialists have considered it appropriate to develop a 3D graphic model and 1:1 replicas of these structures, to be included in the mining museum proposed to be developed at Roșia Montană.

The surface preventive archaeological investigations conducted in the period 2001-2006 have resulted in the identification and research of 13 archaeological sites; once this comprehensive research were completed, a decision was made for the archaeological discharge of some on these sites, while other structures will be preserved *in situ* – e.g. the funerary precinct of Tăul Găuri or the Roman remains from the Carpeni hill; thorough investigations are planned in the Orlea area in the period 2007-2012.

For further information on the history of the research and the main discoveries related to the historic galleries at Roșia Montană, as well as for the specialists’ conclusions on the matter, and assessments of a potential tourist circuit including the historic mining structures at Cârnic, or for the opinions formulated in 2004 by Edward O’Hara, General Reporter on the Cultural Heritage of the Parliamentary Assembly of the Council of Europe, please consult the annex – “Information on the Cultural Heritage of Roșia Montană and Management Thereof”. Detailed information on the complex issue of the mining works at Roșia Montană, on their results and on their potential for enhancement, are available in the EIA Report, vol. 6, *Cultural Heritage Baseline Report* (pages 32, 36-55, 83-109).

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

Item no.	190
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 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.	191
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 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.	192
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	The questioner reads the last declaration of Romanian Academy, issued on the 27th of February 2006, concerning the RMGC's media campaign and the consequences of Roşia Montană mining project.
Solution	<p>The statement that you refer to is the most recent position of the Romanian Academy regarding the Roşia Montană Project (RMP) and it was made public on February 27th, 2006, almost three months before the submission of the report to the Environmental Impact Assessment study (EIA) to the Ministry of Environment and Water Management (MEWM).</p> <p>Rosia Montana Gold Corporation (RMGC) made significant changes to the project design, notably a reduction in the size of several proposed pits as well as enhancing sustainable development activities, and a stronger commitment to preservation of cultural patrimony including a reduced impact on local churches, in response to stakeholder consultations, including with members of the Academy, before submission of the EIA.</p> <p>Thus the position does not reflect changes to project design and it is not an analysis of the EIA that was actually submitted to the MEWM.</p> <p>We would be happy to meet with the Academy to answer any questions regarding the project.</p>

Item no.

193

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following remarks, comments and questions:

1. Before the ecological accident that Baia Mare suffered 8 years ago, 10 public consultations have taken place in order to discuss on the topic of Transgold and assuring that the project was safe. A cyanide impact on population study was developed. Do the authorities have it? Was it presented in Budapest?
2. Was the "climate change" within Romania taken into account (tornados, floods, and desert) during the development of EIA report?
3. Is it assessed in EIA that the titleholder presented what will happen in the case of bankruptcy? Of a bankruptcy that has already occurred in Baia Mare by using the same technology and the same people.
4. Who do Romanian authorities defend; do they defend the Canadian company or the population and their health?
5. In 1929 Baia Mare had 950 cancer patients, in 2004, and following Transgold activity Baia Mare had 1,500 cancer patients due to cyanide usage in closed circuit, open environment.
6. Regarding the impact on the Romanian economy: SC Transgold from Baia Mare invested \$28 million having an operations phase of 12 years. After 6 years the company went bankrupted and brought 200 million EUR losses to the Romanian state, of which 7 million EUR represent debts of the Australians who ran away, 110 million paid to the Hungarian state and 50 million were paid to Ministry of Environment for the rehabilitation of the tailings dump (money from the pockets of people, of taxpayers).
7. If, for example, a tornado occurred in that specific area, what would happen, how many million of m3 of tailing will be taken out the dam? Who does the company want to kill?
8. Why does Ministry of Environment and Water Management oppose to a national referendum?

The Terms of Reference for the Roşia Montană EIA and the relevant legal provisions did not require analysis of the Baia Mare project, which in fundamental respects is not at all comparable to the project planned for Roşia Montană – especially as standards, directives and laws have been strengthened since Baia Mare.

While many opponents of our project speak of "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.

In fact, the Roşia Montană project is subject to even stricter standards *because* of the Baia Mare accident. The Romanian Government, in our Terms of Reference, requested that we follow the new European Directive on Waste Management even before it became law in Europe or Romania.

Solution

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

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

A large part of the changes since the Baia Mare accident is the introduction of the International Cyanide Management Code, to which Gabriel/RMGC is a signatory, and which stipulate strict guidelines for the

production, transportation and use of cyanide. The Code also includes requirements related to financial assurance, accident prevention, emergency response, training, public reporting, stakeholder involvement and verification procedures. The International Cyanide Management Code can be referenced at www.cyanidecode.org.

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

In short, the Roşia Montană Project is in no way comparable to Baia Mare. [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 10ppm recently adopted in the EU Mining Waste Directive 2006/21/EC. This system of use and disposal of cyanide in gold mining is classified as Best Available Techniques, as defined by the 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 perform an independent audit every two years. RMGC has utilized the world’s foremost experts in these areas to ensure the safety of the project’s workers and the surrounding communities. Baia Mare was built of coarse tailings materials – not rockfill – and therefore was not able to handle the additional weight of the storm event in 2000.

RMP will have a free draining structure above the starter dam, and a system of under-drains, granular filter zones and pumps – as per BAT – to collect, control and monitor any seepage. Specifically, the tailings ponds and tailings dam have been designed to the highest standards to prevent pollution of groundwater, and to continuously monitor the groundwater and extract any seepage detected – a system verified by hydro-geologic studies. Specifically, the design features include an engineered low permeability soil liner system within the TMF basin to meet a low-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 no special surveillance and monitoring. Roșia 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 Roșia 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 Roșia 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 Roșia Montană and Baia Mare, including results of the UNDP assessment of Baia Mare.

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Climate change was considered in the development of extreme natural events as a design basis for the Roșia Montană project. These include but are not limited to extreme rainfalls (including rainfall and snow melt), extreme draught, and extreme earthquakes. The following discuss present a summary of the conditions considered in the design.

Chapter (4) of "*Report on the Environmental Impact Assessment Study*" subchapter(4.1) "*Water*", p. (20), as well as the *Mine Rehabilitation and Closure Plan*, p. (123) reflect all future potential changes of the basic climatic parameters and of the extreme events, these data being or could be used in different sections of the project.

The Water Management and Erosion Control Plan as well as Mine Rehabilitation and Closure Plan include continuous assessment procedures of learned data and climatic change prognosis, in such a manner that any implications regarding the management and design activities to be immediately identified and managed.

Along the same line, *tornados* are defined as violently rotating columns of air, located under the cumulonimbus clouds, that touch the surface of the earth, and which are specific to open spaces, plain lands, that allow direct contact between two air-masses having very different thermo baric properties, and which are not specific to mountain areas with hilly terrains, having no extended internal plateaux, as it is the case for Apuseni Mountains. Moreover, all over Romania, the number of such events reported by the National Institute of Meteorology and Hydrology do not exceed 20, having low intensity (a maximum of 2 degrees on Fujita scale and 30 m in diameter), none of these events has been reported to have ever occurred in the mountain area (<http://www2.inmh.ro/index.php?id=29>).

Taking into account the fact that tornados, considering the aforementioned aspect, are not characteristic to mountain regions having a high fragmentation of the relief, the occurrence probability for such events in the area of the site may be considered to be equal to zero. At the most, on the site may occur transitory low scale air swirls, (having several meters in diameter), that are specific to the hot season of the year, which have occurred as an effect of the differentiated heating levels of the surfaces having different albedos (reflective power).

There is a very low probability for major flooding to occur within the project's footprint, even if the precipitations increased in magnitude (15% represent the increase that has been predicted for period of the project's lifetime; see chapter 4 of "Report on Environmental Impact Assessment Study" subchapter (4.1). "Water", p. (20), as a result of enforcing several measures in order to prevent and mitigate these events:

- the development of certain structures that will impact approximately the entire catchment area between Roşia and Corna Valleys that won't allow, except for a too little extent, the circulation of water on the site (pits, waste facilities, dams, containment dams, etc.);
- the construction of hydro technical drainage structures (diversion channels) for on site pluvial waters, some of which having a discharge capacity of 5-8 m³/s;
- the natural and rather elevated slope of the terrain and water streams (an average of 38-68 m/km) from the site specific to mountain areas, and which doesn't allow the stagnation and accumulation of water, favouring its rapid drainage (p. 31-32, 38-39, subchapter 2.4section 7 Risks).

Moreover, the accumulations that are going to be generated on Corna and Roşia Valleys will mitigate the risk of flooding the downstream part of these valleys, by controlling a part of the watershed of Abrud River.

Climatic conditions that have been taken into account during the design activity developed for Corna Tailings Management Facility, with specific reference to extreme precipitations (the main factor that causes failures worldwide), are sufficient, even in the case of summation of predicted values for extreme events (increase estimated at 15% for the period of project's development). With respect to the aforementioned information, the design of Corna Tailings Management Facility has been developed so as to store water runoffs resulted from two successive Probable Maximum Precipitations events of 450 mm/24h each. According to the estimates included within specific studies that have been commissioned by RMGC, the PMP ("the potential elevation of precipitation which might be collected in a given period of time, in a location or within an area from a specific geographic region, in a certain moment of the year, without taking into consideration long-term climatic changes", WMO, 1986) has been estimated to have an average recovering period between 1:100, 000, 000 and 1:1, 000, 000, 000 years (*exhibit 4.1.8, p.18, Chapter 4.1. Water from the Report on Environmental Impact Assessment Study*).

In the case of several major changes of the predicted values with respect to extreme events, the Water Management Plan includes immediate management procedures for solving any implications that may appear with regard to the design and management activities for the Tailings Management Facility (*Mine Rehabilitation and Closure Plan, p. 124*)

Given these conditions, the risk of flooding the areas that are located downstream the Corna dam, that is expressed as a multiplication result between the probability of exceeding for a certain parameter (for instance 24 h heavy rainfalls) and consequences, stays low, as a consequence of the improbable case that some climatic events might lead to the dam's failure(*p.38-41, subchapter (2.4.3), p.(67) subchapter(3.2.5). Section(7) Risks*)

According to the most recent international reports regarding the development of a global desertification, the studied site is not located within the vulnerable and so is the entire country (the exception is represented by several areas from Dobrogea, Campia Română (Romanian Plain) and Podișul Moldovei (Moldavian Plateau)). Moreover, Apuseni Mountains, that host the site in discussion, are being characterized, by an excess of humidity following the effect of a surplus of the ratio between average precipitation and average evaporation. (<http://soils.usda.gov/use/worldsoils/mapindex/desert.html>).

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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 ppm), which is below the regulatory limit of 10 ppm recently adopted by the EU in the Mine Waste Directive.

Information about the financing being utilized to support the mining project at Roșia Montană can be found in the section of the Environmental Impact Assessment titled “Environmental and Social Management and System Plans,” and in Annex 1 of the subchapter titled “Mine Rehabilitation and Closure Management Plan.”

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

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The *Health Baseline Report*, with its assessments of baseline health conditions and of risks, does not protect or defend RMGC (the ‘Canadian company’?).

The *Health Baseline Report* is a scientifically representative analysis involving the study of the entire local population from more than 40 localities [1] across a very large area of more than 200 km² - not just a sample group. The volume is made up of two parts. The first one describes in detail the current health status of the population from the study area. The assessment of the population’s health status in the study area has considered 87 international ICD 10 classification codes (*International Classification of Diseases Revision 10*) [2] elaborated by World Health Organization. Health assessment for these population groups was carried out by collecting all medical data from all local general practitioners and from the two hospitals in the study area over a period of 5 years [3]. The analysis of the frequency of diseases researched was undertaken using a computerized geographic system which indicates the differences between various localities, clearly showing variation in the frequency of diseases from one place to another [4]. The *Health Baseline Report* comprises a chapter considering a number of habits, workplace exposures etc, based on a questionnaire applied to 141 people from the area investigated; however this type of information was not used in the assessment of the local health status [5].

The *Health Baseline Report* also comprises a chapter considering demographic data which shows that Roșia Montană is characterized by the lowest life expectancy [6] as well as a higher frequency of severe chronic diseases (the frequency of severe chronic respiratory and cardiovascular diseases is higher in Roșia Montană when compared to the other localities). The second part of the study consists of the correlation between the investigated diseases and the environmental conditions, carried out based on the baseline health conditions and on baseline and predicted quality of the environmental factors [7].

The human health risk assessment shows that the proposed mining operations do not have the potential to cause health problems for the local population [8] as long as the concentrations of hazardous substances in the environment are kept within the limits mentioned in the EIA.

References:

- [1] Table 5-1, Subchapter 5-1, Chapter 5, *Morbidity Study*, page 52-53, vol. 5, *Health Baseline Report*.
- [2] Table 5-3, Chapter 5, *Morbidity Study*, page 54-56, vol 5, *Health Baseline Report*.
- [3] Subchapter 5.1.2, Chapter 5, *Morbidity Study*, page 54, vol. 5, *Health Baseline Report*.
- [4] Annex, page 137, vol. 5, *Health Baseline Report*.
- [5] Subchapter 4.1.3., *Questionnaire of Chapter 4*, pages: 23-51 vol. 5, *Health Baseline Report*.
- [6] Table 3-2, Figure 3-2, Chapter 3, *Demographic Data*, page 14-15, vol. 5, *Health Baseline Report*.
- [7] Chapter 6 *Risk Assessment*, pages 60-129, vol.5, *Health Baseline Report*.
- [8] Chapter 6.6, *Results and Discussions*, pages 124-129, vol.5, *Health Baseline Report*.

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The *Health Baseline Study* was carried out for Roșia Montană area not for Baia Mare.

During the 20th century there was a significant increase in the number of cancer cases reported worldwide. This is due to two reasons: first because of improved diagnosis techniques developed by the end of the 20th century as compared to the beginning of the century; and second, there was a true increase in the occurrence of the disease throughout the century.

There are no clear evidences in the medical literature in order to show a correlation between the significant increase in the number of cancer cases and the community's exposure to cyanide at the cyanide concentrations estimated in the EIA report.

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Please note there is no connection between the Baia Mare project and Roșia Montană Project making the object of the current environmental assessment procedure.

Baia Mare was a disaster that must not happen again. To avoid this type of accident, at Roșia 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.

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

The Mining Waste Directive was adopted after Baia Mare accident happened, having the purpose for such accidents not to happen again. The Mining Waste Directive aims to ensure that coverage is available for:

- 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities;
- 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.

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 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").

Both EFGs to be set up by RMGC shall be entirely at the disposition of the Romanian authorities and the amounts covered by the EFGs are not affected in case RMGC falls into bankruptcy.

Information about the financing being utilized to support the mining project at Roșia Montană can be found in the section of the Environmental Impact Assessment titled "Environmental and Social Management and System Plans," and in Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan."

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Tornados are defined as violently rotating columns of air, located under the cumulonimbus clouds (*Cumulonimbus mamma*), that touch the surface of the earth, and which are specific to open spaces, plain lands, that allow direct contact between two air-masses having very different thermo baric proprieties. Such events are not specific to mountain regions with hilly terrains, having no extended internal plateau, as it is the case for Romanian Carpathians and of course, the region that hosts the site and which is located in the very centre of Apuseni Mountains. Moreover, all over Romania, the number of such events reported by the National Institute of Meteorology and Hydrology do not exceed 20, having low magnitude (the majority of these events recording levels under 2 degrees on Fujita scale and having under 30 m in diameter), none of them has been reported to have ever occurred in the mountain area(<http://www2.inmh.ro/index.php?id=29>).

Taking into account the fact that tornados, considering the aforementioned aspect, are not characteristic to mountain regions having a high fragmentation of the relief, the occurrence probability for such events in the area of the site may be considered to be equal to zero. At the most, on the site may occur transitory low scale air swirls, (having several meters in diameter), that are specific to the hot season of the year, which have occurred as an effect of the differentiated heating levels of the surfaces having different albedos.

As far as high wind velocity is concerned, the tailings beach is going to be permanently kept moistened, in order to avoid deflation (drifting) of fine particles.

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

- (i) as per the relevant legal provisions, the public may submit reasoned 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 reasoned answers to the justified proposals of the public, which were received in a written form, prior 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 reasoned proposals/comments of the public and requests the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions for the solving of the indicated issues*".

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

Item no.	194
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<p>The questioner makes the remark that out of EIA's 4000 pages only 4 pages are dedicated to the community's sustainable development.</p> <p>The questioner wants to know whether the company, throughout its 10 years of presence in Romania, has financially supported - "even with one dollar" - local projects dedicated to the development of the infrastructure, social services, communitarian services, professional training.</p> <p>The questioner states that, due to the fact that local administration has included Roşia Montană area in a development plan (in a PUG) that has only one objective: mining development, all the other projects are being turned down from the very beginning by the financers and no other activities can be developed except for mining.</p> <p>The questioner wants to know why this has happened.</p>
Solution	<p>Roşia Montană Gold Corporation (RMGC) has supported with many dollars programs and initiatives that will support stable, sustainable development in Roşia Montană and in the region.</p> <p>Even though RMGC has yet to mine one gram of gold, it has spent a lot of money on local projects dedicated to the development of the infrastructure, social services, communitarian services, professional training. For example, during the past year we paid US\$ 341,000 for infrastructure in Abrud, US\$ 208,000 for the Good Neighbor Program in Roşia Montană commune, and US\$ 437,692 for the vocational training program.</p> <p>In terms of overall economic impact, 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, 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>If the appropriate skills are not available in the existing workforce, training programs are 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>It is expected that training programs offered by RMGC and its partners, and experience gained during the RMP, will result in a highly trained and skilled workforce in a range of disciplines. This should place people in a competitive position for work with other mining companies. Such skills are also transferable to the non-mining sector.</p> <p>The presence of the RMP as a major investment will improve the area's economic climate, encouraging and promoting the development of non-mining activities. It is expected that the improved investment 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>What new businesses develop will depend on market demand, the viability and feasibility of the business relative to the market, and the initiative of people in the community to develop those businesses. During the life of the mine RMGC is committed to a proactive campaign to create an enabling business environment promoting local sustainable development. Elements of this include: availability of affordable micro-financing, business incubator providing business advice, training & skills enhancement and education opportunities. The goal is to have established well before mine closure a robust economy not dependent on the mine able to continue following mine closure.</p>

For more information, please see Roşia Montană Sustainable Development Programs and Partnerships annex 4.

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A General Urbanism Plan (PUG) was developed in 2002 for the entire Roşia Montană commune, which establishes town-planning regulations for all the 16 villages within the Roşia Montană commune as well as a protected area that includes all the historic buildings. The mining project proposed by S.C. Roşia Montană Gold Corporation S.A. (RMGC) covers only 25% of the territory of the Roşia Montană commune and it concerns only 4 of the 16 villages in the commune and the restrictions related to the construction of facilities other than the industrial ones apply only in this part of the commune. The remaining 75% of the Roşia Montană commune is not subject to the restrictions related to the mining project. Stating that the PUG is limited only to the mining development is a misinterpretation, taking into consideration that the remaining ¾ of the commune is open for the development of any other types of activities. The rejection of many other projects by the financing sources can be related to many other aspects, which have nothing to do with the RM mining project.

The PUG was submitted to public debate and all those interested had the possibility to express their points of view with regard to directions for the development of the Roşia Montană commune. Once completed the public debate and participation phase, the PUG obtained all the necessary permits issued by the: competent ministries, the Alba County Council, the Town-Planning Commission, the Local Environmental Protection Agency of Alba County as well as the consent of the network owners and the final approval of the Local Council of Roşia Montană .

Moreover, through the management plans prepared during the environmental impact assessment process, we encourage the initiation of tourist activities and the diversification and development of services supplied in the project area and in the surrounding areas. Moreover, these activities are considered as imperative for an appropriate development of the mining project. The partnerships initiated and developed by the company are a proof in this respect (see Annex 4). We would like to mention here: the Micro-bank set up in order to finance the development of small businesses, the training programs available for the people in Roşia Montană and in the neighboring communes as well as the development and counseling program for young people conducted through the CERT Apuseni Resources Centre for Youth, which operates in the town of Abrud.

At the same time, as far as your statement is concerned, we would like you to understand that there are mandatory legal provisions limiting the development of projects other than those intended for the exploration and processing of natural resources in the areas where these have been identified. In this respect, we want to mention the following legal provisions:

- (i) art. 41(2) from the Mining Law no.85/2003 *“the County Councils and Local Councils shall modify and/or update the existing territorial plans and urban general plans in order to allow for carrying out all the operations related to the conceded mining activities”;*
- (ii) art. 6(1) from the Governmental Decision 525/1996 for the approval of the General Urbanism Regulation (“GD no. 525/1996”) *“the permitting of final constructions, other than industrial ones, which are required for the development of mining and processing operations of identified mineral resources from areas outlined pursuant to the law, is strictly forbidden”;*
- (iii) art 4.4 of Local Urbanism Regulation of Roşia Montană governing the 2002 General Urbanism Plan, *“the permitting of final constructions, other than industrial ones, which are required for the development of mining and processing operations of identified mineral resources from areas outlined pursuant to the law, is strictly forbidden”.*

Consequently, please be so kind and take notice of the fact that all aforementioned legal provisions are applicable to any similar project developed by legal and/or private entities.

Item no.	195
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.

196

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following comments and remarks:

1. Roşia Montană is the millenary core of the Romanian people. On the surface of this deposit there are churches belonging to different religions, having their specific architectural and mural culture, real patrimony values. In the Roşia Montană gold deposit, in addition to precious metals – gold and silver – there are other minerals, among which radioactive minerals that will have a disastrous impact on the environment. Through the development of the project everything will be destroyed, Roman galleries included.
2. Currently, through the operation developed at Roşia Poieni and Roşia Montană pits, radioactive impacts can be noticed in the area, this fact is proven by the contamination of the agricultural products: apples rot in trees and fall before ripeness, cherries wrinkle till they are not good to eat, potatoes grow as big as nuts. Arieş's water is polluted therefore it is not suitable for fishing and swimming.
3. The number of cancer occurrences in the area increased due to the open cast mining of Eurogold in Roşia Montană; the polluting effect will amplify and will supplement the existing pollution. The blasting generates golden dust which is drawn by the air flow and spread on large distances; this generates a hazard of Pneumoconiosis for the population.
4. The tailings pond is going to pollute underground waters, through infiltration, and in the case of failure it will generate catastrophic consequences for downstream life. TMF won't be completely lined, and this represents a breach of the directives on underground water protection as it has been transposed in Romanian legislation under Governmental Decision nr. 351/2005. Within Roşia Montană underground of the gold deposit, there are voids, huge corandas artificially created through mining, runoffs from the tailings ponds, cyanides which are going to be collected deep in the underground and they will never be drained; consequently they be a permanent pollution source of the upstream waters, inflowing the biological chain.
5. By using cyanides in order to extract the gold the air is going to be impacted due to the volatilization of cyanides, cyanhydric acids, which will destroy the plant life, the environment, life.
4. (*sic*) Mining activity is not a main activity in the area and it is not the only one that is possible. Moţilor Country locals, and those from Roşia Montană included, have as main occupation cattle breeding and trading, and specific mountain house-holding.
5. (*sic*) Up to date, over a million signatures from opponents of Roşia Montană mining project have been collected; also, the Academy, Ortodox Churches, Unitarian, Reformed, all religious groups are opposing.
6. (*sic*) The questioner wants to know, from MMGA, why wasn't the public consulted?

Solution

Through the implementation of the proposed mining project, Roşia Montană Gold Corporation (RMGC) does not intend to destroy churches, monuments or cemeteries. On the contrary, RMGC's approach is not to offer economic benefits (work places, high living standards, etc.) or to request the community to renounce its cultural and moral values. The company considers that economic development should not be opposed to the traditional spirituality and values.

Starting from these principles, from the total of 10 churches and prayer houses situated within the perimeter of Corna and Roşia Montană villages, only 2 churches and the two prayer houses from Corna village will be affected. None of these buildings is classified as historical monument. Therefore, all possible options have been taken into account, and where it was feasible and appropriate, the locations of the industrial facilities were modified in order to mitigate the impact on churches and cemeteries. In the case of two churches, in the context of relocating them, a series of impact mitigation measures will be taken, specifically preventive archeological investigation of their location and the creation of a detailed inventory of all religious objects in order to relocate them according to the religious rituals.

In the Corna valley, the churches that would be affected by the tailings management facility construction would be subject to all necessary measures for their relocation and reconstruction on a location chosen by

the members of the respective religious congregation. The Greek–Catholic Church from Corna village was abandoned by parishioners many years ago, and now services take place only on special occasions. In these circumstances, a new church will be built in the area of the proposed Piatra Alba locality, according to the parishioners' wishes. As regards the prayer houses (one is in use, the other was abandoned many years ago) there is an amicable agreement between the representatives of these cults and the RMGC company, specifying relocation and compensation. None of the other churches and prayer houses situated on Rosia valley will be affected by the mining project development.

In the case of Orthodox and Greek–Catholic churches from Roșia Montană, considerable modifications regarding the placement of the industrial facilities have been made, so that these churches will not be directly affected by the mining project implementation. These will be maintained in good preservation during the entire project life, and access to them will be agreed with the respective congregations. In the case of Pentecostal prayer house from Roșia Montană, an amicable agreement is already concluded between company and respective congregation regarding compensation.

The churches, besides the other historical monuments from Roșia Montană, will be included in a complex restoration program.

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There is no evidence to support concern about radioactive pollution.

At Roșia Montană, gold and silver are the only metal deposits present in sufficient concentrations to permit exploitation and capitalization. This is based on analytical test work at certified laboratories that tested the concentration level for 47 elements and as well as petrographic studies. The concentration of most elements falls below the earths average content for such elements as mentioned: 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), and Ge (0.21 ppm compared to 1.5 ppm). These low values, below the earths average content, have no negative impact on environment, because they are normal values usually found in rocks.

These test results were obtained through comprehensive research programs conducted between 1997 and 2006, when samples were collected from the existing underground galleries, the open pit benches, the surface outcrop, and numerous surface and underground locations. The research program produced highly reliable and extremely detailed information about the Roșia Montană deposits.

Regarding the questioner's concern about the Roman galleries we can inform you that the underground archeological research has started in 1999 and was performed by a French team that was coordinated by Dr. Béatrice Cauuet, a specialist well-known in Europe for mining archeology (CNRS, France).

Based on the French team reports, the National Archaeology committee proposed and the Ministry Of Culture and Cults issued the archaeological discharge certificate for the area where the specialists recommended this, or proposed *in situ* preservation for the next areas: Piatra Corbului, Păru Carpeni and Cătălina Monulești. In this last underground gallery, RMGC will organize an *in situ* underground museum and also will be built facsimiles of other ancient galleries from other areas of Roșia Montană. For this project the company will spend more than 10 milion euro.

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No radioactive deposits have been exploited at either Roșia Poieni or Roșia Montană and, at least in the case of Roșia Montană, there is no evidence to support concern about radioactive pollution. At Roșia Montană, gold and silver are the only metal deposits present in sufficient concentrations to permit exploitation and capitalization. This is based on analytical test work at certified laboratories that tested the concentration level for 47 elements and on petrographic studies. The concentration of such elements is below the natural average content of the earth, and falls within normal ranges as follows: 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), and Ge (0.21 ppm compared to 1.5 ppm).

These test results were obtained through comprehensive research programs conducted between 1997 and 2006 when samples were collected from the existing underground galleries, the open pit benches, the surface outcrops, and numerous surface and underground drill holes. The research program produced highly reliable and extremely detailed information about the Roşia Montană deposits.

Regarding the questioner's concern about the quality of agricultural products, Roşia Montană's plants are affected – not by radioactivity – but by pollution resulting from 2000-years of mining with environmentally damaging techniques and without any ecological reconstruction. The pollution of the Arieş river has been mainly caused by the acidity and high heavy metals contents – problems that originate from the previous mining works. RMGC's operation of a modern mine – in particular, of water treatment facilities to treat acid water before it flows into the hydrographic network – will significantly diminish the existing pollution.

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If the questioner is suggesting that an increase in the occurrence of cancer has occurred then this can not be linked to the proposals because implementation has not yet begun. If the questioner is suggesting that the occurrence of cancer will increase then this is not supported by the scientific evidence produced in the *Health Baseline Report*.

Predictions on the population's health status with regard to specific diseases have shown that once the proposed operations begin there will be no significant increase in the frequency of the investigated diseases [1].

The human health risk assessment has not taken into consideration subjective situations (e.g. questions related to blasting operations) but objective, measurable situations, such as the concentration distribution of the investigated hazardous substances in the environmental media characterizing the residential areas, as a result of the activities developed in the exploitation area as they were predicted. If the concentrations estimated to occur in the residential areas had the potential to cause adverse effects on human health, data provided by literature as well as the maximum permissible concentrations would have to be reviewed at international level.

Reference:

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

*

The tailings pond and tailings dam have been designed to all industry and regulatory standards to prevent pollution of groundwater, and to continually monitor the groundwater and extract any pollution detected – a system whose suitability is 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 designed to comply with Best Available Techniques as defined by EU Directive 96/61/EC (IPPC), 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. 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, Tailings deposited in the TMF will be treated to contain levels of cyanide below the new EU Mine Waste Directive (2006/21/EC) of 10 parts per million (ppm), and well below international standards of 50 ppm considered safe for wildlife. The dam is designed to contain up to two Probable Maximum Flood (PMF) events derived from calculated probable maximum precipitation events as defined by the WMO-1986 (World Meteorological Organization) manual. However, a risk assessment contained in the EIA report indicates that even in the very unlikely event of a dam failure, the majority of the tailings solids would not extend beyond the confluence of the Corna Valley stream and the Abrud River for the assumed failure conditions. Impacts to the water quality from the assumed failures has also been modeled and is reported in (A copy of the University of Reading studies on this are attached to the Annex of the EIA – Report on the Environmental Impact Assessment Study).

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We draw attention to the fact that the reference to the Government Decision no. 351/2005 on the approval of the Program for the gradual disposal of the exhaustions, emissions and effluence of particularly hazardous substances is incorrect, as this piece of legislation does not provide the criteria for building/operating the tailings management facilities.

Currently, at the European Union level, the storage activity of the waste resulting from the extraction industry is distinctly provided under regulation by the Directive no. 2006/21/CE ("Directive nr. 2006/21/CE"), published in the Official Journal of the European Community no. L 102 dated 11.04.2006.

According to the provisions of art. 2 (1) of the Directive no. 21/2006 „*the present directive covers the management of waste resulting from the activities of prospecting, extraction, treatment and storage of the mineral resources as well as of the activities performed in quarries*”.

At the same time, art. 2 (4) of the Directive no. 21/2006 expressly provides the fact that extraction waste is not subject to the Directive 1999/31/EC regarding the waste storage, which was transposed in the internal legislation by the GD 349/2005.

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

*

No planned levels of cyanide will leave the plant site and enter the water system or tailings dam over and above safe levels as directed by the EU directives (EU Mine Waste Directive 2006/21/EC) and Romanian laws. There will be no cyanide discharged from the plant site at a level to pollute water sources. In addition the majority of the underground workings within the Roşia Valley will be eliminated as a result of mining the four open pits. The base of the open pits will be below the existing groundwater levels, acting as a collection point for groundwater. A mine pit dewatering program will collect all water and recycle it or send it to the ARD wastewater treatment plant for treatment prior to discharge.

In case a small flow of tailings water seep toward the open pit mines late in the mine life, it will be collected by the pit dewatering system and treated or used in the processing. Treatment will also continue once the mine is closed. Moreover, it is important to keep in mind that cyanide is not a stable compound, and naturally degrades, especially if blended with the Roşia Montană mine water. It is unlikely that any small volume of tailings water that may seep toward the mines would persist as a pollution source; in any event it would be contained or treated and discharged during both operations and closure – as described in EIA, *Report on the Environmental Impact Assessment Study*, Section 2, *Technological Processes*, Section 4.1, *Water* and Plan J, *Closure Management Plan*.

*

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

The cyanide used for the ore processing will be handled / stored in compliance with the EU standards and the provisions of the International Code for the Management of the Cyanide (ICMC-www.cyanidecode.org); it will be safely kept on the processing plant site in order to prevent any accidental spillage. The cyanide and its compounds will be subject to INCO detoxification procedure (DETOX) – this

procedure is considered the Best Available Technique (BAT) as per BREF document [1]; the process tailings will be discharged into the TMF in accordance with EU Directive 2006/21/CE on the management of mining waste.

The assessment of the HCN emissions is based on a Model summarized in Volume 12, Chapter 4.2 Air. AERMOD, Version 99351. -EPA, 2004. User's Guide for the AMS/EPA Regulatory Model – AERMOD. EPA-454/B-03-001, was used for modeling the dispersion of HCN. Please also see: http://www.epa.gov/scram001/dispersion_prefrec.htm#aermod. The concentrations estimate were much below the awareness limits stipulated by the standards for the air quality.

The references for this Project include:

-CICERONE, R.J., and ZELLNER, R., 1983. *The atmospheric chemistry of hydrogen cyanide (HCN)*. *Journal of geophysics research*, Volume 88, issue no. C15, page. 10,689 to 10,696;
-MUDDER, T.I., BOTZ, M.M., and SMITH A., 2001. *Chemistry and Treatment of Cyanidation Wastes*, The Second edition. *Mining Journal Books, Ltd.*, London, 373 p.

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

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

ZELLNER, 1983);

- the chance for the value of the HCN concentrations in precipitations within or outside the area of the Project be significantly higher than the basic values (of 0.2 ppb) is extremely low.

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

References:

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

*

We disagree with the assertion in this comment. Mining used to be the main economic activity in the area, while cattle breeding and trading are mainly subsistence activities with little produce sold.

The Romanian state declared the mining area of Apuseni, Alba county as a disadvantaged zone (Government Decision No.813/1999) for the following reasons: it is a mono-industrial area dependent on mining activity, where the former employees of the mines are unemployed, with an unemployment rate that very significantly exceeds the average rate at the national level; it is a geographically isolated area that has relatively poor links with other towns in the region; and infrastructure is extremely poorly developed.

We agree with you that mining should not be the only possible economic activity in this region, but mining can act as the best catalyst for the sustainable economic development of the area.

*

It is important to consider revisions in plans of SC Rosia Montana Gold Corporation SA (RMGC) which address concerns of both the Romanian Academy and the Romanian Orthodox Church.

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

The fact that 98% of people in the village's industrial zone have requested/accepted surveys to assess their property indicates they are considering accepting RMGC's offer to purchase their properties. We trust that as the community indicates its support of the RMP, churches will reflect their congregations' wishes.

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

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With 14 public consultation hearings across Romania, we consider that we have informed and consulted the interested public, in accordance with the laws in force.

Regarding your statement, please consider the following:

- (i) According to Article 44 (1) 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”) *”during the public debate meeting, the project titleholder [...] 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”*;
- (ii) Also, Article 44 (3) of Order no. 860/2002 stipulates that *”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 report on the environmental impact assessment study, annex containing solutions to the problems raised by the public”*.

Considering the legal provisions quoted above, due to the fact that your statement (i) does not identify or signal any problems related to the project proposed by Roşia Montană Gold Corporation SA (RMGC) and subject to the environmental impact assessment procedure, (ii) refers to issues on which RMGC has no authority to comment, please note that the project titleholder may not and does not have the necessary capacity to provide an answer or make any comment in this respect.

Item no.

197

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. Which are the motives behind the opposition to this project of Hungary and UDMR (Democratic Union of Hungarians from Romania)?
2. The questioner wishes to know which of Romania's Presidents: Emil Constantinescu, Ion Iliescu or Traian Băsescu did the company negotiate with or which one of them supports Roşia Montană Project?
4. *(sic)* The surface on which the project is going to be developed belongs to the public or private domain of the Roşia Montană commune and of its inhabitants?
5. *(sic)* Why the position of Environmental Committee of EU Parliament, which opposes to Roşia Montană Project, is not respected?
6. *(sic)* The questioner wants information about the existence of a financial guarantee for the project; in which bank is the money deposited for the project?

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

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

Considering the legal wordings quoted above, as your allegation (i) does not identify nor indicate issues related to the project initiated by RMGC and undergoing the environment impact assessment procedure, (ii) refers to decisional capacities under the competence of certain public authorities, issues to which RMGC is not in the position to answer, we mention that the project titleholder cannot and does not have the capacity to provide an answer in this respect.

However, as regards your question, we would like to provide the following comments:

Solution

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

According to art. 9(1) of the Order no. 864/2002 for approval of transboundary environmental impact assessment and public participation in the decision-making procedures for projects with transboundary impact, for the activities that are likely to cause a significant adverse transboundary impact, the party of origin shall, for the purpose of ensuring adequate and effective consultation, notify any party which it considers may be an affected party as early as possible and no later than when informing its own public about the proposed activity.

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.

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 Associations 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 with as at the setting up of the company and during the development of its activity.

We also specify that the establishing of the shareholders' quotas to the benefits and losses of 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.

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In accordance with Romanian law, surface rights to construct the new mine must be acquired from property holders. RMGC is currently acquiring those rights through its Resettlement and Relocation Action Plan (RRAP), which was designed to comply with World Bank guidelines.

The ownership of some land needed stays with the local authority, either Public or Private Domains and for some other with the individuals. There are also other institutional owners as Remin Baia –Mare, various denominations, Minvest Deva, Public Mail Service, etc.

Art. 6 of the Mining Law no. 85/2003 provides for different legal methods to acquire the usage right over

the lands necessary for mining projects development, covering both public and private domain, as follows: (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.

*

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 study report (EIA) 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, Roșia Montană Gold Corporation (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.

Finally, it was determined that Romania has the sole competence to decide on the approval of the Project.

*

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.

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

In România, the creation of an EFG is required to ensure adequate funds are available from the mine operator for environmental cleanup. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003).

Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").

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

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

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

The 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).

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

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

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

Item no.

198

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following remarks and comments:

1. The questioner refers to certain newspaper articles where Radu Berceanu has been accused that while he was Minister, he has received US\$2 million in order to sign for the lease of the gold fields and the questioner believes that, if this is true, Berceanu should be convicted for state treason.
2. Regarding the statement of the National Bank of Romania, Romania doesn't need gold, and if it does, Romania buys it from the London market; the questioner expresses his discontent concerning the fact that Romania gives the Romanian gold to foreigners in stead of mining it, as a result, it might obtain higher benefits.
2. (sic) This project will ruin historical vestiges, while no other country would destroy its history. If Romania does not have technology now, it could be acquired by Government and used for mining operation, therefore costs would be much lower for the state and the gold would remain in the possession of the Romanian people.
3. (sic) The questioner accuses Mr. Răzvan Teodorescu, former Minister of Culture, as well as the current Minister, who have granted archaeological discharge certificates for an entire series of vestiges that were found at Roșia Montană. The questioner underlines the fact that many vestiges get destroyed, such as the largest fortress from Roșia Montană, from Carpeni, which has been covered.

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

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

Considering the legal wordings quoted above, as your allegation (i) does not identify nor indicate issues related to the project initiated by RMGC and undergoing the environment impact assessment procedure, (ii) refers to decisional capacities under the competence of certain public authorities, issues to which RMGC is not in the position to answer, we mention that the project titleholder cannot and does not have the capacity to provide an answer in this respect.

Solution

However, as regards your question, we would like to provide the following comments:

Gabriel Resources and RMGC can only speak for themselves. They are deeply committed to compliance with the laws and regulations in all jurisdictions in which they operate. All directors, officers, employees, contractors and consultants, in discharging their duties, are required under corporate policy to comply with the laws, rules and regulations of the location in which Gabriel is performing business activities and will provide annual certification to that effect. Where uncertainty or ambiguity exists, competent legal advice must be obtained. The Chief Executive Officer of Gabriel will be responsible for ensuring that all annual certifications are obtained on or before the end of the first fiscal quarter of each year, and for providing written confirmation to the Board of Directors that such certifications have been obtained and summarizing the results thereof.

No one working for Gabriel, regardless of his or her position, will ever commit an illegal or unethical act, or will instruct other employees to do so and will provide annual certification to that effect in the form attached to this Code. Where uncertainty or ambiguity exists, competent legal advice must be obtained.

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As per the relevant legal provisions, the interested public may submit reasoned proposals on the environmental impact assessment. Art. 44 (3) of the Order no. 860/2002 on the Environmental Impact Assessment Procedure and the issuance of the environmental permit provides to this end that „based on the results of the public debate, the relevant authority for the environmental protection evaluates the reasoned proposals/comments of the public and requests the titleholder the supplementation of the report to the environmental impact assessment study with an annex containing solutions for solving of the underlined issues”.

As the statement of the attendant to the public consultations (i) refers to a potential statement of the NBR representatives, and (ii) identifies and specifies no problems regarding the project initiated by RMGC, subject to the environmental impact assessment procedure, RMGC is not in position to answer and has not the capacity to answer or to make any comments in this regard.

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

The National Bank of Romania has the legal right to purchase precious metals, when it deems necessary and as per the legal provisions in force, being also the only one able to decide the volume of the gold reserves of the Romanian state, as per the provisions of art. 30 and 31 let. a) of the Law no. 312/2004 for the NBR Statute approval, which provide: “The NBR, observing the general rules regarding liquidity and external assets specific risk, *establishes and maintains international reserves, so as to be able to determine at any moment their size. Such reserve is cumulatively or selectively composed of: a) gold within state thesaurus or deposited abroad; [...]. The National Bank of Romania monitors the maintaining of the gold reserve at a level it deems as being appropriate for the external transactions of the state*” respectively “*the NBR is authorized, under the conditions it establishes and modifies periodically, to perform the following operations: to sell, buy and perform any other transactions with gold ingots and coins and other precious metals*”.

*

The mining project implementation does not involve the destruction and abandonment of the archeological heritage assets from Roșia Montană commune. The existence of these vestiges has been carefully considered in the proposals for the project.

As a brief answer to the questioner’s opinion regarding the destruction of historical remains, we can mention the following:

- the Roman galleries from the massifs located in the southern part of the Roșia valley have been thoroughly researched and specific preservation measures have been proposed for the Cătălina Monulești and Piatra Corbului areas;
- the Roman galleries from the massifs located in the northern part of the Roșia 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 Tăul Găuri; the Roman remains from the Carpeni hill); the Orlea area is going to be thoroughly researched in the period 2007-2012;
- the development of the mining project is not going to affect the 41 historic buildings from Roșia Montană. Comprehensive measures will be taken for the restoration and conservation of these structures;
- out of the 10 churches and prayer houses from Roșia Montană and Corna, only those located on the Corna valley will be affected by the mining project, while those on the Roșia valley will be preserved in their entirety;
- out of the 12 cemeteries from Roșia Montană commune, 6 are going to be affected by the implementation of the mining project, and approximately 410 graves will need to be relocated.

The Roman galleries from Roșia Montană, according to the specialists’ reports and publications, are important, but not unique. Thus, a gazetteer of the ancient mining sites from the areas of Transylvania and Banat – developed for the Environment Impact Study for the Roșia Montană project – sustain the assertion that it is difficult to consider Roșia Montană to be unique, at least from the perspective of

Imperial Roman mining operations in Europe and particularly from the Dacia Province. The existence of at least 20 sites with relatively similar characteristics suggests this site is one of many. From these 20 sites, some (e.g. Ruda Brad, Bucium – Vâlcoi Corabia area and Haneş – Almaşul Mare area) have already revealed certain remains that are comparable with those at ancient Alburnus Maior.

Through the mining project implementation, Roşia Montană Gold Corporation does not intend to destroy the cultural and spiritual heritage from Roşia Montană. After 7 years of comprehensive research and specialist studies, financed according to legal provisions by company, the nature, features and distribution of heritage assets – archeological sites, buildings historical monument, but also churches and cemeteries – are well understood from Roşia Montană. Heritage research and studies carried out between 2000 and 2006 allowed both the formation of a comprehensive understanding of these assets belonging to the national cultural heritage and areas with spiritual significance, as well as the adoption of specific measures for their protection.

Thus, on the basis of these researches, on the one hand, the certificates of archeological discharge were issued, specifically for the areas where the industrial project may be developed, and on the other hand, the areas with cultural heritage assets, including areas where the industrial activities are forbidden, were established.

To note a few example of situations from Europe, where industrial developments also involved preventive / rescue archeological investigations as stipulated by European Convention from Malta (1992) regarding the archeological heritage protection [1], consider the following:

- Construction of Toyota plant near Valenciennes (France);
- Development of the Actiparc industrial area close to Arras (France);
- Development of the Dourges industrial area, near Pas-de-Calais (France);
- Development of the gravel quarry on Aisne valley (France);
- Route of trans-European gas pipeline from Jamal (Siberia) peninsula to Western Europe – section from Wielopolska (west Poland);
- Construction of office buildings in Spitafield area (Spitafield Chame House), London (Great Britain);
- Construction of new residential areas in the London district Wandsworth Riverside (Shell oil terminal), London (Great Britain).

All the commitments publicly assumed by company are detailed in the Report on the Environment Impact Study, Vol. 33, Cultural Heritage Management Plan. What the company proposes in the context of future project development is the continuation of researches, their publication and enhancement of the cultural heritage from Roşia Montană all based upon European standards in order to develop the tourism potential.

At Roşia Montană the cultural heritage problems have been approached by all parties involved based on good faith, acting responsibly and in accordance with Romanian and international legislation.

For more details on the significance of cultural heritage assets from Roşia Montană area, their inventory and investigation over the last 7 years, as well as a series of considerations regarding the legal protection regime and other legislative provision applicable in this case, please consult the Annexed called “Information on the Cultural Heritage of Roşia Montană and Related Management Aspects”.

In conclusion, the destruction of the historical and archaeological vestiges from Roşia Montană or their simple substitution with copies is not proposed. The investigations of this type – known as preventive/rescue archeological research – is performed all over the world, in connection with the economic development of areas, and the costs of investigation as well as the costs for restoration and maintenance of the preserved areas are provided by investors, creating a public-private partnership in order to protect the cultural heritage according to the provisions of the European Convention from Malta (1992) regarding the archeological heritage protection.

Reference:

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

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

*

As related to your comment, 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"*.

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

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

The specific techniques employed during the preventive archaeological investigations conducted in the RMP perimeter consisted of a survey of all the areas, which are accessible and, at the same time, suitable for human settlement, and took into account bibliographical data and observations made during field surveys, geophysical surveys, as well as data collected during the photogrammetric flights. The development in surface of the archaeological research has been conducted where required by the archaeological realities. The archaeological investigations conducted at Roşia Montană have covered large areas, and the areas with an archaeological potential have been thoroughly investigated. THUS, ALL THE AREAS THAT WERE ARCHAEOLOGICALLY DISCHARGED HAD BEEN PREVIOUSLY INVESTIGATED. All the investigations have been conducted in compliance 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. In cases when a significant archaeological item was found or where historical monuments were located in the vicinity of the planned industrial facilities, the latter have been re-designed so that no archaeological structure or historical monument be affected. Moreover, when necessary, archaeological structures have been restored and preserved *in situ* (e.g. the double circular funeral monument found at Hop-Găuri) (Mihaela Simion et alii, *Alburnus Maior* II, Bucharest 2004), the Pietra Corbului protected area or the historical area comprising architectural heritage items (35 houses classified as historical monuments), or the area was classified as archaeological reserve (such as in the case of the Carpeni hill (Code LMI 2004, AB-I-m-A-00065.03) that the questioner refers to.

Archaeologically speaking, the Carpeni hill is the area where archaeological remains are more abundant. Prior to the archaeological investigations, a Roman fortress was assumed to exist there. Interesting signs point to the existence of archaeological artifacts in the central part of the plateau, an area also known as the "Bisericuta". Although the items found in this area have been mentioned several times in the literature, existing data are rather imprecise. Some materials derived from a building with hypocaust installation were briefly mentioned more than once in the archaeological records. Most of the times, the tegulae (tegular material) uncovered in this area were related to the presence of the Roman Legio XIII Gemina at Alburnus Maior. Recent archaeological investigations on the Carpeni hill have revealed the existence of elements of habitation including human dwellings and two groups of burials (in the North-Western part) and two buildings with hypocaust installation (E2 in the central area and E1 in the southernmost part - the areas known as Tomus and Bisericuta). Previous evidence indicates that discoveries that can be expected in the north part of the massif, on the property of the Badau family, and also in the area where the local stadium is currently located as well as in the southern part of the hill.

The ancient buildings located in this area probably had an administrative function, as there are several factors in support of this hypothesis. The edifices are located in the central part of the area where ancient remains were found. They were built in a typically provincial manner (i.e. mortar-bound stone walls with traces of plaster) and equipped with hypocaust installations. Tegulae stamped with the insignia of the Legio XIII Gemina were found there, while the archaeological inventory found in this area is typical for a Roman site.

Also, a new funeral ground (comprising eight cremation burials with a ring structure) as well as a primitive habitation structure of the Roman period were identified in the western extremity of the Carpeni hill.

As for the statement that the Roman remains found on the Carpeni hill had been covered, note that the covering of archaeological items during the initial conservation phase is common practice. The area in question was classified as an archaeological reserve (Code LMI 2004, AB-I-m-A-00065.03), at the proposal of the archaeological research team and on the recommendations of the National Commission of Archaeology and the edifices will remain covered until the competent authorities and other stakeholders make a decision as to new research and conservation works in this perimeter.

Here are some of the projects proposed by RMGC through the Cultural Heritage Management Plans for the Carpeni area prepared following the consultation of specialists, we mention the setting up an archaeological research program in the archaeological reserves areas, which has to comply with the desideratum mentioned in the Malta Convention (1992) to preserve these resources for research by future generations (project 38, Management Plan M, part I, - *Management Plan for the Archaeological Heritage from Roşia Montană area*, page 61) or those in the same specialized documentation, namely Table 4.1 "*Annual work plan (action plan) and RMGC's middle and long-term plans for archaeological heritage of Roşia Montană area*", point 3 - "*Carpeni: archaeological summer camp on the occasion of the 2009-2022 archaeological research campaigns*" (see above page 80-81).

Moreover, it is every minister's duty to observe the legislation in force, and the persons you refer to have certainly acted accordingly.

Item no.	199
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.	200
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 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.	201
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.

202

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. If in order to process the mined ore 1kg of cyanide is used, what quantity of cyanide is going to enter in the decant pond together with the tailings?
2. How can the quantity of cyanide that enters soil be monitored and how can the density of certain fractures, that may allow cyanide infiltration, be supervised?
3. How has the method to estimate the reserves been established, and if drillings have been performed, at what depth have they been drilled?
4. Will the metals' pre-emption right be observed? Will National Bank be allowed to buy and at what price?
5. Why isn't it made public the average gold grade from the industrial ore?
6. What is the gold grade of the tailings?
7. How is the cyanide from the tailings facility neutralized?
8. Doesn't the company think that \$244million is not enough for taxes and duties during the entire project's lifetime?
9. How will the historical centre be protected against earthquakes generated by mining operations?
10. What type of explosive will be used for ore extraction?

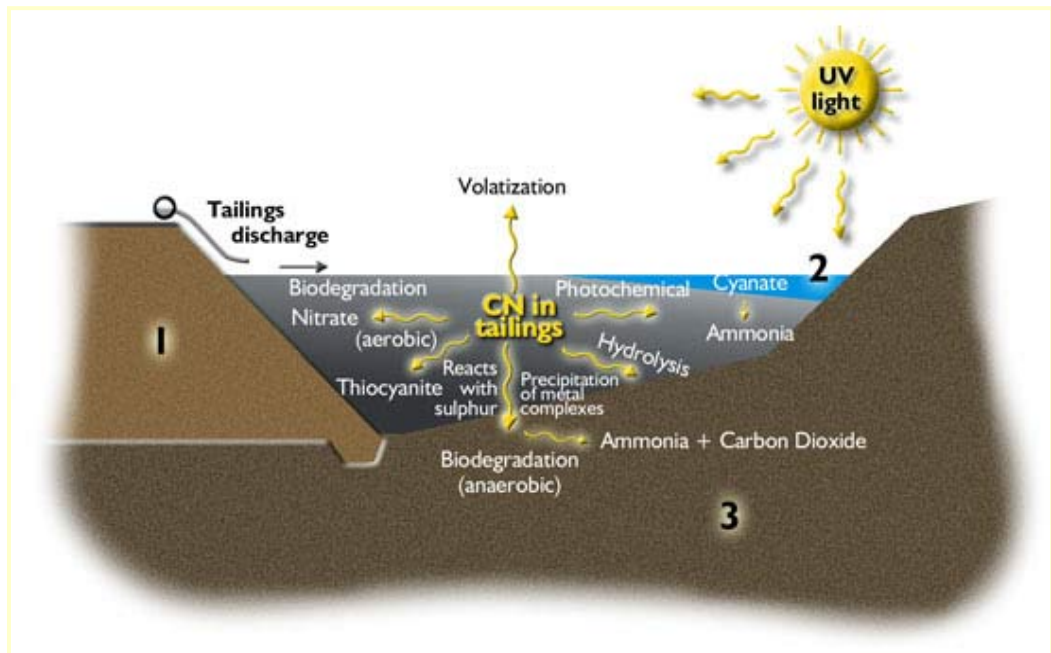
Solution

The cyanide mass balance for the process is detailed in Chapter 2 Technological Processes, Section 4.1.3 *Industrial Wastewater treatment of the EIA (Report on the Environmental Assessment .(EIA))*

Based on the discharge rate and the concentration, it is estimated that the TMF will receive approximately 97 tones of total cyanide per year. Based on the volume of the pores in the tailings, almost one third of this quantity will be contained by the tailings, and 66 tones/year will be contained by the water in the tailings dam, which will be circulated back into the technological processes.

The main quantity of the cyanide will be recovered in the processing plant as shown in Figure 4.1.15 and described in Section 2.3.3, Chapter 4.1 Water of the EIA Report. Even though, there will be a remaining quantity of cyanide. The treated tailings represent the only source of the Project for process residual water. The residual cyanide concentrations found in the treated tailings slurry will have to comply with the EU Directive for mine waste which stipulates a maximum value of 10 mg/L CN_{WAD} (weak acid dissociable). The cyanide will exist as potential pollutant of the surface waters on the plant site and only during the mining phase and for the first one or two years after closure. Modeling of the predicted concentrations in the TMF has shown that treated process plant tailings flow is expected to contain 2 to 7 mg/L total cyanide.

Further degradation will reduce the concentrations to below applicable standards in surface water (0.1 mg/l) within 1-3 years of closure. A secondary effect of this treatment is also the reduction of many of the metals which may potentially occur in the process water stream. An assessment of the likely chemical makeup of the tailings leachate, based on testing, is summarized in Table 4.1-18 (Section 4.3.), Chapter 4.1 Water, of the EIA report. The below drawing is presenting the complexity of CN degradation processes which are occurring in TMF.



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

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

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

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

The cyanide used for the ore processing will be handled / stored in compliance with the EU standards and the provisions of the International Code for the Management of the Cyanide (ICMC-www.cyanidecode.org); it will be safely kept on the processing plant site in order to prevent any accidental spillage. The cyanide and its compounds will be subject to INCO detoxification procedure (DETOX) – this procedure is considered the Best Available Technique (BAT) as per BREF document; the process tailings will be discharged into the TMF in accordance with EU Directive 2006/21/CE on the management of mining waste.

*

During operations the concentration of cyanide within the tailings slurry that is pumped to the Tailings Management Facility (TMF) will be monitored on a weekly basis to confirm it meets all EU Directives and Romanian Governmental Decisions. Monitoring will be independently validated.

As part of the initial TMF basin construction, the surface vegetation and top soil will be removed and the clay layer will be compacted to achieve a permeability of 1×10^{-6} cm/sec or less as is considered compliant with EU Best Available Techniques (BAT) as defined by EU Directive 96/61/EC (IPPC). This layer is designed to provide a barrier to limit seepage into fractures. During removal of the vegetation and topsoil large fractures or other surface feature that could be a potential pathway for seepage migration will be

identified. Potential pathways identified will be addressed as appropriate and covered with the natural clay liner to limit seepage. The natural clay liner is designed to BAT (Best Available Techniques) as defined by EU directive.

Seepage that extends beyond the tailings dam will be collected in the Secondary Containment Dam and sump. Hydrogeologic baseline studies have indicated that this type of control and containment is viable. Groundwater will be monitored hydraulically downgradient of the TMF and secondary containment to confirm that groundwater is not being contaminated. If tailings contaminated groundwater is detected there is a commitment to implement a third level of containment and collection using extraction wells.

*

Roşia Montană's reserves deposit estimation is based upon a very elaborate research program, which included the collection of 191,320 samples taken from underground networks, surface outcrops and drill holes. RMGC believes that we have conducted the most extensive and detailed research program ever performed on a Romanian mine project. This program was independently supervised.

Each sampled metre has been tested for gold and silver. The database, containing over 400,000 assays, has been audited by independent experts – from Romania and abroad. One of the Romanian companies involved, Ipromin SA, conducted three feasibility studies for the Roşia Montană project. These feasibility studies include the resource and deposit calculations. Both Ipromin SA and the foreign auditors confirmed RMGC SA's results.

The exploration activities conducted by RMGC between 1997 and 2006 show that there are 215 million tons of ore with an average content of 1.46 g/t gold and 6.9 g/t silver. This amounts to a total content of 314.11 t Au and 1480.36 t Ag.

The estimation method applied to the deposits at Roşia Montană has been internationally used, verified and validated at big deposits around the world. The method used was the "ordinary krigging" method which was conducted by independent experts. Briefly, this method consists of the deposit dividing into blocks and estimation, based on complex geostatistics methods and using specialized computer software, of the average grades and of other parameters per each block using the data from exploration programs. About 29 parameters were estimated for each block. By summing up the respective blocks, the resource and the total deposit reserve are found out. The mine-able reserves are estimated from the resources using "floating cones" and inputting the economic and recovery parameters including processing and mining costs for each block (data processing is done using powerful computer software) as well as considering the gold price on international markets.

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

During the research programs, there were performed over 1100 drill holes, their average depth did not exceed 300 m. In order to investigate the deep-level mineralization, RMGC performed underground drill holes from the underground level 714m which reached the 520m RL. This depth is the deepest to which drilling was performed.

*

Please note that the Mining Law no. 85/2003, published in the Romanian Official Gazette, Section I, no. 197/27.03.2003, which represents the framework regulation regarding the mining activities performed in Romania, contains no provision concerning a possible preference right of the National Bank of Romania in regard of the purchase of metals.

The provisions of the former Mining Law no. 61/1998, which provided the state's preemption right for the purchase of the production of mineral resources obtained, irrespective of its nature, "*for international prices and according to contractual terms*" are no longer in force, as the Mining Law no. 61/1998 was integrally repealed by the Mining Law no. 85/2003, which does not contain such provisions.

The National Bank of Romania has the legal right to purchase precious metals, when it deems necessary and as per the legal provisions in force, being also the only one able to decide the volume of the gold reserves of the Romanian state, as per the provisions of art. 30 and 31 let. a) of the Law no. 312/2004 for the NBR Statute approval, which provide: "The NBR, observing the general rules regarding liquidity and external assets specific risk, *establishes and maintains international reserves, so as to be able to determine at any moment their size. Such reserve is cumulatively or selectively composed of: a) gold within the state thesaurus or deposited abroad; [...]. The National Bank of Romania monitors the maintaining of the gold reserve at a level it deems as being appropriate for the external transactions of the state*" respectively "*the NBR is authorized, under the conditions it establishes and modifies periodically, to perform the following operations: to sell, buy and perform any other transactions with gold ingots and coins and other precious metals*".

*

Ipromin SA's 2006 feasibility study for the Roşia Montană deposit showed that there were estimated industrial reserves of 214.9 Mt with average contents of 1.462 g/t Au and 6.889 g/t Ag. Data on the average gold and silver contents are shown in Chapter 2 – *Technological Processes* of the EIA as well as in the *Non-Technical Summary* in EIA Report.

*

There are 2 types of waste resulted from the exploitation. The first type are the waste rocks resulted from the pits, with such a low gold grade that it is not possible to recover enough gold to pay for the overheads which consist of all the mining, processing, social, environmental, rehabilitation, and cultural costs of the project. This waste material will go to the waste dumps, will be used to backfill the Jig, Orlea and Cărnic pits and to build the Corna dam. The second type of waste will result from the processing plant after the gold will be recovered will have an average grade of 0.30 g/t Au, and will be stored in the Corna TMF. A number of alternatives have been investigated to increase the overall recovery however none conform to BAT ("Best Available Techniques") as defined by EU directive 96/61/EC.

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It should be noted that a large proportion of the cyanide used for the ore processing is recycled; this represents a preferred alternative which helps reducing the operation costs. There will be only the un-recycled cyanide put through the INCO detoxification process. A residual quantity of cyanide will remain in the tailings.

The tailings stored in the TMF will contain 5-7 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 less than 8) which has a limited solubility in water (the cyanide turns into 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 would 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 discussions 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 recirculated and reused in the processing plant;

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

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

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

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

1. The treated tailings discharged in the tailings dams must have a content of maximum 10 mg CN_{ue}/L, as per the European Directive 2006/21/EC passed in 2006 for the management of the waste in mining industry for new mines.

The INCO process proposed by Roşia Montană Project for oxidizing the cyanides in the tailings resulting from ore processing will ensure, based on the facts presented and checked by other mines in Europe and worldwide which apply this procedure, that the WAD cyanide concentration will be below the one imposed by the Directive (5 to 7 mg/L CN_{ue}, and 10 to 12 mg/l CN_t).

The research and the findings from other operational mines were reviewed and used to compile models of the processes which take place in time under the influence of the environment elements within the tailings dam where the tailings are discharged.

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

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

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

The main part (90%) of the decomposed cyanide (average of 50%) is broken down by volatilization / hydrolysis, as cyanic acid. The mathematic modeling of the cyanic acid concentration in the TMF showed a maximum hourly concentration of 382 µg/m³ in comparison to 5,000 µg/m³, the concentration allowed by the Order no. 462 of the Ministry of Environment and Waters' Management.

2. The water in the tailings dam is not released in the environment during the operational phase, under normal operation conditions (the decant water is circulated back in the process, and the seepage is retained in the secondary dam).

There are 3 situations in which there could be an environmental impact:

- Operation run under abnormal conditions, when the storage capacity of the tailings dam is exceeded (the TMF is designed for two consecutive PMPs occurring in 24 hours), if the

- natural dilution doesn't assure the concentration imposed by NTPA 001 (0.1 mg CN_i/L);
- At closure, when the water in the tailings dam will be used for flooding rehabilitation of Cetate pit, if the quality conditions are not met (0.1 mg CN_i/L);
- Seepage from the tailings dam.

The first two situations are to be avoided by the construction of the wastewater treatment plant for low cyanide concentrations, available throughout the entire period of operation.

As shown, the seepage from the tailings dam will be monitored and circulated back in the tailings dam throughout the entire period of the operation, with no discharge in the environment. During the last three years of operation before closure, there will be tests run for passive treatment processes in lagoons, which according to the results (meeting the imposed condition of 0.1 mg CN_i/L), will remain operational during closure and post-closure phase.

Thus, we believe that the Project addresses all the issues related to cyanide destruction in the tailings dam water.

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The figure offered by the commenter regarding total taxes paid to the Romanian government at all levels is incorrect. 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>	<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

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The environmental impact assessment (EIA) process has included preliminary cumulative estimates for stationary motorized equipment and linear (vehicular) sources were prepared in order to provide an initial understanding of the potential cumulative noise and vibration impacts from background and Roşia Montană Project sources, and to guide future monitoring and measurement activities as well as the selection of appropriate Best Management Practices/Best Available Techniques for further mitigation of the potential noise and vibration impacts from Project activities. These preliminary estimates apply to major construction activities, as well as the operation and decommissioning/closure of the mine and process plant. They are documented as data tables and isopleth maps for major noise-generating activities in selected, representative Project years; see **Tables 4.3.8** through **4.3.16** and **Exhibits 4.3.1** through **4.3.9**. All these details related to the applied assessment methodology, the input data of the dispersion model, the modeling results and the measures established for the prevention/mitigation/elimination of the potential impact for all project stages (construction, operation, closure) are included in Chapter 4, Section 4.3 Noise and Vibrations of the EIA Report.

Through the use of modern technologies, adequate measures and actions, the vibrations (or earthquakes)

generated by the open pit explosions will be maintained within certain limits, such as to ensure the protection of the constructions and other historical monuments existing in the area and proposed for conservation.

S.C. Ipromin S.A. has prepared a study entitled “Geo-mechanical study for measuring the effects of quarrying operations on the constructions located inside the protected area” for the purpose of analyzing the effects of the excavation technologies to be used in the Roşia Montană mining perimeter and identifying the technological solutions to ensure the protection of the constructions existing inside the protected area or other heritage constructions.

In order to prevent the degradation or deterioration of the constructions located inside the protected area, due to the effects of quarrying explosions the project stipulates a maximum oscillation of 0.2 cm/s, measured next to the protected construction.

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

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

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

Table no. 1

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

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

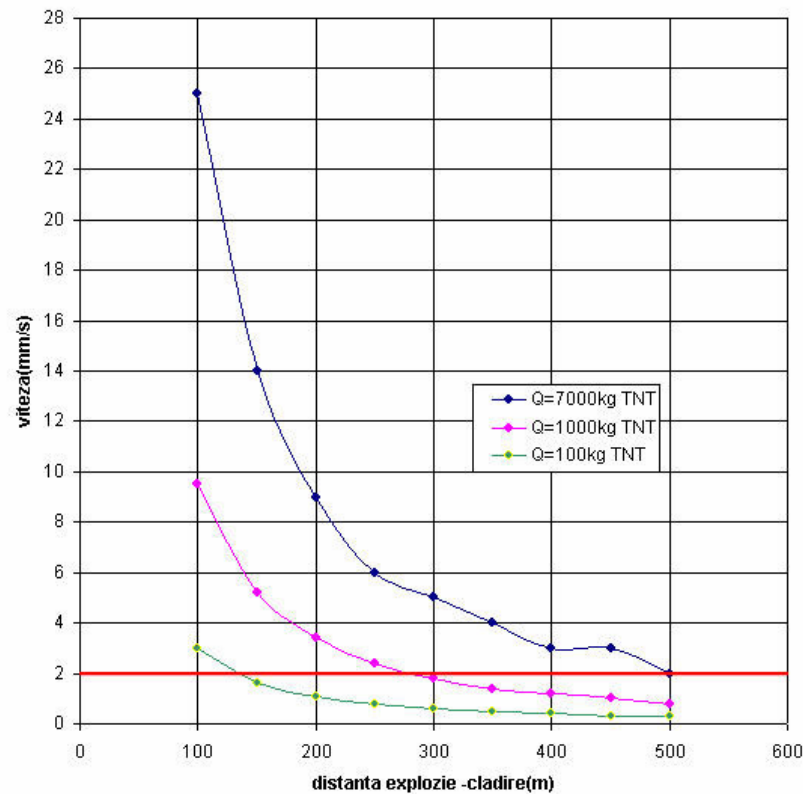
Using the formulas provided in the specialized literature, the values of the oscillation velocity at a distance of 100 m, 200 m and 300 m from the protected constructions have been determined, in case of blasting 6,860 kg per blasting phase.

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

Table no. 2

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

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



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technology used for an

representing approximately 85% of the open pits area.

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

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

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

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

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

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

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

particle. For the protection of constructions, velocity is the most widely used parameter.

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

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

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

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

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

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

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

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

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

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The used explosive is of ANFO type (mixture of ammonium nitrate and gas), and for detonation of the basic explosive Booster initiation charges will be used. The priming will be of sequential type and non-electric detonators of NONEL type and detonating cord will be used.

Item no.

203

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. Does RMGC still considers the firm, competent and argued position of certain important Romanian institutions such as Romanian Academy, Orthodox Church, Greek-catholic Church as well as the position of numerous experts to be irrelevant, and of no value?
2. What guarantee can the company offer for the impacts that blasting procedures may cause on the geological structure of the area, both throughout the development of mining operation and on long term, combined with the influence and action of other environmental factors, especially when temperature is higher and higher every year.
3. Which is the experience of RMGC in such operations, activities of this type, what technical warranties can it provide?

SC Rosia Montana Gold Corporation SA (RMGC) regards the position of the Romanian Academy, Orthodox Church, and Greek-Catholic Church to be extremely relevant and of considerable value. The project proposal submitted to the Ministry of Environment and Waters Management (MEWM) takes into account concerns of these institutions.

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

RMGC made changes to the design of the project to incorporate stakeholder concerns, including those mentioned by questioner, notably a reduction in the size of several proposed pits as well as enhancing sustainable development activities, and a stronger commitment to preservation of cultural patrimony including a reduced impact on local churches, in response to stakeholder consultations, including with members of the Academy, before submission of the EIA. Thus the position does not reflect changes to the project design and an analysis of the EIA that was actually submitted to the Ministry.

Solution

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

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

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The environmental impact assessment (EIA) process has included preliminary cumulative estimates for stationary motorized equipment and linear (vehicular) sources were prepared in order to provide an initial understanding of the potential cumulative noise and vibration impacts from background and Roşia Montană Project sources, and to guide future monitoring and measurement activities as well as the selection of appropriate Best Management Practices/Best Available Techniques for further mitigation of the potential noise and vibration impacts from Project activities. These preliminary estimates apply to major construction activities, as well as the operation and decommissioning/closure of the mine and process plant. They are documented as data tables and isopleth maps for major noise-generating activities in selected, representative Project years; see **Tables 4.3.8 through 4.3.16** and **Exhibits 4.3.1 through 4.3.9**. All these details related to the applied assessment methodology, the input data of the dispersion

model, the modeling results and the measures established for the prevention/mitigation/elimination of the potential impact for all project stages (construction, operation, closure) are included in Chapter 4, Section 4.3 Noise and Vibrations of the EIA Report.

Previous underground and massive surface blasting has been carried out in the area of the Roşia Montană deposit. The impact of these blasting operations on the geological structure has been limited to very small distances, such impact being insignificant on longer distances. A relevant example is represented by the underground galleries underneath the Cetate pit, which resisted the massive blasting carried out in this pit, although they were not reinforced. Only the works located 10-15 m underneath the pit floor have been impacted, several blocks falling due to the local increase of the rock cracking degree. Alterations of the geological structure of an area may occur only in case of natural disasters, involving huge energy releases, leading to temperature modifications and extremely high pressure, which does not happen in the case of pit explosions.

The geological structure of the area neighboring the pits will not be altered, the vibrations transmitted to the areas near the pits having a low intensity and causing deformations only in the elastic range. "The temperature and other environmental factors" do not have any perceivable impact on the geological structure.

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

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The Roşia Montană mine project has been elaborated by a team of Romanian and foreign specialists with a recognized experience at national and international level. The managing team who coordinates the designing and development has an experience of over 40 years in the development of similar projects with same extraction, processing, closure technologies as well as ecological improvement of mining perimeter.

Also, the consulting companies involved into the designing of the Roşia Montană project are international companies with a wide experience in the mining field and which have implemented mining projects all over the world.

The project was conceived to comply with the best available techniques (BAT), and this can be checked by consulting the BREF document for mining industry prepared by IPPC Office from Seville in June 2004, and published on: www.eippcb.jrc.es/pages/FActivities.htm.

Item no.	204
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 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.	205
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.	206
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 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.	207
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.	208
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 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.

209

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner states the following comments, remarks and questions:

1. Will expropriations developed at Roşia Montană? There are locals who do not want to sell their properties; which is the solution for them; will their land be forcedly taken?
2. Regarding the professionalism of those who have prepared EIA report:
 - For example, the biodiversity study, baseline conditions, it is said that the study is conducted by a certain SANTEC. This is not stipulated on the Ministry of Environment and Water Management lists concerning the certified persons who can prepare environmental impact assessment studies.
 - The assessment on actual risks, on the project's impact (Subchapter 4.1.6 - Biodiversity) this topic is being discussed only in several pages, about 20 of 4500 pages of the entire study, which is named environmental impact assessment study. Just that much is said about a project that will wipe everything out, the impacted area will disappear.
 - There are no references within the entire study. Where have the presented data been taken from, and who said that it is like that?
3. Which is the purpose of all those repetitions within the study?
4. The questioner believes that if Ministry of Environment and Water Management grants the permit for this project based on this study, it's a proven fact that there are other interests.

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

Moreover, the design and location of Project's facilities was made so as the number of impacted persons is as small as possible.

Solution

With respect to the methods for acquiring the lands contemplated by RMGC, these are in full compliance with the legal provisions, art. 6 of the Mining Law no. 85/2003 published in the Romanian Official Gazette, Section I, no. 197/27.03.2003 expressly providing the means by which the titleholder obtains the right of use over the lands necessary for the performance of the mining activities in the exploitation perimeter, namely: (i) *sale-purchase, for the price agreed upon by the parties*; (ii) *the land exchange, with the relocation of the affected owner and the reconstruction of the buildings on the newly granted land, on the expense of the titleholder benefiting of the cleared land, as per the convention between the parties*; (iii) *renting of the land for undetermined period, based on agreements between the parties*, (iv) expropriation for cause of public utility, as per the law; (v) *land concession*", etc.

Also, art. 1 of Law no. 33/1994 on the expropriation for cause of public utility, published in the Romanian Official Gazette, Section I, no. 139/02.06.1994, provides that "the expropriation of immovable, [...], can be made only for cause of public utility", and art. 6 of the same law provides that "there are causes of public utility: geological exploration and prospecting; extraction and processing of useful mineral substances".

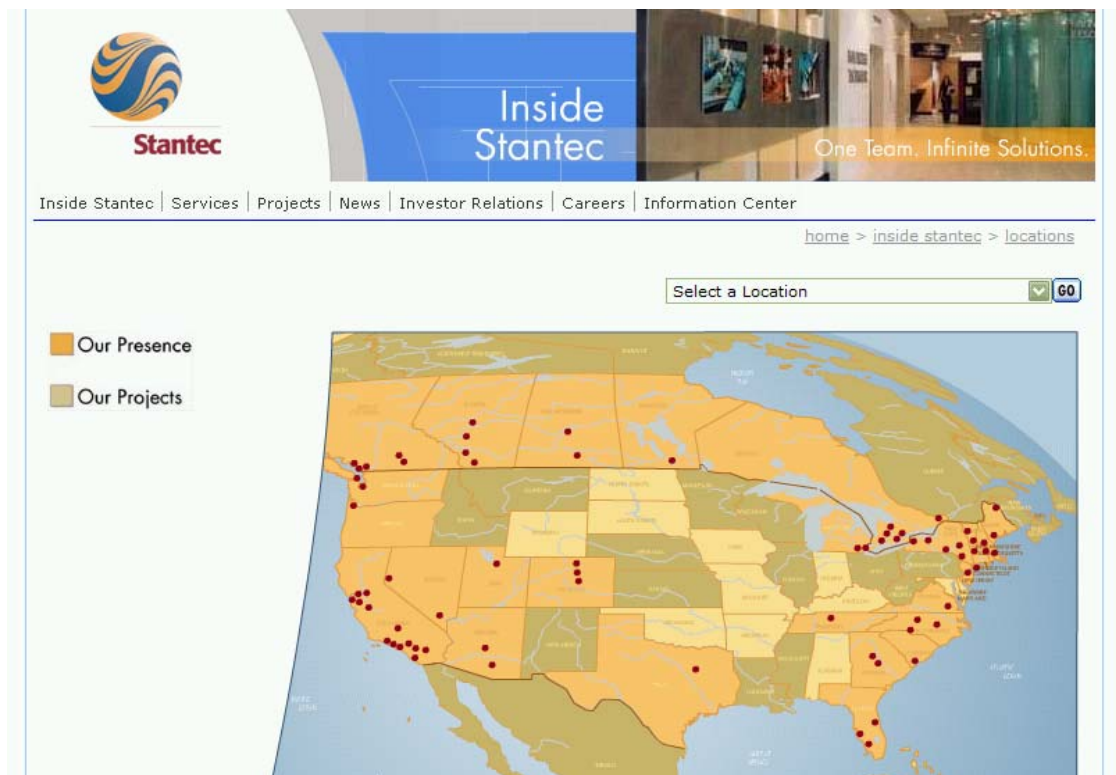
In conclusion, the expropriation, made in accordance with the legal and constitutional provisions, represents one of the modalities of obtaining the right of use over the lands necessary for the development of a mining project, being expressly provided by art. 6 of the Mining Law no. 85/2003 and by art.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

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The biodiversity baseline conditions studies have been initiated in 1999 under the coordination of Knight Piesold. Between 2000 and 2006, STANTEC involved several teams of Romanian experts in the process of

preparing/reviewing/completing these baseline reports. The first draft of the report has been prepared under the coordination of Stantec (a Canadian-based, multinational company, dedicated to the preparation Environmental Impact Assessments; see www.stantec.com). The company has been founded in 1954 and provides professional services in designing, consultancy, ecologic reconstruction, and project management, etc.

The company has more than 6,000 employees and over 80 offices/locations in North America and the Caribbean.



Even from the initial stage Stantec, has contracted Romanian experts that have worked together in preparing biodiversity baseline reports (Mr. Mircea Gomoiu, PhD, Academician; Mr. Mihai Valcu, PhD in Biology; Mr. Virgil Iordache, PhD in Biology; Mr. Gogu Mircea, Biologist, PhD; Mr. Calin Hodor, Biologist).

The initial report prepared by Stantec has been reviewed and updated between 2005 and 2006 by teams lead by Institutul de Cercetari si Amenajari Silvice (ICAS) (The Institute of Forest Research and Developments) and by Mr. Sergiu Mihut, PhD (USI) who are certified by Ministry of Environment and Water Management in preparing environmental assessments.

According to the provisions included in current in force law, Minister Order no. 978/2003, amended and altered by Minister Order no. 97/2004 and by Governmental Emergency Ordinance no. 195/2005, the EIA Report must be prepared by certified Natural or Legal Persons, but this is not a mandatory condition for the experts that contribute to the preparation of Baseline Conditions Reports, Management Plans, or any Land Surveys.

The bibliography will be included in Annex 1.

*

Generally, the Environmental Impact Assessment study report (EIA) follows the Terms of Reference Rosia Montana Gold Corporation (RMGC) received from the Ministry of Environment and Water Management (MEWM). In the EIA, there are repetitions simply due to reporting requirements that treat similar or identical issues under multiple headings as the documentation RMGC provided includes, besides the requirements of the Romanian legislation, the baseline condition studies (including monitoring data from 1999-2006) and the management plans developed in the EIA process. These documents were added because of RMGC's commitment to comply with Romanian and European law and international best

practices. Thus, the relevant Best Available Techniques (BAT) and the Best Management Practices (BMP) were taken into account in designing the project as submitted for approval in the EIA.

*

Please note that the decision for issuing or rejecting the environmental permit is made by the relevant environment protection authority according to the following applicable legal provisions:

- (i) art. 11 (3) of the GD no. 981/2002 ^[1] on establishing of the framework procedure for the environmental impact assessment and for the approval of the list of private or public projects subject to this procedure (“GD no. 918/2002”) provides that *“the 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 reasoned rejection of the environmental permit”*;
- (ii) art. 29 (5) of the Order of the Minister of Waters and Environment Protection no. 860/2002 on the environmental 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 Check List. Please note that the Control List is drafted in accordance with the requirements of the Directive 85/337/CE² 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 Check 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 permit in regard of the project proposed by the titleholder proves the fact that the EIA Report drafted and submitted by 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.

References:

[1] - We mention the fact that the GD no. 918/2002 was repealed by the GD no. 1213/2006 on the establishing of the framework procedure for the environmental impact assessment for certain private and public projects, published in the Official Gazette, Section I, no. 802 dated 25.09.2006 (“GD no. 1213/2006”).

Nevertheless, considering the provisions of art. 29 of the GD no. 1213/2006, which provides that *“The projects submitted to a competent authority for the environmental protection, with a view to obtain the environmental approval and which are subject to the environmental impact assessment procedure, prior enforcement of this Decision, are subject to environmental impact assessment and environmental approval issuing*

procedure in force at the moment of such submission", we should specify that, with regards to the RMGC project, the provisions of the GD no. 918/2002 are still applicable.

[2] - The Directive 85/337/CE was amended and supplemented by the Council Directive 97/11/CE, published in Official Journal of the European Communities (OJEC) no. L 73 dated March, 14 1997, and the Directive 2003/35/CE on the public participation regarding the drafting of certain plans and programs on the environment and the amendment, as regarding the public participation and the access to justice, of the Council Directives 85/337/CEE and 96/61/CE, published in the Official Journal of the European Union (OJEE) no. L 156 dated June 25, 2003.

Item no.	210
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<p>The questioner supports the project.</p> <p>He wants to know in what other fields is the cyanide used, because also in Cluj Napoca, in the Pharmaceutical Industry, cyanide is being used.</p> <p>We appreciate your support of the Project and thank you for participating in this important process of public consultation.</p>
Solution	<p>The questioner is correct. Cyanide is used in many different industries, such as the pharmaceutical industry. Cyanide is an extremely 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. Cyanide is used in hundreds of gold mines around the world and in many other industries. At Roşia Montană, the Tailings Management Facility will be constructed to the highest international standards. It will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. Sophisticated equipment will be used for geotechnical and water level monitoring. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 parts per million or ppm or mg/l), which is below the regulatory limit of 10 ppm recently adopted by the EU 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 the EU Directive 96/61/EC(IPPC).</p>

Item no.	211
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<ol style="list-style-type: none"> 1. The process of public consultations and assessment of the quality of environmental impact assessment study has been initiated without a valid urbanism certificate. Which is the number of the valid urbanism certificate, where and according to which schedule it can be consulted? 2. Under Law 5/2000 and Law 422/2001, Roşia Montană local authorities should have established and approve a Zonal Urbanism Plan for the Roşia Montană protected area. Which is the registration number of the approved plan, where and when it can be seen? 3. According to the project, the proposed TMF won't be lined. According to Governmental Decision nr.351/2005, the waste facility should contain 8 artificial layers made of impermeable materials. Which are the concrete measures that RMGC will implement in order to comply with legislation in force and where all these can be seen in the project? 4. The operator of the waste facility has to present in the documentation necessary to secure environmental permit a water management endorsement certificate issued by a relevant authority. Gold Corporation didn't receive or submit such an endorsement certificate. If it exists, which is the registration number, where it can be seen, and according to what schedule? 5. According to the same law it is forbidden to construct a waste facility on a fractured rock bed as the one from Corna Valley, or on the drinking water protection area. Which is the registration number of the soil study and where can it be consulted? 6. The operator has to establish a fund for the closure and post closure monitoring of the environmental factors; monitoring that should last at least 30 years. The report doesn't mention such guarantees. Which are the operator's guarantees and where are they mentioned in the report? 7. The report doesn't include an assessment of the phenomenon called cyanide rain, which is generated by cyanide evaporation from the TMF, and the questioner quotes from the air management plan / conditions report pct. 85, where it is admitted that there is development of certain toxic aerosols at the surface of the facility, the evaporation process having a permanent character and the cyanide concentration in air could reach as high as 4-80 mg/m³. The questioner wants to receive references regarding the pages where it is specified the cyanide rainfalls' impact or the reason why this is missing. 8. The report confirms the fact that Gold Corporation's representatives didn't find an insurance provider for the mining project, this being evidence of the fact that the project breaks the directive 35/2004 regarding the environmental liability on prevention and remediation of environmental damages. Which is the registration number of the contract concluded with project's insurer and where can be consulted? 9. The titleholder mentioned that those 15 km where the project is being developed represent a proportion of "0,00... and something %" of the Apuseni area. The questioner wants this proportion to be calculated and to receive it to see if it is lower or higher that the proportion from Chernobyl in Siberia.
Solution	<p>Your statement according to which there was no urbanism certificate upon the initiation of public consultation process is not accurate. When the public consultation has been initiated, a valid urbanism certificate existed, i.e the urbanism certificate no. 78 issued on 26th of April 2006.</p> <p>At the same time, from legal point of view there is no condition imposed to develop public consultations based on the existence of an urbanism certificate. That is by taking into account the legal requirements: The Order of Ministry of Waters and Water Management no. 860/2002 regarding the procedure for assessing the environmental impact and for issuing the environmental permit (Order no. 860/2002) and Law no. 50/1991 regarding the permitting process of construction, re-published.</p> <p>The urbanism certificate is a document issued and is aimed at having an informative role that informs the applicant on the legal, economical and technical issues related to existing lands and buildings and establishes urbanism requirements and necessary permits for securing construction authorization, pursuant to the provisions of art. 5 of Law no. 50/1991 regarding the authorization of construction</p>

works, re-published. The permits and endorsements required for developing projects are included in the legislation governing each of the fields submitted to a permitting procedure (the environmental permit is included in the environmental legislation, the urbanism requirements are included in the urbanism and territorial arrangement legislation); these permits are only mentioned and summarized in the urbanism certificate.

Pursuant to the provision of art. 6(2) of Governmental Decision no. 918/2002 [i] regarding the establishment of the framework procedure of assessing the environmental impact and for the approval of the public or private projects subject to this procedure, the Roșia Montană Project has been considered as a project with significant impact on the environment, a project that will undergo an environmental impact assessment, as this is a mandatory requirement. The Project has been framed as having a significant impact on the environment by taking into account its dimensions and the nature of its activities. These characteristics, based on which its framing has been performed, have no relationship with the urban certificate and its content being under no circumstances altered. At the same time, the fact that an impact assessment is mandatory and required is not based on urbanism certificate and does not result from its content but it is intrinsic related and conditioned by Project's characteristics as proposed by titleholder based on its own plans.

S.C. Roșia Montană Gold Corporation S.A. (RMGC) applied for and secured an Urbanism Certificate for the entire Roșia Montană. Mining project. The Certificate no.78 was issued by the Alba County Council on April 26, 2006, prior to the initiation of the public consultations process. The public consultations have been initiated in May 2006 when the EIA Report was submitted to the authorities, and in over 48 localities and continued with the public debates initiated on July 24th, 2006 at Roșia Montană.

The Urbanism Certificate is available for consultation at the headquarters of the Alba County Council, from 8 – 13 h during business days.

Reference:

[i] We would like to underline the fact that Governmental Decision no. 918/2002 has been abrogated by Governmental Decision no. 1213/2006 regarding the establishment of framework procedure for assessing the environmental impact for certain public and private projects, published in the Official Gazette, Part I no. 802 from 25/09/2006 ("Governmental Decision no. 1213/2006"). However, taking into account the provisions of art. 29 of Governmental Decision no. 1213/2006 where it is stipulated: "The Projects submitted for securing environmental permits at the competent authorities and subjected to an environmental impact assessment, before enforcing this decision will be subjected to the procedure of environmental impact assessment and of issuing the environmental permit that was in force when the application was submitted". We would like to state that RMGC's Projects is governed by the provisions included in the Governmental Decision no. 918/2002.

*

1. The protected areas in Roșia Montană were the object of a first regulation which defined the statute of "protected areas", namely the Roșia Montană General Urbanism Plan, approved in 2002. At present, the Zonal Urbanism Plan for the protected area in Roșia Montană, which you refer to, is undergoing the drafting process.

2. The Government Decision no. 351/2005, which you refer to, approves the Program for the gradual elimination of exhaustions, emissions and effluence of particularly hazardous substances and does not stipulate the criteria for building/ operating the tailings management facilities. Nevertheless, we inform you that RMGC took all the necessary measures for the observation of the mandatory legal provision also regarding the gradual disposal of the exhaustions, emissions and effluence of particularly hazardous substances.

The municipal waste storage activity is governed by the Government Decision no. 349/2005, published in the Official Gazette Part I no. 394 dated 10/05/2005, a piece of legislation which transposes in the internal legislation the provisions of the Directive 1999/31/CE on the waste storage, published in the Official Journal of the European Community no. 182/1 dated 16.07.1999.

Currently, at the European Union level, the storage activity of the waste resulting from the extraction

industry is distinctly regulated by the Directive no. 2006/21/CE ("Directive nr. 2006/21/CE"), published in the Official Journal of the European Community no. L 102 dated 11.04.2006.

RMGC drafted the report on the environmental impact assessment project by observing the mandatory requests and conditions provided in the Directive no. 2006/21/CE. Please be informed that, irrespective of the moment when the Directive no. 2006/21/CE will be transposed in the internal legislation, RMGC will comply with any mandatory legal condition for the mining activity with regards to the waste storage.

3. According to the current in force environmental legislation, the amended Emergency Governmental Ordinance no. 195/2005, under art.11 (4): the environmental permit is issued together with the other regulatory documents issued by competent authorities in full compliance with the law. The water management permit is secured following the development of such a parallel procedure. This procedure has been recently initiated.

4. Governmental Decision no. 349/2004 regarding the storage of wastes is not applicable for the construction of the tailings management facility which is a construction included in the category of hydrotechnical constructions that require compliance with the amended Emergency Governmental Ordinance no. 244/2000 regarding the safety of dams and the new Directive 2006/21/EC regarding management of wastes resulting from extractive industry. The details related to the hydrological and geotechnical features of Corna Valley have been described in the Hydrogeology Baseline Report and sent together with the EIA report to the regulatory authorities in May 2006, a report that may be consulted online on the following web pages: www.rmhc.ro; www.mmediu.ro.

*

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

With respect to the question about 30 years of monitoring, there will be no time limits on monitoring, and it will continue until the Roşia Montană Gold Corporation ("RMGC") has been released from its environmental liability (a period which could exceed 30 years). Until being released from liability, RMGC will not receive its EFG from the Romanian Government, and the Government will retain control over the EFG account.

Roşia Montană Gold Corporation ("RMGC") recognizes that mining, while permanently changing some surface topography, represents a temporary use of the land. Thus from the time the mine is constructed, continuing throughout its lifespan, closure-related activities – such as rehabilitating the land and water, and ensuring the safety and stability of the surrounding area – will be incorporated into our operating and closure plans.

In 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.

*

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

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

- The sodium cyanide handling, from the unloading from the supplying trucks up to the processing tailings discharge onto the tailings management facility, will be carried out only in liquid form, represented by alkaline solutions of high pH value (higher than 10.5 – 11.0) having different sodium cyanide concentrations. The alkalinity of these solutions has the purpose to maintain the

- cyanide under the form of cyan ions (CN⁻) and to avoid the hydrocyanic acid formation (HCN), phenomenon that occurs only within environments of low pH;
- The cyanide volatilization from a certain solution cannot occur under the form of free cyanides, but only under the form of HCN;
 - The handling and storage of the sodium cyanide solutions will take place only by means of some closed systems; the only areas/plants where the HCN can occur and volatilize into air, at low emission percentage, are the leaching tanks and slurry thickener, as well the tailings management facility for the processing tailings;
 - The HCN emissions from the surface of the above mentioned tanks and from the tailings management facility surface can occur as a result of the pH decrease within the superficial layers of the solutions (that helps the HCN to form) and of the desorption (volatilization in air) of this compound;
 - The cyanide concentrations within the handled solutions will decrease from 300 mg/L within the leaching tanks up to 7 mg/L (total cyanide) at the discharge point into the tailings management facility. The drastic reduction of the cyanide concentrations for discharging into the Tailings Management Facility (TMF) will be done by the detoxification system;
 - The knowledge of the cyanide chemistry and on the grounds of the past experience, we estimated the following possible HCN emissions into air: 6 t/year from the leaching tanks, 13 t/year from the slurry thickener and 30 t/year (22.4 t, respectively 17 mg/h/m² during the hot season and 7.6 t, respectively 11.6 mg/h/m² during the cold season) from the tailings management facility surface, which totals 134.2 kg/day of HCN emission;
 - Once released into air, the hydrocyanic acid is subject to certain chemical reactions at low pressure, resulting ammonia;
 - The mathematical modeling of the HCN concentrations within the ambient air (if the HCN released in the air is not subject to chemical reactions) emphasized the highest concentrations being at the ground level, within the industrial site namely within the area of the tailings management facility and within a certain area near the processing plant. The maximum concentration is of 382 µg/m³/h;
 - The highest HCN concentrations within the ambient air will be 2.6 times lower than the standard value stipulated by the national legislation for occupational safety;
 - The HCN concentrations within the ambient air in the populated areas close by the industrial site will be of 4 to 80 µg/m³, more than 250 – 12.5 times lower than standard value stipulated by the national legislation for occupational safety – the national legislation and European Union (EU) legislation on the Air Quality don't stipulate standard values for the population's health protection;
 - Once released in air, the evolution of the HCN implies an insignificant component resulted from the reactions while liquid (water vapors and rain drops). The reactions are due to HCN being weak water-soluble at partially low pressures (feature of the gases released in open air), and the rain not effectively reducing the concentrations in the air (Mudder, et al., 2001; Cicerone and Zellner, 1983);
 - The probability that the HCN concentration value contained by rainfalls within and outside the footprint of the Project be significantly higher than the background values (0.2 ppb) is extremely low.

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

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The Directive no. 2004/35/CE on the liability for the environment pollution and the prevention and rehabilitation of ecological damage, published in the Official Journal of the European Community no. L143/56 ("Directive no. 35/2004") provides the general legal framework regarding the liability for the environment pollution.

According to the provisions of art. 1 of the Directive no. 35/2004 "the purpose of the present directive is to determine a general framework regarding the liability for the environment, according to the principle that the polluter pays, for the prevention and rehabilitation of the damage caused to the environment".

The Directive no. 35/2004 determines as a principle, under the provisions of art. 14 (1), the fact that "The Member States will take all the necessary measures for the development of the guarantee markets and financial instruments, through the economic and financial operators, including financial instruments in case of insolvency, with the view of ensuring for the operators the financial guarantees necessary for the obligations undertaken as per the directive".

Moreover, according to the provisions of art. 19 (1) of the Directive no. 35/2004, the Member States will transpose the disposals of the Directive, in the internal legislation, until 31.04.2007. We mention the fact that, until now, the Directive no. 35/2004 has not been transposed in the internal legislation. Considering the above-mentioned issues, please notice the fact that the project proposed by RMGC does not breach the Directive no. 35/2004, as there are no internal regulations to determine the substantive and procedural aspects regarding the establishment of such a guarantee.

Nevertheless, considering that there will be specific legal provisions regarding the establishment of certain guarantees, RMGC will take all the necessary measures for the observance of all the legal provisions.

*

Chernobyl is not in Siberia, but rather Ukraine.

Concerns about "another Chernobyl" are best directed towards nuclear plants of that vintage and origin -- as exist in Eastern Europe -- and not to a proposed gold mine.

Any comparison with the effects of radiation from the Chernobyl accident in 1985 is completely inappropriate. Radiation from Chernobyl was carried across Europe by air and traveled at the speed of the winds. At Roşia Montană, the miners will have no exposure to radiation because the mines are open pit, rather than underground, mines. Further, pollution at the site, even from past poor mining practices, is relatively localized rather than general.

As for the rest of the question, the figure quoted is that the affected area of the Roşia Montană Project is less than 16 square kilometers, while the total area of the Apuseni Mountains is 21,000 square kilometers. As small as that percentage is, it is also an unfortunate fact that the immediate area around Roşia Montană has been affected for 2,000 years by the effects of primitive, undeveloped, or poor mining practices that have led to environmental degradation and the current polluted state of the area.

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. Thus, over time, the currently polluted waters, such as the Arieş River, will become less polluted as a result of the Project.

Item no.

212

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. Regarding the impact of the cyanides lake/tailings resulted during the project:- the questioner mentions that the entire Apuseni Massif is formed from fractured rock. Not far from Roşia Montană starts the National Apuseni Mountains Park. There are soil infiltrations, and aerosols. The questioner wants to know whether the impact of cyanide infiltration in water, all over the karstic system from the Northern half of the Apuseni Mountains, where karstic monuments may be found, UNESCO's natural monuments such as Peştera Vântului, Peştera Urşilor has been analysed and whether it has been developed a study regarding the project's impact.
2. The questioner believes that impact on churches is, in fact the destruction of churches through relocation.
3. The questioner wants to know if for PUZ, which has not been approved yet and which solicits one single function of the area, the company has asked for the authorization or the approval of all owners from that particular area, as a PUZ without the approval of owners is illegal.

The feasibility study and the EIA (*Report on the Environmental Impact Assessment Study*) of the Roşia Montană project, which is situated in the Southern Apuseni Mountains included several studies of the possible impact on water, and comprehensive plans have been designed to prevent seepage migration. As part of the initial Tailings Management Facility (TMF) basin construction, the surface vegetation and top soil will be removed and a clay layer – designed to BAT (Best Available Techniques) as defined by EU Directive 96/61/EC (IPPC) – will be compacted to achieve a permeability of 1×10^{-6} cm/sec or less. In part, this operation is designed to identify any fractures or other surface features that could be a potential pathway for seepage migration. Any potential pathway identified will be backfilled and covered with the natural clay liner to reduce seepage. Other measures are included into the design, such as a low permeability cut-off wall below the TMF dam, and a Secondary Containment Dam and sump, which will collect possibly impacted groundwater that may seep outside of the TMF boundary.

Solution

The rocks situated under the TMF consist of Cretaceous Age flysch sediments dominated by shales with lesser quantities of sandstones and conglomerates. A couple of small limestone blocks have been identified near the dam alignment. These blocks have been investigated and found to be olistoliths (exotic blocks that slid into the Cretaceous basin). These are isolated blocks rooted in shale, and karst is not a concern associated with this limestone. There is no karst topography similar to the Northern Apuseni Mountains in the TMF or general project area.

Studies of the possible impact on water include the *Water Baseline Study* (Chapter 2), *Water Impact Assessment Study* in the potential impacts section of the EIA (Chapter 4, in Sub-Chapter 4.1), and *Water Management Plan* (Plan C). The planned monitoring of water is included in the *Environmental Monitoring Plan*, (Plan N), and within the EIA in Chapter 6 of the EIA. It has been found that due to removal or treatment of existing pollution sources, impacts to water outside of the project area will be an improvement to current conditions.

*

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

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

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 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.

*

The Zonal Urbanism Plan (PUZ) for Roşia Montană Industrial Area does not require the approval or consent of the local owners. This urbanism plan identifies the main problems existing within a certain perimeter, proposes solutions for the remediation thereof and indicates the main directions for development of the studied perimeter. Please find below a complete list of the endorsements and approvals necessary for the approval of the Zonal Urbanism Plan:

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

Please note that the promotion of urbanism documentation in accordance with the laws in force may be initiated by the local administration or the titleholder of an investment, in this case the project proposed by RMGC for the future development of a clearly delimited area, pertaining to the mining perimeter.

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

- (i) art. 41(2) from the Mining Law no.85/2003 “the County Councils and Local Councils shall modify and/or update the existing territorial plans and urban general plans in order to allow for carrying out all the operations related to the conceded mining activities”;
- (ii) art. 6(1) from the Governmental Decision 525/1996 for the approval of the General Urbanism Regulation (“GD no. 525/1996”) “the permitting of final constructions, other than industrial ones, which are required for the development of mining and processing operations of

- (iii) *identified mineral resources from areas outlined pursuant to the law, is strictly forbidden*;
art 4.4 of Local Urbanism Regulation of Roşia Montană governing the 2002 General Urbanism Plan, *“the permitting of final constructions, other than industrial ones, which are required for the development of mining and processing operations of identified mineral resources from areas outlined pursuant to the law, is strictly forbidden”*.

Consequently, please be so kind and take notice of the fact that all aforementioned legal provisions are applicable to any similar project developed by legal and/or private entities.

Item no.

213

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner states the following comments, remarks and questions:

1. The questioner supports the investments, but only those that are performed observing the Constitution. The questioner mentions that RMGC representative developed no investment in the gold and silver mining field anywhere in the world, and that now they want to save the world using cyanide in leach.
2. Why the position of Romanian Orthodox Church, in which all Romanians trust, and the position of Romanian Academy are being disregarded?
3. After using 150,000 tons of dynamite and 200,000 tons of cyanide at Roşia Montană, can the area keep its ecologic balance, or severe nature unbalances will occur?
4. Is there going to be harmony between human and nature during and after the Roşia Montană project's development?
5. The destruction of the geological structures of lands at Roşia Montană represents a hazard by using those 150,000 tons of dynamite, or a blessing for the Apuseni Mountains locals?
6. How are you going to respect, preserve and guarantee the private property of many citizens within the Roşia Montană area?
7. Will the flora of the ecosystems from Roşia Montană be impacted through RMGC project?
8. With whom from the following Prime Ministers did the company negotiate: Victor Ciorbea, Radu Vasile, Mugur Isărescu, Adrian Năstase, Călin Constantin Anton Popescu Târiceanu, Radu Berceanu, Alexandru Sassu and Dan Ioan Popescu and who is supporting the project?
9. In which of the Europe's countries or from other continents did Gold Corporation mined for gold and silver? Which technological processes were used?

Having in view that your allegation refers to two various aspects, please note the following:

- (i) Compliance with Constitutional provisions.

The development of the project proposed by RMGC can be made only by observing all the applicable legal provisions, including the provisions of the Constitution, as well as the international best practices. The environmental impact assessment procedure is a transparent procedure in which both the relevant environmental authority and the titleholder's project are obliged to inform the interested parties, including the Technical Analysis Commission and the public, with respect to aspects related to the fulfillment of the mandatory stages for the granting of the environmental approval.

Solution

In this context, any interested person may monitor the fulfillment of the mandatory legal procedures, may qualify the evaluation modality and may submit objections, as per the law. Distinct from the above mentioned, we underline that RMGC shall take all the necessary measures in order to comply and fulfill in due time the obligations provided by the applicable legislation.

The Gabriel management team have permitted, built and operated some of the largest gold mines in the world, including the largest gold mine in USA and four of the largest gold mines in South America.

(ii) With respect to the use of cyanide at the mine, it is true that cyanide is one of the few substances that can dissolve gold. Cyanide is used in many gold mines around the world. At Roşia Montană, the Tailings Management Facility 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.

The project will bring best available techniques (BAT) to Romania. After the project is completed, the environmental conditions around Roșia Montană will be better than at present thanks to RMGC's work in environmental rehabilitation as part of the mining operations and closure of the mine.

*

The Roșia Montană Project has been changed significantly in response to comments by the Holy Synod dating back to 2003. The RMP was redesigned to reduce impact on the community's churches. As a result, 8 of Roșia Montană's 10 churches will remain where they are. Only two churches and two prayer houses out of a total of 10 places of worship located within the project's footprint must be relocated or restored under the mine plan. Those churches will be moved in accordance with the wishes of the congregation, at the expense of Rosia Montana Gold Corporation (RMGC). Churches construction is a central element in the new community of Piatra Albă being built by the company.

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

*

The mining operation will not leave behind "severe imbalances" in Roșia Montană's ecological systems. Instead, the operation of a modern mine in the already badly polluted area will improve environmental conditions. For example, once the Roșia Montană Project begins, RMGC's water treatment system will stop the existing pollution. Even without other measures, this treatment facility will drastically reduce the amount of metals and acidity released into the environment from historic pollution sources. Moreover, the Roșia Montană Project will remove many of the historic sources of pollution – particularly the underground mine workings, located under the planned open pits, which are a major source of Acid Mine Drainage.

At the end of the mine's life, 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 Roșia Montană's landscape. These measures are as follows:

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

*

Roşia Montană Gold Corporation (RMGC) believes that the new mine, while perhaps not achieving total harmony between economic development and nature, will greatly improve environmental conditions in Roşia Montană both during and after the project.

At the outset of the project, for example, RMGC's water treatment system will stop the existing pollution. Even without other measures, this treatment facility alone will drastically reduce the amount of metals and acidity released into the environment from historic pollution sources. Moreover, the Roşia Montană Project will remove many of the historic sources of pollution – particularly the underground mine workings, located under the planned open pits, which are a major source of Acid Mine Drainage. By eliminating these historic sources of pollution and operating our mine in keeping with the strictest environmental laws and regulations, RMGC feels confident that there will be a net gain in environmental conditions for Roşia Montană during the life of the mine.

After the life of the mine, RMGC's Mine Closure and Rehabilitation Management Plan (Plan J in the Environmental Impact Assessment Study Report) sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roşia Montană's landscape.

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."

We are committed to leaving the area – which is currently heavily polluted due to previous mining activities – in better environmental health than when we arrived.

*

The quantity of TNT mentioned in the question is over-exaggerated, and the tendentious wording of the question is misleading.

In reality, during a blasting phase, up to 1,296 kg AM will be detonated, resulting in a mining mass of 8,000 – 10,000 t. In order to obtain the daily production (tailings and ore), the movement of the rock of approx. 28-32 mining panels is necessary, respectively the detonation of a quantity of approx. 10 t of explosive AM-type, as presented in Chapter 2 – Technological Processes, Section 4.1.1.2, p 60 et seq.

The priming will be of sequential type and NONEL-type non-electric fuses (non-electric) and detonating wire will be used, technology that assures a mining mass crushing degree compatible to the loading machines capacity and determines the reduction of the exploded rock spreading area.

For the definitive outlining of the pit sides, bore holes similar to those used for recovery will be used having though a smaller explosive quantity with approx. 20% compared to the production holes, the start being given by dynamite cartridges.

For the detonation the NONEL technology will be used.

The load blasting order will be performed with micro delay, from the hole center to the base part and to the upper one, and from the center hole of the first row to the side extremities and to the following rows, technology that assures the significant decrease of the seismic intensity and an increased effectiveness of the rock movement explosions.

The "destruction" of certain geological structures may occur in case of natural cataclysms, such as volcanic eruptions or earthquakes of maximum intensity, which involve the release of huge energy; this does not happen in the case of pit explosions.

Previous underground and massive surface blasting has been carried out in the area of the Roşia Montană deposit. The impact of these blasting operations on the geological structure has been limited to very small distances, such impact being insignificant on longer distances. A relevant example is represented by the underground galleries underneath the Cetate pit, which resisted the massive blasting carried out in this pit, although they were not reinforced. Only the works located 10-15 m underneath the pit floor have been impacted, several blocks falling due to the local increase of the rock cracking degree.

The earth shell is permanently subject to earthquakes of various intensities, of tectonic and anthropic nature. For the comfort of population and safety of constructions, the level of these earthquakes should not exceed the maximum admissible limits imposed by the standards.

Pit blasting activities and heavy equipment traveling are allowed provided that the parameters of the generated vibrations comply with the limits imposed by the law.

The Noise and Vibration Management Plan uses all adequate techniques, **presenting the measures for the minimization/elimination of the potential impact, meant to maintain the parameters of noise and vibration phenomena within the admissible limits. It is worth mentioning that these measures have already proven their efficiency in other similar projects** implemented in Europe (Spain, Sweden, Finland,) or worldwide (for example, the Martha mine in New Zealand – see www.marthamine.co.nz)



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

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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". To this extent, RMGC provided fair compensation packages for the affected inhabitants of the impacted area, in full compliance with the World Bank policies in this field, as detailed in the Relocation and Resettlement Action Plan developed by RMGC, which may be found on company's official website.

Moreover, the design and location of Project's facilities was made so as the number of impacted persons is as small as possible.

With regards to the constitutional provisions related to property, it should be noted that art. 44 of the Romanian Constitution which provides for the guaranteeing of ownership right also mentions that the limits and contents of such a right are provided by law. The Constitution also establishes the legal limits of such right, containing provisions related to expropriation and the conditions for performing it.

Without detailing the guarantee of the ownership right in Romania, which is an obligation incumbent on the State, by specific legal means, it should be noted the acquisition of the rights over the lands necessary for the development of the Roşia Montană Mining Project is made in compliance with the general applicable legal provisions in field of ownership transfer (i.e, authenticated form, payment of all relevant taxes and fulfillment of all formalities for real estate publicity) and by the methods provided by art. 6 of the Mining Law no. 85/2003 published in the Romanian Official Gazette, Section I, no. 197/27.03.2003 expressly providing the means by which the titleholder obtains the right of use over the lands necessary for the development of the mining activities in the exploitation perimeter, namely: (i) *sale-purchase, for the price agreed upon by the parties*; (ii) *the land exchange, with the relocation of the affected owner and the reconstruction of the buildings on the newly granted land, on the expense of the titleholder benefiting of the cleared land, as per the convention between the parties*; (iii) *renting of the land for an undetermined period, based on agreements between the parties*, (iv) *expropriation for cause of public utility, as per the law*; (v) *land concession*", etc.

*

The project proposed by RMGC will impact the flora of ecosystems from Roşia Montană, but the impact will be a minimum one at regional and national level, and major impacts will occur only at local level on an area lower than 20 km² and will not have the potential to lead to the disappearance of a specie, being controlled through the mitigation measures that have been described.

Within the company's submitted documentations (*Baseline Conditions reports, Environmental Impact Assessment Report, and Social and Environmental Management Plans*), the project is considered as having a significant impact on the environment, namely on the following environmental factors: water, air, soil, subsoil, flora and fauna.

The mining project was designed even from the beginning to meet all Romanian and European environmental legal requirements. Therefore, even though species listed on Directive 92/43/EEC of 21st of May 1992 regarding the conservation of natural habitats and wild flora and fauna (Habitats Directive) exist in the perimeter that will be impacted, they do not meet the criteria of an area significant from conservation point of view. This fact also results from the denial of proposal to designate a pSCI area (sites of community importance) that was submitted for this area by the technical experts committee of the Ministry of Environment and Water Management summoned to assess Natura2000 proposals.

The company believes the fact that project's impact on the environment remains important, especially because the project will overlap previous environmental impacts. But, the investments required to restore/rehabilitate Roşia Montană area in order to resolve current complex environmental issues, are possible only after the implementation of economic projects capable of generating and warranting responsible and direct action as a base component of sustainable development concepts. Clean economic processes and technologies may develop only in the presence of a solid economic system, in full compliance with environment that will resolve even the previous impacts caused by all anthropic activities.

Project's base documents are an unbiased reason of its implementation, taking into account the complex environmental commitments assumed for Roşia Montană area.

*

Roşia Montană Gold Corporation SA company was established in 1997 according to the legal provisions in force at that time, its establishment being done with the observance of all conditions imposed by the Law no.31/1990 regarding commercial companies and the Law no.26/1990 on Commerce Register as regards the establishment of incorporated companies with joint capital.

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. The Article 35 of this law stipulates the possibility for autonomous companies to associate with legal Romanian or foreign third parties, in order to establish new commercial companies.

We mention that the Constitutive Act of the Roşia 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.

*

The management of Gabriel Resources Ltd., the major shareholder in RMGC, has over 60 years of experience permitting seven mine projects on four continents. The countries included Argentina, Australia, Canada, Chile, Peru, Tanzania, and the United States. Gabriel management team has built both open pit mines, similar to Roşia Montană, as well as underground mines. The processing technologies at these operations ranged from highly complex processing methods (autoclaves /roasters), the traditional processing facilities to Roşia Montană to heap leach operations. All of the operations have been very successful and have not had any environmental accidents.

This is an extremely strong foundation for the work on the Roşia Montană Project. The development of the project proposed by RMGC can be made only by observing all the applicable legal provisions, including the internal and European regulations, as well as the international best practices. We have been working with independent experts and some of the world's most prominent mining consultant companies to ensure the highest level of environmental protection and rehabilitation at the site.

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

Item no.

214

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. With whom from the Romanian Government did the company negotiated the business from Roşia Montană and what guarantee did RMGC received?
2. What will be the resemblances and differences between Hiroshima and Roşia Montană following project's development?
3. How many Romanians did the company succeeded to "sicken" – that is to corrupt them – with this business? Can the company estimate this?
4. The questioner speaks to the young ladies, underlying the fact that this project will lead to deliveries of children with malformations or even miscarriages.

The joint venture between Gabriel Resources and Regia Autonoma 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. The Article 35 of this law stipulates the possibility for autonomous companies to associate with legal Romanian or foreign third parties, in order to establish new commercial companies.

Roşia Montană Gold Corporation SA company was established in 1997 according to the legal provisions in force at that time, its establishment being done with the observance of all conditions imposed by the Law no.31/1990 regarding commercial companies and the Law no.26/1990 on Commerce Register as regards the establishment of incorporated companies with joint capital.

We mention that the Constitutive Act of the Roşia 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.

Solution

In 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 registered capital. The current percentages of 80% for Gabriel Resources Ltd. and 19.31% for CNACAF Minvest SA 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 approval of Roşia Montană Mining project.

The provisions of the Constitutive Act of the Roşia Montană Gold Corporation SA regarding the conditions of majority and quorum necessary to take decisions in General Meeting of the Shareholders and to participation at the company's benefits and losses are in conformity with the Law no.31/1990, without exception in this regard.

*

Any comparisons between Hiroshima and the Roşia Montană Project are completely without scientific foundation. In contrast to the effects of an atomic explosion at Hiroshima, the miners at Roşia Montană will have no exposure to radiation because the mines are open pit, not underground mines and there are no radioactive elements present in the soil. Similarly, blasting will be controlled through the use of best management practices. These include non-electric ("nonel") methods using low-energy ammonium nitrate fuel oil explosives; blasting will be initiated by milliseconds-delay, and only small amounts of explosives will be detonated simultaneously. Once the blasting agents and initiators are emplaced within each blast hole, the hole will be backfilled or "stemmed" with blast hole cuttings, which serves to direct the blast

energy in the ground and thereby minimizes the generation of fly rock and airborne dust and reduces the possibility of accidents.

*

We strongly reject any allegations of corruption in the approval process for this Project. RMGC does employ 500 people in the Roşia Montană area to assist in preparations for opening the mine, but no one is paid to support the Project.

*

The assessment has taken into account all age groups, including the group mentioned in the question (young ladies). The risk assessment has concluded that exposure of the population to the hazardous substances in the study will not cause any adverse effects to the health of local residents based on estimated concentrations in the environment.

Hazardous substances considered within the EIA to be a risk (including cyanides) have been assessed according to the concentrations that are predicted to be present as a result of the proposed mining activities. With regard to human health risks predictions made as part of the risk assessment have indicated no harmful effects [1] in relation to the concentrations of these substances within the environment if the concentrations in question are predicted to be below the permissible maximum concentrations, as it was estimated in the EIA.

The second part of the study consists of the correlation between the investigated diseases and the environmental conditions, carried out based on the baseline health conditions and on baseline and predicted quality of environmental factors. The assessment did not show any significant increase in the frequency of the investigated diseases after starting the mining activities [2].

References:

[1] Chapter 6, *Risk Assessment*, pages 60-129, vol. 5, *Health Baseline Report*

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

Item no.	215
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 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.	216
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.	217
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.	218
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 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.	219
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<p>The questioner makes the following comments and remarks:</p> <ol style="list-style-type: none"> 1. This activity will get to its end in several years: how much does the community pay and how much does it gain, if the investment is developed? The losses will be for sure larger than the benefits. Even if observing all the regulations, there it is going to be a severe pollution. Will the future price be worthwhile paying, for these 200-300 jobs? 2. If money will be invested in infrastructure, what will it bring in and for what will it be good for? 3. Roşia Poieni is one of the largest polluted areas in Europe. If one more is added, will these mountains bear it? The project will destroy these mountains and the area's tourism.
Solution	<p>In terms of economic benefit, we do not believe that the losses will be larger than the benefits for the community.</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>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, Roşia Montană Gold Corporation (RMGC) will infuse \$ 2.5 billion USD into Romanian economy over the life of the mine. The injection of investment into the area, if handled correctly, should stimulate other development. RMGC is committed to promoting long term development opportunities as part of the sustainable development plan.</p> <p>Finally, as the project employs modern mining practices designed to strict EU and international standards, RMP will in fact remediate historic pollution from poor past mining practices.</p> <p>For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.</p> <p style="text-align: center;">*</p> <p>Improved infrastructure is a prerequisite for any successful development. Given the US\$ 637 million cost of building the Roşia Montană Project (RMP), this includes roads, accommodations, water supply systems, sewerage, domestic waste services, electrical supplies, and so on.</p> <p>Roşia Montană Gold Corporation (RMGC) will collaborate in a participatory process regarding community development issues with interested parties from the community and the authorities. This approach allows the community to own, direct and control all relevant development issues in a multi-stakeholder and integrated manner.</p>

On the infrastructure issue in specific, once in place these systems will provide the backbone for sustainable development in Roşia Montană and the region.

An improved infrastructure will encourage and support tourism activities.

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).

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

*

Already today’s destruction of past mining has created impact similar to Roşia Poieni.

We can only speak to the ways in which RMGC’s Roşia Montană Project will differ from previous mining practices 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.

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.”

Item no.	220
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<ol style="list-style-type: none"> 1. The questioner believes that the time provided for every speech, for every participant, is too short, considering how large the EIA report is. 2. The public hasn't been invited to attend the.... 3. The Impact study is unacceptable, as it is developed.
	<p>Regarding your complaint, please note that the public consultation method applied during the environmental impact assessment procedure is stipulated by Order no. 860/2002 of the Minister of Waters and Environmental Protection regarding the environmental impact assessment and environmental permitting procedure ("Order no. 860/2002").</p> <p>Article 39 (1) of Order no. 860/2002 stipulates that "<i>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, [...] at least 30 business days prior to the date set for the public debate meeting: (i) the place and date of the public debate; (ii) the place and date when the report on the assessment study will be made available for consultation; (iii) address of the public authority for environmental protection, that the justified proposals made by the public regarding the report on the environmental impact assessment study should be transmitted to.</i>"</p> <p>According to Article 41 of Order no. 860/2002, the public debate meeting shall take place in the presence of the representatives of the competent authority for environmental protection, in the most convenient way for the public, on the territory where the project is intended to be implemented, and after the working hours.</p> <p>The method applied for the public debate meetings was set by the Ministry of Environment and Water Management, according to the duties held by the environmental protection authority in this field, based on the provisions of Order no. 860/2002 and of the relevant environmental protection legislation.</p>
Solution	<p>The time limit set for each intervention from the public has been set considering the many public members who wish to address the forum, such as to allow as many people as possible to be heard.</p> <p>Also, we want to remind you that every public debate was declared closed only after each interested participant expressed his/her standpoint or comments on the environmental impact assessment report.</p> <p style="text-align: center;">*</p> <p>Regarding your allegation, please note that the report on the environmental assessment study for the Roşia Montană Project was drafted by a team made of Romanian and foreign experts authorized by the Ministry of Environment and Water Management, with a solid and famous experience in the environmental protection field and complies with the relevant national legislation, as well as with the European regulations and the international standards in this field.</p> <p>At the same time, please note that the decision for issuing or rejecting the environmental permit is made by the relevant environmental protection authority according to the following applicable legal provisions:</p> <ol style="list-style-type: none"> (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 "<i>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</i>";

- (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 procedure ("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.

Considering the aforesaid, we mention that a favorable decision for the issuance of the environmental permit for the Roşia Montană Project may be passed after the examination of the report on the environmental impact assessment study, and by observing the legal mandatory conditions and requirements, as established by the relevant legislation.

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;

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

Item no.

221

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. How many jobs will be when the activity starts? During the public denbates, it was said that 500, 600, but on the company's site are mentioned 248 in the 8th year of mining operation, therefore making an arithmetical mean for the 15 operational years, it results 216 jobs. This is not a way to solve the issue of employment at Roşia Montană.
2. If RMGC helps to relocate 2000 locals from Roşia Montană, then for whom the project is made?
2.(sic) The questioner states that, even if it was said about the historic pollution from Roşia Montană (the Romanian state being obligated to rehabilitate the environment) once the initiation of the RMGC proposed project this issue is going to be eliminated, because one couldn't talk anymore about historic pollution, since a project that is going to rehabilitate the mining area is in progress.
- 3.(sic) With regard to blasting procedures, the company claims that mining panels are going to be blasted and for every mining panel a quantity of 1296 kg AM1 is going to be used. Within EIA is stated that between 28 and 32 mining panels are going to be blasted, but not more than 10 tons of explosive. The questioner believes that the information is not correct because, at a simple calculation one could see that if 28 mining panels are being blasted, the quantity of explosive is much larger. The company informs that blasting procedures will be developed twice maximum three times a week, and that proves that at Roşia Montană one cannot speak of a protection area.
- 4.(sic) The company misinforms when it is saying that at Roşia Montană there is no water supplying network, because it has been there since 1957.
- 5.(sic) The questioner wants to know how many percents from the project that has been presented during the public debates, will actually be achieved?

The document you are referring to is an old study feasibility study from 2003. It was referring to 248 jobs related exclusively to exploitation (work in the open pits) and maintenance activities of the mining equipment. These figures are now updated, as follows:

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].

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

Solution

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.

*

RMGC's Resettlement and Relocation Action Plan (RRAP) is intended to help relocate and/or resettle residents in the project impact area, which is limited to 4 of Roşia Montană's 16 sub-comuna. The RMGC mining project brings new employment opportunities and other benefits to the remaining residents of Roşia Montană and the surrounding areas as well as to those residents who relocate to Piatra Albă.

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.

So, the implication that the village will be without inhabitants is incorrect - Roșia Montană's population amounts 3,900 inhabitants.

The people living in the Historical Area asked the company to buy their properties although this implies a massive financial effort without being needed by the development of the project. Likewise, Piatra Albă will serve as home to many more than the comparably small number of families (30 so far) who have expressed interest in living there at this point. When the RMGC project commences and brings both direct and indirect employment to the Roșia Montană region, there will be a net inflow of people to the area - a sharp reversal of the de-population that has accompanied the area's decade-long decline.

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

*

As the questioner notes, once the Roșia Montană Project (RMP) starts Roșia Montană Gold Corporation's (RMGC) water treatment system will stop the existing pollution. Even without other measures, this treatment facility will drastically reduce the amount of metals and acidity released into the environment from historic pollution sources. Moreover, the Roșia Montană Project will remove many of the historic sources of pollution – particularly the underground mine workings, located under the planned open pits, which are a major source of Acid Mine Drainage.

Thus, RMGC bears a considerable portion of the cost of environmentally rehabilitating the historic Roșia Montană site which would otherwise have to be borne by the state and, ultimately, by the taxpayer.

*

The questioner equals the number of blasting stages with the number of panels, which is a mistake, because one stage will blast 4 panels.

The Chapter 2 of the EIA report – Technological processes, page 60 - describes the blasting stages, as follows: "a blasting stage will detonate up to 1,296 kg of AMFO, resulting in a mining mass of 8,000 – 10,000 t" which represents 4 panels (1 panel = 2430 t of blasted mining mass as per page 59 of the same Chapter). Therefore, the calculation is correct because 28-32 panels represent 7-8 blasting stages which multiplied by 1,296 kg of ANFO (maximum) result in approximately 10,000 kg of ANFO, namely 10 tons of explosive.

In the spring of 2006, taking advantage of the opportunity offered by the existing mining unit (a massive blasting using 3,000 kg of explosive), RMGC has installed sensors on the monument houses from the protected area and outside this area in order to determine the ground stability and monitor the discomfort generated by the blasting activities. No impact from the propagated vibration or noise level point of view has been highlighted. Technical University of Constructions in Bucharest and SC Ipromin SA have undertaken a scientific explanation of these aspects in two studies of substantiation of the security area between the industrial and protected areas. These studies were required for the urbanism documentations and establishment of the future functionalities.

Due to the successive operation of the open pits, 2 maximum 3 weekly blastings will be carried out within one open pit.

*

We apologize if the questioner was confused by our response in the public consultation process. There is a system to supply water at Roșia Montană, but the system is damaged and degraded and not up to the high level of international standards at which the Company will conduct mining operations. As part of the

Project, the Company will build a system that meets or exceeds international standards.

*

Regarding your question, please note that, according to the provisions of art. 44 (1) 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") "*during the public debate meeting the project titleholder describes the proposed project and the evaluation on the environmental impact study, answers to the questions of the public and provides grounded answers to the justified proposals of the public, which were received in writing, before the hearing*". We mention that the presentation made during the public debates was intended to ensure accurate and correct information of the public interested in the RMGC project.

In this context, we draw your attention to the fact that, the practical opportunities implied by the development of such a project are real, and the titleholder's project intends to observe all the necessary measures stipulated by the relevant legal provisions, in order to be granted all the permits, approvals and authorizations as per the law, with the view to fully accomplishing this project, in the form presented during the public consultations.

Item no.	222
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<p>The questioner wants information on the guarantees that the company should offer regarding the assumed liabilities concerning environmental protection, ecological rehabilitation, the level of emissions – which must be compliant with European legislation – and what guarantees are being offered if they exceed these values? Also, the questioner wants to know if these guarantees have been negotiated with the relevant environmental authorities and if they have already been established?</p>
Solution	<p>An Environmental Financial Guarantee must be in place to receive an operating permit to begin mining operations. An analysis is underway to determine the EFG required during each year of operation. It is updated annually and these updates will be completed by independent experts, carried out in consultation with the National Agency for Mineral Resources (“NAMR”), as the Governmental authority competent in mining activities field.</p> <p>Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.</p> <p>Roşia Montană Gold Corporation (“RMGC”) recognizes that mining, while permanently changing some surface topography, represents a temporary use of the land. Thus from the time the mine is constructed, continuing throughout its lifespan, closure-related activities – such as rehabilitating the land and water, and ensuring the safety and stability of the surrounding area – will be incorporated into our operating plans.</p> <p>In Romania, the creation of an EFG is required to ensure adequate funds are available from the mine operator for environmental cleanup. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive (“MWD”) and the Environmental Liability Directive (“ELD”).</p> <p>The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roşia Montană.</p> <p>RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.</p> <p>There are two separate and distinct EFGs under Romanian law.</p> <p>The first, which is updated annually, focuses on covering the projected reclamation costs associated with the operations of the mine in the following year. These costs are of no less than 1.5 percent per year, of total costs, reflective of annual work commitments.</p> <p>The second, also updated annually, sets out the projected costs of the eventual closure of the Roşia Montană mine. The amount of the EFG to cover the final environmental rehabilitation is determined as an annual quota of the value of the environmental rehabilitation works provided within the monitoring program for the post-closure environmental elements. Such program is part of the Technical Program for Mine Closure, a document to be approved by the NAMR.</p>

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.
-

Item no.	223
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.	224
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.

225

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following comments and remarks:

1. The questioner considers that people in Roşia Montană suffer because of the lies told by RMGC representatives and gives examples:
 - at a public meeting, RMGC representative stated that they are going to finish with Roşia Montană in 10 years, with 500 workers that they will bring and that they won't need the working force from the locality or from the area.
 - at the end of the same public meeting, RMGC stated that it isn't a benevolent institution to guarantee jobs to those 600 people who are working at Roşia Montană mining operation.

Taking into account these conditions, the questioner asks, how unemployment is going to be solved at Roşia Montană?

2. At Roşia Montană the ore deposit contains 300 tons of gold and 1600 tons of silver. Experts say that all expenses (operational, transportation, wages, technology and so on) are going to be covered by 1600 tons of silver, and that means that 300 tons of gold are received by Gold as a substantial gift. Given these conditions, what is the salvation of Roşia Montană? How does Gold save Roşia Montană? Why does the Romanian Government believe that Gold is the saver of Roşia Montană?
3. The speaker emphasizes the fact that the gold from Roşia Montană may be operated by using the classic method, because the experts say that the ore deposit ensures jobs for 1000 years. Why does Gold rush to operate the ore deposit in ten years, and after that to leave behind cyanide and disaster and Romanian people to solve the rehabilitation part.
4. The questioner states the fact that there are locals in Roşia Montană who won't leave their homes and the Constitution warrants people's property.

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 statements made by company representatives, 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.

Solution

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

Unemployment in Rosia Montana - currently 70% - will be alleviated when large scale projects like the Roşia Montană Project (RMP) infuse economic investment into a region that has been designated by the Romanian Government a Disadvantaged Zone. As for the specific economic impact, the RMP will create an average of 1,200 jobs during the 2 year construction period. It is expected that the majority of these positions will be sourced locally, from the project impacted area.

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

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

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 experts you are referring to are in error, as silver, currently priced at US\$ 8 oz most certainly will not pay for the cost of extracting gold.

The Rosia Montana Project (RMP) is a major undertaking. It will cost US\$ 3.7 billion to extract the gold and the silver from the ground in Roşia Montană. It will spend approx US \$ 2.5 billion in România – of which approx US\$ 1 billion will be taxes and fees to the Romanian Government.

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

In effect, the cost of developing the mine is a risk that RMGC will take on itself and its shareholders in exchange for completing the Roşia Montană Project, while the Romanian Government and Romanian economy receive an infusion of US\$ 2.5 billion with no share of the risk over the life of the mine. We believe that bringing new economic opportunities to a community with 70% unemployment and improving residents' health by 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.

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

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The mining of ore deposits, like any other industrial activity, must be developed in conditions of economic profitability. At Roşia Montană, the rich part of the ore deposit was already mined during the 2,000 years of mining, leaving an ore deposit not easily mined by artisanal methods. This ore contains so-called “disseminated type mineralization” characterized by a large mass of ore but with a low gold and silver grade. Such ore deposit types presuppose, in order to be profitable, the mining and processing of large volumes of ore. At Roşia Montană, the mining will be carried out using the “classical” mining method in open pit, commonly used in mining worldwide.

Also, for the ore type from Roşia Montană the best mining and processing method with the highest gold recovery is the conventional cyanidation method. This method is applied on large scale all over the world. The lifetime of such a project depends on the quantity of identified ore, gold and silver grade and existence of economic efficiency conditions.

To suggest that non-industrial mining should be the method employed at Roşia Montană would likely mean that anyone would be able to try to grab microscopic amounts of gold, perhaps extracting it using harmful chemicals without industrial safeguards, in what would likely be a struggle for a subsistence existence.

The people of Roşia Montană deserve better.

As for the volume of gold in Roşia Montană, RMGC's exploration activity conducted between 1997 and 2006 indicated a reserve of 25 million tones with an average grade of 1.46 g/t Au and 6.9 g/t Ag totalizing 314.11 tones of gold and 1460.36 tones of silver. This quantity is enough to sustain a profitable mining operation for a long period of time.

The mining and processing methods proposed for this ore deposit are modern, high productivity methods

in contrast with the old methods utilized previously. These old methods were totally uneconomic to the point that the Romanian State spent about US\$ 3 million/ year, as subvention, in order to support mining activity. For this reason – and because supporting such loss-making state companies violates the EU Competition policy -- the mining operation from Roşia Montană was closed in May 2006.

Finally, the proposed project has a longer life than the one mentioned in the question. A total period of 30 years of development and mine closure results taking into account the followings: geological research period of about 5 years (between 1998 and 2006), development period of 4 years, project construction of about 2 years, operating period estimated at 16 years and project closure period of about 2 years. At this period of 30 years, a period of at least 7 years for post – closure monitoring of the environmental conditions is added.

As regards the ecological rehabilitation of the area at the end of the mining operation, this has been described in detail within the “Rehabilitation and mine closure plan” and will be carried out according to relevant Romanian and European legislation and will be financed in full by S.C Roşia Montană Gold Corporation S.A. In fact, given the prevalence of past pollution from prior poor mining practices, Roşia Montană Project will leave the area cleaner than we found it.

*

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”. To this extent, RMGC provided fair compensation packages for the affected inhabitants of the impacted area, in full compliance with the World Bank policies in this field, as detailed in the Relocation and Resettlement Action Plan developed by RMGC, which may be found on company’s official website.

As regards the constitutional provisions related to property, it should be noted that art. 44 of the Romanian Constitution which provides for guaranteeing the ownership right, also mentions that the limits and contents of such a right are provided by law. The Constitution also establishes the legal limits of such right, containing provisions related to expropriation and the conditions thereof.

Without going into further detail regarding the issue of guaranteeing the ownership right in Romania, which is an obligation incumbent on the State, by specific legal means, it should be noted the acquisition of the rights over the lands necessary for Roşia Montană Mining Project development is made in compliance with the applicable general legal provisions in field of ownership transfer (i.e, authenticated form, payment of all relevant taxes and fulfillment of all formalities for real estate publicity) and by the methods provided by art. 6 of the Mining Law no. 85/2003 published in the Romanian Official Gazette, Part I, no. 197/27.03.2003, namely: *“a) sale-purchase of the land and, as the case may be, of the constructions built thereon, for the price agreed upon by the parties; b) 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; c) renting of the land for an unlimited period of time, based on agreements concluded between the parties, d) expropriation for cause of public utility, as per the law; e) land concession”*, etc.

Item no.	226
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.

227

No. to identify
the
observations
received from
the public

Cluj
Napoca,
07.08.2006

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.

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Item no.

229

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. The questioner wants to know if the hydrological investigation methods have ended for the sites where the tailings facility is going to be built, as well as the area where are going to be collected waters in the final phase (Cetate area, which was a mined area). The questioner makes the remark that because of the 2000 years old galleries there may also be some unknown galleries and soil, with its impermeability features, may have fractures that through specific hydro geological methods might decelate.
2. Which are the concrete measures through which the company analyzes the conditions generating the Baia Mare accident and the measures through which the company specifically, taking into account these conditions, tries to prevent from the occurrence of a similar accident in Roşia Montană area?
3. The questioner asks for the references that have been used for the assessment of risk factors, because in the summary of the impact study he didn't find any references.
4. The questioner wants to know whether in these 80 locations, where the same mining technology is being used as the one presented for Roşia Montană, there has been any accident similar to the one in Baia Mare or is this the only one in the world?

Extensive hydrological investigations have been conducted, allowing a Tailings Management Facility (TMF) to be designed consistent with the state of the industry and with all regulatory criteria. As of March 2007 field investigations are still being completed in the Corna and Roşia valleys to determine the geotechnical characteristics of the clay layer to be prepared within the TMF basin. Borings are planned within the footprint of the waste rock stockpiles (Cetate, Cărnic, and the low grade ore) to determine geologic conditions. Of course, water quality monitoring is an ongoing program.

Any old mine workings will be exposed and plugged. During development of the TMF basin the topsoil material will be removed and stockpiled – exposing any old mine workings within the Corna valley, which would be plugged to prevent infiltration of tailing seepage water. Any adits or underground workings that are exposed in the final pit highwalls in the Roşia Valley during the mining of the four open pits will also be plugged.

Because of the geological and ore body configuration it is unlikely that unknown underground mine workings extend outside the known area of mining impacts; long tunnels that would provide conduits for water to escape to adjacent areas are highly improbable. Historic mining is unlikely to have advanced long mine workings through barren rock.

Solution

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From the design phase, the Roşia Montană Project considered compliance with the best available techniques (BAT) – please see BREF document, national legislation and the European Directive. Also, the Roşia Montană Project was made to comply with the new Directive for the storage of mining waste (Mine Waste Directive, 1st April 2006). Also, RMGC (Roşia Montană Gold Corporation (RMGC)) is the first European mining company to sign the International Code for the Management of Cyanide – please see www.cyanidecode.org.

All these regulations mentioned above were issued for European and international level following the accidents that occurred in mining industry at the end of '90s or right after 2000, including the accident from Baia Mare, in order to agree the environment and risks management in mining industry. For further details, please see the comparison Table made for Roşia Montană and Baia Mare Projects, on the basis of the design criteria up to the measures to prevent / remove any potential impact. Please see Annex 3.1 of the hereby Report which can be visited online on the internet page www.rmgc.ro.

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Our project in Roșia Montană bears no comparison to the mine in Baia Mare. From design to management of the facility itself, financial assurance, public reporting, stakeholder involvement, verification procedures, and compliance – all of which are followed to the highest standards in our project – the two projects are vastly different.

In fact, the Roşia Montană project is subject to even stricter standards because of the Baia Mare accident. The Romanian Government, in our Terms of Reference, requested that we follow the new European Directive on Mining Waste 2006/21/EC, even before it became law in Europe or Romania.

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

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

A large part of the changes since the Baia Mare accident is the introduction of the International Cyanide Management Code, to which Gabriel Resources Ltd. by the operational Company 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 10ppm recently adopted in the EU Mining Waste Directive 2006/21/EC. This system of use and disposal of cyanide in gold mining is classified as Best Available Techniques, as defined by EU Directive 96/61/EC (IPPC).

This is a key difference with Baia Mare: Baia Mare did not have a cyanide destruction mechanism (detoxification process) in the process plant, as the RMP has. As a result, the concentration of cyanide in the tailings disposed in the TMF at Baia Mare was between 120-400 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 the checking control will be performed, according to art. 17 of GEO no. 244/2000 on dams safety by the persons empowered by MEWA. RMGC has utilized the world's foremost experts in these areas to ensure the safety of the project's workers and the surrounding communities. Baia Mare was built of coarse tailings materials -- not rockfill -- and therefore was not able to handle the additional weight of the storm event in 2000.

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

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

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

In conclusion, we hope we have provided a detailed account of why our project in Rosia Montana 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.

Item no.

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No. to identify
the
observations
received from
the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner believes that there must be a civilized monitoring partnership, and, if the standards of the Project are not complied with, then measures should be taken by the European supervising bodies.

Solution

The Integrated Pollution Prevention and Control (IPPC) Directive and the Mining Waste Management Directive both require external audits. Because RMGC is bound by these statutes, we did not feel it necessary to specify our compliance in the EIA. As stipulated in Mine Waste Directive 2006/21/EC, RMGC's precise audit team and schedule will be established as we move through the process of acquiring the required permits for waste dumps or for the extractive waste deposit. The audit team and schedule will also be part of the IPPC site evaluation report.

RMGC welcomes these regular external audits.

Item no.	231
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<ol style="list-style-type: none"> 1. The questioner quotes a report regarding the accident from Baia Mare which was sent to Brussels. 2. The questioner considers that the historic pollution from Roşia Montană needs to be discussed very seriously and also the radioactivity in the area. 3. The questioner wants to know if MEWM is going to make an environmental impact assessment report of the project.
	<p>Our project in Roşia Montană bears no comparison to the mine in Baia Mare. From design to management of the facility itself, financial assurance, public reporting, stakeholder involvement, verification procedures, and compliance – all of which are followed to the highest standards in our project – the two projects are vastly different.</p> <p>In fact, the Roşia Montană project is subject to even stricter standards <i>because</i> of the Baia Mare accident. The Romanian Government, in our Terms of Reference, requested that we follow the new European Directive on Mining Waste 2006/21/EC even before it became law in Europe or Romania.</p> <p>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.</p> <p>The Environmental Impact Assessment (EIA) study we submitted last year is the first in Romania to be EU compliant and is designed so that not a single exemption from existing or planned laws is necessary. To illustrate our commitment to high standards, wherever Romanian and EU requirements differ, RMGC has chosen to abide by the stricter of the two. In addition, while existing gold mines will have as long as 10 years to come into compliance with stricter regulatory standards, our Roşia Montană Project will meet these standards from the first day of operation.</p>
Solution	<p>A large part of the changes since the Baia Mare accident is the introduction of the International Cyanide Management Code, to which Gabriel Resources Ltd by the operational Company 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.</p> <p>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.</p> <p>In short, the Roşia Montană Project is in no way comparable to Baia Mare. [1]</p> <p>The cyanide used in the RMP will be subject to a cyanide destruction process and residual cyanide deposited with the process tailings in the Tailings Management Facility (“TMF”) will degrade rapidly to levels well below maximum regulatory levels. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 parts per million or ppm or mg/l) which is well below the regulatory limit of 10ppm recently adopted in the EU Mining Waste Directive 2006/21/EC. This system of use and disposal of cyanide in gold mining is classified as Best Available Techniques, as defined by EU Directive 96/61/EC (IPPC).</p> <p>This is a key difference with Baia Mare: Baia Mare did not have a cyanide destruction mechanism</p>

(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 the checking control will be performed, according to art. 17 of GEO no. 244/2000 on dams safety by the persons empowered by MEWM. RMGC has utilized the world's foremost experts in these areas to ensure the safety of the project's workers and the surrounding communities. Baia Mare was built of coarse tailings materials -- not rockfill -- and therefore was not able to handle the additional weight of the storm event in 2000.

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

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

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

In conclusion, we hope we have provided a detailed account of why our project in Roşia Montană isn't only

vastly different from the mine in Baia Mare but that it is also designed to be a model of responsible mining, incorporating Best Available Techniques and implementing the highest environmental standards.

References:

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

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RMGC commissioned studies to examine historic pollution and to test for the presence of radioactive elements.

Through extensive scientific research, RMGC has charted existing environmental conditions. We have also extensively tested deposits for the presence of radioactive elements and found none in abnormal concentrations.

Several studies regarding initial conditions were conducted between 1999 and 2006. All of them are included in the EIA (see volumes 1 – 6). These studies characterized and analyzed, using scientific information, environmental factors, cultural heritage and the population's health. Nine of the eleven studies directly examined initial conditions and the quality of the environmental factors in the project's area of influence and in the neighboring areas. For example, one study focused on water quality. Beginning in 1999, samples were collected from over 500 locations including surface waters, underground waters, sources, fountains, mine waters, and potentially acid spills on the old waste rock stockpiles. Following the initial campaign, long-term monitoring points have been established to gauge water quality and to monitor the flow. A database has been formed that currently contains over 78.000 entries for the 6 years of monitoring. Similar studies were conducted to measure the initial conditions of the area's air, soil, meteorological conditions, sediment contamination, and biodiversity. We believe that, from this point of view, the Roşia Montană project has been scientifically investigated on a level of detail never before achieved by any other project developed in Romania.

At Roşia Montană, there is no evidence to support concern about radioactive pollution. Analytical test work studies have tested site samples for 47 elements. Excepting gold and silver, the concentration of all elements is lower than the average concentration of these elements on earth as follows: 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), and Ge (0.21 ppm compared to 1.5 ppm). These test results were obtained through comprehensive research programs conducted between 1997 and 2006. Samples were collected from the existing underground galleries, the open pit benches, the surface outcrops, and numerous surface and underground drill holes. The research program produced highly reliable and extremely detailed information about the Roşia Montană deposits.

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According to the provisions of art. 26 (1) of Order 860/2002 regarding the assessment procedure of the environmental impact and issuing procedure of the environmental approval, *“based on the received terms of reference the project titleholder (RMGC in our case) shall performed the drafting of EIA report, through attested parties and independent of the titleholder, which will be submitted to the competent authority for environmental protection”*.

No, MEWM will not elaborate an environmental impact assessment study.

We specify that the decision of issuing or refusal of the environmental permit is taken by the Ministry of Environmental and Water Management analyzing the fulfillment of the legal requirements and conditions by the submitted project. In this regard, the legal applicable provisions are:

- i. Art. 11 (3) from GD no. 918/2002 [1] regarding the framework procedure of assessment of the environmental impact and of approval of the list of public or private projects subject to this procedure (“GD no.918/2002”) which stipulates that *“the competent authority for environmental protection together with the authorities participating at the technical analysis team, analyses the quality of the report on the environmental impact assessment study and decides to accept the report or to return it for re-elaboration, respectively to issue or to refuse with good reason the environmental permit”*;
- ii. Art. 29 (5) from the Order of the Minister of Water and Environmental Protection no. 860/2002 regarding the assessment procedure of the environmental impact and issuing procedure of the

environmental permit ("Order no. 860/2002") which stipulates that *"as a result of the examination of the final report on the environmental impact assessment study, its annex with settlement solutions of the public's proposals/comments and of the conclusions of the authorities implied into this study's approval, the competent public authority for environmental protection records the technical analysis team's opinions regarding the development of the analyzed project on the respective placement and decides consulting the technical analysis team the issuing or well-founded refusal of the environmental permit/integrated environmental permit"*;

- iii. Provisions of Annex 3 from the Order of the Minister of Waters and Environmental Protection no. 863/2002 regarding the approval of the methodological guides applicable to the stages from the framework-procedure of the environmental impact assessment study ("Order no. 863/2002"), according to which the analysis of the report on the environmental impact assessment study is performed on the basis of a Check List. We mention that the Check List is elaborated according to the requirements of Directive 85/337/CE regarding the assessment of the environmental impact for certain public or private projects, published in the Official Gazette of the European Community no. L 175/05.07.1985 further on modified and completed by Directive 97/11/EC regarding the assessment of the effects of some public or private projects on environment, directive also transposed into the Romanian legislation. This Check List is utilized for:
- a. Evaluate the quality of the report on the assessment study in order to take the decision of issuing of the environmental permit;
 - b. Identify the necessity to improve the environmental impact assessment process.

Using the criteria stipulated within the Check List, the competent environmental authority decides if the report on the environmental impact assessment study is corresponding, namely if the problems signaled during the scoping stage were totally and minutely treated according to requirements.

Having in regard the explanations presented above, we mention that the adoption of a favorable decision of issuing of the environmental permit for the project proposed by title holder demonstrates the fact that the report on the assessment study elaborated and submitted by RMGC observes the legal conditions and requirements stipulated by the relevant legislation and assures enough guaranties for the mining activity development.

In the same time, the Art. 45 of the Order 860/2002 regarding the approval of the Procedure of environmental impact assessment and environmental permit issuing stipulates that *"after the examination of the report on environmental impact assessment study, conclusions of the implied parties into assessment, project implementation possibilities and responses of the title holder to the public's well-founded proposals/ comments, the competent authority for environmental protection takes the decision regarding the issuing of the environmental permit / integrated permit or well-founded refusal of the project on the respective placement"*. Thus, the decision of issuing of the environmental permit is taken on the basis of the report on environmental impact assessment study and responses of the title holder to the public's proposals/ comments. The political component, according to the law, has no importance for decision taking.

References:

[1] We mention that GD no.918/2002 was abrogated by GD no.1213/2006 on the framework-procedure for environmental impact assessment for certain public and private projects, published in the Official Gazette, part I no.802 of 25/09/2006 ("GD no. 1213/2006").

However, considering the provisions of art. 29 in GD no. 1213/2006 specifying that *"The project submitted to a relevant environment protection authority in order to obtain the environment approval and subject to the environmental impact assessment prior to this decision coming into force, shall be subject to the procedure for environmental impact assessment and issue of environment approval in force upon the submitting of the request"* we mention that as regards RMGC project the provisions of GD no.918/2002 are still incident.

Item no.

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No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner wants the answers here and now and not in writing because the public might have sent letters to the company or to Ministry and no meetings would have been organised.

1. At what extent does Roşia Montană project reduce the mining dependence?
2. The questioner wants to know how the pits are going to evolve because EIA doesn't provide this information. The impact study doesn't present certain baseline documents, it doesn't provide cross-sections of the pits, of the decant pond, the areas' faults cannot be identified, which are the fracturing areas, the major tension status cannot be noticed, nothing can be seen concerning a micro tectonic study. The voids cannot be seen, so transversal and longitudinal cross – sections at reasonable distance are missing, at least at 25 m if not at 10 m, because this is how pit's benches will be developed. There isn't any gradient presented for the aquifer in the decant pond area.
3. What happens with the thorium, what is it with radioactive pollution? Which will it be the regime of this substance? It is a strategic substance and it is not mentioned within the impact study.
4. What will happen to Corna stream, because the TMF is going to be built over it and it is not mentioned in EIA what is going to happen?

The public consultation hearings must balance the many people who wish to address the forum, in meetings which ran as long as 12 hours, with a time limit to questions and answers as well, to allow as many voices as possible to be heard.

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, under Article 44:

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

(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 report on the environmental impact assessment study, annex containing solutions to the problems raised by the public, according to the form presented in Annex no. IV.2."

To conclude, these answers will be prepared within the shortest possible time, starting from the moment when the request is transmitted from the public authority for environmental protection.

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From the first moment of the Roşia Montană Project (RMP), durable infrastructure improvements and programs designed to promote diverse, sustainable development will help to stabilize an area that has known chronic high unemployment.

Roşia Montană Gold Corporation (RMGC) is committed to working proactively to create an enabling business environment promoting local sustainable development. This will be developed during the life of the project and designed to operate independently following mine closure, when the community would again be faced with some of the challenges it faces now.

Key to this is community involvement. RMGC will collaborate on community development issues with

interested parties from the community. RMGC's commitment to collaboration will extend to local, regional and national authorities. This approach allows the community to own, direct and control all relevant development issues in a multi-stakeholder and integrated manner.

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

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In Chapter 2 – technological processes – the evolution of the open pits is presented yearly both from waste quantity point of view (Table 2-12, p. 58) and ore quantity which is to be processed (Table 2-16, p. 64). The evolution of the open pits is also presented in the General layout – the end of the years 0, 7, 16 and 19 and in the annexes 2.3 through 2.7 in technological processes. The geological cross-sections through open pits are presented in Chapter 4.5 – Geology – in pages 11-13, fig. 2.1 – Geological schematic cross-section through Carnic and Cetate areas, fig. 2.2 - Geological schematic cross-section through Orlea area, fig. 2.3 - Geological schematic cross-section through Jig and Carnic areas.

For tailings management facility, cross-sections are presented in the Technological processes Annexes: Drawing 2.19 – Tailings management facility scheme and Drawing 2.20 – Cross-sections through the tailings management facility dam and secondary retention dam. In the Tailings management facility plan, fig. 5.2 the Geological profile along the tailings management facility dam is presented. The drawings 03A, 03B, 07A, 07B and 09 present cross-sections through the main and secondary tailings management facilities as well as data from the geological study described in Section 2.3 (p.28) from the same plan.

All these plans and cross-sections present the faults, geological structure and geotechnical foundation conditions requested by the above question. The iso-lines of the groundwater layers are presented in fig.4.1 in the Baseline hydro-geological report (Vol.2).

The geological cross-sections through the open pit benches are performed in a grid of 10 x 10 m, but these are not the object of the EIA report, being presented in the “Calculation documentation for the Roşia Montană objective resources” which is in course of approval by National Agency for Mineral Resources.

We mention that these data are classified according to the Professional Secret Law and are not public data.

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At Roşia Montană, gold and silver are the only metal deposits present in sufficient concentrations to permit exploitation and capitalization. This is based on analytical test work at certified laboratories that tested the concentration level for 47 elements and on petrographic studies. The concentration of all such elements is lower than the average content of the earth: **Th (6.07 ppm compared to 18 ppm)**, U (1.43 ppm compared to 3.7 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), and Ge (0.21 ppm compared to 1.5 ppm). There is no evidence to support concern about radioactive pollution.

These test results were obtained through comprehensive research programs conducted between 1997 and 2006, when samples were collected from the existing underground galleries, the quarry steps, the surface outcrops, and numerous surface and underground locations. The research program produced highly reliable and extremely detailed information about the Roşia Montană deposits.

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The development of the TMF on the Corna Valley will result in a permanent alteration of the landscape by creating an elevated, flat land surface reaching approximately 363 ha at the most. The construction of the above-mentioned facility is estimated to generate the following types of landscape potential impacts:

- alteration of the natural setting;
- change in the the proportion natural landscape/ human influenced landscape;
- change in the land use categories proportion;
- change of the landscape aesthetic value.

With regard to the first two forms of potential impacts anticipated, it is to be said that according to results of the EIA Study, both the landscape and habitat structures have been heavily influenced by previous human activities. The deterioration of the area is the result of two categories of processes, namely deterioration through landscape structural changes and deterioration through changes at ecosystem level. These changes have been attributed to: historic mining operations and their related pollution (including acid rock drainage); the transformation of natural systems into meadows, human settlements and planted forests; the development of semi-natural systems (e.g. man-made lakes) and the exploitation of renewable resources (such as the wood). All these disturbing factors have generated significant changes of the flora, fauna and natural habitats in the area leading to a permanent transformation of the landscape. This landscape deteriorated as a result of mining operations alternates with islands of natural landscape, which amplifies the overall landscape deterioration. With regard to the last two forms of anticipated impact (change in the land use categories proportion and the change of the landscape aesthetic value) it must be said that the construction of the dam and of the embankment will lead to a significant change in the topography of the Corna valley, consequently the use of the related land surface will be modified for good. However, during the closure phase, the dam will be covered with a layer of topsoil, it will be revegetated, thus ensuring the necessary conditions for the development of vegetation and for the stabilization of the land. Moreover, forest shelter belts will be planted (their plantation began as soon as 2006) in order to minimize the visual and aesthetic impact.

It is to be mentioned that the impact on the landscape is obvious only at local level both from the visual-aesthetic point of view and from the point of view of the changes of the land use categories and of the natural setting elements.

The Corna Valley basin is surrounded by mountain crests. Consequently the landscape changes in the Corna valley cannot be perceived from the adjacent, whereas the visual impact from the Gura Corna village will be reduced as a result of the revegetation and forestation of the facility and of its related perimeter.

Diversion channels will be built in the Corna valley in order to minimize the volume of clean water that would enter the TMF and occupy the capacity that would otherwise be reserved for processing tailings storage. The North and South diversion channels will be built in order to collect unimpacted waters from the hillsides around the TMF and Secondary Containment System. The diversion channel located northwest of the TMF is designed to capture and convey these water flows into the Corna valley downstream of the secondary containment system. The southeastern diversion channel will be built in order to collect unimpacted waters coming from the hillsides southeast of the TMF and the secondary containment system and route them into the Corna valley as well. Exhibits 2.3 to 2.9 in Chapter 4.1 Water of the EIA report indicate the location of these channels during various phases of the project development.

These channels are designed to collect and divert two thirds of the flow they collect. The storm waters downstream (down-slope) of the channels are not intercepted by these channels and will be collected in the tailings management facility.

During the post-closure phase, all excess rainfall on the closed and covered TMF will be collected at the lowest point of the re-designed runoff slopes and diverted via the re-modeled diversion system below the TMF dam.

In the Corna valley, the average flow rate is 487.4 m³/h (135.3l/s), the minimum flow rate is 59.5 m³/h (16.5l/s), while the maximum flow rate amounts to 5,909.7 m³/h (1,642l/s).

The Corna valley also collects significant mine outflow (16.2 m³/h, 4.5 l/s) which account for approximately 3% of the average stream flow. The RM project commits to maintaining the environmental flow on the Corna creek to 25.2 m³/h (7 l/s). This level is estimated as a baseflow for the biological compensation (environmental flow) that can ensure ecological sustainability once the quality of the water in the Corna stream has improved enough to provide appropriate conditions for the aquatic flora and fauna.

Waters discharged through the Corna valley during the closure phase will include waters from the unimpacted hydrographical basins and the runoffs from the topsoil that covers the TMF and the TMF dam. In case the seepage flow is treated in the Corna valley, this can also be discharged into the Corna stream; but the main circuit for this flow will be through the treatment system in the Roşia Valley.

In short, the overall water management strategy for the Corna valley during the closure phase comprises the following aspects:

Once the processing operations are completed, the volume of water in the TMF will increase due to a positive water balance. In case the volume of water needs to be reduced, the water can be discharged with anticipation in the pit lakes system through the treatment system for cyanide waters.

Seepage water collected into the secondary containment pond will continue to be pumped into the TMF as long as the latter still operates. Once the TMF is decommissioned, seepage water will be pumped into the Cetate pit. If necessary, this water will be treated before being discharged into the pits. Alternatively, the water may be treated in the treatment lagoons located downstream of the secondary containment dam and tested during the operational phase of the project and discharged in the Corna stream (provided it meets the discharge limits imposed by the standards in force).

Seepage flow from the Cărnic waste rock stockpile will be pumped into the pit lakes system, in case it subject to acidification, then it will be treated in situ or in the wastewater treatment plant. Thus, water can be discharged in the Corna basin.

The water management strategy during the post-closure phase is illustrated in Figure 3.6 of *Chapter 4.1-Water* from the EIA Report.

During the post-closure phase, the TMF and the TMF dam will be covered with a layer of topsoil; consequently, runoffs will be discharged directly into the Corna Valley. The diversion channels will continue to discharge into the Corna valley. With these measures, there will be no longer necessary to increase the flow of the Corna valley in order to maintain its environmental flow.

The semi-passive treatment lagoons, which were used for trials, will be finalized in order to be used as a long-term solution. The surface of the lagoons can certainly be reduced due to the material used to cover the tailings, which will eventually lead to a decrease of the seepage flow. If the treatments system fails to meet the levels allowed for discharge, the water can be pumped back into the wastewater treatment plant and then released to the environment. If necessary, the additional stage of removing the residual cyanide can be maintained in operation in order to reach the discharge standards of 0.1 mg/l of CN. [1]

In short, the overall water management strategy for the Corna valley during the post-closure phase comprises the following aspects:

The lake resulting from the sedimentation in the TMF will no longer exist in the post-closure phase.

Runoff waters from the basin will be directed around the TMF, at a distance from it and they will be discharged in the Corna stream, downstream of the secondary containment dam.

Same as in the other phases of the project, the dilution level will be enough to reduce the concentration of the substances in the TMF to levels below the discharge limit, in case rainwaters from the secondary containment dam need to be discharged.

Seepage flow collected into the secondary containment pond will be pumped into the mine pits. If necessary, this water will be treated before being discharged into the pits. Alternatively, the water may be treated in the semi-passive treatment lagoons located downstream of the secondary containment dam and then discharged into the Corna stream.

During this phase, the Carnic waste rock stockpile will be revegetated and runoff waters will consequently be discharged into the Corna stream. Seepage flow from this stockpile will be much lower. In case, the quality and quantity of the seepage flow require additional management measures, the water will be pumped into the mine pits.

The diversion channels will be located North and South of the TMF and of the secondary containment dam and of the TMF sink. These channels will collect unimpacted waters from the hillsides of the Corna basin and divert them downstream of the secondary containment pond. These channels will be lined with

rockfill. They are designed to withstand a 24-hour precipitation event with a 1 in 10 years return period.

A possible failure of these channels is considered in case of major flood events when most of the volume of water would enter the TMF. This additional volume of water was taken into account when calculating the flood storage capacity of the TMF.

References:

[1] (see Plan J-Mine Closure and Rehabilitation Management Plan of the EIA)

Item no.

233

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner would like to know why there is no chapter on Transboundary Impact in the EIA Report, to describe the consequences of the dam failure, which might cause cyanide pollution, as well as other compounds' pollution. Which are the toxic compounds that liquids within the tailings contain (heavy metals, acid waters) and their quantity? Should Corna dam fail, the cyanide reacts with the heavy metals settled during decades on the rivers' bed and, by dissolving them, the cyanide contributes to the pollution of the aquatic ecosystems; this issue is not described by the Transboundary Impact, neither is the impact caused by the acid waters and suspensions. This impact is considered of great importance, due to the size of Corna dam.

Solution

All details related with the aspects mentioned in the above question (dam failure) are described in section 7 of the Environmental Impact Assessment Report (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, and then any tailings run out would be extremely diluted.

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.

For a more detailed technical analysis, please refer to Chapter 7, Section 6.4.3.1, "*TMF Potential Failure Scenarios*" of the EIA.

In order to assess the TMF water quality - decant water and seepage through the and under the tailings dam - specific test work was conducted summarized in the „Tailings management facility geochemistry and water quality Report 2005” by the MWH Inc Mining Group

The tailings facility water will not be acidic; however, it will be mildly alkaline. It is not chemically possible for the form of cyanide in the TMF to cause mobilization or leaching of the heavy metals downstream. RMGC will carry out all activities in accordance with the International Cyanide Management code, an internationally recognized practice for cyanide management in the gold mining industry.

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

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

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

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

Because of dilution and dispersion in the river system, and of the initial European Union Best Available Techniques (EU BAT) -compliant technology adopted for the project (for example, the use of a cyanide destruct process for tailings effluent that reduces cyanide concentration in effluent stored in the 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 as Annex 5.1.

Test work aimed at identifying the main factors influencing the water quality during both the operational and after-closure phase of the waste facility. A detail characterization of tailings and decant water chemistry discharged in TMF is presented in section 3.2 and 3.3 of the EIA report (Table 3-1, 3-2 and 3-3) Plan F - Tailings Facility Management Plan.

Item no.

234

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. What is it understood through direct and indirect impacts?
2. A church is going to be directly or indirectly impacted if priests or the community won't agree with its relocation? Tourists will visit a church from a cyanides lake and they will be directly or indirectly impacted while swimming across this lake?
3. The questioner wants some clarifications regarding the cemeteries situation, namely, what the company will do in the case of those three types of graves: (1) – the family members agree with the relocation of graves in compliance with the law; (2) – the family members do not agree with the relocation of graves; (3) – graves without any family members to be consulted.

The contents of the Environmental Impact Assessment Report, drafted in accordance with the provisions of 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, responds in detail to the question, by assessing both direct and indirect impact.

In this respect, please refer to EIA Report - Chapter 4 - Potential impacts, in which is thoroughly assessed the impact in relation to: Water - Subchapter 4.1; Air - Subchapter 4.2; Noise and Vibrations - Subchapter 4.3; Soil - Subchapter 4.4; Subsoil Geology - Subchapter 4.5; Biodiversity - Subchapter 4.6; Landscape - Subchapter 4.7; Social and Economical Environment - Subchapter 4.8; Cultural and Ethnical Conditions and Heritage - Subchapter 4.9 and Transport - Subchapter 4.10.

Each of those subchapters provides an overview of potential impacts (both direct and indirect), proposed mitigations, and related management plans. For instance, the socio-economic impacts resulting from the project are divided and assessed based on two components:

1. Direct impacts - Socio-economic impacts related with land acquisition (physical and economic displacement), which are addressed in the Resettlement and Relocation Action Plan (RRAP);
2. Indirect impacts - Socio-economic and environmental impacts not related with land acquisition, which are addressed in the Community Sustainable Development Program.

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Solution

As there will not be a cyanide lake in Roşia Montană, the questioner need not fear for his or her safety, or for the one of the persons coming into the RMP impact area during the project's lifespan.

The facts of the matter are that 2 churches and 2 prayer houses out of a total of 10 places of worship located within the project's footprint must be relocated under the mine plan. Those churches will be moved in accordance with the wishes of the congregation, at the expense of RMGC. Church construction is a central element in the new community of Piatra Albă being built by the company.

What the RMP project offers to future generations is a chance to continue a way of life in a locality 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 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.

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Irrespective of a theoretical classification of the types of tombs made by the attendant to the public debates, Roşia Montană Gold Corporation applies the same principles as regards the relocation of the earthly remains located in the impact area of the Project and their re-burial.

The relocation of the earthly remains and their reburial takes place after the discussions with the community and with the church authorities, in compliance with the religious rituals and the applicable legal provisions, i.e.:

- (i) Law no. 489/2006 on the religious liberty and the general regime of religious affairs, published in the Romanian Official Gazette, Part I, no. 11/08.01.2007;
- (ii) Law no. 98/1994 on the establishing and sanctioning of the misdemeanors to the hygiene and public health legal norms, published in the Romanian Official Gazette, Part 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 living environment, approved by Order no. 1028/2004, published in the Romanian Official Gazette, Part I, no. 140/03.07.1997, as subsequently amended and supplemented ("Hygiene Norms");
- (iv) GD no. 955/2004 on the approval of the framework regulations 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, Part I, no. 660/22.07.2004;
- (v) Order no. 261/1982 on the approval of the standard rules for the administration of graveyards and the crematories of the localities, published in the Official Gazette no. 67/11.03.1983;
- (vi) Rules for the administration of the church assets, approved by the Decision of the Minister of Religious Affairs no. 32-234/29.09.1950;
- (vii) Rules for the organization and operation of the parish and monastery graveyards within the eparchies of the Romanian Orthodox Church, approved by Decision of the Religious Affairs Department no. 16.285/31.12.1981.

In addition to the aforesaid, we underline that RMGC shall take all necessary measures in order to strictly comply with the obligations provided by the Romanian applicable legislation in relation to the promotion, construction and operation of the Roşia Montană Project and obtaining the necessary land for the mining activities development.

Item no.

235

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner addresses questions related to biodiversity:

1. The questioner wants to know if any of the mining sites that were closed and have been naturally rehabilitated in the past have been assessed from the biodiversity point of view after that rehabilitation. Where can this study be found and why it isn't stipulated in the biodiversity impact assessment study?
2. The questioner expects a motivation for the destruction of the species after the mining operation. 20 species of invertebrates and 87 species of vertebrates having special statute according to Romanian legislation are presented in the biodiversity impact study, and exist in the impact area and are considered to be irrelevant.
- 2.(sic) Which are the environmental guarantees?
- 3.(sic) The questioner wants to know the position of the Romanian Academy regarding the project, after the representatives have read the EIA report.

The current Report on Environmental Impact Assessment (EIA) has the role to estimate, quantify and forecast the potential impact on environmental factors following the implementation of Roşia Montană Project and to present concrete and efficient solutions to prevent/minimize/eliminate the potential impact, respectively.

According to the current in force legislation, compliant with the European Directives and international recommendations, a process of assessing the environmental impact governs strictly a proposed project and do not assess biodiversity subsequent to some re-vegetations produced by other similar projects (these are irrelevant aspects because they are particular for each site).

In Romania, the actions undertaken to re-vegetate some mining perimeters have impacted only small areas, the actions remaining at the stage of an experiment or as pilot-projects. Complex actions developed at large scale to rehabilitate mining sites, are now required globally for similar mining operations.

Solution

The models proposed for Roşia Montană Project are typical for this area and reported strictly to the baseline conditions (volume 13, Chapter 4.6 on Biodiversity) because the ecologic conditions from various areas where such mining operations exist are different to the ones in Roşia Montană.

Such techniques, methodologies or procedures used to re-vegetate certain areas cannot be recreated. The only common elements are the base-principles for these actions that must result from the concepts of sustainable development and high and efficient development of natural resources.

We would like to underline that up to date no other mining project has provided a baseline conditions report on the biodiversity of the area to be impacted; not even a monitoring process was not implemented during operations stage of a project to compile a database. Such database would have been used as a base instrument during closure and rehabilitation of the site. For other cases, the environmental assessment prepared for closure and rehabilitation stages of those projects was merely a schematic approach of biodiversity issues, no plan being prepared to manage the biodiversity issues during closure and post-closure stages.

Thus, up to date there is no study comparable to the one that is proposed by us for Romania; a study that would assess the measures of ecologic reconstruction and monitoring of biodiversity during post-closure stage. Therefore, our company has performed a pioneering activity.

*

The species won't be destroyed following the development of the mining operation. There aren't any

endemic species of plants or animals whose existence may be threatened by the mining operation. There are no endemic or rare habitats or other habitats that would require conservation and to designate for them special conservation sites. It is true that some populations of some species located within Project's area will be impacted and for these, methods of mitigating the impact have been described.

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 all species of interest will not be removed (even though these are common species at national level), but on the contrary, the support capacity of some habitats will be increased in order to guarantee the presence of such species at Roşia Montană in the future, and especially to create the setting necessary to repopulate with species of major interest.

Following the historic impact, the flora and fauna from Roşia Montană remain heavily impacted by the presence of ubiquitous, synantropic and ruderal species that have an elevated ecologic plasticity.

For the current status of Romania, we believe that all discovered species are important, but the populations from the area do not meet the required criteria so as to take special protection measures, this being proved 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 a 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.

However, many of these species remain rather common, widely spread at national level, with large, stable populations.

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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 (NAMR) 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.)

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

*

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

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

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

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

Item no.

236

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. When will the written answer be sent, which is the legal deadline for receiving the answers?
 2. The questioner wants to know why he was asked the phone number when registering to take the floor and why didn't they insist on his addresses.
 3. The questioner wants to know why she was registered on the 52nd position and when she took the floor she had number 53?
- 2.(sic) Under decision nr.20 of Alba County Council issued on the 27th of October '95, several protected areas have been established and nominated, together with certain landscaping reserves, geological, speleological, pale-ontological, and botanic composites as well as rare species of flora and fauna from the county. The only geological reservations found in Roşia Montană area are 2 outcrops, namely Piatra Despicață and Piatra Corbului. The development of the mining operation will have as a result the relocation, which is already approved, of the Piatra Despicață and in site preservation of Piatra Corbului. The questioner wants to be told how will Piatra Despicață be relocated technically speaking?
- 3.(sic) It is stated within the study that "the current life conditions within the community are far from EU standards" and that very few homesteads have inside plumbing and toilets. The questioner wants to know the figures, at national level, regarding the number of rural homesteads having inside plumbing and toilets because Roşia Montană population is tendentiously presented within the EIA.

With respect to the deadline set for the titleholder of the project to answer the proposals and comments of the public, please note that, according to the provisions of art. 44 (3) of Order no. 860/2002 regarding the environmental impact assessment and the issuance of environmental permit procedure ("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 to the issues raised by the public, in the form presented in appendix no. IV.2"*.

Please consider the fact that the relevant legal provisions do not mention of a certain deadline for the project titleholder to deliver the answers to the questions of the public.

Nevertheless, RMGC will examine the questions addressed by the public during the environmental impact assessment procedure and will prepare the requested answers within a reasonable term.

*

Solution

Romanian law sets the standards for how the public must identify itself at the public consultation proceedings, both in terms of gaining entry to the meeting and standing to make a statement or pose a question.

According to Article 40 of Order no. 860/2002 of the Minister of Waters and Environmental Protection, regarding the environmental impact assessment and environmental permitting procedure, the justified proposals made by the public must be recorded by the competent authority. Article 40 (2) of Order no. 860/2002 of the Minister of Waters and Environmental Protection for the approval of the environmental impact assessment and environmental permitting procedure stipulates that the members of the public have the obligation to declare their name and address on a special form provided in Order no. 860/2002. Therefore, the telephone number and address were expressly requested to make sure that the public receive a written answer to their comments and questions related to the Environmental Impact Assessment Report.

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Due to the fact that the number of persons who wanted to take the floor was very high, in order to allow

everybody to enlist within the set enlisting time, the representatives of the Ministry of Environment and Water Management prepared several lists. Subsequently, these lists were merged and everybody that had enlisted could present their standpoints.

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Piatra Corbului and Piatra Despicață, are classified according to Law 5/2000 from March 6, 2000 on the approval of the National Territory Arrangement Plan - Section III – Protected Areas (published in the Official Gazette no.152 from April 12, 2000) at section Natural Protected Areas of National Interest and Natural Monuments, points 2.8 (Piatra Despicață) and 2.83 (Piatra Corbului).

At the same time, as a result of archeological researches performed at Roșia Montană through the Alburnus Maior National Research Program, financed in accordance with legal provisions by RMGC, Piatra Corbului has also been classified as protected area from an archeological point of view (Official Gazette No. 646 bis, from 16.07.2004, position 146).

The project proposed by RMGC will not affect Piatra Corbului. All technical measures of impact mitigation during the operational stages near this area will be taken, so that its integrity would not be affected.

As regards Piatra Despicață, this is a volcanic bomb situated in secondary position at the foot of Carnic massif, at few meters above a communal-industrial road. In fact, this is an andesite block with a weight of about two tons that may roll downhill at any time. In 2002, the Commission for Natural Monument Protection of the Romanian Academy, as a result of the documentation submitted by SC Agraro Consult SRL, approved its relocation to another site that would not be affected by the future operations.

Consequently, by means of technical equipment absolutely normal for objects of this size, and under specialized coordination and supervising, Piatra Despicață will be relocated to a location to be approved by Romanian Academy and Ministry of Culture and Religious Affairs, preferably in Roșia Montană Protected Area.

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

While it may be a fact that in many regards the socio-economic baseline conditions in Roșia Montană are similar to other rural areas in România, that information does not change the impact assessment presented by Roșia Montană Gold Corporation (RMGC) in the Environmental Impact Assessment Study Report (EIA), nor is it required to be included in the EIA Report by the relevant legal provisions of 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). It is expected that infrastructure improvements, including water supply and sewage discharge systems, will be part of the development process with the project acting as a catalyst.

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

Item no.

237

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following comments:

Corna tailings management facility is designed for 250 million tons. Roşia Montană mining operation needs 215 million tons, therefore a difference of 35 million tons. On the cedar.com web site, RMGC published a financial report where it is written the fact that the viable alternative from an economic point of view for the lease from Bucium is to use the same processing plant and the same tailings management facility from Corna Valley. Bucium lease is from 8 to 10 times bigger than the one at Roşia Montană. The most frequent dam failures occur when mining operations extend. In this case we are dealing with a situation where this thing is possible and likely to happen. Taking into account the fact that the dam is going to have only an insignificant available storage capacity for Bucium lease, why does RMGC try to convince the public that nothing will happen, while even before the beginning of the mining operation there, area has plenty of risks? In the case of a dam failure, the runoff tailings could kill the entire population of Abrud and it would irretrievably pollute the entire region.

It is correct that the Tailings Management Facility (TMF), is designed to store a quantity of 250 million tons of tailings. The total ore quantity which will be processed during the lifetime of the mine is of 215 million tons. That yields an excess capacity of approximately 35 million tons in the main pond. The excess capacity will allow for variations in the actual in situ density of the tailing material and will allow some additional processing of ores if they are located during the duration of the mine life.

RMGC currently holds an exploration license for Bucium, for the Rodu and Frasin deposits which are adjacent to and contiguous with Roşia Montană. The deposits contain mineral resources but no reserves and are currently the subject of a feasibility study. One alternative being investigated is whether it would be possible to process at Roşia Montană and deposit tailings in the Roşia Montană tailings management facility. However, a complete engineering evaluation would be required to determine if the site could accommodate some portion of the tailings generated from these deposits.

At this stage, the study has not been completed. If, at some future point, an economically, socially, culturally and environmentally viable project is proven, then it would require a fully compliant Environmental Impact Analysis (EIA) and public consultation process such as is underway currently for the Roşia Montană Project.

Solution

The design storage for the TMF includes capacity for the 250 million tons of tailings as well as storage 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.

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.

Regarding your concern about 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. It is important to note that the proposed dam is of wholly different engineering and construction than the Baia Mare dam.

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 runout 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.

Item no.	238
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 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.	239
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.	240
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 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.

241

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner issues the following remarks, comments and questions:

1. Who are the authors of PUG and PUZ and which is the situation of the approval for these two urbanism plans – which are the permits that they received (registration number, from whom and where they can be consulted), which are the approvals that haven't been acquired yet? Were there any reasons, were there any meetings, and have they been rejected?
2. Which is the connection between the development of the Zonal Urbanism Plans and of the impact study, and the stipulations of the European Landscape Convention adopted at Florence in 2000 to which Romania adhered?
3. The questioner wants to know which the negative consequences of this project are, as established in the assessment made by the authors of the studies included in the EIA. The questioner wants them to be presented one by one and assessed in time until they disappear.

The General Urbanism Plan (PUG) and the Zonal Urbanism Plan (PUZ) for Roşia Montană Industrial Area have been prepared by S.C. Proiect Alba S.A.

Roşia Montană General Urbanism Plan has obtained all the approvals required by the valid legal provisions regarding urbanism.

Concerning the Zonal Urbanism Plan, please find below a presentation of the approvals and permits obtained or that have already been applied for. None of the approval/permit applications has been rejected.

Solution

DOCUMENTATION	Out no.	Registration no.	Endorsement no.
1. Roşia Montană Local Council – approval	Minutes	Submitted through RMGC	Decision of 19.10.2006
2. Abrud Local Council – approval	Minutes	Submitted through RMGC	Decision no. 68/18.08.2006
3. Câmpeni Local Council – approval	Minutes	Submitted through RMGC	Local Council Decision no. 10/31.01.2007
4. Bucium Local Council – approval	Minutes	Submitted through RMGC	Decision no. 28/29.08.2006
5. Environmental Protection Agency (AGRARO)	Minutes	Submitted through RMGC	
6. Water Management Agency (IPROMIN)	498/05.09.2006		
7. Public Health Inspectorate			
8. County administrator of communication ways – Alba County Council	1886/18.07.2006	8021/19.07.2006	
9. Administrator of the water distribution networks and sewerage networks – S.C. APA C.T.T.A. ALBA S.A.	1890/19.06.2006	1386/21.07.2006	1386/02.08.2006
10. Beneficiary of the municipal technical	1860/17.07.2006	4546/24.07.2006	

equipment networks – Roşia Montană Commune Town Hall			
11. Administrator of the electric power distribution networks S.C. ELECTRICA S.A.	1887/18.07.20 06	12085/31.07.2 006	486/03.08.2006
12. Administrator of the telecommunications networks – S.N. ROMTELECOM S.A. – ALBA TELECOMMUNICATIO NS DIRECTORATE	1889/18.06.20 06	3677/21.07.20 06	
13. Military Fire Brigade	1860/17.07.20 06		
14. Civil Protection Inspectorate	1860/17.07.20 06		
15. Ministry of Interior	1860/17.07.20 06	12933/17.07.2 006	456611/20.09.20 06
16. Romanian Intelligence Service	1860/17.07.20 06	2656314/17.07 .2006	70237/28.07.200 6
17. Ministry of National Defense – U.M. 2515 Bucharest	1860/17.07.20 06	By mail	D/6218/09.08.20 06
18. County Directorate for Religious affairs and National Cultural Heritage	2057/07.08.20 06	618/07.08.200 6	
19. Ministry of Culture and Religious Affairs			
20. Ministry of Transports, Constructions and Tourism			
21. Technical Urbanism Committee of Alba County Council – approval	Minutes	Submitted through RMGC	
22. Alba County Council – authorization			
23. Roşia Montană Local Council – authorization			
24. Abrud Local Council – authorization			
25. Câmpeni Local Council – authorization			
26. Bucium Local Council – authorization			

*

Romania is a party to the European Landscape Convention (signed in Florence on October 20, 2000), which was subsequently ratified by *Law* no. 451/2002. The Florence Convention applies to both landscapes, which may be considered as outstanding as well as to everyday or deteriorated landscapes and it aims to promote landscape protection, management and planning and to set up European cooperation on landscape issues.

Under the Florence Convention, landscape is defined as an area whose character is the result of the action

and interaction of natural and /or human factors. Landscape plays a key role for the public interest in the cultural, ecological, environmental and social fields and represents a resource favorable to economic activity and whose protection, management and planning can contribute to job creation (Council of Europe, 2000).

The Signatory Parties undertake to comply with the following principles and provisions:

1. to recognize landscapes, in law, as an essential component of people's surroundings, an expression of the diversity of their shared cultural and natural heritage, and a foundation of their identity;
2. to establish and implement landscape policies aimed at landscape protection, management and planning;
3. to establish procedures for the participation of the general public, local and regional authorities, and other parties with an interest in the definition and implementation of landscape policies;
4. to integrate landscape into their regional and town planning policies and in their cultural, environmental, agricultural, social and economic policies, as well as in any other policies with possible direct or indirect impact on landscape.

Starting from the provisions of the European Landscape Convention, we can notice that urban plans and environmental impact assessments are used to implement its principles. Moreover, both the zonal urban plans and the environmental impact assessments are the most efficient and most frequently used means for the implementation of European Landscape Convention.

*

To the questioner's last point, it is the nature of risk that it can be mitigated and diminished; it cannot be made to disappear. In order to put this into context, the common action of walking on the street or developing everyday activities have an accident potential. This accident potential is twice higher than within the framework of industrial activities that use hazardous substances.

In the larger sense, the entire EIA report is focused on the assessment of impacts and their associated mitigation. Specifically, Chapter 4 of the EIA presents that impact assessment of the project. The following discussion presents a summary of the impact discussed in the EIA.

As far as natural and technological risks assessments are concerned, Chapter 7, "Risk Cases", from the Report on Environmental Impact Assessment, emphasizes the fact that safety and prevention measures, the implementation of the environmental management and risk systems are mitigating the consequences to acceptable levels as compared to the most restrictive norms, standards, the best practices or national and international recommendations in the field. The risk level has been established as moderate and so, socially acceptable. The extension of the risk assessment and the intensity of the prevention and mitigation measures of the consequences should be proportionate to the risk involved. Selection of a specific mitigation technique is depends on the analyzed accident scenario.

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

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

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

- in the sector physically impacted by the Project, the risk of floods will remain very low due to the small catchments (controlled by the Roşia and Corna Streams) the area affected by the operation, and

the creation of containment, diversion and drainage hydro-technical structures for storm waters on the site, and in the Abrud catchment in general;

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

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

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

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

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

- The total destruction of plant facilities may only be caused by terrorist attack with classic or nuclear weapons. Simultaneous damage to the HCl tank (including containment) and to the NaCN solution tank, the tanks containing enriched solution, to one or more leaching tanks, having as a result HCN dispersion into the air. At the same time, under certain situations and weather conditions unfavorable for dispersion, people within 40 m of the emission source, surprised by the toxic cloud for more than 1 minute without respiratory protection equipment, will most certainly die. It may also be considered that, on a radius of about 310 m, persons exposed for more than 10 minutes may suffer serious intoxications that may also lead to death. Toxic effects may occur in persons up to about 2 km downwind of the process plant;

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

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

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

- Explosion of the LPG storage tank. The LPG storage tank has a 50 ton capacity and is located

outdoors, near the heating plant. The simulation was conducted for the worst case scenario, considering an explosion of the full tank. Threshold I with heat 12.5 kW/m² is within a 10.5 m radius circle and Threshold II, of heat radiation 5 kW/m² is within a circle of 15 m radius;

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

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

- Tailings flow may occur along Corna Valley, on a 800 m (starter dam break) or over 1,600 m reach should the Corna dam break in its final stage;

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

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

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

The 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:

- Development of HCN on the tailings pond surface. Simulated emissions of HCN from the Tailings Management Facility pond surface and of their dispersion into the ambient air show that the level of 400µ g/m³ hourly average and 179µ g/m³ 8hr average will not be exceeded. These HCN concentrations are only slightly over the odor threshold (0.17ppm) and much below potentially dangerous concentrations;

- Cetate Dam break and breach development. Flood modeling was in case of a break in Cetate dam was based on the design parameters obtained from the hydrometeorological study “Assessment of rainfall intensity, frequency and runoff for the Roşia Montană Project - Radu Drobot”. The breach characteristics were predicted using the BREACH model, and the maximum height of the flood wave in various flow sections was modeled using the FLDWAV software. The assumptions included a total

800,000 m³ discharge for one hour, when the peak of the flood hydrograph is about 4.9 m above base flow immediately below the dam and in the narrow Abrud valley 5.9-7.5 km downstream of the dam, while in the last section considered (10.5 km) water depth is about 2.3 m above base flow and the maximum flow rate 877 m³/s. Further, the broader Aries valley allows the flood wave to propagate on a significantly wider bed, which results in a highly attenuated hydrograph. These results describe the “worst case scenario” based on extreme dam break assumptions;

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

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

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

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

Bibliographical references for Chapter 7 “Risk Cases” are listed at page173-176.

Item no.	242
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 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.

243

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. The questioner refers to the TMF (Tailings Management Facility) and points out the fact that this project is only the beginning as a similar project is currently being elaborated for the Bucium commune. This is synonym to the destruction of the villages that are part of the commune and to the creation of another cyanide lake. The same company envisages the development of a similar long-term project in Zlatna, a locality where the environment has already been deteriorated. Similar projects are envisaged for Brad, Baia de Arieş, Săcărâmb, Certej as well; and several weeks ago, the same company obtained the mining license of the gold deposits from Băișoara. No gold nuggets were ever found in Băișoara, which means that Gabriel Resources is about to commit a new fraud and to leave another cyanide lake behind. How can anyone talk about sustainable development in the Apuseni Mountains with all these projects and without a tourism industry?
2. The questioner requests the Ministry of Environment and Waters Management to reject the environmental permit request submitted by the company.

For a better understanding of the issues referred to and for better information, we want to clarify possible misunderstandings:

As far as Bucium perimeter is concerned, Roşia Montană Gold Corporation (RMGC) currently holds an exploration license for this perimeter. Based on the pre-feasibility studies conducted in accordance with the legal provisions, we may conclude that: if a mining license is obtained for Bucium perimeter, the tailings management facility (TMF) from Roşia Montană may also be used to store the Bucium tailings, due to the fact that the TMF is designed for approximately 250 million tons of tailings, while the amount of tailings to be stored in the TMF will be only 215 million tons. Consequently, there is extra-capacity of approximately 35 million tons, which is sufficient to store the tailings resulting from the Bucium mine, estimated at approximately 17 million tons. Therefore, there will not be another TMF in Bucium commune.

Solution

The tailings are discharged to the TMF after detoxification; therefore the maximum cyanide level in the TMF will not exceed the maximum level permitted (10 ppm) by the EU Directive 2006/ EU/21. Please note that once the company obtains the mining license for the Bucium area and decides to develop the Bucium mine, a permitting process will have to be initiated. This process will also involve securing an environmental permit. Therefore, an environmental impact assessment procedure will be needed, which also includes a public consultation and participation phase prior to making a decision. The potential development of future operations in the surrounding perimeters should not be discussed in the context of the current permitting procedure.

As far as Zlatna, Brad and Baia de Arieş perimeters are concerned, our company does not hold any exploration/exploitation license authorizing research and/or mining works. More specifically, RMGC does not currently intend to develop mining activities in these areas.

Certej and Săcărâmb perimeters are included in the Certej mining license and belong to another Company, S.C. Deva Gold S.A., which is the titleholder of this license. Together with CNCAF Minvest S.A. Deva, S.C. Deva Gold S.A. carries out research/development activities in these perimeters.

In Băișoara perimeter, the license titleholder is another company, S.C. Rom Aur S.A. This is an exploration license, which does not authorize any mining operations. The geological exploration programs are just beginning, therefore we may not talk about a deposit and its economic efficiency, as long as the research programs have not yet been completed.

*

Regarding your request, please note that art. 44 (3) of the Order of the Minister of Waters and Environmental Protection no. 860/2002 on the environmental impact assessment and the issuance of environmental permit procedure ("Order no. 860/2002") provides that "*based on the results of the public debate, the relevant authority for the environmental protection evaluates the grounded proposals/comments of the public and requests the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions to the issues raised by the public*".

Consequently, considering the fact that your proposal is just an allegation which does not indicate possible problems, nor provide additional information, please note that the decision on the issuance or refusal of the environmental permit cannot be made based only on a simple proposal, but according to certain objective criteria provided by art. 45 of Order no. 860/2002 and only after examining,

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

Item no.

244

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following remarks, comments and questions:

1. Lately, RMGC has advertised a lot and they have spent millions of dollars. Why didn't they give this money to the desperate Roşia Montană locals? Why did the company try to intoxicate the public opinion through this manipulation? The questioner emphasizes that when a company wants to break the law, or wants to do something that is against the society, it builds up a public support.
2. Everything that happens is just an image campaign, PR.
3. Regarding the Impact study, the questioner considers that it includes the greatest manipulation, and that is the fact that RMGC, when they want, when they have to answer, they will establish a Foundation. A ghost Foundation that hasn't been established yet, but it will exist in the future.

The questioner wants to receive in writing: the Organizational Statute of this Foundation, its founding members, its liabilities, the rights of this Foundation and how it is going to be independent and transparent of RMGC.

Certain groups opposing the project have made inaccurate statements regarding the project. Those statements have affected public opinion. RMGC believes that informing the public is an important and normal part of debate in a democratic society. As a part of the process for approval of the Project, RMGC has engaged in a broad process of public consultation in compliance with Romanian and European law. The company has held 14 public meetings in Romania and two in Hungary because of high public interest there. RMGC employees 500 people today, paying competitive salaries.

RMGC has no intention of breaking the law but rather has committed to operating the Project in compliance with Romanian and European law and in accordance with international best practices.

*

Solution

Prior to any additional comments, we underline the fact that the performance of the environmental impact assessment procedure is a legal requirement. Furthermore, the information provided by Roşia Montană Gold Corporation (RMGC) to the public authorities and/or to the interested public in relation to the Roşia Montană Project (RMP) and the report to the Environmental Impact Assessment study is requested under the relevant legal provisions. To this extent, please note the following:

- (i) art. 10 of the Government Decision no. 918/2002² establishing the framework procedure for the environmental impact assessment and the approval of the list of private or public projects subject to this procedure (GD no. 918/2002) provides that: ***"the information provided by the project titleholder according to the provisions of art. 9 (1) obligatorily includes the following: (a) the description of the project, including information on the location, the technical implemented solutions and the size of the project; (b) the description of the provisions for the avoidance, reduction and, if possible, remediation of the negative effects on the environment; (c) necessary information for the detection and evaluation of the major effects which the project might have on the environment; (d) the general presentation of the alternatives examined by the project titleholder, by indicating the reasons for that choice, as related to the effects on the environment; (e) the summary of the information provided with letter (a) - (d)";***
- (ii) art. 36 of the Order no. 860/2002 on the environment impact assessment and the environmental approval issuance Procedure ("Order no. 860/2002") provides that: ***"the project titleholder informs the public on the following issues: (a) the submission of the environmental approval application for the project; (b) the decision of the screening stage of the project; (c) the public debate of the report on EIA study, and on (d) the decision of the examination stage regarding the quality of the report on EIA study."***

Consequently, RMGC has engaged in a broad process of public consultation in compliance with Romanian and European law as part of the EIA process. The company has held 14 public meetings in Romania and two in Hungary. This is not a public relations campaign but rather an integral part of a serious process of

public consultation before the project is approved. RMGC supports this process and believes it is important in a democratic society.

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

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

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

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

Item no.

245

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. The questioner makes comments with regard to the Baia Mare accident that took place in 2000, and which was caused by the incompetence of Aurul S.A., where Romanian state was also shareholder and subsequently Romania has to pay EURO 150 mil. damages to Hungary from taxpayer's money.
2. The questioner wants to know if there are bank guarantees deposited by Gabriel Resources and which is their value?
3. What is the value of the RMGC's contribution to the state budget until now, taking into account the fact that Gabriel Resources operates in an area that was officially been declared as disadvantaged?
- 3.(sic) The questioner draws the attention of the fact that many voices from the private business environment say that they are going to establish a fiscal strike, as long as the state associates with unconscious and irresponsible companies, as it was Aurul S.A. from Australia, and as it is now, Gabriel Resources, a company that has its headquarters in the fiscal paradise of Barbados.

Our project in Roşia Montană bears no comparison to the mine in Baia Mare. From design to management of the facility itself, financial assurance, public reporting, stakeholder involvement, verification procedures, and compliance – all of which are followed to the highest standards in our project – the two projects are vastly different.

In fact, the Roşia Montană project is subject to even stricter standards because of the Baia Mare accident. The Romanian Government, in our Terms of Reference, requested that we follow the new European Directive on Mining Waste 2006/21/EC even before it became law in Europe or Romania.

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

Solution

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

A large part of the changes since the Baia Mare accident is the introduction of the International Cyanide Management Code, to which Gabriel Resources Ltd. by the operational Company 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 10ppm recently adopted in the EU Mining Waste Directive 2006/21/EC. This system of use and disposal of cyanide in gold mining is classified as Best Available Techniques, as defined by Directive EU 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 perform an independent audit every two years. RMGC has utilized the world's foremost experts in these areas to ensure the safety of the project's workers and the surrounding communities. Baia Mare was built of coarse tailings materials -- not rockfill -- and therefore was not able to handle the additional weight of the storm event in 2000.

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

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

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

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

Reference:

[1] 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.

*

Detailed financial guarantees are in place, in the form of the Environmental Financial Guarantee ("EFG"), which require Roşia Montană Gold Corporation ("RMGC") to maintain adequate funds for environmental cleanup. The EFG is updated annually and will always reflect the costs associated with reclamation. These funds will be held in protected accounts at the Romanian state disposal.

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.

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.)

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.

*

To this point, the value of Roşia Montană Gold Corporation's (RMGC) contribution to the state budget is:

	US\$
Taxes, Fees and Minority Interest	
Payroll taxes	10,281,782
Property taxes (Roşia Montană)	558,621
Exploration & Exploitation taxes	249,058
Other taxes & fees (inc. permits & visas)	615,004
Total	11,704,466

*

Gabriel Resources has adopted a corporate structure similar to all other Canadian-based resource companies operating worldwide. The Roşia Montană Project (RMP) will be operated by Roşia Montană Gold Corporation SA, which is liable for payment of all taxes. All taxes will be paid in Romania.

Item no.

246

No. to identify
the
observations
received from
the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner supports the project
The questioner wants to know which is the company's availability to make partnerships the company's availability to make partnerships, or to conclude any document that may have a legal form with NGOs or other stakeholders, such as state institutions, in order to monitor this project after its implementation.

We welcome stakeholders (institutions or NGOs) to contact us with ideas of establishing partnerships for project monitoring.

Solution

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

Existing Partnerships include education and youth development, training, social support, the monitoring and management of environmental aspects etc.

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

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Item no.

247

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner addresses the following remarks, comments and questions:

1. The questioner draws the attention on the fact that he hasn't received a written answer to the questions he had formulated during the public meeting that took place at Roşia Montană, therefore he cannot meet the dead line for submitting the remarks to the head office of Ministry of Environment and Water Management. In this case, how can anyone say that this is a consultation?
- 1.(sic) The 5th chapter (analysis of alternatives) mentions that there is no other alternative in the area if the project is not developed (pg. 8 of 117), and the community sustainable development plan (pg. 5, paragraph 6) says exactly the opposite, that RMGC has the solution and not through mining development.
- 2.(sic) Referring to Environmental and Social Management Plan, the titleholder reproduced the ISO14001/2004 requirements, which often stated: "the organization shall", while the EIA comprises statements such as " we will". So we have here a volume that could have been restraint to a single phrase: "We will comply with ISO14001 standard".
- 3.(sic) What does the company understand by sustainable development?
- 4.(sic) Regarding the sustainable development, the speaker considers that RMGC establishes a development policy for the Gabriel Roşia Montană Corporation, and by no means a sustainable development as stipulated in environmental management standards. The questioner asks Ministry of Environment and Water Management to observe the principle under g) paragraph of Emergency Ordinance nr. 195/2005 on the sustainable usage of natural resources.

Roşia Montană Gold Corporation SA is, in the Environmental Impact Assessment (EIA) Report Annex, complying with the requirements to provide a written answer to the question.

In accordance with Article 40 (1) of Order no. 860/2002 of the Minister of Waters and Environmental Protection for the approval of the environmental impact assessment and environmental permitting procedure ("Order no. 860/2002"), the public may submit justified proposals regarding the environmental assessment, prior to the date set for the public debate on the EIA Report, but not after that date. The last public consultation regarding the EIA was scheduled for August 25, in Arad, therefore this was the legal term to transmit comments on the EIA Report.

The Ministry of Environment and Water management has set the deadlines, according to the law. For Hungary, the deadline has been extended by one month.

Solution

According to the provisions of Order no. 860/2002:

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

(2) The competent authority for environmental protection shall record the well grounded proposals of the public, made during the meeting, using the form presented in Annex no. IV.1, which also includes the well grounded 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 EIA report, annex containing solutions to the problems raised by the public, according to the form presented in Annex no. IV.2."

*

The Report on the environmental impact assessment study (EIA) does not rule out alternative developments for the area, but it does conclude that mining offers the most viable form of development –

and a potential foundation for further development, including other alternatives.

Chapter 5 of the EIA report (*Assessment of Alternatives*) examines potential for developing other industries to support the sustained economic growth of the region (See Section 1.2 of Chapter 5). Among the alternative developments the EIA examined were: agriculture, grazing, meat processing, tourism, forestry and forest products, cottage industries, and flora/fauna gathering for pharmaceutical purposes. The conclusion: these activities don't have the potential to support economic growth to the degree forecast for the Roşia Montană Project (RMP).

The report concludes that “a diverse multi-sector economic base is important for the sustained economic growth of the region”, and the RMP is capable of providing the required economic stimuli and would serve to help achieve the economic goal of sustainable prosperity. Other industries do not have this capability but their development in parallel is not precluded “and to the contrary, [the RMP] solves several key problems that discourage inward investment.”

The Community Sustainable Development Management Plan is not an alternative to the RMP; rather, it is intended to ensure the long-term prosperity and health of the communities affected by the RMP in the event that the Project is constructed, operated and finally closed down.

*

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

*

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

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

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

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

1. Five Capitals of Sustainable Development

Financial Capital

Economic Development Impact, fiscal management, taxes

- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US\$ 1billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US\$ 1.5 billion procuring goods & services. US\$ 400 million during construction (2 years) and

US\$ 1.1 billion during production, from Romania (16 years)

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

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

Physical Capital

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

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

Human Capital

Health and education

- A private dispensary & health clinic in Piatra Albă (see RRAP), accessible to wider community through health insurance
- Upgrading of a wing of Abrud hospital, accessible to the wider community through the national Romanian health system
- Improvement of mobile emergency medical system in the area
- The building of a new school, residential & civic centre in Piatra Albă. This is fully described in the RRAP
- Health awareness campaigns (in partnership with local authorities & NGOs) covering: reproductive health, diet, and lifestyle amongst others
- Partnerships with education providers & NGOs concerning access to & improvement of education facilities in the area, e.g.: the NGO and local authorities lead CERT Educational Partnership (www.certapuseri.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.certapuseri.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 Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.

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Roşia Montană Gold Corporation (RMGC) is committed to working proactively to create an open business environment promoting local sustainable development. This will be developed during the life of the project and designed to operate independently following mine closure.

According to the provisions of art. 45 of Order no.860/2002 on the procedure for environmental impact assessment and the issue of environment approval ("Order no.860/2002") "*subsequent to the examination of the report on the environmental impact study, of conclusions of the parties involved in the assessment, of the possibilities to apply the project and of the motivated evaluation of public proposals, the relevant environment*

protection public authority makes the decisions on the issuance of the environment approval/integrated environment approval or the motivated refusal of the project on the respective location". The company cannot answer for the Ministry of Environment and Water Management.

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

Item no.

248

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following remarks and comments:

1. The questioner accuses Gold Corporation of a psychological war initiated 9 years ago:
 - Gold practices terror, divides and conquers (divide et impera) ;
 - Gold stages questions and answers;
 - The company releases press, tv, and radio "bombs".
2. The company plans to destroy the birth certificate of the Romanian people.
3. False statements are being made, such as the fact that the Roşia Montană project is a project of national interest and the Romanian Government gave the go ahead for its implementation.

Roşia Montană Gold Corporation (RMGC) believes that public consultation and disclosure is an important and normal part of debate in a democratic society. As a part of the process for approval of the Roşia Montană Project (RMP), 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.

*

The placement of the project proposed by S.C. Roşia Montană Gold Corporation S.A. (RMGC) is based upon the existence at Roşia Montană of one of the largest gold ore deposit from Europe. The mining project implementation does not involve the destruction of Roşia Montană locality, but on the contrary, this project would make a significant contribution to the knowledge of the history of this locality.

Prior to 2000, Roşia Montană was only an area of archaeological potential, where no proper archeological research had been carried out in order to identify in detail the diverse elements of the site. Essentially, within the area of Cetate, Cărnic, Jig and Orlea massifs situated on the upper part of the Roşia and Corna valleys, in the administrative area of Roşia Montană commune, a series of chance archeological finds were known – epigraphic monuments, pieces of funeral architecture - which provided sufficient indications to suggest the existence of some archeological sites.

Solution

Taking into account the importance of the cultural heritage from Roşia Montană, the history of the locality and the legal provisions in force, SC Roşia Montană Gold Corporation SA has allocated a budget of over USD 9 million for heritage research for the period 2000-2006. Moreover, considering the research results, the specialists' opinions and competent authorities' decisions, the budget estimated by the company for research, preservation and restoration of the Roşia Montană cultural heritage if the mining project were implemented is USD 25 million, as was publicly stated within the Report on Environment Impact Study in May 2006 (see the Report on Environment Impact Study, vol. 32, Management Plan for the Archeological Heritage from Roşia Montană Area, p. 83-85). Therefore, the intention is to continue work in Orlea area, and especially to create a **modern Mining Museum with geological, archaeological, industrial and ethnographic heritage** displays, and the development of tourist access to the **Cătălina-Monuleşti** 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 Roşia Montană Historic Center**.

Prior to 1999, the Roman mining galleries from Roşia Montană had not been subject to mining archaeological research, although their existence was known for more than 150 years. Prior to 2000, this type of remains were practically unknown from the perspective of a scientific research; references to these remains being most of the times empirical. The other archaeological remains in the area weren't researched either prior to 2000. Most of the information about this site came exclusively from chance finds caused by agricultural works, constructions of roads and elements of mining infrastructure.

Due of the detailed investigations undertaken in the last 7 years, the nature, features and distribution of

heritage assets – archeological sites, historical monument buildings, churches and cemeteries - from Roşia Montană area are now well understood. Heritage research and studies carried out between 2000 and 2006 allowed both the formation of a comprehensive understanding of these values belonging to the national cultural patrimony and areas with spiritual signification, and led to the adoption of specific measures for their protection and enhancement.

According to the specialist's reports and publications, the Roşia Montană mining site, is important, but not unique, if compared with other similar sites in Romania (e.g. Ruda Brad-Săcărâmb, Zlatna-Almaş or Bucium) or across Europe. Certainly, due to the "Alburnus Maior" National Research Program financed by RMGC in accordance with the legal provisions, this mining site is at present the best understood and researched.

The fame of the Alburnus Maior ancient site is based on the fact that Roşia Montană was the place where some epigraphic materials with a special character- wax tablets where this ancient toponym is also mentioned, were found by chance in the 18-19th centuries. Documents important due to their rarity and the rich historical information contained, the 25 wax tablets preserved and published offer precise information regarding economic activities, living conditions, religious life and the legal framework governing the local mining community. Roşia Montană (the ancient Alburnus Maior) is neither the oldest settlement documentary attested from Romania, nor the most important Roman settlement in Dacia, but surely preserves significant evidence of the Roman gold mining of this region located at the border of the Roman Empire. The archaeological investigation opportunity at Roşia Montană, in the context of RMGC's mining project, made possible the completion of detailed knowledge about the site with information on the ancient mining operation as compared to other ancient areas with similar characteristics. These other areas are known largely due to some chance finds and are not yet investigated (for example, Brad-Săcărâmb, Zlatna-Almaş, Bucium). It is desired that proposed museum at Roşia Montană could display at least some of the wax tablets uncovered at the ancient Alburnus Maior.

The research of the historical mining remains has led to their better understanding and at the same time determined some well-grounded measures for their conservation and enhancement. Based on the results of the research conducted so far (already completed in the Cetate, Carnic, Jig massifs and in progress in the Orlea massif), a decision was made for the conservation and enhancement of areas including ancient mining works such as the Cătălina Monuleşti gallery, the Păru Carpeni mining sector, the Pietra Corbului area, the Văidoaia massif area-North-West of Roşia Montană village, where surface mining areas dating from the Roman period are preserved.

13 archaeological sites have been identified and researched during the preventive archaeological investigations conducted in the period 2001-2006. Once the thorough investigation completed, a decision was made for the archaeological discharge of some of these sites, while for other sites a decision was made for their preservation *in situ*- the funerary precinct at Tău Găuri, the Roman remains uncovered on the Carpeni hill. As regards the Orlea area, this is going to be thoroughly investigated (both on the surface and in the underground) in the period 2007-2012.

According to the requirements of the Ministry of Environment and Water Management, and the Ministry of Culture and Religious Affairs, the Report on Environment Impact Study for the Roşia Montană project includes detailed plans for the management and preservation of the heritage assets from the Roşia Montană area, in the context of the mining project implementation (see the Report on Environmental Impact Assessment Study, Vol. 32-33, Plan M – *Cultural Heritage Management Plan*, part I – *Management Plan for the Archaeological Heritage from Roşia Montană Area*, part II – *Management Plan for Historical Monuments and Protected Zone from Roşia Montană* and part III – *Cultural Heritage Management Plan*).

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

For further information on the main archeological remains, historical monuments, churches and cemeteries, as well as a series of considerations regarding their protection and the specific measures established by management plans, please consult the Annex called "Information on the Cultural Heritage of Roşia Montană and Related Management Aspects".

In conclusion, the company does not plan to destroy Roşia Montană's cultural heritage that the questioner

refers to through the exaggerated assertion “birth certificate of the Romanian people”. The archaeological research conducted at Roşia Montană – known as preventive/rescue archaeological research – and the related heritage studies, are conducted all over the world in relation to the economic interest for certain areas. And the costs of this research as well as the costs for the enhancement and maintenance of the areas preserved are covered by the investors through a private-public partnership for the protection of the cultural heritage, in compliance with the provisions of the European Convention of Malta (1992) on the protection of the archaeological heritage [1].

References:

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

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

*

We understand that your allegation refers to a possible favorable endorsement of the Government for the Roşia Montană Project, prior to a decision regarding the issuance of the environmental permit.

Regarding these aspects, please note that the decision on the issuance of the environmental permit for the Roşia Montană Project will be made according to the applicable legal provisions and the mandatory stages and procedures provided by law.

As regards the environmental impact assessment and the environmental permit issuance procedure, this implies, after the completion of the public consultations stage, according to the provisions of Emergency Ordinance no. 195 on the environmental protection (“GEO 195/2005”), of 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”) and of the Order of the Minister of Waters and Environmental Protection no. 860/2002 on the environmental impact assessment and issuance of environmental permit procedure (“Order no. 860/2002”), the following mandatory stages:

- (i) According to the provisions of art. 28 of Order 860/2002, “based on the results of the public debate:
“a) the environmental protection relevant authority evaluates the grounded proposals/comments of the public and requests the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions to the issues raised by the public [..]”;
- (ii) According to the provisions of art. 29 of Order no. 860/2002, after receiving from the project titleholder the appendix to the report on the environmental impact assessment study, which comprises solutions to the public’s proposals/comments, the environmental protection public authority:
“a) analyses the report on the environmental impact assessment study, the appendix comprising solutions to the public’s proposals/comments, as well as the information and documents received from the titleholder, including the security report, as the case may be;
b) calls the technical analysis committee;
c) presents, to the technical analysis committee, the conclusions regarding the report on the environmental impact assessment study, the security report (as the case may be), the solutions to the public’s proposals/comments and the proposal for the procedure continuation”;
- (iii) The authorities involved in the technical analysis committee examine the report on the environmental impact assessment study and the appendix thereto, comprising the solutions to the public’s proposals/comments, according to the same art. 29 of Order 860/2002. The stage of analysis of the report quality is performed according to 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 the provisions of Appendix no. 3, item 3 of Order no. 863/2002, during the stage of analysis of the report on the environmental impact assessment study, the competent authority decides whether the report on the study is appropriate, i.e. if the problems signaled during the scoping stage have been fully dealt with and to the required extent;
- (iv) according to the provisions of art. 45 of Order no. 860/2002 “pursuant to the examination of

the report on the environmental impact assessment study, of the conclusions of the parties involved in the evaluation, of the possibilities to accomplish the project and of the titleholder's answers to the public's grounded proposals/comments, the environmental protection competent authority makes the decision of issuing the environmental permit/environmental integrated agreement, or it rejects the project proposed for the respective site, presenting the reasons for such decision";

- (v) Pursuant to the decision of the relevant environmental protection authority, based on the provisions of art. 19 of GEO 195/2005, the environmental permit is granted by Government decision, considering the legal provisions quoted above: *"The environmental permit and the environmental approval/integrated approval for the mining activities using dangerous substances in the processing and concentration procedure, for production capacities exceeding 5 million tons/year and/or if the area where the activity takes place exceeds 1.000 ha, is granted by Government decision, at the proposal of the central public environmental protection authority."*

References:

[1] 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.

Item no.

249

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner wants answers for the following questions:

1. Concerning the issue of granting scholarships for Roşia Montană students: is this program intended to be developed in the future or is it developing now?
2. Is the technology used at Roşia Montană similar to the one used in Finland within the mine that is going to open soon?
3. Did the investors pay the assessments of the archaeological sites from countries where mines still exist, such as: Spain, Switzerland, Finland?

Solution

As part of its commitments to the local community, Roşia Montană Gold Corporation (RMGC) already pay for the school taxes incurred by the young people living in the project impact area, through the Resettlement and Relocation Action Plan (RRAP). Details on this program, while not required in Environmental Impact Assessment (EIA) reporting, are available at the community relations department and on the company website www.truestory.ro.

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

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Yes, the technology that will be used at Roşia Montană is similar to that used in Finland and also to those used at gold mining projects in Sweden and Spain. There are only few small differences; but all of them use modern ore processing methods and have special cyanide management measures, including removal of cyanide from the tailings before discharge into the tailings management facility.

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To the best of our knowledge, this is a regular international practice. In this respect, please note that the Romanian relevant legislation provides the following:

- (i) article 2 (12) of the Government Ordinance no. 43/2000 on the protection of archaeological patrimony and declaring certain archaeological sites as national interest areas (GO no. 43/2000) "*the costs related to the archaeological research activities necessary for the environmental approval should be paid the titleholder of the investment*";
- (ii) article 7 (1) a) of GO no. 43/2000, the costs related to the preventive archaeological research activities should be also paid by the titleholder.

Item no.	250
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.

251

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

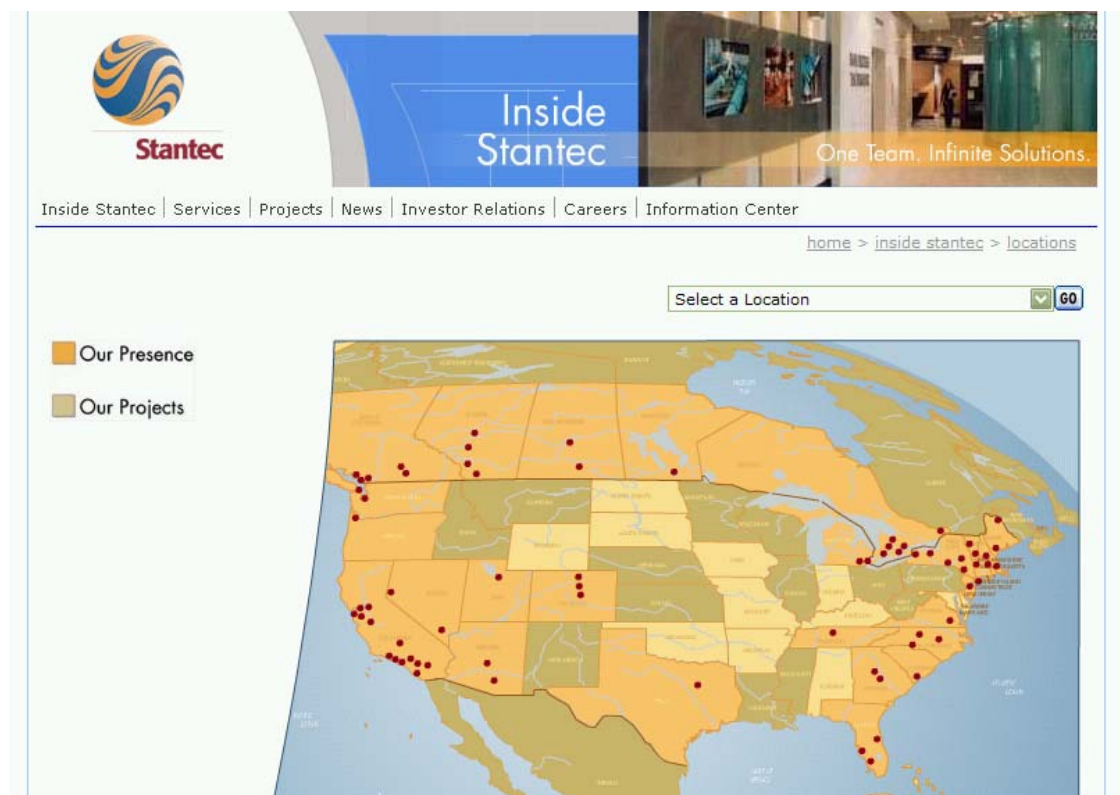
The questioner wants further information on biodiversity, more precisely on the "Biodiversity Baseline Report":

1. Who is this SANTEC as its name cannot be found on the list of certified legal persons.
2. What are the stocks of invertebrates and vertebrates species?
3. The questioner wants a list of all the habitats in the area, except for the forest habitats that are presented in the EIA.
- 3.(sic) How can you explain some of the syntagms used such as: deleterious species, useful species or potential lists?
4. (sic) Have the company present the bibliographical sources for all the chapters on biodiversity.
5. (sic) The questioner wants to be presented the floristic structure of the vegetation.

The biodiversity baseline conditions studies have been initiated in 1999 under the coordination of Knight Piesold. Between 2000 and 2006, STANTEC involved several teams of Romanian experts in the process of preparing/reviewing/completing these baseline reports. The first draft of the report has been prepared under the coordination of Stantec (a Canadian-based, multinational company, specialized in preparing Environmental Impact Assessments; see www.stantec.com). The company has been founded in 1954 and provides professional services in designing, consultancy, ecologic reconstruction, and project management.

The company has more than 6,000 employees and over 80 offices/locations in North America and the Caribbean.

Solution



Even from the initial stage Stantec, has contracted Romanian experts that have worked together in preparing biodiversity baseline reports (Mr. Mircea Gomoiu, PhD, Academician; Mr. Mihai Valcu, PhD in Biology; Mr. Virgil Iordache, PhD in Biology; Mr. Gogu Mircea, PhD; Mr. Calin Hodor, Biologist).

The initial report prepared by Stantec has been reviewed and updated between 2005 and 2006 by teams lead by Institutul de Cercetari si Amenajari Silvice (ICAS) (The Institute of Forest Research and Developments) and by Mr. Sergiu Mihut, PhD (USI) who are certified by Ministry of Environment and Water Management in preparing environmental assessments.

According to the provisions included in current in force law, Minister Order no. 978/2003, amended and altered by Minister Order no. 97/2004 and by Governmental Emergency Ordinance no. 195/2005, the EIA Report must be prepared by certified Natural or Legal Persons; this is not a mandatory requirement for the experts that contribute to the preparation of Baseline Conditions Reports, Management Plans, or any other Land Surveys.

*

Although Order no. 863/ 2002 and Governmental Decision no. 918/2002 with its subsequent amendments and alterations (Governmental Decision 1213/2006) do not include any requirements for conducting some estimates on the populations; however these have been conducted for several species of interest (birds - p. 53-54, Biodiversity Baseline Report), species of hunting interest (p. 60-62, Biodiversity Baseline Report).

There are several estimates on the relative abundance for all vertebrate species (p. 52-58). In the case of invertebrate species, populations estimate does not represent a common practice conducted for Environmental Impact Assessments; such estimations remain the scope of detailed scientific studies, which are conducted on small study areas, for which some fairly accurate work methodologies have been established.

The Biodiversity Baseline Report (vol. 13, chapter. 4.6.), as an instrument of technical – administrative assessment needed to cover several topics related to the compliance with current specific legal requirements. 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.

Thus, we only intended to present information of special relevance and with an elevated degree of accessibility, in order to allow presentation of local natural surroundings, in general and the status of biodiversity, in particular.

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*”.

*

For the site where the project is proposed to be implemented “*natural relations between species in the area are extremely limited by permanent anthropogenic intervention*” being “*little point in referring to preservation of habitats in their natural state*” (as presented in the Biodiversity Baseline Conditions Report). Therefore, the identification and correlation of at least the structure of such habitats with natural ones is almost impossible. In the same report it is stated that “*for the present stage*”, it has been prepared an “*identification of major formations, for better overall characterization, and especially for a good understanding of the issues related to future impacts on the site*”. To conclude, at any given moment there was no intention of overlooking certain aspects related to the presence and distribution of natural habitats within studied area, but a better understanding of habitats located within the impact area, generally speaking.

The handbook describing the habitats of Romania has been recently published: end of 2005 – base volume; early 2006 – altered volume, according to the amendments for European Directive 92/43/EEC proposed by Romania and Bulgaria. But, for the next stage a complex and complete GIS map will be prepared for the habitats located within Project’s implementation area (a detailed map), and adjacent areas respectively (a map of major habitats correlated with habitats from Project implementation area). This detailed map, accompanied by the percentage representation of habitats from mining area will be included in Annex no. 2.

*

It is true that to rank species as deleterious/useful is rather outdated with respect to current practices, but this ranking was made when forestry management was in discussion. Through this, it is prevented the occurrence and the potential extension of some centers with an aggressive potential on nemoral habitats that are restored from ecologic point of view or on habitats located in their close proximity. The forestry management will firstly take into account the existing impact and major unbalances in order to contain them based on several integrated control techniques.

The Biodiversity Baseline Report (vol. 13, chapter 4.6.), as a technical-administrative instrument of assessment established a Systematic Lists of Species. This list includes both data collected directly on site based on traditional methods (direct observations, traps, collection by using several techniques, etc.), as well as references that we have used. The list has been also completed with species identified from similar habitats or from areas located in the close vicinity of the perimeter that will be impacted in order to avoid occurrence of omissions. Therefore, the establishment of a list of relevant taxonomic groups as comprehensive as possible was attempted, in order to allow implementation of detailed measures during subsequent stages of development. Through these future measures, all specific ecologic requirements will be considered for species that are valuable for natural habitats (key species, bio-indicator species, rare species, or species of scientific interest, etc.)

In order to maintain the necessary consistency, the proposed list also included these potential species.

*

The bibliography of Biodiversity Chapter is presented in Annex 1 of this Report.

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From botanic point of vie, the term *floristic structure of vegetation species* is incorrect, but, nevertheless we will present below the overall floristic structure of vegetation located within Project's impact area. Thus, the structure of vegetation remains typically characterized by the presence of ubiquitous, synantropic, and ruderal species, with an elevated ecologic plasticity.

The handbook of habitats from Romania was rather recently published: end of 2005 – base volume; early 2006 – altered volume, according to the amendments for European Directive 92/43/EEC proposed by Romania and Bulgaria. During the next stage a complex and complete GIS map will be prepared for the habitats located within Project implementation area (a detailed map), and adjacent areas respectively (a map of major habitats correlated with habitats from Project implementation area). This detailed map is presented in Annex no. 2.

The floristic structure of some vegetal associations has been analyzed within Volume 13, Chapter 4.6., Section 3.1.6. (vegetation from aquatic ecosystems), Section 3.2.1. (vegetation from forested ecosystems), 3.2.2. (Terrestrial and Aquatic Flora), 3.2.3. (Mushroom resources), and all data have been completed with the systematic list of flora species from Annex 1 (Chapter 4, Potential Impact, Section 4.6 Biodiversity – electronic format) that includes 414 species. This list is presented in Annex 4 of this report. The list also presents information on the relative abundance and occurrence at national level.

Item no.

252

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 Health Baseline Report is not representative. The questioner would like to know what localities were considered for this report? The questioner states that the criteria for the selection of the localities and inhabitants considered in the report were not complied with because the subjects were not selected accordingly and their distribution is not justified.

Solution

The *Health Baseline Report* is a scientifically representative analysis because it involved the study of the entire local population from more than 40 localities [1] across a very large area of more than 200 km² - not just a sample group. The volume is made up of two parts. The first one describes in detail the current health status of the population from the study area. The assessment of the population's health status in the study area has considered 87 international ICD 10 classification codes (*International Classification of Diseases Revision 10*) [2] elaborated by World Health Organization. Health assessment for these population groups was carried out by collecting all medical data from all local general practitioners and from the two hospitals in the study area over a period of 5 years [3]. The analysis of the frequency of diseases researched was undertaken using a computerized geographic system which indicates the differences between various localities, clearly showing variation in the frequency of diseases from one place to another [4]. The *Health Baseline Report* also comprises a chapter considering a number of habits, workplace exposures etc, based on a questionnaire applied to 141 people from the area investigated; however this type of information was not used in the assessment of the local population health status [5].

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

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

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

References:

[1] Table 5-1, Subchapter 5-1, Chapter 5, *Morbidity Study*, page 52-53, vol. 5, *Health Baseline Report*.

[2] Table 5-3, Chapter 5, *Morbidity Study*, page 54-56, vol 5, *Health Baseline Report*.

[3] Subchapter 5.1.2, Table 5-3, Chapter 5, *Morbidity Study*, page 54, vol. 5, *Health Baseline Report*.

[4] Annex, page 137, vol. 5, *Health Baseline Report*.

[5] Subchapter 4.1.3., *Questionnaire of Chapter 4*, pages: 23-51, vol. 5, *Health Baseline Report*.

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

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

Item no.

253

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. The questioner considers that the Orlea and Cârnic open pits cannot be developed and provides the following reasons to support this statement:
The Cârnic open pit (73 ha) comprises many Roman galleries and a contestation of the validity of the archaeological discharge certificate is currently being tried by the Braşov Court of Law. As for the Orlea open pit, where exists a 45 ha area that is still inhabited, archaeological investigations have not been performed there, and although RMGC secures the environmental permit, there are high chances that the archaeological discharge certificate will not be granted. Should these two open pits be lost, the RMGC project will undergo significant changes. Therefore, why are the relocation and resettlement process being carried out if the Cârnic and Orlea open pits have not been archaeologically investigated?
2. If a pit cannot be established there, what will happen to the people? Will RMGC bring them back or they will come on their own? Why didn't the company secure the archaeological discharge certificate for Cârnic and Orlea as well?
3. The Ministry of Environment has received throughout the years public letters from more than 1000 archaeologists worldwide, apart from the Romanian archaeologists, meant to rescue the cultural heritage. The questioner presents a list of 1038 archaeologists and asks that this list be taken into account.
4. The questioner wants to know how many experts are needed before the negative environmental impact of this project is acknowledged.

The relocation and resettlement process is a voluntary process, guided by World Bank rules and is not related to the archaeological discharge. The following includes a few remarks on the archeological research, the research results, as well as on the proposed management and enhancement measures for the Roman mining remains in the Orlea and Cârnic area.

The reports and studies published by experts in the field make clear that the Roman galleries at Roşia Montană are significant, but not unique. As indicated in the gazetteer of the Roman mining sites from Transylvania and Banat-prepared as part of the Environmental Impact Assessment Study for the Roşia Montană project, it is difficult to justify the claim that the Roşia Montană site is unique importance if we consider the history of mining in the Roman Empire, and especially in the province of Dacia. There are at least 20 other sites with relatively similar features and some of them (Ruda Brad, Bucium – the Vulcoi Corabia area and Haneş – Almaşul Mare area) have already produced concrete evidence proving that their archaeological potential is similar to that of the ancient *Alburnus Maior* site. This aspect should also be taken into consideration when claiming that Roşia Montană is a site of unique importance.

Solution

Surface and underground preventive archaeological researches will continue in the Orlea area, that is in an area with identified archaeological potential (as mentioned in The Cultural Heritage Baseline Report, vol. 6, page 48). In addition, it has been stated here that the researches undertaken so far in this massif are preliminary in character. The following aspect, mentioned in the report, should be noted: given that mining activities in the Orlea area are to be developed at a later stage, surface archaeological research in this area is to be carried out starting with 2007. Construction activities in the Orlea area, necessary for the development of the proposed mining project, cannot start until the archaeological investigations have been completed, in accordance with the Romanian legal provisions and international practices and guidelines. (Cultural Heritage Baseline Report, vol. 6, p. 46)

In 2004, the preliminary underground investigations, undertaken in the Orlea Massif, have led to a significant discovery. The value of the discovery was confirmed in the summer of 2005. The French team led by Dr. Beatrice Cauuet uncovered a chamber with a hydraulic wheel, and subsequently an entire mine dewatering system. This complex, uncovered in the Păru Carpeni area, was dated to Roman times and has been subject to extensive archaeological investigations, while special measures have been taken to ensure its preservation *in situ*. The discovery would not be affected by the future development of the Orlea open

pit. Surface preventive archaeological research in the Orlea area, as well as underground archaeological research in the Orlea- Țarina segment are planned to be undertaken between 2007 and 2012, as indicated in the Cultural Heritage Baseline Report, vol. 6, p. 48.

In accordance with the List of Historical Monuments published in the Official Gazette nr. 646 bis of 16 July 2004, the industrial area that is to be developed in the Orlea Massif includes 2 archaeological sites classified as historic monuments –the Roman settlement at Alburnus Maior, the Orlea area (code LMI AB-I-m-A-00065.01), and the Roman mining exploitation at Alburnus Maior, the Orlea Massif (AB-I-m-A-00065.02).

Law 422/2001 on the protection of historical monuments, as last amended, provides for the declassification of archaeological sites, once the archaeological discharge certificate has been granted, as approved by the National Archaeological Commission within The Ministry of Culture and Religious Affairs. Under GO no. 43/2000 on the protection of archaeological heritage and the designation of some archaeological sites as areas of national interest, as last amended, the archaeological discharge is the procedure by means of which an area of archaeological interest may be restored to its current use (see also Law 258/2006, art. 5, paragraph (2)). Consequently, it is true that RMGC plans to mine the gold-silver deposits located in the Orlea Massif area, in the second phase of the proposed mining project. Law 258/2006, article 7, point a), also stipulates that “the investor shall finance a feasibility study and a technical proposal, describing the measures to be taken (later to be presented in detail) and the funds necessary for conducting preventive archaeological researches or, as the case may be, archaeological surveillance. Also, the investor shall finance the necessary works for the preservation of the archaeological heritage or, where appropriate, for the archaeological discharge of the area affected by works. The investor shall finance the enforcement of such measures”.

Consequently, the proposed mining operations in the Orlea Massif can be developed only after the completion of preventive, surface and underground archaeological researches, that will produce a comprehensive body of data on the Roman site located in the Orlea area. As shown in Annex I to the Cultural Heritage Baseline Report (Record cards of the archaeological sites of Roșia Montană area - Archaeological Site Record Card-no. 9 - Orlea Massif, p.231-236), no archaeological investigations have been undertaken in this area, nor any expert studies that would determine in detail the characteristics and the spatial distribution of the archaeological remains in the area. RMGC has, therefore, committed to financing a preventive archaeological research program, to be undertaken between 2007-2012 by an expert team. Based on the research findings, a decision will be made as to whether the archaeological discharge procedure should be applied. There are no legal provisions that would prohibit conducting preventive archaeological researches in the areas with an identified archaeological heritage, such as the Orlea area.

Most of the Roman mining works in the Cărnic massif, as well as in other mining areas can only be accessed by specialists, in very difficult conditions, being partially inaccessible to the public. Moreover, under the EU safety rules applying to similar museums all over Europe, rules that have been transposed into Romanian legislation, Roman galleries that pose safety risks cannot be opened for public access. It should be noted that extensive portions of comparable Roman galleries will be preserved in situ.

Consequently, based on the scientific report submitted by French experts, on the proposal by the National Archaeology Commission, the Ministry of Culture and Religious Affairs has granted the archaeological discharge certificate for the Cărnic Massif, with the exception of a 5 ha area, including Piatra Corbului. As part of the effort to minimize negative impacts, in addition to the thorough investigation of the area and publication of its results, specialists have deemed it appropriate to make a 3-D representation as well as replicas of the different types of Roman mining works (at a scale of 1:1). These will be included in the mining museum that is proposed at Roșia Montană.

“Alburnus Maior”, a Romanian NGO, has filed a lawsuit, contesting the archaeological discharge certificate for the Cărnic Massif, issued by the Ministry of Culture and Religious Affairs. In 2006, after the initial judgement given by the Alba Court of Appeals (2004-2005), the Supreme Court of Justice decided on a retrial of the case by the Brașov Court of Appeal. The case is currently in progress.

As an alternative, the company considered the preparation of a specialized study comprising financial estimates for the conservation in their entirety of the galleries from the Cărnic massif and for opening

them to tourists. Moreover, note that the costs for the development and maintenance of a public circuit in this massif are prohibitive and such an investment would not be economically feasible (see Annex “Costs Estimate for the Development of Ancient Mining Networks from Cârnic”, prepared by the UK-based companies Gifford, Geo-Design and Forkers Ltd).

Given the significance of the Roşia Montană’s cultural heritage, and the current legal requirements, S.C. Roşia Montană Gold Corporation S.A allocated approximately USD 10 million for the archaeological investigations undertaken between 2001 and 2006. What is more, based on the research results, on the experts’ opinions and on the decision of competent authorities, the budget destined for the research, conservation and preservation of the Roşia Montană’s cultural heritage, undertaken as part of the project development in the following years, amounts to more than USD 25 million, as indicated in the Environmental Impact Assessment Study, published in May 2006 (see the EIA Report, vol. 32, Management Plan for the Archaeological Heritage from the Roşia Montană area, p. 84-85). Archaeological investigations in the Orlea area are to be continued, and a **Modern Mining Museum** will be opened, including **geology, archaeology, ethnographic and industrial heritage exhibitions**. Other plans include the development for public access of the **Cătălina-Monuleşti gallery and the Tău Găuri monument, as well as the restoration of the 41 historical buildings and of the protected area Roşia Montană Historic Centre**.

For further information on the most important archaeological remains (including Roman galleries), as well as for a series of remarks on their protection and on the special measures included in the Management Plans, please consult the annex “Information on Roşia Montană Cultural Heritage and Related Management Aspects” and “Costs Estimate for the Development of ancient mining networks from Cârnic”.

In conclusion, with regard to your question, please note that the project will not cause the destruction of the Orlea and Cârnic Massifs. Note that the type of research mentioned above, known as preventive/rescue archaeological research, is done everywhere in the world in close connection with the economic development of certain areas. Both the costs for the research and for the enhancement and maintenance of the preserved areas are provided by investors, in a public-private partnership set up in order to protect the cultural heritage, as per the provisions of the European Convention on the Protection of the Archaeological Heritage (Malta-1992) [1].

References:

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

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

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If the region should lose a project that would lead to the creation of 600 direct jobs, 6,000 indirect jobs and the infusion of \$2.5 billion USD in benefits to the country, would people want to return – and would people who still live there be able to continue to make a live for themselves there?

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

On the other hand, Chapter 5 of the EIA Report states that tourism will be possible and profitable only when there is something to offer tourists in terms of clean environment, proper infrastructure, and attractions such as museums and historical monuments. A mining project such as that proposed by RMGC will provide, through taxes, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, the company will invest US\$25 million in the protection of cultural heritage in a way that will support tourism. A training program will provide the necessary skills to develop tourism activities, and the Roşia Montană Micro Credit will support people in opening restaurants and other businesses that attract tourists.

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

Those who have or will avail themselves of the relocation or resettlement are starting a new life. Permitting the RMP to move forward will give the people remaining in the region a chance to do the same.

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The Cultural Heritage Baseline Report points out that archaeological investigations will continue in the area surrounding the Orlea Massif, given that this perimeter has been classified as an area with known or potential archaeological remains. The investigations undertaken to date in this area have been preliminary in nature. The EIA Report states that: "Site development plans for the Project will not result in impacts or construction activities in the Orlea area, which will be researched starting 2007. As a result, construction activities will not begin in these areas until proper archaeological investigation consistent with Romanian law and international best practice is concluded."

Between 2007 and 2012, large-scale surface archaeological investigations at Orlea will be carried out in parallel with underground archaeological investigations in the Orlea – Tarina area.

Under Law 422/2001, the declassification procedure can be legally initiated after the sites have been archaeologically discharged in compliance with the approval of the National Commission of Archaeology within the Ministry of Culture and Religious Affairs. Therefore, it is true that, in the second phase of the operations, RMGC plans to mine the gold-silver deposits located in the Orlea Massif area. However, the proposed mining exploitation in the Orlea Massif can become operational only after the underground and surface preventive archaeological investigations have been carried out, designed to recover comprehensive data on the Roman site located in the Orlea area and to allow the initiation of the archaeological discharge procedure. According to the information already available - Archaeological Site Record, The Cultural Heritage Baseline Report, the EIA Report, namely Annex I-Archaeological Site Record Card for the sites located in the Roșia Montană area- Record Card no. 9 Orlea - the area has been subject to archaeological investigations or expert studies, which would determine in detail the characteristics and the spatial distribution of the archaeological remains located in the area. The findings of these investigations will determine whether the archaeological discharge procedure will be initiated or not.

As for the Cărnic Massif, the area has been systematically explored and the identified ancient mining works and networks have been topographically surveyed. Starting with 1999, the scientific research of the mining remains located at the Roșia Montană site is undertaken by a team of experts in mining archaeology, led by Dr. Beatrice Cauuet (researcher at CNRS, UTAH Laboratory, Toulouse II Le Mirail University). Exploration and archaeological excavation works have been carried out on a large area of ancient mining works, located in the Cărnic massif, conventionally named the Big Network. It comprises seven networks of ancient mining galleries, Cărnic 1-2-3-4-8-9-10, connected through horizontal or sloping galleries. The Big Network is made up of 2750 meters of mapped ancient works covering a surface of 13600 m² and situated at different levels (between level +921 and +1019), with a maximum difference between levels of 98 meters.

The state of preservation and the nature of the underground ancient mining remains found in the Cărnic massif have been determined on the basis of extensive mining archaeology investigations, indicating that most mining remains are concentrated on the southern slope; however, in this case, too, mining works are not evenly spread. More exactly, most ancient galleries have been revisited and partially reworked over the time. Consequently, starting from the XVIIth century, a large part of the ancient works have been partially deteriorated by the modern reworks carried out with explosives, the 17th century being the time when the method of blasting using explosives was first introduced in European mining. Consequently, the general plan of the ancient mining works can be pieced together only based on traces of ancient walls or parts that have been preserved in the ceiling and floor of the galleries.

For further information on the history of the archaeological research at Roșia Montană and on the main discoveries related to the historic galleries from Roșia Montană as well as for the specialists' conclusions on this matter, please see Annex called "Information on the Cultural Heritage of Roșia Montană and Related Management Aspects"

It must be noted that in the case of this type of mining archaeological remains we are facing some sort of a paradox, specifically given the state of preservation and the nature of these remains, their physical existence would be threatened in the absence of archaeological research. However, this type of research – known as rescue/preventive archaeological research – is conducted everywhere in the world in relation to the economic interest for certain areas. And the costs for this research as well as the costs for the enhancement and maintenance of the areas preserved are covered by the investors through a public-private partnership for the protection of the cultural heritage, in compliance with the provisions of the European Convention of Malta (1992) on the protection of the archaeological heritage [1]

With regard to the archaeological discharge for the Cârnic perimeter, we would like to add the following:

- the archaeological discharge certificate has been issued by the Ministry of Culture and Religious Affairs in accordance with the legislation in force;
- this certificate is being disputed by an NGO. The matter has been brought before the Court of Appeals of Braşov County and is currently in course of being settled.

However, we hope that the professionalism and reasoned conclusions of specialists and competent authorities will soon prevail over the subjective actions undertaken by a part of the civil society.

References:

[1] The text of this 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>

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The letter of protest signed by the 1038 specialists is the result of an action undertaken by Dr. Ioan Piso and Dr. Volker Wollmann between 2001 and 2002 in order call the scientific world to react against the RM project. For this purpose, the two eminent Romanian researchers wrote a standard letter that they then presented to various scientists. That is how the signatures have been gathered. But this letter made no reference to the preliminary survey conducted in 2000 at Roşia Montană aimed at assessing the archaeological and cultural heritage of the area. No other real archaeological research had been carried out in the area prior to that date. They also avoided mentioning that in 2001, the Ministry of Culture and Religious Affairs decided to initiate a National Research Program entitled „Alburnus Maior” . The objectives of this research plan were:

- to undertake comprehensive research of the archaeological heritage and the publication of all the findings;
- to undertake archaeological investigation of the Roman and medieval galleries and proposal of solutions for their restoration/preservation;
- to delineate the boundaries of the archaeological and architectural reserve;
- to undertake ethnographic research of the Roşia Montană-Abrud-Corna area;
- to preserve the area's specific oral history;
- to implement the archaeological discharge procedure for the sites located in the project's impact

area,

according to Law 378/2001.

In the period 2001-2002, during the signature collection campaign, preventive archaeological investigations (archaeological evaluation works) were being conducted at Roşia Montană, in compliance with the objectives of the „Alburnus Maior” Research Program, yet this aspect was also omitted by the authors of the letter of protest and of the list of signatures mentioned by the questioner. All this realities were omitted from the letter. As a consequence, the signatories were under the false impression that the mining activities had already begun, without preventive investigations being carried out and without the adoption of appropriate measures for the management of the cultural heritage issues. Thus, an opinion was promoted that the company and the Romanian competent authorities had failed to comply with the relevant international legislation.

The resolutions adopted by ICOMOS (2001, 2003, 2005) fully comply with its role, namely to protect the cultural heritage, but they are mostly based on a series of subjective impressions and not on objective information. A different point of view was expressed by two prominent cultural officials who visited

Roşia Montană in July and September 2004 in order to assess the situation, following the same protests submitted by the Romanian scientists to the UNESCO and the Council of Europe. It must be noted that the two visits of the cultural officials at Roşia Montană included official meetings with the representatives of the National History Museum of Romania – the coordinator of the national research program for the cultural heritage from Roşia Montană – and with representatives of the Ministry of Culture and Religious Affairs.

When visiting Roşia Montană in the autumn of 2004, Dr. **Mounir Bouchenaki**, the official representative of UNESCO encouraged dialogue and cooperation as the only way to help find a viable solution for the coexistence of necessary industrial development with scientific development or, as appropriate, the preservation of cultural heritage. In his opinion, improved publication of the research and its results would counteract the misinformation currently existing among many European archaeologists, some of them having signed the often mentioned protests.

A second point of view on the true situation existing at Roşia Montană focused on the issues regarding the existence of the cultural heritage and its protection was presented in the report drawn up by Mr. Edward O'Hara (General Rapporteur for Cultural Heritage) and Mr. Christopher Grayson (Chief Secretary for Culture, Science and Education), both representatives of the Parliamentary Assembly of the Council of Europe. The two officials visited Roşia Montană in the period July 11-15, 2004. On that occasion, they came in direct contact with the local situation of the cultural heritage as well as with the local community. The conclusions of this report and the detailed program of their visit are public documents drafted by these European authorities of and they are available for consultation at the following address: <http://assembly.coe.int/Documents/WorkingDocs/Doc04/EDOC10384.htm>

Some of the report's conclusions are mentioned below:

- [...] The RMGC project would appear to provide an economic basis for sustainable development of the whole area with positive benefits on environmental and social as well as cultural grounds. From the cultural heritage point of view, it might be seen as an exemplary project of responsible development. The funds currently made available by RMGC for research (archaeological, ethnological, and architectural) are many times what could be expected from the Government. This has revived the international renown of the site. [...]

- [...] Concern has been expressed by critics over the procedure (allegedly superficial archaeological discharges) and conservation ethics, involving the programmed destruction of Roman galleries. This concern does not appear to be entirely justified. The reworked galleries in the areas of the main pits Cărnic and Cetate appear empty of any archaeologically interesting remains. Tourist access to most galleries would be impossible. However, the condition must clearly be imposed of continued archaeological excavation and monitoring of what is found. [...]

- [...] 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 of *in situ* preservation of the Roman galleries at Roşia Montană. There are over 5 km of them, apparently with a limited variety of distinctiveness between them and few surviving remains in them. Most of them are inaccessible, indeed dangerous of access to tourists. Alternative proposals such as designation of the whole area as a cultural landscape to be developed for tourism lack viability. The only available source of funding for this is from the company, which wishes to exploit the mineral resources. Certainly, there is a need to determine and preserve a representative sample of galleries accessible for tourists, at Cătălina Monuleşti and/or Orlea, and certainly there is a need for continuous monitoring to ensure the preservation of anything of distinctive archaeological value, which is revealed in the course of mining or archaeological exploration. This is the responsibility of the Ministry of Culture. [...]

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

The Romanian Academy has repeatedly expressed its opinion regarding the cultural heritage at Roșia Montană, however it must be pointed out that this opinion is opposed to those expressed by the Research Institutes of the Academy, namely the ones in Cluj-Napoca and Bucharest, which took part in the „**Alburnus Maior**” National Research Program. A similar situation is encountered in the case of the History Museum of Transylvania (in Cluj-Napoca), where the archaeologists who took part in the archaeological investigations conducted at Roșia Montană are in favor of the archaeological discharge of the area where this measure is possible. On the other hand, Prof. Dr. Ioan Piso, former manager of the History Museum of Transylvania opposes these archaeological discharges. This is the same for the National Union Museum in Alba Iulia where the former manager, Dr. Horia Ciugudean also opposes the archaeological discharges. Teams of archaeologists from the Alba Iulia Museum have nevertheless taken part in all the archaeological campaigns conducted at Roșia Montană.

It should be added that the preventive archaeological investigations carried out every year in Roșia Montană involved, on average, 40 archaeologists representing 8 institutions governed by the Romanian Ministry of Culture and Religious Affairs, the Romanian Academy or the Ministry of Education and Research, and other experts such as: survey engineers, sedimentologists, geologists, architects, restorers, IT specialists, photographers, designers plus approximately 250 laborers and other auxiliary technical staff per year.

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As per the provisions of art. 11 (1) of the Government Decision no. 918/2002 [1] on establishing the framework-procedure for the environmental impact assessment and for the approval of the list of public and private projects subject to this procedure (“GD no. 918/2002”), *“the environmental impact assessment study shall be performed based on the guidelines provided by art. 8 (1), through specialized economic agents, whether natural or legal persons independent of the project titleholder and certified in compliance with the law”*.

In addition to the above mentioned, please note that no legal provision determines a minimum or maximum number of experts for the accomplishment of such study. The environmental impact assessment is performed in accordance with the Guidelines issued by the relevant environmental authority, which describes the environmental issues to be considered and their extension degree, and it cannot be determined depending on the number of experts involved in the drafting of such a report.

Furthermore, according to the Appendix no. 2, part II, item 1 of the Order no. 863/2002 of the Ministry of Waters and Environment Protection on the approval of the guidance applicable to the stages of the framework-procedure in the study of the environmental impact assessment (“Order no.863/2002”), a document drafted by considering a corresponding methodological guide drafted by a group of experts at the request of the European Commission, the report to the study of the environmental impact assessment must provide *“information on the certified author of the study for the environmental impact assessment and of the report to this study: name and address (of the natural or legal person), name, phone and fax number of the contact person”*.

In case one is interested in an estimation of the number of experts involved in the drafting of the report on the environmental impact assessment study, as submitted by RMGC, one must consider “Chapter 1 – General information” from the report drafted and submitted by RMGC.

Reference:

[1] Please note that the GD no. 918/2002 was repealed by the GD no. 1213/2006 on establishing the framework procedure for the environmental impact assessment for certain private and public projects, published in the Official Gazette, Section I, no. 802 dated 25.09.2006 (“GD no. 1213/2006”).

Nevertheless, considering the provisions of art. 29 of the GD no. 1213/2006, which provides that “The projects submitted to a competent environment protection authority, with a view to obtaining the environmental approval and which are subject to the environmental impact assessment procedure, prior to the entering into force of this Decision, are subject to the environmental impact assessment and environmental approval issuing procedure in force at the moment of such submission”, we should emphasize that, with regards to the RMGC project, the provisions of the GD no. 918/2002 are still applicable.

Item no.

254

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner makes the following comment:

1. The questioner emphasizes the fact that he has seen hundreds of mines, tens, hundreds of EIAs and he has elaborated himself such assessments and considers strange the fact that the information regarding the project, included in the EIA, was provided by the company.
2. It was impossible for the public to read the EIA.
3. The Alburnus Maior Association was asked to elaborate a report on the project. The report elaborated by the Association will be unbiased and it will be made available to the public.
4. The questioner, after having read a great part of EIA, thinks that it doesn't present any certainties.
5. There is no appropriate study, regarding baseline conditions, to assess whether, in the future, there is going to be an impact.
6. The Health Baseline Report comprises a reference to a survey on the health condition of the population in the area, but these data are not correlated to the environmental impact of the project.
7. Currently, the place where the mine is going to be developed is contaminated and if data aren't eloquent for the authorities the actual impact cannot be identified for the present and future.
8. At this moment, the study does not allow the environment authorities to reach a conclusion.
9. It is necessary to have a discussion regarding financial guarantees. The history of industry shows that usually there is an impact and the bill gets to be paid by the public.

Solution

Considering the fact that your allegation does not provide enough details in order to determine the precise issues which you refer to, we will argument the information in the project, as well as the information regarding the project. In this respect, please consider the following mandatory legal provisions:

➤ the information in the project

- (i) Appendix no. 3 of the Minister of Waters and Environment Protection Order no. 863/2002 on the approval of the methodological norms applicable to the stages of the framework procedure for the environmental impact assessment study ("Order no. 863/2002") provides that ***"the relevant environmental protection authority examines the information regarding the environmental effects of the project, as provided by the titleholder in the report on the assessment study"***;
- (ii) art. 5 (1) of the Minister of Waters and Environment Protection Order no. 978/2003 on the Regulation for the certification of natural and legal persons drafting environmental impact studies and environmental balances ("Order no. 978/2003") provides that ***"the titleholder of the activity is responsible for the accuracy of the information submitted for performing the environmental impact assessment"***;
- (iii) art. 5 (2) of the Directive 85/337/CE [1] on the environmental impact assessment for certain public or private projects, published in the Official Journal of the European Community no. L 175/05.07.1985, amended and supplemented ("Directive 85/337/CE") transposed in the national legislation, expressly provides **the obligation of a project titleholder to provide the necessary information for performing the environmental impact assessment.**

➤ the information regarding the project

- (i) art. 10 of the Government Decision no. 918/2002 [2] establishing the framework procedure for the environmental impact assessment and the approval of the list of private or public projects subject to this procedure ("GD no. 918/2002"):

"the information provided by the project titleholder according to the provisions of art. 9 (1) must include the following: (a) the description of the project, including information on the location, technical implemented solutions and the size of the project; (b) the description of the provisions to

avoid, mitigate and, if possible, remedy the negative effects on the environment; (c) necessary information for the detection and evaluation of the major effects which the project might have on the environment; (d) the general presentation of the alternatives examined by the project titleholder, by indicating the reasons for that choice, as related to the effects on the environment; (e) the summary of the information provided at letters (a) - (d)".

- (ii) art. 36 of Order no. 860/2002 on the environmental impact assessment and the environmental permitting Procedure ("Order no. 860/2002")

"the project titleholder informs the public on the following issues: (a) the submission of the environmental approval application for the project; (b) the decision of the classification stage of the project; (c) the public debate of the report on the environmental impact assessment study, and on (d) the decision of the examination stage regarding the quality of the report on the environmental impact assessment study."

References:

[1] The Directive 85/337/CE was amended and supplemented by the Council Directive 97/11/CE, published in Official Journal of the European Communities (OJEC) no. L 73 dated March, 14 1997, and the Directive 2003/35/CE on the public participation regarding the drafting of certain plans and programs on the environment and the amendment, regarding the public participation and the access to justice, of the Council Directives 85/337/CEE and 96/61/CE, published in the Official Journal of the European Union (OJEE) no. L 156 dated June 25, 2003.

[2] Please note that the GD no. 918/2002 was repealed by the GD no. 1213/2006 on establishing the framework procedure for the environmental impact assessment for certain private and public projects, published in the Official Gazette, Section I, no. 802 dated 25.09.2006 ("GD no. 1213/2006").

Nevertheless, considering the provisions of art. 29 of the GD no. 1213/2006, which provides that *"The projects submitted to a competent authority for the environmental protection, with a view to obtaining the environmental approval and which are subject to the environmental impact assessment procedure, prior to enforcement of this Decision, are subject to the environmental impact assessment and environmental approval issuing procedure in force at the moment of such submission"*, we should specify that, as regarding the RMGC project, the provisions of the GD no. 918/2002 are still applicable.

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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 company has complied with the obligations stipulated by the relevant laws in force, making the necessary documentation available to the public, as follows:

- The hardcopy of the EIA Report was available at 48 locations – town halls, environmental protection agencies, libraries, ministries, information centers of the Roşia Montană Project: Zlatna Town Hall, Deva Environmental Protection Agency, Arad Environmental Protection Agency, Arad Town Hall, Petroşani University Library, Turda Town Hall, Abrud Town Hall, Abrud Information Center, Câmpeni Town Hall, Lupşa Town Hall, Roşia Montană Information Center, Bucium Information Center, Bucium Town Hall, Deva Town Hall, Deva County Library, Brad Town Hall, Roşia Montană Town Hall, Bistra Town Hall, Baia de Arieş Town Hall, Alba Iulia Town Hall, Alba Iulia Environmental Protection Agency, Alba County Prefecture, Alba County Council, Alba Iulia '1 Decembrie 1918' University Library, Baia Mare North University Library, Romanian Academy Library, Baia Mare 'Petre Dulfu' County Library, Sibiu 'Lucian Blaga' University Library, Alba Iulia Information Center, Cluj Environmental Protection Local Agency, Cluj

Environmental Protection Regional Agency, Cluj Town Hall, Cluj Technical University Library, Arad County Library, Cluj County Prefecture, Cluj 'Babes Bolyai' University Library, Bucharest Information Center, Bucharest Economic Studies Academy Library, Bucharest Central University Library, Bucharest National Library, Timișoara County Library, Bucharest Town Hall, Timișoara Western University Library, Petroșani University Library, Bucharest Ministry of Environment and Water Management, Arad 'Vasile Goldiș' University, Arad 'Aurel Vlaicu' University, Bucharest Environmental Protection National Agency, Sibiu Environmental Protection Agency, Roșia Montană Environmental Information Center. According to the law, public institutions had the obligation to allow public access to this documentation during the working hours.

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

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

References:

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

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

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

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To the extent that through your allegation you request the preparation of a report regarding the RMGC project, please note that, according to the provisions of art. 11 (1) of Government Emergency Ordinance no. 195/2005 on environmental protection ("GEO no. 195/2005") "*it is mandatory to request and obtain the environmental approval for public and private projects or for modifying and extending the existing activities, including for decommissioning projects, that may have significant impact on environment*".

The titleholder of the project prepares a report to the environmental impact assessment to be presented to the interested public that may draft reasoned/justified proposals in this respect.

The analysis of the report of the environmental impact assessment shall be performed by the competent public environmental protection authorities together with the Technical Analysis Committee based on the possibilities of applying/enforcing the project and the evaluation of the grounded proposals of public (art. 2 and art. 45 of Order no. 860/2002 on Environmental Impact Assessment and issuance of environmental permit procedures "Order no. 860/2002").

Having in view that (i) the relevant legal procedures exhaustively determine the competence of the authorities entitled to perform an objective analysis of the report on the environmental impact assessment, and (ii) the interested public's right to object on the report is granted by law and observed by RMGC, we consider that the alternative suggested by you represents a derogation from the mandatory legal provisions, derogations that may be accepted by the Company only in case the legal framework, shall provide for the obligation of the titleholder to proceed in accordance with your suggestion.

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

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.

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It should be mentioned that while drafting the report to the Environmental Impact Assessment study (EIA) and during the entire procedure of the EIA, Roşia Montană Gold Corporation (RMGC) observed the incident mandatory relevant legal provisions as described under the terms of the internal and European legislation.

The report to the environmental impact assessment study was drafted by observing the requirements provided under the Terms of Reference provided by the Ministry of Environment and Water Management (MEWM) to the titleholder in consideration of article 8 (1) of Government Decision no. 918/2002 on establishing the framework-procedure for the environmental impact assessment and for the approval of the list of public and private projects subject to this procedure (GD no. 918/2002 [1]) and to the extent of details requested within the Terms of Reference.

Moreover, please note that, the EIA was prepared to measure the impact on the environment from the proposed project and to determine the methods to avoid or mitigate environmental harm. As a part of this process, RMGC prepared several baseline studies (including monitoring data from 1999-2006) which are presented in the EIA relating to health, noise and vibration, the aquatic environment (comprising water quality, biological and bacteriological conditions, and sediments), cultural heritage, hydrogeology, meteorology, biodiversity, air, and soil.

References:

[1] We mention that the GD no. 918/2002 was repealed by the GD no. 1213/2006 on the establishing of the framework procedure for the environmental impact assessment for certain private and public projects, published in the Official Gazette, Section I, no. 802 dated 25.09.2006 ("GD no. 1213/2006").

Nevertheless, considering the provisions of art. 29 of the GD no. 1213/2006, which provides that „The projects submitted to a competent environment protection authority, with a view to obtaining the environmental approval and which are subject to the environmental impact assessment procedure, prior to the entering into force of this Decision, are subject to the environmental impact assessment and environmental approval issuing procedure in force at the moment of such submission”, we should specify that, as regarding the RMGC project, the provisions of the GD no. 918/2002 are still applicable.

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A correlation of the general health status of the population with the predicted environmental impact of the project is presented in the second part of the *Health Baseline Report* [1].

The *Health Baseline Report* is a scientifically representative analysis involving the study of the entire local population from more than 40 localities [2] across a very large area of more than 200 km² - not just a

sample group. The volume is made up of two parts. The first one describes in detail the current health status of the population from the study area. The assessment of the population's health status in the study area has considered 87 international ICD 10 classification codes (*International Classification of Diseases Revision 10*) [3] elaborated by World Health Organization. Health assessment for these population groups was carried out by collecting all medical data from all local general practitioners and from the two hospitals in the study area over a period of 5 years [4]. The analysis of the frequency of diseases researched was undertaken using a computerized geographic system which indicates the differences between various localities, clearly showing variation in the frequency of diseases from one place to another [5]. The *Health Baseline Report* also comprises a chapter considering a number of habits, workplace exposures etc, based on a questionnaire applied to 141 people from the area investigated; however this type of information was not used in the assessment of the local population health status [6].

The *Health Baseline Report* also comprises a chapter considering demographic data which shows that Roşia Montana is characterized by the lowest life expectancy [7] as well as a higher frequency of severe chronic diseases when compared to the other localities.

The second part of the study consists of the correlation between the investigated diseases and the environmental conditions, carried out based on the baseline health conditions and on baseline and predicted quality of environmental factors. The assessment did not show any significant increase in the frequency of the investigated diseases after starting the mining activities [8].

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

References:

- [1] Chapter 6, *Risk Assessment*, pages 60-129, vol. 5, *Health Baseline Report*
- [2] Table 5-1, Subchapter 5-1, Chapter 5, *Morbidity Study*, page 52-53, vol. 5, *Health Baseline Report*
- [3] Table 5-3, Chapter 5, *Morbidity Study*, page 54-56, vol. 5, *Health Baseline Report*
- [4] Subchapter 5.1.2, Table 5-3, Chapter 5, *Morbidity Study*, page 54, vol. 5, *Health Baseline Report*
- [5] Annex, page 137, vol. 5, *Health Baseline Report*
- [6] Subchapter 4.1.3., *Questionnaire of Chapter 4*, pages: 23-51, vol. 5, *Health Baseline Report*
- [7] Table 3-2, Figure 3-2, Chapter 3, *Demographic Data*, page 14-15, vol. 5, *Health Baseline Report*
- [8] Chapter 6.6, *Results and Discussions*, pages 124-129, vol. 5, *Health Baseline Report*

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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 Environmental Impact Assessment study report (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.

The EIA was prepared to measure the impact on the environment from the proposed project and to determine the methods to avoid or mitigate environmental harm. As a part of this process, RMGC prepared several baseline studies (including monitoring data from 1999-2006) which are presented in the EIA relating to health, noise and vibration, the aquatic environment (comprising water quality, biological and bacteriological conditions, and sediments), cultural heritage, hydrogeology, meteorology, biodiversity, air, and soil.

*

With respect to your allegation, please note that the report to the environmental impact assessment study for the Roşia Montană project was drafted by a team of Romanian and foreign experts authorized by the Ministry of Environment and Water Management, with a solid and well-known experience in the environment protection field and it complies with the relevant national legislation, as well as with the European regulations and the international standards in this field.

At the same time, the report to the environmental impact assessment study observed the requirements

and conditions imposed to the titleholder by the authorities involved in the environmental impact assessment based on the Guidelines provided by the Ministry of Environment and Water Management according to the provisions of art. 8 of the GD 918/2002¹ on establishing the framework-procedure for the environmental impact assessment and for the approval of the list of public and private projects subject to this procedure ("GD no. 918/2002"), according to which, during the defining stage of the environmental impact assessment "*the relevant environmental protection authority prepares and provides the titleholder of the project with the Guidelines on the environmental issues which must be approached in the impact assessment and on their extension degree*".

Moreover, please consider the fact that the purpose of the screening stage is, in the end, for the final report to the assessment study to comply with the Guidelines requirements, determined based on the characteristics of each project, as well as with the legal provisions which describe procedure of the environmental impact assessment.

Moreover, in accordance with the provisions of Appendix 3, item 3, of the Minister of Waters and Environment Protection no. 863/2002 on the approval of the methodological guidance applicable to the stages of the framework-procedure in the study of the environmental impact assessment ("Order no. 863/2002"), during the examination stage of the report on the impact assessment study, the relevant authority decides if the report on the assessment study is adequate, namely if the issues indicated in the in the screening stage were entirely described and to the required extension degree.

Please consider the fact that, according to the provisions of

- (i) art. 8 (4) of the GD no. 918/2002, the relevant environmental protection authority may require additional information to those originally required within the Guidelines;
- (ii) art. 29 (4) of the Minister of Waters and Environment Protection no. 860/2002 on the environment impact assessment and the environmental approval issuance Procedure ("Order nr. 860/2002") "*the public authorities participating in the technical analyses commission are entitled to request the to the titleholder of the project, on a grounded basis, to amend or to review the report to the environmental impact assessment study.*"

Consequently, given the fact that (i), while drafting the report to the environmental impact assessment study, RMGC observed the requirements of the Guidelines provided by the relevant authority, as well as the applicable legal provisions, (ii) the RMGC project was not yet examined by the relevant authorities, and (iii) the relevant legislation provides for the possibility of the environmental protection authorities to require additional information, we consider your allegation as premature, at this moment,.

References:

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

*

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 Roşia Montană project.

Roşia Montană Gold Corporation ("RMGC") has invested significant time, energy, and resources assessing

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

In Romania, the creation of an EFG is required to ensure adequate funds are available from the mine operator for environmental cleanup. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003).

Two directives issued by the European Union also impact the EFG: the Mine Waste Directive (“MWD”) and the Environmental Liability Directive (“ELD”).

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

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

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.)

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.	255
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<ol style="list-style-type: none"> 1. The titleholder must buy also the lands on which the project is going to be developed not only the houses. How much of this land is owned by the company? 2. The lining of the tailings management facility breaks the requirements of the Governmental Decision no. 351/2005. What will the company do in this respect?
Solution	<p>The questioner is correct that RMGC must acquire both the homes and the lands. Following guidelines set forth by the World Bank, RMGC is in the process of purchasing the property required to build and operate the mine.</p> <p>However, this does not mean RMGC should own 100% of the lands necessary for the project development, but to acquire usage right over it, by any of the methods provided for by art. 6 of the Mining Law no. 85/2003: (i) sale-purchase, for the price agreed upon by the parties; (ii) land exchange, with the relocation of the affected owner and the reconstruction of the buildings on the newly 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.</p> <p>At present, more than 56% of total number of properties and more than 60% of the total surface needed to construct and operate the mine has been acquired. The questioner can monitor RMGC's acquisition of new properties in the future by referring to new quarterly reports posted on the company's website.</p> <p style="text-align: center;">*</p> <p>The Roşia Montană Tailings Management Facility (TMF or "the facility") has been designed to be compliant with the EU Groundwater Directive (80/68/EEC), transposed as Romanian GD 351/2005. The TMF is also designed for compliance with the EU Mine Waste Directive (2006/21/EC) as required by the Terms of Reference established by the MEWM in May, 2005. The following paragraphs provide a discussion of how the facility is compliant with the directives.</p> <p>The TMF is composed of a series of individual components including:</p> <ul style="list-style-type: none"> • 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. <p>All of these components are integral parts of the facility and necessary for the facility to perform as designed.</p> <p>The directives indicated above require that the TMF design be protective of groundwater. For the Roşia Montană project (RMP), this requirement is addressed by consideration of the favorable geology (low permeability shales underlying the TMF impoundment, the TMF dam, and the Secondary Containment dam) and the proposed installation of a low-permeability (1×10^{-6} cm/sec) recompacted soil liner beneath the TMF basin. Please see Chapter 2 of EIA Plan F, "The Tailings Facility Management Plan" for more information.</p> <p>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:</p>

- 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 not that the understanding of GD 351/2005 must be corroborated with the provisions of the entire relevant legislation enforceable as regards Roşia Montană Project, with a particular accent to Directive 2006/21/EC on the management of waste from the extractive industries ("Directive 21").

The very scope of Directive 21 is to provide a specific legal framework for the extractive wastes and waste facilities related to mining projects, considering the complexity of such projects and the particular aspects of mining activities that can not always be subject to the common regulations on waste management and landfill.

From this perspective, Directive 21 provides that, an operator of a waste facility, as such is defined thereunder (please note that the TMF proposed by RMGC is considered a “waste facility” under Directive 21), must inter alia, ensure that:

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

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

Item no.

256

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. The questioner wants to know: which the necessary and assigned amounts for environmental rehabilitation are?
2. Who is going to be held liable if an accident occurs? The questioner wants to know that person's name.
3. Why Allan Hill, the president of the company, doesn't answer any question?
4. Why is the deadline for receiving the contestations the 25th of August 2006, while the public debate from Hungary is on the 28th of August? The questioner requests the extension of the dead line term for submitting the contestations.

The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.

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

Furthermore, there is no discrepancy between the "necessary and assigned amounts" – RMGC (or its legal successor) is solely responsible for closure and rehabilitation costs.

Closure and rehabilitation at Roşia Montană involves the following measures:

Solution

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

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

*

Please note that according to the provisions of the Romanian law, the engagement of any form of liability and the sanctioning of the persons breaching the legal provisions can be made only by the state bodies and authorities with specific attributions in the field and under the conditions provided by law. Thus, the criminal liability of a person who is supposed to have breached the legal provisions may be engaged only to the extent that the existence of all constitutive elements of an offence or misdemeanor can be proved within a lawsuit settled by a final decision of the relevant Court.

We would like to stress the fact that RMGC will take all necessary measures to comply fully and in a timely manner with all obligations stipulated by the applicable legislation regarding promoting, developing, and operating the Roşia Montană Project.

*

Mr. Hill attended a number of the public consultation sessions and has met on numerous other occasions with a variety of stakeholders interested in the Roşia Montană Project (RMP), including over 200 families in Roşia Montană, church officials and clergy, and union leaders. In addition, he has met on many occasions with officials at all levels of the Romanian Government to answer their questions about the Project.

SC Roşia Montană Gold Corporation SA (RMGC) believes that the process of public consultation extends throughout the life of the RMP, and Mr. Hill will certainly continue his stakeholder meetings after approval of the project. At the public consultation sessions themselves, RMGC believed it was more appropriate to have the specialists who actually prepared the EIA report respond to public questions and comments.

*

The Hungary hearing referred to here was part of the Espoo process which followed the public consultation process in Romania.

In accordance with Article 40 (1) of Order of the Minister of Waters and Environmental Protection no. 860/2002 for the approval of the environmental impact assessment and environmental permitting procedure ("Order no. 860/2002"), the public may submit justified proposals regarding the environmental assessment, prior to the date set for the public debate on the environmental impact assessment (EIA) report, but not after that date. The last public consultation regarding the EIA was scheduled for August 25, in Arad, therefore this was the legal term to transmit comments on the EIA Report.

The public debates organized on another country's territory must comply with the provisions of the Espoo Convention, the EIA procedure carried out in Romania, in accordance with Order no. 860/2002, being a separate process.

The Ministry of Environment and Water Management has set the deadlines, according to the law. For Hungary, this deadline has been extended by one month.

Item no.

257

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

1. The questioner wants information regarding the ecologic rehabilitation costs.
2. The questioner mentions that RMGC needs 205 ha of land in order to carry out this project.
3. Historic pollution cannot be solved by the Romanian state because there are no funds (pg. 130 of the Management Plans). The questioner believes that the estimations are incorrect and that they are merely a technique to mislead public opinion.

The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.

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

Closure and rehabilitation at Roşia Montană involves the following measures:

Solution

- 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.

*

The 205 ha mentioned in the question represent the maximum footprint of the four open pits: Cărnic, Cetate, Orlea and Jig.

For the maximum development of the mining operations, *i.e.* at the end of 16th year of operation, the land necessary for the development of Roşia Montană mining project is approximately 1250 ha, which is in compliance with the territorial balance presented in Urbanism Certificate no. 78/26.04.2006. The land will be returned to the local community as it is recovered.

*

Projects like the Roşia Montană Project (RMP) raise the prospect that a private-sector company will address a public liability – in this case, remediating past pollution for poor prior mining practice – at no cost to the government or its taxpayers. As a result, the RMP is of interest not just for its economic and social impacts – but for the case study it provides in Romania’s ability to realize public benefits through partnership with private enterprise.

In theory, it is possible for the Romanian Government to remediate any single polluted site in the country. As a matter of public policy, however, remediating all of the legacy pollution across Romania would be a severe strain on government funding – and would crowd out expenditures on other public goods, like health care, education, etc.

Projects like RMP allow Romania a way to avoid these undesirable funding choices – and still achieve the public good of remediating past pollution.

As for the second element of the question, we strongly disagree with the assertion that the figures provided in the Environmental Impact Assessment study report (EIA) are “merely a technique to mislead public opinion”.

Moreover please note that, as per art. 5 of Order no. 978/2003 for the approval of the Regulation for attesting the individuals and legal entities which draft EIA studies and environmental balances the liabilities of the titleholder and of the entities drafting the EIA Report are as follows: (i) the titleholder is liable for the authenticity of the information provided for the EIA drafting, as well as for the information provided to environmental authorities; (ii) the entities drafting the EIA are liable for the EIA’s genuineness and the correct interpretation of the information provided by the titleholder.

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

Item no.	258
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<p>The questioner makes the following comment: After the discussion with Mr. Schuster, Mr. Aston mistakenly invoked the message launched by Greenpeace. The accident from Baia Mare is an argument against the project. Greenpeace is a non-governmental organization that receives funds only from public persons.</p> <hr/> <p>RMGC offers no opinions on the sources of funding for Greenpeace organizations. As for the second issue raised in this question, our project in Roşia Montană bears no comparison to the mine in Baia Mare. From design to management of the facility itself, financial assurance, public reporting, stakeholder involvement, verification procedures, and compliance – all of which are followed to the highest standards in our project – the two projects are vastly different.</p> <p>Actually, RMP complies with even higher standards, due to the Baia Mare accident. The Romanian Government, through the Terms of Reference, asked us to comply with the Mining Waste Directive even before this one became a law in Europe or in Romania.</p> <p>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.</p> <p>The Environmental Impact Assessment (EIA) study we submitted last year is the first in Romania to be EU compliant and is designed so that not a single exemption from existing or planned laws is necessary. To illustrate our commitment to high standards, wherever Romanian and EU requirements differ, RMGC has chosen to abide by the stricter of the two. In addition, while existing gold mines will have as long as 10 years to come into compliance with stricter regulatory standards, our Roşia Montană Project will meet these standards from the first day of operation.</p>
Solution	<p>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.</p> <p>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.</p> <p>In short, the Roşia Montană Project is in no way comparable to Baia Mare. [1]</p> <p>The cyanide used in the RMP will be subject to a cyanide destruction process and residual cyanide deposited with the process tailings in the Tailings Management Facility (“TMF”) will degrade rapidly to levels well below maximum regulatory levels. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 parts per million or ppm or mg/l) which is well below the regulatory limit of 10ppm recently adopted in the EU Mining Waste Directive 2006/21/EC. This system of use and disposal of cyanide in gold mining is classified as Best Available Techniques, as defined by EU Directive 96/61/EC (IPPC).</p> <p>This is a key difference with Baia Mare: Baia Mare did not have a cyanide destruction mechanism</p>

(detoxification process) in the process plant, as the RMP has. As a result, the concentration of cyanide in the tailings disposed in the TMF at Baia Mare was between 120-400 ppm of cyanide. The near-zero content of the RMP solution would therefore, in the unlikely event of a spillage, mean that the quantity of cyanide in the water would be a small fraction of what was experienced at Baia Mare.

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

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

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

The TMF for RMP will be built along the centerline method, by using borrowed rockfill and waste rock – which is BAT for the industry. The EIA describes how the dam will be built with solid rock materials, designed and engineered by MWH, one of the leading dam designers in the world and reviewed and approved by certified Romanian dam safety experts, (members of ICOLD committee). Prior to operation, the dam must be certified for operations by the National Commission for Dams Safety (CONSIB) and must be controlled 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 conditions for surveillance and monitoring. Roşia Montană Project, however, is Category A, meaning that a full EIA detailing baseline conditions, project impacts and mitigation measures, is required before receipt of permits, as well as future monitoring and reporting requirements.

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

In conclusion, we hope we have provided a detailed account of why our project in Roşia Montană isn't only vastly different from the mine in Baia Mare but that it is also designed to be a model of responsible

mining, incorporating Best Available Techniques and implementing the highest environmental standards.

Reference:

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

Item no.

259

No. to identify the observations received from the public

Cluj
Napoca,
07.08.2006

Proposal

The questioner points out the fact that he took part in the archaeological investigations carried out in Roşia Montană and that numerous archaeological vestiges have been found there.
The questioner wants to know where are the 7 necropolises from Roşia Montană presented in the EIA.

Solution

The funerary archaeology is likely to be the field where the results of the archaeological researches conducted in Roşia Montană have brought essential and spectacular clarifications. The six years of archaeological researches (which developed from preventive investigations to systematic investigations) resulted in the identification of five necropolises and funerary areas with more than 1,400 funerary complexes investigated to date. These complexes have been found in: Hop Găuri, Tăul Corna, Țarina, Tăul Secuilor, Gomboş Piciorag, the Carpeni and Szekely funerary areas.

The results of these archaeological research of those sites has been published in preliminary form in the Chronicle of the Archaeological Researches in Romania (CAR) or in monographic volumes, as follows:

- Hop Găuri - CAR 2001 (2002), p. 210–211, no. 173/3; 254-257, no. 182; 261-262, no. 185; 262-263, no. 186; 264-265, no. 188; 263-264, no. 187; 265-266, no. 189; CCA 2002 (2003), p. 254-256, no. 182; CAR 2002 (2003), p. 105-106, no. 63; Alburnus Maior I, 2003, p. 45-80; 81-122; 123-148; 149-192; 193–251; 501-505; 505-507; Alburnus Maior II, 2005;
- Tăul Corna - Alburnus Maior I, Bucureşti 2003, p. 31-33, CCA 2002 (2003), p. 92- 104, Alburnus Maior III, Bucureşti, 2006;
- Țarina - Alburnus Maior I, Bucureşti 2003, p. 31-33, CCA 2003 (2004), 264-280; CCA 2004 (2005), 187;
- Tăul Secuilor - Alburnus Maior I, Bucureşti 2003, p. 31-33, CCA 2004 (2005), 187; CCA 2005 (2006), 158;
- Gomboş Piciorag - CAR 2003 (2004), 262-264, 264-267, CCA 2004 (2005), 297-298;
- The Carpeni funerary area - Alburnus Maior I, 2003, p. 387-431, 433-446, 447-467, CAR 2001 (2002), 257-261;
- The Szekely funerary area- Alburnus Maior I, 2003.

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

Item no.	260
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<p>The questioner asks for further information about the Foundation: when is it established and who will be in charge of it.</p> <p>The questioner points out the fact that the Romanian legislation stipulates the existence of a social plan after the mine closure, that is the responsibility of the company.</p>
Solution	<p>Introduced as part of the Environmental Impact Assessment Study Report (EIA), the Roşia Montană Foundation is shifting in focus. The Community Sustainable Development Plan activities initially conceived as coming under the Foundation umbrella (business oriented activities: business incubator, business advisory center, micro-finance facility, as well as social oriented activities: education and training center) have been advanced independently, via partnerships and with community participation in decision-making – a preferable way to advance social and economic development programs.</p> <p>Going forward, the Foundation will take shape around preservation, patrimony and cultural heritage issues, with its final form determined in consultation with the community.</p> <p>In terms of the philosophy that guides the company's Sustainable Development efforts, Roşia Montană Gold Corporation (RMGC) sees itself not as principal provider, but as a partner. Community involvement is considered the starting point; over time, as the community builds the capacity to maintain programs in its own right, the company will turn over control of currently-established programs to the community and its institutions.</p> <p>For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.</p>

Item no.	261
No. to identify the observations received from the public	Cluj Napoca, 07.08.2006
Proposal	<p>The questioner makes a comment regarding the TMF (Tailings Management Facility):</p> <ul style="list-style-type: none"> -The TMF safety area and the limits beyond which no construction is allowed should be mentioned in the EIA; -this area must be established by the engineer who designs the TMF; -this TMF is different from any other TMF in Romania and only one person can be responsible for its safety; -the issue of the TMF should be more carefully addressed in the EIA.
Solution	<p>The protection area for the proposed tailings disposal, which includes the entire Tailings Management Facility (TMF), is established by the town planning documentation. The outside perimeter of this area defines the perimeter where only industrial activities are allowed. The outside perimeter of the industrial area is represented in the sections of the EIA Report regarding the PUZ industrial perimeter limits. This area was established based on specific studies and includes the buffer area necessary to eliminate conflicts between industrial and residential activities</p> <p>It is accurate that the TMF will be different from any in Romania, as it will be the first designed and built according to the provisions of the Directive 2006/21/EEC and to the provisions of BAT (Best Available Techniques). The TMF will also be the first facility designed to store the runoff from two Probable Maximum Precipitation (PMP) events. This is generally referred to as the Probable Maximum Flood (PMF). The design criterion for TMF includes storage for two PMF flood events, which is more rain than has ever been recorded in this area. 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 will be constructed for every dam raise and will allow controlled discharge of water which will avoid overtopping of the dam which could cause in a dam breach. The TMF design therefore very significantly exceeds required standards for safety.</p> <p>The EIA describes how the dam will be built with rock fill materials obtained from selected quarries or from waste rock (non-mineralized materials) from the mining operation. The entire TMF facility will be designed by MWH, one of the world's leading dam designers and reviewed and approved by Romanian certified dam experts. Prior to operation, the dam must be certified for operations by the National Commission for Dams Safety (CONSIB). RMGC has utilized the world's foremost experts in these areas to ensure the safety of the project's workers and the surrounding communities. Currently the design presented in the project EIA and received a Dam Safety permit from the National Committee for the Safety of Large Dams.</p> <p>The TMF and the Roşia Montană Project will be operated and maintained by the Roşia Montană Gold Company (RMGC).</p> <p>Additional information and technical data may be found in the EIA, Plan F, and "The Tailings Facility Management Plan."</p>